
**UNITED STATES
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**

**May 4, 2011
Date of report (Date of earliest event reported)**

ON Semiconductor Corporation

(Exact name of registrant as specified in 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)

Not applicable
(Former name or former address, if changed since last report.)

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 2.02. Results of Operation and Financial Condition.

On May 4, 2011, ON Semiconductor Corporation (the “Company”) announced in a news release its financial performance for the first quarter ended April 1, 2011 and other related material information (“Earnings Release”). A copy of the Earnings Release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

On May 5, 2011, following the release of the Earnings Release, the Company will hold a live conference call at 5:30 a.m. Pacific Time (PDT) to discuss its financial performance for the quarter ended April 1, 2011 and other related material information. A copy of the script for this call is attached as Exhibit 99.2 and incorporated by reference. The Earnings Release and call script include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measures prepared in accordance with U.S. GAAP are set forth in the Earnings Release and posted separately on the Investor Relations page of the Company’s website at <http://www.onsemi.com>. The Company will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its website at <http://www.onsemi.com>. The re-broadcast of the call 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) and providing the conference ID number of 63850124. The Company will provide a dial-in replay approximately one hour following the live broadcast that will continue through approximately 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.

The information under this Item 2.02 of this report, including Exhibits 99.1 and 99.2, is being furnished under Item 2.02 and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to liability of that section nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

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 Transactions
Not applicable.
- (d) Exhibits

The below exhibits are furnished as part of this report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	News release for ON Semiconductor Corporation dated May 4, 2011 announcing financial performance for the first quarter ended April 1, 2011
99.2	Conference call script for May 5, 2011 regarding ON Semiconductor Corporation’s financial performance for the first quarter ended April 1, 2011

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 hereunto duly authorized.

ON SEMICONDUCTOR CORPORATION
(Registrant)

Date: May 4, 2011

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

EXHIBIT INDEX

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ON Semiconductor®

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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*

PHOENIX, Ariz. – May 4, 2011 – 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.

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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.”

SECOND QUARTER 2011 OUTLOOK

“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.

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 effectively 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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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 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.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Quarter Ended		
	April 1, 2011	December 31, 2010	April 2, 2010
Revenues	\$870.6	\$ 579.2	\$550.2
Cost of revenues	628.2	341.6	322.1
Gross profit	242.4	237.6	228.1
Gross margin	27.8%	41.0%	41.5%
Operating expenses:			
Research and development	91.1	59.4	65.2
Selling and marketing	49.4	38.0	35.6
General and administrative	47.1	31.9	31.5
Amortization of acquisition-related intangible assets	9.7	7.9	7.8
Restructuring, asset impairments and other, net	12.4	3.5	3.8
Goodwill and intangibles asset impairment charges	—	16.1	—
Total operating expenses	209.7	156.8	143.9
Operating income	32.7	80.8	84.2
Other income (expenses), net:			
Interest expense	(17.8)	(16.4)	(16.4)
Interest income	0.3	0.1	0.1
Other	(0.2)	0.1	(2.8)
Gain on SANYO Semiconductor acquisition	61.3	—	—
Other expenses, net	43.6	(16.2)	(19.1)
Income before income taxes	76.3	64.6	65.1
Income tax provision	(0.8)	(3.4)	(1.4)
Net income	75.5	61.2	63.7
Net income attributable to minority interest	(0.7)	(0.2)	(0.7)
Net income attributable to ON Semiconductor Corporation	<u>\$ 74.8</u>	<u>\$ 61.0</u>	<u>\$ 63.0</u>
Net income per common share attributable to ON Semiconductor Corporation:			
Basic:	<u>\$ 0.17</u>	<u>\$ 0.14</u>	<u>\$ 0.15</u>
Diluted:	<u>\$ 0.16</u>	<u>\$ 0.14</u>	<u>\$ 0.14</u>
Weighted average common shares outstanding:			
Basic:	<u>441.4</u>	<u>434.2</u>	<u>428.1</u>
Diluted:	<u>456.0</u>	<u>447.5</u>	<u>440.9</u>

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Quarter Ended April 1, 2011		
	ONNN	SANYO Semiconductor ⁽¹⁾	Combined
Revenues	\$ 592.5	\$ 278.1	\$ 870.6
Cost of revenues	354.5	273.7	628.2
Gross profit	238.0	4.4	242.4
Gross margin	40.2%	1.6%	27.8%
Operating expenses:			
Research and development	64.6	26.5	91.1
Selling and marketing	38.6	10.8	49.4
General and administrative	38.6	8.5	47.1
Amortization of acquisition related intangible assets	8.3	1.4	9.7
Restructuring, asset impairments and other, net	—	12.4	12.4
Total operating expenses	<u>150.1</u>	<u>59.6</u>	<u>209.7</u>
Operating income (loss)	<u>87.9</u>	<u>(55.2)</u>	<u>32.7</u>
Other income (expenses), net:			
Interest expense	(17.8)	—	(17.8)
Interest income	0.1	0.2	0.3
Other	0.5	(0.7)	(0.2)
Gain on SANYO Semiconductor acquisition	—	61.3	61.3
Other expenses, net	<u>(17.2)</u>	<u>60.8</u>	<u>43.6</u>
Income before income taxes	70.7	5.6	76.3
Income tax provision	<u>(0.6)</u>	<u>(0.2)</u>	<u>(0.8)</u>
Net income	70.1	5.4	75.5
Net income attributable to minority interest	<u>(0.7)</u>	—	<u>(0.7)</u>
Net income attributable to ON Semiconductor Corporation	<u>\$ 69.4</u>	<u>\$ 5.4</u>	<u>\$ 74.8</u>
Net income per common share attributable to ON Semiconductor Corporation:			
Basic:	<u>\$ 0.16</u>	<u>\$ 0.01</u>	<u>\$ 0.17</u>
Diluted:	<u>\$ 0.15</u>	<u>\$ 0.01</u>	<u>\$ 0.16</u>
Weighted average common shares outstanding:			
Basic:	<u>441.4</u>	<u>441.4</u>	<u>441.4</u>
Diluted:	<u>456.0</u>	<u>456.0</u>	<u>456.0</u>

⁽¹⁾ The SANYO Semiconductor unaudited statement of operations above does not include the allocation of certain operating expenses. We have provided the table above for informational purposes only.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEET

(in millions)

	April 1, 2011	December 31, 2010	April 2, 2010
Assets			
Cash and cash equivalents	\$ 766.0	\$ 623.3	\$ 560.7
Receivables, net	576.3	294.6	298.9
Inventories	767.5	360.8	297.6
Other current assets	121.7	63.6	48.4
Deferred income taxes, net of allowances	16.4	15.7	14.6
Total current assets	<u>2,247.9</u>	<u>1,358.0</u>	<u>1,220.2</u>
Restricted cash	—	142.1	0.2
Property, plant and equipment, net	1,061.3	864.3	741.6
Deferred income taxes, net of allowances	62.3	—	—
Goodwill	199.2	191.2	191.7
Intangible assets, net	370.7	303.0	330.6
Other assets	75.4	60.6	61.5
Total assets	<u>\$ 4,016.8</u>	<u>\$ 2,919.2</u>	<u>\$ 2,545.8</u>
Liabilities, Minority Interests and Stockholders' Equity			
Accounts payable	\$ 527.8	\$ 256.9	\$ 204.7
Accrued expenses	197.5	162.6	141.6
Income taxes payable	7.2	5.1	2.9
Accrued interest	4.5	0.8	4.6
Deferred income on sales to distributors	169.5	149.5	109.1
Deferred income taxes, net of allowances	62.8	—	—
Current portion of long-term debt	176.8	136.0	111.3
Total current liabilities	<u>1,146.1</u>	<u>710.9</u>	<u>574.2</u>
Long-term debt	1,095.2	752.8	823.5
Other long-term liabilities	244.2	49.3	45.0
Deferred income taxes, net of allowances	21.6	18.2	15.4
Total liabilities	<u>2,507.1</u>	<u>1,531.2</u>	<u>1,458.1</u>
ON Semiconductor Corporation stockholders' equity:			
Common stock	4.9	4.9	4.8
Additional paid-in capital	3,069.5	3,016.1	2,939.9
Accumulated other comprehensive loss	(58.7)	(59.1)	(65.1)
Accumulated deficit	(1,139.1)	(1,213.9)	(1,441.4)
Less: treasury stock, at cost	(389.6)	(382.0)	(370.8)
Total ON Semiconductor Corporation stockholders' equity	<u>1,487.0</u>	<u>1,366.0</u>	<u>1,067.4</u>
Minority interest in consolidated subsidiaries	22.7	22.0	20.3
Total equity	<u>1,509.7</u>	<u>1,388.0</u>	<u>1,087.7</u>
Total liabilities and equity	<u>\$ 4,016.8</u>	<u>\$ 2,919.2</u>	<u>\$ 2,545.8</u>

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

(in millions)

	Quarter Ended		
	April 1, 2011	December 31, 2010	April 2, 2010
Net income	\$ 75.5	\$ 61.2	\$ 63.7
Plus:			
Depreciation and amortization	52.8	44.5	39.7
Interest expense	17.8	16.4	16.4
Interest income	(0.3)	(0.1)	(0.1)
Income tax provision	0.8	3.4	1.4
Net income attributable to minority interest	(0.7)	(0.2)	(0.7)
Non-cash impairment charges	—	16.1	—
Restructuring, asset impairments and other, net	12.4	3.5	3.8
Non-cash manufacturing expenses	50.0	—	—
Gain on SANYO Semiconductor acquisition	(61.3)	—	—
Expensing of appraised inventory fair market value step up	20.3	0.6	3.1
Adjusted EBITDA*	167.3	145.4	127.3
Increase (decrease):			
Interest expense	(17.8)	(16.4)	(16.4)
Interest income	0.3	0.1	0.1
Income tax provision	(0.8)	(3.4)	(1.4)
Net income attributable to minority interest	0.7	0.2	0.7
Restructuring, asset impairments, and other, net	(12.4)	(3.5)	(3.8)
Expensing of appraised inventory fair market value step up	(20.3)	(0.6)	(3.1)
Stock compensation expense	10.4	11.2	13.7
Gain on sale or disposal of fixed assets	(2.1)	(1.7)	(2.1)
Amortization of debt issuance costs and debt discount	0.6	0.6	0.7
Provision for excess inventories	1.7	7.3	(1.1)
Non-cash interest expense	8.7	8.4	8.7
Deferred income taxes	3.2	(2.7)	2.3
Other	(1.0)	(0.3)	(1.0)
Changes in operating assets and liabilities	(12.9)	15.2	(15.1)
Net cash provided by operating activities	<u>\$ 125.6</u>	<u>\$ 159.8</u>	<u>\$ 109.5</u>

* Adjusted EBITDA represents net income (loss) before interest expense, interest income, provision for income taxes, depreciation and amortization expense and special items. We use the adjusted EBITDA measure for internal managerial evaluation purposes, as a means to evaluate period-to-period comparisons and as a performance metric for the vesting/releasing of certain of our performance based equity awards, and for earning of corporate cash bonuses when applicable. Adjusted EBITDA is a non-GAAP financial measure. Regulation G and other provisions of the securities laws regulate the use of financial measures that are not prepared in accordance with generally accepted accounting principles. We believe this measure provides important supplemental information to investors. 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 press 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 non-GAAP financial measures used by our company or other companies, even if they have similar names.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
ANALYSIS OF GAAP VERSUS NON-GAAP DISCLOSURES

(in millions, except per share and percentage data)

	Quarter Ended		
	April 1, 2011	December 31, 2010	April 2, 2010
Reconciliation of GAAP gross profit to non-GAAP gross profit:			
GAAP gross profit	\$242.4	\$ 237.6	\$228.1
Special items:			
a) Expensing of appraised inventory fair market value step up	20.3	0.6	3.1
b) Non-cash manufacturing expenses and amortization of intangibles	50.6	0.6	0.6
Total Special items	70.9	1.2	3.7
Non-GAAP gross profit	<u>\$313.3</u>	<u>\$ 238.8</u>	<u>\$231.8</u>
Reconciliation of GAAP gross margin to non-GAAP gross margin:			
GAAP gross margin	27.8%	41.0%	41.5%
Special items:			
a) Expensing of appraised inventory fair market value step up	2.3%	0.1%	0.6%
b) Non-cash manufacturing expenses and amortization of intangibles	5.8%	0.1%	0.1%
Total Special items	8.1%	0.2%	0.7%
Non-GAAP gross margin	<u>36.0%</u>	<u>41.2%</u>	<u>42.1%</u>
Reconciliation of GAAP net income (loss) to non-GAAP net income:			
GAAP net income attributable to ON Semiconductor Corporation	\$ 74.8	\$ 61.0	\$ 63.0
Special items:			
a) Expensing of appraised inventory fair market value step up - cost of revenues	20.3	0.6	3.1
b) Non-cash manufacturing expenses and amortization of intangibles - cost of revenues	50.6	0.6	0.6
c) Amortization of acquisition related intangible assets - operating expenses	9.7	7.9	7.8
d) Restructuring, asset impairments and other, net	12.4	3.5	3.8
e) Goodwill and intangible impairment	—	16.1	—
f) Gain on SANYO Semiconductor acquisition	(61.3)	—	—
g) SANYO Semiconductor acquisition related costs	7.3	—	—
h) Non-cash interest expense	8.7	8.4	8.7
i) Cash taxes	(1.3)	1.1	(1.7)
Total Special items	46.4	38.2	22.3
Non-GAAP net income	<u>\$121.2</u>	<u>\$ 99.2</u>	<u>\$ 85.3</u>
Non-GAAP net income per share:			
Basic:	<u>\$ 0.27</u>	<u>\$ 0.23</u>	<u>\$ 0.20</u>
Diluted:	<u>\$ 0.27</u>	<u>\$ 0.22</u>	<u>\$ 0.19</u>
Weighted average common shares outstanding:			
Basic:	<u>441.4</u>	<u>434.2</u>	<u>428.1</u>
Diluted:	<u>456.0</u>	<u>447.5</u>	<u>440.9</u>

Total share-based compensation expense, related to the Company's stock options, restricted stock units, restricted stock awards and employee stock purchase plan is included below.

	Quarter Ended		
	April 1, 2011	December 31, 2010	April 2, 2010
Cost of revenues	\$ 1.9	\$ 3.0	\$ 3.3
Research and development	2.0	2.4	2.5
Selling and marketing	1.9	2.2	2.6
General and administrative	4.6	3.6	5.3
Total share-based compensation expense	<u>\$ 10.4</u>	<u>\$ 11.2</u>	<u>\$ 13.7</u>

Non-GAAP Measures

To supplement the consolidated financial results prepared under GAAP, ON Semiconductor uses non-GAAP measures which are adjusted from the most directly comparable GAAP results to exclude items related to amortization of intangible assets, amortization of acquisition-related intangibles, expensing of appraised inventory fair market value step up, purchased in-process research and development expenses, restructuring, asset impairments and other, net, goodwill impairment charges, gains and losses on debt prepayment, non-cash interest expense, their related tax effects and certain other special items as necessary. Management does not consider these charges in evaluating the core operational activities of ON Semiconductor. Management uses these non-GAAP measures internally to make strategic decisions, forecast future results and evaluate ON Semiconductor's current performance. Most analysts covering ON Semiconductor use the non-GAAP measures as well. Given management's use of these non-GAAP measures, ON Semiconductor believes these measures are important to investors in understanding ON Semiconductor's current and future operating results as seen through the eyes of management. In addition, management believes these non-GAAP measures are useful to investors in enabling them to better assess changes in ON Semiconductor's core business across different time periods. These non-GAAP measures are not in accordance with or an alternative to GAAP financial data and may be different from non-GAAP measures used by other companies. 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.

— Non-GAAP gross profit and gross margin. The use of this non-GAAP financial measure allows management to evaluate the gross margin of the company's core businesses and trends across different reporting periods on a consistent basis, independent of non-cash items including expensing of appraised inventory fair

market value step up and amortization of intangible assets. In addition, it is an important component of management's internal performance measurement and reward process as it is used to assess the current and historical financial results of the business, for strategic decision making, preparing budgets and forecasting future results. Management presents this non-GAAP financial measure to enable investors and analysts to evaluate our revenue generation performance relative to the direct costs of revenue of ON Semiconductor's core businesses.

— Non-GAAP net income and net income per share. The use of these non-GAAP financial measures allow management to evaluate the operating results of ON Semiconductor's core businesses and trends across different reporting periods on a consistent basis, independent of non-cash items including amortization of intangible assets, amortization of acquisition-related intangibles, expensing of appraised inventory fair market value step up, purchased in-process research and development expenses, restructuring, asset impairments and other, net, goodwill impairment charges, gains and losses on debt prepayment, non-cash interest expense, their related tax effects and certain other special items as necessary. In addition, they are important components of management's internal performance measurement and reward process as they are used to assess the current and historical financial results of the business, for strategic decision making, preparing budgets and forecasting future results. Management presents these non-GAAP financial measures to enable investors and analysts to understand the results of operations of ON Semiconductor's core businesses and to compare our results of operations on a more consistent basis against that of other companies in our industry.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

ANALYSIS OF GAAP VERSUS NON-GAAP DISCLOSURES

(in millions, except per share and percentage data)

	Quarter Ended April 1, 2011		
	ONNN	SANYO Semiconductor	Total
Reconciliation of GAAP gross profit to non-GAAP gross profit:			
GAAP gross profit	\$ 238.0	\$ 4.4	\$ 242.4
Special items:			
a) Expensing of appraised inventory fair market value step up	1.0	19.3	20.3
b) Non-cash manufacturing expenses and amortization of intangibles	0.6	50.0	50.6
Total Special items	1.6	69.3	70.9
Non-GAAP gross profit	\$ 239.6	\$ 73.7	\$ 313.3
Reconciliation of GAAP gross margin to non-GAAP gross margin:			
GAAP gross margin	40.2%	1.6%	27.8%
Special items:			
a) Expensing of appraised inventory fair market value step up	0.2%	6.9%	2.3%
b) Non-cash manufacturing expenses and amortization of intangibles	0.1%	18.0%	5.8%
Total Special items	0.3%	24.9%	8.1%
Non-GAAP gross margin	40.4%	26.5%	36.0%
Reconciliation of GAAP net income (loss) to non-GAAP net income:			
GAAP net income attributable to ON Semiconductor Corporation	\$ 65.6	\$ 9.2	\$ 74.8
Special items:			
a) Expensing of appraised inventory fair market value step up - cost of revenues	1.0	19.3	20.3
b) Non-cash manufacturing expenses and amortization of intangibles - cost of revenues	0.6	50.0	50.6
c) Amortization of acquisition related intangible assets - operating expenses	8.3	1.4	9.7
d) Restructuring, asset impairments and other, net	—	12.4	12.4
e) Gain on SANYO Semiconductor acquisition	—	(61.3)	(61.3)
f) SANYO Semiconductor related acquisition costs	7.3	—	7.3
g) Non-cash interest expense	8.7	—	8.7
h) Cash taxes	(1.3)	—	(1.3)
Total Special items	24.6	21.8	46.4
Non-GAAP net income	\$ 94.0	\$ 27.2	\$ 121.2
Non-GAAP net income per share:			
Basic:	\$ 0.21	\$ 0.06	\$ 0.27
Diluted:	\$ 0.21	\$ 0.06	\$ 0.27
Weighted average common shares outstanding:			
Basic:	441.4	441.4	441.4
Diluted:	456.0	456.0	456.0

Non-GAAP Measures

To supplement the consolidated financial results prepared under GAAP, ON Semiconductor uses non-GAAP measures which are adjusted from the most directly comparable GAAP results to exclude items related to amortization of intangible assets, amortization of acquisition-related intangibles, expensing of appraised inventory fair market value step up, purchased in-process research and development expenses, restructuring, asset impairments and other, net, goodwill impairment charges, gains and losses on debt prepayment, non-cash interest expense, their related tax effects and certain other special items as necessary. Management does not consider these charges in evaluating the core operational activities of ON Semiconductor. Management uses these non-GAAP measures internally to make strategic decisions, forecast future results and evaluate ON Semiconductor's current performance. Most analysts covering ON Semiconductor use the non-GAAP measures as well. Given management's use of these non-GAAP measures, ON Semiconductor believes these measures are important to investors in understanding ON Semiconductor's current and future operating results as seen through the eyes of management. In addition, management believes these non-GAAP measures are useful to investors in enabling them to better assess changes in ON Semiconductor's core business across different time periods. These non-GAAP measures are not in accordance with or an alternative to GAAP financial data and may be different from non-GAAP measures used by other companies. 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.

— Non-GAAP gross profit and gross margin. The use of this non-GAAP financial measure allows management to evaluate the gross margin of the company's core businesses and trends across different reporting periods on a consistent basis, independent of non-cash items including expensing of appraised inventory fair market value step up and amortization of intangible assets. In addition, it is an important component of management's internal performance measurement and reward process as it is used to assess the current and historical financial results of the business, for strategic decision making, preparing budgets and forecasting future results. Management presents this non-GAAP financial measure to enable investors and analysts to evaluate our revenue generation performance relative to the direct costs of revenue of ON Semiconductor's core businesses.

— Non-GAAP net income and net income per share. The use of these non-GAAP financial measures allow management to evaluate the operating results of ON Semiconductor's core businesses and trends across different reporting periods on a consistent basis, independent of non-cash items including amortization of intangible assets, amortization of acquisition-related intangibles, expensing of appraised inventory fair market value step up, purchased in-process research and development expenses, restructuring, asset impairments and other, net, goodwill impairment charges, gains and losses on debt prepayment, non-cash interest expense, their related tax effects and certain other special items as necessary. In addition, they are important components of management's internal performance measurement and reward process as it is used to assess the current and historical financial results of the business, for strategic decision making, preparing budgets and forecasting future results. Management presents these non-GAAP financial measures to enable investors and analysts to understand the results of operations of ON Semiconductor's core businesses and to compare our results of operations on a more consistent basis against that of other companies in our industry.

ON SEMICONDUCTOR CORPORATION**CALL SCRIPT FOR****Q1-11 QUARTERLY RESULTS CONFERENCE CALL****KEN RIZVI:**

Thank you _____.

Good afternoon and thank you for joining ON Semiconductor Corporation's first quarter 2011 conference call. I am joined today by Keith Jackson, our President and CEO, and Donald Colvin, our CFO. This call is being webcast on the investor relations section of our website at www.onsemi.com and a replay will be available for approximately 30 days following this conference call, along with our earnings release for the first quarter. The script for today's call is posted on our website and will be furnished via a Form 8-K filing.

Our earnings release and this presentation include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measures under GAAP are in

our earnings release and posted separately on our website in the investor relations section. In the upcoming quarter we will be attending the Deutsche Bank Semiconductor Conference on May 12 and the Cowen Technology Conference on June 2nd.

(SAFE HARBOR)

During the course of this conference call, we will make projections or other forward-looking statements regarding future events or the future financial performance of the company. The words “believe,” “estimate,” “anticipate,” “intend,” “expect,” “plan,” or similar expressions are intended to identify forward-looking statements. We wish to caution that such statements are subject to risks and uncertainties that could cause actual events or results to differ materially. Important factors relating to our business, including factors that could cause actual results to differ from our forward-looking statements, are described in our earnings release, Form 10-K, Form 10-Q’s and other filings with the SEC. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

Now, let's hear from Donald Colvin, who will provide an overview of the first quarter results.

DONALD...

DONALD COLVIN:

Thanks Ken, and thank you to everyone joining us today.

ON Semiconductor Corporation today announced that total revenues in the first quarter of 2011 were approximately \$870.6 million, including SANYO Semiconductor. Excluding SANYO Semiconductor, ON Semiconductor revenues were up approximately 2 percent sequentially. If ON Semiconductor were a "sell-in" company, we would have experienced higher growth in the first quarter. 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, which are detailed in schedules included in our earnings release.

GAAP gross margin in the first quarter was 27.8 percent. Included

in our GAAP gross margin is approximately \$70.9 million of special items of which approximately \$50 million relates to the expensing of non-cash manufacturing expenses associated with our SANYO Semiconductor acquisition and approximately \$20 million relates to the expensing of appraised inventory fair market value step up. Non-GAAP gross margin in the first quarter of 2011 was 36.0 percent. This includes historical ON Semiconductor non-GAAP gross margin of 40.4 percent and SANYO Semiconductor non-GAAP gross margin of 26.5 percent.

First quarter 2011 non-GAAP net income was \$121.2 million or \$0.27 per share on a fully diluted basis.

Total gross margins and net income were negatively impacted by production disruptions and increased expenses associated with the Japan earthquake and resulting tsunami. We currently estimate the negative impact to net income to be approximately \$10 million in the first quarter.

We exited the first quarter of 2011 with cash and cash equivalents of approximately \$766 million, after paying cash to SANYO Electric for the acquisition of SANYO Semiconductor and Cypress Semiconductor

Corporation for the acquisition its CMOS Image Sensor Business Unit of approximately \$160 million.

At the end of the first quarter, total days sales outstanding were approximately 60 days, up compared with the fourth quarter of 2010 due to the acquisition of SANYO Semiconductor. ON Semiconductor's internal inventory also increased from fourth quarter levels on a days basis to approximately 111 days due to the acquisition of SANYO Semiconductor. Included in our total internal inventory is approximately \$402 million of bridge inventory and inventory acquired as part of the SANYO Semiconductor transaction.

Distribution inventories remained relatively flat at approximately 10 weeks exiting the first quarter, but grew on an absolute dollar basis.

Cash capital expenditures during the first quarter of 2011 were approximately \$89 million which included approximately \$18 million related to SANYO Semiconductor. We currently anticipate total capital expenditures for 2011 of approximately \$310 to \$340 million, which includes SANYO Semiconductor.

Now I would like to turn it over to Keith Jackson for additional comments on the business environment.

KEITH...

KEITH JACKSON:

Thanks Don. Now for an overview of our end-markets which include SANYO Semiconductor.

END MARKETS

During the first quarter of 2011, our end market splits were as follows: the Consumer Electronics end-market represented approximately 27 percent of sales. The Automotive end-market represented approximately 22 percent of sales. The Computing end-market represented approximately 21 percent of sales. The Industrial, Military, Aerospace and Medical end-markets represented approximately 17 percent of sales and the Communications end-market, which includes wireless and networking, represented approximately 13 percent of sales.

TOP OEM CUSTOMERS

On a direct billings basis, no individual ON Semiconductor

product OEM customer represented more than 4 percent of first quarter sales. Our top 5 product OEM customers during the first quarter were: Continental Automotive Systems, Panasonic, Delta, Samsung and Sony.

GEOGRAPHIC SEGMENTS

On a geographic basis, our contribution from sales in Asia, excluding Japan, represented approximately 57 percent of revenue. Our sales in the Americas represented approximately 15 percent of revenue. Sales in Japan represented approximately 15 percent of revenue and sales in Europe represented approximately 13 percent of revenue during the quarter.

CHANNEL BREAKOUT

Looking across the channels, direct sales to OEMs represented approximately 60 percent of first quarter 2011 revenue. Sales through the distribution channel were approximately 34 percent of first quarter revenue and the EMS channel represented approximately 6 percent of revenue.

REVENUE BREAK-OUT

Thursday, May 5, 2011

During the first quarter, ON Semiconductor revenues broken out by our product groups were as follows: SANYO Semiconductor represented approximately 32 percent of sales. The Standard Products Group represented approximately 20 percent of sales. The Automotive and Power Group represented approximately 17 percent of sales. The Digital, Mixed-signal and Memory Product Group represented approximately 16 percent of sales and the Computing and Consumer Group represented approximately 15 percent of sales. We will publish our quarterly revenue, gross profit and operating income break-out of these segments in our Form 10-Q for this period.

COMPANY/PRODUCT HIGHLIGHTS

Now, I would like to provide you with some details of other progress we have made, as well as provide further color regarding the financial impact of the SANYO Semiconductor acquisition and Japan earthquake:

In the first quarter, we closed on the acquisition of SANYO Semiconductor. SANYO Semiconductor reported first quarter revenues

of approximately \$278 million and positively contributed to our earnings in the first quarter of 2011.

Initial joint-selling efforts are showing good traction in offering ON Semiconductor products to Japanese customers that were previously beyond our market reach. Established ON Semiconductor customers in the consumer, automotive and industrial end-markets are also showing great interest in the new capabilities SANYO Semiconductor has added to our overall offerings – which range from microcontrollers and custom ASICs to integrated power modules and motor control devices.

The SANYO Semiconductor division continued to make inroads in the first quarter with efficient power management ASICs for audio applications, USB switching solutions for smartphones and power management solutions for air conditioners. During the first quarter, a key win was secured at one of the largest air conditioner suppliers in China with the company's inverter modules for energy efficient appliances. The inverter modules represent a new growth area for ON Semiconductor. We will provide further product line details for SANYO

Semiconductor when we report our second quarter 2011 results.

The integration of SANYO Semiconductor's business operations and manufacturing facilities continued as planned during the first quarter. We expect this process to be completed before the end of next year. As part of our SANYO Semiconductor consolidation plan, we intend to consolidate three of their Japan-based front-end manufacturing facilities into one facility and two Japan-based back-end facilities into one smaller site.

We are also pleased to report that no SANYO Semiconductor or ON Semiconductor personnel were injured as a result of the tragic earthquake and resulting tsunami that occurred in Japan in March. Our six Japan-based facilities, five of which came with the SANYO Semiconductor acquisition, sustained only minimal physical damage but did experience production disruptions. Five of our Japanese facilities came back to full production capacity and the sixth factory is ramping towards full production.

Infrastructure services such as fuel, electricity, gases, water,

chemicals and logistics in Japan continue to stabilize in the aftermath of the earthquake and tsunami. As a risk mitigation strategy, we have identified options for shifting production to other facilities should the need arise to support supply continuity for our customers.

In addition to SANYO Semiconductor, we completed the acquisition of the CMOS Image Sensor Business Unit from Cypress Semiconductor during the first quarter of 2011. This acquisition positions ON Semiconductor as a leading supplier of ultra-high-speed CMOS image sensors.

Now I'd like to discuss a few of our end-market and product line results for historical ON Semiconductor business units.

First quarter automotive sales were up approximately 10 percent from the fourth quarter of 2010 and up 32 percent compared to first quarter 2010. Sales in China, the U.S. and Europe remained strong. Our overall automotive strategy and newest Automotive Solutions Engineering Center in Asia continued to pay dividends. During the first quarter we won another Park Assist Custom ASIC for a Korean

automotive OEM. Additionally, during the first quarter, we added a new leading Japanese car manufacturer for our LIN Transceiver as part of our overall In-Vehicle Networking solution.

In the Industrial, Military, Aerospace and Medical end-markets, revenues grew sequentially in the first quarter by approximately 8 percent. During the quarter, growth in this segment was attributed to increased production within heavy industrial applications. Sales of our sensor interface products for flow, level and pressure sensing, as well as our factory communication bus products, picked up as a result of expanded investment in factory automation, and oil drilling and refinement. Additionally, demand remained strong for our protection high-brightness LED products and standard components for general lighting customers.

In the Communications end-market, revenues in the wireless segment decreased seasonally due to lower overall unit sales during the quarter. We remain well positioned for growth within smart phone

applications. In the first quarter, we continued to ship our new power and thermal management products for the smart phone market as well as our first micro USB integrated circuits for this segment. Looking to the second quarter, we are expecting to ramp our EMI filtering and chip-scale standard products for a number of leading feature phone and smartphone manufacturers. We're also seeing early traction at major mobile phone power-amplifier module manufacturers for several of our Integrated Passive Devices.

In the Computing end-market, revenues in the first quarter were better than normal seasonality. Sales of our core power management products grew sequentially in the first quarter. Recent power management successes include the winning of our sixth consecutive generation of VCore controllers and drivers with two leading desktop computing customers and recent success with SANYO Semiconductor's efficient power FET solutions at two of our key tablet customers. We have also won designs on more than 10 tablet platforms with products ranging from protection devices and power management solutions to

audio and system management solutions. Additionally, during the quarter, we shipped our first custom Multi-Chip Module developed by our ASIC and MOSFET teams to a leading notebook supplier which is expected to ramp during the year. To maintain our leadership position in power management for the computing end-market, we continue to expand our core controller and power stage solutions for every segment, offering high energy efficiency, low-cost, turnkey solutions. We are focused on providing products to address energy efficient power management including buck and boost conversion, audio amplification, circuit protection, thermal management and bus switching devices. Currently, we have approximately \$3.50 of addressable content for tablets, more than \$8 for Notebooks and more than \$11 for desktops.

Now, I would like to turn it back over to Donald for other comments and our other forward-looking guidance —

DONALD...

DONALD COLVIN:

Thanks Keith.

SECOND QUARTER 2011 OUTLOOK

While the full impact from the earthquake and resulting tsunami on our customers' ability to obtain all of the necessary parts to build products is not fully understood, based on our current assessment, we believe the effects of the earthquake and tsunami could negatively impact our 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 second quarter 2011 outlook. Overall, the underlying demand trends around the globe remain strong with the historical ON Semiconductor business expected to grow sequentially in the second quarter.

Despite the headwinds to revenues, gross margins and earnings from increased expenses, supply chain disruptions and reduced production, SANYO Semiconductor should once again be accretive to our second quarter earnings. Longer term, after we begin to see a full recovery and stability in the overall supply chain in Japan, we believe we can improve SANYO Semiconductor's gross margins to be

comfortably in the low to mid 30 percent range.

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. 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 compared to the first quarter of 2011.

We expect total cash capital expenditures of approximately \$80 million in the second quarter of 2011.

For the second quarter of 2011, we expect GAAP gross margin of approximately 31 to 33 percent. Our GAAP gross margin in the second quarter will be negatively impacted from, among other, expensing of appraised inventory fair market value step up associated with our

acquisitions and non-cash manufacturing expenses of approximately \$45 million. The non-cash manufacturing expense will have no further impact to results after the second quarter. We expect non-GAAP gross margin of approximately 36 to 38 percent in the second quarter. We also expect total GAAP operating expenses of approximately \$198 million to \$208 million. Our GAAP operating expenses include the amortization of intangibles, restructuring, asset impairments and other charges which are expected to total approximately \$20 million. We expect total non-GAAP operating expenses of approximately \$178 to \$188 million. We anticipate GAAP net interest expense and other will be approximately \$21 million for the second quarter of 2011, which includes non-cash interest expense of approximately \$9 million. We anticipate our non-GAAP net interest expense and other will be approximately \$12 million. GAAP taxes are expected to be approximately \$8 to \$10 million and cash taxes are expected to be approximately \$7 to \$9 million. We expect cash taxes to decline in the third quarter to approximately \$4 million. We also expect stock based compensation expense of approximately \$14

million in the second quarter of 2011, of which approximately \$3 million is expected to be in cost of goods sold and the remaining in operating expenses. This expense is included in our non-GAAP financial measures.

Our current fully diluted share count is approximately 460 million shares based on the current stock price. Further details on share count and EPS calculations are provided regularly in our quarterly and annual reports on Form 10-Q and Form 10-K.

With that, I would like to start the Q&A session.

Thank you and “_____” please open up the line for questions.