

Freescale Semiconductor, Ltd.
Form 425
September 01, 2015

Filed by NXP Semiconductors N.V.

Pursuant to Rule 425

under the Securities Act of 1933 and
deemed filed pursuant to Rule 14a-12 under
the Securities Exchange Act of 1934

Subject Company: Freescale Semiconductor, Ltd. (Commission File No. 001-35184)

No Offer or Solicitation

This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication relates to a proposed business combination between NXP Semiconductors N.V. (**NXP**) and Freescale Semiconductor, Ltd. (**FSL**).

Important Information For Investors and Shareholders

In connection with this proposed business combination, NXP has filed with the Securities and Exchange Commission (the **SEC**) a registration statement on Form F-4 that includes a definitive joint proxy statement of NXP and FSL that also constitutes a definitive prospectus of NXP. The registration statement was declared effective by the SEC on June 1, 2015. Each of NXP and FSL may file with the SEC other documents in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS OF NXP AND FSL ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT ARE FILED OR MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.** The definitive joint proxy statement/prospectus will be delivered to shareholders of NXP and FSL on or about June 2, 2015. Investors and security holders are able to obtain free copies of the definitive joint proxy statement/prospectus and other documents filed with the SEC by NXP and/or FSL through the internet website maintained by the SEC at <http://www.sec.gov>. Copies of the definitive joint proxy statement/prospectus and the other documents filed with the SEC by NXP are also available free of charge on NXP's Investor Relations internet website at <http://www.nxp.com/investor> or by contacting NXP's Investor Relations Contact by phone at 1-408-518-5411. Copies of the definitive joint proxy statement/prospectus and the other documents filed with the SEC by FSL are available free of charge on FSL's Investor Relations internet website at <http://investors.freescale.com> or by writing to Freescale Semiconductor, Ltd., c/o Freescale Semiconductor, Inc., 6500 William Cannon Drive West, Austin, Texas 78735, Attention: Investor Relations or by phone at 1-512-895-2454.

Forward Looking Statements

Certain statements in this communication regarding the proposed transaction between NXP and FSL are forward-looking statements. The words anticipate, believe, ensure, expect, if, intend, estimate, probable, forecasts, predict, outlook, aim, will, could, should, would, potential, may, might, anticipate, strategy, and similar expressions, and the negative thereof, are intended to identify forward-looking statements. These forward-looking statements, which are subject to numerous factors, risks and uncertainties about NXP and FSL, may include projections of their respective future business, strategies, financial condition, results of operations and market data. These statements are only predictions based on current expectations and projections about future events. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different

from those projected, including the risk factors set forth in the definitive joint proxy statement/prospectus, NXP's most recent Form 20-F and FSL's most recent reports on Form 10-K, Form 10-Q and other documents on file with the SEC and the factors given below:

the failure to consummate or delay in consummating the proposed transaction;

the timing to consummate the proposed transaction;

the risk that a condition to closing of the proposed transaction may not be satisfied;

the risk that a regulatory approval that may be required for the proposed transaction is delayed, is not obtained, or is obtained subject to conditions that are not anticipated;

NXP's and FSL's ability to achieve the synergies and value creation contemplated by the proposed transaction;

the ability of either NXP or FSL to effectively integrate their businesses; and

the diversion of management time on transaction-related issues.

FSL's and NXP's forward-looking statements are based on assumptions that may not prove to be accurate. Neither FSL nor NXP can guarantee future results, level of activity, performance or achievements. Moreover, neither FSL nor NXP assumes responsibility for the accuracy and completeness of any of these forward-looking statements. FSL and NXP assume no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

The following is a Company update presentation of August 31, 2015: NXP Proposed Merger with Freescale Creates an Industry Powerhouse

NXP Proposed Merger with Freescale
Creates an Industry Powerhouse
Company Update | August 31, 2015

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SECURE CONNECTIONS FOR A SMARTER WORLD

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SECURE CONNECTIONS FOR A SMARTER WORLD

Compelling Strategic & Financially Driven Decision

Acceleration of our strategy in Secure Connections for a Smarter World

Creates a powerhouse in High Performance Mixed Signal

Establishes NXP as the #1 automotive semiconductor supplier

(1)

Establishes NXP as the #1 broad-based MCU supplier

(1)

Anticipate \$200M of cost synergies in the first full year after close

Clear path to \$500M of annual run rate cost synergies

Accretive to non-GAAP EPS in the first full year

~2.5x net debt/TTM adj. EBITDA at close; reducing to 2x by summer 2016

Will Drive Significantly Higher Cash Flow

Note

1.

Gartner; Broad based MCU excludes Automotive MCU products

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SECURE CONNECTIONS FOR A SMARTER WORLD

Financial Transaction Overview Recap

Consideration

Total consideration per share

0.3521 NXP shares (fixed exchange ratio)

\$6.25 per share in cash

Total equity value: \$11.8 Billion

\$9.8 Billion in equity

\$2.0 Billion in cash

Freescale shareholders to own just below 30% of combined company

Sources of Financing

115 Million shares of NXP common stock (approx.)

\$2 Billion cash from NXP's balance sheet

Approval Process

NXP and Freescale Board of Directors have unanimously approved

Both NXP and Freescale shareholders have overwhelmingly approved

Regulatory approvals in various jurisdictions are expected in due course

Timing of Transaction Close

Expected in Q4 of 2015, subject to customary closing conditions

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SECURE CONNECTIONS FOR A SMARTER WORLD

HPMS Market Leader with Sharper Focus, Broader Reach

\$-

\$10

\$20

\$30

\$40

\$50

NXP SAM 2014E (\$B)

FSL SAM 2014E (\$B)

NXP + FSL SAM 2014E (\$B)

\$-

\$2

\$4

\$6

\$8

\$10

NXP Revenue 2014 (\$B)
FSL Revenue 2014 (\$B)
NXP + FSL Revenue 2014 (\$B)
13%
77%
23%
87%
STDP
HPMS
Combined Company Becomes

The Market Leader in HPMS

#4
Largest
Semi
Supplier

#1
Auto
Semi
Supplier

#1 Broad-based MCU

Minimal Overlap

Doubles NXP HPMS SAM
NXP & FSL Overlap
HPMS
Based On

1.
Gartner, Total semiconductor market excluding memory. MCU excludes Automotive MCU products
1
1
1

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SECURE CONNECTIONS FOR A SMARTER WORLD

Establishes NXP as #1 Auto Semiconductor Vendor

Global Auto Semiconductor

TAM, 2014 \$28B

(1)

#1 Auto Semi Supplier

(1)

Doubles Addressable Market

Broad Portfolio, No Product Overlap

Leadership Positions

(2)

Car Entertainment

Keyless Entry & Access

In-Vehicle Networking

Chassis & Safety

Powertrain

Synergistic Future Growth Opportunities

Infotainment (Audio and Apps Proc.)

Securing the Car

ADAS (Radar, Vision, Secure V2X)

Highly Valued Supplier to All Major OEMs
Based On

1.
Strategy Analytics
 2.
NXP Corporate Market Intelligence estimates
- | |
|--------|
| NXP + |
| 14% |
| #2 |
| 12% |
| #3 |
| 11% |
| #4 |
| 8% |
| #5 |
| 6% |
| #6 |
| 6% |
| #7 |
| 4% |
| #8 |
| 3% |
| #9 |
| 3% |
| Others |
| 33% |

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SECURE CONNECTIONS FOR A SMARTER WORLD
Creates the Leader in Broad-based MCU
MCU Semiconductor TAM
2014 \$11B
(1)

#1 in Broad-based MCU
(1)

Leader
in
fast
growing
32-bit
ARM
MCU
(2)

Broad-based, general purpose MCU portfolio

Ability to pull-through Analog with MCU platform

Outstanding customer access in key growth verticals

Synergistic Future Growth Opportunities

Ideally Positioned to deliver IoT Solutions

Security

MCU

Software

Connectivity

Building on extensive customer base

Based On

1.

Gartner, MCU Market excluding Automotive

2.

NXP Corporate Market Intelligence estimate

NXP +

17%

#2

15%

#3

11%

#4

10%

#5

9%

#6

7%

#7

7%

#8

4%

#9

3%

Others

17%

0%

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SECURE CONNECTIONS FOR A SMARTER WORLD

Compelling Value Proposition

Will drive Significant Additional Shareholder Value

World Leader in Automotive semiconductors

Strengthen Position in High Growth Focus Markets

Profitable Growth

Leveraging Operational Excellence & Cost Synergies

Strong Cash Generation

World-Class Team Globally

Customer-Focused Passion to WIN

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SECURE CONNECTIONS FOR A SMARTER WORLD
Outstanding
Strategic
Fit

Secure
Connections
for
a
Smarter
World

Combined company will

Be the leader in automotive semiconductors

Leverage NXP security leadership plus Freescale broad MCU

Influence evolution of Secure Car & ADAS solutions

Capture emerging growth in the Smarter World

Broad, diverse customer base

Strengthens position as major semiconductor supplier

Complementary market reach across US, EU, China

Ability to effectively cross-sell total solutions

Strong and broad product portfolio for emerging IoT market

Connected

Car

Security

Portable &

Wearable

Internet

of Things

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SECURE CONNECTIONS FOR A SMARTER WORLD
Combined Company Facts

Stats:

Projected > \$10B in annual revenue

~ 45,000 employees across > 35 countries

12,000+ engineers

In excess of 9,800 patent families

Will move NXP from No. 11 to the No. 4 non-memory supplier
Semiconductor Company in the world

Reinforces the NXP Value Proposition

Grow >1.5x faster than the market

Positioned to deliver superior profitability

Connected

Car

Security

Portable &

Wearable

Internet

of Things

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SECURE CONNECTIONS FOR A SMARTER WORLD
Shareholders Meetings Held July 2, 2015

Both NXP and Freescale Shareholders approved the merger during special meetings

Over 99% of votes casts at both meetings were in favor of the merger

Clears the path for the remaining stages of the process

During NXP Shareholders Meeting the following appointments were also made:

Gregory L. Summe
and Peter Smitham, currently board members of Freescale, as non-
executive
directors of NXP, effective as of Day One

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SECURE CONNECTIONS FOR A SMARTER WORLD

A New Future for RF Power

As previously announced, NXP searched for company to acquire its RF Power business

RF Power sale expected to expedite the antitrust approval process of Freescale merger

On May 28, 2015, NXP reached agreement

RF Power will be acquired by JianGuang

Asset Management (JAC Capital)

Transaction expected to close in Q4 of 2015, subject to regulatory approvals and other customary closing conditions

RF Power is a strong and healthy business that will continue to thrive under JAC

At close, JAC Capital will acquire 100% of RF Power, including but not limited to:

2,000 people including the entire RF Power management team

Dedicated R&D, Customer Support and Assembly & Test in the Philippines (APP)

Contracts, Patents and IP that are exclusive to RF Power will also transfer

Measures in place to prevent customer supply disruption during and after divestment

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SECURE CONNECTIONS FOR A SMARTER WORLD
May
Jun
Jul
Aug
Sep
Oct
2015
MT+1 Decision
May 27
GSM MT+1 Decision
Jun 10
Shareholders Meetings
RF Sale Announcement
May 28
FTF
Jun 22

March 02

Announcement of proposed merger between NXP and Freescale; Combined company steering committee established to oversee

May 27

MT+1 Decision

May 28

NXP RF Power Sale to JianGuang

Asset Management (JAC Capital) Announcement

Jun 10

Global Sales & Marketing MT+1 Decision

Jun 22-25

Freescale Technology Forum (FTF)

July 2

Special shareholder meetings for Freescale and NXP; affirmative decisions from Freescale and NXP shareholders on proposed

4Q 2015

Target closing of proposed merger and begin operating as one company

4Q 2015

Completion of RF Power Sale to JAC Capital

Summary of Communications to Date and Known Upcoming

Nov

Dec

Target

Close

4

Quarter

2015

RF Sale Completion

4

Quarter

2015

Apr

Mar

Proposed NXP/FSL Merger Announcement

March 2

MERGER FULLY ON TRACK

th

th

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SECURE CONNECTIONS FOR A SMARTER WORLD
No Offer or Solicitation
This
communication
does
not
constitute
an
offer
to
buy
or
sell
or
the
solicitation
of

an
offer
to
buy
or
sell
any
securities
or
a
solicitation
of
any
vote
or
approval.

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Additional Information about the Merger and Where to Find it.

Important Information For Investors And Shareholders

In connection with this proposed business combination, NXP has filed with the Securities and Exchange Commission (the SEC) that includes a definitive joint proxy statement of NXP and FSL that also constitutes a definitive prospectus of NXP. The registration

the
SEC
on
June
1,
2015.

Each
of
NXP
and
FSL
may
file
with
the
SEC
other
documents
in
connection
with
the
proposed
transaction.

This
communication
is
not

a
substitute for any proxy statement, registration statement, proxy statement/prospectus or other document NXP and/or FSL may propose in connection with the proposed transaction.

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The definitive proxy statement/prospectus will be delivered to shareholders of NXP and FSL on or about June 2, 2015.

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Copies of the definitive joint proxy statement/prospectus and the other documents filed with the SEC by NXP are also be available free of charge on NXP's Investor Relations internet website at

<http://www.nxp.com/investor>

or

by

contacting

NXP's

Investor Relations Contact by phone at 1-408-518-5411.

Copies of the definitive joint proxy statement/prospectus and the other documents filed with the SEC by FSL

are

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of

charge

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by

writing

to

Freescale

Semiconductor,

Ltd.,

c/o

Freescale

Semiconductor, Inc., 6500 William Cannon Drive West, Austin, Texas 78735, Attention: Investor Relations or by phone at 1-5