

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported) December 27, 2006

ON Semiconductor Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-30419
(Commission
File Number)

36-3840979
(I.R.S. Employer
Identification Number)

ON Semiconductor Corporation
5005 E. McDowell Road
Phoenix, Arizona
(Address of principal executive offices)

85008
(Zip Code)

602-244-6600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

After evaluation and upon the recommendation of a special committee consisting of independent directors, on December 27, 2006, the Company entered into a Purchase Agreement with TPG Semiconductor Holdings LLC and TPG ON Holdings LLC, each a Delaware limited liability company (collectively “TPG”). The company agreed to repurchase \$69,999,995.54 (9,749,303 shares) of its common stock from TPG, the company’s largest stockholder, for a cash purchase price of \$7.18 per share (the “TPG Repurchase”).

The purchase price represents a 3% discount to the closing price of the company’s common stock on December 26, 2006, the date the transaction was agreed to, and represents a 4% discount to the average price paid by the company on December 11, 2006, to repurchase approximately 30.7 million of its shares in connection with a concurrent convertible note offering.

A copy of the Purchase Agreement is filed herewith as Exhibit 10.1. The above description of the Purchase Agreement is qualified in its entirety by reference to Exhibit 10.1, which is incorporated by reference herein. A copy of the press release filed in connection with the TPG Repurchase is also filed herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of Businesses Acquired
Not applicable.
- (b) Pro Forma Financial Information
Not applicable.
- (c) Shell Company Transaction
Not applicable.
- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Purchase Agreement dated December 27, 2006 between the Company and TPG
99.1	Press Release dated December 27, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ON SEMICONDUCTOR CORPORATION
(Registrant)

Date: December 28, 2006

By: /s/ DONALD A. COLVIN
Donald A. Colvin
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Purchase Agreement dated December 27, 2006 between the Company and TPG
99.1	Press Release dated December 27, 2006

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement"), effective as of December 27, 2006, is by and between ON Semiconductor Corporation, a Delaware corporation (the "Company"), and TPG SEMICONDUCTOR HOLDINGS LLC, a Delaware limited liability company, and TPG ON HOLDINGS LLC, a Delaware limited liability company ("TPG Sellers").

WHEREAS, (i) the Company has agreed, subject to the conditions herein, to purchase from TPG Sellers shares of common stock, par value \$0.01 per share, of the Company ("Common Stock").

NOW, THEREFORE, in consideration of the acts, payments, covenants and mutual agreements herein described and agreed to be performed, the Company and the TPG Sellers hereby agree as follows:

1. Purchase and Sale of the Shares.

(a) Upon the terms of and subject to conditions set forth in this Agreement, TPG Sellers hereby agree to sell to the Company, and the Company hereby agrees to purchase from TPG Sellers, 9,749,303 shares of Common Stock (the "Shares"). The number of Shares to be purchased from TPG Semiconductor Holdings LLC and the number of Shares to be purchased from TPG ON Holdings LLC are specified on Schedule 1 hereto.

(b) The purchase price per share for the Shares shall be \$7.18 per share (the "Per Share Price"), or an aggregate of Sixty-Nine Million Nine Hundred Ninety-Nine Thousand Nine Hundred Ninety-Five and 54/100 Dollars (\$69,999,995.54), paid pro rata.

(c) On or before December 29, 2006, TPG Sellers shall surrender to the Company any certificates representing the Shares being purchased, together with duly executed stock powers for the transfer of such Shares to the Company, or otherwise provide to the Company satisfactory evidence of the transfer of the Shares to the Company, against payment of the purchase price for the Shares to TPG Sellers by wire transfer to an account or accounts designated in writing by TPG Sellers.

2. Representations, Warranties and Covenants of TPG Sellers. TPG Sellers hereby represent, warrant and covenant to the Company as follows:

(a) **Ownership of the Shares.** TPG Sellers are the sole beneficial owner and holder of the entire right, title and interest in and to their respective Shares, free and clear of all liens and other encumbrances (other than restrictions on transfer imposed by federal and state securities laws).

(b) **Authorization; Enforceability.** TPG Sellers have full power and authority to enter into this Agreement. This Agreement has been duly authorized by all necessary limited liability company action and constitutes valid and legally binding obligations of TPG Sellers, enforceable against TPG Sellers in accordance with its terms.

(c) **No Conflicts.** The execution and delivery by TPG Sellers of this Agreement does not, and the consummation of the transactions contemplated hereby will not: (i) conflict with or result in a violation or breach of any law, rule, regulation, order or decree applicable to TPG Sellers; (ii) conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under, any contract to which TPG Sellers are a party; (iii) except as set forth in this Agreement or as required by the federal securities laws, require TPG to obtain any consent, approval or action of, make any filing with or give any notice to any person as a result or under the terms of any contract to which TPG Sellers are a party; or (iv) result in the creation or imposition of any lien or other encumbrance upon the Shares.

(d) **Adequacy of Information.** TPG Sellers, by virtue of their representation on the Board of Directors of the Company, has information or access to information regarding the Company and its business, including financial and operating data for October, November and December 2006, necessary to make an informed and knowledgeable decision with regard to the transactions contemplated hereby. TPG Sellers understand that the Shares may in the future trade at prices higher than the purchase price at which TPG Sellers are selling such Shares to the Company under this Agreement, and that TPG Sellers, by entering into this Agreement, are foregoing any and all opportunities to share in any such increased value with respect to any Shares sold hereunder. TPG Sellers have not relied upon the Company, or any of its affiliates or agents, and has instead made its own independent analysis, in determining to enter into this Agreement and to consummate the transactions contemplated hereby.

(e) **Required Filings.** TPG Sellers will make all filings required by law with governmental agencies or authorities as a result of the execution of this Agreement and the sale of the Shares, including, without limitation, filings required under Section 13 and Section 16 of the Exchange Act of 1934, as amended, within the time period required by all such applicable laws.

3. **Representations, Warranties and Covenants of** the Company. The Company hereby represents, warrants and covenants to TPG Sellers as follows:

(a) **Authorization; Enforceability.** The Company has full power and authority to enter into this Agreement. This Agreement has been duly authorized by all necessary corporate action and constitutes valid and legally binding obligations of the Company, enforceable against the Company in accordance with its terms.

(b) **No Conflicts.** The execution and delivery by the Company of this Agreement does not, and the consummation of the transactions contemplated hereby will not: (i) conflict with or result in a violation or breach of any law, rule, regulation, order or decree applicable to the Company; (ii) conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under, any contract to which the Company or any of its direct or indirect subsidiaries is a party, or (iii) except as set forth in this Agreement or as required by the federal securities laws, require the Company to obtain any consent, approval or action of, make any filing with or give any notice to any person as a result or under the terms of any contract to which the Company is a party.

(c) **Required Filings.** The Company will make all filings required by law with governmental agencies or authorities as a result of the execution of this Agreement and the sale of the Shares within the time period required by all such applicable laws.

4. **Miscellaneous.**

(a) **Survival.** The representations, warranties, covenants and agreements of TPG Sellers and the Company contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the closing of the transactions contemplated hereby.

(b) **Nature of Agreement.** This Agreement and all provisions thereof, including all representations and promises contained herein, are contractual and not a mere recital and shall continue in permanent force and effect. This Agreement constitutes the sole and entire agreement of the parties with respect to the subject matter hereof, and there are no agreements of any nature whatsoever between the parties hereto with respect to the subject matter hereof, except as expressly stated or referenced herein. This Agreement may not be modified or changed unless done so in writing, signed by both parties. In the event that any portion of this Agreement is found to be unenforceable for any reason whatsoever, the unenforceable provision shall be considered to be severable, and the remainder of the Agreement shall continue to be in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to choice of law principles.

(c) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(d) **Notices.** Unless otherwise provided, any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered by overnight courier or sent by facsimile, or upon delivery when delivered personally, or upon seventy-two (72) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, addressed to the party to be notified at such party's address or facsimile number, as subsequently modified by written notice, as follows:

(i) if to TPG Sellers, to Texas Pacific Group, 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102, Attn: Clive D. Bode, Vice President (facsimile: (817) 871-4088), or

(ii) if to the Company, to On Semiconductor Corporation, 5005 E. McDowell Road, Phoenix, Arizona 85008, Attn: General Counsel (facsimile: 602-244-5601).

(e) **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable for whatever reason, the remaining provisions of this Agreement shall nevertheless continue in full force and effect without being impaired in any manner whatsoever.

(f) **Further Assurances.** Each party to this Agreement agrees upon request to execute any further documents or instruments necessary or desirable to carry out the purposes or intent of this Agreement.

(g) **Several Obligations.** The obligations of each of the TPG Entities is several and not joint.

(h) **Advice of Counsel.** Each party to this agreement acknowledges that, in executing this agreement, such party has had the opportunity to seek the advice of independent legal counsel, and has read and understood all of the terms and provisions of this agreement. This agreement shall not be construed against any party by reason of the drafting or preparation hereof.

[Signature Page Follows]

The parties have executed this Stock Purchase Agreement as of the date first written above.

THE COMPANY:

ON SEMICONDUCTOR CORPORATION

By: /s/ KEITH JACKSON

Name: Keith Jackson

Title: President and Chief Executive Officer

TPG SELLERS:

TPG SEMICONDUCTOR HOLDINGS LLC,

By: TPG Partners II, L.P., as Manager,

By: TPG GenPar II, L.P., its General Partner,

By: TPG Advisors II, Inc., its General Partner,

By: /s/ JOHN E. VIOLA

Name: John E. Viola

Title: Vice President

TPG ON HOLDINGS LLC,

By: TPG Partners II, L.P., as Manager,

By: TPG GenPar II, L.P., its General Partner,

By: TPG Advisors II, Inc., its General Partner,

By: /s/ JOHN E. VIOLA

Name: John E. Viola

Title: Vice President

SCHEDULE 1

	TPG Seller	Number of Shares
TPG Semiconductor Holdings LLC		6,602,475
TPG ON Holdings LLC		3,146,828



Ross Ayotte
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ON Semiconductor
(602) 244-5978
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ON Semiconductor Repurchases Common Stock from Company's Largest Stockholder

PHOENIX, Ariz. — Dec. 27, 2006 — ON Semiconductor Corporation (Nasdaq: ONNN) today announced that, after evaluation and upon the recommendation of a special committee consisting of independent directors, it has entered into a Purchase Agreement with TPG Semiconductor Holdings LLC and TPG ON Holdings LLC, each a Delaware limited liability company (collectively "TPG"). The company agreed to repurchase \$69,999,995.54 (9,749,303 shares) of its common stock from TPG, the company's largest stockholder, for a purchase price of \$7.18 per share (the "TPG Repurchase").

The purchase price represents a 3 percent discount to the closing price of the company's common stock on December 26, 2006, the date the transaction was agreed to, and represents a 4 percent discount to the average price paid by the company on December 11, 2006, to repurchase approximately 30.7 million of its shares in connection with a concurrent convertible note offering.

In its December 18, 2006 press release, the company had stated that it would begin 2007 with a fully diluted share count of approximately 305 million shares based on the current stock price and would also anticipate beginning 2007 with over \$250 million of cash, cash equivalents and short term investments if no further share repurchases were made during the fourth quarter. Based on today's announcement, the company now expects that it will begin 2007 with a fully diluted share count of approximately 295 million shares and will begin 2007 with over \$200 million of cash, cash equivalents and short term investments.

"We are excited by our ability to negotiate directly with our largest shareholder and use cash on hand to repurchase approximately 3 percent of our common stock outstanding. We believe this transaction provides an example of how the company can work directly with TPG to reduce their ownership position in an orderly manner," said Donald Colvin, ON Semiconductor executive vice president and CFO.

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ON Semiconductor Repurchases Common Stock from Its Largest Stockholder

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About ON Semiconductor

With its global logistics network and strong portfolio of power semiconductor devices, ON Semiconductor (Nasdaq: ONNN) is a preferred supplier of power solutions to engineers, purchasing professionals, distributors and contract manufacturers in the computer, cell phone, portable devices, automotive and industrial markets. For more information, please visit ON Semiconductor's website at <http://www.onsemi.com>.

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ON Semiconductor and the ON Semiconductor logo are registered trademarks of Semiconductor Components Industries, LLC. All other brand and product names appearing in this document are registered trademarks or trademarks of their respective holders. Although the company references its website in this news release, information on the website is not to be incorporated herein.

This news release includes "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact are statements that could be deemed forward-looking statements and are often characterized by the use of words such as "believes," "expects," "estimates," "projects," "may," "will," "intends," "plans," or "anticipates," or by discussions of strategy, plans or intentions. In this news release, forward-looking information relates to the 2007 estimated share count, 2007 beginning cash, cash equivalents and short term investments and similar matters. All forward-looking statements in this news release are made based on management's current expectations and estimates, which involve risks, uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements. Among these factors are changes in overall economic conditions, 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, availability of raw materials, competitors' actions, pricing and gross margin pressures, loss of key customers, order cancellations or reduced bookings, changes in manufacturing yields, control of costs and expenses, significant litigation, risks associated with acquisitions and dispositions, risks associated with our substantial leverage and restrictive covenants in our debt agreements, risks associated with our international operations, 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), and risks involving environmental or other governmental regulation. Additional factors that could affect the company's future operating results are in Item 1A Risk Factors of our Form 10-K for the year ended December 31, 2005 and other factors are described from time to time in our SEC filings. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information.