

# 'Collapse' in semiconductor demand hits ASML

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A man looks at a laptop on display at a computer show. Dutch computer chip equipment maker ASML announced net losses for the first quarter after a collapse in sales, but said it saw signs of improving market conditions.

Dutch computer chip equipment maker ASML announced net losses for the first quarter after a collapse in sales, but said it saw signs of improving market conditions.

It swung to a loss of 117 million euros (155 million dollars) against a profit of 145 million euros for the same period in 2008. Sales, which reached 184 million euros in the first quarter, were a fifth of the figure of 919 million euros for the same period last year.

ASML chief executive Eric Meurice said in a statement that "semiconductor equipment demand collapsed in the first quarter of 2009

as customers went through inventory corrections and production capacity adjustments."

The results were in line with the expectations of financial analysts surveyed by Dow Jones Newswires, who predicted an average loss of 115 million euros and sales of 190 million euros.

The Dutch company said it expected second-quarter sales to be between 210-230 million euros and that a pick-up in demand was underway.

"Although we will continue to be affected by the global economic recession and very limited capacity demand, we are seeing signs of a pick-up in technology purchases from the current low run rate", Meurice said.

US chip maker Intel Corp. said Tuesday it is also seeing signs of an improvement in the computer market, driven by consumer spending on technology products. It said the chip industry is returning to normal seasonal patterns.

ASML is the world's largest maker of lithography systems, which map out tiny electronic circuits on silicon wafers. It counts Intel, Samsung Electronics Co. Ltd. and Taiwan Semiconductor Manufacturing Co. among its customers.

ASML's shares closed at 14.60 euros on Tuesday. They have fallen 4.6 percent in the past year, outperforming the AEX market which has fallen 47.4 percent.

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