



ON Semiconductor®

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Quarter Ended			Six Months Ended	
	June 30, 2006	March 31, 2006	July 1, 2005	June 30, 2006	July 1, 2005
Revenues	\$ 375.3	\$ 334.0	\$ 302.8	\$ 709.3	\$ 605.2
Cost of revenues	222.1	216.3	204.3	438.4	410.5
Gross profit	153.2	117.7	98.5	270.9	194.7
Operating expenses:					
Research and development	25.2	23.6	23.0	48.8	46.1
Selling and marketing	22.7	21.0	18.9	43.7	38.2
General and administrative	21.3	20.2	17.5	41.5	37.9
Restructuring, asset impairments and other, net	3.3	-	2.8	3.3	3.9
Total operating expenses	72.5	64.8	62.2	137.3	126.1
Operating income	80.7	52.9	36.3	133.6	68.6
Other income (expenses), net:					
Interest expense	(13.1)	(13.0)	(15.4)	(26.1)	(30.0)
Interest income	2.8	2.0	1.2	4.8	2.1
Other	(0.2)	1.0	(0.6)	0.8	(1.6)
Other income (expenses), net	(10.5)	(10.0)	(14.8)	(20.5)	(29.5)
Income before income taxes and minority interests	70.2	42.9	21.5	113.1	39.1
Income tax provision	(1.8)	(2.0)	(2.0)	(3.8)	(3.8)
Minority interests	(0.9)	(0.5)	(1.0)	(1.4)	(2.0)
Net income	67.5	40.4	18.5	107.9	33.3
Less: Accretion to redemption value of convertible redeemable preferred stock	-	-	0.1	-	0.2
Less: Convertible redeemable preferred stock dividends	-	-	(2.6)	-	(5.2)
Less: Allocation of undistributed earnings to preferred shareholders	-	-	(2.5)	-	(4.4)
Net income applicable to common stock	\$ 67.5	\$ 40.4	\$ 13.5	\$ 107.9	\$ 23.9
Income per common share:					
Basic:	\$ 0.21	\$ 0.13	\$ 0.05	\$ 0.34	\$ 0.09
Diluted:	\$ 0.19	\$ 0.12	\$ 0.05	\$ 0.31	\$ 0.09
Weighted average common shares outstanding:					
Basic	322.8	311.8	255.3	317.3	255.2
Diluted:	355.7	346.4	287.8	350.8	287.8

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEET

(in millions)

	<u>June 30,</u> <u>2006</u>	<u>March 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
Assets			
Cash and cash equivalents	\$ 294.7	\$ 251.3	\$ 233.3
Receivables, net	200.5	178.3	160.2
Inventories, net	195.1	175.1	169.5
Other current assets	38.5	36.2	29.9
Deferred income taxes	5.8	4.4	7.4
Total current assets	<u>734.6</u>	<u>645.3</u>	<u>600.3</u>
Property, plant and equipment, net	567.4	450.0	438.5
Deferred income taxes	0.7	1.6	-
Goodwill	77.3	77.3	77.3
Intangible assets, net	11.6	-	-
Other assets	31.4	36.8	32.4
Total assets	<u><u>\$ 1,423.0</u></u>	<u><u>\$ 1,211.0</u></u>	<u><u>\$ 1,148.5</u></u>
Liabilities, Minority Interests and Stockholders' Deficit			
Accounts payable	\$ 146.3	\$ 132.1	\$ 137.3
Accrued expenses	124.5	90.7	83.9
Income taxes payable	6.4	4.5	5.5
Accrued interest	0.5	1.3	0.6
Deferred income on sales to distributors	126.9	113.2	97.1
Current portion of long-term debt	51.2	52.3	73.9
Total current liabilities	<u>455.8</u>	<u>394.1</u>	<u>398.3</u>
Long-term debt	1,009.8	1,009.7	993.1
Other long-term liabilities	32.2	31.6	31.4
Deferred income taxes	-	-	1.2
Total liabilities	<u>1,497.8</u>	<u>1,435.4</u>	<u>1,424.0</u>
Minority interests in consolidated subsidiaries	<u>25.2</u>	<u>25.3</u>	<u>24.8</u>
Common stock	3.2	3.1	3.1
Additional paid-in capital	1,342.1	1,260.4	1,252.7
Accumulated other comprehensive income	3.6	3.2	0.7
Accumulated deficit	<u>(1,448.9)</u>	<u>(1,516.4)</u>	<u>(1,556.8)</u>
Total stockholders' deficit	<u>(100.0)</u>	<u>(249.7)</u>	<u>(300.3)</u>
Total liabilities, minority interests and stockholders' deficit	<u><u>\$ 1,423.0</u></u>	<u><u>\$ 1,211.0</u></u>	<u><u>\$ 1,148.5</u></u>

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

(in millions)

	Quarter Ended			Six Months Ended	
	June 30, 2006	March 31, 2006	July 1, 2005	June 30, 2006	July 1, 2005
Net income	\$ 67.5	\$ 40.4	\$ 18.5	\$ 107.9	\$ 33.3
Plus:					
Depreciation and amortization	17.2	23.5	24.8	40.7	49.9
Interest expense	13.1	13.0	15.4	26.1	30.0
Interest income	(2.8)	(2.0)	(1.2)	(4.8)	(2.1)
Income tax provision	1.8	2.0	2.0	3.8	3.8
EBITDA*	96.8	76.9	59.5	173.7	114.9
Increase (decrease):					
Interest expense	(13.1)	(13.0)	(15.4)	(26.1)	(30.0)
Interest income	2.8	2.0	1.2	4.8	2.1
Income tax provision	(1.8)	(2.0)	(2.0)	(3.8)	(3.8)
Loss (gain) on sale or disposal of fixed assets	(0.2)	-	0.5	(0.2)	-
Amortization of debt issuance costs and debt discount	0.7	0.6	0.4	1.3	0.9
Provision for excess inventories	6.6	2.5	3.1	9.1	6.2
Non-cash impairment of property, plant, and equipment	4.7	-	-	4.7	-
Non-cash interest on junior subordinated note payable	-	-	3.9	-	7.8
Deferred income taxes	(0.5)	0.4	(2.4)	(0.1)	(4.6)
Non-cash stock compensation expense	2.4	1.9	-	4.3	-
Other	0.8	(1.0)	1.2	(0.2)	1.9
Changes in operating assets and liabilities	(18.0)	(17.8)	12.0	(35.8)	2.8
Net cash provided by operating activities	<u>\$ 81.2</u>	<u>\$ 50.5</u>	<u>\$ 62.0</u>	<u>\$ 131.7</u>	<u>\$ 98.2</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