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ON Semiconductor Reports First Quarter 2011 Results

For the first quarter of 2011, highlights include total:

- **Revenues of approximately \$870.6 million which includes**
 - Historical ON Semiconductor revenue of \$592.5 million
 - SANYO Semiconductor revenue of \$278.1 million
- **GAAP net income of \$0.16 per fully diluted share which includes**
 - Historical ON Semiconductor GAAP net income of \$0.15 per fully diluted share
 - SANYO Semiconductor GAAP net income of \$0.01 per fully diluted share
- **Non-GAAP net income of \$0.27 per fully diluted share which includes**
 - Historical ON Semiconductor non-GAAP net income of \$0.21 per fully diluted share
 - SANYO Semiconductor non-GAAP net income of \$0.06 per fully diluted share

ON Semiconductor Corporation (Nasdaq: **ONNN**) today announced that total revenues in the first quarter of 2011 were \$870.6 million, an increase of more than 50 percent from the fourth quarter of 2010. As previously announced, the company completed its acquisition of SANYO Semiconductor on January 1, 2011. During the first quarter of 2011, the company reported GAAP net income of \$74.8 million, or \$0.16 per fully diluted share. The first quarter 2011 GAAP net income included net charges of \$46.4 million, or \$0.10 per fully diluted share, from special items. The special item details can be found in the attached schedules. During the fourth quarter of 2010, the company reported a GAAP net income of \$61.0 million, or \$0.14 per fully diluted share. Further information, including the unaudited results of operations for SANYO Semiconductor for the first quarter of 2011, is provided in the financial tables attached to this release.

First quarter 2011 results were negatively impacted from reduced production and increased expenses incurred as a result of the Japan earthquake and resulting tsunami. There were production disruptions but only limited physical damage to our Japanese manufacturing facilities post the March 11 Japan earthquake and tsunami. While revenue was within our original guidance provided on February 3, 2011, we currently estimate that production disruptions negatively impacted our net income approximately \$10 million in the first quarter of 2011. Full stabilization and recovery of our operations in Japan is progressing well. Of ON Semiconductor's six manufacturing facilities in Japan, five came back to full production capacity and the sixth factory is ramping towards full production.

First quarter 2011 non-GAAP net income was \$121.2 million, or \$0.27 per share on a fully diluted basis, which included approximately \$0.06 per share on a fully diluted basis from SANYO Semiconductor. Fourth quarter 2010 non-GAAP net income was \$99.2 million, or \$0.22 per share on a fully diluted basis. A reconciliation of these non-GAAP financial measures (and other non-GAAP measures used elsewhere in this release, such as non-GAAP gross margin, non-GAAP gross profit and adjusted EBITDA) to the company's most directly comparable measures prepared in accordance with U.S. GAAP are set forth in the attached schedules and on our website at <http://www.onsemi.com/>.

On a mix-adjusted basis, average selling prices for historical ON Semiconductor (excluding SANYO Semiconductor) in the first quarter of 2011 were approximately flat when compared to the fourth quarter of 2010. Total company GAAP gross margin in the first quarter was 27.8 percent. Total company GAAP gross margin in the first quarter included a net charge of approximately \$70.9 million, or approximately 820 basis points, from special items. Total company non-GAAP gross margin in the first quarter was 36.0 percent.

Adjusted EBITDA for the first quarter of 2011 was \$167.3 million. Adjusted EBITDA for the fourth quarter of 2010 was \$145.4 million.

"ON Semiconductor continued its transformation in the first quarter of 2011 with the acquisition of SANYO Semiconductor," said Keith Jackson, ON Semiconductor president and CEO. "In January, we closed the acquisition of SANYO Semiconductor and in our first quarter of operating the business, SANYO Semiconductor positively contributed to our earnings. This transaction broadens our product portfolio, adding new capabilities from microcontrollers and custom application specific integrated solutions (ASICs) to integrated power modules and motor control devices. In addition, in February we closed the acquisition of the CMOS Image Sensor Business Unit from Cypress Semiconductor Corporation which positions ON Semiconductor as a leading supplier of ultra-high-speed CMOS image sensors."

"While total company revenues at the mid-point of our guidance for the second quarter of 2011 are anticipated to be up slightly from the first quarter of 2011, revenues, gross profit and earnings will be negatively impacted by the supply chain disruptions, reduced production and increased expenses in Japan as result of the earthquake and tsunami," Jackson said. "Based on our current assessment, we believe the effects of the earthquake and tsunami could negatively impact total company sales by approximately \$50 million and gross profit and earnings in excess of \$30 million in the second quarter of 2011. This anticipated impact is already included in our guidance below. Longer term we believe we are well positioned in Japan as the country rebuilds from the tragic events of March 11."

Our second quarter 2011 outlook includes SANYO Semiconductor. Based upon product booking trends, backlog levels and estimated turns levels, we anticipate that total ON Semiconductor revenues will be approximately \$860 to \$900 million in the second quarter of 2011," Jackson said. "Backlog levels for the second quarter of 2011 represent over 90 percent of our anticipated second quarter 2011 revenues. We expect that average selling prices for the second quarter of 2011 will be flat to down approximately one percent when compared to the first quarter of 2011. The non-GAAP outlook for the second

quarter of 2011 includes stock-based compensation expense of approximately \$14 million.”

The following table outlines ON Semiconductor’s second quarter 2011 GAAP and non-GAAP outlook.

ON SEMICONDUCTOR Q2 2011 BUSINESS OUTLOOK			
	Total ON Semiconductor GAAP	Special Items ***	Total ON Semiconductor Non-GAAP****
Revenue	\$860 to \$900 million		\$860 to \$900 million
Gross Margin	31% to 33%	\$45 million	36% to 38%
Operating Expenses	\$198 to \$208 million	\$20 million	\$178 to \$188 million
Net Interest Expense / Other Expenses	\$12 million		\$12 million
Convertible Notes, Non-cash Interest Expense*	\$9 million	\$9 million	\$0 million
Tax	\$8 to \$10 million	\$1 million	\$7 to \$9 million
Fully Diluted Share Count **	460 million		460 million

* Convertible Notes, Non-cash Interest Expense are included in FASB’s Accounting Standards Codification (“ASC”) Topic 470 Debt.

** Fully diluted share count can vary for, among other things, the actual exercise of options or restricted stock units, the incremental dilutive shares from all of the company’s convertible senior subordinated notes, and the repurchase or the issuance of stock or the sale of treasury shares. Please refer to the table on our website for potential changes to the Fully Diluted Share Count. This table can be found on our website at www.onsemi.com under Investors - Investor Relations, Annual Reports / Financial Releases.

*** Special Items can include: restructuring, asset impairments and other, net; expensing of appraised inventory fair market value (FMV) step up; amortization of intangibles; goodwill impairments; income tax adjustments to approximate cash taxes; non-cash interest expense and certain other special items as necessary.

**** Regulation G and other provisions of the securities laws regulate the use of financial measures that are not prepared in accordance with GAAP. We believe these non-GAAP 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 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.

FINANCIALS

TELECONFERENCE

ON Semiconductor will host a conference call for the financial community at 5:30 a.m. Pacific Time (PDT) on May 5, 2011 to discuss this announcement and ON Semiconductor’s results for the first quarter of 2011. The company will also provide a real-time audio webcast of the teleconference on the Investor Relations page of its website at <http://www.onsemi.com>. The webcast replay will be available at this site approximately one hour following the live broadcast and will continue to be available for approximately 30 days following the conference call. Investors and interested parties can also access the conference call through a telephone call by dialing (888) 546-9664 (U.S./Canada) or (973) 935-8144 (International). In order to join this conference call, you will be required to provide the Conference ID Number – which is 63850124. Approximately one hour following the live broadcast, the company will provide a dial-in replay that will continue to be available through May 12, 2011. To listen to the teleconference replay, call (800) 642-1687 (U.S./Canada) or (706) 645-9291 (International). You will be required to provide the Conference ID Number – which is 63850124.

About ON Semiconductor

ON Semiconductor (Nasdaq: ONNN) is a premier supplier of high performance silicon solutions for energy efficient electronics. The company’s broad portfolio of power and signal management, logic, discrete and custom devices helps customers efficiently solve their design challenges in [automotive](#), [communications](#), [computing](#), [consumer](#), [industrial](#), [LED lighting](#), [medical](#), [military/aerospace](#) and [power applications](#). ON Semiconductor operates a world-class, value-added supply chain and a network of manufacturing facilities, sales offices and design centers in key markets throughout North America, Europe, and the Asia Pacific regions. For more information, visit <http://www.onsemi.com>.

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This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included or incorporated in this document could be deemed forward-looking statements, particularly statements about the future financial performance of ON Semiconductor. These forward-looking statements are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” or “anticipates,” or by discussions of strategy, plans or intentions. All forward-looking statements in this document are made based on information available to us as of the date of this release, our current expectations, forecasts and assumptions, and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. Among these factors are our revenues and operating performance, poor economic conditions and markets (including current credit and financial conditions), effects of exchange rate fluctuations, the cyclical nature of the semiconductor industry, changes in demand for our products, changes in inventories at our customers and distributors, technological and product development risks, enforcement and protection of our intellectual property rights and related risks, availability of raw materials, electricity, gas, water and other supply chain uncertainties, our ability to effectively shift production to other facilities in order to maintain supply continuity for our customers, variable demand and the aggressive pricing environment for semiconductor products, our ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for our current products, competitors’ actions including

the adverse impact of competitive product announcements, pricing and gross profit pressures, loss of key customers, order cancellations or reduced bookings, changes in manufacturing yields, control of costs and expenses and realization of cost savings from restructurings and synergies, significant litigation, risks associated with decisions to expend cash reserves for various uses such as debt prepayment or acquisitions rather than to retain such cash for future needs, risks associated with acquisitions and dispositions (including from integrating and consolidating, and timely filing financial information with the Securities and Exchange Commission - for, recently acquired businesses, such as SANYO Semiconductor, and difficulties encountered in accurately predicting the future financial performance of recently acquired businesses, such as SANYO Semiconductor), risks associated with our substantial leverage and restrictive covenants in our debt agreements from time to time, risks associated with our worldwide operations including foreign employment and labor matters associated with unions and collective bargaining arrangements as well as natural disasters like the Japan earthquake and tsunami affecting our operations and finances/financials, the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally, risks and costs associated with increased and new regulation of corporate governance and disclosure standards (including pursuant to Section 404 of the Sarbanes-Oxley Act of 2002), risks related to new legal requirements and risks involving environmental or other governmental regulation. Information concerning additional factors that could cause results to differ materially from those projected in the forward-looking statements is contained in ON Semiconductor's Annual Report on Form 10-K for the period ended December 31, 2010, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of our filings with the Securities and Exchange Commission. If any of these trends, risks or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline, and investors could lose all or part of their investment. Readers are cautioned not to place undue reliance on forward-looking statements. These forward-looking statements should not be relied upon as representing our views as of any subsequent date and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made.