

STMicroelectronics N.V.
Consolidated Statements of Income
(in million of U.S. dollars, except per share data (\$))

Three Months Ended		
	(Unaudited)	(Unaudited)
	March 31,	April 1,
	<u>2007</u>	<u>2006</u>
Net sales	2,269	2,363
Other revenues	<u>7</u>	<u>1</u>
NET REVENUES	2,276	2,364
Cost of sales	<u>-1,491</u>	<u>-1,527</u>
GROSS PROFIT	785	837
Selling, general and administrative	-261	-256
Research and development	-435	-409
Other income and expenses, net	-15	-19
Impairment, restructuring charges and other related closure costs	<u>-12</u>	<u>-13</u>
Total Operating Expenses	<u>-723</u>	<u>-697</u>
OPERATING INCOME	62	140
Interest income, net	17	22
Earnings (loss) on equity investments	<u>7</u>	<u>-4</u>
INCOME BEFORE INCOME TAXES	86	158
AND MINORITY INTERESTS		
Income tax expense	<u>-11</u>	<u>-28</u>
INCOME BEFORE MINORITY INTERESTS	75	130
Minority interests	<u>-1</u>	<u>2</u>
NET INCOME	74	132
 EARNINGS PER SHARE (BASIC)	 0.08	 0.15
EARNINGS PER SHARE (DILUTED)	0.08	0.14
 NUMBER OF WEIGHTED AVERAGE		
SHARES USED IN CALCULATING	900.4	956.1
DILUTED EARNINGS PER SHARE		