



NXP Q1 2007 Financial Results

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Forward looking statements

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We do not have any intention or obligation to update forward-looking statements after we distribute this presentation. In addition, this presentation contains information concerning the semiconductor industry, our market segments and business units 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, including through the market research and industry reports referred to in this document. Although we believe that this information is reliable, we have not independently verified and cannot guarantee its accuracy or completeness. 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.



Headlines for Q1 2007

- ▶ First quarter sales at EUR 1,115 million
- ▶ Currency comparable sales decline
 - 4.4% to Q4 2006
 - 2.7% to Q1 2006
- ▶ First quarter adjusted EBITA excluding effects of Purchase Accounting at EUR 3 million
- ▶ Successful closure of the Silicon Labs cellular business acquisition
- ▶ Cash position of EUR 620 million after the acquisition of the cellular business of SiLabs
- ▶ Forceful continuation of the Business Renewal Strategy

NXP P&L

all amounts in EUR

	Q1-2006	Q4-2006	Q4-2006 (ex PPA)	Q1-2007	Q1-2007 (ex PPA)
Total sales	1,250	1,190	1,190	1,115	1,115
<i>% comparable growth (year over year)</i>	17.5	(3.7)	(3.7)	(2.7)	(2.7)
Gross margin	450	273	428	341	366
Selling, general & administrative	(201)	(282)	(162)	(297)	(177)
Research & development	(232)	(773)	(258)	(271)	(245)
Other business income	4	3	3	5	5
EBIT	21	(779)	11	(222)	(51)
EBITA	15	(145)	11	(76)	(51)
EBITDA	173	26	156	85	85
Adjusted EBITDA	229	214	214	139	139

Note:

PPA effects (Q4-2006): one offs -645M

PPA effects (Q1-2007): one offs -26M, recurring (including Silabs) -147M



Adjusted EBITA

all amounts in EUR

	Q1-2006	Q4-2006 incl PPA	Q4-2006 ex PPA	Q1-2007 incl PPA	Q1-2007 ex PPA
Net Income	(17)	(616)	(53)	(266)	(98)
Financial expense	14	73	73	70	70
Income tax	6	(242)	(15)	(31)	(28)
Depreciation and amortization	170	811	151	312	141
EBITDA	173	26	156	85	85
Exit of product lines	11	9	9	0	0
Minority Interest and results on unconsolidated companies	18	6	6	5	5
Restructuring	11	4	4	30	30
Other items	16	39	39	19	19
Adjusted EBITDA	229	84	214	139	139
Depreciation fixed assets	(158)	(171)	(145)	(161)	(136)
Adjusted EBITA	71	(87)	69	(22)	3

Cash flow

all amounts in EUR

	Q1-2006	Q4-2006 incl PPA	Q4-2006 ex PPA	Q1-2007 incl PPA	Q1-2007 ex PPA
EBITDA	173	26	156	85	85
Changes in Working Capital	81	431	314	-9	-9
Net cash used for investing activities	-124	-184	-184	-291	-291
Cash and cash equivalents at end of period	97	939	939	620	620

Note on cash used for investing activities:

Q1 2007 includes 214M for the acquisition of the wireless business of Silicon Labs

Q4 2006 includes 88M for the increase of the stake in SSMC

Sales per Business Unit

all amounts in EUR

	Q1-2006		Q4-2006		Q1-2007	
	Total	% comparable growth	Total	% comparable growth	Total	% comparable growth
Mobile & Personal	380	0.2	396	(11.5)	344	(1.1)
Home	242	15.2	212	(13.8)	175	(20.6)
Automotive & Identification	218	29.0	210	8.9	230	10.1
MultiMarket Semiconductors	345	30.5	328	10.3	319	2.2
IC Manufacturing Organization (IMO)	49	87.3	28	(42.5)	32	(28.7)
Corporate and Other	16		16		15	
Total sales	1,250	17.5	1,190	(3.7)	1,115	(2.7)

Comparable growth: growth excluding the currency impact and exit of product lines

EBIT per Business Unit (excl PPA effects)

all amounts in EUR

	Q1-2006		Q4-2006		Q1-2007	
	Total	% of sales	Total (ex PPA)	% of sales	Total (ex PPA)	% of sales
Mobile & Personal	3	0.8	19	4.8	(19)	(5.5)
Home	(8)	(3.3)	(18)	(8.5)	(19)	(10.9)
Automotive & Identification	50	22.9	43	20.5	53	23.0
MultiMarket Semiconductors	66	19.1	69	21.0	64	20.1
IC Manufacturing Organization (IMO)	7		(29)		(51)	
Corporate and Other	(97)		(73)		(79)	
Total EBIT	21	1.7	11	0.9	(51)	(4.6)

Outlook

- ▶ Market seems to have bottomed out. Yet, remains weak
- ▶ Based on Q1 book to bill ratio (1.03) and short visibility of order book (reflecting current volatility in the industry), we expect flat to low single digit sequential sales % (on a currency comparable basis) growth for the 2nd quarter 2007



Consistent execution of strategy positions us for next expected upturn

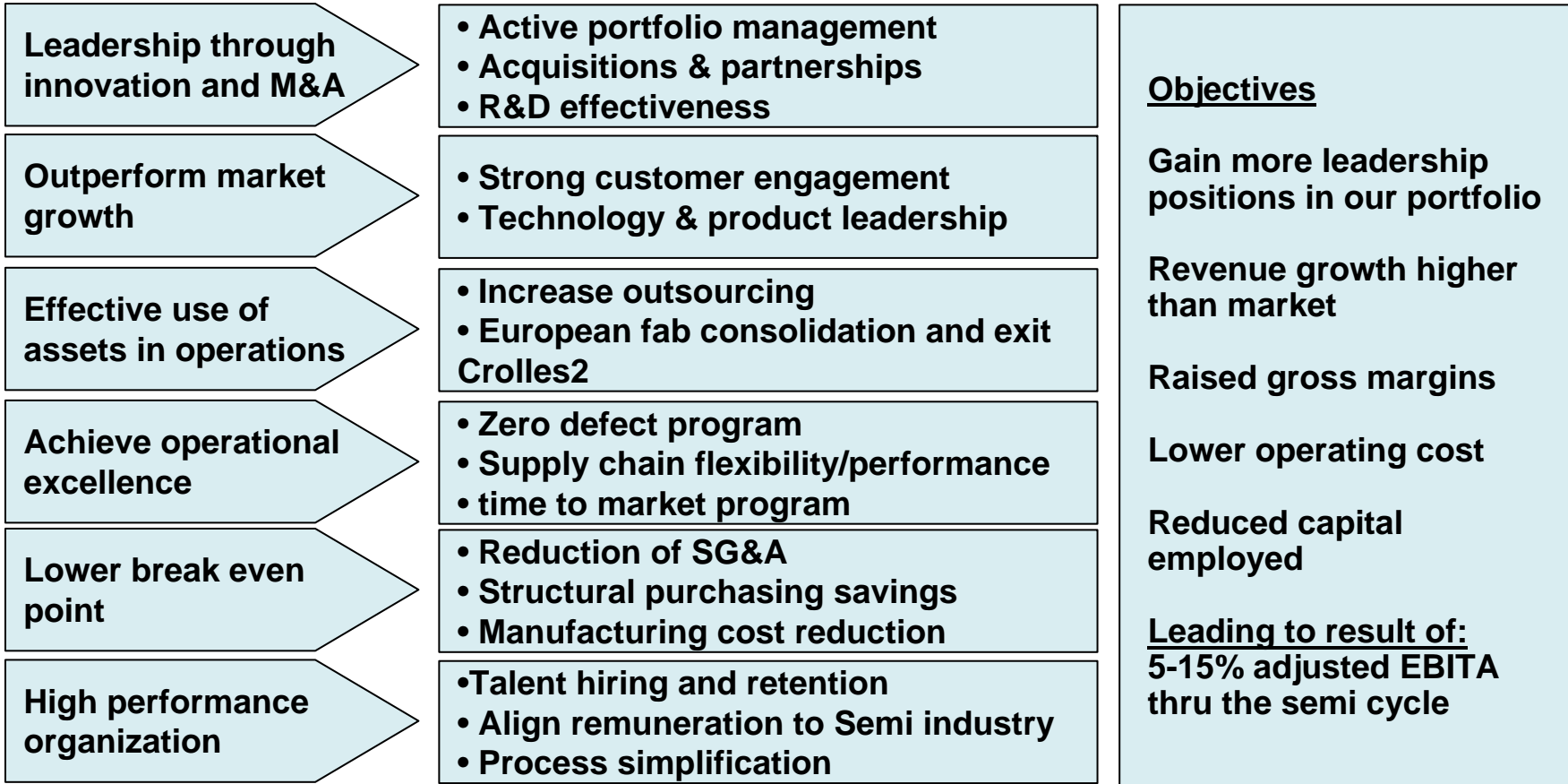
- ▶ Portfolio Focus
 - Healthy mix of mature, growth and emerging businesses
 - Market leadership positions in each of our business units
 - Focus on high growth “connected consumer” focus
 - Strong MultiMarket business based on leading system solutions and best-in-class IP/components
 - High proportion of Application Specific Standard Products (versus standard products and ASICS)
- ▶ Sound capital structure, conservative financing
- ▶ Deliver target of 5-15% adjusted EBITA over semiconductor cycle



Performance improvement actions are defined with Business Renewal II roadmap 2007-2010



Focusing on improvement actions and objectives:



Significant measures taken in Q1 '07 with rigorous execution of Business Renewal Phase II

- ▶ TSMC manufacturing and R&D partnership
- ▶ SG&A cost saving measures deployed
- ▶ Consolidation in front-end manufacturing in Europe (Nijmegen, Boeblingen)
- ▶ Efficiency improvement in Philippines
- ▶ Finalizing NXP and ASE joint venture for IC testing and packaging in Suzhou, China
- ▶ Realizing advantages of being a stand-alone company (e.g. simpler IT infrastructure, purchasing)
- ▶ Closure of Silicon Labs wireless business acquisition on March 23



Subsequent events in early Q2

- ▶ Strengthening executive management team with hiring of TI's Marc Cetto to lead Mobile & Personal business
- ▶ Appointed Marc de Jong as interim BU Home general manager
- ▶ Filing of registration statement with SEC to exchange offers for any and all of NXP's outstanding senior secured and senior notes that were issued in a private placement on October 12, 2006. Launch of exchange offer on April 27, 2007

Creating value through innovation and design wins

- ▶ Nexperia cellular system solution 5210 selected for first EDGE handset by Lenovo, the biggest mobile handset manufacturer in China
- ▶ Large order from Reliance Communications for ULC+ phones , using the Nexperia cellular system solution 5130 with FM radio and delivered via Kinpo Electronics, the large Taiwan ODM
- ▶ NXP and Purple Labs bring Linux operating system to mass-market 3G handsets
- ▶ Dedicated coprocessor enables high-quality portable audio player features with up to 100 hours playback time
- ▶ New Solid State Lighting portfolio introduced with first product, the UBA3001, delivering maximum flash for a camera phone
- ▶ NXP incorporates Microsoft Windows Vista inbox drivers to enable automatic installation of over 100 NXP-based PC TV tuner products
- ▶ SIRIUS selects Nexperia PNX9520 for satellite TV Service for Backseat TV in 2008 model year Chrysler vehicles
- ▶ Win with TAGSYS to combat drug counterfeiting using NXP's ICODE UID-OTP smart label IC for efficient and reliable item-level tracking and the electronic pedigree of pharmaceuticals
- ▶ GreenChip III – the third generation of energy-efficient ICs – products available to reduce power consumption by XX% for notebook adapters and LCD TVs



