



ASML reports 2013 results as guided, reiterates H1 2014 expectation
Continued strong demand underpins solid start of 2014

ASML 2013 Fourth Quarter and 2013 Annual Results

Veldhoven, the Netherlands

January 22, 2014

Forward looking statements

“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, expected sales levels, systems backlog, IC unit demand, expected financial results, gross margin and expenses, expected impact and adjustments relating to the Cymer acquisition (including purchase price allocation adjustments), the number of EUV systems expected to be shipped and timing of shipments, dividend policy and intention to repurchase shares

These forward looking statements are subject to risks and uncertainties including: 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 continuing success of technology advances and the related 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, our ability to successfully integrate Cymer, 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

- Business summary
- Business environment
- ASML technology status
- Outlook

The background of the slide features a series of light blue, wavy lines that flow from the left side towards the right, creating a sense of movement and depth. The lines are thin and closely spaced, with a gradient that fades from a slightly darker blue on the left to a lighter blue on the right.

Business summary

2013 – highlights

- Net sales of € 5,245 million, gross margin 41.5%, net income € 1,015 million, EPS € 2.36
- Completed acquisition of Cymer
 - Without the acquisition-related impact, the full-year 2013 net income would have been € 139 million higher. The gross margin would have been 43.1% (see pro forma financial overview on www.asml.com)
- Shipped 3rd generation EUV systems
- Delivered next generation immersion NXT:1970Ci systems supporting multiple patterning requirements for the next few years
- Implemented holistic litho products for 20 nm node volume manufacturing
- Returned more than € 500 million cash to shareholders through combined dividend and share buy backs

Q4 results – highlights

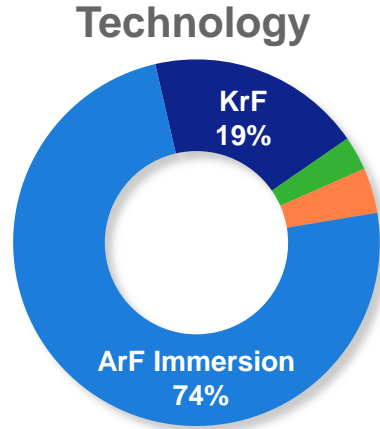
- Record net sales of € 1,848 million, 56 litho systems sold, valued at € 1,441 million, net service and field option sales at € 407 million
- Gross margin of 43.6%
 - GM is negatively impacted by 1.7% Cymer acquisition related costs* and 1.5% due to revenue recognition of 1 EUV system
- Operating margin of 26.0%
- Net bookings of € 1,449 million, 52 systems
- Backlog at € 1,953 million, 56 systems

Net bookings and backlog numbers are excluding EUV
Numbers have been rounded for readers' convenience

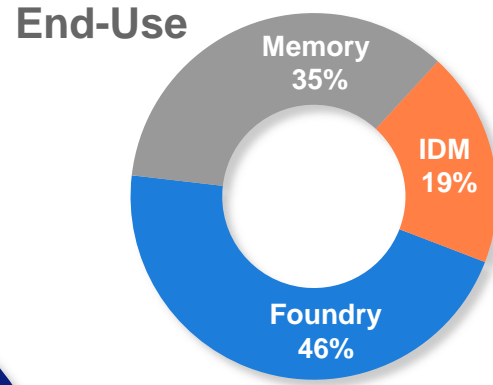
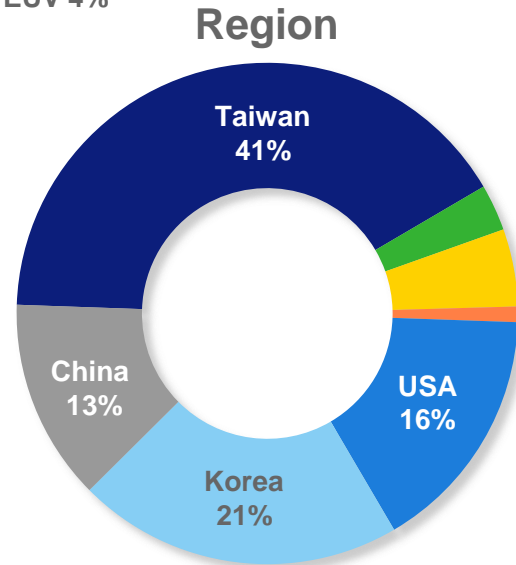
*see pro forma financial overview on www.asml.com

Net system sales breakdown in value: Q4 2013

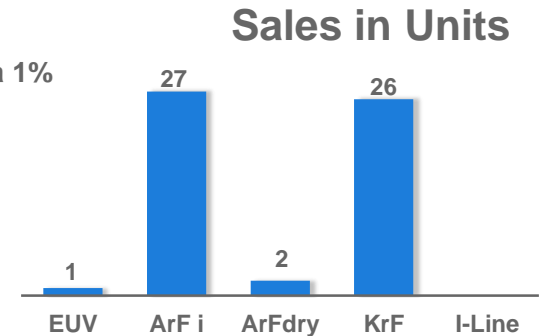
Total value is € 1,441 million



ArF dry 3%
EUV 4%

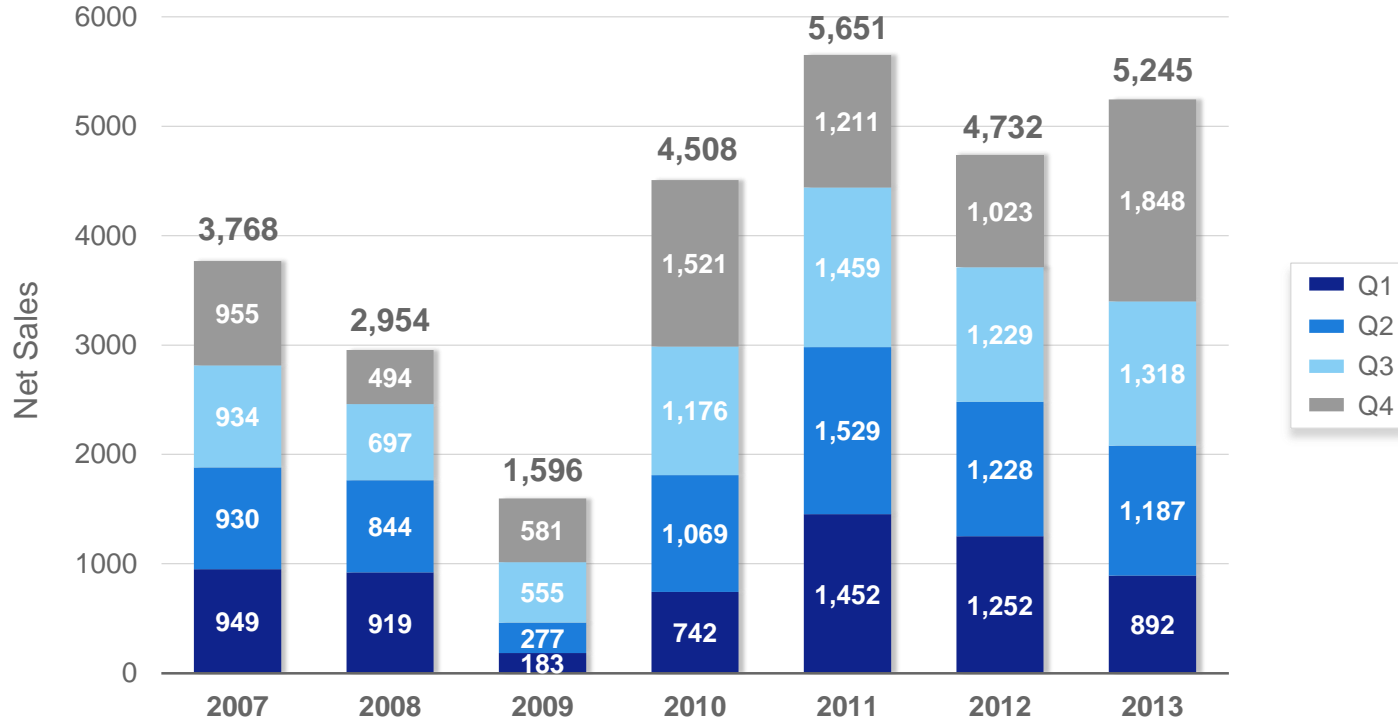


Japan 3%
Europe 5%
Rest of Asia 1%



Numbers have been rounded for readers' convenience

Total net sales M€



Numbers have been rounded for readers' convenience

Consolidated statements of operations M€

	Q3 13	Q4 13	2012	2013
Net sales	1,318	1,848**	4,732	5,245
Gross profit	531	806	2,005	2,177
Gross margin %	40.3%	43.6%	42.4%	41.5%
Other income (CCIP*)	17	17	0	64
R&D costs	(244)	(253)	(589)	(882)
SG&A costs	(91)	(90)	(259)	(312)
Income from operations	212	480	1,157	1,048
Operating income %	16.1%	26.0%	24.4%	20.0%
Net income	193	481	1,146	1,015
Net income as a % of net sales	14.7%	26.0%	24.2%	19.4%
Earnings per share (basic) €	0.44	1.09	2.70	2.36

* Customer Co-Investment Program

** incl. € 31 million CCIP contribution this quarter

Numbers have been rounded for readers' convenience

Key financial trends 2012 – 2013

Consolidated statements of operations M€

	Q4 12	Q1 13	Q2 13*	Q3 13	Q4 13
Net sales	1,023	892	1,187	1,318	1,848
Gross profit	420	341	500	531	806
Gross margin %	41.1%	38.2%	42.1%	40.3%	43.6%
Other income	0	14	16	17	17
R&D costs	(155)	(185)	(200)	(244)	(253)
SG&A costs	(80)	(63)	(68)	(91)	(90)
Income from operations	185	107	248	212	480
Operating income %	18.1%	12.1%	20.9%	16.1%	26.0%
Net income	298	96	245	193	481
Net income as a % of net sales	29.1%	10.8%	20.7%	14.7%	26.0%
Litho units sold	34	29	38	34	56
ASP new litho systems	27.3	26.6	25.8	31.5	26.5
Net booking value	667	715	1,065	1,415	1,449

* Due to the Cymer acquisition, Q2 figures are restated for changes in
a) provisional purchase price allocation and
b) settlement of pre-existing relationships and cost to upgrade the first 11 3300 EUV sources

Numbers have been rounded for readers' convenience

Cash flows M€

	Q3 13	Q4 13	2012	2013
Net income	193	481	1,146	1,015
Adjustments to reconcile net income to net cash flows from operating activities:				
Impairment and obsolescence	49	62	135	178
Depreciation and amortization	68	68	187	229
Deferred income taxes	(13)	(17)	(72)	(23)
Other non-cash items	20	19	21	56
Change in assets and liabilities	(210)	(91)	(713)	(401)
Net cash provided by (used in) operating activities	107	522	704	1,054
Net cash provided by (used in) investing activities	41	(95)	(1,120)	(368)
Net cash provided by (used in) financing activities	325	(153)	(546)	(113)
Total FX effects	(4)	(4)	(2)	(10)
Net increase (decrease) in cash & cash equivalents	469	270	(964)	563

Numbers have been rounded for readers' convenience

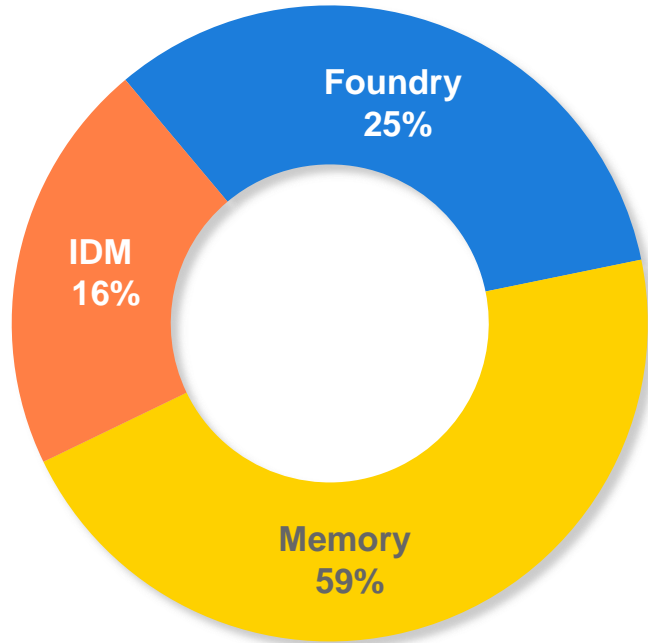
Balance sheets M€

Assets	Dec 31 st ,	2012	Dec 31 st ,	2013
Cash & cash equivalents and short-term investments	2,698	36%	3,011	26%
Net accounts receivable and finance receivables	909	12%	1,175	10%
Inventories, net	1,857	25%	2,393	21%
Other assets	558	8%	635	5%
Tax assets	200	3%	296	3%
Goodwill	149	2%	2,089	18%
Other intangible assets	10	0%	697	6%
Property, plant and equipment	1,030	14%	1,218	11%
Total assets	7,411	100%	11,514	100%
Liabilities and shareholders' equity				
Current liabilities	2,087	28%	2,869	25%
Non-current liabilities	1,257	17%	1,723	15%
Shareholders' equity	4,067	55%	6,922	60%
Total liabilities and shareholders' equity	7,411	100%	11,514	100%

Numbers have been rounded for readers' convenience

Bookings activity by sector, EUV not included

Total value M€ 1,449



Net booked

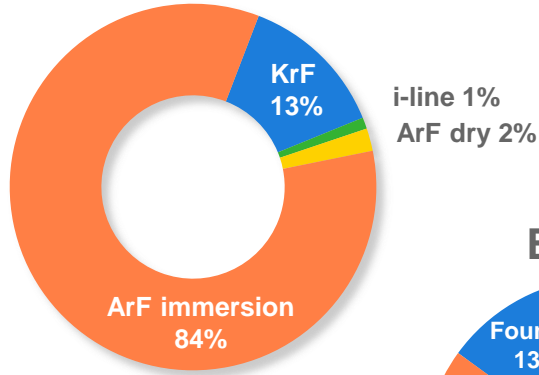
- 44 new tools at € 1,393 million
- 8 used tools at € 56 million

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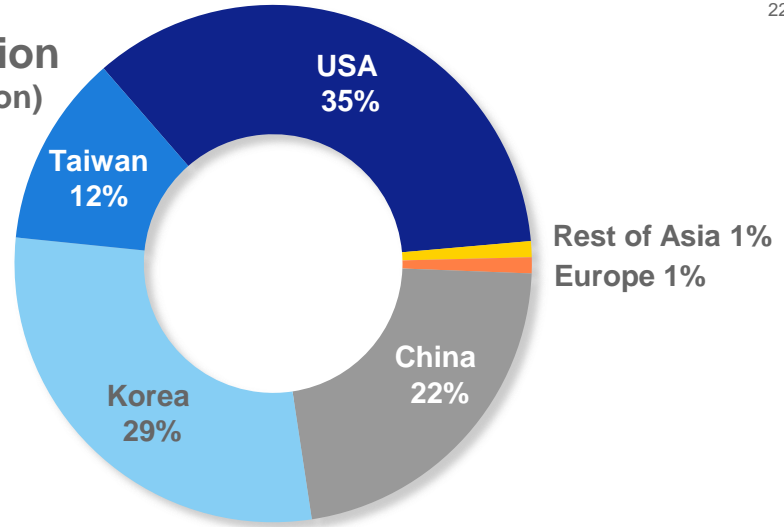
Backlog in value per Dec 31, 2013 EUV not included

Total value M€ 1,953

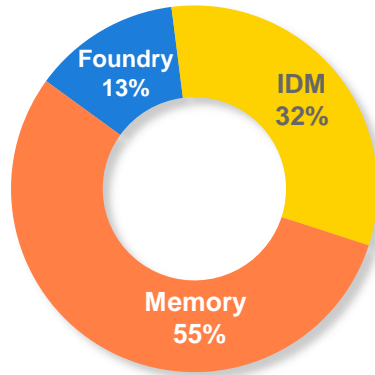
Technology



Region (ship to location)



End-use



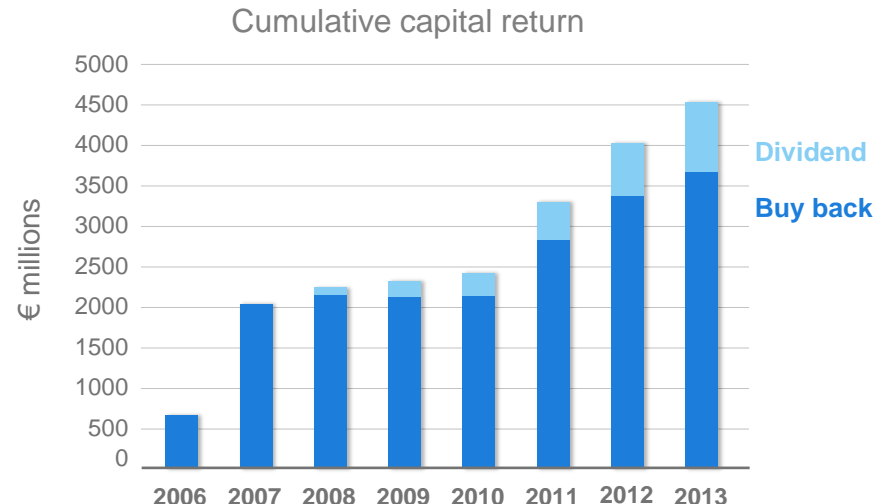
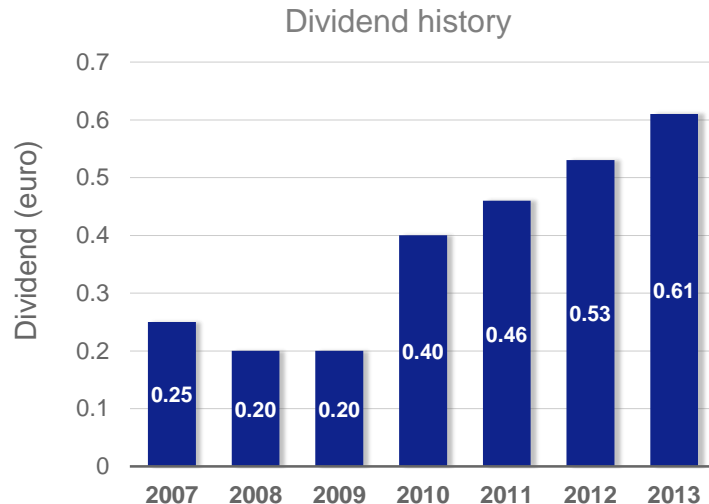
83% of backlog carries shipment dates in the next 6 months

	New systems	Used systems	Total systems
Units	46	10	56
Value M€	1,906	47	1,953
ASP M€	41.4	4.7	34.9

Numbers have been rounded for readers' convenience

Capital return to shareholders

- ASML proposes to again increase dividend by 15% to € 0.61 per ordinary share
- Through 31 December 2013, ASML acquired 4.6 million shares for a total consideration of € 300 million. The repurchased shares will be cancelled
- 30% of the € 1.0 billion 2013-2014 buy back program has been executed
- ASML returned more than € 4.5 billion in dividend and share buy backs since 2006



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Business environment

Business environment

- In the **Foundry** segment, our customers are installing capacity for the 20 nm node and are preparing for the 16/14nm node ramp, driven by the mobile applications market
- **MPU** continues the 14nm node ramp
- The **Memory** segment continues to pick up in light of tight mobile DRAM capacity. NAND demand is on a steady growth path with a stable market outlook, underpinning technology and capacity investments

ASML therefore reiterates that H1 2014 net sales will be around € 3 billion, excluding EUV, creating a solid basis for the remainder of 2014

The main title of the slide is "ASML technology status", centered in a blue, sans-serif font. The background of the slide features a series of light blue, wavy lines that curve from the bottom left towards the top right, creating a sense of motion and depth.

EUV overview



- 3 NXE:3300B systems shipping of which
 - 1 system is exposing 10nm process qualification wafers at the customer site
 - 2 systems under install
- 8 more NXE:3300B systems in various states of integration
 - 1 system (#4) is factory qualified and preparing to ship
- First NXE:3350 system has been started
- EUV cleanroom extension is under construction

EUV – progress toward production insertion

- Multiple customers have been printing EUV wafers for future node process qualification with excellent lithographic results
- We have demonstrated source power capability to expose up to 50 wafers per hour on EUV systems
- Progress made in the industrialization of EUV
 - improved source control architecture increasing the new output power by 40%
 - source up time and cost of ownership improvement demonstrated through in-situ cleaning technology
 - improved mask defect management through the use of pellicles

EUV has been qualified for next node imaging and customer decision will be based on the economics driven by productivity and cost of ownership

EUV shipments and tool recognition

- First NXE:3300B has been recognized in Q4 2013 sales
- After having shipped 3 systems, we expect to deliver the 8 remaining EUV tools on order in 2014, 1 system will ship in Q1
- Expected revenue recognition in 2014: 1 system in Q1, 1 system in Q2 and 6 systems in H2
- Revenue recognition will happen after install and customer acceptance
- Upon installation and customer acceptance, approx. € 60 million will be recognized, the remainder of approx. € 10 million will be deferred until machine is upgraded for higher productivity

Product highlights

- Rapid adoption of our most advanced immersion tool NXT:1970Ci is illustrated by 1 tool shipment in Q3, 4 more in Q4 and a current backlog of 14
- We saw a significant increase in sales of YieldStar metrology systems in 2013. These machines generate data used to control overlay, CD and focus for the most advanced process nodes. With YieldStar as a driver, Holistic Lithography sales doubled in 2013 versus 2012
- Yieldstar adoption rate for 20nm volume manufacturing approaching 100%
- Brion and a major foundry customer reached agreement on a comprehensive deal covering access to all of Brion's computational lithography solutions. This is the 3rd such deal with a foundry customer completed by Brion in 2013

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Outlook

Q1 outlook

- Net sales around € 1.4 billion
- Gross margin around 42%
- R&D costs of about € 280 million
- SG&A costs of about € 85 million
- Other income (Customer Co-Investment Program) of about € 20 million

Q1 gross margin includes:

- Revenue recognition for 1 EUV system. Excluding EUV, gross margin would be 1.9 % higher

ASML reiterates H1 2014 expected sales of around € 3 billion, excluding EUV

The image features the ASML logo in a bold, dark blue, sans-serif font on the left side. The background is a light blue gradient with several decorative elements: a large, semi-transparent, curved shape on the left; a series of thin, white, wavy lines that originate from the right side of the ASML text and extend across the right half of the image; and a solid light blue area at the top right.

ASML