The Power Franchise™

FACT BOOK

Summer 2003

For more information

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FAIRCHILD SEMICONDUCTOR®

About this Fact Book and How to Find More Information

This Fact Book is intended to provide a summary of Fairchild Semiconductor's businesses. More information is available through the Internet or directly from us. We file quarterly reports, annual reports, current reports, proxy statements and other information with the Securities and Exchange Commission (SEC). These reports include

- additional information about our businesses, operations, properties, legal proceedings, directors, officers and employees
- interim and annual financial statements
- management's discussion and analysis of financial condition and results of operations
- our business outlook
- business risks
- information about director and executive compensation
- information about stock ownership and option grants and
- other important information.

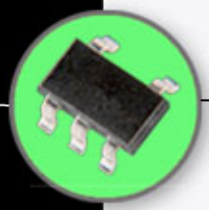
These reports also include or refer you to exhibits, such as our charter and bylaws and material contracts. All of these reports are available through the Investor Relations section of Fairchild Semiconductor's web site at www.fairchildsemi.com or the SEC's web site at www.sec.gov, or you can write or call us for a free copy.

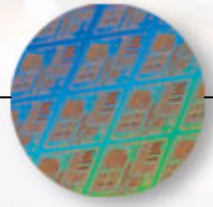
Our business is subject to a number of important risks, which are summarized in the Business Risks section at the end of this Fact Book. You can read more about these risks in our quarterly and annual reports filed with the SEC.

You should read and consider all the reports and information described above before investing in our stock or making other investment decisions concerning our stock.

Special Note About Forward-Looking Statements

Comments and information in this Fact Book, other than statements of historical fact, constitute forward-looking statements. For example, estimates of market growth and discussions about growth strategies are forward-looking statements. Forward looking statements are based on management's estimates and projections and are subject to various risks and uncertainties, including but not limited to those summarized in the Business Risks section at the end this Fact Book and described in the Business Risks section of our quarterly and annual reports filed with the SEC. See above for more information about locating these reports. Actual results may differ materially from those described in forward-looking statements.
Information in this Fact Book is presented as of the date on the cover. We have no obligation to provide updates or to advise you if there have been changes such date.





The Power Franchise™

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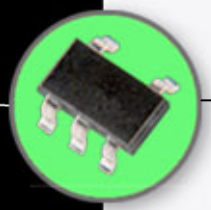

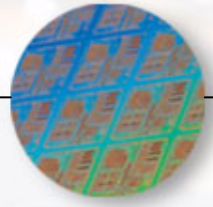

Welcome Letter

The Power Franchise™

During our regular management meetings with shareholders and potential investors, we often receive detailed questions about our products, customers, markets, and manufacturing facilities. Because we are such a large, diverse corporation, it is nearly impossible to address all the questions most of you have in a short face-to-face meeting. The purpose of this factbook is to provide more details about the main elements of Fairchild's business. This factbook will give you a sense of what our products do, which end markets we service and who our customers are. We hope that this information, as well as the accompanying financial summary and other publicly available information regarding our operations and other aspects of our business are helpful to you.

- Kirk Pond
Chairman, President and Chief Executive Officer

Fairchild's Strategy: To extend our leadership position as the number one worldwide supplier of power products. We will accomplish this through continued focus on the following objectives:

- Focus R&D on building a higher margin power analog and power discrete product portfolio
- Target higher growth applications where we can leverage R&D into follow-on derivative markets with similar needs complimented by superior field applications support
- Leverage our extensive expertise in the Asian market to grow market share in this fastest growing region
- Continue to reduce manufacturing costs by in-sourcing assembly/test production and investing in new technologies and systems

Fairchild has grown our power business over fifteen-fold since 1997, rising to the number one market share position worldwide according to the latest Gartner data for 2002. We will build on this success through our focused strategy, strong execution, high standards of business ethics, and dedicated employees.

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Fairchild Products and Technology

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Our Focus on Power Applications

Fairchild Semiconductor is focused on designing, manufacturing, and marketing high performance power analog and power discrete solutions. Our analog power management, data conversion, analog signal processing, and power discrete products solve the toughest design challenges, from temperature sensing and management functions to battery charging and motor control. Power is truly a multi-market application and therefore aligns with Fairchild's long-term strategy of being a leading global supplier of high performance products for multiple end markets. Fairchild is well-positioned to supply the technology in a transforming world, today and in the future, ready to manage, convert, distribute and minimize power in today's most advanced electronic systems. Fairchild's standard linear and power analog portfolio provides components for a broad range of operating voltages, covering power needs from the wall to the board.

Currently about 70% of Fairchild's sales are into power applications. We expect the following growth drivers to continue to drive power management needs well into the future.

- Mission critical power supply and power management for servers and IT infrastructure.
- Extensive battery management for portable devices and access equipment.
- End equipment migrating toward distributed power requiring multiple voltage levels.
- Government regulations reducing power requirements.
- Advanced automobile engine management requirements driving greater reliability and fuel efficiency

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Power needs that were unimaginable just a few years ago are now a reality. This trend of increasingly complex system power designs will continue to drive more exacting specifications from our power semiconductors.

- Lower output voltages, higher power requirements, and tighter power regulations all require faster response to changes in load current.
- Battery management will require more accurate gauging and management of a variety of chemicals.
- Off-line switching will require under- and over-voltage protection.
- Motors are requiring higher integration, PWM outputs and feedback control.

Fairchild's Power Strategy: Turn Raw Power Into Real Performance

Successful designs today must combine performance and power efficiency in innovative ways. And while many semiconductor suppliers offer power products that address only battery management or power supplies, Fairchild features an industry-leading portfolio of power discrete, analog, logic, interface, and optoelectronic products that address power issues across the board.

Power Management. When a design requires system supervision, thermal management, and battery management, state-of-the-art power management products need to be considered. Fairchild provides PWM controllers, DC/DC controllers, supervisory ICs, temperature sensors and more that optimize performance and minimize power usage in designs.

Power Conversion. When designers need to handle a wide range of voltages while minimizing power loss, Fairchild has the solution. From buck and boost regulators to AC/DC converters, our products increase efficiency, isolate circuits, reduce EMI and help to address overall regulatory needs.

Power Minimization. With lower voltages and increased currents becoming more common, the need to achieve high performance with less power consumption is important to every subsystem. With leading micro-power logic, analog and discrete components, Fairchild's products enable the conversion of microamps into data, light, voice, images or motion that differentiate designs.

Power Distribution. Fairchild provides a broad portfolio of power distribution products, including high voltage MOSFETs, IGBTs and power switches to help power be distributed across circuit boards with minimal switching losses while maintaining high current capability.

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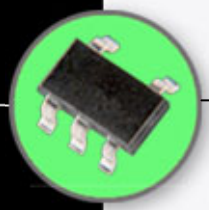

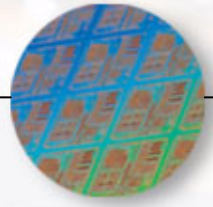

Analog

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Fairchild's analog products monitor, interpret and continuously control variable functions such as light, color, sound, and energy. Analog products interpret the unbounded gray area between 1 and 0, on and off, high and low. Digital technologies require analog products to be the link between real-world signals, which mostly occur in the form of waves (sound, pressure, heat and light), and the digital world of 1's and 0's. Consequently, analog devices form the interface with the digital world and as the world becomes increasingly more digital, a greater reliance is placed on these devices. Fairchild provides a wide range of analog products ranging from power conversion, temperature sensing and system management to battery chargers and motor controllers. Critical to portable communications or computing applications, analog circuitry is used in battery management and essential fuel gauge chips that allow you to see how much power remains in a battery. Analog voltage regulator chips insure that no matter what level a battery's charge is, it supplies a constant stream of power. Another important aspect of power management is the ability of Fairchild's analog DC-to-DC devices to step down the voltage of a system. This insures that the power supplied is equal to the power needed for a device to operate optimally; this is especially important in computing when one power source feeds many devices that have differing power needs.

Our power switch products, called FPS for Fairchild Power Switch, are a series of proprietary, multichip or monolithic devices with integrated MOSFETs (Metal Oxide Semiconductor Field Effect Transistors), which provide complete off-line (alternating current-direct current) power converter designs for use in power supplies and battery chargers. These MOSFET switch circuits allow devices to conserve power by supplying it only to the applications being used. These power management and conversion devices can be found in all sorts of applications ranging from consumer to communications end market systems.

Major Analog Product Lines

- Analog Signal Processing
- Data Conversion
- Analog Interface
- Power Management
- Thermal Management
- Timing Circuits
- Application Specific ICs
- Special Function ICs

Major Competitors

- Analog Devices
- Linear Technology
- Maxim Integrated Products
- Intersil
- National Semiconductor
- Texas Instruments
- ST Micro
- Power Integrations

2002 Market Position

	Source
#2 in WW Power Analog	Gartner
#3 in Asia Analog IC	Gartner
#6 in WW Analog IC	Gartner

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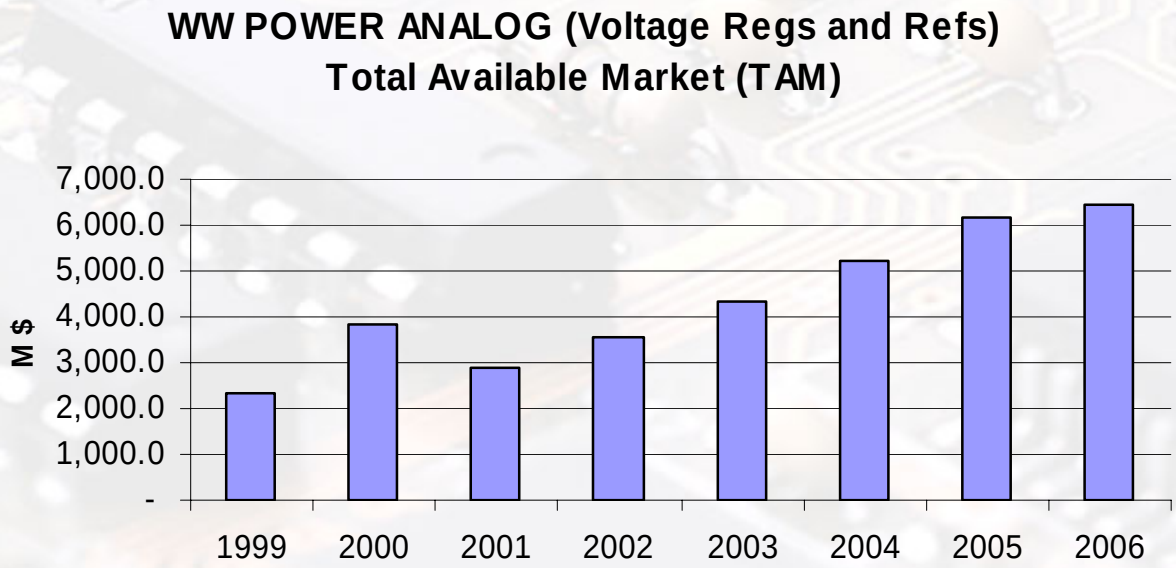
Analog

In addition to power related analog circuits, Fairchild offers signal path products such as operational amplifiers and comparators, data conversion products, video encoders/decoders, video filters, and micro-controller based system management integrated circuits. Fairchild also offers a broad range of packaging solutions that enhance our analog and mixed signal product portfolio. These solutions include surface mount, very small packages and leadless carriers.

Fairchild offers over 2,600 different analog and mixed signal device products in a fast growing number of proprietary part types. The development of proprietary parts is largely driven by evolving end-system requirements and needs for higher integration, which in turn are driven by trends toward smaller form factors at higher performance levels.



Source: WSTS (2003)

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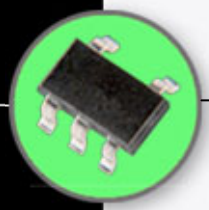

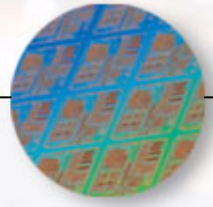

Power Discrete

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As the intelligence of every electronic application grows, so does its need for power. Fairchild's wide range of power discrete products complements our power analog products to provide one of the industry's widest portfolios of power semiconductors for nearly every power application. Three types of devices dominate Fairchild's line of discrete products.

- **Power MOSFETs** are used in applications to switch, shape or transfer electricity under varying power requirements. These products are used in variety of high-growth applications including cellular handsets, notebook computers, disk drives, rechargeable lithium batteries, power supplies, lamp ballast, electric motors, battery chargers and portable applications. Fairchild produces advanced MOSFETs under our PowerTrench® and UltraFet® brands.

- **IGBTs** (Isolated-Gate Bipolar Transistors) are high voltage power discrete devices. They are used in switching applications for motor control, power supplies and automotive ignition. Ignition control IGBTs allow automotive ignition to charge more quickly, increasing efficiency and burning less fuel in the process. Fairchild features the SMPS IGBT for power supplies offering fast, cost-effective operation.

- **Rectifier** products work with IGBTs and MOSFETs in many applications to provide signal conditioning. Fairchild's premier power rectifier product is the Stealth™ rectifier, providing industry leading performance and efficiencies in power supply and motor applications.

Major Power Discrete Product Lines
- Power MOSFETs
- Diodes & Rectifiers
- IGBTs
- Bipolar Transistors & JFETs

Major Competitors
- International Rectifier
- Vishay
- ST Microelectronics
- Toshiba
- Philips
- Infineon

2002 Market Position *Source*

#6 in WW Discrete……....Gartner
#1 in Asia Discrete……....Gartner
#1 in WW Power Transistor…....Gartner

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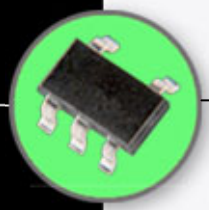

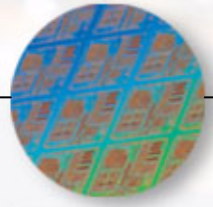

Power Discrete

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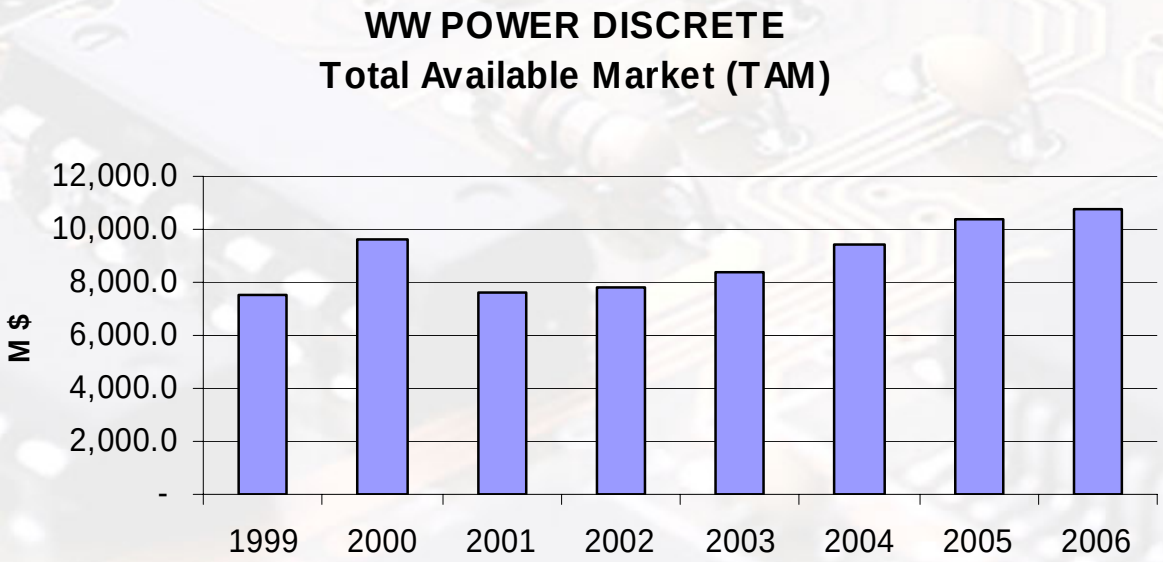
Fairchild designs, manufactures and markets numerous power and small signal discrete semiconductors, including power MOSFETs, Isolated-Gate Bipolar Transistors (IGBTs) and rectifiers. More than 85% of Fairchild's discrete products are power discretes, which handle >1 watt of power and are used extensively in power applications that serve the computing, automotive, consumer, communications and industrial systems end markets. Fairchild's discrete products include individual diodes or transistors that perform basic signal amplification and switching functions in electronic circuits. Driving the long-term growth of discretes is the increasing need to power the latest electronic equipment as well as needs to conserve power. Our discrete devices are used in an ever-increasing number of applications to provide greater "electronic intelligence" and more sophisticated power control.



Source: WSTS (2003)

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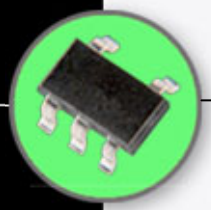

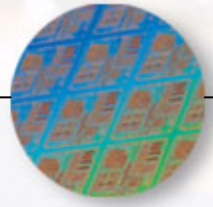

Optoelectronics

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Optoelectronics covers a wide range of semiconductor devices that emit, sense, and display both visible and infrared light. Fairchild's focus in optoelectronics is aligned with our analog business and power focus. We address the same applications and combine functions in an optimal way to provide real system solutions. Fairchild's optoelectronics are used in modems as ring detectors and on-off hook switches, in power supplies for feedback isolation, on circuit boards for logic-to-logic voltage isolation, and input/output isolation on industrial process control equipment. Our OPTOPLANAR structure helps to provide better performing and more reliable optocouplers at a lower cost. Optocouplers are used to transmit signals between electronic circuits while maintaining electrical isolation between them. Fairchild LED lamp and display products are replacing general illumination applications currently served by incandescent and fluorescent light products. These are used in a wide variety of consumer and industrial applications including automotive lighting, information display, gaming equipment, status indication, and backlighting. These infrared products include emitters, sensors and hybrid assemblies for motion control and sensing used in a growing number of consumer electronic product applications, which will continue to expand as the use of wireless communications devices increases.

Major Optoelectronics Product Lines

- LED Lamps
- Displays
- Optocouplers
- Infrared Devices
- Custom Visible Products

Major Competitors

- Agilent
- Vishay
- Rohm
- Sharp
- Toshiba
- Sanken

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End Markets and Distribution

Fairchild Semiconductor is a global company focused on expanding our market share worldwide with an emphasis on gaining market share in regions that we expect to have high growth potential, such as Asia. In the past, Asia and the Americas have been Fairchild's largest end markets, with sales in Asia accounting for 72% of total sales in 2002.

Fairchild's products reach their end markets through one of three ways; the majority of sales are channeled through independent distributors. In 2002, Over 60% of sales were through distributors. Fairchild's second largest channel is original equipment manufacturers. OEMs accounted for about 30% of Fairchild's total sales in 2002. Lastly, a small percentage of sales, about 5% in 2002, were sold directly to electronic manufacturing services providers.

End Markets and Distribution

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Distributors

Over 60% of Fairchild's sales were through distributors in 2002. Fairchild recognizes revenue upon shipment to distributors. The vast majority of Fairchild's distributors operate on a "market price" program, which limits their ability to return a product to Fairchild once they have purchased it. Fairchild closely monitors and reports levels of worldwide distributor inventory and resales on a quarterly basis.

Top Distributors per Region in 2002

Americas:	Arrow, Future, Avnet, All American
Asia:	Yosun, Wintech, Arrow, Supreme, AV Concept
Europe:	EBV, Arrow, Future, Distar
Japan:	Ashai Glass, Ryoden, Macnica
Korea:	Kotech, Mujin Elec, Samtek

OEM

In 2002, 30% of sales were to original equipment manufacturers (OEMs)

Top OEM Customers

- Samsung
- IMK
- LG
- Quanta
- Delta
- Motorola

Electronic Manufacturing Services

In 2002, 5% of sales were to electronic manufacturing service providers.

Top EMS Customers

- Sanmina/SCI
- Solectron
- Celestica
- Flextronics
- Jabil

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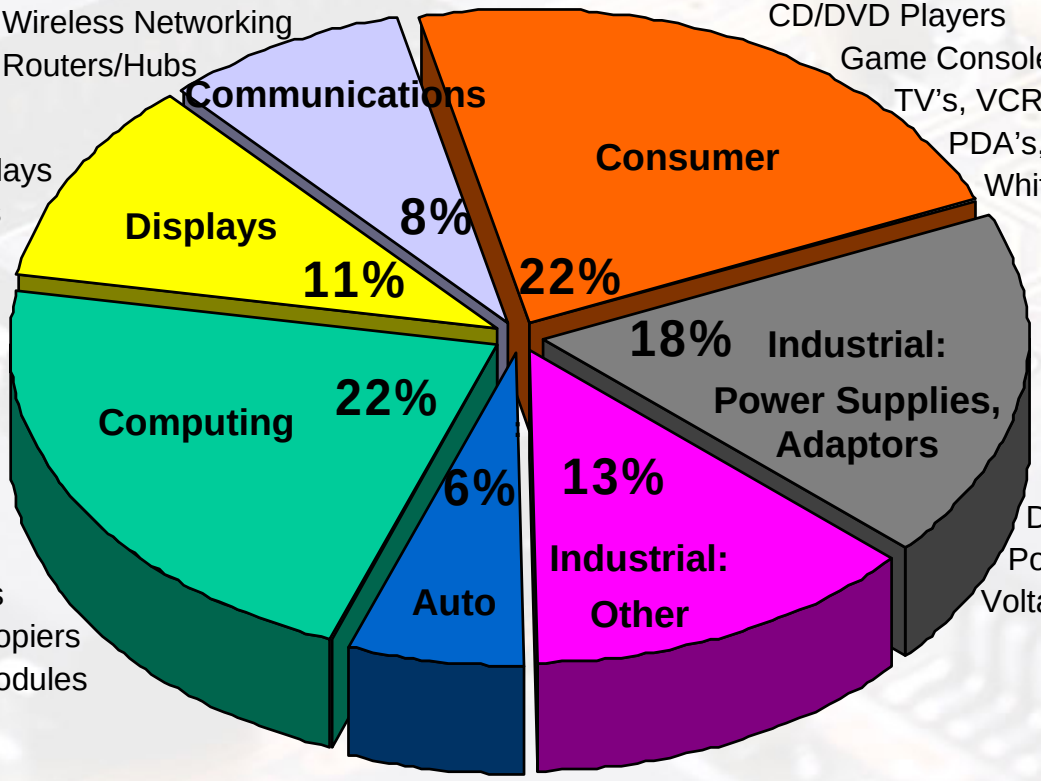
2002 Sales by End Market Segment



Cellular Handsets, Base Stations
Central Office Switches
Wireless Networking
Routers/Hubs

CD/DVD Players
Game Consoles
TV's, VCRs, Set Top Boxes
PDA's, MP3's, Cameras
White Goods, Appliances

Flat Panel Displays
Monitors, CRTs

Power Supplies
DC-DC Power Bricks
Power Adaptors
Voltage Regulator Modules

Desktops
Notebooks
Disk Drives
Printers, Copiers
Memory Modules

Ignition, Engine Management
Entertainment
Body Electronics
Navigation, Safety

Factory Automation
ATE, Instrumentation
Lighting, Medical
Motor Control

Source: Fairchild internal estimates

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2002 Sales by Product Segment

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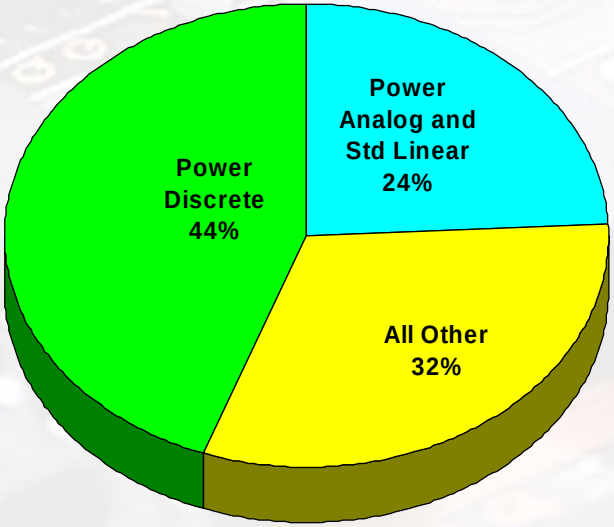
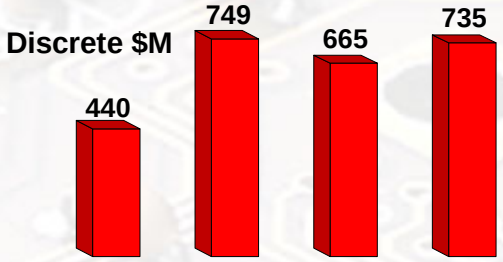
Q2 2003 Product Mix

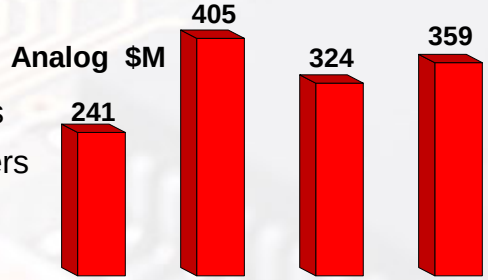


1999-2002 Rev Growth

Power MOSFETs
IGBTs
Rectifiers
Small Signal



LDO Regulators
PWM Controllers
Offline Power Switches
Power Factor Controllers
Motor Controllers
Interface



Source: Fairchild internal estimates

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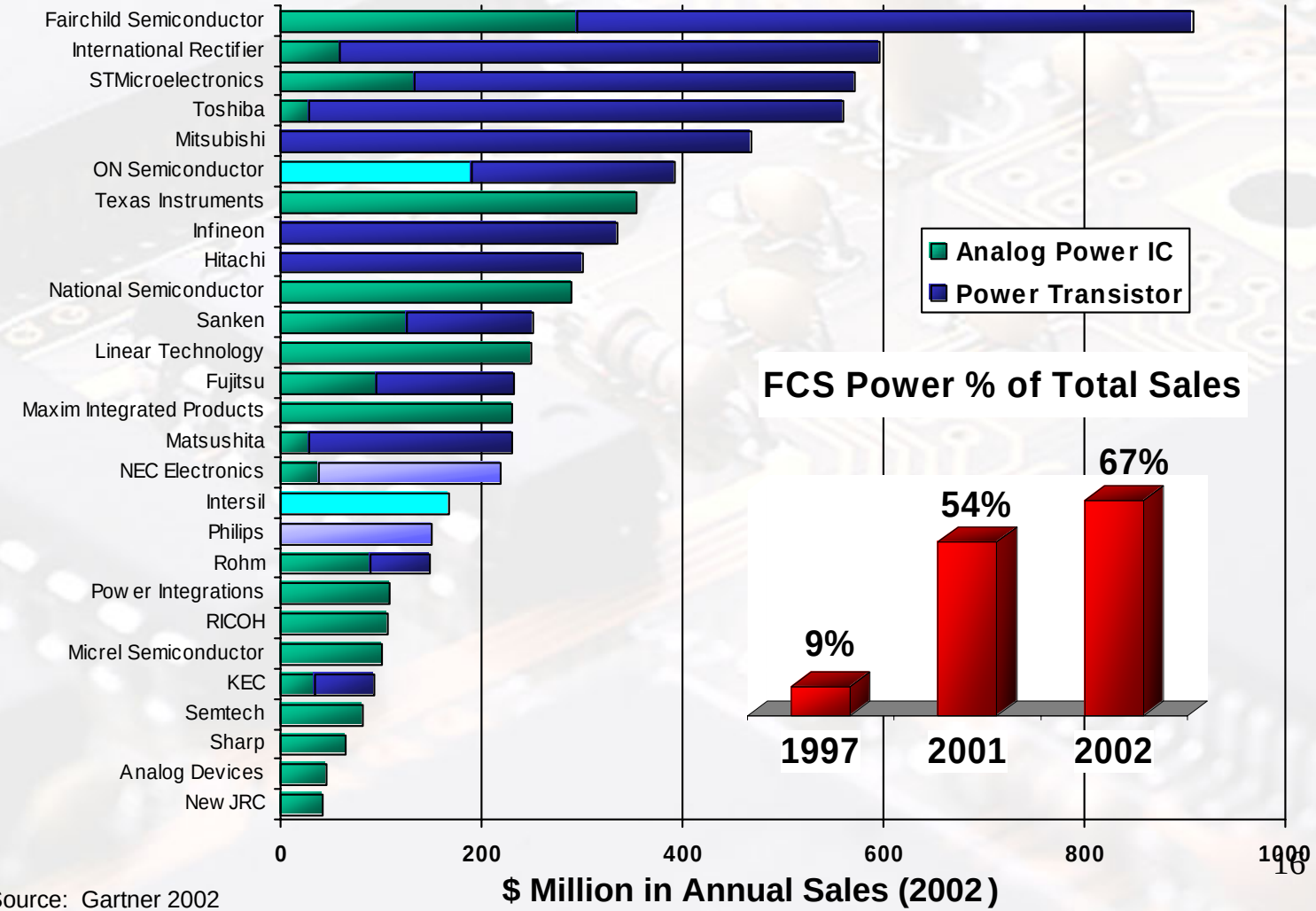
Fairchild Leads the Power Building Block Market

WW Analog Power Management IC and Power Discrete Leaders



Source: Gartner 2002

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• Geographic Footprint

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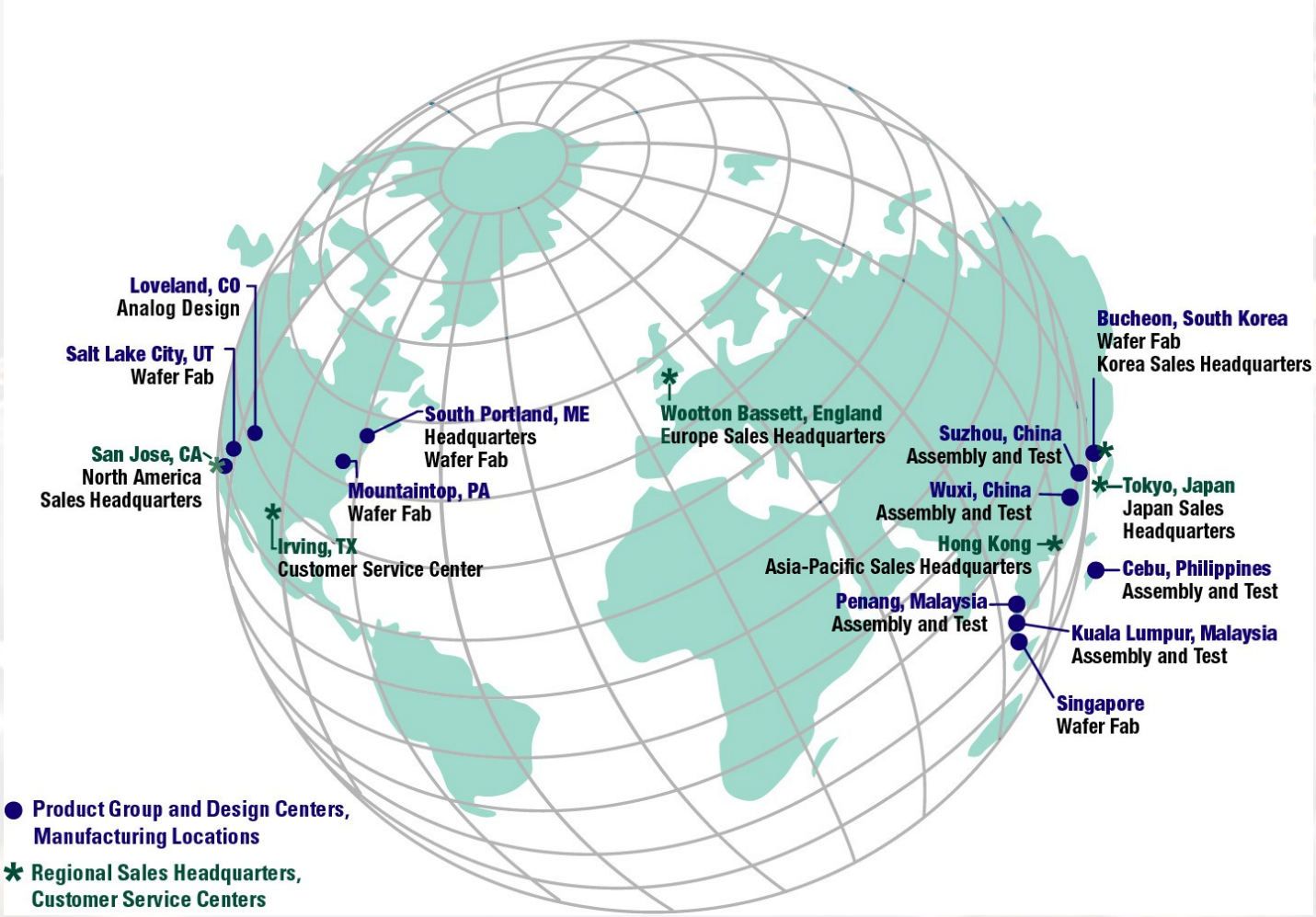

* Suzhou plant operational beginning Q3 2003

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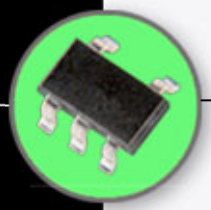

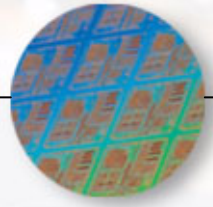

Facilities

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Fairchild's wholly owned manufacturing base is global, with 10 manufacturing plants including the world's only 8" wafer fab dedicated to producing power transistors. This diversified and distributed matrix of sources reduces supply side risk and enables cost effective manufacturing and delivery of our products anywhere in the world.

Major Wafer Fabrication Facilities

Mountaintop, PA	South Portland, ME	Salt Lake City, UT	Bucheon, South Korea
Products manufactured at our Mountaintop, PA facility are predominantly discrete power semiconductors targeted for automotive and industrial end markets. The principal products manufactured at this facility include medium-voltage MOSFETs, IGBTs, and Rectifiers. **Technologies** ▪ 6 inch fab, 3.0 micron (To be consolidated into 8 inch fab – Q4 2003) ▪ 8 inch fab, 0.8 micron 450,000 sq. ft. manufacturing facility	The South Portland plant is focused on manufacturing wafers for the Integrated Circuit product group. The predominant products produced here are interface, standard logic products and analog products. **Technologies** ▪ 4 inch fab, 5.0 - 3.0 micron, BIPOLAR and CMOS (To be consolidated into 6 inch fab – mid 2004) ▪ 6 inch fab, 1.5 – 0.35 micron CMOS and BiCMOS 240,000 sq. ft. of wafer fabrication operational floor space	Products manufactured at the Salt Lake City, UT facility are low and medium voltage discrete power MOSFETs aimed at computer and communication end markets. **Technologies** ▪ 6 inch fab, 1.0 – 0.5 micron, CMOS, DMS, 0.5 micron PowerTrench® technology 300,000 sq. ft. of manufacturing, warehouse and office facilities	Acquired in April 1999 from Samsung Electronics Co., Ltd., Fairchild Semiconductor's Bucheon, South Korea plant produces discrete power semiconductors, standard analog integrated circuits, high voltage MOSFETs, smart power modules, motor controller ICs, IGBTs and rectifiers. **Technologies** ▪ 4 inch fab 5.0 – 4.0 micron bipolar ▪ 5 inch fab, 2.0 – 0.8 micron BIPOLAR and DMOS ▪ 6 inch fab, 2.0 – 0.8 micron DMOS and BiCMOS 766,000 sq. ft. of manufacturing, warehouse and office facilities

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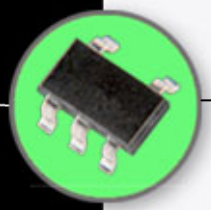

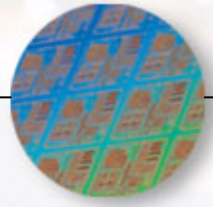

Facilities

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Major Assembly and Test Facilities

Penang, Malaysia	Cebu, Philippines	Kuala Lumpur, Malaysia	Wuxi, China	Suzhou, China
Fairchild's Penang facility tests, assembles and packages interface, logic, analog and discrete products. **Technologies** ▪ MDIP, SOIC, EIAJ, TSSOP, SSOP, SC-70 397,000 sq. ft. of manufacturing, warehouse and office facilities	Fairchild's Cebu facility tests, assembles and packages most of our discrete products. Cebu is also our center for small lead count, miniature packages and wireless packages. **Technologies** ▪ TO92, SOT-23, Super SOT, SOT-233, TO220, TO263, DPAK, SC-70 ▪ BGA, FLMP, SOIC, MFP 170,000 sq. ft. of manufacturing, warehouse and office facilities	The Kuala Lumpur site became part of Fairchild in 2000, when Fairchild acquired QT Optoelectronics. The site is responsible for the packaging of optocouplers. **Technologies** ▪ SOIC 70,000 sq. ft. of manufacturing, warehouse and office facilities (To be closed or sold by mid 2004)	The Wuxi site is focused on the assembly and test of opto displays and IR/LED lamps, and was also part of the QT Optoelectronics acquisition. **Technologies** ▪ T-1, T-1 ¾, SMD, custom displays and sensor arrays 35,000 sq. ft. of manufacturing, warehouse and office facilities (To be closed or sold by mid 2004)	We have completed construction on the first 400,000 square feet or Phase I of this state-of-the-art assembly and test facility which will support a broad range of power discrete and analog products. We began shipping production orders in July 2003. The second phase will double the size of the facility to 800,000 square feet and is tenatively scheduled for completion in 2005. This facility is located in the China-Singapore Suzhou Industrial Park (CSSIP) in Suzhou, Jiangsu Province, China

FAIRCHILD SEMICONDUCTOR®

Centers of Excellence

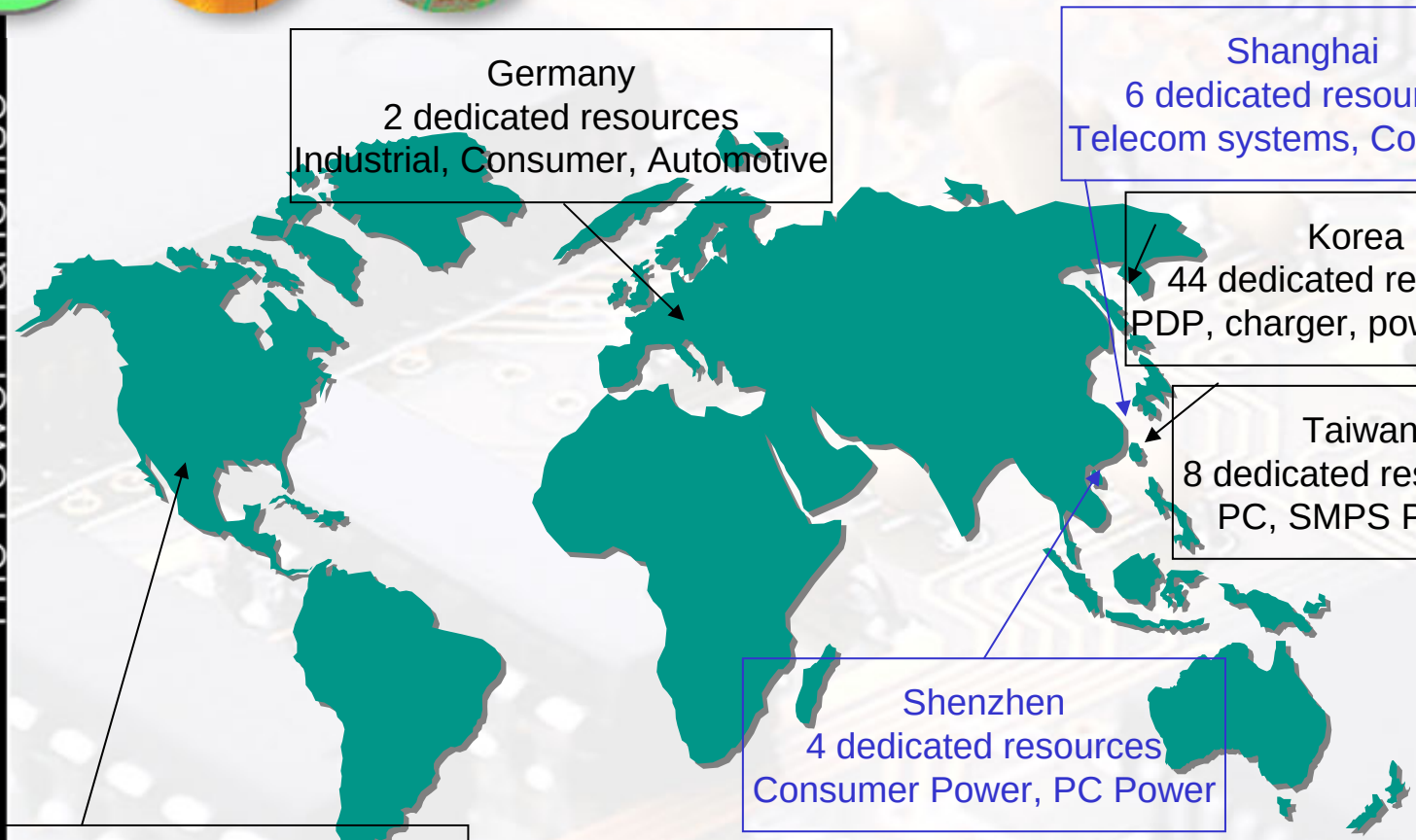
The Power Franchise™

In addition to our sales offices we have also opened a number of design centers of excellence to assist our customers in the design and use of our products. These centers offer many benefits to our customers and Fairchild:

- Offers customers resources to improve their time to market while enhancing their design functionality
- Primary focus is on power management solutions deployed in all strategic market segments
- Fully equipped laboratories
- Generates continual flow of new product revenue and new product concepts

FAIRCHILD SEMICONDUCTOR®

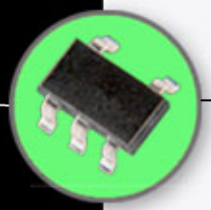
Centers of Excellence

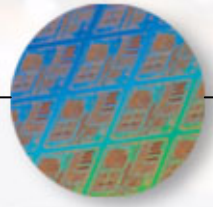


- Have 4 fully functional CoE's
- Have 2 smaller satellites facilities
- Plan to grow FAEs by 15 heads in 03 and 10 more in 04

The Power Franchise™

FAIRCHILD SEMICONDUCTOR®





Acquisitions

The Power Franchise™

Since our separation from National Semiconductor in 1997, Fairchild has had one mission: to be the leading global supplier of high-performance, building block semiconductor products to multiple end-markets. Acquisitions have been an integral part of our success and growth plan. Fairchild is constantly looking for opportunities to acquire synergistic businesses to help stimulate our sales and profit growth. Fairchild's long range growth plan has always included a combination of new product development complemented by acquisitions that broaden our product portfolio, expand our geographic regional share and increase our penetration into new high-growth markets.

Acquisition History

- **Data Conversion Business of Signal Processing Technologies - Acquired March, 2002**
  This acquisition added high speed and high resolution analog-to-digital converters (ADCs) and digital-to-analog converters (DACs) to Fairchild's emerging signal conditioning product family. These leading-edge products enhanced our position in key signal chain applications in the growing consumer, communications and instrumentation market segments and increased our overall ability to participate in applications for multi-market products which focus on the high end of the resolution/speed curve. SPT was purchased for $4.0 million in cash, about 0.7x annual sales.

- **I-Cube Inc. (Crosspoint switch products) - Acquired March, 2002**
  This acquisition expanded Fairchild's interface portfolio with general purpose, low-cost crosspoint switches. These cross-point switches are critical to Internet infrastructure, data communications, telecommunications, broadcast video, test equipment and digital signal processing applications. Fairchild purchased I-Cube's crosspoint switch products and associated intellectual property for $1.0 million in cash.

- **Impala Linear Corporation—Acquired September, 2001**
  Fairchild's acquisition of Impala in September 2001 added power analog design skills and intellectual property that leverages proprietary CMOS process technology to enhance the performance of very small footprint ICs. These devices are critical for a wide range of hand-held devices including laptops, MP3 players, cell phones, portable test equipment and PDA's. Impala was purchased for $4.6 million paid in common stock, about 0.5x annual sales.

FAIRCHILD SEMICONDUCTOR®

Acquisitions

The Power Franchise™

Acquisition History (con't)

- **The Discrete Power Business Division of Intersil Corporation—Acquired March, 2001**
  This acquisition made Fairchild the second leading power MOSFET supplier in the world, broadened our power discrete line with IGBTs and rectifiers, and strengthened our presence in the automotive and industrial power markets. This acquisition included an extensive array of power semiconductor patents, and also a 6-inch and 8-inch wafer fab in Mountaintop, PA. Fairchild purchased Intersil's Discrete Power Business for approximately $344.2 million in cash, about 1.7x annual sales.
- **KOTA Microcircuits—Acquired September, 2000**
  The acquisition of KOTA Microcircuits in September 2000 expanded Fairchild's penetration into markets that include cellular phones, CD-R/W drives and portable applications. The acquisition bolstered our analog business with high-performance op amps, battery management and power factor control products. Fairchild paid approximately $12.1 million in stock for Kota Microcircuits, about 0.7x annual sales.
- **Micro Linear Corporation (power management business)—Acquired September, 2000**
  Acquiring Micro Linear's power management business broadened Fairchild's extensive analog portfolio with products that include offline power switches, low power battery management, video filters and bus terminators. The power management business was purchased for $11.0 million in cash, about 0.7x annual sales.
- **QT Optoelectronics—Acquired February, 2000**
  Fairchild's acquisition of QT Optoelectronics marked our entry into the $6 billion optoelectronic market and extended our presence in all key multi-market segments. QT Optoelectronics was purchased for $92.0 million in cash and stock, about 1.1x annual sales.
- **Samsung Electronics (Power Device Division)—Acquired April, 1999**
  The acquisition of Samsung Electronics' power division in April 1999 broadened our standard linear portfolio and helped set the stage for remarkable growth in our discrete power semiconductor sales from $100 million in 1998 to sales of $700 million in 2001. Fairchild purchased Samsung's Power Device Division for approximately $414.9 million in cash, about 1.0x annual sales.

FAIRCHILD SEMICONDUCTOR®

Acquisitions

The Power Franchise™

Acquisition History (con't)

- **Raytheon Semiconductor—Acquired December, 1997**
  The purchase of Raytheon Semiconductor provided Fairchild the nucleus to build a strong analog and mixed signal technology business and provided a key piece in Fairchild's strategy to be the premier multi-market supplier of high performance semiconductor products of the world. Fairchild purchased Raytheon Semiconductor for $117.0 million in cash. After the purchase Fairchild sold acquired real estate for approximately $30 million, valuing the acquired business at about 1.0x annual sales.

FAIRCHILD SEMICONDUCTOR®

Financial Summary

The Power Franchise™

With a history dating back more than 40 years, the original Fairchild Semiconductor was one of the founders of the semiconductor industry. Established in 1959 as a provider of memory and logic semiconductors, the Fairchild Semiconductor business was acquired by Schlumberger Limited in 1979 and by National Semiconductor in 1987. In March 1997, as part of its recapitalization, much of the Fairchild Semiconductor business was sold to a new, independent company – Fairchild Semiconductor Corporation – which is the principal operating subsidiary of Fairchild Semiconductor International, Inc.

During 1999, we changed our fiscal year-end from the last Sunday in May to the last Sunday in December. Our last fiscal year under our old accounting calendar ended May 30, 1999. Our first full fiscal year following this change was the year ended December 31, 2000. In the summary charts that follow, you will see annual data for the fiscal years ended May 1998, May 1999, December 2000 and December 2001, along with the results for the seven-month transition period from May 1999 to December 1999.This information should be read in conjunction with our audited financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” which can be found in our most recent Form 10-K. See “How To Find More Information” in the front of this factbook.

FAIRCHILD SEMICONDUCTOR®

Fairchild Semiconductor International, Inc. (NYSE: FCS)
Unaudited Pro Forma Financial Highlights
(Unaudited)

Our form 10-K for the year ended December 29, 2002 included non-GAAP financial measures.
The footnotes to the table on page four discuss the adjustments to non-GAAP measures required to reconcile with their comparable GAAP measures.

(In millions except per share data)	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
Pro forma revenue:						
Analog (1)	$ 405.6	$ 324.2	$ 358.8	$ 84.2	$ 81.2	$ 75.0 (1)
Discrete (2)	749.0	664.6	735.4	191.7 (2)	190.9	186.3
Logic and Memory (3)	470.9 (3)	283.4	195.7	46.0	42.2 (3)	39.8 (3)
Other	155.6	135.5	122.0	31.4	33.8	29.6
Total pro forma revenue	1,781.1	1,407.7	1,411.9	353.3	348.1	330.7
Pro forma gross profit :						
Analog (1)	146.9	103.0 (1) (1)	122.1 (1)	21.8	23.7 (1)	20.3 (1)
Discrete (2)	244.4	154.0	169.7	43.9 (2)	37.6 (2)	41.0
Logic and Memory (3)	188.1 (3)	71.6	34.1	7.5	8.5 (3)	5.1 (3)
Other	54.4	28.0	25.9	6.5	6.3	6.4
Total Pro forma gross profit	633.8	356.6	351.8	79.7	76.1	72.7
Research and development	83.9	83.0	82.2	19.1	18.8	17.9
Selling, general and administrative	186.4	154.3	145.1	39.2	37.5	35.5
Total pro forma operating expenses (10)	270.3	237.3	227.3	58.3	56.3	53.4
Pro forma operating income	363.5	119.3	124.5	21.4	19.8	19.3
Pro forma Interest expense (4)	77.7 (4)	103.9	99.0	20.9	21.4	16.0
Interest income	(23.3)	(15.3)	(12.4)	(2.5)	(1.9)	(1.7)
Pro forma Other (income) expense, net (5)	(0.8) (5)	- (5) (5)	- (5)	-	-	-
Pro forma income (loss) before income taxes	309.9	30.7	37.9	3.0	0.3	5.0
Pro forma Provision (benefit) for income taxes (6) (7)	(6) 27.4 (6)	7.2	9.1	(1.5)	(3.5)	(0.5)
Pro forma net income (loss)	$ 282.5	$ 23.5	$ 28.8	$ 4.5	$ 3.8	$ 5.5
Pro forma net income (loss) per common share:						
Basic	$ 2.90	$ 0.24	$ 0.27	$ 0.04	$ 0.03	$ 0.05
Diluted (8)	$ 2.79	$ 0.23	$ 0.26	$ 0.04	$ 0.03	$ 0.05
Weighted average common shares:						
Basic	97.5	99.6	108.1	117.2	117.3	117.5
Diluted (8)	101.4	102.9	111.6	118.1	118.5	120.2
Depreciation and amortization, excluding acquisition-related intangibles amortization	$ 113.5	$ 126.0	$ 133.7	$ 37.3	$ 37.7	$ 37.6
Pro forma EBITDA (9)	477.0	245.3	$ 258.2	58.7	57.5	56.8
Capital expenditures	301.9	117.8	130.0	28.8	43.6	23.4

Fairchild Semiconductor International, Inc. (NYSE: FCS)
Unaudited Pro Forma Financial Highlights - Footnotes
(Unaudited)

Our form 10-K for the year ended December 29, 2002 included non-GAAP financial measures.
The footnotes to the table on the following page discuss the adjustments to non-GAAP measures required to reconcile with their comparable GAAP measures.

(1) GAAP Analog gross profit was $23.8, $100.5, $27.9 and $120.5 million for the quarter ended July 1, 2001, year ended December 30, 2001, quarter ended December 29, 2002 and year ended December 29, 2002, respectively. Difference of $2.5, $2.5, $1.6 and $1.6 million, respectively, represents inventory reserves associated with the Analog restructuring action. GAAP Analog gross profit was $23.3 million for the quarter ended June 29, 2003. Difference of $0.4 million represents inventory changes associated with the Q2 '03 restructuring. GAAP Analog revenue and gross profit were $74.8 million and $20.0 million for the quarter ended September 28, 2003. Difference of $0.2 million of revenue and gross profit represents distributor reserves in connection with the restructuring action. Additional $0.1 million of gross profit represents inventory charges associated with the restructuring action.

(2) GAAP Discrete revenue and gross profit were $189.5 and $41.2 million for the quarter ended March 30, 2003. Difference of $2.2 million represents distributor reserves in connection with the closure of our Mountaintop, PA 6" fab. GAAP revenue was $36.3 million for the quarter ended June 29, 2003. Difference of $1.3 million represents inventory charges associated with the Q2 '03 restructuring.

(3) GAAP Logic and Memory revenue was $116.7 and $473.0 for the quarter ended July 2, 2000 and year ended December 31, 2000, respectively. GAAP Logic and Memory gross profit was $47.3 and $193.5 million for the same time periods. Difference of $(2.1) million of revenue and gross profit represents distributor reserves in connection with the Memory restructuring action. Additional gross profit difference of $(3.3) million represents inventory reserves in connection with the Memory restruction action. GAAP Logic and Memory revenue and gross profit were $41.2 and $6.3 million for the quarter ended June 29, 2003. Difference of $1.0 million of revenue and gross profit represents distributor sales reserves associated with the Q2 '03 restructuring. Additional $1.2 million of gross profit represents inventory charges associated with the Q2 '03 restructuring. GAAP Logic and Memory revenue and gross profit were $37.7 and $2.0 million for the quarter ended September 28, 2003. Difference of $2.1 million of revenue and gross profit represents distributor reserves in connection with the restructuring action. Additional $1.0 million of gross profit represents inventory charges associated with the restructuring action.

(4) GAAP Interest expense was $22.9 and $81.3 million for the quarter ended July 2, 2000 and year ended December 31, 2000, respectively. Difference of $3.6 million represents the write off of deferred financing fees.

(5) GAAP Other (income) expenses, net was $4.0 million for the quarter and year ended December 30, 2001. Difference of $4.0 million represents the write-off of an equity investment. GAAP Other (income) expense, net was $(20.5), $22.1 and $(0.6), and $1.0 million for the quarters ended March 31, 2002, June 30, 2002, June 30, 2002, December 29, 2002 and year ended December 29, 2002, respectively. Difference of $ (20.5). $22.1, and $0.6 for the quarters represents the gain on the sale of our space and defense product lines, cost associated with the redemption of our 10 1/8% notes, and an adjustment to the gain on the sale of our space and defense product line, respectively. Difference of $1.0 million for the year ended is the net gain on the sale of our space and defense product line and the costs associated with the redemption of our 10 1/8% notes.

(6) GAAP provision (benefit) for income taxes includes $26.3 million of deferred tax asset valuation allowance for the quarter and the year ended December 31, 2000.

(7) GAAP provision (benefit) for income taxes includes the tax effects of items outlined in the reconciliation of Net income (loss) to Pro forma Net income (loss).

(8) Diluted pro forma net income per common share is calculated using weighted average common shares that take into consideration the dilutive effect of stock options, which are anti-dilutive in the calculation of net loss per common share.

(9) Pro forma EBITDA is pro forma operating income, plus depreciation and amortization, excluding acquisition-related intangibles amortization. See reconciliation of GAAP EBITDA to pro forma EBITDA and reconciliation of pro forma EBITDA to operating cash flow below.

(10) For all periods presented, pro forma operating expenses exclude amortization of acquisition-related intangibles, restructuring and impairments and purchased in-process research and development as summarized below:

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
Amortization of acquistion-related intangibles	$ 37.6	$ 53.1	$ 37.8	$ 9.5	$ 7.9	$ 7.9
Restrucutring and impairments	(5.6)	21.4	12.2	10.4	49.7	2.6
Purchased in-process research and development	9.0	13.8	1.7	-	-	-

GAAP Financial Highlights

(Unaudited)

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
GAAP revenue:						
Analog - (includes Interface)	$ 405.6	$ 324.2	$ 358.8	$ 84.2	$ 81.2	$ 74.8
Discrete	749.0	664.6	735.4	189.5	190.9	186.3
Logic and Memory	473.0	283.4	195.7	46.0	41.2	37.7
Other - (Includes Optoelectronics and Foundry)	155.6	135.5	122.0	31.4	33.8	29.6
Total revenue	1,783.2	1,407.7	1,411.9	351.1	347.1	328.4
GAAP Gross profit :						
Analog - (Includes Interface)	146.9	100.5	120.5	21.8	23.3	20.0
Discrete	244.4	154.0	169.7	41.2	36.3	41.0
Logic and Memory	193.5	71.6	34.1	7.5	6.3	2.0
Other - (Includes Optoelectronics and Foundry)	54.4	28.0	25.9	7.0	6.3	6.4
Total gross profit	639.2	354.1	350.2	77.5	72.2	69.3
Research and development	83.9	83.0	82.2	19.1	18.8	17.9
Selling, general and administrative	186.4	154.3	145.1	39.2	37.5	35.5
Amortization of acquistion-related intangibles	37.6	53.1	37.8	9.5	7.9	7.9
Restrucutring and impairments	(5.6)	21.4	12.2	10.4	49.7	2.6
Purchased in-process research and development	9.0	13.8	1.7	-	-	-
Total operating expenses	311.3	325.6	279.0	78.2	113.9	63.9
Operating income (loss)	327.9	28.5	71.2	(0.7)	(41.7)	5.4
Interest expense	81.3	103.9	99.0	20.9	21.4	16.0
Interest income	(23.3)	(15.3)	(12.4)	(2.5)	(1.9)	(1.7)
Other (income) expense, net	(0.8)	4.0	1.0	-	23.4	-
Income (loss) before income taxes	270.7	(64.1)	(16.4)	(19.1)	(84.6)	(8.9)
Provision (benefit) for income taxes	(2.4)	(22.4)	(13.9)	(1.5)	(20.8)	(3.5)
Net income (loss)	$ 273.1	$ (41.7)	$ (2.5)	$ (17.6)	$ (63.8)	$ (5.4)
Net income (loss) per common share:						
Basic	$ 2.80	$ (0.42)	$ (0.02)	$ (0.15)	$ (0.54)	$ (0.05)
Diluted	$ 2.69	$ (0.42)	$ (0.02)	$ (0.15)	$ (0.54)	$ (0.05)
Weighted average common shares:						
Basic	97.5	99.6	108.1	117.2	117.3	117.5
Diluted	101.4	99.6	108.1	117.2	117.3	117.5

Reconciliation of Net Income (loss) to Pro forma Net Income (loss)

(Unaudited)

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	March 30, 2003
Net income (loss)	$ 273.1	$ (41.7)	$ (2.5)	$ (17.6)
Adjustments to reconcile net income (loss) to pro forma net income:				
Restructuring and impairments, net	(5.6)	21.4	12.2	10.4
Purchased in-process research and development	9.0	13.8	1.7	-
Write-off of equity investment	-	4.0	-	-
Adjustment to other reserves associated with Memory restructurin	(5.4)	-	-	-
Inventory charge associated with Analog restructuring	-	2.5	1.6	-
Non-recurring release of deferred tax asset valuation allowance	(26.3)	-	-	-
Write-off of deferred financing fees	3.6	-	-	-
Gain on sale of space and defense product line	-	-	(21.1)	-
Distributor sales reserves in connection with consolidation	-	-	-	2.2
Costs associated with the redemption of 10 1/8% Notes	-	-	22.1	-
Costs associated with the redemption of 10 3/8% Notes	-	-	-	-
Inventory charge associated with consolidation	-	-	-	-
Amortization of acqusition-related intangibles	37.6	53.1	37.8	9.5
Less other tax credits	-	-	(6.4)	-
Less associated tax effects	(3.5)	(29.6)	(16.6)	-
Pro forma net income (loss)	$ 282.5	$ 23.5	$ 28.8	$ 4.5

Pro *e Company's operating esults, e cluding items described*

Reconciliation of Net Income (loss) to Pro forma EBIT

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
Net income (loss)	$ 273.1	$ (41.7)	$ (2.5)	$ (17.6)	$ (63.8)	$ (5.4)
Interest expense, net	58.0	88.6	86.6	18.4	19.5	14.3
(Provision) benefit for income taxes	(2.4)	(22.4)	(13.9)	(1.5)	(20.8)	(3.5)
Other (income) expense, net	(0.8)	4.0	1.0	-	23.4	-
EBIT	327.9	28.5	71.2	(0.7)	(41.7)	5.4
Adjustments to reconcile EBIT to pro forma EBIT:						
Restructuring and impairments, net	(5.6)	21.4	12.2	10.4	49.7	2.6
Purchased in-process research and development	9.0	13.8	1.7	-	-	-
Adjustment to other reserves associated with Memory restructuring	(5.4)	-	-	-	-	-
Inventory charge associated with Analog restructuring	-	2.5	1.6	-	-	-
Distributor sales reserves in connection with consolidation	-	-	-	2.2	1.0	2.3
Inventory charge associated with consolidation	-	-	-	-	2.9	1.1
Pro forma EBIT	$ 325.9	$ 66.2	$ 86.7	$ 11.9	$ 11.9	$ 11.4

Reconciliation of Net Income (loss) to Pro forma EBITDA

(unaudited)

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
Net income (loss)	$ 273.1	$ (41.7)	$ (2.5)	$ (17.6)	$ (63.8)	$ (5.4)
Interest expense, net	58.0	88.6	86.6	18.4	19.5	14.3
(Provision) benefit for income taxes	(2.4)	(22.4)	(13.9)	(1.5)	(20.8)	(3.5)
Other (income) expense, net	(0.8)	4.0	1.0	-	23.4	-
Depreciation and amortization	151.1	179.1	171.5	46.8	45.6	45.5
EBITDA	479.0	207.6	242.7	46.1	3.9	50.9
Adjustments to reconcile EBITDA to pro forma EBITDA:						
Restructuring and impairments, net	(5.6)	21.4	12.2	10.4	49.7	2.6
Purchased in-process research and development	9.0	13.8	1.7	-	-	-
Adjustment to other reserves associated with Memory restructuring	(5.4)	-	-	-	-	-
Inventory charge associated with Analog restructuring	-	2.5	1.6	-	-	-
Distributor sales reserves in connection with consolidation	-	-	-	2.2	1.0	2.3
Inventory charge associated with consolidation	-	-	-	-	2.9	1.1
Pro forma EBITDA	$ 477.0	$ 245.3	$ 258.2	$ 58.7	$ 57.5	$ 56.9

Reconciliation of Pro Forma EBITDA to Operating Cash Flow

(Unaudited)

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
Pro forma EBITDA	$ 477.0	$ 245.3	$ 258.2	$ 58.7	$ 57.5	$ 56.9
Adjustments to reconcile pro forma EBITDA to net income (loss):						
Interest expense, net	(58.0)	(88.6)	(86.6)	(18.4)	(19.5)	(14.3)
(Provision) benefit for income taxes	2.4	22.4	13.9	1.5	20.8	3.5
Depreciation and amortization	(151.1)	(179.1)	(171.5)	(46.8)	(45.6)	(45.5)
Restructuring and impairments	5.6	(21.4)	(12.2)	(10.4)	(49.7)	(2.6)
Purchased in-process research and development	(9.0)	(13.8)	(1.7)	-	-	-
Write-off of equity investment	-	(4.0)	-	-	-	-
Adjustment to other reserves associated with Memory restructuring	5.4	-	-	-	-	-
Inventory charge associated with Analog restructuring	-	(2.5)	(1.6)	-	-	-
Gain on sale of space and defense product line	-	-	21.1	-	-	-
Costs associated with the redemption of 10 1/8% Notes	-	-	(22.1)	-	-	-
Costs associated with the refinancing of 10 3/8% Notes	-	-	-	-	(23.4)	-
Distributor sales reserves in connection with consolidation	-	-	-	(2.2)	(1.0)	(2.3)
Inventory charge associated with consolidation	-	-	-	-	(2.9)	(1.1)
Other income (expense) not included above	0.8	-	-	-	-	-
Net income (loss)	273.1	(41.7)	(2.5)	(17.6)	(63.8)	(5.4)
Adjustments to reconcile net income (loss) to cash provided by operating activities:						
Depreciation and amortization	151.1	179.1	171.5	46.8	45.6	45.5
Restructuring and impairments	(5.6)	11.7	4.6	10.8	41.7	(2.8)
Purchased in-process research and development	9.0	13.8	1.7	-	-	-
Other	(24.4)	(16.3)	(32.3)	(7.9)	(11.9)	(6.9)
Changes in operating assets and liabilities, net of acquisitions	(22.1)	9.2	(5.9)	8.4	(6.9)	(10.5)
Cash provided by operating activities	$ 381.1	$ 155.8	$ 137.1	$ 40.5	$ 4.7	$ 19.9

Fairchild Semiconductor International, Inc. (NYSE: FCS)

Consolidated Balance Sheet

(Unaudited)

(in millions)

	April 2, 2000	July 2, 2000	October 1, 2000	December 31, 2000	April 1, 2001	July 1, 2001	September 30, 2001	December 30, 2001
Assets								
Current assets:								
Cash and cash equivalents	$ 385.0	$ 403.5	$ 403.7	$ 401.8	$ 377.6	$ 256.9	$ 285.4	$ 504.4
Short-term marketable investments	-	-	-	-	-	-	-	-
Accounts receivable, net	155.5	188.6	211.6	225.0	195.1	185.1	140.7	133.6
Inventories	171.0	177.6	185.9	192.8	244.1	233.2	213.0	209.1
Other current assets	17.3	17.9	21.2	57.6	56.9	61.5	60.4	28.4
Total current assets	728.8	787.6	822.4	877.2	873.7	736.7	699.5	875.5
Property, plant and equipment, net	391.5	461.5	536.7	600.3	688.8	690.0	676.8	663.0
Intangibles, net	253.0	313.7	314.5	298.1	514.8	503.9	494.3	479.8
Long-term marketable investments	-	-	-	-	-	-	-	-
Other assets	36.4	44.5	51.2	61.9	79.0	81.6	96.2	130.9
Total assets	$ 1,409.7	$ 1,607.3	$ 1,724.8	$ 1,837.5	$ 2,156.3	$ 2,012.2	1,966.8	$ 2,149.2
Liabilities and Stockholders' Equity								
Current liabilities:								
Current portion of long-term debt	$ 1.4	$ -	$ -	$ -	$ -	$ 0.4	$ 0.4	$ 0.4
Accounts payable	96.9	123.1	142.4	155.3	137.6	118.3	99.7	106.7
Accrued expenses and other current liabilities	83.0	107.0	120.4	129.1	106.8	107.5	95.6	82.7
Total current liabilities	181.3	230.1	262.8	284.4	244.4	226.2	195.7	189.8
Long-term debt, less current portion	716.4	720.2	720.2	705.2	1,059.1	938.4	938.2	1,138.2
Other liabilities	6.9	9.8	10.2	10.2	12.1	12.7	13.8	13.2
Total liabilities	904.6	960.1	993.2	999.8	1,315.6	1,177.3	1,147.7	1,341.2
Stockholders' equity:								
Class A common stock	0.7	0.7	0.7	0.8	1.0	1.0	1.0	1.0
Class B common stock	0.3	0.3	0.3	0.2	-	-	-	
Additional paid-in capital	691.4	773.1	787.2	801.1	801.4	802.8	807.7	809.7
Retained earnings (deficit)	(181.4)	(121.6)	(51.9)	41.8	43.4	35.4	16.3	0.1
Accumulated other comprehensive income	-	-	-	-	2.3	1.1	(0.4)	1.0
Treasury stock at cost	(5.9)	(5.3)	(4.7)	(6.2)	(7.4)	(5.4)	(5.5)	(3.8)
Total stockholders' equity	505.1	647.2	731.6	837.7	840.7	834.9	819.1	808.0
Total liabilities and stockholders' equity	$ 1,409.7	$ 1,607.3	$ 1,724.8	$ 1,837.5	$ 2,156.3	$ 2,012.2	$ 1,966.8	$ 2,149.2

Certain amounts for prior periods have been reclassified to conform to the current presentation.

Fairchild Semiconductor International, Inc. (NYSE: FCS)

Consolidated Balance Sheet

(Unaudited –Con't)

(in millions)

	March 31, 2002	June 30, 2002	September 29, 2002	December 29, 2002	March 30, 2003	June 29, 2003	September 28, 2003
Assets							
Current assets:							
Cash and cash equivalents	$ 512.8	$ 613.4	$ 632.4	$ 618.3	$ 599.9	$ 562.3	$ 506.1
Short-term marketable investments	-	-	-	2.0	2.0	3.1	7.8
Accounts receivable, net	156.4	153.3	163.7	150.6	153.7	157.4	146.0
Inventories	204.5	205.5	202.1	208.8	213.3	206.8	210.4
Other current assets	28.6	31.9	36.1	40.6	38.7	42.5	47.7
Total current assets	902.3	1,004.1	1,034.3	1,020.3	1,007.6	972.1	918.0
Property, plant and equipment, net	654.7	660.8	659.8	664.9	650.3	629.8	617.4
Intangibles, net	466.5	457.6	448.1	438.5	429.0	421.2	413.2
Long-term marketable investments	-	-	-	30.40	59.7	49.1	98.6
Other assets	129.2	130.4	131.3	134.0	146.4	168.7	172.4
Total assets	$ 2,152.7	$ 2,252.9	$ 2,273.5	$ 2,288.1	$ 2,293.0	$ 2,240.9	$ 2,219.6
Liabilities and Stockholders' Equity							
Current liabilities:							
Current portion of long-term debt	$ 0.4	$ 0.4	$ 0.4	$ 0.4	$ 0.3	$ 3.3	$ 3.3
Accounts payable	106.1	99.9	105.7	113.7	103.8	111.1	96.0
Accrued expenses and other current liabilities	75.7	80.2	88.7	92.8	122.7	127.0	121.8
Total current liabilities	182.2	180.5	194.8	206.9	226.8	241.4	221.1
Long-term debt, less current portion	1,138.0	852.9	852.8	852.8	852.5	849.4	849.4
Other liabilities	13.3	14.0	14.0	13.2	14.4	14.2	14.1
Total liabilities	1,333.5	1,047.4	1,061.6	1,072.9	1,093.7	1,105.0	1,084.6
Stockholders' equity:							
Class A common stock	1.0	1.2	1.2	1.2	1.2	1.2	1.2
Class B common stock							
Additional paid-in capital	816.4	1,220.3	1,221.2	1,221.1	1,221.8	1,222.9	1,227.0
Retained earnings (deficit)	2.8	(10.2)	(5.9)	(2.4)	(20.0)	(83.8)	(89.2)
Accumulated other comprehensive income	0.8	(2.4)	(0.8)	(1.1)	(0.5)	(0.8)	(3.5)
Treasury stock at cost	(1.8)	(3.4)	(3.8)	(3.6)	(3.2)	(3.6)	(0.5)
Total stockholders' equity	819.2	1,205.5	1,211.9	1,215.2	1,199.3	1,135.9	1,135.0
Total liabilities and stockholders' equity	$ 2,152.7	$ 2,252.9	$ 2,273.5	$ 2,288.1	$ 2,293.0	$ 2,240.9	$ 2,219.6

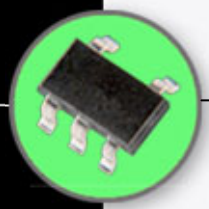
Certain amounts for prior periods have been reclassified to conform to the current presentation.

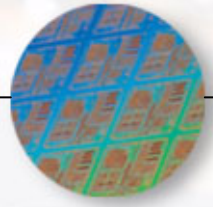
Fairchild Semiconductor International, Inc. (NYSE: FCS)

Unaudited Cash Flow Highlights

(Unaudited)

	Year Ended December 31, 2000	Year Ended December 30, 2001	Year Ended December 29, 2002	Three Months Ended March 30, 2003	Three Months Ended June 29, 2003	Three Months Ended September 28, 2003
Cash flows from operating activities:						
Net income (loss)	$ 273.1	$ (41.7)	$ (2.5)	$ (17.6)	$ (63.8)	$ (5.4)
Adjustments to reconcile net loss to cash provided by operating activities:						
Depreciation and amortization	151.1	179.1	171.5	46.8	45.6	45.5
Restructuring and impairments	(5.6)	11.7	4.6	10.8	41.7	(2.8)
Purchased in-process research and development	9.0	13.8	1.7	-	-	-
Other	(24.4)	(16.3)	(32.3)	(7.9)	(11.9)	(6.9)
Changes in operating assets and liabilities, net of acquisitions	(22.1)	9.2	(5.9)	8.4	(6.9)	(10.5)
Cash provided by operating activities	381.1	155.8	137.1	40.5	4.7	19.9
Cash flows from investing activities:						
Capital expenditures	(301.9)	(117.8)	(130.0)	(28.8)	(43.6)	(23.4)
Acquisitions and divestitures, net of cash acquired	(34.5)	(344.5)	23.9	-	-	-
Purchase of marketable investments	-	-	(32.4)	(48.8)	(25.9)	(62.1)
Sale of marketable investments	-	-	0	19.5	35.0	7.5
Other	(10.3)	(4.0)	(3.1)	(0.2)	(0.4)	(0.4)
Cash provided by (used in) investing activities	(346.7)	(466.3)	(141.6)	(58.3)	(34.9)	(78.4)
Cash flows from financing activities:						
Repayment of long-term debt	(133.6)	(120.5)	(285.4)	(0.4)	(300.1)	-
Issuance of long-term debt	120.2	550.0	-	-	300.0	-
Proceeds from issuance of common stock and from exercise of stock options, net	248.7	7.3	411.1	2.0	1.6	4.2
Other	(6.6)	(23.7)	(7.3)	(2.2)	(8.9)	(1.9)
Cash provided by (used in) financing activities	228.7	413.1	118.4	(0.6)	(7.4)	2.3
Net change in cash and cash equivalents	263.1	102.6	113.9	(18.4)	(37.6)	(56.2)
Cash and cash equivalents at beginning of period	138.7	401.8	504.4	618.3	599.9	562.3
Cash and cash equivalents at end of period	$ 401.8	$ 504.4	$ 618.3	$ 599.9	$ 562.3	$ 506.1





Executives

The Power Franchise™

Kirk Pond
President and
Chief Executive Officer
Chairman of the Board

Kirk Pond has worked in the semiconductor industry for more than 34 years, initially serving in various management positions for Texas Instruments and Timex Corporation before joining Fairchild Semiconductor as vice president of the Logic business in 1984. Four years after the acquisition of Fairchild by National Semiconductor in 1987, Kirk was named president of the Standard Products Group representing 75% of National's operations. In 1994 he was named executive vice president, chief operating officer and member of the Office of the President. In 1996, National chose to sell its standard product businesses. Kirk recognized an opportunity to re-launch Fairchild in the pursuit of the underserved multi-market segment. A year later he executed the first management-led buyout in the history of the semiconductor industry. Kirk has set the tone for high growth through new product innovation and strategic acquisitions. Under his leadership, more than 450 new products have been launched each year and the company has completed nine acquisitions of international companies. In August 1999, Fairchild was launched as a public company on the New York Stock Exchange. Kirk is recognized industry-wide for his development of the innovative multi-market business model.
Kirk holds a BS in Electrical Engineering from the University of Arkansas, and a Master of Business Administration from the Wharton School of the University of Pennsylvania. He has served as chairman of the Maine Science and Technology Foundation and on the boards of the National Association of Manufacturers, Sybron Chemicals and Sematech, an international semi-conductor consortium.

Joseph R. Martin
Senior Executive Vice
President, Vice Chairman;
Board of Directors

Joe Martin has more than 22 years of experience in the semiconductor industry, initially serving as senior vice president and chief financial officer of VTC Incorporated. He joined Fairchild Semiconductor in 1979 as manager of Financial Planning and Analysis for the Logic Division, later serving in a number of senior management positions. When National Semiconductor acquired Fairchild in 1987, Joe served the new company as vice president of Finance, Worldwide Operations, where he was responsible for the company's global operating divisions and manufacturing sites, as well as corporate financial planning. In 1996, he joined with Kirk Pond in re-launching Fairchild Semiconductor, executing the first management-led buyout in the history of the semiconductor industry. Together they launched Fairchild as a public company on the New York Stock Exchange in 1999.

Joe is a former helicopter pilot and captain in the United States Army where he served for six years, including two tours of duty in the Vietnam War. He holds a BS in Aeronautics from Embry-Riddle Aeronautical University, and a Master of Business Administration from the University of Maine. Joe serves on the Board of Directors of Brooks Automation Incorporated and previously served on the board of ChipPAC, Incorporated. He was recently elected to the President's Advisory Board of his alma mater, Embry-Riddle Aeronautical University and to the Board of SynQor®, Inc.

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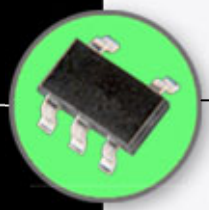

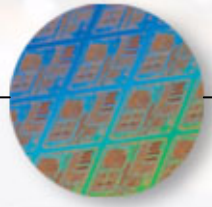

Executives

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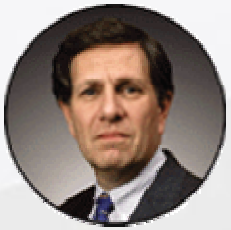

Daniel Boxer
Senior Executive Vice President, Secretary to the Board of Directors

Dan Boxer has more than 27 years of experience as an attorney in private practice. During those years his practice focused on business, legal compliance and environmental issues for major corporations throughout the United States.

Dan was the lead attorney representing Fairchild Semiconductor management in the spin-out of Fairchild Semiconductor, a role he undertook with the announcement of National Semiconductor's intent to sell Fairchild in June, 1996. He was most recently a senior partner and chairman of the Management Committee of Pierce Atwood, northern New England's largest law firm, with approximately 100 lawyers. He has written and lectured extensively on a number of corporate due diligence and environmental compliance issues and has been appointed to numerous commissions by each of Maine's last three governors. He is listed in the volume *Best Lawyers in America* and is on the board of the Maine International Trade Center.

He received his BA from Bowdoin College and his JD from Cornell University Law School.

Dan is secretary to the Fairchild Board of Directors.

Thomas Beaver
Executive Vice President Worldwide Sales and Marketing

Tom Beaver has extensive industry experience, including positions as the former CEO and president of Wyle Electronics and a thirty year career at Motorola culminating in his role as corporate vice president and director of marketing and sales for the Networking and Computer Systems Group. Prior to joining Fairchild in March of 2004, Tom was senior vice president and general manager of Xiran, a division of SimpleTech, a leading direct path streaming technology company.

Tom holds a BSEE in electronics and business from Marquette University and did graduate studies in marketing at the University of Minnesota. He serves on Marquette University's Engineering Advisory Board and is the holder of two patents in electronics.

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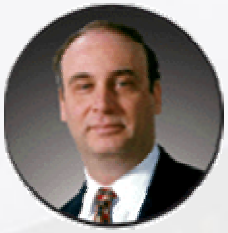


Izak Bencuya
Executive Vice President and General Manager, Discrete Power & Signal Technologies

Izak Bencuya has worked in the semiconductor industry and electronics field for more than 25 years. He began his career at Yale University where he researched ultra thin oxide MOS devices. Izak later worked at GTE Laboratories and Siliconix in various research and management roles to develop and market leading-edge Power Discrete devices, such as MOSFETs, IGBTs and SITs. He joined Fairchild in 1994 to start the Low Voltage MOSFET business which has grown to be one of the major revenue and earnings generating lines at Fairchild. He has since been named senior vice president to run the Power Discrete Products line.

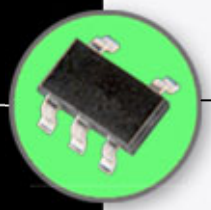
Izak has a BSEE from Bosphorous University in Istanbul, Turkey, an MS and PhD in Engineering and Applied Science from Yale University and an MBA from the University of California-Berkeley. He was the recipient of the IBM Fellowship, the Thomas Alva Edison Fellowship and the Charles Deere Wiman Fellowship and is a member of the IEEE Electron Device Society and Electrochemical Society. He holds 15 patents and has published extensively in the electronics field.

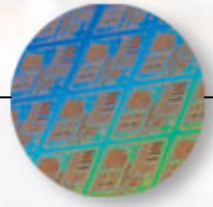
Laurenz Schmidt
Executive Vice President, Global Operations

Laurenz Schmidt has more than 25 years of experience in the semiconductor industry. He began his career at the Max Planck Institute for Solid State Research in Stuttgart, Germany. He later worked for Texas Instruments in Germany, Texas and France. In 1983, he brought his process engineering expertise to Fairchild Semiconductor's facility in Wassenburg, Germany. He has since held increasingly responsible positions throughout Fairchild's manufacturing organization including director of Quality and Reliability for the Logic Division; managing director of the South Portland wafer fabrication facility; vice president of Operations for Discrete Power Products; and most recently, vice president of Global Operations for front end wafer fabrication.

As senior vice president for Global Operations, he is responsible for Fairchild's initiative to ensure excellent customer service while supporting the rapid transition of new products to high volume production at the company's worldwide manufacturing, assembly and test facilities.

Laurenz has a BS in Chemical Engineering from the State College of Engineering Sciences in Mannheim, Germany, and an MBA in Technical Management from the University of Phoenix in Phoenix, Arizona.





Executives

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Bob Conrad
Senior Vice President and General Manager, Integrated Circuits Group

Bob Conrad has more than 20 years experience in the semiconductor industry, with a strong track record in management and new product development. Prior to joining Fairchild in the fall of 2003, he served in management roles throughout his career, most recently as president and CEO for Trebia Networks, a private, venture backed company in the storage networking segment. He previously served as vice president and general manager for Digital Signal Processors at Analog Devices and spent twelve years in product development and management for Microcontrollers with Texas Instruments.

He holds a B.S.E.E. from the University of Cincinnati.

Hubertus Engelbrechten
Senior Vice President and General Manager, Integrated Circuits Group

Hubertus Engelbrechten has over 23 years of experience in the semiconductor industry. He began his career in 1979 as Sales Director, Asia for Siemens AG in Munich, Germany. Mr. Engelbrechten went on to hold various management positions at Degussa AG in Germany, National Semiconductor and Raytheon Semiconductor.

He joined Fairchild from Raytheon in 1998 as Director of Marketing, Analog Mixed Signal Group. Prior to assuming his current role, he held positions as Vice President of Marketing, Analog Mixed Signal Group, Vice President of Marketing, Integrated Circuits Group and Vice President and General Manager, Integrated Circuits Group.

Mr. Engelbrechten holds a B.S.E.E. and an M.B.A. from Hamburg State University in Hamburg, Germany.

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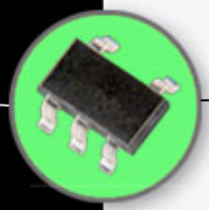
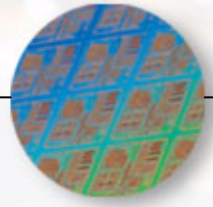




Executives

The Power Franchise™

Deok-Jung Kim
Senior Vice President and General Manager, Power Device Business President of Fairchild 's subsidiary, Korea Semiconductor, Ltd.

Deok-Jung Kim has over 25 years of experience in the semiconductor industry. He began his career at the Korea Institute of Science and Technology and has since worked with Gold Star Semiconductor, AMI, General Electronic and Siliconix. He joined Samsung in 1990 as director of Power Product Development and was responsible for developing many new products such as high voltage power transistors, power MOSFETs, IGBT, Smart Power for SMPS, a motor driver IC, and an electronic ballast control IC. Dr. Kim was promoted to managing director of Samsung's Power Device Division in Bucheon, Korea in 1995. Under his direction the Division experienced ten-fold growth. Prior to Fairchild's acquisition of the Power Device business, Dr. Kim was vice president and general manager of the Division with responsibilities for product and technology development, manufacturing, sales and marketing.
He graduated from Seoul National University with a BS degree and from KAIST with a MS degree in Materials Science. He also earned a MS and a PhD in Electrical Engineering from the University of California-Berkeley.

Matt Towse
Senior Vice President, Chief Financial Officer

Matt Towse has 19 years of industry and financial experience. He began his career working in public accounting with the firm Ernst & Young. In 1991 he joined National Semiconductor, holding various financial positions at their California and Maine facilities. He was promoted to Site Controller for National's South Portland, Maine plant in 1995.

Mr. Towse joined Fairchild as Vice President and Treasurer in 1997, when the company "spun out" from National Semiconductor. He was instrumental in Fairchild's success with major financing activity and played a significant role in its acquisition strategy. Mr. Towse served in this role until his current appointment as Senior Vice President and Chief Financial Officer.

Mr. Towse holds a B.B.A. degree with a concentration in accounting from the University of Notre Dame and is a registered C.P.A. in California and Ohio.

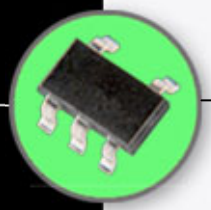
FAIRCHILD SEMICONDUCTOR®

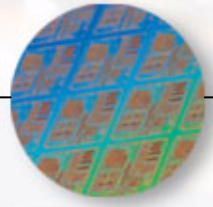
Executives

John Watkins, Jr.
Senior Vice President Worldwide I.S., Chief Information Officer

John Watkins, Jr. entered the business field in 1995 after a distinguished military career, retiring as a general officer of the United States Army. He began the executive level portion of his career in 1984 as deputy director of Communications and Automation for President Reagan's Inaugural Committee. He later served in various high level capacities including chief of the Plans Division of the Office of the Assistant Chief of Staff for Information Management at the Pentagon, commander of the 11th Signal Brigade, manager of Military Communications at the Pentagon, commanding general of the Information Systems Engineering Command, deputy commanding general of the Army's Information Systems Command and director of the Defense Information Systems Agency. After his military career, he served as chief information officer at Pratt & Whitney.

He received a BS degree in Engineering Technology from Tuskegee University, a Master's degree in Business Administration from the New York Institute of Technology and was selected by the Army for Harvard University's Senior Management in Government Programs. John also attended the Stanford University Senior Engineering Management Program.





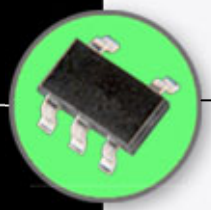
Business Risks

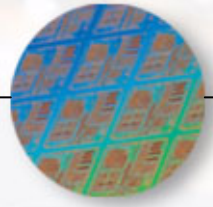
The Power Franchise™

Our business is subject to a number of risks and uncertainties. The following risks are described in more detail in the quarterly and annual reports we file with the Securities and Exchange Commission, available in the Investor Relations section of our web site at www.fairchildsemi.com or the SEC's web site at www.sec.gov. See "How To Find More Information" in the front of this factbook. Also, the risks described below are not the only ones facing our company. Additional risks not currently known to us or that we currently deem immaterial also may adversely affect our business.

- Downturns in the highly cyclical semiconductor industry or changes in end user market demands could reduce the value of our business.
- We may not be able to develop new products to satisfy changes in consumer demands.
- Our failure to protect our intellectual property rights could adversely affect our future performance and growth.
  Our failure to obtain or maintain the right to use certain technologies may negatively affect our financial results.
- We may not be able to consummate future acquisitions or successfully integrate acquisitions into our business.
- Production time and the overall cost of products could increase if we were to lose one of our primary suppliers or if a primary supplier increased the prices of raw materials.
- Delays in beginning production at new facilities, expanding capacity at existing facilities, implementing new production techniques, or in curing problems associated with technical equipment malfunctions, all could adversely affect our manufacturing efficiencies.
- A significant portion of our sales are made to distributors who can terminate their relationships with us with little or no notice. The termination of a distributor could reduce sales and result in inventory returns.
- The semiconductor business is very competitive and increased competition could reduce the value of an investment in our company. We could lose sales to competitors on the basis of price, delivery terms, performance, quality or other competitive factors.
- Our international operations subject our company to risks not faced by domestic competitors.

FAIRCHILD SEMICONDUCTOR®





Business Risks

- The power device business subjects our company to risks inherent in doing business in Korea, including labor risk, political risk and currency risk.
- A change in foreign tax laws or a difference in the construction of current foreign tax laws by relevant foreign authorities could result in us not recognizing the benefits we anticipated in connection with the transaction structure used to consummate the acquisition of the power device business.
- We plan to significantly expand our manufacturing operations in China and, as a result, will be increasingly subject to risks inherent in doing business in China, which may adversely affect our financial performance.
- We are subject to many environmental laws and regulations that could affect our operations or result in significant expenses.
- We may not be able to attract or retain the technical or management employees necessary to remain competitive in our industry.
- A substantial number of shares of our company's common stock are owned by a limited number of persons, and their interests may conflict with your interests.
- We are a leveraged company with a debt to equity ratio higher than many of our competitors, which could adversely affect our financial health and limit our ability to grow and compete.
- Despite current indebtedness levels, we may still be able to incur substantially more indebtedness.
- We may not be able to generate the necessary amount of cash to service out indebtedness, which may require us to refinance our indebtedness or default on our scheduled debt payments. Our ability to generate cash depends on many factors beyond our control.
- Restrictions imposed by our credit agreement and the instruments that govern our bonds restrict or prohibit our ability to engage in or enter into some business operating and financing arrangements, which could adversely affect our ability to take advantage of potentially profitable business opportunities.