

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

			arter Ended			
	March 29, 2013		December 31, 2012		March 30, 2012	
Revenues	\$	661.0	\$	680.2	\$	744.4
Cost of revenues		456.5		469.8		499.2
Gross profit		204.5		210.4		245.2
Gross margin		30.9%		30.9%		32.9%
Operating expenses:						
Research and development		88.4		88.2		91.4
Selling and marketing		39.8		44.1		45.6
General and administrative		36.2		40.9		42.0
Amortization of acquisition-related intangible assets		8.4		11.1		11.1
Restructuring, asset impairments & other, net		(6.0)		108.0		11.5
Goodwill and intangible asset impairment		_		49.5		_
Total operating expenses		166.8		341.8		201.6
Operating income (loss)		37.7		(131.4)		43.6
Other income (expenses), net:		-				-
Interest expense		(10.1)		(12.7)		(15.7)
Interest income		0.3		0.4		0.5
Other		0.9		2.4		4.7
Loss on debt exchange		(3.1)				_
Other income (expenses), net		(12.0)		(9.9)		(10.5)
Income (loss) before income taxes		25.7		(141.3)		33.1
Income tax benefit (provision)		(2.4)		4.4		(4.1)
Net income (loss)		23.3		(136.9)		29.0
Less: Net income attributable to non-controlling interest						
		(0.7)		(1.3)		(0.8)
Net income (loss) attributable to ON Semiconductor Corporation	\$	22.6	\$	(138.2)	\$	28.2
Net income (loss) per common share attributable to ON Semiconductor Corporation:						
Basic	\$	0.05	\$	(0.31)	\$	0.06
Diluted	\$	0.05	\$	(0.31)	\$	0.06
Weighted average common shares outstanding:						
Basic	_	449.5	_	448.6	_	452.5
Diluted		452.5		448.6		460.6
	_					

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES UNAUDITED CONSOLIDATED BALANCE SHEET

(in millions)

Assets Cash and cash equivalents \$ 537.0 \$ 486.9 \$ 580.1 Short-term investments 77.3 144.8 312.2 Receivables, net 367.2 537.8 425.3 Inventories 561.4 581.7 633.7 Other current assets 9.2 10.5 10.3 Deferred income taxes 9.2 10.03 11.155.5 Property, plant and equipment, net 1,694.2 1,103.3 1,155.5 Deferred income taxes 316.6 31.2 30.1 Goodwill 184.6 184.6 198.7 Intangible assets, net 248.5 257.0 325.8 Other assets 56.3 58.9 80.7 Total assets 56.3 58.9 80.7 Total assets 263.0 229.3 28.8 Accrued expenses 203.0 228.3 28.8 Rocerused spayable 33.4 4.9 2.8 Accrued expenses 203.0 228.9 2.8 Deferred income taxes		March 29, 2013		December 31, 2012		Moreh 20, 2012	
Cash and cash equivalents \$ 537.0 \$ 486.9 \$ 580.1 Short-term investments 77.3 144.8 312.2 Receivables, net 367.2 357.8 425.3 Inventories 561.4 581.7 683.7 Other current assets 65.4 111.7 76.8 Defered income taxes 9.2 10.5 10.3 Total current assets 1,617.5 1,693.4 2,08.4 Property, plant and equipment, net 1,094.2 1,103.3 1,155.5 Defered income taxes 31.6 31.2 30.1 Goodwill 184.6 184.6 198.7 Intangible assets, net 248.5 257.0 325.8 Other assets 56.3 3,32.2 38.2 Total assets 52.3 3.33.4 38.2 Accounced sepasses 203.0 228.3 38.8 Receival expenses 203.0 228.3 238.5 Income taxes payable 3.4 4.9 2.8 Accrued income uxes	Assets	March 29, 2013		December 31, 2012		March 30, 2012	
Short-term investments 77,3 144,8 312,2 Receivables, net 367,2 357,8 425,3 Inventories 561,4 561,7 67,8 Other current assets 65,4 111,7 76,8 Deferred income taxes 9,2 10,5 10,3 Property, plant and equipment, net 1,042,2 1,03,3 15,5 Poeferred income taxes 31,6 184,6 198,7 Poeferred income taxes 31,6 184,6 198,7 Goodwill 184,6 184,6 198,7 Intangible assets, net 248,5 257,0 328,2 Other assets 5,3,232,7 \$3,332,4 \$3,802,2 Total assets 203,0 228,3 \$3,802,2 Accrued expenses 203,0 228,3 238,5 Accrued expenses 203,0 228,3 238,5 Deferred income asles to distributors 131,6 4,9 2,2 Deferred income taxes 22,9 2,2 2,9 Current portio of o	Cash and cash equivalents	\$	537.0	\$	486 9	\$	580.1
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Liabilities, Non-Controlling Interest and Stockholders' Equity \$ 263.0 \$ 279.5 \$ 408.6 Accounts payable 203.0 228.3 238.5 Income taxes payable 3.4 4.9 2.8 Accrued interest 5.1 0.6 4.2 Deferred income on sales to distributors 133.8 134.5 153.5 Deferred income taxes 22.9 22.9 29.6 Current portion of long-term debt 242.8 353.6 377.1 Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit <t< td=""><td>Total assets</td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td></t<>	Total assets	\$		\$		\$	
Accounts payable \$ 263.0 \$ 279.5 \$ 408.6 Accrued expenses 203.0 228.3 238.5 Income taxes payable 3.4 4.9 2.8 Accrued interest 5.1 0.6 4.2 Deferred income on sales to distributors 133.8 134.5 153.5 Deferred income taxes 22.9 22.9 29.6 Current portion of long-term debt 242.8 353.6 377.1 Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 2.1 Total liabilities 5.1 5.1 5.1 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,	Liabilities, Non-Controlling Interest and Stockholders' Equity	<u> </u>		<u> </u>	<u> </u>	<u> </u>	,
Income taxes payable 3.4 4.9 2.8 Accrued interest 5.1 0.6 4.2 Deferred income on sales to distributors 133.8 134.5 153.5 Deferred income taxes 22.9 22.9 29.6 Current portion of long-term debt 242.8 353.6 377.1 Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corp	Accounts payable	\$	263.0	\$	279.5	\$	408.6
Accrued interest 5.1 0.6 4.2 Deferred income on sales to distributors 133.8 134.5 153.5 Deferred income taxes 22.9 22.9 29.6 Current portion of long-term debt 242.8 353.6 377.1 Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation	Accrued expenses		203.0		228.3		238.5
Deferred income on sales to distributors 133.8 134.5 153.5 Deferred income taxes 22.9 22.9 29.6 Current portion of long-term debt 242.8 353.6 377.1 Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 25.1 25.1 Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Income taxes payable		3.4		4.9		2.8
Deferred income taxes 22.9 22.9 29.6	Accrued interest		5.1		0.6		4.2
Current portion of long-term debt 242.8 353.6 377.1 Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Deferred income on sales to distributors		133.8		134.5		153.5
Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Deferred income taxes		22.9		22.9		29.6
Total current liabilities 874.0 1,024.3 1,214.3 Long-term debt 706.8 658.3 811.9 Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Current portion of long-term debt		242.8		353.6		377.1
Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	· ·		874.0		1,024.3		1,214.3
Other long-term liabilities 215.2 232.2 247.4 Deferred income taxes 22.8 22.9 21.1 Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: 5.1 5.1 5.1 Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Long-term debt		706.8		658.3		811.9
Total liabilities 1,818.8 1,937.7 2,294.7 ON Semiconductor Corporation stockholders' equity: Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Other long-term liabilities		215.2		232.2		247.4
ON Semiconductor Corporation stockholders' equity: Common stock Additional paid-in capital Accumulated other comprehensive loss Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost Total ON Semiconductor Corporation stockholders' equity Non-controlling interest in consolidated subsidiary Total stockholders' equity Total stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,390.7 1,534.5	Deferred income taxes		22.8		22.9		21.1
Common stock 5.1 5.1 5.1 Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Total liabilities		1,818.8		1,937.7		2,294.7
Additional paid-in capital 3,167.8 3,156.4 3,125.6 Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	ON Semiconductor Corporation stockholders' equity:						
Accumulated other comprehensive loss (50.4) (41.1) (41.6) Accumulated deficit (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Common stock		5.1		5.1		5.1
Accumulated deficit (30.4) (41.1) (41.6) Less: treasury stock, at cost (1,270.3) (1,292.9) (1,174.1) Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5			3,167.8		3,156.4		3,125.6
Less: treasury stock, at cost (468.6) (466.4) (406.6) Total ON Semiconductor Corporation stockholders' equity 1,383.6 1,361.1 1,508.4 Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	•		(50.4)		(41.1)		(41.6)
Total ON Semiconductor Corporation stockholders' equity Non-controlling interest in consolidated subsidiary Total stockholders' equity 1,383.6 1,361.1 1,508.4 29.6 26.1 1,413.9 1,390.7 1,534.5	Accumulated deficit		(1,270.3)		(1,292.9)		(1,174.1)
Non-controlling interest in consolidated subsidiary 30.3 29.6 26.1 Total stockholders' equity 1,413.9 1,390.7 1,534.5	Less: treasury stock, at cost		(468.6)		(466.4)		(406.6)
Total stockholders' equity 1,413.9 1,390.7 1,534.5			1,383.6		1,361.1		1,508.4
Total stockholders' equity 1,413.9 1,390.7 1,534.5	Non-controlling interest in consolidated subsidiary		30.3	_	29.6		26.1
Total liabilities and equity \$ 3,232.7 \$ 3,328.4 \$ 3,829.2	Total stockholders' equity		1,413.9		1,390.7		1,534.5
	Total liabilities and equity	\$	3,232.7	\$	3,328.4	\$	3,829.2

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES UNAUDITED RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA* AND CASH PROVIDED BY OPERATING ACTIVITIES

(in millions)

(Quarter Ended		
	March 29, 2013	December 31, 2012	March 30, 2012	
Net income (loss)	\$ 23.3	\$ (136.9)	\$ 29.0	
Adjusted for:				
Restructuring, asset impairments and other,				
net	(6.0)	108.0	11.5	
Goodwill and intangible asset impairment	_	49.5	_	
Interest expense	10.1	12.7	15.7	
Interest income	(0.3)	(0.4)	(0.5)	
Loss on debt exchange	3.1	_	_	
Income tax provision (benefit)	2.4	(4.4)	4.1	
Net income attributable to non-controlling interest	(0.7)	(1.3)	(0.8)	
Depreciation and amortization	51.3	60.9	61.1	
Actuarial losses on pension plans and other				
pension benefits	13.6	8.2		
Adjusted EBITDA*	96.8	96.3	120.1	
Increase (decrease):				
Restructuring, asset impairments and other, net	6.0	(108.0)	(11.5)	
Interest expense	(10.1)	(12.7)	(15.7)	
Interest income	0.3	0.4	0.5	
Income tax benefit (provision)	(2.4)	4.4	(4.1)	
Net income attributable to non-controlling interest			, ,	
Actuarial losses on pension plans and other	0.7	1.3	0.8	
pension benefits	(13.6)	(8.2)		
Gain on sale or disposal of fixed assets	(7.4)	(4.8)	(1.5)	
Amortization of debt issuance costs	0.3	0.4	0.5	
Provision for excess inventories	15.9	21.3	15.8	
Non-cash asset impairment charges	13.9	100.9	13.6	
Non-cash share-based compensation expense	5.8		7.4	
Non-cash interest on convertible notes		5.8	7.4	
Non-cash foreign currency translation gain	3.1	4.7	7.2	
Deferred income taxes	(21.0)		2.2	
Other	0.5	(6.5)	3.2	
Changes in operating assets and liabilities	0.2	(0.2)	(0.5)	
Net cash provided by operating activities	10.1	41.5	(53.8)	
The cash provided by operating activities	\$ 85.2	\$ 136.6	\$ 68.4	

^{*} Adjusted EBITDA represents net income before interest expense, interest income, provision for income taxes, depreciation and amortization expense and special items. We use the adjusted EBITDA measure for internal managerial evaluation purposes, as a means to evaluate period-to-period comparisons and as a performance metric for the vesting/releasing of certain of our performance-based equity awards. Adjusted EBITDA is a non-GAAP financial measure. Regulation G and other provisions of the securities laws regulate the use of financial measures that are not prepared in accordance with generally accepted accounting principles. We believe this measure provides important supplemental information to investors. However, we do not, and you should not, rely on non-GAAP financial measures alone as measures of our performance.

We believe that non-GAAP financial measures reflect an additional way of viewing aspects of our operations that – when taken together with GAAP results and the reconciliations to corresponding GAAP financial measures that we also provide in our press releases – provide a more complete understanding of factors and trends affecting our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with non-GAAP financial measures used by our company or other companies, even if they have similar names.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES ANALYSIS OF GAAP VERSUS NON-GAAP DISCLOSURES

(in millions, except per share and percentage data)

		Quarter Ended						
		March 29, 2013 December 31, 2012			March 30, 2012			
	iliation of GAAP gross profit to AAP gross profit:		,		,			
GAAP 8	gross profit	\$	204.5	\$	210.4	\$	245.2	
Speci	al items:							
	Actuarial losses on pension plans and other pension benefits		6.7		0.5		_	
Non-GA	AAP gross profit	\$	211.2	\$	210.9	\$	245.2	
non-GA	iliation of GAAP gross margin to AAP gross margin: gross margin		30.9%		30.9%		32.9%	
Speci	al items:		30.770		30.770		32.770	
	Actuarial losses on pension plans and other pension benefits		1.0%		0.1%		%	
Non-GA	AAP gross margin		32.0%		31.0%		32.9%	
	iliation of GAAP operating expenses:		32.070	===	31.070		32.770	
	operating expenses	\$	166.8	\$	341.8	\$	201.6	
_	al items:							
i	Amortization of acquisition related ntangible assets		(8.4)		(11.1)		(11.1)	
c) F	Actuarial losses on pension plans and other pension benefits Restructuring, asset impairments and		(6.9)		(7.7)		_	
	other, net		6.0		(108.0)		(11.5)	
	Goodwill and intangible asset mpairments				(49.5)			
	Total special items		(9.3)		(176.3)		(22.6)	
	AAP operating expenses	\$	157.5	\$	165.5	\$	179.0	
GAAP 1	iliation of GAAP net income to non- net income: net income (loss) attributable to ON							
	nductor Corporation	\$	22.6	\$	(138.2)	\$	28.2	
•	al items:							
Ó	Actuarial losses on pension plans and other pension benefits (cost of evenues)		6.7		0.5		_	
b) A	Amortization of acquisition related ntangible assets (operating expenses)		8.4		11.1		11.1	
C	Actuarial losses on pension plans and other pension benefits (operating expenses)		6.9		7.7		_	
d) F	Restructuring, asset impairments and other, net		(6.0)		108.0		11.5	
	Goodwill and intangible asset mpairments		_		49.5		_	
f) I	Loss on debt exchange		3.1		_		_	

g) Non-cash interest on convertible notes		3.1	4.7	7.2
h) Adjustment to reflect cash taxes		(0.1)	(6.3)	(0.5)
Total special items	•	22.1	 175.2	 29.3
Non-GAAP net income	\$	44.7	\$ 37.0	\$ 57.5
Non-GAAP net income per share:				
Basic	\$	0.10	\$ 0.08	\$ 0.13
Diluted	\$	0.10	\$ 0.08	\$ 0.12
Weighted average common shares outstanding:				
Basic		449.5	448.6	452.5
Diluted		452.5	450.0	460.6

Certain of the amounts in the above table may not total due to rounding of individual amounts.

Total share-based compensation expense, related to the Company's stock options, restricted stock units, stock grant awards and employee stock purchase plan is included below.

	Quarter Ended							
	Marc	h 29, 2013	Decemb	er 31, 2012	March 30, 2012			
Cost of revenues	\$	1.1	\$	1.1	\$	1.4		
Research and development		1.4		1.4		1.6		
Selling and marketing		1.1		1.2		1.6		
General and administrative		2.2		2.1		2.8		
Total share-based compensation expense	\$	5.8	\$	5.8	\$	7.4		

Non-GAAP Measures

To supplement the consolidated financial results prepared under GAAP, ON Semiconductor uses non-GAAP measures which are adjusted from the most directly comparable GAAP results to exclude items related to the amortization of intangible assets, amortization of acquisition-related intangibles, expensing of appraised inventory fair market value step-up, inventory valuation adjustments, purchased in-process research and development expenses, restructuring, asset impairments and other, net, goodwill impairment charges, gains and losses on debt prepayment, non-cash interest expense, their related tax effects, actuarial (gains) losses on pension plans and other pension benefits, and certain other special items, as necessary. Management does not consider these charges in evaluating the core operational activities of ON Semiconductor. Management uses these non-GAAP measures internally to make strategic decisions, forecast future results and evaluate ON Semiconductor's current performance. Most analysts covering ON Semiconductor use the non-GAAP measures as well. Given management's use of these non-GAAP measures, ON Semiconductor believes these measures are important to investors in understanding ON Semiconductor's current and future operating results as seen through the eyes of management. In addition, management believes these non-GAAP measures are useful to investors in enabling them to better assess changes in ON Semiconductor's core business across different time periods. These non-GAAP measures are not in accordance with or an alternative to GAAP financial data and may be different from non-GAAP measures used by other companies. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures, even if they have similar names.

Non-GAAP Gross Profit and Gross Margin

The use of this non-GAAP financial measure allows management to evaluate the gross margin of the company's core businesses and trends across different reporting periods on a consistent basis, independent of non-cash items including expensing of appraised inventory fair market value step-up and amortization of intangible assets. In addition, it is an important component of management's internal performance measurement and reward process as it is used to assess the current and historical financial results of the business, for strategic decision making, preparing budgets and forecasting future results. Management presents this non-GAAP financial measure to enable investors and analysts to evaluate our revenue generation performance relative to the direct costs of revenue of ON Semiconductor's core businesses.

Non-GAAP Net Income and Net Income Per Share

The use of these non-GAAP financial measures allow management to evaluate the operating results of ON Semiconductor's core businesses and trends across different reporting periods on a consistent basis, independent of non-cash items including the amortization of intangible assets, amortization of acquisition-related intangibles, expensing of appraised inventory fair market value step-up, purchased in-process research and development expenses, restructuring, asset impairments and other, net, goodwill impairment charges, gains and losses on debt prepayment, non-cash interest expense, their related tax effects, actuarial (gains) losses on pension plans and other pension benefits, and certain other special items, as necessary. In addition, they are important components of management's internal performance measurement and reward process as they are used to assess the current and historical financial results of the business, for strategic decision making, preparing budgets and forecasting future results. Management presents these non-GAAP financial measures to enable investors and analysts to understand the results of operations of ON Semiconductor's core businesses and to compare our results of operations on a more consistent basis against that of other companies in our industry.