



ASML

Annual General Meeting of Shareholders

26 March 2009

Safe Harbor

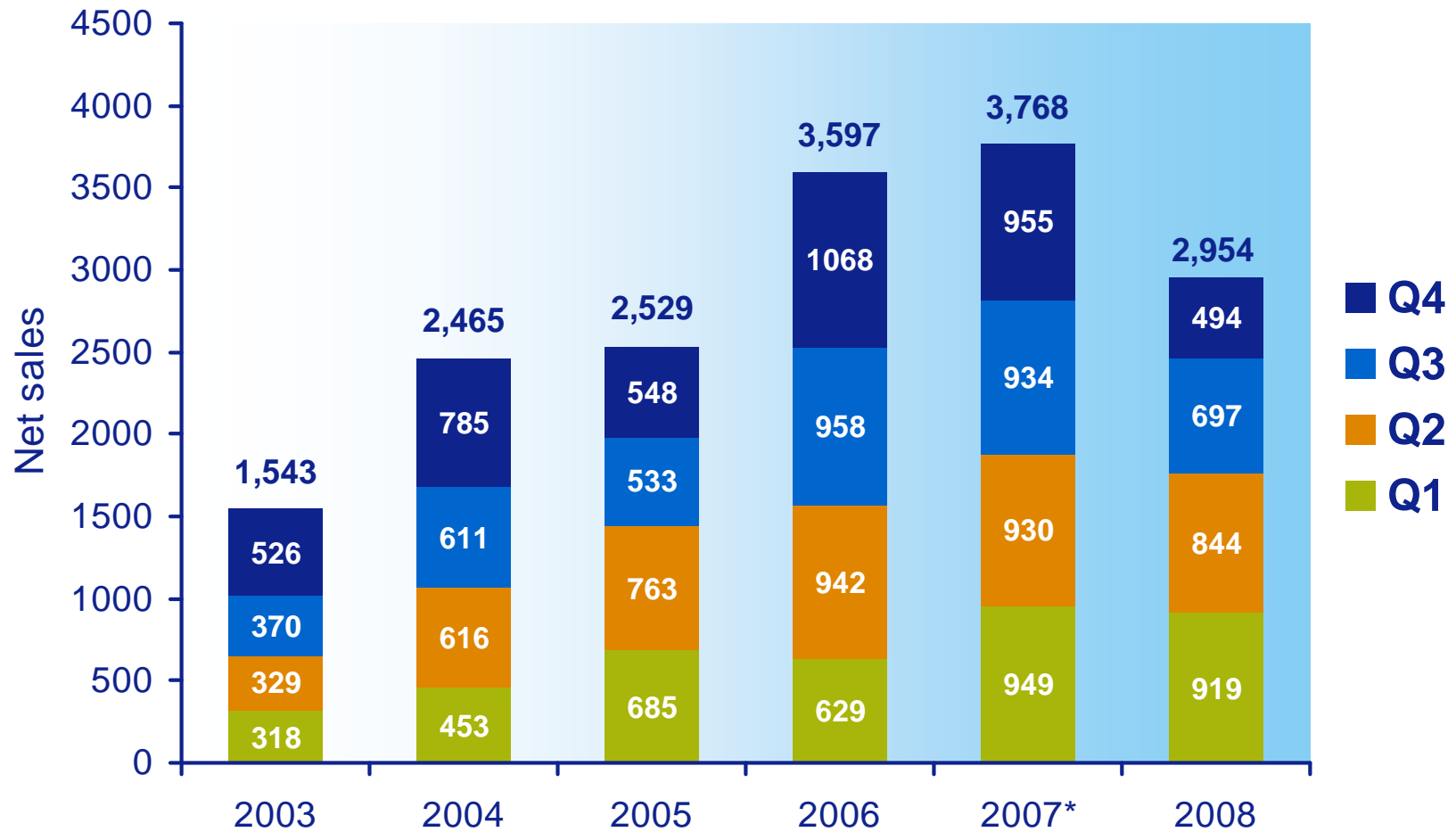
"Safe Harbor" Statement under the US Private Securities Litigation Reform Act of 1995: the matters discussed in this document may include forward-looking statements, including statements made about our outlook, realization of backlog, IC unit demand, financial results, average sales price, gross margin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

2008 financial results and market situation



Total net sales M€

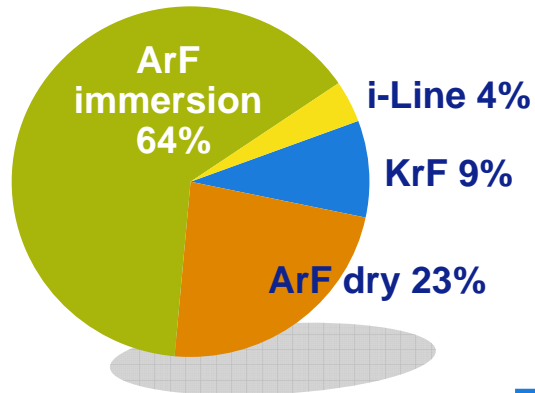


* 2007 numbers are adjusted retrospectively with respect to the change in accounting policy. Numbers have been rounded for readers' convenience.

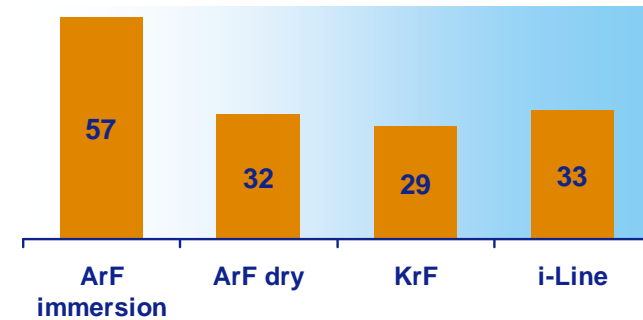


Net system sales breakdown in value: 2008

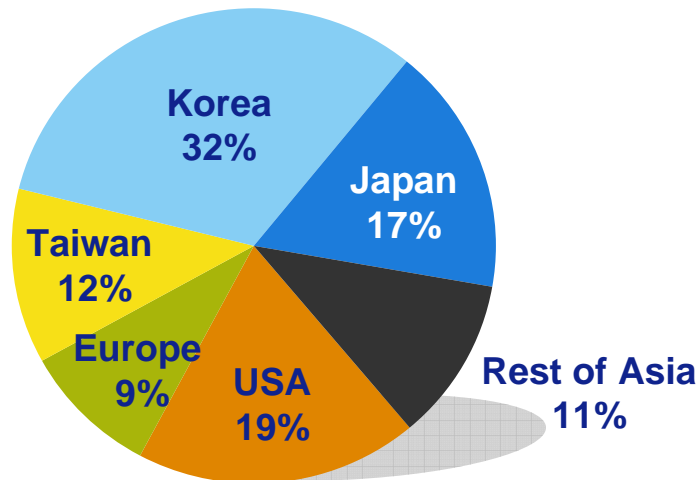
Technology



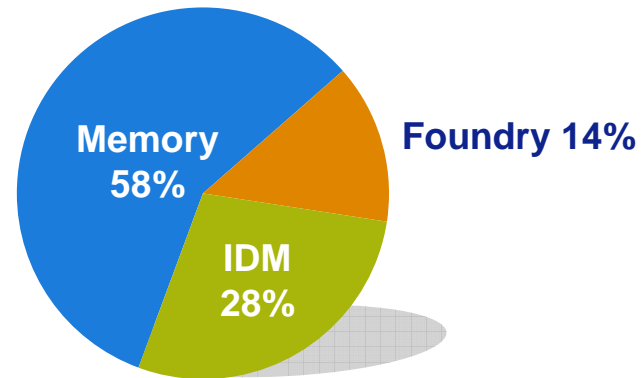
Sales in Units



Region



End-use



Numbers have been rounded for readers' convenience



Consolidated statement of operations 2008 M€

Including € 138 million restructuring charges in Q4

	Q3 08	Q4 08	Q4 08 without restructuring	2007	2008
Net sales	696	494	494	3,768	2,954
Gross profit	265	39	175	1,550	1,016
Gross margin %	38.1%	7.9%	35.5%	41.1%	34.4%
R&D costs	130	127	126	509	516
SG&A costs	52	47	46	226	213
Income from operations	83	(135)	3	815	287
Income from operations %	12.0%	- 27.4%	0.5%	21.6%	9.7%
Net income	73	(88)	11	671	322
Net income %	10.5%	-17.8%	2.3%	17.8%	10.9%

Numbers have been rounded for readers' convenience.



Key financial trends 2007 – 2008

	Q4 07*	Q1 08	Q2 08	Q3 08	Q4 08
Net Sales	955	919	844	696	494
Gross profit	390	374	337	265	39
Gross margin %	40.8%	40.6%	40.0%	38.1%	7.9%
R&D	130	129	130	130	127
SG&A	57	57	56	52	47
Income from operations	203	188	151	83	(135)
Income from operations %	21.3%	20.5%	17.9%	12.0%	-27.4%
Net income	193	145	192	73	(88)
Net income %	20.2%	15.8%	22.7%	10.5%	-17.8%
Units shipped	55	50	39	37	25
ASP New Systems	16.2	18.7	21.7	21.6	20.4
Net Bookings Units	54	26	33	31	13

* 2007 numbers are adjusted retrospectively with respect to the change in accounting policy.
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Cash flow 2008 M€

	Q3 08	Q4 08	2007	2008
Net income (loss)	73	(88)	671	322
<i>Adjustments to reconcile net income to net cash flows from operating activities;</i>				
Impairment charges	21	107	89	162
Depreciation and amortization	29	36	126	120
Other non-cash items	5	5	31	19
Change in tax assets and liabilities	(6)	(94)	32	(192)
Change in assets and liabilities	(101)	(103)	(248)	(150)
Net cash used in operating activities	21	(137)	701	281
Net cash used in investing activities	(68)	(71)	(362)	(260)
Net cash used in financing activities	(2)	3	(715)	(184)
Total FX effects	2	1	(8)	1
Net decrease in cash and cash equivalents	(47)	(204)	(384)	(162)

Numbers have been rounded for readers' convenience.



Balance sheet as of Dec 31th, 2008 M€

Assets	Dec 2007		Dec 2008	
Cash and cash equivalents	1,272	31%	1,109	28%
Accounts receivable, net	638	16%	469	12%
Inventories, net	1,102	27%	999	25%
Other assets	295	7%	355	9%
Tax assets	219	5%	308	8%
Fixed assets	547	14%	699	18%
Total assets	4,073	100%	3,939	100%
<hr/>				
Liabilities and shareholders' equity	Dec 2007		Dec 2008	
Current liabilities	1,327	33%	1,051	27%
Long term debts and deferred liabilities	855	21%	899	23%
Shareholders' equity	1,891	46%	1,989	50%
Total liabilities and shareholders' equity	4,073	100%	3,939	100%

Numbers have been rounded for readers' convenience.

Dividend

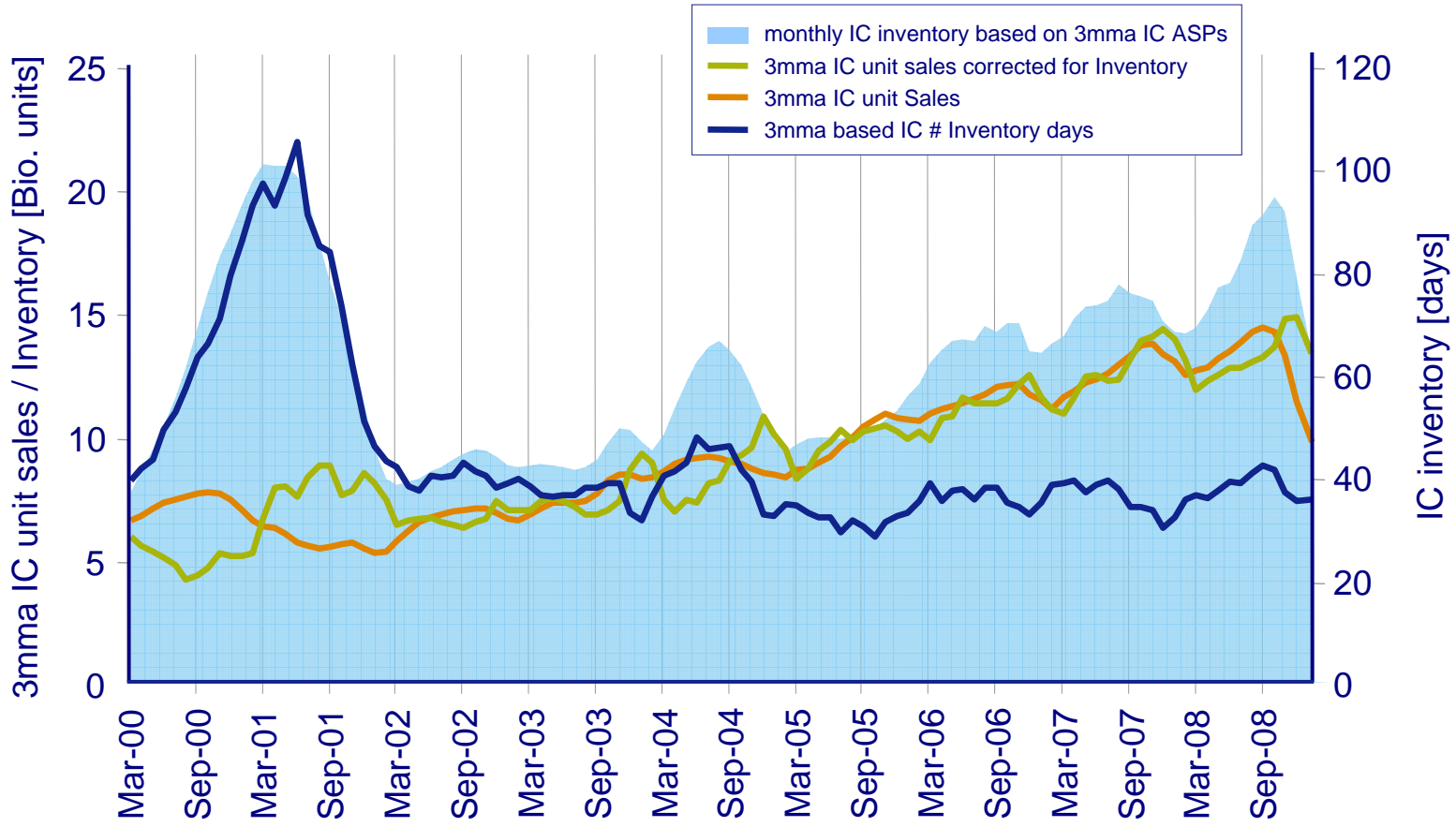
- ASML will submit a proposal to the 2009 Annual General Meeting of Shareholders to declare a dividend of € 0.20 per share, compared with € 0.25 per share paid in 2008

	2007	2008
Dividend per share	€ 0.25	€ 0.20
Pay out ratio	17%	27%

- Balanced decision given
 - Economic and industry environment
 - Cost measures
 - Interests of all stakeholders

The world wide crisis impact on semiconductors

Integrated Circuit (IC) inventory development

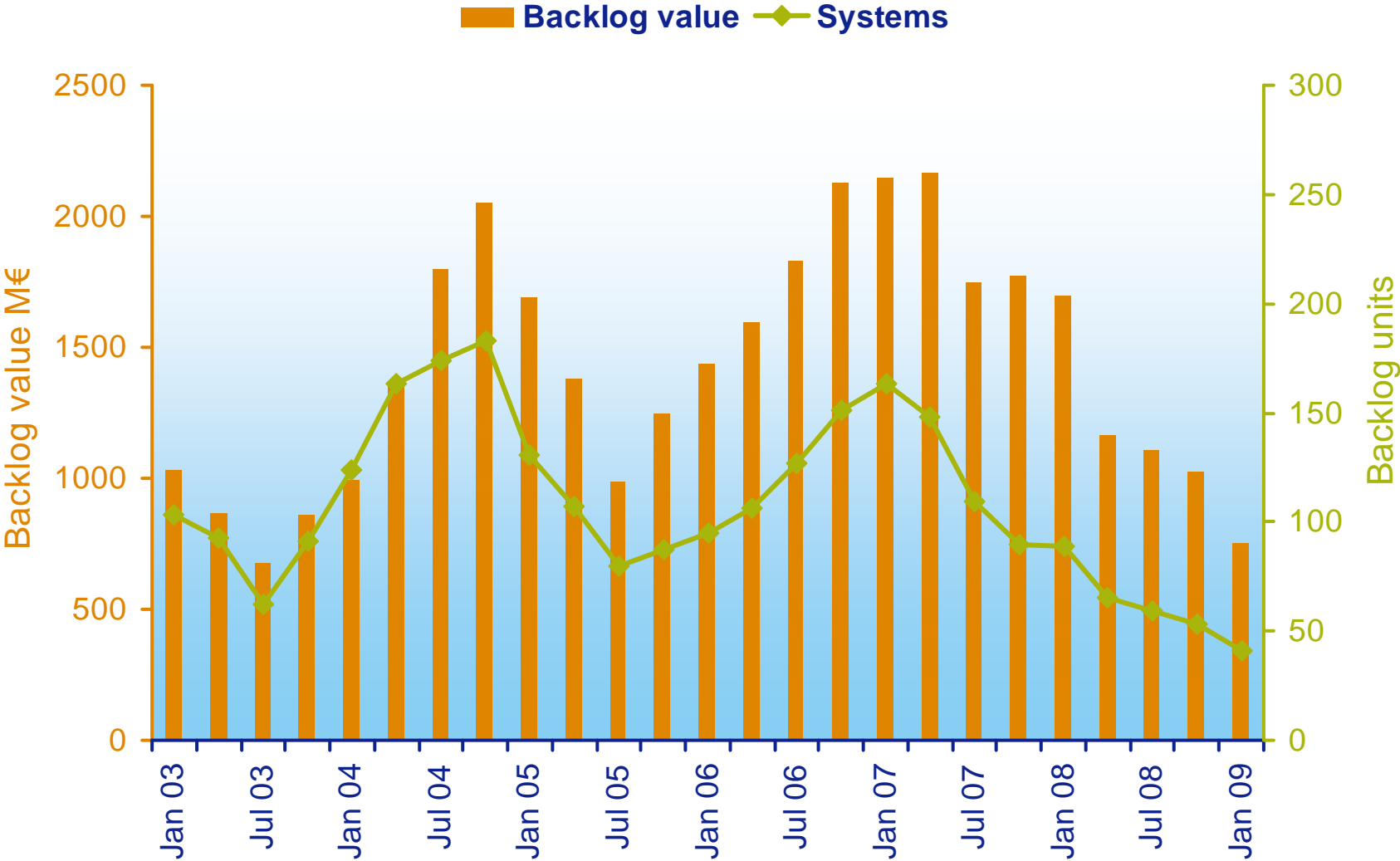


3 month moving average (mma) IC unit sales, inventory and inventory days

Source: VLSI Research, WSTS, ASML
 Last data point: January 2009



Backlog: value and litho units



Reduced cost structure

- ASML has reduced expenses by EUR 200 million per year
 - Workforce reduction by about 1000 (12% total workforce) mainly using our Flex Model
 - Partial relocation of Customer Support activities from U.S. to Asia
 - Production facilities shutdown for four weeks in 2009 plus reduced labor hours
 - Discretionary expenses reduction
 - Reduced Contracted activities by 59%
 - Reduce other Discretionary expenses by 33%
- Restructuring and impairment charges of EUR 138 million taken in Q4, virtually all non-cash items
- Targeting 50 percent of these cost savings to be sustained during an economic recovery

Strong cash position

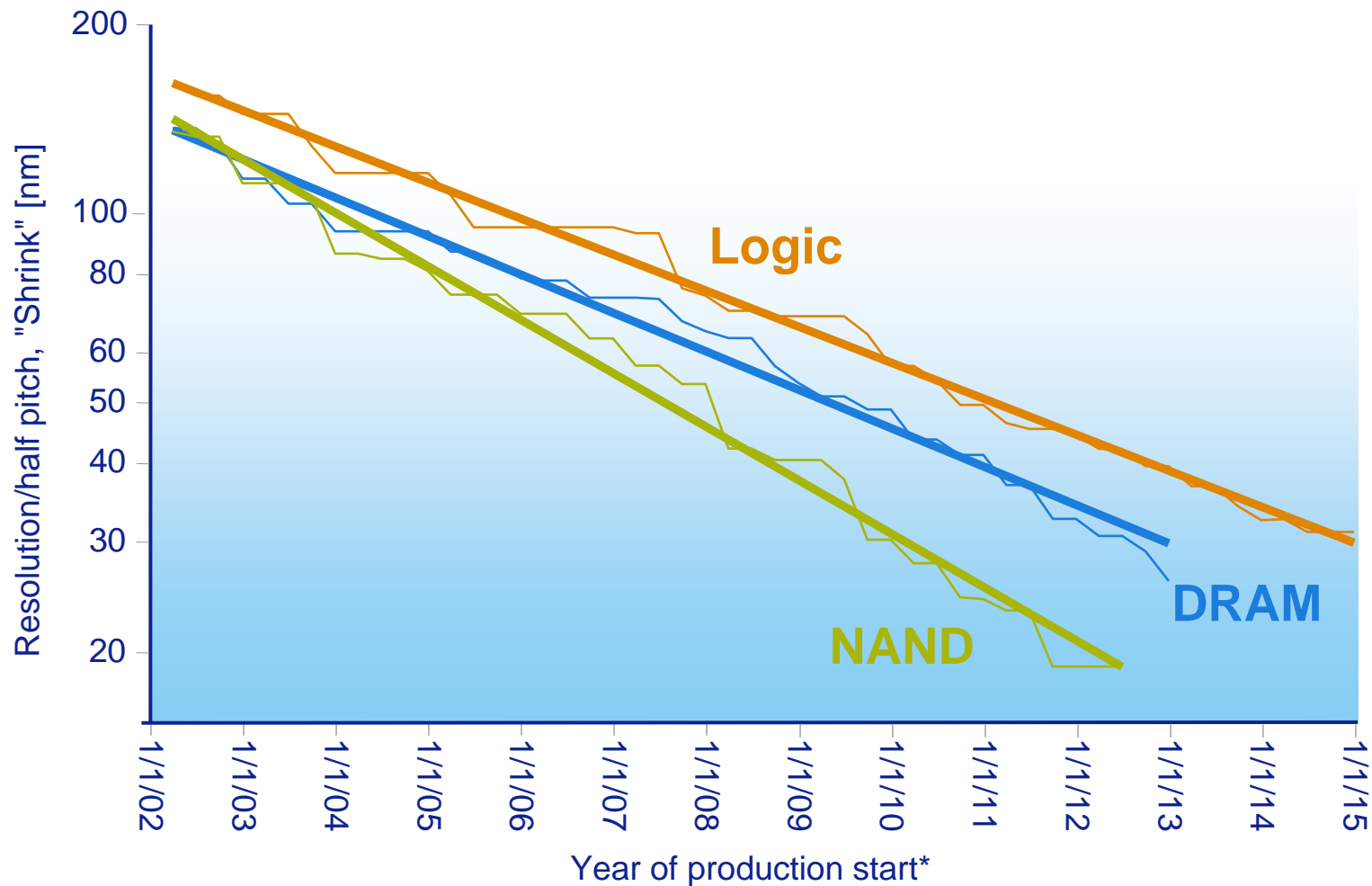
- Strong liquidity
 - Cash & cash equivalents EUR 1.1 billion by end Q4 2008
 - Standby facility EUR 500 million due 2012
- Conservatively financed
 - Debt EUR 600 million 5.75% Notes due 2017
- Q1 cash flow expected positive, at sales level of EUR 180 – 200 million
 - Working capital release due to significantly reduced component purchasing and usage of components already in inventory
 - Working capital release due to receipt of outstanding accounts
 - Cash benefit from lowered cost of operations
- Reduced Capex start in H2 2009 as completion of EUV production facility expected in Q2 2009



Strategy for the future



Technology developments continue in spite of current world wide crisis

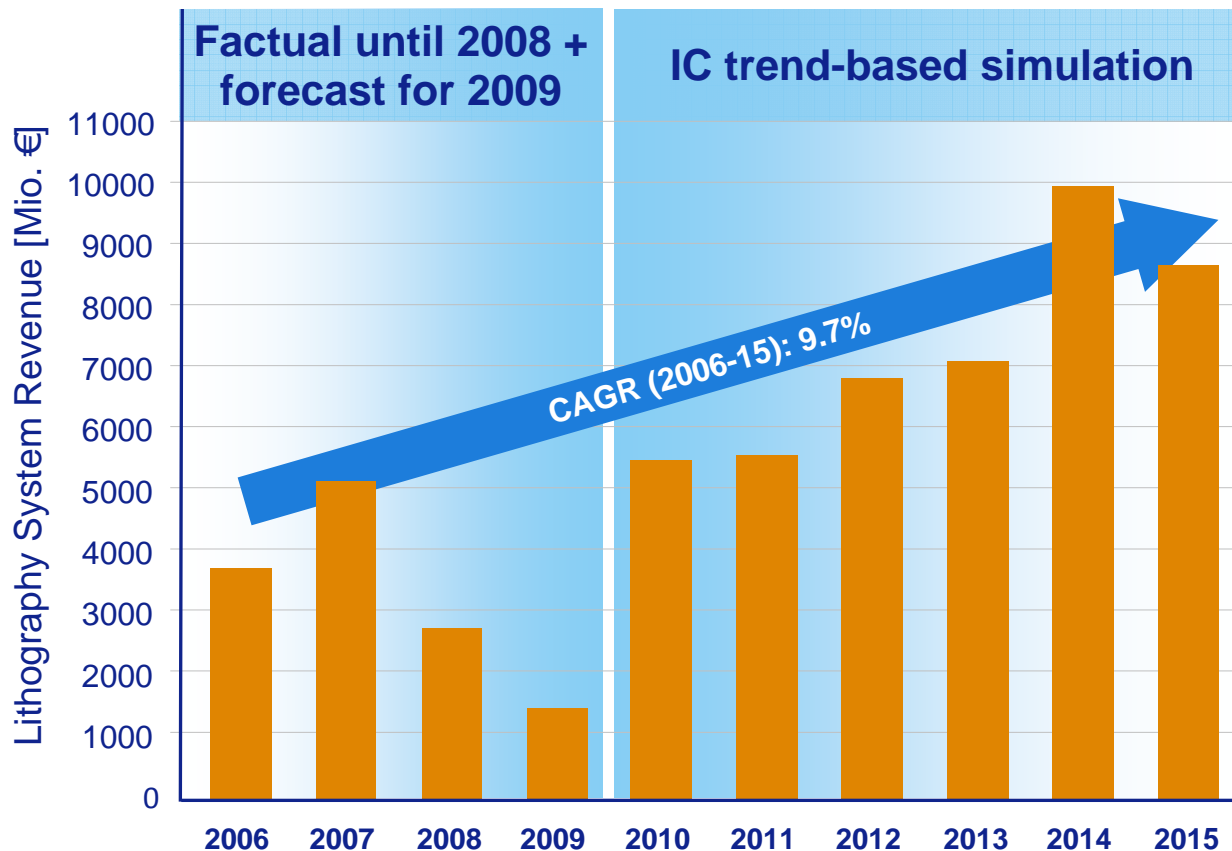


* Note: Process development 1.5 ~ 2 years in advance updated 01/08

Lithography Total Market Growth

Historical trends projected

WW Litho Demand Simulation (2006 - 2015) :



- Semiconductor unit growth continues at 9% per year
- Moore's law unaffected



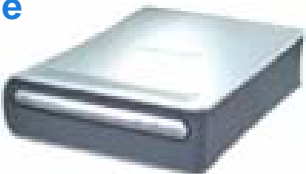
Bottom-up scenario: Four engines of growth

Even when assuming slow chip unit growth of 4%
(due to Moore's Law slowdown and slower electronics consumption in the West)

More DRAM in expanding consumer electronics. **Additional €1.2B Litho revenue over 5 years.**



NAND/DRAM penetration rises to 10% of hard disk drives storage capacity, versus 7% in slow-down scenario, **adding €6.7 billion in Litho revenue over 5 years.**



Middle class population growth expected, driven by Brazil, Russia, India and China (BRIC). Electronics spending in BRIC to more than double to \$46/year, **adding €16B in Litho revenue over 5 years.**



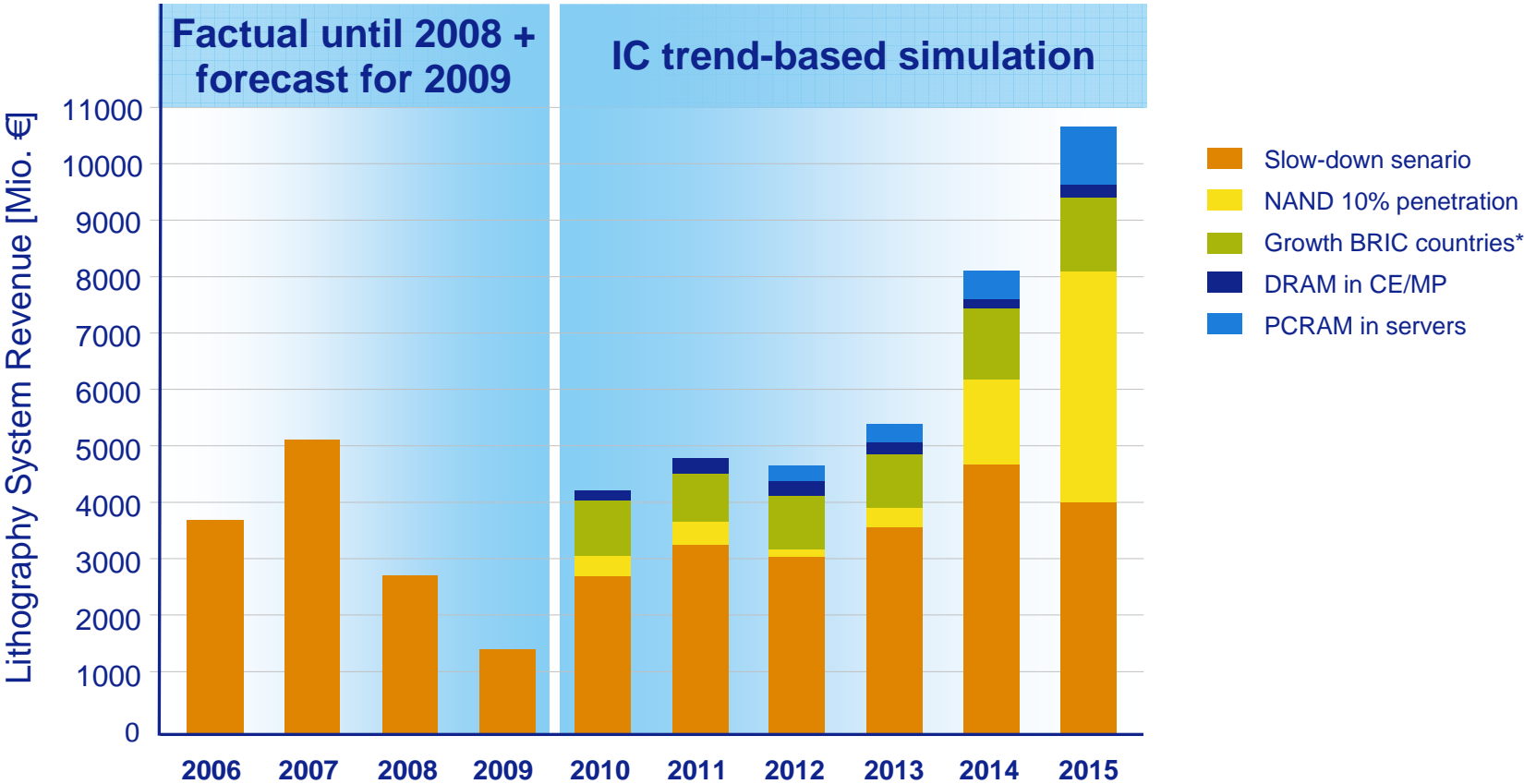
Emerging new Storage Class Memory makes computer servers perform 25% better, leading to 30% penetration by 2015, **adding €1.5B Litho revenue in 2013-2015 period.**



Bottom-up scenario: significant Litho demand

Simulated demand model, corrected for overlap

WW Litho Demand Simulation (2006 - 2015) : Revenue Split by Wavelength
 Conservative Scenario + Emerging Growth Markets



Source: ASML MCC (2/2009)



ASML confirms its strategy

- The lithography market offers significant growth potential; the company target of EUR 5 billion in annual revenues within 2 to 3 years from recession bottom is still achievable
- ASML key success factor is unmatched R&D innovation which will remain unaffected in the current crisis and in line with customer roadmaps, focused on a high level of product differentiation
- Production capacity (assets and staff) will be maintained to meet customer needs without lengthy lead times
- ASML scales down its cost structure for positive cash generation even at very low quarterly revenue levels
 - Short-term restructuring through shuttering of non-essential activities
 - Drive improvement in the long term cost structure through efficiency initiatives

Support customer demand for low cost manufacturing

By strengthening product roadmap

TWINSCAN XT:1950Hi (body IV)



Resolution: 38 nm
Productivity to 148 wph
Shipping 2009

Lower cost platform

Double patterning TWINSCAN NXT:1950



Resolution: 32 nm
Productivity to 200 wph
Shipping 2009

Higher speed and overlay accuracy

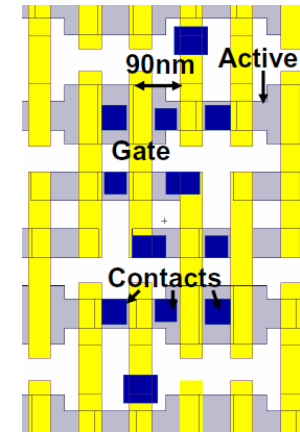
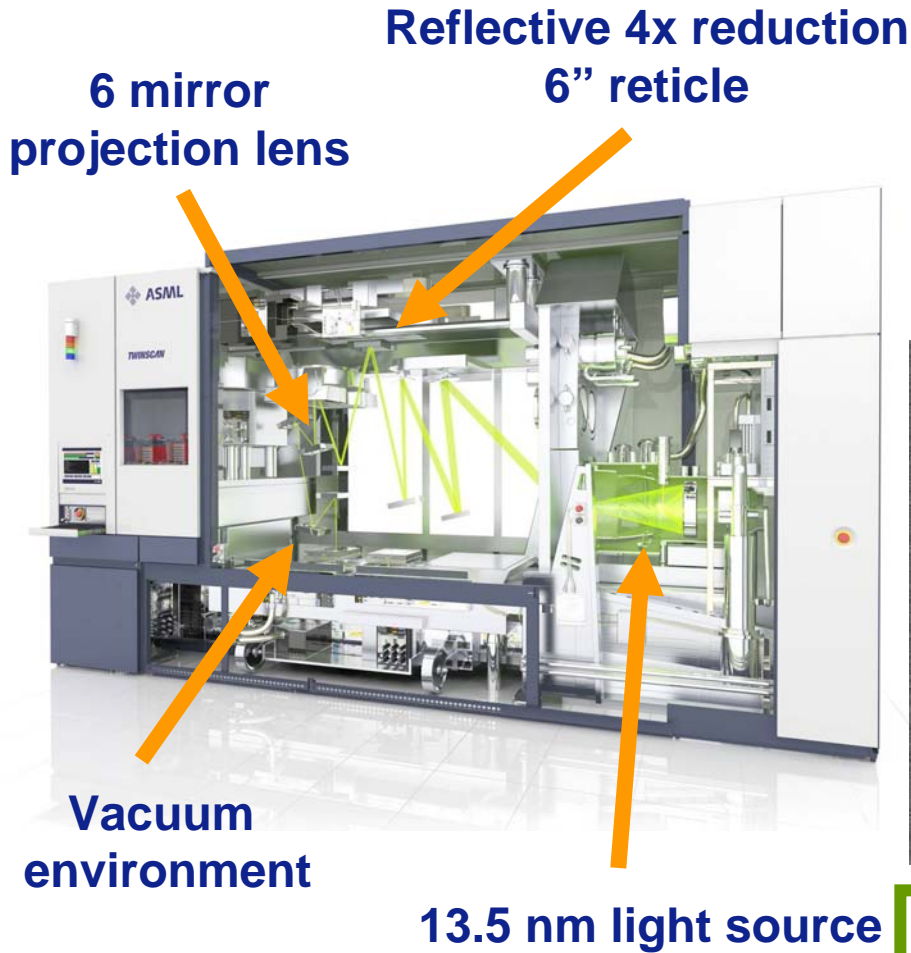
EUV TWINSCAN NXE:3100



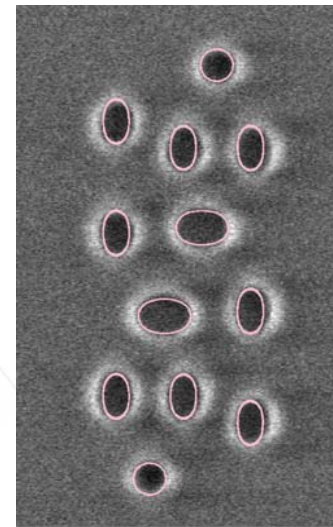
Resolution: 22 nm and beyond
Productivity to 140 wh
Shipping 2010

Enables cost-effective shrink

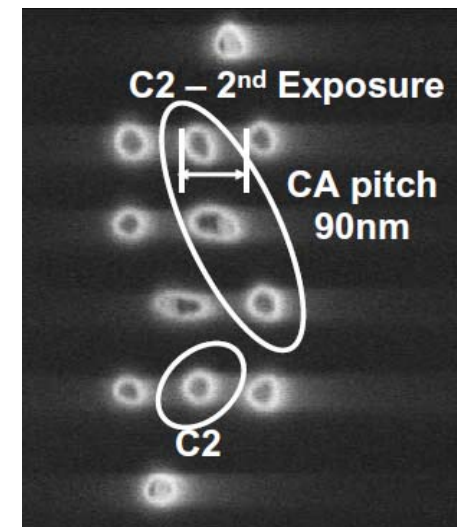
NXE production system ready in 2010



SRAM memory Flycell



EUV Single Exposure



ArF immersion Double Exposure

Source: ASML and B.S. Haran, et al., Proc. IEDM (2008)



ASML

ASML Holistic lithography

Enables aggressive scaling and optimizes cost of ownership



Process Window Overlay Productivity CDU

Holistic lithography is the integration of wafer lithography, computational lithography and metrology, aimed at optimal imaging through the tuning of the process window, productivity, overlay and critical dimension uniformity (CDU)

Improvements in cost structure (1)

Short-term and temporary measures

- Restructuring as announced in December to save EUR 200 million annualized costs
- Dutch Government support programs:
 - Support for reduced hours employment programs, using unemployment funding
 - Tax reduction on R&D labor costs (Wet Bevordering Speur & Ontwikkelwerk)
 - Point One/Eureka sponsored projects, with strong content from small and medium sized enterprises, to be accelerated
 - Corporate Tax reduction with extended losses carry back facility
 - Innovation support mechanisms (Technisch Ontwikkelingskrediet)

Improvements in cost structure (2)

Longer-term cost structure improvements

- A new manufacturing system in a new factory
- More supplier integration
- Re-engineered development process
- Less overhead

ASML contribution to sustainability

Improved sustainability report covering all GRI-G3 topics at A application level (last year B)

Personnel: ASML workforce increased by 5% while flexible labor is reduced due to economic circumstances

Labor time reduction program to prevent lay-offs

Environment: Energy and greenhouse gas emission marginally increased despite expanded production facilities and increased workforce

Total waste went down by 14%

Health & safety: Low illness rate in Europe 3%, same as last year

Continued improvement of safe work conditions with 0.46 incidents per 100 employees

Business magazine INCOMPANY names ASML best employer of the year in the Netherlands

with a record score of 7.9



Conclusions

- A significant impact of the world wide economic crisis on ASML short-term results
- A confirmed long-term growth trajectory
- A fast reduction of cash consumption to allow the company to keep investing in its R&D fundamentals
- A focus on execution efficiency



ASML

Remuneration Board of Management 2008

Jos Westerburgen – Chairman of the Remuneration Committee

Annual General Meeting of Shareholders, March 26, 2009

Highlights of the Current BOM Remuneration Policy

- Benchmarked to median level of relevant peer companies in Europe
- Capped total remuneration - Cash/Stock/Options
- Options and Stock (if any) become available resp. 3 and 5 years after conditional grant
- 1 year base salary compensation for dismissal
- Bonus (Cash and Stock) based on achievements to Market Position, Technology Performance, Profitability, Cash generation and ROAIC)

Remuneration Board of Management 2008

- Remuneration Policy 2008 applied with approved market adjustment
 - Base Salaries increased with 3.5% for 2008
 - Target Cash Bonus increased from 50% to 75% (CEO) or 60% (other BoM members)
 - Target Long Term Incentive (shares) increased from 50% to 55% (maximum increased from 87.5% to 96.25%)
- Actual payout of Cash Bonus and Options reflects the business in 2008
 - Good performance in H1 2008
 - Decline in H2 2008, accelerating in Q4
- ASML's Long Term Performance (as measured by ROAIC compared to the peer) is excellent
 - 2nd in 2006 and 2007, 1st in 2008
 - resulting in a maximum payout of the shares conditionally granted in 2006

Short Term Remuneration reflects the business

	H1 2007	H2 2007	H1 2008	H2 2008
Salaries	1,005,000	1,005,000	1,036,500	1,036,500
Cash Bonus	438,227	502,554	629,255	358,981
Options	452,250	502,500	518,250	0
Total	1,895,477	2,010,054	2,184,005	1,395,481

The H1 2008 performance resulted in a Cash Bonus payout close to the target (95,8% of target); in H2 2008 this was close to half of the target (54,6% of target)

These figures are published and explained on page 10 of the Remuneration Report FY 2008 and partly reported on pages 114 and 115 of the Statutory Annual Report 2008 and page F-39 to F-41 of the Annual Report 2008 (20-F)

ROAIC ranking within the Peer Group is high

Company	Rank 2006	Rank 2007	Rank 2008
Adv. Eng	3	8	8
AMAT	4	5	5
ASMI	6	4	4
ASML	2	2	1
ASYST	11	11	11
CYMER	8	7	2
KLA-T	5	6	10
LAM-R	1	1	3
MKSI	9	10	7
Novellus	10	9	9
Varian	7	3	6

ASML's ranking on ROAIC performance within the peer group is excellent in the performance period 2006 - 2007 - 2008

Because of this ranking, the maximum number of in 2006 conditionally granted shares over the performance period 2006 - 2007 - 2008 will be released; these shares will be blocked for two years (5 years total)

Number of shares released

Meurice	72,136
Wennink	45,905
Van den Brink	48,241
Fuchs	43,719

Glance at 2009

- The ASML Board of Management has waived the agreed 5% salary increase for 2009
- Because of the current economic and business situation, the Supervisory Board expects the Short Term Cash Bonus criteria to limit the 2009 cash bonus
- In 2009 the Supervisory Board will further review the amended principles and recommendations of the Dutch Corporate Governance Code and other trends in the market place in order to come up with proposals to the 2010 AGM for adjustment of the Remuneration Policy



ASML

