Forward Looking Statement

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

1. Focus on application and market segments with superior long term growth
2. Leverage unique HPMS capabilities to engage and win with market leaders
3. Control costs and expenses to drive operating margin into long-term model
4. Optimize capital structure and drive robust free-cash flow

Above-market Sales Growth + Superior Earnings Leverage
Secular Trends and Demands Driving Growth

- Security
- Connectivity
- Mobility
- Energy efficiency

Characteristics of HPMS Focused Markets

- Large with long life cycles
- Growth in excess of overall market
- Broad and diverse customer base
- High barrier to entry
- Sticky customer relationships

NXP Competitive Advantages

- Strong IP and patent portfolio position
- Broad mixed signal product portfolio
- Differentiated process technology
- Acknowledge leadership capability in Low-power RF; cryptography; mixed-signal MCU system design

Addressable Market Growth ($M)\(^{(1)}\)

Potential Future Market Growth ($M)\(^{(1)}\)

Source:
(1) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Growth Driven by HPMS Capabilities and Standard Products Scale

**HPMS Addressable Market Growth ($M)**

- 2011: $14,030
- 2012: $14,871
- 2013: $16,857
- 2014E: $18,550

**STDP Addressable Market Growth ($M)**

- 2011: $11,339
- 2012: $10,503
- 2013: $10,374
- 2014E: $11,276

**NXP HPMS Segment Growth ($M)**

- 2011: $2,653
- 2012: $2,976
- 2013: $3,533
- 2014E: $4,190

**NXP Standard Products Segment Growth ($M)**

- 2011: $1,216
- 2012: $1,168
- 2013: $1,145
- 2014E: $1,266

**NXP HPMS Growth in Excess of Market**

- 2011: (5%)
- 2012: 6%
- 2013: 6%
- 2014E: 9%

**NXP Standard Products Growth in Excess of Market**

- 2011: 8%
- 2012: 3%
- 2013: (1%)
- 2014E: 2%

Source: (1) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Focused on High Relative Marketshare (RMS) Advantage

2014E Product Revenue = $5.5B, up 17% Y-Y\(^{(1,2)}\)

Segment Contribution\(^{(1)}\) ($M)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Contribution ($M)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Products</td>
<td>$1,266, 23%</td>
<td></td>
</tr>
<tr>
<td>Portable &amp; Computing</td>
<td>$698, 13%</td>
<td></td>
</tr>
<tr>
<td>Infrastructure &amp; Industrial</td>
<td>$884, 16%</td>
<td></td>
</tr>
<tr>
<td>Identification</td>
<td>$1,466, 27%</td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td>$1,143, 21%</td>
<td></td>
</tr>
</tbody>
</table>

2013 Overall Relative Market Share (RMS)

- True Leader (RMS >1.5), 53%
- Leader (RMS <=1.5-1.0), 11%
- Competitive (RMS <=1.0-0.5), 21%
- Focused Contender (RMS <0.5), 16%

Note:

(1) Assumes mid-point of 4Q14 guidance
(2) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Identification

27% Product Revenue in 2014E\(^{(1)}\)

**Secular Trends Driving Growth**
- Digitization of government documents
- Global roll-out of chip-based bank cards
- Unified transit payment platforms
- Secure mobile payments and access
- Authentication of products & people

**Products**
- SmartMX secure microcontroller
- Secure Java-card operating system
- Zero and low-power RF interfaces
- MiFare ticketing and access solutions
- Complete document reader solutions
- Low-power RFID tagging solutions

**Market Position**
- #1 eGovernment documents
- #1 Chip-based banking cards
- #1 Transit system products
- #1 Mobile transaction solutions
- #1 RFID tags and labels
- #1 Contactless infrastructure

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**Note**
- Assumes mid-point of 4Q14 guidance
- Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;

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**NXP Identification Group Growth ($M)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$698</td>
<td>$986</td>
<td>$1,297</td>
<td>$1,466</td>
</tr>
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</table>

28% CAGR

**Potential Identification Market Growth ($M)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014E</th>
<th>2015E</th>
<th>2016E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$3,692</td>
<td>$4,428</td>
<td>$5,141</td>
<td>$5,642</td>
</tr>
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</table>

16% CAGR
Automotive

21% Product Revenue in 2014E(1)

Secular Trends Driving Growth
- Secure connected car – Car-to-X mgt.
- Demand for increased safety (ADAS)
- Adoption of global digital broadcast
- Increased data-flow throughout the car
- Increased intelligence to key
- Energy efficiency and CO₂ reduction
- Complexity and long-life cycle demands

Products
- SoC infotainment and SDR systems
- CAN/LIN, FlexRay and Ethernet PHY
- RF passive keyless and proximity entry
- ABS, angular and temperature sensors
- LED interior and exterior lighting
- Car-to-X communication systems

Market Position
- #1 Auto infotainment systems
- #1 In-vehicle networking
- #1 Auto access - immobilizers
- #3 Magnetic sensors

NXP Automotive Group Growth ($M)

Potential Automotive Market Growth ($M)(1)

Note
(1) Assumes mid-point of 4Q14 guidance
(2) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;

7% CAGR

9% Y-Y

$1,143

$930

$939

$1,019

2011

2012

2013

2014E

6% CAGR

$3,246

$3,394

$3,602

$3,828

2014E

2015E

2016E

2017E
**Secular Trends Driving Growth**
- Increased demand energy efficiency
- Market shift toward 32-bit ARM MCU
- Adoption of multi-protocol interfaces
- Low power sensor management
- Emergence of wireless charging

**Products**
- Multi-protocol interface products
- 32-bit ARM MCU
- Custom SoC (MCU w/ mixed A/D)

**Market Position**
- #1 Multi-protocol interface products
- #11 32-bit ARM MCU

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**Portable and Computing Group Growth ($M)**

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>$370</td>
<td>$417</td>
<td>$488</td>
<td>$698</td>
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</table>

24% CAGR

**Potential Portable and Computing Market Growth**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,254</td>
<td>$4,484</td>
<td>$4,671</td>
<td>$4,807</td>
</tr>
</tbody>
</table>

4% CAGR

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**Note**

(1) Assumes mid-point of 4Q14 guidance

(2) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Infrastructure and Industrial \(^{(1)}\)
16% Product Revenue in 2014 \(^{(1)}\)

**Secular Trends Driving Growth**
- Increased cellular data consumption
- Adoption of energy efficient lighting
- Low-Power RF-Connectivity (“IoT”)
- Increased demand for mobile charging
- Increased demand for Audio quality

**Products**
- HPRF power amplifiers
- Small signal LNA and RF discrete
- AD/DC power controllers and regulators
- LED lighting drivers
- IoT ultra-low power RF-connectivity
- Smart mobile audio solutions

**Market Position**
- #1 LED lighting drivers
- #1 Small-signal RF
- #1 RF transceivers (silicon tuners)
- #2 HPRF power amplifiers
- #3 Small signal (mobile FEM)
- #4 AC/DC power adapters

Note
(1) Assumes mid-point of 4Q14 guidance
(2) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Standard Products

23% Product Revenue in 2014E

Benefits to Customers of Standard Products

- Scale:
  - 70B units/yr. manufactured
  - Material purchasing power
- Reach - #2 supplier in WW distribution
- Quality - Automotive qualified

Products

- General purpose logic (“GPL”)
- Small signal discrete
- Signal conditioning
- Low-voltage power MOSFET

Market Position

- #1 Standard products (overall)
- #2 General purpose logic
- #2 Small signal discrete
- #2 Signal conditioning

NXP Standard Product Growth ($M)

Potential Standard Product Market Growth

Note

(1) Assumes mid-point of 4Q14 guidance
(2) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Results Reflect Execution to Strategic Plan (1)

Strong Product Revenue Growth Driven by Company Specific Design Opportunities

Leading to Consistent Revenue Growth in Excess of Peers (1)

World-class Earnings Growth Driven by Revenue Growth, Improving Margin and Reduced Leverage

Note

(1) Assumes mid-point of 4Q14 guidance
(2) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
(3) Peer Index based on aggregate revenue of HPMS and STDP Peers
The Focus on Increasing Shareholder Value

Continued Growth in Excess of Peers a Result of Unique Product Portfolio
+ Continued Expansion of EBIT Profit (~26% EBIT Margin)
+ Considerably Lower Interest Expense (~2x Net-Debt / TTM EBITDA)
+ Substantially Lower Impacts from Restructuring
+ Sustainable Long-term Effective Tax Rate (12% – 15%, post ‘16)
+ Low Long-term Capex Result of Tiered Manufacturing Model (~5% Revenue)

= Robust Free Cash Flow Generation

Opens Options for Increasing Shareholder Value:
1. Share Buy-backs
2. Non-Organic Investment in Business
3. Dividends
4. Continued Debt Reduction
5. Combination of above
Recent Quarterly Business Trends\(^{(1)}\)

### Revenue ($M)

- **Q1 13**: $1,085
- **Q2 13**: $1,188
- **Q3 13**: $1,249
- **Q4 13**: $1,293
- **Q1 14**: $1,246
- **Q2 14**: $1,349
- **Q3 14**: $1,515

### Non-GAAP Gross Margin

- **Q1 13**: 49.5%
- **Q2 13**: 45.5%
- **Q3 13**: 46.8%
- **Q4 13**: 49.2%
- **Q1 14**: 49.5%
- **Q2 14**: 48.6%
- **Q3 14**: 47.9%

### Non-GAAP Operating Margin

- **Q1 13**: 23.5%
- **Q2 13**: 21.5%
- **Q3 13**: 22.8%
- **Q4 13**: 25.1%
- **Q1 14**: 24.2%
- **Q2 14**: 24.8%
- **Q3 14**: 25.7%

### Adj. EBITDA Margin

- **Q1 13**: 29.4%
- **Q2 13**: 26.9%
- **Q3 13**: 28.0%
- **Q4 13**: 29.9%
- **Q1 14**: 28.7%
- **Q2 14**: 29.0%
- **Q3 14**: 29.8%

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**Note:**

1. As of Q1 13, product classification for HPMS end markets “Infrastructure & Industrial” and “Portable & Computing” in addition to segment “Standard Products” have been redefined to reflect underlying market dynamics, product complexity and organizational management. Prior periods have been realigned to conform with new end market definitions. Non-GAAP amounts exclude stock-based compensation.
Business Segment Revenue and Non-GAAP Margin Trends

**HPMS Segment Revenue and non-GAAP Gross Margin**

- Q1 13: $776 million, 59.9%
- Q2 13: $878 million, 53.8%
- Q3 13: $922 million, 54.1%
- Q4 13: $957 million, 56.5%
- Q1 14: $912 million, 56.0%
- Q2 14: $988 million, 55.4%
- Q3 14: $1,139 million, 53.3%

**HPMS Segment Operating Income and non-GAAP Operating Margin**

- Q1 13: $229 million, 29.5%
- Q2 13: $238 million, 27.1%
- Q3 13: $251 million, 27.2%
- Q4 13: $290 million, 30.3%
- Q1 14: $249 million, 27.3%
- Q2 14: $275 million, 27.8%
- Q3 14: $323 million, 28.4%

**Standard Product Segment Revenue and non-GAAP Gross Margin**

- Q1 13: $279 million, 26.2%
- Q2 13: $281 million, 23.8%
- Q3 13: $291 million, 29.2%
- Q4 13: $294 million, 31.3%
- Q1 14: $295 million, 33.2%
- Q2 14: $316 million, 33.2%
- Q3 14: $333 million, 33.6%

**Standard Product Segment Operating Income and non-GAAP Operating Margin**

- Q1 13: $28 million, 10.0%
- Q2 13: $26 million, 9.3%
- Q3 13: $43 million, 14.8%
- Q4 13: $48 million, 16.3%
- Q1 14: $53 million, 18.0%
- Q2 14: $63 million, 19.9%
- Q3 14: $69 million, 20.7%

**Note:**
1. As of Q1 13, product classification for HPMS end markets “Infrastructure & Industrial” and “Portable & Computing” in addition to segment “Standard Products” have been redefined to reflect underlying market dynamics, product complexity and organizational management. Prior periods have been realigned to conform with new end market definitions. Non-GAAP amounts exclude stock-based compensation.
HPMS Segment Revenue Business Trends ($M) \(^{(1)}\)

**Identification**
- Q1 13: $300
- Q2 13: $339
- Q3 13: $329
- Q4 13: $329
- Q1 14: $319
- Q2 14: $343
- Q3 14: $396

15% Q-Q
20% Y-Y

**Automotive**
- Q1 13: $230
- Q2 13: $253
- Q3 13: $261
- Q4 13: $275
- Q1 14: $276
- Q2 14: $288
- Q3 14: $288

- Q-Q 10% Y-Y

**Portable and Computing**
- Q1 13: $93
- Q2 13: $106
- Q3 13: $130
- Q4 13: $159
- Q1 14: $135
- Q2 14: $147
- Q3 14: $217

48% Q-Q
67% Y-Y

**Infrastructure and Industrial**
- Q1 13: $153
- Q2 13: $180
- Q3 13: $202
- Q4 13: $194
- Q1 14: $182
- Q2 14: $210
- Q3 14: $238

13% Q-Q
18% Y-Y

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

GAAP Financial Summary

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Q3 2014</th>
<th>Q2 2014</th>
<th>Q3 2013</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Revenue</td>
<td>1,472</td>
<td>1,304</td>
<td>1,213</td>
<td>168</td>
<td>259</td>
</tr>
<tr>
<td>All Other</td>
<td>43</td>
<td>45</td>
<td>36</td>
<td>(2)</td>
<td>7</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1,515</td>
<td>1,349</td>
<td>1,249</td>
<td>166</td>
<td>266</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>713</td>
<td>638</td>
<td>570</td>
<td>75</td>
<td>143</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>47.1%</td>
<td>47.3%</td>
<td>45.6%</td>
<td>(0.2pts.)</td>
<td>1.5pts.</td>
</tr>
<tr>
<td>Operating income</td>
<td>307</td>
<td>249</td>
<td>168</td>
<td>58</td>
<td>139</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>20.3%</td>
<td>18.5%</td>
<td>13.5%</td>
<td>1.8pts.</td>
<td>6.8pts.</td>
</tr>
</tbody>
</table>

Non-GAAP Financial Summary

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Q3 2014</th>
<th>Q2 2014</th>
<th>Q3 2013</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>725</td>
<td>655</td>
<td>585</td>
<td>70</td>
<td>140</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>47.9%</td>
<td>48.6%</td>
<td>46.8%</td>
<td>(0.7pts.)</td>
<td>1.1pts.</td>
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<tr>
<td>Operating income</td>
<td>390</td>
<td>334</td>
<td>285</td>
<td>56</td>
<td>105</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>25.7%</td>
<td>24.8%</td>
<td>22.8%</td>
<td>0.9pts.</td>
<td>2.9pts</td>
</tr>
</tbody>
</table>

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

#### GAAP Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>HPMS ($ in millions)</th>
<th>STDP ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>Q3 2014</strong></td>
<td><strong>Q2 2014</strong></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,139</td>
<td>988</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>605</td>
<td>545</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>53.1%</td>
<td>55.2%</td>
</tr>
<tr>
<td>Operating income</td>
<td>274</td>
<td>232</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>24.1%</td>
<td>23.5%</td>
</tr>
</tbody>
</table>

#### Non-GAAP Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>HPMS ($ in millions)</th>
<th>STDP ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>Q3 2014</strong></td>
<td><strong>Q2 2014</strong></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>607</td>
<td>547</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>53.3%</td>
<td>55.4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>323</td>
<td>275</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>28.4%</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

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Note:
1. As of Q1Q3, product classification for HPMS end markets “Infrastructure & Industrial” and “Portable & Computing” in addition to segment “Standard Products” have been redefined to reflect underlying market dynamics, product complexity and organizational management. Prior periods have been realigned to conform with new end market definitions. Non-GAAP amounts exclude stock-based compensation.
Gross Profit Contribution Driven by HPMS Segment

<table>
<thead>
<tr>
<th>Quarter</th>
<th>HPMS Revenue</th>
<th>STDP Revenue</th>
<th>Mfg &amp; Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 12</td>
<td>$274</td>
<td>$741</td>
<td>$646</td>
</tr>
<tr>
<td>Q2 12</td>
<td>$291</td>
<td>$804</td>
<td>$747</td>
</tr>
<tr>
<td>Q3 12</td>
<td>$316</td>
<td>$804</td>
<td>$804</td>
</tr>
<tr>
<td>Q4 12</td>
<td>$287</td>
<td>$785</td>
<td>$785</td>
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<tr>
<td>Q1 13</td>
<td>$279</td>
<td>$776</td>
<td>$776</td>
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<tr>
<td>Q2 13</td>
<td>$281</td>
<td>$878</td>
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<tr>
<td>Q3 13</td>
<td>$291</td>
<td>$922</td>
<td>$922</td>
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<tr>
<td>Q4 13</td>
<td>$294</td>
<td>$957</td>
<td>$957</td>
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<tr>
<td>Q1 14</td>
<td>$295</td>
<td>$912</td>
<td>$912</td>
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<tr>
<td>Q2 14</td>
<td>$316</td>
<td>$988</td>
<td>$988</td>
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<tr>
<td>Q3 14</td>
<td>$333</td>
<td>$1,139</td>
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</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>HPMS Non-GAAP Gross Profit</th>
<th>STDP Non-GAAP Gross Profit</th>
<th>MFG Non-GAAP Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 12</td>
<td>$82</td>
<td>$349</td>
<td>$419</td>
</tr>
<tr>
<td>Q2 12</td>
<td>$90</td>
<td>$411</td>
<td>$433</td>
</tr>
<tr>
<td>Q3 12</td>
<td>$107</td>
<td>$436</td>
<td>$461</td>
</tr>
<tr>
<td>Q4 12</td>
<td>$87</td>
<td>$428</td>
<td>$453</td>
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<td>Q4 13</td>
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<td>Q1 14</td>
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<tr>
<td>Q3 14</td>
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<table>
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<tr>
<th>Quarter</th>
<th>HPMS Non-GAAP Gross Profit Contribution</th>
<th>STDP Non-GAAP Gross Profit Contribution</th>
<th>MFG Non-GAAP Gross Profit Contribution</th>
</tr>
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<tbody>
<tr>
<td>Q1 12</td>
<td>19%</td>
<td>18%</td>
<td>81%</td>
</tr>
<tr>
<td>Q2 12</td>
<td>18%</td>
<td>20%</td>
<td>81%</td>
</tr>
<tr>
<td>Q3 12</td>
<td>20%</td>
<td>17%</td>
<td>80%</td>
</tr>
<tr>
<td>Q4 12</td>
<td>14%</td>
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<td>83%</td>
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<td>Q2 13</td>
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<td>Q3 13</td>
<td>14%</td>
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<tr>
<td>Q4 13</td>
<td>16%</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>Q1 14</td>
<td>16%</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>Q2 14</td>
<td>15%</td>
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</tr>
<tr>
<td>Q3 14</td>
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## Debt Summary

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>Sr. Unsecured Notes</th>
<th>Term Loan E</th>
<th>Sr. Unsecured Notes</th>
<th>Term Loan D</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Revolving Credit Facility</th>
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<tr>
<td>Issue Date</td>
<td>24-Sep-13</td>
<td>04-Mar-14</td>
<td>20-May-13</td>
<td>10-Dec-13</td>
<td>14-Feb-13</td>
<td>12-Mar-13</td>
<td>27-Apr-12</td>
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<tr>
<td>Maturity Date</td>
<td>15-Sep-16</td>
<td>04-Mar-17</td>
<td>01-Jun-18</td>
<td>11-Jan-20</td>
<td>15-Feb-21</td>
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<tr>
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<td>$400</td>
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<td>$500</td>
<td>$790</td>
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<td>$750</td>
<td>$397</td>
<td>$500</td>
<td>$500</td>
<td>$750</td>
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<td>Coupon</td>
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<td>3.75%</td>
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<td>Libor + 250 bps</td>
<td>5.75%</td>
<td>5.75%</td>
<td>Libor + 200 bps</td>
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<tr>
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<td>NA</td>
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<tr>
<td>Next Call</td>
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<td>6mo. soft call</td>
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<tr>
<td>Future Call</td>
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<tr>
<td>Price</td>
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<td>Ba2</td>
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<tr>
<td>Standard &amp; Poor's</td>
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<td>BB+</td>
<td>BB-</td>
<td>BB+</td>
<td>BB-</td>
<td>BB-</td>
<td>BBB-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>RCF</th>
<th>'21 Sr. Unsecured Note (5.75%)</th>
<th>'22 Sr. Unsecured Note (5.75%)</th>
<th>'23 Sr. Unsecured Note (5.75%)</th>
<th>'18 Sr. Unsecured Note (3.75%)</th>
<th>'16 Sr. Unsecured Note (3.5%)</th>
<th>Total Debt ($M)</th>
<th>Total Cash ($M)</th>
<th>Net Debt ($M)</th>
<th>TTM Adj. EBITDA</th>
<th>Net Debt / Adj. EBITDA</th>
<th>Cost of Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$500</td>
<td>$398</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
<tr>
<td>2015</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
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<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
<tr>
<td>2016</td>
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<td>$397</td>
<td>$750</td>
<td>$750</td>
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<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
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<td>3.77%</td>
</tr>
<tr>
<td>2017</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
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<tr>
<td>2018</td>
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<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
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<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
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<td>3.77%</td>
</tr>
<tr>
<td>2019</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
<tr>
<td>2020</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
<tr>
<td>2021</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
<tr>
<td>2022</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
<tr>
<td>2023</td>
<td>$500</td>
<td>$397</td>
<td>$750</td>
<td>$750</td>
<td>$500</td>
<td>$500</td>
<td>$3,808</td>
<td>$594</td>
<td>$3,214</td>
<td>$1,586</td>
<td>2.0X</td>
<td>3.77%</td>
</tr>
</tbody>
</table>
Return of Capital to Shareholders Through Active Repurchase

- **Shares Repurchased (M)**
  - Q1 12: 1.7
  - Q2 12: 1.1
  - Q3 12: 1.7
  - Q4 12: 4.3
  - Q1 13: 4.0
  - Q2 13: 8.3
  - Q3 13: 3.8
  - Q4 13: 8.7

- **Return of Capital to Shareholders Through Active Repurchase**
  - Q1 12: $38
  - Q2 12: $3
  - Q3 12: $35
  - Q4 12: $48
  - Q1 13: $159
  - Q2 13: $163
  - Q3 13: $458
  - Q4 13: $223
  - Q1 14: $574

- **Buyback ($M - LHS)**
  - Q1 12: $22.16
  - Q2 12: $21.66
  - Q3 12: $31.55
  - Q4 12: $27.91
  - Q1 13: $37.26
  - Q2 13: $41.07
  - Q3 13: $54.90
  - Q4 13: $59.40
  - Q1 14: $65.77

- **Average Cost/Share ($ - RHS)**
  - Q1 12: 19%
  - Q2 12: 44%
  - Q3 12: 42%
  - Q4 12: 65%
  - Q1 13: 67%
  - Q2 13: 205%
  - Q3 13: 146%
  - Q4 13: 182%

- **Buyback as Percent Free Cash Flow**
  - Q1 12: 0%
  - Q2 12: 19%
  - Q3 12: 44%
  - Q4 12: 42%
  - Q1 13: 65%
  - Q2 13: 67%
  - Q3 13: 205%
  - Q4 13: 146%
  - Q1 14: 182%
Working Capital Ratios

**DSO**

\[ \text{DSO} = \frac{91.25 \times \text{AR}}{\text{Revenue}} \]

**DPO**

\[ \text{DPO} = \frac{91.25 \times \text{AP}}{\text{GAAP COGS}} \]

**DIO**

\[ \text{DIO} = \frac{91.25 \times \text{Inventory}}{\text{GAAP COGS}} \]

**Cash Conversion Cycle**

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

**Target Intervals**

- **DSO**
  - Target 40 – 45 Days
  - Q1 13: 39, Q2 13: 38, Q3 13: 39, Q4 13: 35, Q1 14: 41, Q2 14: 43, Q3 14: 42

- **DPO**
  - Target 70 – 80 Days
  - Q1 13: 78, Q2 13: 73, Q3 13: 73, Q4 13: 71, Q1 14: 77, Q2 14: 80, Q3 14: 76

- **DIO**
  - Target 75 – 85 Days
  - Q1 13: 111, Q2 13: 104, Q3 13: 101, Q4 13: 96, Q1 14: 102, Q2 14: 96, Q3 14: 85

- **Cash Conversion Cycle**
  - Target 45 – 50 Days
  - Q1 13: 72, Q2 13: 69, Q3 13: 67, Q4 13: 61, Q1 14: 66, Q2 14: 59, Q3 14: 51
Guidance for the Fourth Quarter of 2014

Product Revenue trends (under the current structure) on a sequential percentage point basis at the mid-point of 4Q14 guidance are expected to trend as:

1. Identification is expected to increase by low single digit;
2. Automotive is expected to be about flat;
3. Infrastructure and Industrial is expected to increase by mid-single digit;
4. Portable and Computing is expected to be down in upper single digit;
5. Standard Products is expected to be down low-single digit.

Note (1): NXP has based the guidance included in our earnings press release issued on October 23, 2014 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 October 23, 2014. In relation to the use of non-GAAP financial information see the note regarding “Use of Non-GAAP Financial Information” included in our earning press release issued on October 23, 2014. 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 October 23, 2014, to reflect future events or circumstances. Considering the uncertain magnitude and variability of the foreign exchange consequences upon “PPA effects”, “restructuring costs”, “other incidental items” and any interest expense or taxes in future periods, management believes that GAAP financial measures are not available for NXP without unreasonable efforts on a forward looking basis.
Quarterly Financial Reconciliation (GAAP to non-GAAP)

<table>
<thead>
<tr>
<th>($ in millions, unless otherwise stated)</th>
<th>Q3 2014</th>
<th>Q2 2014</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>1,515</td>
<td>1,349</td>
<td>1,249</td>
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<tr>
<td>GAAP Gross Profit</td>
<td>713</td>
<td>638</td>
<td>570</td>
</tr>
<tr>
<td>Gross profit adjustments</td>
<td>(12)</td>
<td>(17)</td>
<td>(15)</td>
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<tr>
<td>Non-GAAP Gross Profit</td>
<td>725</td>
<td>655</td>
<td>585</td>
</tr>
<tr>
<td>GAAP Gross Margin</td>
<td>47.1%</td>
<td>47.3%</td>
<td>45.6%</td>
</tr>
<tr>
<td>Non-GAAP Gross Margin</td>
<td>47.9%</td>
<td>48.6%</td>
<td>46.8%</td>
</tr>
<tr>
<td>GAAP Operating income (loss)</td>
<td>307</td>
<td>249</td>
<td>168</td>
</tr>
<tr>
<td>Operating income adjustments</td>
<td>(83)</td>
<td>(85)</td>
<td>(117)</td>
</tr>
<tr>
<td>Non-GAAP Operating income (loss)</td>
<td>390</td>
<td>334</td>
<td>285</td>
</tr>
<tr>
<td>GAAP Operating Margin</td>
<td>20.3%</td>
<td>18.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Non-GAAP Operating Margin</td>
<td>25.7%</td>
<td>24.8%</td>
<td>22.8%</td>
</tr>
<tr>
<td>GAAP Financial income (expense)</td>
<td>(168)</td>
<td>(60)</td>
<td>3</td>
</tr>
<tr>
<td>Financial income adjustments</td>
<td>(134)</td>
<td>(26)</td>
<td>47</td>
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<tr>
<td>Non-GAAP Financial income (expense)</td>
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<td>(34)</td>
<td>(44)</td>
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<tr>
<td>GAAP Income tax benefit (provision)</td>
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<td>(1)</td>
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<tr>
<td>Other Adjustments</td>
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<td>(4)</td>
<td>4</td>
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<tr>
<td>Non-GAAP Cash tax (expense)</td>
<td>(5)</td>
<td>(8)</td>
<td>(5)</td>
</tr>
<tr>
<td>GAAP Net income (loss) attributable to shareholders</td>
<td>121</td>
<td>159</td>
<td>155</td>
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<tr>
<td>Net income (loss) adjustments</td>
<td>(213)</td>
<td>(114)</td>
<td>(64)</td>
</tr>
<tr>
<td>Non-GAAP Net income (loss) attributable to shareholders</td>
<td>334(2)</td>
<td>273</td>
<td>219</td>
</tr>
<tr>
<td>GAAP Diluted net income (loss) per share attributable to shareholders</td>
<td>0.49</td>
<td>0.64</td>
<td>0.60</td>
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<tr>
<td>Non-GAAP Diluted net income (loss) per share attributable to shareholders</td>
<td>1.35</td>
<td>1.09</td>
<td>0.85</td>
</tr>
</tbody>
</table>

1. Cash income taxes paid during the period
2. Includes:
   - PPA effects: ($42M);
   - Restructuring: ($6M);
   - Stock-based compensation: ($34M);
   - Other incidentals: ($1M);
   - Foreign exchange loss on debt: ($131M);
   - Other financial expense: ($3M);
   - Results relating to equity-accounted investees: $3M;
   - Difference between book and cash income taxes: $1M
## Quarterly Cash Flow Overview ($M)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q2 2014</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by (used for) operating activities</strong></td>
<td>397</td>
<td>242</td>
<td>298</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) investing activities</strong></td>
<td>(90)</td>
<td>(109)</td>
<td>(66)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) financing activities</strong></td>
<td>(371)</td>
<td>(194)</td>
<td>134</td>
</tr>
<tr>
<td><strong>Effects of changes in exchange rates on cash position</strong></td>
<td>(3)</td>
<td>2</td>
<td>6</td>
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<tr>
<td><strong>Increase (decrease) in cash and cash equivalents</strong></td>
<td>(67)</td>
<td>(59)</td>
<td>372</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of the period</strong></td>
<td>661</td>
<td>720</td>
<td>569</td>
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<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>594</td>
<td>661</td>
<td>941</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) operating activities</strong></td>
<td>397</td>
<td>242</td>
<td>298</td>
</tr>
<tr>
<td><strong>Net capital expenditures on property, plant and equipment</strong></td>
<td>(81)</td>
<td>(89)</td>
<td>(54)</td>
</tr>
<tr>
<td><strong>Non-GAAP free cash flow</strong></td>
<td>316</td>
<td>153</td>
<td>244</td>
</tr>
<tr>
<td><strong>Non-GAAP free cash flow as a percentage of Revenue</strong></td>
<td>21%</td>
<td>11%</td>
<td>20%</td>
</tr>
</tbody>
</table>
## Quarterly Adjusted EBITDA ($M)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q2 2014</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>138</td>
<td>178</td>
<td>172</td>
</tr>
<tr>
<td><strong>Reconciling items to EBITDA</strong></td>
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<td></td>
</tr>
<tr>
<td>Financial (income) expense</td>
<td>168</td>
<td>60</td>
<td>(3)</td>
</tr>
<tr>
<td>(Benefit) provision for income taxes</td>
<td>4</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Depreciation</td>
<td>55</td>
<td>54</td>
<td>63</td>
</tr>
<tr>
<td>Amortization</td>
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<td>49</td>
<td>74</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>413</td>
<td>353</td>
<td>307</td>
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<tr>
<td>Results of equity-accounted investees</td>
<td>(3)</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Restructuring(^1)</td>
<td>6</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>34</td>
<td>37</td>
<td>20</td>
</tr>
<tr>
<td>Other incidental items(^1)</td>
<td>1</td>
<td>(4)</td>
<td>8</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>451</td>
<td>391</td>
<td>350</td>
</tr>
<tr>
<td><strong>Trailing 12-month Adjusted EBITDA</strong></td>
<td>1,586</td>
<td>1,485</td>
<td>1,279</td>
</tr>
</tbody>
</table>

1. Excluding depreciation PP&E and amortization of software related to restructuring

<table>
<thead>
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<th>Q3 2014</th>
<th>Q2 2014</th>
<th>Q3 2013</th>
</tr>
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<td>Restructuring</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other incidental items</td>
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</table>
Positioned to Deliver Industry Leading Growth

*NXP HPMS Growth at Least 50% Faster Than Market*

- CORE Product Revenue
- EMERGING Product Revenue

HPMS Solutions

AUTO

HPRF

NFC

Mobile

High Speed Interface

Cyber Security

Internet of Things

Car – 2 - X

Healthcare

>1.5x Industry Growth