NXP Semiconductors N.V.
Form F-1/A
March 23, 2011
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As filed with the Securities and Exchange Commission on March 22, 2011

Registration No. 333-172713

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM F-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

NXP Semiconductors N.V.

(Exact name of Registrant as specified in its charter)

The Netherlands	**3674**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

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Approximate date of commencement of proposed sale to the public:

As soon as possible after this registration statement becomes effective

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling stockholders may not sell the securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and the selling stockholders are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated , 2011.

NXP Semiconductors N.V.

25,000,000 Shares

Common Stock

The selling stockholders identified in this prospectus, including entities affiliated with directors of our company and with members of our senior management, are offering all of the shares of our common stock offered hereby and will receive all of the proceeds from this offering. See Principal and Selling Stockholders.

Our shares of common stock are listed on the NASDAQ Global Select Market under the symbol NXPI. On March 11, 2011, the closing price of our shares of common stock as reported on the NASDAQ Global Select Market was $27.46 per share.

An investment in our common stock involves risks. See Risk Factors beginning on page 12 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	$	$
Underwriting discount and commissions	$	$
Proceeds, before expenses, to the selling stockholders	$	$

To the extent that the underwriters sell more than 25,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 3,750,000 shares of common stock from the selling stockholders at the public offering price, less the underwriting discount and commissions, within 30 days of the date of this prospectus. See the section of this prospectus entitled Underwriting.

The underwriters expect to deliver the shares against payment on or about , 2011.

Credit Suisse **Goldman, Sachs & Co.** **Morgan Stanley**

BofA Merrill Lynch **Barclays Capital**

J.P. Morgan **KKR**

ABN AMRO **HSBC** **Rabobank International**

Prospectus dated , 2011

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You should rely only on the information contained in, or incorporated by reference into, this prospectus or the information contained in any free writing prospectus that we authorize to be delivered to you. We, the selling stockholders and the underwriters have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. The selling stockholders and the underwriters are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information in, or incorporated by reference into, this prospectus or the information contained in any free writing prospectus is accurate only as of the date on the front cover of such prospectus, regardless of the time of delivery of such prospectus or of any sale of our common stock. Our business, prospects, financial condition and results of operations may have changed since that date.

We obtained market data and certain industry data and forecasts included in this prospectus from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications and surveys. iSuppli, Gartner Dataquest, Strategy Analytics, Datapoint Research and ABI were the primary sources for third-party industry data and forecasts. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which we believe to be reliable based upon our management s knowledge of the industry, have not been independently verified. Statements as to our market position are based on the most recent data available to us. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors appearing elsewhere in this prospectus. Where we refer to our position as the leading position, we mean we have the number 1 position; where we refer to our position as a leading position, we mean we have a top 2 position; where we refer to our position as a strong position, we mean we have a top 5 position.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus. The information set forth in this summary does not contain all the information you should consider before making your investment decision. You should carefully read the entire prospectus, including the section Risk Factors and our consolidated financial statements and related notes, before making your investment decision. This summary contains forward-looking statements that contain risks and uncertainties. Our actual results may differ significantly from future results as a result of factors such as those set forth in the sections Risk Factors and the Special Note Regarding Forward-Looking Statements.

Unless the context otherwise requires, all references herein to we, our, us, NXP and the Company are to NXP Semiconductors N.V. and its subsidiaries.

A glossary of abbreviations and technical terms used in this prospectus is set forth on page 168.

Our Company

We are a global semiconductor company and a long-standing supplier in the industry, with over 50 years of innovation and operating history. We provide leading High-Performance Mixed-Signal and Standard Products solutions that leverage our deep application insight and our technology and manufacturing expertise in radio frequency (RF), analog, power management, interface, security and digital processing products. Our product solutions are used in a wide range of automotive, identification, wireless infrastructure, lighting, industrial, mobile, consumer and computing applications. We engage with leading original equipment manufacturers (OEMs) worldwide and 58% of our revenues both in 2010 and 2009 were derived from Asia Pacific (excluding Japan). Since our separation from Koninklijke Philips Electronics N.V. (Philips) in 2006, we have significantly repositioned our business to focus on High-Performance Mixed-Signal solutions and have implemented a redesign program (the Redesign Program) aimed at achieving a world-class cost structure and processes. As of December 31, 2010, we had approximately 24,500 full-time equivalent employees located in at least 30 countries, with research and development activities in Asia, Europe and the United States, and manufacturing facilities in Asia and Europe.

The NXP Solution

We design and manufacture High-Performance Mixed-Signal semiconductor solutions to meet the challenging requirements of systems and sub-systems in our target markets. High-Performance Mixed-Signal solutions are an optimized mix of analog and digital functionality integrated into a system or sub-system. These solutions are fine-tuned to meet the specific performance, cost, power, size and quality requirements of applications. High-Performance Mixed-Signal solutions alleviate the need for OEMs to possess substantial system, sub-system and component-level design expertise required to integrate discrete components into an advanced fully functional system. We have what we believe is an increasingly uncommon combination of capabilities in this area our broad range of analog and digital technologies, application insights and world-class process technology and manufacturing capabilities to provide our customers with differentiated solutions that serve their critical requirements. Customers often engage with us early, which allows us to hone our understanding of their application requirements and future product roadmaps and to become an integral partner in their system design process.

Our Strengths

We believe we have a number of strengths that create the opportunity for us to be a leader in our target markets. Some of these strengths include:

- ***Market-leading products.*** In 2009, approximately 68% of our High-Performance Mixed-Signal sales and 80% of our Standard Products sales were generated by products for which we held the number one or number two market position based on product sales.

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Large base of experienced High-Performance Mixed-Signal engineers and strong intellectual property portfolio. We have what we believe is one of the industry s largest pools of experienced High-Performance Mixed-Signal engineers, with over 2,800 engineers with an average of 15 years of experience. In addition, we have an extensive intellectual property portfolio of approximately 14,000 issued and pending patents covering the key technologies used in our target application areas.

Deep applications expertise. We have built, and continue to build, through our relationships with leading OEMs and through internal development efforts in our advanced systems lab, deep insight into the component requirements and architectural challenges of electronic system solutions in our target end-market applications, thereby enhancing our engagement in our customers product platforms.

Strong, well-established customer relationships. We have strong, well-established relationships with almost every major automotive, identification, mobile handset, consumer electronics, mobile base station and lighting supplier in the world. We directly engage with over 1,000 customer design locations worldwide. Our top OEM customers, in terms of revenue, include Apple, Bosch, Continental Automotive, Delphi, Ericsson, Harman/Becker, Huawei, Nokia, Nokia Siemens Networks, Oberthur, Panasonic, Philips, Samsung, Sony and Visteon. We also serve over 30,000 customers through our distribution partners.

Differentiated process technologies and competitive manufacturing. We focus our internal and joint venture wafer manufacturing operations on running a portfolio of proprietary specialty process technologies that enable us to differentiate our products on key performance features. By concentrating our manufacturing activities in Asia and by significantly streamlining our operations through our Redesign Program, we believe we have a competitive manufacturing base.

NXP Repositioning and Redesign

Since our separation from Philips in 2006, we have significantly repositioned our business and market strategy. Further, in September 2008, we launched our Redesign Program to better align our costs with our more focused business scope and to achieve a world-class cost structure and processes. The Redesign Program was subsequently accelerated and expanded from its initial scope. Key elements of our repositioning and redesign are:

Our Repositioning

New leadership team. Nine of the twelve members of our executive management team are new to the Company or new in their roles since our separation from Philips in 2006, and seven of the twelve have been recruited from outside NXP.

Focus on High-Performance Mixed-Signal solutions. We have implemented our strategy of focusing on High-Performance Mixed-Signal solutions because we believe it to be an attractive market in terms of growth, barriers to entry, relative market share, relative business and pricing stability, and capital intensity. We have exited all of our system-on-chip businesses over the past three years, and have significantly increased our research and development investments in the High-Performance Mixed-Signal applications on which we focus.

New customer engagement strategy. We have implemented a new approach to serving our customers and have invested significant additional resources in our sales and marketing organizations, including hiring over 100 field application engineers in 2010 and 2009. We have also created application marketing teams that focus on delivering solutions and systems reference designs that leverage our broad portfolio of products.

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Our Redesign Program

Streamlined cost structure. As a result of the expanded Redesign Program, approximately $794 million in annualized manufacturing and operating cost savings have been achieved as of December 31, 2010, compared to our annualized third quarter results for 2008, which was the quarter during which we contributed our wireless operations to the ST-NXP Wireless joint venture. These savings are primarily achieved through a combination of headcount reductions, factory closings and restructuring of our IT infrastructure. Through December 31, 2010, $656 million related to the accelerated and expanded Redesign Program and other restructuring activities have been paid.

Leaner manufacturing base. As a part of our Redesign Program, we will have reduced the number of our front-end manufacturing facilities from fourteen at the time of our separation from Philips in 2006 to six by the end of 2011.

Our Strategy

Our strategy is to be the leading provider of High-Performance Mixed-Signal solutions, supported by a strong Standard Products business, addressing our priority application areas. Key elements of this strategy are:

Extend our leadership in High-Performance Mixed-Signal markets. We intend to leverage our industry-leading RF, analog, power management, interface, security and digital processing technologies and capabilities to extend our leadership positions in providing High-Performance Mixed-Signal solutions for automotive, identification, wireless infrastructure, lighting, industrial, mobile, consumer and computing applications. Based on a combination of external and internal sources, we estimate that the consolidated market size of these addressed High-Performance Mixed-Signal markets was $37.7 billion in 2010. See Business for a more detailed description of the size and growth of the markets that we address.

Focus on significant, fast growing opportunities. We are focused on providing solutions that address the macro trends of energy efficiency, mobility and connected mobile devices, security and healthcare, as well as rapid growth opportunities in emerging markets given our strong position in Asia Pacific (excluding Japan), which represented 58% of our revenues both in 2010 and 2009, compared to a peer average of 49% of revenues in 2009. In particular, Greater China represented 37% of our revenues in 2010, compared to 35% of our revenues in 2009.

Deepen relationships with our key customers through our application marketing efforts. We intend to increase our market share by focusing on and deepening our customer relationships, further growing the number of our field application engineers at our customers sites and increasing product development work we conduct jointly with our lead customers.

Expand gross and operating margins. We continue to implement our comprehensive, multi-year operational improvement program aimed at accelerating revenue growth, expanding gross margins and improving overall profitability through better operational execution and streamlining of our cost structure.

Risks Affecting Us

Our business is subject to numerous risks, which are highlighted in the section entitled Risk Factors. These risks represent challenges to the successful implementation of our strategy and to the growth and future profitability of our business. Some of these risks are:

The semiconductor industry in which we operate is highly cyclical.

The semiconductor industry is highly competitive. If we fail to introduce new technologies and products in a timely manner, this could adversely affect our business.

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In many of the market segments in which we compete, we depend on winning selection processes, and failure to be selected could adversely affect our business in those market segments.

The demand for our products depends to a significant degree on the demand for our customers end products.

The semiconductor industry is characterized by significant price erosion, especially after a product has been on the market for a significant period of time.

Our substantial amount of debt could adversely affect our financial health, which could adversely affect our results of operations.

Environmental and other disasters, such as flooding, large earthquakes, volcanic eruptions or nuclear or other disasters, or a combination thereof, such as recently experienced in Japan, may negatively impact our business. There is increasing concern that climate change is occurring and may cause a rising number of natural disasters.

Recent Developments

Share Based Compensation Plans

On March 9, 2011, we filed a registration statement with the Securities and Exchange Commission (the SEC) in relation to the management equity stock option plan (the Management Equity Stock Option Plan), the global equity incentive program (the Global Equity Incentive Program) and the long term incentive plan, which we introduced in November 2010 (the Long Term Incentive Plan 2010). Following the filing of such registration statement, pursuant to our Management Equity Stock Option Plan, members of our management team and certain other executives will be allowed to exercise, from time to time, their vested options. The proportion of options available for exercise cannot exceed the proportion of the aggregate number of shares of common stock sold by our co-investors, including the consortium of funds advised by Kohlberg Kravis Roberts & Co. L.P. (KKR), Bain Capital Partners, LLC (Bain), Silver Lake Management Company, L.L.C. (Silver Lake), Apax Partners LLP (Apax) and AlpInvest Partners N.V. (AlpInvest) and NXP Co-Investment Partners L.P. (collectively, the Private Equity Consortium), to the total number of shares of common stock owned by such co-investors. We expect that following the completion of this offering, up to 15% of the vested options under the Management Equity Stock Option Plan will become exercisable, subject to the applicable laws and regulations.

Term Loan

On March 4, 2011, we entered into a $500 million secured term loan credit facility (the Term Loan) to finance general corporate purposes (including refinancing or repaying indebtedness). The Term Loan is available for drawing until and including April 6, 2011 and will mature on March 4, 2017. In connection with the Term Loan, on March 7, 2011, we issued redemption notices for all $362 million outstanding of our 2014 Dollar Fixed Rate Secured Notes due 2014, together with $100 million of our Dollar Floating Rate Secured Notes and 143 million of our Euro Floating Rate Secured Notes. The redemptions will be conditional on the receipt of proceeds from the Term Loan, expected on or before April 6, 2011.

For more information on the terms and conditions of the Term Loan, see Description of Indebtedness Term Loan.

Sound Solutions

On December 22, 2010, we announced that we signed a definitive agreement whereby Knowles Electronics, LLC (Knowles Electronics), an affiliate of Dover Corporation, will acquire our Sound Solutions business (our Sound Solutions Business), a leading provider of speaker and receiver components for the mobile handset market. Under the terms of the agreement, Knowles Electronics will acquire our Sound Solutions Business for $855 million in cash, subject to regulatory approvals and customary closing conditions.

The financial results attributable to our interest in our Sound Solutions Business (formerly included in our Standard Products segment) have been presented as discontinued operations in the consolidated financial statements and this prospectus. The transaction is expected to close on or about the end of the first quarter of 2011. For more information on the sale and purchase agreement we signed in relation to this transaction, including the conditions precedent to closing, see Business Divestment of Sound Solutions.

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Company Information

We were incorporated in the Netherlands as a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the name KASLION Acquisition B.V. on August 2, 2006, in connection with the sale by Philips of 80.1% of its semiconductor business on September 29, 2006, to the Private Equity Consortium (such sale being referred to in this prospectus as our Formation). For a list of the specific funds that hold our common stock and their respective share ownership, see Principal and Selling Stockholders elsewhere in this prospectus. On May 21, 2010, we converted from a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) into a Dutch public company with limited liability (*naamloze vennootschap*) and changed our name from KASLION Acquisition B.V. to NXP Semiconductors N.V. On August 5, 2010, we made an IPO and listed on the NASDAQ Global Select Market.

We have one class of shares of common stock and an aggregate of 250,751,500 shares of common stock, of which 25,000,000 are to be sold by the selling stockholders as part of this offering. The underwriters have the option to purchase up to an additional 3,750,000 shares of common stock.

We are a holding company whose only material assets are the direct ownership of 100% of the shares of NXP B.V., a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*).

Affiliates of each of Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. Incorporated who are participating in the underwriting of the shares of our common stock offered pursuant to this prospectus, have indirectly through investments in private equity funds, including the funds that form the Private Equity Consortium, interests in less than 1% of our capital stock. In addition, KKR Capital Markets LLC will participate in the underwriting of the shares of our common stock offered pursuant to this prospectus. Funds advised by KKR hold approximately 19.19% of our capital stock and share voting control over our capital stock with other members of the Private Equity Consortium.

Our corporate seat is in Eindhoven, the Netherlands. Our principal executive office is at High Tech Campus 60, 5656 AG Eindhoven, the Netherlands, and our telephone number is +31 40 2729233. Our website address is www.nxp.com. The information contained on our website or that can be accessed through our website neither constitutes part of this prospectus nor is incorporated by reference herein.

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THE OFFERING

Common stock offered by the selling stockholders	25,000,000 shares (or 28,750,000 shares if the underwriters exercise their option to purchase additional shares in full).
Option to purchase additional shares of common stock	The underwriters have the option to purchase a maximum of an additional 3,750,000 shares of common stock from the selling stockholders at the public offering price, less the underwriting discount and commissions. The underwriters can exercise this option at any time within 30 days from the day of this prospectus.
Common stock to be outstanding immediately after this offering	250,751,500 shares.
Use of proceeds	The selling stockholders will receive all of the proceeds from this offering and we will not receive any proceeds from the sale of shares of common stock in this offering. See Use of Proceeds. The selling stockholders include the members of the Private Equity Consortium, Kings Road Holdings IV L.P., NXP Co-Investment Partners II L.P. and NXP Co-Investment Partners VIII L.P. (the Selling Co-investors) and PPTL Investment LP. Some of the selling stockholders are affiliated with directors of our company and with members of our senior management. See Principal and Selling Stockholders.
Conflict of Interest	Funds advised by KKR, which are affiliates of KKR Capital Markets LLC, an underwriter of this offering, may receive 5% or more of the expected net proceeds of the offering. KKR Capital Markets LLC may therefore be deemed to have a conflict of interest with us within the meaning of Rule 5121 (Rule 5121) of the Financial Industry Regulatory Authority, Inc. (FINRA). Therefore, this offering will be conducted in accordance with Rule 5121. KKR Capital Markets LLC has informed us that it does not intend to confirm sales to accounts over which it exercises discretionary authority without the prior written approval of the account holder.
Dividend policy	Our ability to pay dividends on our common stock is limited by the covenants of our Secured Revolving Credit Facility or the Forward Start Revolving Credit Facility, as the case may be, the Term Loan and the indentures (collectively, the Indentures) governing

the terms of our euro-denominated 10% super priority notes due July 15, 2013 (the Euro Super Priority Notes), our U.S. dollar-denominated 10% super priority notes due July 15, 2013 (the Dollar Super Priority Notes and, together with the Euro Super Priority Notes, the Super Priority Notes), our euro-denominated floating rate senior secured notes due October 15, 2013 (the Euro Floating

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Rate Secured Notes), our U.S. dollar-denominated floating rate senior secured notes due October 15, 2013 (the Dollar Floating Rate Secured Notes), our U.S. dollar-denominated $7^7/_8$% senior secured notes due October 15, 2014 (the 2014 Dollar Fixed Rate Secured Notes) and our U.S. dollar-denominated $9^3/_4$% senior secured notes due August 1, 2018 (the 2018 Dollar Fixed Rate Secured Notes and, together with the Euro Floating Rate Secured Notes, the Dollar Floating Rate Secured Notes and the 2014 Dollar Fixed Rate Secured Notes, the Secured Notes), our euro-denominated $8^5/_8$% senior notes due October 15, 2015 (the Euro Unsecured Notes) and U.S. dollar-denominated $9^1/_2$% senior notes due October 15, 2015 (the Dollar Unsecured Notes and, together with our Euro Unsecured Notes, the Unsecured Notes), and may be further restricted by the terms of any future debt or preferred securities. As a result, we currently expect to retain future earnings for use in the operation and expansion of our business and the repayment of our debt and do not anticipate paying any cash dividends in the foreseeable future. See Dividend Policy and Description of Indebtedness.

NASDAQ Global Select Market symbol

NXPI

The number of shares of common stock that will be outstanding after this offering is calculated based on 250,751,500 shares outstanding as of December 31, 2010, and excludes:

- 21,800,055 shares of common stock underlying stock options outstanding as of December 31, 2010, of which 18,050,123 stock options have a weighted average exercise price of 23.30 per share (or $31.15 per share, based on the average exchange rate in effect on December 31, 2010) and 3,749,932 stock options at a weighted average exercise price of $13.27;
- 2,130,214 shares of common stock underlying performance and restricted share units outstanding as of December 31, 2010; and
- 472,742 shares of common stock issuable upon the exercise of equity rights outstanding as of December 31, 2010.

RISK FACTORS

Elsewhere in this prospectus, we have described several categories of risk that affect our business. These include risks specifically related to our business and industry, as well as a number of risks related to this offering that can affect your investment in our common stock. You should read the Risk Factors section of this prospectus for a more detailed explanation of these risks.

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CORPORATE STRUCTURE

The following chart reflects our corporate structure as of December 31, 2010.

(1) *Includes the Private Equity Consortium, as well as certain co-investors. Some of our co-investors have recently sold part of their holdings of shares of our common stock, in accordance with the applicable securities law exemptions from registration.*

(2) *As of December 31, 2010, the management foundations held 2,100,000 or 0.84% of the shares of our common stock. As of December 31, 2010, 21,800,055 shares of common stock were issuable upon the exercise of options outstanding under our Management Equity Stock Option Plan and the Long Term Incentive Plan 2010, 2,130,214 shares of common stock were issuable upon the vesting of performance and restricted stock units, and 472,742 shares of common stock were issuable upon the exercise of equity rights under our Global Equity Incentive Program. On March 9, 2011, approximately 550,000 shares of common stock held by the management foundations were transferred to members of management and other executives in conversion for depository receipts for shares held by them. On the same date, approximately 220,000 shares of common stock held by the management foundations were transferred as restricted stock or performance related stock to participants in the Long-Term Incentive Plan 2010. The remaining approximately 1,330,000 shares of common stock held by the management foundations were purchased by the Company and will be reserved for issuance under our stock option and equity incentive plans.*

(3) *We and Dover Corporation announced on December 22, 2010, that we have signed a definitive agreement whereby Knowles Electronics will acquire our Sound Solutions Business, subject to regulatory approvals and customary closing conditions. Consequently, all of our shares in NXP Semiconductors Austria GmbH will be transferred to a subsidiary of Dover Corporation.*

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table summarizes our historical consolidated financial data at the dates and for the periods indicated. The summary historical consolidated financial data as of and for the years ended December 31, 2008, 2009 and 2010, have been derived from our historical financial statements, included elsewhere in this prospectus. The results of operations for prior years are not necessarily indicative of the results to be expected for any future period. We prepare our financial statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The summary historical consolidated financial data should be read in conjunction with the Selected Historical Combined and Consolidated Financial Data, the Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and accompanying notes included elsewhere in this prospectus, as well as with Exhibit 15.1 filed with our Annual Report on Form 20-F for the fiscal year ended December 31, 2010, incorporated by reference into this prospectus. The financial results attributable to our interest in our Sound Solutions Business (formerly included in our Standard Products segment) have been presented as discontinued operations in the consolidated financial statements and this prospectus.

	As of and for the year ended December 31,		
($ in millions, except shares and per share data and unless otherwise indicated)	**2008[(1)]**	**2009[(1)]**	**2010[(1)]**
Consolidated Statements of Operations:			
Revenues	5,104	3,519	4,402
Cost of revenues	(3,958)	(2,621)	(2,579)
Gross Profit	1,146	898	1,823
Research and development expenses	(1,187)	(764)	(568)
Write-off of acquired in-process research and development	(26)		
Selling expenses	(394)	(271)	(265)
Other general and administrative expenses	(1,103)	(712)	(701)
Impairment charges	(714)	(69)	
Other income (expense)	(365)	(13)	(16)
Operating Income (Loss)	(2,643)	(931)	273
Extinguishment of debt		1,020	57
Other financial income (expense)	(614)	(338)	(685)
Income (Loss) Before Taxes	(3,257)	(249)	(355)
provision for income taxes	(42)	(10)	(24)
Income (Loss) After Income Taxes	(3,299)	(259)	(379)
Results relating to equity-accounted investees	(268)	74	(86)
Income (Loss) From Continuing Operations	(3,567)	(185)	