



ASML

Taiwan, Technology and Beyond Conference Bank of America Merrill Lynch

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Taipei, Taiwan
March 15, 2011

Safe Harbor

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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, available cash, distributable reserves for dividend payments and share repurchases 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

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



ASML Overview



ASML – one of the world's leading suppliers of lithography equipment for semiconductor manufacturing



Veldhoven, the Netherlands

Public

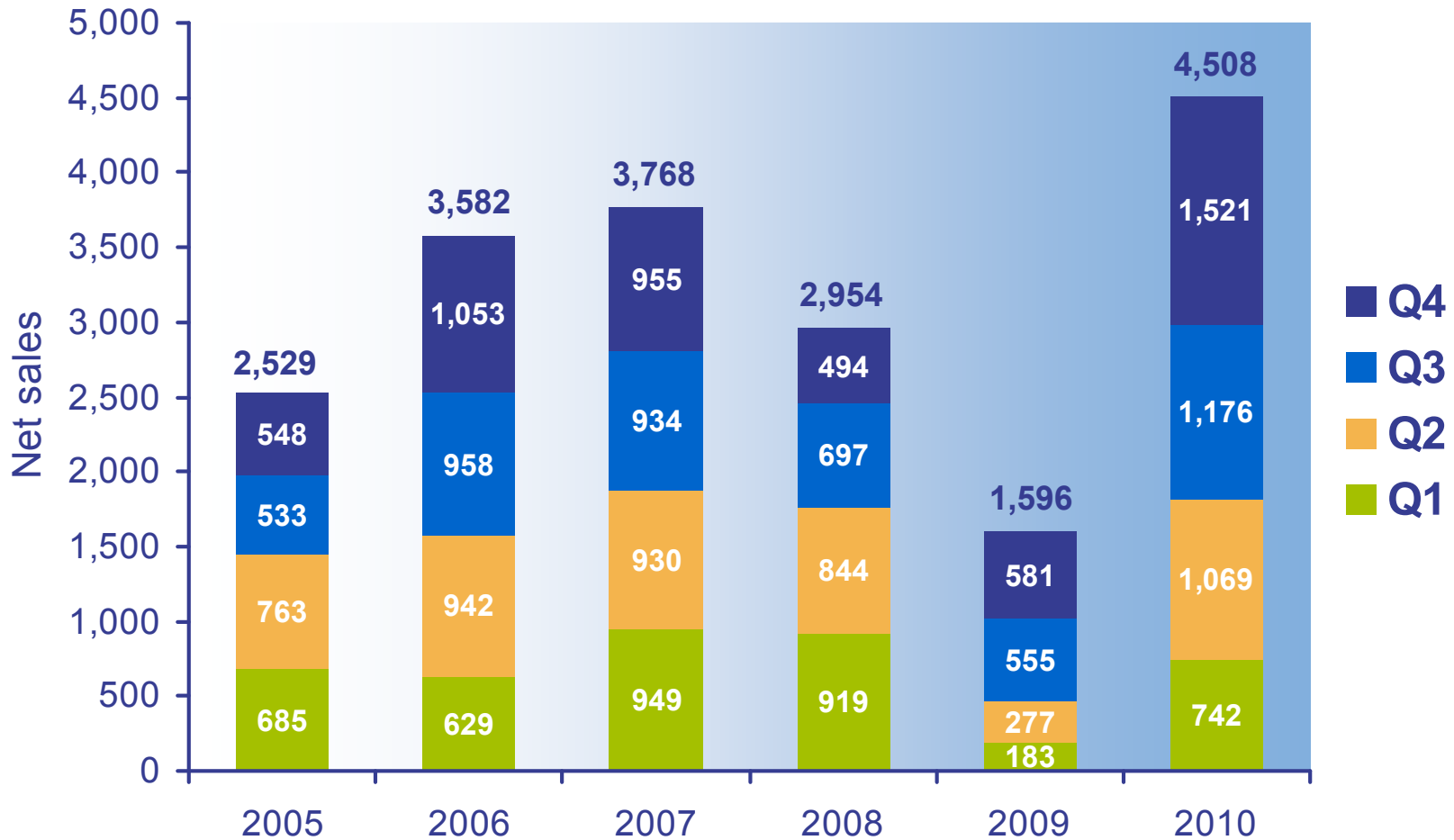


ASML

Fourth Quarter 2010 Highlights

- Revenue growth of 160% YoY and 30% QoQ
- Operating margin of 32.4%
- Shipped 28 immersion systems (leading edge tools)
- Record bookings of € 2,315 million
- Backlog increased to € 3,856 million, 157 systems with ASP of € 27.7 million for new tools, including 67 immersion tools
- Continue to invest significantly in R&D
- Generated € 302 million cash from operations, € 1,950M end of year cash balance
- Proposed a doubling of dividend and announced a € 1B share buy back program

Total net sales M€



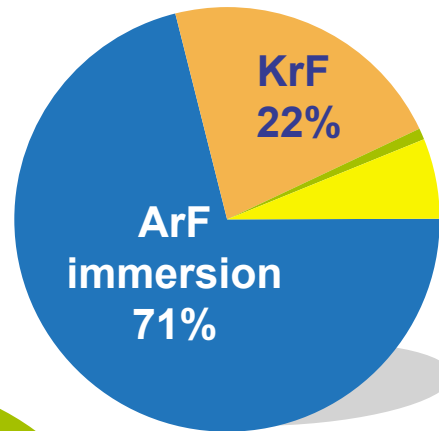
Numbers have been rounded for readers' convenience.



Backlog in value per December 31, 2010

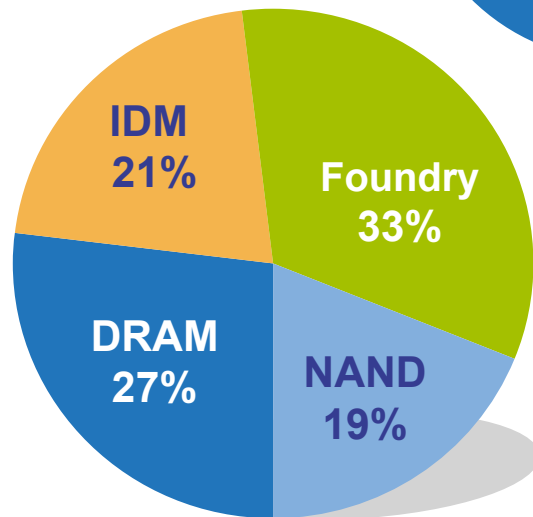
Total value M€ 3,856

Technology

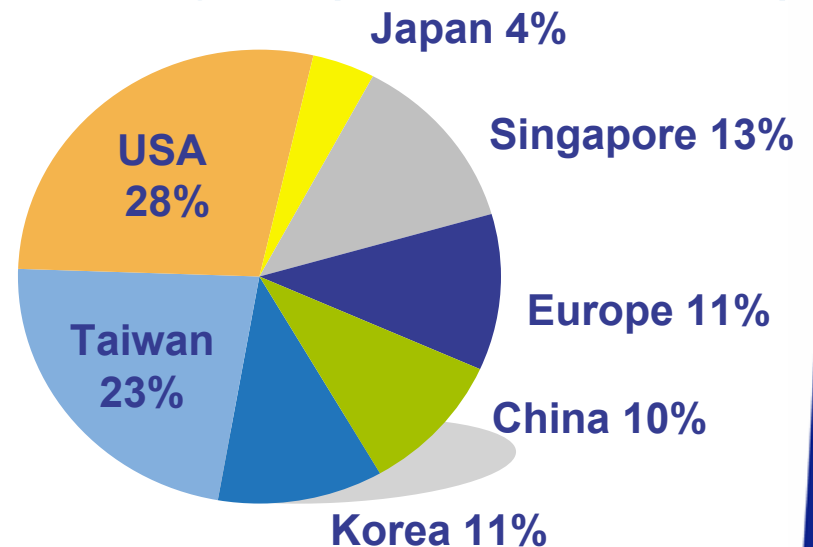


I-Line 1%
ArF dry 6%

End-use



Region (ship to location)



Numbers have been rounded for readers' convenience.



Semi Equipment Market grew 101% in 2010 – ASML grew 163% - Takes # 2 slot amongst Semi Equip suppliers

2010 Top 10 Semiconductor Equipment Suppliers				
Rank	Company	2010	2009	'10/'09 Growth
1	Applied Materials	7284.0	3507.9	107.6%
2	ASML	5973.0	2267.9	163.4%
3	Tokyo Electron	5235.7	2323.7	125.3%
4	Lam Research	3004.6	1198.0	150.8%
5	KLA-Tencor	2418.2	1316.1	83.7%
6	Dainippon Screen	1727.3	887.1	94.7%
7	Teradyne	1413.4	552.4	155.9%
8	ASM International	1388.4	693.9	100.1%
9	Novellus	1316.5	581.9	126.2%
10	Advantest	1134.2	430.0	163.8%

Source: VLSI Research



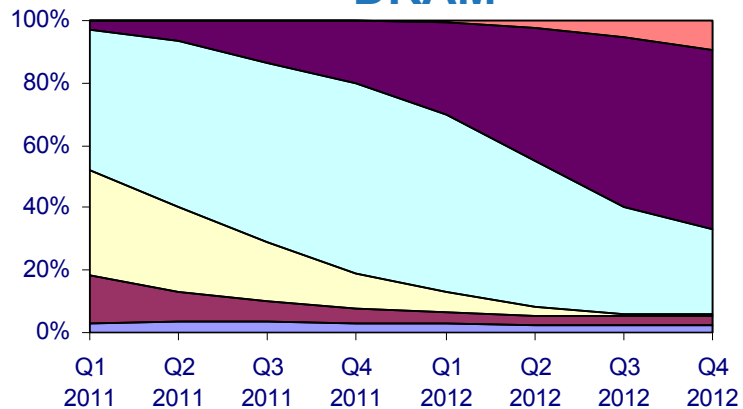
Market Update



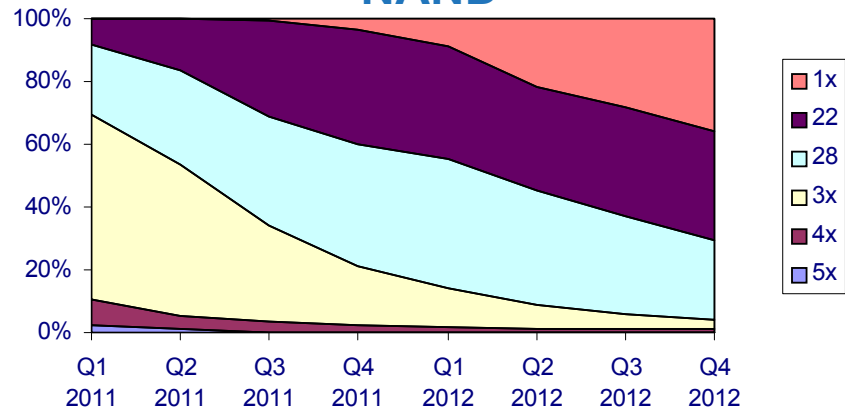
All sectors are ramping their new nodes

Wafer starts per node

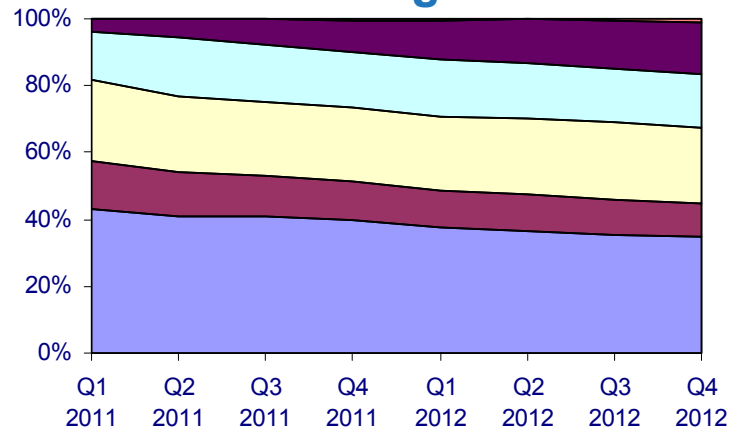
DRAM



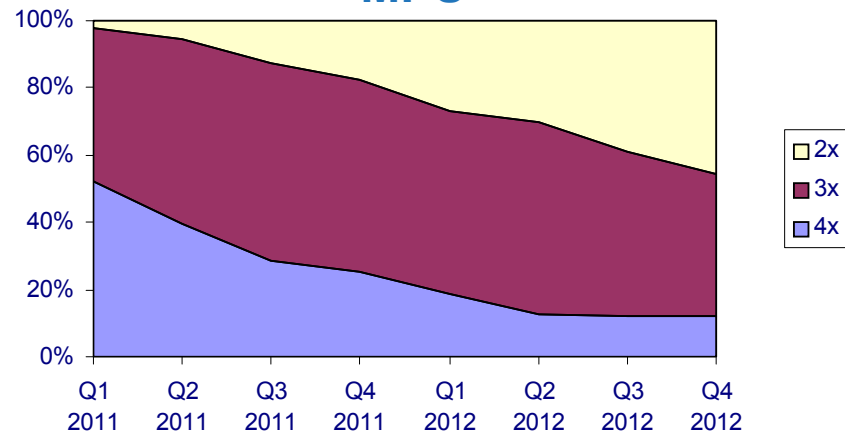
NAND



Logic



MPU



Source: ASML estimates

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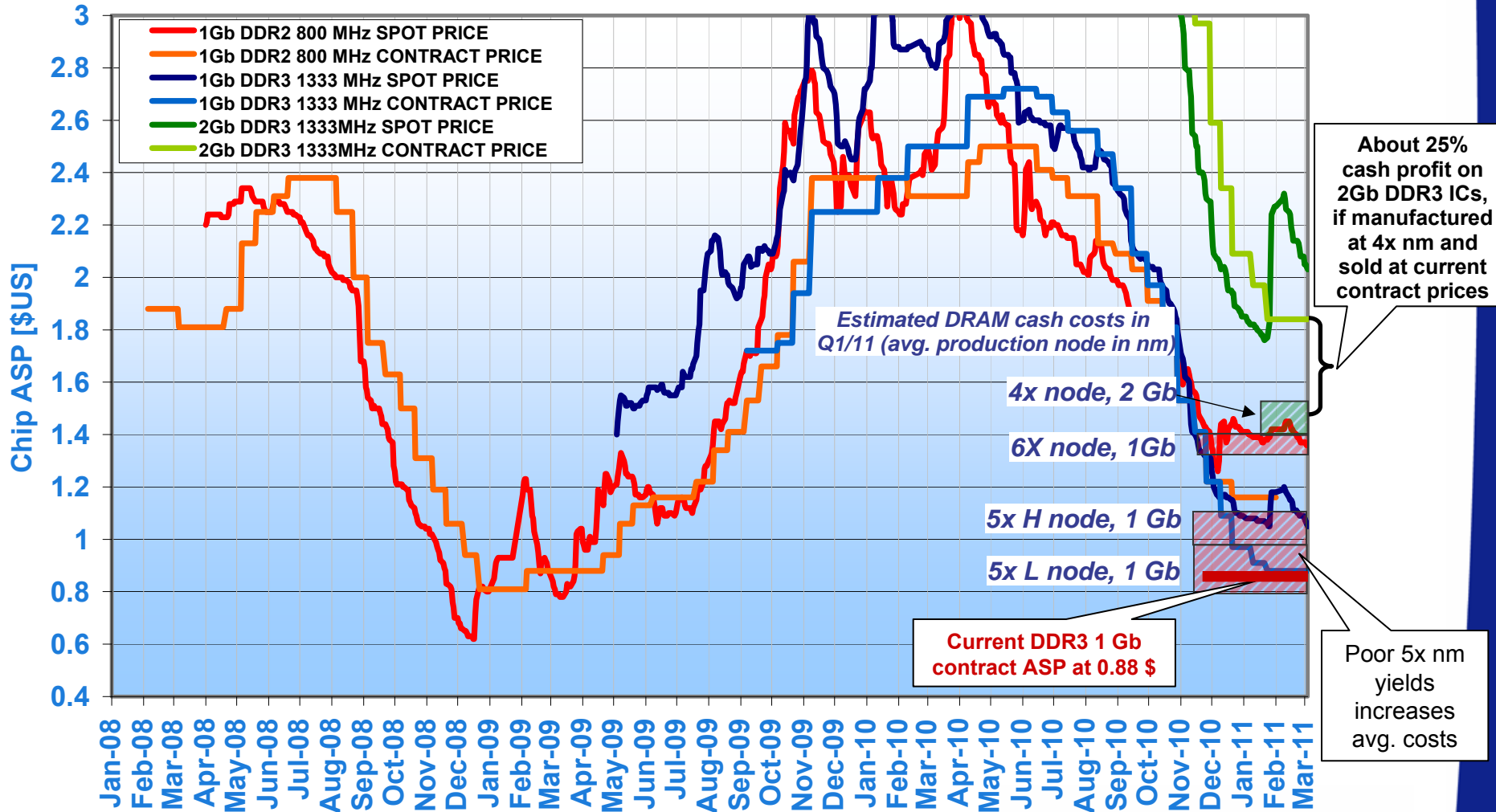
Memory



DDR3 contract prices stable (at low level)

Only aggressive shrink during Q1/11 could bring tier 2/3 players back to profitability

MAIN DRAM SPOT & CONTRACT PRICES (01/2008 - 2011YTD)

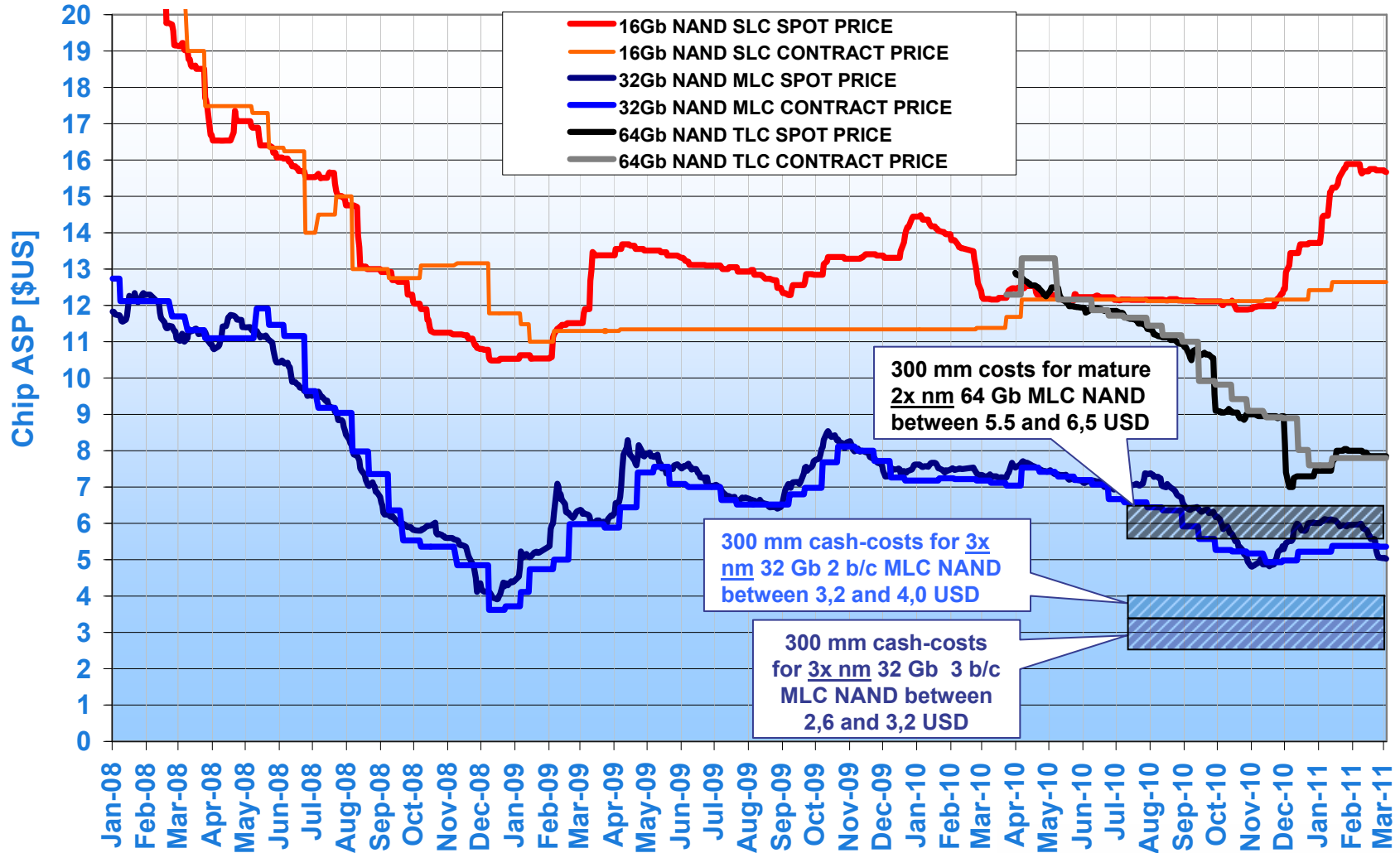


Source: DRAMeXchange (4/3/2011), ASML MCC



Healthy demand for NAND-based electronic devices resulting in recent price increases for SLC-, MLC- and TLC-ICs

MAIN NAND SPOT & CONTRACT PRICES (01/2008 - 2011YTD)

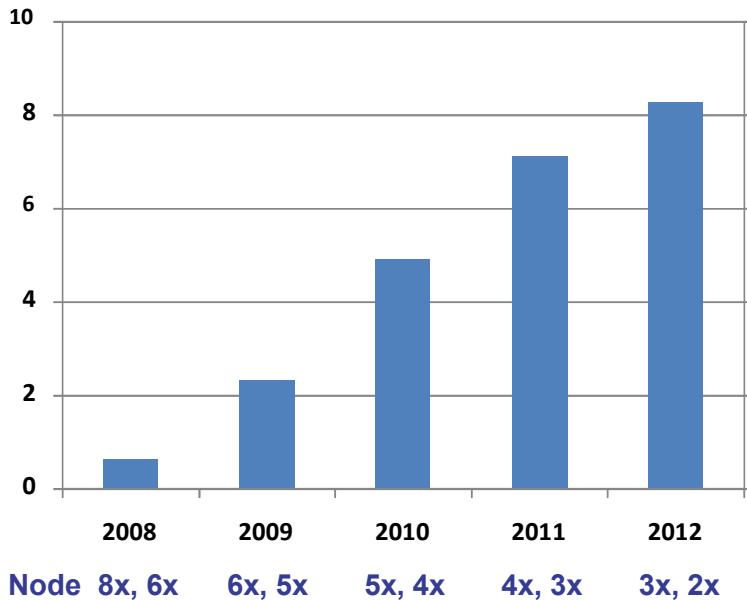


Source: DRAMeXchange (4/3/2011), ASML MCC

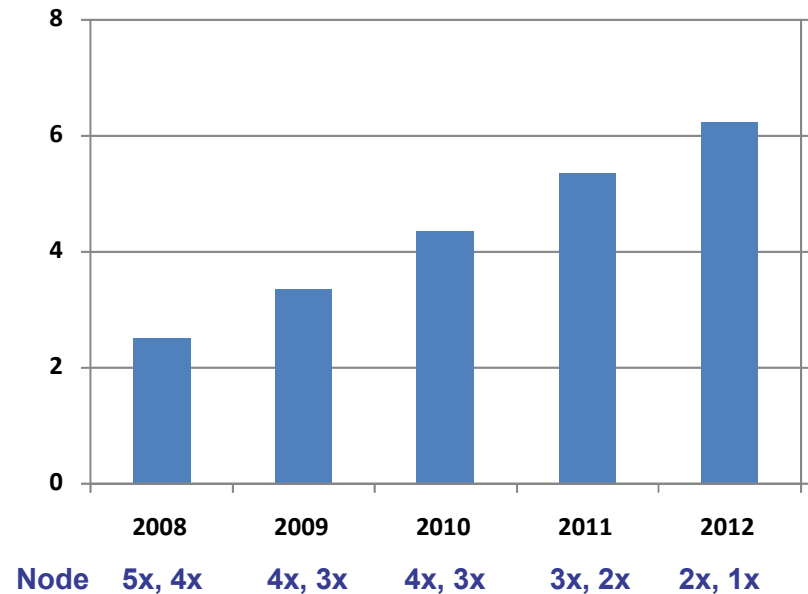


Number of immersion layers keeps increasing per node, per year for memory devices

Average DRAM immersion layers per year



Average NAND immersion layers per year



Source: ASML Marketing (03/11) 300mm wafers only



Logic



IDMs transfer leading edge process to foundries in time

Logic (including Micro) & Analog IDMs: overview of **INTERNAL** manufacturing capability by technology node

130 nm	90 nm	65 nm	45 nm	32 nm	28/22 nm
Intel	Intel	Intel	Intel	Intel	Intel
AMD	AMD	AMD	AMD	IBM	STM
IBM	IBM	IBM	IBM	STM	Samsung
Toshiba	Toshiba	Toshiba	Toshiba	NEC	
STM	STM	STM	STM	Samsung	
TI	TI	TI	TI	Panasonic	
Fujitsu	Fujitsu	Fujitsu	Fujitsu	Renesas	
NEC	NEC	NEC	NEC	Crolles Alliance	
Samsung	Samsung	Samsung	Samsung		
Sony	Sony	Panasonic	Panasonic		
Panasonic	Panasonic	Renesas	Renesas		
Renesas	Renesas	Freescale	Crolles Alliance		
Infineon	Infineon	Crolles Alliance			
Motorola	NXP				
Hitachi	Cypress				
Philips	Freescale				
Mitsubishi	Crolles Alliance				
Siemens	Sharp				
Cypress					
Freescale					
Crolles Alliance					
Atmel					
Analog Devices					
On Semi					
Rohm					
National					
Sanyo					
Sharp					
Tower					

Foundries

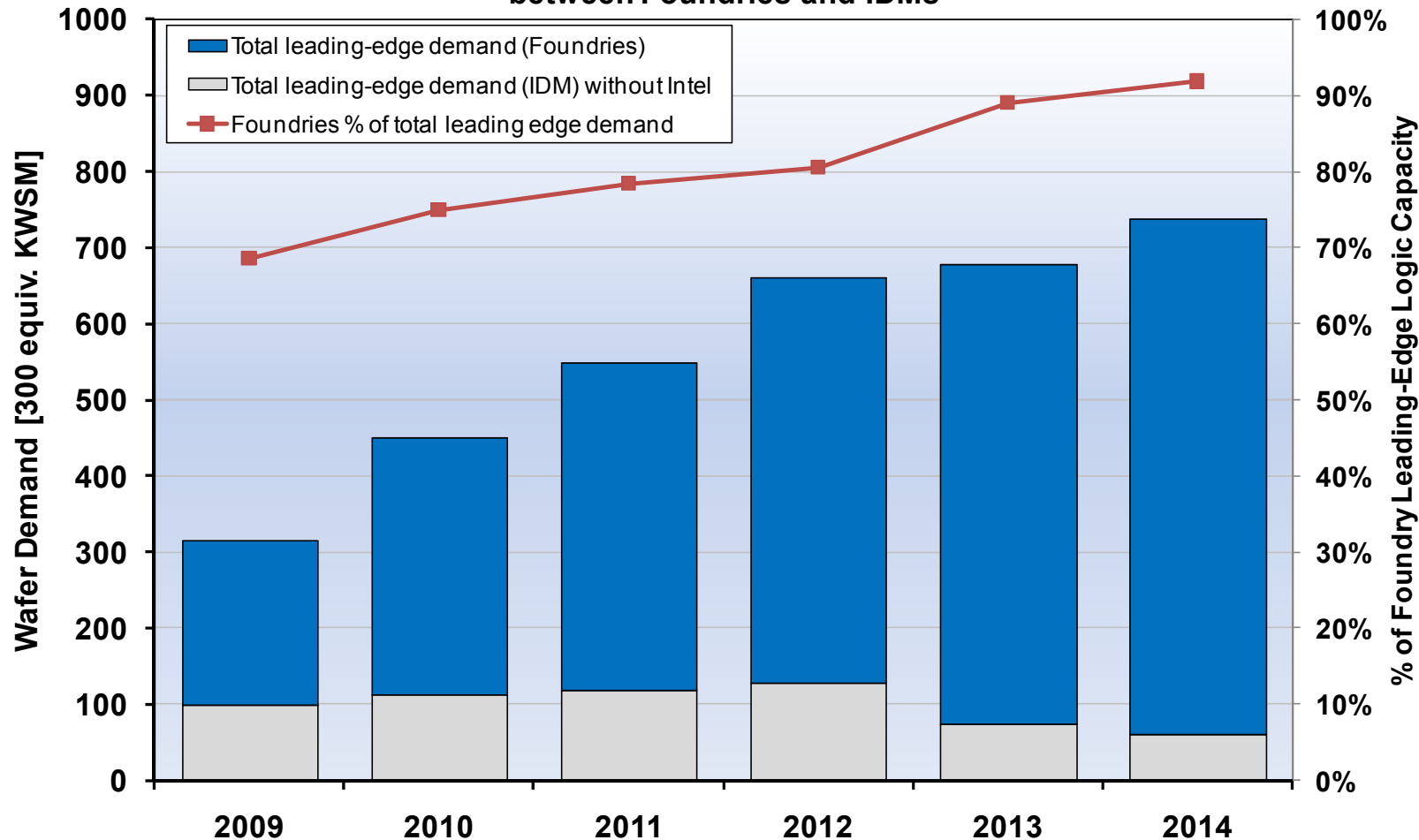
Based on public information

Source: ASML Marketing (3/11), Gartner (2/11)



Foundries expected to manufacture 92% of the WW leading-edge* logic wafers by 2014 vs. 69% in 2009

WW Leading-Edge LOGIC (without Intel) Wafer Demand Forecast and Split between Foundries and IDMs*



* Include Application Processors, ASSPs, FPGAs, GPUs and other advanced logic manufactured at ≤90 nm

Source: IBS (10/2010)

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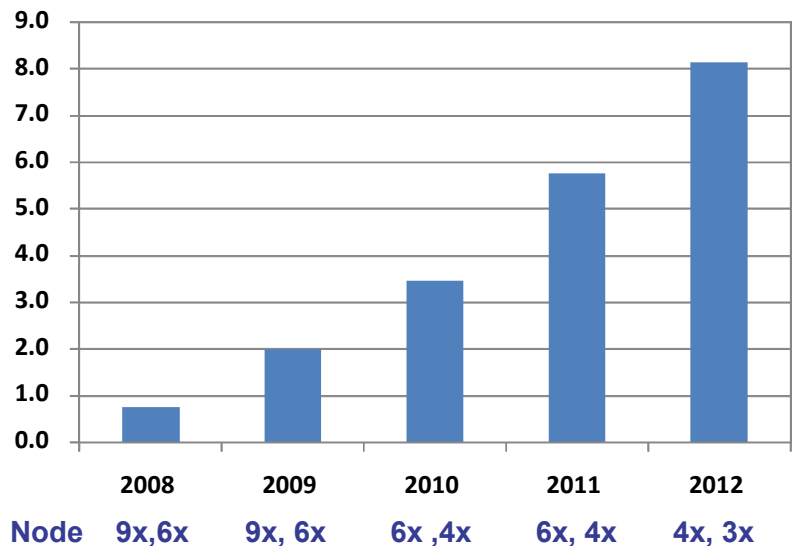
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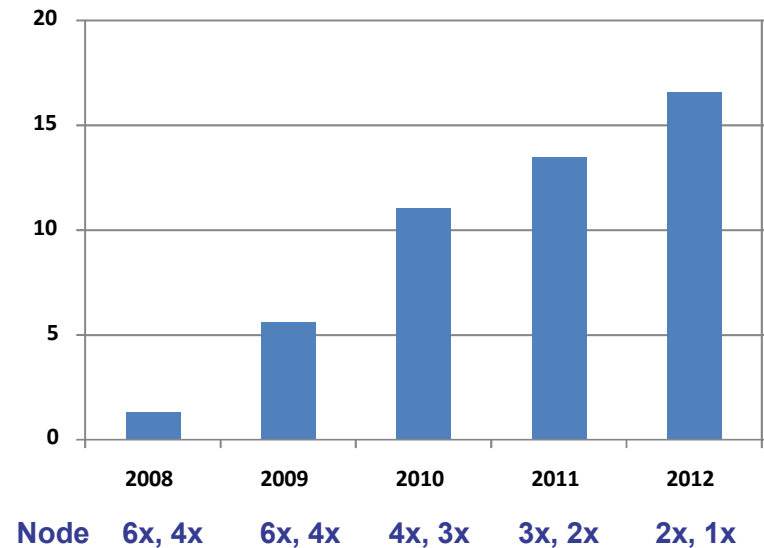
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Number of immersion layers keeps increasing per node, per year for all logic devices

Average Logic +DSP +MCU immersion layers per year



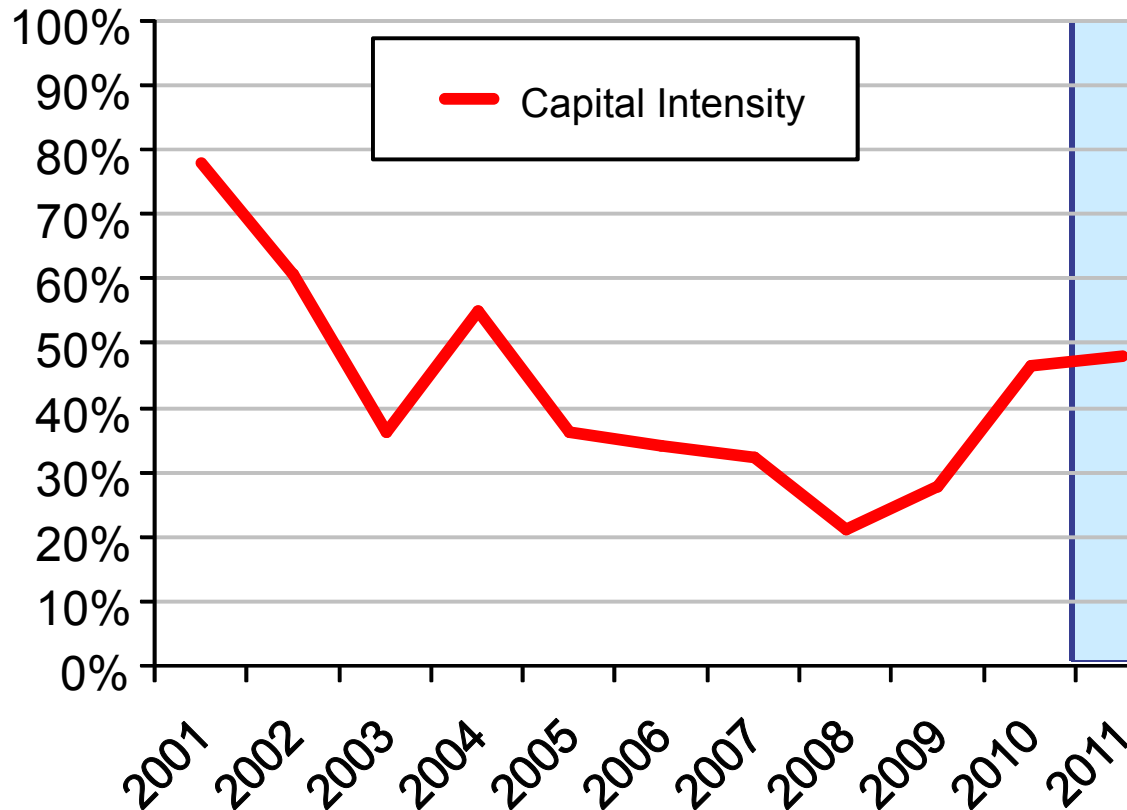
Average MPU immersion layers per year



Source: ASML Marketing (03/11) 300mm wafers only

World-wide under-investment in advanced logic capacity requires a structural catch up

Foundry Capital Intensity



Source: ASML Marketing (3/11), Gartner (2/11) (forecast)



Sector Review

- Memory sectors appear to be under investing in litho to forecasted demand levels. DRAM pricing is stable and may turn in manufacturers favor. Both DRAM & NAND are expected to show shortages during 2H/11.
- If simulated memory demand levels cannot be delivered in 2011 an additional 400 M€ memory investments can be expected in 2012.
- Logic is beginning a possible return to past historic capital intensity levels. Real demand and competition drives spend. Strong leading-edge logic/foundry investments during 2010 & 2011 may not create excess capacity, depending on overall efficiency/demand in this sector but also on recent 200 mm capacity retirements, which are under detailed investigation.
- MPU continues on 2 year manufacturing node transition schedule.



Products/Technology



Expected customer lithography roadmap by sector

Manufacturing insertion timing

YEAR	DRAM	NAND	MPU	LOGIC
	Node = HP [nm]	Node = HP [nm]	Node / HP [nm]	Node / HP [nm]
2007	65	55	45 / 80	
2008	55	42		45 / 70
2009	52	35	32 / 60	40 / 70
2010	45	28		32 / 50
2011	38	22	22 / 40	28 / 50
2012	32	20		
2013	28	18	15 / 30	22 / 35 DPT
2014	25	15		15/30
2015	22	12	11 / 22	

Single exposure

*Double patterning
ie., Spacer*

*Double patterning
LELE*

EUV

EUV INSERTION TIME FAVORED BY DESIGN LIMITATIONS, COST AND PROCESS CONTROL REQUIREMENTS OF DOUBLE PATTERNING, MAKING EUV PROCESS OF CHOICE WHEN ACHIEVING ITS COST TARGETS



Leading Position in Immersion and EUV



NXT:1950i

Immersion Lithography Leader
Installed Base >239 Systems
at 22 Customers, across all sectors
and geographies

Pilot Production EUV
for 22nm and beyond
6 systems shipping to all sectors
thru 2011



NXE:3100

Source: ASML

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Technology - EUV

- Orders received for 9 NXE:3300 production systems to be delivered in 2012
- EUV confirmed to be the most likely lithography platform to continue Moore's law to beyond 2020



NXE: 3300

ASML EUV Product Roadmap

NXE:3300 numerical aperture increased to 0.33

	2006 Proto System	2010 NXE:3100	2012 NXE:3300B	2013 NXE:3300C
Resolution	32 nm	27 nm	22 nm	18/16* nm
NA / σ	0.25 / 0.5	0.25 / 0.8	0.33 / 0.2-0.9	0.33 / OAI
Overlay (DCO/MMO)	< 7 nm	< 4/7 nm	< 3/5 nm	< 2.5/4.5 nm
Throughput W/hr	4 W/hr	60 W/hr	125 W/hr	150 W/hr
Dose, Source	5 mJ/cm ² , ~8 W	10 mJ/cm ² , >100 W	15 mJ/cm ² , >250 W	15 mJ/cm ² , >350 W

Main improvements

- 1) New EUV platform: NXE
- 2) Improved low flare optics
- 3) New high sigma illuminator
- 4) New high power source
- 5) Dual stages

Main improvements

- 1) New high NA 6 mirror lens
- 2) New high efficiency illuminator
- 3) Off-axis illumination optional
- 4) Source power increase
- 5) Reduced footprint

Platform enhancements

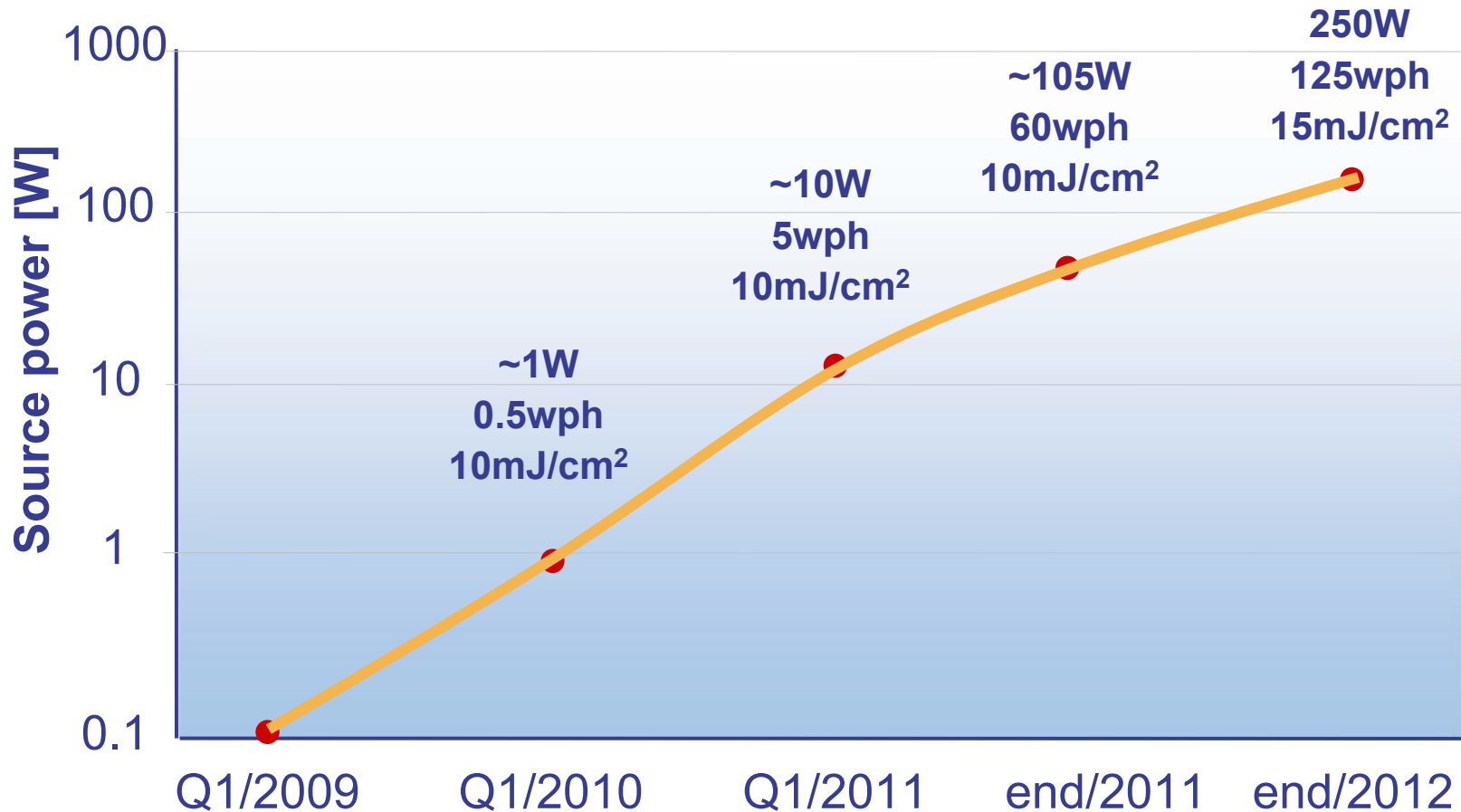
- 1) Off-Axis illumination
- 2) Source power increase

* Requires <7 nm resist diffusion length



Source power progress 10x per year

60 W/hr still provides challenge



Aggregate roadmaps of source suppliers

Timeline

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Construction of new EUV facilities has started

Planned NXE production capacity increases ~3x



Existing EUV offices & manufacturing, 8 cabins. 

New EUV offices & manufacturing, 15 cabins. 



EUV is moving forward

- ASML has 4 years of accumulated EUV field experience with 1st generation EUV tools at research institutes in Belgium and the US
- 2nd generation EUV NXE:3100 system shipment in progress, 1 system installed and used on customer production site 1 system in installation, 4 additional systems to ship the next half year
- 3th generation EUV tool NXE:3300 in development, capable of printing features down to 16 nm in volume manufacturing
- ASML has customer commitments for 10 NXE:3300 systems to be delivered starting in 2012
- To meet future EUV demand, construction on the new EUV factory extension has started
- Productivity roadmap remains significant challenge although major progress continued to be made by 3 source suppliers

ASML Strategy and Focus

- Continue the large R&D outlay to ensure leadership through high product differentiation and provide customers with enabling technologies
- Improve profitability further by:
 - Improving product mix towards value added software support tools
 - Keeping fixed cost structure to a low break even point, while growing top line
 - Improving further operational performance, by reducing cycle times further, improving its yield and developing even stronger supplier partnerships
- Continue to returning cash to investors through our existing dividend policy and current excess cash return program
- Execute on revenue growth trajectory available to ASML in Semiconductor Lithography, and keep reviewing synergistic developments outside Semiconductors for potential limited investments



ASML

