



**NXP Semiconductors N.V.**  
**Q4 2011 and Full-year 2011**  
**Financial Results**  
**February 9, 2012**



# 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).

# Key Objectives, Strategy and Priorities



1

Serve the highest growth application segments fueled by key mega-trends

2

Invest in unique HPMS capabilities to power new product engine

3

Multiple growth drivers across a range of target applications

4

Continued margin expansion to long-term model levels

5

Focus on capital structure de-leveraging to drive earnings growth

**Above-market  
sales growth**



**Unparalleled  
earnings leverage**



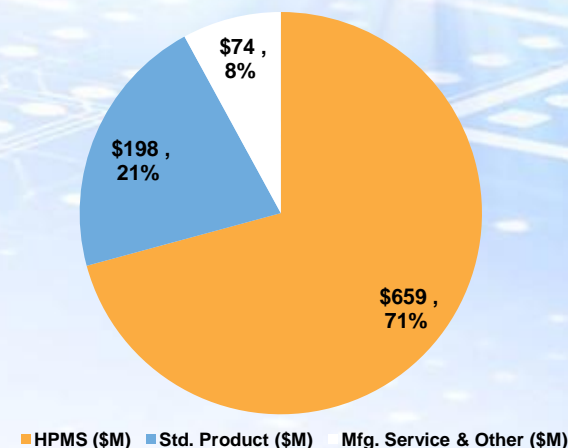
# Q4 2011 Quarterly Revenue and Operating Income



## GAAP Financial Summary

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011	Y-Y Variance Q4 '10 – Q4 '11	Q-Q Variance Q3 '11 – Q4 '11
<b>Product Revenue</b>	<b>938</b>	<b>970</b>	<b>857</b>	<b>(81)</b>	<b>(113)</b>
<b>All Other</b>	<b><u>140</u></b>	<b><u>90</u></b>	<b><u>74</u></b>	<b><u>(66)</u></b>	<b><u>(16)</u></b>
<b>Total Revenue</b>	<b>1,078</b>	<b>1,060</b>	<b>931</b>	<b>(147)</b>	<b>(129)</b>
<b>Gross Profit</b>	<b>495</b>	<b>488</b>	<b>389</b>	<b>(106)</b>	<b>(99)</b>
Percent of total revenue	45.9%	46.0%	41.8%	(4.1pts.)	(4.2pts.)
<b>Operating income</b>	<b>106</b>	<b>109</b>	<b>7</b>	<b>(99)</b>	<b>(102)</b>
Percent of total revenue	9.8%	10.3%	0.8%	(9.0pts.)	(9.5pts.)

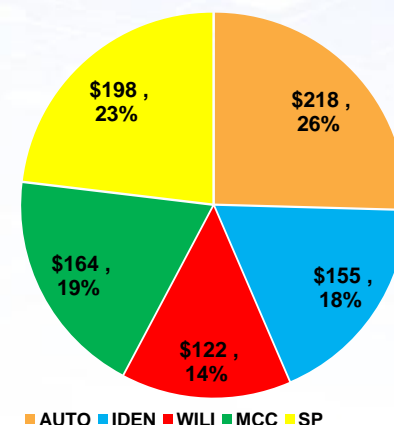
## Quarterly Segment Revenue:



## Non-GAAP Financial Summary

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011	Y-Y Variance Q4 '10 – Q4 '11	Q-Q Variance Q3 '11 – Q4 '11
<b>Gross Profit</b>	<b>508</b>	<b>512</b>	<b>423</b>	<b>(85)</b>	<b>(89)</b>
Percent of total revenue	47.1%	48.3%	45.4%	(1.7pts.)	(2.9pts.)
<b>Operating income</b>	<b>208</b>	<b>210</b>	<b>148</b>	<b>(60)</b>	<b>(62)</b>
Percent of total revenue	19.3%	19.8%	15.9%	(3.4pts.)	(3.9pts.)

## Quarterly Business Revenue:



# Q4 2011 Financial Reconciliation (GAAP to non-GAAP)



(\$ in millions, unless otherwise stated)	Q4 2010 GAAP	Q3 2011 GAAP	Q4 2011		
			GAAP	Reconciling items	Non-GAAP
<b>Total Revenue</b>	<b>1,078</b>	<b>1,060</b>	<b>931</b>	<b>-</b>	<b>931</b>
<b>Gross Profit</b>	<b>495</b>	<b>488</b>	<b>389</b>	<b>(34)</b>	<b>423</b>
Percent of total revenue	45.9%	46.0%	41.8%		45.4%
Research and Development	138	165	151	(18)	133
Percent of total revenue	12.8%	15.6%	16.2%		14.3%
SG&A	251	219	236	(92)	144
Percent of total revenue	23.3%	20.7%	25.3%		15.5%
Other income (expense)	-	5	5	3	2
<b>Operating income (loss)</b>	<b>106</b>	<b>109</b>	<b>7</b>	<b>(141)</b>	<b>148</b>
Percent of total revenue	9.8%	10.3%	0.8%		15.9%
Interest income (expense) net	(80)	(73)	(74)		(74)
Benefit (provision) for income tax	5	(20)	(2)		<b>(6)<sup>(1)</sup></b>
<b>Income (loss) from continuing operations</b>	<b>(107)</b>	<b>(110)</b>	<b>(175)</b>	<b>(243)<sup>(2)</sup></b>	<b>68</b>
Income (loss) from discontinued operations, net of tax	11	421	2	2	-
Net income (loss) attributable to non-controlling interests	(22)	(10)	(9)	-	(9)
<b>Net income (loss) attributable to stockholders</b>	<b>(118)</b>	<b>301</b>	<b>(182)</b>	<b>(241)</b>	<b>59<sup>(3)</sup></b>
<b>EPS (diluted)</b>	<b>(0.47)</b>	<b>1.21</b>	<b>(0.73)</b>		<b>0.24</b>

1. Cash income taxes paid during the period

2. Includes: Foreign exchange loss on debt: (\$65M); Loss on extinguishment of long-term debt: (\$7M); Other financial expense: (\$19M); Results relating to equity-accounted investees: (\$15M); and the difference between book and cash income tax: \$4M

5 3. Includes stock-based compensation expense: \$9M



Note: All figures throughout this presentation reflect results from continuing operations, net of the divestiture of the Sound Solutions business.

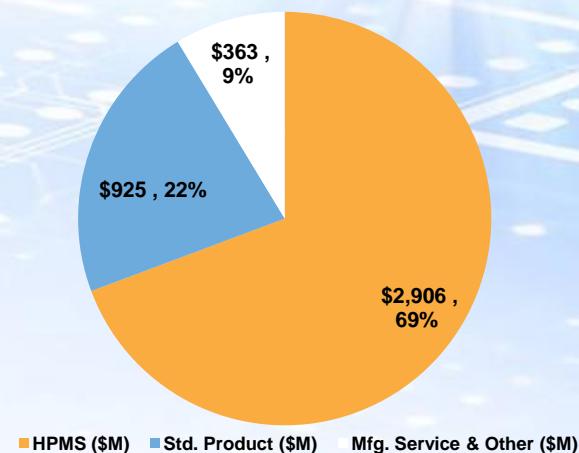
# 2011 NXP Annual Revenue and Operating Income



## GAAP Financial Summary

(\$ in millions)	2009	2010	2011	Y-Y Variance
<b>Product Revenue</b>	<b>2,578</b>	<b>3,694</b>	<b>3,831</b>	<b>137</b>
<b>All Other</b>	<b><u>941</u></b>	<b><u>708</u></b>	<b><u>363</u></b>	<b><u>(345)</u></b>
<b>Total Revenue</b>	<b>3,519</b>	<b>4,402</b>	<b>4,194</b>	<b>(208)</b>
<b>Gross Profit</b>	<b>898</b>	<b>1,823</b>	<b>1,906</b>	<b>83</b>
Percent of total revenue	25.5%	41.4%	45.4%	4.0pts.
<b>Operating income</b>	<b>(931)</b>	<b>273</b>	<b>357</b>	<b>84</b>
Percent of total revenue	(26.5%)	6.2%	8.5%	2.3pts.

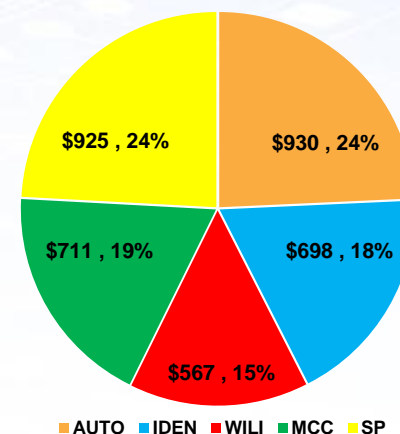
### Annual Segment Revenue:



## Non-GAAP Financial Summary

(\$ in millions)	2009	2010	2011	Y-Y Variance
<b>Gross Profit</b>	<b>1,125</b>	<b>1,875</b>	<b>1,988</b>	<b>113</b>
Percent of total revenue	32.0%	42.6%	47.4%	4.8pts.
<b>Operating income</b>	<b>(147)</b>	<b>685</b>	<b>810</b>	<b>125</b>
Percent of total revenue	(4.2%)	15.6%	19.3%	3.7pts.

### Annual Business-line Revenue:



# 2011 Financial Reconciliation (GAAP to non-GAAP)



(\$ in millions, unless otherwise stated)	2009 GAAP	2010 GAAP	2011		
			GAAP	Reconciling items	Non-GAAP
<b>Total Revenue</b>	<b>3,519</b>	<b>4,402</b>	<b>4,194</b>	<b>-</b>	<b>4,194</b>
<b>Gross Profit</b>	<b>898</b>	<b>1,823</b>	<b>1,906</b>	<b>(82)</b>	<b>1988</b>
Percent of total revenue	25.5%	41.4%	45.4%		47.4%
Research and Development	764	568	635	(24)	611
Percent of total revenue	21.7%	12.9%	15.1%		14.6%
SG&A	1,052	966	918	(334)	584
Percent of total revenue	29.9%	21.9%	21.9%		13.9%
Other income (expense)	(13)	(16)	4	(13)	17
<b>Operating income (loss)</b>	<b>(931)</b>	<b>273</b>	<b>357</b>	<b>(453)</b>	<b>810</b>
Percent of total revenue	(26.5%)	6.2%	8.5%		19.3%
Interest income (expense) net	(359)	(318)	(307)		(307)
Benefit (provision) for income tax	(10)	(24)	(21)		<b>(25)<sup>(1)</sup></b>
<b>Income (loss) from continuing operations</b>	<b>(185)</b>	<b>(465)</b>	<b>2</b>	<b>(476)<sup>(2)</sup></b>	<b>478</b>
Income (loss) from discontinued operations, net of tax	32	59	434	434	-
Net income (loss) attributable to non-controlling interests	(14)	(50)	(46)	-	(46)
<b>Net income (loss) attributable to stockholders</b>	<b>(167)</b>	<b>(456)</b>	<b>390</b>	<b>(42)</b>	<b>432<sup>(3)</sup></b>
<b>EPS (diluted)</b>	<b>(0.78)</b>	<b>(1.99)</b>	<b>1.57</b>		<b>1.71</b>

1. Cash income taxes paid during the period

2. Includes: Foreign exchange gain on debt: \$128M; Loss on extinguishment of long-term debt: (\$32M); Other financial expense: (\$46M); Results relating to equity-accounted investees: (\$77M); and the difference between book and cash income tax: \$4M

7 3. Includes stock-based compensation expense: \$23M



Note: All figures throughout this presentation reflect results from continuing operations, net of the divestiture of the Sound Solutions business.



# 4Q11 and 2011 Performance: HPMS



## GAAP Financial Summary

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011	Y-Y Variance Q4 '10 – Q4 '11	Q-Q Variance Q3 '11 – Q4 '11	2010	2011	Y-Y Variance 2010 - 2011
<b>Revenue</b>	<b>717</b>	<b>726</b>	<b>659</b>	<b>(58)</b>	<b>(67)</b>	<b>2,846</b>	<b>2,906</b>	<b>60</b>
<b>Gross Profit</b>	<b>413</b>	<b>397</b>	<b>321</b>	<b>(92)</b>	<b>(76)</b>	<b>1,525</b>	<b>1,573</b>	<b>48</b>
Percent of total revenue	57.6%	54.7%	48.7%	(8.9pts.)	(6.0pts.)	53.6%	54.1%	0.5pts.
<b>Operating income</b>	<b>119</b>	<b>86</b>	<b>20</b>	<b>(99)</b>	<b>(66)</b>	<b>387</b>	<b>339</b>	<b>(48)</b>
Percent of total revenue	16.6%	11.8%	3.0%	(13.6pts.)	(8.8pts.)	13.6%	11.7%	(1.9pts.)

## Non-GAAP Financial Summary

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011	Y-Y Variance Q4 '10 – Q4 '11	Q-Q Variance Q3 '11 – Q4 '11	2010	2011	Y-Y Variance 2010 - 2011
<b>Gross Profit</b>	<b>413</b>	<b>410</b>	<b>345</b>	<b>(68)</b>	<b>(65)</b>	<b>1,535</b>	<b>1,611</b>	<b>76</b>
Percent of total revenue	57.6%	56.5%	52.4%	(5.2pts.)	(4.1pts.)	53.9%	55.4%	1.5pts.
<b>Operating income</b>	<b>168</b>	<b>149</b>	<b>111</b>	<b>(57)</b>	<b>(38)</b>	<b>597</b>	<b>601</b>	<b>4</b>
Percent of total revenue	23.4%	20.5%	16.8%	(6.6pts.)	(3.7pts.)	21.0%	20.7%	(0.3pts.)



# 4Q11 Quarterly Performance HPMS

## Key figures

(\$ in millions)

	Q4 2010	Q3 2011	Q4 2011
<b>Revenue</b>	<b>717</b>	<b>726</b>	<b>659</b>
YoY Growth (%)	12.6%	1.5%	(8.1%)
<b>Non-GAAP Gross Profit</b>	<b>413</b>	<b>410</b>	<b>345</b>
Percent of Revenue	57.6%	56.5%	52.4%
<b>Non-GAAP Operating Income</b>	<b>168</b>	<b>149</b>	<b>111</b>
Percent of Revenue	23.4%	20.5%	16.8%

## Q4 Market Highlights

### AUTO:

- Develops first automotive Ethernet XCVR for in-vehicle networking
- First to market with pure-analog AM Angle sensor for brushless DC motors
- Introduces first digital radio platform supporting HD, DAB and DRM

### ID

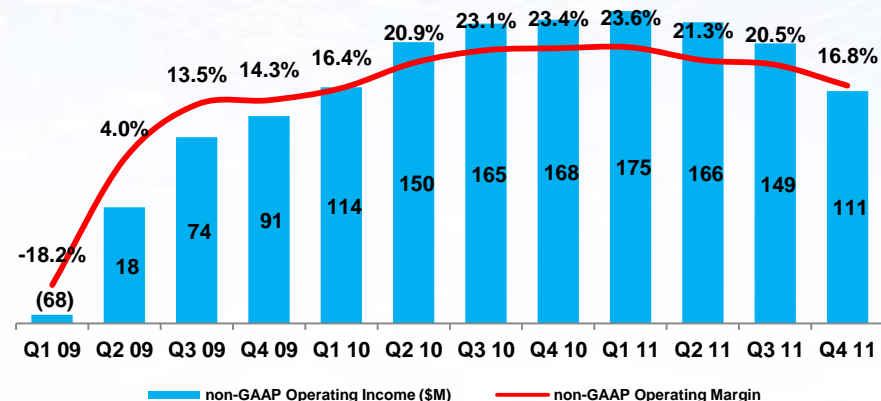
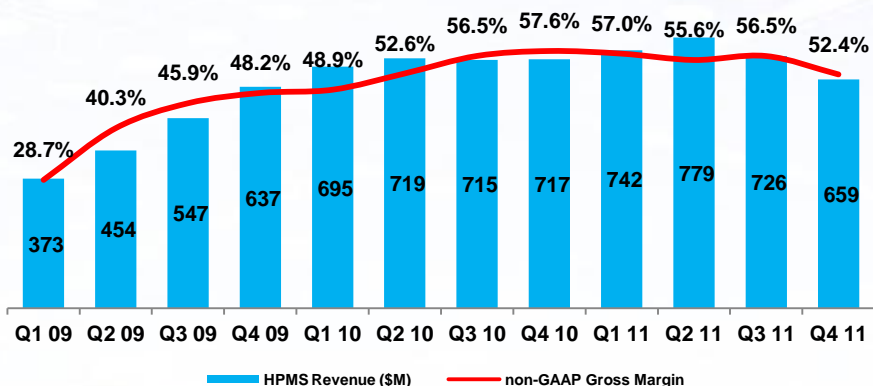
- Istanbul adopts NXP automatic fair collection for public transport system
- NXP enables NFC-based secure wireless access for Smart Meters
- NXP SmartMX-based e-Shakti card enables rural Indian combined identity, employment and bank card.

### WILI

- Begins shipment of industries fastest ARM Cortex-M0 and Cortex-M3 MCU
- Introduces first ARM Cortex-M0 with integrated USB drivers

### MCC

- Introduces breakthrough Si-tuner for terrestrial and CTV with integrated RF



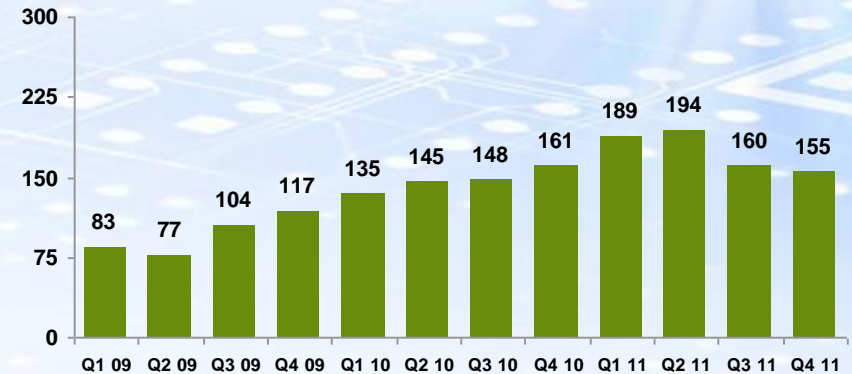
# 4Q11 Quarterly Performance: HPMS Revenue by Business <sup>(1)</sup> (\$M)



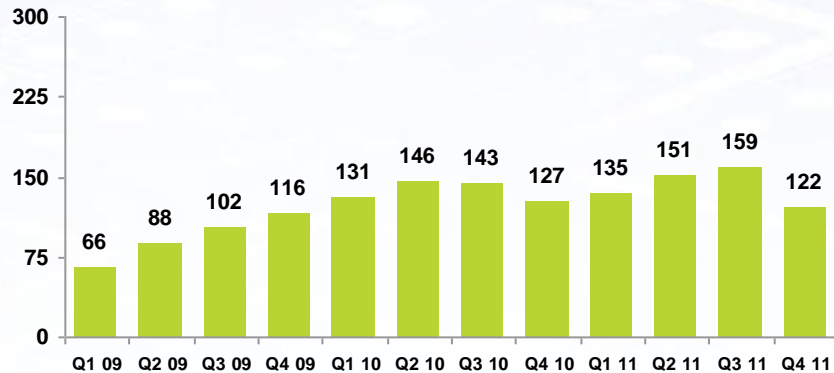
## Automotive



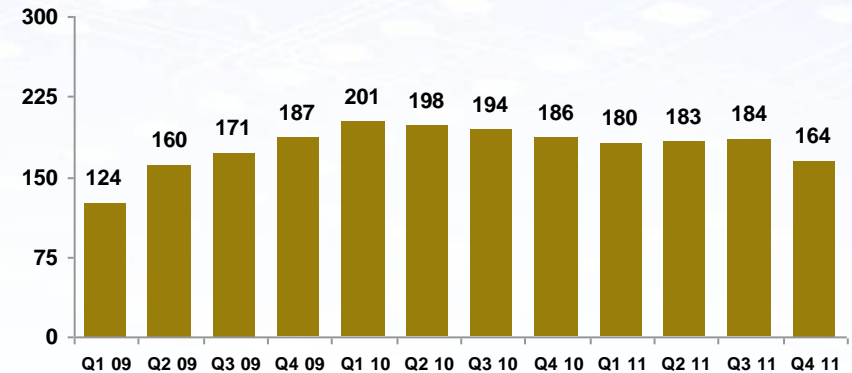
## Identification



## Wireless Infrastructure, Lighting and Industrial Applications



## Mobile, Consumer and Computing Applications

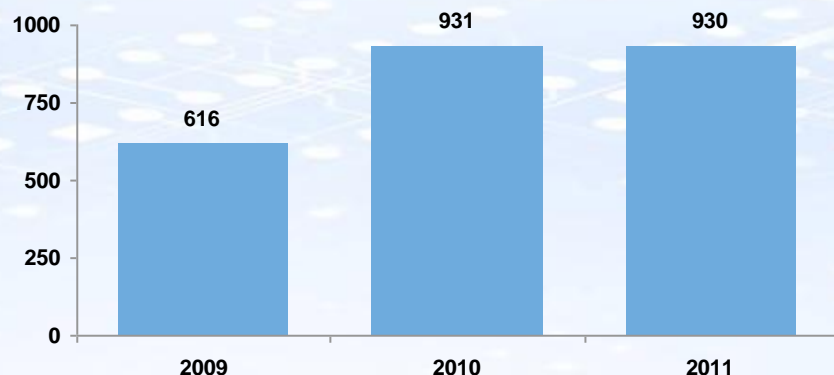


Note:  
1. 4Q10 numbers based on consistent approach used in prior periods

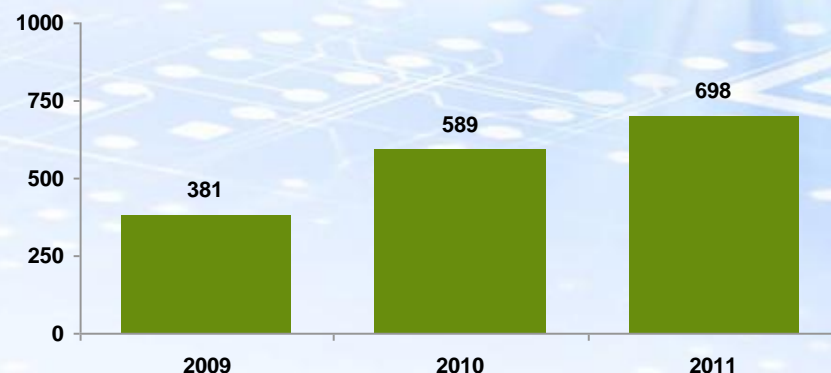
# Annual Performance HPMS – Revenue by Business<sup>(1)</sup> (\$M)



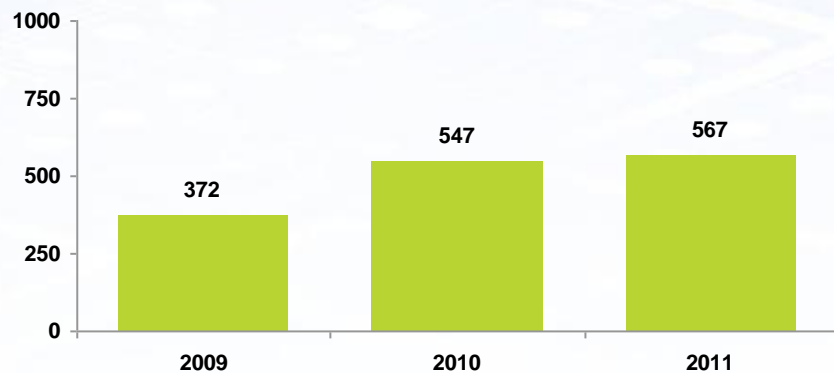
## Automotive



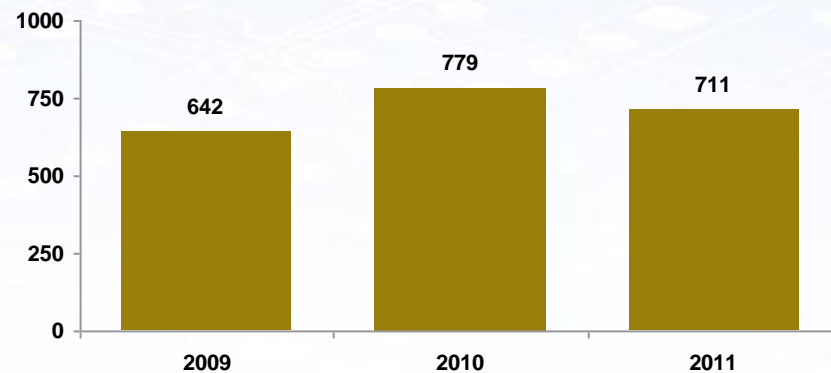
## Identification



## Wireless Infrastructure, Lighting and Industrial Applications



## Mobile, Consumer and Computing Applications





# Automotive (AUTO) – HPMS Leader

2011 Revenue = \$930M, 24% Product Revenue, Flat Y-Y



## Key Positions



**#1 Passive Keyless Entry & Immobilizers (48% MS)**



**#1 In-Vehicle Networking: CAN/LIN/Flexray (46% MS)**



**#1 Car Radio (32% MS)**

## Emerging Growth Engines



Auto LED

## Aligned with Market Leaders



DELPHI

BOSCH

Panasonic

SONY



ALPINE  
Mobile Media Solutions



FUJITSU TEN

## Highlights

- **Secular market trends and characteristics**
  - Focus on reduced CO<sub>2</sub>, 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**
  - #3 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



Sources:

Market share data based on results for 2009

Strategy Analytics (market size, market shares PKE/Immo and IVN), iSuppli (China/WW ranking, market share car radio)



Note: All figures throughout this presentation reflect results from continuing operations, net of the divestiture of the Sound Solutions business.

# Identification (IDEN) – HPMS Leader

2011 Revenue = \$698M, 18% Product Revenue, Up 19% Y-Y



## Key Positions



#1 eGov  
(37% MS)



#1 Transport  
& Access  
(70%+ MS)



#1 NFC  
(~85% MS)



#1 RFID  
(40%+ MS)



Readers  
(Leader)

## Emerging Growth Engines



Authentication



## Aligned with Market Leaders



NOKIA



Sony Ericsson

SAMSUNG



Giesecke & Devrient

ZTE中兴

gemalto



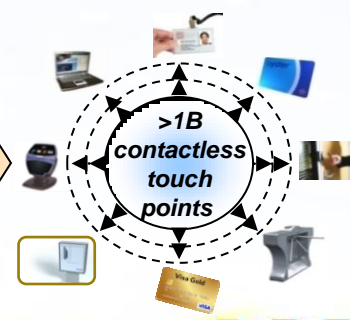
Sources:  
Market share data based on results for 2009  
IMS, Idtechex and ABI

## Highlights

- **Secular market trends and solutions**
  - Electronic Mobile Payments → SmartMX™
  - Security & Trusted Access → Smart@ID™
  - 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
  - Strategic collaboration with Google
- **Recent innovations to drive growth**
  - NXP is driving broad-based NFC ecosystem adoption
  - Authentication / Product tagging for inventory control
  - New opportunities: e-metering, car control, telematics...



The Connectivity  
Revolution



NXP

# Wireless Infrastructure, Lighting and Industrial (WILI) – Emerging Leader

2011 Revenue = \$567M, 15% Product Revenue, Up 4% Y-Y



## Key Positions

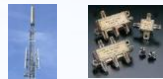


**Lighting Driver ICs:**

**#1 HID**  
(40% MS)

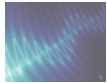


**#1 Multimarket**  
32-bit ARM MCU (25-30% MS)



**#2 High Performance RF**  
(15% MS)

## Emerging Growth Engines



ADC



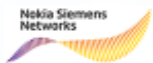
HS Data converter

802.15

CFL

LED

## Aligned with Market Leaders



## Highlights

### ■ Secular market trends

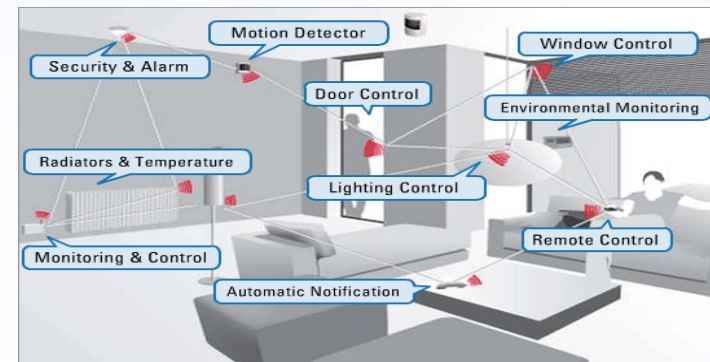
- Increased demand for energy efficient lighting
- Emerging market for centralized smart grid control
- Mobile data usage driving cellular base-station

### ■ Market leader

- Innovator in ultra-low power intelligent networked environmental control
  - Lighting control (CFL and LED)
  - LP Wireless access (IEEE 802.15)
  - System knowledge and firmware
- Multi-market 32-bit ARM MCU leader

### ■ Recent innovations to drive growth

- Intelligent networked lighting
- Smart home connectivity



Sources:  
Market share data based on results for 2009  
IMS, Idatech and ABI



# Mobile, Consumer and Computing (MCC) – Focused HPMS Leader

2011 Revenue = \$711M, 19% Product Revenue, Down 9% Y-Y



## Key Positions



**Notebook AC/DC**  
(~45% MS)



**Interface ICs:**  
#1 I<sup>2</sup>C    #1 LP RTC    #2 Bridge ICs & UARTS



**#1 STV/STB**  
**Silicon Tuners**

## Emerging Growth Engines

**LED controllers**



**DisplayPort**

**Low power adapter**



## Aligned with Market Leaders

**DELL**

**TCL**

**Panasonic**

**DELTA**

**CISCO**

**LITEON**

**SAMSUNG**

**ASUS**



**AVNET**

**PHILIPS**

## ■ Secular market trends

- Increased demand for energy efficiency
- Low power mixed-signal integration
- Transition to Si tuners in DTV/STB

## ■ Market leader

- Innovator of GreenChip notebook power supply
- Leader in silicon tuners for STV/STB
- Multi-market interface and general purpose logic

## ■ Recent innovations to drive growth

- GreenChip for low power adapters
- High-speed interface product portfolio
- Personal Health portfolio

# 4Q11 and 2011 Performance: Standard Products (STDP)



## GAAP Financial Summary

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011	Y-Y Variance Q4 '10 – Q4 '11	Q-Q Variance Q3 '11 – Q4 '11	2010	2011	Y-Y Variance 2010 - 2011
<b>Revenue</b>	<b>221</b>	<b>244</b>	<b>198</b>	<b>(23)</b>	<b>(46)</b>	<b>848</b>	<b>925</b>	<b>77</b>
<b>Gross Profit</b>	<b>84</b>	<b>90</b>	<b>67</b>	<b>(17)</b>	<b>(23)</b>	<b>280</b>	<b>336</b>	<b>56</b>
Percent of total revenue	38.0%	36.9%	33.8%	(4.2pts.)	(3.1pts.)	33.0%	36.3%	3.3pts.
<b>Operating income</b>	<b>39</b>	<b>42</b>	<b>17</b>	<b>(22)</b>	<b>(25)</b>	<b>91</b>	<b>141</b>	<b>50</b>
Percent of total revenue	17.6%	17.2%	8.6%	(9.0pts.)	(8.6pts.)	10.7%	15.2%	4.5pts.

## Non-GAAP Financial Summary

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011	Y-Y Variance Q4 '10 – Q4 '11	Q-Q Variance Q3 '11 – Q4 '11	2010	2011	Y-Y Variance 2010 - 2011
<b>Gross Profit</b>	<b>85</b>	<b>90</b>	<b>72</b>	<b>(13)</b>	<b>(18)</b>	<b>282</b>	<b>342</b>	<b>60</b>
Percent of total revenue	38.5%	36.9%	36.4%	(2.1pts.)	(0.5pts.)	33.3%	37.0%	3.7pts.
<b>Operating income</b>	<b>52</b>	<b>55</b>	<b>37</b>	<b>(15)</b>	<b>(18)</b>	<b>147</b>	<b>204</b>	<b>57</b>
Percent of total revenue	23.5%	22.5%	18.7%	(4.8pts.)	(3.8pts.)	17.3%	22.1%	4.8pts.

# Quarterly Performance: Standard Products (STDP)

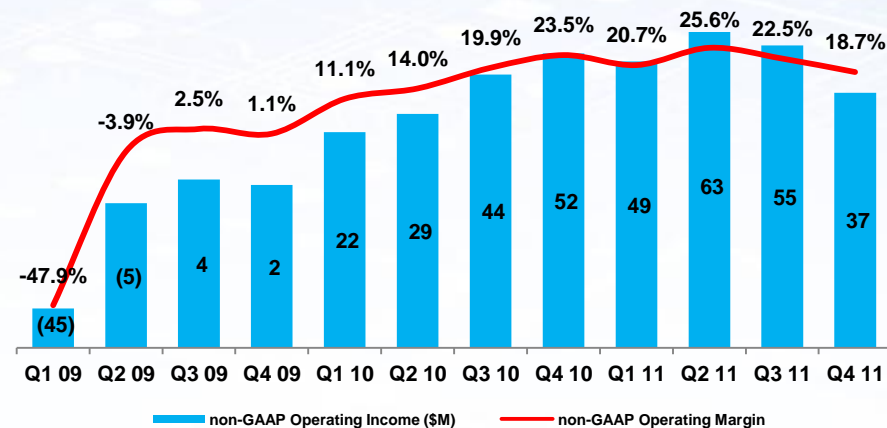
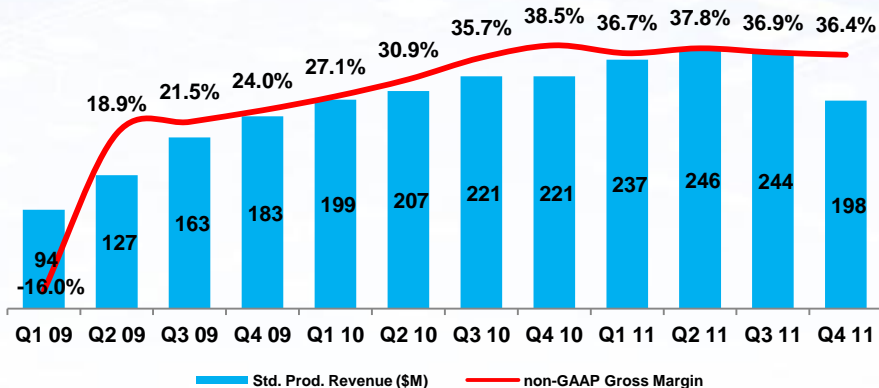


## Key figures

(\$ in millions)	Q4 2010	Q3 2011	Q4 2011
<b>Revenue</b>	<b>221</b>	<b>244</b>	<b>198</b>
YoY Growth (%)	20.8%	10.4%	(10.4%)
<b>Non-GAAP Gross Profit</b>	<b>85</b>	<b>90</b>	<b>72</b>
Percent of Revenue	38.5%	36.9%	36.4%
<b>Non-GAAP Operating Income</b>	<b>52</b>	<b>55</b>	<b>37</b>
Percent of Revenue	23.5%	22.5%	18.7%

## Q4 Market Highlights

- To maintain and expand our leading position in pure ESD devices, NXP merged portfolio, expertise, and capabilities of both the Discretes and Integrated Discretes groups under the roof of our General Applications Discretes business
- **Standard Products Innovations**
  - High Tj 3Q Triacs
  - ESD/EMI filter
  - Low dropout regulators
  - Small Signal low RdsOn MOSFETs in a DFN2020 package
  - Medium Power standard transistors
  - Leadless DFN schottky diodes
  - ESD protection diodes
  - High Current Automotive & low RdsOn standard Power MOSFETs





# Standard Products

- ▶ NXP's Standard Products portfolio provides solutions for energy efficiency and system protection leveraging expertise in component integration and packaging
- ▶ Commitment to quality – product failure rate measured in parts per billion (ppb)
- ▶ Approximately 45% of all Standard Products are “designed-in”
- ▶ Design-in margin profile better than SP average, with lower annual ASP erosion
- ▶ Benefits of Standard Products to HPMS segment
  - ▶ Strong distribution footprint: #2 supplier worldwide, providing broad customer reach
  - ▶ Vast in-house manufacturing output (>70B units/yr) results in packaging innovation and scale

## Discretes



#2 worldwide in small signal diodes & transistors, #1 in pure ESD Protection devices

## Standard Linear



Voltage regulators for the mobile, computing & consumer markets

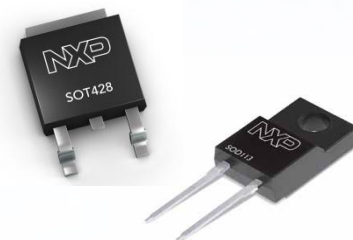
## PowerMOS



LFPak, the toughest PowerSO8

Low voltage power MOSFETs for automotive & high speed switching applications

## Bipolar Power



China-based manufacturer of rectifiers & thyristors



# Cash Flow Overview

(\$ in millions)



	Q4 2010	Q3 2011	Q4 2011	2010	2011
<b>Net cash provided by (used for) operating activities</b>	<b>151</b>	<b>131</b>	<b>(34)</b>	<b>361</b>	<b>175</b>
<b>Net cash provided by (used for) investing activities</b>	<b>(85)</b>	<b>(44)</b>	<b>(33)</b>	<b>(269)</b>	<b>(202)</b>
<b>Net cash provided by (used for) financing activities</b>	<b>(95)</b>	<b>(883)</b>	<b>(12)</b>	<b>(157)</b>	<b>(926)</b>
<b>Net cash provided by (used for) continuing operations</b>	<b>(29)</b>	<b>(796)</b>	<b>(79)</b>	<b>(65)</b>	<b>(953)</b>
Net cash provided by (used for) discontinued operations	(5)	842	(31)	(5)	809
Effects of changes in exchange rates on cash position	(20)	(48)	(12)	(63)	(21)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(54)</b>	<b>(2)</b>	<b>(122)</b>	<b>(133)</b>	<b>(165)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>962</b>	<b>867</b>	<b>865</b>	<b>1,041</b>	<b>908</b>
<b>Cash and cash equivalents at end of period</b>	<b>908</b>	<b>865</b>	<b>743</b>	<b>908</b>	<b>743</b>
Less cash – discontinued operations	10	-	-	10	-
<b>Cash and cash equivalents at end of period – continuing operations</b>	<b>898</b>	<b>865</b>	<b>743</b>	<b>898</b>	<b>743</b>

**Note:**

- Dividends paid to non-controlling interests have been reclassified from operating activities to financing activities to align with the guidance provided by ASC Topic 810 that classifies non-controlling interests within equity.

# Adjusted EBITDA

(\$ in millions)

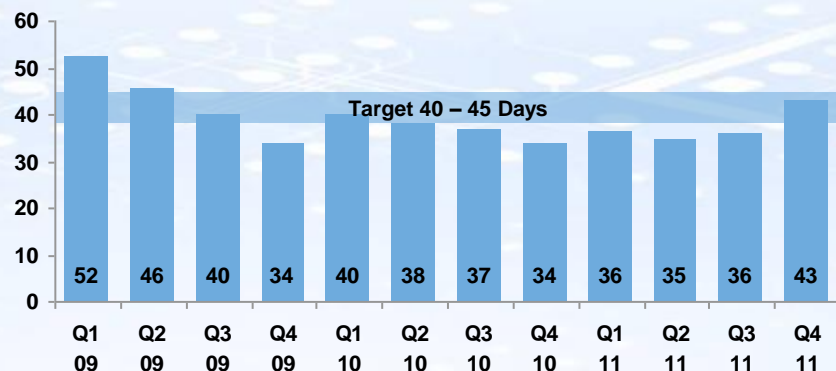


	Q4 2010	Q3 2011	Q4 2011	2010	2011
<b>Net income (loss)</b>	<b>(96)</b>	<b>311</b>	<b>(173)</b>	<b>(406)</b>	<b>436</b>
Income (loss) on discontinued operations	11	421	2	59	434
<b>Income (loss) on continuing operations</b>	<b>(107)</b>	<b>(110)</b>	<b>(175)</b>	<b>(465)</b>	<b>2</b>
Reconciling items to EBITDA					
Financial (income) expense	192	174	165	628	257
(Benefit) provision for income taxes	(5)	20	2	24	21
Depreciation	115	68	78	389	290
Amortization	69	84	73	295	301
<b>EBITDA</b>	<b>264</b>	<b>236</b>	<b>143</b>	<b>871</b>	<b>871</b>
Results of equity-accounted investees	26	25	15	86	77
Restructuring <sup>1</sup>	(5)	7	55	(20)	85
Other incidental items <sup>1</sup>	15	11	8	84	61
<b>Adjusted EBITDA</b>	<b>300</b>	<b>279</b>	<b>221</b>	<b>1,021</b>	<b>1,094</b>
<b>Trailing 12-month Adjusted EBITDA</b>	<b>1,021</b>	<b>1,173</b>	<b>1,094</b>	<b>1,021</b>	<b>1,094</b>
1. Excluding depreciation PP&E related to					
Restructuring	20	-	4	40	5
Other incidental items	3	-	1	6	1

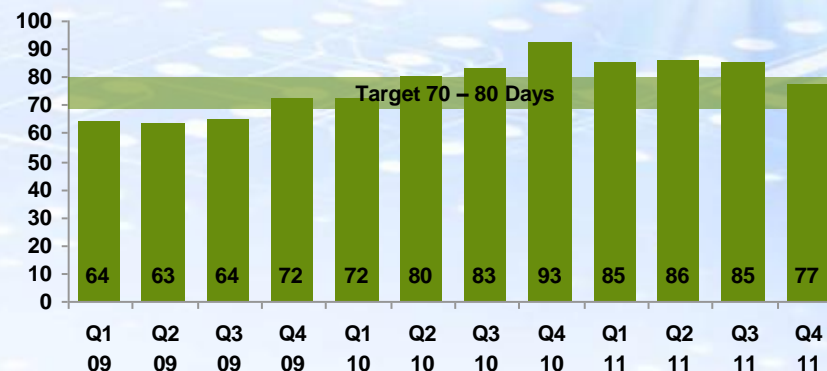
# Working Capital Ratios



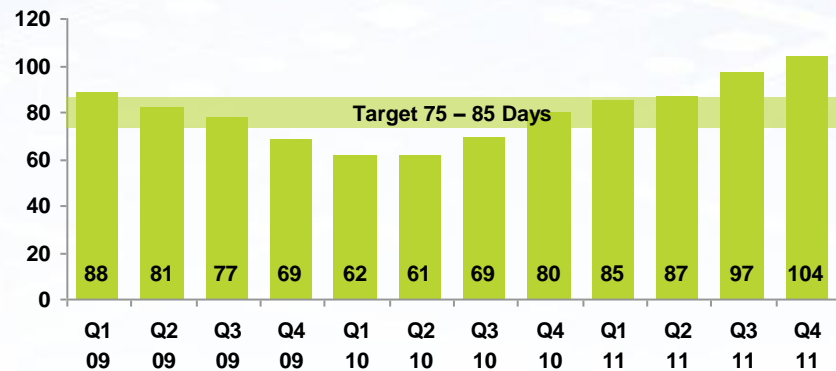
## DSO



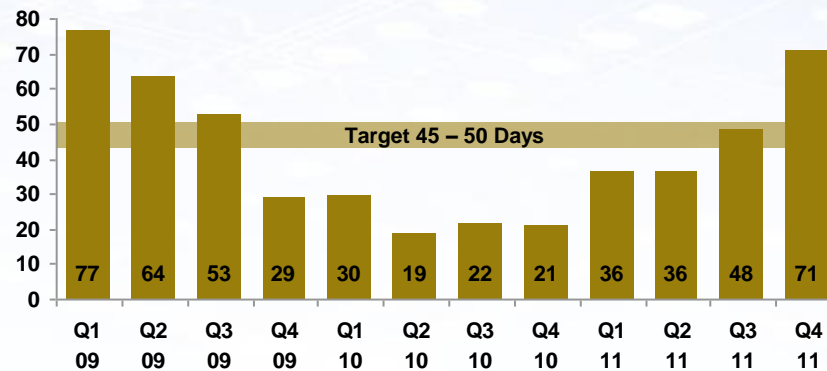
## DPO



## DIO



## Cash Conversion Cycle



$$\text{DSO} = (91.25 \times \text{AR}) / \text{Revenue}$$

$$\text{DPO} = (91.25 \times \text{AP}) / \text{GAAP COGS}$$

$$\text{DIO} = (91.25 \times \text{Inventory}) / \text{GAAP COGS}$$

$$\text{Cash Conversion Cycle} = \text{DIO} + \text{DSO} - \text{DPO}$$



# Debt Summary December 31<sup>st</sup> 2011

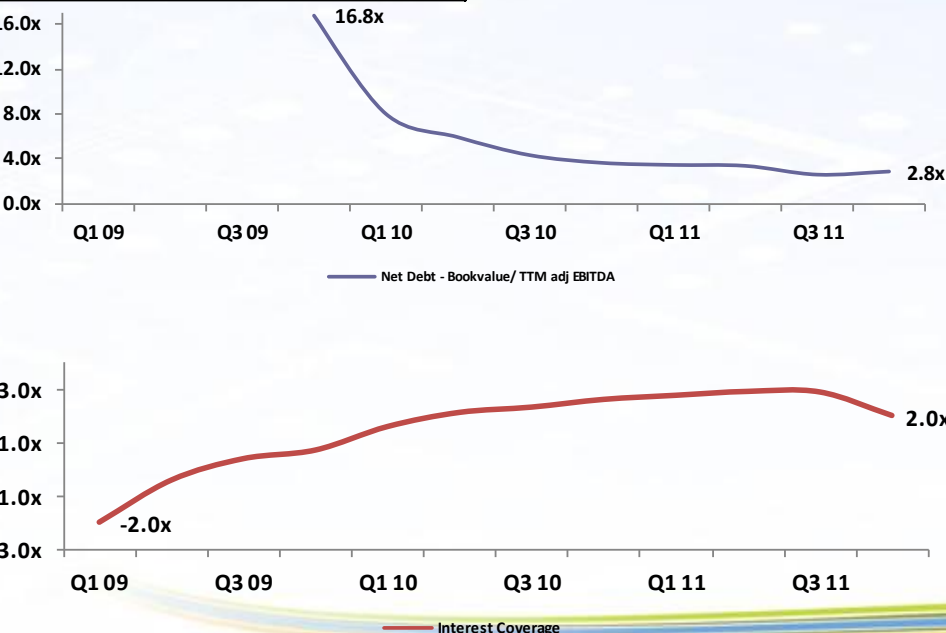
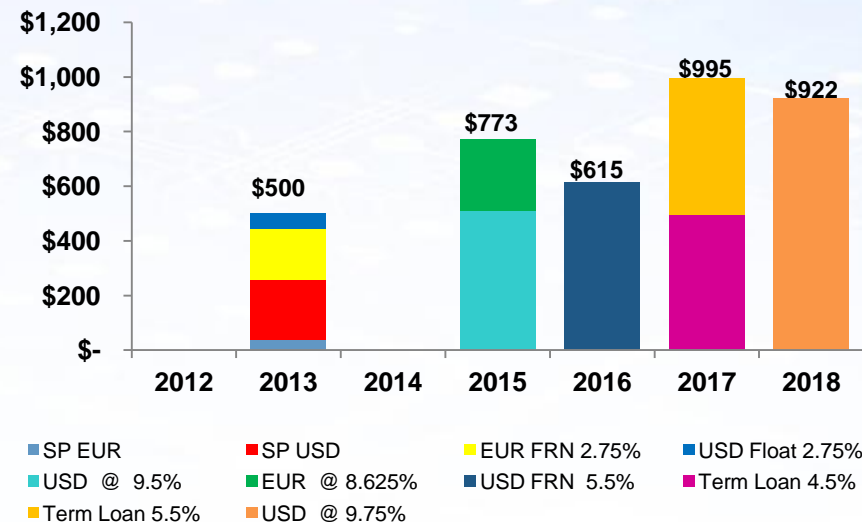


Debt Instrument	Sr. Secured FRN	Sr. Secured FRN	Super Priority Notes	Super Priority Notes	Senior Notes	Senior Notes	Sr. Secured FRN	Term Loan	Term Loan	Senior Secured Notes	Revolving Credit Facility
Issue Date	15-Oct-06	15-Oct-06	02-Apr-09	04-Feb-09	15-Oct-06	15-Oct-06	10-Nov-11	05-Jun-11	16-Dec-11	20-Jul-10	06-Sep-06
Maturity Date	15-Oct-13	15-Oct-13	15-Jul-13	15-Jul-13	15-Oct-15	15-Oct-15	10-Nov-16	03-Apr-17	03-Apr-17	01-Aug-18	28-Sep-12
Issued Amount (M)	€ 1,000.0	\$1,535.0	\$221.2	€ 29.3	\$1,250	€ 525.0	\$615.5	\$500.0	\$500.0	\$1,000.0	€ 500.0
Book Value (M)	€ 142.0	\$58.3	\$192.4	€ 22.5	\$509.8	€ 203.4	\$606.5	\$494.1	\$478.9	\$922.4	€ 0.0
Outstanding Amount (M)	€ 142.0	\$58.3	\$221.2	€ 28.6	\$509.8	€ 203.4	\$615.5	\$496.3	\$498.8	\$922.4	€ 0.0
Coupon	Libor + 275 bps	Libor + 275 bps	10.00%	10.00%	9.50%	8.625%	Libor + 550 bps	Libor + 325 bps	Libor + 425 bps	9.75%	Libor + 275 bps
Rating											
Moody's	B2	B2	-	-	Caa1	Caa1	B2	B2	B2	B2	B2
Standard & Poor's	B+	B+	BB	BB	B	B	B+	B+	B+	B+	BB

Total Debt Outstanding (\$M) <sup>(1)</sup>	\$ 3,806
Total Cash (\$M)	\$ 743
Net Debt (\$M)	\$ 3,063
Average Cost of Debt	7.43%

## Outstanding Debt Maturity Profile (\$M)

USD/Euro 1.2938



Note 22 1. Total book value of debt is \$3.799 billion, and includes short-term and long-term debt



# Guidance for the First Quarter of 2012



	Guidance Range		
	<u>Low</u>	<u>Mid</u>	<u>High</u>
Product Revenue	\$ 861	\$ 890	\$ 918
Q-Q	0%	4%	7%
Mfg. & Other Revenue	\$ 66	\$ 66	\$ 66
Total Revenue	\$ 927	\$ 956	\$ 984
Q-Q	0%	3%	6%
non-GAAP Gross Profit	\$ 408	\$ 425	\$ 443
% of Revenue	44%	44%	45%
non-GAAP Operating Profit	\$ 121	\$ 138	\$ 156
% of Revenue	13%	14%	16%
Interest Expense	\$ (76)	\$ (76)	\$ (76)
Cash Taxes	\$ (9)	\$ (9)	\$ (9)
Non-controlling Interest	\$ (10)	\$ (11)	\$ (12)
non-GAAP Net Income	\$ 26	\$ 42	\$ 59
Ave. Diluted Shares	251	251	251
Non - GAAP EPS	\$ 0.10	\$ 0.17	\$ 0.24

## Product Revenue trends at the mid-point of 1Q12 guidance:

1. Automotive is expected to be up in the mid single digit percentage point range;
2. Identification is expected to be up in the low double digit percentage point range;
3. Wireless Infrastructure, Lighting and Industrial is expected to be up in the mid single digit percentage point range;
4. Mobile, Consumer and Computing are expected to be down in the low single digit percentage point range;
5. Standard Products is expected to be down in the low single digit percentage point range;

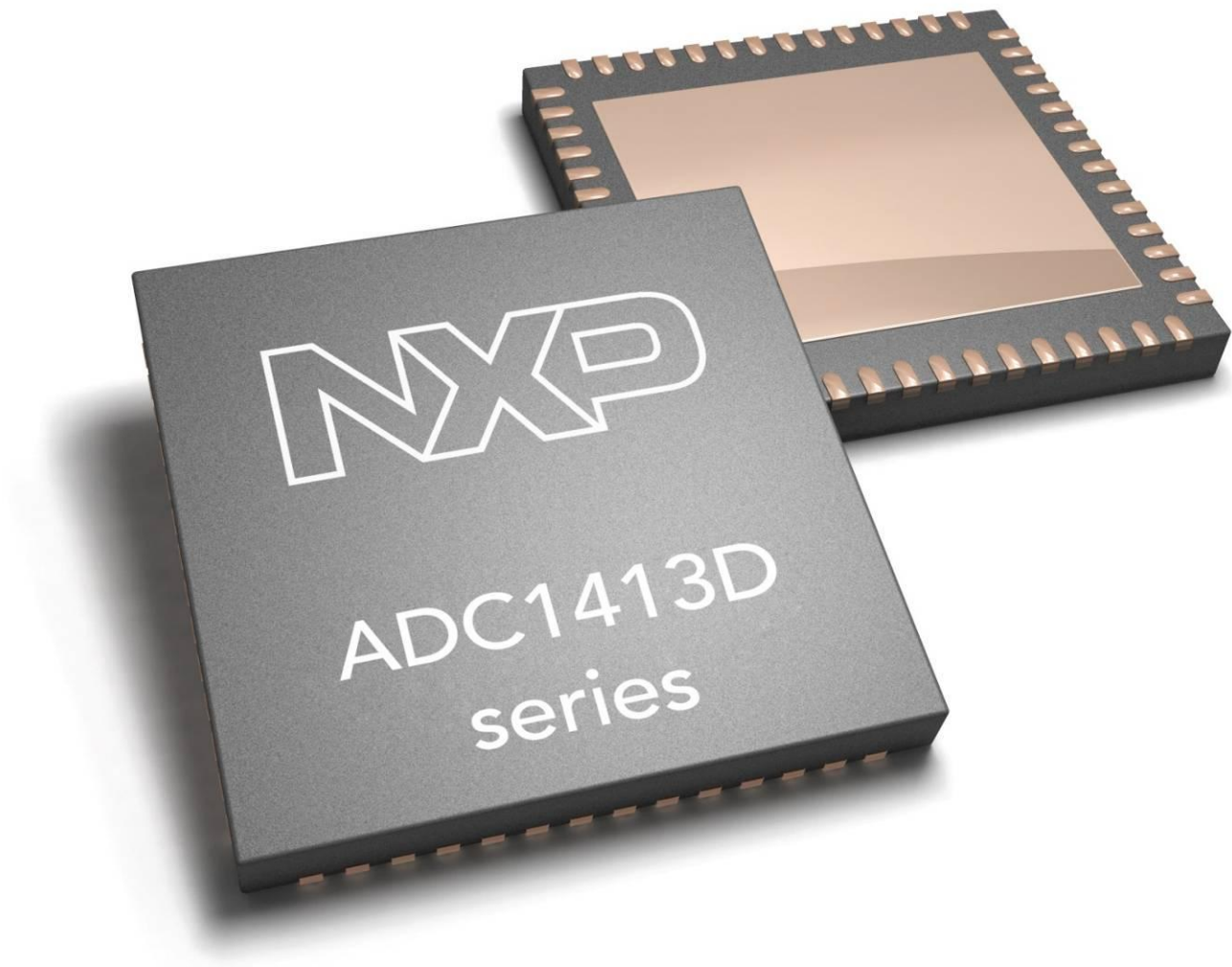
# Target Financial Model



	HPMS Target	SP Target <sup>(1)</sup>	NXP Target <sup>(2)</sup>
<b>Revenue</b>	> Market Growth	@ Market Growth	> Market growth
Product Revenue Mix	>80%	<20%	
Fixed COGS	~50%	~50%	~50%
<b>Non-GAAP Gross Margin</b>	58 - 63%	33 - 39%	52 - 56%
Operating Expenses	31 - 34%	14 - 18%	28 - 31%
<b>Non-GAAP Operating Margin</b>	24 - 29%	18 - 23%	23 - 28%
<b>Long-term Tax Rate</b>			12% - 14% <sup>(3)</sup>
<b>Capex</b>			~5% over a cycle
<b>NWC</b>			DSO 40-45 Days DIO 75-85 Days DPO 70-80 Days
<b>Depreciation</b>			6 - 7% of sales, decreasing
<b>Net Debt / adj. EBITDA</b>			Investment grade

## Notes:

1. Reflects new target operating model for Standard Products after divestment of Sound Solutions business
2. Non-product Manufacturing, Corporate and Other business to be less than 10% total revenue at target
3. Cash taxes are expected to be \$40 - \$60 million per year for next several years as NXP utilizes tax loss carry-forwards



NXP

ADC1413D  
series