ASML - Summary U.S. GAAP Consolidated Statements of Operations [1,2]

(in millions EUR, except per share data)	Three months ended, Mar 29, 2009	Mar 28, 2010
Net system sales	101.1	631.6
Net service and field option sales	82.5	110.2
Total net sales	183.6	741.8
Cost of sales	171.2	443.2
Gross profit on sales	12.4	298.6
Research and development costs	118.3	120.3
Selling, general and administrative costs [3]	40.4	41.4
Income (loss) from operations	(146.3)	136.9
Interest expense [3]	(1.7)	(2.8)
Income (loss) from operations before income taxes	(148.0)	134.1
(Provision for) benefit from income taxes	30.8	(26.8)
Net income (loss)	(117.2)	107.3
Basic net income (loss) per ordinary share	(0.27)	0.25
Diluted net income (loss) per ordinary share [4]	(0.27)	0.25
Number of ordinary shares used in computing per share amounts (in millions):		
Basic	432.1	434.0
Diluted [4]	432.1	437.9

ASML - Ratios and Other Data [1,2]

	Three months ended, Mar 29, 2009	Mar 28, 2010
Gross profit as a % of net sales	6.7	40.3
Income (loss) from operations as a % of net sales [3]	(79.7)	18.5
Net income (loss) as a % of net sales	(63.8)	14.5
Shareholders' equity as a % of total assets [3]	47.5	41.2
Income taxes as a % of income before income taxes	(20.8)	(20.0)
Sales of systems (in units)	11	34
ASP of systems sales (EUR million)	9.2	18.6
Value of systems backlog (EUR million)	853	2,170
Systems backlog (in units)	38	85
ASP of systems backlog (EUR million)	22.4	25.5
Value of booked systems (EUR million)	207	1,004
Net bookings (in units)	8	50
ASP of booked systems (EUR million)	25.8	20.1
Number of payroll employees in FTEs	6,715	6,591
Number of temporary employees in FTEs	959	1,331

ASML - Summary U.S. GAAP Consolidated Balance Sheets [1,2]

(in millions EUR)	Dec 31, 2009	Mar 28, 2010
ASSETS		
Cash and cash equivalents	1,037.1	1,087.3
Accounts receivable, net	377.4	629.8
Finance receivables, net	21.6	23.3
Current tax assets	11.3	37.5
Inventories, net	963.4	1,155.5
Deferred tax assets	119.4	107.5
Other assets	218.7	247.3
Total current assets	2,748.9	3,288.2
Deferred tax assets	133.3	127.9
Other assets	77.0	99.1
Goodwill	131.5	141.1
Other intangible assets, net	18.1	17.8
Property, plant and equipment, net [3]	655.4	720.7
Total non-current assets	1,015.3	1,106.6
Total assets	3,764.2	4,394.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	1,044.2	1,613.0
Accrued liabilities and other liabilities	44.3	45.9
Deferred and other tax liabilities	188.4	200.1
Provisions	12.7	13.0
Long-term debt [3]	699.8	711.8
Total non-current liabilities	945.2	970.8
Total liabilities	1,989.4	2,583.8
Shareholders' equity	1,774.8	1,811.0
Total liabilities and shareholders' equity	3,764.2	4,394.8

ASML - Summary U.S. GAAP Consolidated Statements of Cash Flows [1,2]

(in millions EUR)	Three months ended, Mar 29, 2009	Mar 28, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	(117.2)	107.3
Depreciation and amortization [3]	38.7	34.7
Impairment	2.6	0.8
Loss on disposals of property, plant and equipment	2.6	0.6
Share-based payments	3.5	2.8
Allowance for doubtful debts	-	0.2
Allowance for obsolete inventory	22.1	13.8
Deferred income taxes	(27.0)	23.7
Change in assets and liabilities	157.3	(142.8)
Net cash provided by operating activities	82.6	41.1
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(43.9)	(7.2)
Proceeds from sale of property, plant and equipment	1.2	-
Net cash used in investing activities	(42.7)	(7.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares and stock options	0.1	10.4
Excess tax deficiencies from stock options	(0.2)	-
Redemption and/or repayment of debt [3]	(0.4)	(0.4)
Net cash provided by (used in) financing activities	(0.5)	10.0
Net cash flows	39.4	43.9
Effect of changes in exchange rates on cash	2.4	6.3
Net increase in cash & cash equivalents	41.8	50.2

ASML - Quarterly Summary U.S. GAAP Consolidated Statements of Operations [1,2]

(in millions EUR, except per share data)	Three months ended, Mar 29, 2009	Jun 28, 2009	Sep 27, 2009	Dec 31, 2009	Mar 28, 2010
Net system sales	101.1	183.3	458.7	431.8	631.6
Net service and field option sales	82.5	93.3	96.6	148.8	110.2
Total net sales	183.6	276.6	555.3	580.6	741.8
Cost of sales	171.2	242.2	364.0	360.3	443.2
Gross profit on sales	12.4	34.4	191.3	220.3	298.6
Research and development costs	118.3	117.9	115.2	115.4	120.3
Selling, general and administrative costs [3]	40.4	40.3	37.5	36.5	41.4
Income (loss) from operations	(146.3)	(123.8)	38.6	68.4	136.9
Interest expense [3]	(1.7)	(0.9)	(2.4)	(3.5)	(2.8)
Income (loss) from operations before income taxes	(148.0)	(124.7)	36.2	64.9	134.1
(Provision for) benefit from income taxes	30.8	20.7	(16.4)	(14.4)	(26.8)
Net income (loss)	(117.2)	(104.0)	19.8	50.5	107.3
Basic net income (loss) per ordinary share	(0.27)	(0.24)	0.05	0.12	0.25
Diluted net income (loss) per ordinary share [4]	(0.27)	(0.24)	0.05	0.12	0.25
Number of ordinary shares used in computing per share amounts (in millions):					
Basic	432.1	432.5	432.7	433.2	434.0
Diluted [4]	432.1	432.5	435.0	437.0	437.9

ASML - Quarterly Summary Ratios and other data [1,2]

	Three months ended, Mar 29, 2009	Jun 28, 2009	Sep 27, 2009	Dec 31, 2009	Mar 28, 2010
Gross profit as a % of net sales	6.7	12.5	34.4	38.0	40.3
Income (loss) from operations as a % of net sales [3]	(79.7)	(44.7)	6.9	11.8	18.5
Net income (loss) as a % of net sales	(63.8)	(37.6)	3.6	8.7	14.5
Shareholders’ equity as a % of total assets [3]	47.5	47.2	47.3	47.1	41.2
Income taxes as a % of income before income taxes	(20.8)	(16.6)	(45.4)	(22.2)	(20.0)
Sales of systems (in units)	11	10	24	25	34
ASP of system sales (EUR million)	9.2	18.3	19.1	17.3	18.6
Value of systems backlog (EUR million)	853	1,064	1,353	1,853	2,170
Systems backlog (in units)	38	43	54	69	85
ASP of systems backlog (EUR million)	22.4	24.7	25.1	26.8	25.5
Value of booked systems (EUR million)	207	394	777	956	1,004
Net bookings (in units)	8	15	35	40	50
ASP of booked systems (EUR million)	25.8	26.3	22.2	23.9	20.1
Number of payroll employees in FTEs	6,715	6,597	6,529	6,548	6,591
Number of temporary employees in FTEs	959	868	917	1,137	1,331

ASML - Summary U.S. GAAP Consolidated Balance Sheets [1,2]

(in millions EUR)	Mar 29, 2009	Jun 28, 2009	Sep 27, 2009	Dec 31, 2009	Mar 28, 2010
ASSETS					
Cash and cash equivalents	1,151.0	1,092.7	1,018.0	1,037.1	1,087.3
Accounts receivable, net	291.6	213.5	382.1	377.4	629.8
Finance receivables, net	6.2	0.1	21.1	21.6	23.3
Current tax assets	-	-	-	11.3	37.5
Inventories, net	936.8	926.1	882.4	963.4	1,155.5
Deferred tax assets	74.9	70.5	69.0	119.4	107.5
Other assets	240.6	220.2	224.2	218.7	247.3
Total current assets	2,701.1	2,523.1	2,596.8	2,748.9	3,288.2
Finance receivables, net	29.2	20.6	-	-	-
Deferred tax assets	173.2	198.9	193.5	133.3	127.9
Other assets	89.5	53.8	68.1	77.0	99.1
Goodwill	139.7	134.5	128.6	131.5	141.1
Other intangible assets, net	25.6	22.3	19.0	18.1	17.8
Property, plant and equipment, net [3]	624.4	629.3	598.7	655.4	720.7
Total non-current assets	1,081.6	1,059.4	1,007.9	1,015.3	1,106.6
Total assets	3,782.7	3,582.5	3,604.7	3,764.2	4,394.8
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities	1,017.5	940.9	949.3	1,044.2	1,613.0
Accrued liabilities and other liabilities	48.2	45.6	44.7	44.3	45.9
Deferred and other tax liabilities	204.9	200.6	193.7	188.4	200.1
Provisions	16.9	14.8	13.5	12.7	13.0
Long-term debt [3]	699.2	689.3	697.2	699.8	711.8
Total non-current liabilities	969.2	950.3	949.1	945.2	970.8
Total liabilities	1,986.7	1,891.2	1,898.4	1,989.4	2,583.8
Shareholders' equity	1,796.0	1,691.3	1,706.3	1,774.8	1,811.0
Total liabilities and shareholders' equity	3,782.7	3,582.5	3,604.7	3,764.2	4,394.8

ASML - Summary U.S. GAAP Consolidated Statements of Cash Flows [1,2]

	Three months ended,				
(in millions EUR)	Mar 29, 2009	Jun 28, 2009	Sep 27, 2009	Dec 31, 2009	Mar 28, 2010
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)	(117.2)	(104.0)	19.8	50.5	107.3
Depreciation and amortization [3]	38.7	35.1	33.8	34.0	34.7
Impairment	2.6	4.4	8.6	0.3	0.8
Loss (gain) on disposals of property, plant and equipment	2.6	(0.4)	0.9	1.0	0.6
Share-based payments	3.5	2.6	2.8	4.5	2.8
Allowance for doubtful debts	-	1.1	0.7	0.1	0.2
Allowance for obsolete inventory	22.1	43.9	13.2	7.4	13.8
Deferred income taxes	(27.0)	(31.2)	(4.5)	13.3	23.7
Change in assets and liabilities	157.3	110.7	(140.3)	(91.7)	(142.8)
Net cash provided by (used in) operating activities	82.6	62.2	(65.0)	19.4	41.1
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	(43.9)	(39.9)	(13.5)	(7.7)	(7.2)
Proceeds from sale of property, plant and equipment	1.2	5.7	-	-	-
Net cash used in investing activities	(42.7)	(34.2)	(13.5)	(7.7)	(7.2)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	-	(86.5)	-	-	-
Net proceeds from issuance of shares and stock options	0.1	0.4	4.2	6.4	10.4
Excess tax benefits (deficiencies) from stock options	(0.2)	0.5	0.7	1.0	-
Net proceeds from other long-term debt	-	0.1	-	-	-
Redemption and/or repayment of debt [3]	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net cash provided by (used in) financing activities	(0.5)	(85.9)	4.5	7.0	10.0
Net cash flows	39.4	(57.9)	(74.0)	18.7	43.9
Effect of changes in exchange rates on cash	2.4	(0.4)	(0.7)	0.4	6.3
Net increase (decrease) in cash & cash equivalents	41.8	(58.3)	(74.7)	19.1	50.2

ASML - Notes to the Summary U.S. GAAP Consolidated Financial Statements

Basis of Presentation

ASML follows accounting principles generally accepted in the United States of America (“U.S. GAAP”). Further disclosures, as required under U.S. GAAP in annual reports, are not included in the summary consolidated financial statements. Unless stated otherwise, the accompanying consolidated financial statements are stated in thousands of euros (‘EUR’).

Principles of consolidation

The consolidated financial statements include the accounts of ASML Holding N.V. and all of its majority-owned subsidiaries. Subsidiaries are all entities over which ASML has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. All intercompany profits, balances and transactions have been eliminated in the consolidation.

Use of estimates

The preparation of ASML’s consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet dates and the reported amounts of revenue and expense during the reported periods. Actual results could differ from those estimates.

Recognition of revenues

ASML recognizes revenue when all four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; seller’s price to buyer is fixed or determinable; and collectability is reasonably assured. At ASML, this policy generally results in revenue recognition from the sale of a system upon shipment. The revenue from the installation of a system is generally recognized upon completion of that installation at the customer site. Each system undergoes, prior to shipment, a "Factory Acceptance Test" in ASML's cleanroom facilities, effectively replicating the operating conditions that will be present on the customer's site, in order to verify whether the system will meet its standard specifications and any additional technical and performance criteria agreed with the customer, if any. A system is shipped, and revenue is recognized, only after all specifications are met and customer sign-off is received or waived. In case not all specifications are met and the remaining performance obligation is not essential to the functionality of the system but substantive rather than inconsequential or perfunctory a portion of the sales price is deferred. Although each system's performance is re-tested upon installation at the customer's site, ASML has never failed to successfully complete installation of a system at a customer’s premises.

For arrangements containing multiple elements, the revenue relating to the undelivered elements is deferred at estimated fair value until delivery of these elements. Revenue from installation services and service contracts provided to our customers is initially deferred and is recognized when the installation is completed and, in case of service contracts, over the life of those contracts. Revenue from extended and enhanced warranties is recognized in income on a straight-line basis over the contract period. The costs of providing services under extended and enhanced warranties are recognized when they occur.

Foreign currency risk management

The Company uses the euro as its 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 sales transactions and forecasted purchase transactions. The Company hedges these exposures through the use of currency contracts.

It is the Company's policy to hedge material remeasurement exposures. These net exposures from certain monetary assets and liabilities in non-functional currencies are hedged with forward contracts.

As of March 28, 2010 other comprehensive income, within equity, includes EUR 60.3 million loss, net of taxes, representing the total anticipated loss to be charged to net sales, and EUR 3.9 million gain representing the total anticipated gain to be released to cost of sales which will offset the higher EUR equivalent of foreign currency denominated forecasted sales and purchase transactions.

ASML – Reconciliation U.S. GAAP – IFRS [1,2]

Net income	Three months ended,	
	Mar 29, 2009	Mar 28, 2010
(in thousands EUR)		
Net income (loss) under U.S. GAAP	*(117.2)*	*107.3*
Share-based payments (see Note 1)	(0.5)	0.1
Development costs (see Note 2)	11.5	2.0
Reversal of write-downs (see Note 3)	-	(3.3)
Income taxes (see Note 4)	(1.6)	(4.8)
Net income (loss) under IFRS	*(107.8)*	*101.3*

Shareholders' equity	Mar 29, 2009	Jun 28, 2009	Sep 27, 2009	Dec 31, 2009	Mar 28, 2010
(in thousands EUR)					
Shareholders' equity under U.S. GAAP	*1,796.0*	*1,691.3*	*1,706.3*	*1,774.8*	*1,811.0*
Share-based payments (see Note 1)	(7.1)	(4.9)	(0.5)	2.4	3.5
Development costs (see Note 2)	215.4	235.9	259.7	251.5	255.8
Reversal of write-downs (see Note 3)	-	-	28.5	17.1	13.8
Income taxes (see Note 4)	3.4	2.8	1.4	5.0	0.8
Shareholders' equity under IFRS	*2,007.7*	*1,925.1*	*1,995.4*	*2,050.8*	*2,084.9*

Notes to the reconciliation from U.S. GAAP to IFRS

Note 1 Share-based Payments

Under IFRS, ASML applies IFRS 2, "Share-based Payments" beginning from January 1, 2004. In accordance with IFRS 2, ASML records as an expense the fair value of its share-based payments with respect to stock options and stock granted to its employees after November 7, 2002. Under IFRS, at period end a deferred tax asset is computed on the basis of the tax deduction for the share-based payments under the applicable tax law and is recognized to the extent it is probable that future taxable profit will be available against which these deductible temporary differences will be utilized. Therefore, changes in the Company's share price do affect the deferred tax asset at period-end and result in adjustments to the deferred tax asset.

As of January 1, 2006, ASML applies ASC 718 "Compensation- Stock Compensation" which requires companies to recognize the cost of employee services received in exchange for awards of equity instruments based upon the grant-date fair value of those instruments. ASC 718's general principle is that a deferred tax asset is established as the Company recognizes compensation costs for commercial purposes for awards that are expected to result in a tax deduction under existing tax law. Under U.S. GAAP, the deferred tax recorded on share-based compensation is computed on the basis of the expense recognized in the financial statements. Therefore, changes in the Company's share price do not affect the deferred tax asset recorded in the Company's financial statements.

Note 2 Development costs

Under IFRS, ASML applies IAS 38, "Intangible Assets". In accordance with IAS 38, ASML capitalizes certain development expenditures that are amortized over the expected useful life of the related product generally ranging between one and three years. Amortization starts when the developed product is ready for volume production.

Under U.S. GAAP, ASML applies ASC 730, "Research and Development". In accordance with ASC 730, ASML charges costs relating to research and development to operating expense as incurred.

Note 3 Reversal of write-downs

Under IFRS, ASML applies IAS 2 (revised), "Inventories". In accordance with IAS 2, reversal of a prior period write-down as a result of a subsequent increase in value of inventory should be recognized in the period in which the value increase occurs.

Under U.S. GAAP, ASML applies ASC 330 Inventory. In accordance with ASC 330 reversal of a write-down is prohibited as a write-down creates a new cost basis.

Note 4 Income taxes

Under IFRS, ASML applies IAS 12, "Income Taxes" beginning from January 1, 2005. In accordance with IAS 12 unrealized net income resulting from intercompany transactions that are eliminated from the carrying amount of assets in consolidation, give rise to a temporary difference for which deferred taxes must be recognized in consolidation. The deferred taxes are calculated based on the tax rate applicable in the purchaser's tax jurisdiction.

Under U.S. GAAP, the elimination of unrealized net income from intercompany transactions that are eliminated from the carrying amount of assets in consolidation, give rise to a temporary difference for which prepaid taxes must be recognized in consolidation. Contrary to IFRS, the prepaid taxes under U.S. GAAP are calculated based on the tax rate applicable in the seller's rather than the purchaser's tax jurisdiction.

[1] All quarterly information in this press release is unaudited.

[2] Numbers have been rounded for readers' convenience.

[3] As of January 1, 2010 ASML adopted ASC 810 "Amendments to FIN 46(R)" which resulted in the consolidation of the Variable Interest Entity which owns ASML's headquarters located in The Netherlands. The comparative figures have been adjusted to reflect this change in accounting policy. As of January 1, 2010 the total impact on Property, plant and equipment and Long-term dept amounts to EUR 36.7 million.

[4] 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.