



ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Quarter Ended			Nine Months Ended	
	September 30, 2005	July 1, 2005	October 1, 2004	September 30, 2005	October 1, 2004
Revenues	\$ 313.6	\$ 302.8	\$ 318.4	\$ 918.8	\$ 960.1
Cost of revenues	209.5	204.3	215.4	620.0	648.8
Gross profit	104.1	98.5	103.0	298.8	311.3
Operating expenses:					
Research and development	23.9	23.0	22.9	70.0	71.4
Selling and marketing	20.0	18.9	18.6	58.2	56.9
General and administrative	17.8	17.5	18.0	55.7	53.7
Restructuring, asset impairments and other, net	0.2	2.8	-	4.1	14.0
Total operating expenses	61.9	62.2	59.5	188.0	196.0
Operating income	42.2	36.3	43.5	110.8	115.3
Other income (expenses), net:					
Interest expense	(16.1)	(15.4)	(22.0)	(46.1)	(80.1)
Interest income	1.7	1.2	0.6	3.8	1.6
Other	(0.8)	(0.6)	(1.4)	(2.4)	(2.1)
Loss on debt prepayment	-	-	(3.0)	-	(63.4)
Other income (expenses), net	(15.2)	(14.8)	(25.8)	(44.7)	(144.0)
Income (loss) before income taxes, and minority interests	27.0	21.5	17.7	66.1	(28.7)
Income tax provision	(2.5)	(2.0)	(1.6)	(6.3)	(4.8)
Minority interests	(1.0)	(1.0)	(0.4)	(3.0)	(1.9)
Net income (loss)	23.5	18.5	15.7	56.8	(35.4)
Less: Accretion to redemption value of convertible redeemable preferred stock	0.1	0.1	0.1	0.3	(1.6)
Less: Convertible redeemable preferred stock dividends	(2.7)	(2.6)	(2.5)	(7.9)	(7.3)
Less: Allocation of undistributed earnings to preferred shareholders	(3.3)	(2.5)	(2.0)	(7.7)	-
Net income (loss) applicable to common stock ⁽¹⁾	\$ 17.6	\$ 13.5	\$ 11.3	\$ 41.5	\$ (44.3)
Income (loss) per common share:					
Basic: ⁽¹⁾	\$ 0.07	\$ 0.05	\$ 0.04	\$ 0.16	\$ (0.18)
Diluted: ⁽¹⁾⁽²⁾	\$ 0.06	\$ 0.05	\$ 0.04	\$ 0.15	\$ (0.18)
Weighted average common shares outstanding:					
Basic	256.1	255.3	253.9	255.5	245.6
Diluted: ⁽²⁾	290.7	287.8	259.4	288.8	245.6

(1) Effective in the second quarter of 2004 and pursuant to EITF 03-6, under the two-class method of calculating basic earnings per share in periods in which we generate income, we will allocate net income available to common stockholders on a pro-rata basis between our common and preferred stockholders. Given our capital structure, this new standard has the effect lowering our basic earnings per share when compared with our previous method of calculating basic earnings per share.

(2) Pursuant to the adoption of EITF 04-8, the diluted weighted average common shares outstanding for the quarter and nine months ended September 30, 2005 includes 26.5 million shares from the assumed conversion of our zero coupon convertible notes.



ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEET

(in millions)

	September 30, 2005	July 1 2005	December 31, 2004
Assets			
Cash, cash equivalents and short-term investments	\$ 272.3	\$ 246.6	\$ 185.7
Receivables, net	162.5	139.9	131.5
Inventories, net	172.7	172.1	193.4
Other current assets	24.4	26.2	23.6
Deferred income taxes	3.9	5.3	2.8
Total current assets	<u>635.8</u>	<u>590.1</u>	<u>537.0</u>
Property, plant and equipment, net	433.9	442.7	472.0
Goodwill	77.3	77.3	77.3
Other assets	23.5	22.0	23.8
Total assets	<u><u>\$ 1,170.5</u></u>	<u><u>\$ 1,132.1</u></u>	<u><u>\$ 1,110.1</u></u>
Liabilities, Minority Interests, Redeemable Preferred Stock and Stockholders' Deficit			
Accounts payable	\$ 103.3	\$ 100.7	\$ 104.4
Accrued expenses	105.0	103.2	100.4
Income taxes payable	6.4	6.4	2.4
Accrued interest	0.8	0.5	1.2
Deferred income on sales to distributors	100.5	91.2	96.7
Current portion of long-term debt	19.5	18.3	20.0
Total current liabilities	<u>335.5</u>	<u>320.3</u>	<u>325.1</u>
Long-term debt	1,118.0	1,124.1	1,131.8
Other long-term liabilities	33.1	33.3	32.2
Deferred income taxes	0.8	0.2	2.3
Total liabilities	<u>1,487.4</u>	<u>1,477.9</u>	<u>1,491.4</u>
Minority interests in consolidated subsidiaries	26.4	25.4	25.4
Redeemable preferred stock	138.7	136.1	131.1
Common stock	2.6	2.5	2.5
Additional paid-in capital	1,113.0	1,113.1	1,116.0
Accumulated other comprehensive income	3.0	1.2	1.1
Accumulated deficit	<u>(1,600.6)</u>	<u>(1,624.1)</u>	<u>(1,657.4)</u>
Total stockholders' deficit	<u>(482.0)</u>	<u>(507.3)</u>	<u>(537.8)</u>
Total liabilities, minority interests, redeemable preferred stock and stockholders' deficit	<u><u>\$ 1,170.5</u></u>	<u><u>\$ 1,132.1</u></u>	<u><u>\$ 1,110.1</u></u>



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

(in millions)

	Quarter Ended			Nine Months Ended	
	September 30, 2005	July 1, 2005	October 1, 2004	September 30, 2005	October 1, 2004
Net income (loss)	\$ 23.5	\$ 18.5	\$ 15.7	\$ 56.8	\$ (35.4)
Plus:					
Depreciation and amortization	25.0	24.8	25.5	74.9	76.6
Interest expense	16.1	15.4	22.0	46.1	80.1
Interest income	(1.7)	(1.2)	(0.6)	(3.8)	(1.6)
Income tax provision	2.5	2.0	1.6	6.3	4.8
EBITDA*	65.4	59.5	64.2	180.3	124.5
Increase (decrease):					
Interest expense	(16.1)	(15.4)	(22.0)	(46.1)	(80.1)
Interest income	1.7	1.2	0.6	3.8	1.6
Income tax provision (benefit)	(2.5)	(2.0)	(1.6)	(6.3)	(4.8)
Loss (gain) on sale or disposal of fixed assets	0.1	0.5	-	0.1	12.1
Non-cash portion of loss on debt prepayment ⁽¹⁾	-	-	1.0	-	19.5
Amortization of debt issuance costs and debt discount	0.4	0.4	1.8	1.3	5.5
Provision for excess inventories	2.7	3.1	5.3	8.9	6.9
Non-cash interest on junior subordinated note payable	3.9	3.9	3.6	11.7	10.6
Deferred income taxes	2.0	(2.4)	(0.5)	(2.6)	(2.0)
Stock compensation expense	-	-	0.2	-	0.2
Other	1.4	1.2	0.2	3.3	2.1
Changes in operating assets and liabilities	(10.3)	12.0	(24.7)	(7.5)	(24.3)
Net cash provided by operating activities ⁽¹⁾	\$ 48.7	\$ 62.0	\$ 28.1	\$ 146.9	\$ 71.8

*EBITDA represents net income (loss) 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.

(1) For the quarter and nine months October 1, 2004 ended, respectively; amounts have been revised to exclude the cash portion of the loss on debt prepayments from the adjustments to reconcile net income (loss) to net cash provided by operating activities.