



NXP Semiconductors N.V.
Q3 2011 Financial Results
November 1, 2011



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.

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 drive earnings growth

**Above-market
sales growth**



**Unparalleled
earnings leverage**

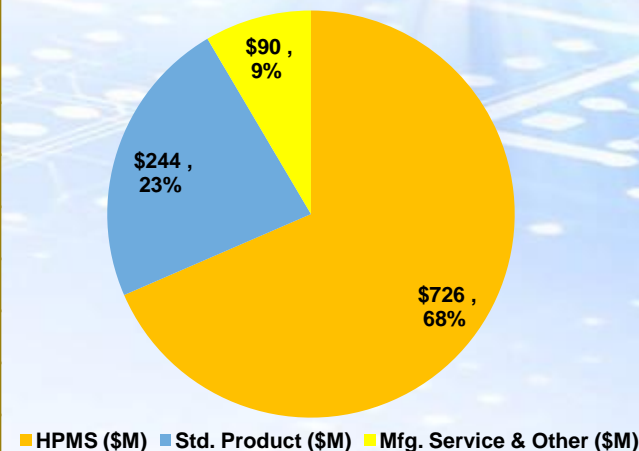
Q3 2011 Quarterly Revenue and Operating Income



GAAP Financial Summary

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011	Y-Y Variance Q3 '11 – Q3 '10	Q-Q Variance Q3 '11 – Q2 '11
Product Revenue	936	1,025	970	34	(55)
All Other	184	96	90	(94)	(6)
Total Revenue	1,120	1,121	1,060	(60)	(61)
Gross Profit	476	523	488	12	(35)
Percent of total revenue	42.5%	46.7%	46.0%	3.5pts.	(0.7pts.)
Operating income	106	133	109	3	(24)
Percent of total revenue	9.5%	11.9%	10.3%	0.8pts.	(1.6pts.)

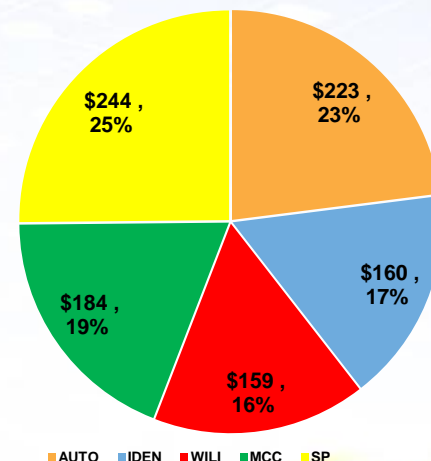
Quarterly Revenue Contribution:



Non-GAAP Financial Summary

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011	Y-Y Variance Q3 '11 – Q3 '10	Q-Q Variance Q3 '11 – Q2 '11
Gross Profit	488	536	512	24	(24)
Percent of total revenue	43.6%	47.8%	48.3%	4.7pts.	0.5pts.
Operating income	185	229	210	25	(19)
Percent of total revenue	16.5%	20.4%	19.8%	3.3pts.	(0.6pts.)

Product Revenue Contribution:



Financial Reconciliation (GAAP to non-GAAP)



(\$ in millions, unless otherwise stated)	Q3 2010 GAAP	Q2 2011 GAAP	Q3 2011		
			GAAP	Reconciling items	Non-GAAP
Total Revenue	1,120	1,121	1,060	-	1,060
Gross Profit	476	523	488	(24)	512
Percent of total revenue	42.5%	46.7%	46.0%		48.3%
Research and Development	146	165	165	1	164
Percent of total revenue	13.0%	14.7%	15.6%		15.5%
SG&A	225	229	219	78	141
Percent of total revenue	20.1%	20.4%	20.7%		13.3%
Other income (expense)	1	4	5	2	3
Operating income (loss)	106	133	109	(101)	210
Percent of total revenue	9.5%	11.9%	10.3%		19.8%
Interest income (expense) net	(80)	(79)	(73)		(73)
Provision for income tax (expense)/benefit	(27)	-	(20)		(1)⁽¹⁾
Income (loss) from continuing operations	353	99	(110)	(246)⁽²⁾	136
Income (loss) from discontinued operations, net of tax	23	(2)	421	421	-
Net income (loss) attributable to non-controlling interests	(7)	(13)	(10)	-	(10)
Net income (loss) attributable to stockholders	369	84	301	175	126⁽³⁾
EPS (diluted)	1.55	0.33	1.21		0.50

1. Cash income taxes paid during the period

2. Includes: Foreign exchange loss on debt: (\$82M); Loss on extinguishment of long-term debt: (\$11M); Other financial expense: (\$8M); Results relating to equity-accounted investees: (\$25M); and the difference between book and cash income tax: (\$19M)

5 3. Includes stock-based compensation expense: \$4M



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

Quarterly Performance: HPMS



GAAP Financial Summary

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011	Y-Y Variance Q3 '11 – Q3 '10	Q-Q Variance Q3 '11 – Q2 '11
Revenue	715	779	726	11	(53)
Gross Profit	403	433	397	(6)	(36)
Percent of total revenue	56.4%	55.6%	54.7%	(1.7pts.)	(0.9pts.)
Operating income	120	112	86	(34)	(26)
Percent of total revenue	16.8%	14.4%	11.8%	(5.0pts.)	(2.6pts.)

Non-GAAP Financial Summary

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011	Y-Y Variance Q3 '11 – Q3 '10	Q-Q Variance Q3 '11 – Q2 '11
Gross Profit	404	433	410	6	(23)
Percent of total revenue	56.5%	55.6%	56.5%	-	0.9pts.
Operating income	165	166	149	(16)	(17)
Percent of total revenue	23.1%	21.3%	20.5%	(2.6pts.)	(0.8pts.)

High Performance Mixed Signal (HPMS)

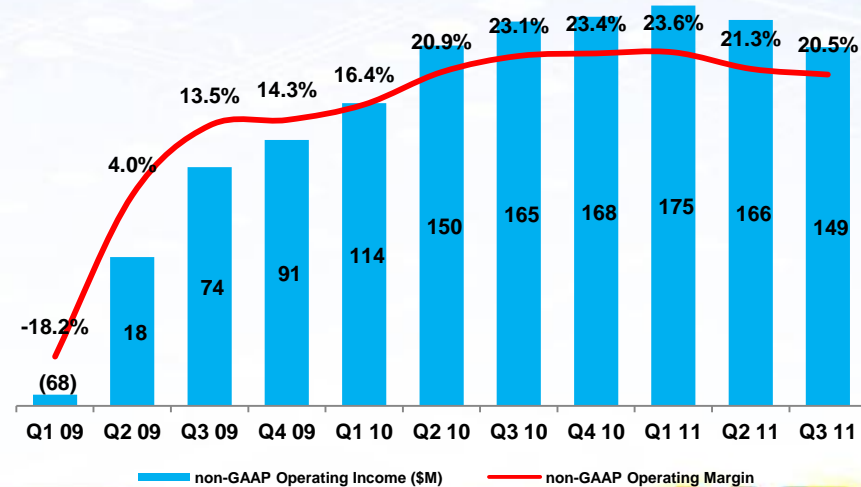
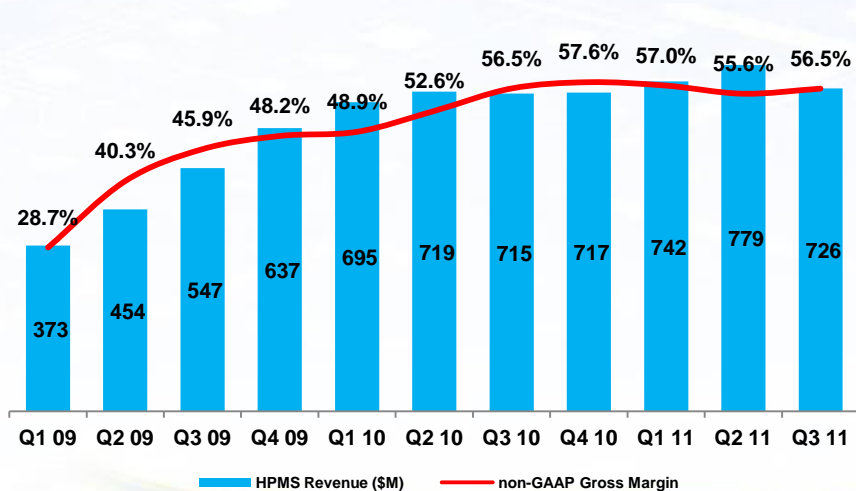


Key figures

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011
Revenue	715	779	726
YoY Growth (%)	30.7%	8.3%	1.5%
Non-GAAP Gross Profit	404	433	410
Percent of Revenue	56.5%	55.6%	56.5%
Non-GAAP Operating Income	165	166	149
Percent of Revenue	23.1%	21.3%	20.5%

Q3 Market Highlights

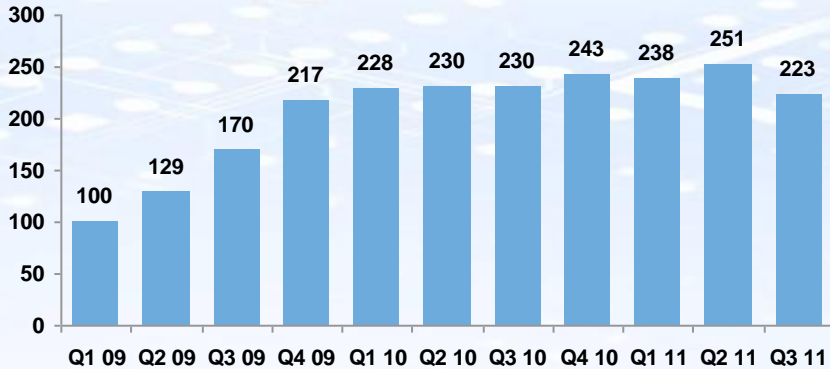
- **AUTO:**
 - Milestone in vehicle CO2 reduction: introduces world's first ISO 11898-6 compliant Partial Networking solution for CAN networks
 - NXP secured DSP/ Tuner design win for all CD car radios of leading Japanese after market player
 - NXP secured large CAI "motor bike finder" design win with major motorbike OEM
- **ID**
 - NXP NFC-protocol stack integrated into MSFT Windows 8
 - SmartMX authentication design wins with major consumer OEM
- **WILI**
 - Expands Cortex-M0 ARM MCU family with low-pin count pkgs.
 - Cortex M3 MCU design wins with major consumer OEM
- **MCC**
 - New I/F and Logic design wins with major consumer OEM



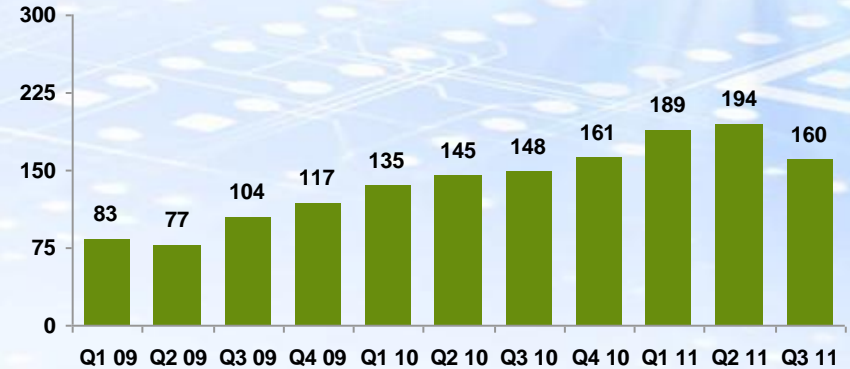
HPMS – Revenue by Business⁽¹⁾ (\$M)



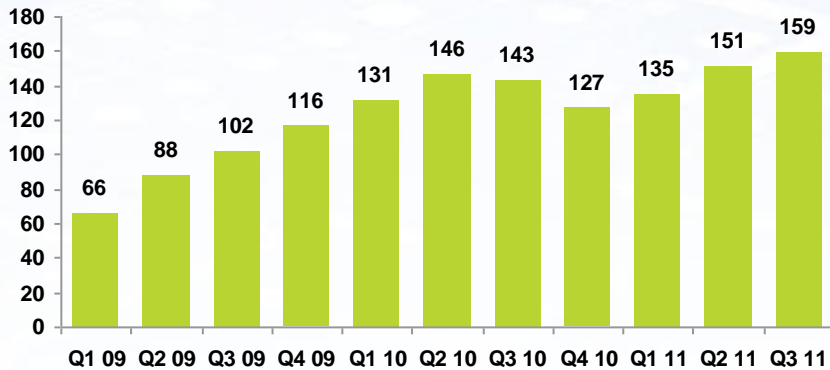
Automotive



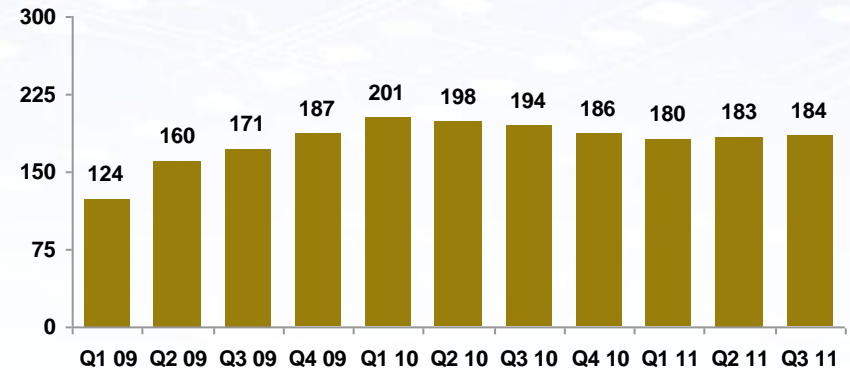
Identification



Wireless Infrastructure, Lighting and Industrial Applications



Mobile, Consumer and Computing Applications



Note:

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

Automotive – HPMS Leader

2010 Revenue = \$931M, 25% Product Revenue, Up 51% 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 CO₂, mobility and convenience
 - High barriers to entry and long product life-cycles
 - Auto electronics market to grow above market
 - High growth in BRIC countries
- **Market leader for > 80% of automotive revenue**
 - #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)

Identification – HPMS Leader

2010 Revenue = \$589M, 16% Product Revenue, Up 55% 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 – Emerging Leader

2010 Revenue = \$547M, 15% Product Revenue, Up 47% Y-Y



Key Positions



Lighting Driver ICs:

#1 HID
(40% MS)

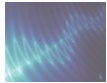


#1 Multimarket
32-bit ARM MCU (25-30% MS)



#2 High Performance RF
(15% MS)

Emerging Growth Engines



ADC



HS Data converter



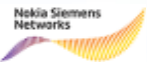
802.15



CFL

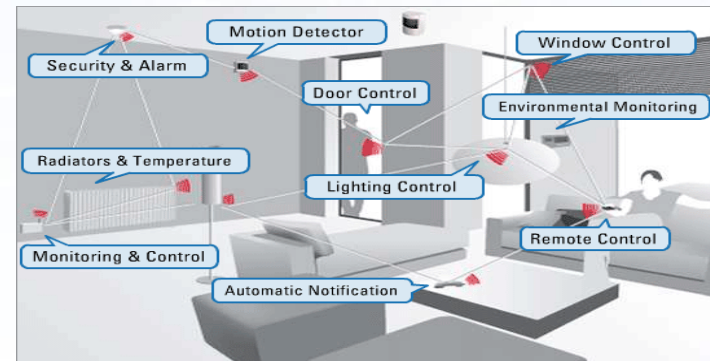
LED

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 – Focused HPMS Leader

2010 Revenue = \$779M, 21% Product Revenue, Up 21% Y-Y



Key Positions



Notebook AC/DC
(~45% MS)



Interface ICs:
#1 I²C #1 LP RTC #2 Bridge ICs & UARTS



**#1 STV/STB
Silicon Tuners**

Emerging Growth Engines

LED controllers



Low power adapter



Aligned with Market Leaders



Highlights

- **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

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

Quarterly Performance: Standard Products



GAAP Financial Summary

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011	Y-Y Variance Q3 '11 – Q3 '10	Q-Q Variance Q3 '11 – Q2 '11
Revenue	221	246	244	23	(2)
Gross Profit	78	92	90	12	(2)
Percent of total revenue	35.3%	37.4%	36.9%	1.6pts.	(0.5pts.)
Operating income	31	47	42	11	(5)
Percent of total revenue	14.0%	19.1%	17.2%	3.2pts.	(1.9pts.)

Non-GAAP Financial Summary

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011	Y-Y Variance Q3 '11 – Q3 '10	Q-Q Variance Q3 '11 – Q2 '11
Gross Profit	79	93	90	11	(3)
Percent of total revenue	35.7%	37.8%	36.9%	1.2pts.	(0.9pts.)
Operating income	44	63	55	11	(8)
Percent of total revenue	19.9%	25.6%	22.5%	2.6pts.	(3.1pts.)

Standard Products (SP)



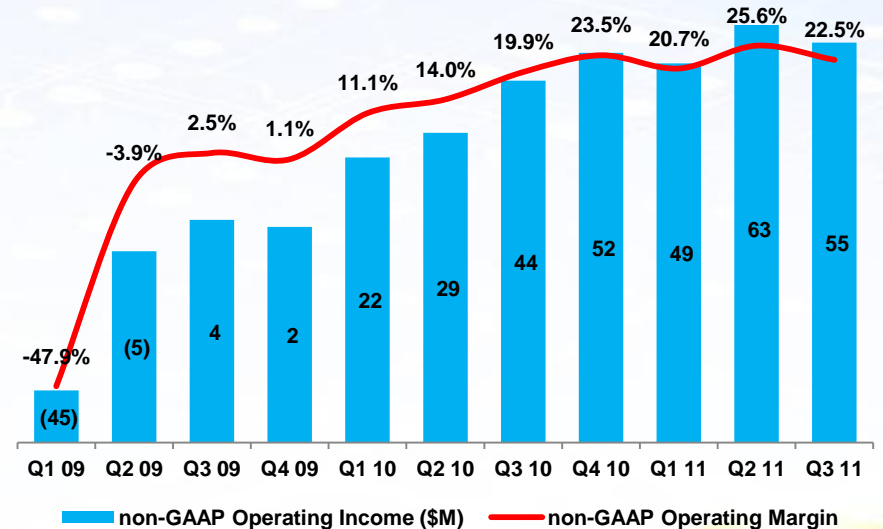
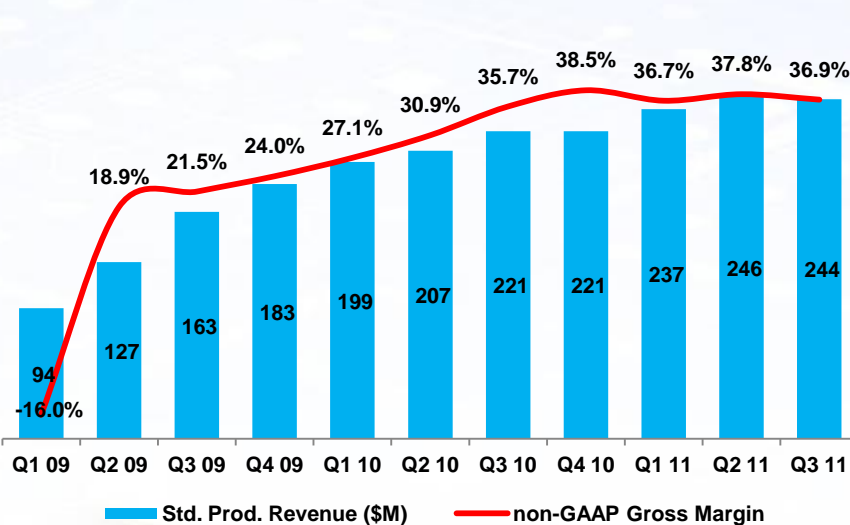
Key figures

(\$ in millions)	Q3 2010	Q2 2011	Q3 2011
Revenue	221	246	244
YoY Growth (%)	35.6%	18.8%	10.4%
Non-GAAP Gross Profit	79	93	90
Percent of Revenue	35.7%	37.8%	36.9%
Non-GAAP Operating Income	44	63	55
Percent of Revenue	19.9%	25.6%	22.5%

Q3 Market Highlights

Standard Product Innovations and Announcements

- New family of low-dropout (LDO) regulators introduced with best in class performance in a small wafer-level chip-scale package
- 2-in-1 Low VCEsat Transistor and Trench MOSFET in 2x2 mm leadless package - an ultra-compact power management solution for portable devices
- *NextPower* MOSFETs in LFPak (Power-SO8) package
- Additional low RDSon small signal MOSFETs
- High Junction Temperature and Schottky diodes in *FlatPower*
- High Voltage Transistors
- AC Thyristors and Triacs
- Discrete Protection solutions for ESD, EMI, HDMI, USB2.0 & USB3.0



Standard Products – Premier Franchise in Standard Product Industry

2010 Sales = \$848M, 23% Product Revenue, Up 50% Y-Y



Integrated Discretets



#2 interface conditioning & protection (18% MS)

Discretets



2 SS T&D (13% MS)

- **Approximately 45% of all Standard Products are “designed-in”**
 - Design-in margin profile can be better than SP average, with lower annual ASP erosion
- **Benefits of Standard Products to HPMS**
 - Strong distribution footprint - combined #2 supplier worldwide – provided broad reach
 - Very high volume business (>70B units/yr) – provides basis for packaging innovation and scale

Sources:
Market share data based on results for 2009

#2 WW distribution based on Lively Report; Integrated Discretets and T&D (WSTS market sizes)

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

Cash Flow Overview

(\$ in millions)



	Q3 2010	Q2 2011	Q3 2011
Net cash provided by (used for) operating activities	152	81⁽¹⁾	131
Net cash provided by (used for) investing activities	(43)	(71)	(44)
Net cash provided by (used for) financing activities	(48)	(39)	(883)
Net cash provided by (used for) continuing operations	61	(29)	(796)
Net cash provided by (used for) discontinued operations	(1)	(8)	842
Effects of changes in exchange rates on cash position	60	9	(48)
Increase (decrease) in cash and cash equivalents	120	(28)	(2)
Cash and cash equivalents at begin of the period	842	895	867
Cash and cash equivalents at end of period	962	867	865
Less cash and cash equivalents at end of period – discontinued operations	15	8	-
Cash and cash equivalents at end of period – continuing operations	947	859	865

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

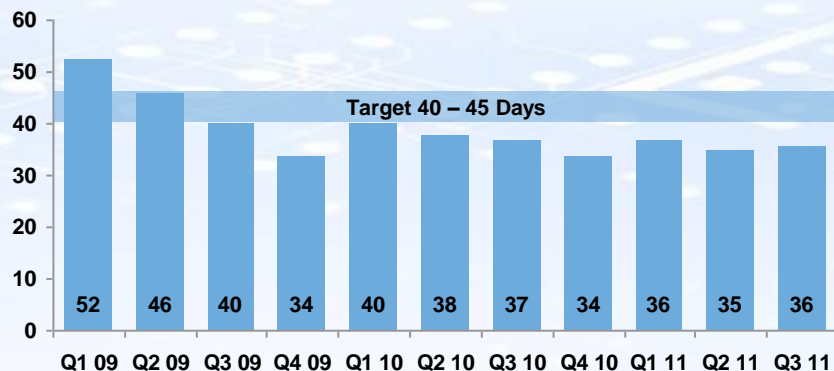


	Q3 2010	Q2 2011	Q3 2011
Net income (loss)	376	97	311
Income (loss) on discontinued operations	23	(2)	421
Income (loss) on continuing operations	353	99	(110)
Reconciling items to EBITDA			
Financial income / expense	(279)	19	174
Provision for income taxes	27	-	20
Depreciation	86	72	68
Amortization	69	71	84
EBITDA	256	261	236
Results of equity-accounted investees	5	15	25
Restructuring ¹	-	7	7
Other incidental items ¹	9	16	11
Adjusted EBITDA	270	299	279
Adjusted EBITDA – Last 12 months	868	1,164	1,173
1. Excluding depreciation PP&E related to			
Restructuring	1	1	-
Other incidental items	-	-	-

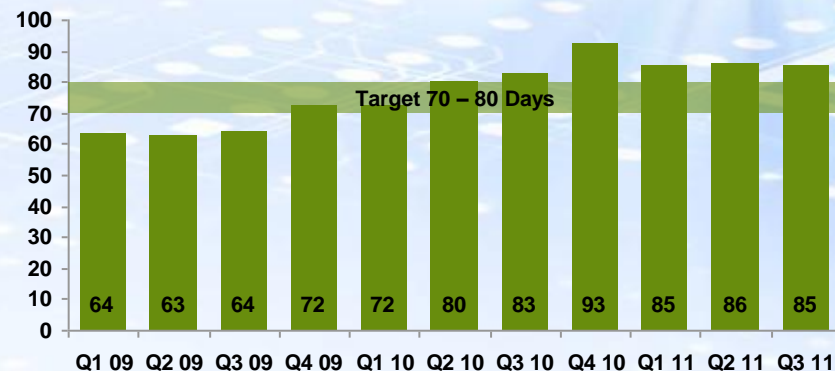
Working Capital Ratios



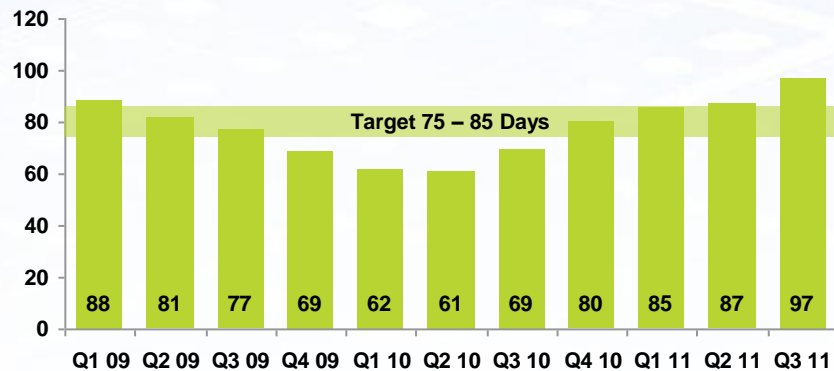
DSO



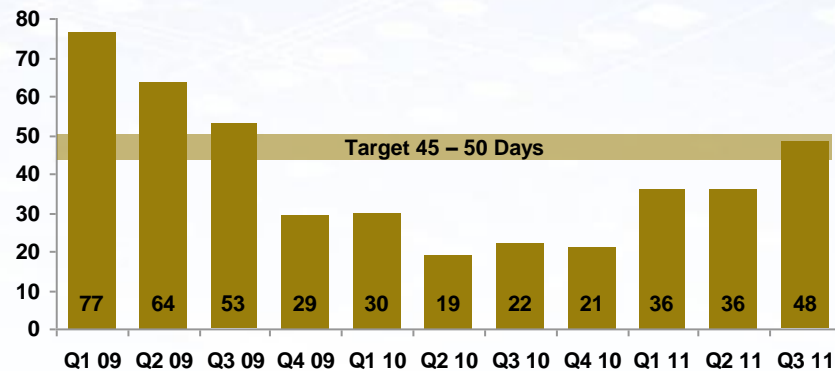
DPO



DIO



Cash Conversion Cycle



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

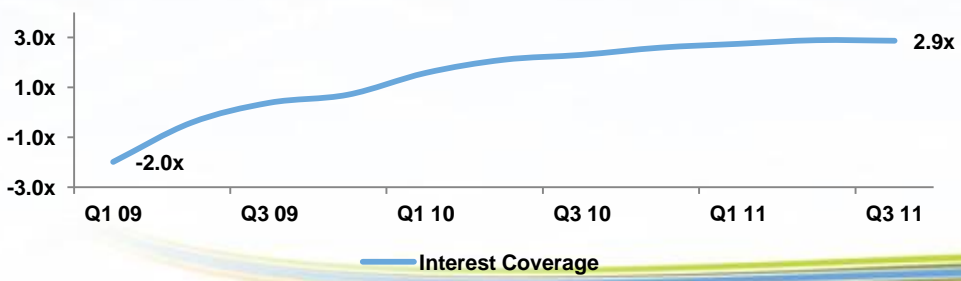
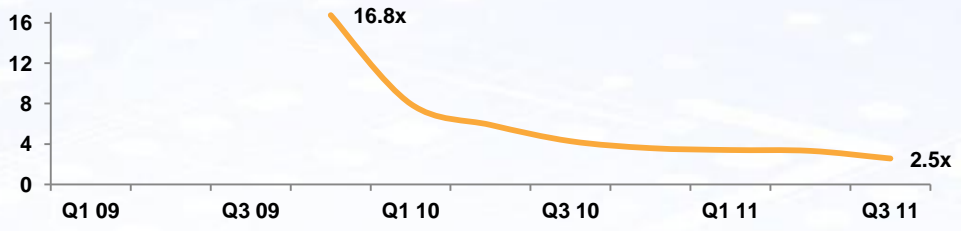
DIO = (91.25 x Inventory) / GAAP GOGS
 Cash Conversion Cycle = DIO + DSO - DPO

Third Quarter Debt Summary as of October 2, 2011



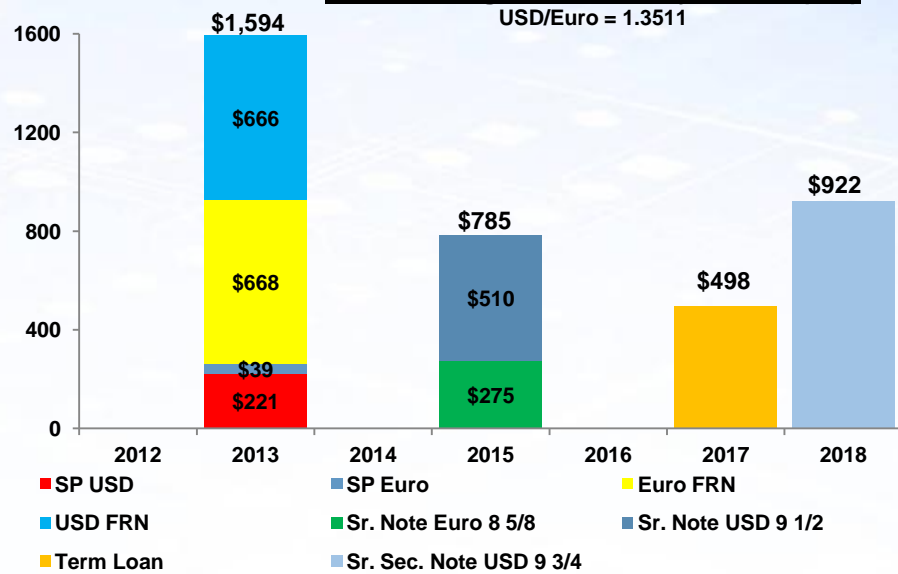
Debt Instrument	Sr. Secured FRN	Sr. Secured FRN	Super Priority Notes	Super Priority Notes	Senior Notes	Senior Notes	Term Loan	Senior Secured Notes	Revolving Credit Facility
Issue Date	15-Oct-06	15-Oct-06	02-Apr-09	04-Feb-09	15-Oct-06	15-Oct-06	05-Jun-11	20-Jul-10	06-Sep-06
Maturity Date	15-Oct-13	15-Oct-13	15-Jul-13	15-Jul-13	15-Oct-15	15-Oct-15	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	\$500.0	\$1,000.0	€ 500.0
Book Value (M)	€ 494.4	\$666.1	\$188.9	€ 21.7	\$509.8	€ 203.4	\$497.5	\$922.4	€ 0.0
Outstanding Amount (M)	€ 494.4	\$666.1	\$221.2	€ 28.6	\$509.8	€ 203.4	\$497.5	\$922.4	€ 0.0
Coupon	Libor + 275 bps	Libor + 275 bps	10.00%	10.00%	9.50%	8.625%	Libor + 325 bps	9.75%	Libor + 275 bps
Rating									
Moody's	B2	B2	-	-	Caa1	Caa1	B2	B2	B2
Standard & Poor's	B+	B+	BB	BB	B	B	B+	B+	BB

Total Debt Outstanding (\$M)	\$ 3,798
Total Cash (\$M)	\$ 865
Net Debt (\$M)	\$ 2,933
Average Cost of Debt	6.83%



Outstanding Debt Maturity Profile (\$M)

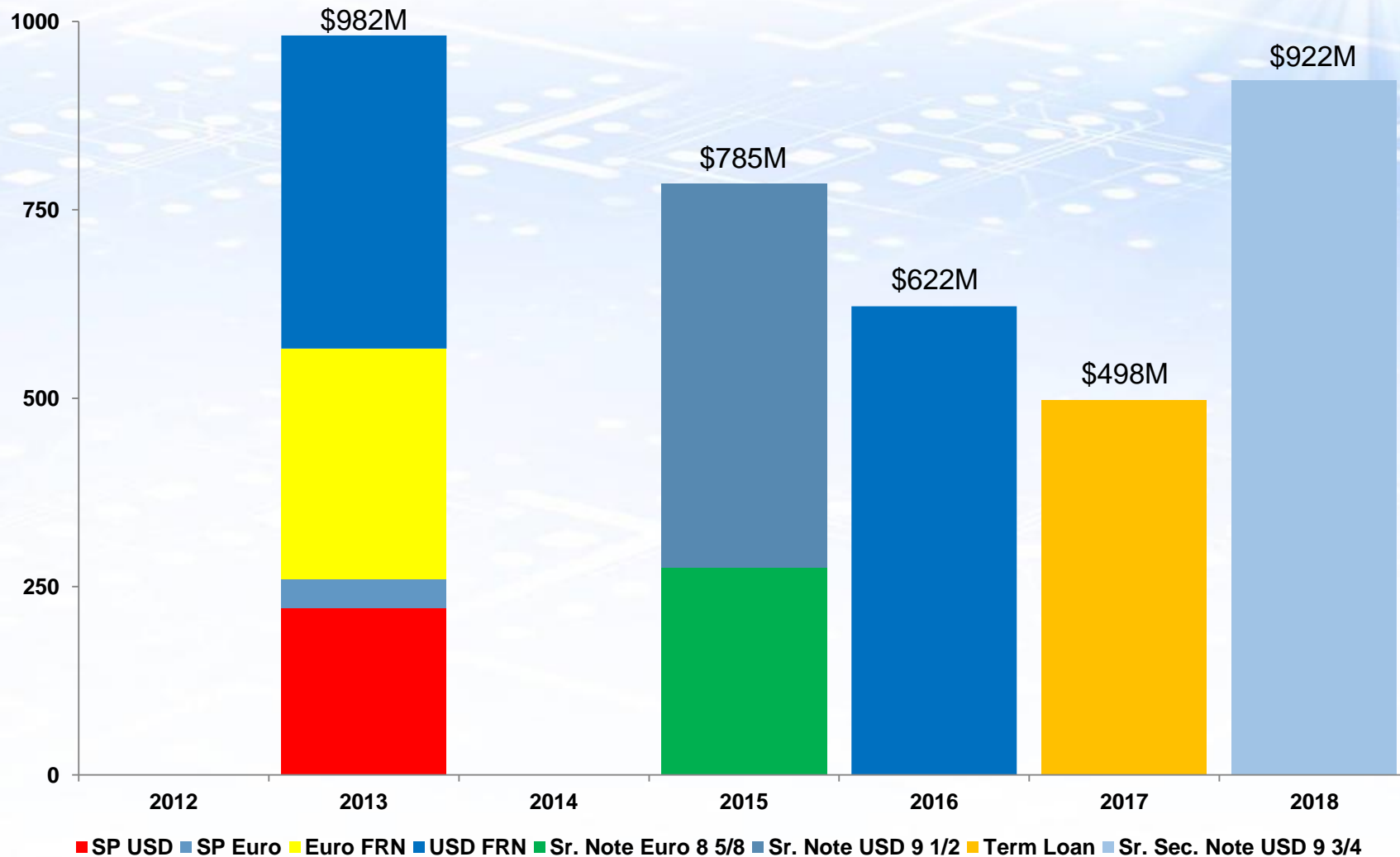
USD/Euro = 1.3511



- SP USD
- SP Euro
- Euro FRN
- USD FRN
- Sr. Note Euro 8 5/8
- Sr. Note USD 9 1/2
- Term Loan
- Sr. Sec. Note USD 9 3/4



Lowered Short-term Debt Maturity Profile to below \$1.0B Pro-forma as of November 1, 2011



Guidance for the Fourth Quarter of 2011



- Product Revenue for the fourth quarter of 2011 is anticipated to be in a range of down 8 to 14 percent sequentially as compared to the third quarter of 2011. Product Revenue is the combination of revenue from the HPMS and Standard Products segments.
- The combination of revenue from Manufacturing Operations and Corporate and Other segments is anticipated to be approximately \$70 million.
- Non-GAAP gross profit from continuing operations is expected to be in a range of \$397 million to \$426 million.
- Non-GAAP operating expense is expected to be in a range of \$268 million to \$274 million.
- Non-GAAP operating income from continuing operations is expected to be in a range of \$129 million to \$152 million.
- Interest expense is anticipated to be in a range of \$71 million, plus or minus \$1 million.
- Cash income tax is anticipated to be approximately \$5 million.
- Income attributable to non-controlling interests is anticipated to be approximately \$2 million.
- Average diluted share count is anticipated to be approximately 251 million shares.
- Non-GAAP EPS is anticipated to be in a range of \$0.20 to \$0.30 per share.

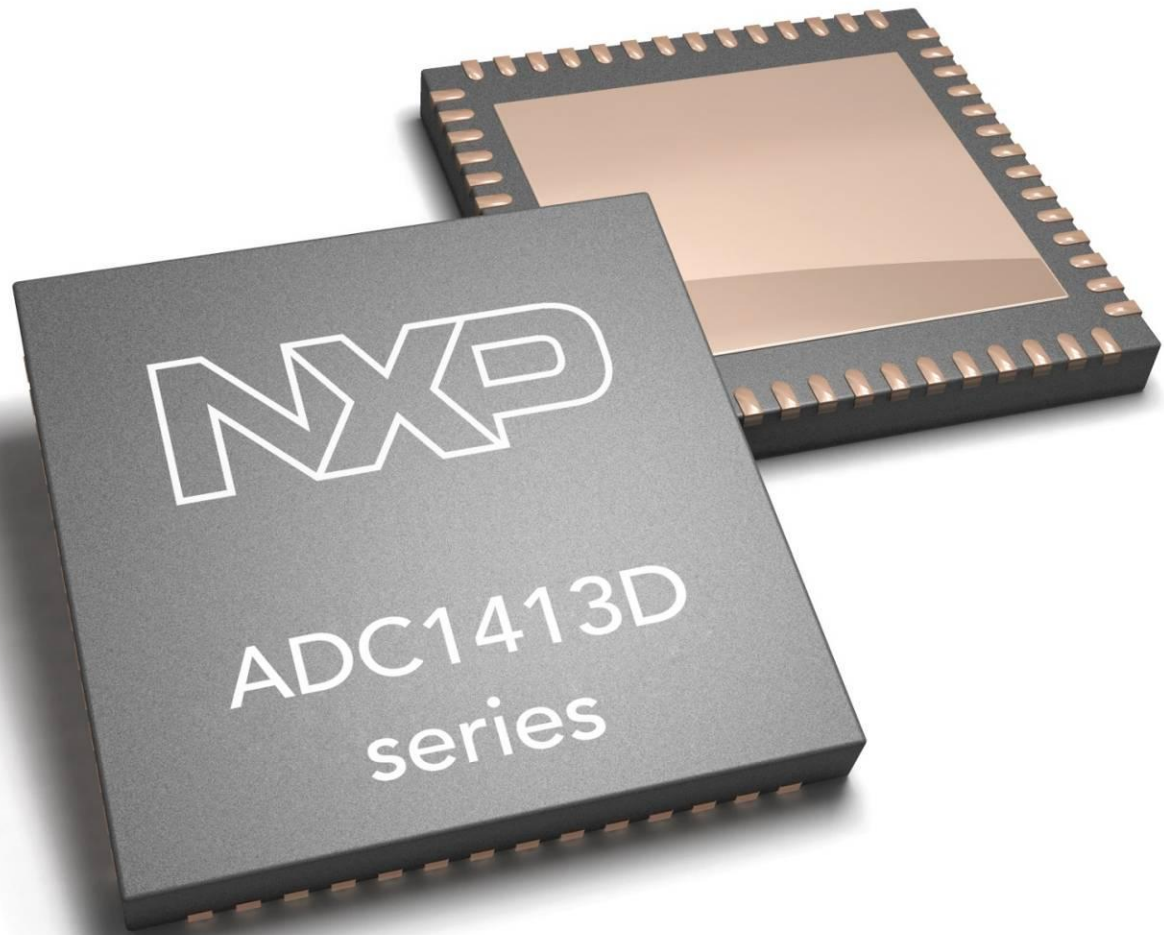
Target Financial Model



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