

Freescale Semiconductor
EBITDA
(Unaudited)
(In millions)

We believe that earnings before interest, income taxes, depreciation and amortization (EBITDA) is a useful financial metric to assess our ability to generate cash from operations sufficient to pay taxes, to service debt and to undertake capital expenditures. Given the significant investments that we have made in the past in property, plant and equipment, depreciation and amortization expense comprises a meaningful portion of our cost structure. We believe that EBITDA will provide investors with a useful tool for assessing the comparability between periods of our ability to generate cash from operations sufficient to pay taxes, to service debt and to undertake capital expenditures because it eliminates depreciation and amortization expense attributable to our historically higher levels of capital expenditures. The term EBITDA is not defined under generally accepted accounting principles in the U.S., or U.S. GAAP, and EBITDA is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. In addition, EBITDA is impacted by reorganization of businesses and other restructuring-related charges. When assessing our operating performance or our liquidity, you should not consider this data in isolation, or as a substitute for, our net cash from operating activities or other cash flow data that is calculated in accordance with U.S. GAAP. In addition, our EBITDA may not be comparable to EBITDA or similarly titled measures utilized by other companies since such other companies may not calculate EBITDA in the same manner as we do. A reconciliation of net earnings (loss), the most directly comparable U.S. GAAP measure, to EBITDA for each of the respective periods indicated is as follows:

	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>Dec 31, 2004</u>	<u>Dec 31, 2003</u>	<u>Dec 31, 2004</u>	<u>Dec 31, 2003</u>
Net earnings (loss)	\$ 5	\$ 98	\$ 211	\$ (366)
Interest expense, net	5	20	31	114
Income tax (benefit) expense	1	(13)	52	47
Depreciation expense	177	192	731	851
Amortization expense	2	2	9	7
EBITDA	\$ 190	\$ 299	\$ 1,034	\$ 653