STMicroelectronics
2011 Year End Conference

January 24, 2012

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Agenda: ST 2011 Year End Conference

Time	Presentation	Speaker
11:00	Welcome & Introduction	Tait Sorensen
	Company Overview & Financial Results in FY and Q4 2011	Carlo Ferro
	2011: A Year of Achievements in Marketing, Technology & Manufacturing	Didier Lamouche
	ST Product Strategy & New Products	Philippe Lambinet
	Vision, Strategy & Perspective	Carlo Bozotti
	Q&A Panel	
13:00	Lunch	

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Forward Looking Statements

Some of the statements contained in this release that are not historical facts are statements of future expectations and other forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended) that are based on management's current views and assumptions, and are conditioned upon and also involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in such statements due to, among other factors:

- *the possible impact on the carrying value of the ST-Ericsson investment in our books of approximately $2 billion as well as on our related operations, of the ongoing assessment on ST-Ericsson's strategic plan and financial prospects being conducted under the leadership of ST-Ericsson's newly appointed CEO and leadership team. Such ongoing review within ST-Ericsson of "interalia" the effects of transition from legacy products to new products, the strength and timing of customer demand for new products, the cost structure, the market environment and possible additional actions or opportunities will lead to an assessment and recommendations to be submitted to and approved by the board and shareholders of ST-Ericsson and may further lead to a significant impairment charge for us if the results of such assessment would be to recognize a decrease in the value of the investment in our books as to additional actions by us to help solidify and accelerate ST-Ericsson's path to profitability;*
- *changes in demand in the key application markets and/or from key customers served by our products, including demand for products where we have achieved design wins and/or demand for applications where we are targeting growth, all of which make it extremely difficult to accurately forecast and plan our future business activities;*
- *our ability in periods of reduced demand or visibility on orders to reduce our expenses as required, as well as our ability to operate our manufacturing facilities at sufficient levels with existing process technologies to cover our fixed operating costs;*
- *our ability, in an intensively competitive environment, to identify and allocate necessary design resources to successfully develop and secure customer acceptance for new products meeting their expectations as well as our ability to achieve our pricing expectations for high-volume supplies of new products in whose development we have been, or are currently, investing;*
- *the financial impact of obsolete or excess inventories if actual demand differs from our expectations as well as the ability of our customers to successfully compete in the markets they serve using our products;*
- *our ability to maintain or improve our competiveness when a high percentage of our costs are fixed and are incurred in Euros and currencies other than U.S. dollars, especially in light of the increasing volatility in the foreign exchange markets and, more particularly, in the U.S. dollar exchange rate as compared to the Euro and the other major currencies we use for our operations;*
- *the outcome of ongoing litigation as well as any new litigation to which we may become a defendant;*
- *changes in our overall tax position as a result of changes in tax laws, expected income or the outcome of tax audits, changes in international tax treaties which may impact are results of operations as well as our ability to accurately estimate tax credits, benefits, deductions and provisions and to realize deferred tax assets;*
- *the impact of intellectual property ("IP") claims by our competitors or other third parties, and our ability to obtain required licenses on reasonable terms and conditions;*
- *product warranty or liability claims based on epidemic or delivery failures or recalls by our customers for a product containing one of our parts;*
- *availability and costs of raw materials, utilities, third-party manufacturing services, or other supplies required by our operations; and*
- *current economic uncertainties involving the possibility during 2012 of limited growth or recession in global or important regions of the world economy, sovereign default, changes in the political, social, economic or infrastructure environment, including as a result of military conflict, social unrest and/or terrorist activities, economic turmoil, as well as natural events such as severe weather, health risks, epidemics, earthquakes, tsunami, volcano eruptions or other acts of nature in, or affecting, the countries in which we, our key customers or our suppliers, operate and causing unplanned disruptions in our supply chain and reduced or delayed demand from our customers.*

Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of our business to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "are expected to," "should," "would be," "seeks" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions.

Some of these risk factors are set forth and are discussed in more detail in "Item 3. Key Information — Risk Factors" included in our Annual Report on Form 20-F for the year ended December 31, 2010, as filed with the SEC on March 7, 2011. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed or expected. We do not intend, and do not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances.

Company Overview & Financial Results in FY and Q4 2011

Carlo Ferro
Senior Executive Vice President
Chief Financial Officer

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About ST

- A global semiconductor leader
- The largest European semiconductor company
- 2011 revenues of $9.73B(1)
- Approx. 50,000 employees worldwide(1)
- 12,000 people working in R&D
- 12 manufacturing sites
- Listed on New York Stock Exchange, Euronext Paris and Borsa Italiana, Milano
- Celebrating our 25th anniversary in 2012

(1) Including ST-Ericsson, a 50:50 joint venture with Ericsson

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Q4 & FY11 Highlights

- Headwinds
  - Natural disasters / macroeconomics uncertainties
  - Severe industry downturn from June 2011
  - Changed business and plans of our major customer
- FY11
  - Solid wholly-owned business performance
  - LTM profitability in-line with financial model until Q211
  - More challenging than expected transition at ST-Ericsson
  - Net income: $650M
- Q411:
  - Results in-line with guidance
  - Inventory reduction and low demand = severe fab underloading
- Solid Net Cash position: $1,167M, adjusted for 50% of ST-Ericsson debt

Adapted to a challenging environment while keeping up investment to enhance strategic position

ST Organization

- **President & CEO** – Carlo Bozotti
  - **COO*** – Didier Lamouche
  - **SALES & MARKETING**
    - **Americas** – Robert Krysiak
    - **EMEA** – Paul Grimme
    - **Greater China & South Asia** – François Guibert
    - **Japan & Korea** – Marco Cassis
  - **MANUFACTURING & TECHNOLOGY R&D**
    - **Manufacturing & Technology R&D** – Jean-Marc Chery
    - **Front-End Manufacturing** – Orio Bellezza
    - **Packaging & Test Manufacturing** – Georges Auguste
    - **Product Quality Excellence** – Fabio Gualandris
    - **Information Technology** – Stephane Delivre
  - **PRODUCT GROUPS**
    - **Automotive Product Group** – Marco Monti
    - **Digital Sector** – Philippe Lambinet
      - **Multimedia Convergence Platform** – Philippe Lambinet
      - **Imaging & ASIC Group** – Gian Luca Bertino
    - **Industrial & Multisegment Sector** – Carmelo Papa
      - **Industrial & Power Discretes** – Carmelo Papa
      - **Microcontroller, Memory & Secure MCU** – Claude Dardanne
      - **Analog, MEMS & Sensors** – Benedetto Vigna
  - **CORPORATE STAFF FUNCTIONS**
    - **Finance** – Carlo Ferro
      - **Infrastructures & Services** – Otto Kosgalwies
      - **Communications** – Claudia Levo
    - **Administration** – Tjerk Hooghiemstra
      - **Human Resources** – Patrice Chastagner
      - **Legal** – Pierre Ollivier
      - **Compliance** – Alisia Grenville
    - **Corporate Strategy** – Philippe Lambinet
      - **New Ventures** – Loic Lietar
  - **Chairman 3Sun & Special Initiatives** – Andrea Cuomo

* *Operational role in ST suspended during assignment as CEO of ST-Ericsson*

Strategic Committee

January 1st, 2012

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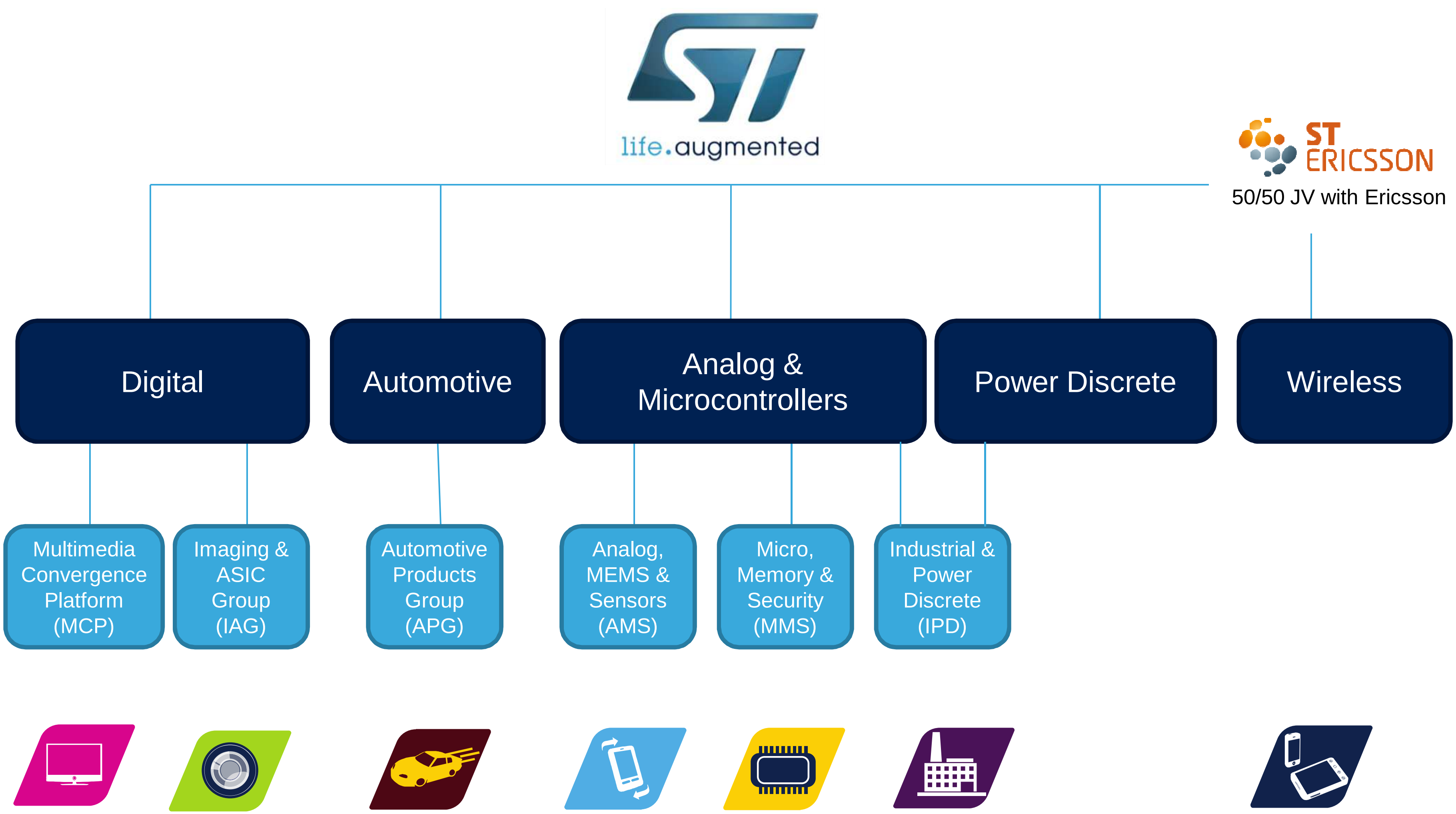
Focused Product Segments



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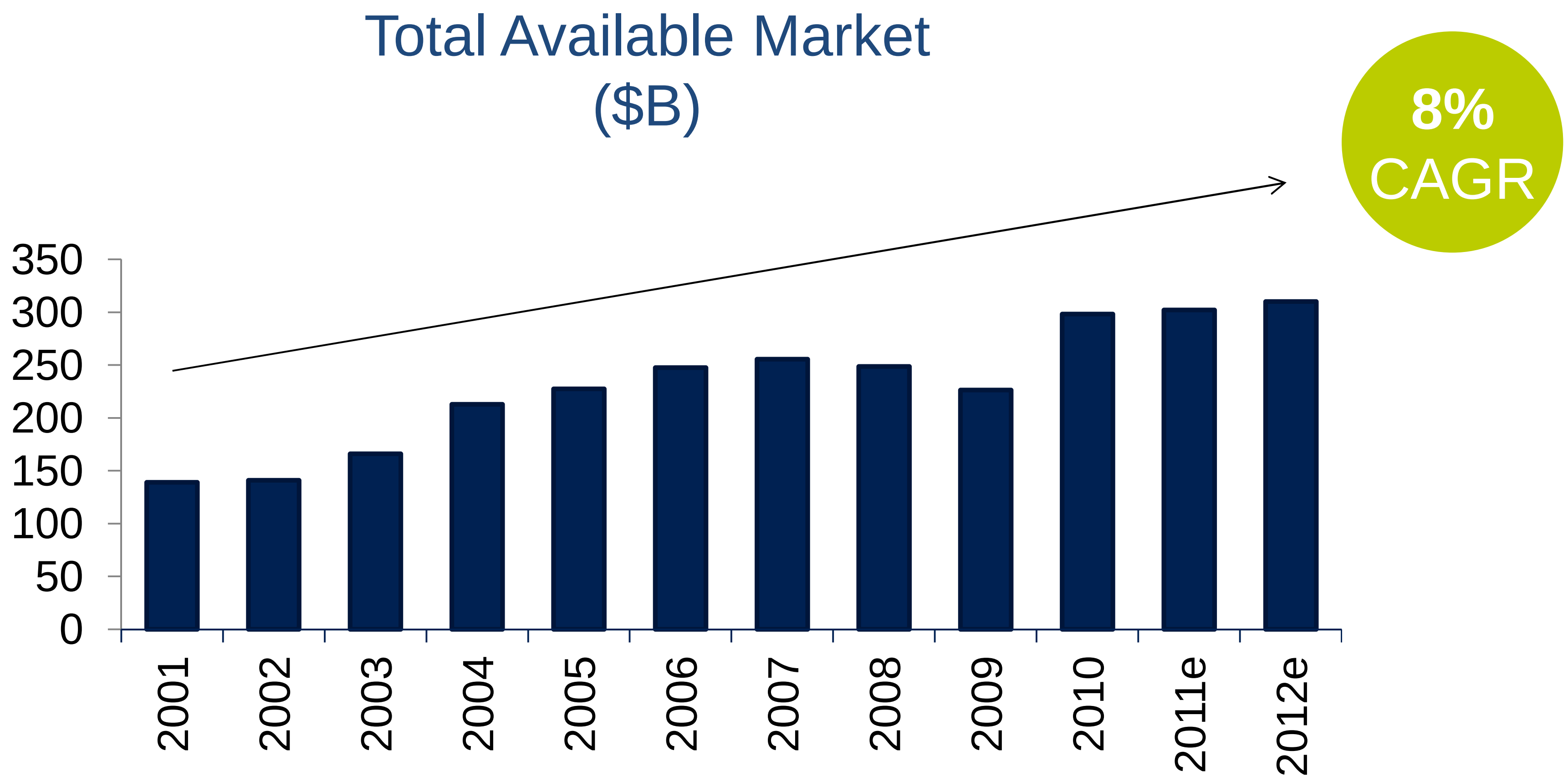
Semiconductor Market Growth



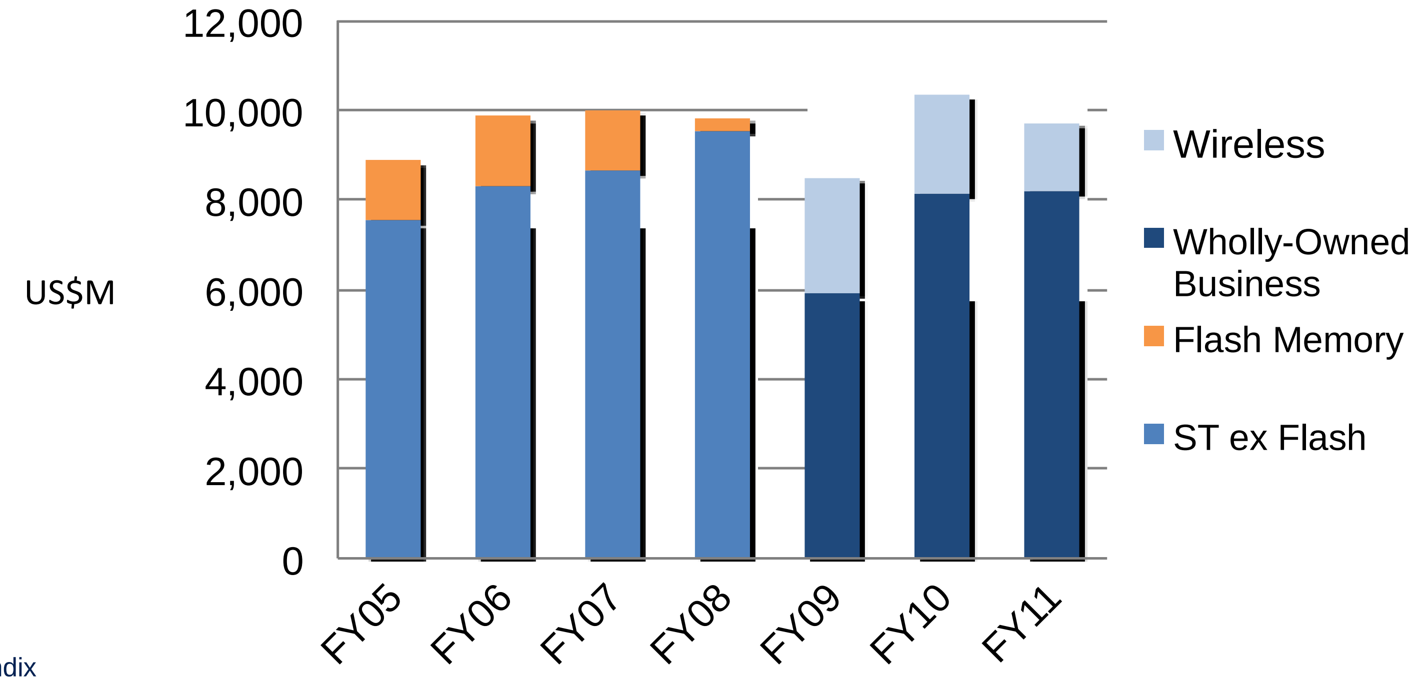
Serviceable Available Market (SAM) of ~ $177B in 2011

Source: WSTS, Nov. 2011

ST Total Revenues

FY11 Reported Revenues = $9.73B
-5.9% vs. FY10

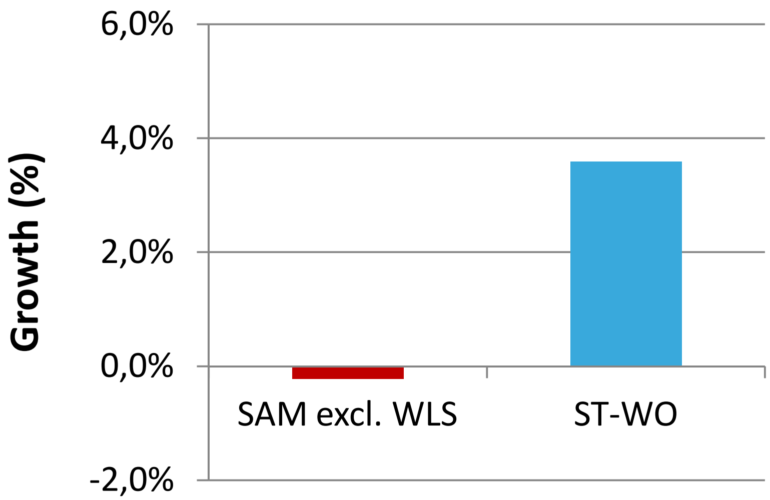
Wholly-owned businesses up 1%:
Automotive +18%
MEMS +90%
Wireless down 30%



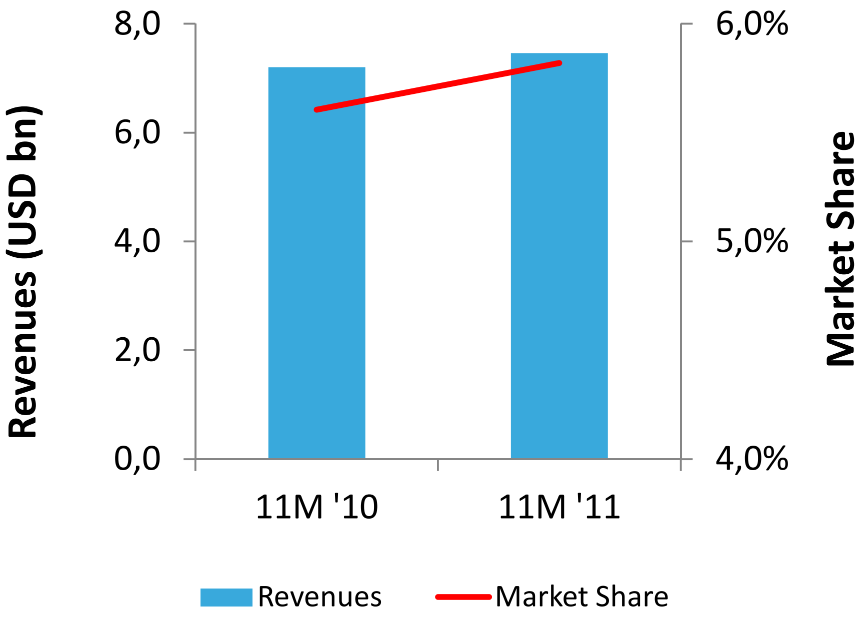
* See appendix

Wholly-Owned Business Performance

ST's wholly-owned businesses outgrew their SAM by +500bps during the first 11 months of 2011…



…driving continued solid market share gains to 5.8% from 5.6%



- SAM = Serviceable Available Market
- SAM wholly owned businesses = SAM excl. Wireless SAM
- ST wholly-owned businesses are comprised of ACCI and IMS

Source: WSTS, Company

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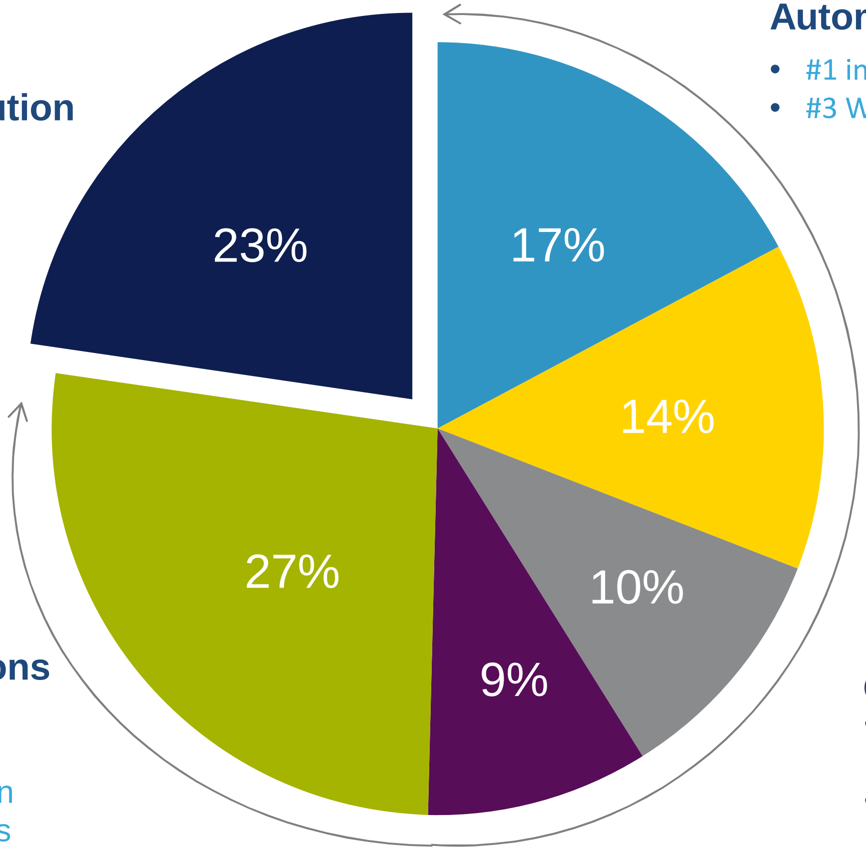
Leading Positions in our Markets



Distribution

OEM’s

Automotive
- #1 in China
- #3 Worldwide

Computer & Peripherals
- #1 in Print heads
- #2 in Printer and hard disk drive motor control

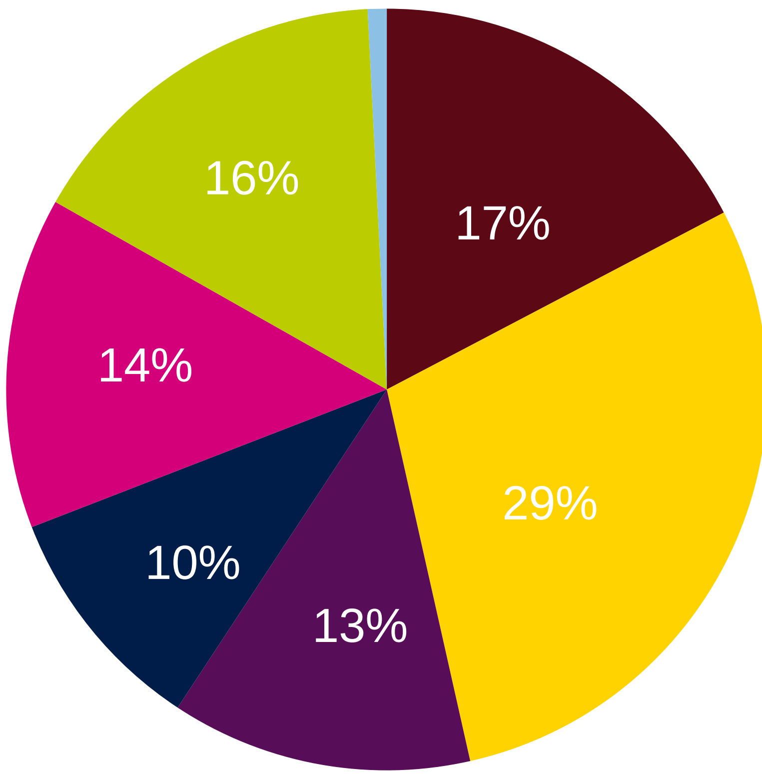
Consumer
- #1 in Set-top Box outside US
- #2 in Set-top Box Worldwide

Industrial & Other
- #3 Worldwide

Communications
- # 3 Worldwide
- Building a leading position in smartphones and tablets

FY2011
Source: IHS iSuppli, 2010 rankings by segment include sales via distribution

Revenues by Product Segments



ST's exposure to the Wireless segment* at the earnings level is 9%

FY11 vs. FY10

- Automotive : + 18%
- Analog, MEMS & Microcontrollers: +8%
- Power Discrete Products: -6%
- Computer & Communication Infrastructure: -15%
- Home Entertainment & Displays** : -9%
- WIreless: -30%

• See appendix

** Includes Imaging business

Financial Performance

In US$M, except EPS	Q111	Q211	Q311	Q411		FY11	FY10
Net Revenues	2,535	2,567	2,442	2,191		9.735	10,346
Gross Margin	39.1%	38.1%	35.8%	33.4%		36.7%	38.8%
Operating Income Before Restructuring*	142	114	(13)	(123)		121	580
Operating Margin Before Restructuring Attributable to ST*	9.9%	9.1%	4.3%	(0.2%)		6%	9.2%
Net Income – Reported	170	420	71	(11)		650	830
EPS Diluted	0.19	0.46	0.08	(0.01)		0.72	0.92
Adjusted EPS Diluted*	0.20	0.14	0.09	(0.01)		0.41	0.75
Free Cash Flow*	51	(250)	(136)	47		(288)	961
Net Financial Position, adjusted for 50% investment in ST-Ericsson*	1,255	1,293	1,134	1,167		1,167	1,127
Effective Exchange Rate €/$	1.33	1.37	1.40	1.36		1.37	1.36

* See appendix

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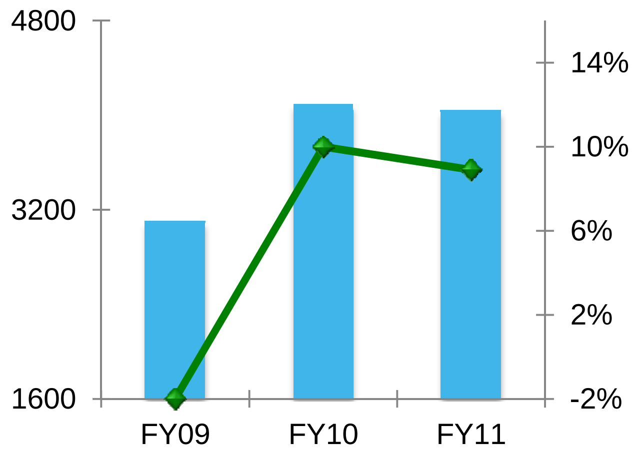
Performance by Segment: ACCI

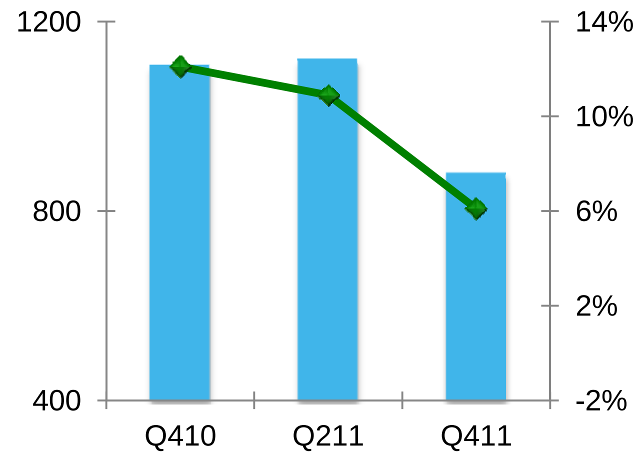
Automotive, Computer, Consumer and Communications Infrastructure

FY11



$4.03B revenue
8.9% op. margin

Q411



$880M revenue
6.1% op. margin

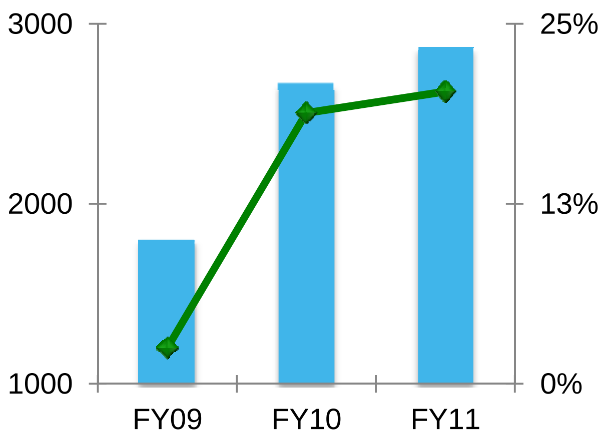
Revenue **Operating Margin***

* Operating Income before restructuring charges. Unused capacity charges are reported in the Group "Others"

Performance by Segment: AMM

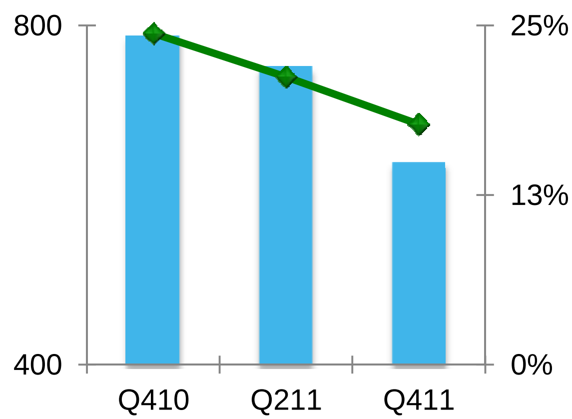
Analog, MEMS & Microcontrollers

FY11



$2.86B revenue
20.3% op. margin

Q411



$638M revenue
17.7% op. margin

Revenue **Operating Margin***

* Operating Income before restructuring charges. Unused capacity charges are reported in the Group "Others"

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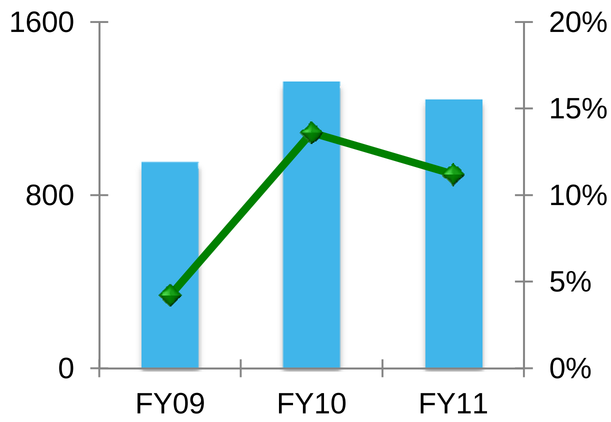
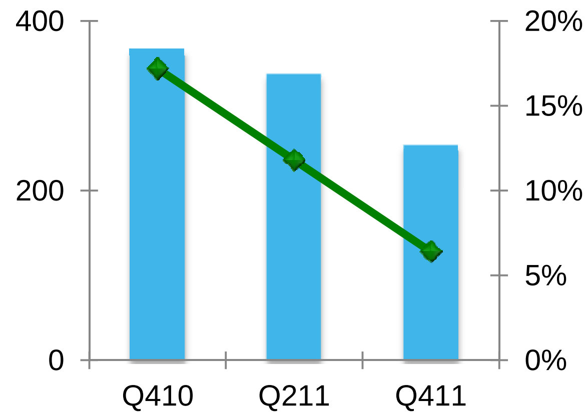
Performance by Segment: PDP
Power Discrete Products

FY11



$1.24B revenue
11.2% op. margin

Q411



$254M revenue
6.4% op. margin

Revenue — Operating Margin*

* Operating Income before restructuring charges. Unused capacity charges are reported in the Group "Others"

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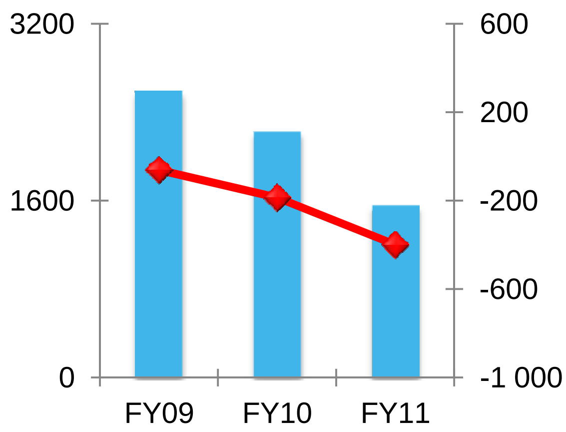
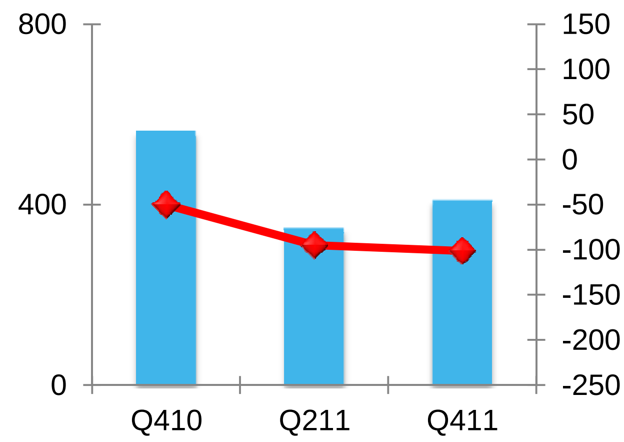
Performance by Segment: Wireless

FY11



$1.55B revenue
$813 op. losses
$399 op. losses net of minority interests

Q411



$409M revenue
$211M op. losses
$101.4 op. losses net of minority interests

Revenue — **Operating Income + Minority Interest (US$M)***

* Operating Income before restructuring charges. Unused capacity charges are reported in the Group "Others" . 100% of ST-Ericsson's results (out of which 50% from the competence of ST) as consolidated by ST plus other margins of ST related to ST-Ericsson's business

ST Product Segments

Revenues & Operating Results – NEW PERIMETER

Revenues:	Q111	Q211	Q311	Q411		FY11
Automotive	433	459	404	383		1,678
Digital	488	521	442	388		1,838
Analog & Microcontrollers	886	889	856	746		3,377
Power Discretes	333	337	316	254		1,240
Wireless	384	347	412	409		1,552
Operating Income:						
Automotive	60	81	46	40		227
Digital	44	34	20	9		107
Analog & Microcontrollers	177	166	147	116		606
Power Discretes	50	40	33	16		139
Wireless	(180)	(207)	(215)	(211)		(813)

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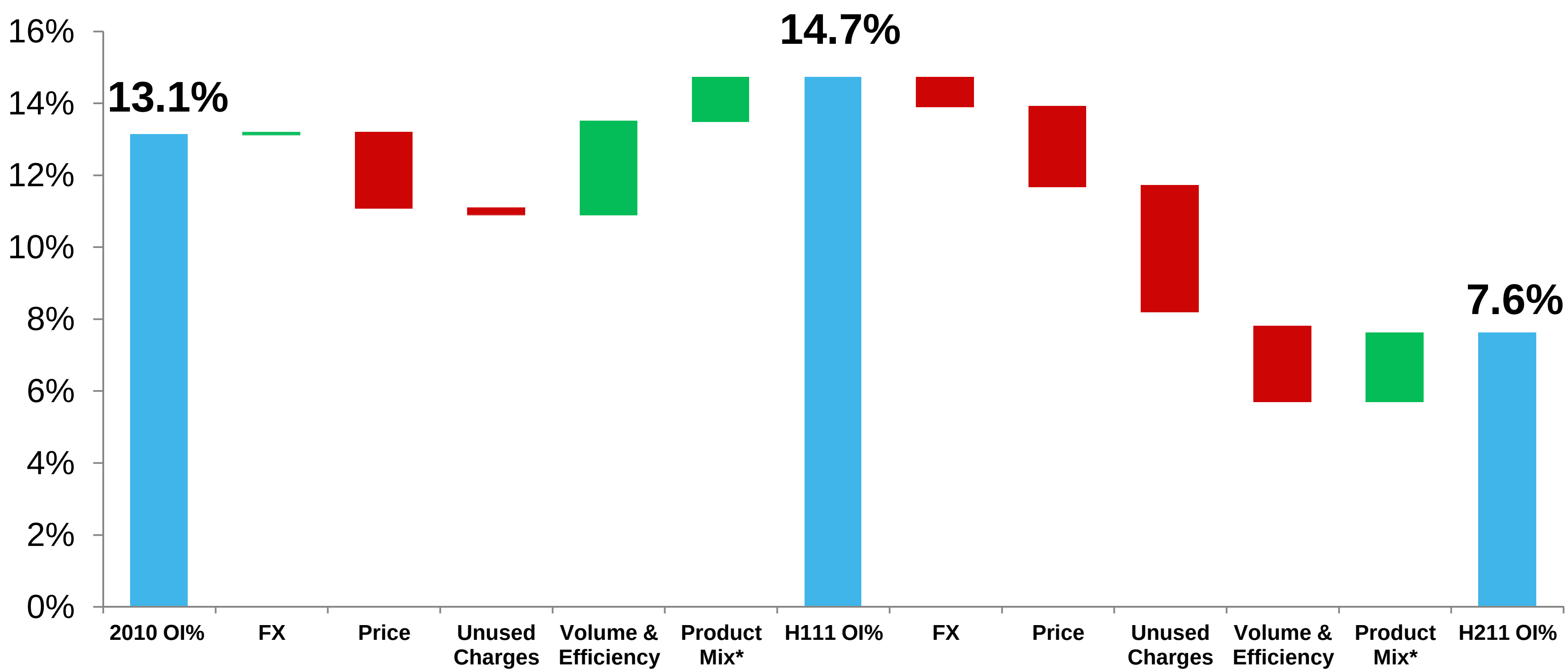
Wholly-Owned Business Operating Margin



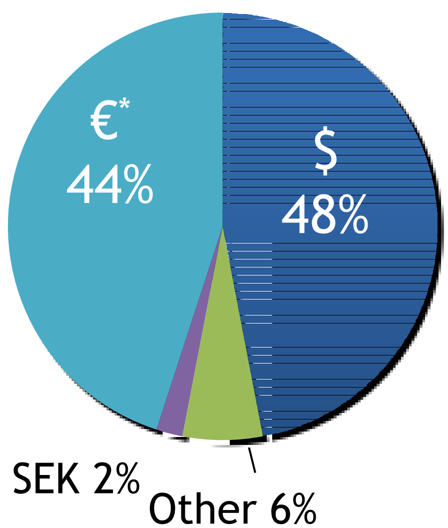
- Solid improvement in H111
- Product mix consistent performance
- 2H11 impacted by severe downturn and change in business plan at largest customer

Currency Exposure

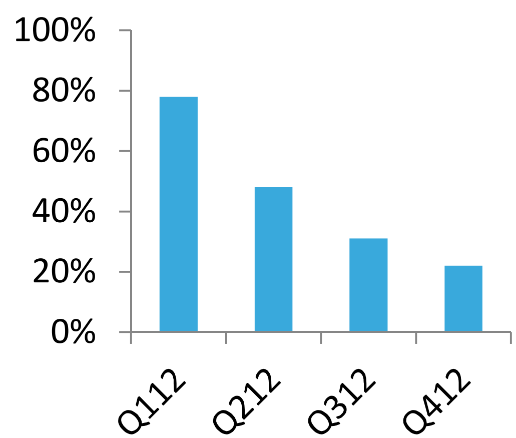
- ~ 11% of sales are in €
- ~ 44% of total costs are in €
    - COGS + Operating Expenses

- Quarterly Effect of ±1% change (€ vs. $)
    - ±$4M to $5M on gross profit
    - Further ±$4M to $5M on operating expenses
- Total EBIT impact ~ ±$8M to $10M

~Total Costs (COGS+OpEx) By Currency (Q411)*



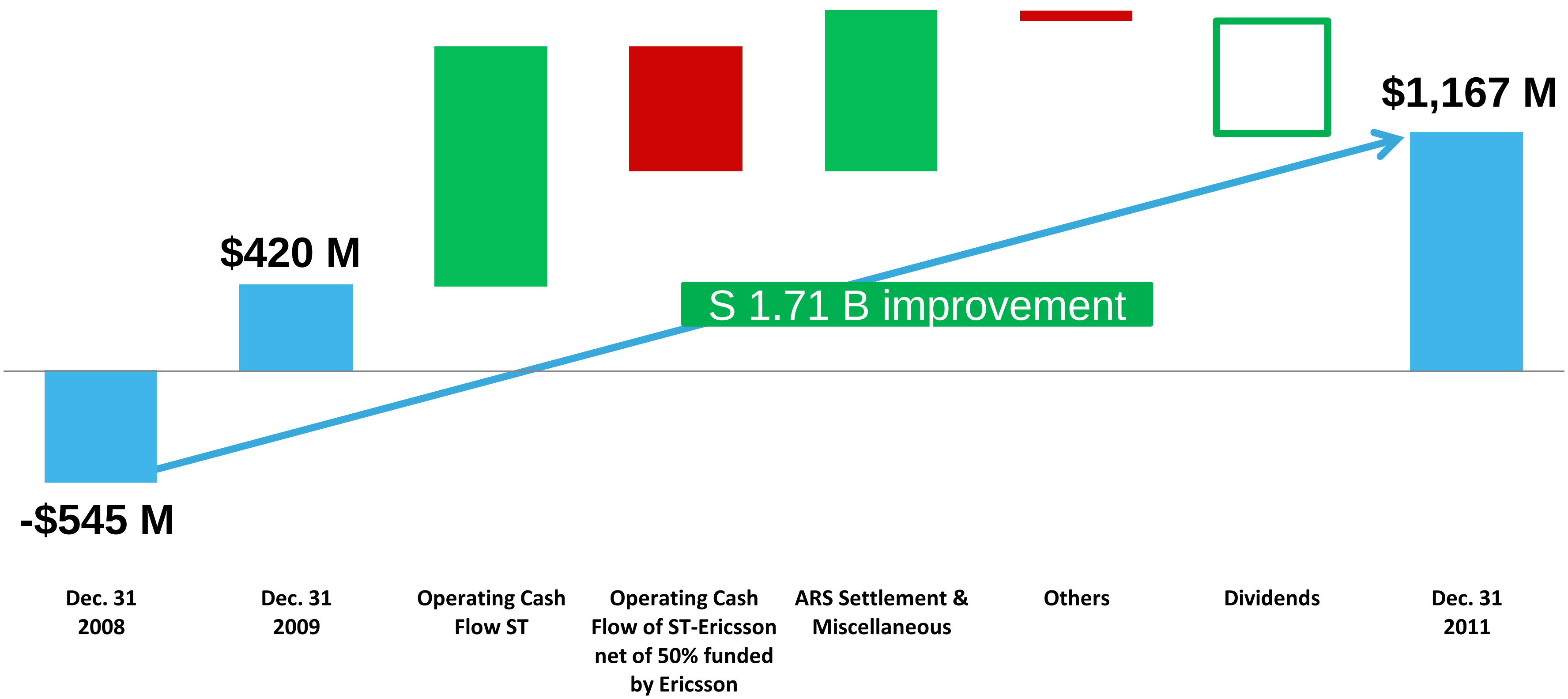
Percent of € exposure hedged



- New structure to prevent FX exposure for new tools in European fabs
- Introduced Zero Cost collar hedging offers more flexibility within a range

*Euro (€) includes currencies such GBP, CHF, MAD Morocco

Strengthening a Strong Capital Structure



- Invested $2.27B in Capex in the last two years
- Absorbed our portion of ST-Ericsson R&D investment
- Strong dividend yield throughout the period

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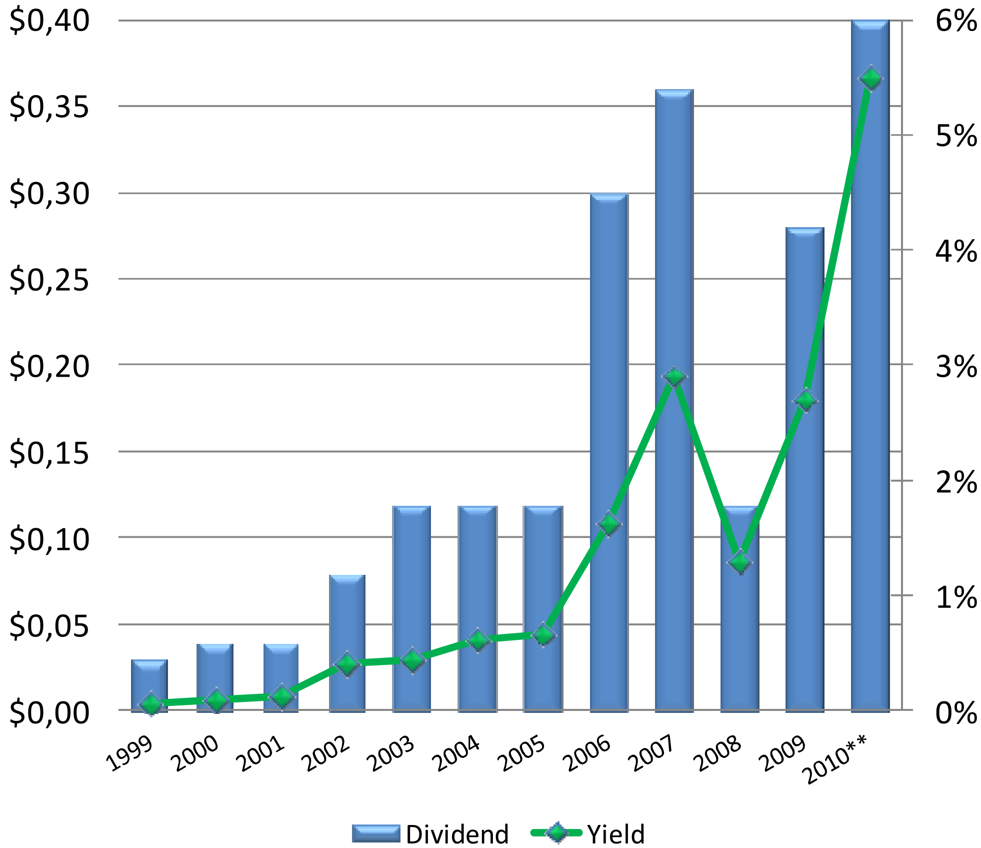
Dividend Evolution



- **STM dividend yield of ~5.5%**
  - Semiconductor HOLDERs ETF (SMH) dividend yield ~1.9%*
  - SOX dividend yield ~1.3%*
  - 10-year US Treasury Bills yield ~2.0%*
- **ST cumulative dividends over the past 5 years (including the $.40 per share declared for 2011) have been > $1.2B**
- **Quarterly dividend offers a steady income with limited risk, in addition to stock price revaluation**

*Source: Bloomberg (January 23, 2012)

* * 2010 annualized dividend was paid in equal installments: May, August and November 2011 and payable in February 2012.

Q112 Outlook

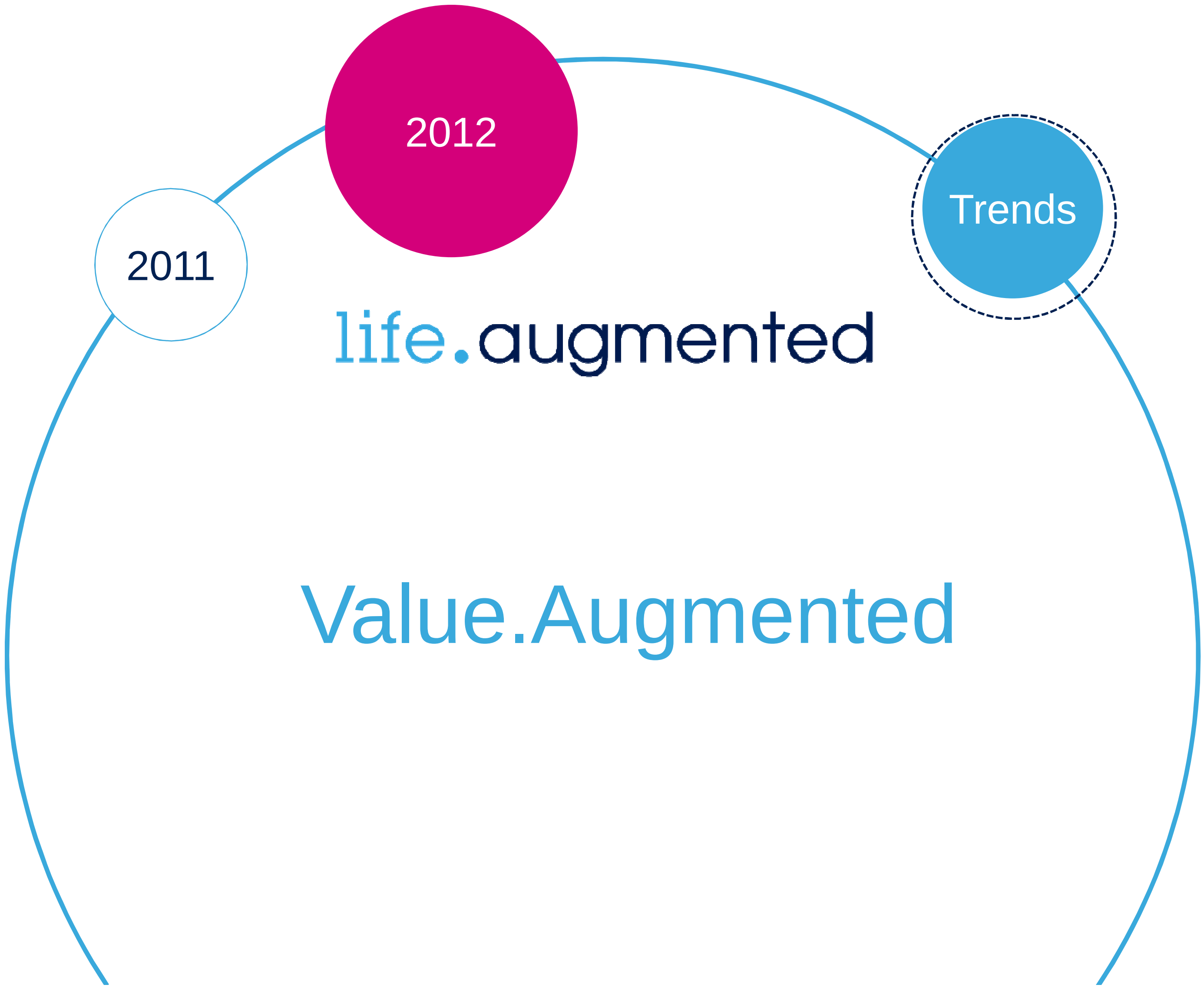
- Based largely upon a significantly weaker sequential sales outlook for Wireless, the Company anticipates total revenues to sequentially decrease about 4% to 10% in the first quarter of 2012:
  - Wholly-owned businesses expected to perform better than normal seasonality
  - ST-Ericsson expects a very significant sequential decline in net sales, resulting from a combination of higher inventory at some of their customers, further weakening of legacy product sales, the effect of first quarter seasonality as well as the reduction, in the short term, of new product sales with one of its largest customers.
- As a result, and reflecting an improved but still high level of unsaturation at our facilities, gross margin in the first quarter is expected to be about 33.0%, plus or minus 1.5 percentage points.

Outlook based on an assumed effective currency exchange rate of approximately $1.32 = €1.00 for the 2012 first quarter and includes the impact of existing hedging contracts.
The first quarter will close on March 31, 2012.

Value Drivers in 2012

- Focus on sustainable turnaround of ST-Ericsson
- Revenue growth driven by expanded base of customers and new products
- Continued mix improvements towards “extreme analog” high margin products
- Synergies from the re-organization of Digital business at ST
- Volume and manufacturing flexibility to benefit fab utilization and efficiency
- Reduced Capital Expenditures and acceleration of Cash Conversion Cycle = Positive Free Cash Flow

Conclusion



2011: A Year of Achievements in Marketing, Technology & Manufacturing

Didier Lamouche
STMicroelectronics
Chief Operating Officer
ST-Ericsson
Chief Executive Officer

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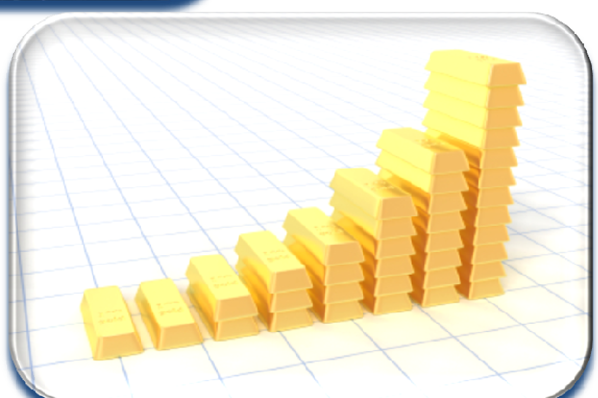
What a Year!



Global Presence

	Americas	EMEA	Asia
% by location of order shipment	14%	24%	62%
% by customer origin	29%	38%	33%

% by location of order shipment

% by customer origin

2011 revenue by geography

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Partners of our Customers Worldwide

with 78 sales offices in 36 countries

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Top Customers

Key Marketing Initiatives

TARGET 20 NEW TOP ACCOUNTS

- +19% yoy growth in 2011
- +40% yoy growth in 2010

MASS MARKET

- +6% yoy growth in 2011
- +51% yoy growth in 2010

Top 10 OEM Customers 2011 (listed alphabetically)

Apple

Bosch

Cisco

Continental

HP

Nokia

Research in Motion

Samsung

Seagate

Sony / Sony Ericsson

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An Unwavering Commitment to R&D

- 7 main technology R&D centers
- 39 design centers – 20,000 patents
- 12,000 people in technology, design, product and system R&D

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Leader in “Moore’s Law” Technologies

Prototyping start	2011/12	2013/14	2015/16
CMOS LOGIC	32nm/28/28FDSOI	20nm/20FDSOI	14nm
CMOS Analog Mixed Signal/RF	55/40nm	28nm	20nm
CMOS Embedded non-volatile memory*	80/55nm	40nm	28nm

* Logic with Embedded Memories

And “More than Moore” Technologies

Prototyping start	2011/12	2013/14	2015/16
BIPOLAR CMOS DMOS	160nm/110	90nm	65nm
MEMS (epi-poli thickness/aspect ratio)	22um/AR 1:25	25um/AR1:30	40um/AR1:35
POWER & DISCRETE	-0.4mm -trench gate -thin wafer -laser annealing -thick metal	-0.35mm -ultra-thin wafer -very deep trench -multi-epi -silicon carbide (SiC)	-0.2mm -TSV -Gallium Nitride (GaN)

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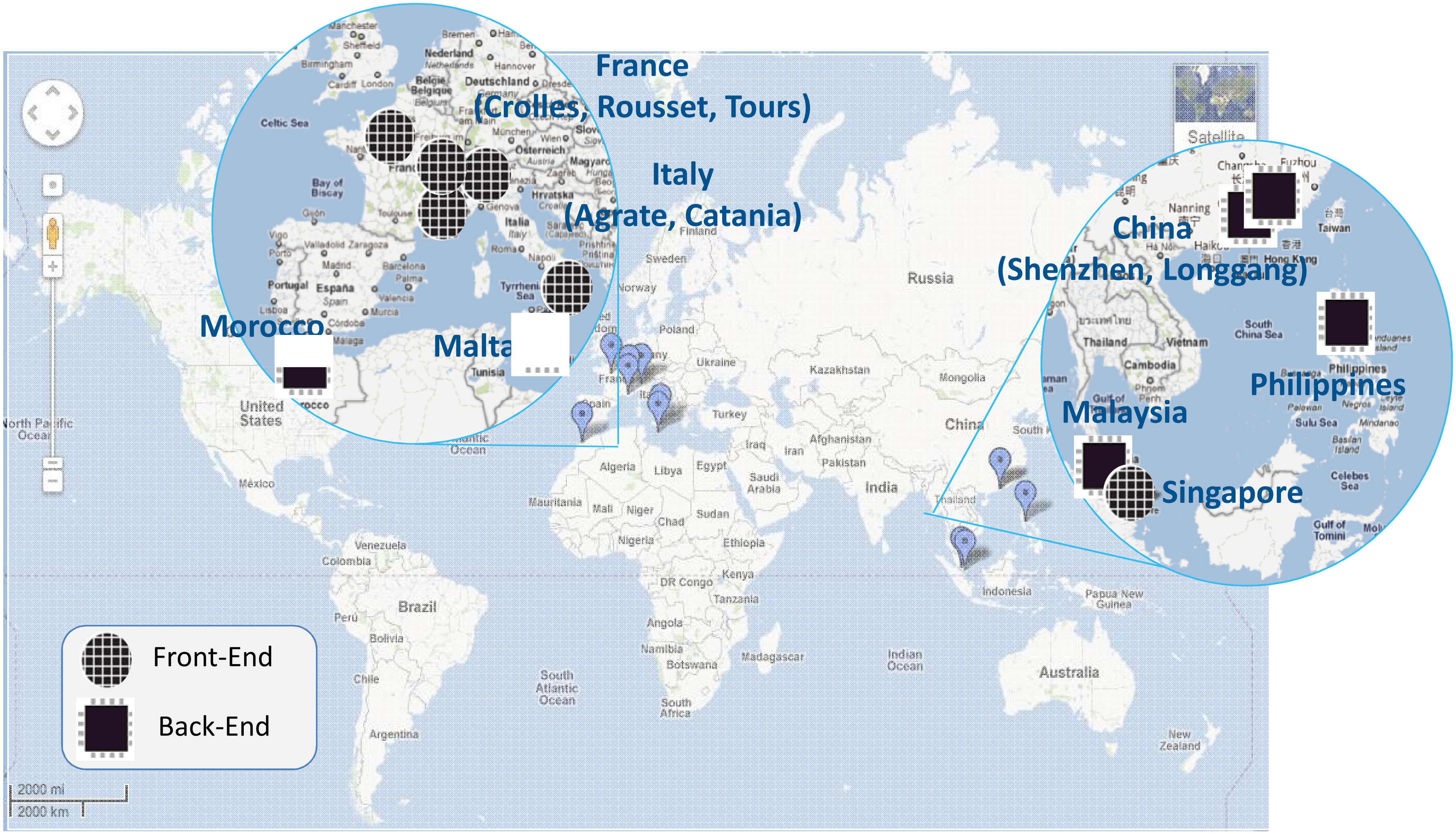
Flexible and Integrated Manufacturing



Achievements Amid a Volatile Environment

Front-end Manufacturing / R&D:

- **MEMS** capacity 2X in Agrate
- Singapore conversions and **Auto/Power discretes** growth
- **Wireless** mix improvement at Crolles and Rousset
- Crolles 300mm **32/28nm** capability
- **Analog 300mm** production ramp in Crolles
- Completed Phoenix fab restructuring

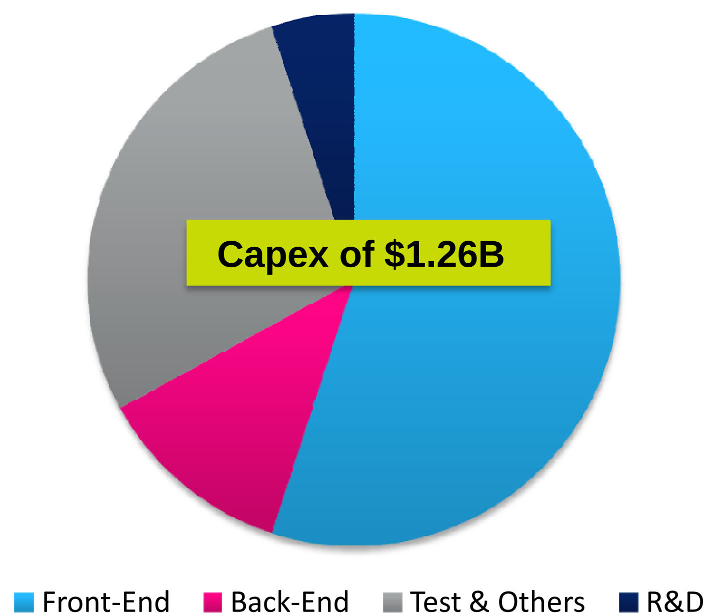
Back-end Manufacturing:

- Capacity increase and mix evolution at **Asian** plants
- **MEMS** growth at Malta
- Improvements in Testing efficiency
- Leading the industry in conversion of gold to copper

Investments focused on:

- Strategic growth businesses and key product ramps
- Proprietary manufacturing

2011 Capital Expenditures



Manufacturing Priorities for 2012

Improve flexibility!

- Committed to asset lighter model
  - Capex to sales ratio <10% through a cycle
    - Anticipate to maintain low spending in first half 2012
    - FY 2012 capex will be lower than 2011
    - Continue to utilize outsourcing
- Fully load existing capacity
  - Targeting:
    - ~80% internal / 20% external
    - Advanced CMOS 2/3 external
- Conversion of Ang-Mo-Kio to larger diameter
- Focus on back end

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Sales Initiatives

Gain market share!

- Sales Organization Reviewed
  - Strengthen accountability
  - Global account responsibility
  - Incentives aligned to key performance metrics
  - Adding more competitive sales tools to better support Sales & Marketing teams
  - Realigned to better:
    - Capture opportunities
    - Demonstrate resilience to challenges
- Going Forward…
  - Region General Managers will report to CEO
  - Continued focus on Targeted New Accounts and Key Marketing Initiatives

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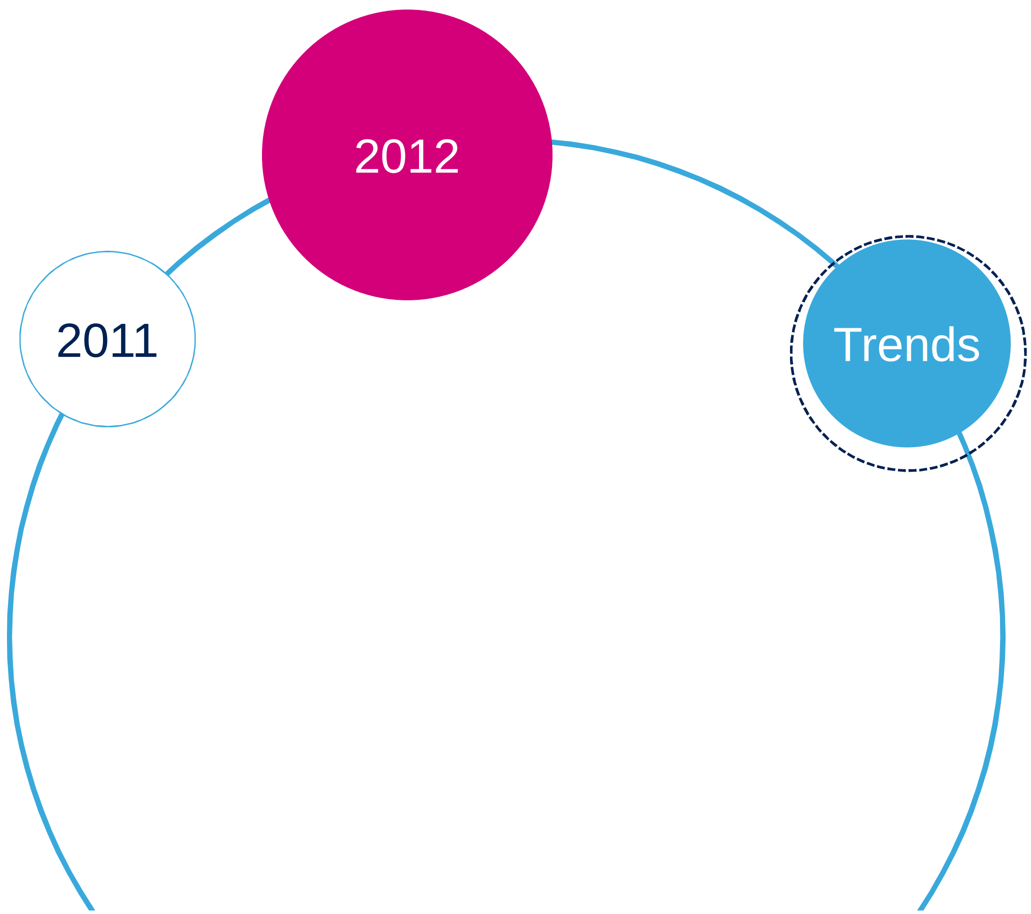
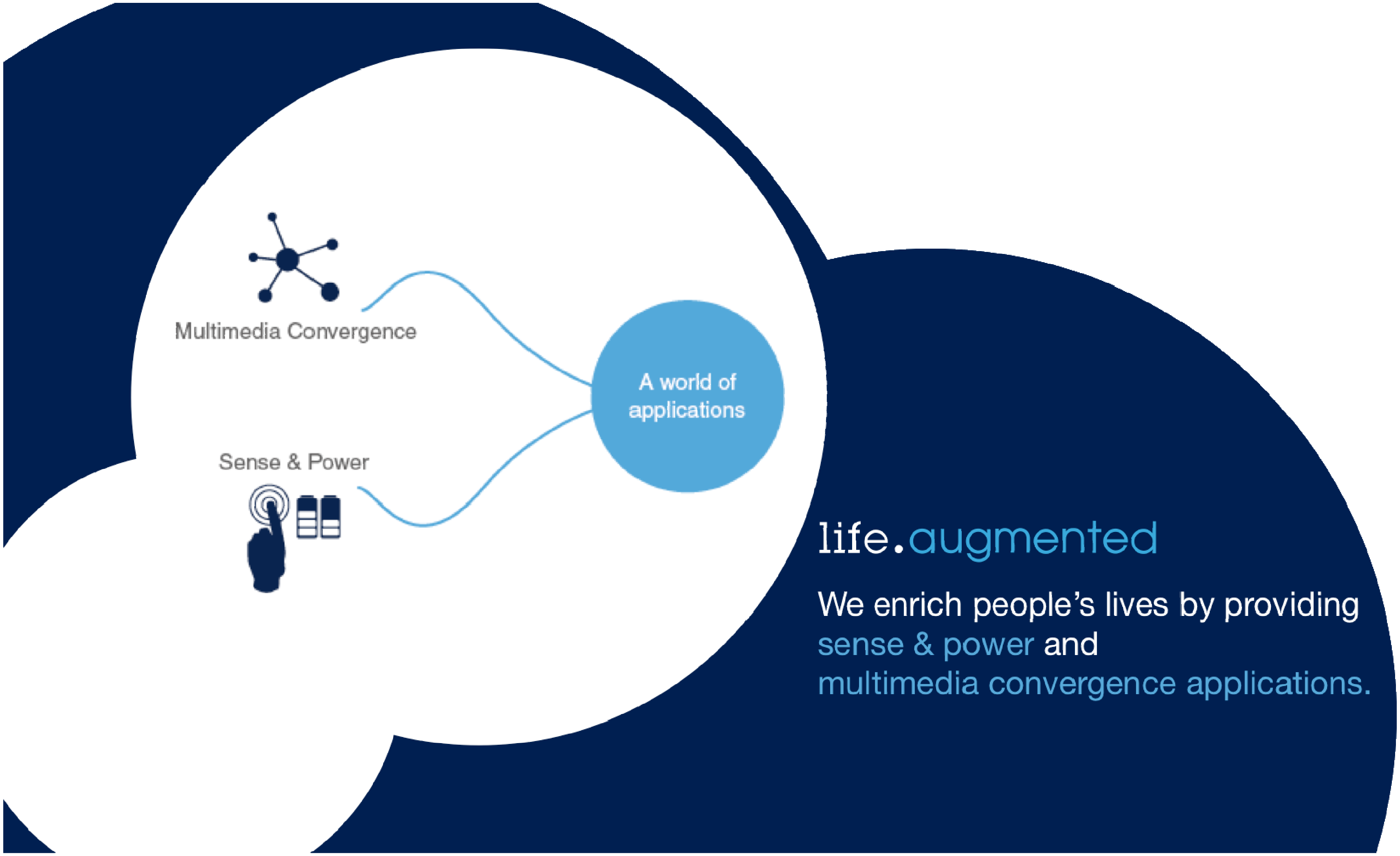
ST Product Strategy & New Products

Philippe Lambinet
Senior Executive Vice President,
Corporate Strategy Officer
General Manager, Multimedia Convergence Group

Overview



ST Vision: Enabling Solutions



Leading in Sense & Power

Analog

MCUs

MEMS/Sensors

Power Management

Key Enablers

- Leading position in key products
- Broad portfolio of technologies
- Broad system know-how

Supporting our target markets

Automotive

Communications

Computer & Peripherals

Consumer

Industrial & Other

Driving Multimedia Convergence

Digital TV
& Monitor

Digital
Set-Top Box

Automotive
Infotainment

Imaging

Key Enablers

- Low-power CMOS process Roadmap
- Leading position in all converging markets
- Broad system know-how

Smartphones
& Tablets

ST
ERICSSON

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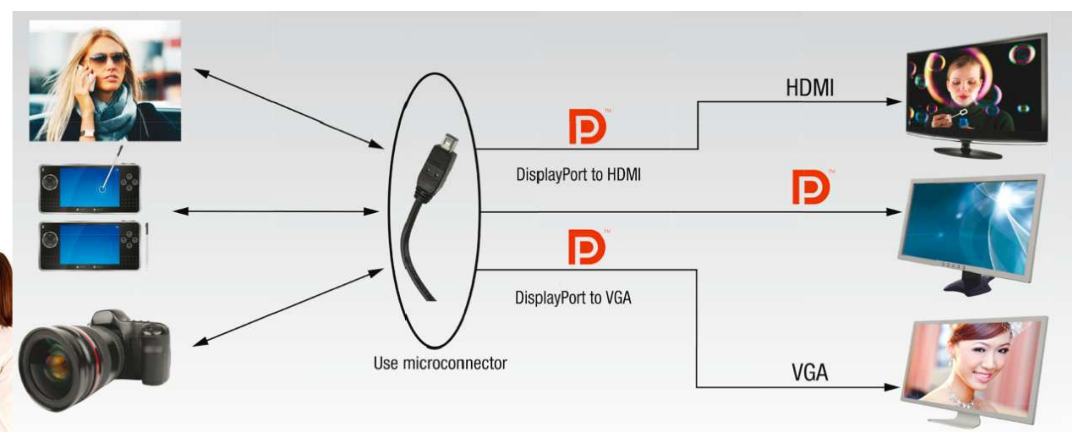
Multimedia Convergence Platform

- 2011 Key Products Achievements:
  - DisplayPort receiver/transmitter chipset designed into the world's first high-definition, 3D Head-Mount Display.
  - Introduction of Orly
  - Launch of MyDP

- 2012 New Growth Drivers:
  - Digital TV: Freeman & Newman
  - Set-top Box: Orly
  - DisplayPort
  - High end monitors: Athena



Imaging & ASIC

- 2011 Key Products Achievements:
  - Five 28/32nm design wins for complex ASICs
  - Image Processor design wins for smartphone & gaming
  - Optical Sensor design wins outside of wireless

- 2012 New Growth Drivers:
  - Networking ASICs
  - Imaging diversification (consumer, computer, automotive, medical)





Automotive

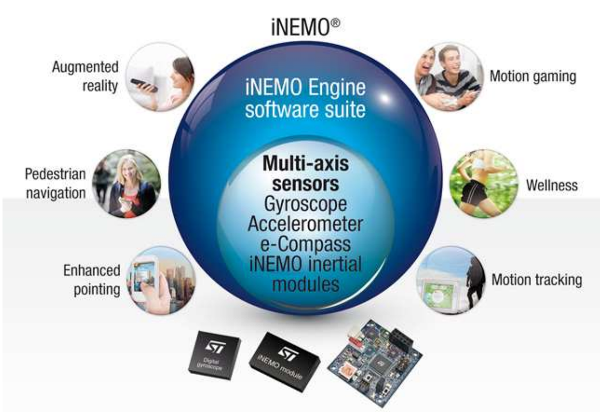
- 2011 Key Products Achievements:
  - Power Steering: Super-integrated ASIC to be used by many Japanese car makers
  - Chassis-controller: Embedded microcontroller for a leading Korean car maker and for a US Tier1 for car body applications
  - Start production of the Power™ MCU

- 2012 New Growth Drivers:
  - Power Amplifier
  - Pictus low end ABS and Air Bag
  - Power ™ MCU

Analog & MEMS

- 2011 Key Products Achievements:
  - Next Generation Smartphone: 3-axis digital gyroscope for a significant US manufacturer
  - Portable Consumer Application: both 3-axis accelerometer and 3-axis gyroscope from a significant US manufacturer
  - Major Gaming System: 3-axis digital gyroscope in the next generation

- 2012 New Growth Drivers:
  - MEMS Module
  - Altimeter for indoor navigation
  - MEMS Microphone
  - Touch screen sensors



Digital MEMS microphones

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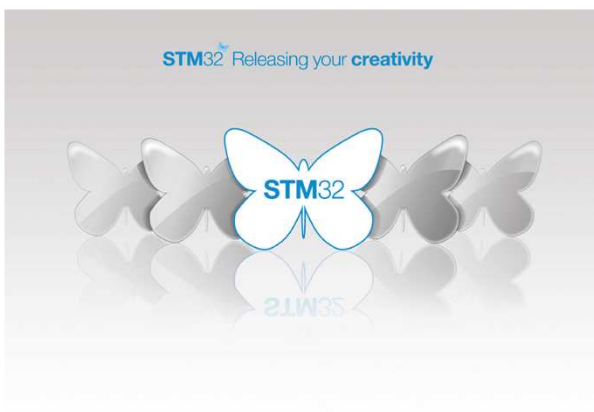
Microcontroller, Memory & Security

- 2011 Key Products Achievements:
  - Smart-Metering: STM32F MCU in an application for a multi-utility controller at a leading smart-meter OEM in the UK
  - Introduction of the STM32 F4 family, the world’s fastest microcontroller based on the ARM Cortex M4 core

- 2012 New Growth Drivers:
  - MCU Cortex family
  - NFC for mobile handsets (Android, Windows 8 and other)
  - EEprom dual interface



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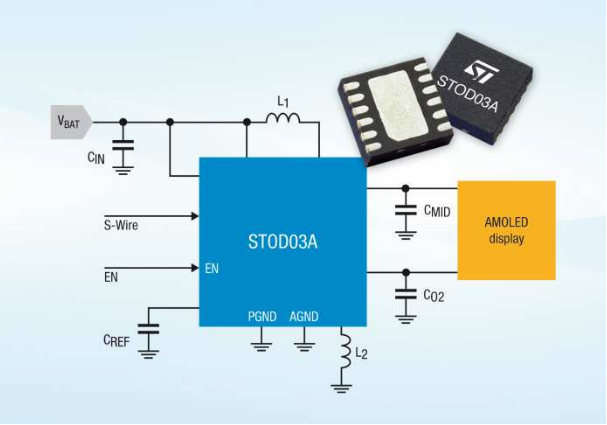
Industrial and Power Discrete

- 2011 Key Design Wins:
  - Micro-inverter with a large solar-panel manufacturer in the US

- 2012 New Growth Drivers:
  - IGBT for motor control, solar and UPS
  - Amoled power management
  - Mdmesh V, Fdmesh V



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ST-Ericsson Announcement Snapshot 2011

Thor™ M7400 modem selected as CES 2012 Innovations honoree

Snowball developer board and Igloo community

AT&T Infuse 4G from Samsung

China Mobile launches HTC Sensation Z710t

Sharp Aquos phones

Lenovo ThinkPad

Panasonic Lumix phone

T-Mobile Sidekick 4G from Samsung

ST-Ericsson unveils NovaThor™

T-Mobile Exhibit 4G from Samsung

Nokia selects ST-Ericsson as supplier for future Windows Phone devices

T-Mobile Galaxy S 4G from Samsung

Motorola Atrix 2

Panasonic Toughbooks

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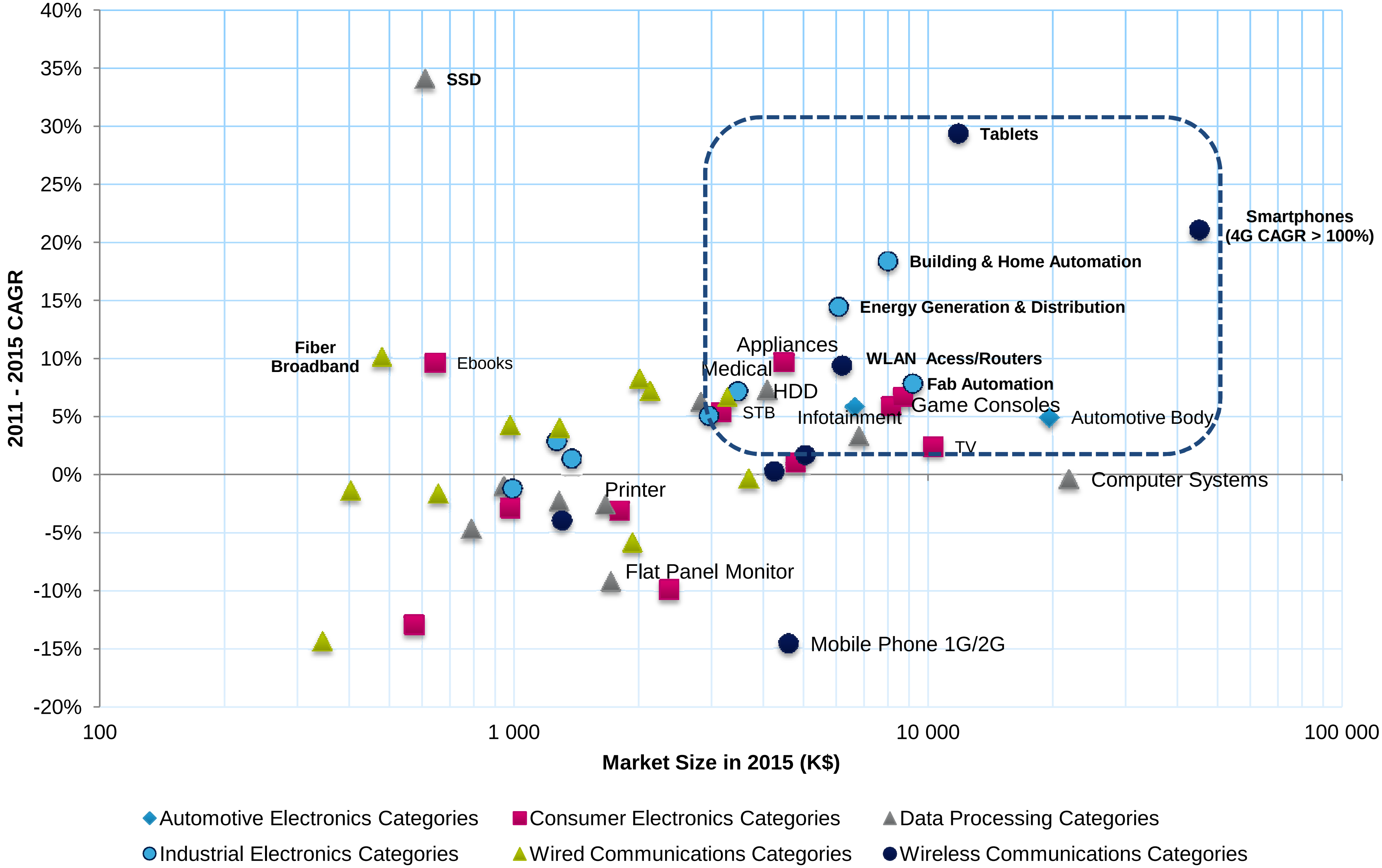
Application Drivers towards 2015



Source : IHS iSuppli
(SAM, ie excl DRAM, Flash, MPUs, Opto)

Mobile, Smartphones and Tablets

NFC and secure elements
Near Field Comunication, secure MCUs

Interface and interconnected devices
Level translators, I/O expanders, camera interfaces, analog switches, supervisors and smart resets

Camera solutions
Imaging sensors, camera modules, imaging signal processors

Audio solutions
MEMS digital and analog microphones, headphone and speaker amplifiers

Sensors and human interfaces
Accelerometers, gyroscopes, pressure sensors, iNEMO-inertial modules, digital compasses, proximity sensors, touchscreen controllers, optical finger navigation sensors

Application Processor
Modem
Connectivity

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Power management
LDO and DC-DC converters, battery management, Flash LED and backlight drivers, OLED display power supplies

Radio frequency
Couplers, diplexers, baluns, band-pass filters

Protection and EMI filtering
ESD and EOS protections, EMI filtering

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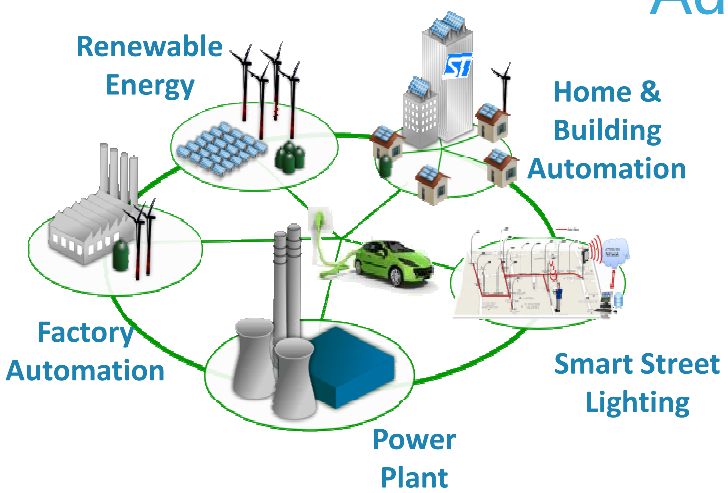
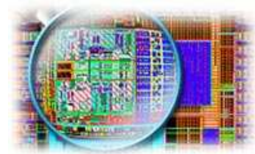
Advanced Technologies for Smart Grid

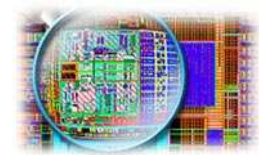


Power Line Communication

MCUs

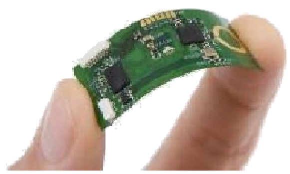


Technologies for System On Chip



MEMS and Smart Sensors

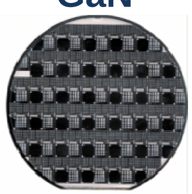
Flexible ICs



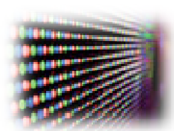
Harvesting and Thin Film Batteries

Ultra Low Power Technologies

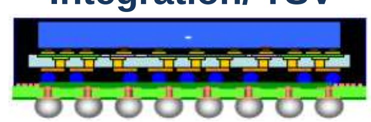
New Materials: SiC & GaN



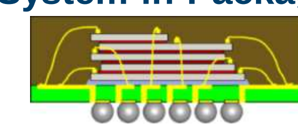
Advanced BCD, BCD-SOI



3D Heterogeneous Integration/ TSV



Advanced Packaging & System-in-Package



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Healthcare and Wellness

- ST is the leading supplier in :
  - Pacemaker and implantable defibrillators
  - Hearing aid
  - Respirators

- ST is present in the below applications

Portable, telehealth monitoring	Wellness, fitness, assisted living	Clinical, diagnostic and therapy	Medical imaging
Blood pressure meters Temperature meters Glucose meters Blood oximeters Hearing aids Portable ECG	Pedometers Heart rate monitors Fall detect Wheelchairs Hospital beds Drug dispensers	Patient monitoring Respirators Infusion pumps AED ECG	Ultrasound Magnetic resonance imaging (MRI) Positron emission tomography (PET) Endoscopes

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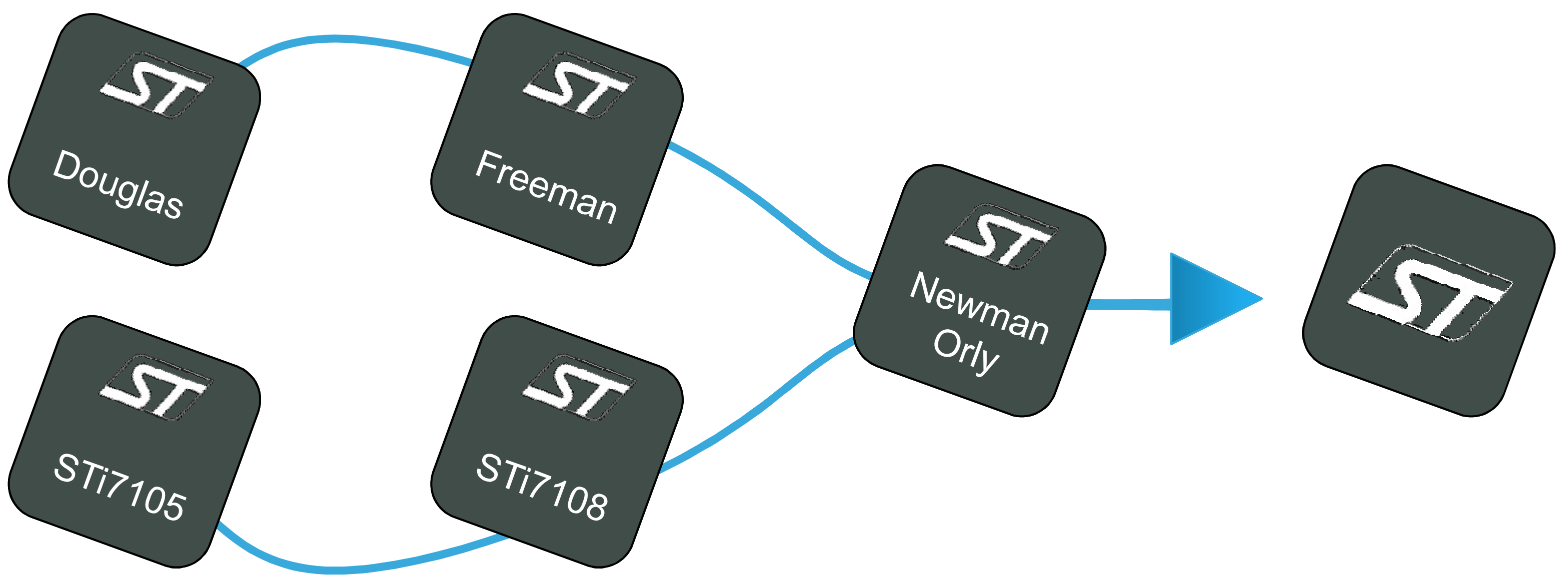
TV/STB Platform Convergence

Gen 2 — Prod: 2009 →

Gen 3 — Prod: 2011 →

Gen 4 — Prod: 2012 →



Common Software Development Kit for STB & TV

- Joined integration on Orly and Newman
- ST Application Acceleration Package

Conclusion

2011

2012

Trends

- Great Pipeline of New Products
- Significant Design Wins with these New Products
- Positioned on the right applications that will drive growth

Vision, Strategy & Perspective

Carlo Bozotti
Chief Executive Officer

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Q&A

Appendix

Pre-Tax Items to Adjusted Earnings*

OPERATING RESULT

NET EARNINGS

In US$M	Q111	Q211	Q311	Q411	FY11	FY10
U.S. GAAP Net Earnings	**170**	**420**	**71**	**(11)**	**650**	**830**
Impairment & Restructuring Charges (attributable to Parent Company's shareholders)**	22	24	7	5	58	66
Equity Investment Divestiture						(265)
Other-than-Temporary Impairment	5				5	
Gain on sale of Micron shares	(21)				(21)	(13)
Realized gain on financial assets		(323)			(323)	
Estimated Income Tax effect of Adj.	(1)	5	7	(2)	(3)	31
Adjusted Net Earnings*	**175**	**126**	**85**	**(8)**	**366**	**675**

* See appendix

** Total Impairment & Restructuring Charges were $25M in Q111, $31M in Q211, $10M in Q311, $9M in Q411, $104M in FY10 and $75M in FY11

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- **Free cash flow** is defined as net cash from operating activities minus net cash from (used in) investing activities, excluding payment for purchases of and proceeds from the sale of marketable securities (both current and non-current), short-term deposits and restricted cash. We believe free cash flow provides useful information for investors and management because it measures our capacity to generate cash from our operating and investing activities to sustain our operating activities. Free cash flow is not a U.S. GAAP measure and does not represent total cash flow since it does not include the cash flows generated by or used in financing activities. In addition, our definition of free cash flow may differ from definitions used by other companies.

- **Net financial position:** resources (debt), represents the balance between our total financial resources and our total financial debt. Our total financial resources include cash and cash equivalents, net of bank overdrafts, if any, current and non-current marketable securities excluding Micron shares received in connection with the sales of Numonyx, short-term deposits and non-current restricted cash, and our total financial debt includes short term borrowings, current portion of long-term debt and long-term debt, all as reported in our consolidated balance sheet. We believe our net financial position provides useful information for investors because it gives evidence of our global position either in terms of net indebtedness or net cash position by measuring our capital resources based on cash, cash equivalents and marketable securities and the total level of our financial indebtedness. Net financial position is not a U.S. GAAP measure.

- **Return on Net Assets (RONA)** is the ratio of operating income before impairment and restructuring charges divided by average net assets used during the period. ST defines average net assets as average total assets net of total liabilities as reported in our consolidated balance sheet excluding all items related to our financial position such as cash and cash equivalents, marketable securities, short term deposits, restricted cash, bank overdrafts, current portion of long term debt and long term debt.

- **Operating income** before restructuring excludes impairment, restructuring charges and other related closure costs.

- **Operating income before restructuring attributable to ST is** calculated as operating income before restructuring excluding 50% of ST-Ericsson operating loss before restructuring as consolidated by ST. **Operating margin before restructuring attributable to ST** is calculated as operating income before restructuring attributable to ST divided by reported revenues excluding 50% of ST-Ericsson revenues as consolidated by ST**. Return on Net Assets (RONA) attributable to ST** is calculated as annualized operating income before restructuring attributable to ST divided by reported net assets excluding 50% of ST-Ericsson net assets as consolidated by ST.

- **Adjusted net earnings and earnings per share (EPS)** are used by our management to help enhance an understanding of ongoing operations and to communicate the impact of the excluded items. Adjusted earnings excludes impairment, restructuring charges and other related closure costs attributable to ST, the impact of equity investment divestiture and subsequent sale of Micron shares, other-than-temporary impairment (OTTI) charges and realized gain on financial assets, net of the relevant tax impact.

- **Consolidation of ST-Ericsson:** ST-Ericsson, a joint venture owned 50% by ST, began operations on February 3, 2009 and is consolidated into ST's operating results as of that date. ST-Ericsson is led by a development and marketing company consolidated by ST. A separate platform design company providing platform designs mostly to the development and marketing company is accounted for by ST using the equity method.

- **Wireless Segment:** As of February 3, 2009, "Wireless" includes the portion of sales and operating results of the 50/50 ST-Ericsson joint venture as consolidated in the Company's revenues and operating results, as well as other items affecting operating results related to the wireless business.

- **Sales recorded by ST-Ericsson and consolidated by ST are included in Telecom and Distribution**