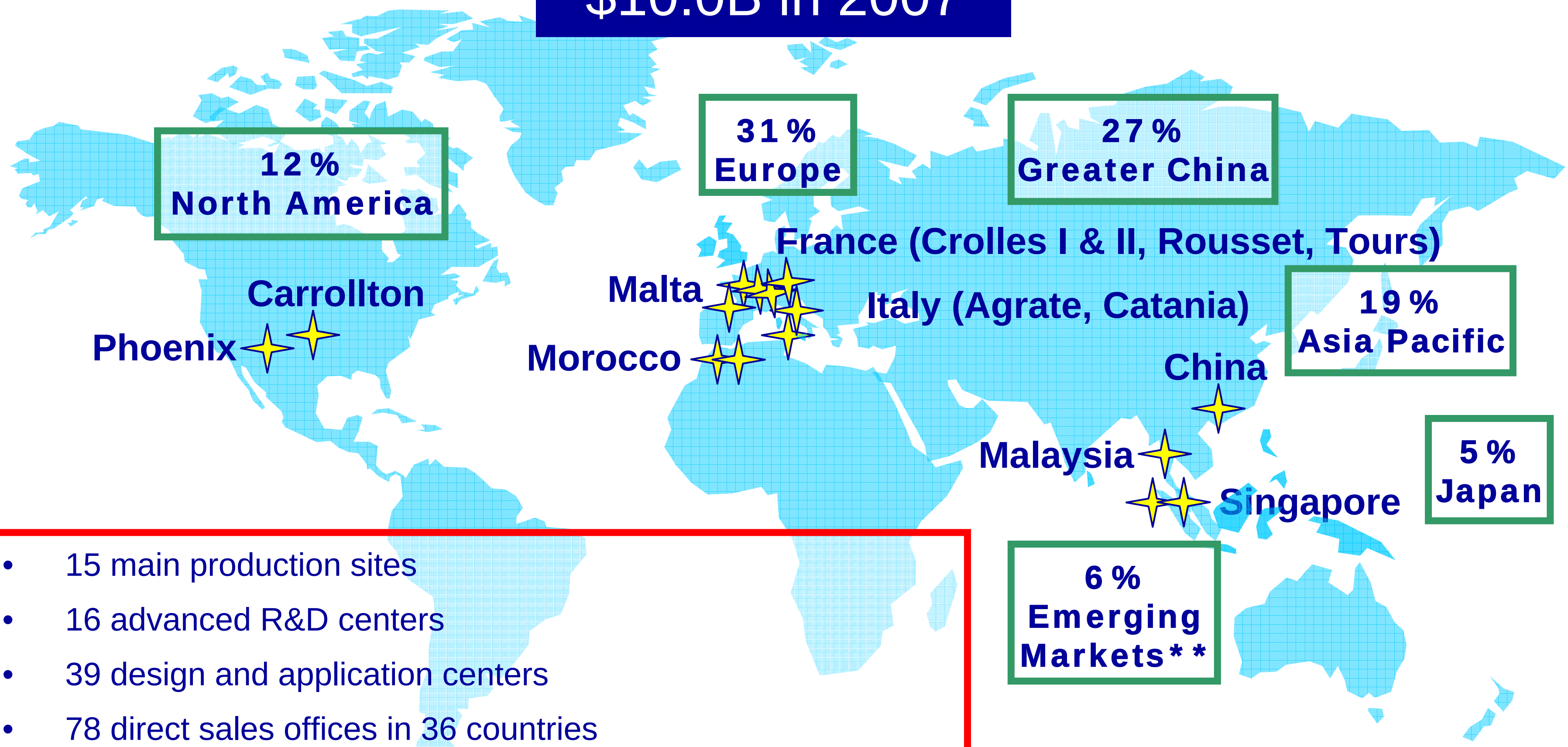
Q4 & FY 2007 Financial Results

January 23rd, 2008

STMicroelectronics’ Global Presence*

$10.0B in 2007



- 15 main production sites
- 16 advanced R&D centers
- 39 design and application centers
- 78 direct sales offices in 36 countries
- Listed on NYSE Euronext (New York & Paris), Borsa Italiana

* Sales by region of destination as % of 2007 sales
** India, Russia, Africa, Latin America, Middle East

ST's Targeted Segments: Focusing on Fast Growing Markets

* Source: iSuppli 2007 preliminary rankings

Top Semiconductor Companies in 2007
By Application in US$M

Industrial		
1	**STM**	**1,645**
2	Intel	1,437
3	Renesas	1,302
4	Infineon	1,264
5	TI	1,198

Automotive		
1	Freescale	1,926
2	Infineon	1,827
3	**STM**	**1,478**
4	NXP	1,193
5	Renesas	1,157

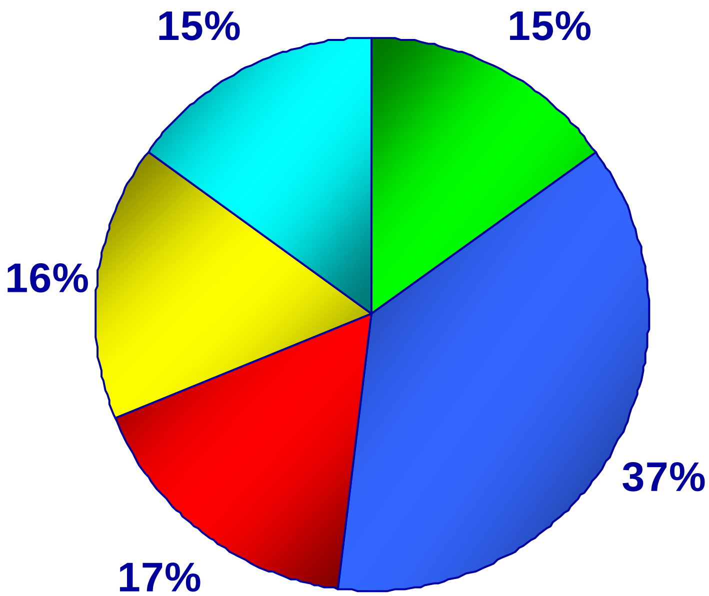
Wireless Comm		
1	TI	5,634
2	Qualcomm	5,603
3	**STM**	**3,252**
4	Intel	2,413
5	NXP	2,143

- **Industrial applications:**
  - **ST revenues up double digit in 2007; reconfirming #1 position**
  - **New solutions in traditional and emerging applications ramped in 2007**
    - **MEMS (gaming, mobile phones, PC, etc. applications)**
    - **Advanced analog (temperature sensors, power switches, etc.)**
- **Wireless and automotive applications:**
  - **Maintained solid #3 positioning**
  - **Wireless (increasing presence in 3G DBB; acquired Nokia design team)**
  - **Auto (growth drivers included body and powertrain applications)**

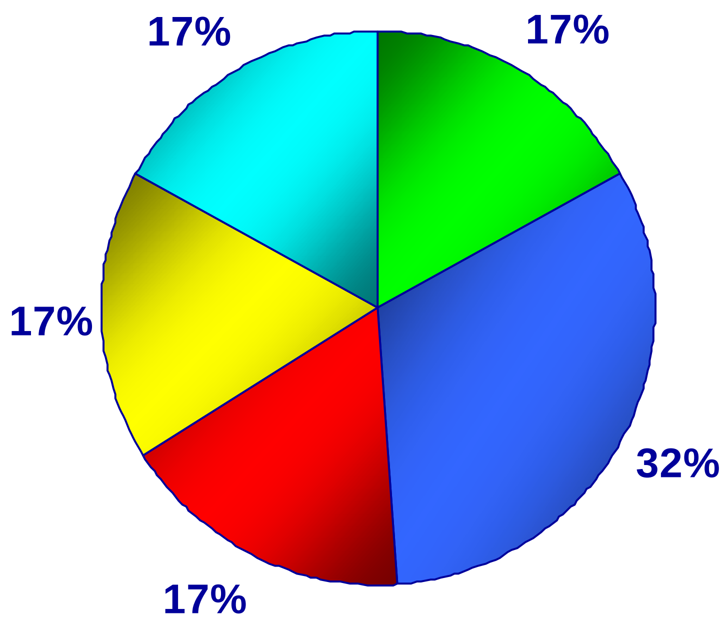
Source: iSuppli – 2007 Preliminary rankings

Revenues by Market Segment

Total ST
FY07 Sales: $10.0B



ST w/o Flash
FY07 Sales: $8.6B



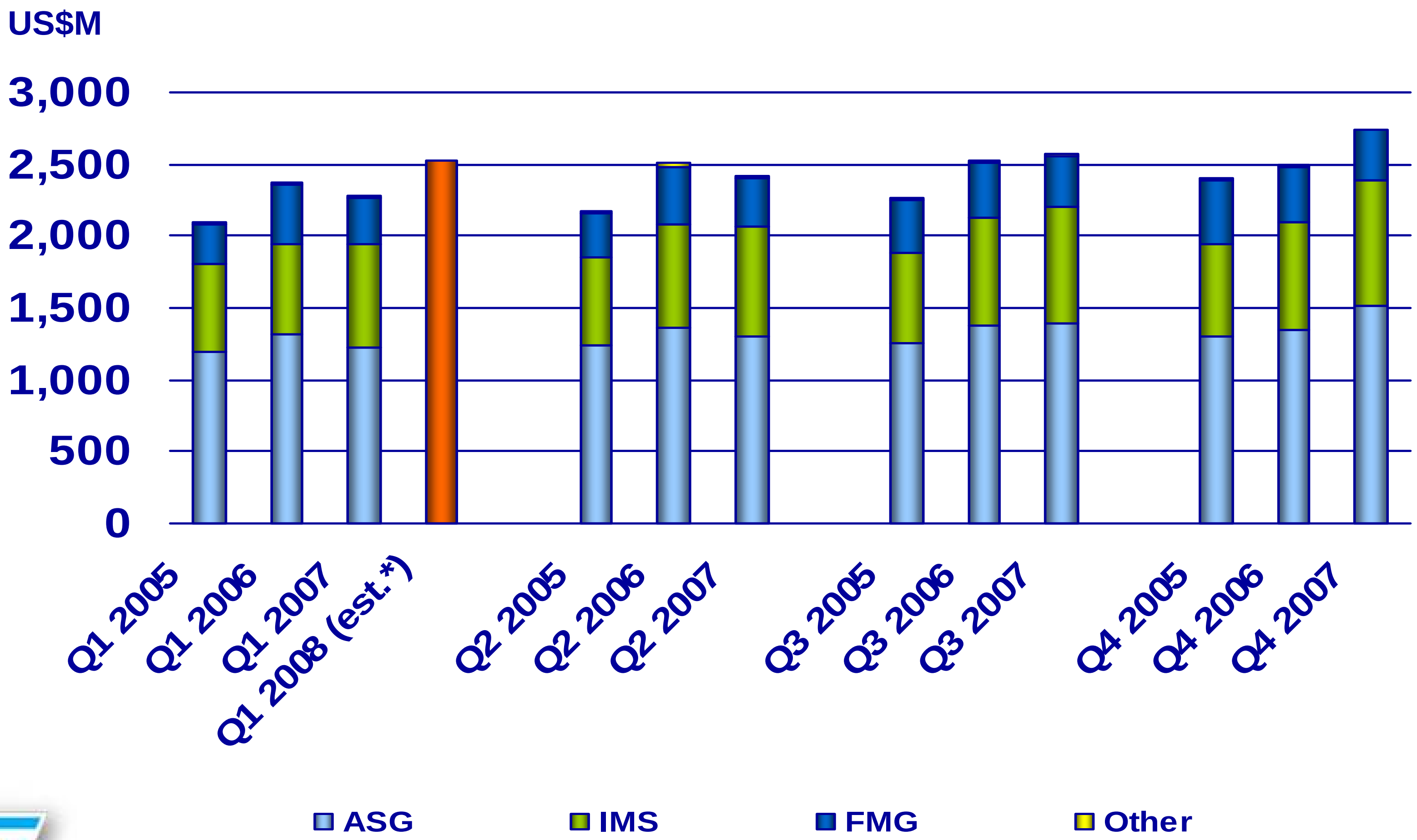
Automotive **Computer** **Consumer** **Industrial** **Telecom**

* The above chart estimates, within a variance of 5% - 10% in the absolute dollar amount, the relative weighting of each of the Company’s target market segments

Revenues by Product Segment

ASG: +9.1% Q/Q, +13.3% Y-o-Y driven by imaging, HDD and wireless ICs

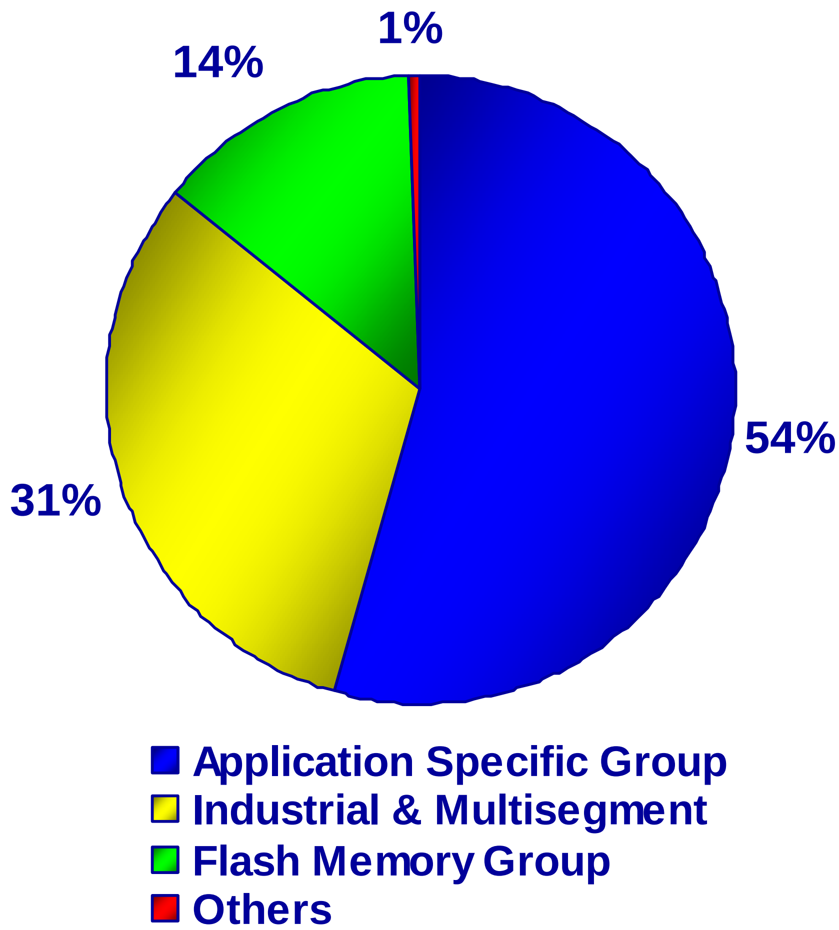
IMS: +5.3% Q/Q, +11.3% Y-o-Y driven by MEMS and advanced analog

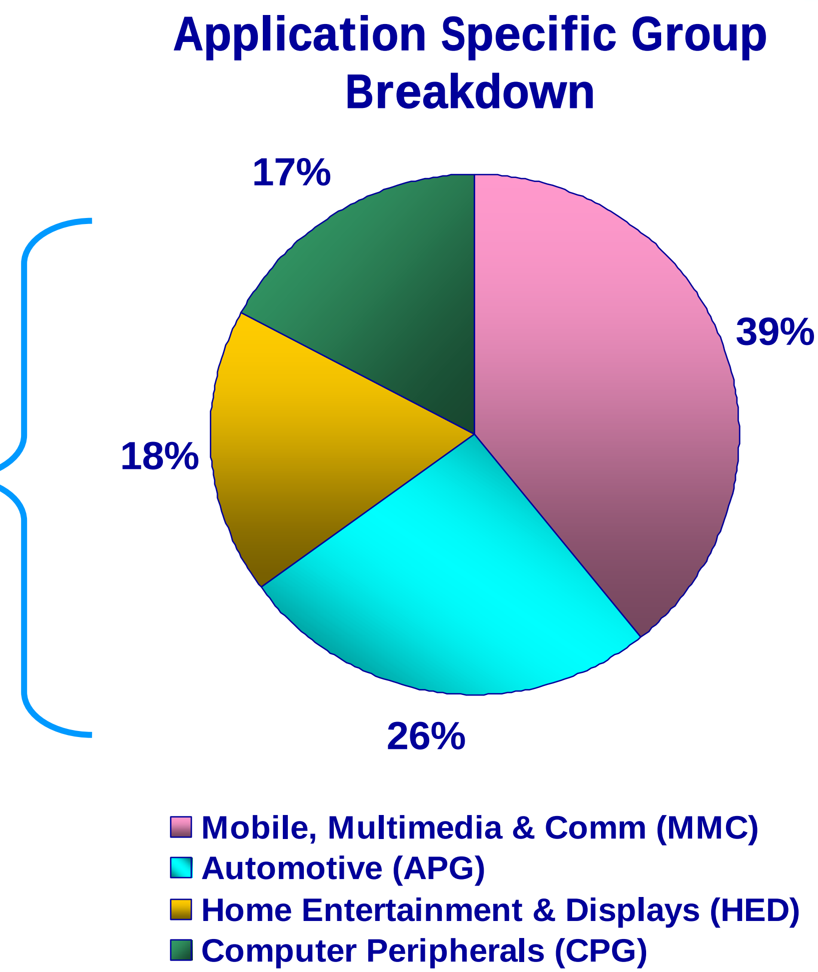


* Based on mid-point of company guidance

Revenues by Product Group

Based on FY2007 Sales = $10.0B





Faster Growth Continues in Core Businesses

	ST	FMG	ST w/o FMG
Net Revenues Q407	**$2,742**	**$358**	**$2,385**
Net Revenues Q307	**$2,565**	**$352**	**$2,213**
Q407 sequential growth	**6.9%**	**1.7%**	**7.7%**
Q407 Y-o-Y growth	**10.4%**	**-4.0%**	**13.0%**
2007 vs. 2006	**1.5%**	**-13.1%**	**4.3%**

Strong Results: Key Customers & Regions Excluding Flash

New Major Key Accounts

- **Sales:**
  - **+41% 2007 / 2006**
  - **+45% Q4 Y-o-Y**

Japan

- **Sales:**
  - **+11% 2007 / 2006**
  - **+11% Q4 Y-o-Y**

Mass Market

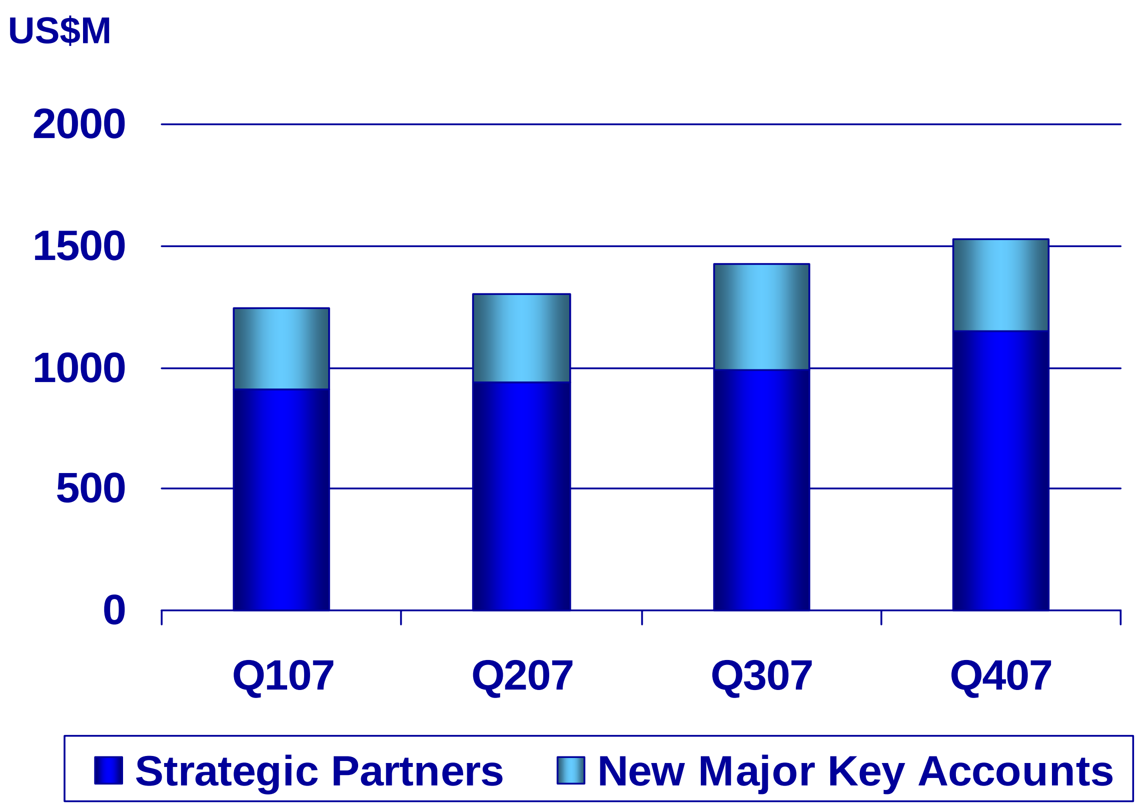
- **Sales:**
  - **+9% 2007 / 2006**
  - **+10% Q4 Y-o-Y**

Greater China

- **Sales:**
  - **+9% 2007 / 2006**
  - **+27% Q4 Y-o-Y**

Targeted Customers

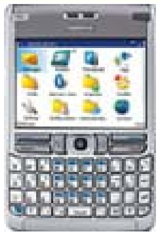
Sales to Current Strategic Partners and New Major Key Accounts



Strategic Partners:

- Nokia
- Magneti Marelli
- Thomson
- Siemens VDO
- Alcatel
- Bosch
- Western Digital
- Hewlett Packard
- Pioneer
- Seagate
- Nortel Networks

New Products: Wireless



3G Digital Base Band

- 2007 shipments in-line with forecast
- 2008 units expected to more than triple
- ST continues to be a strategic manufacturing partner to EMP

Application Processor

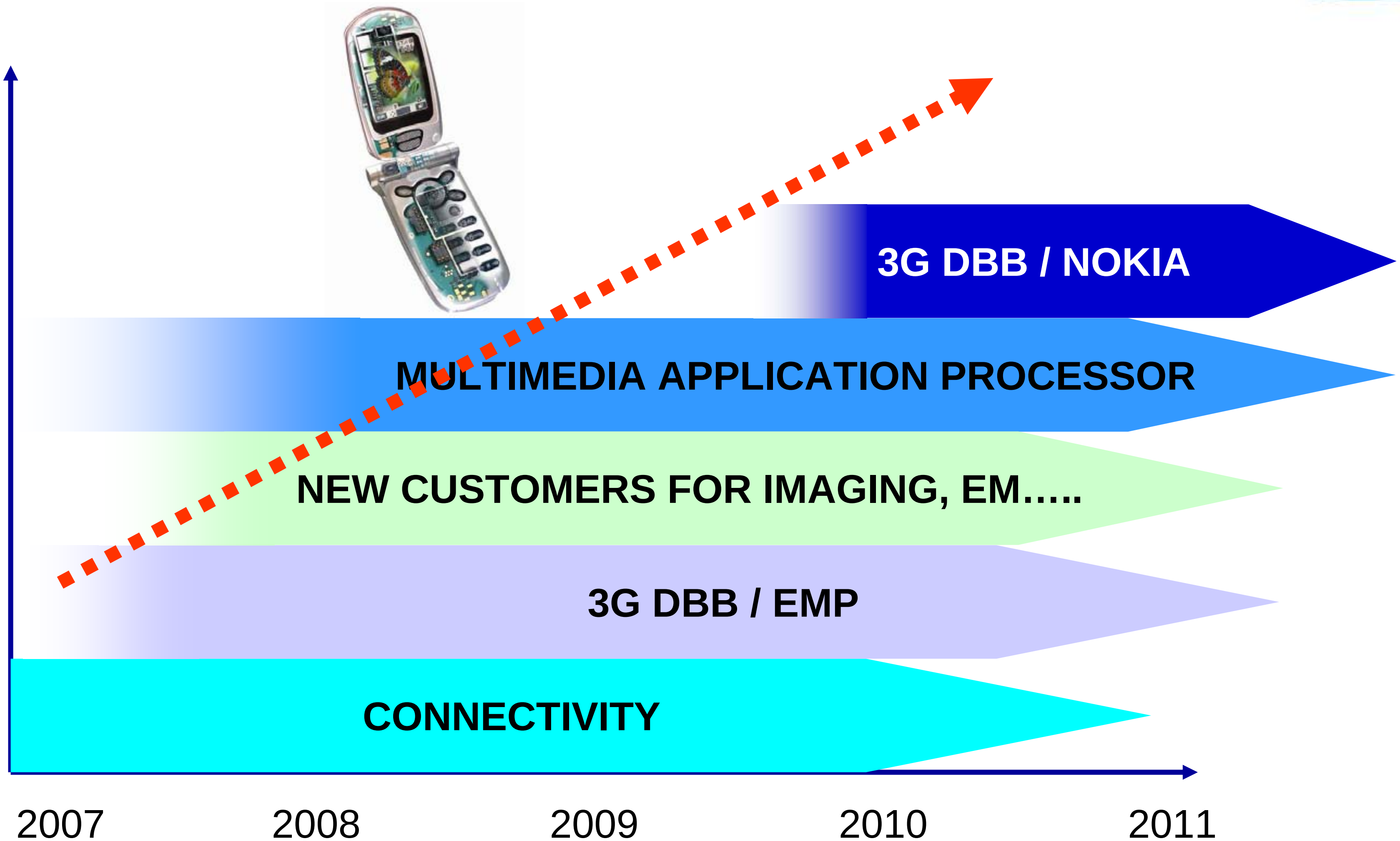
- Significant ramp in mobile phone and automotive applications

Connectivity

- Increasing share in Bluetooth and WLAN ICs
- Bluetooth in volume in > 70 phones; designed in 130 phones
- WLAN in volume in 20 mobile devices with a top-tier OEM
- FM + BT combo chip in volume in 8 phones; designed into > 15 phones
- Ramping volumes into headset market
- Manufactured first devices utilizing 45nm RF-CMOS technology, essential for next generation wireless LAN applications

Wireless revenues to continue to grow in 2008…2009…2010…

Growth Opportunities in Wireless



MORE…New Products…

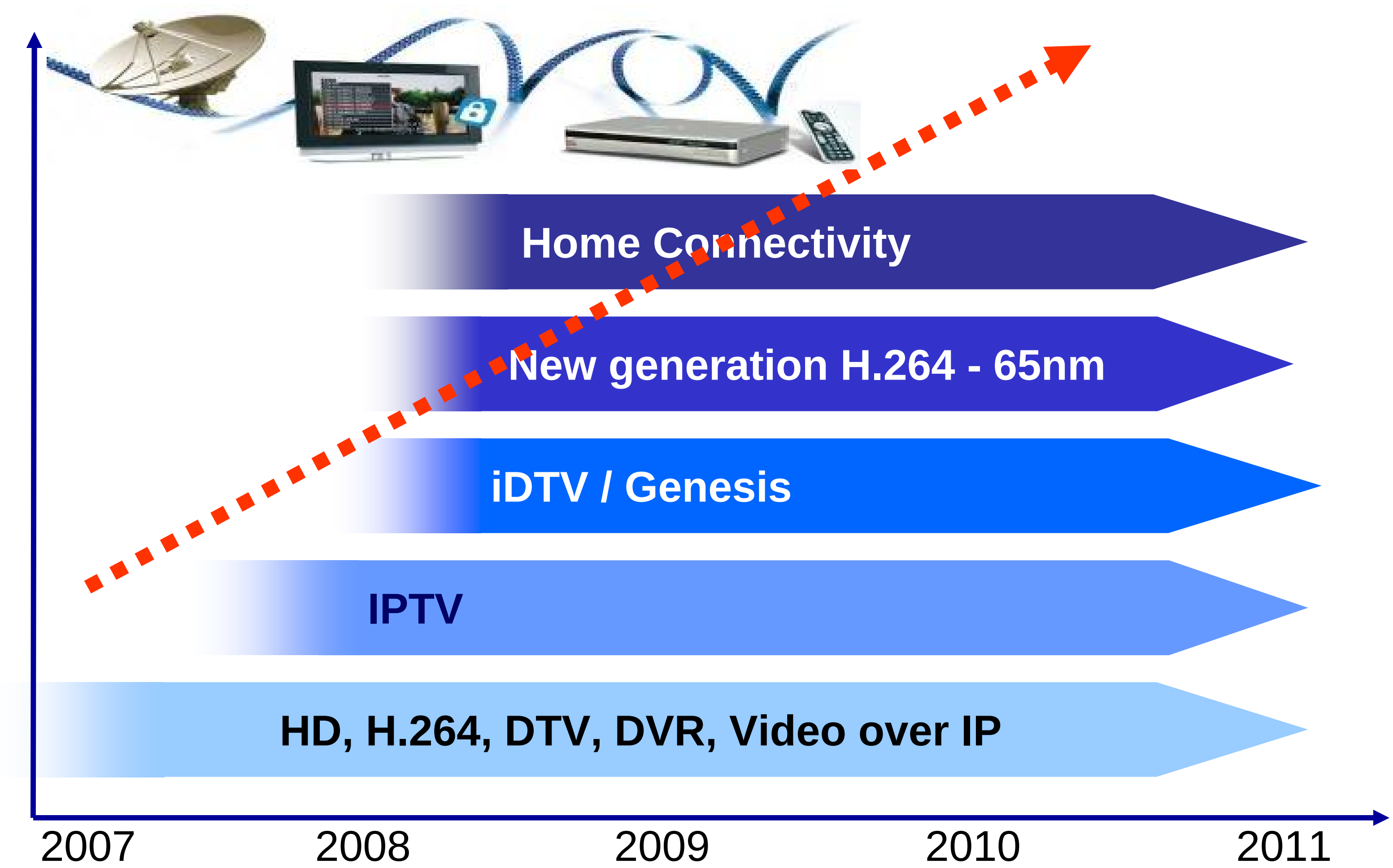
Digital Consumer

- Set-top Box
  - 78M MPEG decoders shipped (+24% vs. 2006)
  - >10Mpcs one-chip H.264 shipped since 2005: STi710x and STi520x family of devices
  - Mix improving: H.264 (SD/HD) were 28% of sales in Q407 vs. 18% in Q307
- Digital TV
  - Addressing market with STB “plug-in” solutions (SD/HD)
  - Acquired Genesis; integrating image and video processors into ST’s product offering

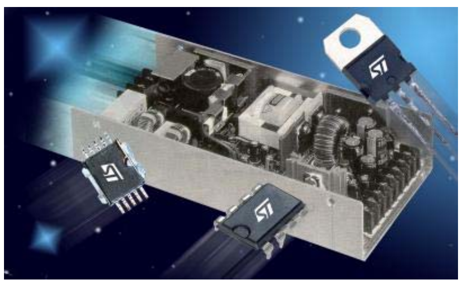
Computer Peripherals

- Data Storage
  - 90nm SoC ramping in volume now
  - 65nm SoC design win from a world-leading HDD OEM utilizing ST’s IP for R/W channel and SATA, production in 2009
- Printers
  - New design win for an analog ASIC for high-end inkjet printers at a major OEM

Growth Opportunities in Digital Consumer



MORE…New Products



MEMS

- Triple digit growth in 2007
- Solid positioning in Gaming, supplying sensors for Nintendo Wii
- Serving a differentiated customer base

Power Conversion

- Several important design wins including a power-supply solution for a major game console and power management controllers from a major Chinese OEM for mobile PCs

Automotive

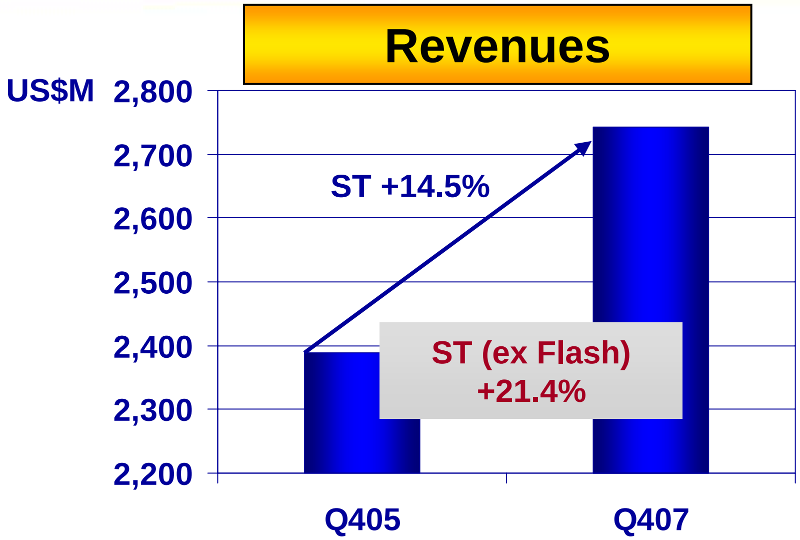
- Joint Automotive Application Laboratory inaugurated with TIANJIN FAW Xiali Automobile, a leading Chinese OEM, to develop advanced automotive solutions
- Nomadik-based Cartesio: embedded-GPS application processor for navigation

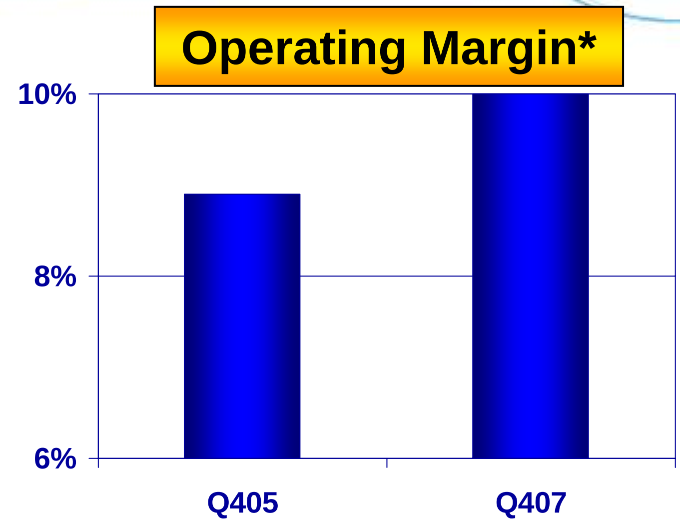
Strategic Repositioning Towards Value:

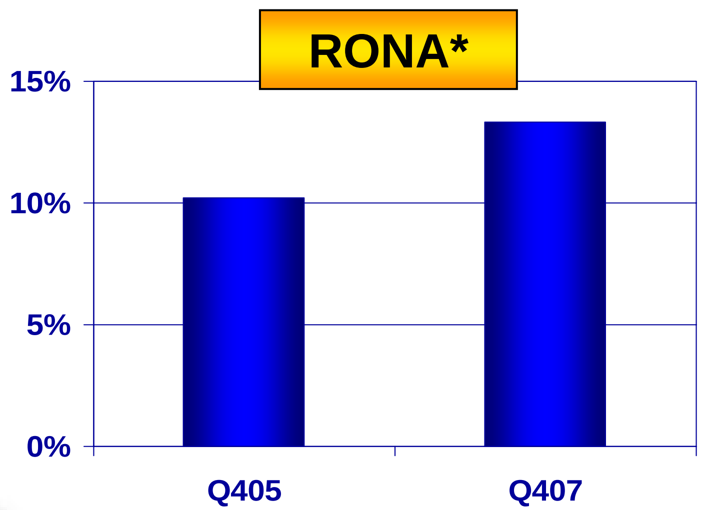
	Sales Expansion	Product Portfolio	Cost Structure	Assets Mgmt.
De-Consolidating Flash Memories by Creating NUMONYX		✓	✓	✓
Technology R&D Alliance with IBM		✓	✓	✓
Nokia Agreement on 3G DBB	✓	✓		
New Fabs Restructuring Initative			✓	✓
Continued Strategic Initatives: •New major key accounts, China, Japan •Expand advanced analog •Focus on product R&D: wave of new products •Reduce the number of fabs •Increase sourcing from foundries •...	✓	✓	✓	✓

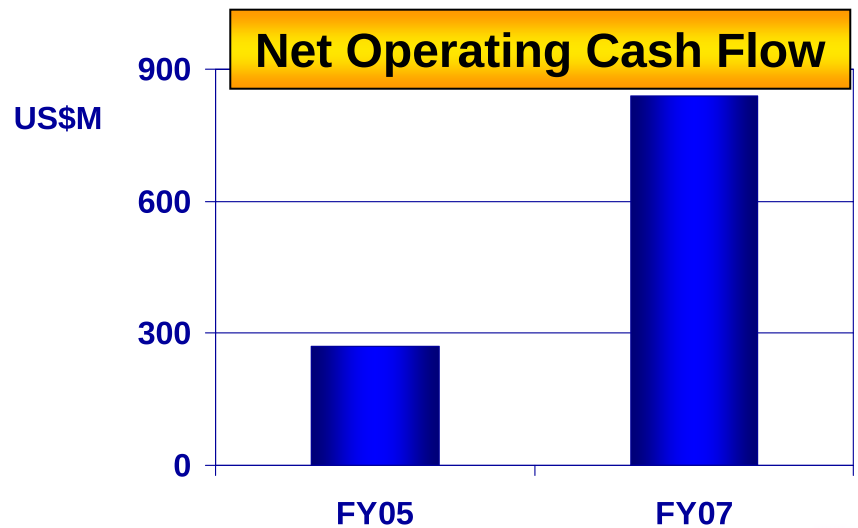
INCREASING SHAREHOLDER VALUE

Strategic Repositioning Towards Value: Results**









* Excludes restructuring charges; Q407 excludes flash

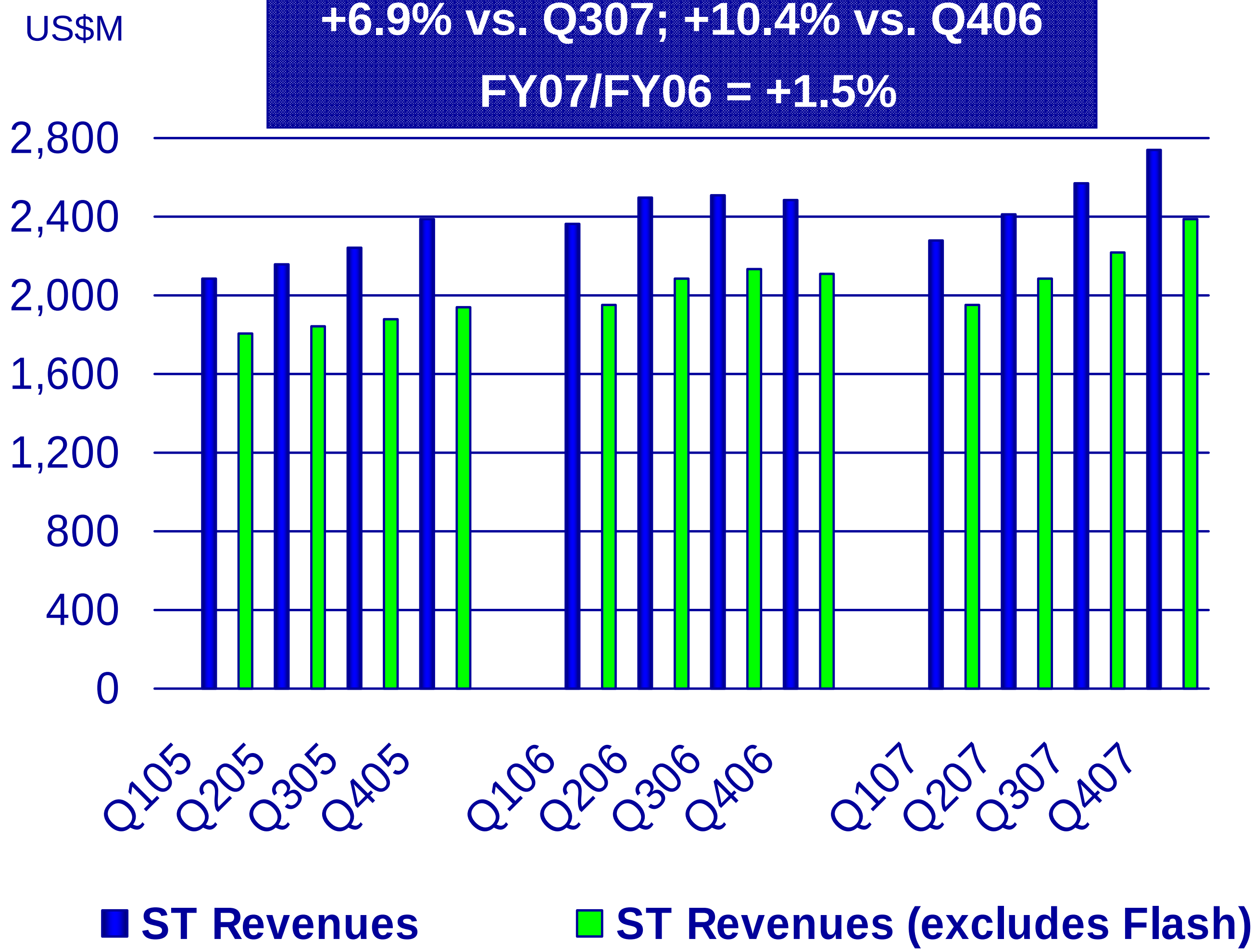
** Effective Euro/$ rate: Q405 = 1.20, Q407 = 1.43

ST Total Revenues

Q407 Total Revenues = $2.74B

+6.9% vs. Q307; +10.4% vs. Q406

FY07/FY06 = +1.5%



Financial Performance

In US$M, except EPS	Q107	Q207	Q307	Q407		FY2006	FY2007
Net Revenues	2,276	2,418	2,565	2,742		9,854	10,001
Gross Margin	34.5%	34.7%	35.2%	36.9%		35.8%	35.4%
Operating Expenses / Sales	30.6%	29.6%	27.8%	28.3%		27.7%	29.0%
Operating Margin* (before impairment & restructuring & excluding one time)	3.2%	5.5%	9.1%	9.6%		7.6%	7.0%
Net Income	74	-758	187	20		782	-476
EPS Diluted	.08	-0.84	0.20	.02		.83	-.53
(before impairment & restructuring & excluding one time)	.09	0.15	0.24	.27		.90	.76
Pre-tax restructuring & total impairment charges	12	906	31	325		77	1,274
RONA**	3.3%	6.3%	10.4%	12.8%		8.8%	8.2%

*Accounting for Assets of Flash Memory Business Held for Sale started in June 2007.

**RONA is not a US GAAP measure and is considered by company management to be the key financial and economic metric to measure the return on invested capital. RONA as the ratio between the operating income (excluding impairment and restructuring charges) and 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, bank overdrafts, current portion of long term debt and long term debt.

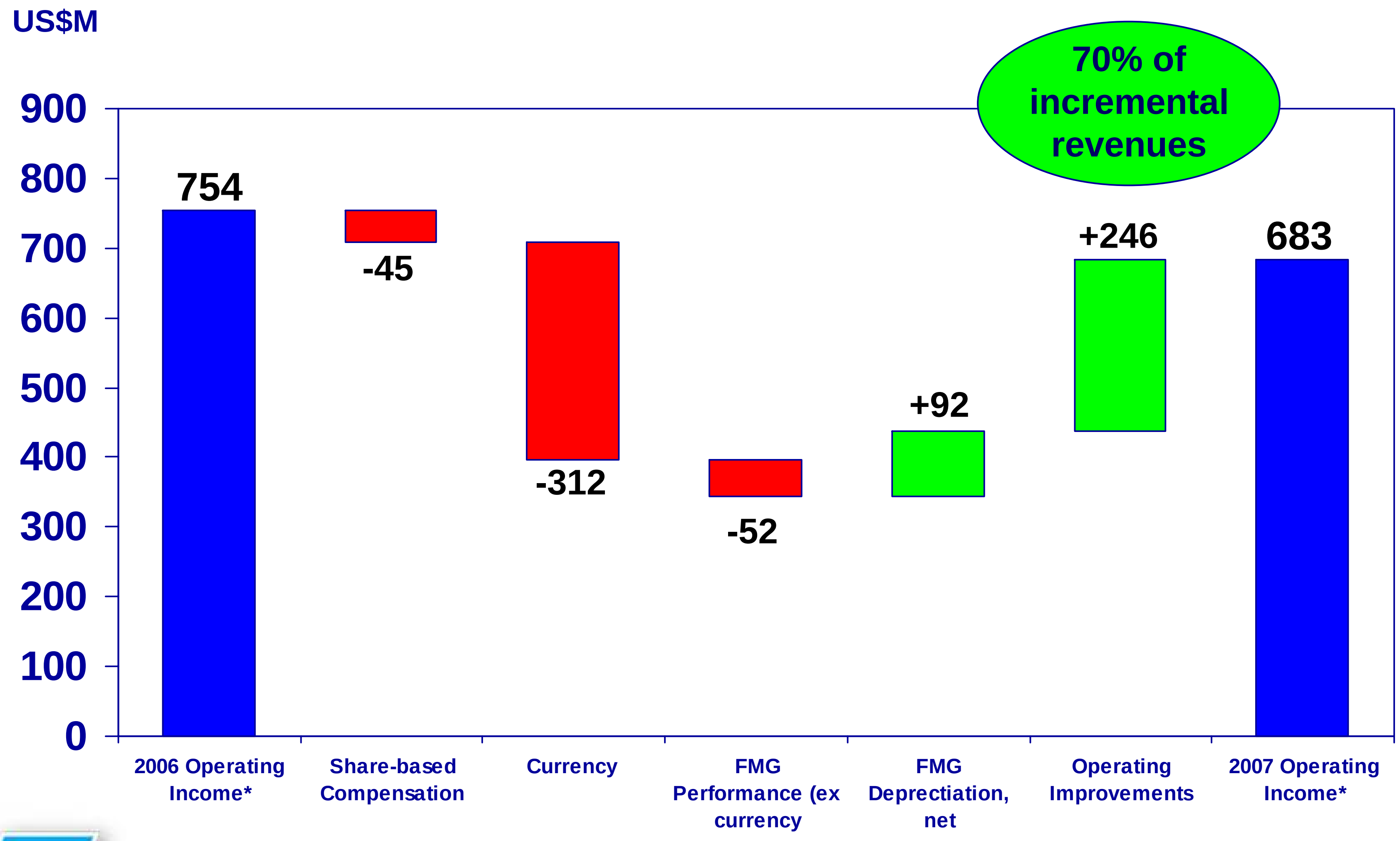
Financial Performance

ST (ex FMG)

In US$M	Q107	Q207	Q307	Q407		FY2007
Net Revenues	1,953	2,086	2,213	2,385		8,637
Gross Margin	37.0%	37.8%	39.1%	38.2%		38.1%
Operating Margin (before impairment & restructuring & excluding onetime)	4.6%	7.6%	12.1%	10.0%		8.5%
RONA*	n/a	9.1%	14.0%	13.3%		10.5%

*RONA is not a US GAAP measure and is considered by company management to be the key financial and economic metric to measure the return on invested capital. RONA as the ratio between the operating income (excluding impairment and restructuring charges) and 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, bank overdrafts, current portion of long term debt and long term debt.

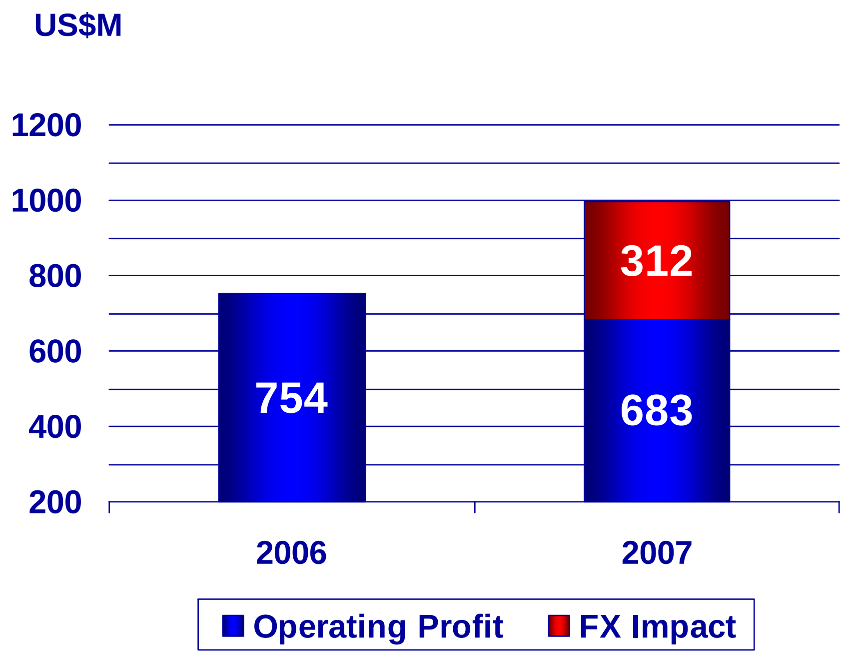
2007 vs. 2006 Comparison: EBIT before Impairment & Restructuring

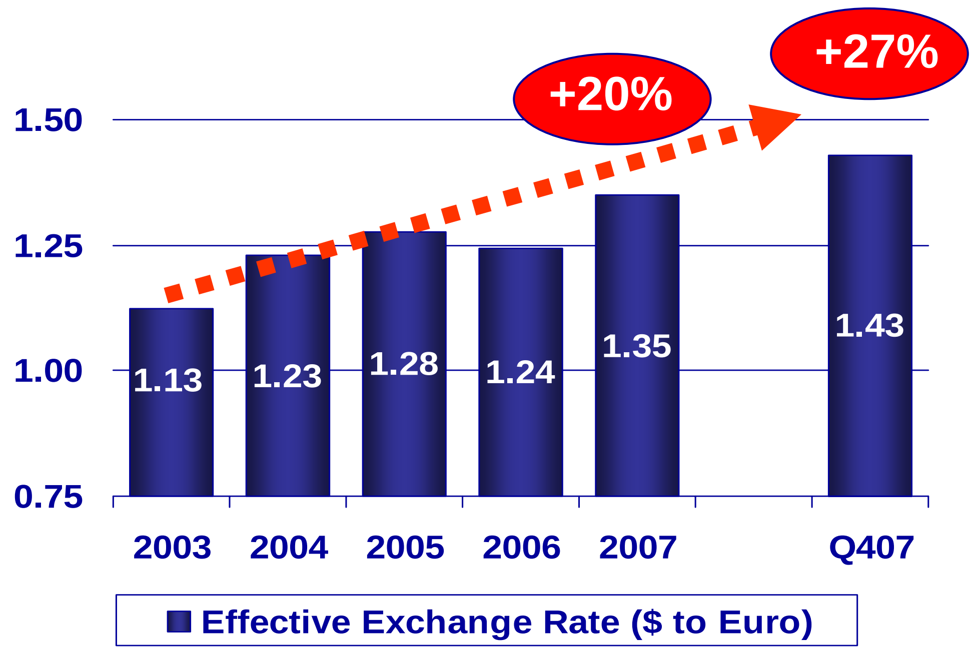


* 2006 and 2007 Operating Profit before impairment and restructuring charges of $77 million and $1.23 billion, respectively

Currency Impact on EBIT

A strong Euro has masked our improved operating performance

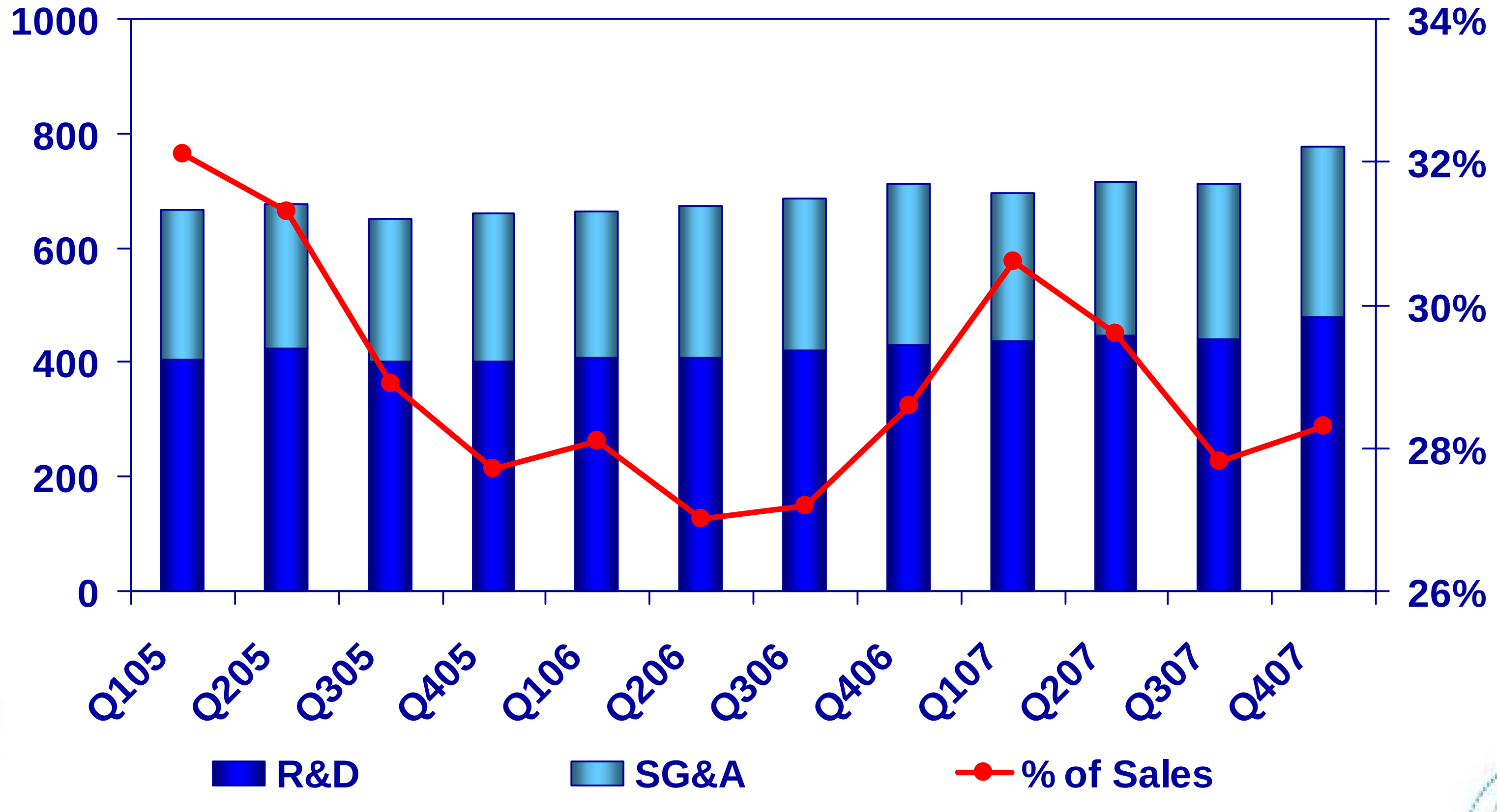




Operating Expense Control
(As reported in US$M)

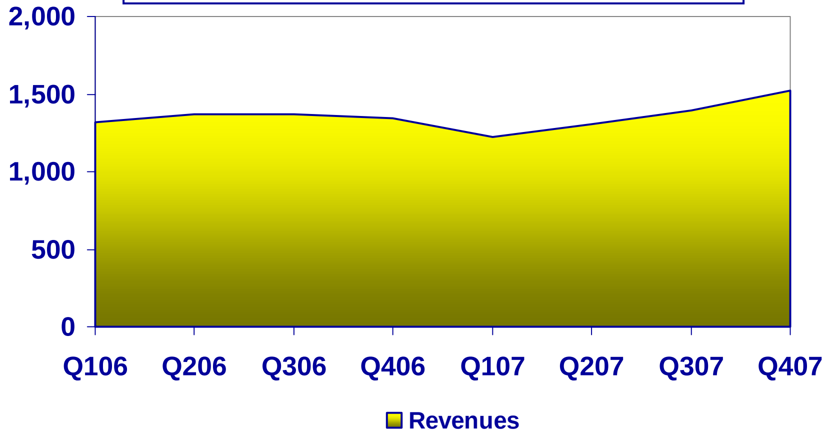
Operating Expenses:

- **Q407 sequential expenses reflect:**
  - +$25M in currency effects; +$8M in stock-based compensation charges
  - +$7M in R&D from the acquisition of the Nokia design team
- **2007 / 2006 negative currency impact of ~ $180M**
- **29% of net revenues vs. 27.7% in 2006**

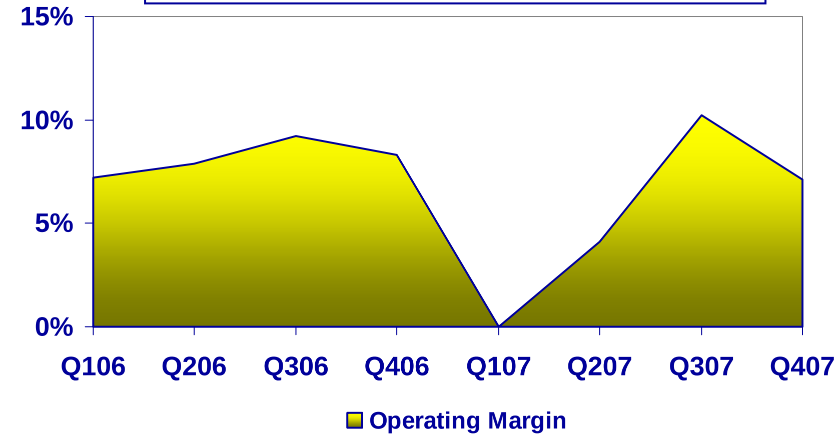


Product Segments (ex Flash): Revenue & Operating Margin Trends

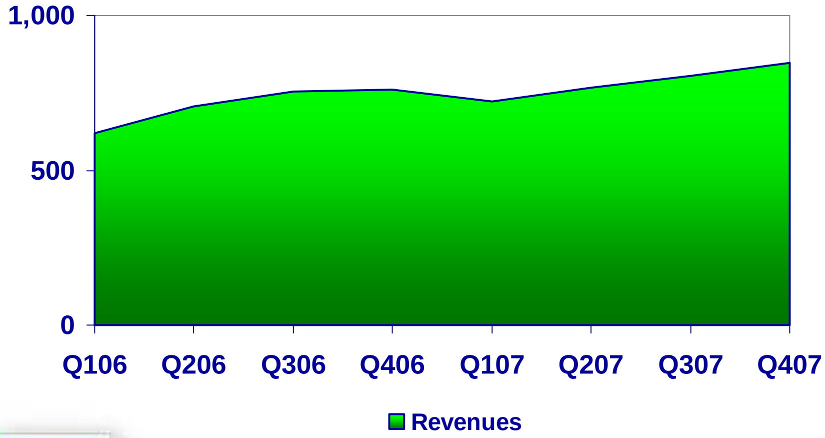
Application Specific Group



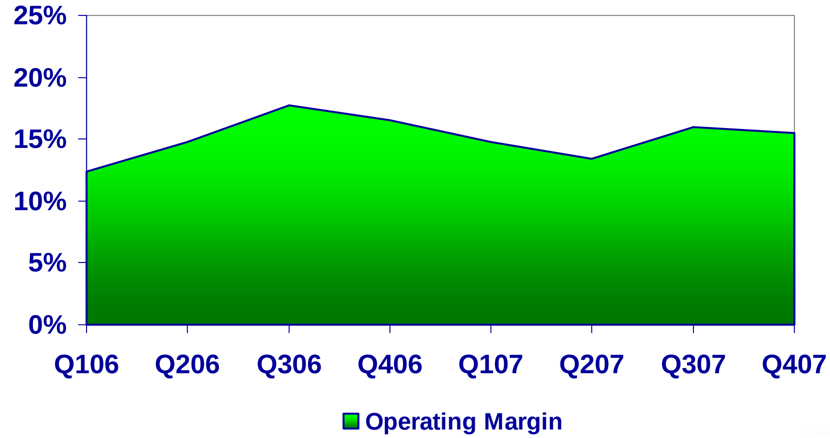
Application Specific Group



Industrial & Multisegment Sector

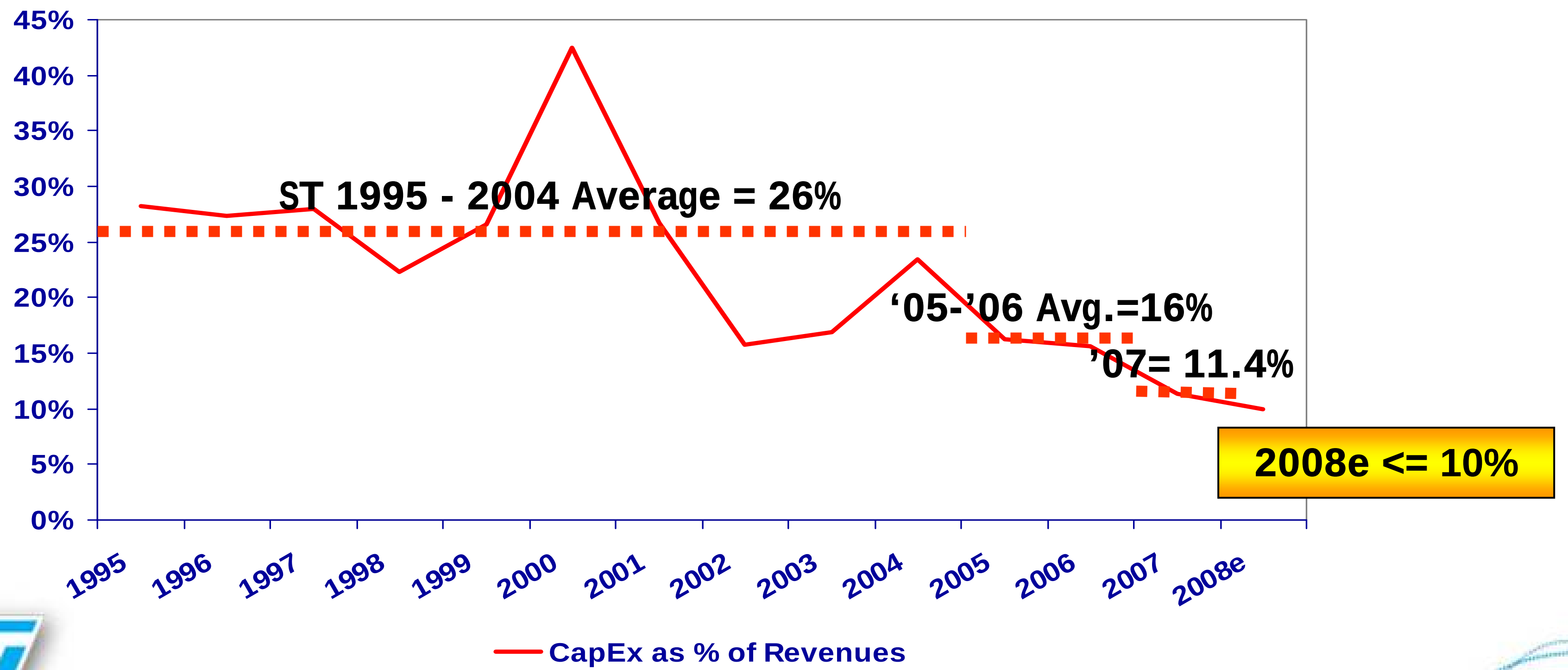


Industrial & Multisegment Sector

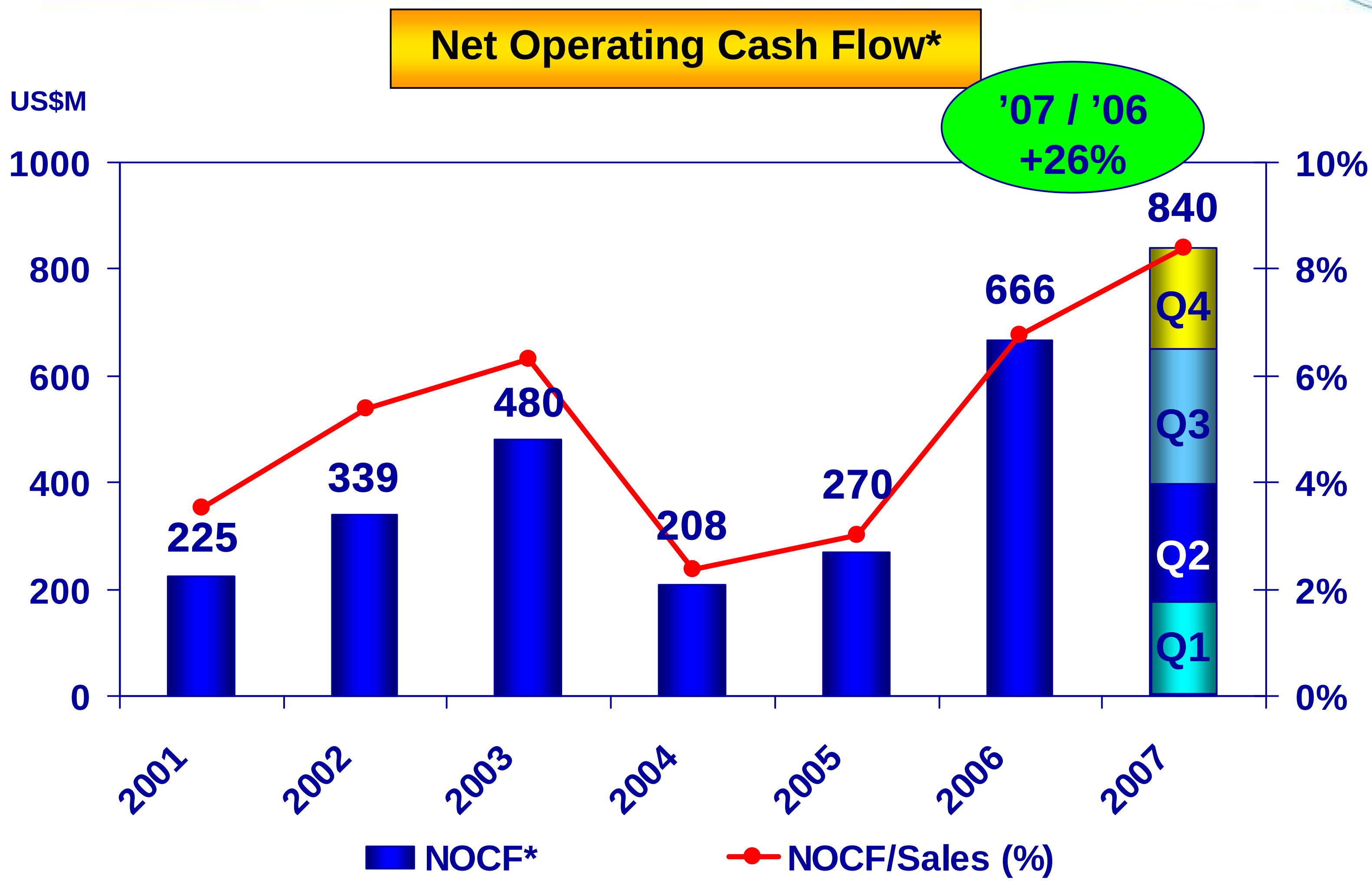


Reducing CapEx to Sales Ratio

- **Increasing use of silicon foundry:**
  - Approximately 14% of Q407 wafers out
  - Outsourced advanced CMOS (51% in Q407; 49% in FY2007)
- **Partnership and manufacturing joint ventures**
  - IBM Alliance
- **Continued rationalizing of manufacturing operations**



Generating Cash



*Non US GAAP measure defined as: Net cash from operating activities minus net cash used in investing activities excluding payments for purchase of and proceeds from the sale of marketable securities and short term deposits.

Balance Sheet Highlights

End of period In US$M	31 Dec. 2006	30 Sept. 2007 w/o FMG	31 Dec. 2007 w/o FMG
Total Assets	14,198	13,998	14,272
Shareholders' Equity	9,747	9,324	9,573
Cash and Cash Equivalents	2,891	3,289	3,488
Net Financial (Debt)/Cash Position	761	1,116	1,268
Inventory Turns	3.9x	3.9x 3.9x	4.1x 4.4x
Net Asset Turns	1.13	1.27	1.33

2008 RONA Evolution

- Product innovation and development
- Continued sales expansion effort
- Reduced capital intensity

OPERATING MARGIN	11% -15%
x NET ASSET TURNS	1.1 - 1.3
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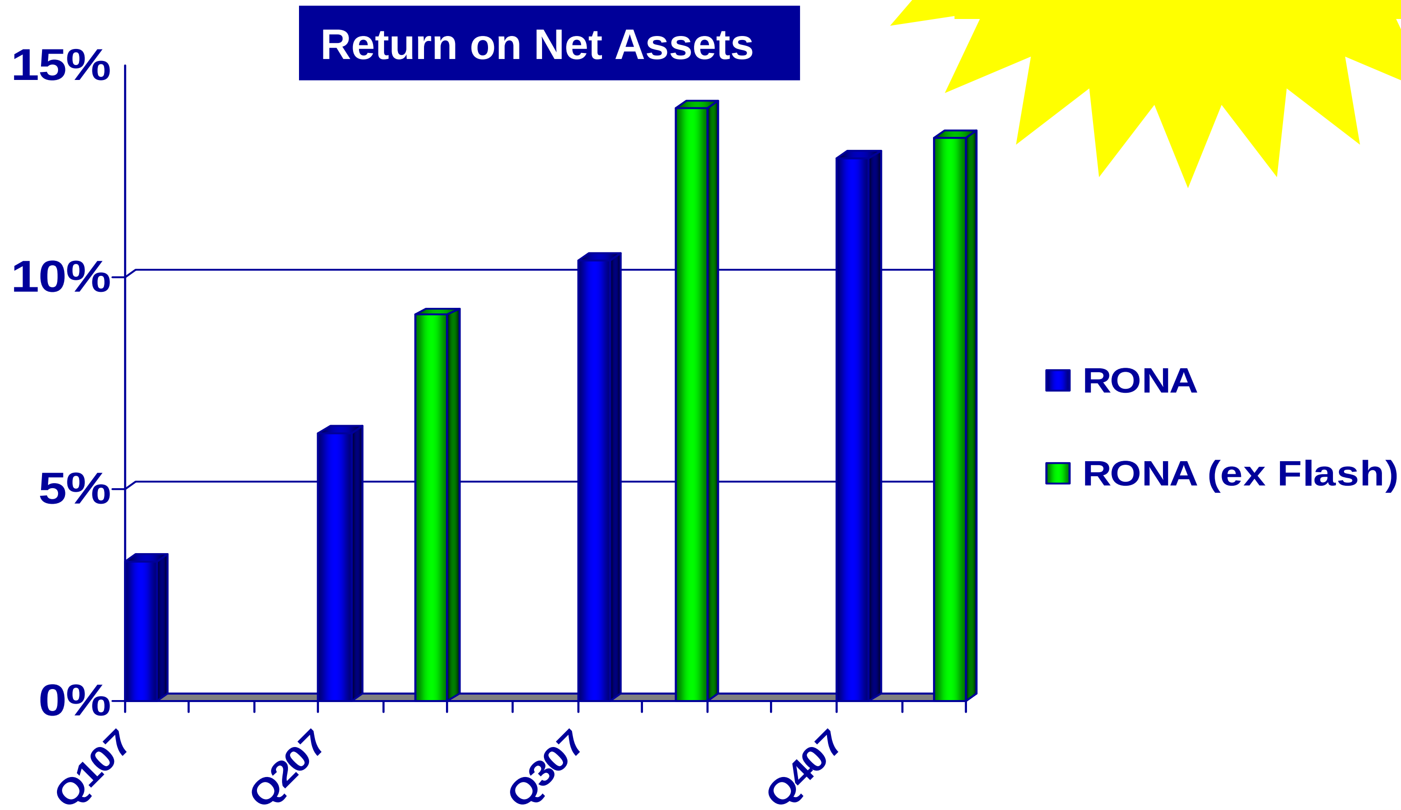
= RONA	12% - 20%



Outlook

- Q108 revenues to decrease between 5% and 11% sequentially in-line with traditional seasonality
- Q108 gross margin:
  - US dollar weakness expected to negatively impact sequential gross margin
  - Expect about 36.3% +/- 1 percentage point
- 2008 capex to sales ratio at or below 10%

Q108 based on expected effective currency rate of about $1.46 = €1

Forward Looking Statements

Some of the statements contained in this presentation 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) based on STMicroelectronics's management's current views and assumptions and 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:

future developments of the world semiconductor market, in particular the future demand for semiconductor products in the key application markets and from key customers served by our products; pricing pressures, losses or curtailments of purchases from key customers all of which are highly variable and difficult to predict; the financial impact of obsolete or excess inventories if actual demand differs from our anticipations; the impact of intellectual property claims by our competitors or other third parties, and our ability to obtain required licenses on reasonable terms and conditions; changes in the exchange rates between the US dollar and the Euro, compared to an assumed effective exchange rate of US $1.46 = €1.00 and between the U.S. dollar and the currencies of the other major countries in which we have our operating infrastructure; our ability to manage in an intensely competitive and cyclical industry, where a high percentage of our costs are fixed and difficult to reduce in the short term, including our ability to adequately utilize and operate our manufacturing facilities at sufficient levels to cover fixed operating costs; our ability to close our agreement with Intel and Francisco Partners concerning the creation of Numonyx, currently targeted for the first quarter of 2008, if the financial, business or other conditions to closing as contractually provided are not met; the charge of $1.11 billion posted so far in relation to our Flash memory business may materially change if closing does not occur as currently planned, or due to adverse developments in the credit markets; our ability in an intensively competitive environment to secure customer acceptance and to achieve our pricing expectations for high-volume supplies of new products in whose development we have been, or are currently, investing; the attainment of anticipated benefits of research and development alliances and cooperative activities, as well as the uncertainties concerning the modalities, conditions and financial impact beyond 2007 of future R&D activities in Crolles2; the ability of our suppliers to meet our demands for supplies and materials and to offer competitive pricing; significant differences in the gross margins we achieve compared to expectations, based on changes in revenue levels, product mix and pricing, capacity utilization, variations in inventory valuation, excess or obsolete inventory, manufacturing yields, changes in unit costs, impairments of long-lived assets (including manufacturing, assembly/test and intangible assets), and the timing and execution of our manufacturing investment plans and associated costs, including start-up costs; changes in the economic, social or political environment, including military conflict and/or terrorist activities, as well as natural events such as severe weather, health risks, epidemics or earthquakes in the countries in which we, our key customers and our suppliers, operate; changes in our overall tax position as a result of changes in tax laws or the outcome of tax audits, and our ability to accurately estimate tax credits, benefits, deductions and provisions and to realize deferred tax assets; the outcome of litigation; the results of actions by our competitors, including new product offerings and our ability to react thereto.

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 such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be" or "anticipates" or similar expressions or the negative thereof or other variations thereof, or by discussions of strategy, plans or intentions. Some of the risk factors we face 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, 2006, as filed with the SEC on March 14, 2007. 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 information or forward-looking statements set forth in this release to reflect subsequent events or circumstances.

Unfavorable changes in the above or other factors listed under "Risk Factors" from time to time in our SEC filings, including our Form 20-F, could have a material adverse effect on our results of operations or financial condition.

Q & A