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**ON Semiconductor Limited**  
**Directors' report and financial statements**  
**For the year ended 31 December 2009**

Registered Number 3765736



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# **ON Semiconductor Limited**

## **Directors' report and financial statements for the year ended 31 December 2009**

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# **ON Semiconductor Limited**

## **Directors and advisers for the year ended 31 December 2009**

### **Directors**

D Colvin  
S Penent  
AM Hebert

### **Secretary**

Y De Busschop

### **Independent auditors**

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

### **Registered office**

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Slough  
Berkshire  
SL1 1XS

### **Bankers**

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London Headquarters  
250 Bishopsgate  
London EC2M 4AA  
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Po Box 616  
5201 AP Den Bosch  
Netherlands

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# ON Semiconductor Limited

## Directors' report for the year ended 31 December 2009

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 2009

### Business review and principal activities

The company is a wholly owned subsidiary of ON Semiconductor Corporation, incorporated in the United States of America. The principal activity of the company is the sale of electronic devices.

Following the merger agreement of ON Semiconductor Corporation with AMI Holding, Inc., parent company of AMI Semiconductor Inc. in March 2008, and the acquisition of Catalyst Semiconductor Inc. in October 2008 and as part of the relating integration activities, all European customers have been served by ON Semiconductor Limited from March 2009. This change has significantly impacted the activity of the company as well as the legal structure of the Company.

The loss for the company for the year after taxation amounted to \$21,260,084 (as compared to a profit after taxation of \$2,792,412 for the year ended 31 December 2008). No dividends were paid or payable for the years ended 31 December 2008 or 2009. Full details are set out in the profit and loss account on page 6.

In terms of business, the company's sales have increased in 2009 (\$251,922,924) as compared to 2008 (\$210,237,516) mainly due to the change in business as described above. However, the turnover has also been impacted by the economical downturn from September 2008. The Directors have taken pro-active measures to adjust the spending levels accordingly. Beginning in the fourth quarter of 2008, they began aligning the spending levels to the current revenue outlook through a number of permanent and temporary actions. These cost saving measures came to an end in September 2009.

Based upon product booking trends, backlog levels, manufacturing services revenues and estimated turns levels, the Directors anticipate an increase in the total revenues for 2010 as compared to 2009.

### Key performance indicators

ON Semiconductor manages its worldwide operations on a divisional basis. For this reason, the directors do not believe that further key performance indicators would be necessary or appropriate for an understanding of the development, performance or position of the company. The performance of the UK entity is discussed in the group's annual financial review, which does not form part of this report.

### Principal risks and uncertainties

Competitive pressure abroad is a continuing risk to the company. The company operates in highly competitive and volatile markets particularly around price and quality. This not only results in downward pressure on margins but also in the risk that we will not exceed our customers' expectations. The company's sales are made in \$ and Euros and therefore the company is exposed to movement in exchange rates.

### Post balance events

No significant events have occurred since 31 December 2009.

# ON Semiconductor Limited

## Directors

The directors who held office during the year were

- D Colvin
- S Penent
- AM Hebert

None of the directors held any notifiable interest in the shares of the company at any time during the year

## Employment of disabled persons

The company considers applications for employment, including those from disabled persons, in the light of its requirements and the qualifications, aptitudes and abilities of each individual. Should employees become disabled during the course of their employment every practical effort will be made to retain their services and to provide retraining where necessary.

All employees are eligible for consideration for appropriate training, career development and promotional opportunities and disabled persons are not treated differently in this respect.

## Employee involvement

The company maintains a policy of informing and consulting employees upon matters of concern to them affecting their immediate jobs.

The means employed to achieve these objectives vary from formal intimations disseminated by notices to all employees, to discussion and debate within various committees. These committees meet regularly and involve personnel at all levels. The company provides employees with information on the trading performance of the company and encourages interest from the employees in suggesting methods of improvement in production techniques or methods of improving profitability.

## Creditor payment policy

The company's policy with regard to the payment of suppliers is to

- agree the terms of payment at the start of business with that supplier,
- ensure that the suppliers are made aware of the terms of the payment,
- pay in accordance with its contractual and legal obligations.

During the year ended 31 December 2009, the company took an average of 38 days to settle its bills with suppliers (2008: 51 days).

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## ON Semiconductor Limited

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

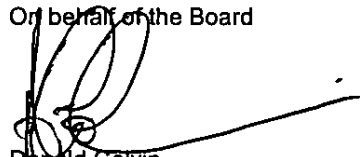
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Auditors and disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Donald Colvin', written over a horizontal line.

Donald Colvin  
Director  
20 July 2010

# ON Semiconductor Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ON SEMICONDUCTOR LIMITED

We have audited the financial statements of ON Semiconductor Ltd for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement as set out on page 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

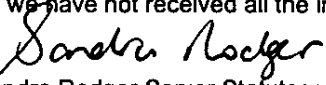
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
Sandra Rodger Senior Statutory Auditor  
PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
20 July 2010

# ON Semiconductor Limited

## Profit and loss account for the year ended 31 December 2009

	Notes	2009 \$	2008 \$
Turnover	1	251,922,924	210,237,516
Cost of sales		(224,958,530)	(182,581,922)
<b>Gross profit</b>		<b>26,964,394</b>	<b>27,655,594</b>
Distribution costs		(23,573,396)	(22,177,091)
Administrative expenses		(166,084)	(288,078)
Other operating income/(expense)		2,704,573	(184,698)
<b>Operating profit</b>	3	<b>5,929,487</b>	<b>5,005,727</b>
Impairment of investments	8	(24,703,680)	(1,165,000)
<b>(Loss)/Profit on ordinary activities before interest and taxation</b>		<b>(18,774,193)</b>	<b>3,840,727</b>
Dividends		-	335,000
Net Interest payable	2	(1,039,081)	(98,608)
<b>(Loss)/Profit on ordinary activities before taxation</b>		<b>(19,813,274)</b>	<b>4,077,119</b>
Tax on profit on ordinary activities	6	(1,446,810)	(1,284,707)
<b>(Loss)/Profit for the year</b>	14	<b>(21,260,084)</b>	<b>2,792,412</b>
Retained profit brought forward		23,541,902	20,749,490
Retained profit earned forward		2,281,818	23,541,902

All results arose from continuing operations. There is no difference between the profit on ordinary activities before taxation and the profit for the year and their historical cost equivalents. The notes on pages 12 to 21 form an integral part of the financial statements.

## Statement of total recognised gains and losses for the year ended 31 December 2009

		2009 \$	2008 \$
(Loss)/Profit for the financial year		(21,260,084)	2,792,412
Capital contribution	13	45,551,840	1,165,000
<b>Total recognised gains and losses for the year</b>		<b>24,291,756</b>	<b>3,957,412</b>



# ON Semiconductor Limited

## Balance sheet as at 31 December 2009

	Notes	2009 \$	2008 \$
<b>Fixed assets</b>			
Tangible assets	7	-	3,759
Investments	8	76,835,002	10,435,002
		<b>76,835,002</b>	<b>10,438,761</b>
<b>Current assets</b>			
Stocks	9	3,411,856	1,773,014
Debtors	10	53,822,786	18,577,923
Cash at bank and in hand		16,747,100	14,428,738
		<b>73,981,742</b>	<b>34,779,675</b>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	11	88,721,002	7,414,450
<b>Net current (liabilities)/assets</b>		<b>(14,739,260)</b>	<b>27,365,225</b>
<b>Net assets</b>			
		<b>62,095,742</b>	<b>37,803,986</b>
<b>Capital and reserves</b>			
Called up share capital	13	3,777,289	3,777,288
Share premium account	15	1,749	1,749
Capital contribution	15	56,034,886	10,483,047
Profit and loss account	15	2,281,818	23,541,902
<b>Shareholders' funds</b>	14	<b>62,095,742</b>	<b>37,803,986</b>

The financial statements on page 8 to 21 were approved by the Board of Directors on 20 July 2010 and were signed on its behalf by



Donald Colvin  
Director

# ON Semiconductor Limited

## Accounting policies

### Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards

### Consolidation

The financial statements contain information about ON Semiconductor Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its parent company, ON Semiconductor Corporation.

### Cash flow statement

The company is a wholly owned subsidiary of ON Semiconductor Corporation, a company incorporated in Delaware, United States of America, and the cash flows of the company are included in the consolidated group cash flow statement of ON Semiconductor Corporation. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 revised 1996 "Cash Flow Statements".

### Turnover

Turnover comprises the invoiced value of sales, net of value added tax, for goods supplied during the year. Customers are invoiced at the time of delivery of goods.

### Foreign currencies

The Company conducts business primarily in US dollars and as a result, utilizes the dollar as their functional currency. For the translation of financial statements, assets and liabilities that are receivable or payable in cash are translated at current exchange rates, while inventories and other non-monetary assets are translated at historical rates. Gains and losses resulting from the translation of the financial statements are included in the operating results, as are gains and losses incurred on foreign currency transactions.

### Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

### Tangible fixed assets and depreciation

Machinery and equipment is recorded at cost and is depreciated over its estimated useful life using accelerated and straight-line methods. Most of the machinery and equipment currently in use is depreciated on a straight-line basis over a useful life between 2 and 3 years.

Expenditure for maintenance and repairs is charged to the profit and loss accounts in the year in which the expense is incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the profit and loss accounts in the period in which the gain or loss is realised.

### Accounting for fixed asset investments

Investments in group undertakings are stated at the lower of cost and net realisable value. Provision for any diminution in value is made as appropriate and reviewed on an annual basis.

### Pension and post retirement benefits

The company operates under a defined contribution plan. Pension contributions are charged to the profit and loss account as incurred.

### Inventories

Inventories are stated at the lower cost or net realisable value. Provision is made for obsolete or slow moving items where appropriate.

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# ON Semiconductor Limited

## **Taxation**

Corporation tax payable is provided on taxable profits at the current rate of tax in force

## **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax balances are not subject to discounting.

# ON Semiconductor Limited

## Notes to the financial statements for the year ended 31 December 2009

### 1. Turnover

The company is engaged in the design, marketing and sales of a wide variety of semiconductor components. The company's reportable segments are aligned internally as the Integrated Power Group (IPG), the Analog Products Group (APG) and the Digital Mixed Signal Group (DMSG).

The company has direct customers and also serves significant original equipment manufacturers indirectly through distributor and electronic manufacturing service provider customers. The direct and indirect customers include (1) leading Original Equipment Manufacturers (OEM) in a broad variety of industries, such as Hella, Continental or Nokia, (2) global Distributors, such as EBV Elektronik, Avnet, Arrow or Future, (3) Electronic Manufacturing Service Providers (EMS), such as Flextronics or Jabil.

Information about segments is as follows, in thousands of US Dollars

	2009	2008
	\$000	\$000
Germany	124,390	93,553
France	25,800	13,717
Belgium	24,697	24,153
Hungary	17,425	15,831
Italy	16,463	16,488
United Kingdom	15,366	18,247
Austria	6,684	1,902
Portugal	6,604	2,687
Romania	3,505	846
Poland	2,720	2,909
Sweden	2,689	7,288
Other European countries	5,580	12,617
<b>Total</b>	<b>251,923</b>	<b>210,238</b>

By product group	2009	2008
	\$000	\$000
Analog products group	119,735	86,311
Integrated power group	94,013	115,379
Digital Mixed Signal group	38,175	8,548
<b>Total</b>	<b>251,923</b>	<b>210,238</b>

# ON Semiconductor Limited

## 1. Turnover (continued)

By Customer	2009	2008
	\$000	\$000
O E M	140,347	70,470
Distributors	90,023	119,125
E M S I	21,553	20,643
<b>Total</b>	<b>251,923</b>	<b>210,238</b>

## 2. Interest and similar items

	2009	2008
	\$	\$
Bank interest payable	(109,736)	(41,325)
Interest payable on loans from company undertakings	(929,345)	(57,283)
<b>Net interest payable</b>	<b>(1,039,081)</b>	<b>(98,608)</b>

## 3. Operating profit

Operating profit is stated after charging/(crediting)

	2009	2008
	\$	\$
Auditors' remuneration – audit services	81,337	80,455
Auditors' remuneration – non audit services	30,685	39,170
Depreciation - owned assets (Note 7)	3,759	3,065
Operating lease expenses on buildings	88,313	87,273
<b>Exchange (gain)/loss</b>	<b>(3,265,295)</b>	<b>426,529</b>

# ON Semiconductor Limited

## 4. Staff costs

	2009	2008
	\$	\$
Wages and salaries	782,857	720,381
Social security costs	81,820	84,127
Other pension costs (Note 16)	73,521	62,673
	938,298	867,181

The average number of persons employed by the company during the year (excluding directors) was 8 (2008 6)

## 5. Directors' remuneration

None of the directors received remuneration or retirement benefits from the company

## 6. Taxation on profit on ordinary activities

	2009	2008
	\$	\$
<b>Current tax.</b>		
- UK corporation tax on profits of the year at 28% (2008 28.5%)	1,475,471	1,214,099
- adjustment in respect of previous year	34,890	15,458
<b>Total current tax</b>	<b>1,510,361</b>	<b>1,229,557</b>
<b>Deferred tax:</b>		
- (Credit)/charge for the year	(63,551)	55,150
<b>Total deferred tax (Note 12)</b>	<b>(63,551)</b>	<b>55,150</b>
<b>Tax on profit on ordinary activities</b>	<b>1,446,810</b>	<b>1,284,707</b>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28%)

# ON Semiconductor Limited

## 6. Taxation on profit on ordinary activities (continued)

The differences are explained below

	2009 \$	2008 \$
<b>(Loss)/Profit on ordinary activities before tax</b>	<b>(19,813,274)</b>	<b>4,077,119</b>
Loss/Profit on ordinary activities multiplied by the standard effective rate of tax in the UK 28% (2008 28.5%)	(5,547,717)	1,161,868
Effects of		
Expenses not deductible for tax purposes	6,918,101	380,536
Permanent differences	-	(143,926)
Capital allowances for the period in excess of depreciation	(250)	(1,544)
Adjustment in respect of previous year	34,890	15,458
Timing differences	63,801	(54,586)
Translation differences	41,536	(128,249)
<b>Total current tax</b>	<b>1,510,361</b>	<b>1,229,557</b>

In the 2010 Budget on 22 June 2010, the UK Government announced its intention to reduce the UK Corporation Tax rate from 28% to 24% by 1% per annum over a four-year period. At 31 December 2009 no change in the rate of tax had been substantively enacted, but a 1% decrease in the rate to 27% is expected to be enacted in the year ending 31 December 2010.

Had the change of rate to 27% been substantively enacted as of the balance sheet date, there would have been no significant impact on the accounts.

# ON Semiconductor Limited

## 7. Tangible fixed assets

	Machinery & equipment \$
<b>Cost</b>	
At 1 January 2009	35,138
Disposals	(7,894)
<b>At 31 December 2009</b>	<b>27,244</b>
<b>Depreciation</b>	
At 1 January 2009	31,379
Charge for year	3,759
Disposals	(7,894)
<b>At 31 December 2009</b>	<b>27,244</b>
<b>Net book amount</b>	
<b>31 December 2009</b>	-
<b>31 December 2008</b>	<b>3,759</b>



# ON Semiconductor Limited

## 8. Investments

The Company's investments as at 31 December 2009 are as follows

Company	Shareholdings	2009	2008
	(Ordinary shares) %	\$	\$
ON Semiconductor France SAS	100	7,100,000	7,100,000
ON Semiconductor Germany GmbH	100	500,000	1,100,000
ON Semiconductor Italy S r l	100	300,000	300,000
ON Semiconductor Canada Trading Corporation	100	835,000	835,000
SCG Korea Limited	100	1,100,000	1,100,000
<b>AMI Semiconductor companies</b>			
ON Semiconductor Netherlands BV	100	21,000,000	-
AMI Semiconductor Leasing BVBA	100	32,900,000	-
ON Semiconductor Belgium BVBA	100	9,300,000	-
ON Semiconductor Design Czech S r o	100	2,500,000	-
ON Semiconductor Switzerland SA	100	1,300,000	-
ON Semiconductor Bulgaria EOOD	100	-	-
Other	-	2	2
		<b>76,835,002</b>	<b>10,435,002</b>

Investments in subsidiaries are stated at carrying value. The principal activity of all subsidiaries is the sale of electronic devices and dedicated activities (R&D) to develop new products. Other investments represent a single share in SCG Hong Kong SAR Limited, in ON Semiconductor Industries Singapore Pte Limited and in ON Electronics Private Ltd.

Following the directors' review of the carrying value of investments, an impairment charge of \$600,000 has been recognised within the profit and loss account in respect of the investment in ON Semiconductor Germany GmbH.

The Company acquired a 100% shareholding in the above entities from fellow Company undertakings. The original investments were acquired on 31 December 2003 for a total consideration of \$17,600,002 and the remaining investments were acquired on 26 March 2009 for a total consideration of \$91,103,680.

During the year it was established that ON Semiconductor Bulgaria EOOD had gone into administration, as such, the total amount of this investment has been impaired. As at 31 December 2009 an impairment review was undertaken by the directors, following a review of each of the entities' net assets position, following this review, an impairment adjustment of \$24,103,680 was booked.

# ON Semiconductor Limited

<b>Investments</b>	<b>\$</b>
At 1 January 2009	10,435,002
Additions	91,103,680
<b>Cost at 31 December 2009</b>	<b>101,538,682</b>
Impairment charge	(24,703,680)
<b>At 31 December 2009</b>	<b>76,835,002</b>

In the opinion of the directors \$76,835,002 reflects the fair value of the acquired entities as at December 31, 2009

## 9. Stocks

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Finished goods and goods for resale	3,411,856	1,773,014

The inventories are stored in consignment inventories in our customers' premises

## 10. Debtors

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	43,683,190	9,326,325
Amounts owed by group company undertakings	5,171,122	6,616,674
Prepayments and accrued income	18,480	61,178
Other debtors	4,804,687	2,491,990
Deferred taxation (Note 12)	145,307	81,756
	<b>53,822,786</b>	<b>18,577,923</b>

# ON Semiconductor Limited

## 11. Creditors: amounts falling due within one year

	2009	2008
	\$	\$
Trade creditors	182,685	113,779
Amounts due to Eurofactor (UK) Limited	23,107,800	-
Amounts due to group company undertakings	57,816,030	1,966,559
UK Corporation tax payable	446,577	405,817
Social security & other payroll liabilities	31,490	26,359
VAT payable	2,433,203	711,582
Accruals	4,703,217	4,190,354
	88,721,002	7,414,450

ON Semiconductor Limited has signed a Confidential Invoice Discounting agreement with Eurofactor (UK) Limited as at November 9, 2009. This agreement is subject to a minimum period of one year's operation and can be terminated after this period by both parties with a three month notice to terminate the agreement.

In the amounts due to group undertakings is included the 2009 loan advanced from the undertaking AMI Semiconductor, Inc., which bears interest at 3.695%. ON Semiconductor Limited can prepay the principal amount due in part or in full at any time, from time to time, without premium or penalty.

## 12. Deferred taxation

The Company has a deferred taxation asset of \$145,307 as at 31 December 2009 (2008: \$81,756).

	2009	2008
	\$	\$
Accelerated capital allowances	5,211	5,461
Short term timing differences	134,573	74,934
Pension provision	5,523	1,361
<b>Closing balance</b>	<b>145,307</b>	<b>81,756</b>

The movement in the deferred taxation asset is as follows:

	\$
At 1 January 2009	81,756
Charged to profit and loss account (Note 6)	63,551
<b>At 31 December 2009</b>	<b>145,307</b>

## ON Semiconductor Limited

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore the asset has been recognised within the financial statements

### 13. Called up share capital

	2009	2008
Authorised – 5,000,000 of £1 each	£5,000,000	£5,000,000
Allotted and fully paid Ordinary shares 2,155,372 of £1 each (2008 2,155,371)	£2,155,372	£2,155,371
Allotted and fully paid Ordinary shares : 2,155,372 at \$1.7525 each	\$3,777,289	\$3,777,288

Share capital is translated at the rate of exchange ruling at date of change of functional currency and this becomes the historic rate

As at March 26, 2009, ON Semiconductor Trading Limited increased its ownership in the Company through a capital contribution, in return for the issue of one share, for a total amount of \$45,551,840 to allow its subsidiary to acquire the European AMI Semiconductor companies as listed in note 8

As at March 10, 2008, ON Semiconductor Canada Trading Corporation reduced its capital by \$1,165,000. The amount of the reduction was paid in 2008 which resulted in a relating reduction of the value of ON Semiconductor Canada Trading Corporation

### 14. Reconciliation of movements in shareholders' funds

	2009 \$	2008 \$
(Loss)/Profit for the financial year	(21,260,084)	2,792,412
Capital contribution (Note 13)	45,551,840	1,165,000
Net addition to shareholders' funds	24,291,756	3,957,412
Opening shareholders' funds	37,803,986	33,846,574
Closing shareholders' funds	62,095,742	37,803,986

### 15. Reserves

	Share premium \$	Profit and loss account \$	Capital contribution \$
As at 1 January 2009	1,749	23,541,902	10,483,047
Loss for the year	-	(21,260,084)	-
Capital contribution	-	-	45,551,839
As at 31 December 2009	1,749	2,281,818	56,034,886

# ON Semiconductor Limited

## 16. Operating lease commitments

Annual payments to be made by the Company during the year ending 31 December 2010 in respect of buildings held under operating leases comprise those whose commitments expire as follows

Company	Land and buildings	
	2009	2008
	\$	\$
- within one year	54,000	31,000
	54,000	31,000

## 17. Pension commitments

### Defined contribution scheme

The Company operates a defined contribution Company personal pension scheme. Contributions are charged to the profit and loss account as incurred.

The cost of contributions to the Company scheme amount to \$73,521 (2008: \$62,673), and are based on pension costs across the Company as a whole. An amount of \$19,725 (2008: \$4,859) is included as being the outstanding contributions to the Company scheme.

## 18. Parent undertaking and principal subsidiaries

The immediate holding company is ON Semiconductor Trading Limited, in Bermuda. The ultimate holding company is ON Semiconductor Corporation, incorporated in Delaware, United States of America.

Copies of the Company consolidated financial statements can be obtained from 5005 East McDowell Road, Phoenix, AZ 85 008, United States of America.

## 19. Related party transactions

The Company has exercised the exemptions available under the terms of FRS 8 Related Party Disclosures relating to the disclosure of related party transactions with entities that are part of the ON Semiconductor Corporation Company. Details of transactions with directors are disclosed in note 5.