



Qualcomm to Acquire NXP

Creates Semiconductor
Engine for the Connected World

October 27, 2016



Additional information and forward-looking statements

Additional Information and Where to Find It

The tender offer described herein has not yet commenced. This document is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any common shares of NXP Semiconductors N.V. (“NXP”) or any other securities. On the commencement date of the tender offer, a tender offer statement on Schedule TO, including an offer to purchase, a letter of transmittal and related documents, will be filed with the United States Securities and Exchange Commission (the “SEC”) by Qualcomm River Holdings B.V. (“Buyer”), a subsidiary of Qualcomm Incorporated (“Qualcomm”), and a solicitation/recommendation statement on Schedule 14D-9 will be filed with the SEC by NXP. The offer to purchase common shares of NXP will only be made pursuant to the offer to purchase, the letter of transmittal and related documents filed as a part of the Schedule TO. THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 WILL CONTAIN IMPORTANT INFORMATION. SHAREHOLDERS OF NXP ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT SUCH HOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES. Investors and security holders may obtain a free copy of these statements (when available) and other documents filed with the SEC at the website maintained by the SEC at www.sec.gov or by directing such requests to the Information Agent for the tender offer that will be named in the tender offer statement on Schedule TO.

Cautionary Note Regarding Forward-Looking Statements

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project”, “predict”, “should” and “will” and similar expressions as they relate to Qualcomm, Buyer or NXP are intended to identify such forward-looking statements. These forward-looking statements involve risks and uncertainties concerning the parties’ ability to complete the tender offer and close the proposed transaction, the expected closing date of the transaction, the financing of the transaction, the anticipated benefits and synergies of the transaction, anticipated future combined businesses, operations, products and services, and liquidity, debt repayment and capital return expectations. Actual events or results may differ materially from those described in this document due to a number of important factors. These factors include, among others, the outcome of regulatory reviews of the proposed transaction; the ability of the parties to complete the transaction; the ability of Qualcomm to successfully integrate NXP’s businesses, operations (including manufacturing and supply operations), sales and distribution channels, business and financial systems and infrastructures, research and development, technologies, products, services and employees; the ability of the parties to retain their customers and suppliers; the ability of the parties to minimize the diversion of their managements’ attention from ongoing business matters; Qualcomm’s ability to manage the increased scale, complexity and globalization of its business, operations and employee base post-closing; and other risks detailed in Qualcomm’s and NXP’s filings with the SEC, including those discussed in Qualcomm’s most recent Annual Report on Form 10-K and in any subsequent periodic reports on Form 10-Q and Form 8-K and NXP’s most recent Annual Report on Form 20-F and in any subsequent reports on Form 6-K, each of which is on file with the SEC and available at the SEC’s website at www.sec.gov. SEC filings for Qualcomm are also available in the Investor Relations section of Qualcomm’s website at www.qualcomm.com, and SEC filings for NXP are available in the Investor Relations section of NXP’s website at www.nxp.com. Qualcomm is not obligated to update these forward-looking statements to reflect events or circumstances after the date of this document. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Creates semiconductor engine for the connected world



**TECHNOLOGY LEADERSHIP,
INTEGRATION AND SCALE TO WIN
IN THE CONNECTED WORLD**



**COMBINED REVENUE
OF \$30+ BILLION**



**SIGNIFICANTLY EXPANDS
FOOTPRINT IN AUTO, IOT
AND SECURITY**



**SUBSTANTIAL SYNERGY
OPPORTUNITIES: \$500 MILLION**



**COMPLEMENTARY TECHNOLOGY,
PRODUCTS AND CHANNELS**



**HIGHLY ATTRACTIVE FINANCIAL
ATTRIBUTES**



**EXPECTED TO ADD SAM⁽¹⁾ OF \$38B
TO REACH \$138B BY 2020**

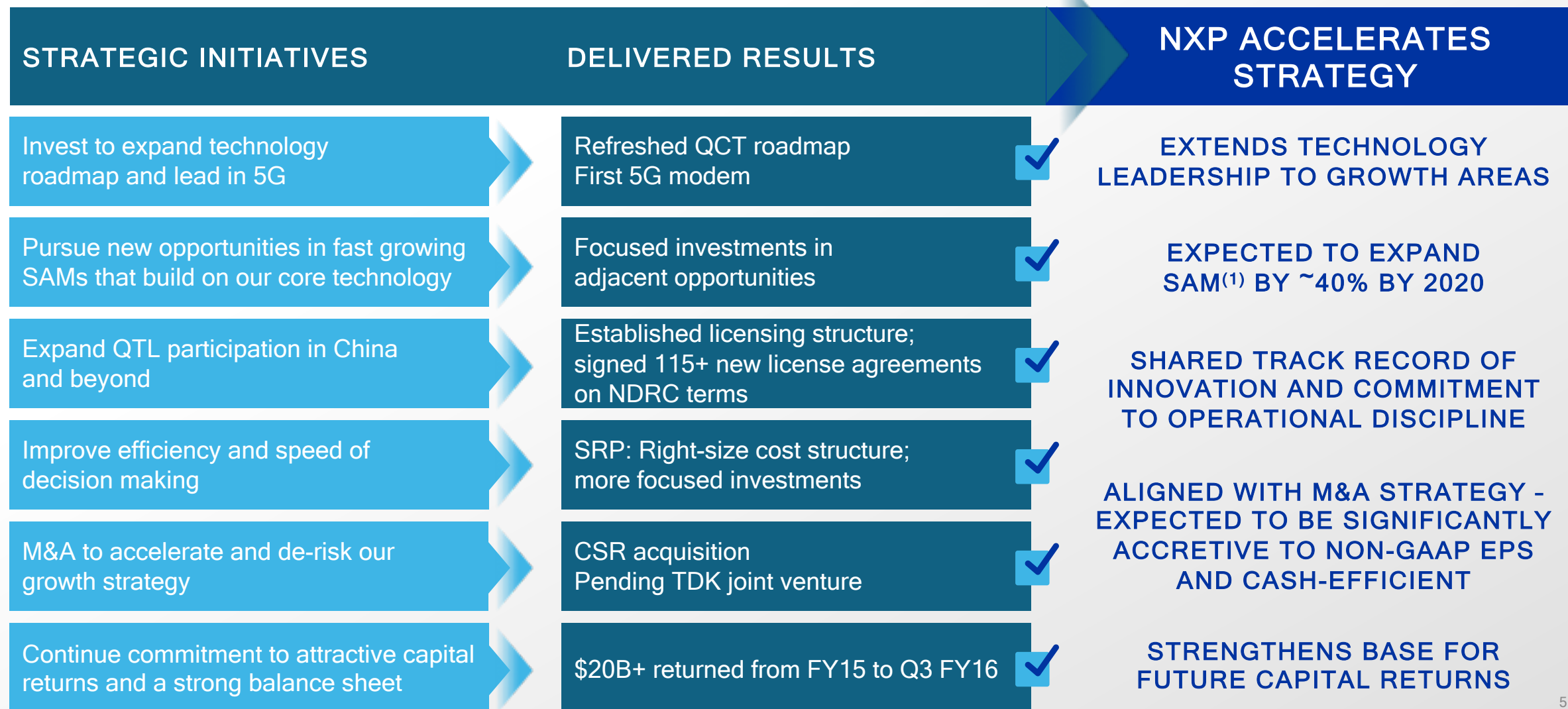


**EXPECTED TO BE SIGNIFICANTLY
ACCRETIVE TO NON-GAAP EPS**

(1) SAM: Serviceable Addressable Market- combination of third-party and internal estimates

Executing strategy to extend our core technology to new opportunities

Successfully built a foundation for profitable growth



(1) SAM: Serviceable Addressable Market, combination of third-party and internal estimates

Qualcomm + NXP: A global leader in integrated semiconductor solutions



ANNUAL
REVENUE⁽¹⁾

\$25B

+

\$10B

=

\$35B

CUSTOMERS

Leading mobile
channel

+

Leading
auto, IoT & security
channels

=

World-class sales
channels

EXPECTED SAM⁽²⁾
BY 2020

\$100B

+

\$38B

=

\$138B

Leading SoC technology roadmap, core components and industry channels to win in the connected world

(1) Qualcomm revenue is fiscal year 2015 as reported under GAAP. NXP revenue is the combined consolidated revenues of NXP and Freescale for the year end December 31, 2015. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of NXP's website at www.nxp.com/investor for additional information.

(2) SAM: Serviceable Addressable Market, combination of third-party and internal estimates

Leadership, integration and scale to win in the connected world



MOBILE



Leading position in Smartphone SoCs and 3G/4G modems; accelerating 5G adoption

Well positioned to lead in the nascent NFC/eSE technology solutions



A LEADER

Mobile SoC, Connectivity and Security

AUTOMOTIVE



Leading position in telematics and strength in compute, graphics, machine learning, computer vision, sensor fusion and wireless charging

Leading position in automotive across infotainment, in-vehicle networking, radar and safety systems



A LEADER

Across automotive semis/systems at scale and best-in-class technology IP for next generation of ADAS

IOT (1)



Strength in advanced computing, SoC and connectivity systems

Leading position in broad-based MCUs, secure ID, payment cards and transit



A LEADER

Broad-based MCUs, secure ID, payment cards and transit; strength in advanced computing, SoC, security and connectivity systems

NETWORKING



Leading position in Wave-2 11ac/11ad and Home and Enterprise wireless networks

Leading position in RF Power and embedded communications processors



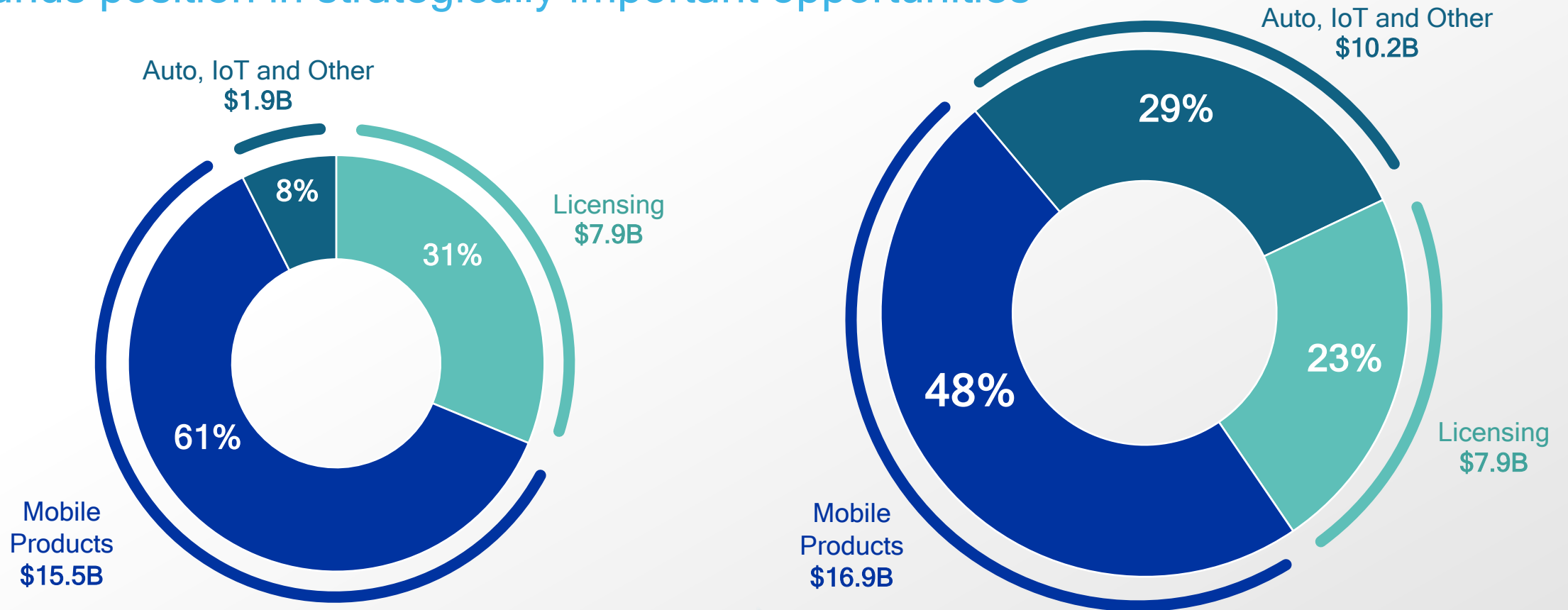
A LEADER

Networking and RF sub-segments, including Wave-2 11ac/11ad, RF Power and embedded communications processors

(1) Includes Security

Revenue extension beyond mobile

Expands position in strategically important opportunities



QUALCOMM⁽¹⁾
~\$25B Revenue

QUALCOMM⁽¹⁾ + NXP⁽²⁾
~\$35B Revenue

(1) Qualcomm revenue is fiscal year 2015 revenue as reported under GAAP. Note Qualcomm other revenue is from non-reportable segments.

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Transaction overview

TRANSACTION CONSIDERATION

- \$110 in cash per share; \$47B enterprise value
- To be financed through cash on hand and \$11B in new debt

FINANCIAL IMPACT

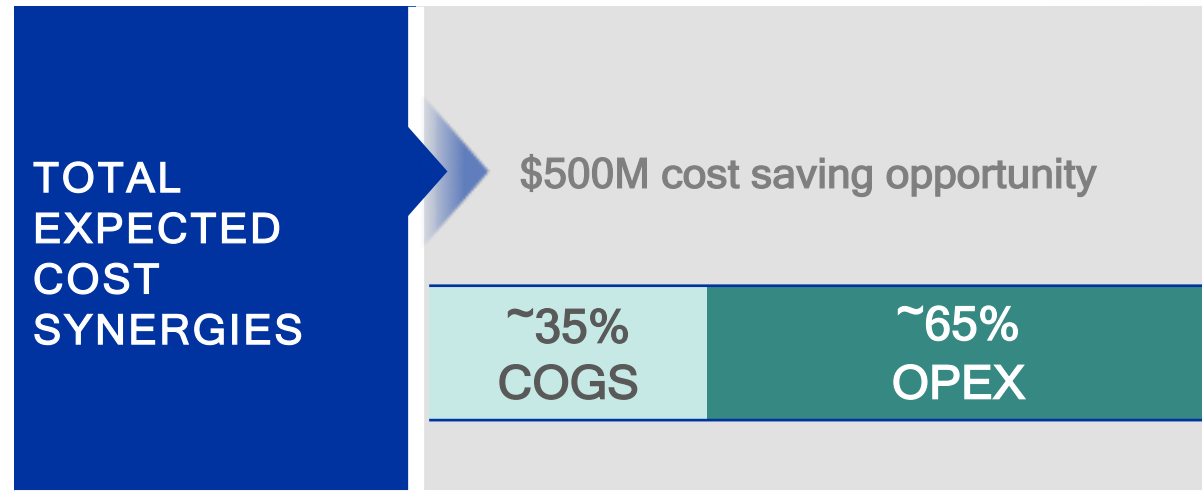
- Anticipate \$500M annualized cost synergies within 2 years of close
- Expected to be significantly accretive to non-GAAP EPS immediately upon close
- Committed to strong investment-grade credit rating

TIMING AND APPROVALS

- Tender of at least 80% of NXP's outstanding common shares in the offer; receipt of regulatory approvals and other closing conditions
- Expected to close by the end of calendar 2017

Cost synergies

Expect total annualized synergies of \$500 million



100% run-rate savings to be achieved within 2 years of close

EXPECTED SYNERGIES ARE INCREMENTAL TO STANDALONE COST SAVING INITIATIVES



\$1.4B spending reduction under Strategic Realignment Plan



\$500M synergy targets from NXP Freescale combination

Builds on existing \$1.9B spending reduction programs

Financial strength and capital returns

BALANCE SHEET

TRANSACTION EFFICIENCIES

Tax efficient use of offshore cash;
significantly improves ROIC

ACQUISITION FINANCING

Ability to rapidly deleverage; expect to approach
pre-transaction leverage ratios
within two years of close

STRONG LIQUIDITY

Expect to retain global liquidity
in excess of \$8B

RETURN OF CAPITAL

DIVIDEND

Committed to current dividend
and continued dividend growth

SHARE REPURCHASES

Anti-dilutive share repurchases through
deleveraging period

RETURN OF CAPITAL

Combined cash flow profile provides strong
support for future capital returns

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Thank you

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