Fairchild Semiconductor International, Inc.
Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended			Twelve Months Ended	
	December 27, 2009	September 27, 2009	December 28, 2008	December 27, 2009	December 28, 2008
Total revenue	$ 354.5	$ 331.8	$ 320.9	$ 1,187.5	$ 1,574.2
Cost of sales (1)	249.1	245.5	235.8	897.2	1,118.8
Gross margin	105.4	86.3	85.1	290.3	455.4
Gross margin %	29.7%	26.0%	26.5%	24.4%	28.9%
Operating expenses:					
Research and development (2)	25.4	24.9	23.7	99.7	112.9
Selling, general and administrative (3)	47.5	43.4	44.3	179.3	217.7
Amortization of acquisition-related intangibles	5.6	5.6	5.5	22.3	22.1
Restructuring and impairments	5.8	4.1	15.9	27.9	29.2
Goodwill impairment charge	-	-	203.3	-	203.3
Charge (release) for litigation	6.0	-	(3.3)	6.0	(3.3)
Total operating expenses	90.3	78.0	289.4	335.2	581.9
Operating income (loss)	15.1	8.3	(204.3)	(44.9)	(126.5)
Impairment of investments	-	-	19.0	-	19.0
Other expense, net	3.0	4.4	6.2	18.4	23.1
Income (loss) before income taxes	12.1	3.9	(229.5)	(63.3)	(168.6)
Provision (benefit) for income taxes	(1.0)	1.2	(11.4)	(3.1)	(1.2)
Net income (loss)	$ 13.1	$ 2.7	$ (218.1)	$ (60.2)	$ (167.4)
Net income (loss) per common share:					
Basic	$ 0.11	$ 0.02	$ (1.76)	$ (0.49)	$ (1.35)
Diluted	$ 0.10	$ 0.02	$ (1.76)	$ (0.49)	$ (1.35)
Weighted average common shares:					
Basic	124.0	123.9	123.6	123.8	124.3
Diluted	127.6	127.5	123.6	123.8	124.3
(1) Equity compensation expense included in cost of sales	$ 2.6	$ 2.4	$ 0.9	$ 5.8	$ 4.5
(2) Equity compensation expense included in research and development	$ 1.2	$ 1.1	$ 0.9	$ 3.8	$ 4.1
(3) Equity compensation expense included in selling, general and adminis	$ 2.0	$ 1.7	$ 0.5	$ 7.9	$ 10.5

Fairchild Semiconductor International, Inc.
Reconciliation of Net Income (Loss) To Adjusted Net Income
(In millions)
(Unaudited)

	Three Months Ended			Twelve Months Ended	
	December 27, 2009	September 27, 2009	December 28, 2008	December 27, 2009	December 28, 2008
Net income (loss)	$ 13.1	$ 2.7	$ (218.1)	$ (60.2)	$ (167.4)
Adjustments to reconcile net income (loss) to adjusted net income (loss):					
Restructuring and impairments	5.8	4.1	15.9	27.9	29.2
Net impairment/gain on equity investments (1)	-	-	-	2.1	-
Gain associated with debt buyback (1)	(1.2)	-	-	(2.0)	-
Accelerated depreciation on assets related to fab closure (2)	2.1	3.0	-	8.8	-
Goodwill impairment charge	-	-	203.3	-	203.3
Impairment if investments	-	-	19.0	-	19.0
Charge (release) for litigation	6.0	-	(3.3)	6.0	(3.3)
Inventory write-off(release) associated with fab closure (2)	(0.1)	(0.1)	-	0.4	-
Costs associated with the redemption of convertible debt (1)	-	-	-	-	0.4
Amortization of acquisition-related intangibles	5.6	5.6	5.5	22.3	22.1
Associated net tax effects of the above and other acquisition-related i	(1.4)	(0.4)	(14.6)	(4.1)	(14.4)
Tax effects from finalized tax filings and positions	-	-	-	-	(2.5)
Adjusted net income	$ 29.9	$ 14.9	$ 7.7	$ 1.2	$ 86.4
Adjusted net income per common share:					
Basic	$ 0.24	$ 0.12	$ 0.06	$ 0.01	$ 0.70
Diluted	$ 0.23	$ 0.12	$ 0.06	$ 0.01	$ 0.69

(1) Recorded in other expense, net

(2) Recorded in cost of sales

Fairchild Semiconductor International, Inc.
Reconciliation of Gross Margin To Adjusted Gross Margin
(In millions)
(Unaudited)

	Three Months Ended			Twelve Months Ended	
	December 27, 2009	September 27, 2009	December 28, 2008	December 27, 2009	December 28, 2008
Gross margin	$ 105.4	$ 86.3	$ 85.1	$ 290.3	$ 455.4
Adjustments to reconcile gross margin to adjusted gross margin:					
Accelerated depreciation on assets related to fab closure	2.1	3.0	-	8.8	-
Inventory write-off (release) associated with fab closure	(0.1)	(0.1)	-	0.4	-
Adjusted gross margin	$ 107.4	$ 89.2	$ 85.1	$ 299.5	$ 455.4
Adjusted gross margin %	30.3%	26.9%	26.5%	25.2%	28.9%

Adjusted net income, adjusted net income per share, and adjusted gross margin should not be considered as alternatives to net income (loss), net income (loss) per share, gross margin or other measures of consolidated operations and cash flow data prepared in accordance with accounting principles generally accepted in the United States of America, as indicators of our operating performance, or as alternatives to cash flow as a measure of liquidity.

Fairchild Semiconductor International, Inc.
Consolidated Balance Sheets
(In millions)
(Unaudited)

	December 27, 2009	September 27, 2009	December 28, 2008
ASSETS			
Current assets:			
Cash and cash equivalents	$ 415.8	$ 416.4	$ 351.5
Short-term marketable securities	0.1	0.7	0.8
Receivables, net	134.0	131.5	155.6
Inventories	189.5	182.6	231.0
Other current assets	41.8	43.1	40.0
Total current assets	781.2	774.3	778.9
Property, plant and equipment, net	653.2	662.7	731.6
Intangible assets, net	81.1	86.7	102.1
Goodwill	161.3	161.3	161.7
Long-term securities	35.8	35.4	34.6
Other assets	49.8	40.9	40.9
Total assets	$ 1,762.4	$ 1,761.3	$ 1,849.8
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 5.3	$ 5.3	$ 5.3
Accounts payable	119.6	106.8	94.4
Accrued expenses and other current liabilities	70.6	67.1	94.4
Total current liabilities	195.5	179.2	194.1
Long-term debt, less current portion	466.9	511.3	529.9
Other liabilities	71.1	63.4	65.9
Total liabilities	733.5	753.9	789.9
Temporary equity - deferred stock units	2.3	2.2	2.8
Total stockholders' equity	1,026.6	1,005.2	1,057.1
Total liabilities, temporary equity and stockholders' equity	$ 1,762.4	$ 1,761.3	$ 1,849.8

Fairchild Semiconductor International, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended	Twelve Months Ended	
	December 27, 2009	December 27, 2009	December 28, 2008
Cash flows from operating activities:			
Net income (loss)	$ 13.1	$ (60.2)	$ (167.4)
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation and amortization	39.7	160.4	136.6
Non-cash stock-based compensation expense	5.8	17.5	19.1
Non-cash restructuring and impairments expense	0.8	1.6	12.2
Non-cash impairment of investments	-	-	19.0
Non-cash goodwill impairment	-	-	203.3
Non-cash write-off of equity investment	-	2.3	-
Gain on debt buyback	(1.4)	(2.2)	-
Gain on sale of equity investment	-	(0.2)	-
Deferred income taxes, net	3.0	(8.6)	(11.2)
Other	1.0	1.9	2.3
Changes in operating assets and liabilities, net of acquisitions	7.5	75.9	(28.5)
Cash provided by operating activities	69.5	188.4	185.4
Cash flows from investing activities:			
Capital expenditures	(26.8)	(59.8)	(168.7)
Purchase of marketable securities	(0.1)	(0.5)	(3.8)
Sale of marketable securities	0.6	0.9	5.1
Maturity of marketable securities	-	0.2	0.2
Other	(0.7)	(1.9)	(5.2)
Acquisitions	-	(1.5)	-
Cash used in investing activities	(27.0)	(62.6)	(172.4)
Cash flows from financing activities:			
Repayment of long-term debt	(42.9)	(60.6)	(204.4)
Issuance of long-term debt	-	-	150.0
Proceeds from issuance of common stock and from exercise of stock options, net	-	-	9.0
Purchase of treasury stock	-	-	(21.7)
Other	(0.2)	(0.9)	(3.4)
Cash used in financing activities	(43.1)	(61.5)	(70.5)
Net change in cash and cash equivalents	(0.6)	64.3	(57.5)
Cash and cash equivalents at beginning of period	416.4	351.5	409.0
Cash and cash equivalents at end of period	$ 415.8	$ 415.8	$ 351.5

Fairchild Semiconductor International, Inc.
Reconciliation of Cash Provided by Operating Activities to Free Cash Flow
(In millions)
(Unaudited)

	Three Months Ended	Twelve Months Ended	
	December 27, 2009	December 27, 2009	December 28, 2008
Cash provided by operating activities	$ 69.5	$ 188.4	$ 185.4
Capital expenditures	(26.8)	(59.8)	(168.7)
Free cash flow	$ 42.7	$ 128.6	$ 16.7