



ON Semiconductor®

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Quarter Ended			Six Months	
	June 27, 2008	March 30, 2008	June 29, 2007	June 27, 2008	June 29, 2007
Net revenues	\$ 562.7	\$ 421.9	\$ 381.2	\$ 984.6	\$ 755.4
Cost of revenues	371.1	275.3	235.2	646.4	472.8
Gross profit	191.6	146.6	146.0	338.2	282.6
Gross profit percentage	34.1%	34.7%	38.3%	34.3%	37.4%
Operating expenses:					
Research and development	67.5	40.3	32.4	107.8	63.2
Selling and marketing	37.9	25.8	23.3	63.7	46.2
General and administrative	31.9	23.8	18.8	55.7	39.0
In-process Research and Development	-	17.7	-	17.7	-
Amortization of acquisition related intangible assets	6.7	2.4	-	9.1	-
Restructuring, asset impairments and other, net	14.2	5.8	-	20.0	-
Total operating expenses	<u>158.2</u>	<u>115.8</u>	<u>74.5</u>	<u>274.0</u>	<u>148.4</u>
Operating income	<u>33.4</u>	<u>30.8</u>	<u>71.5</u>	<u>64.2</u>	<u>134.2</u>
Other income (expenses), net:					
Interest expense	(9.6)	(9.3)	(9.4)	(18.9)	(19.1)
Interest income	1.8	2.0	2.9	3.8	5.7
Other	1.2	(1.9)	-	(0.7)	(0.5)
Loss on debt prepayment	-	-	-	-	(0.1)
Other income (expenses), net	<u>(6.6)</u>	<u>(9.2)</u>	<u>(6.5)</u>	<u>(15.8)</u>	<u>(14.0)</u>
Income before income taxes and minority interests	26.8	21.6	65.0	48.4	120.2
Income tax benefit (provision)	17.1	(1.1)	(1.4)	16.0	(2.0)
Minority interests	0.7	0.3	(0.3)	1.0	(0.9)
Net income	<u>\$ 44.6</u>	<u>\$ 20.8</u>	<u>\$ 63.3</u>	<u>\$ 65.4</u>	<u>\$ 117.3</u>
Income per common share:					
Basic:	<u>\$ 0.11</u>	<u>\$ 0.07</u>	<u>\$ 0.22</u>	<u>\$ 0.19</u>	<u>\$ 0.40</u>
Diluted:	<u>\$ 0.11</u>	<u>\$ 0.07</u>	<u>\$ 0.21</u>	<u>\$ 0.18</u>	<u>\$ 0.38</u>
Weighted average common shares outstanding:					
Basic	<u>397.2</u>	<u>306.8</u>	<u>290.9</u>	<u>352.8</u>	<u>290.2</u>
Diluted:	<u>405.8</u>	<u>309.3</u>	<u>306.5</u>	<u>360.1</u>	<u>306.1</u>

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ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEET
(in millions)

	<u>June 27, 2008</u>	<u>March 28, 2008</u>	<u>December 31, 2007</u>
Assets			
Cash and cash equivalents	\$ 321.2	\$ 307.9	\$ 274.6
Receivables, net	258.5	245.7	175.2
Inventories, net	327.6	362.4	220.5
Other current assets	70.7	89.7	68.3
Deferred income taxes	0.3	-	6.7
Total current assets	<u>978.3</u>	<u>1,005.7</u>	<u>745.3</u>
Property, plant and equipment, net	744.4	734.2	614.9
Goodwill	725.8	730.1	172.4
Intangible assets, net	334.5	343.6	57.5
Other assets	55.1	58.7	47.5
Total assets	<u>\$ 2,838.1</u>	<u>\$ 2,872.3</u>	<u>\$ 1,637.6</u>
Liabilities, Minority Interests and Stockholders' Equity			
Accounts payable	\$ 206.2	\$ 238.6	\$ 163.5
Accrued expenses	172.4	208.7	101.3
Income taxes payable	2.4	3.1	3.5
Accrued interest	2.9	7.9	1.4
Deferred income on sales to distributors	123.8	120.8	120.4
Deferred income taxes	-	1.0	-
Current portion of long-term debt	80.2	75.5	30.8
Total current liabilities	<u>587.9</u>	<u>655.6</u>	<u>420.9</u>
Long-term debt	1,151.9	1,149.6	1,128.6
Other long-term liabilities	47.4	63.8	46.8
Deferred income taxes	0.7	8.0	6.9
Total liabilities	<u>1,787.9</u>	<u>1,877.0</u>	<u>1,603.2</u>
Minority interests in consolidated subsidiaries	<u>16.0</u>	<u>16.7</u>	<u>18.5</u>
Common stock	4.4	4.4	3.4
Additional paid-in capital	2,373.1	2,354.5	1,419.6
Accumulated other comprehensive income (loss)	(1.4)	6.0	(0.5)
Accumulated deficit	(986.0)	(1,030.6)	(1,051.4)
Treasury stock	(355.9)	(355.7)	(355.2)
Total stockholders' equity	<u>1,034.2</u>	<u>978.6</u>	<u>15.9</u>
Total liabilities, minority interests and stockholders' equity	<u>\$ 2,838.1</u>	<u>\$ 2,872.3</u>	<u>\$ 1,637.6</u>

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

(in millions)

	Quarter Ended			Six Months Ended	
	June 27, 2008	March 28, 2008	June 29, 2007	June 27, 2008	June 29, 2007
Net income	\$ 44.6	\$ 20.8	\$ 63.3	\$ 65.4	\$ 117.3
Plus:					-
Depreciation and amortization	37.7	27.9	22.7	65.6	44.8
Interest expense	9.6	9.3	9.4	18.9	19.1
Interest income	(1.8)	(2.0)	(2.9)	(3.8)	(5.7)
Income tax (benefit) provision	(17.1)	1.1	1.4	(16.0)	2.0
Stock compensation expense	8.3	6.7	3.5	15.0	6.8
Restructuring, asset impairments and other, net	14.2	5.8	-	20.0	-
In-process research and development	-	17.7	-	17.7	-
Expensing of appraised inventory fair market value step up	38.2	9.9	-	48.1	-
Adjusted EBITDA*	<u>133.7</u>	<u>97.2</u>	<u>97.4</u>	<u>230.9</u>	<u>184.3</u>
Increase (decrease):					
Interest expense	(9.6)	(9.3)	(9.4)	(18.9)	(19.1)
Interest income	1.8	2.0	2.9	3.8	5.7
Income tax benefit (provision)	17.1	(1.1)	(1.4)	16.0	(2.0)
Restructuring, asset impairments, and other, net	(14.2)	(5.8)	-	(20.0)	-
Expensing of appraised inventory fair market value step up	(38.2)	(9.9)	-	(48.1)	-
Gain on sale or disposal of fixed assets	(1.7)	(2.3)	(3.8)	(4.0)	(6.3)
Proceeds, net of gain, from termination of interest rate swaps	-	-	(0.6)	-	0.8
Amortization of debt issuance costs and debt discount	1.0	1.0	1.0	2.0	2.1
Provision for excess inventories	3.2	2.5	3.7	5.7	5.3
Non-cash impairment	9.8	2.2	-	12.0	0.1
Deferred income taxes	(6.5)	(0.6)	1.2	(7.1)	0.8
Other	(0.4)	(0.3)	-	(0.7)	0.1
Changes in operating assets and liabilities	(54.1)	61.3	(35.6)	7.2	(53.3)
Net cash provided by operating activities	<u>\$ 41.9</u>	<u>\$ 136.9</u>	<u>\$ 55.4</u>	<u>\$ 178.8</u>	<u>\$ 118.5</u>

* 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 and the related payment of corporate cash bonuses. Not all of these items are necessarily included in the calculation of net income each quarter. 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. We use this measure, together with GAAP measures, for internal managerial purposes and as a means to evaluate period-to-period comparisons. 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 other companies' non-GAAP financial measures, even if they have similar names.

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ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
ANALYSIS OF GAAP VERSUS NON-GAAP DISCLOSURES
QUARTER ENDED JUNE 27, 2008

(in millions, except per share data)

	Special Items						Non-GAAP*
	ON Semiconductor Corporation Consolidated GAAP	Stock Compensation Expense	Restructuring, Asset Impairments and Other, Net	Expensing of Appraised Inventory FMV step up	Amortization of Intangibles	Income Tax Adjustment to approximate cash taxes	
Net revenues	\$ 562.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562.7
Cost of revenues	371.1	(2.3)	-	(38.2)	(0.6)	-	330.0
Gross profit	191.6	2.3	-	38.2	0.6	-	232.7
Gross profit percentage	34.1%						41.4%
Operating expenses:							
Research and development	67.5	(1.3)	-	-	-	-	66.2
Selling and marketing	37.9	(1.3)	-	-	-	-	36.6
General and administrative	31.9	(3.4)	-	-	-	-	28.5
In-process Research and Development	-	-	-	-	-	-	-
Amortization of acquisition related intangible assets	6.7	-	-	-	(6.7)	-	-
Restructuring, asset impairments and other, net	14.2	-	(14.2)	-	-	-	-
Total operating expenses	158.2	(6.0)	(14.2)	-	(6.7)	-	131.3
Operating income	33.4	8.3	14.2	38.2	7.3	-	101.4
Other income (expenses), net:							
Interest expense	(9.6)	-	-	-	-	-	(9.6)
Interest income	1.8	-	-	-	-	-	1.8
Other	1.2	-	-	-	-	-	1.2
Loss on debt prepayment	-	-	-	-	-	-	-
Other income (expenses), net	(6.6)	-	-	-	-	-	(6.6)
Income before income taxes and minority interests	26.8	8.3	14.2	38.2	7.3	-	94.8
Income tax benefit (provision)	17.1	-	-	-	-	(17.5)	(0.4)
Minority interests	0.7	-	-	-	-	-	0.7
Net income	\$ 44.6	\$ 8.3	\$ 14.2	\$ 38.2	\$ 7.3	\$ (17.5)	\$ 95.1
Income per common share:							
Basic:	\$ 0.11						\$ 0.24
Diluted:	\$ 0.11						\$ 0.23
Weighted average common shares outstanding:							
Basic	397.2						397.2
Diluted:	405.8						405.8

* "Non-GAAP net income" and the related "non-GAAP net income per share" are non-GAAP financial measures. 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 these measures provide important supplemental information to investors. We use these measures, together with GAAP measures, for internal managerial purposes and as a means to evaluate period-to-period comparisons. 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 other companies' non-GAAP financial measures, even if they have similar names. Non-GAAP net income, which we reconcile to net income, excludes: amortization of debt issuance costs, non-cash stock compensation expense, costs associated with early retirement of debt, purchased in-process research and development, purchase accounting charges, amortization of acquisition-related intangibles, and restructuring, asset impairments and other, net charges. Not all of these items are necessarily included in the calculation of net income each quarter. Non-GAAP net income per share is derived from non-GAAP net income, using the same measures of outstanding shares as are used to calculate net income per share in accordance with GAAP.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
ANALYSIS OF GAAP VERSUS NON-GAAP DISCLOSURES
QUARTER ENDED MARCH 28, 2008
(in millions, except per share data)

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	ON		ON		Special Items							
	Semiconductor Corporation Standalone	AMIS Holdings, Inc. Standalone	Semiconductor Corporation Consolidated GAAP	Stock Compensation Expense	Restructuring, Asset Impairments and Other, Net	In-Process Research and Development	Expensing of Appraised Inventory FMV step up	Amortization of Intangibles	Income Tax Adjustment to approximate cash taxes	Non-GAAP*		
Net revenues	\$ 396.4	\$ 25.5	\$ 421.9	\$ -	\$ -	\$ -	\$ (9.9)	\$ -	\$ -	\$ 421.9		
Gross of revenues	141.4	5.2	146.6	1.4	-	-	9.9	0.6	-	158.5		
Gross profit	255.0	20.3	275.3	(1.4)	-	-	-	(0.6)	-	263.4		
Gross profit percentage	35.7%	20.4%	34.7%							37.6%		
Operating expenses:												
Research and development	37.3	3.0	40.3	(0.9)	-	-	-	-	-	39.4		
Selling and marketing	23.9	1.9	25.8	(0.9)	-	-	-	-	-	24.9		
General and administrative	22.9	0.9	23.8	(3.5)	-	(17.7)	-	-	-	20.3		
In-process Research and Development	-	17.7	17.7	-	-	-	-	(2.4)	-	-		
Amortization of acquisition related intangible assets	1.7	0.7	2.4	-	-	-	-	-	-	-		
Restructuring, asset impairments and other, net	4.3	1.5	5.8	-	(5.8)	-	-	-	-	-		
Total operating expenses	90.1	25.7	115.8	(5.3)	(5.8)	(17.7)	-	(2.4)	-	84.6		
Operating income	51.3	(20.5)	30.8	6.7	5.8	17.7	9.9	3.0	-	73.9		
Other income (expenses), net:												
Interest expense	(9.4)	0.1	(9.3)	-	-	-	-	-	-	(9.3)		
Interest income	2.1	(0.1)	2.0	-	-	-	-	-	-	2.0		
Other	(1.7)	(0.2)	(1.9)	-	-	-	-	-	-	(1.9)		
Loss on debt prepayment	-	-	-	-	-	-	-	-	-	-		
Other income (expenses), net	(9.0)	(0.2)	(9.2)	-	-	-	-	-	-	(9.2)		
Income before income taxes and minority interests	42.3	(20.7)	21.6	6.7	5.8	17.7	9.9	3.0	-	64.7		
Income tax benefit (provision)	(2.5)	1.4	(1.1)	-	-	-	-	-	1.5	0.4		
Minority interests	0.3	-	0.3	-	-	-	-	-	-	0.3		
Net income	\$ 40.1	\$ (19.3)	\$ 20.8	\$ 6.7	\$ 5.8	\$ 17.7	\$ 9.9	\$ 3.0	\$ 1.5	\$ 65.4		
Income per common share:												
Basic:	\$ 0.14		\$ 0.07							\$ 0.21		
Diluted:	\$ 0.14		\$ 0.07							\$ 0.21		
Weighted average common shares outstanding:												
Basic:	292.7		306.8							306.8		
Diluted:	295.2		309.3							309.3		

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