



# ASML

**Deutsche Bank European TMT Conference**

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**London**

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# 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, the impact of manufacturing efficiencies and capacity constraints, the pace of new product development and customer acceptance of new products, our 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

- General update
- ASML Business/Market Overview
- Outlook summary

# General update



# General update

## ▪ **Short term: no change**

- No customer has delayed shipment of any tool
- Meeting customer demand remains challenging
- Technology conversions continue in each sector
- Bit capacity grows while minimal wafer capacity added

## ▪ **Medium term: the business may fluctuate**

- Continued urgent demand for tools at ASML customers

BUT:

- General Macroeconomic worries
- Cisco cautious and Intel reduces guidance due to PC demand weakness
- Rumored slowdown at Samsung, TSMC, etc

**ASML remains diligent in it's communication with customers in order to detect any changes in their short/medium term outlook**

A decorative graphic consisting of numerous thin, light blue curved lines that originate from the bottom left and fan out towards the top right, creating a sense of motion and depth. The lines are more densely packed on the right side.

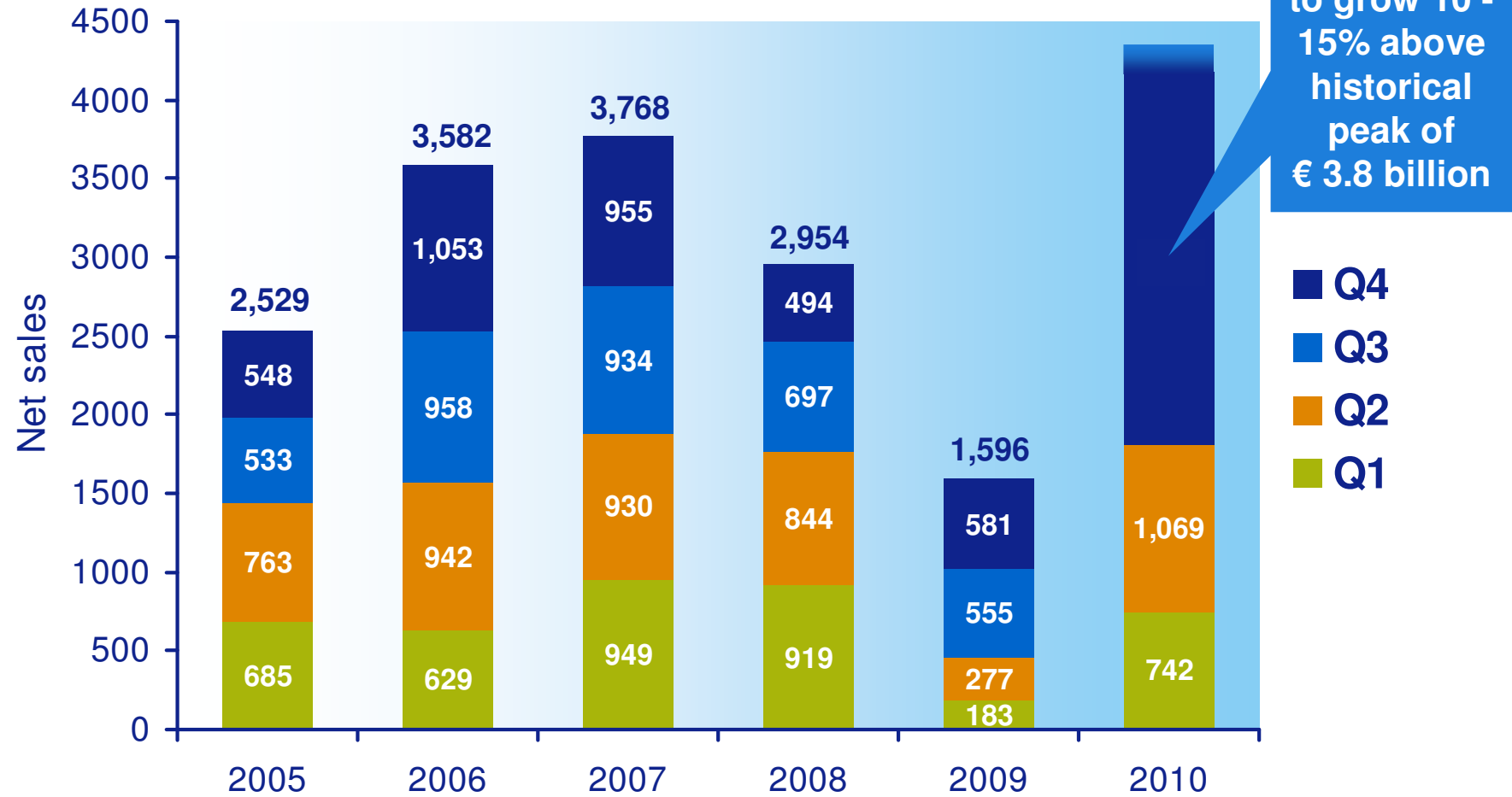
# ASML business/market overview

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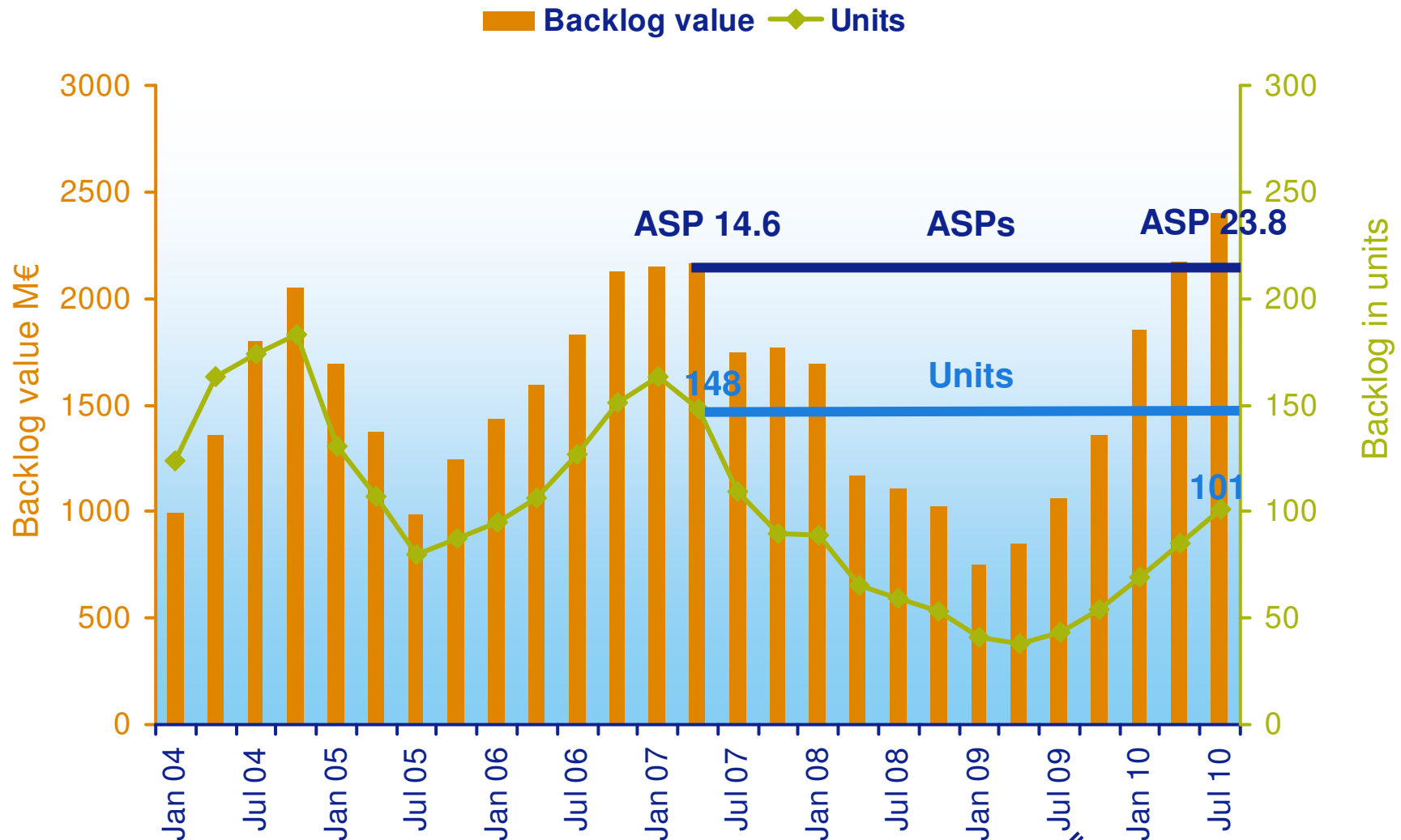
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# Total net sales M€



Numbers have been rounded for readers' convenience.

# Backlog: Record value with 30% less units, ASP grows 60%+ vs prior peak backlog, not creating “oversupply”

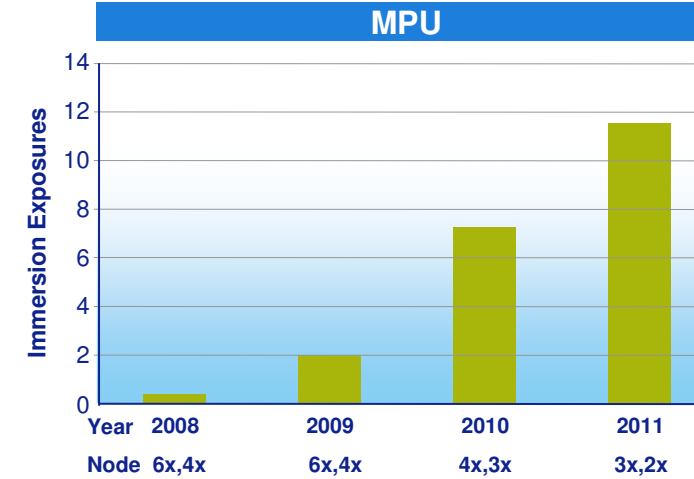
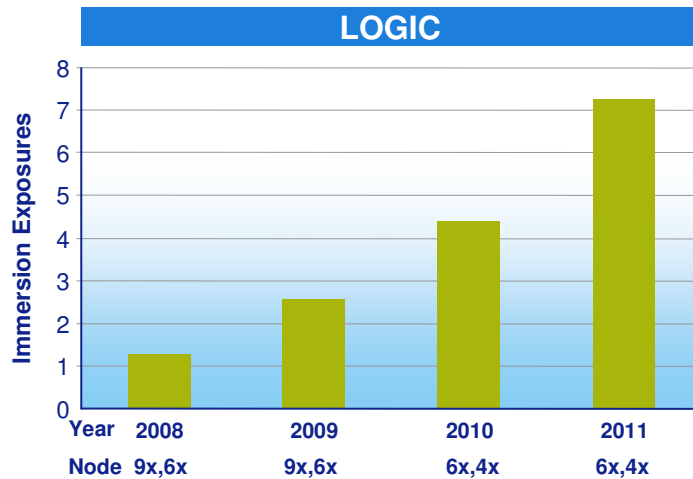
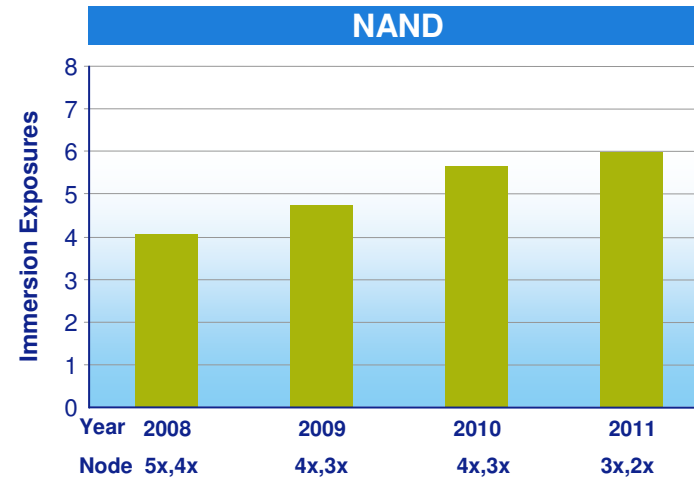
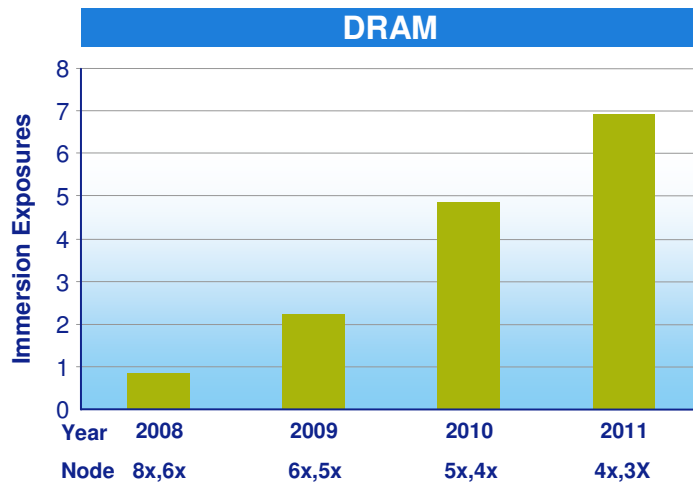




# Market overview

- Semiconductor unit growth back to historical trend, “catch up” capacity investments required in all sectors after a long period of slow capacity growth
- Share of new technology nodes in total semiconductor market accelerating as shrink continues to enable reduced chip cost and increased bit growth
- New technologies nodes require much more immersion layers and litho tool capacity than actual installed base allows

# Node transitions consume growing numbers of immersion tools while adding little wafer capacity



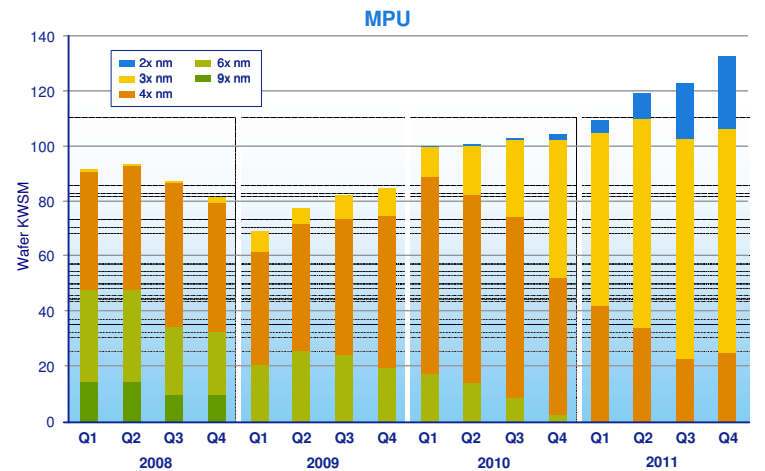
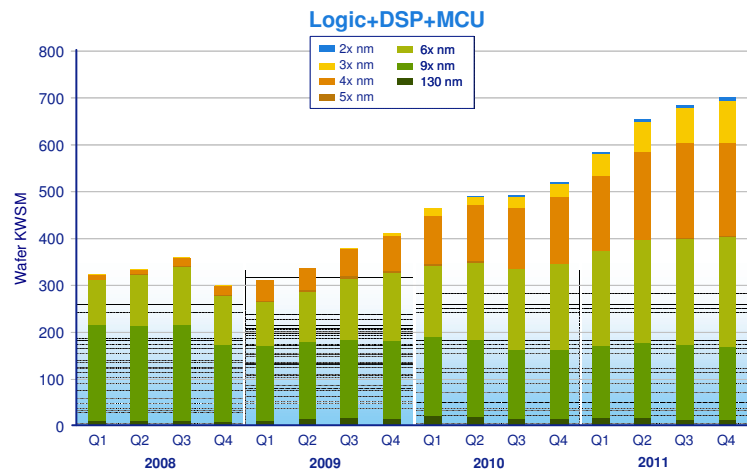
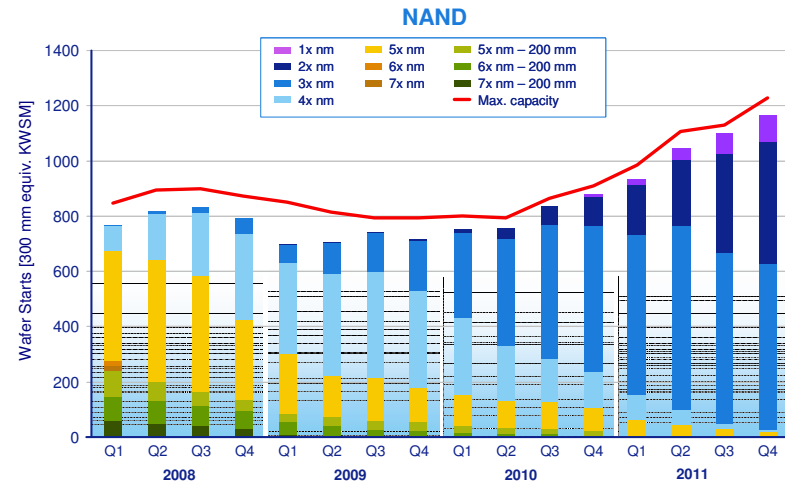
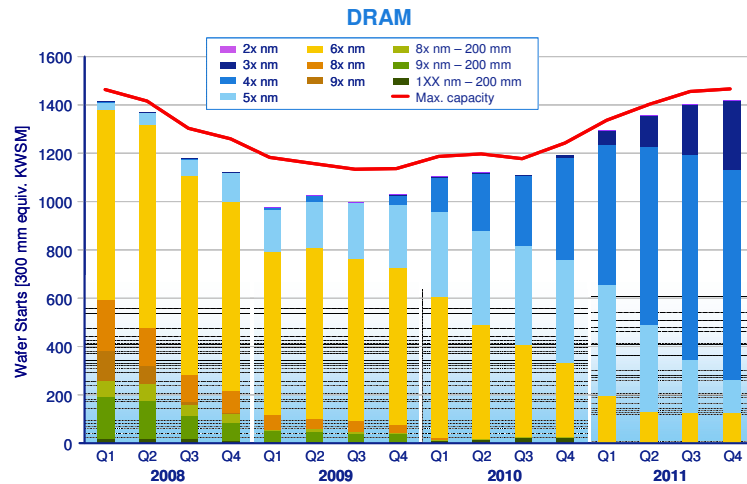
Snapshot based on average customer product mix (300mm) and layer stacks

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# Technology transitions continue with capacity additions required in 2011 to meet forecasted demand\*

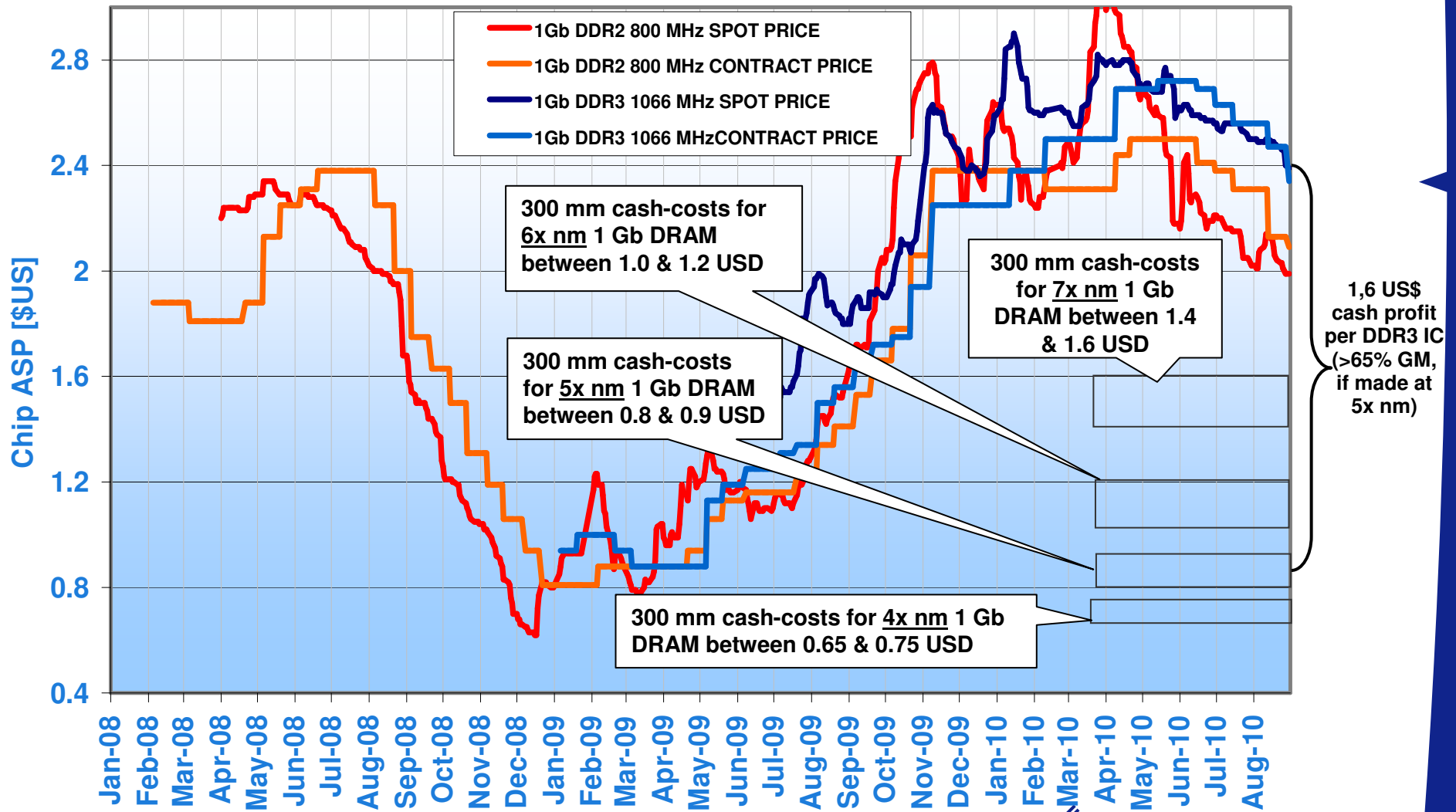


\*Litho demand in line with Gartner bit growth demand forecast for DRAM 52%, for NAND 76% in 2011. Logic demand forecast is 17% unit growth in 2011

# DRAM prices further weakened in August

## Still good margins for all DRAM manufacturers

### MAIN DRAM SPOT & CONTRACT PRICES (01/2008 - 2010YTD)



Source: DRAMeXchange (31/8/2010), ASML MCC

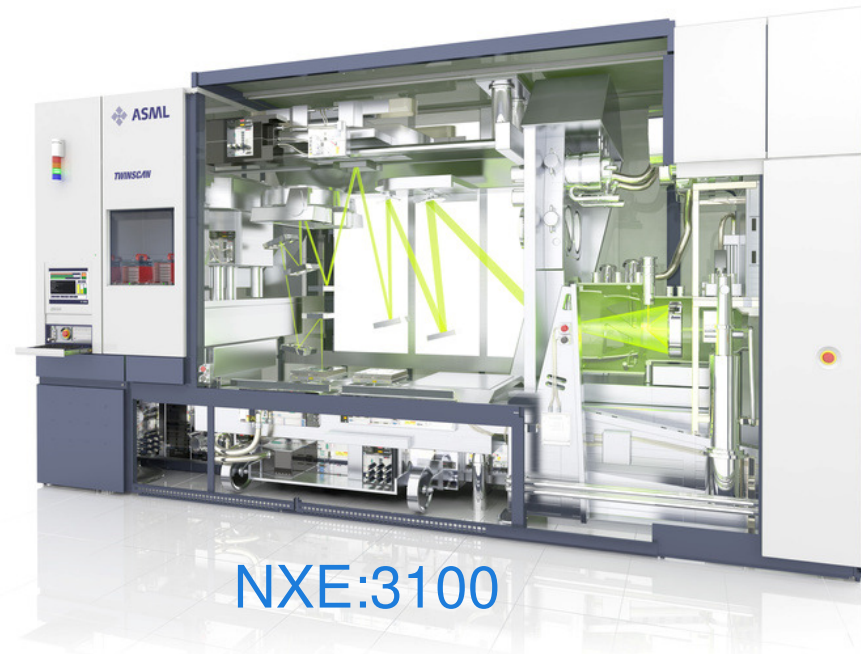


# Technology Leadership - Reinforced



## Immersion Lithography:

- Installed Base >160 Systems
- leading performance on CD imaging uniformity well below 1 nm and overlay of less than 2 nm
- More than 20 NXT installed and producing
- 38 NXT systems in backlog end Q2 '10



## EUV:

- 6 systems shipping thru mid 2011
- Taking orders for 2012

Source: ASML

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# Outlook summary



# Outlook summary

- **Short term: no change**

- Memory customers continue strategic node shrinks and planned capacity addition to meet long term memory demand
- As Foundry sector competition heats up; customers shrink to support growing leading edge demand and add capacity for future
- MPU sector prepares for 22nm ramp consuming increasing quantities of leading edge tools

- **Medium term: the business may fluctuate**

- Short/Medium term supply/demand issues may present themselves in some sectors

- **Long term: sound growth opportunity**

- End demand drivers in mobile internet, smart phones, PC's, tablets, etc...remain solid
- Continued ASP improvement in leading edge tools
- Long term modeling suggests revenue opportunities well beyond current target



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