



Q4 and full year 2007 Financial Results

March 4, 2008

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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.

Headlines Q4 2007

- ▶ Fourth quarter sales at EUR 1,162 million vs EUR 1,211 million in the third quarter
- ▶ Comparable sequential sales growth of 1.9% (nominal growth -4.0%) and comparable year on year increase of 9.3%
- ▶ Fourth quarter of 2007 Adjusted EBITDA at EUR 243 million, compared to EUR 226 million in the third quarter of 2007 and EUR 214 million in the fourth quarter of 2006
- ▶ Fourth quarter of 2007 Adjusted EBITA at EUR 105 million, compared to EUR 97 million in the third quarter of 2007, and an improvement of EUR 36 million from EUR 69 million in the fourth quarter of 2006
- ▶ Cash position of EUR 706 million at the end of the fourth quarter, compared to EUR 681 million at the end of the third quarter of 2007 and EUR 939 million at the end of 2006
- ▶ Book to bill ratio of 0.89 in the fourth quarter of 2007
- ▶ Factory loading stable at 84% in the fourth quarter of 2007, up from 70% in the fourth quarter of 2006

Headlines full year 2007

- ▶ Full year sales at EUR 4,629 million, compared to EUR 4,960 million in 2006
- ▶ Full year Adjusted EBITDA at EUR 749 million, compared to EUR 921 million in 2006
- ▶ Full year Adjusted EBITA at EUR 212 million, compared to EUR 324 million in 2006
- ▶ Cost savings from Business Renewal Program in 2007 exceeded EUR 100 million on a run rate basis

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

	Q4-2006	Q1-2007	Q2-2007	Q3-2007	Q4-2007	FY 2006	FY 2007
Total sales	1,190	1,115	1,141	1,211	1,162	4,960	4,629
% comparable growth (year over year)	(6.8)	(2.7)	(4.8)	(2.8)	9.3	5.4	1.4
Gross margin	428	366	296	470	461	1,867	1,592
Selling, general & Administrative	(162)	(177)	(180)	(171)	(191)	(743)	(719)
Research & development	(258)	(245)	(238)	(240)	(248)	(995)	(970)
Other business income	3	5	5	86	2	21	98
EBIT	11	(51)	(117)	145	24	150	1
EBITA	11	(51)	(120)	135	(2)	121	(38)
EBITDA	156	85	14	264	136	719	499
Adjusted EBITA	69	3	7	97	105	324	212
Adjusted EBITDA	214	139	141	226	243	921	749

Note: PPA effects excluded



Adjusted EBITA (all amounts in millions of EUR)

	Q4-2006	Q1-2007	Q2-2007	Q3-2007	Q4-2007	FY 2006	FY 2007
Net Income	(53)	(98)	(144)	132	2	(48)	(99)
Financial expense	73	70	76	(39)	26	95	133
Income tax	(15)	(28)	(57)	37	(37)	50	(94)
Depreciation and amortization	151	141	139	134	145	622	559
EBITDA	156	85	14	264	136	719	499
Exit of product lines	9	0	5	0	8	44	13
Minority interest and results on unconsolidated companies	6	5	8	15	33	53	61
Restructuring	4	30	97	7	25	21	159
Other items	39	19	17	(60)	41	84	17
Adjusted EBITDA	214	139	141	226	243	921	749
Depreciation fixed assets	(145)	(136)	(134)	(129)	(138)	(597)	(537)
Adjusted EBITA	69	3	7	97	105	324	212

Note: PPA effects excluded

Cash flow (all amounts in millions of EUR)

	Q4- 2006	Q1- 2007	Q2- 2007	Q3- 2007	Q4- 2007	FY 2006	FY 2007
EBITDA	155	85	14	264	136	719	499
Changes in Working Capital	349	(9)	164	109	22	255	286
Net cash provided by operating activities	292	(12)	85	202	108	760	383
Net cash used for investing activities	(184)	(291)	(179)	4	(43)	(641)	(509)
Cash and cash equivalents at end of period	939	620	514	681	706	939	706

Note: - PPA effects excluded

- Q1 2007 investing activities include EUR 217 million SiLabs wireless acquisition
- Q2 2007 investing activities include EUR 86 million for the final disentanglement settlement with Philips
- Q3 2007 divestment of Cordless and VoIP Terminals activities for an amount of EUR 124 million
- Q4 2007 sale of assets Crolles2 Alliance for an amount of EUR 85 million

BU Mobile & Personal

Key figures

(millions of EUR)	Q4 2006	Q4 2007	Q4 2007 Excl. PPA
Sales	396	390	390
% nominal growth	(16.5)	(1.5)	(1.5)
% comparable growth	(9.9)	20.2	20.2
EBIT	(135)	(41)	(2)
Adjusted EBIT	18	(37)	2

Performance

- ▶ Sequential sales growth in Q4 on a comparable basis of 2.2%
- ▶ Full year comparable sales growth of 13.8 % resulting from ongoing strong growth in Cellular and the acquired Cellular Communications business from Silicon Laboratories
- ▶ Sales growth in Sound Solutions from new customers and the introduction of innovative products in 2007
- ▶ Year on year reduction of SG&A costs through organizational simplification and realization of synergies

Highlights

- ▶ Design wins at top-tier European handset makers with multimedia portfolio
- ▶ Significant 3G RF sales growth thanks to new model launches by customers
- ▶ Launched ultra-small, single-chip HSxPA multimedia solution based on 65nm
- ▶ Demonstrated world's first software programmable LTE modem
- ▶ Launched complete 3G and EDGE Linux system solution with outstanding multimedia features on single processor
- ▶ Showcased world's first TD-SCDMA HSDPA/EDGE multi-mode mobile phone architecture with Samsung and T3G
- ▶ Acquired GloNav, adding GPS to connectivity portfolio and expanding customer base to PND markets
- ▶ GPS technology already being tested and validated in our 3G system solutions
- ▶ Extended EDGE momentum: in China with new customers, including Haier Mobile and Lenovo, and in Europe with top handset manufacturer

BU Home

Key figures

(millions of EUR)	Q4 2006	Q4 2007	Q4 2007 Excl. PPA
Sales	212	167	167
% nominal growth	(24.6)	(21.2)	(21.2)
% comparable growth	(18.0)	(9.7)	(9.7)
EBIT	(164)	(43)	(24)
Adjusted EBIT	(4)	(36)	(17)

Performance

- ▶ Q4 showed further decline in CRT TV and sequential growth in TV front-end, RF Tuners, PC TV and Set Top Box
- ▶ Home restructuring on track, resulting in significant cost reductions in both R&D and SG&A, compared to Q3
- ▶ Improved Q4 EBIT (excluding restructuring), although still negative
- ▶ Full year comparable sales decline of 20.5%, primarily driven by the continued slow down of the CRT TV-market

Highlights

- ▶ Powered Sling Media's new Slingcatcher Set Top Box
- ▶ Introduced PNX5100 post processor powering LED 2D Dimming
- ▶ New PC TV processors to bring multi-streaming for notebooks and desktop PCs
- ▶ First Hybrid DVB-T PCIe mini card for notebooks with multi-format hardware AV compression capability
- ▶ World's first ultra-low power terrestrial and satellite multi-band silicon tuner for Portable TV (TDA18292) launched
- ▶ Mass production for Hybrid Si Tuner started
- ▶ Introduced HD STB decoder with scaling to 1080p

BU Automotive & Identification

Key figures

(millions of EUR)	Q4 2006	Q4 2007	Q4 2007 Excl. PPA
Sales	210	238	238
% nominal growth	4.5	13.3	13.3
% comparable growth	8.4	12.1	12.1
EBIT	(256)	22	47
Adjusted EBIT	44	23	48

Performance

- ▶ Solid Q4 Automotive sales outgrowing the market; modest sequential growth in Identification
- ▶ Continued investments in automotive quality programs and innovation strengthening the market position
- ▶ Full year double digit sales growth of Automotive on a comparable basis and market share gains. Single digit growth in Identification in line with market development
- ▶ Year on year gross margin improvement from strong value propositions of innovative products and intensified cost management

Highlights

- ▶ Strong traction at many major customers with multi-standard digital terrestrial radio solution for in-car entertainment, in cooperation with iBiquity
- ▶ Continuation of high design win ratio in ePassports
- ▶ First to market with extended access control (biometrics) and started shipments of German EAC e-Passport
- ▶ Launched U-Code Gen2 (UHF RF ID) designed for optimal performance in supply chain
- ▶ Design wins in strongly growing contactless banking market in Asia
- ▶ Successfully launched MOVERSA, a JV of NXP and Sony

BU MultiMarket Semiconductors

Key figures

(millions of EUR)	Q4 2006	Q4 2007	Q4 2007 Excl. PPA
Sales	328	300	300
% nominal growth	(4.9)	(8.5)	(8.5)
% comparable growth	0.5	4.4	4.4
EBIT	(79)	32	58
Adjusted EBIT	69	35	61

Performance

- ? Maintained market share in difficult market
- ? Continued growth in Q4 in Application Specific Standard Products, in particular strong Microcontrollers sales
- ? Q4 strongest ever quarter for Logic
- ? Sound financial and operational performance evidenced by a Q4 Adjusted EBIT margin of 20.3%

Highlights

- ▶ Appointment of Alexander Everke as Senior Vice President and General Manager of the Multimarket Semiconductors Business Unit
- ▶ Seamless integration of Sharp BlueStreak team, operationally already profitable
- ▶ Major discretely and integrated discretely design-ins at tier 1 and Chinese mobile handset makers
- ▶ Strong traction in ARM Microcontrollers with growing design-in pipeline
- ▶ Released GreenChip Power Chipset, for high efficient desktop power supplies with 85% efficiency
- ▶ Video SerDes design win in Panasonic cell phone in Japan
- ▶ Major discrete order from leading automotive electronic supplier

IC Manufacturing Operations

Key figures

(millions of EUR)	Q4 2006	Q4 2007	Q4 2007 Excl. PPA
Sales	28	52	52
% nominal growth			
% comparable growth			
EBIT	(71)	15	29
Adjusted EBIT	(27)	22	36

Performance

- ▶ Utilization rate at 84% in Q4 compared to 85% in Q3, and 70% in Q4 2006
- ▶ Realized capacity increase in 2007 of 6.4% in Waferfabs and 8.5% in Assembly & Test
- ▶ Overall integral yield improvement of 2.2% compared to 2006 reaching an all time high in December 2007
- ▶ Significant and above expectation contribution of the 'cost of non-quality' program
- ▶ Continued focus on efficiency and cost reduction programs, considerably improved EBIT and competitiveness of manufacturing base

Highlights

- ▶ Appointment of Hein van der Zeeuw as Chief Operations with responsibility for integral supply chain management, purchasing, front- and back-end manufacturing and business excellence. Hein will also continue to act as chairman of the Business Renewal Council
- ▶ Achieved cost reduction and efficiency targets
- ▶ Exited Crolles2 Alliance end of December
- ▶ Concluded sale of our equipment at the Crolles facility; received payment of USD 129 million for the first tranche in December 2007
- ▶ Closure of Boeblingen operation on track

Business Renewal 2007



Business Renewal 2007 status

Roadmap	Performance measures	completion
High performance organization with inspired talented workforce	<ul style="list-style-type: none"> ▶ Strengthened the Executive Management Team with the appointment of TI's Marc Cetto to lead the Mobile & Personal business and ST's Christos Lagomichos to lead the Home business ▶ Organization revival announced and implemented for BU Mobile & Personal and Home 	<p>done</p> <p>done</p>
Lower break even point	<ul style="list-style-type: none"> ▶ Cost reduction of EUR 250 mln by end 2008 on a run rate basis ▶ Exceeded EUR 100 million of total savings by end 2007 on a run rate basis ▶ Exit Crolles2 Alliance and on track with closure Boeblingen and restructuring in Nijmegen and the Philippines ▶ Concluded the sale of our equipment at the Crolles facility ▶ IT savings as a result of the disentanglement exceeded targets set for 2007, with continued impact in 2008 	<p>ongoing</p> <p>done</p> <p>done</p> <p>done</p> <p>ongoing</p>
Achieve Operational Excellence	<ul style="list-style-type: none"> ▶ The manufacturing organization achieved an overall integral yield improvement of 2.2% compared to 2006. The weighted integral yield reached an all time high in December 2007 ▶ The 'cost of non-quality' program contributing above expectation in IC manufacturing organization ▶ Time-to-Market program to speed up product introductions ▶ Zero Defect Program 	<p>ongoing</p> <p>ongoing</p> <p>ongoing</p> <p>ongoing</p>

Business Renewal 2007 status

Roadmap	Performance measures	completion
Effective use of assets in organization	Pngoing MOOI program realized an increase in capacity in 2007 of about 6.4% in Waferfabs and 8.5% in Assembly & Test compared to 2006	done
	Reduce exposure to Euro/ Dollar	ongoing
	Improve utilization	ongoing
	Increase outsourcing to 30% - 40%	2010
	Completed Assembly & Test JV with ASE (ASEN) in Suzhou, China	done
	Lower break-even point, less vulnerability to cycles	ongoing
Outperform market growth	Active portfolio management and focus on our growth segments:	
	<ul style="list-style-type: none"> ▶ Acquisition and integration Silabs' Cellular Communications business and Sharp BlueStreak microcontroller productline ▶ Acquisition of Glonav adding GPS to connectivity portfolio ▶ DSP Group and NXP Semiconductors close combination of Cordless & Voice over IP Terminal operations ▶ Increased R&D investment in 27 segments, maintained spending levels in 25, right sized in 6 segments, and redcued investments in 12 product areas 	done
		done
		done
		done
Leadership through innovation and M&A	Resulting in scale growth / market share gain	ongoing



Business Renewal 2008



TRANSFORMATIONAL MOVES

- ▶ Preparedness for M&A transactions that strengthen the businesses



PROFITABLE GROWTH

- ▶ Beat the competition by executing the Roadmapping for Leadership products
- ▶ Grow sales and market share by engaging with leading customers
- ▶ Improve gross margin by realizing better sales value and achieving world class cost levels

STRENGTHENING THE OPERATIONS

- ▶ Raise the high performance culture and talent base
- ▶ Lower our cost base and make effective use of assets
- ▶ Drive Operational Excellence in all core processes

Q1 announcements

- ▶ Visteon has selected the Nexperia™ PNX9520 for the development of several new automotive infotainment innovations in visual and audio processor technologies
- ▶ Christopher P. Belden, Senior Industry Executive, to Head Manufacturing Operations
- ▶ Memorandum of Understanding to combine our car tuner modules operations with Thomson in a joint venture
- ▶ Launched world's first single-chip LCD TV solution to deliver ground-breaking HDTV picture quality for advanced H.264 broadcast and MPEG-4 Internet content
- ▶ 3G win with Samsung
- ▶ NXP and ARM expand strategic relationship with major licensing agreement

Outlook

- ▶ Taking seasonal patterns into account, the company expects a 9% to 13% sequential sales decline in the first quarter of 2008 on a comparable basis
- ▶ This translates into a year on year low single digit sales increase on a comparable basis



