



ON Semiconductor®

**ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS**

(in millions, except per share data)

	Quarter Ended			Nine Months Ended	
	September 28, 2007	June 29, 2007	September 29, 2006	September 28, 2007	September 29, 2006
Product revenues	\$ 381.1	\$ 355.8	\$ 372.2	\$ 1,084.7	\$ 1,066.7
Manufacturing services revenues	21.8	25.4	48.7	73.6	63.5
Net revenues	<u>402.9</u>	<u>381.2</u>	<u>420.9</u>	<u>1,158.3</u>	<u>1,130.2</u>
Cost of product revenues	226.0	208.1	223.2	643.1	650.1
Cost of manufacturing services revenues	21.3	27.1	37.3	77.0	48.8
Cost of revenues	<u>247.3</u>	<u>235.2</u>	<u>260.5</u>	<u>720.1</u>	<u>698.9</u>
Gross profit	<u>155.6</u>	<u>146.0</u>	<u>160.4</u>	<u>438.2</u>	<u>431.3</u>
Operating expenses:					
Research and development	34.4	32.4	25.9	97.6	74.7
Selling and marketing	24.4	23.3	23.2	70.6	66.9
General and administrative	21.6	18.8	23.1	60.6	64.6
Restructuring, asset impairments and other, net	2.0	-	-	2.0	3.3
Total operating expenses	<u>82.4</u>	<u>74.5</u>	<u>72.2</u>	<u>230.8</u>	<u>209.5</u>
Operating income	<u>73.2</u>	<u>71.5</u>	<u>88.2</u>	<u>207.4</u>	<u>221.8</u>
Other income (expenses), net:					
Interest expense	(9.6)	(9.4)	(13.8)	(28.7)	(39.9)
Interest income	3.1	2.9	3.6	8.8	8.4
Other	0.2	-	(0.7)	(0.3)	0.1
Loss on debt prepayment	-	-	-	(0.1)	-
Other income (expenses), net	<u>(6.3)</u>	<u>(6.5)</u>	<u>(10.9)</u>	<u>(20.3)</u>	<u>(31.4)</u>
Income before income taxes and minority interests	66.9	65.0	77.3	187.1	190.4
Income tax provision	(2.4)	(1.4)	-	(4.4)	(3.8)
Minority interests	<u>(0.7)</u>	<u>(0.3)</u>	<u>(0.5)</u>	<u>(1.6)</u>	<u>(1.9)</u>
Net income	<u>\$ 63.8</u>	<u>\$ 63.3</u>	<u>\$ 76.8</u>	<u>\$ 181.1</u>	<u>\$ 184.7</u>
Income per common share:					
Basic:	<u>\$ 0.22</u>	<u>\$ 0.22</u>	<u>\$ 0.24</u>	<u>\$ 0.62</u>	<u>\$ 0.58</u>
Diluted:	<u>\$ 0.20</u>	<u>\$ 0.21</u>	<u>\$ 0.23</u>	<u>\$ 0.57</u>	<u>\$ 0.54</u>
Weighted average common shares outstanding:					
Basic	<u>290.6</u>	<u>290.9</u>	<u>324.9</u>	<u>290.3</u>	<u>318.8</u>
Diluted:	<u>317.8</u>	<u>306.5</u>	<u>336.3</u>	<u>317.6</u>	<u>346.0</u>

**ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED BALANCE SHEET**

(in millions)

	<b>September 29, 2007</b>	<b>June 29, 2007</b>	<b>December 31, 2006</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 327.1	\$ 255.8	\$ 268.8
Receivables, net	193.4	172.1	177.9
Inventories, net	216.5	221.1	212.7
Other current assets	41.0	36.9	34.3
Deferred income taxes	7.2	7.3	7.1
Total current assets	<u>785.2</u>	<u>693.2</u>	<u>700.8</u>
Property, plant and equipment, net	608.5	597.9	578.1
Goodwill	81.1	81.1	80.7
Intangible assets, net	8.7	9.2	10.4
Other assets	42.8	46.3	46.5
Total assets	<u>\$ 1,526.3</u>	<u>\$ 1,427.7</u>	<u>\$ 1,416.5</u>
<b>Liabilities, Minority Interests and Stockholders' Deficit</b>			
Accounts payable	\$ 134.9	\$ 128.3	\$ 165.7
Accrued expenses	105.4	102.4	111.7
Income taxes payable	2.1	3.2	3.2
Accrued interest	5.0	1.1	1.3
Deferred income on sales to distributors	115.7	110.4	123.2
Current portion of long-term debt	27.3	26.0	27.9
Total current liabilities	<u>390.4</u>	<u>371.4</u>	<u>433.0</u>
Long-term debt	1,112.2	1,117.4	1,148.1
Other long-term liabilities	52.4	51.3	35.8
Deferred income taxes	6.1	5.4	4.2
Total liabilities	<u>1,561.1</u>	<u>1,545.5</u>	<u>1,621.1</u>
Minority interests in consolidated subsidiaries	<u>18.7</u>	<u>19.3</u>	<u>20.8</u>
Common stock	3.4	3.4	3.3
Additional paid-in capital	1,411.3	1,394.3	1,356.4
Accumulated other comprehensive loss	(0.5)	(3.3)	(0.4)
Accumulated deficit	(1,112.5)	(1,176.3)	(1,284.7)
Treasury stock	<u>(355.2)</u>	<u>(355.2)</u>	<u>(300.0)</u>
Total stockholders' deficit	<u>(53.5)</u>	<u>(137.1)</u>	<u>(225.4)</u>
Total liabilities, minority interests and stockholders' deficit	<u>\$ 1,526.3</u>	<u>\$ 1,427.7</u>	<u>\$ 1,416.5</u>

**UNAUDITED RECONCILIATION OF NET INCOME TO EBITDA\* AND  
CASH PROVIDED BY OPERATING ACTIVITIES**

(in millions)

	Quarter Ended			Nine Month	
	September 28, 2007	June 29, 2007	September 29, 2006	September 28, 2007	September 29, 2006
Net income	\$ 63.8	\$ 63.3	\$ 76.8	\$ 181.1	\$ 184.7
Plus:					
Depreciation and amortization	22.8	22.7	19.3	67.6	60.0
Interest expense	9.6	9.4	13.8	28.7	39.9
Interest income	(3.1)	(2.9)	(3.6)	(8.8)	(8.4)
Income tax provision	2.4	1.4	-	4.4	3.8
EBITDA*	95.5	93.9	106.3	273.0	280.0
Increase (decrease):					
Interest expense	(9.6)	(9.4)	(13.8)	(28.7)	(39.9)
Interest income	3.1	2.9	3.6	8.8	8.4
Income tax provision	(2.4)	(1.4)	-	(4.4)	(3.8)
(Gain) or loss on sale or disposal of fixed assets	(1.3)	(3.8)	0.5	(7.6)	0.3
Proceeds, net of gain, from termination of interest rate swaps	(0.3)	(0.6)	-	0.5	-
Non-cash impairment of property, plant, and equipment	-	-	-	-	4.7
Amortization of debt issuance costs	1.0	1.0	0.7	3.1	2.0
Provision for excess inventories	0.6	3.7	7.1	5.9	16.2
Non-cash portion of loss on debt prepayment	-	-	-	0.1	-
Deferred income taxes	1.1	1.2	0.4	1.9	0.3
Stock compensation expense	4.1	3.5	2.9	10.9	7.2
Other	0.6	-	0.2	0.7	-
Changes in operating assets and liabilities	6.0	(35.6)	(18.4)	(47.3)	(54.2)
Net cash provided by operating activities	<u>\$ 98.4</u>	<u>\$ 55.4</u>	<u>\$ 89.5</u>	<u>\$ 216.9</u>	<u>\$ 221.2</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.