

FOR: BE SEMICONDUCTOR INDUSTRIES N.V.  
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## PRESS RELEASE

### **BE Semiconductor Industries Reports 2007 First Quarter Results**

Duiven, the Netherlands, April 20, 2007, BE Semiconductor Industries N.V. ("the Company" or "Besi") (Euronext: BESI), a leading manufacturer of assembly equipment for the semiconductor industry, today announced its financial results for the first quarter ended March 31, 2007.

Effective January 2007, Besi voluntarily delisted its Ordinary Shares (the "Shares") from the NASDAQ National Market and suspended its registration of the Shares with the U.S. Securities and Exchange Commission ("SEC"). Its Euronext Amsterdam listing remains unchanged. As such, Besi will no longer be required to present its consolidated financial statements according to US GAAP. *All financial information in this press release including quarterly guidance is reported according to IFRS accounting standards as adopted and endorsed by the EU ("IFRS").*

#### **Results of Operations First Quarter 2007/2006**

Revenue for the first quarter of 2007 was €45.5 million, representing an increase of 2.2% as compared to revenue of €44.5 million in the first quarter of 2006 and a decrease of 8.1% as compared to revenue of €49.5 million in the fourth quarter of 2006.

Besi's net income for the first quarter of 2007 was € 1.6 million or € 0.05 per basic and diluted share, compared to net income of € 1.3 million, or € 0.04 per basic and diluted share in the comparable 2006 period. In the first quarter of 2007, Besi recorded an after-tax benefit of € 1.2 million or € 0.04 per basic and diluted share, net of interest charges, due to a favorable settlement with Dutch fiscal authorities of Besi's tax obligations for the period 1998-2002 based on their statutory review. Net income for the fourth quarter of 2006 was € 2.6 million or € 0.08 per basic and diluted share.

The revenue increase in the first quarter of 2007 as compared to the first quarter of 2006 was due to an increase in equipment sales for array connect applications, principally packaging systems and RFID plating equipment partially offset by a decrease in sales for leadframe applications, primarily molding and conventional plating equipment. Compared to the fourth quarter of 2006, Besi's revenue decrease in the first quarter of 2007 was primarily due to lower sales of equipment for conventional leadframe applications and lower sales of die sorting equipment for array connect applications. Such decrease was at the low end of guidance for the quarter (8-12%).

Orders for the first quarter of 2007 were € 41.8 million, a decrease of 30% as compared to the first quarter of 2006 primarily due to continued industry weakness related to customer caution in managing inventory levels and capital budgets in the face of an uncertain semiconductor environment. Such conditions commenced in the second quarter of 2006. However, bookings increased by € 4.1 million, or 10.9%, in the first quarter of 2007 as compared to the fourth quarter of 2006 due primarily to increased orders for molding and die bonding systems in array connect applications. The first quarter 2007 order increase was within Besi's guidance for the quarter as compared to the fourth quarter of 2006 (10-15%). On a customer basis, bookings in the first quarter of 2007 as compared to the fourth quarter of 2006 reflected a 14.2% and 8.6% increase in orders by subcontractors and IDMs, respectively.

Backlog at March 31, 2007 was € 50.3 million as compared to € 54.0 million at December 31, 2006, representing a decrease of 6.9%. Approximately 69% and 31% of backlog at March 31, 2007 was represented by array connect and leadframe assembly applications, respectively. The Company's book-to-bill ratio was 0.92 in the first quarter of 2007 as compared to 1.34 in the first quarter of 2006 and 0.76 in the fourth quarter of 2006.

Besi's gross margin for the first quarter of 2007 was 36.6% as compared to 37.1% in the first quarter of 2006 and 39.0% in the fourth quarter of 2006 due primarily to (i) lower gross margins realized for die sorting and die bonding systems sold for array connect applications in connection with new product introductions and (ii) lower than anticipated margins realized at Besi's Malaysian manufacturing operations. Gross margin in the first quarter of 2007 was at the low end of guidance (36-38%).

Besi's operating expenses were € 15.7 million, or 34.6% of revenue, in the first quarter of 2007, as compared to € 14.0 million, or 31.4%, of revenue in the first quarter of 2006 due to higher development spending for new molding applications and reduced capitalization of development expenditures in the 2007 period versus the 2006 period as a series of new products were commercially introduced in 2006. Operating expenses decreased by € 1.1 million, or 6.8%, in the first quarter of 2007 as compared to the fourth quarter of 2006 primarily due to lower regulatory reporting costs, sales commissions and warranty expense, partially offset by increased development spending for RFID and molding applications.

### **Financial Condition**

At March 31, 2007, cash and cash equivalents decreased to € 93.9 million as compared to € 98.0 million at December 31, 2006. Total debt and capital leases increased slightly from € 80.0 million at December 31, 2006 to € 80.5 million at March 31, 2007. The decline in Besi's cash position during the quarter was primarily due to increased working capital requirements related to prepaid expenses and higher levels of trade and income tax receivables.

### **Comments**

Richard W. Blickman, President and Chief Executive Officer of the Company, commented: "We can report that Besi was able to achieve results within its guidance range for revenue, orders and gross margins during the quarter in the context of difficult market conditions and an uncertain semiconductor outlook. Our order growth this quarter as compared to the fourth quarter of 2006 reflected the receipt of a US\$ 3.3 million die bonding order from the Chinese government for RFID applications and a € 4.0 million molding system order for array connect applications. We are accelerating development spending on next generation RFID and array connect molding systems, areas in which we see great promise, in order to satisfy customer demand for such applications. From a profit perspective, while our operating expenses declined by 6.8% versus the fourth quarter of 2006, our gross margins came in at the low end of guidance due to adverse movements in the rate of the Malaysian ringgit versus the US dollar and to higher than anticipated costs obtained from Asian component vendors for our Malaysian system manufacturing. We are not satisfied with our current levels of gross margins and are actively pursuing ways to further reduce our structural cost levels within the organization. We can also report that during the quarter we hired Mr Kenzer Tan as Managing Director of our Asian operations effective April 2007 to oversee production and tooling activities at our Malaysian and Chinese facilities.

At present, analyst forecasts for 2007 suggest that the semiconductor assembly equipment market will decline by approximately 5-7% as compared to 2006. It is difficult for us to assess these forecasts beyond the duration of our backlog which typically extends no more than 3-6 months. Although our new

orders in the first quarter of 2007 increased sequentially by 10.9%, we cannot confirm an upward industry trend yet based on order trends exiting our first quarter. In general, our semiconductor customers continue to remain cautious in approaching their 2007 capital equipment requirements due to current capacity utilization rates and forecasts for muted growth in consumer, business and industrial electronics applications."

## **Outlook**

Based on its current backlog and feedback from customers, Besi expects that revenue in the second quarter of 2007 will roughly approximate the € 45.5 million achieved in the first quarter of 2007. Orders for the second quarter of 2007 are expected to increase by 0-5% in comparison to the € 41.8 million reached in the first quarter of 2007. Besi expects that its gross margins will range between 35.5-37.5% in the second quarter of 2007 as compared to 36.6% realized in the first quarter of 2007. In addition, operating expenses for the second quarter of 2007 are expected to be approximately equal to the € 15.7 million reported in the first quarter of 2007. Capital expenditures are forecast to be approximately € 0.5 million in the second quarter of 2007 as compared to € 0.9 million in the first quarter of 2007.

## **Investor Conference Call**

Besi will host a conference call to discuss its operating results for the first quarter ended March 31, 2007 on Friday, April 20, 2007 at 4:00 p.m. Continental European Time (3:00 p.m. London Time, 10:00 a.m. New York Time). Interested participants may call (31) 20 531 5856 for the teleconference. A replay of the call will be available approximately one hour after the end of the call through Friday, April 27, 2007. To access the replay, please dial (31) 70 315 4300 and use the pass code 141 002#.

## **About BE Semiconductor Industries N.V.**

BE Semiconductor Industries N.V. designs, develops, manufactures, markets and services die sorting, flip chip and multi-chip die bonding, packaging and plating equipment for the semiconductor industry's assembly operations. Its customers consist primarily of leading U.S., European, Asian, Korean and Japanese semiconductor manufacturers and subcontractors which utilize its products for both array connect and conventional leadframe manufacturing processes. For more information about Besi, please visit our website at [www.besi.com](http://www.besi.com).

## **Caution Concerning Forward Looking Statements**

This press release contains forward-looking statements, which are found in various places throughout the press release, including statements relating to expectations of orders, net sales, product shipments, backlog, expenses, timing of purchases of assembly equipment by customers, gross margins, operating results and capital expenditures. The words "anticipate", "estimate", "expect", "can", "intend", "believes", "may", "plan", "predict", "project", "forecast", "will", "would", and similar expressions are intended to identify forward looking statements, although not all forward looking statements contain these identifying words. The financial guidance set forth under the heading "Outlook" constitutes forward looking statements. While these forward looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, those listed or discussed in Besi's Annual Report for the year ended December 31, 2006, as well as the risk that anticipated orders may not materialize or that orders received may be postponed or canceled, generally without charges; the volatility in the demand for semiconductors and our products and services; acts of terrorism and violence; overall global economic conditions; risks, such as changes in trade regulations, currency fluctuations, political instability and war, associated with substantial foreign customers, suppliers and

foreign manufacturing operations; potential instability in foreign capital markets; the risk of failure to successfully manage our expanding and more diverse operations; and other key factors that could adversely affect our businesses and financial performance contained in our filings and reports, including our statutory consolidated statements. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

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(tables to follow)

## Consolidated Statements of Operations

<i>(euro in thousands, except share and per share data)</i>	<b>Three Months Ended March 31, (unaudited)</b>	
	<b>2006</b>	<b>2007</b>
Revenue	44,528	<b>45,500</b>
Cost of sales	28,004	<b>28,866</b>
<b>Gross profit</b>	<b>16,524</b>	<b>16,634</b>
Selling, general and administrative expenses	9,807	<b>9,841</b>
Research and development expenses	4,178	<b>5,904</b>
<b>Total operating expenses</b>	<b>13,985</b>	<b>15,745</b>
Operating income	2,539	<b>889</b>
Financial expense, net	(935)	<b>(871)</b>
Income before taxes	1,604	<b>18</b>
Income tax expense (benefit)	321	<b>(1,559)</b>
<b>Net income</b>	<b>1,283</b>	<b>1,577</b>
Net income per share – basic	0.04	<b>0.05</b>
Net income per share – diluted <sup>1)</sup>	0.04	<b>0.05</b>
Number of shares used in computing per share amounts:		
- basic	32,738,208	<b>32,779,700</b>
- diluted <sup>1)</sup>	32,817,704	<b>32,931,980</b>

<sup>1)</sup> The calculation of the diluted income per share for 2006 and 2007 assumes conversion of the Company's 5.5% convertible notes due 2012 as such conversion would have a dilutive effect (8,975,610 weighted average equivalent number of ordinary shares).

The financial information has been prepared in accordance with IFRS, as adopted and endorsed by the EU.

(tables to follow)

**Consolidated Balance Sheets**

(euro in thousands)	December 31, 2006 (audited)	March 31, 2007 (unaudited)
<b>ASSETS</b>		
Cash and cash equivalents	98,012	<b>93,900</b>
Accounts receivable	36,530	<b>37,561</b>
Inventories	58,156	<b>58,947</b>
Income tax receivable	6,379	<b>7,404</b>
Other current assets	4,833	<b>8,585</b>
<b>Total current assets</b>	<b>203,910</b>	<b>206,397</b>
<b>Assets held for sale</b>	1,449	<b>1,449</b>
Property, plant and equipment	22,777	<b>22,408</b>
Goodwill	64,111	<b>64,031</b>
Other intangible assets	15,063	<b>13,824</b>
Deferred tax assets	4,331	<b>6,892</b>
Other non-current assets	2,367	<b>2,534</b>
<b>Total non-current assets</b>	<b>108,649</b>	<b>109,689</b>
<b>Total assets</b>	<b>314,008</b>	<b>317,535</b>
<b>LIABILITIES AND EQUITY</b>		
Notes payable to banks	18,608	<b>22,023</b>
Current portion of long-term debt and financial leases	6,682	<b>6,286</b>
Accounts payable	15,463	<b>17,007</b>
Accrued liabilities	20,881	<b>19,362</b>
	<b>61,634</b>	<b>64,678</b>
<i>Total current liabilities</i>		
Convertible notes	42,284	<b>42,451</b>
Other long-term debt and financial leases	12,454	<b>9,728</b>
Deferred tax liabilities	331	<b>1,672</b>
Other non-current liabilities	2,774	<b>2,865</b>
<b>Total non-current liabilities</b>	<b>57,843</b>	<b>56,716</b>
<b>Total equity</b>	194,531	<b>196,141</b>
<b>Total liabilities and equity</b>	<b>314,008</b>	<b>317,535</b>

The financial information has been prepared in accordance with IFRS, as adopted and endorsed by the EU.

(tables to follow)

## Consolidated Cash Flow Statements

<i>(euro in thousands)</i>	<b>Three Months Ended March 31, (unaudited)</b>	
	<b>2006</b>	<b>2007</b>
<b>Cash flows from operating activities:</b>		
Net income	1,283	<b>1,577</b>
Depreciation and amortization	2,130	<b>2,305</b>
Impairment		
Deferred income taxes (benefits)	(215)	<b>(1,433)</b>
Other non-cash items	402	<b>376</b>
Changes in working capital	(4,823)	<b>(6,303)</b>
Net cash provided by (used in) operating activities	(1,223)	<b>(3,478)</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(530)	<b>(884)</b>
Capitalized development expenses	(486)	-
Proceeds from sale of equipment	239	<b>(5)</b>
Net cash (used in) investing activities	(777)	<b>(889)</b>
<b>Cash flows from financing activities:</b>		
Payment of bank lines of credit	3,633	<b>3,395</b>
Proceeds from (payments of) debt and financial leases	5,394	<b>(3,109)</b>
Proceeds from exercised stock options		<b>27</b>
Net cash provided by (used in) financing activities	9,027	<b>313</b>
Net increase (decrease) in cash and cash equivalents	7,027	<b>(4,054)</b>
Effect of changes in exchange rates on cash and cash equivalents	(120)	<b>(58)</b>
Cash and cash equivalents at beginning of the period	81,765	<b>98,012</b>
Cash and cash equivalents at end of the period	88,672	<b>93,900</b>

The financial information has been prepared in accordance with IFRS, as adopted and endorsed by the EU.

**Supplemental Information (unaudited)**  
(euro in millions, unless stated otherwise)

REVENUE	Q1-2006		Q2-2006		Q3-2006		Q4-2006		Q1-2007	
<b>Per product:</b>										
Array connect	29.1	65%	32.1	64%	32.1	68%	35.2	71%	33.8	74%
Leadframe	15.4	35%	17.7	36%	15.2	32%	14.3	29%	11.7	26%
Total	44.5	100%	49.8	100%	47.3	100%	49.5	100%	45.5	100%
<b>Per geography:</b>										
Asia Pacific	28.5	64%	32.0	64%	26.6	56%	30.5	61%	26.7	59%
Europe and ROW	11.4	26%	12.8	26%	14.9	32%	15.7	32%	12.5	27%
USA	4.6	10%	5.0	10%	5.8	12%	3.3	7%	6.3	14%
Total	44.5	100%	49.8	100%	47.3	100%	49.5	100%	45.5	100%
ORDERS	Q1-2006		Q2-2006		Q3-2006		Q4-2006		Q1-2007	
<b>Per product:</b>										
Array connect	36.0	60%	33.0	71%	29.2	66%	26.3	70%	29.5	71%
Leadframe	23.7	40%	13.5	29%	15.3	34%	11.4	30%	12.3	29%
Total	59.7	100%	46.5	100%	44.5	100%	37.7	100%	41.8	100%
<b>Per geography:</b>										
Asia Pacific	38.7	65%	26.0	56%	25.6	58%	22.4	60%	26.3	63%
Europe and ROW	13.6	23%	13.4	29%	16.6	37%	10.3	27%	10.3	25%
USA	7.4	12%	7.1	15%	2.3	5%	5.0	13%	5.2	12%
Total	59.7	100%	46.5	100%	44.5	100%	37.7	100%	41.8	100%
<b>Per customer type:</b>										
IDM	33.9	57%	29.3	63%	25.5	57%	22.2	59%	24.1	58%
Subcontractors	25.8	43%	17.2	37%	19.0	43%	15.5	41%	17.7	42%
Total	59.7	100%	46.5	100%	44.5	100%	37.7	100%	41.8	100%
BACKLOG	Mar 31, 2006		Jun 30, 2006		Sep 30, 2006		Dec 31, 2006		Mar 31, 2007	
<b>Per product:</b>										
Array connect	50.2	70%	50.8	74%	47.9	73%	38.9	72%	34.6	69%
Leadframe	21.8	30%	17.9	26%	18.0	27%	15.1	28%	15.7	31%
Total	72.0	100%	68.7	100%	65.9	100%	54.0	100%	50.3	100%
HEADCOUNT <sup>1)</sup>	Mar 31, 2006		Jun 30, 2006		Sep 30, 2006		Dec 31, 2006		Mar 31, 2007	
Europe	776	64%	775	62%	773	61%	748	59%	746	58%
Asia Pacific	349	29%	388	31%	414	33%	433	34%	471	36%
USA	81	7%	81	7%	82	6%	85	7%	76	6%
Total	1,206	100%	1,244	100%	1,269	100%	1,266	100%	1,293	100%

1) Including temporary staff

**Supplemental Information (unaudited)**  
(euro in millions, unless stated otherwise)

OTHER FINANCIAL DATA	Q1-2006		Q2-2006		Q3-2006		Q4-2006		Q1-2007	
<b>Gross profit:</b>										
Array connect	11.4	39.5%	13.7	42.9%	13.4	41.8%	14.6	41.7%	12.7	37.6%
Leadframe	5.4	34.9%	7.1	39.9%	5.7	37.5%	5.2	36.2%	4.4	37.6%
Subtotal	16.8	37.9%	20.8	41.8%	19.1	40.4%	19.8	40.1%	17.1	37.6%
Amortization of intangibles	-0.5	-1.2%	-0.5	-1.0%	-0.5	-1.1%	-0.5	-1.1%	-0.5	-1.0%
Restructuring charges	0.2	0.4%	0.0	-	0.0	-	0.0	-	0.0	-
Total	16.5	37.1%	20.3	40.8%	18.6	39.3%	19.3	39.0%	16.6	36.6%
<b>Selling, general and administrative expenses:</b>										
SG&A expenses	9.7	21.8%	11.0	22.1%	10.5	22.3%	11.8	23.7%	9.7	21.3%
Amortization of intangibles	0.1	0.2%	0.1	0.2%	0.1	0.2%	0.1	0.2%	0.1	0.2%
Total	9.8	22.0%	11.1	22.3%	10.6	22.5%	11.9	23.9%	9.8	21.6%
<b>Research and development expenses:</b>										
R&D expenses	4.4	9.9%	4.5	9.0%	3.9	8.2%	4.5	9.1%	5.4	11.9%
Capitalization of R&D charges	-0.5	-1.1%	-0.3	-0.6%	0.0	-	0.0	-	0.0	-
Amortization of intangibles	0.3	0.7%	0.4	0.8%	0.5	1.1%	0.5	1.0%	0.5	1.1%
Total	4.2	9.4%	4.6	9.2%	4.4	9.3%	5.0	10.1%	5.9	13.0%
<b>Financial income (expense), net:</b>										
Interest expense, net	0.6		0.7		0.8		0.7		0.5	
Foreign exchange (gains) \ losses	0.3		0.3		-0.1		-0.2		-0.1	
Non recurring charge related to statutory tax review									0.5	
Total	0.9		1.0		0.7		0.5		0.9	
<b>Operating income / as % of net sales</b>										
	2.5	5.7%	4.6	9.2%	3.5	7.4%	2.5	4.9%	0.9	2.0%
<b>EBITDA / as % of net sales</b>										
	4.7	10.5%	6.8	13.6%	5.8	12.3%	5.0	10.2%	3.2	7.0%
<b>Net income / as % of net sales</b>										
	1.3	2.9%	4.8	9.6%	2.1	4.4%	2.6	5.4%	1.6	3.5%
<b>Income per share</b>										
Basic	0.04		0.14		0.06		0.08		0.05	
Diluted	0.04		0.13		0.06		0.08		0.05	