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

FORM 6-K

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

October 29, 2015

NXP Semiconductors N.V.
(Exact name of registrant as specified in charter)

The Netherlands
(Jurisdiction of incorporation or organization)

60 High Tech Campus, 5656 AG, Eindhoven, The Netherlands
(Address of principal executive offices)

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

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

Yes ☐ No ☒

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

Yes ☐ No ☒

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

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

This report contains NXP Semiconductors N.V.'s press release dated October 28, 2015 entitled: "NXP Semiconductors Reports Third Quarter 2015 Results" and the interim report of NXP Semiconductors N.V. for the period ended October 4, 2015, which shall be incorporated by reference into our shelf registration statement on Form F-3 filed on August 23, 2011 (File No. 333-176435) and any prospectus or prospectus supplement that form part thereof.

Exhibits

1. Press release dated October 28, 2015 entitled: "NXP Semiconductors Reports Third Quarter 2015 Results".

2. Interim report of NXP Semiconductors N.V. for the period ended October 4, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized at Eindhoven, on the 29th day of October 2015.

NXP Semiconductors N.V.

/s/ P. Kelly

P. Kelly, CFO

Exhibit 1

NXP Semiconductors Reports Third Quarter 2015 Results

		Q3 2015
Revenue		$1,522 million
GAAP Gross margin		48.6%
GAAP Operating margin		24.6%
GAAP Diluted earnings per share	$	1.49
Non-GAAP Gross margin		49.1%
Non-GAAP Operating margin		29.5%
Non-GAAP Diluted earnings per share	$	1.57

Eindhoven, The Netherlands, October 29, 2015 – NXP Semiconductors N.V. (NASDAQ: NXPI) today reported financial results for the third quarter ended October 4, 2015, as well as provided limited guidance for the fourth quarter of 2015.

"Our profitability in the third quarter of 2015 was very strong, as NXP delivered total revenue of $1.52 billion and non-GAAP operating margin of nearly 30 percent. Revenue was approximately flat versus the same period in the prior year, and increased about one percent from the prior quarter, but below the lower end of our guidance. In spite of slightly weaker revenue trends, non-GAAP diluted earnings per share were $1.57, above the high-end of guidance, as a result of better gross margin and expense control resulting in improved profit fall-through. Additionally we generated $266 million non-GAAP free cash flow," said Richard Clemmer, NXP Chief Executive Officer.

"As we entered the third quarter, we noted a weakening of demand as our customers began to communicate concerns with an uncertain economic environment. As the third quarter progressed, our end-customers, across multiple end-markets continued to voice an increased and significant degree of uncertainty around any increase in demand. This has resulted in lower than planned sell-through and an increase of channel inventory. As a result, our guidance for the fourth quarter reflects a much more cautious view of near term sales which may occur during the quarter."

"Notwithstanding the current business trends, we continue to make significant progress with the previously announced merger between NXP and Freescale Semiconductor, which we continue to believe will represent a transformation of NXP. The overall regulatory approval process is progressing as anticipated and we believe we are on track to close the transaction in the fourth quarter of 2015. We continue to make very good progress on the integration planning of the two companies. We believe the merger of the two companies will drive significant cost synergies and broaden our product platform which will provide a significant catalyst for customer and shareholder value creation," said Clemmer.

Summary of Third Quarter 2015 Results ($ millions, except diluted EPS, unaudited)

	Q3 2015	Q2 2015	Q3 2014	Q - Q	Y - Y
Product Revenue	$1,489	$1,468	$1,472	1.4%	1.2%
Corporate & Other	$ 33	$ 38	$ 43	-13.2%	-23.3%
Total Revenue	**$1,522**	**$1,506**	**$1,515**	**1.1%**	**0.5%**
GAAP Gross Profit	$ 740	$ 724	$ 713	2.2%	3.8%
Gross Profit Adjustments (1)	$ (8)	$ (10)	$ (12)		
Non-GAAP Gross Profit	**$ 748**	**$ 734**	**$ 725**	**1.9%**	**3.2%**
GAAP Gross Margin	48.6%	48.1%	47.1%		
Non-GAAP Gross Margin	49.1%	48.7%	47.9%		
GAAP Operating Income	**$ 375**	**$ 332**	**$ 307**	**13.0%**	**22.1%**
Operating Income Adjustments (1)	(74)	(86)	(83)		
Non-GAAP Operating Income	$ 449	$ 418	$ 390	7.4%	15.1%
GAAP Operating Margin	24.6%	22.0%	20.3%		
Non-GAAP Operating Margin	29.5%	27.8%	25.7%		
GAAP Net Income / (Loss)	**$ 361**	**$ 300**	**$ 121**	**20.3%**	**198.3%**
Net Income Adjustments (1)	(19)	(51)	(213)		
Non-GAAP Net Income / (Loss)	**$ 380**	**$ 351**	**$ 334**	**8.3%**	**13.8%**
GAAP EPS	**$ 1.49**	**$ 1.23**	**$ 0.49**	**21.1%**	**204.1%**
EPS Adjustments (1)	$ (0.08)	$ (0.21)	$ (0.86)		
Non-GAAP EPS	**$ 1.57**	**$ 1.44**	**$ 1.35**	**9.0%**	**16.3%**

1. Please see "Discussion of GAAP to non-GAAP Reconciliation" on page 2 of this release.

Additional Information for the Third Quarter of 2015:

- NXP repurchased approximately 1.8 million shares in the third quarter of 2015 for a total cost of approximately $158 million.
- Effective October 29, 2015, NXP expanded its existing stock repurchase program. Under the expanded stock repurchase program, NXP may repurchase up to twenty (20) million shares of its common stock from time to time in both privately negotiated and open market transactions, subject to management's evaluation of market conditions, terms of private transactions, the best interests of NXP shareholders, applicable legal requirements and other factors. There is no guarantee as to the exact number of shares that will be repurchased under the stock repurchase program, and NXP may terminate the repurchase program at any time.
- Net cash interest paid in the third quarter of 2015 was $42 million.
- SSMC, NXP's consolidated joint-venture wafer fab with TSMC, reported third quarter 2015 operating income of $48 million, EBITDA of $64 million and a closing cash balance of $434 million. During the third quarter of 2015 SSMC paid a previously announced dividend of $130 million.
- Utilization in NXP wafer-fabs averaged 95 percent in the third quarter of 2015 compared to 96 percent in the prior year period and 98 percent in the prior quarter.

Supplemental Information ($ millions, unaudited)

	Q3 2015	Q2 2015	Q3 2014	% Q3 2015	Q - Q	Y - Y
Automotive	$ 308	$ 310	$ 288	20%	-0.6%	6.9%
Secure Identification Solutions	$ 269	$ 257	$ 252	18%	4.7%	6.7%
Secure Connected Devices	$ 317	$ 276	$ 301	21%	14.9%	5.3%
Secure Interfaces and Power	$ 270	$ 303	$ 298	18%	-10.9%	-9.4%
High Performance Mixed Signal (HPMS)	$1,164	$1,146	$1,139	76%	1.6%	2.2%
Standard Products (STDP)	$ 325	$ 322	$ 333	21%	0.9%	-2.4%
Product Revenue	**$1,489**	**$1,468**	**$1,472**	**98%**	**1.4%**	**1.2%**
Corporate & Other	$ 33	$ 38	$ 43	2%	-13.2%	-23.3%
Total Revenue	**$1,522**	**$1,506**	**$1,515**	**100%**	**1.1%**	**0.5%**

Product revenue is the combination of revenue from the High Performance Mixed Signal (HPMS) and Standard Products (STDP) segments. Percent of quarterly total amounts may not add to 100 percent due to rounding.

Guidance for the Fourth Quarter 2015: ($ millions) (1)

	Q3 2015	Q4 2015 Guidance Range
Automotive	$ 308	Down in the high-single to low double digit range
Secure Identification Solutions	$ 269	Down in the low double to mid-teens range
Secure Connected Devices	$ 317	Down in the high-single to low double digit range
Secure Interfaces and Power	$ 270	Down in the high-twenty to low-thirty percent range
High Performance Mixed Signal (HPMS)	$1,164	Down in the mid- teens percent range
Standard Products (STDP)	$ 325	Down in the low double to mid-teens range
Corporate & Other	$ 33	~ $25 million
Total Revenue	**$1,522**	Down in the low to upper-teens range
Non-GAAP Gross Margin	49.1%	49% +/- 50bps
Non-GAAP Operating Expenses	$ 303	$310M +/- $5M

Note (1): NXP has based the guidance included in this release 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 release. Please note:

- *The guidance included in this release only relates to the existing NXP business. Additionally, due to the anticipated timing of the merger with Freescale Semiconductor and the divestment of NXP's RF Power business, the actual results of the combined group are expected to be substantially different from the results of the existing NXP business.*
- *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 provide today. In relation to the use of non-GAAP financial information see the note regarding "Use of Non-GAAP Financial Information" elsewhere in this release. 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 herein, 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.*

Discussion of GAAP to Non-GAAP Reconciliations

In addition to providing financial information on a basis consistent with U.S. generally accepted accounting principles ("GAAP"), NXP also provides the following selected financial measures on a non-GAAP basis: (i) "non-GAAP gross profit," (ii) "non-GAAP gross margin," (iii) "non-GAAP Research and development," (iv) "non-GAAP Selling, general and administrative," (v) non-GAAP Other income," (vi) "non-GAAP operating income (loss)," (vii) "non-GAAP operating margin," (viii) "non-GAAP net income/ (loss)," (ix) "PPA effects," (x) "Restructuring costs," (xi) "Stock based compensation," (xii) "Other incidental items," (xiii) "non-GAAP Financial Income (expense)," (xiv) "non-GAAP Results relating to equity-accounted investees," (xv) "non-GAAP Cash tax (expense)," (xvi) "diluted non-GAAP EPS," (xvii) "EBITDA," "adjusted EBITDA" and "trailing 12 month adjusted EBITDA," (xviii) "net debt," (xix) "non-GAAP free cash flow" and (xx) "non-GAAP free cash flow margin."

In this release, references to:

- *"non-GAAP gross profit," "non-GAAP research and development," "non-GAAP Selling, general and administrative," "non-GAAP Other income," "non-GAAP operating income (loss)," and "non-GAAP net income/ (loss)" is to NXP's gross profit, research and development, selling general and administrative, operating income and net income/ (loss) calculated on a basis consistent with GAAP, net of the effects of purchase price accounting ("PPA"), restructuring costs, stock-based compensation, other incidental items and certain other adjustments. "PPA effects" reflect the fair value adjustments impacting acquisition accounting and other acquisition adjustments charged to the income statement applied to the formation of NXP on September 29, 2006 and all subsequent acquisitions. "Restructuring costs" consist of costs related to restructuring programs and gains and losses resulting from divestment activities and impairment charges. "Stock based compensation" consists of incentive expense granted to eligible employees in the form of equity based instruments. "Other incidental items" consist of process and product transfer costs (which refer to the costs incurred in transferring a production process and products from one manufacturing site to another) and certain charges related to acquisitions and divestitures. "Other adjustments" include or exclude certain items that management believes provides insight into our core operating results, our ability to generate cash and underlying business trends affecting our performance;*
- *"non-GAAP gross margin" and "non-GAAP operating margin" is to our non-GAAP gross profit or our non-GAAP operating income as a percentage of total revenue, respectively;*
- *"non-GAAP Financial Income (expense)" is the interest income or expense net of impacts due to non-cash interest expense on convertible notes; foreign exchange changes on our Euro-denominated debt; gains or losses due to the extinguishment of long-term debt; changes in fair value of warrant liability; and less other financial expenses deemed to be one-time in nature;*
- *"non-GAAP Cash tax (expense)" represents the cash tax payments during the period;*
- *"diluted non-GAAP EPS" attributable to stockholders is to non-GAAP net income or loss attributable to NXP's stockholders, divided by the diluted weighted average number of common shares outstanding during the period, adjusted for treasury shares held;*
- *"EBITDA" is to NXP's earnings before financial income (expense), taxes, depreciation and amortization. "EBITDA" excludes certain tax payments that may represent a reduction in cash available to us, does not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future, does not reflect changes in, or cash requirements for, our working capital needs and does not reflect the significant financial expense, or the cash requirements necessary to service interest payments, on our debts;*
- *"adjusted EBITDA" is to EBITDA after adjustments for "restructuring costs," "stock-based compensation," "other incidental items," "other adjustments" and results related to equity accounted investees;*
- *"trailing 12 month adjusted EBITDA" is to adjusted EBITDA for the last 12 months;*
- *"net debt" is to the sum total of long and short term debt less total cash and cash equivalents, as reflected on the balance sheet;*
- *"non-GAAP free cash flow" is the sum of our Net cash provided by (used for) operating activities and our net Capital expenditure on property, plant and equipment, as reflected on the cash flow statement;*
- *"non-GAAP free cash flow margin" is the sum of our Net cash provided by (used for) operating activities and our net Capital expenditure on property, plant and equipment, as a percentage of total revenue.*

Reconciliations of these non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the financial statements portion of this release in a schedule entitled "Financial Reconciliation of GAAP to non-GAAP Results (unaudited)."

NXP provides non-GAAP measures because management believes that they are helpful to understand the underlying operating and profit structure of NXP's operations, to provide additional insight as to how management assesses the performance and allocation of resources among its various segments and because the financial community uses them in its analysis of NXP's operating and/or financial performance, historical results and projections of NXP's future operating results. NXP presents "non-GAAP gross profit," "non-GAAP research and *development," "non-GAAP Selling, general and administrative," "non-GAAP Other income," "non-GAAP operating income," "non-GAAP net income/ (loss)," "non-GAAP gross margin," "non-GAAP operating margin" and "non-GAAP EPS" because these financials measures are net of "PPA effects," "restructuring costs," "stock based compensation," "other incidental items," and "other adjustments" which have affected the comparability of NXP's results over the years. NXP presents "EBITDA," "adjusted EBITDA" and "trailing 12 month adjusted EBITDA" because these financials measures enhance an investor's understanding of NXP's financial performance.*

Non-GAAP measures should not be considered a substitute for any information derived or calculated in accordance with GAAP, are not intended to be measures of financial performance or condition, liquidity, profitability or operating cash flows in accordance with GAAP, and should not be considered as alternatives to net income (loss), operating income or any other performance measures determined in accordance with GAAP. These non-GAAP measures can vary from other participants in the semiconductor industry. They have limitations as analytical tools and should not be considered in isolation for analysis of NXP's financial results as reported under GAAP.

Conference Call and Webcast Information

NXP will host a conference call on October 29, 2015 at 8:00 a.m. U.S. Eastern Time (2:00 p.m. Central European Time) to discuss its third quarter results and provide an outlook for the fourth quarter of 2015.

Interested parties may join the conference call by dialing 1 – 888 – 311 – 8119 (within the U.S.) or 1 – 330 – 863 - 3362 (outside of the U.S.). The participant pass-code is 58459782. To listen to a webcast of the event, please visit the Investor Relations section of the NXP website at www.nxp.com/investor. The webcast will be recorded and available for replay shortly after the call concludes.

About NXP Semiconductors

NXP Semiconductors N.V. (NASDAQ: NXPI) creates solutions that enable secure connections for a smarter world. Building on its expertise in high-performance mixed-signal electronics, NXP is driving innovation in the areas of connected cars, cyber security, portables & wearables, and the Internet of Things. NXP has operations in more than 25 countries, and posted revenue of $5.65 billion in 2014. Find out more at www.nxp.com

Forward-looking Statements

This document includes forward-looking statements which include statements regarding NXP's 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; the ability to successfully introduce new technologies and products; the end-market demand for the goods into which NXP's products are incorporated; the ability to generate sufficient cash, raise sufficient capital or refinance corporate debt at or before maturity; the ability to meet the combination of corporate debt service, research and development and capital investment requirements; the ability to accurately estimate demand and match manufacturing production capacity accordingly or obtain supplies from third-party producers; the access to production capacity from third-party outsourcing partners; any events that might affect third-party business partners or NXP's relationship with them; the ability to secure adequate and timely supply of equipment and materials from suppliers; the ability to avoid operational problems and product defects and, if such issues were to arise, to correct them quickly; the ability to form strategic partnerships and joint ventures and to successfully cooperate with alliance partners; the ability to win competitive bid selection processes to develop products for use in customers' equipment and products; the ability to successfully establish a brand identity; the ability to successfully hire and retain key management and senior product architects; and, the ability to maintain good relationships with our suppliers. In addition, this document contains information concerning the semiconductor industry and NXP's 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, NXP's market segments and product areas may develop. NXP has based these assumptions on information currently available, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While NXP does not know what impact any such differences may have on its business, if there are such differences, its future results of operations and its financial condition 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. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, NXP does 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 SEC filings are available on our Investor Relations website, www.nxp.com/investor or from the SEC website, www.sec.gov.

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NXP Semiconductors
Table 1: Condensed consolidated statement of operations (unaudited)

($ in millions except share data)	Three Months Ended		
	October 4, 2015	July 5, 2015	Sept. 28, 2014
Revenue	**$ 1,522**	**$ 1,506**	**$ 1,515**
Cost of revenue	(782)	(782)	(802)
Gross profit	**740**	**724**	**713**
Research and development	(178)	(195)	(196)
Selling, general and administrative	(191)	(198)	(211)
Total operating expenses	**(369)**	**(393)**	**(407)**
Other income (expense)	4	1	1
Operating income (loss)	**375**	**332**	**307**
Financial income (expense):			
Interest income (expense)—net	(53)	(45)	(34)
Foreign exchange gain (loss)	6	40	(131)
Changes in fair value of warrant liability	67	18	—
Other financial expense	(4)	(11)	(3)
Income (loss) before taxes	**391**	**334**	**139**
Benefit (provision) for income taxes	(15)	(14)	(4)
Results relating to equity-accounted investees	3	1	3
Net income (loss)	379	321	138
Net (income) loss attributable to non-controlling interests	(18)	(21)	(17)
Net income (loss) attributable to stockholders	**361**	**300**	**121**
Earnings per share data:			
Net income (loss) attributable to stockholders per common share			
Basic earnings per common share in $	$ 1.56	$ 1.29	$ 0.51
Diluted earnings per common share in $	$ 1.49	$ 1.23	$ 0.49
Weighted average number of shares of common stock (in thousands):			
Basic	231,545	232,681	235,095
Diluted	242,122	243,288	246,550

NXP Semiconductors
Table 2: Condensed consolidated balance sheet (unaudited)

($ in millions)	As of		
	October 4, 2015	July 5, 2015	Sept. 28, 2014
Current assets:			
Cash and cash equivalents	$ 2,492	$2,435	$ 594
Accounts receivable – net	611	533	692
Other receivables	46	41	36
Assets held for sale	356	361	6
Inventories	751	756	748
Other current assets	143	131	107
Total current assets	**4,399**	**4,257**	**2,183**
Non-current assets:			
Investments in equity-accounted investees	78	75	59
Other non-current assets	373	462	141
Property, plant and equipment	1,097	1,078	1,087
Identified intangible assets	465	496	586
Goodwill	1,838	1,825	2,210
Total non-current assets	**3,851**	**3,936**	**4,083**
Total assets	**8,250**	**8,193**	**6,266**
Current liabilities:			
Accounts payable	736	739	670
Liabilities held for sale	8	6	—
Accrued liabilities	501	542	577
Short-term debt	532	33	18
Total current liabilities	**1,777**	**1,320**	**1,265**
Non-current liabilities:			
Long-term debt	4,518	5,014	3,790
Other non-current liabilities	798	958	380
Total non-current liabilities	**5,316**	**5,972**	**4,170**
Non-controlling interests	268	250	245
Stockholders' equity	889	651	586
Total equity	**1,157**	**901**	**831**
Total liabilities and equity	**8,250**	**8,193**	**6,266**

NXP Semiconductors
Table 3: Condensed consolidated statement of cash flows (unaudited)

($ in millions)	Three Months Ended		
	October 4, 2015	July 5, 2015	Sept. 28, 2014
Cash Flows from operating activities			
Net income (loss)	**$ 379**	**$ 321**	**$ 138**
Adjustments to reconcile net income (loss):			
Depreciation and amortization	94	98	103
Stock-based compensation	34	36	34
Change in fair value of the Warrant liability	(67)	(18)	—
Amortization of discount on convertible debt	9	9	—
Net (gain) loss on sale of assets	(4)	(1)	(1)
Results relating to equity accounted investees	(3)	(1)	(3)
Changes in operating assets and liabilities:			
(Increase) decrease in trade receivables	(78)	14	(98)
(Increase) decrease in inventories	(5)	(14)	(6)
Increase (decrease) in trade payables	(3)	(20)	54
(Increase) decrease in other receivables	(17)	7	18
Increase (decrease) in other payables	(2)	(53)	46
Changes in deferred taxes	4	(3)	(6)
Exchange differences	(6)	(40)	131
Other items	5	16	(13)
Net cash provided by (used for) operating activities	**340**	**351**	**397**
Cash flows from investing activities:			
Purchase of identified intangible assets	(1)	(4)	(8)
Capital expenditures on property, plant and equipment	(78)	(91)	(82)
Proceeds from disposals of property, plant and equipment	4	2	1
Purchase of interests in businesses	—	(2)	—
Proceeds from sale of interests in businesses	—	1	—
Other	(1)	—	(1)
Net cash (used for) provided by investing activities	**(76)**	**(94)**	**(90)**
Cash flows from financing activities:			
Net (repayments) borrowings of short-term debt	(1)	1	(17)
Repayments under the revolving credit facility	—	—	(50)
Amounts drawn under the revolving credit facility	—	—	300
Principal payments on long-term debt	(6)	(8)	(5)
Net proceeds from the issuance of long-term debt	—	990	—
Dividends paid to non-controlling interests	(51)	—	(50)
Cash proceeds from exercise of stock options	8	9	25
Purchase of treasury shares	(158)	(162)	(574)
Hold-back payments on prior acquisitions	—	(2)	—
Net cash provided by (used for) financing activities	**(208)**	**828**	**(371)**
Effect of changes in exchange rates on cash positions	1	(5)	(3)
Increase (decrease) in cash and cash equivalents	**57**	**1,080**	**(67)**
Cash and cash equivalents at beginning of period	**2,435**	**1,355**	**661**
Cash and cash equivalents at end of period	**2,492**	**2,435**	**594**

NXP Semiconductors
Table 4: Reconciliation of GAAP to non-GAAP Segment Results (unaudited)

($ in millions)	Three Months Ended		
	October 4, 2015	July 5, 2015	Sept. 28, 2014
High Performance Mixed Signal (HPMS)	1,164	1,146	1,139
Standard Products	325	322	333
Product Revenue	**1,489**	**1,468**	**1,472**
Corporate and Other	33	38	43
Total Revenue	**$ 1,522**	**$1,506**	**$ 1,515**
HPMS Revenue	**$ 1,164**	**$1,146**	**$ 1,139**
Percent of Total Revenue	76.5%	76.1%	75.2%
HPMS segment GAAP gross profit	**626**	**610**	**605**
PPA effects	(1)	(1)	—
Stock based compensation	(2)	(3)	(1)
Other incidentals	1	(1)	(1)
HPMS segment non-GAAP gross profit	**$ 628**	**$ 615**	**$ 607**
HPMS segment GAAP gross margin	**53.8%**	**53.2%**	**53.1%**
HPMS segment non-GAAP gross margin	**54.0%**	**53.7%**	**53.3%**
HPMS segment GAAP operating profit	**331**	**293**	**274**
PPA effects	(14)	(18)	(22)
Restructuring	1	(6)	—
Stock based compensation	(28)	(29)	(26)
Other incidentals	1	(1)	(1)
HPMS segment non-GAAP operating profit	**$ 371**	**$ 347**	**$ 323**
HPMS segment GAAP operating margin	**28.4%**	**25.6%**	**24.1%**
HPMS segment non-GAAP operating margin	**31.9%**	**30.3%**	**28.4%**
Standard Products Revenue	**$ 325**	**$ 322**	**$ 333**
Percent of Total Revenue	21.4%	21.4%	22.0%
Standard Products segment GAAP gross profit	**108**	**109**	**103**
PPA effects	—	(1)	(1)
Restructuring	(4)	(1)	(6)
Stock based compensation	(1)	—	(1)
Other incidentals	(2)	(2)	(1)
Standard Products segment non-GAAP gross profit	**$ 115**	**$ 113**	**$ 112**
Standard Products segment GAAP gross margin	**33.2%**	**33.9%**	**30.9%**
Standard Products segment non-GAAP gross margin	**35.4%**	**35.1%**	**33.6%**
Standard Products segment GAAP operating profit	**56**	**53**	**38**
PPA effects	(12)	(12)	(15)
Restructuring	(4)	(1)	(7)
Stock based compensation	(6)	(7)	(8)
Other incidentals	(2)	(2)	(1)
Standard Products segment non-GAAP operating profit	**$ 80**	**$ 75**	**$ 69**
Standard Products segment GAAP operating margin	**17.2%**	**16.5%**	**11.4%**
Standard Products segment non-GAAP operating margin	**24.6%**	**23.3%**	**20.7%**
Corporate and Other Revenue	**$ 33**	**$ 38**	**$ 43**
Percent of Total Revenue	2.1%	2.5%	2.8%
Corporate and Other segment GAAP gross profit	**6**	**5**	**5**
PPA effects	(2)	(3)	(2)
Restructuring	—	1	1
Other incidentals	3	1	—
Corporate and Other segment non-GAAP gross profit	**$ 5**	**$ 6**	**$ 6**
Corporate and Other segment GAAP gross margin	**18.2%**	**13.2%**	**11.6%**
Corporate and Other segment non-GAAP gross margin	**15.2%**	**15.8%**	**14.0%**
Corporate and Other segment GAAP operating profit	**(12)**	**(14)**	**(5)**
PPA effects	(6)	(6)	(5)
Restructuring	(1)	(2)	1
Other incidentals	(3)	(2)	1
Corporate and Other segment non-GAAP operating profit	**$ (2)**	**$ (4)**	**$ (2)**
Corporate and Other segment GAAP operating margin	**-36.4%**	**-36.8%**	**-11.6%**
Corporate and Other segment non-GAAP operating margin	**-6.1%**	**-10.5%**	**-4.7%**

NXP Semiconductors
Table 5: Financial Reconciliation of GAAP to non-GAAP Results (unaudited)

($ in millions except share data)	Three Months Ended		
	October 4, 2015	July 5 2015	Sept. 28, 2014
Revenue	**$ 1,522**	**$ 1,506**	**$ 1,515**
GAAP Gross profit	**$ 740**	**$ 724**	**$ 713**
PPA effects	(3)	(5)	(3)
Restructuring	(4)	—	(5)
Stock Based Compensation	(3)	(3)	(2)
Other incidentals	2	(2)	(2)
Non-GAAP Gross profit	**$ 748**	**$ 734**	**$ 725**
GAAP Gross margin	**48.6%**	**48.1%**	**47.1%**
Non-GAAP Gross margin	**49.1%**	**48.7%**	**47.9%**
GAAP Research and development	$ (178)	$ (195)	$ (196)
Restructuring	1	(5)	—
Stock based compensation	(7)	(9)	(5)
Non-GAAP Research and development	$ (172)	$ (181)	$ (191)
GAAP Selling, general and administrative	$ (191)	$ (198)	$ (211)
PPA effects	(29)	(31)	(39)
Restructuring	(1)	(4)	(1)
Stock based compensation	(24)	(24)	(27)
Other incidentals	(6)	(3)	—
Non-GAAP Selling, general and administrative	**$ (131)**	**$ (136)**	**$ (144)**
GAAP Other income (expense)	$ 4	$ 1	$ 1
Other incidentals	—	—	1
Non-GAAP Other income (expense)	$ 4	$ 1	$ —
GAAP Operating income (loss)	**$ 375**	**$ 332**	**$ 307**
PPA effects	(32)	(36)	(42)
Restructuring	(4)	(9)	(6)
Stock based compensation	(34)	(36)	(34)
Other incidentals	(4)	(5)	(1)
Non-GAAP Operating income (loss)	**$ 449**	**$ 418**	**$ 390**
GAAP Operating margin	**24.6%**	**22.0%**	**20.3%**
Non-GAAP Operating margin	**29.5%**	**27.8%**	**25.7%**
GAAP Financial income (expense)	$ 16	$ 2	$ (168)
Non-cash interest expense on convertible notes	(9)	(9)	—
Foreign exchange gain (loss) on debt	6	40	(131)
Changes in fair value of warrant liability	67	18	—
Other financial expense	(4)	(11)	(3)
Non-GAAP Financial income (expense)	**$ (44)**	**$ (36)**	**$ (34)**
GAAP Income tax benefit (provision)	**$ (15)**	**$ (14)**	**$ (4)**
Other adjustments	(8)	(4)	1
Non-GAAP Cash tax (expense)	**$ (7)**	**$ (10)**	**$ (5)**
GAAP Results relating to equity-accounted investees	$ 3	$ 1	$ 3
Other adjustments	3	1	3
Non-GAAP Results relating to equity-accounted investees	**$ —**	**$ —**	**$ —**
GAAP Net income (loss)	**$ 379**	**$ 321**	**$ 138**
PPA effects	(32)	(36)	(42)
Restructuring	(4)	(9)	(6)
Stock based compensation	(34)	(36)	(34)
Other incidentals	(4)	(5)	(1)
Other adjustments	55	1) 35	(130)
Non-GAAP Net income (loss)	**$ 398**	**$ 372**	**$ 351**
GAAP Net income (loss) attributable to stockholders	**$ 361**	**$ 300**	**$ 121**
PPA effects	(32)	(36)	(42)
Restructuring	(4)	(9)	(6)
Stock based compensation	(34)	(36)	(34)
Other incidentals	(4)	(5)	(1)
Other adjustments	55	35	(130)
Non-GAAP Net income (loss) attributable to stockholders	**$ 380**	**$ 351**	**$ 334**
GAAP Weighted average shares—diluted	242,122	243,288	246,550
Non-GAAP Adjustment	—	—	—
Non-GAAP Weighted average shares—diluted	242,122	243,288	246,550
GAAP Diluted net income (loss) attributable to stockholders per share	**$ 1.49**	**$ 1.23**	**$ 0.49**
Non-GAAP Diluted net income (loss) attributable to stockholders per share	**$ 1.57**	**$ 1.44**	**$ 1.35**

1) Includes: During 3Q15: Non-cash interest expense on convertible Notes: ($9) million; Foreign exchange gain on debt: $6 million; Changes in fair value of warrant liability: $67 million; Other financial expense: ($4) million; Results relating to equity-accounted investees: $3 million; and difference between book and cash income taxes: ($8) million.

NXP Semiconductors
Table 6: Adjusted EBITDA and Free Cash Flow (unaudited)

($ in millions)	Three Months Ended		
	October 4, 2015	July 5, 2015	Sept. 28, 2014
Net Income	**$ 379**	**$ 321**	**$ 138**
Reconciling items to EBITDA			
Financial (income) expense	(16)	(2)	168
(Benefit) provision for income taxes	15	14	4
Depreciation	58	57	55
Amortization	36	41	48
EBITDA	**$ 472**	**$ 431**	**$ 413**
Reconciling items to adjusted EBITDA			
Results of equity-accounted investees	(3)	(1)	(3)
Restructuring 1)	4	9	6
Stock based compensation	34	36	34
Other incidental items 1)	7	7	1
Adjusted EBITDA	**$ 514**	**$ 482**	**$ 451**
Trailing twelve month adjusted EBITDA	**$ 1,894**	**$1,831**	**$ 1,586**

1) Excluding depreciation property, plant and equipment and amortization of software related to:

Other incidental items	(3)	(2)	—

($ in millions)	Three Months Ended		
	October 4, 2015	July 5, 2015	Sept. 28, 2014
Net cash provided by (used for) operating activities	**$ 340**	**$ 351**	**$ 397**
Net capital expenditures on property, plant and equipment	(74)	(89)	(81)
Non-GAAP free cash flow	**$ 266**	**$ 262**	**$ 316**
Non-GAAP free cash flow as a percent of Revenue	**17%**	**17%**	**21%**

Exhibit 2

NXP Semiconductors

INTERIM REPORT
NXP SEMICONDUCTORS N.V.

PERIOD ENDED
October 4, 2015

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Forward-looking statements

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

Use of fair value measurements

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

Use of non-U.S. GAAP information

In presenting and discussing NXP's financial position, operating results and cash flows, management uses certain non-U.S. GAAP financial measures. These non-U.S. GAAP financial measures should not be viewed in isolation as alternatives to the equivalent U.S. GAAP measure(s) and should be used in conjunction with the most directly comparable U.S. GAAP measure(s).

Management’s Discussion and Analysis of Financial Condition and Results of Operations

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

Introduction

The Company

NXP Semiconductors N.V. (including our subsidiaries, referred to collectively herein as “NXP”, “NXP Semiconductors” and the “Company”) is a global semiconductor company incorporated in the Netherlands as a Dutch public company with limited liability *(naamloze vennootschap)*. We provide leading High Performance Mixed Signal and Standard Product solutions that leverage our deep application insight and our technology and manufacturing expertise in radio frequency, analog, power management, interface, security and digital processing products. Our product solutions are used in a wide range of application areas including: automotive, secure identification, secure transactions, secure monitoring and control, secure interfaces, industrial, mobile handsets, industrial computing and consumer.

Our corporate seat is in Eindhoven, the Netherlands. Our principal executive office is at High Tech Campus 60, 5656 AG Eindhoven, the Netherlands, and our telephone number is +31 40 2729233. Our registered agent in the United States is NXP Semiconductors USA, Inc., 411 East Plumeria Drive, San Jose, CA 95134, United States of America, phone number +1 408 518 5400.

Recent Developments

Freescale

On March 1, 2015, NXP and Freescale Semiconductor, Ltd. (“Freescale”) entered into a merger agreement pursuant to which Nimble Acquisition Limited, a wholly-owned, indirect subsidiary of NXP, will merge (the “Merger”) with and into Freescale, with Freescale surviving the merger as a wholly-owned, indirect subsidiary of NXP. Under the terms of the merger agreement, Freescale shareholders will receive 0.3521 of an NXP ordinary share and $6.25 in cash, without interest, for each Freescale common share held at the close of the Merger (other than certain Freescale common shares which will be cancelled as set forth in the merger agreement). Post-closing, Freescale shareholders are currently expected to own approximately 30 percent of the combined company. The Merger has been unanimously approved by the boards of directors of both companies.

The Merger would create a high performance mixed signal semiconductor industry leader, with combined revenue of greater than $10 billion. The combined company will capitalize on the growing opportunities created by the accelerating demand for security, connectivity and processing.

The Merger is currently expected to close in the fourth quarter of 2015, subject to regulatory approvals in various jurisdictions and customary closing conditions.

Results of Operations

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

($ in millions, unless otherwise stated)	**Q3 2015**	Q3 2014	**YTD 2015**	YTD 2014
Revenue	**1,522**	1,515	**4,495**	4,110
% nominal growth	**0.5**	21.3	**9.4**	16.7
Gross profit	**740**	713	**2,168**	1,936
Research and development	**(178)**	(196)	**(572)**	(565)
Selling, general and administrative	**(191)**	(211)	**(599)**	(640)
Other income (expense)	**4**	1	**5**	8
Operating income (loss)	**375**	307	**1,002**	739

The table below depicts the Purchase Price Accounting ("PPA") effects for the three months and YTD ended October 4, 2015 and September 28, 2014 per line item in the statement of operations:

($ in millions, unless otherwise stated)	**Q3 2015**	Q3 2014	**YTD 2015**	YTD 2014
Gross profit	**(3)**	(3)	**(11)**	(9)
Selling, general and administrative	**(29)**	(39)	**(90)**	(121)
Other income (expense)	**—**	—	**—**	(3)
Operating income (loss)	**(32)**	(42)	**(101)**	(133)

Revenue

The following table presents revenue and revenue growth by segment for the three months and YTD ended October 4, 2015 and September 28, 2014:

($ in millions, unless otherwise stated)	**Q3 2015**		Q3 2014	**YTD 2015**		YTD 2014
	Revenue	**Growth %**	Revenue	**Revenue**	**Growth %**	Revenue
HPMS	**1,164**	**2.2**	1,139	**3,414**	**12.3**	3,039
SP	**325**	**(2.4)**	333	**970**	**2.8**	944
Corporate and Other	**33**	**(23.3)**	43	**111**	**(12.6)**	127
Total	**1,522**	**0.5**	1,515	**4,495**	**9.4**	4,110

Q3 2015 compared to Q3 2014

Revenue remained virtually flat across both segments and within all business lines at $1,522 million in the third quarter of 2015 compared to $1,515 million in the third quarter of 2014, a year-on-year growth of 0.5%.

YTD 2015 compared to YTD 2014

Revenue increased by $385 million to $4,495 million in the first nine months of 2015 compared to $4,110 million in the first nine months of 2014, a year-on-year growth of 9.4%.

Our HPMS segment saw an increase in revenue of $375 million to $3,414 million in the first nine months of 2015 compared to $3,039 million in the first nine months of 2014, resulting in 12.3% year-on-year growth. The growth in revenue was primarily driven by increased demand in Secure Connected Devices with the ramp up of mobile transactions in high-end smartphone and tablet platforms, Secure Interfaces and Power with the ongoing strength in the roll out of 4G base stations and in Automotive, driven mainly in car entertainment products. Our Secure Identification Solutions business remained essentially flat year on year.

Revenue for our SP segment increased by $26 million to $970 million in the first nine months of 2015, compared to $944 million in the first nine months of 2014. The increase was primarily due to increased demand in general applications.

Gross Profit

The following table presents gross profit by segment for the three months and YTD ended October 4, 2015 and September 28, 2014:

($ in millions, unless otherwise stated)	**Q3 2015**		Q3 2014		**YTD 2015**		YTD 2014	
	Gross profit	**% of segment revenue**	Gross profit	% of segment revenue	**Gross profit**	**% of segment revenue**	Gross profit	% of segment revenue
HPMS	**626**	**53.8**	605	53.1	**1,833**	**53.7**	1,658	54.6
SP	**108**	**33.2**	103	30.9	**327**	**33.7**	279	29.6
Corporate and Other	**6**	**18.2**	5	11.6	**8**	**7.2**	(1)	(0.8)
Total	**740**	**48.6**	713	47.1	**2,168**	**48.2**	1,936	47.1

Q3 2015 compared to Q3 2014

Gross profit in the third quarter of 2015 was $740 million, or 48.6% of revenue compared to $713 million, or 47.1% of revenue in the third quarter of 2014, an increase of $27 million. Our gross profit rate, up 1.5 points when compared to the third quarter of 2014, continued to be influenced by the product mix in our business lines along with improved manufacturing costs.

Our HPMS segment had a gross profit of $626 million, or 53.8% of revenue in the third quarter of 2015, compared to $605 million, or 53.1% of revenue in the third quarter of 2014. The increase in gross profit percentage of 0.7 points was driven by changes in product mix across all business lines and improved manufacturing costs.

Gross profit in our SP segment was $108 million, or 33.2% of revenue in the third quarter of 2015, compared to $103 million, or 30.9% of revenue in the third quarter of 2014. The increase in the gross profit percentage of 2.3 points was driven by richer product mix and improved manufacturing costs when compared with the same period in the prior year.

YTD 2015 compared to YTD 2014

Gross profit in the first nine months of 2015 was $2,168 million, or 48.2% of revenue compared to $1,936 million, or 47.1% of revenue in the first nine months of 2014, an increase of $232 million. This increase was primarily attributable to market share gains in our HPMS segment. Our gross profit rate, up 1.1 points when compared to 2014, is heavily influenced by the product mix in our business lines and improved manufacturing costs.

Our HPMS segment had a gross profit of $1,833 million, or 53.7% of revenue in the first nine months of 2015, compared to $1,658 million, or 54.6% of revenue in the first nine months of 2014. The decrease in the gross profit percentage of 0.9 points was driven by changes in product mix across all business lines.

Gross profit in our SP segment was $327 million, or 33.7% of revenue in the first nine months of 2015, compared to $279 million, or 29.6% of revenue in the first nine months of 2014. The increase in the gross profit percentage of 4.1 points was driven by richer product mix, improved manufacturing costs and lower restructuring costs when compared with the same period in the prior year.

Operating expenses

The following table presents operating expenses by segment for the three months and YTD ended October 4, 2015 and September 28, 2014:

($ in millions, unless otherwise stated)	**Q3 2015**		Q3 2014		**YTD 2015**		YTD 2014	
	Operating expenses	**% of segment revenue**	Operating expenses	% of segment revenue	**Operating expenses**	**% of segment revenue**	Operating expenses	% of segment revenue
HPMS	**297**	**25.5**	331	29.1	**945**	**27.7**	958	31.5
SP	**53**	**16.3**	65	19.5	**168**	**17.3**	200	21.2
Corporate and Other	**19**	**57.6**	11	25.6	**58**	**52.3**	47	37.0
Total	**369**	**24.2**	407	26.9	**1,171**	**26.1**	1,205	29.3

The following table below presents the composition of operating expenses by line item in the statement of operations:

($ in millions, unless otherwise stated)	**Q3 2015**	Q3 2014	**YTD 2015**	YTD 2014
Research and development	**178**	196	**572**	565
Selling, general and administrative	**191**	211	**599**	640
Operating expenses	**369**	407	**1,171**	1,205

Q3 2015 compared to Q3 2014

Operating expenses decreased $38 million to $369 million in the third quarter of 2015, compared to $407 million in the third quarter of 2014, with lower PPA charges and continued focus on cost controls, primarily in the area of headcount, resulting from our preparation for the anticipated merger with Freescale. As a percentage of revenue, operating expenses decreased to 24.2% in the third quarter of 2015 compared to 26.9% in the third quarter of 2014. The decrease in the percentage of revenue was driven by the previously noted continued strong focus on cost controls while revenue remained virtually flat.

In our HPMS segment, operating expenses decreased $34 million, amounting to $297 million, or 25.5% of revenue in the third quarter of 2015, compared to $331 million, or 29.1% of revenue in the third quarter of 2014. The decrease in the percentage of revenue was driven by continued focus on cost controls resulting from our preparation for the anticipated merger with Freescale and lower PPA charges.

In our SP segment, operating expenses decreased $12 million, amounting to $53 million, or 16.3% of revenue in the third quarter of 2015, compared to $65 million, or 19.5% of revenue in the third quarter of 2014. The decrease in the percentage of revenue was driven by continued focus on cost controls resulting from our preparation for the anticipated merger with Freescale.

YTD 2015 compared to YTD 2014

Operating expenses decreased $34 million to $1,171 million in the first nine months of 2015, compared to $1,205 million in the first nine months of 2014, with lower PPA charges and continued focus on cost controls in selling, general and administrative expenses, more than offsetting moderate increase in research and development expenses. As a percentage of revenue, operating expenses decreased to 26.1% in the first nine months of 2015 compared to 29.3% in the first nine months of 2014. The decrease in the percentage of revenue was driven by continued focus on cost controls, primarily in the area of headcount, resulting from our preparation for the anticipated merger with Freescale while revenue grew 9.4%.

In our HPMS segment, operating expenses decreased $13 million, amounting to $945 million, or 27.7% of revenue in the first nine months of 2015, compared to $958 million, or 31.5% of revenue in the first nine months of 2014. This decrease was attributable to lower selling, general and administrative expenses, more than offsetting the higher research and development expenses and certain restructuring charges.

In our SP segment, operating expenses decreased $32 million, amounting to $168 million, or 17.3% of revenue in the first nine months of 2015, compared to $200 million, or 21.2% of revenue in the first nine months of 2014. The decrease was a result of continued focus on cost controls, resulting from our preparation for the anticipated merger with Freescale and lower PPA charges when compared with the same period in the prior year.

Restructuring charges

Q3 2015 compared to Q3 2014

Restructuring and restructuring related costs amounted to $4 million in the third quarter of 2015 compared to $6 million in the third quarter of 2014. Both periods primarily consist of restructuring charges that related to various specific targeted actions.

YTD 2015 compared to YTD 2014

Restructuring and restructuring related costs amounted to $25 million in the first nine months of 2015 compared to $45 million in the first nine months of 2014. In the first nine months of 2015, we had restructuring charges that related to various specific targeted actions. In the first nine months of 2014, we had restructuring charges which primarily related to workforce reduction charges at our ICN 8 wafer fab in Nijmegen and our wafer fab in Hamburg in addition to restructuring and restructuring related costs that were for the cumulative impact of specific targeted actions.

Operating income (loss)

The following table presents operating income (loss) by segment for the three months and YTD ended October 4, 2015 and September 28, 2014:

($ in millions, unless otherwise stated)	**Q3 2015**		Q3 2014		**YTD 2015**		YTD 2014	
	Operating income (loss)	**% of segment revenue**	Operating income (loss)	% of segment revenue	**Operating income (loss)**	**% of segment revenue**	Operating income (loss)	% of segment revenue
HPMS	**331**	**28.4**	274	24.1	**890**	**26.1**	706	23.2
SP	**56**	**17.2**	38	11.4	**161**	**16.6**	79	8.4
Corporate and Other	**(12)**	**(36.4)**	(5)	(11.6)	**(49)**	**(44.1)**	(46)	(36.2)
Total	**375**	**24.6**	307	20.3	**1,002**	**22.3**	739	18.0

Financial income (expense)

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

($ in millions, unless otherwise stated)	**Q3 2015**	Q3 2014	**YTD 2015**	YTD 2014
Interest income	**2**	—	**5**	2
Interest expense	**(55)**	(34)	**(149)**	(104)
Foreign exchange results	**6**	(131)	**(162)**	(155)
Extinguishment of debt	**—**	—	**—**	(3)
Change in fair value of the Warrant liability	**67**	—	**(30)**	—
Other	**(4)**	(3)	**(19)**	(13)
Total	**16**	(168)	**(355)**	(273)

Q3 2015 compared to Q3 2014

In the third quarter of 2015, two significant items impacted financial income (expense). The $67 million mark-to-market adjustment on the Warrant liability for the third quarter of 2015 was primarily attributable to the decrease in NXP's share price over the three-month period offset by interest expenses of $55 million. The interest expense increased over the same period in the prior year as a result of our new debt issuances in 2014 and 2015. The loss in the third quarter of 2014 on foreign exchange results was due to the significant change in the EUR/USD exchange rate during the period related to our U.S. dollar-denominated notes which are residing in a Euro functional currency entity.

YTD 2015 compared to YTD 2014

In the first nine months of 2015, three significant items impacted financial income (expense), the foreign exchange results expense of $162 million (2014: expense of $155 million), due to the significant change in the EUR/USD exchange rate during the period related to our U.S. dollar-denominated notes which are residing in a Euro functional currency entity. Interest expense of $149 million (2014: an expense of $104 million) which increased over the same period in the prior year as a result of our new debt issuances in 2014 and 2015. An expense of $30 million as a result of the mark-to-market adjustment on the Warrant liability (2014: nil). The mark-to-market adjustment on the Warrant liability for the first nine months of 2015 was primarily attributable to the increase in NXP's share price over the nine-month period.

Benefit (provision) for income taxes

Q3 2015 compared to Q3 2014

The income tax expense was $15 million in the third quarter of 2015, compared with a $4 million tax expense for the same period in 2014, and the effective income tax rates were 3.8% and 2.9%, respectively. The effective income tax rates when compared to our statutory tax rate was mainly impacted by tax incentives in certain jurisdictions, non-taxable gains on derivatives and the mix of income and losses in various jurisdictions including those where a valuation allowance is recorded.

YTD 2015 compared to YTD 2014

The income tax expense was $44 million for the first nine months of 2015, compared with a $31 million tax expense for the same period in 2014, and the effective income tax rates were 6.8% and 6.7%, respectively. The effective income tax rates when compared to our statutory rate was mainly impacted by tax incentives in certain jurisdictions, foreign earnings taxed at lower rates than our statutory tax rate, non-tax deductible losses on derivatives and certain non-tax deductible expenditure and the mix of income and losses in various jurisdictions including those where a valuation allowance is recorded.

Results relating to equity-accounted investees

Q3 2015 compared to Q3 2014

Results relating to the equity-accounted investees amounted to a gain of $3 million in the third quarters of both 2015 and 2014.

YTD 2015 compared to YTD 2014

Results relating to the equity-accounted investees amounted to a gain of $7 million in the first nine months of 2015, compared to a gain of $5 million in the first nine months of 2014.

Net income (loss)

The following table presents the composition of net income:

($ in millions, unless otherwise stated)	**Q3 2015**	Q3 2014	**YTD 2015**	YTD 2014
Operating income (loss)	**375**	307	**1,002**	739
Financial income (expense)	**16**	(168)	**(355)**	(273)
Benefit (provision) for income taxes	**(15)**	(4)	**(44)**	(31)
Result equity-accounted investees	**3**	3	**7**	5
Net income (loss)	**379**	138	**610**	440

Non-controlling interests

Q3 2015 compared to Q3 2014

Non-controlling interests are related to the third party share in the result of consolidated companies, predominantly SSMC. Their share of non-controlling interests amounted to a profit of $18 million in the third quarter of 2015, compared to a profit of $17 million in the third quarter of 2014.

YTD 2015 compared to YTD 2014

Non-controlling interests are related to the third party share in the result of consolidated companies, predominantly SSMC. Their share of non-controlling interests amounted to a profit of $56 million in the first nine months of 2015, compared to a profit of $50 million in the first nine months of 2014.

Employees

The following tables provide an overview of the number of full-time employees per segment and geographic area at October 4, 2015 and December 31, 2014:

(number of full-time employees)	**October 4, 2015**	December 31, 2014
HPMS	**3,546**	3,344
SP	**1,738**	1,674
Corporate and Other	**21,677**	22,866
Total	**26,961**	27,884

(number of full-time employees)	**October 4, 2015**	December 31, 2014
Europe and Africa	**6,389**	6,344
Americas	**533**	518
Greater China	**7,898**	8,094
Asia Pacific	**12,141**	12,928
Total	**26,961**	27,884

Liquidity and Capital Resources

At the end of the third quarter of 2015, our cash balance was $2,492 million, an increase of $1,307 million compared to December 31, 2014. Taking into account the available amount of the Secured Revolving Credit Facility, we had access to $3,184 million of liquidity as of October 4, 2015.

Our capital expenditures were $249 million in the first nine months of 2015, compared to $222 million in the first nine months of 2014.

Our total debt amounted to $5,050 million as of October 4, 2015, an increase of $1,051 million from December 31, 2014 ($3,999 million), mainly due to the new unsecured notes issued in June 2015.

At the end of the third quarter of 2015, we had a capacity of $692 million remaining under our Secured Revolving Credit Facility, net of outstanding bank guarantees, based on the end of quarter exchange rate. However, the amount of this availability varies with fluctuations between the euro and the U.S. dollar as the total amount of the facility, €620 million, is denominated in euro and the amounts drawn are denominated in U.S. dollars.

At October 4, 2015, our cash balance was $2,492 million, of which $434 million was held by SSMC, our consolidated joint venture company with TSMC. Under the terms of our joint venture agreement with TSMC, a portion of this cash can be distributed by way of a dividend to us, but 38.8% of the dividend will be paid to our joint venture partner. During the third quarter of 2015, a dividend of $130 million (2014: $130 million) has been paid by SSMC.

We repurchased $324 million of our common stock pursuant to our share buyback program during the first nine months of 2015 at a weighted average price of $91.98 per share.

Cash Flow from Operating Activities

In the first nine months of 2015 our operating activities provided $1,059 million (first nine months of 2014: $912 million) in cash. This was the result of a net income of $610 million (first nine months of 2014: net income of $440 million), elimination of non-cash net income items, such as depreciation/amortization, exchange differences and other of $611 million (first nine months of 2014: $540 million) and changes in assets and liabilities of $(162) million (first nine months of 2014: $(68) million).

Cash Flow from Investing Activities

Net cash used for investing activities amounted to $353 million in first nine months of 2015, compared to net cash used of $255 million in the same period in 2014. The increase in cash used for investing activities when compared to the same period last year was primarily due to higher capital expenditures of $27 million and acquisitions of $103 million.

Cash Flow from Financing Activities

Net cash provided by financing activities in the first nine months of 2015 was $621 million compared to net cash used of $727 million in the first nine months of 2014. The increase in net cash provided by financing activities when compared to the same period in the previous year primarily resulted from the issuance of new Senior Notes with gross proceeds of $1,000 million and lower treasury share repurchases. This was partially offset by net amounts drawn under the revolving credit facility in the first nine months of 2014 of $600 million). The cash flows related to financing activities in the first nine months of 2015 and 2014 are described below under the captions YTD *2015 Financing Activities* and *YTD 2014 Financing Activities.*

YTD 2015 Financing Activities

Senior Unsecured Notes 2020 and 2022

On June 9, 2015 our subsidiary, NXP B.V. together with NXP Funding LLC issued Senior Unsecured Notes in the aggregate principal amounts of $600 million, due June 15, 2020 and $400 million, due June 15, 2022. The Notes were issued at par and were recorded at their fair value of $600 million and $400 million, respectively, on the accompanying Condensed Consolidated Balance Sheet. NXP intends to use the net proceeds from the offering of the Notes, together with cash on hand and/or other available financing resources, (i) to finance the cash portion of the Merger consideration payable pursuant to the terms of the merger agreement entered into between NXP and Freescale on March 1, 2015, under which, subject to the terms and conditions thereof, NXP will merge with Freescale, (ii) to refinance certain of Freescale's indebtedness that becomes due as a result of the Merger, (iii) to effect the repayment of any amounts drawn under Freescale's outstanding revolving credit facility and, if NXP so elects, the outstanding revolving credit facility of NXP, and (iv) to pay certain transaction costs. Alternatively, if the Merger does not close, NXP intends to use the net proceeds from the offering of the Notes to redeem certain of NXP's existing indebtedness and for general corporate purposes.

YTD 2014 Financing Activities

2017 Term Loan

On February 18, 2014, NXP entered into a new $400 million aggregate principal amount Senior Secured Term Loan Facility due March 4, 2017. Concurrently, NXP called the $486 million principal amount Senior Secured Term Loan Facility due March 4, 2017. A $100 million draw-down under our existing Revolving Credit Facility and approximately $5 million of cash on hand were used to settle the combined transactions, as well as pay the related call premium of $5 million and accrued interest of $4 million.

Contractual Obligations

During the first nine months of 2015, our contractual obligations increased by approximately $229 million resulting from normal business operations.

Off-balance Sheet Arrangements

At the end of the third quarter of 2015, we had no off-balance sheet arrangements other than operating leases and other commitments resulting from normal business operations.

Condensed consolidated statements of operations of NXP Semiconductors N.V. (unaudited)

($ in millions, unless otherwise stated)

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Revenue	**1,522**	1,515	**4,495**	4,110
Cost of revenue	**(782)**	(802)	**(2,327)**	(2,174)
Gross profit	**740**	713	**2,168**	1,936
Research and development	**(178)**	(196)	**(572)**	(565)
Selling, general and administrative	**(191)**	(211)	**(599)**	(640)
Other income (expense)	**4**	1	**5**	8
Operating income (loss)	**375**	307	**1,002**	739
Financial income (expense):				
- Extinguishment of debt	**—**	—	**—**	(3)
- Other financial income (expense)	**16**	(168)	**(355)**	(270)
Income (loss) before income taxes	**391**	139	**647**	466
Benefit (provision) for income taxes	**(15)**	(4)	**(44)**	(31)
Results relating to equity-accounted investees	**3**	3	**7**	5
Net income (loss)	**379**	138	**610**	440
Less: Net income (loss) attributable to non-controlling Interests	**18**	17	**56**	50
Net income (loss) attributable to stockholders	**361**	121	**554**	390
Earnings per share data:				
Basic earnings per common share attributable to Stockholders in $				
Net income (loss)	**1.56**	0.51	**2.38**	1.63
Diluted earnings per common share attributable to Stockholders in $				
Net income (loss)	**1.49**	0.49	**2.28**	1.56
Weighted average number of shares of common stock outstanding during the period (in thousands):				
- Basic	**231,545**	235,095	**232,457**	239,892
- Diluted	**242,122**	246,550	**242,905**	250,642

The accompanying notes to Condensed Consolidated Financial Statements are an integral part of these statements

Condensed consolidated statements of comprehensive income of NXP Semiconductors N.V. (unaudited)

($ in millions, unless otherwise stated)

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Net income (loss)	**379**	138	**610**	440
Other comprehensive income (loss), net of tax:				
Net investment hedge, net of deferred taxes of $0, $0, $0 and $0	**8**	(113)	**(150)**	(133)
Changes in fair value cash flow hedges, net of deferred taxes of $0, $0, $0 and $0	**(2)**	(2)	**(2)**	—
Foreign currency translation adjustments	**(14)**	68	**120**	88
Net actuarial gain (loss), net of deferred taxes of $0, $1, $1 and $1	**(1)**	2	**8**	2
Unrealized gains/losses available-for-sale securities	**1**	2	**3**	1
Reclassification adjustments, net of deferred taxes of $0, $0, $0 and $0:				
Changes in fair value cash flow hedges *	**1**	—	**2**	2
Total other comprehensive income (loss)	**(7)**	(43)	**(19)**	(40)
Total comprehensive income (loss)	**372**	95	**591**	400
Less: Comprehensive income (loss) attributable to non-controlling interests	**18**	17	**56**	50
Total comprehensive income (loss) attributable to stockholders	**354**	78	**535**	350

* Included in Cost of revenue in the Condensed Consolidated Statements of Operations.

The accompanying notes to Condensed Consolidated Financial Statements are an integral part of these statements

Condensed consolidated balance sheets of NXP Semiconductors N.V. (unaudited)

($ in millions, unless otherwise stated)

	October 4, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	**2,492**	1,185
Receivables, net	**657**	593
Assets held for sale	**356**	—
Inventories, net	**751**	755
Deferred tax assets	**3**	8
Other current assets	**140**	99
Total current assets	**4,399**	2,640
Non-current assets:		
Investments in equity-accounted investees	**78**	71
Other non-current assets	**373**	365
Property, plant and equipment, net of accumulated depreciation of $2,529 and $2,560	**1,097**	1,123
Identified intangible assets, net of accumulated amortization of $1,210 and $1,293	**465**	573
Goodwill	**1,838**	2,121
Total non-current assets	**3,851**	4,253
Total assets	**8,250**	6,893
Liabilities and equity		
Current liabilities:		
Accounts payable	**736**	729
Liabilities held for sale	**8**	—
Restructuring liabilities-current	**21**	37
Payroll and related benefits	**251**	295
Accrued liabilities	**229**	239
Short-term debt	**532**	20
Total current liabilities	**1,777**	1,320
Non-current liabilities:		
Long-term debt	**4,518**	3,979
Pension and postretirement benefits	**270**	284
Restructuring liabilities	**3**	3
Other non-current liabilities	**525**	506
Total non-current liabilities	**5,316**	4,772
Equity:		
Non-controlling interests	**268**	263
Stockholders’ equity:		
Preferred stock, par value €0.20 per share:		
- Authorized: 645,754,500 shares (2014: 645,754,500 shares); issued: none		
Common stock, par value €0.20 per share:		
- Authorized: 430,503,000 shares (2014: 430,503,000 shares)		
- Issued and fully paid: 251,751,500 shares (2014: 251,751,500 shares)	**51**	51
Capital in excess of par value	**6,407**	6,300
Treasury shares, at cost:		
- 20,911,226 shares (2014: 19,171,454 shares)	**(1,442)**	(1,219)
Accumulated deficit	**(4,318)**	(4,804)
Accumulated other comprehensive income (loss)	**191**	210
Total Stockholders’ equity	**889**	538
Total equity	**1,157**	801
Total liabilities and equity	**8,250**	6,893

The accompanying notes to Condensed Consolidated Financial Statements are an integral part of these statements

Condensed consolidated statements of cash flows of NXP Semiconductors N.V. (unaudited)

($ in millions, unless otherwise stated)

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Cash flows from operating activities:				
Net income (loss)	**379**	138	**610**	440
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	**94**	103	**287**	308
Stock-based compensation	**34**	34	**105**	99
Net (gain) loss on sale of assets	**(4)**	(1)	**(5)**	(7)
Change in fair value of the Warrant liability	**(67)**	—	**30**	—
Amortization of discount on convertible debt	**9**	—	**28**	—
(Gain) loss on extinguishment of debt	**—**	—	**—**	3
Results relating to equity-accounted investees	**(3)**	(3)	**(7)**	(5)
Changes in operating assets and liabilities:				
(Increase) decrease in receivables and other current assets	**(93)**	(81)	**(144)**	(216)
(Increase) decrease in inventories	**(5)**	(6)	**(72)**	(15)
Increase (decrease) in accounts payable and accrued liabilities	**(5)**	93	**28**	146
Decrease (increase) in other non-current assets	**2**	2	**26**	17
Exchange differences	**(6)**	131	**162**	155
Other items	**5**	(13)	**11**	(13)
Net cash provided by (used for) operating activities	**340**	397	**1,059**	912
Cash flows from investing activities:				
Purchase of identified intangible assets	**(1)**	(8)	**(7)**	(26)
Capital expenditures on property, plant and equipment	**(78)**	(82)	**(249)**	(222)
Proceeds from disposals of property, plant and equipment	**4**	1	**6**	2
Proceeds from disposals of assets held for sale	**—**	—	**—**	3
Purchase of interests in businesses	**—**	—	**(105)**	(2)
Proceeds from sale of interests in businesses	**—**	—	**1**	1
Proceeds from return of equity investment	**—**	—	**1**	—
Other	**(1)**	(1)	**—**	(11)
Net cash provided by (used for) investing activities	**(76)**	(90)	**(353)**	(255)
Cash flows from financing activities:				
Net (repayments) borrowings of short-term debt	**(1)**	(17)	**(1)**	(17)
Amounts drawn under the revolving credit facility	**—**	300	**—**	800
Repayments under the revolving credit facility	**—**	(50)	**—**	(200)
Repurchase of long-term debt	**—**	—	**—**	(92)
Principal payments on long-term debt	**(6)**	(5)	**(24)**	(10)
Proceeds from the issuance of long-term debt	**—**	—	**1,000**	—
Cash paid for debt issuance costs	**—**	—	**(10)**	—
Dividends paid to non-controlling interests	**(51)**	(50)	**(51)**	(50)
Cash proceeds from exercise of stock options	**8**	25	**33**	97
Purchase of treasury shares	**(158)**	(574)	**(324)**	(1,255)
Hold-back payments on prior acquisitions	**—**	—	**(2)**	—
Net cash provided by (used for) financing activities	**(208)**	(371)	**621**	(727)
Effect of changes in exchange rates on cash positions	**1**	(3)	**(20)**	(6)
Increase (decrease) in cash and cash equivalents	**57**	(67)	**1,307**	(76)
Cash and cash equivalents at beginning of period	**2,435**	661	**1,185**	670
Cash and cash equivalents at end of period	**2,492**	594	**2,492**	594

The accompanying notes to Condensed Consolidated Financial Statements are an integral part of these statements

Condensed consolidated statements of changes in equity of NXP Semiconductors N.V. (unaudited)

($ in millions, unless otherwise stated)

	Outstanding number of shares (in thousands)	Common stock	Capital in excess of par value	Treasury shares at cost	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2014	232,580	51	6,300	(1,219)	(4,804)	210	538	263	801
Net income (loss)					**554**		**554**	**56**	**610**
Other comprehensive income						**(19)**	**(19)**		**(19)**
Share-based compensation plans			**107**				**107**		**107**
Treasury shares	**(3,519)**			**(324)**			**(324)**		**(324)**
Shares issued pursuant to stock awards	**1,779**			**101**	**(68)**		**33**		**33**
Dividends non-controlling interests								**(51)**	**(51)**
Balance as of October 4, 2015	**230,840**	**51**	**6,407**	**(1,442)**	**(4,318)**	**191**	**889**	**268**	**1,157**

The accompanying notes to Condensed Consolidated Financial Statements are an integral part of these statements

1 Basis of Presentation

We prepared our interim condensed consolidated financial statements that accompany these notes in conformity with U.S. generally accepted accounting principles, consistent in all material respects with those applied in our Annual Report on Form 20-F for the year ended December 31, 2014.

We have made estimates and judgments affecting the amounts reported in our consolidated condensed financial statements and the accompanying notes. The actual results that we experience may differ materially from our estimates. The interim financial information is unaudited, but reflects all normal adjustments that are, in our opinion, necessary to provide a fair statement of results for the interim periods presented. This interim information should be read in conjunction with the consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2014.

2 Recent Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued a new standard to simplify the measurement of Inventory changing the measurement principle for inventory from the lower of cost or market to the lower of cost and net realizable value. The new standard also eliminates the requirement to consider replacement cost or net realizable value less an approximately normal profit margin when measuring inventory. The standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. Upon adoption, entities would apply the new guidance prospectively. The Company does not expect the new standard to have a significant impact to the valuation of our inventory and we do not expect to early adopt the standard.

In April 2015 the FASB issued a new standard that changes the presentation of debt issuance costs in financial statements. As a result of the new standard, an entity will presents such costs in the balance sheet as a reduction of the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. The standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. Upon adoption, entities would apply the new guidance retrospectively to all prior periods. This new standard will impact the Company's financial statements in how we present debt issuance costs in the balance sheet, the company expects to adopt the standard early, applying the changes to our financial statements during the fourth quarter of this year.

In May 2014, the FASB issued a new standard to achieve a consistent application of revenue recognition within the U.S., resulting in a single revenue model to be applied by reporting companies under U.S. generally accepted accounting principles. Under the new model, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the new standard requires that reporting companies disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. As currently issued, the new standard is effective beginning in the first quarter of 2018; early adoption is prohibited. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We have not yet selected a transition method nor have we determined the impact of the new standard on our consolidated condensed financial statements.

3 Acquisitions and Divestments

In the first quarter of 2015, we completed two acquisitions: the acquisition of Quintic's Bluetooth Low Energy ("BTLE") and Wearable businesses, located in China and the USA; and the acquisition of Athena SCS Ltd. ("Athena"), located in the United Kingdom. These acquisitions, both individually and in the aggregate, were not significant to our consolidated results of operations. The aggregate purchase price consideration of $102 million was allocated to goodwill ($40 million), other intangible assets ($68 million) and net liabilities assumed ($6 million). The other intangible assets relate to core technology ($29 million) with an amortization period varying up to 14 years, existing technology ($17 million) with an amortization period varying up to 5 years and in-process R&D ($22 million). As of October 4, 2015, we had not yet finalized the valuation of certain intangible assets and the deferred taxes in connection with these acquisitions. The finalization of these amounts is not expected to have a material effect on our consolidated financial position.

The results of BTLE are consolidated in the Secure Connected Devices business line that is part of the reportable segment HPMS. The results of Athena are consolidated in the Secure Identification Solutions business line that is part of the reportable segment HPMS.

There were no material divestments or other acquisitions, as of October 4, 2015.

4 Assets Held for Sale

Bipolar Power business

In February 2015, NXP announced its intention to establish a 49% owned joint venture (JV) with China state-owned investment company JianGuang Asset Management Co. Ltd (JAC Capital) in China. The JV is intended to combine NXP's advanced technology from its Bipolar Power business line with JAC Capital's connections in the Chinese manufacturing network and distribution channels. The transaction is subject to the successful conclusion of certain closing conditions as well as the approval by relevant authorities, and is scheduled to close later this year. As a result, the Bipolar Power business line met the criteria to be classified as held for sale.

This divestiture will result in a gain for NXP. The Bipolar Power business line classified as held for sale does not meet the criteria to be classified as a discontinued operation at October 4, 2015 primarily due to the disposal of this business not representing a strategic shift that will have a major effect on the Company's operations and financial results.

The results of the Bipolar Power business are consolidated in the reportable segment SP.

RF Power business

In May 2015, NXP announced an agreement that will facilitate the sale of its RF Power Business to JianGuang Asset Management Co. Ltd. (JAC Capital) in China. In view of the expected closing date in the fourth quarter of 2015, the RF Power Business line met the criteria to be classified as held for sale. The divesture will result in a gain for NXP. The results of the RF Power business are consolidated in the reportable segment HPMS.

The RF Power business presentation as held for sale does not meet the criteria to be classified as discontinued operation at October 4, 2015 primarily due to the disposal of this business not representing a strategic shift that will have a major effect on the Company's operations and financial results.

Lighting Solutions business

In June 2015, NXP classified the Lighting Solutions business, which is included in the reportable segment HPMS, as held for sale in view of management's intention to sell the business line within the next twelve months.

The following table summarizes the carrying value of the assets and liabilities held for sale:

	October 4, 2015			
	Bipolar Power	RF Power	Lighting Solutions	Total
Receivables, net	**1**	**—**	**—**	**1**
Inventories	**22**	**42**	**2**	**66**
Property, plant and equipment, net	**7**	**69**	**—**	**76**
Identified intangible assets, net	**6**	**28**	**2**	**36**
Goodwill	**14**	**152**	**11**	**177**
Assets held for sale	**50**	**291**	**15**	**356**
Accounts payable	**(7)**	**(1)**	**—**	**(8)**
Liabilities held for sale	**(7)**	**(1)**	**—**	**(8)**

5 Supplemental Financial Information

Statement of Operations Information:

Financial income and expense

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Interest income	**2**	—	**5**	2
Interest expense	**(55)**	(34)	**(149)**	(104)
Foreign exchange results	**6**	(131)	**(162)**	(155)
Extinguishment of debt	**—**	—	**—**	(3)
Change in fair value of the Warrant liability	**67**	—	**(30)**	—
Other	**(4)**	(3)	**(19)**	(13)
Total	**16**	(168)	**(355)**	(273)

Earnings per share

The computation of earnings per share (EPS) is presented in the following table:

($ in millions, unless otherwise stated)	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Net income (loss)	**379**	138	**610**	440
Less: net income (loss) attributable to non- controlling interests	**18**	17	**56**	50
Net income (loss) attributable to stockholders	**361**	121	**554**	390
Weighted average number of shares outstanding (after deduction of treasury shares) during the year (in thousands)	**231,545**	235,095	**232,457**	239,892
Plus incremental shares from assumed conversion of:				
Options 1)	**5,971**	7,096	**6,328**	6,684
Restricted Share Units, Performance Share Units and Equity Rights 2)	**4,606**	4,359	**4,120**	4,066
Warrants 3)	**—**	—	**—**	—
Dilutive potential common share	**10,577**	11,455	**10,448**	10,750
Adjusted weighted average number of share outstanding (after deduction of treasury shares) during the year (in thousands)	**242,122**	246,550	**242,905**	250,642
Basic EPS attributable to stockholders in $:				
Net income (loss)	**1.56**	0.51	**2.38**	1.63
Diluted EPS attributable to stockholders in $:				
Net income (loss)	**1.49**	0.49	**2.28**	1.56

1) Stock options to purchase up to 0.2 million shares of NXP’s common stock that were outstanding in Q3 2015 (Q3 2014: 0.3 million shares) and stock options to purchase up to 0.2 million shares of NXP’s common stock that were outstanding YTD 2015 (YTD 2014: 0.3 million shares) were anti-dilutive and were not included in the computation of diluted EPS because the exercise price was greater than the average fair market value of the common stock or the number of shares assumed to be repurchased using the proceeds of unrecognized compensation expense and exercise prices was greater than the weighted average number of shares underlying outstanding stock options.

2) Unvested RSU’s, PSU’s and equity rights of 0.3 million shares that were outstanding in Q3 2015 (Q3 2014: 1.2 million shares) and unvested RSU’s, PSU’s and equity rights of 0.3 million shares YTD 2015 (YTD 2014: 1.1 million shares) were anti-dilutive and were not included in the computation of diluted EPS because the number of shares assumed to be repurchased using the proceeds of unrecognized compensation expense was greater than the weighted average number of outstanding unvested RSU’s, PSU’s and equity rights.

3) A warrant to purchase up to approximately 11.2 million shares of NXP’s common stock at a price of $133.32 per share was outstanding in Q3 2015 (YTD 2015: 11.2 million shares at a price of $133.32 per share) (Q3 and YTD 2014: nil). Upon exercise, the warrant will be net share settled. At the end of Q3, the warrant was not included in the computation of diluted EPS because the warrant’s exercise price was greater than the average fair market value of the common shares.

Balance Sheet Information

Inventories

Inventories are summarized as follows:

	October 4, 2015	December 31, 2014
Raw materials	**37**	50
Work in process	**562**	580
Finished goods	**152**	125
	751	755

The portion of finished goods stored at customer locations under consignment amounted to $19 million as of October 4, 2015 (December 31, 2014: $19 million).

The amounts recorded above are net of allowance for obsolescence of $66 million as of October 4, 2015 (December 31, 2014: $64 million).

Accumulated other comprehensive income (loss), net of tax

Total comprehensive income (loss) represents net income (loss) plus the results of certain equity changes not reflected in the Consolidated Statements of Operations. The after-tax components of accumulated other comprehensive income (loss) and their corresponding changes are shown below:

	Net investment hedge	Currency translation differences	Change in fair value cash flow hedges	Net actuarial gain/ (losses)	Unrealized gain (losses) available-for-sale-securities	Accumulated Other Comprehensive Income (loss)
As of December 31, 2014	(331)	627	(2)	(85)	1	210
Other comprehensive income (loss)	**(150)**	**120**	**—**	**8**	**3**	**(19)**
As of October 4, 2015	**(481)**	**747**	**(2)**	**(77)**	**4**	**191**

Cash Flow Information

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Supplemental disclosures to the condensed consolidated cash flows				
Net cash paid during the period for:				
Interest	**42**	45	**109**	108
Income taxes	**7**	5	**21**	17
Net gain (loss) on sale of assets:				
Cash proceeds from the sale of assets	**4**	1	**7**	6
Fair value of the non-cash assets received	**—**	—	**—**	9
Book value of these assets	**—**	—	**(2)**	(8)
	4	1	**5**	7
Non-cash investing information:				
Assets received in lieu of cash from the sale of businesses:				
Fair value of Available of Sale Securities	**—**	—	**—**	9
Non-cash financing information:				
Exchange of Term Loan A1 for Term Loan E	**—**	—	**—**	400

6 Fair Value of Financial Assets and Liabilities

The following table summarizes the estimated fair value and carrying amount of our financial instruments measured on a recurring basis:

		October 4, 2015		December 31, 2014	
	Fair value hierarchy1)	**Carrying amount**	**Estimated fair value**	Carrying amount	Estimated fair value
Assets:					
Notes hedge	2	**242**	**242**	203	203
Other financial assets	2	**35**	**35**	44	44
Derivative instruments – assets	2	**1**	**1**	2	2
Liabilities:					
Short-term debt	2	**(532)**	**(535)**	(20)	(20)
Long-term debt	2	**(4,518)**	**(4,845)**	(3,979)	(4,258)
Notes Embedded Conversion Derivative	2	**(242)**	**(242)**	(203)	(203)
Warrants	2	**(165)**	**(165)**	(136)	(136)
Derivative instruments – liabilities	2	**(5)**	**(5)**	(4)	(4)

1) Transfers between the levels of fair value hierarchy are recognized when a change in circumstances would require it. There were no transfers during the reporting periods presented in the table above.

The following methods and assumptions were used to estimate the fair value of financial instruments:

Other financial assets and derivatives

For other financial assets and derivatives the fair value is based upon significant other observable inputs depending on the nature of the other financial asset and derivative.

Notes hedges

The Notes hedges are measured at fair value using level 2 inputs. The instrument is not actively traded and is valued using an option pricing model that uses observable market data for all inputs, such as implied volatility of NXP's common stock, risk-free interest rate and other factors.

Debt

The fair value is estimated on the basis of the quoted market prices for certain issues, or on the basis of discounted cash flow analyses. Accrued interest is included under accounts payable and not within the carrying amount or estimated fair value of debt.

Notes Embedded Conversion Derivative and Warrants

The Notes Embedded Conversion Derivative and Warrants are measured at fair value using level 2 inputs. These instruments are not actively traded and are valued using an option pricing model that uses observable market data for all inputs, such as implied volatility of NXP's common stock, risk-free interest rate and other factors.

Assets and liabilities recorded at fair value on a non-recurring basis

We measure and record our non-marketable equity investments (non-marketable equity method and cost method investments) and non-financial assets, such as intangible assets and property, plant and equipment, at fair value when an impairment charge is required.

7 Debt

Short-term debt

	October 4, 2015	December 31, 2014
Short-term bank borrowings	**7**	8
Current portion of long-term debt	**525**	12
Total	**532**	20

At October 4, 2015, short-term bank borrowings of $7 million (December 31, 2014: $8 million) consisted of a local bank borrowing by our Chinese subsidiary. The current portion of long-term debt at October 4, 2015, is primarily attributable to the $500 million Senior Unsecured Notes due September 15, 2016.

Long-term debt

	Range of interest rates	Average rate of interest	Amount outstanding October 4, 2015	Due within 1 yr	Due after Q3, 2016	Due after Q3, 2020	Average remaining term (in years)	Amount outstanding December 31, 2014
USD notes	**2.8-5.8%**	**4.2%**	**4,034**	**508**	**3,526**	**1,400**	**4.1**	3,039
Cash Convertible Notes	**1.0%**	**1.0%**	**973**	**—**	**973**	**—**	**4.2**	945
Bank borrowings	**—**	**—**	**—**		**—**	**—**	**—**	3
Liabilities arising from capital lease transactions	**2.5-13.8%**	**2.8%**	**36**	**17**	**19**	**—**	**1.1**	4
		3.6%	**5,043**	**525**	**4,518**	**1,400**	**4.1**	3,991

YTD 2015 Financing Activities

Senior Unsecured Notes 2020 and 2022

On June 9, 2015 our subsidiary, NXP B.V. together with NXP Funding LLC issued Senior Unsecured Notes in the aggregate principal amounts of $600 million, due June 15, 2020 and $400 million, due June 15, 2022. The Notes were issued at par and were recorded at their fair value of $600 million and $400 million, respectively, on the accompanying Condensed Consolidated Balance Sheet. NXP intends to use the net proceeds from the offering of the Notes, together with cash on hand and/or other available financing resources, (i) to finance the cash portion of the merger consideration payable pursuant to the terms of the merger agreement entered into between NXP and Freescale Semiconductor, Ltd. (“Freescale”) on March 1, 2015, under which, subject to the terms and conditions thereof, NXP will merge with Freescale (the “Merger”), (ii) to refinance certain of Freescale’s indebtedness that becomes due as a result of the Merger, (iii) to effect the repayment of any amounts drawn under Freescale’s outstanding revolving credit facility and, if NXP so elects, the outstanding revolving credit facility of NXP, and (iv) to pay certain transaction costs. Alternatively, if the Merger does not close, NXP intends to use the net proceeds from the offering of the Notes to redeem certain of NXP’s existing indebtedness and for general corporate purposes.

U.S. dollar-denominated notes

The following table summarizes the outstanding notes as of October 4, 2015:

	Principal amount	Fixed/ floating	Interest rate	Current coupon rate	Maturity date
Term Loan	$ 393	Floating	LIBOR plus 2% with a floor of 0.75%	2.75%	2017
Term Loan	$ 392	Floating	LIBOR plus 2.50% with a floor of 0.75%	3.25%	2020
Senior Unsecured Notes	$ 500	Fixed	3.50%	3.50%	2016
Senior Unsecured Notes	$ 750	Fixed	3.75%	3.75%	2018
Senior Unsecured Notes	$ 600	Fixed	4.125%	4.125%	2020
Senior Unsecured Notes	$ 500	Fixed	5.75%	5.75%	2021
Senior Unsecured Notes	$ 400	Fixed	4.625%	4.625%	2022
Senior Unsecured Notes	$ 500	Fixed	5.75%	5.75%	2023
Cash Convertible Notes	$ 1,150	Fixed	1%	1%	2019
Revolving Credit Facility		Floating			2017

Certain terms and Covenants of the U.S. dollar-denominated notes

The Company is not required to make mandatory redemption payments or sinking fund payments with respect to the notes. With respect to the Term Loans, the Company is required to repay $8 million annually.

The indentures governing the notes contain covenants that, among other things, limit the Company's ability and that of restricted subsidiaries to incur additional indebtedness, create liens, pay dividends, redeem capital stock or make certain other restricted payments or investments; enter into agreements that restrict dividends from restricted subsidiaries; sell assets, including capital stock of restricted subsidiaries; engage in transactions with affiliates; and effect a consolidation or merger.

Certain portions of long-term and short-term debt as of October 4, 2015 in the principal amount of $785 million (December 31, 2014: $791 million) have been secured by collateral on substantially all of the Company's assets and of certain of its subsidiaries.

The notes are fully and unconditionally guaranteed jointly and severally, on a senior basis by certain of the Company's current and future material wholly owned subsidiaries ("Guarantors").

Pursuant to various security documents related to the above mentioned term loans and the $692 million (denominated €620 million) committed revolving credit facility, the Company and each Guarantor has granted first priority liens and security interests in, amongst others, the following, subject to the grant of further permitted collateral liens:

(a) all present and future shares of capital stock of (or other ownership or profit interests in) each of its present and future direct subsidiaries, other than SMST Unterstützungskasse GmbH, and material joint venture entities;

(b) all present and future intercompany debt of the Company and each Guarantor;

(c) all of the present and future property and assets, real and personal, of the Company, and each Guarantor, including, but not limited to, machinery and equipment, inventory and other goods, accounts receivable, owned real estate, leaseholds, fixtures, general intangibles, license rights, patents, trademarks, trade names, copyrights, chattel paper, insurance proceeds, contract rights, hedge agreements, documents, instruments, indemnification rights, tax refunds, but excluding cash and bank accounts; and

(d) all proceeds and products of the property and assets described above.

Notwithstanding the foregoing, certain assets may not be pledged (or the liens not perfected) in accordance with agreed security principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the holders; and
- if providing such security requires consent of a third party and such consent cannot be obtained after the use of commercially reasonable efforts; and
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or providing security would be outside the applicable pledgor's capacity or conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after using commercially reasonable efforts to overcome such obstacles; and

- if providing such security would have a material adverse effect (as reasonably determined in good faith by such subsidiary) on the ability of such subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the indenture; and
- if providing such security or perfecting liens thereon would require giving notice (i) in the case of receivables security, to customers or (ii) in the case of bank accounts, to the banks with whom the accounts are maintained. Such notice will only be provided after the secured notes are accelerated.

Subject to agreed security principles, if material property is acquired by the Company or a Guarantor that is not automatically subject to a perfected security interest under the security documents, then the Company or relevant Guarantor will within 60 days provide security over this property and deliver certain certificates and opinions in respect thereof as specified in the indenture governing the notes.

8 Litigation

We are regularly involved as plaintiffs or defendants in claims and litigation relating to matters such as commercial transactions and intellectual property rights. In addition, our divestments sometimes result in, or are followed by, claims or litigation by either party. From time to time, we also are subject to alleged patent infringement claims. We rigorously defend ourselves against these alleged patent infringement claims, and we rarely participate in settlement discussions. Although the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, it is our belief that the outcome of any such claims, either individually or on a combined basis, will not have a material adverse effect on our consolidated financial position. However, such outcomes may be material to our consolidated statement of operations for a particular period.

With the support from its in-house and outside counsel and based on its best estimate, the Company records an accrual for any claim that arises whenever it considers that it is probable that it is exposed to a loss contingency and the amount of the loss contingency can be reasonably estimated. Based on the most current information available to it and based on its best estimate, the Company also reevaluates at least on a quarterly basis the claims that have arisen to determine whether any new accruals need to be made or whether any accruals made need to be adjusted.

Based on the procedures described above, the Company has no amount accrued for legal proceedings pending as of October 4, 2015, compared to approximately $2 million as of December 31, 2014, which are included in “Accrued liabilities”. There can be no assurance that the Company’s accruals will be sufficient to cover the extent of its potential exposure to losses. Historically, legal actions have not had a material adverse effect on the Company’s business, results of operations or financial condition.

As at October 4, 2015, the Company believes that for all claims and litigation pending its aggregate exposure to loss in excess of the amount accrued could range between $0 and approximately $33 million. This estimated aggregate range of reasonably possible losses is based on currently available information in relation to the claims that have arisen and on the Company’s best estimate of such losses for those cases for which such estimate can be made. For certain claims, the Company believes that an estimate cannot currently be made. The estimated aggregate range requires significant judgment, given the varying stages of the proceedings (including the fact that many of them are currently in preliminary stages), the existence of multiple defendants (including the Company) in such claims whose share of liability has yet to be determined, the numerous yet-unresolved issues in many of the claims, and the attendant uncertainty of the various potential outcomes of such claims. Accordingly, the Company’s estimate will change from time to time, and actual losses may be more than the current estimate.

9 Related-Party Transactions

The Company’s related parties are the members of the board of directors of NXP Semiconductors N.V., the members of the management team of NXP Semiconductors N.V. and equity-accounted investees.

Other

We have a number of strategic alliances and joint ventures. We have relationships with certain of our alliance partners in the ordinary course of business whereby we enter into various sale and purchase transactions, generally on terms comparable to transactions with third parties. However, in certain instances upon divestment of former businesses where we enter into supply arrangements with the former owned business, sales are conducted at cost.

The following table presents the amounts related to revenue and expenses incurred in transactions with these related parties:

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Revenue	**2**	—	**7**	1
Purchase of goods and services	**23**	25	**63**	71

The following table presents the amounts related to receivable and payable balances with these related parties:

	October 4, 2015	December 31, 2014
Receivables	**11**	15
Payables	**24**	30

10 Restructuring

At each reporting date, we evaluate our restructuring liabilities, which consist primarily of termination benefits, to ensure that our accruals are still appropriate.

The following table presents the changes in the position of restructuring liabilities in 2015 by segment:

	Balance January 1, 2015	Additions	Utilized	Released	Other changes	Balance October 4, 2015
HPMS	**14**	**16**	**(13)**	**(1)**	**1**	**17**
SP	**5**	**3**	**(4)**	**—**	**—**	**4**
Corporate and Other	**21**	**5**	**(18)**	**(1)**	**(4)**	**3**
	40	**24**	**(35)**	**(2)**	**(3)**	**24**

The total restructuring liability as of October 4, 2015 of $24 million is classified in the balance sheet under current liabilities ($21 million) and non-current liabilities ($3 million). In the first nine months of 2015 the Company recorded $24 million of additional restructuring liabilities which primarily consisted of various specific targeted actions.

The utilization of the restructuring liabilities mainly reflects the execution of ongoing restructuring programs the Company initiated in earlier years.

The components of restructuring charges less releases recorded in the liabilities for the three and nine months ended October 4, 2015 and September 28, 2014 are as follows:

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Personnel lay-off costs	**4**	1	**24**	34
Release of provisions/accruals	**(1)**	(2)	**(2)**	(11)
Net restructuring charges	**3**	(1)	**22**	23

The following table summarizes the significant activity within, and components of, the Company's restructuring obligations:

	Personnel lay-off costs	Lease and Contract Terminations	Total
Balance at January 1, 2015	39	1	40
Expense	**21**	**—**	**21**
Utilized 1)	**(34)**	**(1)**	**(35)**
Other changes	**(2)**	**—**	**(2)**
Balance at October 4, 2015	**24**	**—**	**24**

1) Represents cash payments.

The restructuring charges less releases recorded in operating income are included in the following line items in the statement of operations:

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Cost of revenue	**3**	(1)	**3**	17
Selling, general and administrative	**1**	—	**8**	1
Research and development	**(1)**	—	**11**	5
Net restructuring charges	**3**	(1)	**22**	23

11 Provision for Income Taxes

Provision for Income Taxes:

	For the three months ended		For the nine months ended	
	October 4, 2015	September 28, 2014	**October 4, 2015**	September 28, 2014
Tax expense (benefit)	**15**	4	**44**	31
Effective tax rate	**3.8%**	2.9%	**6.8%**	6.7%

The difference between our effective tax rates and our statutory tax rate of 25% resulted primarily from tax incentives in certain jurisdictions, the mix of income and losses in various jurisdictions including those where a valuation allowance is recorded, offset by certain non-tax deductible expenditures.

12 Segment Information

NXP is organized into two reportable segments, High Performance Mixed Signal ("HPMS") and Standard Products ("SP"). Corporate and Other represents the remaining portion to reconcile to the Consolidated Financial Statements. Effective January 1, 2015, we have reorganized the HPMS segment from the four business lines: Automotive, Identification, Infrastructure & Industrial and Portable & Computing into the following four business lines: Automotive, Secure Identification Solutions, Secure Connected Devices and Secure Interfaces and Power.

Our HPMS business segment delivers high performance mixed signal solutions to our customers to satisfy their system and sub-systems needs across six focused application areas: automotive, secure identification, secure transactions, secure monitoring and control, secure interfaces and industrial. Our SP business segment offers standard products for use across many application markets, as well as application-specific standard products predominantly used in application areas such as automotive, mobile handsets, industrial computing and consumer. The segments each include revenue from the sale and licensing of intellectual property related to that segment.

Because the Company meets the criteria for aggregation set forth under ASC 280 "Segment Reporting", and the operating segments have similar economic characteristics, the Company aggregates the results of operations of the Automotive, Secure Identification Solutions, Secure Connected Devices and Secure Interfaces and Power operating segments into one reportable segment, HPMS, and the Standard Products and General Purpose Logic operating segments into another reportable segment, SP.

Revenue and operating income (loss)

	For the three months ended		For the nine months ended	
Revenue	**October 4, 2015**	September 28, 2014	**October 4, 2015**	September 28, 2014
HPMS	**1,164**	1,139	**3,414**	3,039
SP	**325**	333	**970**	944
Corporate and Other 1)	**33**	43	**111**	127
	1,522	1,515	**4,495**	4,110

	For the three months ended		For the nine months ended	
Operating income (loss)	**October 4, 2015**	September 28, 2014	**October 4, 2015**	September 28, 2014
HPMS	**331**	274	**890**	706
SP	**56**	38	**161**	79
Corporate and Other 1)	**(12)**	(5)	**(49)**	(46)
	375	307	**1,002**	739

1) Corporate and Other is not a segment under ASC 280 "Segment Reporting". Corporate and Other includes unallocated expenses not related to any specific business segment and corporate restructuring charges.