ON Semiconductor®

Interface & Power Business Plan 2011 – 2014

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Executive Summary

- **2011 Progress**
  - Projecting 2011 revenue of $74M, EBIDTA > 18%
  - First Power IP wins starting to materialize at key customers. Positioned for growth in 2012.
  - Gaining market share in Supervisory ICs. Ranked #5 WW in 2010.
- **Objectives for 2012 and beyond**
  - Exceed $80M in 2012, GM > 45% and EBIDTA >22%. Position BU to exceed $100M by 2014.
  - Achieve 3 year CAGR (2010-2013) > 10% with blend of GP, ASSP and MSI SAM expansion
  - Position the BU to lead the Power Interface socket for smart phones in 2013 and beyond.
- **Strategies**
  - Focus on Power: Power Interface, Power Protection and Supervisory ICs.
  - Drive 3-5% CAGR by revitalizing our foundation business: Supervisory and Power Protection
  - Lead value innovation solutions targeting Power Interface socket in wireless enabling 10%+ CAGR
    - Build on current wins / standalone IP (Samsung, HTC, Qualcomm)
    - Leverage new standards (USB3.0, MHL) as entry point.
  - Investigate potential partnerships to accelerate our roadmaps.
- **Hinge Factors**
  - Market growth for Supervisory ICs
  - Rate of integration in cell phones
  - Sony-Ericsson survival

Interface & Power Vision

Revenues: $74M
Gross Margin: 44%
GP/ASSP Mix: 40%/60%

Business Transformation

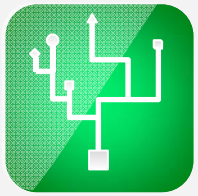
- Market re-targeting. Leverage investment in Power IP for wins.
- Focus on Interface Power solutions for cell phones.
- Revitalize Supervisory portfolio. Gain share.

Revenues: $100M
Gross Margin: 49%
GP/ASSP Mix: 30%/70%

Strong Market Presence

- Leader in Power Interface solutions for mobile applications
- Top 3 player in Supervisory ICs
- Financially Strong (> 30% EBIDTA)

VISION IMPLEMENTATION



EXPAND SAM

Supervisory ICs (Multi)
- Grow share in existing markets
- Expand product line target high runners
- Leverage distribution

Power Protection
- Focus on Computing
- Second source to TI
- Leverage ON anchor sockets (VRx)

Power Interface
- First mover. Leverage emerging standards
- Build on existing standalone IC wins
- Focus on market makers

TECHNOLOGY / SUPPLY

Technology Focus / Re-use
- Jet City OTP 2.5V/5V cell
- OTP cell 64 , 128 bits
- Integrated EEPROM solution
- Thick copper for low Rdson / high efficiency buck

Packaging Capability
- CSP , Copper plated CSP
- Low-cost RDL solution
- UQFN internal capacity
- BGA cost effective sourcing strategy

PENERATE KEY APPS

Smart Phones Phones and Tablets - Value Innovation
- Focus on Apple, Samsung and HTC.
- Lead value innovation solutions targeting Power Interface socket
- Build on current wins / standalone IP (Samsung, HTC, Qualcomm)
- Leverage new standards (USB3.0, MHL) as entry point
- Team with PQ for complete power offering

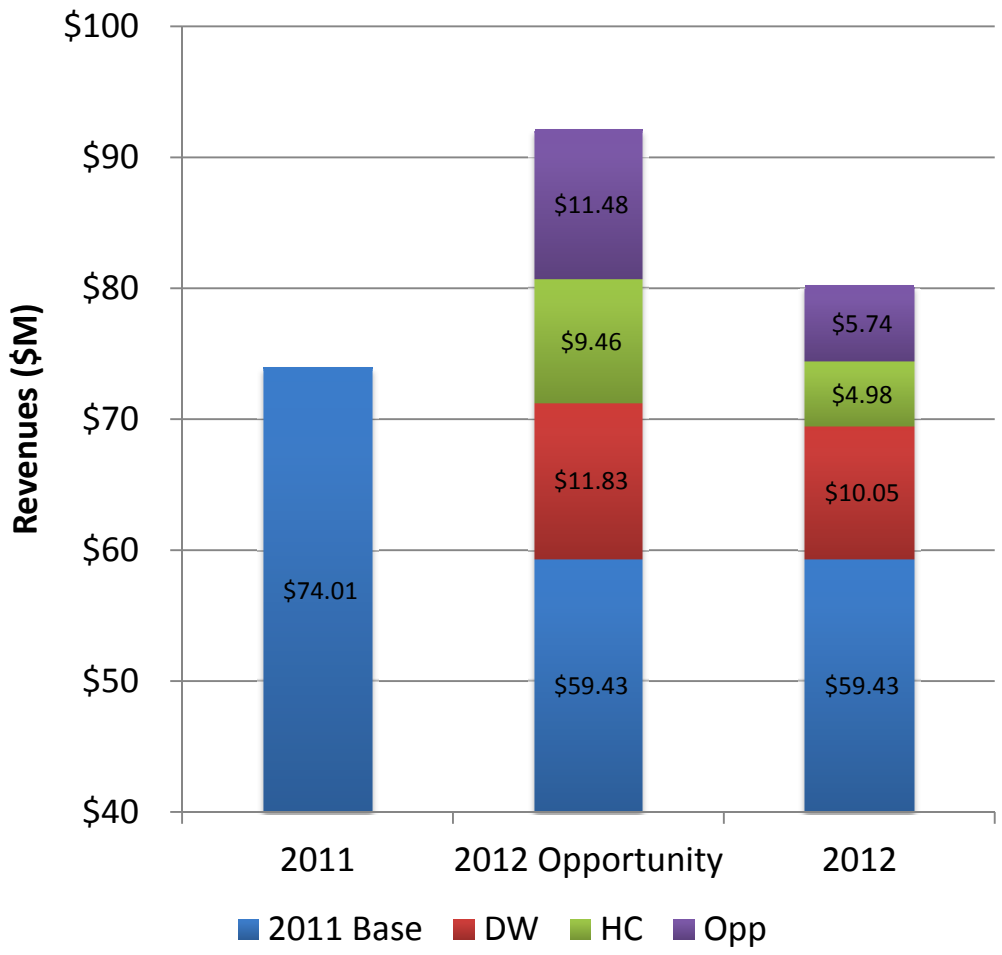
Notebooks
- Challenger to TI
- Fill a second source need
- Leverage anchor sockets in Computing

COST REDUCTIONS

Sourcing Strategy
- Aizu transfer to Gresham
- UQFN internal capacity (30% difference with UTL)
- CSP , Copper plated CSP & cost effective RDL
- Alternative to FCI => Evaluate JCAP / DECA
- Develop BGA cost effective sourcing strategy

Yield Improvement
- Process control improvement
- Re-design / transfer where appropriate

I&P Revenue 2011 - 2012



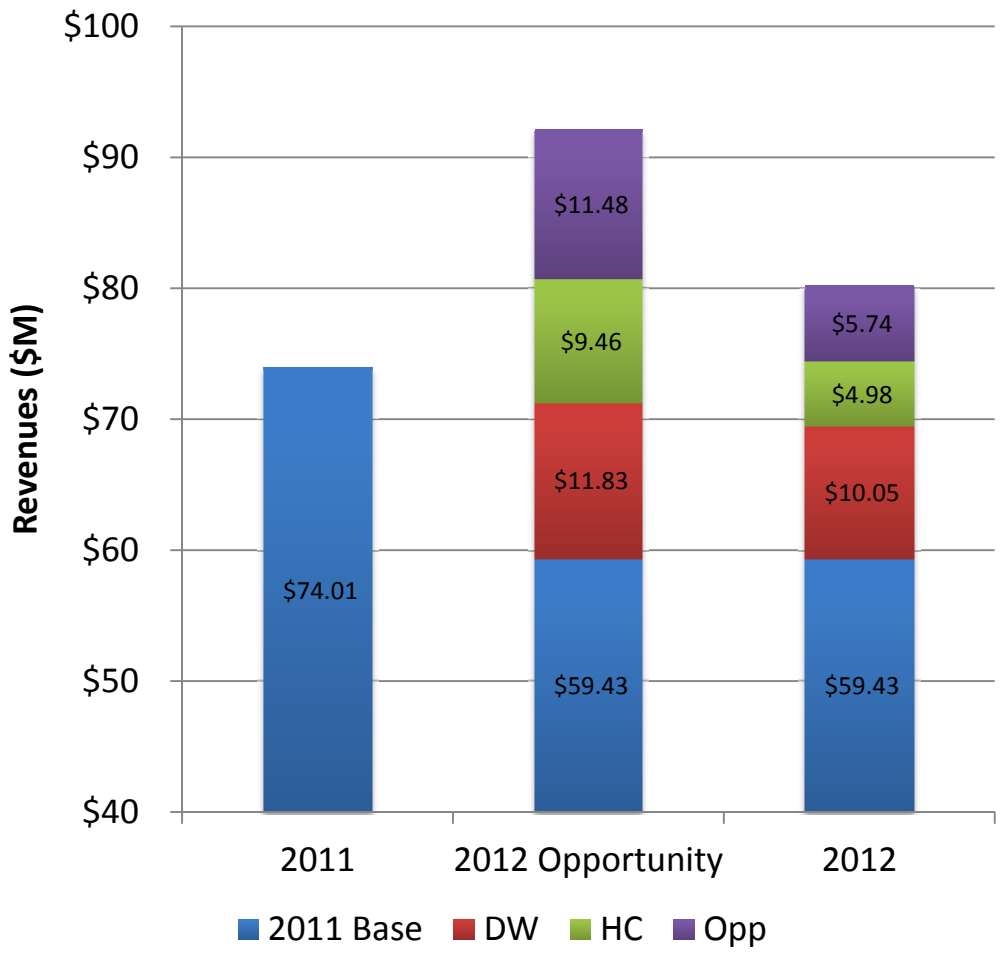
Opportunity
- 50% to 85% Confidence
- Revenue de-rated 80%, (20% hit rate)
- Risk abatement for design loss, cancellations, poor ramp etc…

High Confidence
- 85% confidence that we win socket
- Revenue de-rated 50%, (50% hit rate)
- Risk abatement for design loss, cancellations, poor ramp etc…

Confirmed Design Win
- We have the socket, just needs to ramp
- Revenue de-rated 30%, (70% hit rate)
- Risk abatement for cancellations, poor ramp etc…

Base Business
- Revenue from 2010 sockets in 2011
- 8% ASP Decline

I&P Revenue 2011 - 2012

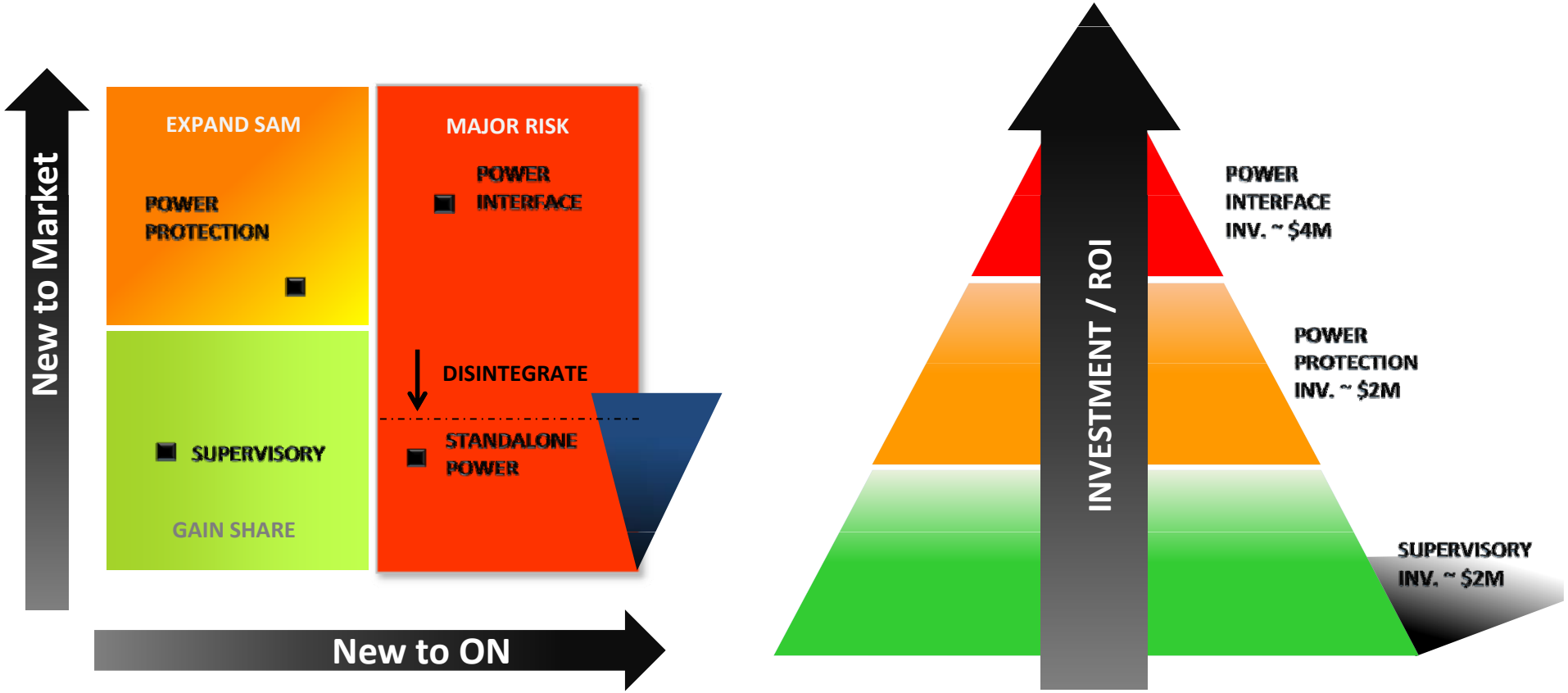


Major Design Win
- $4.0M NCN1154/NCN1188 at HTC/MOT
- $1.3M NCP391 at Qualcomm
- $1.3M NCP373 at Sony Ericsson
- $1.2M NCN7200 at Lenovo
- $1.0M NCP6334 at Apple
- $0.7M NCP380 at Sony Blu-Ray
- $0.7M NCP6334 at Seagate
- $0.4M NCP1521 at Samsung

Major High Confidence
- $1.7M NCP6914 at Samsung
- $2.5M NCP1851 at Samsung
- $0.7M NCP6338 at Motorola
- $0.5M NCP380 at Panasonic
- $0.5M NCP382 at Foxconn

Opportunity
- $2.0M NCP382 at Compal/Dell
- $1.4M NCP383 at Apple
- $0.8M NCP380 at Sharp

Product Line Strategy



FOCUS INVESTMENT ON POWER INTERFACE PRODUCTS FOR 10%+ CAGR
BUILD ON FOUNDATION TO MINIMIZE RISKS AND ACHIEVE SUSTAINABLE GROWTH

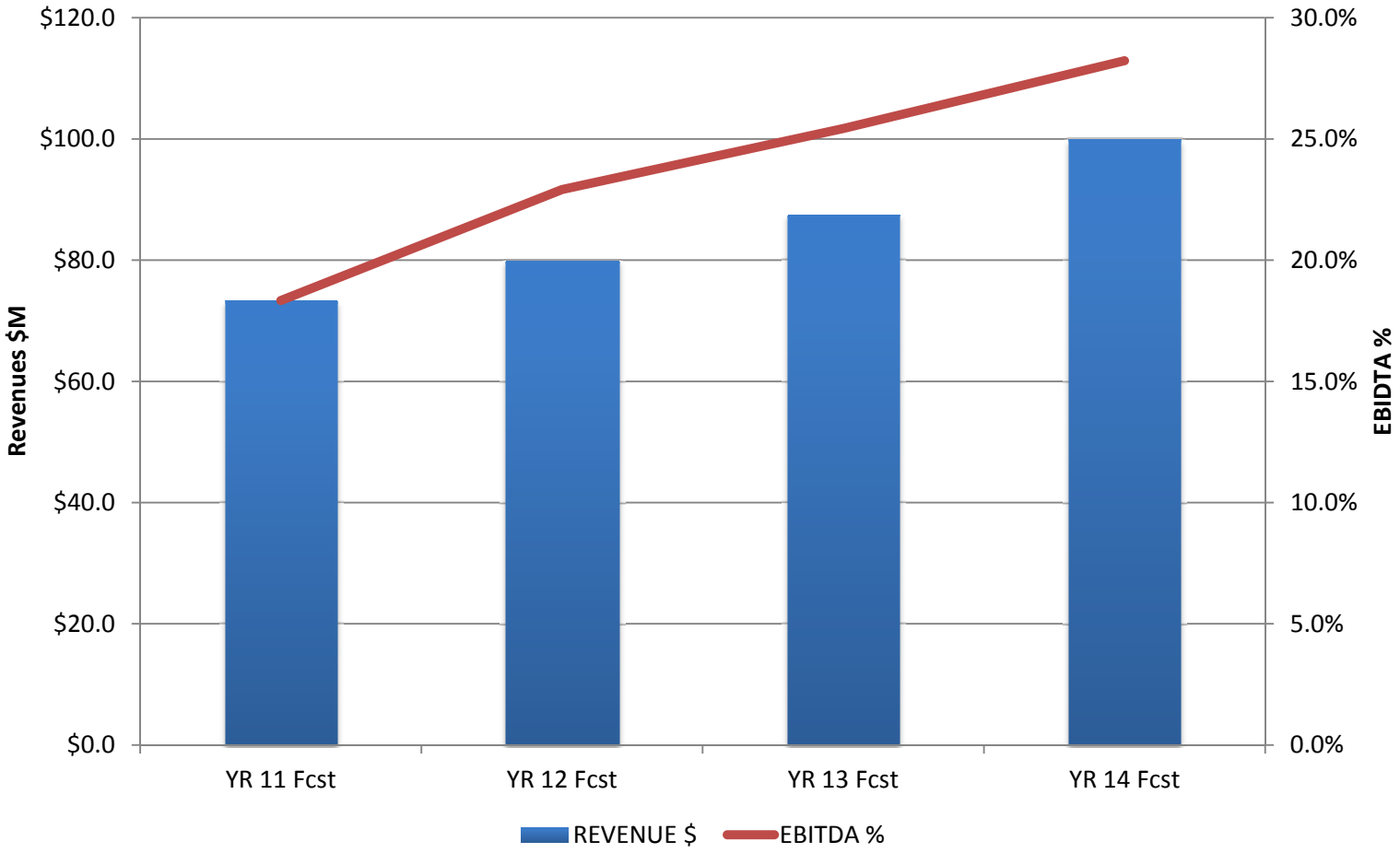
Growth Strategy

	Supervisory ICs	Power Protection	Power Interface
	TAM: $600M CAGR 11-14: 5.0%	TAM: $198M CAGR 11-14: 7%	TAM: $568M CAGR 11-14: 19.3%
Strategic Objectives	Top 3 Supplier Share Gain > 5.5%	Challenger / Fast Follower TI	Leadership Position in USB Power Interface Solutions
Tactics	Product Line Expansion Cost Reductions	Product Line Expansion	First Mover Value Innovation
Why we win	Value Alternatives to Maxim and Linear Tech	Second Source Strategy Leverage Computing Position	First Enabler
Products	Top 5 high Runners for Maxim and Linear Tech	OVP/OCP Smart Power Protection	Building Block Subsystem and System Level Solutions
Target Markets	Distribution Channel	Computing	Smart Phones
3 Years Revenue ON CAGR 12-14	$9.1M 9.5%	$20M 31%	$45M 187%

I&P – New Product Plan

	Q1'12	Q2'12	Q3'12	Q4'12	TOTAL 2H2011	TOTAL 2012
Power Interface		1	1	1		**3**
Power Protection	1	1	1	1		**4**
Supervisory		1	1	1		**3**
Other	1		1			**2**
Total Projects Planned						**12**

Financial Performance



Conclusion/Takeaways

- Proven that we can deliver additional value
- Poised with product that demonstrates value innovation
- Korea focus has shown improvement in engagement
- Solid plan for “simple” product adoption