

December 07, 2000

Short Seller raised Intersil concerns prior to today's pre-announcement.

On December 6, 2000, Intersil Holding Corporation (NASDAQ Symbol: ISIL, Price: 18 1/2) announced it was updating its fourth quarter outlook. Intersil stated that it "expects PRISM Wireless revenues during the first quarter of 2001 to be flat to slightly higher, as certain OEMs complete their adjustment of inventory levels." Intersil's stock has dropped 45% on the pre-announcement. Since Asensio's report mentioned below, Intersil's stock has dropped as much as 67%.

Asensio & Company, Inc issued a report on September 14, 2000 on Intersil. The report stated that it saw "no possibility for projected sales of Intersil's 11b products, which are main drivers of Intersil's stock, to remotely meet analyst's published expectations."

The same day that Asensio issued its report, Intersil offered 11 million shares to the public at \$48 per share. Of these 11 million shares, 7 million shares were sold by insiders. The prospectus for this offering did not disclose new competitive risks to Intersil's PRISM product that were disclosed in our report.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.