

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 to drive earnings growth

**Above-market
sales growth**



**Unparalleled
earnings leverage**

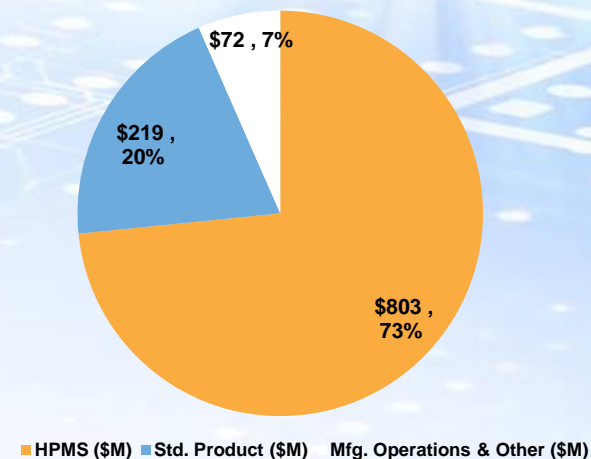
Q2 2012 Quarterly Revenue and Operating Income



GAAP Financial Summary

(\$ in millions)	Q2 2011	Q1 2012	Q2 2012	Y-Y Variance Q2 '11 – Q2 '12	Q-Q Variance Q1 '12 – Q2 '12
Product Revenue	1,025	912	1,022	(3)	110
All Other	96	66	72	(24)	6
Total Revenue	1,121	978	1,094	(27)	116
Gross Profit	523	424	538	15	114
Percent of total revenue	46.7%	43.4%	49.2%	2.5pts.	5.8pts.
Operating income	133	55	156	23	101
Percent of total revenue	11.9%	5.6%	14.3%	2.4pts.	8.7pts.

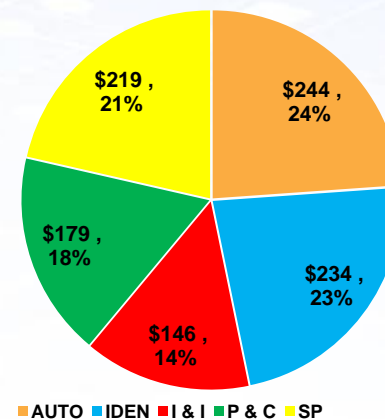
Quarterly Segment Revenue:



Non-GAAP Financial Summary

(\$ in millions)	Q2 2011	Q1 2012	Q2 2012	Y-Y Variance Q2 '11 – Q2 '12	Q-Q Variance Q1 '12 – Q2 '12
Gross Profit	536	433	505	(31)	72
Percent of total revenue	47.8%	44.3%	46.2%	(1.6pts.)	1.9pts.
Operating income	229	141	204	(25)	63
Percent of total revenue	20.4%	14.4%	18.6%	(1.8pts.)	4.2pts.

Quarterly Business Revenue:



Q2 2012 Financial Reconciliation (GAAP to non-GAAP)



(\$ in millions, unless otherwise stated)

	Q2 2011	Q1 2012	Q2 2012
Total Revenue	1,121	978	1,094
GAAP Gross Profit	523	424	538
Gross profit adjustments	(13)	(9)	33
Non - GAAP Gross Profit	536	433	505
GAAP Gross Margin	46.7%	43.4%	49.2%
Non-GAAP Gross Margin	47.8%	44.3%	46.2%
GAAP Operating income (loss)	133	55	156
Operating income adjustments	(96)	(86)	(48)
Non - GAAP Operating income (loss)	229	141	204
GAAP Operating Margin	11.9%	5.6%	14.3%
Non-GAAP Operating Margin	20.4%	14.4%	18.6%
GAAP Financial income (expense)	(19)	(73)	(178)
Financial income adjustments	60	3	(108)
Non - GAAP Financial income (expense)	(79)	(76)	(70)
GAAP Income tax benefit (expense)	-	5	(7)
Adjustments	7	9	(2)
Non - GAAP Cash tax (expense)⁽¹⁾	(7)	(4)	(5)
GAAP Net income (loss) attributable to shareholders	84	(24)	(90)⁽²⁾
Net income (loss) adjustments	(46)	(72)	(203) ⁽³⁾
Non - GAAP Net income (loss) attributable to shareholders	130	48	113⁽⁴⁾
GAAP Diluted net income (loss) per share attributable to shareholders	0.33	(0.10)	(0.36)
Non - GAAP Diluted net income (loss) per share attributable to shareholders	0.51	0.19	0.45

- Cash income taxes paid during the period
- Includes:
 - Stock-based compensation expense: \$15M
- Includes:
 - PPA effects: (\$73M);
 - Restructuring: (\$1);
 - Other incidentals: (\$20M);
 - Other adjustments: \$46M
 - Foreign exchange gain (loss) on debt: (\$104M);
 - Other financial expense: (\$4M);
 - Results relating to equity-accounted investees: (\$45M);
 - Difference between book and cash income tax: (\$2M)
- Includes:
 - Stock-based compensation expense: \$11M

Q2 2012 Business Segment Performance



GAAP Financial Summary

HPMS (\$ in millions)	Q2 2011	Q1 2012	Q2 2012	Y-Y	Q-Q
Revenue	779	710	803	3.1%	13.1%
Gross Profit	433	364	465	7.4%	27.7%
Gross Margin	55.6%	51.3%	57.9%	2.3pts	6.6pts
Operating income	112	71	159	42.0%	123.9%
Operating Margin	14.4%	10.0%	19.8%	5.4pts	9.8pts

STDP (\$ in millions)	Q2 2011	Q1 2012	Q2 2012	Y-Y	Q-Q
Revenue	246	202	219	(11.0%)	8.4%
Gross Profit	92	58	66	(28.3%)	13.8%
Gross Margin	37.4%	28.7%	30.1%	(7.3pts)	1.4pts
Operating income	47	9	18	(61.7%)	100.0%
Operating Margin	19.1%	4.5%	8.2%	(10.9pts)	3.7pts

Non-GAAP Financial Summary

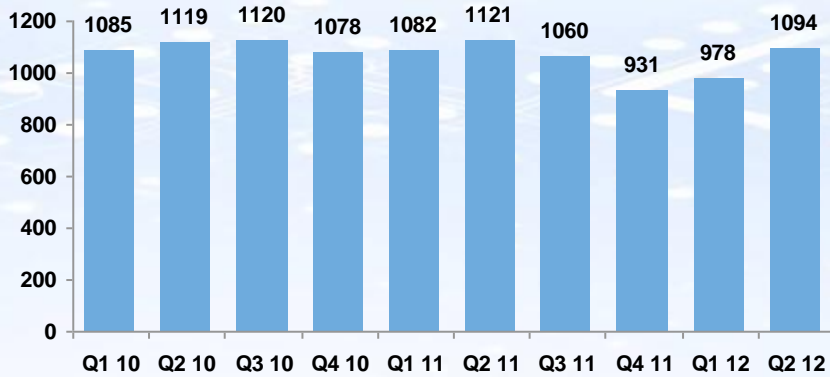
HPMS (\$ in millions)	Q2 2011	Q1 2012	Q2 2012	Y-Y	Q-Q
Gross Profit	433	366	428	(1.2%)	16.9%
Gross Margin	55.6%	51.5%	53.3%	(2.3pts)	1.8pts
Operating income	166	123	176	6.0%	43.1%
Operating Margin	21.3%	17.3%	21.9%	0.6pts	4.6pts

STDP (\$ in millions)	Q2 2011	Q1 2012	Q2 2012	Y-Y	Q-Q
Gross Profit	93	59	67	(28.0%)	13.6%
Gross Margin	37.8%	29.2%	30.6%	(7.2pts)	1.4pts
Operating income	63	22	32	(49.2%)	45.5%
Operating Margin	25.6%	10.9%	14.6%	(11.0pts)	3.7pts

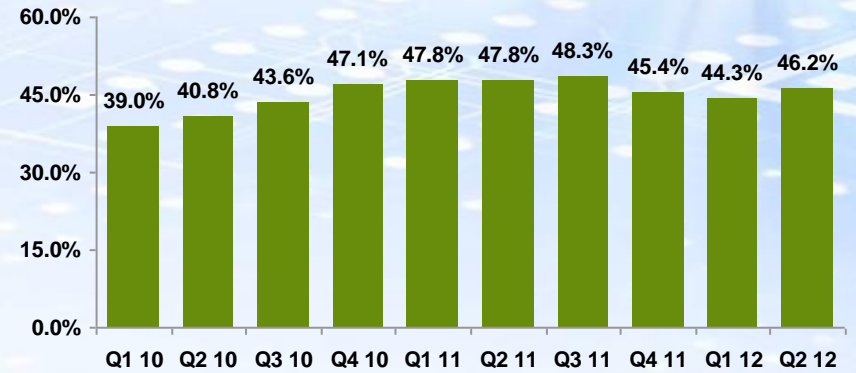
NXP Business Trends



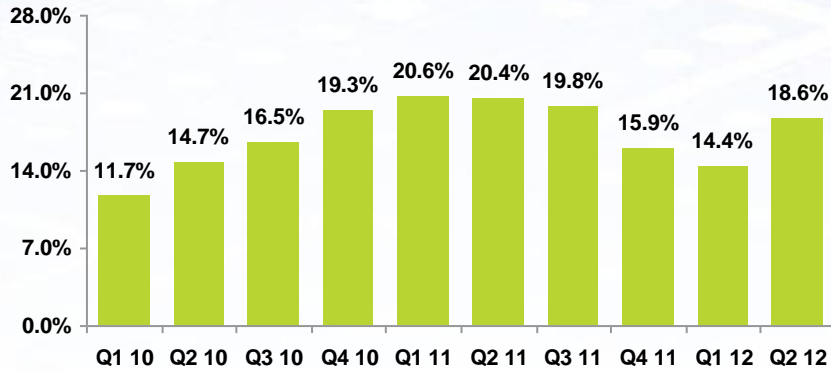
Revenue



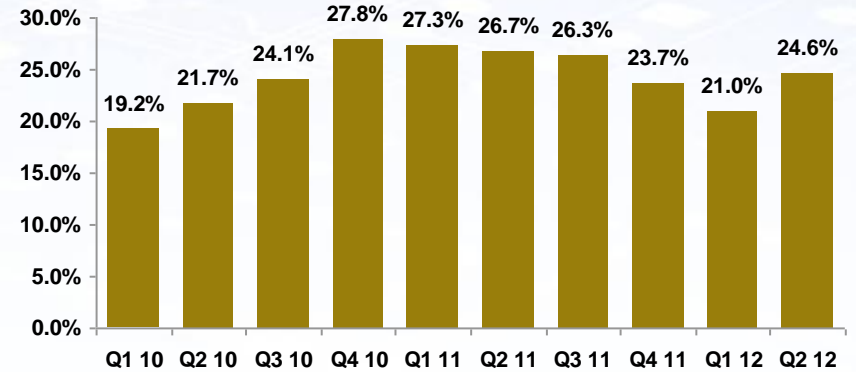
Non-GAAP Gross Margin



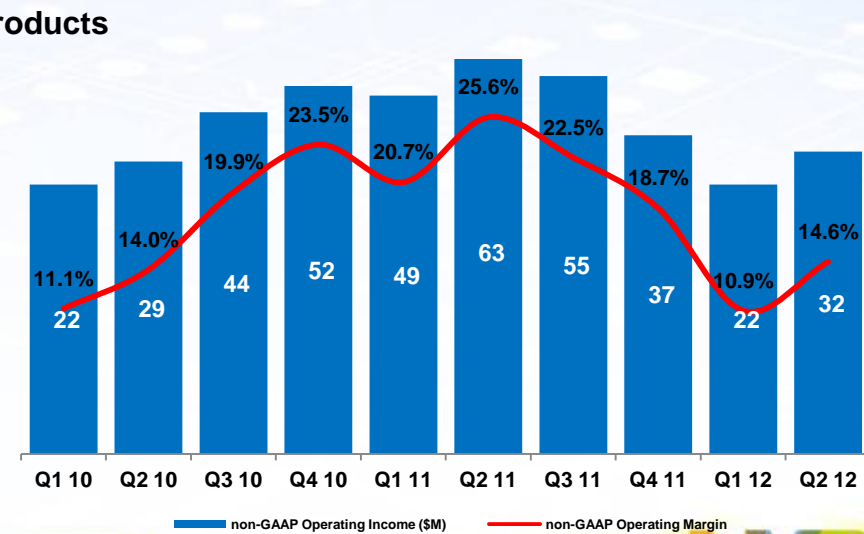
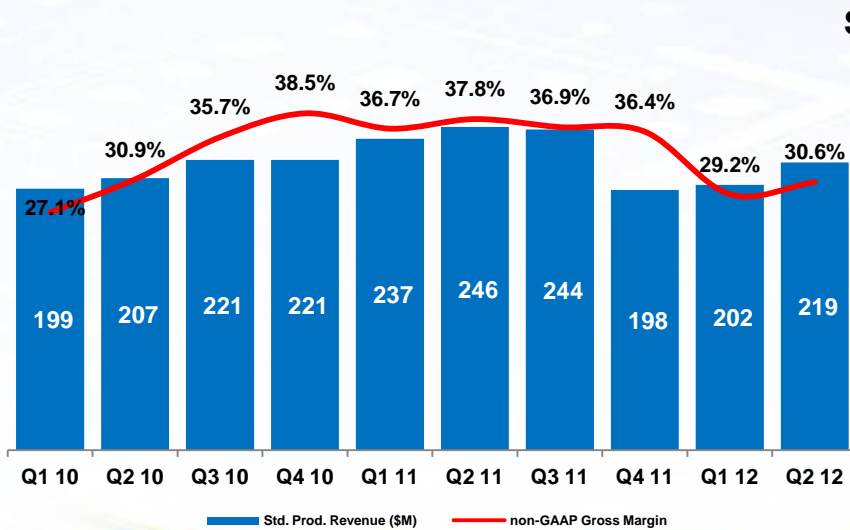
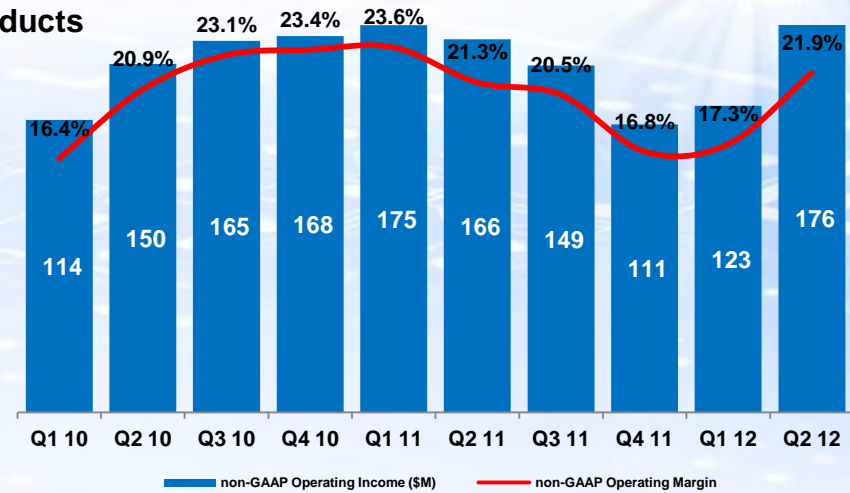
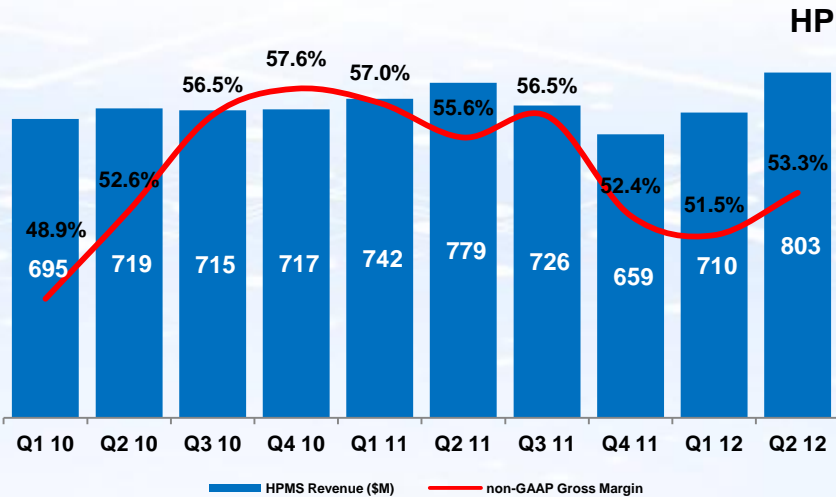
Non-GAAP Operating Margin



Adj. EBITDA Margin



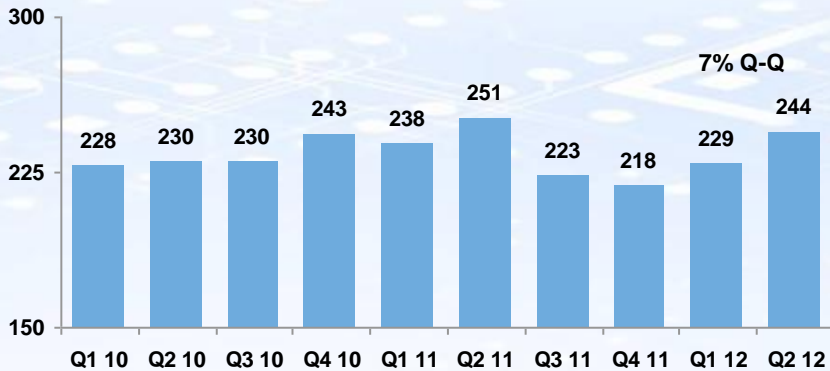
Business Segment Revenue and Margin Trends



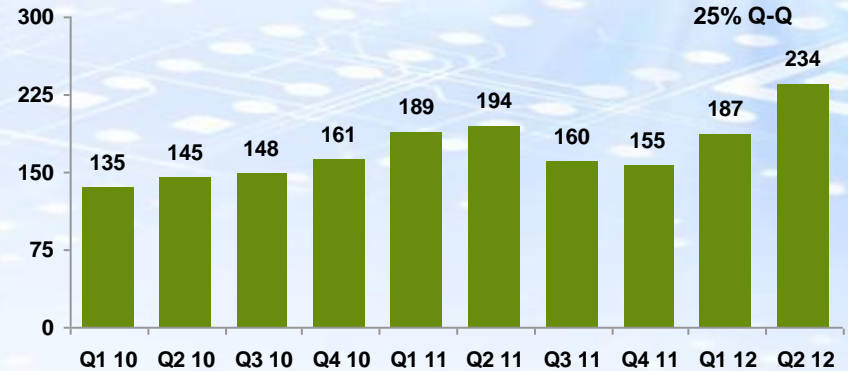
HPMS Revenue Business Trends^(1,2) (\$M)



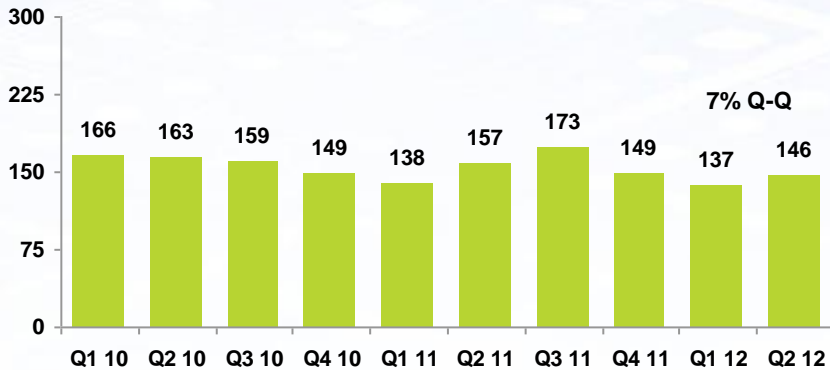
Automotive



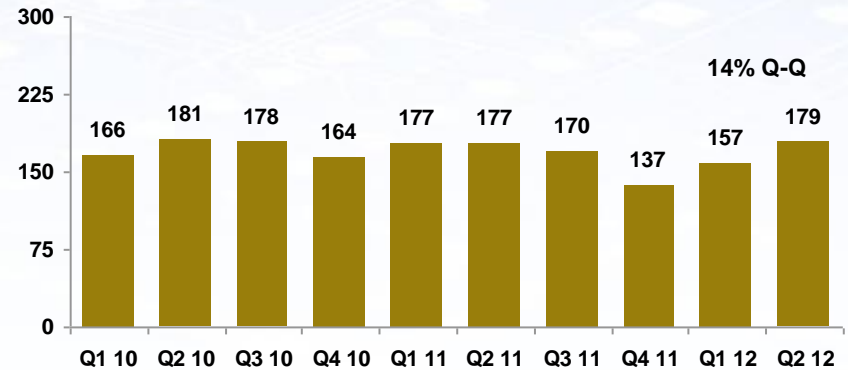
Identification



Infrastructure and Industrial



Portable and Computing



Note:

1. 4Q10 numbers based on consistent approach used in prior periods
2. As of 2Q12, prior end markets definitions for "Wireless Infrastructure, Lighting and Industrial" and "Mobile, Consumer and Computing" have been redefined to align internal management organization. All prior periods have been realigned to conform with new end market definitions



Cash Flow Overview

(\$ in millions)



	Q2 2011	Q1 2012	Q2 2012
Net cash provided by (used for) operating activities	81	97	269
Net cash provided by (used for) investing activities	(71)	(45)	(82)
Net cash provided by (used for) financing activities	(39)	(28)	(79)
Net cash provided by (used for) continuing operations	(29)	24	108
Net cash provided by (used for) discontinued operations	(8)	-	(45)
Effects of changes in exchange rates on cash position	9	15	(8)
Increase (decrease) in cash and cash equivalents	(28)	39	55
Cash and cash equivalents at beginning of the period	895	743	782
Cash and cash equivalents at end of period	867	782	837
Less cash – discontinued operations	(8)	-	-
Cash and cash equivalents at end of period – continuing operations	859	782	837

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)

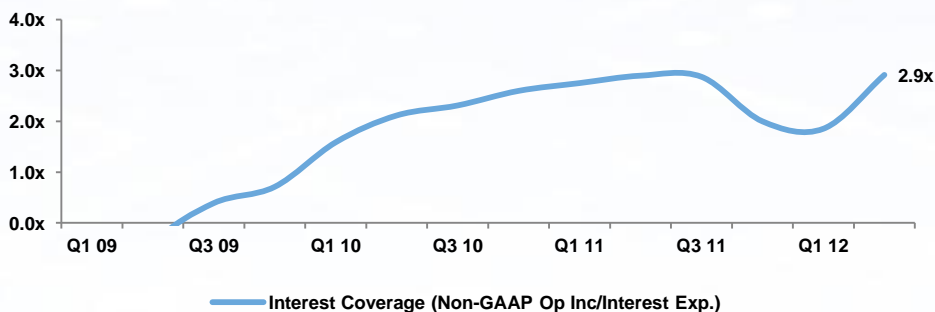
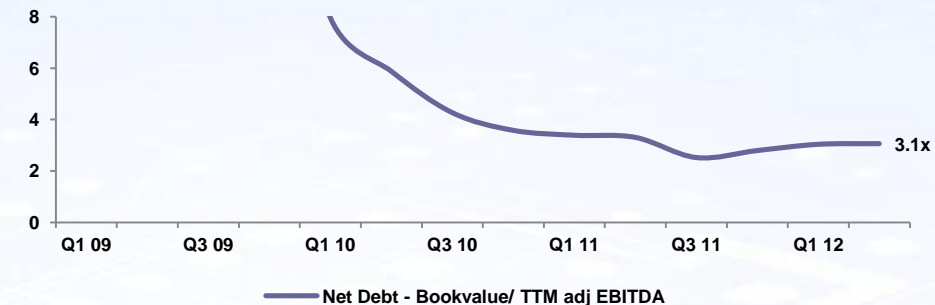


	Q2 2011	Q1 2012	Q2 2012
Net income (loss)	97	(11)	(74)
Income (loss) on discontinued operations	(2)	1	-
Income (loss) on continuing operations	99	(12)	(74)
Reconciling items to EBITDA			
Financial (income) expense	19	73	178
(Benefit) provision for income taxes	-	(5)	7
Depreciation	72	63	62
Amortization	71	71	77
EBITDA	261	190	250
Results of equity-accounted investees	15	(1)	45
Restructuring ¹	7	7	1
Other incidental items ¹	16	9	19
Other adjustments	-	-	(46)
Adjusted EBITDA	299	205	269
Trailing 12-month Adjusted EBITDA	1,164	1,004	974
1. Excluding depreciation PP&E related to			
Restructuring	1	1	-
Other incidental items	-	-	1

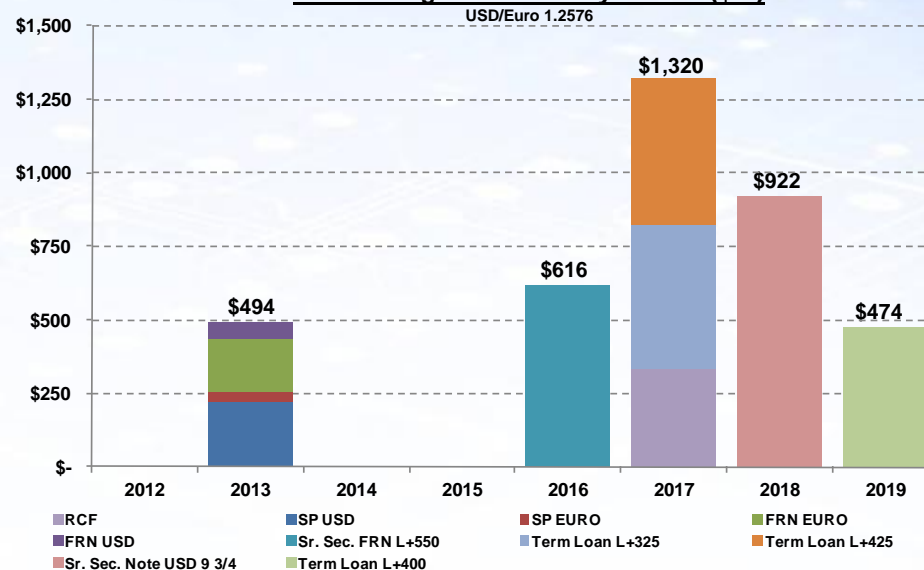
Debt Summary July 24, 2012



Debt Instrument	Sr. Secured FRN	Sr. Secured FRN	Super Priority Notes	Super Priority Notes	Sr. Secured FRN	Term Loan A	Term Loan B	Sr. Secured Notes	Term Loan C	Revolving Credit Facility
Issue Date	15-Oct-06	15-Oct-06	02-Apr-09	04-Feb-09	10-Nov-11	05-Jun-11	16-Dec-11	20-Jul-10	19-Mar-12	27-Apr-12
Maturity Date	15-Oct-13	15-Oct-13	15-Jul-13	15-Jul-13	10-Nov-16	03-Apr-17	03-Apr-17	01-Aug-18	03-Apr-19	01-Mar-17
Issued Amount (M)	€ 1,000	\$1,535	\$221	€ 29	\$615	\$500	\$500	\$1,000	\$475	€ 500
Book Value (M)	€ 142	\$58	\$201	€ 24	\$607	\$492	\$478	\$922	\$467	€ 262
Outstanding Amount (M)	€ 142	\$58	\$221	€ 29	\$616	\$494	\$496	\$922	\$474	€ 262
Coupon	Libor + 275 bps	Libor + 275 bps	10%	10%	Libor + 550 bps	Libor + 325 bps	Libor + 425 bps	9.75%	Libor + 400 bps	Libor + 250 bps
Rating										
Moody's	B3	B3	B2	B2	B3	B3	B3	B3	B3	B2
Standard & Poor's	B+	B+	BB	BB	B+	B+	B+	B+	B+	BB



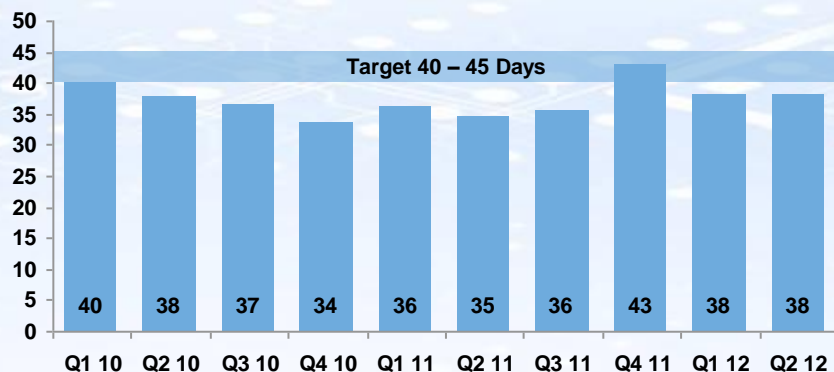
Outstanding Debt Maturity Profile (\$M)



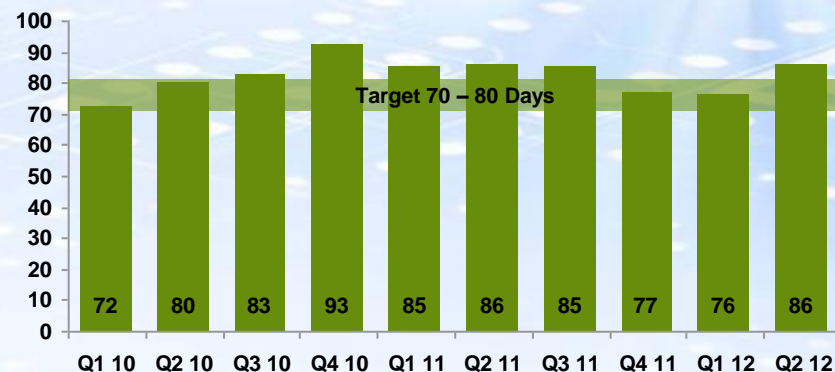
Working Capital Ratios



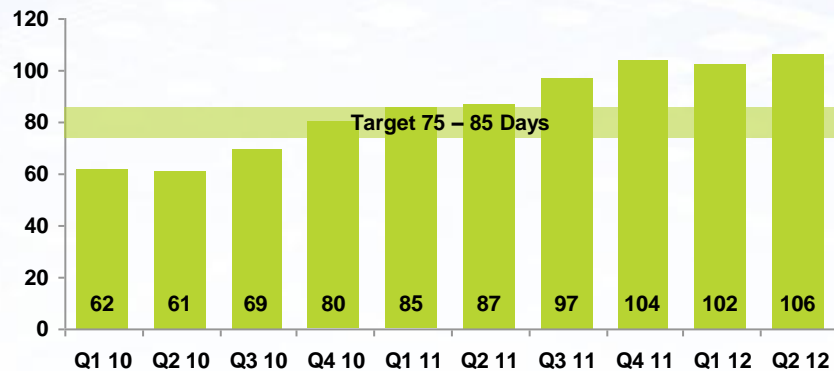
DSO



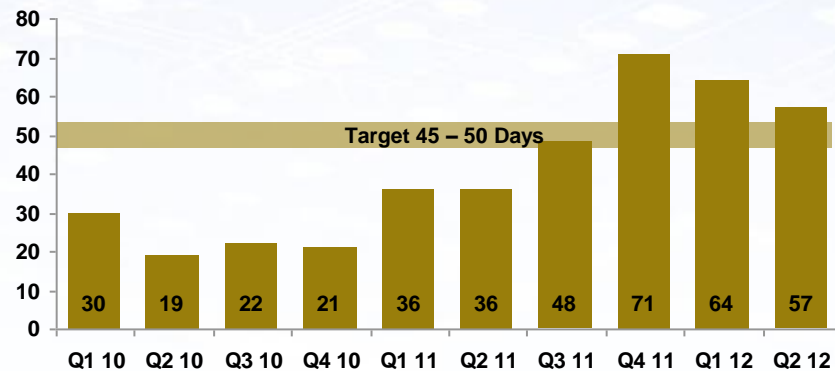
DPO



DIO



Cash Conversion Cycle



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

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

Automotive (AUTO) – HPMS Leader

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



Key Positions



#1 Passive Keyless Entry & Immobilizers)



#1 In-Vehicle Networking: CAN/LIN/Flexray)



#1 Car Radio

Emerging Growth Engines



Auto LED

Aligned with Market Leaders



DELPHI

BOSCH

Panasonic

SONY



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



Identification (IDEN) – Industry Leader

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



Key Positions

A grid of four images illustrating key positions: #1 eGov (a laptop), #1 Transport & Access (a hand holding a yellow card), #1 NFC (a person using a handheld device), and #1 RFID (a hand holding a green card). A central image shows a person using a handheld device labeled 'Readers' to scan a stack of boxes.

Emerging Growth Engines

A diagram showing two examples of emerging growth engines. On the left, a steering wheel is connected to a smartphone by a double-headed arrow, with the word 'Authentication' written below. On the right, a pill bottle is connected to a smartphone by a double-headed arrow.

Aligned with Market Leaders

A collection of logos for market leaders: Google (Android robot), NOKIA, SONY (make.believe), SAMSUNG, Oberthur Card Systems, GE, Giesecke & Devrient, ZTE中兴, gemalto, and AVERY DENNISON.

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...

A diagram illustrating 'The Connectivity Revolution'. On the left is a smartphone. A large double-headed arrow labeled 'The Connectivity Revolution' points to the right. On the right, a central circle contains the text '>1B contactless touch points'. Surrounding this circle are various icons representing contactless devices and services, including a laptop, a smartphone, a credit card, a printer, and a person using a handheld device.

Infrastructure and Industrial (I & I) – Focused Leader in Multi-market RF

2011 Revenue = \$617M, 16% Product Revenue, Down 3% Y-Y



Key Positions



High Performance RF – Cellular basestations



Silicon Tuners – DTV, STB, and Cable Modem



Power and Lighting Solutions
Lighting Drivers – LED and CFL
High Voltage Power Supply for Notebook
Low Voltage Power Supply for Consumer devices

Emerging Growth Engines



Jennet LP
Wireless - 802.15



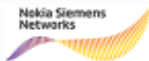
CFL LED

Aligned with Market Leaders



HUAWEI

ZTE中兴



ERICSSON

SAMSUNG



LG



CISCO



LITEON



DELTA

PHILIPS

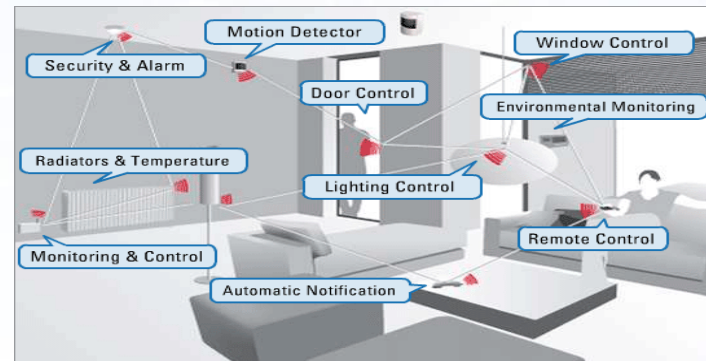
SHARP

EMERSON

Panasonic

Highlights

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



Portable and Computing (P & C) – Focused on Mobile Communications

2011 Revenue = \$661M, 17% Product Revenue, Down 4% Y-Y



Key Positions



32-bit ARM MCU



Interface ICs: I2C, Bridging ICs, UARTS, LP RTC

General Purpose Logic – Switches

Emerging Growth Engines



Aligned with Market Leaders



Highlights

- **Secular market trends**
 - Increased demand for energy efficiency
 - Low power mixed-signal integration
 - Shift toward embedded ARM-architecture
- **Multi-market leader**
 - High-speed interface product portfolio focused on
 - Portable applications
 - Enterprise computing applications
 - 32-bit ARM MCU
 - Focused on ARM M0, M3, M4 cores
 - Leverage broad analog interface IP portfolio
 - Industrial, white goods and mobile focus
 - Broad general purpose logic
 - Emerging load-switching opportunities
- **Recent innovations to drive growth**
 - High-speed system management
 - Voltage level shifting
 - Mobile-LED lighting management
 - Semi-custom high-speed interface products
 - Leveraging IP and applications knowledge

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

Discretetes



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

Standard Linear



Voltage regulators for the mobile, computing & consumer markets

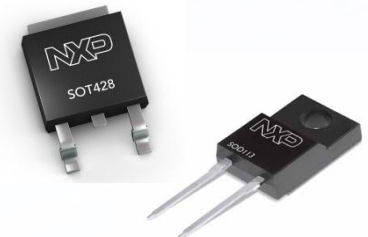
PowerMOS



LFPak, the toughest PowerSO8

Low voltage power MOSFETs for automotive & high speed switching applications

Bipolar Power



China-based manufacturer of rectifiers & thyristors



Guidance for the Third Quarter of 2012⁽¹⁾



	Guidance Range		
	Low	Mid	High
Product Revenue	\$ 1,083	\$ 1,114	\$ 1,145
Q-Q	6%	9%	12%
Mfg. & Other Revenue	\$ 60	\$ 60	\$ 60
Total Revenue	\$ 1,143	\$ 1,174	\$ 1,205
Q-Q	4%	7%	10%
Non-GAAP Gross Profit	\$ 526	\$ 546	\$ 567
Non-GAAP Gross Margin	46.0%	46.5%	47.0%
Non-GAAP Operating Income	\$ 217	\$ 235	\$ 253
Non-GAAP Operating Margin	19.0%	20.0%	21.0%
Interest Expense	\$ 68	\$ 68	\$ 68
Cash Taxes	\$ 9	\$ 11	\$ 12
Non-controlling Interest	\$ 12	\$ 14	\$ 16
Non-GAAP Net Income	\$ 128	\$ 142	\$ 157
Ave. Diluted Shares	254	254	254
Non - GAAP EPS	\$ 0.50	\$ 0.56	\$ 0.62

Product Revenue trends at the mid-point of 3Q12 guidance:

1. Automotive is expected to be about flat
2. Identification is expected to be up approximately 10%
3. Infrastructure and Industrial is expected to be up low teens
4. Portable and Computing are expected to be above 20%;
5. Standard Products is expected to be about flat

Note (1): NXP has based the guidance included in our earnings press release issued on July 24, 2012 on judgments and estimates that management believes are reasonable given its assessment of historical trends and other information reasonably available as of the date of this earnings press release. The guidance included in this release consists of predictions only, and is subject to a wide range of known and unknown risks and uncertainties, many of which are beyond NXP's control. The guidance included in this release should not be regarded as representations by NXP that the estimated results will be achieved. Actual results may vary materially from the guidance we provided in our earnings press release issued on July 24, 2012. In relation to the use of non-GAAP financial information see the note regarding "Use of Non-GAAP Financial Information" included in our earnings press release issued on July 24, 2012. For the factors, risks and uncertainties to which judgments, estimates and forward-looking statements generally are subject see the note regarding "Forward-looking Statements." We undertake no obligation to publicly update or revise any forward-looking statements, including the guidance set forth in our earnings press release issued on July 24, 2012, to reflect future events or circumstances. Considering the uncertain magnitude and variability of the foreign exchange consequences upon "PPA effects", "restructuring costs", "other incidental items" and any interest expense or taxes in future periods, management believes that GAAP financial measures are not available for NXP on a forward looking basis.

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:

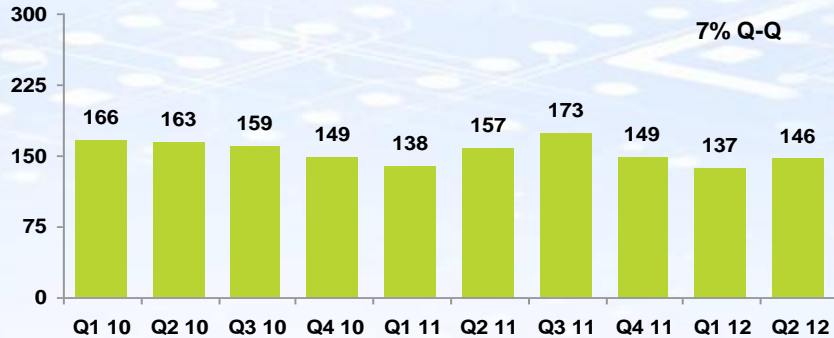
1. Reflects new target operating model for Standard Products after divestment of Sound Solutions business
2. Non-product Manufacturing, Corporate and Other business to be less than 10% total revenue at target
3. Cash taxes are expected to be \$40 - \$60 million per year for next several years as NXP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

New End-market Business Partition^(1,2) (\$M)

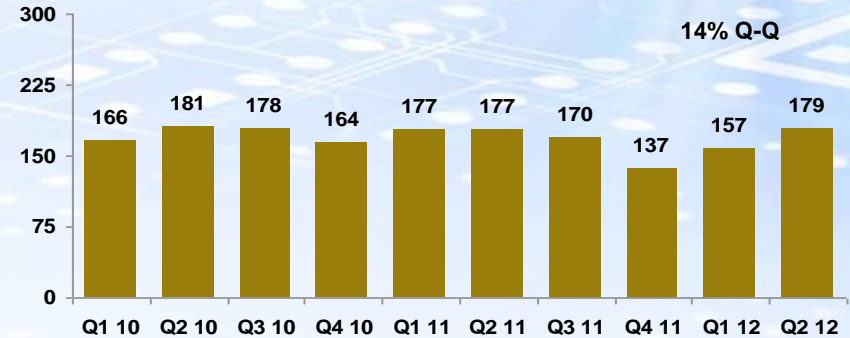


NEW Partition

Infrastructure and Industrial

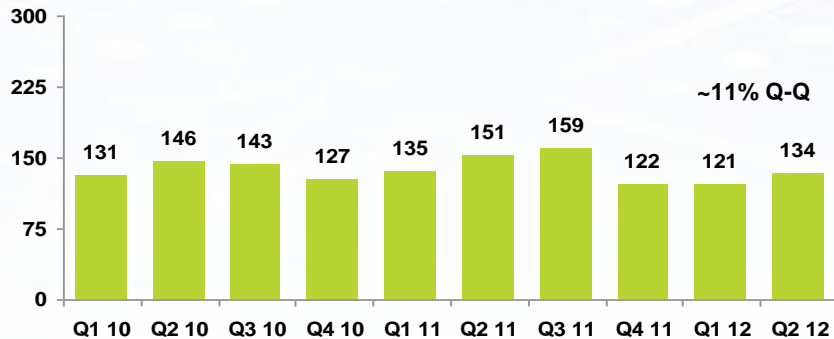


Portable and Computing

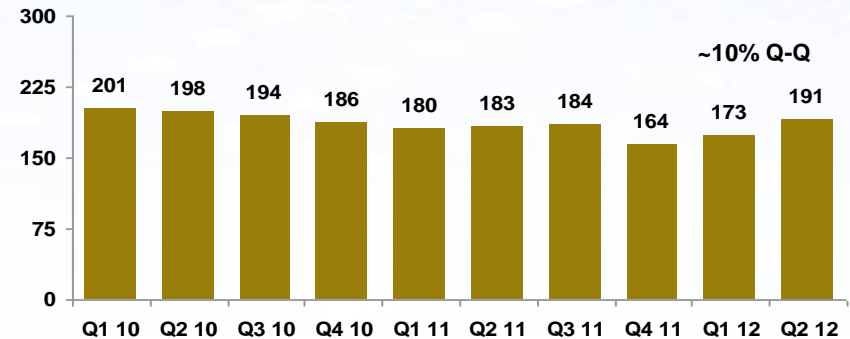


OLD Partition

Wireless Infrastructure, Lighting and Industrial



Mobile, Consumer and Computing



Note:

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

2. As of 2Q12, prior end markets definitions for "Wireless Infrastructure, Lighting and Industrial" and "Mobile, Consumer and Computing" have been redefined to align internal management organization. All prior periods have been realigned to conform with new end market definitions



New End-market Business Partition – Product Level⁽¹⁾



NEW Partition

Infrastructure and Industrial

Products included

- High Performance RF
- Power and Lighting solutions
- Silicon Front-end Tuners
- Emerging RF products

Portable and Computing

Products included

- High Speed Interface
- 32-bit ARM MCU
- General Purpose Logic

OLD Partition

Wireless Infrastructure, Lighting and Industrial

Products included

- High Performance RF
- Lighting solutions
- 32-bit ARM MCU

Mobile, Consumer and Computing

Products included

- High Speed Interface
- Power solutions
- Silicon Front-end Tuners
- General Purpose Logic
- Emerging RF products

Note:

1. As of 2Q12, prior end markets definitions for "Wireless Infrastructure, Lighting and Industrial" and "Mobile, Consumer and Computing" have been redefined to align internal management organization. All prior periods have been realigned to conform with new end market definitions

