

€600,000,000**ASML Holding N.V.**
Veldhoven, the Netherlands**5.75% NOTES DUE 2017**

Interest payable on June 13

The Notes will mature on June 13, 2017. Interest on the Notes will accrue from June 13, 2007, and the first interest payment will be made on June 13, 2008.

Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of that Exchange ("Euro MTF Market").

The Notes may be redeemed at the option of ASML, at any time prior to the maturity of the Notes in whole or in part, at a price of 100% of their principal amount of the Notes, plus accrued and unpaid interest plus a "make-whole" premium.

For a more detailed description of the Notes, see "Terms and Conditions of the Notes" beginning on page 20.

The Notes will be general unsecured obligations of ASML and will rank equally with ASML's existing and future unsecured senior debt.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 9.

ISSUE PRICE: 99.651% PLUS ACCRUED INTEREST, IF ANY

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons.

For a further description of certain restrictions on the offering and sale of the Notes, see "Subscription and Sale" beginning on page 37.

The Managers expect to deliver the Notes to purchasers in book-entry form through Euroclear and Clearstream on June 13, 2007.

*Joint-Lead Managers***Deutsche Bank****ABN AMRO***Co-Managers***Commerzbank Corporates & Markets****ING Wholesale Banking****Rabobank International**

June 11, 2007

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the importance of such information.

No person is authorized to give any information or to make any representation not contained or incorporated by reference in this Offering Memorandum and any information or representation not contained or incorporated herein must not be relied upon as having been authorized by or on behalf of ASML Holding N.V. or Deutsche Bank AG, London Branch (“Deutsche Bank”), ABN AMRO Bank N.V. (“ABN AMRO”), COMMERZBANK Aktiengesellschaft (“Commerzbank”), ING Bank N.V., London Branch (“ING”), or Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) (“Rabobank” and, together with Deutsche Bank, ABN AMRO, Commerzbank and ING, the “Managers”). Neither the delivery of this Offering Memorandum nor any sale made hereunder at any time shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

No action has been taken in any jurisdiction that would permit a public offering of the Notes or possession or distribution of this Offering Memorandum or any other offering material in any jurisdiction where action for that purpose is required to be taken. This Offering Memorandum does not constitute an offer of or an invitation by or on behalf of ASML or the Managers or any affiliate or representative thereof to subscribe for or to purchase, any securities or an offer to sell or the solicitation of an offer to buy any securities by any person in circumstances or in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Offering Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons in whose possession this Offering Memorandum comes must inform themselves about and observe any such restrictions.

This communication is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc”) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as “relevant persons”). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”), and may not be sold or offered within the United States except pursuant to an exemption from the registration requirements under or in a transaction not subject to the Securities Act.

This Offering Memorandum may only be used in connection with the offer and sale of the Notes.

PRESENTATION OF INFORMATION

In this Offering Memorandum, unless the context otherwise requires, the terms “ASML”, the “Company”, “we”, “us” and “our” mean ASML Holding N.V., a Netherlands corporation, and its consolidated subsidiaries, and the term “Issuer” refers to ASML Holding N.V. without its subsidiaries.

In this Offering Memorandum, references to “€” or “euro” are to the European Union euro and references to “U.S. dollars” or “\$” are to United States dollars and references to the U.S. are to the United States of America.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains statements relating to our future business and/or results. These statements include certain projections and business trends that are “forward-looking” within the meaning of the Private Securities Litigation Reform Act of 1995. You can generally identify these statements by the use of words like “may”, “will”, “could”, “should”, “project”, “believe”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “potential”, “intend”, “continue” and variations of these words or comparable words.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results as a result of certain risks and uncertainties. These risks and uncertainties include, without limitation, economic conditions, product demand and industry capacity, competitive products and pricing, manufacturing efficiencies, new product development, ability to

enforce patents, the outcome of intellectual property litigation, availability of raw materials and critical manufacturing equipment, trade environment, shareholder approval of the proposed capital repayment and other risks indicated in filings with the U.S. Securities and Exchange Commission (the “Commission” or the “SEC”), and those discussed under the heading “Risk Factors” in this Offering Memorandum. These forward-looking statements are made only as of the date of this Offering Memorandum. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

ASML’s principal executive and registered office is located at De Run 6501, 5504 DR Veldhoven, the Netherlands, and its telephone number is +31-40-268-3000.

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In connection with the issue of any Notes, Deutsche Bank (the “Stabilization Manager”) (or persons acting on behalf of the Stabilization Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) in accordance with all applicable laws and rules.

AVAILABLE INFORMATION

ASML is subject to the informational reporting requirements of the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) and in accordance therewith files reports and other information with the Commission. These reports and other information can be inspected, and copies can be obtained, at the Public Reference Room of the Commission located at 100 F Street, N.E., Room 1580, Washington, DC 20549 U.S.A. at prescribed rates. The Commission also maintains a website that contains reports and other information regarding registrants that file electronically with the Commission, including ASML. The address of this website is <http://www.sec.gov>. For further information on the operation of the public reference facilities call the Commission at +1-800-732-0330.

ASML makes available annual reports in English containing consolidated financial statements of the Company prepared on the basis of accounting principles generally accepted in the United States (“U.S. GAAP”), as well as statutory financial statements of ASML prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”), in each case accompanied by an opinion thereon by its independent public accountants. ASML also makes available unaudited interim financial information after the end of each quarter. ASML is exempt from the proxy rules of the Commission under the Exchange Act and is not required to solicit proxies or prepare proxy statements for shareholders’ meetings.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this Offering Memorandum the documents listed below, which have also been filed with or submitted to the Commission:

1. ASML's Annual Report on Form 20-F for the fiscal year ended December 31, 2006 (the "2006 Form 20-F"); and
2. ASML's Report of Foreign Private Issuer on Form 6-K filed with the Commission on April 19, 2007.

This Offering Memorandum is qualified in its entirety by the more detailed information contained in these reports.

In addition, all documents or reports filed by ASML pursuant to Section 13(a), 13(c) or 13(d) of the Exchange Act and, to the extent delivered with or as a supplement to this Offering Memorandum, certain Reports on Form 6-K submitted to the Commission by ASML after the date of this Offering Memorandum and prior to the termination of the offering contemplated hereby, shall be deemed to be incorporated by reference in this Offering Memorandum and to be a part hereof from the date of filing or submitting of such documents or reports, to the extent not superseded by documents or reports subsequently filed or submitted.

Any statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained herein or therein or in any other subsequently filed document which also is incorporated by reference herein modifies or replaces such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

The table below sets out the relevant page references for the information incorporated into this Offering Memorandum by reference.

<u>Information Incorporated by Reference</u>	<u>Page Reference</u>
Operating and Financial Review and Prospects	19 to 35 of the 2006 Form 20-F
Business	12 to 19 of the 2006 Form 20-F
Management	36 to 42 of the 2006 Form 20-F
Principal Shareholders	42 to 44 of the 2006 Form 20-F
Related Party Transactions	44 of the 2006 Form 20-F
Organizational Structure	18 of the 2006 Form 20-F and exhibit 8.1 to the 2006 Form 20-F
Material Contracts	47 of the 2006 Form 20-F
Market Risk	51 to 53 of the 2006 Form 20-F

Audited consolidated financial statements of ASML for the financial year ended December 31, 2006

Statements of Operations	F-2 of the 2006 Form 20-F
Balance Sheets	F-3 of the 2006 Form 20-F
Statements of Comprehensive Income	F-3 of the 2006 Form 20-F
Statements of Shareholders' Equity	F-4 of the 2006 Form 20-F
Statements of Cash Flows	F-5 of the 2006 Form 20-F
Notes to the Financial Statements	F-6 to F-38 of the 2006 Form 20-F
Report of Independent Registered Public Accounting Firm . .	F-39 to F-40 of the 2006 Form 20-F

Unaudited consolidated financial statements of ASML for the financial quarter ending April 1, 2007

Statements of Operations	Exhibit 99.2 of Report of Foreign Private Issuer on Form 6-K filed with the Commission on April 19, 2007 (the "April 19, 2007 Form 6-K")
Balance Sheets	Exhibit 99.2 of the April 19, 2007 Form 6-K
Statements of Cash Flows	Exhibit 99.2 of the April 19, 2007 Form 6-K
Notes to the Financial Statements	Exhibit 99.2 of the April 19, 2007 Form 6-K

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SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements, including the notes thereto, incorporated by reference in this Offering Memorandum. In addition, prospective purchasers should carefully consider the factors set forth herein under "Risk Factors".

The Company

Overview

We are the world's leading provider of lithography systems for the semiconductor industry, based on revenues and market share, manufacturing complex machines critical to the production of integrated circuits ("ICs" or "chips"). Our technology is known as optical lithography and transfers circuit patterns onto thin slices of pure silicon ("wafers"), the primary raw material for ICs. This technology is central to making ICs smaller, faster and cheaper. Our systems are called steppers and Step & Scan tools. They use a photographic process to image nanometric circuit patterns onto wafers much like a camera prints an image on film. This is one of the most critical and expensive steps in IC fabrication, and is therefore a significant focus of the IC industry's demand for cost-efficient enhancements to production technology. ASML's largest business focuses on lithography systems for 200- and 300- millimeter diameter wafer manufacturing. In 2006, we had net sales of €3.6 billion, gross profit of €1.5 billion and gross profit margin of 41 percent. Our overall market share by revenue grew in 2006 to 61 percent from 57 percent in 2005, marking our fifth year in a row as market leader, according to SEMI, an independent semiconductor organization.

We supply lithography systems to IC manufacturers throughout the United States, Asia and Europe, and also provide our customers with a full range of support from advanced process and product applications knowledge to complete round-the-clock service support. Most of the major semiconductor manufacturers are our customers. We are committed to providing customers with the right technology that is production-ready at the right time. Doing so enables our customers and their customers to sustain their competitive edge.

The worldwide electronics and computer industries have experienced dramatic growth since the commercialization of ICs in the 1960s, largely due to the continual reduction in the cost per function performed by ICs. Improvement in the design and manufacture of ICs with higher circuit or "packing" densities has resulted in smaller and lower cost ICs capable of performing a greater number of functions at higher speeds and with lower power consumption. We believe that these long-term trends will continue for the foreseeable future and will be accompanied by a continuing demand, subject to ongoing cyclical variations, for production equipment that can accurately produce advanced ICs in high volumes at the lowest possible cost.

We achieved significant growth in net sales of 42 percent from €2,529 million in 2005 to €3,597 million in 2006. The increase of net sales mainly resulted from an increased market demand for lithography equipment in 2006 by 34 percent. The number of systems shipped increased by 35.7 percent from 196 systems in 2005 to 266 systems in 2006. The average selling price ("ASP") of our systems increased slightly by 6.1 percent from €11.4 million in 2005 to €12.1 million in 2006. The total value of our backlog as of April 1, 2007 was €2,163 million, or 148 systems.

We provide sales and service in over 60 locations in 14 countries, employing approximately 5,600 employees as of December 31, 2006. We have research, development and manufacturing facilities located in Wilton, Connecticut, United States of America and Veldhoven, the Netherlands.

Our corporate headquarters is in Veldhoven, the Netherlands. ASML is traded on Euronext Amsterdam and NASDAQ under the symbol ASML.

Business Strategy

Our business strategy is based on achieving and reinforcing technological leadership in semiconductor lithography, resulting in the delivery of superior value of ownership for our customers while achieving top financial performance in our segment. We implement this strategy through customer focus, aggressive investment in research and development, and operational excellence.

Customer focus

We serve different types of chipmakers by ensuring that our products provide premium value for the various semiconductor market segments, including memory, integrated device manufacturers, and foundries or

made-to-order chip contractors. Of the top 20 chipmakers worldwide, in terms of semiconductor capital expenditure, 17 are our customers. We also have a significant market share of customers below the top 20.

In 2006, we achieved top customer satisfaction ratings among large suppliers of semiconductor wafer processing equipment, according to VLSI Research, an independent industry research firm that surveyed customers representing 95 percent of the world's total semiconductor market. Our satisfaction ratings by customers surpassed every lithography competitor for the fourth year in a row.

We plan to expand our market share by increasing our investments in Japan, which is a market that historically has been dominated by our competitors. In 2006, we continued our long-term market development strategy in Japan, and we had eight customers there by the end of 2006.

We also intend to expand our business scope as ASML pursues hardware technologies and new product opportunities in fields adjacent to and complementary with our core semiconductor lithography competence.

Aggressive investment in research and development

Our product range for steppers and advanced Step & Scan systems spans all of the industry's current wavelengths for both 200- and 300-millimeter wafers. Supported by our financial performance, research and development expenses in 2006 increased by 19 percent compared with 2005, as we accelerated new developments and advanced our development of immersion and extreme ultra violet ("EUV") technologies. This operating decision was made possible by leveraging our outsourcing strategy, which continues to enable us to rapidly and efficiently adjust our cost structure throughout a cycle while making use of leading edge capabilities in our supply chain.

Since 2000, we have offered the industry's only dual-stage wafer imaging platform — the TWINSCAN™ system which allows exposure of one wafer while simultaneously measuring the wafer that will be exposed next. This unique capability translates into the industry's highest throughput, enabling reduced cost-per-exposure per wafer. In the third quarter of 2006, we shipped our 500th TWINSCAN system, demonstrating the acceptance of the TWINSCAN platform as the semiconductor industry's standard for 300-millimeter lithography.

In 2006, we expanded our immersion product suite by introducing the industry's most advanced lithography system, the ASML TWINSCAN XT:1900i. Our innovative immersion lithography replaces the air over the wafer with fluid, enhancing focus and enabling circuit line-width to shrink to even smaller dimensions. The new XT:1900i system extends optical lithography for volume production to 40-nanometer and below. In 2006 we shipped 23 immersion systems and by April 1, 2007, over 40 immersion systems had been shipped in total to customers in three continents, marking our continued immersion technological leadership.

In December 2006, we announced ASML's newest TWINSCAN system, the XT:1450, an advanced 193-nanometer exposure tool targeted for high volume manufacturing that extends dry 193-nanometer technology to sub-60-nanometer. It can also be used by customers to support development of 32-nanometer node processes using double patterning techniques. Double patterning represents a bridge between current lithography technology and next generation EUV technology.

In parallel, we are developing EUV technology. In the third quarter of 2006, we shipped the industry's first EUV Alpha Demo Tools to research and development institutions located in Albany, New York (United States) and Leuven (Belgium) where potential customers can conduct early stage research and development. The launch of systems for volume applications is planned for 2009.

Research and development costs increased by 19 percent from €348 million in 2005 to €414 million in 2006.

Operational excellence

We strive to sustain our business success based on our technological leadership by continuing to execute our fundamental operating strategy, including reduction in lead time while improving our cost competitiveness. Lead time is the time from a customer's order to a tool's delivery.

Our business strategy includes outsourcing the majority of components and subassemblies that make up our products. We work in partnership with suppliers, collaborating on quality, logistics, technology and total cost. By operating our strategy of value sourcing, we strive to attain flexibility and cost efficiencies from our

suppliers through mutual commitment and shared risk and reward. Value sourcing also allows the necessary flexibility to adapt to the cyclical nature of the world market for semiconductor lithography systems.

We strive to improve efficiencies in our own operations on an ongoing basis: addressing our cost structure and strengthening our capability to generate cash. We have been successful at progressively enhancing the value of ownership of our products while increasing margins and boosting cash generation through gains in manufacturing productivity and reductions in cycle time.

In the first quarter of 2006, we expanded our capacity to manufacture lithography systems in Veldhoven, the Netherlands, by introducing a flexible labor model. This reinforces our ability to adapt more quickly to semiconductor market cycles, including support for potential 24-hour, seven days-a-week production activities. By maximizing the flexibility of our high tech work force in manufacturing facilities located in Veldhoven, we can shorten lead time: a key driver of added value for customers. This also reduces our working capital requirements.

Selling, general and administrative costs increased by only 2 percent from €201 million in 2005 to €205 million in 2006 while sales grew by 42 percent. Cost reduction and efficiency programs contributed to maintaining a near constant level of selling, general and administrative costs.

Recent Acquisitions

On March 8, 2007, we announced that we had completed our acquisition of Brion Technologies, Inc. for \$270 million in cash. Brion designs, develops and markets computational lithography technology which encompasses design verification, reticle enhancement technologies and optical proximity correction, enabling semiconductor manufacturers to simulate the realized pattern of integrated circuits and to correct the mask pattern that could compromise the manufacturing process and reduce yield. Brion will continue to support its current product offering and operate as a wholly-owned subsidiary of ASML.

Financial Policy

In connection with its first quarter results announcement on April 1, 2007, ASML announced an excess cash strategy intended to improve shareholder value. As part of this strategy, ASML established a policy to maintain a liquidity buffer of between €1,000 million and €1,500 million in gross cash, depending on anticipated business volume, and to return cash in excess of this liquidity buffer to shareholders. In furtherance of this strategy, ASML announced on May 31, 2007 that it intends to return to shareholders approximately €960 million in cash through a capital repayment, to be followed by a reduction of the number of outstanding ordinary shares by 11% through an 8 for 9 reverse share split.

The net proceeds from the Notes offered hereby are expected to be used to finance part of the €960 million to be returned to shareholders through the proposed capital repayment and to maintain ASML's target liquidity buffer.

ASML has also recently entered into a new €500 million standby revolving credit facility available until May 2012 with various banks to replace ASML's previous €400 million standby facility.

The Offering

Securities Offered.....	€600,000,000 principal amount of 5.75% Notes due 2017
Maturity	June 13, 2017
Issue Price	99.651%
Issue Date	June 13, 2007
Interest Rate	5.75% per annum.
Interest Payment Dates	June 13 of each year, commencing June 13, 2008.
Make-whole Redemption	The Notes may be redeemed at the option of ASML, at any time prior to the maturity of the Notes in whole or in part, at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest plus a “make-whole” premium. See “Terms and Conditions of the Notes — 5. Redemption and Purchase — (d) Redemption at the option of the Issuer”.
Change of Control	In the event of a change of control of ASML and a resulting change in our credit rating, each holder of the Notes will have the right to require ASML to redeem all of such holder’s Notes at 101% of their principal amount, plus accrued and unpaid interest. See “Terms and Conditions of the Notes — 5. Redemption and Purchase — (c) Redemption at the option of Noteholders upon a Change of Control”.
Ranking.....	The Notes will be unsecured obligations of ASML, subordinated in right of payment to ASML’s secured debt to the extent of the value of the assets securing such debt. In addition, because ASML is a holding company, the Notes will be structurally subordinated to all existing and future liabilities of ASML’s subsidiaries. The Notes will rank equally in right of payment with all ASML’s existing and future unsecured unsubordinated debt and will be senior to any future senior subordinated or subordinated debt. The Terms and Conditions of the Notes do not limit the amount of liabilities ranking senior to the Notes that may hereafter be incurred or assumed by the Company. See “Terms and Conditions of the Notes — 2. Status”.
Dutch Taxation	Currently the Netherlands does not impose any withholding or deduction for taxes in respect of payments on the Notes. In the event that any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature is required by law in the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer shall pay such additional amounts such that Noteholders will receive after such withholding or deduction such amounts as would have been received by them had no such withholding or deduction been required, subject to exceptions. See “Dutch Taxation” and “Terms and Conditions of the Notes — 7. Taxation”.
Fiscal Agent	Deutsche Bank AG, London Branch
Luxembourg Paying Agent	Deutsche Bank Luxembourg S.A.
Settlement, Book-Entry and Form	The Notes will be represented by a permanent bearer Global Note with interest coupons attached, deposited with a common depository for Euroclear and Clearstream. Except in certain limited circumstances, definitive bearer Notes will not be issued in exchange for beneficial interests in global notes. See “Summary of Provisions Relating to the Notes in Global Form”. It is expected that delivery of the Notes will be made against payment on or about June 13, 2007.

Absence of a Public Market in the Notes	The Notes are new securities, and there is currently no established trading market for them. Accordingly, there can be no assurance as to the development or liquidity of any market for any of the Notes. Deutsche Bank has advised ASML that it intends to make a market in the Notes. However, it is not obliged to do so, and may discontinue any market making with respect to the Notes at any time in its sole discretion.
Listing	ASML has applied to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of that exchange.
Governing Law	The Notes and the Fiscal Agency Agreement (as defined herein) will be governed by the laws of the Netherlands.
Selling Restrictions	There are selling restrictions in relation to the United States and the United Kingdom. See “Subscription and Sale”.
Covenants	We will issue the Notes pursuant to the Fiscal Agency Agreement with Deutsche Bank AG, London Branch. The Fiscal Agency Agreement will, among other things, limit our ability to incur liens on “Public Debt”, subject to a number of important exceptions. See “Terms and Conditions of the Notes — 3. Negative Pledge”.
Use of Proceeds	The net proceeds from this offering are expected to be used to finance part of the €960 million to be returned to shareholders through the proposed capital repayment and to maintain the Company’s target liquidity buffer of €1,000 million to €1,500 million. See “Use of Proceeds”.
Clearing and Settlement	Delivery of the Notes will be made through the book-entry facilities of Euroclear Bank S.A./N.V., as operator of the Euroclear system (“Euroclear”), and Clearstream Banking, société anonyme, Luxembourg (“Clearstream”).
ISIN	XS0304756405
Common Code	030475640

Summary Consolidated Annual Financial and Other Data (US GAAP)⁽¹⁾

	Year ended December 31				
	2002	2003	2004	2005	2006
	€	€	€	€	€
	<i>(in thousands, except ratios and per share data)</i>				
Consolidated statements of operations data					
Net sales	1,958,672	1,542,737	2,465,377	2,528,967	3,597,104
Cost of sales	1,491,068	1,173,955	1,559,738	1,554,772	2,135,086
Gross profit on sales	467,604	368,782	905,639	974,195	1,462,018
Research and development costs	324,419	305,839	352,920	347,901	413,708
Research and development credits	(26,015)	(19,119)	(21,961)	(24,027)	(27,141)
Selling, general and administrative expenses	263,243	212,609	201,629	201,204	204,799
Restructuring and merger and acquisition costs (credits)	<u>0</u>	<u>24,485</u>	<u>(5,862)</u>	<u>0</u>	<u>0</u>
Income (loss) from operations	(94,043)	(155,032)	378,913	449,117	870,652
Interest income (expense), net	<u>(36,781)</u>	<u>(29,149)</u>	<u>(16,073)</u>	<u>(14,094)</u>	<u>(854)</u>
Income (loss) from continuing operations					
before income taxes	(130,824)	(184,181)	362,840	435,023	869,798
(Provision for) benefit from income taxes	<u>42,779</u>	<u>59,675</u>	<u>(127,380)</u>	<u>(123,559)</u>	<u>(245,109)</u>
Income (loss) from continuing operations	<u>(88,045)</u>	<u>(124,506)</u>	<u>235,460</u>	<u>311,464</u>	<u>624,689</u>
Loss from discontinued operations before					
income taxes	(183,624)	(59,026)	0	0	0
Benefit from income taxes	<u>63,846</u>	<u>23,316</u>	<u>0</u>	<u>0</u>	<u>0</u>
Loss from discontinued operations	<u>(119,778)</u>	<u>(35,710)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net income (loss)	<u>(207,823)</u>	<u>(160,216)</u>	<u>235,460</u>	<u>311,464</u>	<u>624,689</u>
Earnings per share data⁽²⁾					
Basic net income (loss) from continuing operations per ordinary share	(0.18)	(0.26)	0.49	0.64	1.32
Basic net loss from discontinued operations per ordinary share	(0.26)	(0.07)	0.00	0.00	0.00
Basic net income (loss) per ordinary share	(0.44)	(0.33)	0.49	0.64	1.32
Diluted net income (loss) per ordinary share	(0.44)	(0.33)	0.49	0.64	1.27
<i>Number of ordinary shares used in computing per share amounts (in thousands):</i>					
Basic	476,866	482,240	483,380	484,103	474,860
Diluted	476,866	482,240	484,661	542,979	503,983

(1) The selected consolidated data reflect the effects of our decision in December 2002 to discontinue our Track business and divest our Thermal business which we substantially divested in October 2003. As a result of this decision, our consolidated financial statements for each of the three years ended December 31, 2006, our selected financial data for each of the five years ended December 31, 2006 and the financial and operational information presented and incorporated by reference in this Offering Memorandum for those periods present these businesses as discontinued operations, instead of as a separate segment as they had been reported prior to the divestiture announcement.

(2) The calculation of the number of ordinary shares used in computing diluted net income per ordinary share (i) in 2002, 2003 and 2004 does not assume conversion of ASML's outstanding convertible subordinated notes and (ii) in 2002 and 2003 does not assume the exercise of options issued under ASML's stock option plans, as such conversions and exercises would have an anti-dilutive effect.

	As of year ended,				
	2002	2003	2004	2005	2006
	€	€	€	€	€
	(in thousands, except ratios, numbers of systems and per share data)				
Consolidated balance sheet data					
Cash and cash equivalents	668,760	1,027,806	1,228,130	1,904,609	1,655,857
Working capital ⁽³⁾	1,662,570	1,463,308	1,868,871	1,785,836	2,244,625
Total assets	3,301,688	2,868,282	3,243,766	3,756,023	3,951,035
Long-term liabilities	1,233,398	1,040,556	1,039,023	624,203	613,167
Total shareholders' equity	1,315,516	1,141,207	1,391,602	1,711,837	2,156,455
Ratios and other data					
Increase (decrease) net sales (in percent)	23.2	(21.2)	59.8	2.6	42.2
Gross profit as a percentage of net sales	23.9	23.9	36.7	38.5	40.6
Income (loss) from operations as a percentage of net sales	(4.8)	(10.0)	15.4	17.8	24.2
Net income (loss) as a percentage of net sales	(4.5)	(8.1)	9.6	12.3	17.4
Shareholders' equity as a percentage of total assets	39.8	39.8	42.9	45.6	54.6
Backlog of systems (in units) at year end	110	124	131	95	163
Sales of systems (in units)	205	169	282	196	266
Number of employees at year end for continuing operations	5,971	5,059	5,071	5,055	5,594
Consolidated statements of cash flows data					
Depreciation, amortization and impairment	186,686	156,900	93,144	98,881	104,446
Net cash provided by (used in) total operating activities	(182,166)	545,395	251,267	711,493	477,507
Net cash used in total investing activities	(79,310)	(49,028)	(60,398)	(60,803)	(65,523)
Net cash provided by (used in) total financing activities	21,427	(68,156)	18,871	2,879	(647,957) ⁽⁴⁾
Net increase (decrease) in cash and cash equivalents	(241,918)	359,046	200,324	676,479	(248,752)

(3) Working Capital is calculated as the difference between total current assets, including cash and cash equivalents, and total current liabilities.

(4) Net cash used in financing activities in 2006 includes an amount of €678 million with respect to 2006 share buyback programs.

Summary Unaudited Consolidated Interim Financial and Other Data (US GAAP)⁽¹⁾

	<u>Three months ended</u>	
	<u>Apr 2, 2006</u>	<u>Apr 1, 2007</u>
	€	€
	(in thousands, except per share data)	
Consolidated statements of operations data		
Net sales	629,390	960,243
Cost of sales	<u>377,769</u>	<u>567,644</u>
Gross profit on sales	251,621	392,599
Research and development costs, net of credits	87,011	116,442
Amortization of in process research and development	—	23,148
Selling, general and administrative expenses	<u>50,267</u>	<u>56,330</u>
Income from operations	114,343	196,679
Interest income (expense), net	<u>(4,376)</u>	<u>10,260</u>
Income before income taxes	109,967	206,939
Provision for income taxes	<u>(29,933)</u>	<u>(53,639)</u>
Net income	<u>80,034</u>	<u>153,300</u>
Basic net income per ordinary share	0.17	0.32
Diluted net income per ordinary share	0.16 ⁽²⁾	0.31 ⁽²⁾
<i>Number of ordinary shares used in computing per share amounts (in thousands):</i>		
Basic	484,984	473,573
Diluted	545,732 ⁽²⁾	502,613 ⁽²⁾
	<u>As of period ended</u>	
	<u>Apr 2, 2006</u>	<u>Apr 1, 2007</u>
	€	€
	(in thousands, except ratios, numbers of systems and per share data)	
Consolidated balance sheet data		
Cash and cash equivalents	1,671,065	1,463,212
Working capital ⁽³⁾	1,881,839	2,107,717
Total assets	3,808,775	4,028,539
Long-term liabilities	623,324	650,762
Total shareholders' equity	1,800,394	2,156,472
Ratios and other data		
Gross profit as a percentage of net sales	40.0	40.9
Income from operations as a percentage of net sales	18.2	20.5
Net income as a percentage of net sales	12.7	16.0
Shareholders' equity as a percentage of total assets	47.3	53.5
Sales of systems (in units)	51	77
Backlog of systems (in units)	106	148
Number of employees at period end for continuing operations	5,088	5,975

(1) All figures are unaudited.

(2) The calculation of diluted net income per ordinary share assumes conversion of our €380 million 5½% Subordinated Notes due 2010 as such conversions would have a dilutive effect.

(3) Working Capital is calculated as the difference between total current assets, including cash and cash equivalents, and total current liabilities.

RISK FACTORS

Prospective investors in the Notes should carefully consider the following factors in addition to the other information presented in this Offering Memorandum.

Risks Related to the Semiconductor Industry

The Semiconductor Industry is Highly Cyclical and We May Be Adversely Affected by Any Future Downturns

As a supplier to the global semiconductor industry, we are subject to the industry's business cycles, the timing, duration and volatility of which are difficult to predict. The semiconductor industry has historically been cyclical. Sales of our photolithography systems depend in large part upon the level of capital expenditures by semiconductor manufacturers. These capital expenditures depend upon a range of competitive and market factors, including:

- the current and anticipated market demand for semiconductors and for products utilizing semiconductors;
- semiconductor prices;
- semiconductor production costs; and
- general economic conditions.

Changes in demand for our products as a result of these business cycles have been affected by the timing and amounts of customers' capital equipment purchases and investments in new technology. Future reductions or delays in capital equipment purchases by our customers could have a material adverse effect on our business, financial condition and results of operations.

In anticipation of periods of increasing demand for semiconductor manufacturing equipment, we must maintain sufficient manufacturing capacity and inventory, and we must attract, hire, integrate and retain a sufficient number of qualified employees to meet customer demand. Our ability to predict the timing and magnitude of industry fluctuations is limited and our products require significant lead time to complete. Accordingly, we may not be able to effectively increase our production capacity to respond to an increase in customer demand in an industry upturn resulting in lost revenues and damage to customer relationships.

Conversely, in an industry downturn, our ability to maintain profitability will depend substantially on whether we are able to lower our costs and break-even level, which is the number of lithography systems we must sell in a year to achieve net income. If we are unable to lower costs in an industry downturn, our net income may decline significantly. As we need to keep certain levels of inventory on hand to meet anticipated product demand, we also incur increased costs related to inventory obsolescence in an industry downturn. In addition, industry downturns generally result in overcapacity, resulting in downward pressure on prices, which has had in the past, and could have in the future, a material adverse effect on our business, financial condition and results of operations.

Our Business Will Suffer If We Do Not Respond Rapidly to Commercial and Technological Changes in the Semiconductor Industry

The semiconductor manufacturing industry is subject to:

- rapid change towards more complex technologies;
- frequent new product introductions and enhancements;
- evolving industry standards;
- changes in customer requirements; and
- continued shortening of product life cycles.

Our products could become obsolete sooner than anticipated because of a faster than anticipated change in one or more of the technologies related to our products or in market demand for products based on a particular technology. Our success in developing new products and in enhancing our existing products depends on a variety of factors, including the successful management of our research and development programs and timely completion of product development and design relative to competitors. If we do not develop and introduce new and enhanced systems at competitive prices and on a timely basis, our customers

will not integrate our systems into the planning and design of new fabrication facilities and upgrades of existing facilities, which would have a material adverse effect on our business, financial condition and results of operations.

In addition, we may invest considerable financial and other resources to develop and introduce new products and product enhancements, such as EUV, that our customers may not ultimately adopt. If our customers do not adopt these new technologies, products or product enhancements that we develop due to a preference for more established technologies and products or for other reasons, we would not recoup any return on our investments in these technologies or products, which may result in charges to our statement of operations and materially and adversely affect the future growth of the Company.

We Face Intense Competition

The semiconductor equipment industry is highly competitive. The principal elements of competition in our markets are:

- the technical performance characteristics of a photolithography system;
- the value of ownership of that system based on its purchase price, maintenance costs, productivity and customer service and support; and
- the strength and breadth of our portfolio of patents and other intellectual property rights.

Our competitiveness increasingly depends upon our ability to develop new and enhanced semiconductor equipment that is competitively priced and introduced on a timely basis, as well as our ability to protect and defend our intellectual property rights.

The costs to develop new systems, in particular photolithography systems, are extremely high and accordingly, the photolithography equipment industry is characterized by fierce competition among a few suppliers. ASML's primary competitors are Nikon Corporation ("Nikon") and Canon Kabushika Kaisha ("Canon"). Nikon and Canon are the dominant suppliers in the Japanese market, which accounts for a significant portion of worldwide semiconductor production. This market historically has been difficult for non-Japanese companies to penetrate.

Both Nikon and Canon have substantial financial resources and broad patent portfolios. Each continues to introduce new products with improved price and performance characteristics that compete directly with our products, and may cause a decline in our sales or loss of market acceptance for our photolithography systems. In addition, adverse market conditions, industry overcapacity or a decrease in the value of the Japanese yen in relation to the euro or the U.S. dollar could further intensify price-based competition in those markets that account for the majority of our sales, resulting in lower prices and margins and a material adverse effect on our business, financial condition and results of operations.

Industry Alliances May Not Select our Equipment

Increasingly, our customers are entering into alliances or other forms of cooperation with one another to expedite the development of processes and other manufacturing technologies. One of the results of such a form of cooperation may be the definition of a system or particular tool set for a certain function or a series of process steps that use a specific set of manufacturing equipment. These decisions could work to our disadvantage if a competitor's equipment becomes the standard equipment for such function or process. Even if ASML's equipment was previously used by a customer, that equipment may be displaced in current and future applications by the equipment standardized by the form of cooperation. These forms of cooperation may have a material adverse effect on our business, financial condition and results of operations.

Risks Related to ASML

The Number of Systems We Can Produce Is Limited by Our Dependence on a Limited Number of Suppliers of Key Components

We rely on outside vendors for the components and subassemblies used in our systems, each of which is obtained from a single supplier or a limited number of suppliers. Our reliance on a limited group of suppliers involves several risks, including a potential inability to obtain an adequate supply of required components and the risk of untimely delivery of these components and subassemblies.

The number of photolithography systems we have been able to produce has occasionally been limited by the production capacity of Carl Zeiss SMT AG ("Zeiss"). Zeiss is our single supplier of lenses and other

critical optical components. If Zeiss were unable to maintain and increase production levels or if we are unable to maintain our business relationship with Zeiss in the future we could be unable to fulfill orders, which could damage relationships with current and prospective customers and have a material adverse effect on our business, financial condition and results of operations. If Zeiss were to terminate its relationship with us or if Zeiss were unable to maintain production of lenses over a prolonged period, we would effectively cease to be able to conduct our business.

In addition to Zeiss' current position as our single supplier of lenses, the excimer laser illumination systems that provide the ultraviolet light source, referred to as "deep UV," used in our high resolution steppers and Step & Scan systems, are available from only a limited number of suppliers. In particular, we rely heavily on Cymer, Inc., a United States based company, to provide excimer laser illumination systems.

Although the timeliness, yield and quality of deliveries to date from our other subcontractors generally have been satisfactory, manufacturing of certain of these components and subassemblies that we use in our manufacturing processes is an extremely complex process and delays caused by suppliers may occur in the future. A prolonged inability to obtain adequate deliveries of components or subassemblies, or any other circumstance that requires us to seek alternative sources of supply, could significantly hinder our ability to deliver our products in a timely manner, which could damage relationships with current and prospective customers and have a material adverse effect on our business, financial condition and results of operations.

A High Percentage of Net Sales Is Derived from a Few Customers

Historically, we have sold a substantial number of lithography systems to a limited number of customers. While the identity of our largest customers may vary from year to year, we expect sales to remain concentrated among relatively few customers in any particular year. In 2006, sales to one customer accounted for €730 million, or 20 percent of net sales, compared to €609 million, or 24 percent of net sales, in 2005. The loss of any significant customer or any reduction in orders by a significant customer may have a material adverse effect on our business, financial condition and results of operations.

Additionally, as a result of the limited number of our customers, credit risk on our receivables is concentrated. Our three largest customers accounted for 35 percent of accounts receivable at December 31, 2006, compared to 49 percent at December 31, 2005. As a result, business failure or insolvency of one of our main customers may have a material adverse effect on our business, financial condition and results of operations.

The Pace of Introduction of Our New Products Is Accelerating and Is Accompanied by Potential Design and Production Delays and by Significant Costs

The development and initial production, installation and enhancement of the systems we produce is often accompanied by design and production delays and related costs of a nature typically associated with the introduction and transition to full-scale manufacturing of complex capital equipment. While we expect and plan for a corresponding learning curve effect in our product development cycle, we cannot precisely predict the time and expense required to overcome these initial problems and to ensure full performance to specifications. There is a risk that we may not be able to introduce or bring to full-scale production new products as quickly as we expected in our product introduction plans, which could have a material adverse effect on our business, financial condition and results of operations.

In order for the market to accept technology enhancements, our customers, in many cases, must upgrade their existing technology capabilities. Such upgrades from established technology may not be available to our customers to enable volume production using our new technology enhancements. This could result in our customers not purchasing, or pushing back or canceling orders for our technology enhancements, which could negatively impact our business, financial condition and results of operations.

We Derive Most of Our Revenues from the Sale of a Relatively Small Number of Products

We derive most of our revenues from the sale of a relatively small number of lithography equipment systems (266 units in 2006; 196 units in 2005), with an ASP in 2006 of €12.1 million (€14.0 million for new systems and €3.2 million for used systems) and ASP in 2005 of €11.4 million (€13.5 million for new systems and €2.9 million for used systems). As a result, the timing of recognition of revenue from a small number of transactions may have a significant impact on our net sales and other operating results for a particular

reporting period. Specifically, the failure to receive anticipated orders, or delays in shipments near the end of a particular reporting period, due, for example, to:

- the highly cyclical semiconductor business industry;
- unanticipated shipment rescheduling;
- cancellation or order push back by customers;
- unexpected manufacturing difficulties; and
- delays in deliveries by suppliers,

may cause net sales in a particular reporting period to fall significantly below net sales in previous periods or our expected net sales, and would have a material adverse effect on our operating results for that period.

In particular our published quarterly earnings have varied significantly from quarter to quarter and may vary in the future for the reasons discussed above.

Failure to Adequately Protect the Intellectual Property Rights upon Which We Depend Could Harm Our Business

We rely on intellectual property rights such as patents, copyrights and trade secrets to protect our proprietary technology. However, we face the risk that these measures will be inadequate because:

- intellectual property laws may not sufficiently support our proprietary rights or may adversely change in the future;
- patent rights may not be granted or construed as intended;
- patent rights will expire;
- the steps we take to prevent misappropriation or infringement of our proprietary rights may not be successful; and
- third parties may be able to develop or obtain patents for similar competing technology.

In addition, litigation may be necessary in order to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation may result in substantial costs and diversion of resources, and, if decided unfavorably to us, could have a material adverse effect on our business, financial condition and results of operations.

Defending Against Intellectual Property Claims by Others Could Harm Our Business

In the course of our business, we are subject to claims by third parties alleging that our products or processes infringe upon their intellectual property rights. If successful, such claims could limit or prohibit us from developing our technology and manufacturing our products, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, our customers may be subject to claims of infringement from third parties, alleging that our products used by such customers in the manufacture of semiconductor products and/or the processes relating to the use of our products infringe one or more patents issued to such parties. If such claims were successful, we could be required to indemnify customers for some or all of any losses incurred or damages assessed against them as a result of such infringement, which could have a material adverse effect on our business, financial condition and results of operations.

We may also incur substantial licensing or settlement costs where doing so would strengthen or expand our intellectual property rights or limit our exposure to intellectual property claims by others, which may have a material adverse effect on our business, financial condition and results of operations.

We Are Subject to Risks in Our International Operations

The majority of our sales are made to customers outside Europe. There are a number of risks inherent in doing business in some of those markets, including the following:

- potentially adverse tax consequences;
- unfavorable political or economic environments;
- unexpected legal or regulatory changes; and
- an inability to effectively protect intellectual property.

If we are unable to manage successfully the risks inherent in our international activities, our business, financial condition and results of operations could be materially and adversely affected.

In particular, approximately 20 percent of our 2006 revenues and approximately 18 percent of our 2005 revenues were derived from customers in Taiwan. Taiwan has a unique international political status. The People's Republic of China asserts sovereignty over Taiwan and does not recognize the legitimacy of the Taiwan government. Changes in relations between Taiwan and the People's Republic of China, Taiwanese government policies and other factors affecting Taiwan's political, economic or social environment could have a material adverse effect on our business, financial condition and results of operations.

We Are Dependent on the Continued Operation of a Limited Number of Manufacturing Facilities

All of our manufacturing activities, including subassembly, final assembly and system testing, take place in one clean room facility located in Veldhoven, the Netherlands, and one clean room facility in Wilton, Connecticut, United States. These facilities are subject to disruption for a variety of reasons, including work stoppages, fire, energy shortages, flooding or other natural disasters. We cannot ensure that alternative production capacity would be available if a major disruption were to occur or that, if it were available, it could be obtained on favorable terms. Such a disruption could have a material adverse effect on our business, financial condition and results of operations.

Because of Labor Laws and Practices, Any Workforce Reductions That We May Wish to Implement In Order To Reduce Costs Company-Wide May Be Delayed or Suspended

The semiconductor market is highly cyclical and as a consequence we may need to implement workforce reductions in case of a downturn, in order to adapt to such market changes. In accordance with labor laws and practices applicable in the jurisdictions in which we operate, a reduction of any significance may be subject to certain formal procedures, which can delay, or may result in the modification of our planned workforce reductions. For example, in the Netherlands, if our Works Council does not agree with a proposed workforce reduction in the Netherlands, but we nonetheless determine to proceed, we must temporarily suspend any action while the Works Council determines whether to appeal to the Netherlands Court. This appeal process can cause a delay of several months and may require us to address any procedural inadequacies identified by the Court in the way we reached our decision. Such delays could impair our ability to reduce costs company-wide to levels comparable to those of our competitors.

Non-compliance with or a Change in Environmental Laws and Regulations Could Harm Our Results of Operations

We are subject to Netherlands and foreign environmental regulations in areas such as energy resource management, use, storage, discharge and disposal of hazardous substances, recycling, clean air, water protection and waste disposal. Although we believe that we are in general compliance with these regulations and do not use large quantities of hazardous substances in our manufacturing processes, if we do not take adequate measures to comply with these regulations in the course of our ordinary business operations, or if there is a significant change in the environmental laws or regulations that affect our business, there could be a material adverse effect on our business, financial condition and results of operations.

Fluctuations in Foreign Exchange Rates Could Harm Our Results of Operations

We are exposed to currency risks. We are particularly exposed to fluctuations in the exchange rates between the U.S. dollar, Japanese yen and the euro as we incur manufacturing costs and price our systems predominantly in euro while a portion of our net sales and cost of sales is denominated in U.S. dollars and Japanese yen.

In addition, a substantial portion of our assets and liabilities and operating results are denominated in U.S. dollar, and a small portion of our assets, liabilities and operating results are denominated in currencies other than the euro and the U.S. dollar. Our consolidated financial statements are expressed in euro. Accordingly, our results of operations and assets and liabilities are exposed to fluctuations in various exchange rates.

Furthermore, a strengthening of the euro particularly against the Japanese Yen could lead to intensified price-based competition in those markets that account for the majority of our sales, resulting in lower prices and margins and a material adverse effect on our business, financial condition and results of operations.

We May Be Unable to Make Desirable Acquisitions or to Integrate Successfully Any Businesses We Acquire

Our future success may depend in part on the acquisition of businesses or technologies intended to complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. Our ability to complete such transactions may be hindered by a number of factors, including potential difficulties in obtaining government approvals.

Any acquisition that we do make would pose risks related to the integration of the new business or technology with our business. We cannot be certain that we will be able to achieve the benefits we expect from a particular acquisition or investment. Acquisitions may also strain our managerial and operational resources, as the challenge of managing new operations may divert our staff from monitoring and improving operations in our existing business. Our business, financial condition and results of operations may be materially and adversely affected if we fail to coordinate our resources effectively to manage both our existing operations and any businesses we acquire.

Our Business and Future Success Depend on Our Ability to Attract and Retain Sufficient, Educated and Skilled Employees

Our business and future success significantly depends upon our employees, including a large number of highly qualified professionals, as well as our ability to attract and retain employees. Competition for such personnel is intense, and we may not be able to continue to attract and retain such personnel, which could adversely affect our business, financial condition and results of operations.

Risks Related to an Investment in the Notes

There is no Developed Market for the Notes

The Notes are new securities for which there is presently no established market and none may develop. Although Deutsche Bank has informed us that it currently intends to make a market in the Notes, it is not obligated to do so. The liquidity of any market for the Notes will depend upon the number of holders of the Notes, the interest of security dealers in making a market in the Notes and other factors. Accordingly, a liquid market for the Notes may not develop.

Because we are a Holding Company, Repayment of our Indebtedness, Including the Notes Offered Hereby, is Dependent on Cash Flow Generated by our Subsidiaries

ASML is a holding company. All our operations are conducted by and substantially all our assets are owned by, our subsidiaries. Repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend or other distribution, debt repayment or otherwise. Accordingly, the cash flows or assets of those subsidiaries may not be available to us to pay our obligations under the Notes.

The Notes will be Structurally Junior to the Indebtedness and other Liabilities of our Subsidiaries

You will not have any claim as a creditor against our subsidiaries, and all existing and future indebtedness and other liabilities, whether secured or unsecured, of those subsidiaries will be structurally senior to the Notes. In the event of any bankruptcy, liquidation or reorganization of any of our subsidiaries, the rights of the holders of Notes to participate in the assets of such subsidiary will rank behind the claims of that subsidiary's creditors (except to the extent we have a claim as creditor of such subsidiary). As a result, the Notes are structurally subordinated to the liabilities of our subsidiaries. Substantially all of our outstanding indebtedness and other liabilities, other than our 5½% Subordinated Convertible Notes due 2010, are liabilities of subsidiaries of the Issuer, and accordingly, will be structurally senior to the Notes.

We May be Unable to Redeem the Notes upon a Change of Control

Upon a change of control, we would be required to redeem the Notes, at the option of Noteholders, for cash at 101% of the principal amount thereof plus accrued and unpaid interest. If a change of control were to occur, we may not have sufficient funds to pay the change of control redemption price and we may be required to secure third-party financing in order to do so. However, we may not be able to obtain such financing on commercially reasonable terms, or at all. Our future indebtedness may also contain restrictions on our ability to redeem the Notes upon certain events, including transactions that could constitute a change of control.

If Notes are issued in definitive form, Noteholders holding less than €50,000 of Notes may not be able to receive definitive Notes.

In the event that Notes are issued in definitive form, Noteholders who hold a principal amount of less than €50,000 may not be able to receive a definitive Note in respect of such holding, and may need to purchase a principal amount of Notes such that its holding amounts to a denomination of €50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000 in order to receive a definitive Note.

USE OF PROCEEDS

The net proceeds from the sale of Notes offered will be approximately €591 million. The net proceeds from this offering are expected to be used to finance part of the €960 million to be returned to shareholders through the proposed capital repayment and to maintain the Company's target liquidity buffer of €1,000 million to €1,500 million of cash. Pending such capital repayment, we intend to invest all or a portion of the net proceeds in short-term, interest-bearing instruments. See "Summary — Financial Policy".

CAPITALIZATION

Set forth below is the consolidated capitalization and cash and cash equivalents of the Company as of April 1, 2007 and as adjusted on a pro forma basis to give effect to the offering of the Notes and the intended return of €960 million of cash to shareholders pursuant to the proposed capital repayment. There has been no material change in our capitalization since April 1, 2007.

	<u>Actual, as of</u> <u>April 1, 2007</u>	<u>As adjusted</u>
	(in € millions)	
Cash and cash equivalents	<u>1,463.2</u>	<u>1,094.2⁽¹⁾</u>
Notes offered hereby	—	600.0
5.5% Convertible Subordinated Notes due 2010	380.0	380.0
Other long-term debt and deferred liabilities ⁽²⁾	<u>270.8</u>	<u>270.8</u>
Total long-term debt	650.8	1,250.8
Total shareholders' equity	<u>2,156.5</u>	<u>1,196.5</u>
Total capitalization	<u>2,807.3</u>	<u>2,447.3</u>

(1) Assumes net proceeds of €591 million from the offering of the Notes.

(2) ASML has a €500 million revolving credit facility available until May 2012. No amounts were outstanding under this facility as of the date of this Offering Memorandum.

DIRECTORS AND OFFICERS OF THE COMPANY

ASML is incorporated under Netherlands law and has a two-tier board structure. Responsibility for the management of ASML lies with the Board of Management. Independent, non-executive members serve on the Supervisory Board, which supervises and advises the members of the Board of Management in performing their management tasks. The Board of Management has the duty to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its prior approval. The supervision of the Board of Management by the Supervisory Board includes (i) achievement of ASML's objectives, (ii) corporate strategy and management of risks inherent to ASML's business activities, (iii) the structure and operation of internal risk management and control systems, (iv) the financial reporting process and (v) compliance with applicable legislation and regulations.

The members of the Supervisory Board and the Board of Management are as follows:

<u>Name</u>	<u>Title</u>	<u>Year of Birth</u>	<u>Term Expires</u>
Eric Meurice	President, Chief Executive Officer and Chairman of the Board of Management	1956	2008
Peter T.F.M. Wennink	Executive Vice President, Chief Financial Officer and Member of the Board of Management	1957	N/A ⁽⁵⁾
Martin A. van den Brink	Executive Vice President Marketing & Technology and Member of the Board of Management	1957	N/A ⁽⁵⁾
Klaus P. Fuchs	Executive Vice President Operations and Member of the Board of Management	1958	2010
Jan A. Dekker ⁽¹⁾⁽²⁾	Member of the Supervisory Board	1939	2009
Jos W.B. Westerburgen ⁽³⁾⁽⁴⁾	Member of the Supervisory Board	1942	2009
Fritz W. Fröhlich ⁽¹⁾	Member of the Supervisory Board	1942	2008
Arthur P.M. van der Poel ⁽¹⁾⁽²⁾⁽⁴⁾	Chairman of the Supervisory Board	1948	2008
Ieke C.J. van den Burg ⁽³⁾	Member of the Supervisory Board	1952	2009
OB Bilous ⁽²⁾⁽⁴⁾	Member of the Supervisory Board	1938	2009
W.T. Siegle ⁽²⁾	Member of the Supervisory Board	1939	2011

(1) Member of the Audit Committee

(2) Member of the Technology and Strategy Committee

(3) Member of the Remuneration Committee

(4) Member of the Selection and Nomination Committee

(5) There are no specified terms for members of the Board of Management appointed prior to March 2004

EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, the average, high, low and period-end noon buying rates certified by the Federal Reserve Bank of New York for customs purposes (the “Noon Buying Rates”) expressed in U.S. dollars per euro.

<u>Calendar Period</u>	<u>Average⁽¹⁾</u>	<u>High</u>	<u>Low</u>	<u>Period End</u>
2002	0.95	1.05	0.86	1.05
2003	1.13	1.26	1.04	1.26
2004	1.24	1.36	1.18	1.35
2005	1.24	1.35	1.17	1.18
2006	1.26	1.33	1.19	1.32
December 2006	—	1.33	1.31	—
January 2007	—	1.33	1.29	—
February 2007	—	1.33	1.29	—
March 2007	—	1.34	1.31	—
April 2007	—	1.37	1.33	—
May 2007	—	1.36	1.34	—
June (through June 7)	—	1.35	1.34	—

(1) Represents the average of the Noon Buying Rates on the last business day of each full month during the relevant period.

On June 7, 2007, the Noon Buying Rate was €1=\$1.35.

EXCHANGE CONTROLS AND OTHER LIMITATIONS AFFECTING SECURITY HOLDERS

There are currently no limitations, either under the laws of the Netherlands or in the Articles of Association of ASML, to the rights of non-residents to hold the Notes. Interest payments and other amounts payable on the Notes from the Netherlands may be officially transferred from the Netherlands and converted into any other currency without Dutch legal restrictions, except that for statistical purposes such payments and transactions may have to be reported by ASML to the Dutch Central Bank and, further, no payments, including principal, interest and dividend payments, may be made to jurisdictions subject to certain sanctions, adopted by the government of the Netherlands, implementing resolutions of the Security Council of the United Nations.

TERMS AND CONDITIONS OF THE NOTES

The following (subject to completion and amendment, and other than the words in italics) is the text of the Terms and Conditions of the Notes which will be attached to the Certificates representing the Global Notes and endorsed on the definitive Certificates issued in respect of Notes should definitive Certificates be issued.

The €600,000,000 5.75 per cent. Notes due 2017 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of ASML Holding N.V. (the “**Issuer**”) are the subject of a fiscal agency agreement dated June 13, 2007 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (each a “**Noteholder**” and together, the “**Noteholders**”) and the holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Title

The definitive Notes are in bearer form in the denominations of €50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000, with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2. Status

The Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

3. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement),

- (a) the Issuer will not secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary; and
- (b) the Issuer shall procure that none of its Subsidiaries will secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary,

without at the same time securing the Notes equally and rateably with such Public Debt or providing such other security as the Noteholders may approve by Extraordinary Resolution (as defined in the Agency Agreement).

For the purpose of this Condition 3 (*Negative Pledge*) “**Public Debt**” means any loan, debt, guarantee or other obligation which is represented by bonds or notes or other securities which have an initial life exceeding two years and which as of its date of issue is a type of security which is capable of being listed on any stock exchange or over-the-counter or other generally recognised securities market but, for the avoidance of doubt, excluding any debt that is in the nature of a loan from a bank or other lender, whether or not such debt is traded, singly or in combination with other indebtedness.

In these Conditions:

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. Interest

The Notes bear interest from June 13, 2007 (the “**Issue Date**”) at the rate of 5.75 per cent. per annum, (the “**Rate of Interest**”) payable in arrear on June 13 in each year (each, an “**Interest Payment Date**”), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are, upon due presentation, paid and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Note for a period of less than a full year, it shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

“**Regular Period**” means each period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next Interest Payment Date.

5. Redemption and Purchase

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on June 13, 2017, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after June 11, 2007; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (A) a certificate signed by two managing directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b) (*Redemption and Purchase — Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption at the option of Noteholders upon a Change of Control:* Upon the occurrence of a Put Event (as defined below) each Noteholder will have the option (the “**Put Option**”) to require the Issuer to redeem such Note on the Put Settlement Date (as defined below) at a price equal to 101 per cent. of its principal amount together with interest accrued to (but excluding) such date.

Within 10 days after the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 14 (*Notices*), specifying the details relating to the occurrence of the Put Event and the procedure for the exercise of the Put Option.

In order to exercise the Put Option, the holder of a Note must, not later than 30 Business Days after the Put Event Notice is given (the “**Put Period**”), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed put option notice (a “**Put Option Notice**”) in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a “**Put Option Receipt**”) to the depositing Noteholder. On the Business Day following the end of the Put Option Period the Fiscal Agent shall notify the Issuer in writing of the results of the exercise of the Put Option specifying the aggregate principal amount of the Notes that have been validly delivered to be redeemed in accordance with the Put Option. Provided that the Notes that are the subject of any such Put Option Notice have been delivered to the Fiscal Agent or a Paying Agent prior to the expiry of the Put Period, then the Issuer shall redeem all such Notes on the date falling five Business Days after the expiration of the Put Period (the “**Put Settlement Date**”).

In these Conditions, “**Business Day**” means any day (i) other than a Saturday or a Sunday or a day on which banking institutions in Amsterdam and London are generally authorised or obligated by law or regulations to close and (ii) on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the “**Target System**”) is operating and the clearing systems are generally open for business.

No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 5(c) (*Redemption and Purchase — Redemption at the option of Noteholders upon a Change of Control*) may be withdrawn; *provided, however, that* if, prior to the Put Settlement Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 5(c) (*Redemption and Purchase — Redemption at the option of Noteholders upon a Change of Control*) the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

In this Condition 5(c) (*Redemption and Purchase — Redemption at the option of Noteholders upon a Change of Control*) a “**Put Event**” shall be deemed to have occurred each time (a) a Change of Control occurs and (b) within the Change of Control Period a Rating Downgrade occurs in respect of that Change of Control or, as the case may be, potential Change of Control.

A “**Change of Control**” in respect of the Issuer shall be deemed to have occurred each time:

- (i) Control of the Issuer is acquired or deemed to be held by a Person or any Persons acting in concert which at June 11, 2007 does or do not have (and would not be deemed to have) such Control; or
- (ii) the Issuer consolidates with or merges into any other corporation (unless the shareholders of the Issuer immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the corporation resulting from such transaction in substantially the same relative proportions as their ownership of the share capital immediately before such transaction),

provided however a Change of Control will not be deemed to have occurred solely as a result of (x) the issuance or transfer, with the cooperation of the supervisory board (*raad van commissarissen*) or the management board (*raad van bestuur*) of the Issuer or the Issuer's shareholders, as applicable, of any preferred shares in the Issuer's share capital; or (y) the Issuer's abandoning, limiting or changing the "structure regime" upon the proposal of the management board of the Issuer and approval by the supervisory board of the Issuer or the Issuer's shareholders, as applicable.

"**Control**" means (a) beneficial ownership of 51 per cent. or more of the ordinary shares of the Issuer or (b) control of or right to otherwise control the affairs and policies of the Issuer or its business (whether as the result of the acquisition of assets or otherwise).

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if:

- (i) within the Change of Control Period:
 - (a) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) assigned to the Notes by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (b) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the Notes by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
 - (c) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected to the Change of Control), provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then subparagraph (a) will apply; and
- (ii) in making the relevant decision(s) referred to in (a) and (b) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer, the Fiscal Agent or any Noteholder, that such decision(s) resulted directly, in whole or to a significant degree, from the occurrence of the Change of Control or, as the case may be, potential Change of Control,

provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, the Issuer shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5(c) (*Redemption and Purchase — Redemption at the option of Noteholders upon a Change of Control*) shall be read accordingly.

"**Rating Agencies**" means Moody's Investors Service, Inc and / or Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. and / or Fitch Ratings and their respective successors or affiliates and / or any other rating agency of equivalent international standing

specified from time to time by the Issuer which has a current rating of Notes at any relevant time (each a “**Rating Agency**”).

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control, or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, under consideration for rating by a rating agency, such period not to exceed 90 days after the public announcement of such consideration.

“**Relevant Announcement Date**” means the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the first public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (d) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer in whole or in part on any date (each, a “**Call Settlement Date**”) on the Issuer’s giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the relevant Call Settlement Date) at an amount (the “**Early Redemption Amount**”) equal to the principal amount of the Notes plus accrued interest to the relevant Call Settlement Date plus the Applicable Premium.

For the purpose of this Condition 5(d) (*Redemption and Purchase*):

“**Applicable Premium**” means, with respect to any Note on any Call Settlement Date, the greater of:

- (i) 1.0 per cent. of the principal amount of the Note; or
- (ii) the excess of:
 - (A) the present value at such Call Settlement Date of (i) the principal amount of the Notes at maturity *plus* (ii) all required interest payments due on the Note through June 13, 2017 (excluding accrued but unpaid interest to the Call Settlement Date), computed using a discount rate equal to the Bund Rate as of the third Business Day prior to such Call Settlement Date plus 50 basis points; over
 - (B) the principal amount of the Note, if greater.

“**Bund Rate**” means, with respect to any Call Settlement Date, the rate per annum equal to the equivalent yield to maturity as of the third Business Day prior to such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination, where:

- (i) “**Comparable German Bund Issue**” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Call Settlement Date to June 13, 2017 and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to June 13, 2017; *provided*, however, that, if the period from such Call Settlement Date to June 13, 2017 is less than one year, a fixed maturity of one year shall be used;
- (ii) “**Comparable German Bund Price**” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (iii) “**Reference German Bund Dealer**” means any dealer of German Bundesanleihe securities appointed by the Issuer; and
- (iv) “**Reference German Bund Dealer Quotations**” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the

bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at or about 3:30 p.m. Frankfurt, Germany time on the third business day (being for this purpose a day on which banks are open for business in Frankfurt and London) preceding the relevant date.

- (e) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (f) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. Payments

- (a) *Principal:* Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the Target System.
- (b) *Interest:* Payments of interest shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) *Deduction for unmatured Coupons:* If a Note is presented without all unmatured Coupons relating thereto, then:
 - i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (e) *Payments on Business Days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (f) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (g) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

7. Taxation

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required (the “**Additional Amounts**”), except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with The Netherlands other than the mere holding of the Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or
- (d) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such Additional Amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands references in these Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

8. Events of Default

If any of the following events occurs:

- (a) *Non-payment:* The Issuer fails to pay any amount of principal or interest in respect of the Notes within 15 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for

30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(c) *Cross-acceleration of Issuer or Subsidiary:*

- (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness provided that the same is not remedied within 15 Business Days after such event occurs; or
- (iii) the Issuer or any of its Subsidiaries fails to pay any amount payable by it under any Guarantee of any Indebtedness when due or (as the case may be) within any originally applicable grace period;

provided that (A) the obligation in respect of such non-payment is not being disputed in good faith by the Issuer or any of its Subsidiaries and (B) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €20,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment:* One or more final judgment(s) or final order(s) for the payment of any amount/an amount in excess of €20,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Insolvency, etc:* (i) The Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it, (ii) the Issuer or any of its Material Subsidiaries becomes bankrupt (*wordt failliet verklaard*) or subject to a moratorium of payments (*surseance van betaling*) or (iii) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (f) *Winding up, etc:* An order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent),

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

In this Condition 8 (*Events of Default*):

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“**Indebtedness**” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“**Material Subsidiary**” at all times shall mean a Subsidiary of the Issuer:

- (a) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated gross revenues of the Issuer and its Subsidiaries taken as a whole attributable to the shareholders of the Issuer, or, as the case may be, consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary,

all as more particularly defined in the Agency Agreement.

A report of the Issuer signed by two managing directors that in its opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

9. Prescription

Claims in respect of the Notes and Coupons shall become void unless the relevant Notes are presented for payment within five years of the appropriate Relevant Date.

10. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent and the Paying Agent having its Specified Office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. Paying Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain (a) a fiscal agent, (b) a paying agent in Luxembourg and (c), if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the number of votes required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Issuer may make amendments to the Notes and these Conditions without the consent of the Noteholders or the Couponholders that are (i) not prejudicial to the interests of the Noteholders, (ii) of a formal, minor or technical nature or (iii) made to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

13. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. Notices

Notices to the Noteholders shall be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxembourg d’Wort*) and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. Governing Law and Jurisdiction

The Notes and the Coupons are governed by, and will be construed in accordance with, the laws of The Netherlands.

The Issuer agrees for the benefit of the Noteholders and the Couponholders that the courts of Amsterdam, The Netherlands are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and that accordingly any suit, action or proceedings

arising thereout or in connection therewith (together referred to as “**Proceedings**”) may be brought in the courts of The Netherlands.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Amsterdam, The Netherlands and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of The Netherlands shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction.

The submission to the jurisdiction of the courts of The Netherlands referred to above shall not (and shall not be construed so as to) limit the right of any Noteholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Fiscal Agent and the Paying Agents as set out at the end of this Offering Memorandum.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of a temporary global Note (the “Temporary Global Note”) which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream. The Temporary Global Note will be exchangeable in whole or in part for interests in the permanent global Note (the “Permanent Global Note”) not earlier than 40 days and not later than 180 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under a temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“Definitive Notes”) in denominations of €50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000 if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes outside of the United States, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If (a) Definitive Notes have not been delivered by 5:00 p.m. (Amsterdam time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes when the Permanent Global Note has become exchangeable for Definitive Notes in accordance with the terms of the Fiscal Agency Agreement or (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of such Permanent Global Note on the due date for payment, the terms of such global Note provide for relevant account holders on behalf of the Noteholders to be able to enforce rights directly against the Issuer (the “Direct Rights”) such as they would have had if they had been holding Definitive Notes to the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholders and operate and final discharge of the Issuer in this respect.

In addition, the Temporary Global Note and Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) Permanent Global Note, or interest coupons in respect thereof, as applicable, at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

Notices: Notwithstanding Condition 14 (*Notices*) of the Terms and Conditions of the Notes, while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the temporary Global Note are) deposited with a common depository for Euroclear and Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream and in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) of the Terms and Conditions of the Notes on the date of delivery to Euroclear and Clearstream.

The following legend will appear on all Notes and on all receipts and all coupons relating to such Notes to reflect TEFRA D selling restrictions:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to above provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal or interest in respect of Notes.

CLEARANCE AND SETTLEMENT

Custodial and depository links have been established among Euroclear and Clearstream to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. Certain restrictions apply to transfers of interest in the Notes and certifications may be required to be given in certain circumstances.

Registration and Form

The Notes will be represented by a Temporary Global Note or a Permanent Global Note each in bearer form, with interest coupons attached. The Notes will be offered and sold in offshore transactions in reliance on Regulation S under the Securities Act. Except as set forth below, the Notes will be issued in bearer, global form in minimum denominations of €50,000 and integral multiples of €1,000 in excess of €50,000. The Notes will be issued at the closing of the offering only against payment in immediately available funds.

The Global Notes will be deposited with the common depository for Euroclear and Clearstream. Except in certain other limited circumstances, the Notes will not be issued in certificated form to individual beneficial owners of the Notes. Beneficial ownership in the Global Notes can only be held in the form of book-entry interests through financial institutions as direct or indirect participants in Euroclear or Clearstream. Each person having an ownership or other interest in the Notes must rely exclusively on the rules or procedures of Euroclear and Clearstream as applicable, and any agreement with any direct or indirect participant of Euroclear or Clearstream as the case may be, or any other securities intermediary through which that person holds its interest to effect any transfer or to receive or direct the delivery of possessions of any definitive security.

Book-entry interests in the Notes will be held through Euroclear and Clearstream, each of which will hold an interest in the Global Notes. As necessary, the Registrar will adjust the amounts of the Global Notes to reflect the amounts of Notes held in the form of book-entry interests in the Global Notes.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other immediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes.

The Clearing Systems

(a) *Clearstream:*

Clearstream is incorporated under the laws of Luxembourg as a bank. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, eliminating the need for physical movement of certificates. Transactions may be settled in Clearstream in a variety of currencies. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream participants are recognized financial institutions around the world, including securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

(b) *Euroclear:*

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in a variety of currencies. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries.

Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Banking and Finance Commission and the National Bank of Belgium. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries.

Indirect access to Euroclear is also available to the firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities clearance accounts.

ASML will not impose any fees in respect of the Notes; however, Noteholders may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Global Clearance and Settlement Procedures

(a) *Initial Settlement:*

On original issue the Notes will be in global form represented by a Temporary Global Note and, upon certification of non-U.S. beneficial ownership, a Permanent Global Note. Interests in the Notes will be in uncertificated book-entry form. Purchasers holding book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional euronotes, book-entry interests in the Notes will be credited to Euroclear and Clearstream Participant securities clearance accounts on the business day following the Closing Date against payment.

(b) *Secondary Market Trading:*

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional euronotes.

DUTCH TAXATION

The following is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to a holder of Notes. Prospective holders of a Note (“Noteholder”) should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this section, “Dutch Taxes” shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities.

Withholding Tax

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

Taxes on income and capital gains

A Noteholder will not be subject to any Dutch Taxes on any payment made to the Noteholder under the Notes or on any capital gain made by the Noteholder from the disposal, or deemed disposal, or redemption of, the Notes, except if:

- (i) the Noteholder is, or is deemed to be, resident in the Netherlands; or
- (ii) the Noteholder is an individual and has opted to be taxed as if resident in the Netherlands for Dutch income tax purposes; or
- (iii) the Noteholder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of the enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands to which the Notes are attributable; or
- (iv) the Noteholder is an individual and has a substantial interest (*aanmerkelijk belang*) in the Issuer or derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (v) the Noteholder is not an individual and has a substantial interest, or a fictitious substantial interest (*fictief aanmerkelijk belang*), in the Issuer, which is not part of the assets of an enterprise; or
- (vi) the Noteholder is entitled other than by way of the holding of securities to a share in the profits of an enterprise effectively managed in the Netherlands to which the Notes are attributable.

Generally, a Noteholder has a substantial interest if such Noteholder, alone or together with his partner, directly or indirectly:

- (i) owns, or holds certain rights on, shares representing five percent or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer;
- (ii) holds rights to acquire shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer; or
- (iii) owns, or holds certain rights on, profit participating certificates that relate to five percent or more of the annual profit of the Issuer or to five percent or more of the liquidation proceeds of the Issuer.

A Noteholder who has the ownership of shares of the Issuer, will also have a substantial interest if his partner or one of certain relatives of the Noteholder or of his partner has a (fictitious) substantial interest.

Generally, a Noteholder has a fictitious substantial interest if (a) he has disposed of, or is deemed to have disposed of, all or part of a substantial interest or (b) he is an individual and has transferred a business enterprise in exchange for shares in the Issuer, on a non-recognition basis.

Gift tax or inheritance tax

No Dutch Taxes are due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a Noteholder, except if:

- (a) the Noteholder is resident, or is deemed to be resident, in the Netherlands; or
- (b) at the time of the gift or death of the Noteholder, his Notes are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands; or
- (c) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident of the Netherlands; or
- (d) the Noteholder is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Notes are attributable.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be resident in the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift. Furthermore, under circumstances a Noteholder will be deemed to be a resident in the Netherlands for purposes of Dutch gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

Other taxes

No other Dutch Taxes, such as turnover tax, or other similar tax or duty (including stamp duty and court fees), are due by the Issuer or a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

Residency

Subject to the exceptions above, a Noteholder will not become resident, or deemed resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

SUBSCRIPTION AND SALE

Pursuant to a Subscription Agreement, dated as of June 11, 2007 (the “Subscription Agreement”), the Managers have agreed with ASML, subject to the satisfaction of certain conditions, to subscribe for, at 99.651% of their principal amount, €600,000,000 aggregate principal amount of Notes, and ASML has agreed to pay to the Managers for performance of their services a commission.

ASML has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

Certain banks, including Commerzbank, ING and Rabobank, have been appointed as selling group members, and will receive a fee, such fee to be paid out of the combined underwriting, management and selling commission.

In connection with this offering, Deutsche Bank may engage in over-allotment, stabilizing transactions and syndicate covering transactions. Over-allotment involves sales in excess of the offering size, which creates a short position for Deutsche Bank. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If Deutsche Bank engages in stabilizing or syndicate covering transactions, it may discontinue them at any time.

Selling Restrictions

United States

The Notes will be issued in bearer form and therefore are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, the Notes are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. The Managers have also agreed that neither their affiliates nor any persons acting on the Managers’ or their affiliates’ behalf have engaged or will engage in any directed selling efforts with respect to the Notes.

Terms used in the preceding two paragraphs have the meanings ascribed to them by Regulation S under the Securities Act.

United Kingdom

The Managers have represented warranted and agreed in the Subscription Agreement: (1) they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by them in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to ASML, and (2) they have complied with and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from, or otherwise involving the United Kingdom.

General

In addition to the specific restrictions set out above, the Managers have agreed that they will observe all applicable provisions of law in each jurisdiction in or from which it may offer or sell any Notes or distribute this Offering Memorandum or any other offering materials.

VALIDITY OF SECURITIES

The Company is being represented by Skadden, Arps, Slate, Meagher & Flom (UK) LLP, London, England as to certain U.S. legal matters and as to certain Dutch legal matters by De Brauw Blackstone Westbroek N.V., the Netherlands. The Managers are being represented as to certain Dutch legal matters by Clifford Chance LLP, Amsterdam, the Netherlands.

INDEPENDENT AUDITORS

The consolidated financial statements of the Company as of December 31, 2005 and 2006 and for each of the years in the three-year period ended December 31, 2006, included and incorporated by reference in this Offering Memorandum from the 2006 Form 20-F have been audited by Deloitte Accountants B.V., independent auditors, as stated in their report thereon, which is incorporated herein by reference. The summary consolidated interim financial statements of the Company as of and for the periods ended April 2, 2006 and April 1, 2007, included and incorporated by reference in this Offering Memorandum to the Company's Report on Form 6-K filed on April 19, 2007, have not been audited.

GENERAL INFORMATION

- 1) We commenced business operations in 1984. ASML was incorporated on October 3, 1994 as ASM Lithography Holding B.V. Its Articles of Association were amended on February 7, 1995, whereby ASM Lithography Holding B.V. was converted into ASM Lithography Holding N.V. ASML serves as the holding company for our worldwide operations, which include operating subsidiaries in the Netherlands, the United States, Italy, France, Germany, the United Kingdom, Ireland, Belgium, Korea, Taiwan, Singapore, China (including Hong Kong), Japan, Malaysia and Israel. In 2001, we changed our name from ASM Lithography Holding N.V. to ASML Holding N.V. Our registered office is located at De Run 6501, 5504 DR Veldhoven, the Netherlands, telephone +31 40 268 3000.

In May 2001, we merged with SVG (now part of ASML US, Inc.), a company that was active in the Lithography, Track and Thermal businesses. In December 2002, we announced the termination of our manufacturing activities in the Track business and the divestiture of our Thermal business. In October 2003, we substantially completed the divestiture of our Thermal business.

- 2) ASML is registered under number 17085815 at the Commercial Register in Eindhoven, the Netherlands.
- 3) As of December 31, 2006, ASML's issued share capital comprised 477,099,245 ordinary shares. All issued share capital is fully paid.
- 4) The objects of the Company are to establish, participate in, administer and finance companies and enterprises engaged in the development, manufacture and trading of products which are used for the production of semi-conductors especially lithographic products and systems, and the development and exploitation of technical and other expertise in the field of or in connection with the products and systems referred to above, and to do everything pertaining thereto or connected therewith, including to perform or have performed industrial, commercial and financial activities, to perform or have performed services in general, all this in the widest sense
- 5) The issuance of the Notes being offered hereby were authorized by resolutions of the Board of Management on June 6, 2007 and by resolutions of the Supervisory Board on June 6, 2007.
- 6) The address of the Company's auditors, Deloitte Accountants B.V., is Flight Forum 1, 5657 DA, Eindhoven, the Netherlands or PO BOX 782, 5600 AT, Eindhoven, the Netherlands. Copies of the most recent annual report and audited statutory accounts, copies of ASML's 2006 Annual Report and a copy of the current Articles of Association of ASML are available upon request during normal business hours at the offices of ASML. The Articles of Association of ASML are incorporated herein by reference.

Deloitte Accountants B.V. have served as the Company's independent auditors for each of the last three years and have rendered unqualified Reports of Independent Registered Public Accounting Firm ("audit reports") with respect to ASML's annual accounts for each of such years.

- 7) The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream with the international securities identification number XS0304756405 and common code 030475640.
- 8) Other than as set out in this Offering Memorandum (including any document incorporated by reference herein), ASML is not, or during the last two financial years has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition as presented in this Offering Memorandum (including any document incorporated by reference herein).
- 9) Save as disclosed in this Offering Memorandum (including any document incorporated by reference herein), there has been no material adverse change in ASML's financial position since December 31, 2006. Moreover, there has been no significant change in ASML's financial position since April 1, 2007, except as may otherwise be indicated in this Offering Memorandum.
- 10) For so long as any of the Notes are outstanding, copies of the following documents may be obtained, free of charge, during normal business hours at the office of the Luxembourg Paying Agent:
 - (a) the most recently published audited annual consolidated financial statements of the Company;
 - (b) the most recently published unaudited interim consolidated financial statements (published quarterly) of the Company; and
 - (c) the Articles of Association of the Issuer.

The Issuer does not publish non-consolidated financial statements.

11) Fiscal Agent

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London
EC2N 2DB
United Kingdom
Facsimile No: +44 207 547 6419
(Attention: Trust & Securities Services)

12) Paying Agent

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Facsimile No: +352 473 136
(Attention: Coupon Paying Department)

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ISSUER

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De Run 6501
5504 DR Veldhoven
The Netherlands

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England

LUXEMBOURG PAYING AND LISTING AGENT

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