

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Quarter Ended		
	March 31, 2006	December 31, 2005	April 1, 2005
Revenues	\$ 334.0	\$ 341.8	\$ 302.4
Cost of revenues	216.3	222.1	206.2
Gross profit	<u>117.7</u>	<u>119.7</u>	<u>96.2</u>
Operating expenses:			
Research and development	23.6	23.7	23.1
Selling and marketing	21.0	21.1	19.3
General and administrative	20.2	18.9	20.4
Restructuring, asset impairments and other, net	-	(0.8)	1.1
Total operating expenses	<u>64.8</u>	<u>62.9</u>	<u>63.9</u>
Operating income	<u>52.9</u>	<u>56.8</u>	<u>32.3</u>
Other income (expenses), net:			
Interest expense	(13.0)	(15.4)	(14.6)
Interest income	2.0	1.7	0.9
Other	1.0	(0.6)	(1.0)
Other income (expenses), net	<u>(10.0)</u>	<u>(14.3)</u>	<u>(14.7)</u>
Income before income taxes, minority interests and cumulative effect of accounting change	42.9	42.5	17.6
Income tax benefit (provision)	(2.0)	4.8	(1.8)
Minority interests	<u>(0.5)</u>	<u>(0.6)</u>	<u>(1.0)</u>
Income before cumulative effect of accounting change	40.4	46.7	14.8
Cumulative effect of accounting change, net of income taxes ⁽¹⁾	-	(2.9)	-
Net income	<u>40.4</u>	<u>43.8</u>	<u>14.8</u>
Less: Accretion to redemption value of convertible redeemable preferred stock	-	0.7	0.1
Less: Convertible redeemable preferred stock dividends	-	(1.3)	(2.6)
Less: Dividend from inducement shares issued upon conversion of convertible redeemable preferred stock	-	(20.4)	-
Less: Allocation of undistributed earnings to preferred shareholders	-	(1.6)	(1.9)
Net income applicable to common stock	<u>\$ 40.4</u>	<u>\$ 21.2</u>	<u>\$ 10.4</u>
Income per common share:			
Basic:			
Net income applicable to common stock before cumulative effect of accounting change	\$ 0.13	\$ 0.08	\$ 0.04
Cumulative effect of accounting change	-	(0.01)	-
Net income applicable to common stock	<u>\$ 0.13</u>	<u>\$ 0.07</u>	<u>\$ 0.04</u>
Diluted:			
Net income applicable to common stock before cumulative effect of accounting change	\$ 0.12	\$ 0.08	\$ 0.04
Cumulative effect of accounting change	-	(0.01)	-
Net income applicable to common stock	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ 0.04</u>
Weighted average common shares outstanding:			
Basic	<u>311.8</u>	<u>286.6</u>	<u>255.0</u>
Diluted:	<u>346.4</u>	<u>320.7</u>	<u>287.8</u>

(1) The cumulative effect of accounting change for the quarter ended December 31, 2005 resulted from our adoption of FASB Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations—An Interpretation of FASB Statement No. 143".

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEET

(in millions)

	March 31, 2006	December 31, 2005
Assets		
Cash, cash equivalents and short-term investments	\$ 251.3	\$ 233.3
Receivables, net	178.3	160.2
Inventories, net	175.1	169.5
Other current assets	36.2	29.9
Deferred income taxes	4.4	7.4
Total current assets	645.3	600.3
Property, plant and equipment, net	450.0	438.5
Deferred income taxes	1.6	-
Goodwill	77.3	77.3
Other assets	36.8	32.4
Total assets	\$ 1,211.0	\$ 1,148.5
Liabilities, Minority Interests and Stockholders' Deficit		
Accounts payable	\$ 132.1	\$ 137.3
Accrued expenses	90.7	83.9
Income taxes payable	4.5	5.5
Accrued interest	1.3	0.6
Deferred income on sales to distributors	113.2	97.1
Current portion of long-term debt	52.3	73.9
Total current liabilities	394.1	398.3
Long-term debt	1,009.7	993.1
Other long-term liabilities	31.6	31.4
Deferred income taxes	-	1.2
Total liabilities	1,435.4	1,424.0
Minority interests in consolidated subsidiaries	25.3	24.8
Common stock	3.1	3.1
Additional paid-in capital	1,260.4	1,252.7
Accumulated other comprehensive income	3.2	0.7
Accumulated deficit	(1,516.4)	(1,556.8)
Total stockholders' deficit	(249.7)	(300.3)
Total liabilities, minority interests and stockholders' deficit	\$ 1,211.0	\$ 1,148.5

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

(in millions)

	Quarter Ended		
	March 31, 2006	December 31, 2005	April 1, 2005
Net income	\$ 40.4	\$ 43.8	\$ 14.8
Plus:			
Depreciation and amortization	23.5	24.1	25.1
Interest expense	13.0	15.4	14.6
Interest income	(2.0)	(1.7)	(0.9)
Income tax provision (benefit)	2.0	(4.8)	1.8
EBITDA*	<u>76.9</u>	<u>76.8</u>	<u>55.4</u>
Increase (decrease):			
Interest expense	(13.0)	(15.4)	(14.6)
Interest income	2.0	1.7	0.9
Income tax provision (benefit)	(2.0)	4.8	(1.8)
Loss (gain) on sale or disposal of fixed assets	-	0.7	(0.5)
Amortization of debt issuance costs and debt discount	0.6	0.4	0.5
Provision for excess inventories	2.5	4.3	3.1
Cumulative effect of accounting change	-	3.2	-
Non-cash interest on junior subordinated note payable	-	-	3.9
Deferred income taxes	0.4	(3.3)	(2.2)
Stock compensation expense	1.9	-	-
Other	(1.0)	2.0	0.7
Changes in operating assets and liabilities	(17.8)	(29.0)	(9.2)
Net cash provided by operating activities	<u>\$ 50.5</u>	<u>\$ 46.2</u>	<u>\$ 36.2</u>

*EBITDA represents net income before interest expense, interest income, provision for income taxes, depreciation and amortization expense. While EBITDA is not intended to represent cash flow from operations as defined by generally accepted accounting principles and should not be considered as an indicator of operating performance or an alternative to cash flow as a measure of liquidity, we believe this measure is useful to investors to assess our ability to meet our future debt service, capital expenditure and working capital requirements. This calculation may differ in method of calculation from similarly titled measures used by other companies. The table above sets forth our EBITDA with a reconciliation to net cash provided by operating activities, the most directly comparable financial measure under generally accepted accounting principles.