



# ASML

## **ASML 2010 First Quarter Results**

**Sustained bookings indicate potential record revenues in 2010**

**April 14, 2010**

# Safe Harbor

"Safe Harbor" Statement under the US Private Securities Litigation Reform Act of 1995: the matters discussed in this document may include forward-looking statements, including statements made about our outlook, realization of backlog, IC unit demand, financial results, average selling price, gross margin and expenses.

These forward looking statements are subject to risks and uncertainties including, but not limited to: economic conditions, product demand and semiconductor equipment industry capacity, worldwide demand and manufacturing capacity utilization for semiconductors (the principal product of our customer base), including the impact of general economic conditions on consumer confidence and demand for our customers' products, competitive products and pricing, manufacturing efficiencies, new product development and customer acceptance of new products, ability to enforce patents and protect intellectual property rights, the risk of intellectual property litigation, availability of raw materials and critical manufacturing equipment, trade environment, changes in exchange rates and other risks indicated in the risk factors included in ASML's Annual Report on Form 20-F and other filings with the US Securities and Exchange Commission.

# Agenda

- Business summary
- Market
- ASML business update
- Outlook and summary

A decorative graphic consisting of numerous thin, light blue curved lines that originate from the bottom left and sweep upwards and to the right, eventually merging into a solid dark blue vertical bar on the far right edge of the slide.

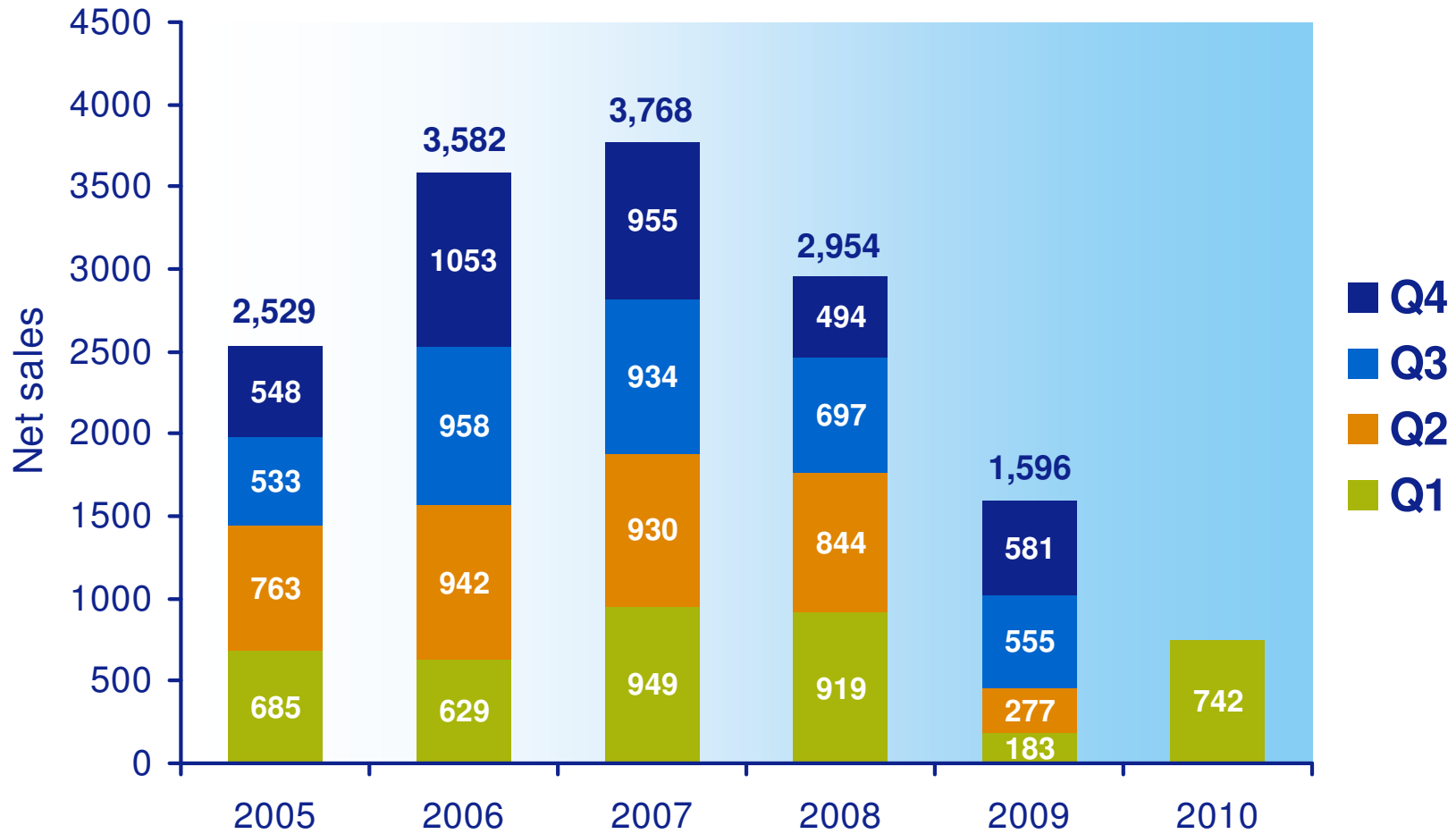
# Business summary



## Q1 results - highlights

- Net sales of € 742 million, 34 systems shipped valued at € 632 million, service revenue at € 110 million
- Average selling price for new systems shipped is € 25.8 million
- Gross Margin of 40.3%
- Shipped 17 immersion systems
- Booked 50 systems, valued at € 1,004 million
- Backlog increased to € 2,170 million, 85 systems including 58 immersion tools with ASP of € 28.8 million for new tools
- Generated € 41 million cash from operations

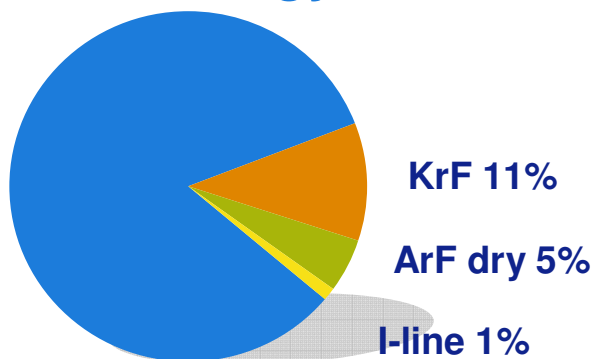
# Total net sales M€



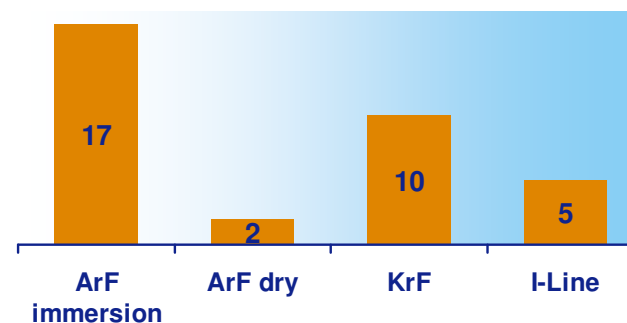
Numbers have been rounded for readers' convenience.

# Net system sales breakdown in value: Q1 2010

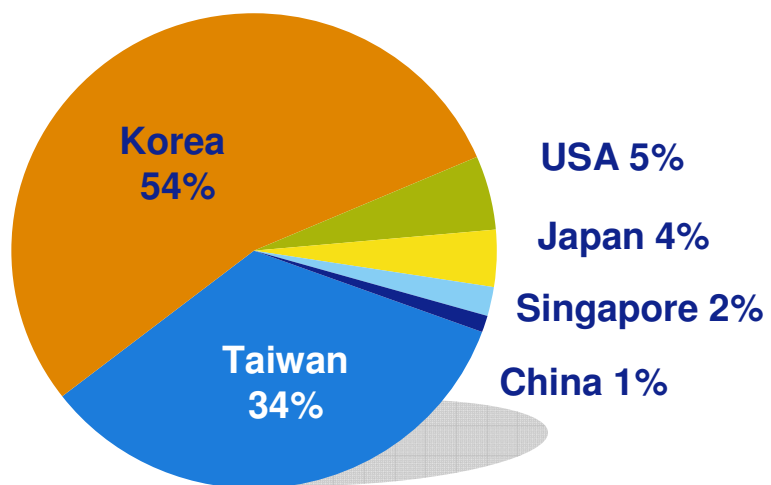
## Technology



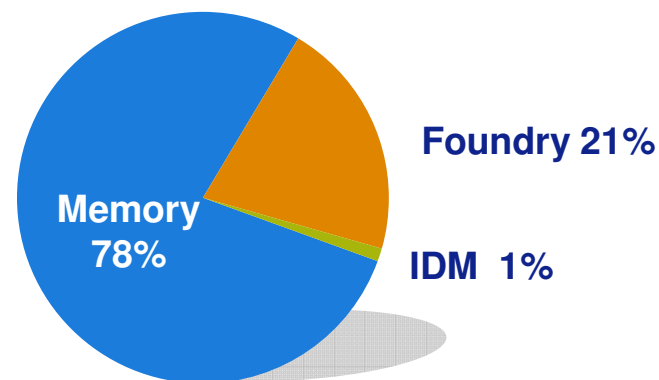
## Sales in Units



## Region



## End-use



Numbers have been rounded for readers' convenience

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# Consolidated statements of operations M€

	Q4 09	Q1 10
<b>Net sales</b>	581	742
<b>Gross profit</b>	220	298
<b>Gross margin %</b>	38.0%	40.3%
<b>R&amp;D costs</b>	115	120
<b>SG&amp;A costs</b>	37	41
<b>Income from operations</b>	68	137
<b>Operating income %</b>	11.8%	18.5%
<b>Net income</b>	50	107
<b>Net income as a % of net sales</b>	8.7%	14.5%

Numbers have been rounded for readers' convenience.

Numbers have been adjusted for consolidation of variable interest entity



# Key financial trends 2009 – 2010

Consolidated statements of operations M€

	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
<b>Net Sales</b>	184	277	555	581	742
<b>Gross profit</b>	12	34	191	220	298
<b>Gross margin %</b>	6.7%	12.5%	34.4%	38.0%	40.3%
<b>R&amp;D</b>	118	118	115	115	120
<b>SG&amp;A</b>	40	40	37	37	41
<b>Income (loss) from operations</b>	(146)	(124)	39	68	137
<b>Operating income %</b>	-79.7%	-44.7%	6.9%	11.8%	18.5%
<b>Net income (loss)</b>	(117)	(104)	20	50	107
<b>Net income as a % of net sales</b>	-63.8%	-37.6%	3.6%	8.7%	14.5%
<b>Units sold</b>	11	10	24	25	34
<b>ASP new systems</b>	13.8	31.1	23.4	19.7	25.8
<b>Net bookings value</b>	207	394	777	956	1,004

Numbers have been rounded for readers' convenience.

Numbers have been adjusted for consolidation of variable interest entity

# Cash flow M€

	Q4 09	Q1 10
<b>Net income (loss)</b>	50	107
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities;</i>		
Impairment and obsolescence	8	15
Depreciation and amortization	34	35
Deferred income taxes	13	24
Other non-cash items	5	3
Change in assets and liabilities	(91)	(143)
<b>Net cash provided by (used in) operating activities</b>	19	41
<b>Net cash provided by (used in) investing activities</b>	(8)	(7)
<b>Net cash provided by (used in) financing activities</b>	7	10
<b>Total FX effects</b>	1	6
<b>Net increase (decrease) in cash and cash equivalents</b>	19	50

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# Balance sheet as of March 28, 2010 M€

<b>Assets</b>	<b>Dec 2009</b>		<b>Mar 2010</b>	
Cash and cash equivalents	<b>1,037</b>	27%	<b>1,087</b>	25%
Accounts receivable, net	<b>377</b>	10%	<b>630</b>	14%
Finance receivables, net	<b>22</b>	1%	<b>23</b>	1%
Inventories, net	<b>963</b>	26%	<b>1,156</b>	26%
Other assets	<b>296</b>	8%	<b>346</b>	8%
Tax assets	<b>264</b>	7%	<b>273</b>	6%
Fixed assets	<b>805</b>	21%	<b>880</b>	20%
<b>Total assets</b>	<b>3,764</b>	100%	<b>4,395</b>	100%
<b>Liabilities and shareholders' equity</b>	<b>Dec 2009</b>		<b>Mar 2010</b>	
Current liabilities	<b>1,044</b>	28%	<b>1,613</b>	37%
Non-current liabilities	<b>945</b>	25%	<b>971</b>	22%
Shareholders' equity	<b>1,775</b>	47%	<b>1,811</b>	41%
<b>Total liabilities and shareholders' equity</b>	<b>3,764</b>	100%	<b>4,395</b>	100%

Numbers have been rounded for readers' convenience.

Numbers have been adjusted for consolidation of variable interest entity

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# Backlog as of March 28, 2010

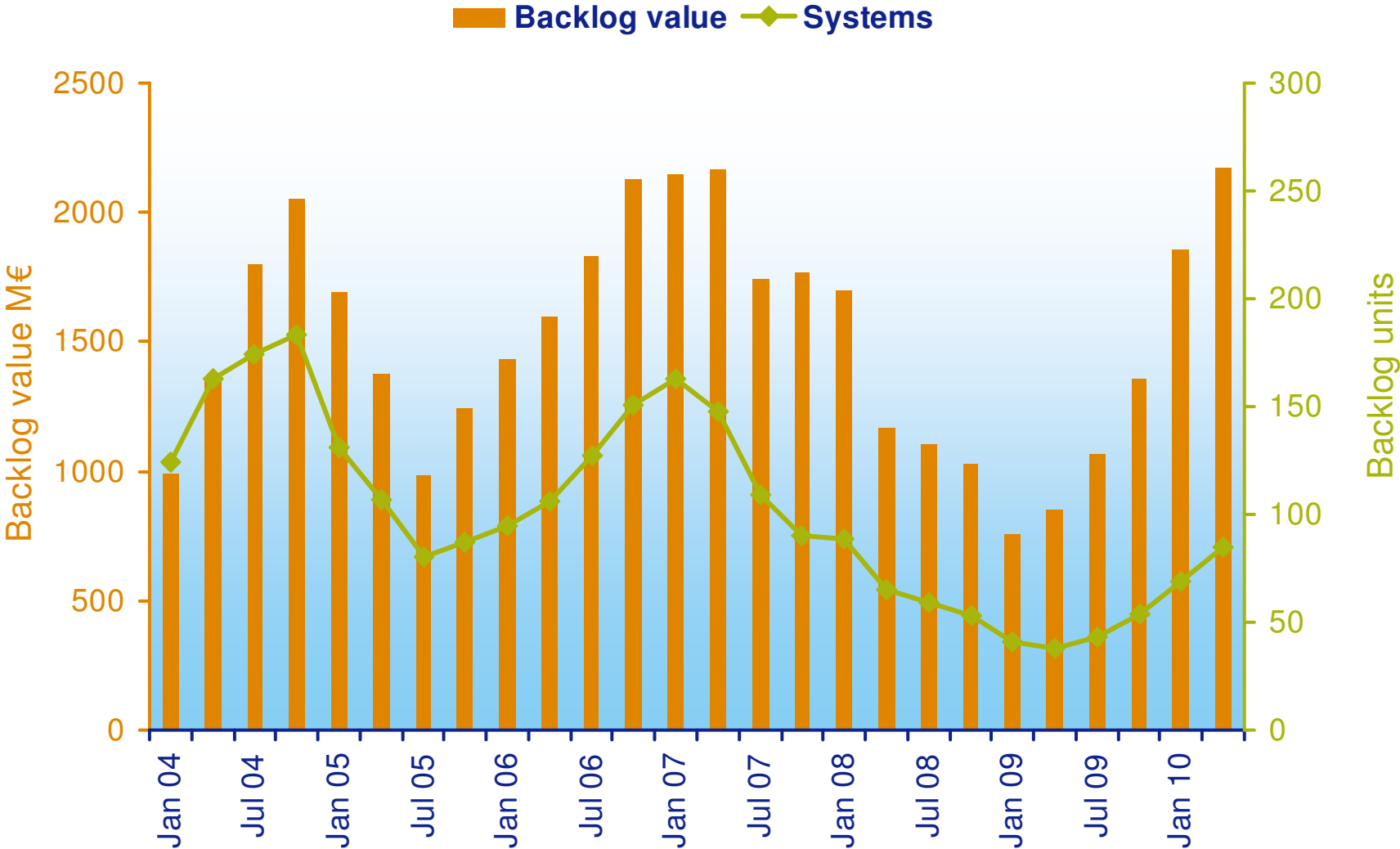
	New systems Backlog	Used systems Backlog	Total systems Backlog
<b>Units</b>	72	13	85
<b>Value</b>	M€ 2,071	M€ 99	M€ 2,170
<b>ASP</b>	M€ 28.8	M€ 7.6	M€ 25.5

- 76% of backlog or € 1,654 million system sales carry shipment dates in the next 6 months
- Booked 33 new tools at € 930 million, 17 used at € 74 million

Note: Due to possible customer changes in delivery schedules and to cancellation of orders, our backlog at any particular date is not necessarily indicative of actual sales for any succeeding period

Numbers have been rounded for readers' convenience

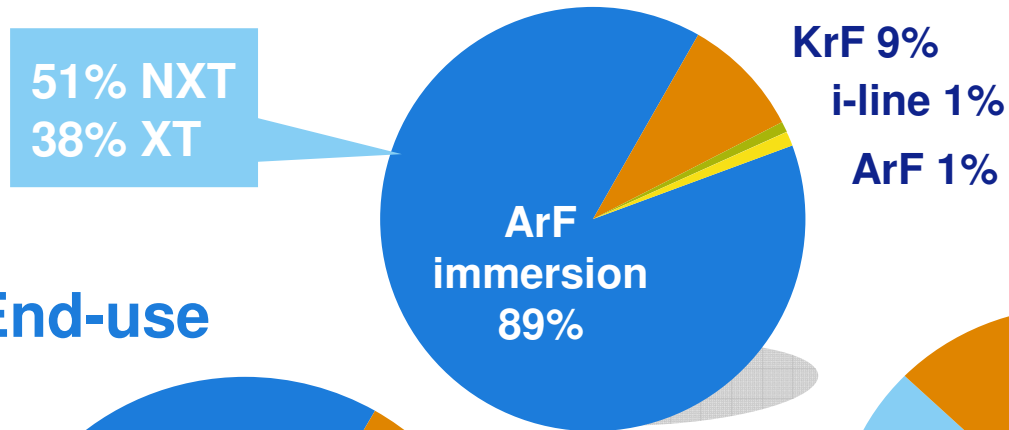
# Backlog: value and litho units



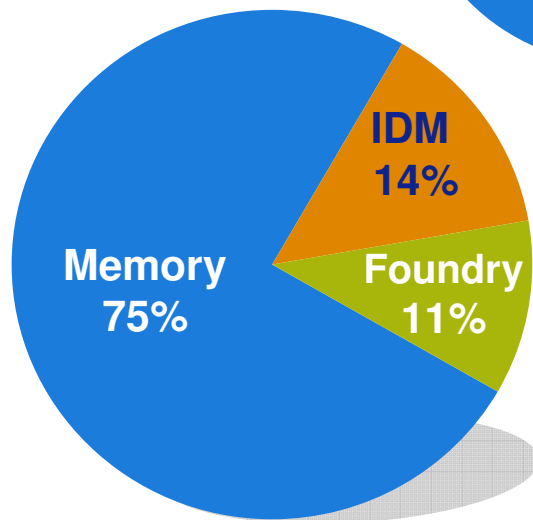
# Backlog in value per March 28, 2010

Total value M€ 2,170

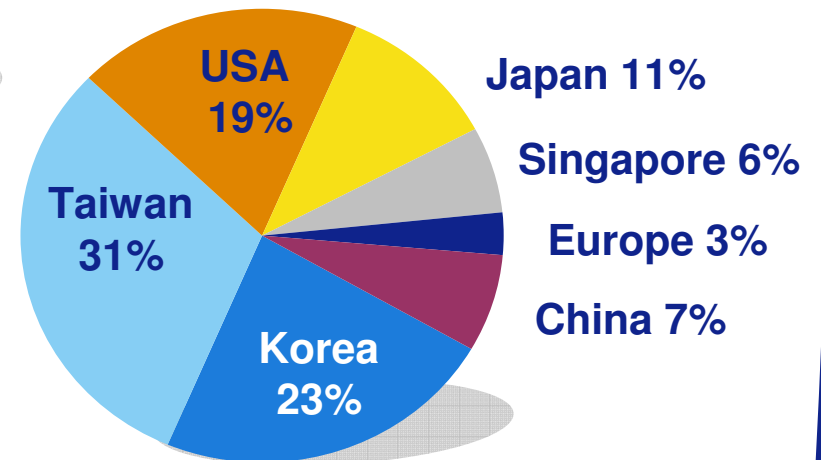
## Technology



## End-use



## Region



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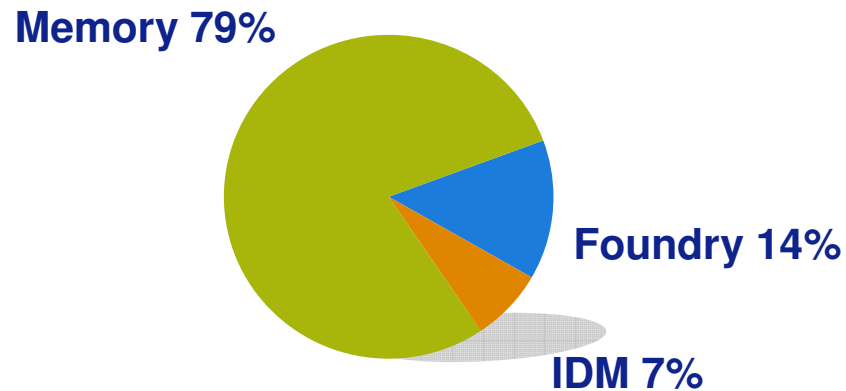


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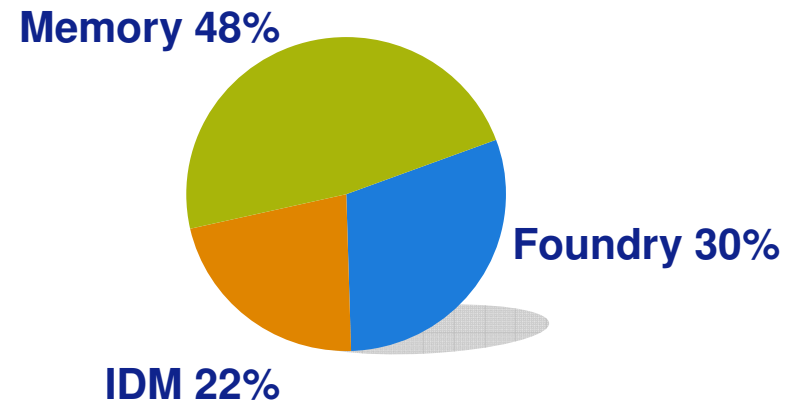
## Bookings activity by sector - total value M€ 1,004

- Q1 bookings are driven by DRAM with NAND order activity starting
- Foundry and IDM's ordering for capacity expansion

### Bookings in value



### Bookings in units





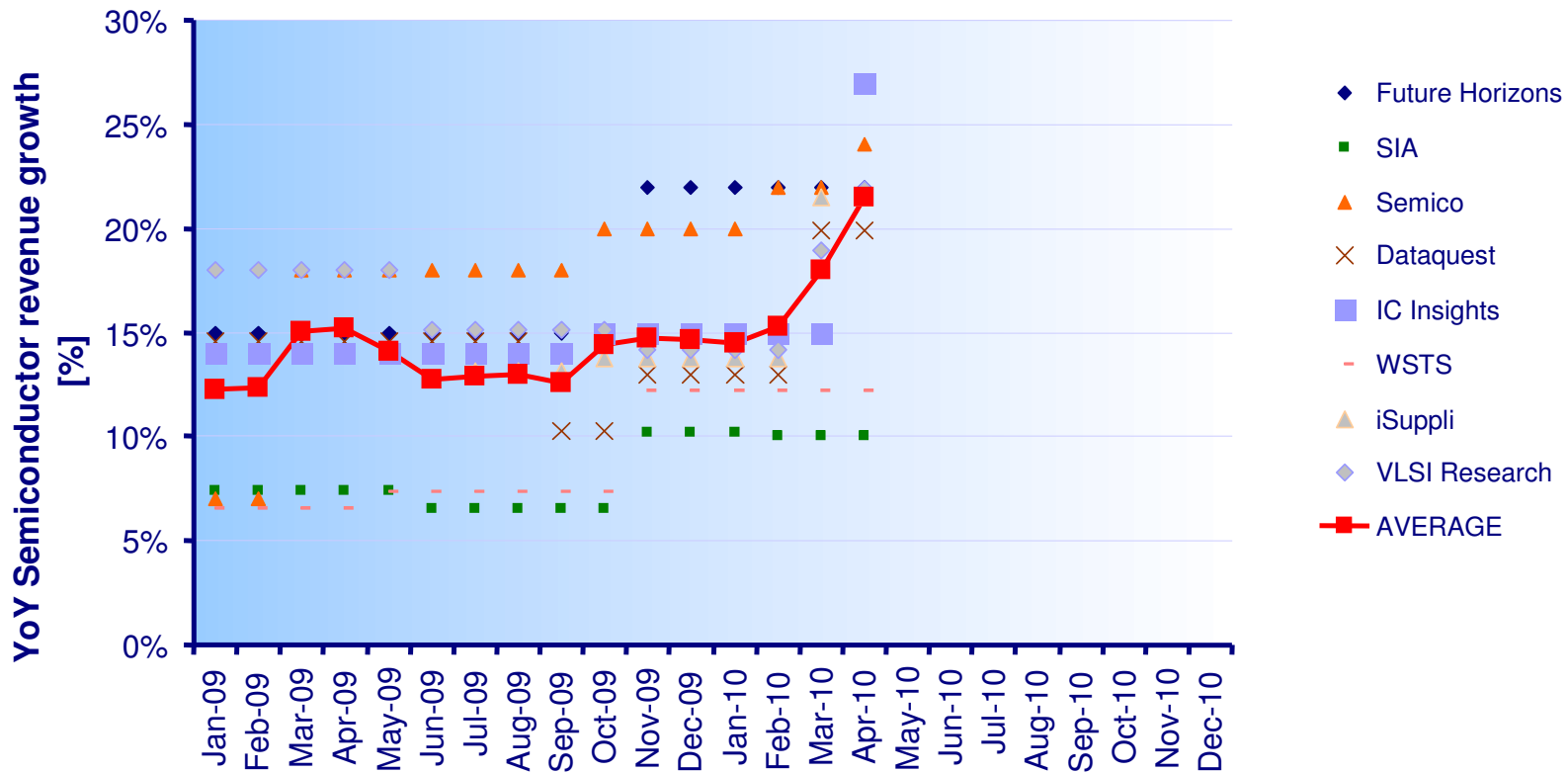
# Market





# Semiconductor revenue outlook increases 21% revenue growth, 15% IC unit growth\*

## 2010 Semiconductor revenue growth forecast over time

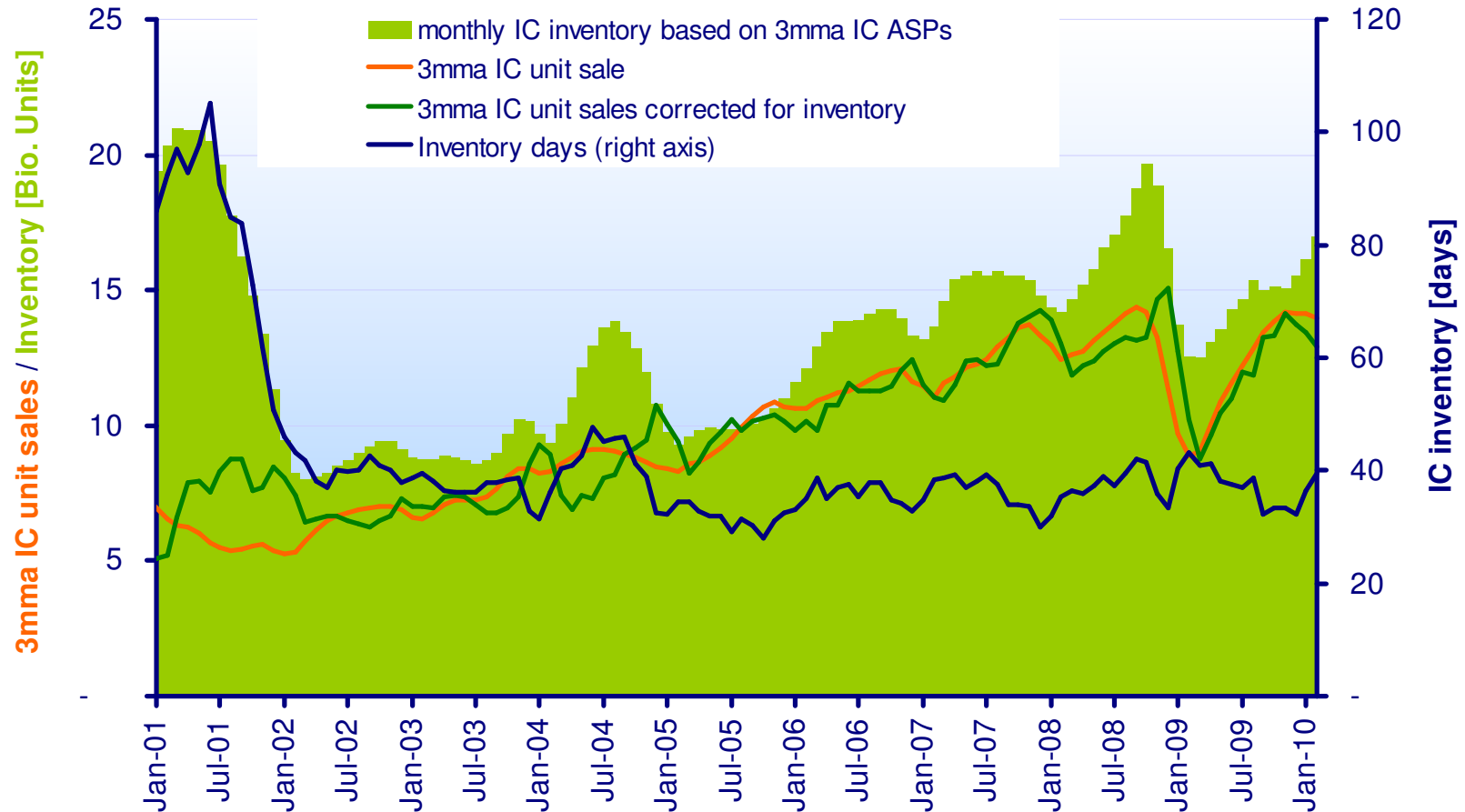


Sources: See chart (03/2010)

\*IC unit growth is average based on multiple industry analysts

# IC inventories appear under control as measured by days of inventory

## 3mma IC unit sales, inventory and inventory days

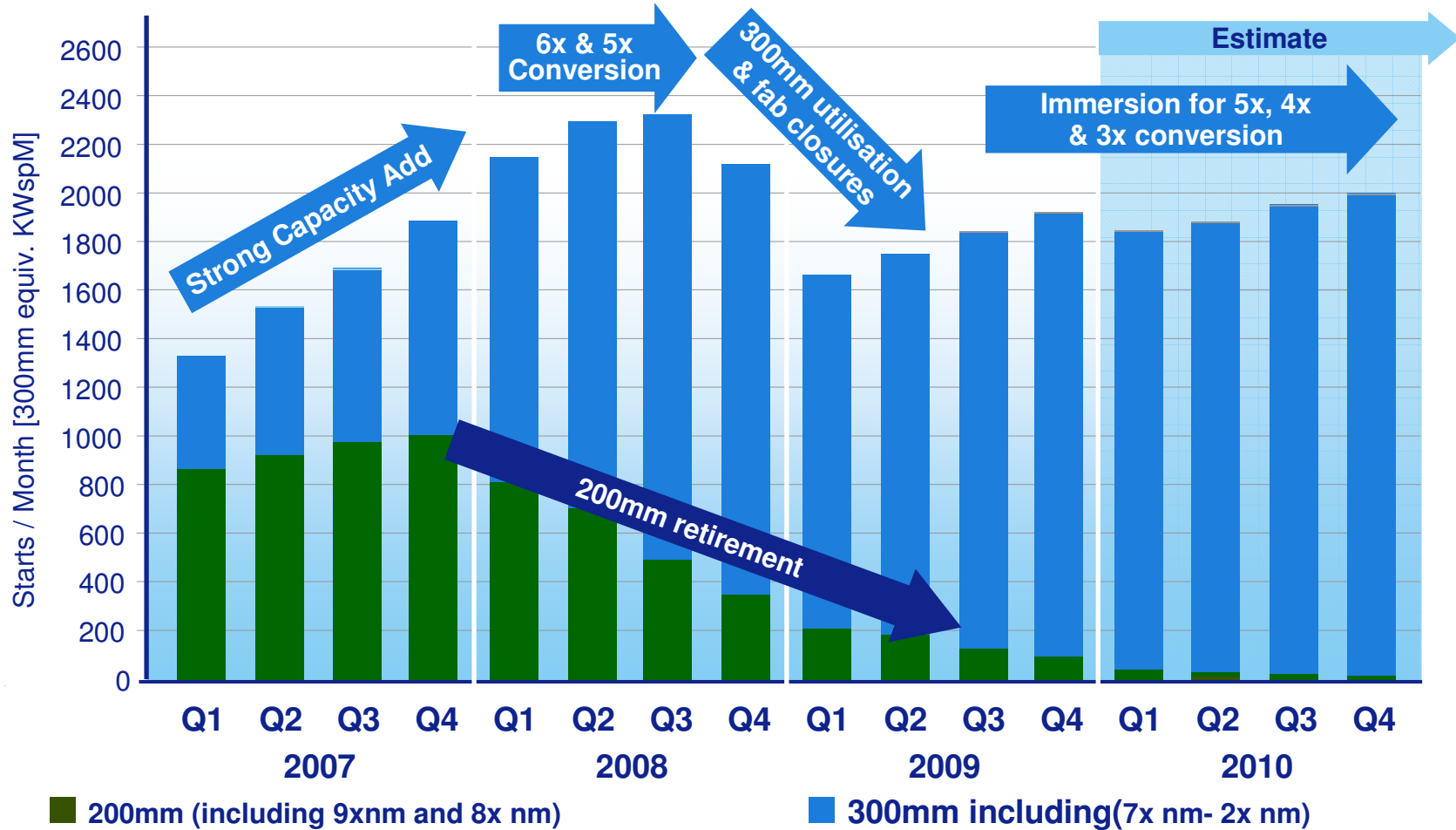


Source: VLSI Research, WSTS, ASML  
 Last data point: February 2010



# By end 2010 memory output capacity is estimated to be more than 10% below peak capacity of 2008

## Memory WW wafer output split by wafer size and node



Source: ASML Marketing (9/09)



# Sector growth summary

## DRAM

- Significant new immersion lithography tools required as immersion layers increase from node to node which will continue in 2011
- DRAM unit growth forecasted by analysts at 16%, bit growth at 50% primarily met by shrink

## NAND

- Immersion demand ramping in Q3 and Q4 due to requirements of new nodes in addition to initial wafer capacity expansion
- NAND unit growth forecasted by analysts at 20%, bit growth at 75% primarily met by shrink

## LOGIC

- Immersion capacity ramping due to increased number of immersion layers required by 40 nm processing
- Logic IC unit growth expected at 13% by analysts



# ASML business update



## TWINSCAN NXT moving to volume chip manufacturing

- TWINSCAN NXTs have been shipped to several customers for volume semiconductor production in Q2 2010
- Proven industry leading performance of CD imaging uniformity well below 1 nm and overlay of less than 2 nm
- Booked 14 systems in Q1
- Backlog 28 systems end Q1
- Shipped 9 systems to date
- TWINSCAN NXT shipment level moving to 11 systems in Q2 and increasing in following quarters

# EUV - next generation lithography

- First NXE:3100 systems planned to ship in H2 2010
- 6<sup>th</sup> order received confirms appetite from all semiconductor sectors



# Outlook and summary





## Q2 2010 outlook

- Net sales expected around € 1 billion
- Gross margin expected of about 42% in Q2
- R&D is expected at € 125 million net of credits
- SG&A is expected at € 42 million
- Q2 bookings are expected at similar level as in Q1 2010
- We expect this cycle to be sustained by the normal technology transitions of the early adopters, the subsequent technology conversions by second tier DRAM makers, the next Flash memory upgrade cycle anticipated for Q2 2010, as well as Foundry's structural capacity build at advanced nodes
- At current rate, WW litho systems sold in 2010 will be adding approx. 15% IC unit production capacity to the market. This controlled capacity increase supports the possibility of sustained growth in 2011 if IC unit growth continues per historical trend
- ASML on track to surpass our 2007 revenue peak of € 3.8 billion in 2010



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