

Safe Harbor and Outlook Disclosure Policy

The statements in this outlook are forward-looking statements that are based on management's assumptions and expectations and that involve risk and uncertainty. Forward-looking statements usually, but do not always, contain forward-looking terminology such as "we believe," "we expect," or "we anticipate," or refer to management's expectations about Fairchild's future performance. Many factors could cause actual results to differ materially from those expressed in forward-looking statements. Among these factors are the following: changes in overall economic conditions; changes in demand for our products; changes in inventories at our customers and distributors; technological and product development risks; availability of manufacturing capacity; availability of raw materials; competitors' actions; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields or output; and significant litigation. These and other risk factors are listed in the company's annual report on Form 10-K for the year ended December 30, 2007 (see the Business Risks section of Management's Discussion and Analysis or Financial Condition and Results of Operations); available at the Investor Relations section of Fairchild Semiconductor's web site at investor.fairchildsemi.com or the Securities and Exchange Commission's web site at www.sec.gov.

Toward the end of each fiscal quarter, Fairchild will observe a "Quiet Period", when it will no longer update the business outlook to reflect its current expectations. During this period, Fairchild management and spokespersons normally will not comment on Fairchild's current quarter financial results or expectations. The Quiet Period for third quarter 2008 will be from September 15, 2008 to October 16, 2008, when Fairchild plans to release its third quarter 2008 results.

Except during Quiet Periods, the business outlook posted on Fairchild's website may be relied upon as current guidance until updated through a press release or other public announcement.

Business Outlook

The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements do not include the potential impact of any mergers, acquisitions, or other business combinations that may be completed after July 17, 2008. These statements reflect guidance issued in a press release and comments made during the company's conference call on July 17, 2008, and will reflect Fairchild Semiconductor's current guidance unless updated by a later press release or other public announcement.

We expect third quarter revenue to be up 2 to 5 percent. At the start of the quarter, we had more than 90 percent of this sales guidance booked and scheduled to ship. We expect gross margin to increase 150 to 225 basis points sequentially as we benefit from higher factory loadings, better product mix and more assembly and test in-sourcing. We expect R&D and SG&A expenses to be approximately \$89 to \$92 million and net interest and other expenses to be about \$5.5 million for the third quarter.