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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 or raise sufficient capital 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.

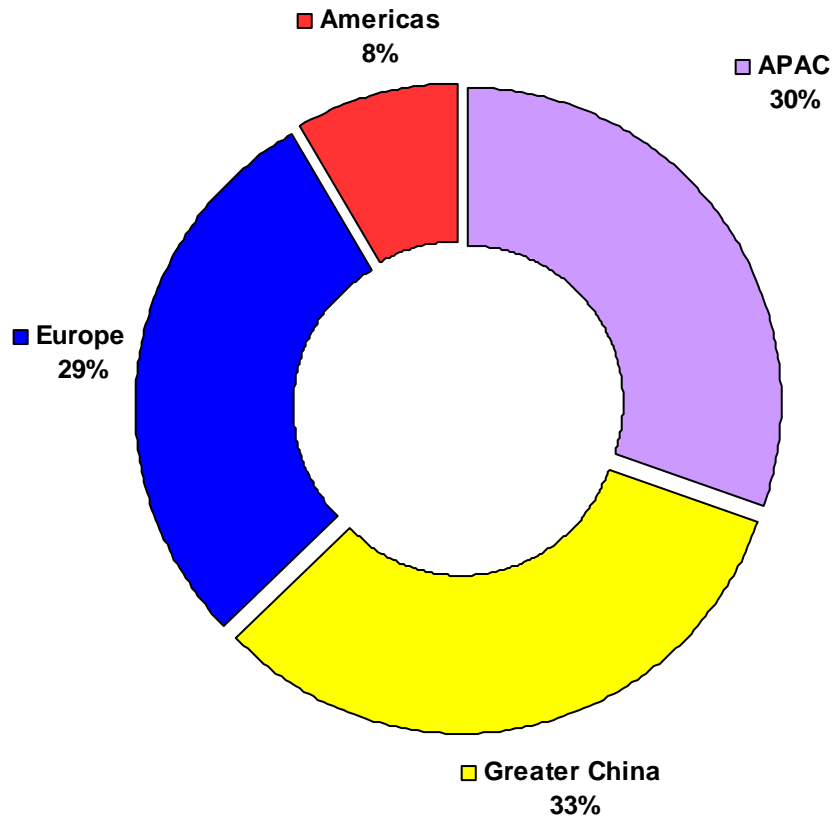
Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, we do not have any intention or obligation to update forward-looking statements after we distribute this document. In addition, this document contains information concerning the 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, 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.

Business Segments and Key Customers

		Application Specific Systems Businesses			Multi-Market
		Home Electronics	Automotive	Identification	Standard Products
Key Positions		 <ul style="list-style-type: none"> ▶ Analog TV ▶ Digital TV ▶ Set-top boxes ▶ PC Video ▶ Tuners 	 <ul style="list-style-type: none"> ▶ Car infotainment ▶ In-vehicle networking ▶ Car access ▶ Safety & comfort sensors 	 <ul style="list-style-type: none"> ▶ Smart cards ▶ eGovernment ▶ RFID ▶ NFC 	 <ul style="list-style-type: none"> ▶ Transistors/diodes ▶ Int. discretes ▶ GP logic ▶ RF products ▶ Interface, MCU ▶ Power discretes
	Lead Customers				

Sales per Region: ship to

- ▶ ~70% of sales is with key customers



Excluding Wireless

NXP's investments have resulted in strong positions in the application markets (example: Automotive)

- ▶ Yesterday: locking/unlocking your car
 - Open and close the car by hand
 - No electronic components
- ▶ Today: Remote keyless entry is a standard
 - Unlocks the car
 - Activate your preferences like seat position, mirror settings, temperature, etc
- ▶ Tomorrow: We make your dreams come true
 - Two-Way communication between car and key, to see right away:
 - Did I really lock my car?
 - Where did I park my car?
 - Is my tire pressure OK?
 - Or to be alerted when someone touches my car



NXP targets leadership positions in four areas

Multi-market semiconductors

“Broad portfolio player in standard products and selected AMS/ASSP segments”

- #2 in Small Signal and #13 in Power Discretes
- #2 in Integrated Discretes
- #3 in Interface products
- #3 in GP Logic
- #1 in mobile speakers
- Niche leader in selected range of AMS/RF components and MCO



Home

“Market leader in video system solutions”

- #3 in Digital TV and Set-Top Box
- #1 in Analog CRT and video decoders
- #1 in silicon tuners
- #2 in HDMI
- #1 in CAN tuners (NuTune)



Automotive

“Leader in portfolio of high margin AMS Auto components and car infotainment systems”

- #1 In-vehicle networking (CAN, LIN, Flexray)
- #1 Car Access Immonilizers
- #3 Magnetic Sensors
- #1 AM/FM radio reception
- #2 car radio amplifiers
- Early leader in Telematics



Identification

“Leader in innovation-driven, high-margin contact-less identification markets”

- #1 Transport and Access
- #1 eGovernment
- #2 Banking
- #3 Pay TV
- #1 RFID
- #1 contact-less readers
- #1 NFC



NXP P&L (all amounts in millions of USD)

Excl. PPA, incidental items and impairment charge	Q3 2007	Q3 2008	Q2 2008	Q3 2008	YTD 2007	YTD 2008
Sales	1,644	1,336	1,524	1,336	4,643	4,379
Wafer sales		38		38		38
Total group sales	1,644	1,374	1,524	1,374	4,643	4,417
% comparable growth	(2.8)	(4.2)	(0.6)	1.0	(2.2)	(0.8)
Gross margin	653	414	556	414	1,704	1,560
Selling, general & administrative	(210)	(200)	(248)	(200)	(635)	(680)
Research & development	(316)	(235)	(339)	(235)	(957)	(916)
Other business income	3	28	(7)	28	18	37
Adjusted EBIT	130	7	(38)	7	130	1
Adjusted EBITA	136	15	(29)	15	149	27
Adjusted EBITDA	310	147	114	147	682	444

Cash flow (all amounts in millions of USD)

	Q3 2007	Q3 2008	Q2 2008	Q3 2008	YTD 2007	YTD 2008
EBITDA	358	(876)	46	(876)	487	(668)
Changes in Working Capital	175	534	(338)	534	216	(104)
Net cash provided by operating activities	274	107	(281)	107	371	(442)
Net cash used for investing activities	7	1,299	(15)	1,299	(618)	1,086
Cash and cash equivalents at end of period	963	1,535	660	1,535	963	1,535

Focal points of our redesign plans

R&D

- ▶ With new focus given wireless JV, no need for wireless development
- ▶ No additional investment in Advanced CMOS – due to the Wireless JV
- ▶ Central R&D fully aligned to BU growth ambitions
- ▶ Site rationalization
- ▶ Optimize make / buy

GTM (Sales and marketing)

- ▶ More efficient and customer focused Go-to-Market model
- ▶ Simplify Go to Market processes and roles
- ▶ Align resources to our key priorities
- ▶ Prepare for growth

Cost Of Goods Sold

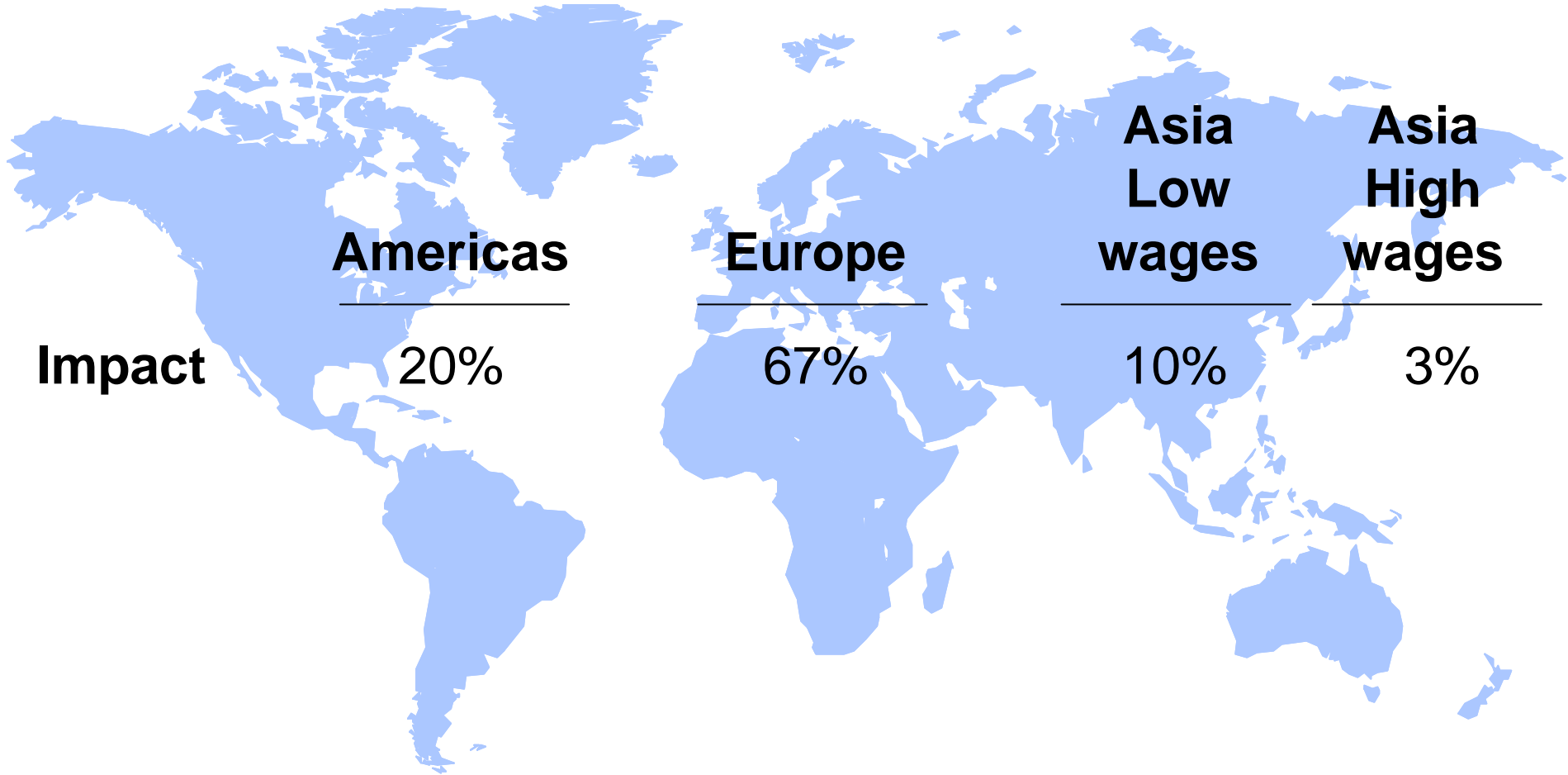
- ▶ Upgrade to 8 inch
- ▶ Improved productivity
- ▶ Simplify and streamline Supply chain
- ▶ Optimize Sustaining Engineering and Quality
- ▶ Continue the road to world class purchasing

General & Administrative

- ▶ Right size G&A cost base – smaller company post the Wireless JV
- ▶ Increase efficiency by simplifying processes and ways of working

Redesign program will rebalance our regional presence

Proportion of savings per region



Impact

Americas

20%

Europe

67%

Asia
Low
wages

10%

Asia
High
wages

3%

Financial impact

Restructuring specifications <i>amounts in MUSD</i>	2009 cash out	2010 cash out	total	
			cash out	savings
	600	200	800	550

- ▶ Cash out for restructuring includes:
 - People related costs
 - Severance costs, retention etc
 - Site Costs, such as:
 - Product transfers, bridging stock etc
 - Inventory write-down's
 - Site clean up
 - Contract terminations
 - Advisor costs

NXP Semiconductors Trading Update

- ▶ NXP Semiconductors today announced that it is providing updated sales guidance for the fourth quarter of 2008 in light of weakening macroeconomic conditions and a deteriorating sales environment
- ▶ Visibility of sales remains very limited. However based on overall consumer sentiment, recent order book development, and expected future trading levels, we now foresee a 15% to 25% sequential sales decline in the fourth quarter on a business and currency comparable basis
- ▶ This compares to the previous guidance of an 8 to 14% sequential sales decline as announced on 21 October 2008



