



NXP Semiconductors Investor Presentation

August 2013



Forward Looking Statement

This document includes forward-looking statements which include statements regarding our business strategy, financial condition, results of operations, and market data, as well as any other statements which are not historical facts. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties include the following: market demand and semiconductor industry conditions, our ability to successfully introduce new technologies and products, the demand for the goods into which our products are incorporated, our ability to generate sufficient cash, raise sufficient capital or refinance our debt at or before maturity to meet both our debt service and research and development and capital investment requirements, our ability to accurately estimate demand and match our production capacity accordingly or obtain supplies from third-party producers, our access to production from third-party outsourcing partners, and any events that might affect their business or our relationship with them, our ability to secure adequate and timely supply of equipment and materials from suppliers, our ability to avoid operational problems and product defects and, if such issues were to arise, to rectify them quickly, our ability to form strategic partnerships and joint ventures and successfully cooperate with our alliance partners, our ability to win competitive bid selection processes to develop products for use in our customers' equipment and products, our ability to successfully establish a brand identity, our ability to successfully hire and retain key management and senior product architects; and, our ability to maintain good relationships with our suppliers. In addition, this document contains information concerning the semiconductor industry and our business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry, our market segments and product areas will develop. We have based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, and the market price of the notes, could be materially adversely affected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak to results only as of the date the statements were made; and, except for any ongoing obligation to disclose material information as required by the United States federal securities laws, we do not have any intention or obligation to publicly update or revise any forward-looking statements after we distribute this document, whether to reflect any future events or circumstances or otherwise. For a discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings. Copies of our filings are available from our Investor Relations department or from the SEC website, www.sec.gov.

Business Strategy

1 Focused on high growth application segments fueled by key mega-trends

2 Leverage unique HPMS capabilities to power new product engine

3 Multiple growth drivers across a range of target applications

4 Margin expansion into long-term model

5 Capital structure de-leveraging

Above-market
Sales Growth



Unparalleled
Earnings Leverage

Focused on Growth from Key Mega Trends

Key Mega-Trends (>\$1,100 billion spend¹)



require

High-Performance Mixed-Signal Solutions

Application-optimized analog and digital solutions that help our customers to truly differentiate their products in terms of features, cost and time to market

to address

Highest Growth Segments in 8 Priority Application Areas



Competitive HPMS Product Franchises

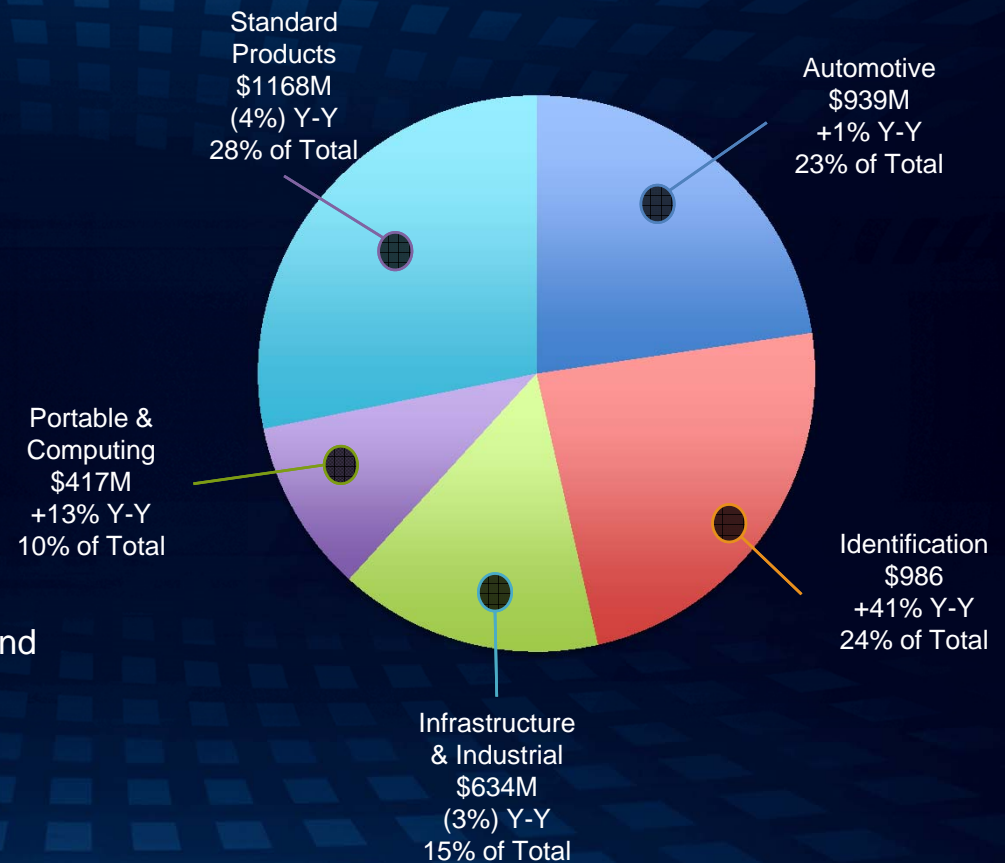
Characteristics of HPMS Market

- Large and fast growing
- Broad and diverse customer base
- High barriers to entry
- “Sticky” customer relationships
- Long product life cycles
- Greater price stability
- Sustainable and higher margins

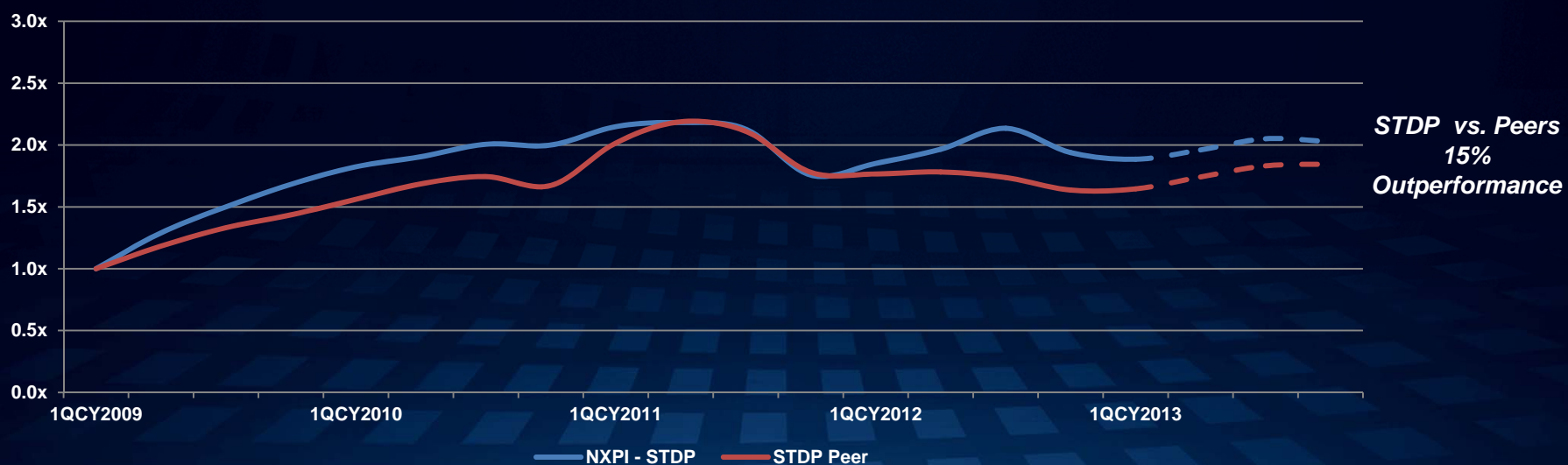
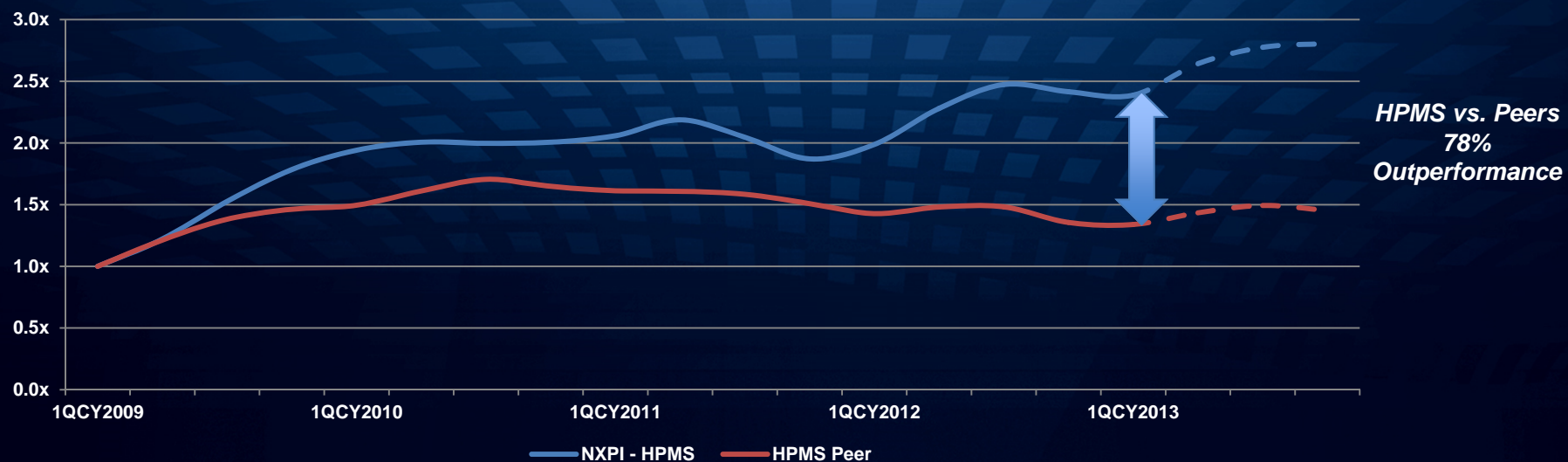
Competitive Advantages

- Deep IP and patent portfolio
- Leading RF, cryptography, mixed-signal, power and system design capabilities
- Broad mixed signal product portfolio
- Differentiated process technology
- World-class mixed-signal and packaging manufacturing assets

2012 Product Segment Contribution⁽¹⁾ (\$M)



Relative Q-Q Revenue Performance vs. Peers⁽¹⁾



Note (1):

- a) All peer indexes are market capitalization indexes based on published revenue
- b) Values for 2Q13 - 4Q13 are based on Thomson First Call estimates for NXP and Peers

NXP Business Trends⁽¹⁾

Revenue (\$M)



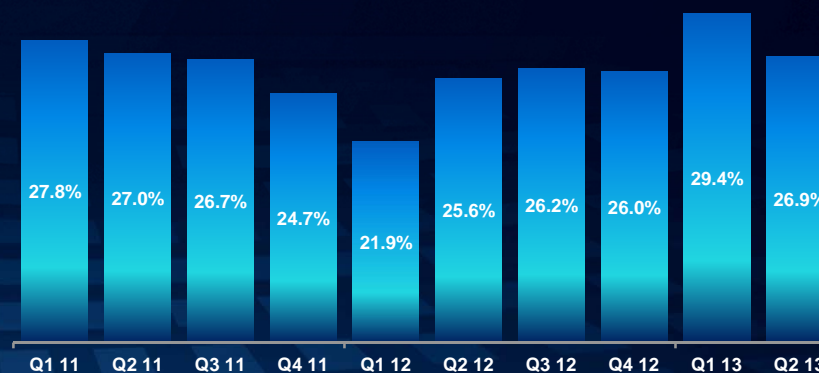
Non-GAAP Gross Margin



Non-GAAP Operating Margin

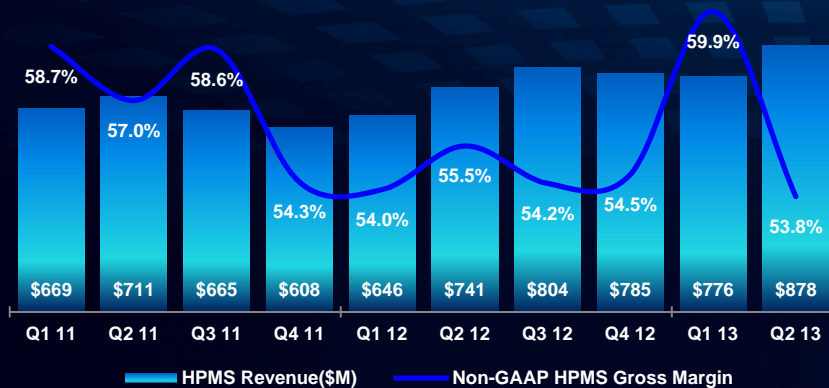


Adj. EBITDA Margin

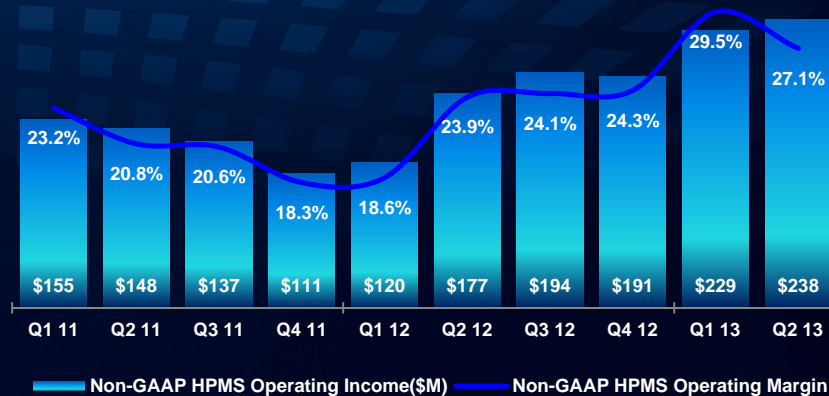


Business Segment Revenue and Margin Trends⁽¹⁾

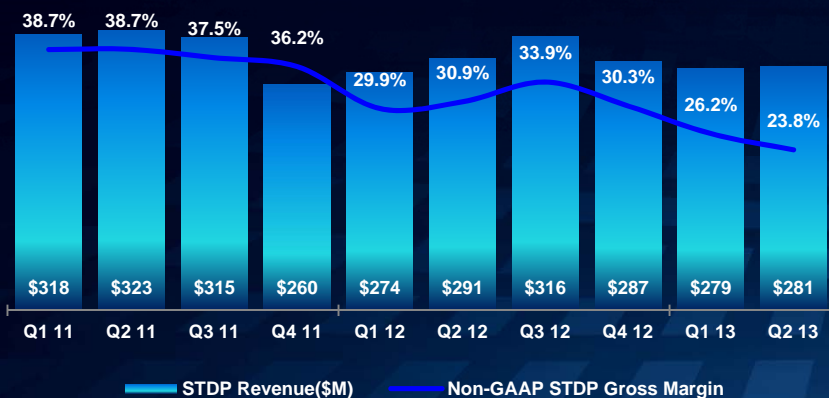
HPMS Revenue and
non-GAAP Gross Margin



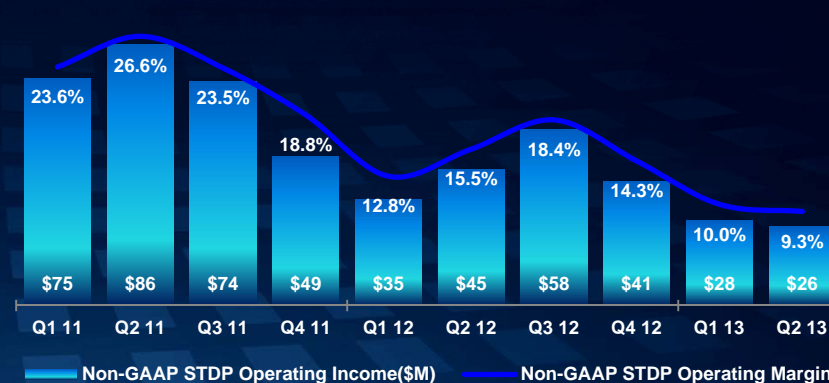
HPMS Operating Income and
non-GAAP Operating Margin



STDP Revenue and
non-GAAP Gross Margin



STDP Operating Income and
non-GAAP Operating Margin



HPMS Revenue Business Trends⁽¹⁾ (\$M)

Identification



Automotive



Infrastructure and Industrial



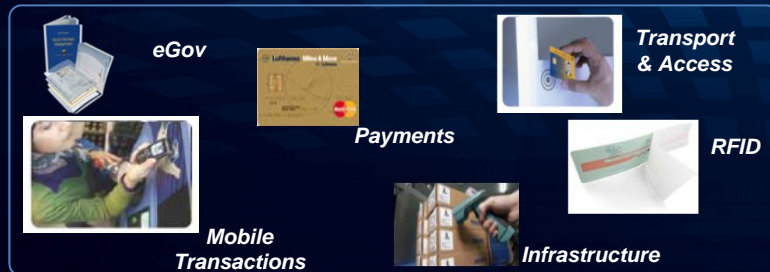
Portable and Computing



Identification

2012 Revenue = \$986M, 24% Product Revenue

Key Positions



Emerging Growth Engines

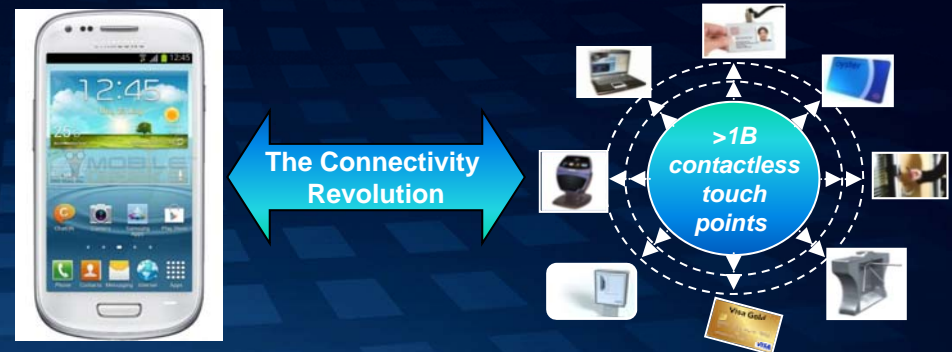


Aligned with Market Leaders



Highlights

- **Secular market trends and solutions**
 - Electronic Mobile Payments → SmartMX™
 - Security & Trusted Access → SmarteID™
 - Secure Connected Mobility → MIFARE™
 - Counterfeit prevention
- **Market leader and innovator in identification market**
 - Co-inventor of NFC with broad IP patent portfolio
 - Leader in field proven contactless interoperability
 - Proven vendor with complete NFC solution
- **Recent innovations to drive growth**
 - NXP is driving broad-based NFC ecosystem adoption
 - Authentication / Product tagging for inventory control
 - New opportunities: e-metering, and cyber-security



Identification Market Opportunities

	Core	Emerging
	eGovernment, Payment, Smart Mobility, Tagging, Infrastructure	Mobile Transactions, Authentication
Market Size¹	\$1.4B	\$0.65B
Market Growth Rate²	13%	41%
Market Share³	56%	32%
NXP Rank⁴	#1	#1 in Mobile, entering Authentication
Key Products	<ul style="list-style-type: none"> • End to end system solutions • Secure Microcontrollers for Contact & Contactless applications • Secure software • Packaging & antenna solutions 	<ul style="list-style-type: none"> • End to end system solutions • NFC Radio and Secure Elements for embedded, SWP-SIM and microSD • Secure software • Packaging & antenna solutions
Key Competitors	<ul style="list-style-type: none"> • IFX • Renesas 	<ul style="list-style-type: none"> • SSG • BRCM • STM • INSD

Source:

(1) Market size based on NXP CMI internal research of applicable peers for 2012; (2) Market growth rate is 5-yr. CAGR based on NXP CMI research for 2011 – 2016;

(3) Market share based on NXP CMI internal research versus applicable peers for 2012; (4) NXP rank based on NXP CMI research in 2012

Automotive

2012 Revenue = \$939M, 23% Product Revenue

Key Positions



Emerging Growth Engines

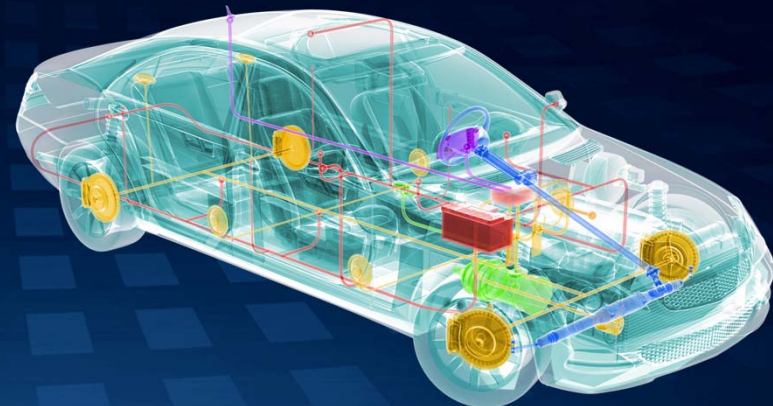


Aligned with Market Leaders



Highlights

- **Secular market trends and characteristics**
 - Focus on reduced CO₂, mobility and convenience
 - High barriers to entry and long product life-cycles
 - Auto electronics market to grow above market
 - High growth in BRIC countries
- **Market leader for > 80% of automotive revenue**
 - #1 in China, #5 world-wide
 - Focus on high margin segments
- **Recent innovations to drive growth**
 - First multi-standard digital software-defined radio
 - First single-chip digital radio for terrestrial radio
 - First with new "FlexRay" in-car networking standard



Automotive Market Opportunities

	Core				Emerging
	Car Entertainment	In-Vehicle Networking	Car Access	Magnetic Sensors	Business
Market Size¹	\$1.1B	\$0.5B	\$0.4B	\$0.8B	\$0.4B
Market Growth Rate²	4%	3%	3%	2%	31%
Market Share³	39%	49%	40%	12%	3%
NXP Rank⁴	#1	#1	#1	#3	N/A
RMS⁵	1.5	2.3	2.6	0.4	N/A
Key Products	<ul style="list-style-type: none"> • Tuners • DSPs • Audio Amps 	<ul style="list-style-type: none"> • CAN/LIN • FlexRay • Ethernet 	<ul style="list-style-type: none"> • Immobilization • Keyless Entry/Go • SmartKey 	<ul style="list-style-type: none"> • ABS Sensors • Angular Sensors • Temp. Sensors 	<ul style="list-style-type: none"> • LED Drivers • Intelligent Traffic Management
Key Competitors	<ul style="list-style-type: none"> • STM • TXN • SLAB 	<ul style="list-style-type: none"> • IFX • ATML • TXN 	<ul style="list-style-type: none"> • TXN • ATML 	<ul style="list-style-type: none"> • IFX • Allegro • MELE 	<ul style="list-style-type: none"> • ONNN • LLTC • TXN

Source:

(1) Market size based on NXP CMI internal research of applicable peers for 2012; (2) Market growth rate is 5-yr. CAGR based on NXP CMI research for 2011 – 2016; (3) Market share based on NXP CMI internal research versus applicable peers for 2012; (4) NXP rank 2012; (5) Relative Market Share 2012

Infrastructure and Industrial⁽¹⁾

2012 Revenue = \$634M, 15% Product Revenue

Key Positions



Emerging Growth Engines

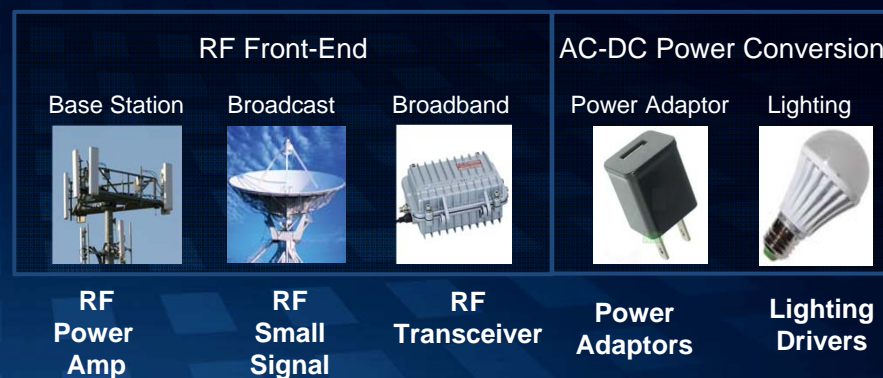


Aligned with Market Leaders



Highlights

- **Secular market trends**
 - Mobile data usage driving cellular base-station upgrade
 - Increased demand for energy efficient lighting
 - Emerging market for centralized smart grid control
- **Market leader**
 - Market leader in RF silicon tuners for DTV/STB/CMTS
 - Innovator of *GreenChip* high voltage power supply
 - Innovator in low power networked environmental control
 - Lighting control (CFL and LED)
 - Low power RF - wireless access (IEEE 802.15)
- **Recent innovations to drive growth**
 - Smart home RF connectivity
 - Focus on low voltage power supply
 - Innovative LNA for mobile FEM applications



Note:

1. As of 1Q13, product classification for HPMS end markets "Infrastructure & Industrial" and "Portable & Computing" in addition to segment "Standard Products" have been redefined to reflect underlying market dynamics, product complexity and organizational management. Prior periods have been realigned to conform with new end market definitions. Non-GAAP amounts exclude stock-based compensation

Infrastructure & Industrial Market Opportunities

	Mature	Core				Emerging
	RF Transceivers	High Performance RF		Power & Lighting Solutions		Emerging Business
		Power Amplifier	Small Signal	Power Adapters	Lighting Drivers	
Market Size ¹	\$0.4B	\$0.6B	\$0.9B	\$0.6B	\$0.3B	\$1.1B
Market Growth Rate ²	0%	(1%)	1%	5%	20%	20%
Market Share ³	31%	33%	13%	11%	17%	7%
NXP Rank ⁴	#1	#2	#3	#4	#1	N/A
Key Products	<ul style="list-style-type: none"> • Silicon Tuners 	<ul style="list-style-type: none"> • BST PA & MMIC • Broadcast PA • A&D PA 	<ul style="list-style-type: none"> • LNA, VGA • BST IC's • Building blocks 	<ul style="list-style-type: none"> • AC/DC Controllers • AC/DC Regulators 	<ul style="list-style-type: none"> • TL/HID drivers • CFL drivers • LED drivers 	<ul style="list-style-type: none"> • Smart Audio Amplifier • Healthcare • Low power RF • IPCAM
Key Competitors	<ul style="list-style-type: none"> • MXL • SLAB • RDA 	<ul style="list-style-type: none"> • FSL • IFX 	<ul style="list-style-type: none"> • ADI • TXN • SWKS • HITT 	<ul style="list-style-type: none"> • ONNN • STM • FCS • POWI 	<ul style="list-style-type: none"> • POWI • iWatt • TXN • FCS 	<ul style="list-style-type: none"> • TXN • WLF • SLAB • STM

Source:

(1) Market size based on NXP CMI internal research of applicable peers for 2012; (2) Market growth rate is 5-yr. CAGR based on NXP CMI research for 2011 – 2016;

(3) Market share based on NXP CMI internal research versus applicable peers for 2012; (4) NXP rank based on NXP CMI research in 2012

Portable and Computing⁽¹⁾

2012 Revenue = \$417M, 10% Product Revenue

Key Positions



32-bit ARM MCU



Interface ICs: P2C, Bridging ICs, UARTS, LP RTC

Emerging Growth Engines



Aligned with Market Leaders



Highlights

■ Secular market trends

- Increased demand for energy efficiency
- Low power mixed-signal integration
- Shift toward embedded ARM-architecture

■ Multi-market leader

- High-speed interface product portfolio focused on
 - Portable applications
 - Enterprise computing applications
- 32-bit ARM MCU
 - Focused on ARM M0, M3, M4 cores
 - Leverage broad analog interface IP portfolio
 - Industrial, white goods and mobile focus

■ Recent innovations to drive growth

- High-speed system management
 - Voltage level shifting
 - Mobile-LED lighting management
- Semi-custom high-speed interface products
 - Leveraging IP and applications knowledge

Note:

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Portable & Computing Market Opportunities

	Core		Emerging
	Interface Products	MCU	Mobility
Market Size¹	\$1.9B	\$2.9B	\$5B
Market Growth Rate²	1%	4%	10%
Market Share³	12%	6%	0%
NXP Rank⁴	#1 I2C, Multiprotocol	#11 MCU	N/A
Key Products	<ul style="list-style-type: none"> • Auto Display Drivers • Display Port • Thunderbolt • GPIO • UART • Level Shifters 	<ul style="list-style-type: none"> • Industrial Control • Building Automation • Consumer 	<ul style="list-style-type: none"> • Smart Power • High Speed Smart Switches • Connector Hub • Sensor Hub
Key Competitors	<ul style="list-style-type: none"> • TXN • ADI • STM 	<ul style="list-style-type: none"> • STM • FSL • Renesas 	<ul style="list-style-type: none"> • TXN • STM • MXIM

Source:

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(3) Market share based on NXP CMI internal research versus applicable peers for 2012; (4) NXP rank based on NXP CMI research in 2012

Standard Products⁽¹⁾

2012 Revenue = \$1,168M, 28% Product Revenue

Key Positions



Small signal diodes & transistors



General purpose logic



ESD protection devices

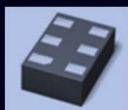


Low & medium power thyristors



Low voltage automotive MOSFETs

Emerging Growth Engines



Standard linear



Smart analog

Serving all global players worldwide



Highlights

- Addressing product requirements driven by key trends:
 - Computing, Consumer & Mobile convergence
 - Cloud Migration
 - Internet of Things
 - Increasing efficiency & connectivity standards
 - Shorter demand/supply cycles
- NXP Standard Products Solutions
 - Smaller, faster, cooler package solutions
 - Miniaturization
 - Power Efficiency
 - Protection & Filtering
- Benefits of Standard Products to HPMS segment
 - Market Reach: #2 Global distribution footprint
 - Industry Scale: In-house back-end mfg. output
 - Drives corporate wide high quality standards - failure rate measured in parts per billion (ppb)

Note:

1. As of 1Q13, product classification for HPMS end markets "Infrastructure & Industrial" and "Portable & Computing" in addition to segment "Standard Products" have been redefined to reflect underlying market dynamics, product complexity and organizational management. Prior periods have been realigned to conform with new end market definitions. Non-GAAP amounts exclude stock-based compensation

Standard Products Market Opportunities

Revert

	Core					Emerging	Emerging
	General Purpose Logic	Small Signal Discrete	ESD Protection & Signal Conditioning	Low Voltage Power MOSFETs	Bipolar Power	Standard Linear	Smart Analog
Market Size ¹	\$1.4B	\$2.9B	\$0.7B	\$3.5B	\$1.4B	\$0.4B	\$1.3B
Market Growth Rate ²	2%	-	-	-	-	1%	5%
Market Share ³	22%	16%	19%	4%	5%	4%	5%
NXP Rank ⁴	#2	#2	#2	#8	#6	N/A	N/A
Key Products	<ul style="list-style-type: none"> • Switches and Translators • Configurable and Combination Logic • Comparators • Supervisory IC's 	<ul style="list-style-type: none"> • Diodes & Transistors • Small Signal MOSFET's 	<ul style="list-style-type: none"> • ESD protection devices • TVS diodes and Surge protection devices • EMI filters with ESD protection 	<ul style="list-style-type: none"> • Low voltage power MOSFETs for automotive & high speed switching applications 	<ul style="list-style-type: none"> • Low & Medium Power Thyristors • Smart Triacs • Rectifiers 	<ul style="list-style-type: none"> • Voltage regulators for the mobile, computing & consumer markets 	<ul style="list-style-type: none"> • Switches & translators • Comparators • Load switches, OVP, OCP protection
Key Competitors	<ul style="list-style-type: none"> • TXN • TOS • ONNN 	<ul style="list-style-type: none"> • Rohm • ONNN • DIOD 	<ul style="list-style-type: none"> • ONNN • STM 	<ul style="list-style-type: none"> • IFX • REN • FSC 	<ul style="list-style-type: none"> • STM • ONNN • VSH 	<ul style="list-style-type: none"> • TXN • STM 	<ul style="list-style-type: none"> • TXN • FSC • ONNN

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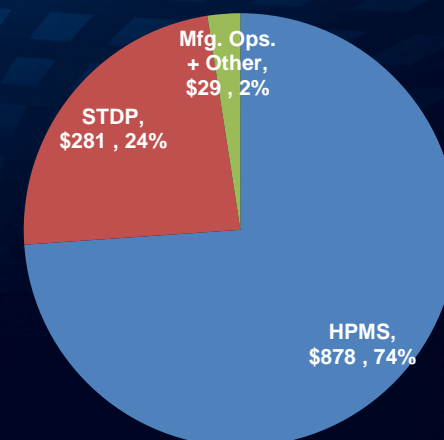
(3) Market share based on NXP CMI internal research versus applicable peers for 2012; (4) NXP rank based on NXP CMI research in 2012

Q2 2013 Quarterly Revenue and Operating Income⁽¹⁾

GAAP Financial Summary

(\$ in millions)	Q2 2013	Q1 2013	Q2 2012	Y-Y Variance Q2 '12 – Q2 '13	Q-Q Variance Q1 '13 – Q2 '13
Product Revenue	1159	1055	1032	127	104
All Other	29	30	62	(33)	(1)
Total Revenue	1188	1085	1094	94	103
Gross Profit	535	483	538	(3)	52
Percent of total revenue	45.0%	44.5%	49.2%	(4.2pts)	0.5pts
Operating income	170	115	156	14	55
Percent of total revenue	14.3%	10.6%	14.3%	-	3.7pts

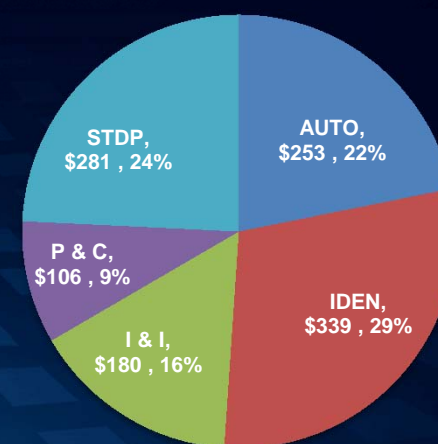
Quarterly Segment Revenue (\$M):



Non-GAAP Financial Summary

(\$ in millions)	Q2 2013	Q1 2013	Q2 2012	Y-Y Variance Q2 '12 – Q2 '13	Q-Q Variance Q1 '13 – Q2 '13
Gross Profit	540	537	505	35	3
Percent of total revenue	45.5%	49.5%	46.2%	(0.7pts)	(4.0pts)
Operating income	256	255	215	41	1
Percent of total revenue	21.5%	23.5%	19.7%	1.8pts	(2.0pts)

Quarterly Product Revenue
(% of Product Revenue):



Q2 2013 Business Segment Performance⁽¹⁾

GAAP Financial Summary

HPMS (\$ in millions)	Q2 2013	Q1 2013	Q2 2012	Y-Y	Q-Q
Revenue	878	776	741	137	102
Gross Profit	472	417	449	23	55
Gross Margin	53.8%	53.7%	60.6%	(6.8pts)	0.1pts
Operating income	178	123	154	24	55
Operating Margin	20.3%	15.9%	20.8%	(0.5pts)	4.4pts

STDP (\$ in millions)	Q2 2013	Q1 2013	Q2 2012	Y-Y	Q-Q
Revenue	281	279	291	(10)	2
Gross Profit	68	70	88	(20)	(2)
Gross Margin	24.2%	25.1%	30.2%	(6.0pts)	(0.9pts)
Operating income	9	7	26	(17)	2
Operating Margin	3.2%	2.5%	8.9%	(5.7pts)	0.7pts

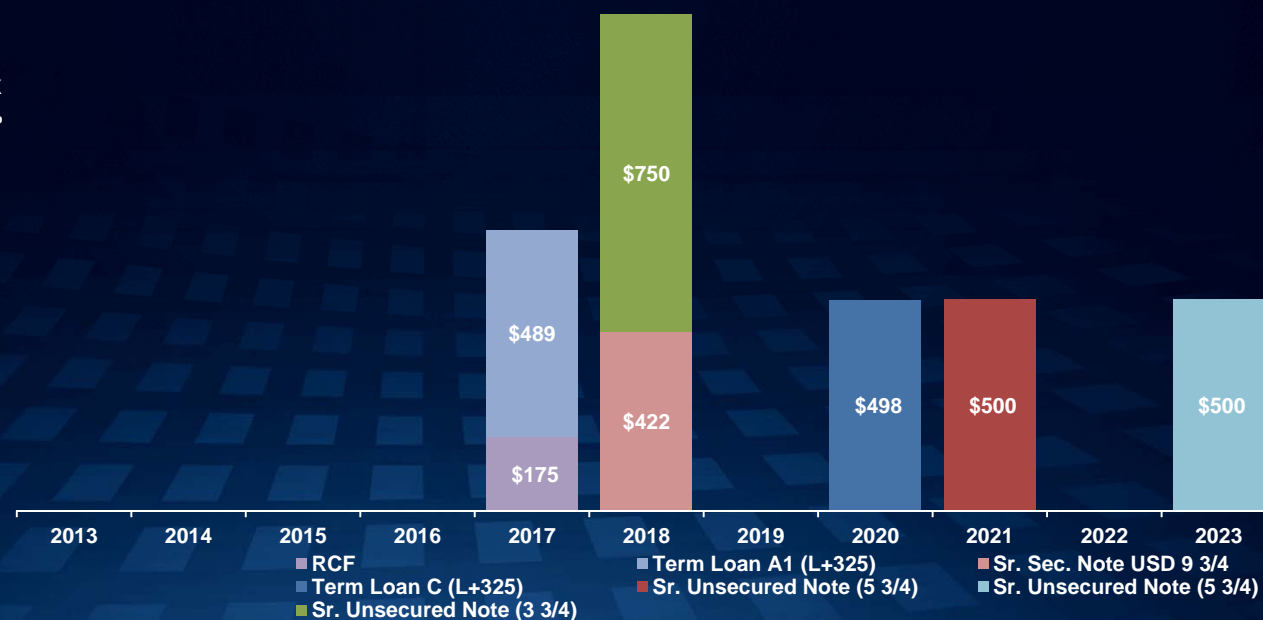
Non-GAAP Financial Summary

HPMS (\$ in millions)	Q2 2013	Q1 2013	Q2 2012	Y-Y	Q-Q
Gross Profit	472	465	411	61	7
Gross Margin	53.8%	59.9%	55.5%	(1.7pts)	(6.1pts)
Operating income	238	229	177	61	9
Operating Margin	27.1%	29.5%	23.9%	3.2pts	(2.4pts)

STDP (\$ in millions)	Q2 2013	Q1 2013	Q2 2012	Y-Y	Q-Q
Gross Profit	67	73	90	(23)	(6)
Gross Margin	23.8%	26.2%	30.9%	(7.1pts)	(2.4pts)
Operating income	26	28	45	(19)	(2)
Operating Margin	9.3%	10.0%	15.5%	(6.2pts)	(0.7pts)

Debt Summary – End 2Q13

Debt Instrument	Term Loan A1	Sr. Secured Notes	Sr. Unsecured Notes	Term Loan C	Sr. Unsecured Notes	Sr. Unsecured Notes	Revolving Credit Facility
Issue Date	05-Mar-11	20-Jul-10	20-May-13	12-Dec-12	14-Feb-13	12-Mar-13	27-Apr-12
Maturity Date	04-Mar-17	01-Aug-18	01-Jun-18	11-Jan-20	15-Feb-21	15-Mar-23	01-Mar-17
Issued Amount (M)	\$500	\$1,000	\$750	\$500	\$500	\$500	€620
Book Value (M)	\$487	\$422	\$750	\$495	\$500	\$500	€134
Outstanding Amount (M)	\$489	\$422	\$750	\$498	\$500	\$500	€134
Coupon	Libor + 325 bps	9.75%	3.75%	Libor + 350bps	5.75%	5.75%	Libor + 250 bps
Floor	125 bps	NA	NA	125 bps	NA	NA	
Next Call	4-Mar-13	1-Aug-14	NC-Life	6-Dec-13	16-Feb-17	15-Mar-18	
Price	102	105		101	103	103	
Future Call	4-Mar-14	1-Aug-15	NC-Life	10-Dec-14	16-Feb-18	15-Mar-19	
Price	101	102		100	101	102	
Rating							
Moody's	B1	B1	B3	B1	B3	B3	
Standard & Poor's	B+	B+	B	B+	B	B	BB
Total Debt (\$M)	\$ 3,381						
Total Cash (\$M)	\$ 569						
Net Debt (\$M)	\$ 2,812						
TTM Adj. EBITDA	\$ 1,235						
Net Debt / Adj. EBITDA	2.3X						
Average Cost of Debt	5.31%						



Working Capital Ratios

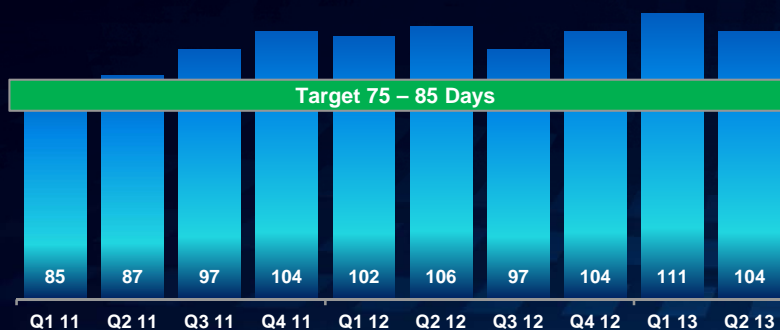
DSO



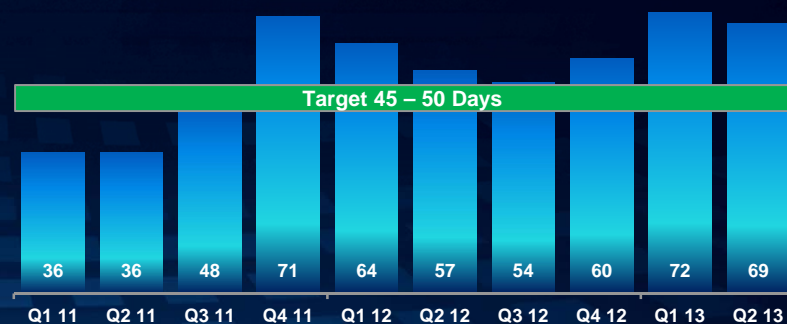
DPO



DIO



Cash Conversion Cycle



DSO = (91.25 x AR) / Revenue
DPO = (91.25 x AP) / GAAP COGS

DIO = (91.25 x Inventory) / GAAP COGS
Cash Conversion Cycle = DIO + DSO - DPO

Guidance for the Third Quarter of 2013⁽¹⁾

	Guidance Range		
	<u>Low</u>	<u>Mid</u>	<u>High</u>
Product Revenue	\$ 1,205	\$ 1,229	\$ 1,252
Q-Q	4%	6%	8%
Mfg. & Other Revenue	\$ 34	\$ 34	\$ 34
Total Revenue	\$ 1,239	\$ 1,263	\$ 1,286
Q-Q	4%	6%	8%
Non-GAAP Gross Profit	\$ 564	\$ 581	\$ 598
Non-GAAP Gross Margin	46%	46%	47%
Non-GAAP Operating Income	\$ 268	\$ 278	\$ 288
Non-GAAP Operating Margin	22%	22%	22%
Interest Expense	\$ 44	\$ 44	\$ 44
Cash Taxes	\$ 7	\$ 7	\$ 7
Non-controlling Interest	\$ 16	\$ 16	\$ 16
Non-GAAP Net Income	\$ 201	\$ 211	\$ 221
Ave. Diluted Shares	258	258	258
Non - GAAP EPS	\$ 0.78	\$ 0.82	\$ 0.86

Product Revenue trends, on a percentage point basis at the mid-point of 3Q13 guidance:

1. Identification is expected to be down low-mid single digit percentage range Q-Q;
2. Automotive is expected to be flat Q-Q;
3. Infrastructure and Industrial is expected to be up in the low teens percentage range Q-Q;
4. Portable and Computing is expected to be up in the upper twenty percent range Q-Q;
5. Standard Products is expected to be up in the mid-single digit range Q-Q

Note (1): NXP has based the guidance included in our earnings press release issued on August 1, 2013 on judgments and estimates that management believes are reasonable given its assessment of historical trends and other information reasonably available as of the date of this earnings press release. The guidance included in this release consists of predictions only, and is subject to a wide range of known and unknown risks and uncertainties, many of which are beyond NXP's control. The guidance included in this release should not be regarded as representations by NXP that the estimated results will be achieved. Actual results may vary materially from the guidance we provided in our earnings press release issued on August 1, 2013. In relation to the use of non-GAAP financial information see the note regarding "Use of Non-GAAP Financial Information" included in our earnings press release issued on August 1, 2013. For the factors, risks and uncertainties to which judgments, estimates and forward-looking statements generally are subject see the note regarding "Forward-looking Statements." We undertake no obligation to publicly update or revise any forward-looking statements, including the guidance set forth in our earnings press release issued on April 23, 2013, to reflect future events or circumstances. Considering the uncertain magnitude and variability of the foreign exchange consequences upon "PPA effects", "restructuring costs", "other incidental items" and any interest expense or taxes in future periods, management believes that GAAP financial measures are not available for NXP without unreasonable efforts on a forward looking basis

Q2 2013 Financial Reconciliation (GAAP to non-GAAP)

(\$ in millions, unless otherwise stated)	Q2 2013	Q1 2013	Q2 2012
Total Revenue	1188	1085	1094
GAAP Gross Profit	535	483	538
Gross profit adjustments	(5)	(54)	33
Non - GAAP Gross Profit	540	537	505
GAAP Gross Margin	45.0%	44.5%	49.2%
Non-GAAP Gross Margin	45.5%	49.5%	46.2%
GAAP Operating income (loss)	170	115	156
Operating income adjustments	(86)	(140)	(59)
Non - GAAP Operating income (loss)	256	255	215
GAAP Operating Margin	14.3%	10.6%	14.3%
Non-GAAP Operating Margin	21.5%	23.5%	19.7%
GAAP Financial income (expense)	(46)	(152)	(178)
Financial income adjustments	1	(103)	(108)
Non - GAAP Financial income (expense)	(47)	(49)	(70)
GAAP Income tax benefit (provision)	2	(11)	(7)
Other Adjustments	11	(4)	(2)
Non - GAAP Cash tax (expense)⁽¹⁾	(9)	(7)	(5)
GAAP Net income (loss) attributable to shareholders	111	(14)	(90)
Net income (loss) adjustments	(71)	(200)	(214)
Non - GAAP Net income (loss) attributable to shareholders	182⁽²⁾	186	124
GAAP Diluted net income (loss) per share attributable to shareholders	0.43	(0.06)	(0.36)
Non - GAAP Diluted net income (loss) per share attributable to shareholders	0.71	0.72	0.49

1. Cash income taxes paid during the period

2. Includes:

- PPA effects: (\$66M);
- Restructuring: \$10M;
- Stock-based compensation: (\$20M);
- Other incidentals: (\$10M);
- Foreign exchange gain on debt: \$32M;
- Loss on extinguishment of LT debt: (\$23M);
- Other financial expense: (\$8M);
- Results relating to equity-accounted investees: \$3M;
- Difference between book and cash income taxes: \$11M

Quarterly Cash Flow Overview (\$M)

	Q2 2013	Q1 2013	Q2 2012
Net cash provided by (used for) operating activities	160	119	269
Net cash provided by (used for) investing activities	(56)	(43)	(82)
Net cash provided by (used for) financing activities	(131)	(90)	(79)
Net cash provided by (used for) discontinued operations	-	-	(45)
Effects of changes in exchange rates on cash position	1	(8)	(8)
Increase (decrease) in cash and cash equivalents	(26)	(22)	55
Cash and cash equivalents at beginning of the period	595	617	782
Cash and cash equivalents at end of period	569	595	837

Quarterly Adjusted EBITDA (\$M)

	Q2 2013	Q1 2013	Q2 2012
Net income (loss)	129	(1)	(74)
Reconciling items to EBITDA			
Financial (income) expense	46	152	178
(Benefit) provision for income taxes	(2)	11	7
Depreciation	61	61	62
Amortization	71	71	77
EBITDA	305	294	250
Results of equity-accounted investees	(3)	(47)	45
Restructuring ¹	(11)	4	1
Stock-based compensation	20	17	15
Other incidental items ¹	9	5	15
Other adjustments	-	46	(46)
Adjusted EBITDA	320	319	280
Trailing 12-month Adjusted EBITDA	1235	1195	1007
1. Excluding depreciation PP&E related to			
Restructuring	1	-	-
Other incidental items	1	1	1

Positioned to Deliver Industry Leading Growth

