

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

Three Months Ended	
(Unaudited)	(Unaudited)
July 1, 2006	July 2, 2005
Net sales	2,492
Other revenues	3
NET REVENUES	2,495
Cost of sales	-1,613
GROSS PROFIT	882
Selling, general and administrative	-266
Research and development	-408
Other income and expenses, net	-5
Impairment, restructuring charges and other related closure costs	-34
Total Operating Expenses	-713
OPERATING INCOME	169
Interest income, net	30
Loss on equity investments	-1
INCOME BEFORE INCOME TAXES	198
AND MINORITY INTERESTS	
Income tax benefit (expense)	-29
INCOME BEFORE MINORITY INTERESTS	169
Minority interests	-1
NET INCOME	168
EARNINGS PER SHARE (BASIC)	0.19
EARNINGS PER SHARE (DILUTED)	0.18
NUMBER OF WEIGHTED AVERAGE	
SHARES USED IN CALCULATING	980.4
DILUTED EARNINGS PER SHARE	934.6

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Six Months Ended		
(Unaudited)	(Unaudited)	
July 1,	July 2,	
<u>2006</u>	<u>2005</u>	
Net sales	4,854	4,242
Other revenues	4	3
NET REVENUES	4,858	4,245
Cost of sales	-3,139	-2,846
GROSS PROFIT	1,719	1,399
Selling, general and administrative	-522	-519
Research and development	-817	-827
Other income and expenses, net	-24	-8
Impairment, restructuring charges and other related closure costs	-47	-100
Total Operating Expenses	-1,410	-1,454
OPERATING INCOME (LOSS)	309	-55
Interest income, net	51	15
Loss on equity investments	-4	0
INCOME (LOSS) BEFORE INCOME TAXES	356	-40
AND MINORITY INTERESTS		
Income tax benefit (expense)	-57	35
INCOME (LOSS) BEFORE MINORITY INTERESTS	299	-5
Minority interests	0	0
NET INCOME (LOSS)	299	-5
 EARNINGS (LOSS) PER SHARE (BASIC)	 0.33	 -0.01
EARNINGS (LOSS) PER SHARE (DILUTED)	0.32	-0.01
 NUMBER OF WEIGHTED AVERAGE		
SHARES USED IN CALCULATING	968.3	892.0
DILUTED EARNINGS (LOSS) PER SHARE		