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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

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**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

June 2, 2011

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**NXP B.V.**

(Exact name of registrant as specified in charter)

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**The Netherlands**

(Jurisdiction of incorporation or organization)

**60 High Tech Campus, 5656 AG, Eindhoven, The Netherlands**

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes       No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes       No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes       No

Name and address of person authorized to receive notices  
and communications from the Securities and Exchange Commission

Dr. Jean A.W. Schreurs  
60 High Tech Campus  
5656 AG Eindhoven – The Netherlands

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This report contains the Interim Report NXP B.V., dated 2 June 2011, as of and for the period ended April 3, 2011

**Exhibits**

1. Interim Report NXP B.V., dated 2 June 2011, as of and for the period ended April 3, 2011

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized at Eindhoven, on the 2<sup>nd</sup> day of June 2011.

**NXP B.V.**

/s/ K.-H. Sundström  
K.-H. Sundström, CFO

NXP Semiconductors

INTERIM REPORT  
NXP B.V.

PERIOD ENDED  
APRIL 3, 2011

June 2, 2011

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### Forward-looking statements

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](http://www.sec.gov).

### Use of fair value measurements

In presenting the NXP Group's financial position, fair values are used for the measurement of various items in accordance with the applicable accounting standards. These fair values are based on market prices, where available, and are obtained from sources that we consider to be reliable. Users are cautioned that these values are subject to changes over time and are only valid as of the balance sheet date. When a readily determinable market value does not exist, we estimate fair values using valuation models which we believe are appropriate for their purpose. These require management to make significant assumptions with respect to future developments which are inherently uncertain and may therefore deviate from actual developments. In certain cases independent valuations are obtained to support management's determination of fair values.

### Use of non-U.S. GAAP information

In presenting and discussing the NXP Group's financial position, operating results and cash flows, management uses certain non-U.S. GAAP financial measures. These non-U.S. GAAP financial measures should not be viewed in isolation as alternatives to the equivalent U.S.

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GAAP measure(s) and should be used in conjunction with the most directly comparable U.S. GAAP measure(s).

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### **Basis of Presentation**

This financial report of NXP B.V. (“we”, “NXP”, or the “Company”) contains interim consolidated financial statements as of and for the three months ended April 3, 2011 and April 4, 2010 which are unaudited. The December 31, 2010 amounts included herein are also unaudited.

The first fiscal quarters of 2011 and 2010 ended on April 3, 2011 and April 4, 2010 and consisted of 93 days and 94 days, respectively.

These interim consolidated financial statements have been prepared in conformity with generally accepted accounting principles accepted in the United States of America (“U.S. GAAP”), besides the exclusion of condensed notes to the consolidated financial statements. These interim consolidated financial statements, prepared in conformity with U.S. GAAP, requires management to make certain estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of management, the interim consolidated financial statements are a fair presentation of the Company’s financial position at April 3, 2011 and results of operations and cash flows for the three months ended April 3, 2011 and April 4, 2010. This includes all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of the Company’s financial position.

The results of operations for the three months ended April 3, 2011 are not necessarily indicative of the operating results to be expected for the full year.

Furthermore, this report contains a “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for the three months ended April 3, 2011 compared to the same period ended April 4, 2010.

### **The Company**

NXP B.V. (the “Company” or “NXP”) is the parent company of the NXP Group (the “NXP Group” or the “Group”), which provides leading High-Performance Mixed-Signal and Standard Products solutions that leverages application insight and technology and manufacturing expertise in radio frequency, analog, power management, interface, security and digital processing products. NXP’s product solutions are used in a wide range of automotive, identification, wireless infrastructure, lighting, industrial, mobile, consumer and computing applications.

NXP B.V., in its current form, was established on September 29, 2006, when Koninklijke Philips Electronics N.V. (“Philips”) sold 80.1% of its semiconductor businesses to a consortium of private equity investors (the Private Equity Consortium) in a multi-step transaction. In order to carry out this transaction, Philips transferred 100% of its semiconductor businesses (with over 50 years of innovation and operating history) to NXP B.V., on September 28, 2006. Subsequently, on September 29, 2006, all of the issued and outstanding shares of NXP B.V. were then acquired by NXP Semiconductors N.V. (formerly KASLION Acquisition B.V.), an acquisition vehicle formed by the Private Equity Consortium and Philips. We refer to this multi-step transaction as the “Formation”.

At the time of the Formation, NXP Semiconductors N.V. was called KASLION Acquisition B.V., a Dutch private company with limited liability. On May 21, 2010, KASLION Acquisition B.V. converted into a public company with limited liability (*naamloze vennootschap*) and changed its name to NXP Semiconductors N.V.

We are incorporated in the Netherlands as a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). Our corporate seat is in Eindhoven, the Netherlands. Our principal executive office is at High Tech Campus 60, 5656 AG Eindhoven, the Netherlands, and our telephone number is +31 40 2729233. Our registered agent in the United States is NXP Semiconductors USA, Inc., 1109 McKay Drive, CA 95131 San Jose, United States of America, phone number +1 408 4343000.

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### **Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following information should be read together with the consolidated interim financial statements included elsewhere in this document. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements.*

#### **Introduction**

##### **Basis of Presentation**

###### *Business segments*

The Company is organized into three reportable segments in compliance with FASB ASC Topic 280. We have two market-oriented business segments, High-Performance Mixed-Signal ("HPMS") and Standard Products, and one other reportable segment Manufacturing Operations. Corporate and Other represents the remaining portion to reconcile to the total Group along with the Divested Home activities.

- Our High-Performance Mixed-Signal businesses deliver High-Performance Mixed-Signal solutions to our customers to satisfy their system and sub systems needs across eight application areas: automotive, identification, mobile, consumer, computing, wireless infrastructure, lighting and industrial.
- Our Standard Products business segment offers standard products for use across many applications markets, as well as application-specific standard products predominantly used in application areas such as mobile handsets, computing, consumer and automotive.
- Our manufacturing operations are conducted through a combination of wholly-owned manufacturing facilities, manufacturing facilities operated jointly with other semiconductor companies and third-party foundries and assembly and test subcontractors, which together form our Manufacturing Operations segment. While the main function of our Manufacturing Operations segment is to supply products to our High-Performance Mixed-Signal and Standard Products segments, revenue and costs in this segment are to a large extent derived from revenue of wafer foundry and packaging services to our divested businesses in order to support their separation and, on a limited basis, their ongoing operations. As these divested businesses develop or acquire their own foundry and packaging capabilities, our revenue from these sources is expected to decline.
- Corporate and Other includes unallocated research expenses not related to any specific business segment, unallocated corporate restructuring charges and other expenses, as well as some operations not included in our two business segments, such as manufacturing, marketing and selling of CAN tuners through our joint venture NuTune Singapore Pte, Ltd. ("NuTune"), which was divested on December 22, 2010, and software solutions for mobile phones, our "NXP Software" business. Revenue recorded in Corporate and Other is primarily generated from the NXP Software business.

###### *Discontinued operations*

On December 22, 2010, we signed a definitive agreement whereby Knowles Electronics will acquire our Sound Solutions business. We currently anticipate that the transaction will close in the second quarter of 2011, subject to regulatory approvals. The financial results attributable to our interest in our Sound Solutions Business (formerly included in our Standard Products segment) have been presented and separated as discontinued operations in the consolidated financial statements.

All previous periods have been restated accordingly.



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### *Divestments*

On February 8, 2010, we divested a major portion of our former Home segment to Trident Microsystems, Inc. (“Trident”) in exchange for 60% common shareholding in Trident. After the divestment and acquisition of the investment in Trident, our shareholding of 60% was diluted as a result of Trident’s issuance of shares to 59% of the outstanding common stock of Trident, with a 30% voting interest in participatory rights and a 59% voting interest for certain protective rights only. Considering the terms and conditions agreed between the parties, we account for our investment in Trident under the equity method.

For the previously reported periods in this report, the divested operations remained consolidated in the financial statements and are presented under a separate new reporting segment named “Divested Home Activities”. The remaining parts of the former Home segment have been moved into the segments High-Performance Mixed-Signal and Corporate and Other.

All previous periods have been restated accordingly.

### **Factors Affecting Comparability**

#### *Restructuring and Redesign Program*

We have taken significant steps to reposition our businesses and operations through a number of acquisitions, divestments and restructurings. The Redesign Program, originally announced in September 2008, and expanded several times since, is expected to result in annualized savings of \$900 million to \$950 million through its expected completion at the end of 2011, as compared to our annualized third quarter results for 2008. We expect to realize additional annual savings from, amongst others, further rationalizing of central support functions, such as IT, supply chain management, and corporate overhead.

We continue to estimate that total program costs through its expected completion at the end of 2011 will be no greater than \$725 million. Since the inception of the Program, \$697 million related to the accelerated and expanded Redesign Program and other restructuring activities have been paid until the end of the first quarter of 2011, of which \$41 million relates to the first quarter of 2011.

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### Revenues and operating income (loss)

The following table presents the composition of operating income (loss).

| (\$ in millions, unless otherwise stated) | Q1<br>2010 | Q1<br>2011 |
|---|------------|------------|
| Revenues                                  | 1,085      | 1,082      |
| % nominal growth                          | 68.2       | (0.3)      |
| Gross profit                              | 406        | 506        |
| Research and development expenses         | (151)      | (154)      |
| Selling expenses                          | (65)       | (65)       |
| General and administrative expenses       | (188)      | (169)      |
| Other income (expense)                    | (17)       | (10)       |
| Operating income (loss)                   | (15)       | 108        |

### Revenues

The following table presents the aggregate revenues and revenues growth by segment for the three months ended April 3, 2011 and April 4, 2010. The growth percentages represent the nominal growth of revenues compared to the same period in the previous year.

| (\$ in millions, unless otherwise stated) | Q1 2010  |                  | Q1 2011  |                  |
|---|----------|------------------|----------|------------------|
|   | Revenues | growth<br>%      | Revenues | growth<br>%      |
| High-Performance Mixed-Signal             | 695      | 86.3             | 742      | 6.8              |
| Standard Products                         | 199      | 111.7            | 237      | 19.1             |
| Manufacturing Operations                  | 109      | 78.7             | 92       | (15.6)           |
| Corporate and Other                       | 35       | NM <sup>1)</sup> | 11       | NM <sup>1)</sup> |
| Divested Home Activities                  | 47       | (39.0)           | —        | —                |
| Total                                     | 1,085    | 68.2             | 1,082    | (0.3)            |

1) NM: Not meaningful

#### Q1 2011 compared to Q1 2010

Revenues were \$1,082 million in the first quarter of 2011 compared to \$1,085 million in the first quarter of 2010, a nominal decline of 0.3%. Revenues of our two market oriented segments, HPMS and SP, increased by \$85 million or 9.5% compared to the first quarter of 2010. This increase in revenues was offset by a decline in Manufacturing Operations and Corporate and Other.

The increase in our HPMS segment was driven by higher revenues from our Identification business which was up 40% compared to the first quarter of 2010 partly offset by seasonal weakness in Mobile, Consumer and Computing business. The increase in our Standard Product segment was across the product portfolio and was supported by market share gains. Furthermore, revenues of the first quarter of 2010 included \$47 million related to our Divested Home Activities and \$26 million related to divested NuTune business for which there is no corresponding revenue in the first quarter of 2011.

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### Operating income (loss)

The following table presents operating income (loss) by segment for the three months ended April 3, 2011 and April 4, 2010.

| (\$ in millions, unless otherwise stated) | Q1 2010                 |                          | Q1 2011                 |                          |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
|   | Operating income (loss) | in % of segment revenues | Operating income (loss) | in % of segment revenues |
| High-Performance Mixed-Signal             | 51                      | 7.3                      | 121                     | 16.3                     |
| Standard Products                         | 9                       | 4.5                      | 35                      | 14.8                     |
| Manufacturing Operations                  | (16)                    | (14.7)                   | (16)                    | (17.4)                   |
| Corporate and Other                       | (28)                    | NM <sup>1)</sup>         | (32)                    | NM <sup>1)</sup>         |
| Divested Home Activities                  | (31)                    | (66.0)                   | —                       | —                        |
| Total                                     | (15)                    | (1.4)                    | 108                     | 10.0                     |

1) NM: Not meaningful

#### Q1 2011 compared to Q1 2010

Our operating income in the first quarter of 2011 was \$108 million compared to an operating loss of \$15 million in the first quarter of 2010. The increase in operating income was mainly driven by higher gross profit and supported by lower operating expenses. Gross profit, in the first quarter of 2011 amounted to \$506 million, or 46.8% of revenues, compared to \$406 million, or 37.4% of revenues, in the first quarter of 2010. The increase in gross profit was largely due to higher revenues of our HPMS and Standard Product segments, cost savings resulting from the Redesign Program, a favorable product mix within our HPMS segment supported by higher factory utilization of 97% compared to 93% in the first quarter of 2010. Also included in gross profit are the restructuring and other incidental items, which amounted to a loss of \$8 million in the first quarter of 2011. Restructuring and other incidental items amounted to a loss of \$5 million in the first quarter of 2010.

Gross profit in our HPMS segment was \$422 million, or 56.9% of revenues, compared to \$330 million, or 47.5% of revenues in the first quarter of 2010. The increase in gross profit was driven by higher revenues, richer product mix and redesign savings. Gross profit in our Standard Product segment was \$87 million, or 36.7% of revenues, compared to \$55 million, or 27.6% of revenues in the first quarter of 2010. The increase in gross profit was attributable to higher revenues, higher factory utilization and redesign savings.

Operating expenses in the first quarter of 2011 amounted to \$388 million compared to \$404 million in the first quarter of 2010. Included are restructuring and other incidental items which amounted to a loss of \$16 million in the first quarter of 2011. Restructuring and other incidental items amounted to a loss of \$35 million in the first quarter of 2010. Furthermore, the first quarter of 2010 included operating expenses related to Divested Home Activities (until February 8, 2010).

Operating income in our HPMS segment was \$121 million, or 16.3% of revenues, compared to \$51 million, or 7.3% of revenues in the first quarter of 2010. Included are restructuring and other incidental items which amounted to a loss of \$2 million in the first quarter of 2011. Restructuring costs amounted to an aggregate income of \$1 million offset by other incidental items costs which amounted to \$1 million in the first quarter of 2010.

Operating income in our Standard Products segment was \$35 million, or 14.8% of revenues, compared to \$9 million, or 4.5% of revenues, in the first quarter of 2010. Included are restructuring and other incidental items which amounted to an aggregate income of \$1 million, compared to nil in the first quarter of 2011.

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### **Net income (loss)**

The following table presents the composition of net income.

| (\$ in millions, unless otherwise stated) | <u>Q1<br/>2010</u> | <u>Q1<br/>2011</u> |
|---|--------------------|--------------------|
| Operating income (loss)                   | (15)               | <b>108</b>         |
| Financial income (expense)                | (302)              | <b>101</b>         |
| Provision for income taxes                | (5)                | <b>1</b>           |
| Result equity-accounted investees         | (26)               | <b>(22)</b>        |
| Discontinued operations                   | 12                 | <b>13</b>          |
| Net income (loss)                         | <u>(336)</u>       | <u><b>201</b></u>  |

The following table presents the details of financial income and expenses.

### **Financial income (expense)**

| (\$ in millions, unless otherwise stated) | <u>Q1<br/>2010</u> | <u>Q1<br/>2011</u> |
|---|--------------------|--------------------|
| Interest income                           | —                  | <b>1</b>           |
| Interest expense                          | (80)               | <b>(82)</b>        |
| Foreign exchange results                  | (222)              | <b>190</b>         |
| Extinguishment of debt                    | 2                  | —                  |
| Other                                     | (2)                | <b>(8)</b>         |
| Total                                     | <u>(302)</u>       | <u><b>101</b></u>  |

#### *Q1 2011 compared to Q1 2010*

Financial income and expense was an income of \$101 million in the first quarter of 2011, compared to an expense of \$302 million in the first quarter of 2010. Financial income and expense included a gain of \$190 million in the first quarter of 2011, resulting from a change in foreign exchange rates mainly applicable to remeasurement of our U.S. dollar-denominated notes and short-term loans, which reside in a EURO functional currency entity, compared to a loss of \$222 million in the first quarter of 2010. The net interest expense amounted to \$81 million in the first quarter of 2011 compared to \$80 million in the first quarter of 2010.

### **Provision for income taxes**

#### *Q1 2011 compared to Q1 2010*

The effective income tax rates for the three months ended April 3, 2011 and April 4, 2010 were 0.5% and (1.6)%, respectively. The lower effective tax rate for the three months ended April 3, 2011 compared to the same period in the previous year was primarily due to profits recorded in jurisdictions where a full valuation allowance was recorded. No tax expense was recorded for these profits because unrecognized losses were utilized and the valuation allowance was released correspondingly.

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### Results relating to equity-accounted investees

#### *Q1 2011 compared to Q1 2010*

Results relating to the equity-accounted investees amounted to a loss of \$22 million in the first quarter of 2011, compared to a loss of \$26 million in the first quarter of 2010. The result related to equity-accounted investees was primarily related to our investment in Trident.

### Net income

#### *Q1 2011 compared to Q1 2010*

Our income from continuing operations in the first quarter of 2011 was \$188 million compared to the loss from continuing operations of \$348 million in the first quarter of 2010. The increase in net income was mainly driven by higher operating income and higher financial income and expense in the first quarter of 2011 compared to the first quarter of 2010.

### Non-controlling interests

#### *Q1 2011 compared to Q1 2010*

The share of non-controlling interests amounted to a profit of \$14 million in the first quarter of 2011, compared to a profit of \$9 million in the first quarter of 2010. This was mostly related to the third-party share in the results of consolidated companies, predominantly SSMC. The first quarter of 2010 also included the third-party share in the result of the NuTune business.

### Employees

The following tables provide an overview of the number of full-time employees per segment and geographic area at April 3, 2011 and December 31, 2010.

| (number of full-time employees) | December 31,<br>2010 | April 3,<br>2011 |
|---------------------------------|----------------------|------------------|
| High-Performance Mixed-Signal   | 2,864                | <b>3,052</b>     |
| Standard Products               | 1,746                | <b>1,756</b>     |
| Manufacturing Operations        | 15,526               | <b>15,508</b>    |
| Corporate and Other             | 4,335                | <b>4,068</b>     |
| <b>Total</b>                    | <b>24,471</b>        | <b>24,384</b>    |

  

| (number of full-time employees) | December 31,<br>2010 | April 3,<br>2011 |
|---------------------------------|----------------------|------------------|
| Europe and Africa               | 7,347                | <b>7,287</b>     |
| Americas                        | 542                  | <b>537</b>       |
| Greater China                   | 6,926                | <b>6,810</b>     |
| Asia Pacific                    | 9,656                | <b>9,750</b>     |
| <b>Total</b>                    | <b>24,471</b>        | <b>24,384</b>    |

The tables above represent the number of our employees excluding the 1,073 employees from our Sound Solutions business at April 3, 2011 (December 31, 2010: 941).

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### Liquidity and Capital Resources

At the end of the first quarter of 2011, our cash balance was \$879 million. Taking into account the undrawn amount of the Secured Revolving Credit Facility, we had access to \$1,172 million of liquidity as of April 3, 2011. Since December 2010 our cash balance from continuing operations decreased with \$19 million.

Capital expenditures increased in the first quarter of 2011 compared to the first quarter of 2010 from \$49 million to \$64 million due to increased business activity.

Restructuring payments of \$41 million in the first quarter of 2011 were lower compared to the \$86 million in the first quarter 2010.

Of the total cash balance per the first quarter of 2011, \$352 million was held by SSMC, our joint venture company with TSMC. A portion of this cash can be distributed by way of a dividend but 38.8% of the dividend will be paid to our joint venture partner. In Q1 2011 no dividends were distributed. In the month of April 2011, a dividend payment of \$170 million has been executed by SSMC of which \$66 million was distributed to TSMC.

Since December 2010, our total debt has increased from \$4,551 million to \$4,633 million, predominantly as a result of currency fluctuations, which impacted the Company's Euro-denominated long-term debt. Short term debt increased from \$423 million to \$435 million. The latter is predominantly related to a local loan borrowed in China to repay NXP Beijing. NXP Beijing is part of our Sound Solutions Business and will be part of the divestment to Knowles Electronics.

In the first quarter of 2011 capital market transactions did not affect our debt positions.

On March 4, 2011, we entered into a new \$500 million Term Loan, which has not been drawn as of the date of this first quarterly report. The Term Loan was drawn on April 5, 2011. On April 6, 2011, the proceeds together with cash on hand and available borrowing capacity under the Secured Revolving Credit Facility were used to redeem all \$362 million of outstanding 2014 Dollar Fixed Rate Notes, together with \$100 million of Dollar Floating Rate Notes and €143 million of Euro Floating Rate Secured Notes and the cash payment of \$16 million for accrued and unpaid interest.

### Cash Flows

The condensed consolidated statements of cash flows for the three months ended April 3, 2011 and April 4, 2010 are presented as follows:

| (\$ in millions, unless otherwise stated)  | Q1<br>2010 | Q1<br>2011   |
|--|------------|--------------|
| <b>Cash flow from operating activities:</b>  |            |              |
| Net income (loss)  | (336)      | <b>201</b>   |
| (Income) loss from discontinued operations, net of tax                                   | (12)       | <b>(13)</b>  |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | 331        | <b>(191)</b> |
| Net cash provided by (used for) operating activities                                     | (17)       | <b>(3)</b>   |
| Net cash (used for) provided by investing activities                                     | (93)       | <b>(54)</b>  |
| Net cash (used for) provided by financing activities                                     | (11)       | <b>8</b>     |
| Net cash provided by (used for) continuing operations                                    | (121)      | <b>(49)</b>  |
| Net cash provided by (used for) discontinued operations                                  | —          | <b>6</b>     |
| Total change in cash and cash equivalents  | (121)      | <b>(43)</b>  |
| Effect of changes in exchange rates on cash positions                                    | (50)       | <b>30</b>    |
| Cash and cash equivalents at beginning of period   | 1,041      | <b>908</b>   |
| Cash and cash equivalents at end of period   | 870        | <b>895</b>   |
| Less: cash and cash equivalents at end of period – discontinued operations               | 15         | <b>16</b>    |
| Cash and cash equivalents at end of period – continuing operations                       | 855        | <b>879</b>   |

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### ***Cash Flow from Operating Activities***

We used \$3 million for operating activities in the first quarter of 2011, compared to \$17 million of cash in the first quarter of 2010. Restructuring payments were \$41 million in the first quarter of 2011 compared to \$86 million in the first quarter of 2010.

Cash outflow was mainly driven by increased working capital in inventories to support the increased growth of our HPMS and SP business activities.

### **Cash Flow from Investing Activities**

Net cash used for investing activities was \$54 million in the first quarter of 2011, compared to \$93 million in the first quarter of 2010. The investing activities mainly relate to capital expenditures in the first quarter of 2011 whereas the net cash from investing activities in the first quarter of 2010 included gross capital expenditure of \$49 million and a cash payment of \$47 million to Trident.

### **Cash Flow from Financing Activities**

Net cash provided by financing activities in the first quarter of 2011 was \$ 8 million, compared to the net cash used for financing activities of \$11 million in the first quarter of 2010.

Net cash provided by financing activities in the first quarter of 2011 predominantly relates to a new short loan borrowed in China to repay to NXP Beijing. NXP Beijing is part of our Sound Solutions Business and will be part of the sale to Knowles Electronics.

The net cash outflow from financing in the first quarter of 2010 mainly consisted of \$12 million related to an open market buy back of unsecured bonds with a nominal value of \$14 million.

### **Contractual Obligations**

Other than the new \$500 million Term Loan described below, no material changes in our contractual obligations occurred since December 2010.

On March 4, 2011, we entered into a new \$500 million Term Loan, which has not been drawn as of the date of this quarterly report. The Term Loan was drawn on April 5, 2011. On April 6, 2011, the proceeds, together with cash on hand and available borrowing capacity under the Secured Revolving Credit Facility were used to redeem all \$362 million of outstanding 2014 Dollar Fixed Rate Notes, together with \$100 million of Dollar Floating Rate Secured Notes, €143 million of Euro Floating Rate Secured Notes and the cash payment of \$16 million for accrued and unpaid interest.

### **Off-balance Sheet Arrangements**

At the end of the first quarter of 2011, we had no off-balance sheet arrangements.

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**Subsequent events**

**Share Based Compensation Plans**

Following the completion of the secondary offering of common stock by our holding company NXP Semiconductors N.V. on April 5, 2011, in total up to 22% of the options under the Management Equity Stock Option Plan became exercisable, subject to the applicable laws and regulations.

**Term Loan**

The Term Loan we entered into, announced on March 4, 2011, was drawn on April 5, 2011. On April 6, 2011, the proceeds together with cash on hand and available borrowing capacity under the Secured Revolving Credit Facility, were used to redeem all \$362 million of outstanding 2014 Dollar Fixed Rate Notes, together with \$100 million of Dollar Floating Rate Secured Notes, €143 million of euro Floating Rate Secured Notes and the cash payment of \$16 million for accrued and unpaid interest.

As a result of these debt redemptions we recognized a loss of \$20 million, including a write-down of the capitalized initial bond issuing costs.

Eindhoven, June 2, 2011

*Board of directors*



[Table of Contents](#)**Interim consolidated statements of operations and comprehensive income of NXP B.V. (unaudited)**

(\$ in millions, unless otherwise stated)

|   | For the three months ended |               |
|---|----------------------------|---------------|
|   | April 4, 2010              | April 3, 2011 |
| Revenue   | 1,085                      | <b>1,082</b>  |
| Cost of revenue   | <u>(679)</u>               | <u>(576)</u>  |
| <b>Gross profit</b>   | 406                        | <b>506</b>    |
| Research and development expense                                  | (151)                      | <b>(154)</b>  |
| Selling expense   | (65)                       | <b>(65)</b>   |
| General and administrative expense                                | (188)                      | <b>(169)</b>  |
| Other income (expense)  | <u>(17)</u>                | <u>(10)</u>   |
| <b>Operating income (loss)</b>                                    | (15)                       | <b>108</b>    |
| Financial income (expense):                                       |                            |               |
| - Extinguishment of debt  | 2                          | —             |
| - Other financial income (expense)                                | <u>(304)</u>               | <u>101</u>    |
| <b>Income (loss) before income taxes</b>                          | (317)                      | <b>209</b>    |
| Provision for income taxes  | <u>(5)</u>                 | <u>1</u>      |
| <b>Income (loss) after income taxes</b>                           | (322)                      | <b>210</b>    |
| Results relating to equity-accounted investees                    | <u>(26)</u>                | <u>(22)</u>   |
| <b>Income (loss) from continuing operations</b>                   | (348)                      | <b>188</b>    |
| Income (loss) on discontinued operations, net of tax              | 12                         | <b>13</b>     |
| <b>Net income (loss)</b>  | (336)                      | <b>201</b>    |
| <b>Attribution of net income (loss) for the period:</b>           |                            |               |
| Net income (loss) attributable to stockholder                     | (345)                      | <b>187</b>    |
| Net income (loss) attributable to non-controlling Interests       | <u>9</u>                   | <u>14</u>     |
| Net income (loss)   | (336)                      | <b>201</b>    |
| <b>Consolidated statements of comprehensive income:</b>           |                            |               |
| <b>Net income (loss)</b>  | (336)                      | <b>201</b>    |
| - Recognition funded status pension benefit plan                  | —                          | —             |
| - Foreign currency translation adjustments                        | 21                         | <b>(55)</b>   |
| - Reclassifications into income                                   | —                          | —             |
| - Income tax on net current period changes                        | —                          | —             |
| <b>Total comprehensive income (loss)</b>                          | <u>(315)</u>               | <u>146</u>    |
| <b>Attribution of comprehensive income (loss) for the period:</b> |                            |               |
| Income (loss) attributable to stockholder                         | (324)                      | <b>132</b>    |
| Income (loss) attributable to non-controlling interests           | <u>9</u>                   | <u>14</u>     |
| <b>Total net comprehensive income (loss)</b>                      | <u>(315)</u>               | <u>146</u>    |

[Table of Contents](#)**Interim consolidated balance sheets of NXP B.V. (unaudited)**

(\$ in millions, unless otherwise stated)

|  | December 31, 2010 | April 3, 2011 |
|--|-------------------|---------------|
| <b>Assets</b>                                      |                   |               |
| <b>Current assets</b>                              |                   |               |
| Cash and cash equivalents                          | 898               | 879           |
| Receivables:                                       |                   |               |
| - Accounts receivable – net                        | 396               | 431           |
| - Other receivables                                | 42                | 32            |
|  | 438               | 463           |
| Assets held for sale                               | 48                | 45            |
| Current assets of discontinued operations          | 110               | 102           |
| Inventories  | 513               | 537           |
| Other current assets                               | 129               | 129           |
| Total current assets                               | 2,136             | 2,155         |
| <b>Non-current assets</b>                          |                   |               |
| Investments in equity-accounted investees          | 132               | 110           |
| Other non-current financial assets                 | 19                | 19            |
| Non-current assets of discontinued operations      | 266               | 290           |
| Other non-current assets                           | 135               | 156           |
| Property, plant and equipment:                     |                   |               |
| - At cost  | 2,139             | 1,981         |
| - Less accumulated depreciation                    | (975)             | (833)         |
|  | 1,164             | 1,148         |
| Intangible assets excluding goodwill:              |                   |               |
| - At cost  | 2,928             | 3,053         |
| - Less accumulated amortization                    | (1,442)           | (1,587)       |
|  | 1,486             | 1,466         |
| Goodwill   | 2,299             | 2,409         |
| Total non-current assets                           | 5,501             | 5,598         |
| <b>Total assets</b>                                | 7,637             | 7,753         |
| <b>Liabilities and equity</b>                      |                   |               |
| <b>Current liabilities</b>                         |                   |               |
| Accounts payable                                   | 593               | 539           |
| Liabilities held for sale                          | 21                | 21            |
| Current liabilities of discontinued operations     | 60                | 59            |
| Accrued liabilities                                | 461               | 445           |
| Short-term provisions                              | 95                | 67            |
| Other current liabilities                          | 95                | 115           |
| Short-term debt                                    | 423               | 435           |
| Total current liabilities                          | 1,748             | 1,681         |
| <b>Non-current liabilities</b>                     |                   |               |
| Long-term debt                                     | 4,128             | 4,198         |
| Long-term provisions                               | 415               | 370           |
| Non-current liabilities of discontinued operations | 20                | 22            |
| Other non-current liabilities                      | 107               | 105           |
| Total non-current liabilities                      | 4,670             | 4,695         |
| Contractual obligations and contingent liabilities | —                 | —             |
| <b>Equity</b>                                      |                   |               |
| Non-controlling interests                          | 233               | 246           |
| Stockholder's equity:                              |                   |               |
| Common stock, par value €455 per share:            |                   |               |
| - Authorized: 200 shares                           | —                 | —             |
| - Issued: 40 shares                                | —                 | —             |
| Capital in excess of par value                     | 6,057             | 6,070         |
| Accumulated deficit                                | (5,609)           | (5,422)       |
| Accumulated other comprehensive income (loss)      | 538               | 483           |
| Total Stockholder's equity                         | 986               | 1,131         |
| Total equity                                       | 1,219             | 1,377         |
| <b>Total liabilities and equity</b>                | 7,637             | 7,753         |

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**Interim consolidated statements of cash flows of NXP B.V. (unaudited)**

(\$ in millions, unless otherwise stated)

|   | For the three months ended |               |
|---|----------------------------|---------------|
|   | April 4, 2010              | April 3, 2011 |
| <i>Cash flows from operating activities:</i>  |                            |               |
| <b>Net income (loss)</b>  | (336)                      | 201           |
| Income (loss) from discontinued operations, net of tax  | (12)                       | (13)          |
| Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities: |                            |               |
| Depreciation and amortization   | 185                        | 145           |
| Net (gain) loss on sale of assets   | 25                         | 15            |
| Gain on extinguishment of debt  | (2)                        | —             |
| Results relating to equity-accounted investees  | 26                         | 22            |
| Dividends paid to non-controlling interests   | —                          | —             |
| <i>Changes in operating assets and liabilities:</i>   |                            |               |
| (Increase) decrease in receivables and other current assets   | (73)                       | 2             |
| (Increase) decrease in inventories  | 70                         | (10)          |
| Increase (decrease) in accounts payable, accrued and other liabilities                              | 15                         | (81)          |
| Decrease (increase) in other non-current assets   | (102)                      | 8             |
| Increase (decrease) in provisions   | (74)                       | (120)         |
| Other items   | 261                        | (172)         |
| <b>Net cash provided by (used for) operating activities</b>   | (17)                       | (3)           |
| <i>Cash flows from investing activities:</i>  |                            |               |
| Purchase of intangible assets   | (1)                        | (2)           |
| Capital expenditures on property, plant and equipment   | (49)                       | (64)          |
| Proceeds from disposals of property, plant and equipment  | 4                          | 11            |
| Proceeds from disposals of assets held for sale   | —                          | —             |
| Purchase of other non-current financial assets  | —                          | —             |
| Proceeds from the sale of other non-current financial assets  | —                          | 1             |
| Purchase of interests in businesses   | —                          | —             |
| Proceeds from (consideration related to) sale of interests in businesses                            | (47)                       | —             |
| <b>Net cash (used for) provided by investing activities</b>   | (93)                       | (54)          |
| <i>Cash flows from financing activities:</i>  |                            |               |
| Net (repayments) borrowings of short-term debt  | 1                          | 10            |
| Repayments under the revolving credit facility  | —                          | —             |
| Repurchase of long-term debt  | (12)                       | —             |
| Net proceeds from the issuance of long-term debt  | —                          | —             |
| Principal payments on long-term debt  | —                          | (2)           |
| Net proceeds from the issuance of common stock  | —                          | —             |
| <b>Net cash provided by (used for) financing activities</b>   | (11)                       | 8             |
| <b>Net cash provided by (used for) continuing operations</b>  | (121)                      | (49)          |
| <i>Cash flows from discontinued operations:</i>   |                            |               |
| Net cash provided by (used for) operating activities  | 2                          | 16            |
| Net cash (used for) provided by investing activities  | (2)                        | (10)          |
| Net cash provided by (used for) financing activities  | —                          | —             |
| <b>Net cash provided by (used for) discontinued operations</b>                                      | —                          | 6             |
| <b>Net cash provided by (used for) continuing and discontinued operations</b>                       | (121)                      | (43)          |
| Effect of changes in exchange rates on cash positions   | (50)                       | 30            |
| Increase (decrease) in cash and cash equivalents  | (171)                      | (13)          |
| Cash and cash equivalents at beginning of period  | 1,041                      | 908           |
| Cash and cash equivalents at end of period  | 870                        | 895           |
| Less: cash and cash equivalents at end of period – discontinued operations                          | 15                         | 16            |
| <b>Cash and cash equivalents at end of period – continuing operations</b>                           | 855                        | 879           |

For a number of reasons, principally the effects of translation differences and consolidation changes, certain items in the statements of cash flows do not correspond to the differences between the balance sheet amounts for the respective items.

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(\$ in millions, unless otherwise stated)

|   | For the three months ended |               |
|---|----------------------------|---------------|
|   | April 4, 2010              | April 3, 2011 |
| <i>Supplement disclosures to the interim consolidated of cash flows</i> |                            |               |
| <b>Net cash paid during the period for:</b>                             |                            |               |
| Interest  | 35                         | 84            |
| Income taxes  | 3                          | 11            |
| <b>Net gain (loss) on sale of assets:</b>                               |                            |               |
| Cash proceeds from (consideration related to) the sale of assets        | (43)                       | 12            |
| Book value of these assets  | (92)                       | (27)          |
| Non-cash gains (losses)   | 110                        | —             |
|   | <u>(25)</u>                | <u>(15)</u>   |
| <b>Non-cash investing information:</b>                                  |                            |               |
| Assets received in lieu of cash from the sale of businesses:            |                            |               |
| Trident shares  | 177                        | —             |
| Others  | —                          | —             |
| <b>Other items:</b>   |                            |               |
| Other items consist of the following non-cash elements in income:       |                            |               |
| Exchange differences  | 259                        | (190)         |
| Share-based compensation  | 7                          | 13            |
| Value adjustments/impairment financial assets                           | (1)                        | —             |
| Non-cash interest cost due to applying effective interest method        | 3                          | 5             |
| Others  | (7)                        | —             |
|   | <u>261</u>                 | <u>(172)</u>  |

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**Interim consolidated statements of changes in equity of NXP B.V. (unaudited)**

(\$ in millions, unless otherwise stated)

|   | Accumulated other comprehensive income (loss) |                                      |                        |                                       |  |   | Total<br>Stockholder's<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|---|---|--------------------------------------|------------------------|---------------------------------------|--|---|----------------------------------|----------------------------------|-----------------|
|   | Common<br>stock                               | Capital in<br>excess of<br>par value | Accumulated<br>deficit | Currency<br>translation<br>difference | Unrecognized<br>net periodic<br>pension cost | Total<br>accumulated<br>other<br>comprehensive<br>income (loss) |                                  |                                  |                 |
| Balance as of December 31,<br>2010        | —   | 6,057                                | (5,609)                | 525                                   | 13   | 538   | 986                              | 233                              | 1,219           |
| Net income (loss)                         |   |                                      | <b>187</b>             |                                       |  |   | <b>187</b>                       | <b>14</b>                        | <b>201</b>      |
| Other comprehensive income<br>(loss):     |   |                                      |                        |                                       |  |   |                                  |                                  |                 |
| - Current period change                   |   |                                      |                        | (55)                                  |  | (55)  | (55)                             |                                  | (55)            |
| - Reclassification to income<br>(loss)    |   |                                      |                        |                                       |  |   | —                                |                                  | —               |
| - Income tax on current period<br>changes |   |                                      |                        |                                       |  |   | —                                |                                  | —               |
| Total comprehensive income<br>(loss)      |   |                                      |                        | (55)                                  | —  | (55)  | (55)                             |                                  | (55)            |
| Share-based compensation plans            |   | 13                                   |                        |                                       |  |   | 13                               |                                  | 13              |
| Dividends distributed                     |   |                                      |                        |                                       |  |   | —                                |                                  | —               |
| Changes in participation                  |   |                                      |                        |                                       |  |   | —                                | (1)                              | (1)             |
| <b>Balance as of April 3, 2011</b>        | <b>—</b>                                      | <b>6,070</b>                         | <b>(5,422)</b>         | <b>470</b>                            | <b>13</b>                                    | <b>483</b>  | <b>1,131</b>                     | <b>246</b>                       | <b>1,377</b>    |

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**Supplemental consolidated statement of operations for the three months ending April 3, 2011**

(\$ in millions)

|   | NXP B.V. | Guarantors | Non-guarantors (restricted) | Sub-total | Non-guarantors (unrestricted) | Eliminations/reclassifications | Consolidated |
|---|----------|------------|-----------------------------|-----------|-------------------------------|--------------------------------|--------------|
| Revenues  |          | 1,040      | 8                           | 1,048     | 34                            |                                | 1,082        |
| Intercompany revenues                                       |          | 41         | 112                         | 153       | 88                            | (241)                          | —            |
| Total revenues  |          | 1,081      | 120                         | 1,201     | 112                           | (241)                          | 1,082        |
| Cost of revenues  | 3        | (564)      | (82)                        | (643)     | (86)                          | 153                            | (576)        |
| Gross profit  | 3        | 517        | 38                          | 558       | 36                            | (88)                           | 506          |
| Research and development expenses                           | (3)      | (119)      | (39)                        | (161)     |                               | 7                              | (154)        |
| Selling expenses  |          | (101)      | (24)                        | (125)     |                               | 60                             | (65)         |
| General and administrative expenses                         | (2)      | (164)      | (17)                        | (183)     | (7)                           | 21                             | (169)        |
| Other business income (expense)                             | (380)    | 324        | 48                          | (8)       | (2)                           |                                | (10)         |
| Operating income  | (382)    | 457        | 6                           | 81        | 27                            |                                | 108          |
| Financial income and expenses                               | 128      | (25)       | (2)                         | 101       |                               |                                | 101          |
| Income (loss) subsidiaries                                  | 464      |            |                             | 464       |                               | (464)                          | —            |
| Income (loss) before taxes                                  | 210      | 432        | 4                           | 646       | 27                            | (464)                          | 209          |
| Provision for income taxes                                  | (1)      | (3)        | 5                           | 1         |                               |                                | 1            |
| Income (loss) after taxes                                   | 209      | 429        | 9                           | 647       | 27                            | (464)                          | 210          |
| Results relating to equity-accounted investees              | (22)     |            |                             | (22)      |                               |                                | (22)         |
| Net income (loss) from continuing operations                |          |            |                             |           |                               |                                |              |
| Income (loss) on discontinued operations, net of tax        |          | 8          | 5                           | 13        |                               |                                | 13           |
| Net income (loss)   | 187      | 437        | 14                          | 638       | 27                            | (464)                          | 201          |
| <b>Attribution of net income:</b>                           |          |            |                             |           |                               |                                |              |
| Net income (loss) attributable to stockholder               | 187      | 437        | 14                          | 638       | 13                            | (464)                          | 187          |
| Net income (loss) attributable to non-controlling interests |          |            |                             |           | 14                            |                                | 14           |
| Net income (loss)   | 187      | 437        | 14                          | 638       | 27                            | (464)                          | 201          |

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**Supplemental consolidated balance sheet at April 3, 2011**

(\$ in millions)

|  | <u>NXP B.V.</u> | <u>Guarantors</u> | <u>Non-guarantors (restricted)</u> | <u>Sub-total</u> | <u>Non-guarantors (unrestricted)</u> | <u>Eliminations/reclassifications</u> | <u>Consolidated</u> |
|--|-----------------|-------------------|------------------------------------|------------------|--------------------------------------|---------------------------------------|---------------------|
| <b>Assets</b>                                      |                 |                   |                                    |                  |                                      |                                       |                     |
| <b>Current assets:</b>                             |                 |                   |                                    |                  |                                      |                                       |                     |
| Cash and cash equivalents                          | 357             | 77                | 85                                 | 519              | 360                                  |                                       | 879                 |
| Receivables  | 11              | 419               | 18                                 | 448              | 15                                   |                                       | 463                 |
| Intercompany accounts receivable                   | 728             | 101               | 102                                | 931              | 78                                   | (1,009)                               | —                   |
| Assets held for sale                               |                 | 45                |                                    | 45               |                                      |                                       | 45                  |
| Current assets of discontinued operations          |                 | 43                | 59                                 | 102              |                                      |                                       | 102                 |
| Inventories  |                 | 454               | 48                                 | 502              | 35                                   |                                       | 537                 |
| Other current assets                               | 31              | 72                | 24                                 | 127              | 2                                    |                                       | 129                 |
| <b>Total current assets</b>                        | <b>1,127</b>    | <b>1,211</b>      | <b>336</b>                         | <b>2,674</b>     | <b>490</b>                           | <b>(1,009)</b>                        | <b>2,155</b>        |
| <b>Non-current assets:</b>                         |                 |                   |                                    |                  |                                      |                                       |                     |
| Investments in equity-accounted investees          | 110             |                   |                                    | 110              |                                      |                                       | 110                 |
| Investments in affiliated companies                | 3,649           |                   |                                    | 3,649            |                                      | (3,649)                               | —                   |
| Other non-current financial assets                 | 2               | 15                | 2                                  | 19               |                                      |                                       | 19                  |
| Non-current assets of discontinued operations      | 152             | 74                | 64                                 | 290              |                                      |                                       | 290                 |
| Other non-current assets                           | 76              | 50                | 28                                 | 154              | 2                                    |                                       | 156                 |
| Property, plant and equipment                      |                 | 780               | 130                                | 910              | 238                                  |                                       | 1,148               |
| Intangible assets excluding goodwill               |                 | 1,220             | 110                                | 1,330            | 136                                  |                                       | 1,466               |
| Goodwill   | 854             | 1,196             | 305                                | 2,355            | 54                                   |                                       | 2,409               |
| <b>Total non-current assets</b>                    | <b>4,843</b>    | <b>3,335</b>      | <b>639</b>                         | <b>8,817</b>     | <b>430</b>                           | <b>(3,649)</b>                        | <b>5,598</b>        |
| <b>Total</b>                                       | <b>5,970</b>    | <b>4,546</b>      | <b>975</b>                         | <b>11,491</b>    | <b>920</b>                           | <b>(4,658)</b>                        | <b>7,753</b>        |
| <b>Liabilities and equity</b>                      |                 |                   |                                    |                  |                                      |                                       |                     |
| <b>Current liabilities:</b>                        |                 |                   |                                    |                  |                                      |                                       |                     |
| Accounts and notes payable                         |                 | 428               | 69                                 | 497              | 42                                   |                                       | 539                 |
| Intercompany accounts payable                      |                 | 913               | 93                                 | 1,006            | 3                                    | (1,009)                               | —                   |
| Liabilities held for sale                          | 21              |                   |                                    | 21               |                                      |                                       | 21                  |
| Current liabilities of discontinued operations     |                 | 39                | 20                                 | 59               |                                      |                                       | 59                  |
| Accrued liabilities                                | 100             | 245               | 73                                 | 418              | 27                                   |                                       | 445                 |
| Short-term provisions                              | 3               | 38                | 26                                 | 67               |                                      |                                       | 67                  |
| Other current liabilities                          | 40              | 68                | 8                                  | 116              | (1)                                  |                                       | 115                 |
| Short-term debt                                    | 400             | 6                 | 29                                 | 435              |                                      |                                       | 435                 |
| Intercompany financing                             |                 | 2,094             | (95)                               | 1,999            |                                      | (1,999)                               | —                   |
| <b>Total current liabilities</b>                   | <b>564</b>      | <b>3,831</b>      | <b>223</b>                         | <b>4,618</b>     | <b>71</b>                            | <b>(3,008)</b>                        | <b>1,681</b>        |
| <b>Non-current liabilities:</b>                    |                 |                   |                                    |                  |                                      |                                       |                     |
| Long-term debt                                     | 4,178           | 17                | 3                                  | 4,198            |                                      |                                       | 4,198               |
| Long-term provisions                               | 73              | 258               | 27                                 | 358              | 12                                   |                                       | 370                 |
| Non-current liabilities of discontinued operations | 11              | 9                 | 2                                  | 22               |                                      |                                       | 22                  |
| Other non-current liabilities                      | 13              | 76                | 7                                  | 96               | 9                                    |                                       | 105                 |
| <b>Total non-current liabilities</b>               | <b>4,275</b>    | <b>360</b>        | <b>39</b>                          | <b>4,674</b>     | <b>21</b>                            |                                       | <b>4,695</b>        |
| Non-controlling interests                          |                 |                   |                                    |                  | 246                                  |                                       | 246                 |
| Stockholder's equity                               | 1,131           | 355               | 713                                | 2,199            | 582                                  | (1,650)                               | 1,131               |
| <b>Total equity</b>                                | <b>1,131</b>    | <b>355</b>        | <b>713</b>                         | <b>2,199</b>     | <b>828</b>                           | <b>(1,650)</b>                        | <b>1,377</b>        |
| <b>Total</b>                                       | <b>5,970</b>    | <b>4,546</b>      | <b>975</b>                         | <b>11,491</b>    | <b>920</b>                           | <b>(4,658)</b>                        | <b>7,753</b>        |

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**Supplemental consolidated statement of cash flows for the three months ending April 3, 2011**

(\$ in millions)

|  | <u>NXP B.V.</u> | <u>Guarantors</u> | <u>Non-guarantors (restricted)</u> | <u>Sub-total</u> | <u>Non-guarantors (unrestricted)</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|--|-----------------|-------------------|------------------------------------|------------------|--------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities:</b>   |                 |                   |                                    |                  |                                      |                     |                     |
| Net income (loss)  | 187             | 437               | 14                                 | 638              | 27                                   | (464)               | 201                 |
| (Income) loss from discontinued operations, net of tax                                   |                 | (8)               | (5)                                | (13)             |                                      |                     | (13)                |
| Income (loss) from continuing operations   | 187             | 429               | 9                                  | 625              | 27                                   | (464)               | 188                 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                 |                   |                                    |                  |                                      |                     |                     |
| Elimination (income) loss subsidiaries   | (464)           |                   |                                    | (464)            |                                      | 464                 | —                   |
| Depreciation and amortization  |                 | 112               | 14                                 | 126              | 19                                   |                     | 145                 |
| Net (gain) loss on sale of assets  |                 | 14                | 1                                  | 15               |                                      |                     | 15                  |
| Gain on extinguishment of debt   |                 |                   |                                    |                  |                                      |                     | —                   |
| Results relating to equity-accounted investees   | 22              |                   |                                    | 22               |                                      |                     | 22                  |
| Dividends paid to non-controlling interests  |                 |                   |                                    |                  |                                      |                     | —                   |
| (Increase) decrease in receivables and other current assets                              | 13              | (17)              | 7                                  | 3                | (1)                                  |                     | 2                   |
| (Increase) decrease in inventories   |                 | (5)               | (3)                                | (8)              | (2)                                  |                     | (10)                |
| Increase (decrease) in accounts payable, accrued and other liabilities                   | (4)             | (64)              | (8)                                | (76)             | (5)                                  |                     | (81)                |
| Decrease (increase) intercompany current accounts  | (49)            | 63                | (16)                               | (2)              | 2                                    |                     | —                   |
| Decrease (increase) in other non-current assets  | 25              | (9)               | (11)                               | 5                | 3                                    |                     | 8                   |
| Increase (decrease) in provisions  | (23)            | (72)              | (25)                               | (120)            |                                      |                     | (120)               |
| Other items  | (185)           | 12                | 1                                  | (172)            |                                      |                     | (172)               |
| Net cash provided by (used for) operating activities                                     | (478)           | 463               | (31)                               | (46)             | 43                                   |                     | (3)                 |
| <b>Cash flows from investing activities:</b>   |                 |                   |                                    |                  |                                      |                     |                     |
| Purchase of intangible assets  |                 |                   | (2)                                | (2)              |                                      |                     | (2)                 |
| Capital expenditures on property, plant and equipment                                    |                 | (29)              | (8)                                | (37)             | (27)                                 |                     | (64)                |
| Proceeds from disposals of property, plant and equipment                                 |                 | 11                |                                    | 11               |                                      |                     | 11                  |
| Proceeds from disposals of assets held for sale  |                 |                   |                                    |                  |                                      |                     | —                   |
| Purchase of other non-current financial assets   |                 |                   |                                    |                  |                                      |                     | —                   |
| Proceeds from the sale of other non-current financial assets                             |                 | 1                 |                                    | 1                |                                      |                     | 1                   |
| Purchase of interests in businesses  |                 |                   |                                    |                  |                                      |                     | —                   |
| Proceeds from sale of interests in businesses  |                 |                   |                                    |                  |                                      |                     | —                   |
| Net cash (used for) provided by investing activities                                     |                 | (17)              | (10)                               | (27)             | (27)                                 |                     | (54)                |
| <b>Cash flows from financing activities:</b>   |                 |                   |                                    |                  |                                      |                     |                     |
| Net (repayments) borrowings of short-term debt   |                 |                   | 10                                 | 10               |                                      |                     | 10                  |
| Repayments under the revolving credit facility   |                 |                   |                                    |                  |                                      |                     | —                   |
| Repurchase of long-term debt   |                 |                   |                                    |                  |                                      |                     | —                   |
| Net proceeds from the issuance of long-term debt   |                 |                   |                                    |                  |                                      |                     | —                   |
| Principal payments on long-term debt   |                 | (2)               |                                    | (2)              |                                      |                     | (2)                 |
| Capital contribution from parent   |                 |                   |                                    |                  |                                      |                     | —                   |
| Net changes in intercompany financing  | 432             | (413)             | (19)                               |                  |                                      |                     | —                   |
| Net changes in intercompany equity   | (24)            | (30)              | 54                                 |                  |                                      |                     | —                   |
| Net cash provided by (used for) financing activities                                     | 408             | (445)             | 45                                 | 8                |                                      |                     | 8                   |
| Net cash provided by (used for) continuing operations                                    | (70)            | 1                 | 4                                  | (65)             | 16                                   |                     | (49)                |



[Table of Contents](#)**Supplemental consolidated statement of cash flows for the three months ending April 3, 2011- Continued**

(\$ in millions)

|  | <u>NXP B.V.</u> | <u>Guarantors</u> | <u>Non-guarantors (restricted)</u> | <u>Sub-total</u> | <u>Non-guarantors (unrestricted)</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|--|-----------------|-------------------|------------------------------------|------------------|--------------------------------------|---------------------|---------------------|
| Net cash provided by (used for) continuing operations                  | (70)            | 1                 | 4                                  | (65)             | 16                                   |                     | (49)                |
| <b>Cash flows from discontinued operations:</b>                        |                 |                   |                                    |                  |                                      |                     |                     |
| Net cash provided by (used for) operations activities                  |                 | 9                 | 7                                  | 16               |                                      |                     | 16                  |
| Net cash provided by (used for) investing activities                   |                 | (9)               | (1)                                | (10)             |                                      |                     | (10)                |
| Net cash provided by (used for) financing activities                   |                 |                   |                                    |                  |                                      |                     |                     |
| Net cash provided by (used for) discontinued operations                |                 |                   | 6                                  | 6                |                                      |                     | 6                   |
| Net cash provided by (used for) continuing and discontinued operations | (70)            | 1                 | 10                                 | (59)             | 16                                   |                     | (43)                |
| Effect of changes in exchange rates on cash positions                  | 28              | 1                 |                                    | 29               | 1                                    |                     | 30                  |
| Cash and cash equivalents at beginning of period                       | 399             | 75                | 91                                 | 565              | 343                                  |                     | 908                 |
| Cash and cash equivalents at end of period                             | 357             | 77                | 101                                | 535              | 360                                  |                     | 895                 |
| Less: cash discontinued operations                                     |                 |                   | 16                                 | 16               |                                      |                     | 16                  |
| Cash and equivalents end of period continuing operations               | 357             | 77                | 85                                 | 519              | 360                                  |                     | 879                 |

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