



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

(in millions, except per share data)

	Quarter Ended		
	April 2, 2004	December 31, 2003	April 4, 2003
Revenues	\$ 308.2	\$ 278.6	\$ 269.5
Cost of revenues	212.3	200.2	194.7
Gross profit	<u>95.9</u>	<u>78.4</u>	<u>74.8</u>
Operating expenses:			
Research and development	23.5	24.0	21.1
Selling and marketing	18.4	16.5	16.1
General and administrative	17.2	15.3	19.6
Amortization of intangible asset	-	-	3.0
Restructuring, asset impairments and other, net	13.1	29.9	-
Total operating expenses	<u>72.2</u>	<u>85.7</u>	<u>59.8</u>
Operating income (loss)	<u>23.7</u>	<u>(7.3)</u>	<u>15.0</u>
Other income (expenses), net:			
Interest expense	(34.3)	(34.9)	(39.1)
Interest income	0.4	0.5	0.7
Realized and unrealized foreign currency gains and losses	(1.7)	2.3	1.3
Loss on debt prepayment	(33.0)	(1.3)	(3.5)
Other income (expenses), net	<u>(68.6)</u>	<u>(33.4)</u>	<u>(40.6)</u>
Loss before income taxes, minority interests and cumulative effect of accounting change	(44.9)	(40.7)	(25.6)
Provision for income taxes	(1.6)	(1.4)	(2.2)
Minority interests	(1.1)	(0.3)	(1.2)
Loss before cumulative effect of accounting change	<u>(47.6)</u>	<u>(42.4)</u>	<u>(29.0)</u>
Cumulative effect of accounting change	-	-	(21.5)
Net loss	<u>(47.6)</u>	<u>(42.4)</u>	<u>(50.5)</u>
Less: Accretion to redemption value of convertible redeemable preferred stock	(1.8)	(0.5)	-
Less: Redeemable preferred stock dividends	(2.4)	(2.4)	(2.2)
Net loss applicable to common stock	<u>\$ (51.8)</u>	<u>\$ (45.3)</u>	<u>\$ (52.7)</u>
Loss per common share:			
Basic:			
Net loss applicable to common stock before cumulative effect of accounting change	\$ (0.23)	\$ (0.21)	\$ (0.18)
Cumulative effect of accounting change	-	-	(0.12)
Net loss applicable to common stock	<u>\$ (0.23)</u>	<u>\$ (0.21)</u>	<u>\$ (0.30)</u>
Diluted:			
Net loss applicable to common stock before cumulative effect of accounting change	\$ (0.23)	\$ (0.21)	\$ (0.18)
Cumulative effect of accounting change	-	-	(0.12)
Net loss applicable to common stock	<u>\$ (0.23)</u>	<u>\$ (0.21)</u>	<u>\$ (0.30)</u>
Weighted average common shares outstanding:			
Basic	<u>229.5</u>	<u>216.9</u>	<u>176.4</u>
Diluted	<u>229.5</u>	<u>216.9</u>	<u>176.4</u>

- more -

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

	<u>April 2,</u> <u>2004</u>	<u>December 31,</u> <u>2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 221.4	\$ 186.6
Receivables, net	153.4	136.1
Inventories, net	183.8	171.6
Other current assets	32.5	25.7
Deferred income taxes	3.1	2.7
Total current assets	594.2	522.7
Property, plant and equipment, net	497.2	499.1
Deferred income taxes	1.7	1.3
Goodwill	77.3	77.3
Other assets	43.0	61.0
Total assets	\$ 1,213.4	\$ 1,161.4
 <b>Liabilities, Minority Interests, Redeemable Preferred Stock and Stockholders' Deficit</b>		
Accounts payable	\$ 126.5	\$ 115.7
Accrued expenses	102.7	89.9
Income taxes payable	1.7	1.7
Accrued interest	16.1	25.3
Deferred income on sales to distributors	81.1	66.2
Current portion of long-term debt	15.3	11.4
Total current liabilities	343.4	310.2
Long-term debt	1,125.9	1,291.5
Other long-term liabilities	56.9	58.2
Total liabilities	1,526.2	1,659.9
Minority interests in consolidated subsidiaries	26.4	26.4
Redeemable preferred stock	123.9	119.7
Common stock	2.5	2.2
Additional paid-in capital	1,118.2	891.3
Accumulated other comprehensive loss	(2.5)	(4.4)
Accumulated deficit	(1,581.3)	(1,533.7)
Total stockholders' deficit	(463.1)	(644.6)
Total liabilities, minority interests, redeemable preferred stock and stockholders' deficit	\$ 1,213.4	\$ 1,161.4

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

(in millions)

	<b>Quarter Ended</b>		
	<b>April 2, 2004</b>	<b>December 31, 2003</b>	<b>April 4, 2003</b>
Net loss	\$ (47.6)	\$ (42.4)	\$ (50.5)
Plus:			
Depreciation and amortization	26.3	27.2	36.0
Interest expense, net	33.9	34.4	38.4
Income tax provision	1.6	1.4	2.2
EBITDA	<u>14.2</u>	<u>20.6</u>	<u>26.1</u>
Increase (decrease):			
Interest expense, net	(33.9)	(34.4)	(38.4)
Income tax provision	(1.6)	(1.4)	(2.2)
Loss on sale of fixed assets	12.1	0.4	0.3
Loss on debt prepayment	33.0	1.3	3.5
Amortization of debt issuance costs and debt discount	1.9	1.8	2.2
Provision for excess inventories	-	4.6	4.0
Cumulative effect of accounting change	-	-	21.5
Non-cash impairment of property, plant and equipment	-	20.2	-
Non-cash impairment of other long-lived assets	-	4.3	-
Non-cash interest on junior subordinated note payable to Motorola	3.5	3.2	3.3
Deferred income taxes	(0.8)	5.1	(2.5)
Stock compensation expense	-	-	0.1
Other	1.2	0.6	1.6
Changes in operating assets and liabilities	3.2	1.5	(14.9)
Net cash provided by operating activities	<u>\$ 32.8</u>	<u>\$ 27.8</u>	<u>\$ 4.6</u>

\*EBITDA represents net income (loss) before interest expense, net, provision for income taxes and 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.