

ASML bounces back to Q2 profit on strong sales

July 14 2010, By MIKE CORDER , Associated Press Writer

(AP) -- ASML Holding NV, a key supplier to computer chip makers like Intel and Samsung, said Wednesday it bounced back to a profit in the second quarter due to a sharp rebound in demand - a further sign the technology sector is recovering quickly.

ASML's earnings announcement came a day after U.S. [chip maker](#) Intel posted its largest quarterly net income in a decade thanks to a strengthening [computer market](#) and more sophisticated factories.

Intel's results topped Wall Street's forecasts and it raised its guidance. Investors sent the [stock price](#) up more than 5 percent in extended trading and tech stocks also climbed across Asia.

ASML, which supplies tools to chip makers, said it made a net profit of euro239 million (\$300 million), compared to a loss of euro104 million in the same period last year. Revenues rose to euro1.07 billion from euro277 million in last year's second quarter.

The Dutch company said in a statement it expects full-year sales in 2010 to be 10-15 percent higher than its 2007 record of euro3.8 billion as chip makers make up for under-investment during the [economic crisis](#).

"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," ASML CEO Eric Meurice said in a statement.

Investors welcomed the news, with ASML stock rising 5.6 percent in early trading to euro25.76 (\$32.38) on the Amsterdam exchange. The price later dropped to euro25.22 (\$31.70), still a rise of 3.3 percent over the previous day's close. Amsterdam's broader AEX index was down a quarter percentage point.

ASML makes lithography systems, machines that use focused beams of light to map out the physical circuitry of [computer chips](#), at the heart of the [manufacturing process](#). A single machine costs more than euro20 million, and the average selling price for a new system in the second quarter was euro25.6 million.

The company, based in Veldhoven, said it booked orders worth euro1.18 billion (\$1.48 billion) in the second quarter and expects bookings of around euro1.3 billion in the third quarter. That's a sign that [Intel](#) and other chip makers see enough demand for their products that they are needing the tools to make them.

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