ASML

Statutory Interim Report for the six-month period ended June 26, 2011

ASML Holding N.V.
Statutory Interim Report
for the six-month period ended June 26, 2011

Contents

This report comprises regulated information within the meaning of articles 1:1 and 5:25d of the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

In this report the name "ASML" is sometimes used for convenience and refers to ASML Holding N.V. and/or any of its subsidiaries, as appropriate. The name is also used where no useful purpose is served by identifying the particular company or companies.

Introduction

Dear Shareholder,

ASML Holding N.V. (ASML) today published its Statutory Interim Report for the six-month period ended June 26, 2011. This report includes an Interim Management Board Report, a Managing Directors' Statement and Consolidated Condensed Interim Financial Statements prepared in accordance with IAS 34.

The Statutory Interim Report comprises regulated information within the meaning of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

Today, ASML also published its 2011 second-quarter results according to United States Generally Accepted Accounting Principles ("U.S. GAAP") and International Financial Reporting Standards ("IFRS").

Veldhoven, July 13, 2011

Interim Management Board Report

About ASML

ASML Holding N.V. (“ASML” or the “Company”) is one of the world’s leading providers of lithography systems for the semiconductor industry, manufacturing complex machines that are critical to the production of integrated circuits (“ICs”) or microchips. ASML designs, develops, integrates, markets and services these advanced systems, which continue to help its customers -the chipmakers- reduce the size and increase the functionality of microchips and consumer electronic equipment.

Headquartered in Veldhoven, the Netherlands, ASML operates globally, with activities in Europe, the United States and Asia. As of June 26, 2011, we employed 7,697 payroll and 2,159 temporary employees (measured in full-time employees “FTEs”). ASML operates in 16 countries through over 55 sales and service locations.

In the first half of 2011, we generated net sales of EUR 2,981.6 million and an operating income of EUR 922.2 million. Net income for the first half of 2011 amounted to EUR 826.9 million, representing a net income per ordinary share of EUR 1.91.

Below we provide an overview of the risks and uncertainties the Company faces for the second half of 2011, followed by the ASML operations update.

Risk Factors

In conducting our business, we face many risks that may interfere with our business objectives. Some of these risks relate to our operational processes, while others relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial condition and results of operations. Some of the more relevant risks are described below. These risks are not the only ones that ASML faces. Some risks may not yet be known to ASML and certain risks that ASML does not currently believe to be material could become material in the future. The Company has assessed the risks for the second half of 2011 and believes that the risks identified are in line with those presented in the Statutory Annual Report 2010. For a detailed description of the risks defined below, we refer to the Statutory Annual Report 2010.

Strategic risks
- We derive most of our revenues from the sale of a relatively small number of products.

Risks related to the semiconductor industry
- The semiconductor industry is highly cyclical and we may be adversely affected by any downturn;
- Our business will suffer if we do not respond rapidly to commercial and technological changes in the semiconductor industry;
- We face intense competition.

Governmental, legal and compliance risks
- Failure to adequately protect the intellectual property rights upon which we depend could harm our business;
- Defending against intellectual property claims brought by others could harm our business;
- We are subject to risks in our international operations;
- Because of labor laws and practices, any workforce reductions that we may seek to implement in order to reduce costs company-wide may be delayed or suspended.

Operational risks
- The number of systems we can produce is limited by our dependence on a limited number of suppliers of key components;
- The pace of introduction of our new products is accelerating and is accompanied by potential design and production delays and by significant costs;
- We are dependent on the continued operation of a limited number of manufacturing facilities;
- We may be unable to make desirable acquisitions or to integrate successfully any businesses we acquire;
- Our business and future success depend on our ability to attract and retain a sufficient number of adequately educated and skilled employees.

Financial risks

- A high percentage of net sales is derived from a few customers;
- Fluctuations in foreign exchange rates could harm our results of operations.

Risks related to our ordinary shares

- We may not declare cash dividends at all or in any particular amounts in any given year;
- The price of our ordinary shares is volatile;
- Restrictions on shareholder rights may dilute voting power.

Financial Risk Management

ASML is exposed to a variety of financial risks: market risks (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. See Note 4 of the consolidated condensed interim financial statements and the Company's Statutory Annual Report 2010.

ASML Operations Update

Set forth below are our consolidated income statement data on semi-annual basis:

For the six-month period ended June, 26, 2011 and June, 27, 2010		
	2011	**2010**
(in millions)	**EUR**	EUR
Total net sales	**2,981.6**	1,810.5
Cost of sales	**1,696.2**	1,124.6
Gross profit on sales	**1,285.4**	685.9
Research and development costs	**258.4**	176.3
Selling, general and administrative costs	**104.8**	83.0
Operating income	**922.2**	426.6
Interest income (expense), net	**0.7**	(9.4)
Income before income taxes	**922.9**	417.2
Provision for income taxes	**(96.0)**	(63.3)
Net income	**826.9**	353.9

The following table shows a summary of key financial figures on semi-annual basis:

For the six-month period ended June, 26, 2011 and June, 27, 2010		
	2011	**2010**
Net sales (EUR million)	**2,981.6**	1,810.5
Net system sales (EUR million)	**2,618.0**	1,554.6
Net service and field option sales (EUR million)	**363.6**	255.9
Total sales of systems (in units)	**126**	77
Total sales of new systems (in units)	**114**	58
Total sales of used systems (in units)	**12**	19
Gross profit on sales as a percentage of net sales	**43.1**	37.9
Average selling price of total system sales (EUR million)	**20.8**	20.2
Average selling price of new system sales (EUR million)	**22.6**	25.7
Average selling price of used system sales (EUR million)	**3.5**	3.4
Value of systems backlog excluding EUV (EUR million)	**2,755.5**	2,803.4[1]
Systems backlog excluding EUV (in units)	**105**	100[1]
Average selling price of systems backlog excluding EUV (EUR million)	**26.2**	28.0[1]

1 As of January 1, 2011, ASML values net bookings and systems backlog at gross system sales value. The comparative figures have not been adjusted.

Consolidated sales and gross profit

Net sales increased by EUR 1,171.1 million from EUR 1,810.5 million for the first half of 2010 to EUR 2,981.6 million for the first half of 2011 and the number of systems shipped increased from 77 systems in the first half of 2010 to 126 systems in the first half of 2011. The increase in net sales is caused by increased demand for all chip layers: customers continue to invest in new leading-edge immersion technology as well as dry lithography tools in order to execute their strategic fab investments in new technology and capacity to meet demand. As a result of investments in dry lithography tools for capacity, the average selling price ("ASP") of our new systems decreased by 12.1 percent from EUR 25.7

million in the first half of 2010 to EUR 22.6 million in the first half of 2011. The ASP of our used systems (EUR 3.5 million) in the first half of 2011 was in line with the ASP in the first half of 2010.

Gross profit on sales increased from EUR 685.9 million or 37.9 percent of net sales for the first half of 2010 to EUR 1,285.4 million or 43.1 percent of net sales for the first half of 2011. The higher gross profit was mainly attributable to a significant increase in net sales as a result of the increased demand by our customers for all chip layers. Furthermore, in the first half of 2010, the gross profit was partly offset by increased manufacturing costs a a result longer lead-times.

We started 2011 with a backlog of 157 systems. During the first half of 2011, we booked orders for 74 systems and recognized sales for 126 systems. This resulted in a backlog of 105 systems as of June 26, 2011. The total value of our systems backlog as of June 26, 2011 amounted to EUR 2,755.5 million with an ASP of EUR 26.2 million, reflecting a mix of systems for all chip layers. The systems backlog as of December 31, 2010 amounted to EUR 3,855.7 million with an ASP of EUR 24.6 million.

Research and development

Research and development ("R&D") investments (which include R&D costs, net of credits and additions to other intangible assets regarding development expenditures) increased by EUR 44.6 million or 18.2 percent from EUR 245.5 million for the first half of 2010 (EUR 176.3 million R&D costs and EUR 69.2 million additions to other intangible assets regarding development expenditures) to EUR 290.1 million (EUR 258.4 million R&D costs and EUR 31.7 million addition to other intangible assets regarding development expenditures) for the first half of 2011. The R&D investments increased as a result of spending on our strategic programs, in particular immersion, double patterning and Extreme Ultraviolet ("EUV"). The additions in other intangible assets regarding capitalized development expenditures decreased due to an increase in subsequent development costs, relating to our strategic programs, which cannot be capitalized.

Income taxes

Income tax expense is recognized based on management's best estimate of the annual income tax rate for the full financial year. The estimated annual tax rate for the six-month period ended June 26, 2011 is 10.4 percent compared to 15.2 percent for the six-month period ended June 27, 2010.

In December 2010, ASML reached agreement with the Dutch fiscal authorities regarding the application of the "Innovation Box", a facility under Dutch corporate tax law pursuant to which income associated with R&D is partially exempted from taxation. This tax ruling has retroactive effect to January 1, 2007 and is valid through December 31, 2016. Thereafter the validity of this ruling may be extended or this ruling may be adapted in case a change of circumstances occurs. For 2010 the beneficial impact of the Innovation Box was partially offset with the cumulative negative Royalty Box effects incurred in the Netherlands during the period 2007-2009. In the first half of 2011, the Innovation Box effect is no longer offset by these prior year effects. Furthermore the decrease of the estimated annual tax rate for the six-month period ended June 26, 2011 compared to the six-month period ended June 27, 2010 is due to an increase in the Innovation Box benefit for the 2011 period.

Liquidity

Our principal sources of liquidity as of June 26, 2011 consist of EUR 2,742.1 million of cash and cash equivalents (December 31, 2010: EUR 1,949.8 million), EUR 500.0 million of available credit facilities (December 31, 2010: EUR 700.0 million) and expected future cash flows from operations.

We have repayment obligations in 2017, amounting to EUR 600.0 million, on our 5.75 percent senior notes. We currently intend to fund any future repayment obligations primarily with cash on hand and cash generated from operations.

The Company's available credit facilities amount to EUR 500.0 million as of June 26, 2011 (December 31, 2010: EUR 700.0 million) and consist of one EUR 500.0 million credit facility. This credit facility has a term of five years and contains a restrictive covenant which requires the Company to maintain a minimum committed capital to net total assets ratio of 40.0 percent calculated in accordance with contractually agreed definitions. As of June 26, 2011 and December 31, 2010 this ratio was 83.9 percent and 78.0 percent, respectively. Therefore, the Company was in compliance with the covenant as of June 26, 2011. Outstanding amounts under this credit facility will bear interest at EURIBOR or LIBOR plus a margin that depends on the Company's liquidity position. No amounts were outstanding under this credit facility as of June 26, 2011.

The undrawn EUR 200.0 million loan facility (between The Company and the European Investment Bank) has matured in the first half of 2011, as the availability period to draw the facility ended on March 31, 2011.

The Company currently does not expect any difficulty in continuing to meet its covenant requirements. See also Note 4 to our consolidated condensed interim financial statements.

In addition to cash and available credit facilities, from time to time we may raise additional capital in debt and equity markets. Our liquidity needs are affected by many factors, some of which are based on the normal ongoing operations of the business, and others which relate to the uncertainties of the global economy and the semiconductor industry. ASML believes that cash generated from operations, together with the liquidity provided by existing cash balances and borrowing capacity, will be sufficient to satisfy its present requirements.

Dividends and Share buybacks

We aim to pay a sustainable annual dividend that will be stable or growing over time. Annually, the Supervisory Board, upon proposal of the Board of Management, will assess the amount of dividend that will be proposed to the Annual General Meeting of Shareholders. The Company increased its dividend pay-out in respect of 2010 to EUR 0.40 per ordinary share of EUR 0.09, which was approved by the annual general Meeting of Shareholders on April 20, 2011. As a result, an amount of EUR 172.6 million was paid to our shareholders in May 2011.

We intend, next to dividend payments, to return cash to our shareholders on a regular basis through share buy backs or repayment of capital, subject to our actual and anticipated level of cash generated from operations, the cash requirements for investment in ASML's business, ASML's current share price and other market conditions and relevant factors.

As announced on January 19, 2011, and approved by our General Meeting of Shareholders on April 20, 2011, ASML will repurchase up to EUR 1.0 billion of its own shares within two years. As of June 26, 2011, the aggregate amount of shares repurchased amounts to EUR 373.8 million, which represents 37.4 percent of the program. ASML intends to cancel the repurchased shares.

Cash Flows from Operating Activities

We generated cash from operating activities of EUR 1,631.6 million and EUR 306.9 million in the first half of 2011 and 2010, respectively. Cash provided by operating activities in the first half of 2011 mainly relates to increased sales levels as a result of increased demand in the semiconductor equipment industry, partly offset by investing in inventories to support growth in sales levels. Furthermore, operating cash is positively impacted by an increase in accrued and other liabilities due to advances received from customers, for systems included in ASML's current product portfolio or systems currently under development, in the form of down payments, mainly relating to EUV.

Cash Flows from Investing Activities

We used EUR 159.1 million for investing activities in the first half of 2011 and EUR 94.5 million in the first half of 2010. The majority of the first half of 2011 expenditures related to capitalization of development expenditures, buildings and constructions and machinery and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities was EUR 666.0 million in the first half of 2011 compared to EUR 73.0 million in the first half of 2010. Net cash used in financing activities in the first half of 2011 mainly included EUR 172.6 million as a result of the dividend payment and EUR 365.7 million as a result of share buybacks, partly offset by net proceeds from issuance of shares and stock options under share and stock option plans.

Related party transactions

For disclosure regarding related party transactions see Note 15 of the consolidated condensed interim financial statements.

Auditors' involvement

This statutory interim report and the consolidated condensed interim financial statements included herein have not been audited or reviewed by an external auditor.

2011 Second half perspectives

Operational outlook

We booked EUR 840 million worth of systems, excluding EUV, in the second quarter of 2011, several systems below expectations. Our customers are currently taking some time to assess the semiconductor end-demand trends for 2012 before determining their overall capacity plans levels and timings. We therefore anticipate third quarter orders likely not to exceed EUR 500 million.

We highlight that our EUV technology has progressed to the point that we will recognize the first two NXE:3100 systems in third quarter sales, as the platform is being used by our customers to develop process recipes. The orders for NXE:3100, with an ASP of EUR 42 million, include four systems that will be recognized in net system sales over coming quarters, one operating lease contract and one R&D system to be recognized in the R&D line in the coming quarters. The NXE:3100 is our second-generation EUV system; ASML plans to introduce its volume production system NXE:3300 by next year.

Financial outlook

The following table sets forth our systems backlog as of June 26, 2011 and December 31, 2010 :

	June 26, 2011	December 31, 2010
New systems backlog excluding EUV (in units)	**86**	135 [1]
Used systems backlog excluding EUV (in units)	**19**	22 [1]
Total systems backlog excluding EUV (in units)	**105**	157 [1]
Value of new systems backlog excluding EUV (EUR million)	**2,691.1**	3,744.3 [1]
Value of used systems backlog excluding EUV (EUR million)	**64.4**	111.4 [1]
Value of total systems backlog excluding EUV (EUR million)	**2,755.5**	3,855.7 [1]
Average selling price of new systems backlog excluding EUV (EUR million)	**31.3**	27.7 [1]
Average selling price of used systems backlog excluding EUV (EUR million)	**3.4**	5.1 [1]
Average selling price of total systems backlog excluding EUV (EUR million)	**26.2**	24.6 [1]

1 As of January 1, 2011, ASML values net bookings and systems backlog at gross system sales value. The comparative figures have not been adjusted.

Our systems backlog includes only system orders for which written authorizations have been accepted and shipment dates within 12 months have been assigned. Historically, orders have been subject to cancellation or delay by customers. Due to possible customer changes in delivery schedules and to cancellation of orders, our systems backlog at any particular date is not necessarily indicative of actual sales for any succeeding period.

For the 2011 third quarter, ASML expects net sales of around EUR 1.4 billion, including two second generation EUV systems which represent total sales of around EUR 80 million with zero profit margin. We expect 2011 full year sales to exceed EUR 5.0 billion, excluding EUV.

Great people at ASML

As of June 26, 2011, we employed 7,697 payroll employees in FTEs primarily in manufacturing, product development and customer support activities (December 31, 2010: 7,184). In addition, as of June 26, 2011, the total number of temporary employees in FTEs was 2,159 (December 31, 2010: 2,061). We rely on our ability to vary the number of temporary employees to respond to fluctuating market demand for our products.

Our future success will depend on our ability to attract, train, retain and motivate highly qualified, skilled and educated employees, who are in great demand. We are particularly reliant for our continued success on the services of several key employees, including a number of systems development specialists with advanced university qualifications in engineering, optics and computing.

Our successes were achieved thanks to ASML's people in every part of our organization. Our world renowned experts in nano-scale lithography have cumulative experience that is second to none. Our culture thrives on very strong commitment to leadership, achievements and customer satisfaction. Our people have not only driven ASML's reputation to the highest levels, they have also positioned ASML well to meet the ever increasing technical requirements of our customers.

The Board of Management,
Veldhoven, July 13, 2011

Managing directors’ statement

The Board of Management hereby declares that, to the best of its knowledge, the consolidated condensed interim financial statements prepared in accordance with IAS 34, “Interim Financial Reporting”, provide a true and fair view of the assets, liabilities, financial position and profit or loss of ASML Holding N.V. and the undertakings included in the consolidation taken as a whole, and the Management Board Report includes a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

The Board of Management,

Eric Meurice, President, Chief Executive Officer
Peter T.F.M. Wennink, Executive Vice President, Chief Financial Officer
Martin A. van den Brink, Executive Vice President, Chief Product and Technology Officer
Frits J. van Hout, Executive Vice President, Chief Marketing Officer
Frederic Schneider-Maunoury, Executive Vice President, Chief Operating Officer

Veldhoven, July 13, 2011

Consolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Financial Statements

Consolidated Condensed Income Statement

Notes	For the six-month period ended June, 26, 2011 and June, 27, 2010	Unaudited 2011	Unaudited 2010
	(in thousands, except per share data)	**EUR**	EUR
13	Net system sales	**2,618,045**	1,554,638
13	Net service and field option sales	**363,538**	255,841
	Total net sales	**2,981,583**	1,810,479
	Cost of system sales	**1,510,062**	984,597
	Cost of service and field option sales	**186,099**	140,008
	Total cost of sales	**1,696,161**	1,124,605
	Gross profit on sales	**1,285,422**	685,874
	Research and development costs	**258,411**	176,290
	Selling, general and administrative costs	**104,840**	82,954
	Operating income	**922,171**	426,630
	Interest income	**15,312**	4,519
	Interest charges	**(14,575)**	(13,962)
	Income before income taxes	**922,908**	417,187
12	Provision for income taxes	**(95,958)**	(63,329)
	Net income	**826,950**	353,858
6	Basic net income per ordinary share	**1.91**	0.81
6	Diluted net income per ordinary share	**1.89**	0.81
	Number of ordinary shares used in computing per share amounts (in thousands):		
	Basic	**432,928**	434,578
	Diluted	**436,461**	438,504

Consolidated Condensed Statement of Comprehensive Income

For the six-month period ended June, 26, 2011 and June, 27, 2010	Unaudited	Unaudited
	2011	**2010**
(in thousands)	**EUR**	EUR
Net income	**826,950**	353,858
Other comprehensive income:		
Foreign currency translation, net of taxes:		
Gains on translation of foreign operations	**1,769**	44,724
Derivative financial instruments, net of taxes:		
Fair value gains for the six-month period	**53,169**	(10,100)
Transfers to net income	**(30,843)**	(6,164)
Other comprehensive income for the period, net of taxes	**24,095**	28,460
Total comprehensive income for the period, net of taxes	**851,045**	382,318
Attributable to Equity holders:	**851,045**	382,318

Consolidated Condensed Statement of Financial Position

Notes	(in thousands)	Unaudited June 26, 2011 EUR	December 31, 2010 EUR
	Assets		
7	Property, plant and equipment	**960,170**	745,331
	Goodwill	**140,665**	150,071
	Other intangible assets	**247,300**	277,038
12	Deferred tax assets	**247,759**	234,194
	Finance receivables	**-**	28,905
4	Derivative financial instruments	**49,487**	71,779
	Other assets	**161,100**	159,603
	Total non-current assets	**1,806,481**	1,666,921
8	Inventories	**1,616,652**	1,500,072
12	Current tax assets	**982**	12,678
4	Derivative financial instruments	**32,340**	24,401
	Finance receivables	**61,906**	12,648
9	Accounts receivable	**895,120**	1,123,534
	Other assets	**183,822**	163,745
	Cash and cash equivalents	**2,742,108**	1,949,834
	Total current assets	**5,532,930**	4,786,912
	Total assets	**7,339,411**	6,453,833
	Equity and liabilities		
	Equity	**3,353,304**	3,022,462
	Long-term debt[1]	**701,677**	704,302
4	Derivative financial instruments	**1,895**	1,981
12	Deferred and other tax liabilities	**211,011**	185,009
	Provisions	**10,090**	11,811
10	Accrued and other liabilities	**831,916**	371,089
	Total non-current liabilities	**1,756,589**	1,274,192
	Provisions	**2,109**	2,250
4	Derivative financial instruments	**6,676**	32,917
	Current portion of long-term debt[1]	**2,561**	1,429
12	Current and other tax liabilities	**84,823**	79,354
10	Accrued and other liabilities	**1,509,002**	1,485,832
	Accounts payable	**624,347**	555,397
	Total current liabilities	**2,229,518**	2,157,179
	Total equity and liabilities	**7,339,411**	6,453,833

1 As of January 1, 2011 the current portion of long-term debt is presented as part of the current liablities. The comparative figures have been adjusted to reflect this change in presentation (EUR 1.4 million).

Consolidated Condensed Statement of Changes in Equity

(in thousands)	Issued and outstanding shares Number[1]	Amount EUR	Share Premium EUR	Retained Earnings EUR	Treasury Shares at cost EUR	Other Reserves[2] EUR	Net Income (Loss) EUR	Total EUR
Balance at December 31, 2009	433,639	40,448	923,487	1,215,492	(219,623)	172,446	(81,443)	**2,050,807**
Appropriation of net loss	-	-	-	(81,443)	-	-	81,443	**-**
Net income	-	-	-	-	-	-	353,858	**353,858**
Foreign currency translation, net of taxes	-	-	-	-	-	44,724	-	**44,724**
Derivative financial instruments, net of taxes	-	-	-	-	-	(16,264)	-	**(16,264)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**28,460**	**353,858**	**382,318**
Share-based payments	-	**-**	3,053	**-**	**-**	-	-	**3,053**
Dividend paid[3]	-	-	-	(86,952)	-	-	-	**(86,952)**
Issuance of shares and stock options	1,732	156	(12,049)	(8,947)	39,016	-	-	**18,176**
Development expenditures	-	-	-	(186)	-	186	-	**-**
Balance at June 27, 2010 (unaudited)	435,371	40,604	914,491	1,037,964	(180,607)	201,092	353,858	**2,367,402**
Net income	-	-	-	-	-	-	631,595	**631,595**
Foreign currency translation, net of taxes	-	-	-	-	-	(17,418)	-	**(17,418)**
Derivative financial instruments, net of taxes	-	-	-	-	-	15,043	-	**15,043**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(2,375)**	**631,595**	**629,220**
Share-based payments	-	-	13,201	-	**-**	-	-	**13,201**
Dividend paid[3]	-	-	-	(8)	-	-	-	**(8)**
Issuance of shares and stock options	1,222	109	(5,351)	(9,626)	27,515	-	-	**12,647**
Development expenditures	-	-	-	68,339	-	(68,339)	-	**-**
Balance at December 31, 2010	436,593	40,713	922,341	1,096,669	(153,092)	130,378	985,453	**3,022,462**
Appropriation of net income	-	-	-	985,453	-	-	(985,453)	**-**
Net income	-	-	-	-	-	-	826,950	**826,950**
Foreign currency translation, net of taxes	-	-	-	-	-	1,769	-	**1,769**
Derivative financial instruments, net of taxes	-	-	-	-	-	22,326	-	**22,326**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**24,095**	**826,950**	**851,045**
Purchases of treasury shares[4]	(13,185)	-	-	-	(373,801)	-	-	**(373,801)**
Share-based payments	-	**-**	2,620	**-**	**-**	-	-	**2,620**
Dividend paid[3]	-	-	-	(172,645)	-	-	-	**(172,645)**
Issuance of shares and stock options	1,907	-	(7,076)	(12,219)	42,918	-	-	**23,623**
Development expenditures	-	-	-	25,683	-	(25,683)	-	**-**
Balance at June 26, 2011 (unaudited)	**425,315**	**40,713**	**917,885**	**1,922,941**	**(483,975)**	**128,790**	**826,950**	**3,353,304**

1 As of June 26, 2011, the number of issued shares was 444,480,095. This includes the number of issued and outstanding shares of 425,315,091 and the number of treasury shares of 19,165,004. As of June 27, 2010, the number of issued shares was 444,480,095. This included the number of issued and outstanding shares of 435,371,194 and the number of treasury shares of 9,108,901.

2 Other reserves consist of the hedging reserve, the currency translation reserve and the reserve for capitalized development expenditures.

3 During the six-month period ended June 26, 2011, ASML paid out a dividend of EUR 172.6 million to its shareholders. During 2010, ASML paid out a dividend of EUR 87.0 million to its shareholders. See Note 14 for further information.

4 During the six-month period ended June 26, 2011, ASML repurchased shares for an amount of EUR 373.8 million. As of June 26, 2011, EUR 8.1 million of the total repurchase amount remained unpaid and is recorded in accrued and other current liabilities. See note 14 for further information.

Consolidated Condensed Statement of Cash Flows

Notes	For the six-month period ended June, 26, 2011 and June, 27, 2010 (in thousands)	Unaudited 2011 EUR	Unaudited 2010 EUR
	Cash Flows from Operating Activities		
	Net income	**826,950**	353,858
	Adjustments to reconcile net income to net cash flows from operating activities:		
7	Depreciation and amortization	**138,227**	134,261
7	Impairment	**551**	8,658
7	Loss on disposals of property, plant and equipment	**1,898**	1,626
	Share-based payments	**4,796**	5,220
9	Allowance for doubtful debts	**1,173**	203
8	Allowance for obsolete inventory	**13,505**	16,903
12	Deferred income taxes	**25,149**	6,205
	Changes in assets and liabilities:		
9	Accounts receivable	**292,353**	(437,972)
	Finance receivables	**(20,353)**	19,222
8	Inventories[1]	**(259,531)**	(489,239)
	Other assets	**(26,110)**	10,259
10	Accrued and other liabilities	**588,404**	369,787
	Accounts payable	**40,144**	372,490
12	Income taxes payable	**93,117**	24,571
	Cash generated from operations	**1,720,273**	396,052
	Interest received	**27,340**	29,336
	Interest paid	**(35,115)**	(34,845)
12	Income taxes paid	**(80,934)**	(83,673)
	Net cash provided by operating activities	**1,631,564**	306,870
	Cash Flows from Investing Activities		
7	Purchases of property, plant and equipment[1]	**(127,321)**	(25,224)
7	Proceeds from sale of property, plant and equipment	**-**	-
	Purchase of intangible assets	**(31,730)**	(69,260)
	Net cash used in investing activities	**(159,051)**	(94,484)
	Cash Flows from Financing Activities		
14	Dividend paid	**(172,645)**	(86,952)
14	Purchase of shares[2]	**(365,680)**	-
	Net proceeds from issuance of shares and stock options	**23,623**	18,176
	Deposits from customers	**(150,000)**	-
	Repayment of debt	**(1,265)**	(4,192)
	Net cash used in financing activities	**(665,967)**	(72,968)
	Net cash flows	**806,546**	139,418
	Effect of changes in exchange rates on cash	**(14,272)**	12,100
	Net increase in cash and cash equivalents	**792,274**	151,518
	Cash and cash equivalents at beginning of the year	**1,949,834**	1,037,074
	Cash and cash equivalents at June 26, 2011 and June 27, 2010	**2,742,108**	1,188,592

1 An amount of EUR 156.2 million (2010: EUR 214.1 million) of the additions in property, plant and equipment relates to non-cash transfers from inventory and an amount of EUR 7.5 million (2010: EUR 110.4 million) of the disposals of property, plant and equipment relates to non-cash transfers to inventory.
2 During the six-month period ended June 26, 2011, ASML repurchased shares for an amount of EUR 373.8 million. As of June 26, 2011, EUR 8.1 million of the total repurchase amount remained unpaid and is recorded in accrued and other current liabilities. See note 14 for further information.

Notes to the Consolidated Condensed Interim Financial Statements

1. General Information

ASML Holding N.V., with its corporate headquarters in Veldhoven, the Netherlands, is engaged in the development, production, marketing, sale and servicing of advanced semiconductor equipment systems exclusively consisting of lithography systems and metrology for lithography. ASML's principal operations are in the Netherlands, the United States of America and Asia.

ASML's shares are listed for trading in the form of registered shares on the NASDAQ Stock Market LLC ("NASDAQ") and in the form of registered shares on Euronext Amsterdam by NYSE Euronext ("Euronext Amsterdam"). The principal trading market of ASML's ordinary shares is Euronext Amsterdam.

The consolidated condensed interim financial statements include the financial statements of ASML Holding N.V. headquartered in Veldhoven, the Netherlands, and its consolidated subsidiaries (together referred to as "ASML" or "the Company").

The consolidated condensed interim financial statements of the Company were authorized for issue by the Board of Management on July 13, 2011.

The consolidated condensed interim financial statements have not been audited or reviewed by an external auditor.

2. Basis of Preparation

The consolidated condensed interim financial statements for the six-month period ended June 26, 2011 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the statutory financial statements 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The consolidated condensed interim financial statements are stated in thousands of euros ("EUR") unless otherwise indicated.

3. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the consolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's statutory financial statements 2010.

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year.

Adoption of new and revised International Financial Reporting Standards

The Company's adoption of new Standards and Interpretations which became effective as of January 1, 2011, are noted below.

IAS 24 (Revised), "Related Party Disclosures" (effective for annual periods beginning on or after January 1, 2011). The revised standard simplifies the disclosure requirements for government-related entities by providing a partial exemption for government-related entities and clarifies the definition of a related party. The adoption of the Revised Standard did not have any impact on the Company's consolidated condensed interim financial statements.

IAS 32 (Amendment) "Classification of Rights Issues" (effective for annual periods beginning on or after February 1, 2010). The amendment to IAS 32 addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. The amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The adoption of the Revised Standard did not have any impact on the Company's consolidated condensed interim financial statements.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (effective for annual periods beginning on or after July 1, 2010). The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The adoption of the Revised Standard did not have any impact on the Company's consolidated condensed interim financial statements.

4. Financial Risk Management

Financial Risk Factors

ASML is exposed to a variety of financial risks: market risks (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity and capital risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risks: none of the transactions are entered into for trading or speculative purposes.

The Company's Financial Risk Management Policy did not change compared to the policies described in the statutory financial statements 2010.

Foreign currency exchange rate risk management

The Company uses the euro as its primary invoicing currency in order to limit the exposure to foreign currency movements. Exceptions may occur on a customer-by-customer basis. To the extent that invoicing is done in a currency other than the euro, the Company is exposed to foreign currency risk.

It is the Company's policy to hedge material transaction exposures, such as forecasted sales transactions, forecasted purchase transactions, accounts receivable and accounts payable. The Company hedges these exposures through the use of currency contracts.

As of June 26, 2011, equity includes EUR 17.8 million loss (net of taxes: EUR 15.9 million loss; December 31, 2010 EUR 35.9 million loss) representing the total anticipated loss to be charged to sales, and EUR 4.7 million loss (net of taxes: EUR 4.2 million loss; December 31, 2010 EUR 6.1 million loss) to be charged to cost of sales, which will offset the higher EUR equivalent of foreign currency denominated forecasted sales and purchase transactions. It is anticipated that an amount of EUR 17.8 million loss will be charged to sales and EUR 4.7 million loss will be charged to cost of sales over the next twelve months, as the forecasted sales and purchase transactions occur.

Lines of credit

The Company's available credit facilities amount to EUR 500.0 million as of June 26, 2011 (December 31, 2010: EUR 700.0 million) and consist of one EUR 500.0 million credit facility. This credit facility has a term of five years and contains a restrictive covenant which requires the Company to maintain a minimum committed capital to net total assets ratio of 40.0 percent calculated in accordance with contractually agreed definitions. As of June 26, 2011 and December 31, 2010 this ratio was 83.9 percent and 78.0 percent, respectively. Therefore, the Company was in compliance with the covenant as of June 26, 2011. Outstanding amounts under this credit facility will bear interest at EURIBOR or LIBOR plus a margin that depends on the Company's liquidity position. No amounts were outstanding under this credit facility as of June 26, 2011.

The undrawn EUR 200.0 million loan facility (between The Company and the European Investment Bank) has matured in the first half of 2011, as the availability period to draw the facility ended on March 31, 2011.

For further information regarding the Company's Financial Risk Management, see the Company's statutory financial statements 2010.

5. Critical Accounting Judgments and Key sources of Estimation uncertainty

In the process of applying the Company's accounting policies, management has made some judgments that have a significant effect on the amounts recognized in the consolidated condensed interim financial statements. The critical accounting judgments and key sources of estimation uncertainty are consistent with those described in the Company's statutory financial statements 2010.

6. Earnings per Share

The earnings per share ("EPS") data have been calculated as follows:

For the six-month period ended June, 26, 2011 and June, 27, 2010	Unaudited	Unaudited
	2011	2010
(in thousands, except per share data)	EUR	EUR
Net income	**826,950**	353,858
Weighted average number of shares outstanding (after deduction of treasury stock) during the year	**432,928**	434,578
Basic net income per ordinary share	**1.91**	0.81
Weighted average number of shares:	**432,928**	434,578
Plus shares applicable to:		
Stock options / Restricted shares[1]	**3,533**	3,926
Dilutive potential common shares	**3,533**	3,926
Adjusted weighted average number of shares	**436,461**	438,504
Diluted earnings per share[1]	**1.89**	0.81

1 The calculation of diluted net income per ordinary share assumes the exercise of options issued under ASML stock option plans and the issue of shares under ASML share plans for periods in which exercises or issues would have a dilutive effect. The calculation of diluted net income per ordinary share does not assume exercise of such options or issue of shares when such exercises or issue would be antidilutive.

7. Property, Plant and Equipment

The increase of the carrying amount of the property, plant and equipment mainly relates to additions in buildings and constructions (EUR 94.5 million) and machinery and equipment, mainly prototypes, demonstration and training systems (EUR 184.0 million). The additions in buildings and constructions relate to investments of new cleanroom and office facilities in Veldhoven. For machinery and equipment, the systems are capitalized under property, plant and equipment because they are held for own use, for rental and for evaluation purposes, and at the time they are placed in service they are expected to be used for a period longer than one year. These systems are recorded at cost and depreciated over their expected useful life. From the time that these assets are no longer held for use but intended for sale in the ordinary course of business, they are reclassified from property, plant and equipment to inventory at the lower of their carrying value or fair market value. Since the transfers between inventory and property, plant and equipment are non-cash events, these are not reflected in the consolidated condensed interim statement of cash flows.

8. Inventories

The increased inventory balance compared to December 31, 2010 mainly consists of inventories regarding NXE: 3100 and NXT:1950i systems.

9. Accounts Receivable

The decrease in the accounts receivables reflects cash inflows from our customers during the first half of 2011 regarding receivables that were past due but not impaired as of December 31, 2010.

10. Accrued and other liabilities

(in thousands)	Unaudited June 26, 2011 EUR	December 31, 2010 EUR
Deferred revenue	**870,462**	543,145
Costs to be paid	**290,012**	270,836
Deposits from customers	-	150,000
Down payments from customers[1]	**959,137**	675,636
Personnel related items	**172,784**	177,025
Warranty	**46,575**	37,965
Other	**1,948**	2,314
Total accrued and other liabilities	**2,340,918**	1,856,921
Less: non-current portion of accrued and other liabilities[1]	**831,916**	371,089
Current portion of accrued and other liabilities	**1,509,002**	1,485,832

1 The Company receives advances from customers prior to shipment for systems included in ASML's current product portfolio or systems currently under development in the form of down payments, mainly relating to EUV.

11. Commitments, Contingencies and Guarantees

The nature, scale and scope of the commitments, contingencies and guarantees is in line with the commitments, contingencies and guarantees disclosed in the Company’s statutory financial statements 2010.

12. Income Taxes

Income tax expense is recognized based on management’s best estimate of the annual income tax rate for the full financial year. The estimated annual tax rate for the six-month period ended June 26, 2011 is 10.4 percent compared to 15.2 percent for the six-month period ended June 27, 2010.

In December 2010, ASML reached agreement with the Dutch fiscal authorities regarding the application of the “Innovation Box”, a facility under Dutch corporate tax law pursuant to which income associated with R&D is partially exempted from taxation. This tax ruling has retroactive effect to January 1, 2007 and is valid through December 31, 2016. Thereafter the validity of this ruling may be extended or this ruling may be adapted in case a change of circumstances occurs. For 2010 the beneficial impact of the Innovation Box was partially offset with the cumulative negative Royalty Box effects incurred in the Netherlands during the period 2007-2009. In the first half of 2011, the Innovation Box effect is no longer offset by these prior year effects. Furthermore the decrease of the estimated annual tax rate for the six-month period ended June 26, 2011 compared to the six-month period ended June 27, 2010 is due to an increase in the Innovation Box benefit for the 2011 period.

Current tax assets have decreased as a result of taxes repaid by tax authorities. The majority of the deferred and other tax liabilities is classified as non-current because payment of cash is not expected within one year.

13. Segment Disclosure

ASML operates in one reportable segment for the development, manufacture, marketing and servicing of lithography equipment, and therefore there is no change to the identification of the Company’s segment. ASML’s Chief Executive Officer has been identified as chief operating decision-maker, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company.

Management reporting includes net system sales figures of new and used systems. Net sales for new and used systems were as follows:

For the six-month period ended June, 26, 2011 and June, 27, 2010	Unaudited	Unaudited
	2011	**2010**
(in thousands)	**EUR**	EUR
New systems	**2,575,460**	1,489,386
Used systems	**42,585**	65,252
Total net system sales	**2,618,045**	1,554,638

Segment performance is evaluated by the Company's management based on US GAAP net income or loss which in certain respects, as explained in the table below, is measured differently from net income or loss reported by the Company in its statutory financial statements, which are based on IFRS as adopted by the EU.

For the six-month period ended June, 26, 2011 and June, 27, 2010	**Unaudited**	**Unaudited**
	2011	**2010**
(in thousands)	**EUR**	EUR
Net system sales	**2,618,045**	1,554,638
Net service and field option sales	**363,538**	255,841
Total net sales	**2,981,583**	1,810,479
Cost of sales	**1,642,012**	1,052,525
Gross profit on sales	**1,339,571**	757,954
Research and development costs	**290,106**	245,550
Selling, general and administrative costs	**105,262**	83,077
Income from operations	**944,203**	429,327
Interest income (expense), net	**3,692**	(5,529)
Income before income taxes	**947,895**	423,798
(Provision for) benefits from income taxes	**(120,858)**	(77,343)
Net income	**827,037**	346,455
Differences U.S. GAAP and IFRS	**(87)**	7,403
Net income for IFRS	**826,950**	353,858

Segment performance is also evaluated by the Company's management based on US GAAP for total assets. The table below presents the measurements and the reconciliation to total assets in the consolidated condensed interim financial statements:

	Unaudited	
	June 26, 2011	**December 31, 2010**
(in thousands)	**EUR**	EUR
Total assets for management reporting purposes	**7,076,099**	6,180,358
Differences U.S. GAAP and IFRS	**263,312**	273,475
Total assets for IFRS	**7,339,411**	6,453,833

For geographical reporting, net sales are attributed to the geographic location in which the customers' facilities are located. Total non-current assets are attributed to the geographic location in which they are located and exclude deferred tax assets and derivative financial instruments. Net sales and non-current assets by geographic region were as follows:

	Unaudited	Unaudited
	Net sales	**Non-current assets**
(in thousands)	**EUR**	**EUR**
For the six-month period ended June 26, 2011:		
Japan	**146,092**	**45,693**
Korea	**495,141**	**7,799**
Singapore	**229,628**	**1,150**
Taiwan	**786,148**	**44,672**
Rest of Asia	**184,161**	**1,659**
Europe	**321,916**	**1,188,266**
United States	**818,497**	**219,996**
Total	**2,981,583**	**1,509,235**
For the six-month period ended June 27, 2010:		
Japan	69,808	37,916
Korea	497,907	2,321
Singapore	115,531	678
Taiwan	680,485	46,014
Rest of Asia	81,412	1,213
Europe	115,051	922,752
United States	250,285	270,490
Total	1,810,479	1,281,384

During the six-month period ended June 26, 2011, sales to the largest customer accounted for EUR 616.5 million or 20.7 percent of net sales (2010: EUR 580.4 million or 32.1 percent).

ASML's three largest customers (based on net sales) accounted for 17.8 percent of accounts receivable at June 26, 2011 and 41.4 percent of accounts receivable at June 27, 2010.

Substantially all our sales were export sales during the six-month period ended June 26, 2011 and June 27, 2010.

14. Dividends and Share Buybacks

We aim to pay a sustainable annual dividend that will be stable or growing over time. Annually, the Supervisory Board, upon proposal of the Board of Management, will assess the amount of dividend that will be proposed to the Annual General Meeting of Shareholders. The Company increased its dividend pay-out in respect of 2010 to EUR 0.40 per ordinary share of EUR 0.09, which was approved by the annual general Meeting of Shareholders on April 20, 2011. As a result, an amount of EUR 172.6 million was paid to our shareholders in May 2011.

We intend, next to dividend payments, to return cash to our shareholders on a regular basis through share buy backs or repayment of capital, subject to our actual and anticipated level of cash generated from operations, the cash requirements for investment in ASML's business, ASML's current share price and other market conditions and relevant factors.

As announced on January 19, 2011, and approved by our General Meeting of Shareholders on April 20, 2011, ASML will repurchase up to EUR 1.0 billion of its own shares within two years. As of June 26, 2011, the aggregate amount of shares repurchased amounts to EUR 373.8 million, which represents 37.4 percent of the program. ASML intends to cancel the repurchased shares.

15. Related Party Transactions

There have been no significant related party transactions that could have a material effect on the financial position or performance of the Company in the six-month period ended June 26, 2011.

16. Subsequent Events

Subsequent events have been evaluated by the Company until July 13, 2011 which is the issuance date of this interim report 2011. There are no subsequent events to report.

Veldhoven, the Netherlands
July 13, 2011

Prepared by
The Board of Management:
Eric Meurice
Peter T.F.M. Wennink
Martin A. van den Brink
Frits J. van Hout
Frederic Schneider-Maunoury

Other Information

Information and Investor Relations

Financial calendar

October 12, 2011
Announcement of Third Quarter results for 2011

January 18, 2012
Announcement of Fourth Quarter results for 2011 and Annual Results for 2011

April 25, 2012
General Meeting of Shareholders

Fiscal Year
ASML's fiscal year ends on December 31, 2011

Listing
The ordinary shares of the Company are listed on the official market of the Euronext Amsterdam by NYSE Euronext and in the United States on the NASDAQ Stock Market LLC, under the symbol "ASML". ASML's ordinary shares may also trade on other stock exchanges from time to time, although ASML has not applied for listings on those exchanges and does not endorse and may not be notified of such trading.

Investor Relations
ASML Investor Relations will supply information or copies of the Annual Report on Form 20-F filed with the US Securities and Exchange Commission and the Statutory Annual and Interim Report. These Annual Reports, Interim Reports, quarterly releases and other information are also available on and can be downloaded from the ASML website (www.asml.com).

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