Forward Looking Statement

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

For a discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings. Copies of our filings are available from our Investor Relations department or from the SEC website, www.sec.gov.
Focused on Profitable Growth from Smarter World Opportunity

Our innovative solutions are used in a wide range of applications

**Connected Car**
- Car entertainment
- In-vehicle networking
- Secure car access
- Secure V2X communication
- Radar

**Security**
- Mobile transactions
- E-Government
- Smart bank cards
- User authentication
- Embedded security

**Portable and Wearable**
- Mobile audio
- High-speed interfaces
- Gaming
- Personal health & fitness
- Healthcare

**Internet of Things**
- Smart home and buildings
- Smart cities - smart grid
- M2M – “Industry 4.0”
- Intelligent logistics
We Provide Secure Connections for a Smarter World

- Enhanced security
- Mesh connectivity
- Sensors
- Smart LED lighting
- Gateway & cyber security
- Access

- Car entertainment
- In-vehicle networking
- Car access
- V2X and Radar

- Secure bank cards
- Mobile transactions
- Loyalty reward
- RFID tags - labels
- Supply chain monitoring
- NFC readers

- Contactless transit cards
- Access solutions
- Micro-payments

- e-passport
- Smart eID
- Health card
NXP Value Proposition

Multiple High Growth Markets + RMS of at Least 1.5x → Profitable Growth

Operational Excellence + Benchmark Cost Structure → Strong Cash Generation

Industry Leading Management Team and People → Customer-Focused Passion to WIN

MAXIMIZE SHAREHOLDER VALUE
Growth Driven by High RMS Businesses and Adjacent Markets

Focused on
• High growth markets;
• Deliver unique NXP capabilities;
• Driving operating margin;
• Optimized capital structure.

Broad sustainable leadership as we
• Invest in Core & High RMS business;
• Thought leadership in Adjacent markets;
• NXP positioned to outperform peers.

Note:
1. GM, EBIT, EPS, Interest Expense, Free Cash Flow(FCF), Leverage, Adj. EBITDA are all non-GAAP figures
2. Based on normalized NXP revenue growth, versus normalized, aggregate HPMS Peer revenue
Revenue Contribution and Relative Market Share (RMS)

2014 Product Revenue = $5.5B, up 17% Y-Y

Business Line Contribution (\(^{(1)}\)) ($M)

- SIS $996 (18%)
- AUTO $1,144 (21%)
- SCD $1,028 (19%)
- SI&P $1,040 (19%)
- STDP $1,275 (23%)

Overall Relative Market Share (RMS)

- True Leader (RMS > 1.5) 53%
- Focused Contender (RMS < 0.5) 19%
- Competitive (RMS <= 1.0-0.5) 21%
- Leader (RMS <= 1.5-1.0) 11%

Note:
1. GM, EBIT, EPS, Interest Expense, Free Cash Flow (FCF), Leverage, Adj. EBITDA are all non-GAAP figures.
Driving Profitable Growth in Excess of Addressable Market

- **Revenue Up 10% 3-yr. CAGR ($B)**
  - 2011: 4.2
  - 2012: 4.4
  - 2013: 4.8
  - 2014: 5.6

- **EBIT** Profit up 19% 3-yr. CAGR ($B)
  - 2011: 0.8
  - 2012: 0.8
  - 2013: 1.1
  - 2014: 1.4

- **EPS** up 38% 3-yr. CAGR
  - 2011: $1.80
  - 2012: $1.88
  - 2013: $3.29
  - 2014: $4.76

- **Strong FCF ($B) and FCF Margin (%)**
  - 2011: 0.5 (11%)
  - 2012: 0.7 (14%)
  - 2013: 1.1 (20%)

**Note:**
1. GM, EBIT, EPS, Interest Expense, Free Cash Flow(FCF), Leverage, Adj. EBITDA are all non-GAAP figures
Focused on Generating Cash

Cash Interest Expense Declined 23% 3-yr. CAGR ($M)¹

- 2011: 307
- 2012: 266
- 2013: 179
- 2014: 139

Lower Leverage

- 2011: 2.7x
- 2012: 2.6x
- 2013: 1.9x
- 2014: 1.7x

Higher Interest Coverage¹

- 2011: 2.7x
- 2012: 3.1x
- 2013: 6.3x
- 2014: 10.2x

Lower Net Debt ($B)¹

- 2011: 3.1
- 2012: 2.9
- 2013: 2.7
- 2014: 2.8

Note:
1. GM, EBIT, EPS, Interest Expense, Free Cash Flow (FCF), Leverage, Adj. EBITDA are all non-GAAP figures.
Results Reflect Execution to Strategic Plan

Strong Product Revenue Growth Driven by Company Specific Design Opportunities

Leading to Consistent Revenue Growth in Excess of Peers \(^{(1,2)}\)

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

Note

(1) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR.

(2) Peer Index based on aggregate revenue of HPMS and STDP Peers.
## Our Financial Model

<table>
<thead>
<tr>
<th></th>
<th>HPMS</th>
<th>STDP</th>
<th>NXP</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM %</td>
<td>53% - 56%</td>
<td>30% - 33%</td>
<td>47% - 50%</td>
</tr>
<tr>
<td>R&amp;D %</td>
<td>15% - 16%</td>
<td>4% - 5%</td>
<td>13% - 14%</td>
</tr>
<tr>
<td>SG&amp;A %</td>
<td>11% - 12%</td>
<td>9% - 10%</td>
<td>9% - 11%</td>
</tr>
<tr>
<td>EBIT %</td>
<td>26% - 29%</td>
<td>15% - 20%</td>
<td>23% - 27%</td>
</tr>
</tbody>
</table>

Note:  
1. GM, EBIT, EPS, Interest Expense, Free Cash Flow(FCF), Leverage, Adj. EBITDA are all non-GAAP figures
Leveraging Secular Trends and Unique Capabilities

Secular Trends and Demands Driving Growth
- Security
- Connectivity
- Mobility
- Energy efficiency

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

NXP Competitive Advantages
- Strong IP and patent portfolio position
- Broad mixed signal product portfolio
- Differentiated process technology
- Acknowledged leader in cryptography; low-power RF; high-speed interface and mixed-signal MCU system design

Addressable Market Growth ($B)¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25</td>
<td>25</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>CAGR</td>
<td>5%</td>
<td>7% Y-Y</td>
<td>7% CAGR</td>
<td></td>
</tr>
</tbody>
</table>

Potential Future Market Growth ($B)¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015E</th>
<th>2016E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>29</td>
<td>31</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>CAGR</td>
<td>7% CAGR</td>
<td>7% CAGR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source:
(¹) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Secure Identification Solutions (SIS)
18% Product Revenue in 2014

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

**Products**
- SmartMX secure microcontroller
- Secure Java-card operating system
- Zero and low-power RF interfaces
- MIFARE® ticketing and access solutions
- Low-power RFID tagging solutions

**Market Position**
- #1 eGovernment documents
- #1 Chip-based banking cards
- #1 Transit system products
- #1 RFID tags and labels

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Source:
(1) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Secure Connected Devices (SCD)
19% Product Revenue in 2014

Secular Trends Driving Growth
- Demand for contactless mobile payments
- Adoption of contactless payment infrastructure
- Demand for improved mobile audio
- Market shift toward 32-bit ARM MCU
- Secure monitoring & control solutions for IoT

Products
- Complete mobile transaction solutions
- Point of sales infrastructure solutions
- 32-bit ARM MCU solutions
- DSP-based mobile audio solutions
- Emerging business in monitoring & control

Market Position
- #1 Mobile transactions solutions
- #1 POS infrastructure solutions
- Top-five supplier of 32-bit ARM MCU

Source:
(1) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Secure Interface & Power (SI&P)
19% Product Revenue in 2014

Secular Trends Driving Growth
- Increased cellular data consumption
- High performance interface (USB Type C)
- Adoption of energy efficient lighting
- Low-Power RF-Connectivity (“IoT”)
- Increased demand for mobile charging

Products
- High performance RF power amplifiers (HPRF)
- High speed interfaces combining data & power
- Small signal RF LNA and RF discrete
- AD/DC power controllers and regulators
- LED lighting drivers
- IoT ultra-low power RF-connectivity (Zigbee)

Market Position
- #1 LED lighting drivers
- #1 Small-signal RF
- #2 HPRF power amplifiers
- #3 Smart antennae

Source:
(1) Market size, historic and future growth rates based on NXP CMI internal research of applicable peers; all growth rates are 3-year CAGR;
Automotive
21% Product Revenue in 2014

Secular Trends Driving Growth
• Secure connected car
• Demand for increased safety (ADAS)
• Adoption of global digital broadcast
• Increased data-flow throughout the car
• Increased intelligence to key
• Complexity and long-life cycle demands

Products
• Broad range of auto entertainment solutions
• CAN, LIN, FlexRay and Ethernet PHY
• RF passive keyless and proximity entry
• ABS, angular and temperature sensors
• V2X and CMOS Radar communication systems

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

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

Automotive Group Growth ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>930</td>
<td>939</td>
<td>1,019</td>
<td>1,144</td>
</tr>
</tbody>
</table>

Potential Future Market Growth ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015E</th>
<th>2016E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.2</td>
<td>3.3</td>
<td>3.5</td>
<td>3.7</td>
</tr>
</tbody>
</table>

7% CAGR
12% Y-Y
5% CAGR
Standard Products
23% Product Revenue in 2014

Benefits to Customers of Standard Products
- Operational Scale:
  - 70B units/yr. manufactured
- Customer Reach
  - #2 supplier in WW distribution
- Quality:
  - Automotive qualified

Products
- General purpose logic ("GPL")
- Small signal transistor & diode discretes
- Signal conditioning and protection
- Low-voltage power MOSFET

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,216</td>
</tr>
<tr>
<td>2012</td>
<td>1,168</td>
</tr>
<tr>
<td>2013</td>
<td>1,145</td>
</tr>
<tr>
<td>2014</td>
<td>1,275</td>
</tr>
</tbody>
</table>

Potential Future Market Growth ($B)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.1</td>
</tr>
<tr>
<td>2015E</td>
<td>11.1</td>
</tr>
<tr>
<td>2016E</td>
<td>11.4</td>
</tr>
<tr>
<td>2017E</td>
<td>11.6</td>
</tr>
</tbody>
</table>

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

Security Connections
For a Smarter World

NXP
Recent Quarterly Business Trends

Revenue ($M):
- Q1 14: 1,246
- Q2 14: 1,349
- Q3 14: 1,515
- Q4 14: 1,537
- Q1 15: 1,467

Non-GAAP Gross Margin:
- Q1 14: 49.5%
- Q2 14: 48.6%
- Q3 14: 47.9%
- Q4 14: 46.6%
- Q1 15: 48.5%

Non-GAAP Operating Margin:
- Q1 14: 24.2%
- Q2 14: 24.8%
- Q3 14: 25.7%
- Q4 14: 25.3%
- Q1 15: 26.2%

Adj. EBITDA Margin:
- Q1 14: 28.7%
- Q2 14: 29.0%
- Q3 14: 29.8%
- Q4 14: 29.3%
- Q1 15: 30.5%
Business Segment Revenue and Non-GAAP Margin Trends

**HPMS Segment**
- **Non-GAAP HPMS Gross Margin**:
  - Q1 14: 56.0%
  - Q2 14: 55.4%
  - Q3 14: 53.3%
  - Q4 14: 51.1%
  - Q1 15: 54.3%
- **HPMS Revenue ($M)**
  - Q1 14: 912
  - Q2 14: 988
  - Q3 14: 1,139
  - Q4 14: 1,169
  - Q1 15: 1,104

**STDP Revenue ($M)**
- **Non-GAAP STDP Gross Margin**:
  - Q1 14: 295
  - Q2 14: 316
  - Q3 14: 333
  - Q4 14: 331
  - Q1 15: 323
- **Non-GAAP STDP Operating Income ($M)**
  - Q1 14: 249
  - Q2 14: 275
  - Q3 14: 323
  - Q4 14: 321
  - Q1 15: 319

**Standard Product Segment**
- **Non-GAAP STDP Operating Margin**:
  - Q1 14: 18.0%
  - Q2 14: 19.9%
  - Q3 14: 20.7%
  - Q4 14: 20.8%
  - Q1 15: 22.9%
HPMS Segment Revenue Business Trends ($M)

**Secure Identification Solutions**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
<th>Q1 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>254</td>
<td>267</td>
<td>252</td>
<td>223</td>
<td>222</td>
</tr>
</tbody>
</table>

- **Q-Q:** (13%)
- **Y-Y:** 9%

**Automotive**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
<th>Q1 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>276</td>
<td>288</td>
<td>288</td>
<td>292</td>
<td>302</td>
</tr>
</tbody>
</table>

- **Q-Q:** 3%
- **Y-Y:** 9%

**Secure Connected Devices**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
<th>Q1 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>180</td>
<td>198</td>
<td>301</td>
<td>349</td>
<td>289</td>
</tr>
</tbody>
</table>

- **Q-Q:** (17%)
- **Y-Y:** 61%

**Secure Interface & Power**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
<th>Q1 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>202</td>
<td>235</td>
<td>298</td>
<td>305</td>
<td>291</td>
</tr>
</tbody>
</table>

- **Q-Q:** (5%)
- **Y-Y:** 44%
### Quarterly Revenue and Operating Income

#### GAAP Financial Summary

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Revenue</strong></td>
<td>1,427</td>
<td>1,500</td>
<td>1,207</td>
<td>(73)</td>
<td>220</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td>40</td>
<td>37</td>
<td>39</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,467</td>
<td>1,537</td>
<td>1,246</td>
<td>(70)</td>
<td>221</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>704</td>
<td>704</td>
<td>585</td>
<td>-</td>
<td>119</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>48.0%</td>
<td>45.8%</td>
<td>47.0%</td>
<td>2.2pts</td>
<td>1.0pts</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>295</td>
<td>310</td>
<td>183</td>
<td>(15)</td>
<td>112</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>20.1%</td>
<td>20.2%</td>
<td>14.7%</td>
<td>(0.1pts)</td>
<td>5.4pts</td>
</tr>
</tbody>
</table>

#### Non-GAAP Financial Summary

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Profit</strong></td>
<td>711</td>
<td>716</td>
<td>617</td>
<td>(5)</td>
<td>94</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>48.5%</td>
<td>46.6%</td>
<td>49.5%</td>
<td>1.9pts</td>
<td>(1.0pts)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>385</td>
<td>389</td>
<td>301</td>
<td>(4)</td>
<td>84</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>26.2%</td>
<td>25.3%</td>
<td>24.2%</td>
<td>0.9pts</td>
<td>2.0pts</td>
</tr>
</tbody>
</table>

#### Quarterly Segment Revenue ($M):

- **STDP** $323, 22%
- **SIS** $222, 16%
- **AUTO** $302, 23%
- **SCD** $289, 20%
- **SI&P** $291, 20%
- **HPMS** $1,104, 75%
- **Corporate and Other** $40, 3%

#### Quarterly Product Revenue (% of Product Revenue):

- **STDP** 23%
- **SIS** 16%
- **AUTO** 23%
- **SCD** 20%
- **SI&P** 20%
- **Corporate and Other** 3%
## Business Segment Performance

### HPMS ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,104</td>
<td>1,169</td>
<td>912</td>
<td>(65)</td>
<td>192</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>597</td>
<td>595</td>
<td>508</td>
<td>2</td>
<td>89</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>54.1%</td>
<td>50.9%</td>
<td>55.7%</td>
<td>3.2pts</td>
<td>(1.6pts)</td>
</tr>
<tr>
<td>Operating income</td>
<td>266</td>
<td>277</td>
<td>200</td>
<td>(11)</td>
<td>66</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>24.1%</td>
<td>23.7%</td>
<td>21.9%</td>
<td>0.4pts</td>
<td>2.2pts</td>
</tr>
</tbody>
</table>

### STDP ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>323</td>
<td>331</td>
<td>295</td>
<td>(8)</td>
<td>28</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>110</td>
<td>103</td>
<td>85</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>34.1%</td>
<td>31.1%</td>
<td>28.8%</td>
<td>3.0pts</td>
<td>5.3pts</td>
</tr>
<tr>
<td>Operating income</td>
<td>52</td>
<td>41</td>
<td>12</td>
<td>11</td>
<td>40</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>16.1%</td>
<td>12.4%</td>
<td>4.1%</td>
<td>3.7pts</td>
<td>12.0pts</td>
</tr>
</tbody>
</table>

### GAAP Financial Summary

### Non-GAAP Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>599</td>
<td>597</td>
<td>511</td>
<td>2</td>
<td>88</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>54.3%</td>
<td>51.1%</td>
<td>56.0%</td>
<td>3.2pts</td>
<td>(1.7pts)</td>
</tr>
<tr>
<td>Operating income</td>
<td>319</td>
<td>321</td>
<td>249</td>
<td>(2)</td>
<td>70</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>28.9%</td>
<td>27.5%</td>
<td>27.3%</td>
<td>1.4pts</td>
<td>1.6pts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>113</td>
<td>113</td>
<td>98</td>
<td>-</td>
<td>-15</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>35.0%</td>
<td>34.1%</td>
<td>33.2%</td>
<td>0.9pts</td>
<td>1.8pts</td>
</tr>
<tr>
<td>Operating income</td>
<td>74</td>
<td>69</td>
<td>53</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>22.9%</td>
<td>20.8%</td>
<td>18.0%</td>
<td>2.1pts</td>
<td>4.9pts</td>
</tr>
</tbody>
</table>
## Debt Summary

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>Sr. Unsecured Notes</th>
<th>Term Loan E</th>
<th>Sr. Unsecured Notes</th>
<th>Cash Convertible Notes</th>
<th>Term Loan D</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Revolving Credit Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Date</td>
<td>24-Sep-13</td>
<td>04-Mar-14</td>
<td>20-May-13</td>
<td>01-Dec-14</td>
<td>10-Dec-13</td>
<td>14-Feb-13</td>
<td>12-Mar-13</td>
<td>27-Apr-12</td>
</tr>
<tr>
<td>Maturity Date</td>
<td>15-Sep-16</td>
<td>04-Mar-17</td>
<td>01-Jun-18</td>
<td>02-Dec-19</td>
<td>11-Jan-20</td>
<td>15-Feb-21</td>
<td>15-Mar-23</td>
<td>01-Mar-17</td>
</tr>
<tr>
<td>Outstanding Amount (M)</td>
<td>$500</td>
<td>$395</td>
<td>$750</td>
<td>$1,150</td>
<td>$394</td>
<td>$500</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Coupon</td>
<td>3.50%</td>
<td>Libor + 200 bps</td>
<td>3.75%</td>
<td>1.00%</td>
<td>Libor + 250 bps</td>
<td>5.75%</td>
<td>5.75%</td>
<td>Libor + 200 bps</td>
</tr>
<tr>
<td>Floor</td>
<td>NA</td>
<td>75 bps</td>
<td>NA</td>
<td>75 bps</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Rating</td>
<td>Moody's</td>
<td>Ba3</td>
<td>Ba3</td>
<td>B1</td>
<td>Ba1</td>
<td>Ba3</td>
<td>Ba3</td>
<td>BBB-</td>
</tr>
<tr>
<td></td>
<td>Standard &amp; Poor's</td>
<td>BB</td>
<td>BBB-</td>
<td>BB-</td>
<td>BBB-</td>
<td>BB</td>
<td>BBB-</td>
<td>BBB</td>
</tr>
</tbody>
</table>

### Total Debt ($M)
- $4,044

### Total Cash ($M)
- $1,355

### Net Debt ($M)
- $2,689

### TTM Adj. EBITDA
- $1,740

### Net Debt / Adj. EBITDA
- 1.55X

### Cost of Debt
- 3.30%

### Total Leverage
- 19%

### Float vs. Fixed
- 81% vs. 19%

### Secured vs. Unsecured
- 81% vs. 19%

### Debt Instruments
- **Term Loan E (2.75%)**
- **'23 Sr. Unsecured Note (5.75%)**
- **Term Loan D (3.25%)**
- **'18 Sr. Unsecured Note (3.75%)**
- **'21 Sr. Unsecured Note (5.75%)**
- **'16 Sr. Unsecured Note (3.5%)**

### Debt Breakdown
- **2015**: $500
- **2017**: $395
- **2019**: $1,150
- **2021**: $500
- **2023**: $500

SECURE CONNECTIONS FOR A SMARTER WORLD
Working Capital Ratios

**DSO**

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

**DPO**

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

**DIO**

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

**Cash Conversion Cycle**

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>DSO</th>
<th>DPO</th>
<th>DIO</th>
<th>Cash Conversion Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 14</td>
<td>41</td>
<td>77</td>
<td>102</td>
<td>41</td>
</tr>
<tr>
<td>Q2 14</td>
<td>43</td>
<td>80</td>
<td>96</td>
<td>43</td>
</tr>
<tr>
<td>Q3 14</td>
<td>42</td>
<td>76</td>
<td>85</td>
<td>42</td>
</tr>
<tr>
<td>Q4 14</td>
<td>32</td>
<td>80</td>
<td>83</td>
<td>32</td>
</tr>
<tr>
<td>Q1 15</td>
<td>34</td>
<td>90</td>
<td>92</td>
<td>34</td>
</tr>
</tbody>
</table>

- **Target** 40 – 45 Days
- **Target** 70 – 80 Days
- **Target** 75 – 85 Days
- **Target** 45 – 50 Days

DSO = (91.25 x AR) / Revenue  
DPO = (91.25 x AP) / GAAP COGS  
DIO = (91.25 x Inventory) / GAAP COGS  
Cash Conversion Cycle = DIO + DSO - DPO
Guidance for the Second Quarter of 2015

Product Revenue trends on a sequential percentage point basis at the mid-point of 2Q15 guidance are expected to trend as:

1. Secure Identification Solutions is expected to be up in the mid-teens digit range;
2. Automotive is expected to be up in the low single digit range;
3. Secure Connected Devices is expected to be down in the low single digit range;
4. Secure Interfaces and Power is expected to be up in the low single digit range;
5. Standard Products is expected to be flat.

<table>
<thead>
<tr>
<th>Low</th>
<th>Mid</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Revenue</td>
<td>$1,447</td>
<td>$1,472</td>
</tr>
<tr>
<td>Q-Q</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$38</td>
<td>$38</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$1,485</td>
<td>$1,510</td>
</tr>
<tr>
<td>Q-Q</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>$720</td>
<td>$732</td>
</tr>
<tr>
<td>Non-GAAP Gross Margin</td>
<td>48.5%</td>
<td>48.5%</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>$387</td>
<td>$401</td>
</tr>
<tr>
<td>Non-GAAP Operating Margin</td>
<td>26.0%</td>
<td>26.5%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$(34)</td>
<td>$(34)</td>
</tr>
<tr>
<td>Cash Taxes</td>
<td>$(10)</td>
<td>$(11)</td>
</tr>
<tr>
<td>Non-controlling Interest</td>
<td>$(20)</td>
<td>$(21)</td>
</tr>
<tr>
<td>Non-GAAP Net Income</td>
<td>$323</td>
<td>$336</td>
</tr>
<tr>
<td>Ave. Diluted Shares</td>
<td>243</td>
<td>243</td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td>$1.33</td>
<td>$1.38</td>
</tr>
</tbody>
</table>

Note (1): NXP has based the guidance included in our earnings press release issued on April 30, 2015 on judgments and estimates that management believes are reasonable given its assessment of historical trends and other information reasonably available as of the date of this earnings press release. The guidance included in this release consists of predictions only, and is subject to a wide range of known and unknown risks and uncertainties, many of which are beyond NXP’s control. The guidance included in this release should not be regarded as representations by NXP that the estimated results will be achieved. Actual results may vary materially from the guidance we provided in our earnings press release issued on April 30, 2015. In relation to the use of non-GAAP financial information see the note regarding “Forward-looking Statements.” We undertake no obligation to publicly update or revise any forward-looking statements, including the guidance set forth in our earnings press release issued on April 30, 2015, to reflect future events or circumstances. Considering the uncertain magnitude and variability of the foreign exchange consequences upon “PPA effects”, “restructuring costs”, “other incidental items” and any interest expense or taxes in future periods, management believes that GAAP financial measures are not available for NXP without unreasonable efforts on a forward looking basis.
### Quarterly Financial Reconciliation (GAAP to non-GAAP)

($ in millions, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,467</td>
<td>1,537</td>
<td>1,246</td>
</tr>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>704</td>
<td>704</td>
<td>585</td>
</tr>
<tr>
<td>Gross profit adjustments</td>
<td>(7)</td>
<td>(12)</td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Non - GAAP Gross Profit</strong></td>
<td>711</td>
<td>716</td>
<td>617</td>
</tr>
<tr>
<td><strong>GAAP Gross Margin</strong></td>
<td>48.0%</td>
<td>45.8%</td>
<td>47.0%</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Margin</strong></td>
<td>48.5%</td>
<td>46.6%</td>
<td>49.5%</td>
</tr>
<tr>
<td><strong>GAAP Operating income (loss)</strong></td>
<td>295</td>
<td>310</td>
<td>183</td>
</tr>
<tr>
<td>Operating income adjustments</td>
<td>(90)</td>
<td>(79)</td>
<td>(118)</td>
</tr>
<tr>
<td><strong>Non - GAAP Operating income (loss)</strong></td>
<td>385</td>
<td>389</td>
<td>301</td>
</tr>
<tr>
<td><strong>GAAP Operating Margin</strong></td>
<td>20.1%</td>
<td>20.2%</td>
<td>14.7%</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin</strong></td>
<td>26.2%</td>
<td>25.3%</td>
<td>24.2%</td>
</tr>
<tr>
<td><strong>GAAP Financial income (expense)</strong></td>
<td>(373)</td>
<td>(100)</td>
<td>(11)</td>
</tr>
<tr>
<td>Financial income adjustments</td>
<td>(337)</td>
<td>(100)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Non - GAAP Financial income (expense)</strong></td>
<td>(36)</td>
<td>(37)</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>GAAP Income tax benefit (provision)</strong></td>
<td>(15)</td>
<td>(9)</td>
<td>(15)</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>(11)</td>
<td>(2)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Non - GAAP Cash tax (expense)(^1)</strong></td>
<td>(4)</td>
<td>(7)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>GAAP Net income (loss) attributable to shareholders</strong></td>
<td>(107)</td>
<td>149</td>
<td>110</td>
</tr>
<tr>
<td>Net income (loss) adjustments</td>
<td>(435)</td>
<td>(178)</td>
<td>(139)</td>
</tr>
<tr>
<td><strong>Non - GAAP Net income (loss) attributable to shareholders</strong></td>
<td>328(^2)</td>
<td>327</td>
<td>249</td>
</tr>
<tr>
<td><strong>GAAP Diluted net income (loss) per share attributable to shareholders</strong></td>
<td>(0.46)</td>
<td>0.61</td>
<td>0.43</td>
</tr>
<tr>
<td><strong>Non - GAAP Diluted net income (loss) per share attributable to shareholders</strong></td>
<td>1.35</td>
<td>1.35</td>
<td>0.98</td>
</tr>
</tbody>
</table>

1. Cash income taxes paid during the period
2. Excludes:
   - PPA effects: ($33M);
   - Restructuring: ($12M);
   - Stock-based compensation: ($35M);
   - Other incidentals: ($10M);
   - Non-cash interest expense on convertible Notes ($10M);
   - Foreign exchange loss on debt: ($208M);
   - Changes in fair value of warrant liability: ($115M);
   - Other financial expense: ($4M);
   - Results relating to equity-accounted investees: $3M;
   - Difference between book and cash income taxes: ($11M).
## Quarterly Cash Flow Overview ($M)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used for) operating activities</td>
<td>368</td>
<td>556</td>
<td>273</td>
</tr>
<tr>
<td>Net cash provided by (used for) investing activities</td>
<td>(183)</td>
<td>(132)</td>
<td>(56)</td>
</tr>
<tr>
<td>Net cash provided by (used for) financing activities</td>
<td>1</td>
<td>173</td>
<td>(162)</td>
</tr>
<tr>
<td>Effects of changes in exchange rates on cash position</td>
<td>(16)</td>
<td>(6)</td>
<td>(5)</td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents</td>
<td>170</td>
<td>591</td>
<td>50</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>1,185</td>
<td>594</td>
<td>670</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>1,355</td>
<td>1,185</td>
<td>720</td>
</tr>
<tr>
<td>Net cash provided by (used for) operating activities</td>
<td>368</td>
<td>556</td>
<td>273</td>
</tr>
<tr>
<td>Net capital expenditures on property, plant and equipment</td>
<td>(80)</td>
<td>(105)</td>
<td>(50)</td>
</tr>
<tr>
<td>Non-GAAP free cash flow</td>
<td>288</td>
<td>451</td>
<td>223</td>
</tr>
<tr>
<td>Non-GAAP free cash flow as a percentage of Revenue</td>
<td>20%</td>
<td>29%</td>
<td>18%</td>
</tr>
</tbody>
</table>
## Quarterly Adjusted EBITDA ($M)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>(90)</td>
<td>167</td>
<td>124</td>
</tr>
<tr>
<td><strong>Reconciling items to EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial (income) expense</td>
<td>373</td>
<td>137</td>
<td>45</td>
</tr>
<tr>
<td>(Benefit) provision for income taxes</td>
<td>15</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Depreciation</td>
<td>58</td>
<td>58</td>
<td>52</td>
</tr>
<tr>
<td>Amortization</td>
<td>37</td>
<td>39</td>
<td>50</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>393</td>
<td>410</td>
<td>286</td>
</tr>
<tr>
<td>Results of equity-accounted investees</td>
<td>(3)</td>
<td>(3)</td>
<td>(1)</td>
</tr>
<tr>
<td>Restructuring¹</td>
<td>12</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>35</td>
<td>34</td>
<td>28</td>
</tr>
<tr>
<td>Other incidental items¹</td>
<td>10</td>
<td>(1)</td>
<td>11</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>447</td>
<td>451</td>
<td>357</td>
</tr>
<tr>
<td><strong>Trailing 12-month Adjusted EBITDA</strong></td>
<td>1,740</td>
<td>1,650</td>
<td>1,414</td>
</tr>
</tbody>
</table>

1. Excluding depreciation PP&E and amortization of software related to restructuring
NXP: Secure Connections for the Smarter World

Drive Profitable Growth

Drive Earnings Per Share

Drive Cash Flow

Drive Significant Value for Our Owners