



# ASML

## **ASML 2011 Third Quarter Results** **Confirming expectation for record sales year**

**Oct 12, 2011**

# 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 systems backlog, IC unit demand, financial results, average selling price, gross margin and expenses, dividend policy and intention to repurchase shares.

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

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



# Business summary

/ Slide 4



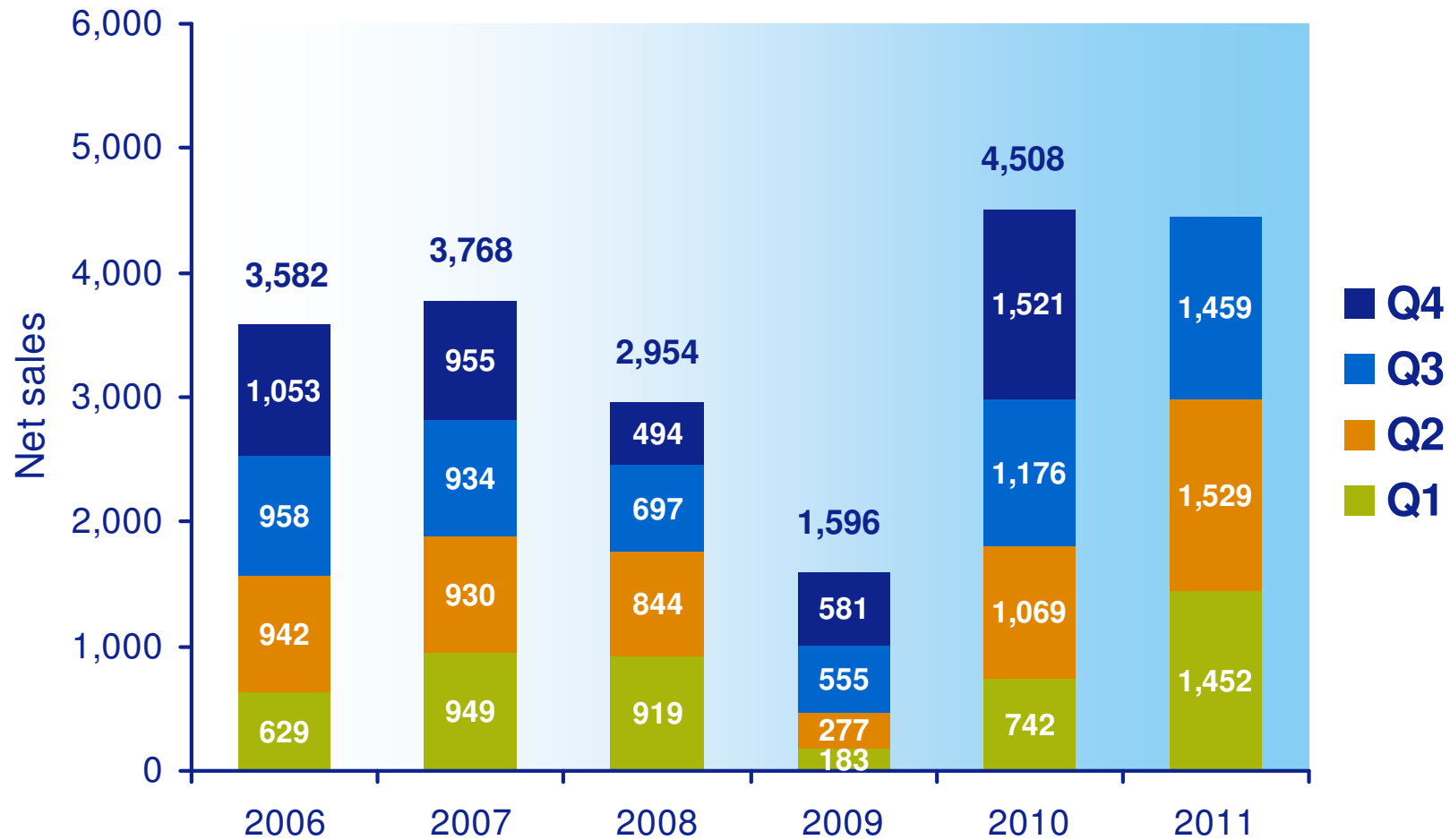
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## Q3 results - highlights

- Net sales of € 1,459 million, 55 systems sold valued at € 1,274 million, service and field option sales at € 185 million
- Gross margin of 42.1%
- Operating margin of 27.9%
- Net bookings are valued at € 514 million, 23 systems
- Backlog at € 1,994 million, 74 systems, excluding EUV (ASP new tools € 31.5 million)
- Generated € 338 million cash from operations

Net bookings and backlog numbers are excluding EUV.

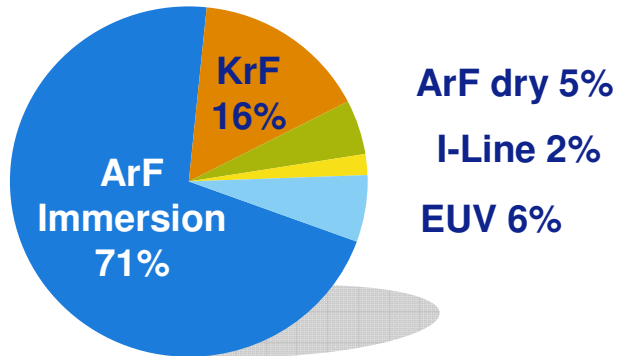
# Total net sales M€



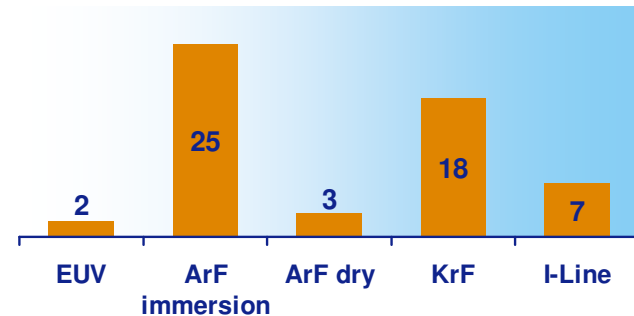
Numbers have been rounded for readers' convenience.

# Net system sales breakdown in value: Q3 2011

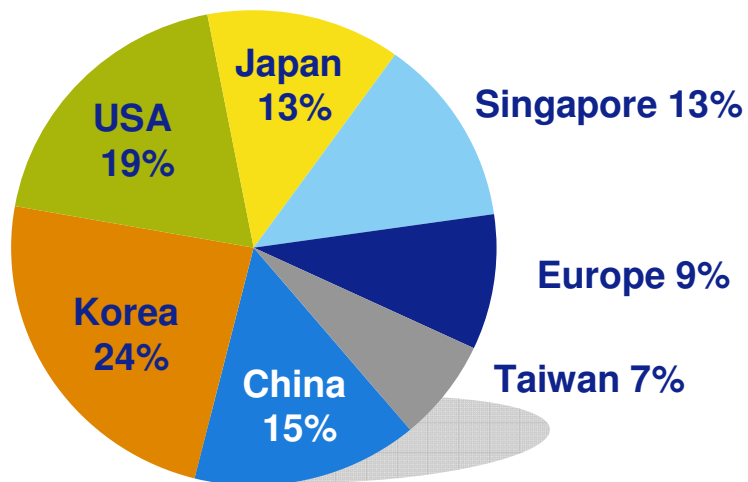
## Technology



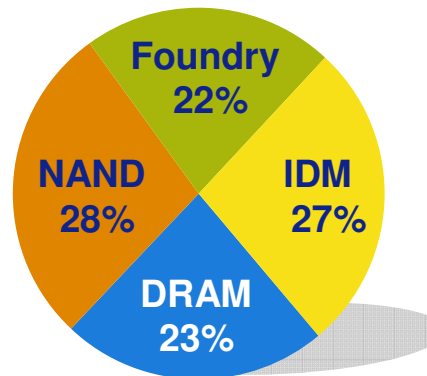
## Sales in Units



## Region



## End-use



Numbers have been rounded for readers' convenience.

/ Slide 7



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# Consolidated statements of operations M€

	Q2 11	Q3 11
<b>Net sales</b>	1,529	1,459
<b>Gross profit</b>	690	613
<b>Gross margin %</b>	45.1%	42.1%
<b>R&amp;D costs</b>	145	150
<b>SG&amp;A costs</b>	51	56
<b>Income from operations</b>	494	407
<b>Operating income %</b>	32.3%	27.9%
<b>Net income</b>	432	355
<b>Net income as a % of sales</b>	28.3%	24.4%
<b>Earnings per share (basic) €</b>	1.01	0.84

Numbers have been rounded for readers' convenience.



# Key financial trends 2010 – 2011

Consolidated statements of operations M€

	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11
<b>Net Sales</b>	1,176	1,521	1,452	1,529	<b>1,459</b>
<b>Gross profit</b>	513	685	649	690	<b>613</b>
<b>Gross margin %</b>	<b>43.6%</b>	<b>45.0%</b>	<b>44.7%</b>	<b>45.1%</b>	<b>42.1%</b>
<b>R&amp;D costs</b>	137	141	145	145	<b>150</b>
<b>SG&amp;A costs</b>	48	50	54	51	<b>56</b>
<b>Income from operations</b>	328	494	450	494	<b>407</b>
<b>Operating income %</b>	<b>27.9%</b>	<b>32.4%</b>	<b>31.0%</b>	<b>32.3%</b>	<b>27.9%</b>
<b>Net income</b>	269	407	395	432	<b>355</b>
<b>Net income as a % of net sales</b>	<b>22.8%</b>	<b>26.7%</b>	<b>27.2%</b>	<b>28.3%</b>	<b>24.4%</b>
<b>Units sold</b>	51	69	63	63	<b>55</b>
<b>ASP new systems</b>	24.1	22.4	22.5	22.7	<b>27.1</b>
<b>Net bookings value</b>	1,391	2,315	845	840	<b>514</b>

Numbers have been rounded for readers' convenience.

# Cash flows M€

	Q2 11	Q3 11
<b>Net income</b>	<b>432</b>	<b>355</b>
<i>Adjustments to reconcile net income to net cash flows from operating activities;</i>		
Impairment and obsolescence	14	23
Depreciation and amortization	43	43
Deferred income taxes	(8)	(4)
Other non-cash items	3	4
Change in assets and liabilities	15	(83)
<b>Net cash provided by operating activities</b>	<b>499</b>	<b>338</b>
<b>Net cash used in investing activities</b>	<b>(60)</b>	<b>(80)</b>
<b>Net cash used in financing activities</b>	<b>(394)</b>	<b>(172)</b>
<b>Total FX effects</b>	<b>(2)</b>	<b>10</b>
<b>Net increase in cash and cash equivalents</b>	<b>43</b>	<b>96</b>

Numbers have been rounded for readers' convenience.

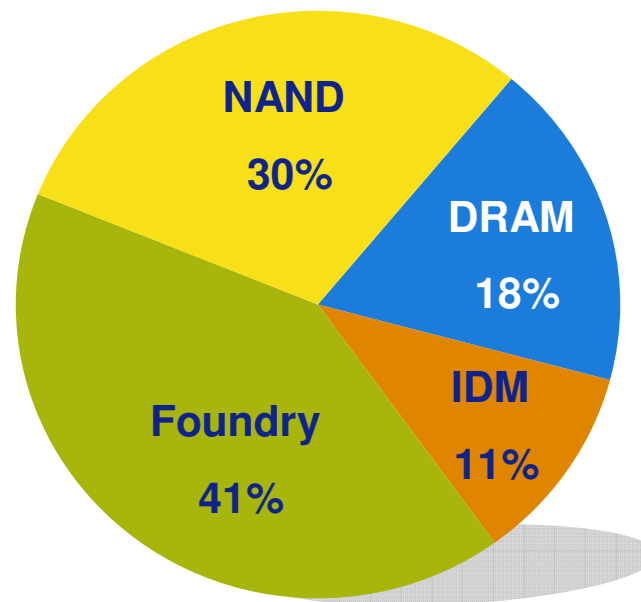
# Balance sheets M€

<b>Assets</b>	<b>Jun 2011</b>		<b>Sep 2011</b>	
Cash and cash equivalents	<b>2,742</b>	39%	<b>2,838</b>	40%
Accounts receivable, net	<b>895</b>	12%	<b>812</b>	11%
Finance receivables, net	<b>62</b>	1%	<b>116</b>	2%
Inventories, net	<b>1,610</b>	23%	<b>1,456</b>	20%
Other assets	<b>468</b>	7%	<b>498</b>	7%
Tax assets	<b>195</b>	3%	<b>179</b>	3%
Fixed assets	<b>1,104</b>	15%	<b>1,209</b>	17%
<b>Total assets</b>	<b>7,076</b>	100%	<b>7,108</b>	100%
<b>Liabilities and shareholders' equity</b>	<b>Jun 2011</b>		<b>Sep 2011</b>	
Current liabilities	<b>2,230</b>	31%	<b>2,031</b>	29%
Non-current liabilities	<b>1,737</b>	25%	<b>1,793</b>	25%
Shareholders' equity	<b>3,109</b>	44%	<b>3,284</b>	46%
<b>Total liabilities and shareholders' equity</b>	<b>7,076</b>	100%	<b>7,108</b>	100%

Numbers have been rounded for readers' convenience.

# Bookings activity by sector - total value M€ 514

## Bookings in value



- Booked 21 new tools at € 506 million, 2 used at € 8 million

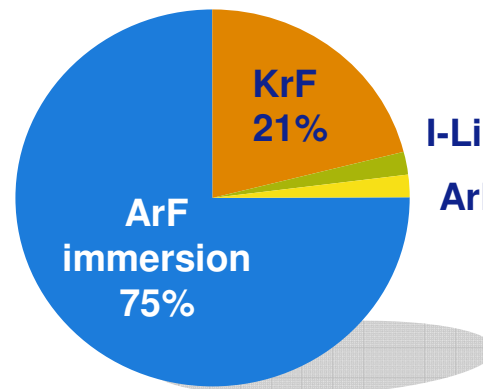
Numbers have been rounded for readers' convenience.

/ Slide 12

# Backlog in value per Sep 25, 2011

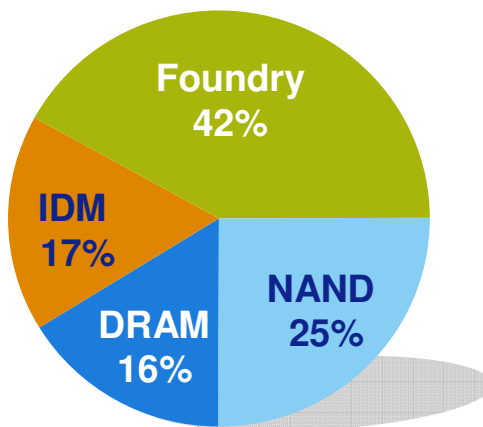
Total value M€ 1,994

## Technology

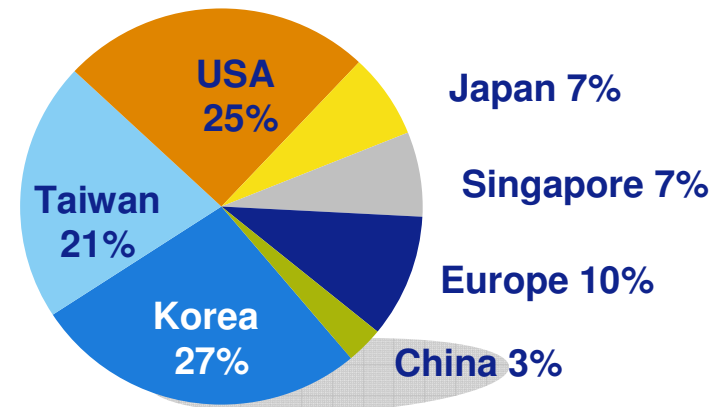


I-Line 2%  
ArF dry 2%

## End-use



## Region (ship to location)



	New systems	Used systems	Total systems
Units	62	12	74
Value M€	1,951	43	1,994
ASP M€	31.5	3.6	26.9

- 82% of backlog carry shipment dates in the next 6 months

Numbers have been rounded for readers' convenience.



# Market

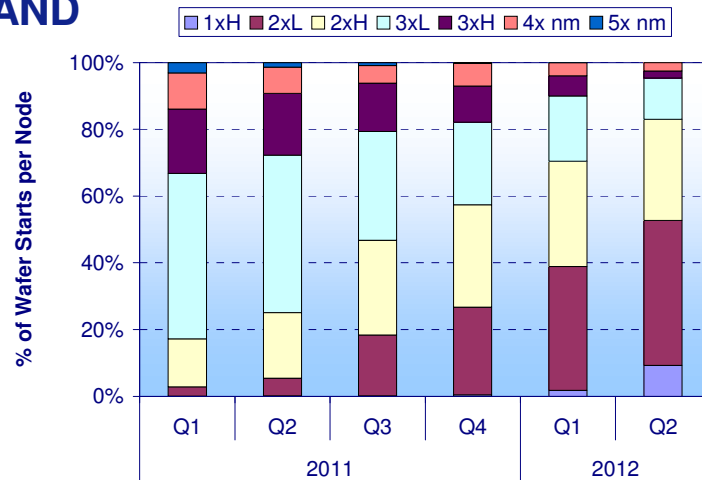


# Business environment

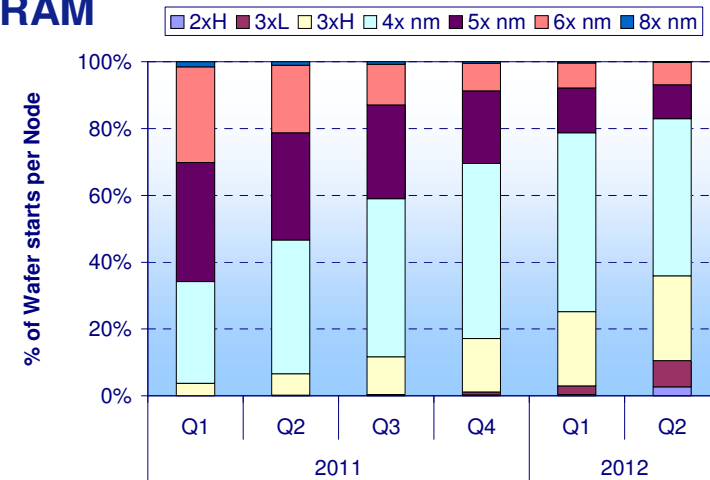
- It is too early to understand how overall demand for semiconductor will drive ASML's business in 2012
- Sustained need for litho tools capable of printing new nodes will justify increased systems bookings in Q4 compared with Q3
- This level of bookings will start to support
  - continued technology upgrades for sub 20 nm nodes development
  - ramping production of advanced 2x nm nodes in Logic and NAND and 3x nm in DRAM

# Rapid technology transitions being executed in each sector

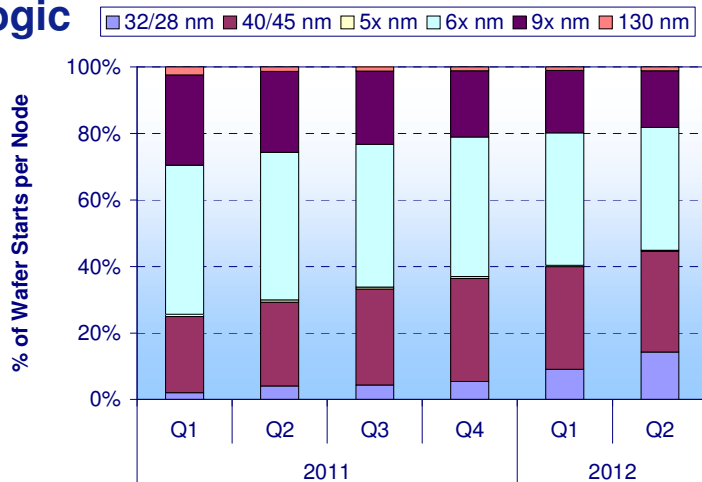
## NAND



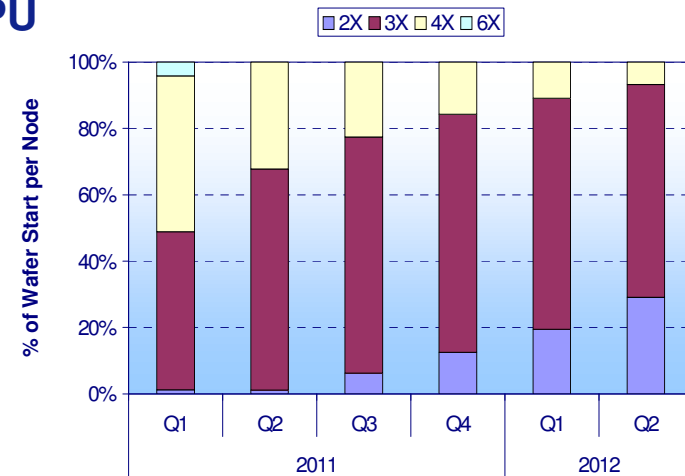
## DRAM



## Logic



## MPU







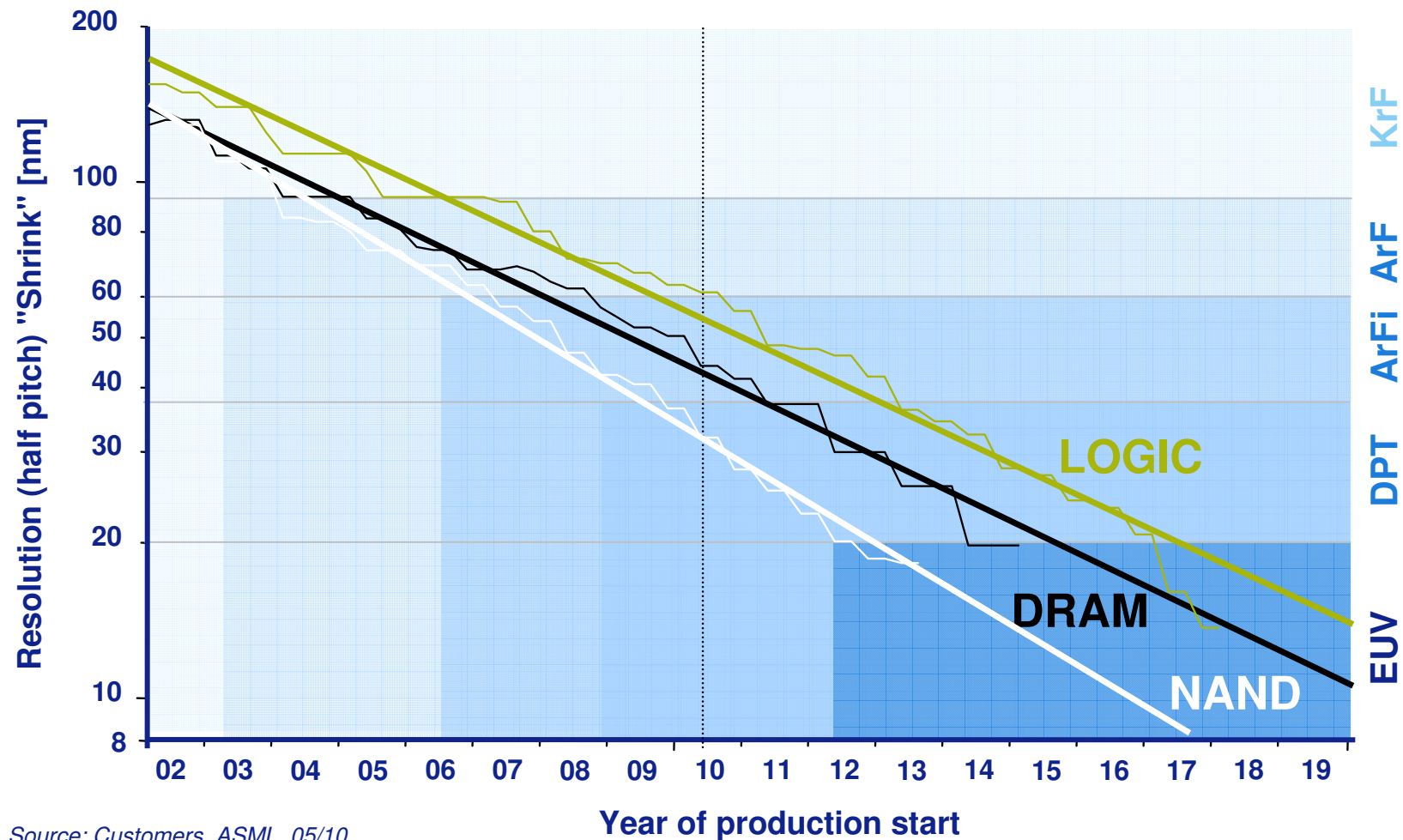
# ASML business update

/ Slide 17



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# Options for shrink: Immersion and EUV



Source: Customers, ASML, 05/10

Notes:

1. R&D solution required 1.5~ 2 yrs ahead of Production
2. EUV resolution requires 7nm diffusion length resist
3. DPT = Double Patterning

/ Slide 18



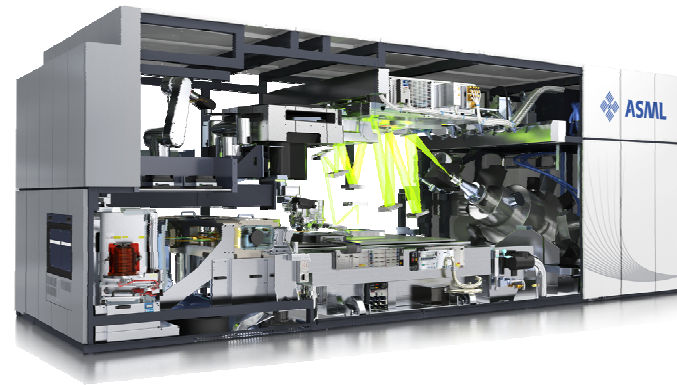
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# ASML Dual Product Strategy enables continued shrink

Strong NXT platform roadmap optimized for multi pass patterning processes



Introduce EUV platform for volume manufacturing of critical layers



Concurrent development programs to enhance imaging, overlay, productivity and process control on both platforms

## Q3 immersion platform highlights

- ASML's TWINSCAN NXT:1950 reached milestone of more than 100 shipments to date; total installed base of ASML immersion systems exceeds 320 tools
- First TWINSCAN NXT:1950 with productivity of 200 wafers per hour (at 125 shots) is currently shipping
- TWINSCAN NXT:1950 surpassed the productivity milestone of more than 4000 wafers in a single day at a customer production site



# EUV is making significant progress

## NXE:3100

- 4 machines are printing wafers, 1 system is being installed, 6<sup>th</sup> system is shipping
- Imaging performance has been demonstrated down to 22 nanometer in a single exposure
- Total exposed wafers by customers almost doubled in Q3 to more than 2500 wafers allowing them to develop the next generation chip production processes



# EUV productivity roadmap redefined

- Source suppliers have now demonstrated power levels that support mid teens wafers per hour productivity
- These upgrades will be field implemented starting Q4 2011
- High confidence in reaching commercial viable productivity levels in the summer of 2012 through:
  - pre-pulse for conversion efficiency increase
  - optimized filtering for higher EUV light transmission
  - duty cycle improvement for continuous production

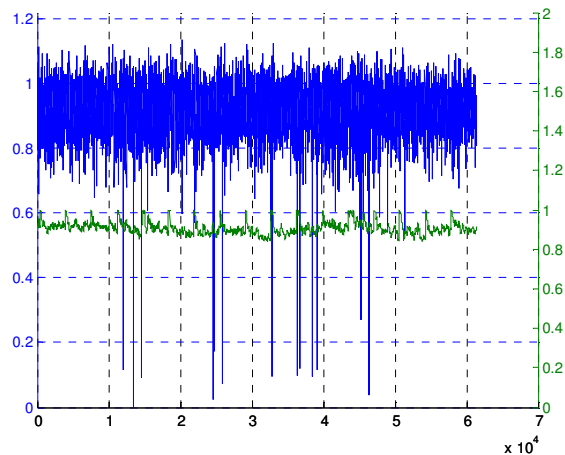
# NXE Source power roadmap and current status

Q3 2011			Q4 2011			Q1 2012			Q2 2012			Q3 2012			Q4 2012		
Power <10W																	
						Power 20-50W											
												Power >100W					

## Demonstrated at supplier

CYMER

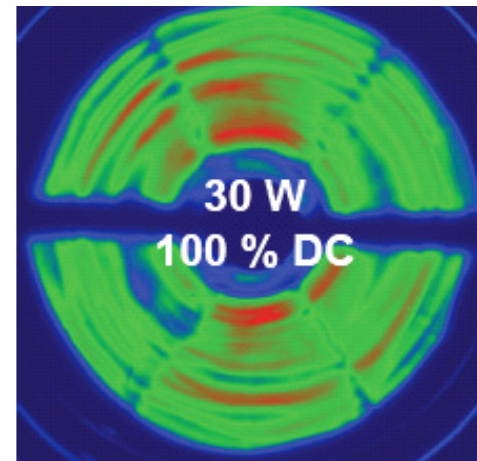
*Expose power 30W @ 80%  
duty cycle without pre-pulse*



/ Slide 23

USHIO  
Group

XTREME  
Technologies



ASML

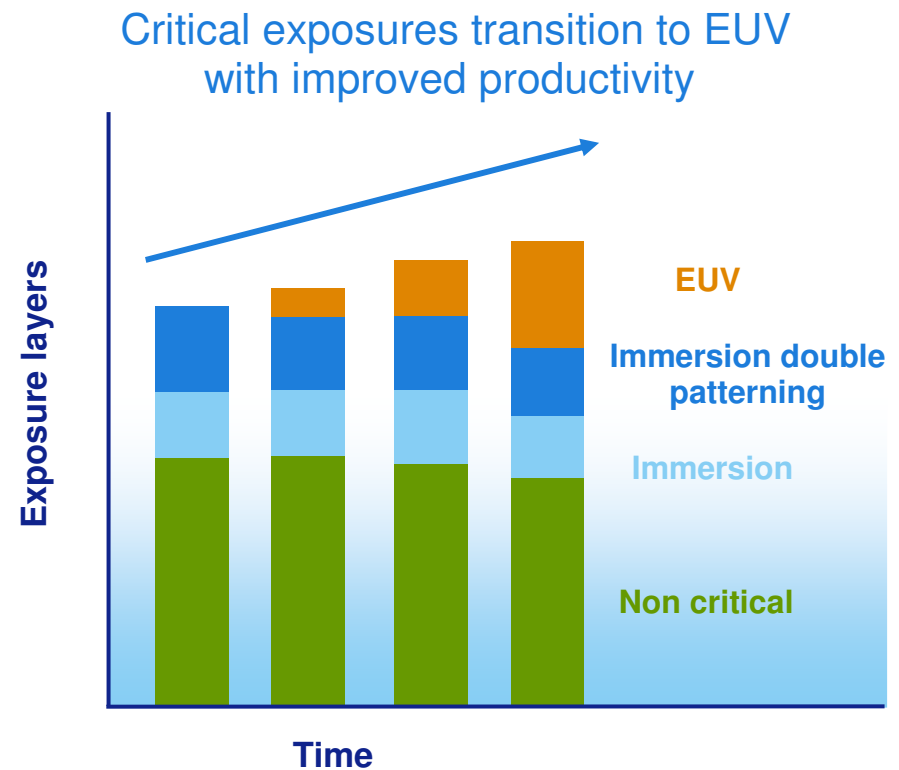
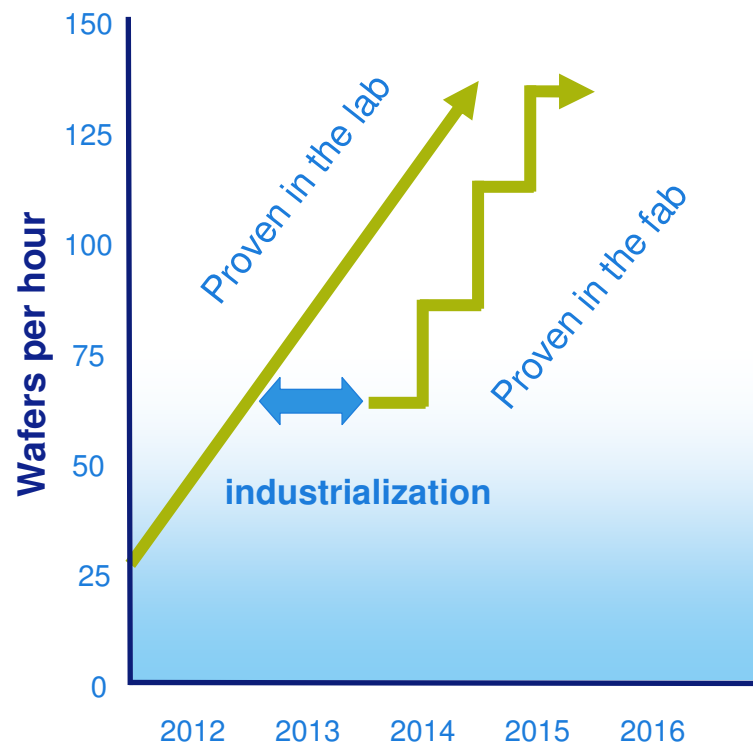
# EUV transition

- EUV will be first introduced for layers that are difficult / expensive to print with multi pass immersion patterning
- Every customer, every application, every product and every layer will have its own difficulty / cost threshold
- Based upon economics and productivity more layers will be printed with EUV over time
- Therefore there will be a gradual transition to EUV

EUV simplifies process, reduces cost, improves yield and provide additional shrink opportunity



# EUV industrialization in 2012 - 2014



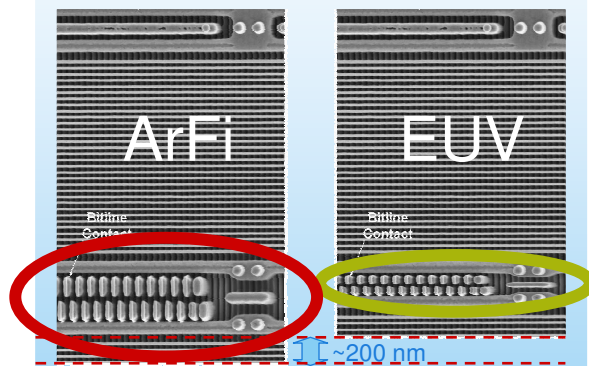
# Additional EUV shrink benefits

Die size reduction & cost per wafer (CpW)

## NAND

CpW Savings:  
up to 50 \$/wafer

Case: Bit Line Contacts

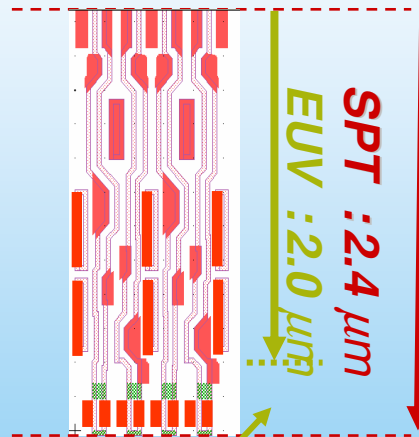


Savings:  
~4% in die size  
**Additional savings:**  
Cycle time / Yield

## DRAM

CpW Savings:  
up to 100 \$/wafer

Case: Sense Amplifiers

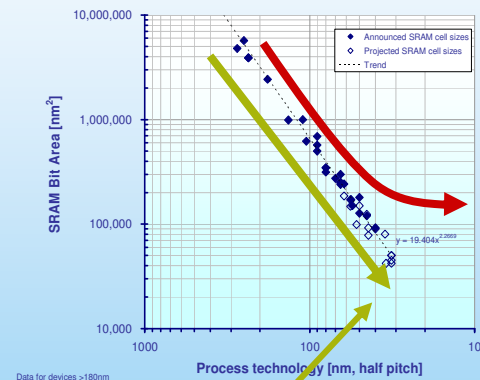


Savings:  
~5% in die size  
**Additional savings:**  
Cycle time / Yield / Product  
design flexibility

## Logic

CpW Savings:  
up to 400 \$/wafer

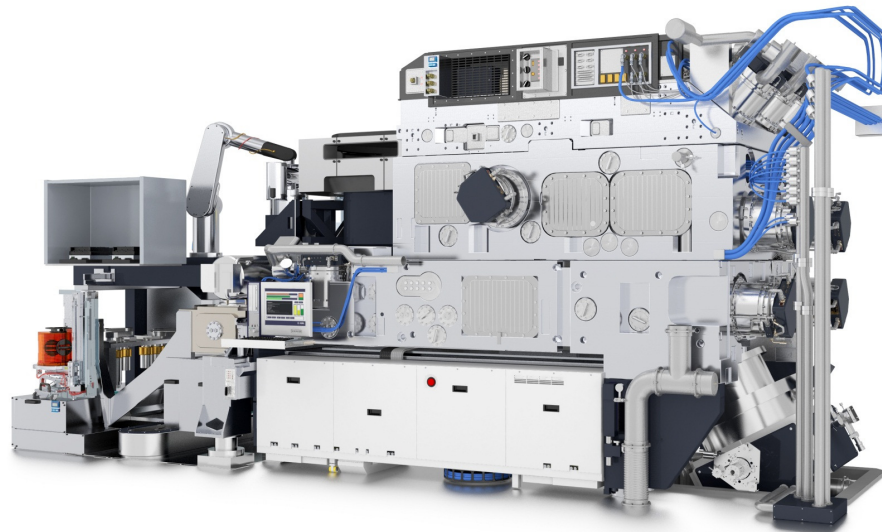
Case: SRAM 14nm shrink



Savings:  
~7% in die size  
**Additional savings:**  
Cycle time / Yield / Product  
design flexibility

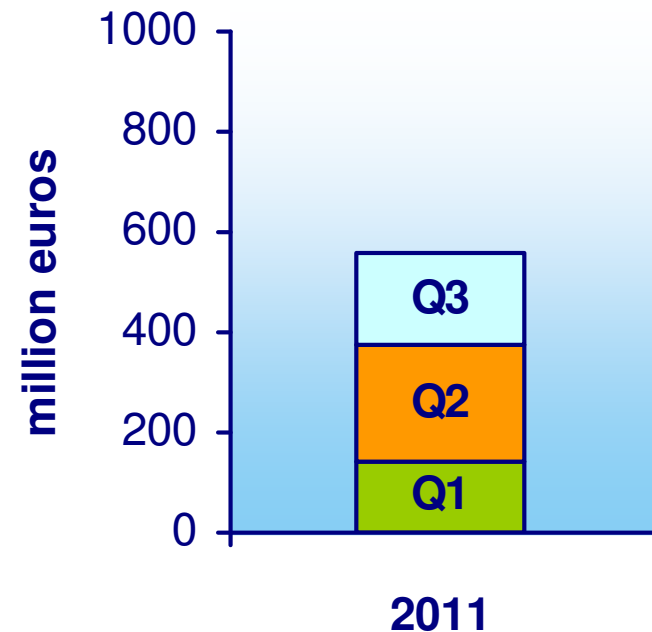
# EUV NXE:3300 – Volume manufacturing tool

- Assembly and integration of the first NXE:3300 has started for first delivery in H2 2012



# Share buy back program

- € 1 billion, 24 month share buy back program
  - 56% of program executed
  - 20.7 million shares repurchased at an average price of € 26.98
  - weekly updates available on ASML's website



# Outlook and summary



## Q4 2011 outlook

- Bookings expected at a level above Q3
  - Net sales above € 1.1 billion including 1 EUV system (€ 40 million at 0% gross margin)
  - Gross margin about 41%
  - R&D costs at € 150 million
  - SG&A costs at € 56 million
- 
- ASML expects full year 2011 sales to hit a record level of about EUR 5.5 billion



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