

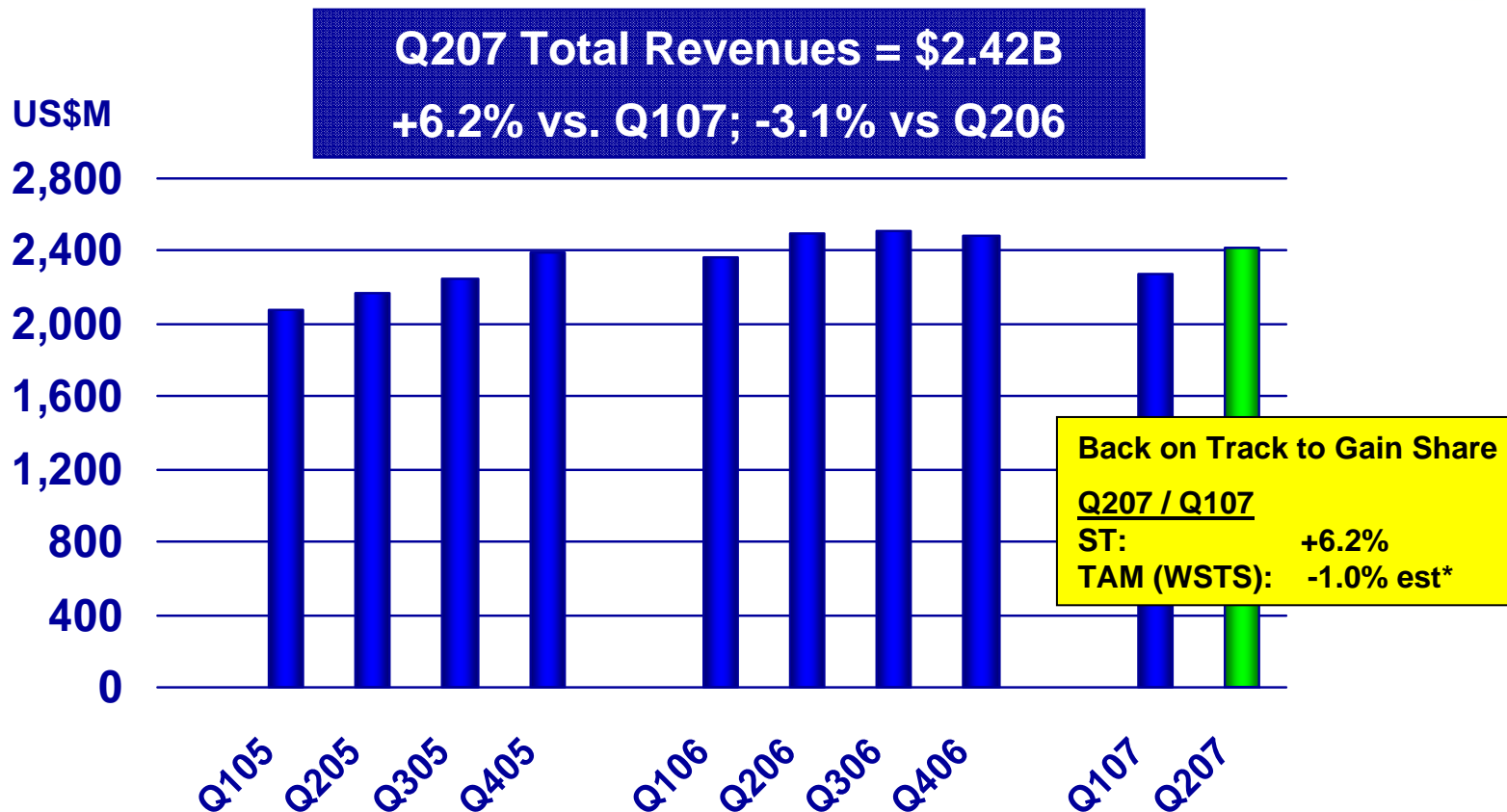


STMicroelectronics

Q2 2007 Financial Results



ST Total Revenues



A Top Semiconductor Company in 2006
#1 European Supplier
5 Worldwide Supplier



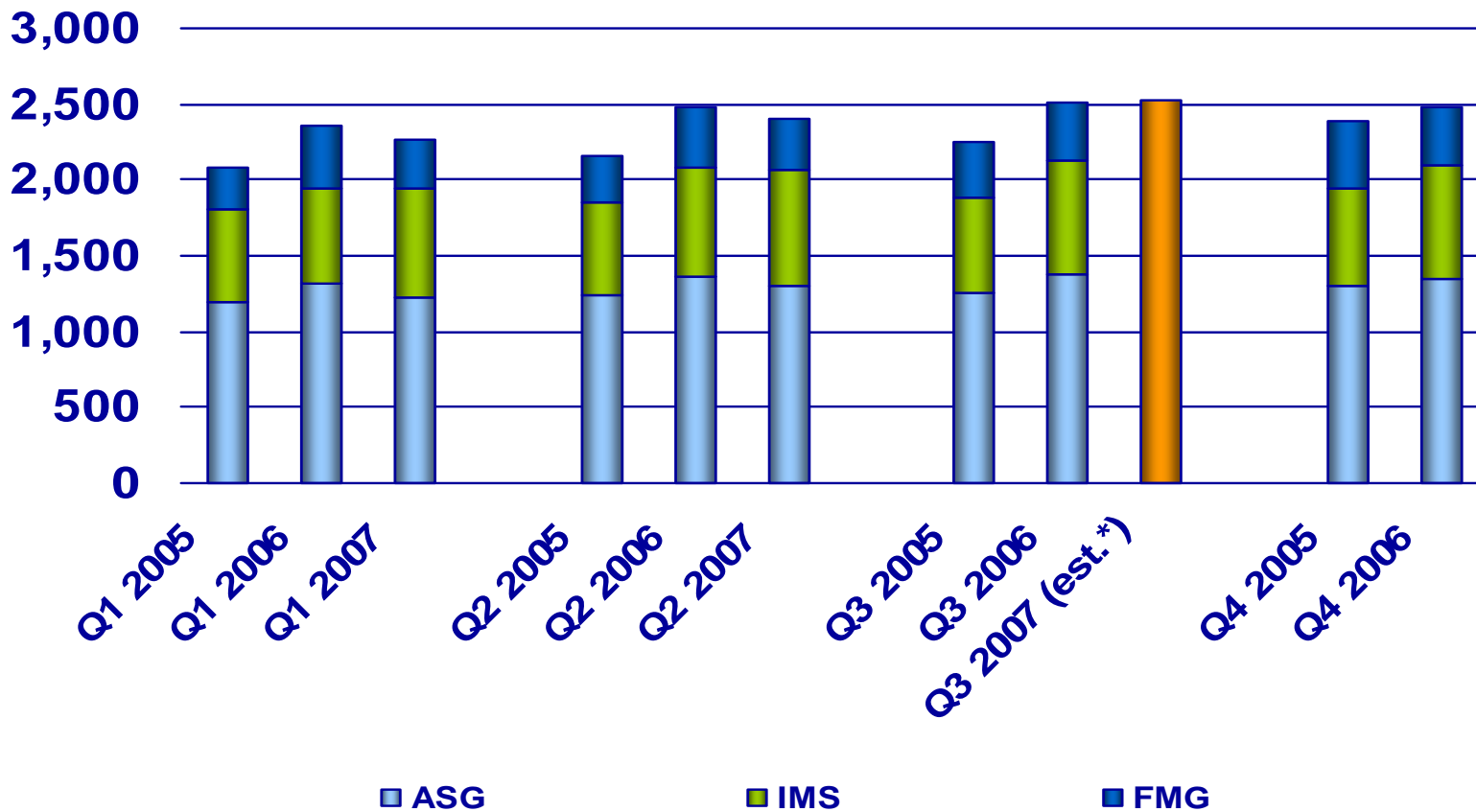
* Source: ST, WSTS

Revenues by Product Segment



Q207 – Recovery in Wireless & Digital Consumer

US\$M



* Based on mid-point of company guidance

Impact of FMG on ST's Financial Results*



	ST	FMG	ST w/o FMG
Net Revenues Q207	\$2,418	\$331	\$2,086
Net Revenues Q107	\$2,276	\$323	\$1,953
Sequential growth Q207	6.2%	2.7%	6.8%
Y-o-Y growth Q207	-3.1%	-18.5%	-0.1%
Gross Margin Q207	34.7%	14.9%	37.8%



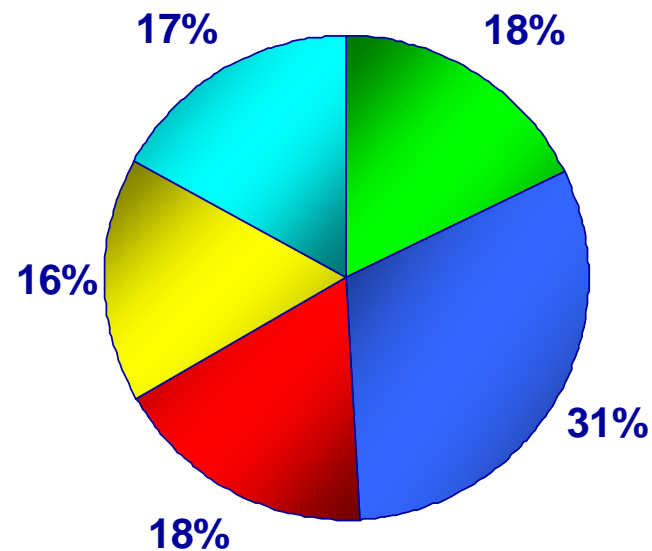
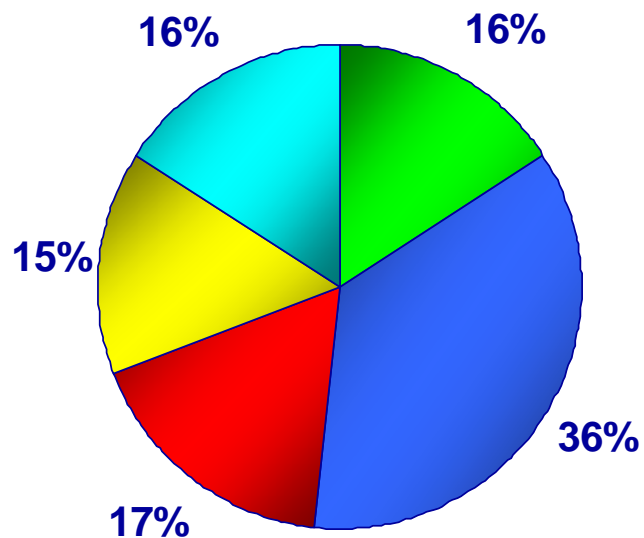
* The analysis does not intend to anticipate ST's financial results after the separation of FMG. It reports the actual impact of FMG on ST's key financial metrics.

Revenues by Market Segment

ST
Q207 Sales = \$2.42B



ST Without FMG
Q207 Sales = \$2.09B



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

Positive Momentum: Key Customers and Regions



New Major Key Accounts

- Major OEMs targeted:
- Over \$40 billion in semiconductor TAM
- Sales up 6.7% sequentially
- Sales, excluding FMG, up 16% sequentially and 27% year over year

Japan

- Sales up 17.5% sequentially

Mass Market

- Sales up 10.9% sequentially

Greater China

- Sales up 16.2% sequentially

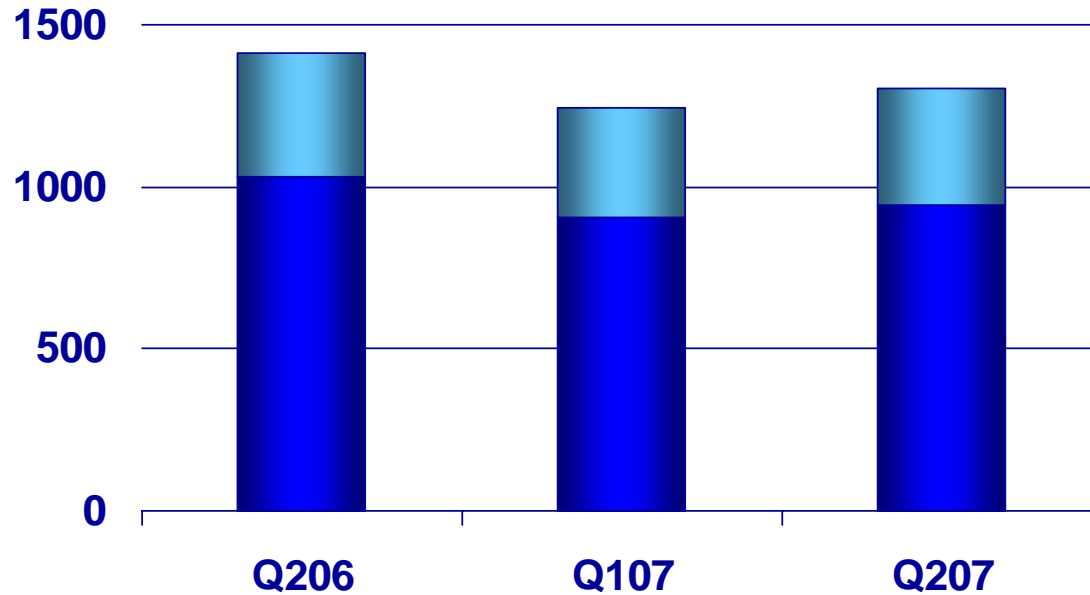


Targeted Customers



Sales to Current Strategic Partners and New Major Key Accounts

US\$M



■ Strategic Partners ■ New Major Key Accounts

Strategic Partners:

NOKIA
CONNECTING PEOPLE

**MAGNETI
MARELLI**

THOMSON

SIEMENS VDO

ALCATEL

BOSCH

**Western
Digital**

hp **HEWLETT®
PACKARD**

PIONEER®

Seagate

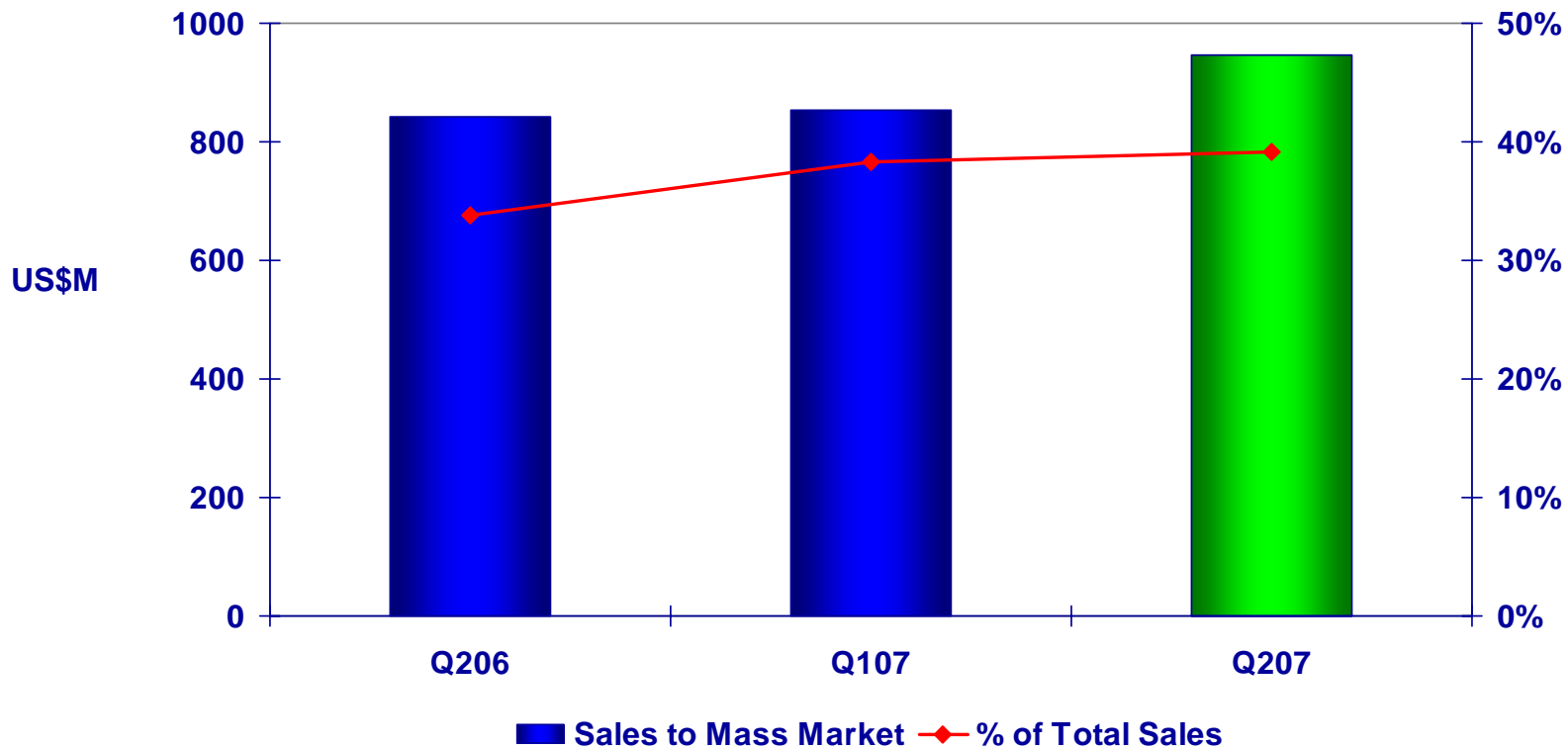
**NORTEL
NETWORKS**



Customer Base Expansion



Sales to Customers Outside the Traditional Top 50 (Mass Market)

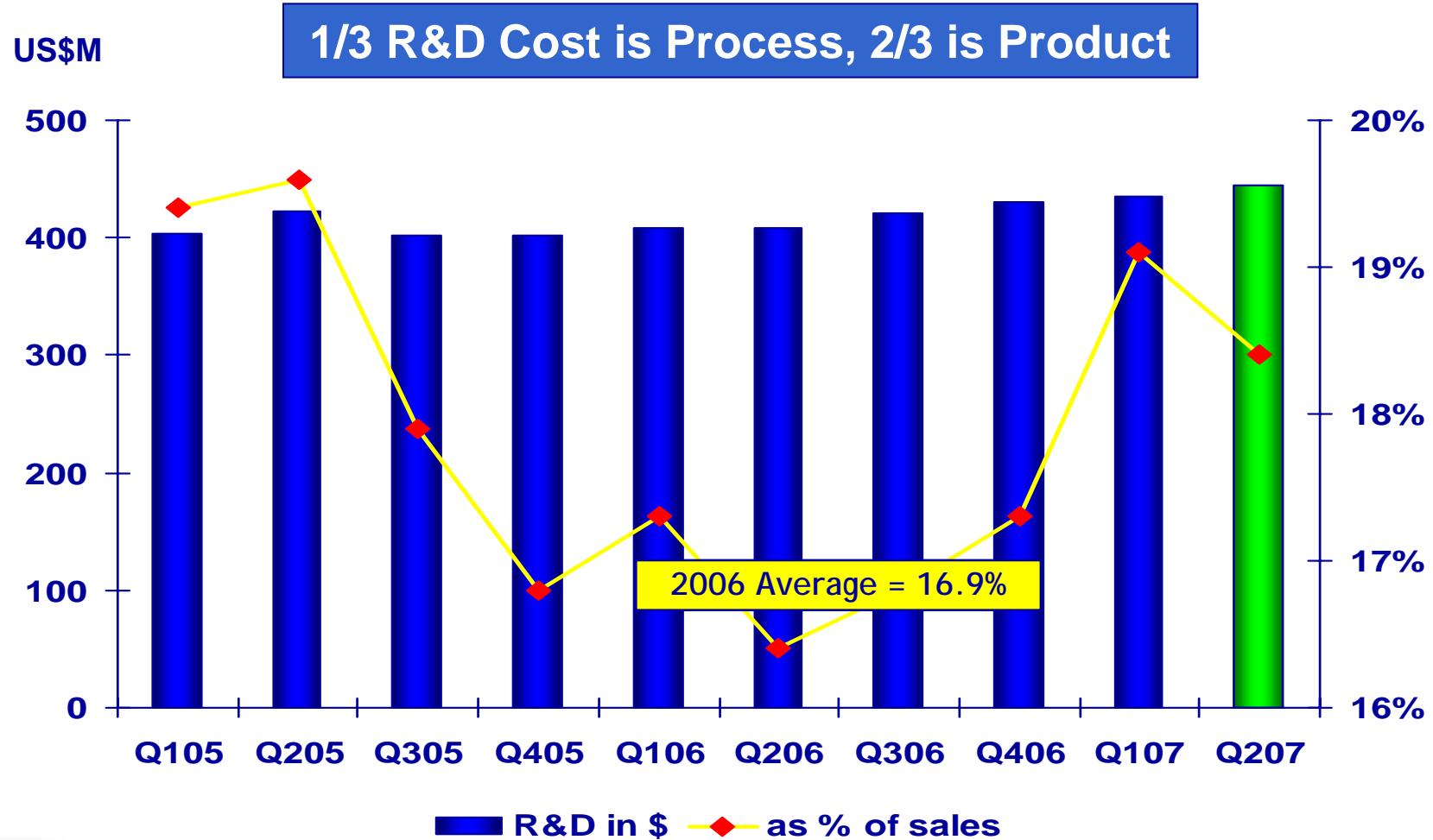


- Improving product mix is expanding opportunities

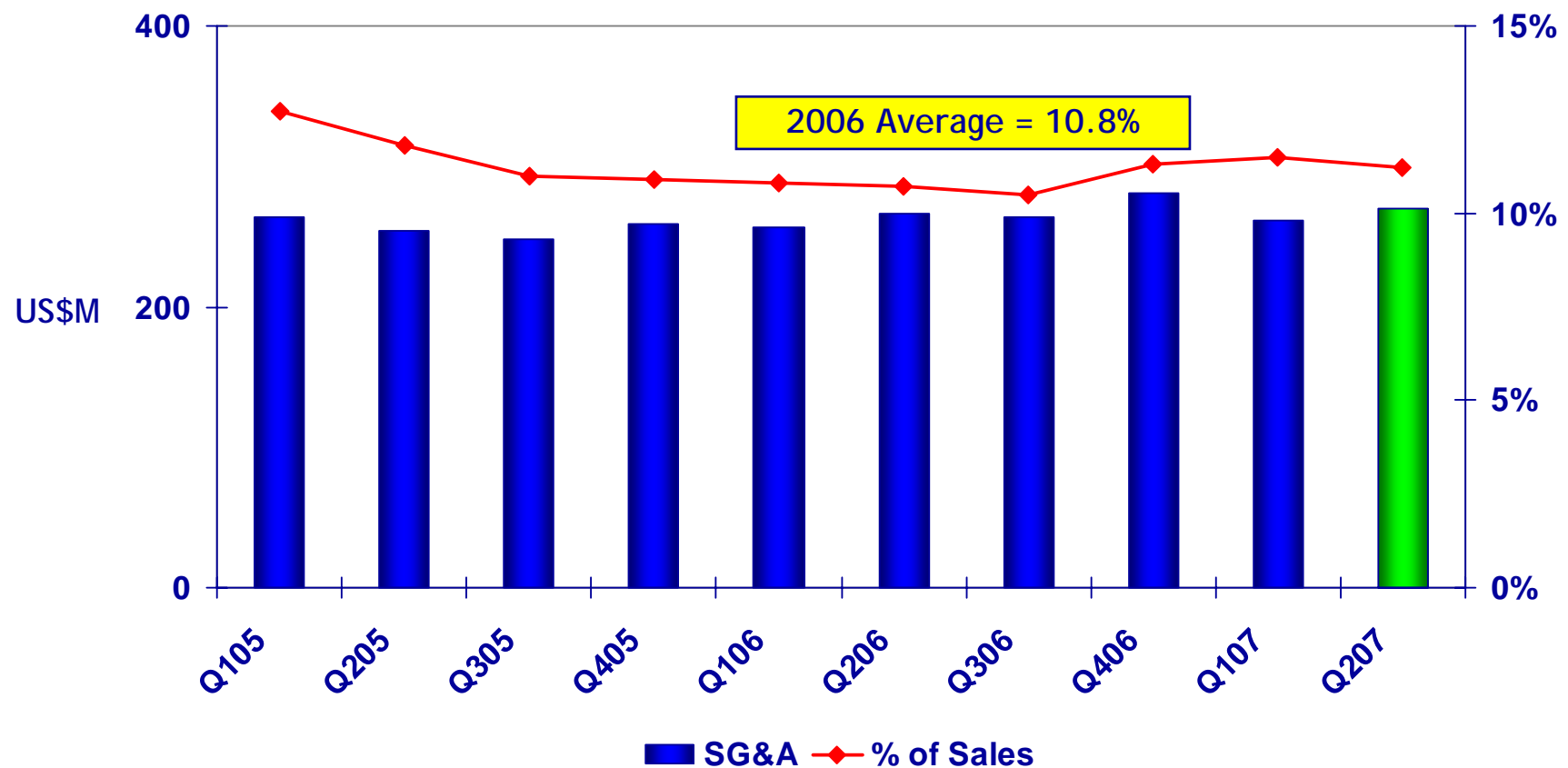
Target: Significantly exceed 40% of total sales



R&D Investment: Consistent and Focused



SG&A: Effectively Controlling Expenses



Financial Performance



(US\$M, except EPS amounts)

	Q206	Q107	Q207 w/o FMG
Net Revenues	2,495	2,276	2,418 2,086
Gross Margin	35.4%	34.5%	34.7% 37.8%
Operating Margin (before impairment & restructuring)	8.1%	3.2%	5.5% 7.7%
Net Income	168	75	-758
EPS Diluted (before impairment & restructuring)	0.21	0.09	.15
Pre-tax restructuring charges	34	12	906
RONA*	9.6%	3.3%	6.3% 9.1%

End of period	1 July 2006	1 April 2007	30 June 2007 w/o FMG
Total Assets	15,153	14,200	13,432
Shareholders' Equity	9,075	9,862	8,915
Cash and Cash Equivalents	3,895	3,030	3,030
Net Financial (Debt)/Cash Position	539	917	870
Inventory Turns	4.2x	3.6x	3.7x 3.9x
Net Asset Turns	1.17	1.02	1.14 1.20

*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.



Q207 Impact of FMG Deconsolidation



- **Income statement**

- **\$857M non-cash impairment loss recognized in Q207**
 - Final true-up at closing date

- **Balance sheet**

- **‘Assets Held for Sales’ of \$1,204M**
 - Includes PPE, intangible assets, equity investments, inventories, all net of the \$857M impairment loss
- **Inventory**
 - \$371M of FMG inventory transferred to ‘Assets Held for Sale’

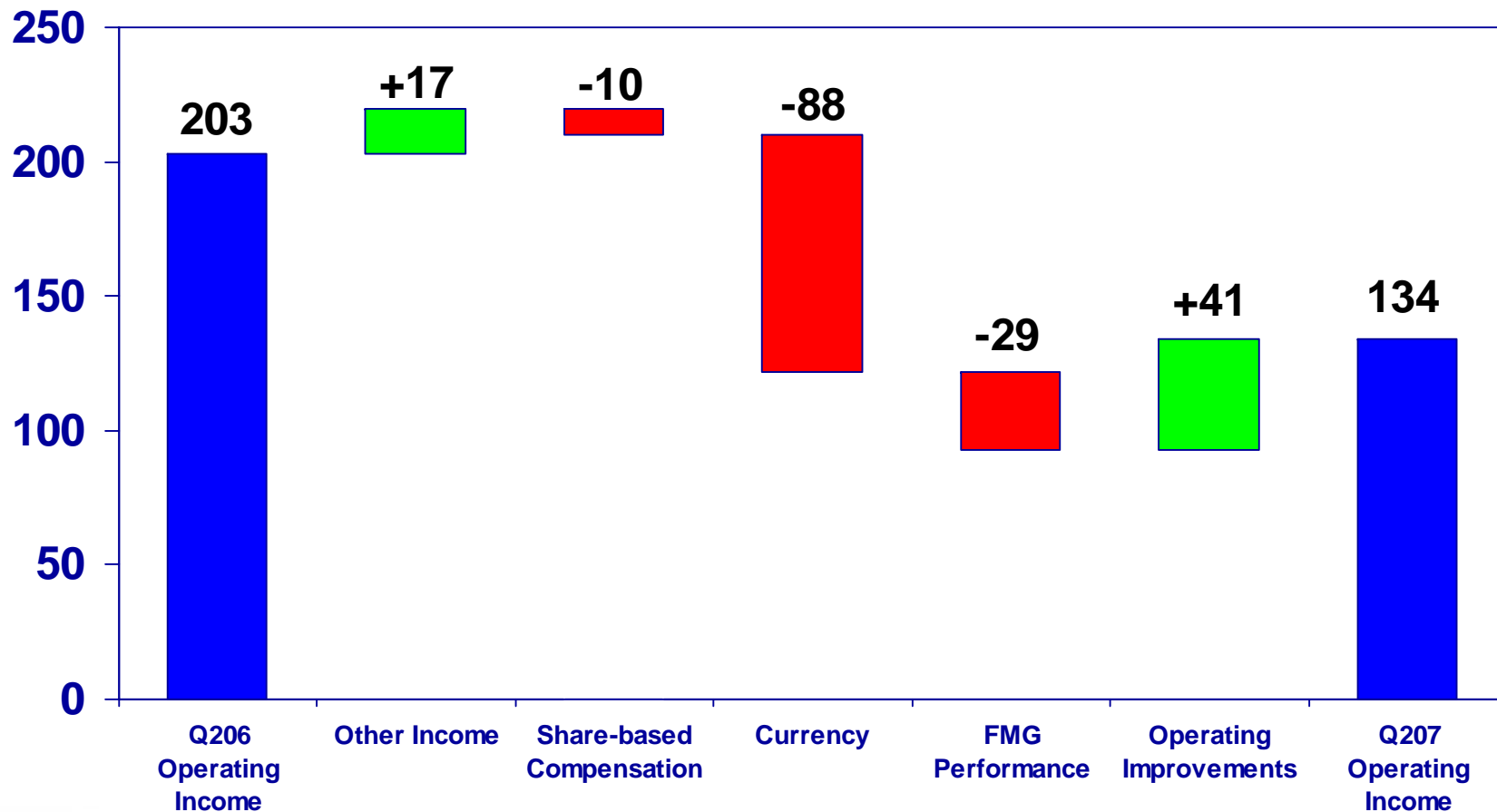


Operating Income Comparison – YoY

(excluding impairment & restructuring charges)



US\$M



EBIT: Opportunity Drivers in 2H07



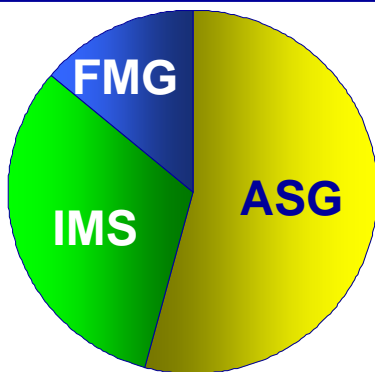
- Leverage on sales growth
- New products / richer mix
- Manufacturing:
 - Scale and learning curve in Singapore 6" and Agrate 8"
 - Capacity saturation
 - Capital spending target of about 12%
 - Depreciation roll-off
 - Double-digit wafer cost reduction target
- Expense Control

EBIT SEQUENTIAL IMPROVEMENT EACH QUARTER

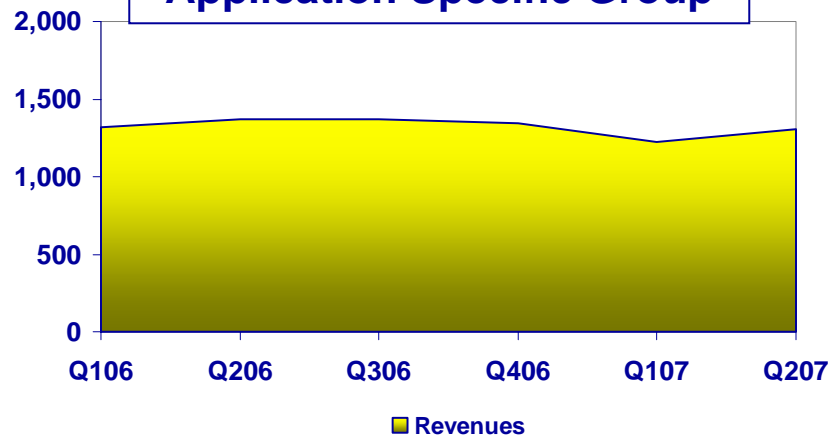


Product Segments: Revenue Trends

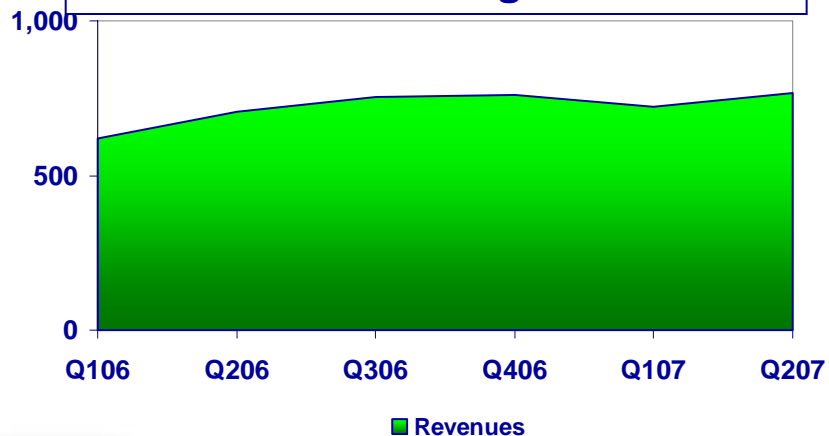
Groups (as a % of 1H07 Sales)



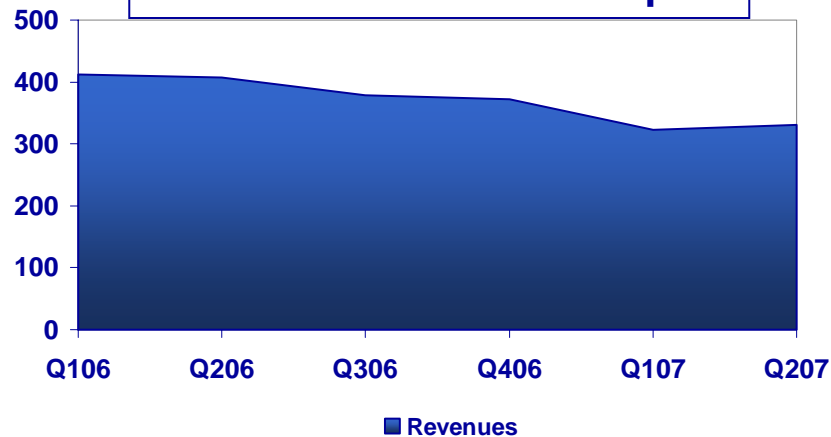
Application Specific Group



Industrial & Multisegment Sector



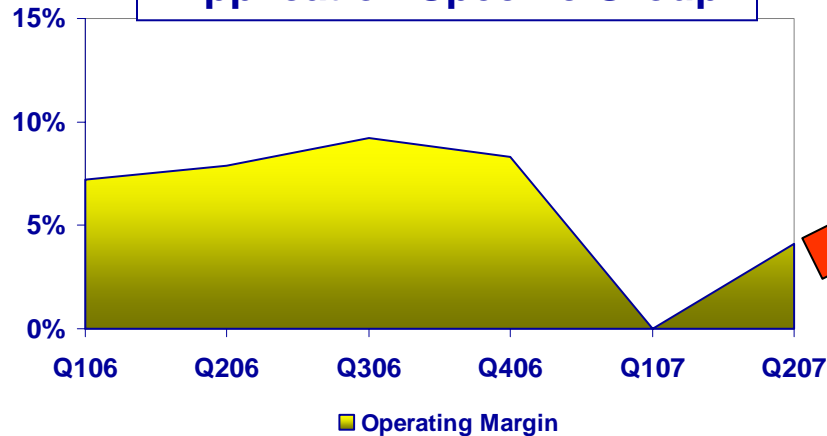
Flash Memories Group



Product Segments: Operating Margin Trends



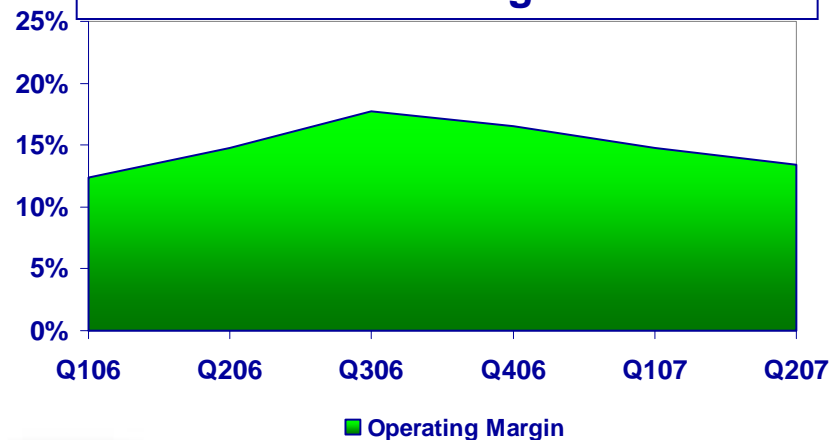
Application Specific Group



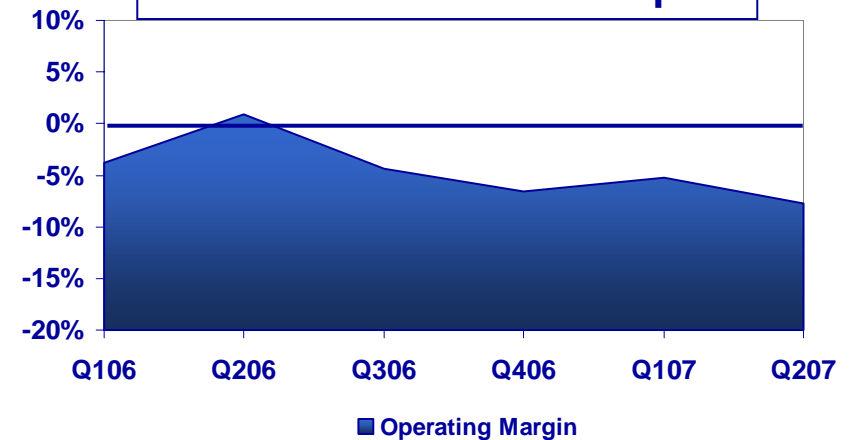
Reversed ASG's Trend!

- Sales Growth
- Improving our product mix
 - 3G digital baseband
 - Connectivity
 - Multimedia processor
 - STB / Digital TV
 - HDD SoC

Industrial & Multisegment Sector



Flash Memories Group



Many New Product Opportunities

2007
1987
20 years dedicated
to the future ST



3G Digital Base Band

- Supplier through partnership with EMP
- Volume shipments to several customers
- >10M units estimated for 2007; units expected to triple in 2008



Application Processor

- Samsung, LG and Nokia ramping volume in 2007/2008

Connectivity

- Market share growing, solid # 3 in Bluetooth for wireless handset applications
- Bluetooth in volume in >60 phones; designed in >100 phones
- WLAN solutions in volume in 14 mobile devices with a top-tier OEM; designed in >25 devices
- FM + BT combo chip designed into >10 mobile phones



MORE...New Product Opportunities...

2007
1987
20 years dedicated
to the future ST



HUMAX
EASY DIGITAL



**Scientific
Atlanta**

dish
NETWORK



Digital Consumer

- Set-top Box
 - ST #1 in H.264, both HD & SD, leader in IP-STB decoders
 - Highly integrated 710x HDTV MPEG-4 decoders shipping to Samsung and Humax STBs for Korea Telecom's new IPTV service
 - 7200: single-chip dual HDTV decoder in 65nm sampling targeting high-end STB and Blu-ray/HD-DVD
- Digital TV
 - Market addressed with STB "plug-in" solutions (SD & HD)
 - Integrated TV solutions based on STD2000/1000

Computer Peripherals

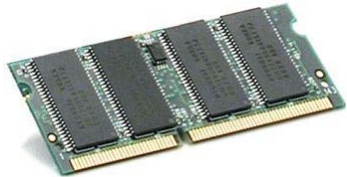
- Data Storage
 - 90nm SoC drive development according to plan; production 2H07
- Printers
 - Introduced SABRe, market-unique solution for printer, fax and point-of-sale applications

MORE...New Product Opportunities



MEMS

- Triple digit revenue growth expected in 2007
- Accelerometer volume shipments to Nintendo (Wii)
- New handset applications: image stabilizer, GPS functionalities
- 3-axis high-performance motion sensor shipping to a ultra-mobile PC Taiwanese manufacturer



High Performance Analog

- Temperature sensor qualification at a major US mobile phone manufacturer
- New temperature sensor for DRAM modules shipping to several major OEMs
- Power-switch controller samples delivered to a major European mobile phone OEM



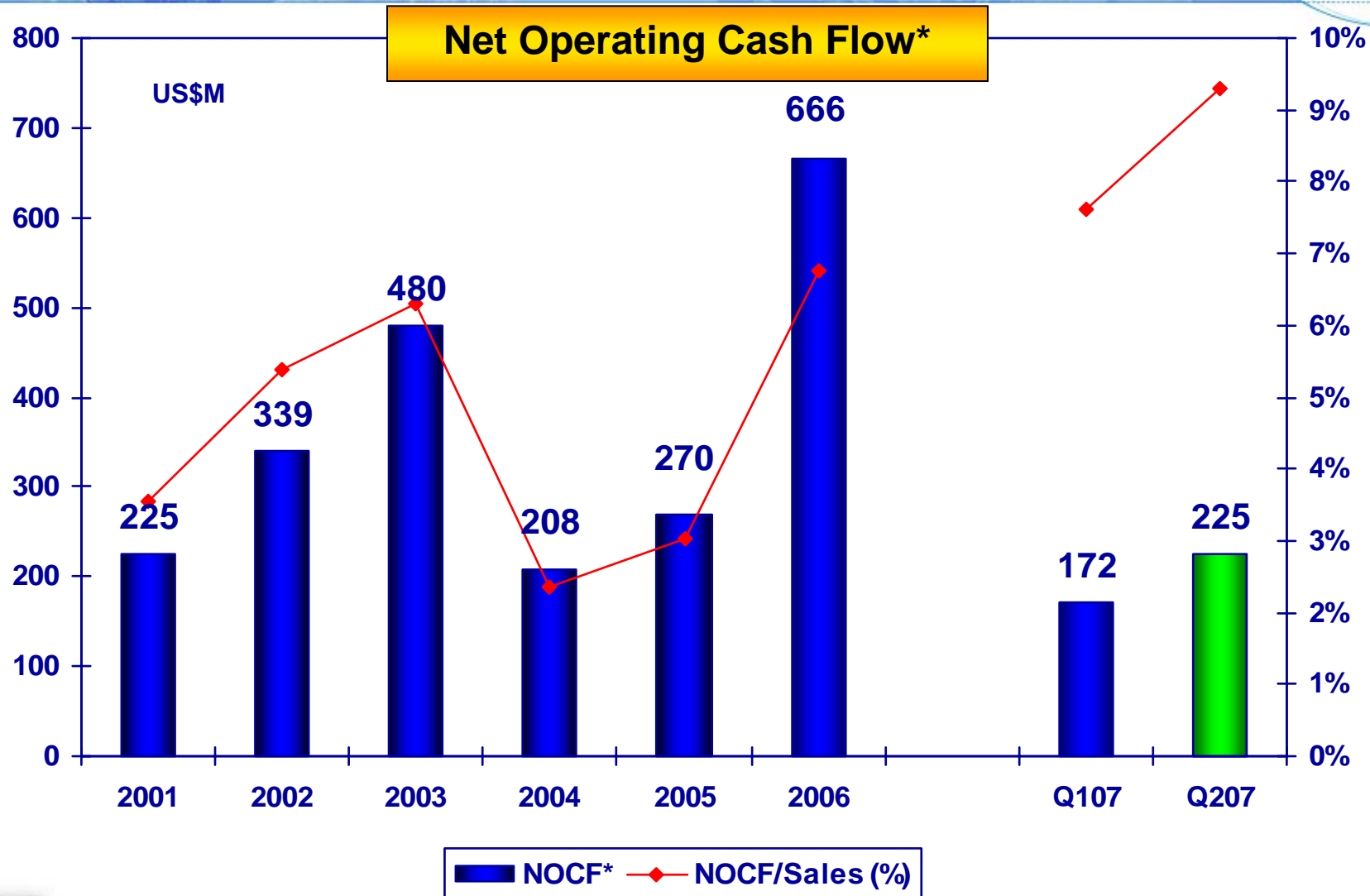
Automotive

- Acquired a major award for an airbag chipset with a Japanese customer
- Design win for a new steering platform from a major European customer
- Introduced industry's first IC to offer GPS capabilities and navigation functions on a single chip



Generating Cash

2007
1987
30 years dedicated
to the future ST



*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.



Outlook



- Q307 revenues to increase between 2% and 7% sequentially
- Q307 gross margin:
 - US dollar weakness continues to negatively impact sequential gross margin
 - Expect about 35.5% +/- 1 percentage point

Based on effective currency rate of about \$1.37 = €1



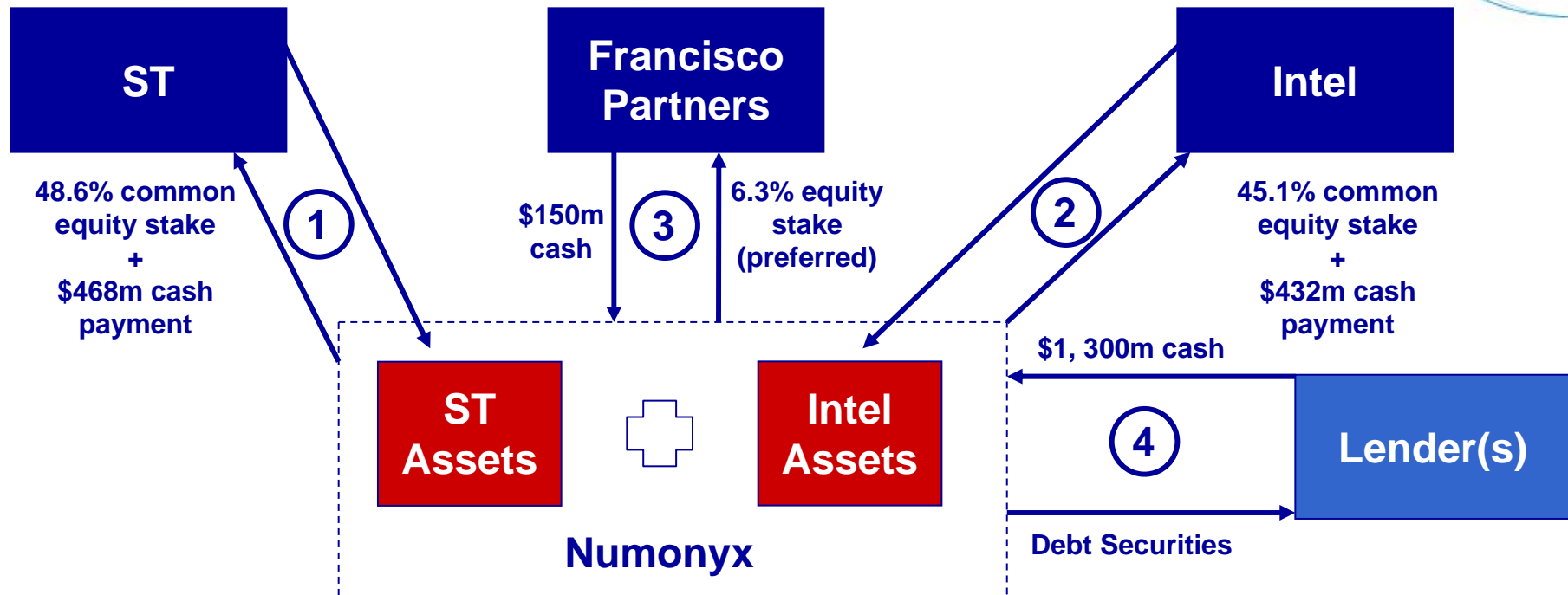
Numonyx: A Flash Memory Leader



- **ST teams with Intel and Francisco Partners to join assets for the creation of an industry leader, 2006 sales of \$3.6B**
- **Global manufacturing resources (9 facilities & 8000 employees)**
- **Focus on NOR Flash system solutions**
- **Top-notch customer base**
- **Leaders in PCM, next generation technology**
- **Independent access to debt capital markets**



Numonyx : Transaction Summary

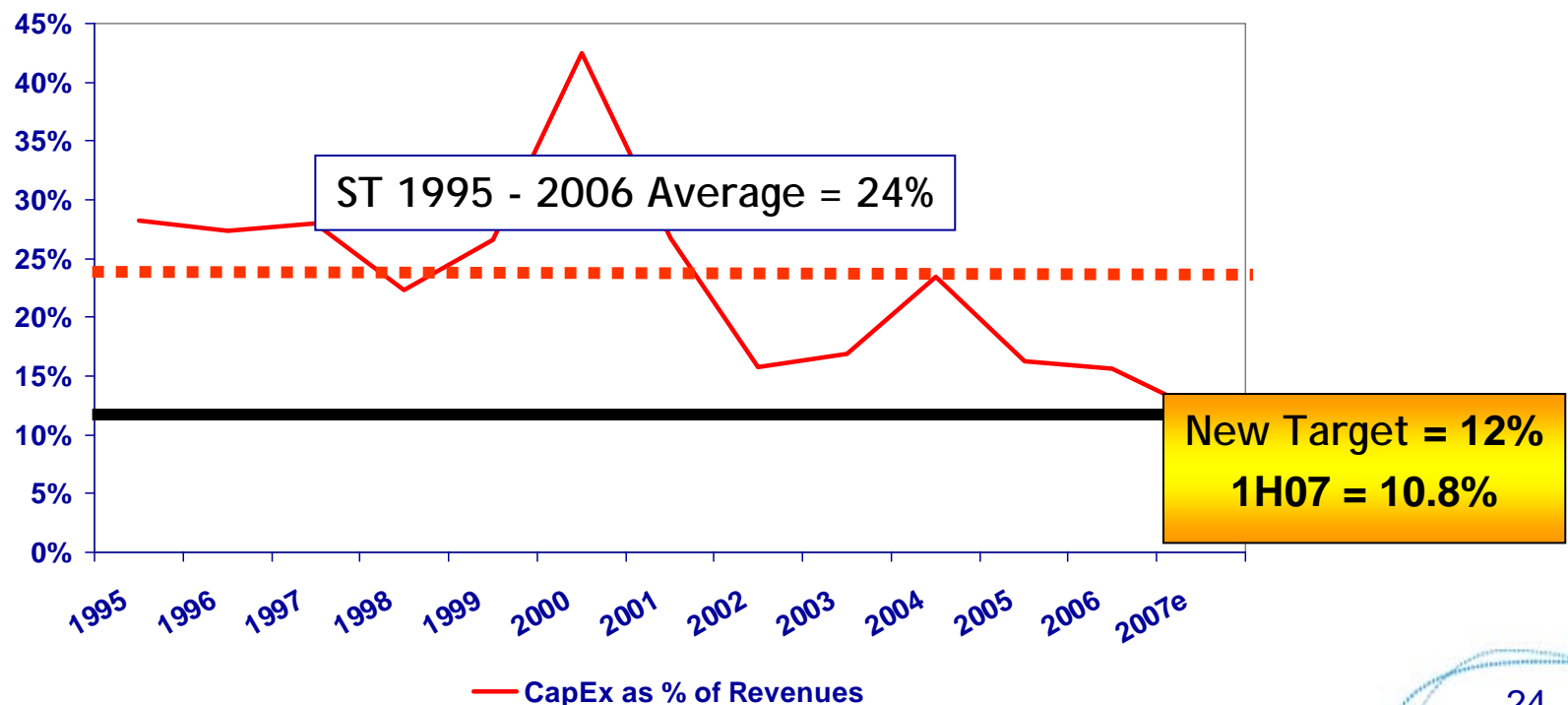


1. ST contributes the ST Flash business in exchange for a 48.6% Numonyx common equity stake at closing and a \$468m cash payment
2. Intel contributes the Intel Flash business in exchange for a 45.1% Numonyx common equity stake at closing and a \$432 m cash payment
3. Francisco Partners invests \$150m of preferred equity in Numonyx and receives a 6.3% ownership stake at closing on a converted basis
4. Numonyx raises \$1.30bn of debt financing to fund the parent cash payments, ongoing cash and transaction fees: approx \$800m net debt and over \$500m gross cash at closing. Additionally, \$250m committed revolver line.

Reducing CapEx to Sales Ratio



- **Increasing use of silicon foundry:**
 - Approximately 13% of Q207 wafers out (about 45% in Advanced CMOS)
 - Target of 15% by the end of 2007
- **Partnership and manufacturing joint ventures**
- **Rationalizing three manufacturing operations**
 - Two front-end (US) and one back-end (Morocco)
 - Shifting capacity, directly or indirectly, to ST fabs in Asia & Europe or subcontractors



High Performance Logic Technology



- **ST partnering with IBM consortium**
 - Developing core 300mm technologies for 32nm & beyond
 - Joint process development
 - Joint teams at East Fishkill (US) and Crolles (France)
 - Core and value-added derivative technologies
 - Complementary R&D activities
 - Accelerated time-to-market
 - Cost and capital savings / maximize ROCE



Strategic Initiatives Create a 'New' ST



- **Focus on leadership in multimedia convergence applications and power solutions**
- **Grow revenues faster than the market**
- **Advance a lighter asset business model**
- **Technology focused on advanced logic, mixed signal and analog products**
- **Enhance cash generation from operations**
- **Drive RONA consistently into the targeted range of 12%-20%**



Forward Looking Statements



This presentation may include statements that are not historical facts and are statements of future expectations and may include other forward looking statements that are based on management's current views and assumptions to describe plans and expectations for the timing of the closure of the planned transaction, future outcomes for the company being newly formed, as well as for certain future impacts on ST's expected financial performance. All statements made that are not historical fact are subject to a number of risks and uncertainties, and actual results may differ materially. In addition, the following important factors could cause actual results to differ materially from the expectations of the Company or its management:

(i) future developments in 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, (ii) pricing pressures, losses or curtailments of purchases from key customers, (iii) the financial impact of inadequate or excess inventories if actual demand differs from our anticipations, (iv) impact of foreign currency fluctuations, in particular a weakening of the U.S. dollar compared to the euro, (v) 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, (vi) 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 the R&D and manufacturing activities in Crolles, following the termination of our current agreement with NXP Semiconductors and Freescale Semiconductor, (vii) the ability of our suppliers to meet our demands for products and competitive pricing, (viii) changes in the economic, social or political environment, as well as natural events in the countries where we and our key customers operate, (ix) Changes in our overall tax position as a result of changes in tax laws or the outcome of tax audits, (x) product liability or warranty claims for a product containing one of our parts, (xi) our ability to obtain required licenses on third party intellectual property and the outcome of litigation, (xii) our ability to perform the announced strategic repositioning of our Flash memories business in line with the requirements of our customers and without adverse effect on existing alliances or other agreements relating to this business, (xiii) our ability in an intensely competitive environment to secure customer acceptance and to achieve our pricing expectations for high volume supplies of new products in whose development we have or are currently investing.

Unfavorable changes in any of the above or other factors listed under "Risk Factors" noted from time to time in the Company's SEC reports including the Form 20F, most recently filed on March 14, 2007, and the Company's press release dated July 24, 2007, could materially affect the Company.

