



ISBU Distribution Partners

ON Semiconductor completed its acquisition of the Image Sensor Business Unit (ISBU) from Cypress Semiconductor on Feb. 28, 2011.

ON Semiconductor thanks you for your continuing business and asks for your support in making this a smooth and successful transition.

BUSINESS OPERATIONS

For the time being, all newly acquired ISBU products will retain the Cypress brand, packaging and labeling.

All ISBU products, services and support can still be accessed via <http://www.cypress.com/?id=201&source=header>. Links to this information from www.onsemi.com will be provided within 30 days.

Supply-chain activities (including order management, purchase orders, credit terms, shipping, invoicing and payment) for all ISBU products will continue to be supported by Cypress as they have in the past and will remain virtually unchanged for now. These activities will be under ON Semiconductor's direction.

TRANSITION:

Cypress is currently scheduled to continue to support ISBU business under ON Semiconductor's direction through July 29, 2011. On August 1, 2011, all ISBU devices will be available on the ON Semiconductor systems. At that time, ON Semiconductor will convert all ISBU backlog to the ON Semiconductor order systems and begin to independently support all ISBU products and services. *(The above scheduled dates are subject to change.)*

ADDITIONAL INFO:

Below are details regarding the impact the acquisition will have on ISBU distribution partners and the actions you will need to take to accommodate upcoming changes.

VENDOR CODES:

Because Cypress will continue to support the ISBU business through the transition period, **it is imperative that you do NOT change vendor codes on any ISBU products.** Cypress vendor codes should remain in place for the time being.

Any changes to this process will be communicated to individual distributors directly.



DEVICE NOMENCLATURE:

The device nomenclature (i.e. part numbers) on the ISBU parts will not change during the transition period. However, some part numbers will be changed as of the transition scheduled for August 1st. Distribution partners will be notified about these changes via the normal PCN notification process at a later date.

NEW PRODUCT DEVELOPMENTS AND NEW CUSTOMERS:

For inquiries about new ISBU product developments, please direct your questions to ON Semiconductor by contacting Georges.Hiltrop@onsemi.com. Any changes associated with this channel strategy will be communicated to individual distributors directly.

QUOTES, PRICING & ORDERS:

Cypress will continue to support all quote, pricing and order activities for the ISBU devices during the transition period. Please work with your regular Cypress contact for these activities.

Before the close of the acquisition, Cypress required their distributors to make all ISBU devices NCNR for accounting purposes and to facilitate the transition. All ISBU devices are scheduled to remain in this status through July 29, 2011.

Because all ISBU devices will be considered NCNR devices for the transition period, all existing backlog will be converted to a quote price and all new orders booked during the transition period will be priced from a quote price.

Over the weekend scheduled for July 29-30, 2011, all existing ISBU backlog in the Cypress system will be moved onto the ON Semiconductor order systems. At that time, ISBU *standard* parts will be removed from NCNR status and added to the ON Semiconductor price book.

Communications will follow regarding this activity. All questions relating to quotes, pricing and/or orders should be directed to Cypress.

PRODUCT SHIPMENTS:

During the transition period, Cypress will continue to ship product for all orders of ISBU devices in their systems. All product markings, containers and packaging will continue to reflect Cypress.

For the transition period, you will continue to be invoiced by Cypress for all shipments relating to these orders.

Any questions relating to product shipments should be directed to Cypress.

**REMITTANCES:**

During the transition period, continue to remit payment on the ISBU devices to Cypress in your usual manner per your existing Cypress business terms. **Please do NOT send remittances to ON Semiconductor until instructed to do so.**

SHIP & CREDIT ACTIVITY:

Ship & Credit will not be available on ISBU parts during the transition period.

POS and INVENTORY REPORTING:

Please do not report inventory levels or POS on these devices to ON Semiconductor during the transition period. Prior to the full integration scheduled to take place on August 1, 2011, you will be instructed as to when to include Inventory and POS in your regular ON Semiconductor reporting files.

DSA and PRICE PROTECTION:

DSA and Price Protection privileges will not be available on ISBU parts during the transition period. Once integration takes place, full ON Semiconductor distributor privileges will be available on all parts classified as standard parts.

Returned Merchandise Requests (RMR):

During the transition period, all RMR activity will be handled by Cypress.

PRICE BOOK:

All ISBU parts will be classified as NCNR for the transition period and as such will not have a book price. For the July integration, ON Semiconductor will determine which parts will be classified as standard parts and they will be added to the ON Semiconductor price book at that time.

SAMPLES:

All sample activity will continue to go through Cypress for the transition period.

GENERAL QUESTIONS:

If you have any questions relating to these activities, please email your questions to ISBU_Transition@onsemi.com and we will address your questions and concerns in a timely manner.