

NXP Semiconductors N.V.  
Form SC 13D/A  
April 06, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A  
Under the Securities Exchange Act of 1934  
(Amendment No. 2)

NXP Semiconductors N.V.

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(Name of Issuer)

COMMON STOCK  
NOMINAL VALUE €.20 PER SHARE

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(Title of Class of Securities)

N6596X109

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(CUSIP Number)

HERMAN H. RASPÉ, ESQ.  
PATTERSON BELKNAP WEBB & TYLER LLP  
1133 AVENUE OF THE AMERICAS  
NEW YORK, NEW YORK 10036-6710  
(212) 336-2000

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(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

April 5, 2011

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



CUSIP No. N6596X109

1 Names of Reporting Person: Philips Pension Trustees Limited  
I.R.S. Identification No. of Above Person (Entities Only): N/A

2 Check the Appropriate Box if a Member of a Group (See Instructions) (a) x  
(b) x  
(SEE ITEM 5)

3 SEC Use Only

4 Source of Funds (See Instructions)

N/A

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization

England and Wales

7 Sole Voting Power

0 (SEE ITEM 5)

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 Shared Voting Power

168,295,784 (SEE ITEM 5)

9 Sole Dispositive Power

0 (SEE ITEM 5)

10 Shared Dispositive Power

168,295,784 (SEE ITEM 5)

11 Aggregate Amount Beneficially Owned by Each Reporting Person

35,533,214 (SEE ITEM 5)

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) x

13 Percent of Class Represented by Amount in Row (11)

14.17% (SEE ITEM 5)

14 Type of Reporting Person (See Instructions)

CO, EP

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CUSIP No. N6596X109

1 Names of Reporting Person: PPTL Investment LP  
 I.R.S. Identification No. of Above Person (Entities Only): N/A

2 Check the Appropriate Box if a Member of a Group (See Instructions) (a) x  
 (b) x  
 (SEE ITEM 5)

3 SEC Use Only

4 Source of Funds (See Instructions)

N/A (SEE ITEM 3)

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization

Scotland

7 Sole Voting Power

35,533,214 (SEE ITEM 5)

NUMBER OF  
 SHARES  
 BENEFICIALLY  
 OWNED BY  
 EACH  
 REPORTING  
 PERSON WITH

8 Shared Voting Power

168,295,784 (SEE ITEM 5)

9 Sole Dispositive Power

35,533,214 (SEE ITEM 5)

10 Shared Dispositive Power

168,295,784 (SEE ITEM 5)

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35,533,214 (SEE ITEM 5)

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13 Percent of Class Represented by Amount in Row (11)

14.17% (SEE ITEM 5)

14 Type of Reporting Person (See Instructions)

PN

Page 3

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CUSIP No. N6596X109

1 Names of Reporting Person: PPTL Investment Limited  
I.R.S. Identification No. of Above Person (Entities Only): N/A

2 Check the Appropriate Box if a Member of a Group (See Instructions) (a) x  
(b) x  
(SEE ITEM 5)

3 SEC Use Only

4 Source of Funds (See Instructions)

N/A

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization

Scotland

7 Sole Voting Power

0 (SEE ITEM 5)

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 Shared Voting Power

168,295,784 (SEE ITEM 5)

9 Sole Dispositive Power

0 (SEE ITEM 5)

10 Shared Dispositive Power

168,295,784 (SEE ITEM 5)

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35,533,214 (SEE ITEM 5)

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) x

13 Percent of Class Represented by Amount in Row (11)

14.17% (SEE ITEM 5)

14 Type of Reporting Person (See Instructions)

CO

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Statement on Schedule 13D/A

This Amendment No. 2, being filed by (i) Philips Pension Trustees Limited (“Philips Pension Trustees”), a private limited company organized under the laws of England and Wales, (ii) PPTL Investment LP, a limited partnership organized under the laws of Scotland (“PPTL LP”) and (iii) PPTL Investment Limited, a Scottish company limited by guarantee (“GP” and together with Philips Pension Trustees and PPTL LP, the “Reporting Persons”), amends the Schedule 13D initially filed on September 17, 2010 (“Original 13D”), as amended by Amendment No. 1 filed on November 2, 2010 (“First Amendment”), relating to the beneficial ownership of common stock, nominal value € .20 per share (“Common Stock”), of NXP Semiconductors N.V. (the “Issuer”), a public company with limited liability incorporated under the laws of The Netherlands. The principal executive office of the Issuer is located at High Tech Campus 60, 5656 AG Eindhoven, The Netherlands. Information reported in the Original 13D, as amended or superseded by information contained in the First Amendment, remains in effect except to the extent that it is amended or superseded by information contained in this Amendment. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Original 13D, as amended by the First Amendment.

Item 2. Identity and Background

Item 2 of the Original 13D is hereby amended and supplemented by replacing the Schedule I referenced therein with Schedule I attached hereto.

Item 4. Purpose of Transaction

Item 4 of the Original 13D is hereby amended and supplemented by adding the following statement after the final paragraph thereof:

On April 5, 2011, PPTL LP sold an aggregate of 7,182,436 shares of Common Stock in an underwritten public offering of 34,431,000 shares of Common Stock by certain selling stockholders of the Issuer at a price per share of \$28.95 (net of underwriting discounts and commissions, but before expenses) (the “Offering”), pursuant to the underwriting agreement, dated March 30, 2011, among Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, as representatives of the several underwriters named therein, the Issuer, and PPTL LP and the other selling stockholders (the “Underwriting Agreement”). Pursuant to the Underwriting Agreement, PPTL LP has agreed not to sell any shares of Common Stock (subject to certain exceptions) for up to 90 days from the date of the Prospectus filed in connection with the Offering without the prior written consent of the underwriters. The Underwriting Agreement is incorporated by reference in this Schedule 13D in Item 7 and its terms are hereby incorporated by reference in this Item 4.

Item 5. Interest in Securities of the Issuer

Item 5 of the Original 13D is hereby amended and restated as follows:

(a) PPTL LP directly owns 35,533,214 shares of Common Stock representing approximately 14.17% of the outstanding Common Stock, based on 250,751,500 shares of Common Stock outstanding after the Offering (as reported in the Prospectus, dated March 30, 2011, filed pursuant to Rule 424(b)(4) by the Issuer on March 31, 2011, Registration No. 333-172713).

GP does not directly own any shares of Common Stock but, as the general partner of PPTL LP, has the power to direct the voting and disposition of all of the 35,533,214 shares of Common Stock held by PPTL LP. Philips Pension Trustees is the sole member of GP (and may therefore elect GP’s board of directors) and is the sole limited partner of PPTL LP. As such, the Reporting Persons may be deemed to have formed a group within the meaning of Section 13

of the Securities Exchange Act of 1934, as amended, and each of GP and Philips Pension Trustees may be deemed to possess shared beneficial ownership of the 35,533,214 shares of Common Stock held by PPTL LP.

KPENV may appoint the majority of the board of directors of Philips Pension Trustees. In addition, the Amended Transfer Agreement limits the ability of PPTL LP as the holder of the Transfer Shares to dispose of the Transfer Shares without the consent of KPENV. Furthermore, the Shareholders' Agreement grants KPENV the right to nominate one non-executive member of the Issuer's board of directors and requires PPTL LP to vote the Transfer Shares in favor of such nominee.

By virtue of (A) the Shareholders' Agreement, which contains (i) certain restrictions on the transfer of shares of Common Stock held by the parties thereto, (ii) certain agreements as to the voting of such shares, (iii) drag-along provisions requiring the sale of such shares in certain circumstances and (iv) tag-along provisions permitting the parties thereto to participate in the sale of Common Stock by another party, and (B) with respect to KPENV, the Amended Transfer Agreement, which contains the provisions described above, the Reporting Persons may be deemed to have formed a group, within the meaning of Section 13 of the Securities Exchange Act of 1934, as amended, and Rule 13d-5 promulgated thereunder, with KPENV and the other parties to the Shareholders' Agreement, including the consortium of funds advised by Kohlberg Kravis Roberts & Co. L.P., Bain Capital Partners, LLC, Silver Lake Management Company, L.L.C., Apax Partners LLP and AlpInvest Partners N.V. and NXP Co-Investment Partners L.P. (collectively, the "Private Equity Consortium"). As a result, beneficial ownership of the 132,762,570 shares of Common Stock held directly or indirectly by the Private Equity Consortium (as reported in the Prospectus, dated March 30, 2011, filed pursuant to Rule 424(b)(4) by the Issuer on March 31, 2011, Registration No. 333-172713), may be attributed to the Reporting Persons, which would result in the beneficial ownership by the Reporting Persons of 168,295,784 shares of Common Stock, representing approximately 67.1% of the outstanding Common Stock, based on 250,751,500 shares of Common Stock outstanding after the Offering. Notwithstanding the foregoing, the Reporting Persons disclaim membership in such group and disclaim beneficial ownership of all shares of Common Stock held directly or indirectly by the Private Equity Consortium.

The aggregate beneficial ownership that may be attributed to KPENV and the other parties to the Shareholders' Agreement (each, an "Other Party" and collectively, the "Other Parties") by virtue of any group that may be deemed to have been formed, as described above, is set forth in Schedule II attached hereto.

(b) The responses of the Reporting Persons to (i) Rows (7) through (10) of this Schedule 13D and (ii) Item 5(a) hereof are incorporated herein by reference. By virtue of the rights and obligations of Philips Pension Trustees and PPTL LP under the Shareholders' Agreement including those described in Item 5(a) hereof, the Reporting Persons may be deemed to share voting and dispositive power with respect to the 132,762,570 shares of Common Stock held directly or indirectly by the Private Equity Consortium but disclaim beneficial ownership of such shares. The number of shares of Common Stock as to which KPENV and each Other Party may be deemed to share voting or dispositive power, as well as the information required by Item 2 with respect to each such party, is set forth in Schedule II hereto.

(c) Aside from the Offering described in Item 4 hereof, the Reporting Persons have not effectuated any transactions in Common Stock during the past sixty days. Aside from the Offering, the Reporting Persons are not aware of any other transactions in Common Stock that were effected during the past sixty days by KPENV or any Other Party.

(d) The Reporting Persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the 35,533,214 shares of Common Stock held directly by PPTL LP. Pursuant to the Amended Transfer Agreement, PPTL LP and/or Philips Pension Trustees may be required under certain circumstances to make an additional payment to KPENV in respect of the such Common Stock, as described in Item 3 hereof. The description of the Purchase Price Adjustment set forth in Item 3 hereof, the terms of the Amended Transfer Agreement (attached hereto as Exhibit 1) and the terms of the Restated LP Agreement (attached hereto as Exhibit 5) are incorporated herein by reference.

(e) Not applicable.



Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of the Original 13D is hereby amended and supplemented by adding the following statement after the final paragraph thereof:

In connection with the Offering described in Item 4 above, PPTL LP entered into the Underwriting Agreement, under which it agreed to, among other things, refrain from selling any shares of Common Stock for 90 days (subject to certain exceptions) without the prior written consent of the underwriters. This sale restriction was further memorialized in a letter dated March 30, 2011 from PPTL LP to Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated as representatives of the underwriters (the "Secondary Offering Lock-Up Letter"). The Underwriting Agreement is incorporated by reference in Item 7, the Secondary Offering Lock-Up Letter is attached hereto as Exhibit 9, and the terms of each are hereby incorporated by reference in this Item 6.

Item 7. Material to be Filed as Exhibits

Item 7 of the Original 13D is hereby amended to add the following:

Exhibit 8: Underwriting Agreement, dated March 30, 2011, among Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, as representatives of the several underwriters named therein, the Issuer, and PPTL LP and the other selling stockholders (filed as Exhibit 1 to the Issuer's Report on Form 6-K on April 5, 2011).\*\*

Exhibit 9: Lock-Up Letter, dated as of March 30, 2011, from PPTL LP to Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated.\*

\* Filed herewith

\*\* Incorporated herein by reference

SIGNATURE

After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: April 6, 2011

PHILIPS PENSION TRUSTEES LIMITED

/s/ H. Vivash  
Name: H. Vivash  
Title: Director

PPTL INVESTMENT LP

/s/ M. R. Armstrong  
Name: M. R. Armstrong  
Title: Director, PPTL Investment  
Limited as General Partner on behalf of  
PPTL Investment LP

PPTL INVESTMENT LIMITED

/s/ M. R. Armstrong  
Name: M. R. Armstrong  
Title: Director

## SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF  
PHILIPS PENSION TRUSTEES LIMITED, PPTL INVESTMENT LP  
AND PPTL INVESTMENT LIMITED

The name, business address and present principal occupation or employment, and the name and principal business of any corporation or other organization in which such employment is conducted, of each of the directors and executive officers of the Reporting Persons is set forth below. Except as set forth below, each of the directors and executive officers of each of the Reporting Persons is a citizen of the United Kingdom. The business address of each of the directors and executive officers of Philips Pension Trustees is Philips Centre, Guildford Business Park, Guildford, Surrey, GU2 8XH, United Kingdom, and the business address of each of the directors and officers of each of GP and PPTL LP is 15 Atholl Crescent, Edinburgh, EH3 8HA. The principal business of Philips Pension Trustees is to act as trustee of the Philips Pension Fund, a trust established under the laws of the United Kingdom to provide pension and retirement benefits for employees of Philips Electronics UK Limited. The principal business of PPTL LP is to carry on in Scotland and elsewhere the business of owning and managing such assets as may be contributed to PPTL LP from time to time. GP's principal business is to serve as general partner of PPTL LP and to be responsible for managing or supervising the management by authorized persons of the investments of the partnership.

Philips Pension Trustees Limited

Name (Citizenship)	Present Principal Occupation or Employment
Mr. D. H. Jordan	Chairman of the Board of Directors of Philips Pension Trustees
Ms. S. Clements	Member of the Board of Directors of Philips Pension Trustees
Mr. W. W. Bryant	Member of the Board of Directors of Philips Pension Trustees
Mr. I. Huitson	Member of the Board of Directors of Philips Pension Trustees
Mr. C. Petrie	Member of the Board of Directors of Philips Pension Trustees
Mrs. S. Roberts	Member of the Board of Directors of Philips Pension Trustees
Mr. H. Vivash	Member of the Board of Directors of Philips Pension Trustees
Mr. C. Auton	Member of the Board of Directors of Philips Pension Trustees
Mr. R. Ayres	Member of the Board of Directors of Philips Pension Trustees
Mrs. M. Slater	Member of the Board of Directors of Philips Pension Trustees

Mr. M. R. Armstrong	Secretary and Member of the Board of Directors of Philips Pension Trustees
Mr. A. Holmes	Pension Manager, Philips Pension Trustees

PPTL Investment LP

Name (Citizenship)	Present Principal Occupation or Employment
PPTL Investment Limited	The general partner of PPTL Investment LP



PPTL Investment Limited

Name (Citizenship)	Present Principal Occupation or Employment
Mr. D. H. Jordan	Director of PPTL Investment Limited and Chairman of the Board of Directors of Philips Pension Trustees
Mr. M. R. Armstrong	Director of PPTL Investment Limited and Member of the Board of Directors of Philips Pension Trustees

## SCHEDULE II

## KPENV AND OTHER PARTIES TO SHAREHOLDERS' AGREEMENT

This Schedule II sets forth the information required by Items 2 and 5(a) and (b) for each of the parties to the Shareholders' Agreement other than Philips Pension Trustees and PPTL LP, to the extent such information is known by the Reporting Persons. Such information is derived from (i) representations made by the Issuer in the Prospectus, dated March 30, 2011, filed pursuant to Rule 424(b)(4) by the Issuer on March 31, 2011, Registration No. 333-172713, (ii) information set forth in the Shareholders' Agreement and (iii) with respect to KPENV, certain additional information provided by KPENV. While the Reporting Persons have no reason to believe that such information is not reliable, the Reporting Persons only accept responsibility for accurately reproducing such information and accept no further or other responsibility for such information.

## A. KPENV

Item 2, Principal Business: Manufacture and distribution of electronic and electrical products  
 Item 2, Principal Office Address: Breitner Center, Amstelplein 2, 1096 BC Amsterdam, The Netherlands  
 Item 2, Place of Organization: The Netherlands  
 Item 5(a), Shares of Common Stock Deemed to Beneficially Own: 168,295,784\*  
 Item 5(a), Percentage of Outstanding Common Stock: 67.1%\*  
 Item 5(b), Deemed Shared Voting Power: 168,295,784\*  
 Item 5(b), Deemed Shared Dispositive Power: 168,295,784\*

\*On September 7, 2010, KPENV transferred the entirety of its holdings of Common Stock to Philips Pension Trustees (who subsequently transferred such holdings to PPTL LP) and no longer holds any Common Stock. Due to the governance arrangements among KPENV and the Reporting Persons (described in Item 5), and in light of certain provisions of the Shareholders' Agreement and Amended Transfer Agreement (each as described in Item 6), KPENV may be deemed to beneficially own shares of Common Stock held by the Reporting Persons and the Other Parties.

## B. OTHER PARTIES

Item 2, Party Name:	AlpInvest Partners CSI 2006 Lion C.V.	AlpInvest Partners Later Stage II-A Lion C.V.	Apax NXP VI 1 L.P.	Apax NXP VI A L.P.
Item 2, Principal Office Address:	c/o Alpinvest Beheer, Jachthavenweg 118, 1081 KJ Amsterdam, The Netherlands	c/o Alpinvest Beheer, Jachthavenweg 118, 1081 KJ Amsterdam, The Netherlands	c/o Alpinvest Beheer, Jachthavenweg 118, 1081 KJ Amsterdam, The Netherlands	c/o Alpinvest Beheer, Jachthavenweg 118, 1081 KJ Amsterdam, The Netherlands
Item 5(a), Shares of Common Stock Deemed to Beneficially Own:	168,295,784	168,295,784	168,295,784	168,295,784
	67.1%	67.1%	67.1%	67.1%

Item 5(a),  
Percentage of  
Outstanding  
Common Stock:

Item 5(b), Deemed Shared Voting Power:	168,295,784	168,295,784	168,295,784	168,295,784
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Item 5(b), Deemed Shared Dispositive Power:	168,295,784	168,295,784	168,295,784	168,295,784
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## SCHEDULE II (CONT.)

Item 2, Party Name:	Meridian Holding S.a.r.l.	Apax NXP V A L.P.	Apax NXP V B-2 L.P.	Apax NXP US VII L.P.
Item 2, Principal Office Address:	Unknown	Unknown	Unknown	Unknown
Item 5(a), Shares of Common Stock Deemed to Beneficially Own:	168,295,784	168,295,784	168,295,784	168,295,784
Item 5(a), Percentage of Outstanding Common Stock:	67.1%	67.1%	67.1%	67.1%
Item 5(b), Deemed Shared Voting Power:	168,295,784	168,295,784	168,295,784	168,295,784
Item 5(b), Deemed Shared Dispositive Power:	168,295,784	168,295,784	168,295,784	168,295,784
Item 2, Party Name:	Bain Capital Lion Holdings L.P.	Bain Capital Fund IX L.P.	Bain Pumbaa LuxCo S.a.r.l.	NXP Co-Investment Partners L.P.
Item 2, Principal Office Address:	111 Huntington Avenue, Boston, MA 02199, U.S.A.	111 Huntington Avenue, Boston, MA 02199, U.S.A.	Unknown	Unknown
Item 5(a), Shares of Common Stock Deemed to Beneficially Own:	168,295,784	168,295,784	168,295,784	168,295,784
Item 5(a), Percentage of Outstanding Common Stock:	67.1%	67.1%	67.1%	67.1%
Item 5(b), Deemed Shared Voting Power:	168,295,784	168,295,784	168,295,784	168,295,784

Item 5(b), Deemed Shared Dispositive Power:	168,295,784	168,295,784	168,295,784	168,295,784
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## SCHEDULE II (CONT.)

Item 2, Party Name:	NXP Co-Investment Investor S.a.r.l.	KKR NXP (Millenium) Limited	KKR NXP (2006) Limited	KKR NXP (European II) Limited
Item 2, Principal Office Address:	Unknown	c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, NY 10019, U.S.A.	c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, NY 10019, U.S.A.	c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, NY 10019, U.S.A.
Item 5(a), Shares of Common Stock Deemed to Beneficially Own:	168,295,784	168,295,784	168,295,784	168,295,784
Item 5(a), Percentage of Outstanding Common Stock:	67.1%	67.1%	67.1%	67.1%
Item 5(b), Deemed Shared Voting Power:	168,295,784	168,295,784	168,295,784	168,295,784
Item 5(b), Deemed Shared Dispositive Power:	168,295,784	168,295,784	168,295,784	168,295,784
Item 2, Party Name:	KKR Associates Europe II Limited Partnership	KKR NXP Investor S.a.r.l.	SLTI II Cayman NXP, L.P.	SLP II Cayman NXP, Ltd.
Item 2, Principal Office Address:	c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, NY 10019, U.S.A.	Unknown	c/o 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025, U.S.A.	c/o 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025, U.S.A.
Item 5(a), Shares of Common Stock Deemed to Beneficially Own:	168,295,784	168,295,784	168,295,784	168,295,784

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Item 5(a), Percentage of Outstanding Common Stock:	67.1%	67.1%	67.1%	67.1%
Item 5(b), Deemed Shared Voting Power:	168,295,784	168,295,784	168,295,784	168,295,784
Item 5(b), Deemed Shared Dispositive Power:	168,295,784	168,295,784	168,295,784	168,295,784

## SCHEDULE II (CONT.)

Item 2, Party Name:	SL II NXP S.a.r.l.	Stichting Management Co-Investment NXP
Item 2, Principal Office Address:	Unknown	Unknown
Item 5(a), Shares of Common Stock Deemed to Beneficially Own:	168,295,784	168,295,784
Item 5(a), Percentage of Outstanding Common Stock:	67.1%	67.1%
Item 5(b), Deemed Shared Voting Power:	168,295,784	168,295,784
Item 5(b), Deemed Shared Dispositive Power:	168,295,784	168,295,784

## C. ITEMS 2(D) &amp; (E)

Item 2(d) & (e): During the last five years, none of the persons listed on this Schedule II, to the knowledge of the Reporting Persons, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.



EXHIBIT INDEX

- Exhibit 8 Underwriting Agreement, dated March 30, 2011, among Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, as representatives of the several underwriters named therein, the Issuer, and PPTL LP and the other selling stockholders (filed as Exhibit 1 to the Issuer's Report on Form 6-K on April 5, 2011).\*\*
- Exhibit 9 Lock-Up Letter, dated as of March 30, 2011, from PPTL LP to Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated.\*

\* Filed herewith

\*\* Incorporated herein by reference

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width="17%">

Unisys Corporation

IT services related to remittance center.

NA

189

Utility Collections Ltd

Collection services.

NA

313

Vivid Learning Systems Inc

Training EWT web & custom lessons.

NA

111

Wanda A Wallace

Consulting services related to Shareholder Derivative Claim Review Committee.

25

	NA	106
Warko Roofing Company Incorporated		
HVAC services.		
	NA	421
Wass Consulting Group		
Consulting services related to Shareholder Derivative Claim Review Committee.		
	NA	1,205
Watson Wyatt & Company		
Consulting services related to benefits enrollment.		
	NA	203
Williams & Jensen		
Consulting services related to government affairs.		
	NA	117
Xerox Corporation		
Maintenance services.		
	NA	108
956 Various Payees ( Under \$100,000)		
		8,798
		26

Sub-total

\$

63,414

Grand Total

\$

107,871

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004EMPLOYEE PENSIONS AND BENEFITSACCOUNT 926

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

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DESCRIPTION	AMOUNT
Accrued Vacation	\$ 4,883
Educational Assistance	418
Employee Savings Plan	(1,410)
Employee Stock Option Plan	6,420
Executive Deferred Compensation Plan	2,756
Executive Incentive Compensation Plan	246
Life Insurance	349
Long-term Disability	(1,276)
Medical, Prescription, and Dental Insurance	32,735
Pensions	19,080
Relocation	1,297
Severance	14
Supplemental Executive Retirement Plan	2,214
Other Benefits	809

TOTAL		\$	68,535
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ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004GENERAL ADVERTISING EXPENSESACCOUNT 930.1

Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

## INSTRUCTIONS:

DESCRIPTION	NAME OF PAYEE	AMOUNT
Public Relations To Promote Goodwill and Image	Dope Open Incorporated	\$ 10
	Monster.Com	10
	The International	10
	Erie Regional Chamber And Growth	8
	Lake Erie Speedway	7
	New Jersey Utilities Association	5
	Ladacin Network	5
	Pro Football Hall Of Fame	5
	Rossmoor Charity Pro-Member	5
	United Way Of Morris County	5
	New Jersey Alliance For Action	4
	Ambassador Banquet & Conference	3
	Erie Philharmonic	3
	109 Various Payees Under \$3,000	95
General Advertising Includes Advertising In Newspapers, Periodicals, Radio, TV Etc.	Fox Ohio	136
	Plain Dealer	97
	WKYC TV	55
	Clear Channel Broadcasting Inc	50
	Directory Advertising & Marketing	47
	TMP Worldwide	46
	WKBN Broadcasting	43
	Clear Channel Communications	37
	Crain Communications Incorporation	34
	Akron Beacon Journal	32
	Toledo Blade Company	29
	PR Newswire	26
	WDOK	23
The Vindicator	22	

Millennium Radio Group	20
Life Media	20
Newspaper Network Of Central Ohio	19
City Business Journals Network	18
National Black Review Incorporated	17
York Newspaper Company	16
The Blade	15
The Bottomline Incorporated	15
Gannett NJ Newspapers	14
The Star-Ledger	14

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004GENERAL ADVERTISING EXPENSESACCOUNT 930.1

Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

## INSTRUCTIONS:

DESCRIPTION	NAME OF PAYEE	AMOUNT
General Advertising Includes Advertising In Newspapers, Periodicals, Radio, TV Etc.	City Business Journal	\$ 13
	WNWV Radio	12
	Springfield Newspapers Inc	12
	North Jersey Media Group	12
	Morning Call	12
	Clear Channel Radio	12
	Baker Publishing Incorporated	11
	WRTY-FM Clear Channel	11
	The Recorder Publishing Company Inc	11
	Mendio Publishing Service	10
	The Progressive Woman	10
	The Veteran Journal Incorporated	10
	WYSE Advertising Inc	10
	Radio One / WZAK-FM	10
	News-Herald	9
	Erie Times News	9
	Renard Communications Inc	9
	Cleveland Orchestra Program	9
	Greater Media Newspapers	8
	Cox Ohio Advertising - Springfield	8
	Call and Post	8
	Visionaries Of Humanity	7
	Kaleidoscope Magazine	7
	WQXK Cumulus Broadcasting	7
	Tribune Chronicle	7
	Verizon	7
	WMJI-FM	7
Artists Inc.	7	
WYF Cumulus Broadcasting	6	



The Times	6
WKKO Cumulus Broadcasting-Toledo	6
Reading Eagle Company	6
The Tribune-Democrat	6
Beaver County Times	6
WNCX	6
The Morning Journal	6
WTOL-TV Toledo	6

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004GENERAL ADVERTISING EXPENSESACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
General Advertising	WQMX FM	\$ 6
Includes Advertising	Sun Newspapers	6
In Newspapers,	News Herald	5
Periodicals, Radio, TV		
Etc.	Vantage Industries	5
	Halcyon Business Publication Inc	5
	Office Building Magazine	5
	Live Publishing Co	5
	Newswatch Cleveland Inc	5
	WKNR Radio	5
	Citibank	5
	WQAL-FM	5
	Berks County Chamber Of Commerce	5
	CNHI	5
	Lebanon Daily News	5
	The Courier News	5
	WONE-FM	5
	Sprint	5
	WMVX-FM	5
	Morning Journal	5
	Conway Data, Inc.	5
	Sandusky Register	5
	National Society Of Black Engineers	4
	Media-Com Inc	4
	Daily Record	4
	Salem Communications	4
	NACE	4
	WCPX FM - Clear Channel	4

Producer's Associates Inc	4
1480 WHBC	4
Mix 94.1 WHBC-FM	4
City News Newspaper	4
The Independent	4
Altoona Mirror	4
Sponsorships	4
Sharon Herald Co	4

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004GENERAL ADVERTISING EXPENSESACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
General Advertising	NAS Recruitment Communications	\$ 4
Includes Advertising	WRVF FM	4
In Newspapers,	WGAR Radio FM	4
Periodicals, Radio, TV		
Etc.	Easton Publishing Co	4
	The Patriot-News Company	4
	WIOT FM	4
	WKFM Radio	4
	Buckeye Review Publishing Ltd	4
	Great Lakes Publishing Inc	3
	Toledo Journal	3
	Pittsburgh Magazine	3
	Susquehanna Radio Corp	3
	WEOL Radio	3
	The International	3
	Brown Publishing Company	3
	Raycom Media/WOIO-TV	3
	Record Publishing Company LLC	3
	Forever Of PA Inc	3
	Frasernet	3
	Leapfrog	3
	243 Various Payees Under \$3,000	237
Sponsorships	Cleveland Browns	1,714
	Cleveland Indians Baseball	1,276
	Cleveland Cavaliers	935
	Reading Phillies	250
	University Of Akron	174

Playhouse Square Foundation	122
Team NEO	100
Akron Civic Theatre	75
State University Of New Jersey	50
The Akron Marathon Corporation	50
Edison Electric Institute	40
The Delay Foundation For Kids	25
Kent State University	25
Akron Aeros	18
Playhouse Square Center	16
The University Of Toledo	12

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004GENERAL ADVERTISING EXPENSESACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
Sponsorships	Dan Hipsher	\$ 12
	New Jersey Cardinals	11
	Hope Street Kids	10
	The Philadelphia Foundation	10
	County Corner Company	9
	Youngstown State University	7
	Restaurant Associates	6
	Toledo Storm Hockey	6
	Anderson Graphics Incorporated	5
	Altoona Curve Baseball	5
	Congressional Black Caucus	5
	National Democratic Club	5
	RBC Sports	5
	World Trade Center Cleveland	5
	Economic Development Research & Training Center	4
	Artists Inc.	4
	Lehigh Valley Economic Development	4
	City Of Akron Recreation Bureau	3
	49 Various Payees Under \$3,000	33
	Fees And Expenses Of Advertising Agencies And Commercial Artists.	IMR Strategic Marketing Services
Triad Research Group		191
Bob Gold Advertising		115
WYSE Advertising Inc		108
Sawyer Miller Advertising		82
Downing Exhibits & Pop Displays		38
	Cook Graphic Consulting	26
	Parker & Partners Marketing	18

Artists Inc.	18
Rick Zaidan Photography	17
I M R Interactive Marketing	16
Cochran Public Relations	10
Downing Enterprises Inc	9
Consolidated Graphics Group Inc	9
Artists Incorporated	6
Kent State University	5
13 Various Payees Under \$3,000	14

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004GENERAL ADVERTISING EXPENSESACCOUNT 930.1

Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

## INSTRUCTIONS:

DESCRIPTION	NAME OF PAYEE	AMOUNT
Printing, Supplies And Expenses In Preparing Advertising Materials	S Group Inc	\$ 91
	Producers Associates	57
	American Printing Inc	54
	Artists Inc.	43
	Bergdorf Company Inc	34
	Firestone Country Club	27
	WYSE Advertising Inc	21
	The Pannier Corporation	16
	Northeast Projections Inc	14
	Precision Printing	14
	Newswatch Cleveland Inc	13
	SP Mount	10
	Bark At The Moon Graphics Studio	8
	Crain Communications Incorporation	8
	Proline Equipment	6
	Mid-Eastern Advertising	6
	Mike Wilkes Studio	6
	Rick Zaidan Photography	6
	Wixted Pope Nora Thomson & Assoc	6
	Replay News	5
	Star Printing Company Inc	5
PR Newswire	4	
Go Cal Incorporated	4	
Schwelik Studios	3	
21 Various Payees Under \$3,000	21	
Total	\$ 8,213	





ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004MISCELLANEOUS GENERAL EXPENSESACCOUNT 930.2

INSTRUCTIONS: Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses", classifying such expenses according to their nature. Payments and expenses permitted by Section 321 (b) (2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C.S. 441 (b) (2) shall be separately classified.

DESCRIPTION	AMOUNT
Directors' Fees and Expenses	\$ 2,479
Dues and Memberships	6,890
Legal Settlement	706
Licenses, Permits and Regulations	503
Shareholder Communication Expenses	210
Total	\$ 10,788

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004RENTSACCOUNT 931

INSTRUCTIONS: Provide a listing of the amount included in Account 931, "Rents", classifying such expenses by major groupings of property, as defined in the account definition of the Uniform System of Accounts.

TYPE OF PROPERTY	AMOUNT
Office Building	\$ 11,065
Office Equipment	2,440
Automobile	234
Telecommunication Equipment	663
Total	\$ 14,402

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004TAXES OTHER THAN INCOME TAXESACCOUNT 408

INSTRUCTION: Provide an analysis of Account 408, "Taxes Other Than Income Taxes".  
 Separate the analysis into two groups: (1) other than U.S. Government taxes,  
 and (2) U.S. Government taxes. Specify each of the various kinds of taxes and  
 show the amounts thereof Provide a subtotal for each class of tax.

	T Y P E O F T A X	A M O U N T
(1)	<u>Other Than U.S. Government Taxes</u>	
	Local Real & Personal Property	\$ 879
	Unemployment Insurance	
	- New Jersey	92
	- Pennsylvania	951
	- Ohio	534
	- Washington, DC	1
	Sales & Use	
	- New Jersey	5
	- Pennsylvania	33
	Pennsylvania Capital Stock	1
	Sub Total	\$ 2,496
(2)	<u>Taxes - U.S. Government</u>	
	FICA	\$ 14,869
	Federal Unemployment Insurance	175
	Sub Total	\$ 15,044
	Total	\$ 17,540



ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004DONATIONSACCOUNT 426.1

INSTRUCTION: Provide a listing of the amount included in Account 426.1, "Donations", classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

NAME OF RECIPIENT	PURPOSE OF DONATION	AMOUNT
Ohio Partners For Affordable Energy	Community Services	\$ 4,568
American Red Cross	Community Services	9
Boy Scouts Of America	Community Services	9
NAACP	Community Services	8
New Jersey Alliance For Action	Community Services	7
Moore Syndication, Incorporated	Community Services	7
Akron Community Foundation	Community Services	7
Johnstown Area Regional Chamber	Community Services	7
Toledo Area Chamber Of Commerce	Community Services	6
Catholic Diocese Of Cleveland	Community Services	6
Executive Leadership Council	Community Services	5
Urban League Of Greater Cleveland	Community Services	5
Youngstown Warren Regional Chamber	Community Services	5
BPACF BLACK Professional Association	Community Services	4
Cook Graphic Consulting	Community Services	3
Blair County Chamber Of Commerce	Community Services	3
Hunterdon Economic Partnerships	Community Services	3
Twenty Under Forty	Community Services	3
United Black Fund Of Greater Cleveland Inc.	Community Services	3
308 Various Organizations Under \$3,000	Community Services	205
University Of Akron	Education	50
Repros Inc.	Education	27
Apogee Interactive Inc.	Education	19
Davis Printing Company	Education	9
The Writing Toolbox	Education	7
Akron General Women's Board	Education	5
Nuclear Energy Institute	Education	5
Monmouth University	Education	4

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Monmouth Conservation	Education	4
Culver Company Incorporated	Education	4
Channing L Bete Co Inc	Education	4
Lourdes College	Education	3
68 Various Organizations Under \$3,000	Education	37

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004DONATIONSACCOUNT 426.1

Provide a listing of the amount included in Account 426.1, "Donations", classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may

INSTRUCTION: be shown in lieu of details.

NAME OF RECIPIENT	PURPOSE OF DONATION	AMOUNT
Chack,Dennis M*	Health Services	\$ 5
National Multiple Sclerosis	Health Services	4
Marymount Hospital	Health Services	3
29 Various Organizations Under \$3,000	Health Services	19
Rock and Roll Hall Of Fame And Museum	Culture Development	10
Stranahan Theater Trust	Culture Development	8
Citifest Incorporate	Culture Development	6
Marion Popcorn Festival	Culture Development	5
Center For Italian & Italian-American Culture Inc.	Culture Development	5
National Black Caucus Of Local Cleveland	Culture Development	5
Stan Hywet Hall And Gardens	Culture Development	4
Cleveland Sport Stars Foundation	Culture Development	4
Toledo Zoo	Culture Development	3
18 Various Organizations Under \$3,000	Culture Development	18
Total		\$ 5,150

\* Board required annual contribution by Dennis Chack to American Red Cross.



ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANYFor the Year Ended December 31, 2004OTHER DEDUCTIONSACCOUNT 426.5

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, "Other Deductions", classifying such expenses according to their nature.

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DESCRIPTION	NAME OF PAYEE	AMOUNT
Company-Owned Life Insurance	Employee-Related Expenses	\$ (1,399)
Lobbying Expenses	Primary Employee Wages And Expenses	411
	TOTAL	\$ (988)

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

SCHEDULE XVIII

NOTES TO STATEMENT OF INCOME

INSTRUCTIONS:

The space below is provided for important notes regarding the statement of income or any account thereof. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

See notes to Financial Statements on page 19.

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

ORGANIZATION CHART

Chairman of the Board			
President & CEO, FirstEnergy Service Company			
	Executive Vice President & COO, FirstEnergy Service Company		
		Senior Vice President, Energy Delivery & Customer Service	
			Region Presidents
			Senior Vice President, Customer Services
			Vice Presidents, Energy Delivery
			Vice President, Energy Delivery Policy
		Vice President, Transmission Initiative	
	Senior Vice President, Strategic Operations		
		Vice President, Rates & Regulatory Affairs	
		Vice President, Chief Information Officer	
		Vice President & Chief Procurement Officer	
		Senior Vice President, Business Development & Performance	
		Director, FirstEnergy Telecom	
	Senior Vice President, Chief Financial Officer		
		Vice President & Controller	
		Treasurer	
		Vice President, Corporate Risk & Chief Risk Officer	
		Vice President, Investor Relations	
		Director, Investment Management	
		Director, Internal Auditing	
	Senior Vice President & General Counsel		
		Vice President, Admin Services/Corp/Real Estate	
		Director, Claims	
Senior Vice President, External Affairs			
	Vice President, Corporate Affairs & Community Involvement		
	Vice President, Governmental Affairs		
	Vice President, Communications		
Vice President, Human Resources			
Senior Vice President, Chairman & CEO's Administration			

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

METHODS OF ALLOCATION

1. Multiple Factor - All

- A. FirstEnergy will bear 5% of these Indirect Allocations. The remaining Indirect Allocations will be allocated among the Utility and the Non-Utility Subsidiaries based on FirstEnergy's equity investment in respective groups.
- B. A subsequent allocation step will then occur. Among the Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Utility" method. Among the Non-Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Non-Utility" method.

2. Multiple Factor - Utility

Based on the sum of the weighted averages of the following factors:

- A. Gross transmission and/or distribution plant
- B. Operating and maintenance expense excluding purchase power and fuel costs
- C. Transmission and/or distribution revenues, excluding transactions with affiliates

3. Multiple Factor - Non-Utility

Based upon the total assets of each Non-Utility Subsidiary, including the generating assets under operating leases from the Utility Subsidiaries.

4. Multiple Factor - Utility and Non-Utility

- A. First assigned a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in the respective groups.
- B. Among the Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Utility" method. Among the Non-Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Non-Utility" method.

5. Direct Charge Ratio

The ratio of direct charges for a particular product or service to an individual Subsidiary as a percentage of the total direct charges for a particular product or service to all Subsidiaries benefiting from such services. Indirect Costs are then allocated to each Subsidiary based on the calculated ratios.

6. Number of Customers Ratio

Based on the number of Utility customers for the respective Utility Subsidiary receiving the product or service divided by the total number of Utility customers.

7. Number of Shopping Customers Ratio

Based on the number of shopping customers for the respective Utility Subsidiary receiving the product or service divided by the total number of shopping customers.

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

METHODS OF ALLOCATION

8. Number of Participating Employees - General

Based on the number of participating employees for the respective Subsidiary receiving the product or service divided by the total number of participating employees.

9. Number of Participating Employees - Utility and Non-Utility

A. First assigned a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in the respective groups.

B. Costs are further allocated by using the number of participating employees for the respective Subsidiary divided by the total number of participating FirstEnergy employees.

10. Gigabytes Used Ratio

Based on the number of gigabytes utilized by a Subsidiary receiving the product or service divided by the total number of gigabytes used by the FirstEnergy system companies applicable to that respective product or service.

11. Number of Computer Workstations Ratio

Based on the number of computer workstations utilized by a Subsidiary receiving the product or service divided by the total number of computer workstations in use by the FirstEnergy system companies applicable to that respective product or service.

12. Number of Billing Inserts Ratio

Based on the number of billing inserts performed for a Subsidiary receiving the product or service divided by the total number of billing inserts performed for the FirstEnergy system companies applicable to that respective product or service.

13. Number of Invoices Ratio

Based on the number of invoices processed for a Subsidiary receiving the product or service divided by the total number of invoices processed for the FirstEnergy system companies applicable to that respective product or service. (Not currently in use.)

14. Number of Payments Ratio

Based on the number of monthly payments processed for a Subsidiary divided by the total monthly number of payments processed for the FirstEnergy system companies applicable to that respective product or service. (Not currently in use.)

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

METHODS OF ALLOCATION

15. Daily Print Volume

Based on the average daily print volume performed for a Subsidiary receiving the service divided by the total average daily print volume performed for the entire FirstEnergy system.

16. Number of Intel Servers

Bases on the number of Intel servers utilized by a Subsidiary receiving the product or service divided by the total number of Intel servers utilized by the FirstEnergy system.

17. Application Development Ratio

Based on the number of application development hours budgeted for a Subsidiary receiving the service divided by the total number of budgeted application development hours for the year.

18. Server Support Composite

Based on the average ratio of unix gigabytes, SAP gigabytes and Intel number of servers for a Subsidiary receiving the service.



ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

NONE

ANNUAL REPORT OF FIRSTENERGY SERVICE COMPANY

For the Year Ended December 31, 2004

SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned Company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized.

FIRSTENERGY  
SERVICE COMPANY  
(Name of Reporting  
Company)

By: /s/ H. L. Wagner  
(Signature of Signing  
Officer)

H. L. Wagner, Vice  
President & Controller  
(Printed Name and Title  
of Signing Officer)

Date: April 26, 2005

