Statutory Interim Report

for the six-month period ended June 27, 2010

ASML

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ASML Holding N.V.
Statutory Interim Report for the six-month period ended June 27, 2010

Contents

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

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

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Introduction

Dear Shareholder,

ASML Holding N.V. (ASML) today published its Statutory Interim Report for the six-month period ended June 27, 2010. This report includes Consolidated Condensed Interim Financial Statements prepared in accordance with IAS 34, a Management Board Report, and a Managing Directors' Statement.

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

Today, ASML also published its 2010 second-quarter results according to U.S. GAAP and IFRS.

Veldhoven, July 14, 2010

Management Board Report

About ASML

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

Headquartered in Veldhoven, the Netherlands, ASML operates globally, with activities in Europe, the United States and Asia. As of June 27, 2010, we employed 6,691 payroll and 1,500 temporary employees (measured in full-time employees "FTEs"). ASML operated in 15 countries through over 60 sales and service locations.

In the first half of 2010, we generated net sales of EUR 1,810 million and an operating income of EUR 427 million. Net income for the first half of 2010 amounted to EUR 354 million, representing a net income of EUR 0.81 per share.

Below we provide an overview of the risks the Company faces for the second half of 2010, followed by the ASML operations update.

Risk Factors

In conducting our business, we face many risks that may interfere with our business objectives. Some of these risks relate to our operational processes, while others relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial condition and results of operations. Some of the more relevant risks are described below. These risks are not the only ones that ASML faces. Some risks may not yet be known to ASML and certain risks that ASML does not currently believe to be material could become material in the future. The Company has assessed the risks for the second half of 2010 and believes that the risks identified are in line with those presented in the Statutory Annual Report 2009, namely:

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

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

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

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

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

Risks Related to Our Ordinary Shares

- The price of our ordinary shares is volatile;
- Restrictions on shareholder rights may dilute voting power.

For a detailed description of the risks defined above, we refer to the Statutory Annual Report 2009.

Financial risk management

ASML is exposed to a variety of financial risks: market risks (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. For more information, see Note 4 of the consolidated condensed interim financial statements and the Company's Statutory Annual Report 2009.

ASML Operations Update

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

For the six-month period ended June 28, 2009 and June 27, 2010 (in millions)	2009 EUR	2010 EUR
Total net sales	460.2	**1,810.5**
Cost of sales	444.9	**1,124.6**
Gross profit on sales	15.3	**685.9**
Research and development costs[1]	160.5	**176.3**
Selling, general and administrative costs[2]	79.6	**83.0**
Operating income (loss)[2]	(224.8)	**426.6**
Interest income (charges), net[2]	0.7	**(9.4)**
Income (loss) before income taxes	(224.1)	**417.2**
Benefit from (provision for) income taxes	35.1	**(63.3)**
Net income (loss)	(189.0)	**353.9**

1 As of December 31, 2009, R&D credits are presented as part of R&D costs. The comparative figures for the half year ended June 28, 2009 have been adjusted accordingly.

2 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.

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

For the six-month period ended June 28, 2009 and June 27, 2010	2009	2010
Net sales (EUR million)	460	**1,810**
Net system sales (EUR million)	284	**1,555**
Net service and field option sales (EUR million)	176	**255**
Total sales of systems (in units)	21	**77**
Sales of new systems (in units)	11	**58**
Sales of used systems (in units)	10	**19**
Gross profit as a percentage of net sales	3.3	**37.9**
Average selling price of total system sales (EUR million)	13.5	**20.2**
Average selling price of new system sales (EUR million)	20.1	**25.7**
Average selling price of used system sales (EUR million)	6.3	**3.4**
Value of systems backlog (EUR million)	1,064	**2,401**
Systems backlog (in units)	43	**101**
Average selling price of systems backlog (EUR million)	24.7	**23.8**

Consolidated sales and gross profit

Net sales increased by EUR 1,350 million from EUR 460 million for the first half of 2009 to EUR 1,810 million for the first half of 2010 and the number of systems shipped increased from 21 systems in the first half of 2009 to 77 systems in the first half of 2010. The increase in net sales started in the second half of 2009 and was caused by the prolonged recovery of the semiconductor equipment industry as customers invested in existing and new leading-edge immersion technology, with memory customers introducing new devices and Foundry customers ramping-up 40 nm logic products. In contrast, the first half of 2009 was impacted by the collapse in semiconductor equipment demand as a result of the global financial market crisis and economic downturn.

The ASP of our new systems increased by 27.9 percent from EUR 20.1 million in the first half of 2009 to EUR 25.7 million in the first half of 2010. This increase was mainly driven by an increased ASP of our leading-edge technology products due to shipments of our new XT:1950i and NXT:1950i systems. The ASP of our used systems decreased by 46.0 percent from EUR 6.3 million in the first half of 2009 to EUR 3.4 million in the first half of 2010. This decrease was the result of a changed mix in used systems to more low-end system types.

Gross profit on sales increased from EUR 15 million or 3.3 percent of net sales for the first half of 2009 to EUR 686 million or 37.9 percent of net sales for the first half of 2010. The higher gross profit was mainly attributable to a significant increase in net sales as a result of the prolonged recovery of the semiconductor equipment industry and resulting increase in customer demand for new systems compared with used systems and the absence of underutilization of our production facilities in the first half of 2010.

We started 2010 with a backlog of 69 systems. During the first half of 2010, we booked orders for 109 systems and recognized sales for 77 systems. This resulted in a backlog of 101 systems as of June 27, 2010. The total value of our systems backlog as of June 27, 2010 amounted to EUR 2,401 million with an ASP of EUR 23.8 million, reflecting a mix of systems for all chip layers. The systems backlog as of December 31, 2009 amounted to EUR 1,853 million with an ASP of EUR 26.8 million.

Research and development

Research and development (“R&D”) expenditures (including capitalized development expenditures) increased by EUR 8 million or 3.4 percent from EUR 237 million for the first half of 2009 (EUR 161 million R&D costs and EUR 76 million additions in capitalized development expenditures) to EUR 245 million (EUR 176 million R&D costs and EUR 69 million capitalized development expenditures) for the first half of 2010. While we continued to exercise operational savings in R&D, this was more than offset by the increase in R&D costs as a result of spending on our strategic programs, in particular immersion, double patterning and Extreme Ultraviolet (“EUV”).

Income taxes

Income tax expense is recognized based on management’s best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rate for the six-month period ended June 27, 2010 is 15.2 percent compared to 15.7 percent for the six-month period ended June 28, 2009.

The effective tax rate for the six-month period ended June 28, 2009 was impacted by a provision of EUR 40 million related to the reversal of 2007 benefit of the Royalty Box for ASML’s Dutch subsidiaries. Management expected that a clean start of the Innovation Box for ASML’s Dutch subsidiaries in 2010 and beyond would result in a higher cumulative benefit for ASML. Effective as of January 1, 2010 the Royalty Box was replaced by the Innovation Box. Although both the Royalty Box as well as the Innovation Box provides a favorable tax treatment of proceeds attributable to innovations covered by patents, loss situations were treated differently under the Royalty Box as they are under the Innovation Box.

In the first half of 2010 ASML management decided to implement the Royalty Box for the years 2007 to 2009 and the Innovation Box as of January 1, 2010, as this results in a total net benefit of EUR 43 million. In addition management anticipates that for the second half of 2010 the cumulative benefits of the Innovation Box will increase.

Liquidity

Our principal sources of liquidity as of June 27, 2010 consist of EUR 1,189 million of cash and cash equivalents (December 31, 2009: EUR 1,037 million), EUR 700 million of available credit facilities (December 31, 2009: EUR 700 million) and expected future cash flows from operations. As a result of the prolonged recovery of the semiconductor equipment industry, net sales increased to a level at which we expect positive cash flows from operations for the second half of 2010.

The Company’s available credit facilities amount to EUR 700 million as of December 31, 2009 and June 27, 2010 and consist of two separate facilities: a EUR 500 million credit facility and a EUR 200 million loan facility. In May 2010, the Company, in line with its financing policy, cancelled its EUR 500 million credit facility that would have expired in May 2012 and replaced it with a new EUR 500 million credit facility from the same group of banks. The new credit facility has a term of five years and contains the same restrictive covenant as the cancelled credit facility, which requires the Company to maintain a minimum financial condition ratio calculated in accordance with a contractually agreed formula. The Company was in compliance with the covenant as of June 27, 2010. The EUR 200 million loan facility is related to the Company’s EUV investment efforts and was entered into during the first half of 2009. In June 2010, the Company and the European Investment Bank agreed to extend the availability period of the EUR 200 million loan facility by six months, allowing the Company to draw the facility up to March 31, 2011. When drawn, the loan is repayable in annual installments starting four years after drawdown, with a final repayment seven years after drawdown. This facility contains a covenant that restricts the maximum indebtedness. The Company was in compliance with this covenant as of June 27, 2010.

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

In addition to cash and available credit facilities, from time to time we may raise additional capital in debt and equity markets. Our liquidity needs are affected by many factors, some of which are based on the normal ongoing operations of the business, and others which relate to the uncertainties of the global economy and the semiconductor industry. Although our cash requirements fluctuate based on the timing and extent of these factors, we believe that the liquidity provided by existing cash balances, together with available credit facilities is sufficient to satisfy our needs in the foreseeable future.

We have repayment obligations in 2017, amounting to EUR 600 million, on our 5.75 percent senior notes. We currently intend to fund any future repayment obligations primarily with cash on hand and cash generated from operations.

In April 2010, the Company paid a dividend for 2009 of EUR 0.20 per ordinary share of EUR 0.09 or EUR 87 million in total. The amount of the dividend to be proposed to the annual General Meeting of Shareholders will be assessed annually by the Board of Management.

Cash Flows from Operating Activities
We generated cash from operating activities of EUR 224 million and EUR 307 million in the first half of 2009 and 2010, respectively. Cash provided by operating activities in the first half of 2010 mainly relates to increased sales levels as a result of the recovery of the semiconductor equipment industry, partly offset by investments in working capital (mainly inventories and accounts receivable) to support growth.

Cash Flows from Investing Activities
We used EUR 153 million for investing activities in the first half of 2009 and EUR 94 million in the first half of 2010. The majority of the first half of 2010 expenditures related to capitalization of development expenditures and machinery and equipment.

Cash Flows from Financing Activities
Net cash used in financing activities was EUR 90 million in the first half of 2009 compared to EUR 73 million in the first half of 2010. Net cash used in financing activities in the first half of 2010 mainly included EUR 87 million as a result of the dividend payment.

Related party transactions
For disclosure regarding related party transactions see Note 16 of the consolidated condensed interim financial statements.

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

2010 Second Half Perspectives

Operational outlook
We booked EUR 1,179 million worth of systems in the second quarter of 2010 and we anticipate bookings levels of around EUR 1.3 billion in the third quarter; we now expect full year 2010 sales to grow 10 to 15 percent above our historical peak sales of EUR 3.8 billion. This level of sales is expected to continue into 2011, barring a major macro-economic downturn, as it is supported by a number of fundamental growth drivers, including:
- The more than doubling, between 2009 and 2010, of the average number of immersion layer exposures due to the growing sub-50nm nodes mix, with a continued upward trend into 2011.
- The memory makers’ upgrades to more advanced nodes with second tier DRAM manufacturers now transferring to 40nm nodes while leading DRAM vendors are preparing for 30nm node manufacturing, and NAND Flash manufacturers migrating to sub-30nm chip production.
- Foundries’ and Integrated Device Manufacturers’ (IDMs) continued catch-up on under-investments of the past two to three years; this structural addition in current 65nm and new 40 nm technology capacity, is necessary to service the richer technology mix and the increased load of IDM-driven demand at foundries, following IDMs’ retirement of obsolete capacity.

In order to support this strong structural demand we will add flexible manufacturing capacity; we will also increase our R&D investments in order to strengthen our leadership further. We are in the process of final integration test of our EUV production systems and delivery of six of these EUV systems will happen over the course of the next 12 months.

Financial outlook

The following table sets forth our systems backlog as of June 28, 2009 and June 27, 2010:

	June 28, 2009	**June 27, 2010**
New systems backlog (in units)	36	**86**
Used systems backlog (in units)	7	**15**
Total systems backlog (in units)	43	**101**
Value of new systems backlog (EUR million)	981	**2,296**
Value of used systems backlog (EUR million)	83	**105**
Value of total systems backlog (EUR million)	1,064	**2,401**
Average selling price of new systems backlog (EUR million)	27.2	**26.7**
Average selling price of used systems backlog (EUR million)	11.8	**7.0**
Average selling price of total systems backlog (EUR million)	24.7	**23.8**

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

The increased value of our systems backlog as of June 27, 2010 compared to December 31, 2009 is caused by the prolonged recovery of the semiconductor equipment industry and reflects a broad mix of systems for all chip layers. We expect shipments will continue to grow in the second half of 2010.

We booked EUR 1,179 million worth of systems in the second quarter of 2010 and we anticipate bookings levels of around EUR 1.3 billion in the third quarter; we now expect full year 2010 sales to grow 10 to 15 percent above our historical peak sales of EUR 3.8 billion. ASML expects third quarter 2010 net sales of around EUR 1.1 billion.

Great People at ASML

As of June 27, 2010, we employed 6,691 payroll employees in FTEs primarily in manufacturing, product development and customer support activities. As of December 31, 2009, the total number of payroll employees in FTEs was 6,548. In addition, as of June 27, 2010, the total number of temporary employees in FTEs was 1,500. As of December 31, 2009, the total number of temporary employees in FTEs was 1,137. We rely on our ability to vary the number of temporary employees to respond to fluctuating market demand for our products.

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

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

The Board of Management,
Veldhoven, July 14, 2010

Managing Directors' Statement

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

The Board of Management,

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

Veldhoven, July 14, 2010

Consolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Financial Statements

Consolidated Condensed Income Statement

Notes	For the six-month period ended June 28, 2009 and June 27, 2010 (in thousands, except per share data)	Unaudited 2009 EUR	 2010 EUR
14	Net system sales	284,359	**1,554,638**
14	Net service and field option sales	175,866	**255,841**
	Total net sales	460,225	**1,810,479**
	Cost of system sales	308,373	**984,597**
	Cost of service and field option sales	136,556	**140,008**
	Total cost of sales	444,929	**1,124,605**
	Gross profit on sales	15,296	**685,874**
	Research and development costs[1]	160,536	**176,290**
	Selling, general and administrative costs[2]	79,612	**82,954**
	Operating income (loss)[2]	(224,852)	**426,630**
	Interest income	30,559	**4,519**
	Interest charges[2]	(29,862)	**(13,962)**
	Income (loss) before income taxes	(224,155)	**417,187**
13	Benefit from (provision for) income taxes	35,125	**(63,329)**
	Net income (loss)	(189,030)	**353,858**
6	Net income (loss) per ordinary share:		
	Basic	(0.44)	**0.81**
	Diluted	(0.44)	**0.81**
	Number of ordinary shares used in computing per share amounts (in thousands):		
	Basic	432,283	**434,578**
	Diluted	432,283	**438,504**

1 As of December 31, 2009, R&D credits are presented as part of R&D costs. The comparative figures for the half year ended June 28, 2009 have been adjusted accordingly.

2 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.

Consolidated Condensed Statement of Comprehensive Income

	Unaudited	
For the six-month period ended June 28, 2009 and June 27, 2010	**2009**	**2010**
(in thousands)	EUR	**EUR**
Net income (loss)	(189,030)	**353,858**
Other comprehensive income (loss):		
Foreign currency translation, net of taxes:		
Gains on the hedge of a net investment	13,116	**—**
Gains (losses) on translation of foreign operations	(20,132)	**44,724**
Derivative financial instruments, net of taxes:		
Fair value gains (losses) for the half year	14,530	**(10,100)**
Transfers to net income (loss)	(2,358)	**(6,164)**
Other comprehensive income for the period, net of taxes	5,156	**28,460**
Total comprehensive income (loss) for the period, net of taxes	(183,874)	**382,318**
Attributable to Equity holders:	(183,874)	**382,318**

Consolidated Condensed Statement of Financial Position

(Before appropriation of net income / loss)

Notes	(in thousands)	December 31, 2009 EUR	Unaudited June 27, 2010 EUR
	Assets		
7	Property, plant and equipment[1]	662,214	**749,394**
	Goodwill	139,636	**162,772**
	Other intangible assets	346,936	**350,614**
13	Deferred tax assets	266,653	**229,134**
	Derivative financial instruments	55,948	**71,210**
	Other assets	16,070	**18,604**
	Total non-current assets	1,487,457	**1,581,728**
8	Inventories	986,341	**1,327,754**
13	Current tax assets	11,286	**74,665**
	Derivative financial instruments	47,436	**34,606**
	Finance receivables	21,553	**—**
9	Accounts receivable	377,439	**811,525**
	Other assets	145,944	**176,720**
	Cash and cash equivalents	1,037,074	**1,188,592**
	Total current assets	2,627,073	**3,613,862**
	Total assets	4,114,530	**5,195,590**
	Equity and liabilities		
	Equity	2,050,807	**2,367,402**
	Long-term debt[1]	704,963	**730,689**
	Derivative financial instruments	1,935	**3,171**
13	Deferred and other tax liabilities	263,972	**248,820**
	Provisions	12,694	**13,799**
10	Accrued and other liabilities	42,424	**54,183**
	Total non-current liabilities	1,025,988	**1,050,662**
	Provisions	2,504	**2,723**
	Derivative financial instruments	15,536	**56,836**
13	Current tax liabilities	15,032	**13,295**
	Accrued and other liabilities	798,437	**1,128,779**
11	Accounts payable	206,226	**575,893**
	Total current liabilities	1,037,735	**1,777,526**
	Total equity and liabilities	4,114,530	**5,195,590**

1 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.

Consolidated Condensed Statement of Changes in Equity

(in thousands)	Issued and outstanding shares Number[1]	Amount EUR	Share Premium EUR	Retained Earnings EUR	Treasury Shares at cost EUR	Other Reserves[2] EUR	Net Income (Loss) EUR	Total EUR
Balance at December 31, 2008	432,074	40,307	915,457	1,002,272	(254,856)	108,665	376,898	**2,188,743**
Appropriation of net income	—	—	—	376,898	—	—	(376,898)	**—**
Net loss	—	—	—	—	—	—	(189,030)	**(189,030)**
Foreign currency translation, net of taxes	—	—	—	—	—	(7,016)	—	**(7,016)**
Derivative financial instruments, net of taxes	—	—	—	—	—	12,172	—	**12,172**
Total comprehensive income	—	—	—	—	—	5,156	(189,030)	**(183,874)**
Share-based payments	—	—	6,813	—	—	—	—	**6,813**
Dividend paid[3]	—	—	—	(86,486)	—	—	—	**(86,486)**
Issuance of shares and stock options	432	39	(6,694)	(951)	7,474	—	—	**(132)**
Development expenditures	—	—	—	(44,164)	—	44,164	—	**—**
Balance at June 28, 2009 (unaudited)	432,506	40,346	915,576	1,247,569	(247,382)	157,985	(189,030)	**1,925,064**
Net income	—	—	—	—	—	—	107,587	**107,587**
Foreign currency translation, net of taxes	—	—	—	—	—	(1,527)	—	**(1,527)**
Derivative financial instruments, net of taxes	—	—	—	—	—	(5,678)	—	**(5,678)**
Total comprehensive income	—	—	—	—	—	(7,205)	107,587	**100,382**
Share-based payments	—	—	13,729	—	—	—	—	**13,729**
Issuance of shares and stock options	1,133	102	(5,818)	(10,411)	27,759	—	—	**11,632**
Development expenditures	—	—	—	(21,666)	—	21,666	—	**—**
Balance at December 31, 2009	433,639	40,448	923,487	1,215,492	(219,623)	172,446	(81,443)	**2,050,807**
Appropriation of net loss	—	—	—	(81,443)	—	—	81,443	**—**
Net income	—	—	—	—	—	—	353,858	**353,858**
Foreign currency translation, net of taxes	—	—	—	—	—	44,724	—	**44,724**
Derivative financial instruments, net of taxes	—	—	—	—	—	(16,264)	—	**(16,264)**
Total comprehensive income	—	—	—	—	—	28,460	353,858	**382,318**
Share-based payments	—	—	3,053	—	—	—	—	**3,053**
Dividend paid[3]	—	—	—	(86,952)	—	—	—	**(86,952)**
Issuance of shares and stock options	1,732	156	(12,049)	(8,947)	39,016	—	—	**18,176**
Development expenditures	—	—	—	(186)	—	186	—	**—**
Balance at June 27, 2010 (unaudited)	**435,371**	**40,604**	**914,491**	**1,037,964**	**(180,607)**	**201,092**	**353,858**	**2,367,402**

1 As of June 27, 2010, the number of issued shares was 444,480,095. This includes the number of issued and outstanding shares of 435,371,194 and the number of treasury shares of 9,108,901. As of June 28, 2009, the number of issued shares was 444,480,095. This included the number of issued and outstanding shares of 432,505,681 and the number of treasury shares of 11,974,414.

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

3 During the six-month period ended June 27, 2010, ASML paid out a dividend of EUR 87 million to its shareholders. During 2009, ASML paid out a dividend of EUR 86 million to its shareholders. See Note 15 for further information.

Consolidated Condensed Statement of Cash Flows

For the six-month period ended June 28, 2009 and June 27, 2010	Unaudited	
	2009	**2010**
(in thousands)	EUR	**EUR**
Cash Flows from Operating Activities		
Net income (loss)	(189,030)	**353,858**
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation and amortization[1]	106,626	**134,261**
Loss on disposals of property, plant and equipment[2]	2,178	**1,626**
Impairment charges	6,979	**8,658**
Share-based payments	6,093	**5,220**
Allowance for doubtful debts	1,164	**203**
Allowance for obsolete inventory	66,032	**16,903**
Deferred income taxes	(36,229)	**6,205**
Accounts receivable	261,062	**(418,750)**
Inventories	(42,443)	**(489,239)**
Other assets	57,089	**10,259**
Accrued and other liabilities[1]	(123,950)	**369,787**
Accounts payable	36,767	**372,490**
Income taxes payable	(601)	**24,571**
Cash generated from operations	151,737	**396,052**
Interest received	23,917	**29,336**
Interest paid[1]	(35,893)	**(34,845)**
Income taxes (paid) received	84,458	**(83,673)**
Net cash provided by operating activities from operations	224,219	**306,870**
Cash Flows from Investing Activities		
Purchases of property, plant and equipment[2]	(83,757)	**(25,224)**
Proceeds from sale of property, plant and equipment[2]	6,877	**—**
Purchase of intangible assets	(75,669)	**(69,260)**
Net cash used in investing activities from operations	(152,549)	**(94,484)**
Cash Flows from Financing Activities		
Dividend paid	(86,486)	**(86,952)**
Net proceeds from issuance of shares and stock options	532	**18,176**
Net proceeds from other long-term debt	32	**—**
Redemption and/or repayment of debt[1]	(4,195)	**(4,192)**
Net cash used in financing activities from operations	(90,117)	**(72,968)**
Net cash flows	(18,447)	**139,418**
Effect of changes in exchange rates on cash	1,923	**12,100**
Net increase (decrease) in cash and cash equivalents	(16,524)	**151,518**
Cash and cash equivalents at beginning of the year	1,109,184	**1,037,074**
Cash and cash equivalents at June 28, 2009 and June 27, 2010	1,092,660	**1,188,592**

1 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.
2 In the second half of 2009, the Company processed small presentation changes in its cash flow statement over the first half of 2009. Comparative figures have been adjusted accordingly.

Notes to the Consolidated Condensed Interim Financial Statements

1. General Information

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

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

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

The consolidated condensed interim financial statements of the Company were authorized for issue by the Board of Management on July 14, 2010.

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

2. Basis of Preparation

The consolidated condensed interim financial statements for the six-month period ended June 27, 2010 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the statutory financial statements 2009, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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

3. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the consolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's statutory financial statements 2009, except for the following:

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

Change in accounting policy

As of January 1, 2010, ASML consolidates its Special Purpose Entity ("SPE"). In the transition towards IFRS in 2004, when assessing the accounting treatment of the SPE and in absence of detailed application guidance in SIC 12, the Company used U.S. GAAP (ASC 810-10) as application guidance in accordance with IAS 1.17 and IAS 8.12. Based on this application guidance, until December 31, 2009, the Company did not consolidate its SPE as it determined it had no control over the SPE.

As of January 1, 2010, the Company reassessed the indicators of control included in SIC 12. This reassessment was initiated by a change in the U.S. GAAP platform regarding the consolidation of SPE's (ASC 810-10). Under the revised ASC 810-10 an enterprise determines qualitatively whether it has 1) the power to direct the activities that most significantly impact the entity's economic performance and 2) the obligation to absorb losses of the SPE or rights to receive benefits from the SPE that could potentially be significant to the SPE.

The application of this revised qualitative application guidance resulted in a different assessment of the qualitative indicators of SIC 12, and after careful analyses, the Company came to the conclusion, based on these new qualitative indicators, that consolidation of the SPE provides more relevant information about the condition of the Company's financial position.

The impact of the change in accounting policy has been retrospectively applied in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The change in accounting policy had no impact on net income and earnings per share; however an immaterial amount is reclassified from selling, general and administrative costs to interest expenses.

The impact on the consolidated condensed statement of financial position on December 31, 2009 and June 27, 2010 is as follows:

(in millions)	Dec 31, 2009 EUR	Jun 27, 2010 EUR
Property, plant and equipment	36.7	**35.9**
Long-term debt	36.7	**35.9**

Adoption of new and revised International Financial Reporting Standards

The Company's adoption of new Standards and Interpretations which became effective as of January 1, 2010, are noted below.

IFRS 2 (Amendments), "Group Cash-settled Share-based Payment Transactions" (effective for annual periods beginning on or after January 1, 2010). The amendments to IFRS 2 clarify the accounting for group cash-settled share-based payment transactions. The amendments clarify how an individual subsidiary in a group should account for some share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers. The amendments make clear that: (a) an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash and (b) in IFRS 2 a 'group' has the same meaning as in IAS 27, that is, it includes only a parent and its subsidiaries. The adoption of this revised standard did not have any effect on the Company's consolidated condensed interim financial statements.

IFRS 3 (Revised), "Business combinations" (effective for annual periods beginning on or after July 1, 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition related costs should be expensed. The adoption of this revised Standard did not have any effect on the Company's consolidated condensed interim financial statements.

IAS 39 (Amendment), "Eligible Hedged Items" (effective for annual periods beginning on or after July 1, 2009). The amendment clarifies how the principles that determine whether a risk or portion of cash flows that is eligible for designation should be applied in particular situations. The adoption of this Amendment did not have any effect on the Company's consolidated condensed interim financial statements.

4. Financial Risk Management

Financial risk factors

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

The Company's Financial Risk Management Policy did not change compared to the policies described in the statutory financial statements 2009.

Foreign currency exchange rate risk management

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

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

As of June 27, 2010, equity includes EUR 88.2 million loss (net of taxes: EUR 65.7; December 31, 2009 EUR 41.8 million loss) representing the total anticipated loss to be charged to sales, and EUR 12.6 million gain (net of taxes: EUR 9.4 million gain;

December 31, 2009 EUR 0.5 million gain) to be released to cost of sales, which will offset the higher EUR equivalent of foreign currency denominated forecasted sales and purchase transactions. It is anticipated that an amount of EUR 63.2 million loss will be charged to sales and EUR 12.6 million gain will be released to cost of sales over the next twelve months, as the forecasted sales and purchase transactions occur. The remainder of the loss is anticipated to be charged to sales between one and two years, as the forecasted sales transactions occur.

Lines of credit

The Company's available credit facilities amount to EUR 700 million as of December 31, 2009 and June 27, 2010 and consist of two separate facilities: a EUR 500 million credit facility and a EUR 200 million loan facility. In May 2010, the Company, in line with its financing policy, cancelled its EUR 500 million credit facility that would have expired in May 2012, and replaced it with a new EUR 500 million credit facility from the same group of banks. The new credit facility has a term of five years and contains the same restrictive covenant as the cancelled credit facility, which requires the Company to maintain a minimum financial condition ratio calculated in accordance with a contractually agreed formula. The EUR 200 million loan facility is related to the Company's EUV investment efforts and was entered into during the first half of 2009. In June 2010, the Company and the European Investment Bank agreed to extend the availability period of the EUR 200 million loan facility by six months, allowing the Company to draw the facility up to March 31, 2011. When drawn, the loan is repayable in annual installments starting four years after drawdown, with a final repayment seven years after drawdown. This facility contains a covenant that restricts the maximum indebtedness.

ASML was in compliance with its covenants and no amounts were outstanding under the credit facilities as of June 27, 2010.

For further information regarding the Company's Financial Risk Management, see the statutory financial statements 2009.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the process of applying the Company's accounting policies, management has made some judgments that have a significant effect on the amounts recognized in the consolidated condensed interim financial statements. The critical accounting judgments and key sources of estimation uncertainty are consistent with those described in the Company's statutory financial statements 2009.

6. Earnings per Share

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

For the six-month period ended June 28, 2009 and June 27, 2010 (in thousands, except per share data)	2009 EUR	2010 EUR
Basic EPS computation:		
Net income (loss) available to holders of common shares	(189,030)	**353,858**
Weighted average number of shares outstanding (after deduction of treasury stock) during the six-month period	432,283	**434,578**
Basic earnings per share	(0.44)	**0.81**
Diluted EPS computation:		
Net income (loss) available to holders of common shares	(189,030)	**353,858**
Net income (loss) available to holders of common shares plus effect of exercises of stock options	(189,030)	**353,858**
Weighted average number of shares:	432,283	**434,578**
Plus shares applicable to stock options	—	**3,926**
Dilutive potential common shares	—	**3,926**
Adjusted weighted average number of shares[1]	432,283	**438,504**
Diluted earnings per share[1]	(0.44)	**0.81**

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

7. Property, Plant and Equipment

The increase of the carrying amount of the property, plant and equipment mainly relates to additions in machinery and equipment, mainly prototypes, demonstration and training systems (EUR 112.6 million). These systems are capitalized under property, plant and equipment because they are held for own use, for rental and for evaluation purposes, and at the time they are placed in service they are, expected to be used for a period longer than one year. These systems are recorded at cost and depreciated over their expected useful life. From the time that these assets are no longer held for use but intended for sale in the ordinary course of business, they are reclassified from property, plant and equipment to inventory at the lower of their carrying value or fair market value. Since the transfers between inventory and property, plant and equipment are non-cash events, these are not reflected in the consolidated condensed interim statement of cash flows.

8. Inventories

The recovery of the semiconductor equipment industry caused production levels to increase which leads to increased raw materials and work in progress inventory levels, partly offset by a decrease in finished goods inventory levels.

9. Accounts Receivable

The significant increase in accounts receivable is attributable to the increase in net sales reflecting the recovery of the semiconductor equipment industry.

10. Accrued and Other Liabilities

The increase in accrued and other liabilities is mainly due to increased down payments, deferred income and warranty provisions as a result of higher net sales due to the recovery of the semiconductor equipment industry.

11. Accounts Payable

The increase in accounts payable reflects the higher purchase level of raw materials as a result of the recovery of the semiconductor equipment industry.

12. Commitments, Contingencies and Guarantees

The nature, scale and scope of the commitments, contingencies and guarantees is in line with the commitments, contingencies and guarantees disclosed in the Company's statutory financial statements 2009 except for the following:

As a result of a change in accounting policy, as of January 1, 2010, the Company consolidates its Special Purpose Entity. Therefore the related future minimum lease payments and the Company's exposure to the expected losses are no longer an off-balance sheet commitment. See Note 3 for more information.

13. Income Taxes

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rate for the six-month period ended June 27, 2010 is 15.2 percent compared to 15.7 percent for the six-month period ended June 28, 2009.

The effective tax rate for the six-month period ended June 28, 2009 was impacted by a provision of EUR 40 million related to the reversal of 2007 benefit of the Royalty Box for ASML's Dutch subsidiaries. Management expected that a clean start of the Innovation Box for ASML's Dutch subsidiaries in 2010 and beyond would result in a higher cumulative benefit for ASML. Effective as of January 1, 2010 the Royalty Box was replaced by the Innovation Box. Although both the Royalty Box as well as the Innovation Box provides a favorable tax treatment of proceeds attributable to innovations covered by patents, loss situations were treated differently under the Royalty Box as they are under the Innovation Box.

In the first half of 2010 ASML management decided to implement the Royalty Box for the years 2007 to 2009 and the Innovation Box as of January 1, 2010, as this results in a total net benefit of EUR 43 million.

Current tax assets have increased as a result of taxes prepaid to tax authorities.

14. Segment Disclosure

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

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

For the six-month period ended June 28, 2009 and June 27, 2010 (in thousands)	2009 EUR	2010 EUR
New systems	220,923	**1,489,386**
Used systems	63,436	**65,252**
Total net system sales	284,359	**1,554,638**

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

For the six-month period ended June 28, 2009 and June 27, 2010 (in thousands)	2009 EUR	2010 EUR
Net system sales	284,359	**1,554,638**
Net service and field option sales	175,866	**255,841**
Total net sales	460,225	**1,810,479**
Cost of sales	413,425	**1,052,525**
Gross profit on sales	46,800	**757,954**
Research and development costs	236,205	**245,550**
Selling, general and administrative costs[1]	80,700	**83,077**
Income (loss) from operations[1]	(270,105)	**429,327**
Interest income (expense)[1]	(2,542)	**(5,529)**
Income (loss) from operations before income taxes	(272,647)	**423,798**
Benefit from (provision for) income taxes	51,503	**(77,343)**
Net income (loss)	(221,144)	**346,455**
Differences US GAAP and IFRS	32,114	**7,403**
Net income (loss) for IFRS	(189,030)	**353,858**

1 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.

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

(in thousands)	December 31, 2009 EUR	June 27, 2010 EUR
Total assets for management reporting purposes[1]	3,764,151	**4,866,730**
Differences U.S. GAAP and IFRS	350,379	**328,860**
Total assets for IFRS[1]	4,114,530	**5,195,590**

1 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.

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

	Net sales	Non-current assets
(in thousands)	EUR	EUR
For the six-month period ended June 28, 2009:		
Japan	15,932	38,048
Korea	97,948	3,205
Singapore	42,137	615
Taiwan	93,585	39,692
Rest of Asia	17,166	1,320
Europe[1]	22,264	804,005
United States	171,193	260,119
Total	460,225	1,147,004
For the six-month period ended June 27, 2010:		
Japan	**69,808**	**37,916**
Korea	**497,907**	**2,321**
Singapore	**115,531**	**678**
Taiwan	**680,485**	**46,014**
Rest of Asia	**81,412**	**1,213**
Europe	**115,051**	**922,752**
United States	**250,285**	**270,490**
Total	**1,810,479**	**1,281,384**

1 As of January 1, 2010 ASML consolidates its Special Purpose Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. See Note 3 of the consolidated condensed interim financial statements.

During the six-month period ended June 27, 2010, sales to the largest customer accounted for EUR 580 million or 32.1 percent of net sales (2009: EUR 92 million or 20.0 percent).

ASML's three largest customers (based on net sales) accounted for 41.4 percent of accounts receivable at June 27, 2010 and 27.3 percent of accounts receivable at June 28, 2009.

Substantially all our sales were export sales during the six-month period ended June 27, 2010 and June 28, 2009.

15. Dividends

The annual General Meeting of Shareholders on March 24, 2010 approved the proposal to declare a dividend for 2009 of EUR 0.20 per ordinary share of EUR 0.09. This resulted in a payment of dividend of EUR 87 million on April 13, 2010.

16. Related Party Transactions

There have been no significant related party transactions that could have a material effect on the financial position or performance of the Company in the six-month period ended June 27, 2010.

17. Subsequent Events

Subsequent events have been evaluated by the Company until July 14, 2010 which is the issuance date of this interim report 2010. There are no subsequent events to report.

Veldhoven, the Netherlands
July 14, 2010

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

Other Information

Information and Investor Relations

Financial calendar

October 13, 2010
Announcement of Third Quarter results for 2010

January 19, 2011
Announcement of Fourth Quarter results for 2010 and Annual Results for 2010

April 20, 2011
General Meeting of Shareholders

Fiscal Year
ASML's fiscal year ends on December 31, 2010

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

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

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