

ON Semiconductor Limited
(formerly Semiconductor Components Industries
UK Limited)
Directors' report and financial statements
31 December 2001



ON Semiconductor Limited
(formerly Semiconductor Components Industries UK Limited)

Directors' report and financial statements

31 December 2001

Contents

Directors' report for the year ended 31 December 2001	1
Auditors' report to the members of ON Semiconductor Limited.....	3
Profit and loss account for the year ended 31 December 2001.....	4
Balance sheet as at 31 December 2001.....	5
Notes to the financial statements for the year ended 31 December 2001	6

ON Semiconductor Limited

(formerly Semiconductor Components Industries UK Limited)

Directors' report for the year ended 31 December 2001

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2001. The company changed its name from Semiconductor Component Industries UK Limited ("SCI UK Limited") to ON Semiconductor Limited on 14 March 2002.

Principal activities and review of business

The company's principal activity is the sale of electronic devices. The directors believe that the current level of operating activity will be maintained in the future.

Results and dividends

The results for the period are set out in the profit and loss account on page 4.

No dividends were paid in respect of the year (2000 - £nil). The profit for the year was £825,653 (2000 - £229,905).

Directors

The directors who held office during the year were:

A Banham (appointed 4 August 1999 – resigned as a Director on 25 February 2002)

P Tomlinson (appointed 23 February 2002)

J Caprais (appointed 28 February 2000)

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

Directors' responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the financial period.

The directors consider that in preparing the financial statements on pages 4 to 12, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards, which they consider to be applicable, have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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,

ON Semiconductor Limited

(formerly Semiconductor Components Industries UK Limited)

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 2001 the company took an average of 23 days (period ended 31 December 2000 - 25 days) to settle its bills with suppliers.

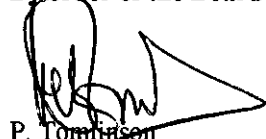
Charitable donations

Contributions for charitable purposes totalled £nil (2000 - £588) during the year.

Auditors

Our auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

By order of the Board



P. Tomlinson
Secretary
25 October 2002

7A Northumberland Buildings
Queen Square
Bath
BA1 2JB

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

Independent auditors' report to the members of ON Semiconductor Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom by Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors
Glasgow

25 October 2002

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

**Profit and loss account
for the year ended 31 December 2001**

	Notes	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Turnover	2	195,330,536	292,998,518
Cost of sales		(176,757,292)	(273,852,826)
Gross profit		18,573,244	19,145,692
Distribution costs		(15,036,256)	(14,731,985)
Administrative expenses		(1,872,003)	(3,087,873)
Other operating income / (expense)		360,827	(239,838)
Operating profit		2,025,812	1,085,996
Interest receivable	3	121,223	118,732
Interest payable	4	(583,500)	(942,666)
Profit on ordinary activities before taxation	5	1,563,535	262,206
Tax on profit on ordinary activities	8	(737,882)	(32,301)
Profit for the year / period		825,653	229,905
Retained profit brought forward		1,073,101	843,196
Retained profit carried forward		1,898,754	1,073,101

There are no recognised gains or losses other than the profit for the year. All results arose from continuing operations.

The notes of pages 6 to 11 form an integral part of the financial statements.

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

Balance sheet as at 31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	9	90,404	121,076
		90,404	121,076
Current assets			
Stocks	10	3,580,012	11,140,316
Debtors	11	24,164,451	34,040,962
Cash at bank and in hand		1,286,075	1,855,525
		29,030,538	47,036,803
Creditors: amounts falling due within one year	12	(22,110,080)	(37,671,057)
Net current assets		6,920,458	9,365,746
Total assets less current liabilities		7,010,862	9,486,822
Creditors: amounts falling due after more than one year	13	(2,955,739)	(6,257,352)
		4,055,123	3,229,470
Capital and reserves			
Called up share capital	15	2,155,371	2,155,371
Share premium account		998	998
Profit and loss account		1,898,754	1,073,101
Equity shareholder's funds	16	4,055,123	3,229,470

Approved by the board on 25 October 2002

Director

The notes on pages 6 to 11 form part of these financial statements.

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

Notes to the financial statements for the year ended 31 December 2001

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement and related party disclosures

The company's results are included in the consolidated financial statements of the ultimate parent undertaking (Note 19) which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1. The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the On Semiconductor Corporation group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets are depreciated on a straight line basis to write off the cost of assets over their estimated useful lives. The depreciation base for the major classes of assets is as follows:

Machinery and equipment	2 to 3 years
-------------------------	--------------

Foreign exchange transactions

Transactions undertaken in foreign currencies are translated using average exchange rates ruling during the month of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities at the balance sheet date are translated using the closing rate. Exchange differences arising are reported as part of the result for the period.

Deferred taxation

It is the policy of the company to provide for deferred taxation at appropriate rates of corporation tax in respect of timing differences where there is a reasonable probability that such taxation will become payable in the foreseeable future.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Pension costs

Pension contributions are charged to the profit and loss account as incurred which, in the opinion of the directors, spreads the cost of pensions over employees' working lives.

Leases

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

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

2 Turnover

Turnover comprises the invoiced value of sales, net of value added tax, for goods supplied during the year. The Directors consider that this represents one class of activity and turnover is split by geographical market as follows:

	2001	2000
	£	£
Europe	168,847,505	249,845,809
North America	12,528,991	21,848,522
Asia	13,954,040	21,304,187
	195,330,536	292,998,518

3 Interest receivable

	2001	2000
	£	£
Bank interest	121,223	118,732

4 Interest payable

	2001	2000
	£	£
Interest payable on loans from group undertakings	583,500	942,666

5 Profit on ordinary activities before taxation

This is stated after charging the following:

	2001	2000
	£	£
Auditors' remuneration – audit services	11,200	13,760
Auditors' remuneration – non audit services	117,932	8,000
Depreciation	30,672	6,711
Operating lease rentals – motor vehicles	74,124	83,438
(Gain) / Loss on sale of fixed assets	-	(167,291)
Exchange (gain) / loss on foreign currency translation	(714,490)	188,300

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

6 Staff costs

	2001	2000
	£	£
Wages and salaries (gross amounts)	1,648,537	1,130,211
Social security costs	183,168	110,491
Other pension costs (Note 18)	154,370	84,017
	1,986,075	1,324,719

The average number of persons employed during the year was 23 (2000: 19).

7 Directors' remuneration

	2001	2000
	£	£
Directors' emoluments were as follows:		
Aggregate emoluments (gross amount)	305,266	108,712
Pension contributions	17,475	4,427
	322,741	113,139

Two directors were granted share options in the ultimate parent undertaking during the year. Neither director exercised any share options during the year.

Retirement benefits are accruing to one director under a defined contribution pension scheme.

8 Taxation on profit on ordinary activities

	2001	2000
	£	£
UK Corporation tax at 30%		
- current period	667,242	40,987
- prior year under / (over) provision	70,640	(8,686)
	737,882	32,301

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

9 Tangible fixed assets

	Machinery & equipment £
Cost	
At 1 January 2001 and 31 December 2001	122,651
Depreciation	
At 1 January 2001	1,575
Charge for year	30,672
At 31 December 2001	32,247
Net book value	
At 31 December 2001	90,404
31 December 2000	121,076

10 Stocks

	2001 £	2000 £
Finished goods and goods for resale	3,580,012	11,140,316

11 Debtors

	2001 £	2000 £
Trade debtors	1,396,969	1,946,425
Amounts owed by group undertakings	22,550,910	31,234,351
Corporation tax recoverable	8,150	585,273
Prepayments and accrued income	208,422	274,913
	24,164,451	34,040,962

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

12 Creditors: Amounts falling due within one year

	2001	2000
	£	£
Trade creditors	1,641,242	1,633,779
Amounts due to group undertakings	16,714,108	32,558,759
Other taxes and social security costs	101,529	1,590,193
Other creditors	82,452	1,458,487
Accruals	3,570,749	429,839
	22,110,080	37,671,057

13 Creditors: Amounts falling due after more than one year

	2001	2000
	£	£
Intergroup loan	2,955,739	6,257,352

The loan was advanced from the ultimate parent undertaking and bears interest at 10.5% per annum.

	2001	2000
	£	£
The loan is repayable as follows:		
- between two and five years	2,955,739	8,373,993

14 Deferred taxation

The company has no deferred taxation liability as at 31 December 2000 (2001 - £nil). The potential deferred taxation asset of £237,563 at 30% (2000- £24,318 at 30%) which has not been recorded in the financial statements, comprises:

	2001	2000
	£	£
Accelerated capital allowances	(2,701)	(23,730)
Other timing differences	240,264	48,048
	237,563	24,318

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

15 Called up share capital

	2001 £	2000 £
Authorised – 5,000,000 (1999 – 1,000) of £1 each	5,000,000	5,000,000
Allotted and fully paid Ordinary shares : 2,155,371 (1999 - 1,000) of £1 each	2,155,371	2,155,371

16 Shareholder's funds

	2001 £	2000 £
Profit for the financial year	825,653	229,905
Opening shareholders' funds	3,229,470	2,999,565
Closing shareholders' funds	4,055,123	3,229,470

17 Commitments

Payments to be made during the year ending 31 December 2002 in respect of motor vehicles held under operating leases comprise those whose commitments expire as follows:

	2001 £	2000 £
- within one year	4,673	42,728
- in two to five years	32,403	75,577
	37,076	118,305

18 Pension scheme

The company operates a defined contribution group personal pension scheme. Contributions are charged to the profit and loss account as incurred and were determined by an independent qualified actuary to equate substantially to those provided within the Motorola Limited main plan in which individuals had previously participated.

The assets of the scheme are held separately from those of the company, being invested by insurance companies. The premium cost charge represents contributions payable by the company to the fund and amounted to £154,370 (2000- £84,017). Contributions totalling £43,594 (2000 - £13,548) were payable at the year-end and are included in other creditors.

19 Parent undertaking

The company's ultimate parent undertaking is ON Semiconductor Corporation, a company incorporated in the United States of America.

ON Semiconductor Limited (formerly Semiconductor Components Industries UK Limited)

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