Good morning everybody. Thank you for joining us and for your interest in ST.

Today, I will begin with a summary overview, and then Carlo Ferro will review our financial results in detail. Jean-Marc Chery will then cover today’s announcement related to our set-top box business and, importantly, our continued focus on the business derived from digital technologies. Georges Penalver will then discuss the market opportunities related to the application areas of our focus. Finally, I will conclude with our 2016 priorities.

So let’s begin.

2015 was a year where we made important steps, both from a strategic as well as a financial point of view. First, we focused our product portfolio and application strategy on key investment areas. We also conducted an extensive review of our Digital Products. Today, Digital ICs (general purpose and secure microcontrollers, ASICs, digital automotive ICs, specialized imaging sensors) represent about $2.8 billion of our revenues; they are a major growth opportunity for us and at the core of our strategy.
However, within Digital we acknowledged the need to reconsider our set-top-box business, declining in revenues and loss-making.

Second, we made progress in a number of financial metrics, even if, overall, we did not achieve the level of progress we were expecting at the beginning of the year. To a large extent, our performance was limited due to a weak semiconductor market, particularly in the second half of the year; but also changes in customer plans, as we already outlined a few quarters ago, did not allow us to grow revenues as we had expected.

However, from a financial perspective, we consistently delivered results overall in line with our quarterly outlooks and we well-managed expenses and capital investments. We saw an improvement in operating and net income, excluding the catch-up of R&D funding in 2014, and made very visible progress in terms of free cash flow as Carlo Ferro will detail.

Most importantly, with the work accomplished, we enter 2016 with a sharper strategic focus.

In fact, during 2015, we increasingly focused our R&D and Sales & Marketing efforts on two areas: Smart Driving, enabled by digitalization and electrification, and the Internet of Things, including portable and wearable systems as well as smart home, city and industry applications.
Our products, technologies and system application capabilities are optimized for these areas, which we address with the digital ICs I have already mentioned and with our analog products, power discrete and MEMS.

Looking at our revenues, our performance was mixed during 2015. We had businesses that performed well during the past year, despite the unfavorable market dynamics particularly in the second half. Other businesses were, instead, more affected by the market. And we also had businesses that were affected by specific transitions.

Starting with our microcontrollers, during 2015 we delivered year-on-year growth of over 7% driven by our general purpose STM32 family. This growth was possible thanks to a combination of new innovative products, now totaling over 600 part numbers, as well as a strong customer base expansion.

We broadened our product range with the new ultra low power STM32L4 series and the very high-performance STM32L7 series, while strengthening the surrounding ecosystem with the extension of STM32Cube software tool to the complete product portfolio. We had success across a broad customer base. Our STM32 series are at the heart of many IoT applications and they now serve over 40,000 customers worldwide.
Another area of solid performance was our **automotive** product group, which, after having grown by 8% in 2014, was stable year-on-year in 2015 when excluding currency effects. Based upon preliminary data, we believe this performance is better than the automotive semiconductor market overall.

Key to our results was strong progress with our individual products, as well as with our complete system solutions. For example, to help make driving safer, we had multiple ADAS wins, including vision processing and new 24 and 77GHz radar-based products. During 2015, 7 out of 10 ADAS-equipped cars on the road had our system on board! Our 3rd generation ADAS vision processor for Mobileye went into full production and we saw the first design wins with the 4th generation, which is being developed with our FD-SOI technology. In 32-bit microcontrollers for automotive we recorded strong growth, materializing business from our impressive design-win pipeline that covers body, powertrain and engine management applications also for hybrid vehicles, such as the new Toyota Prius. And in Smart Power we enjoyed strong market momentum based on our important BCD9S and VIPower technologies.

Moving to IPD, our **industrial and power discrete** product group was the one most affected by the market slowdown, driven by an industry correction in the channel leading to a sales decrease of 6% in 2015, when excluding currency effects. At the same time, we moved forward during
the year, seeding our future growth with a strong pipeline of new products well focused on the fastest growing applications.

In automation for smart factories and homes, we broadened our offering of Smart Power ICs and transistors and we further developed our ecosystem to make the design-in of the complete ST portfolio for motion control (including MCU’s, sensors, and connectivity) even easier. For power conversion, we launched new solutions for digital power & LED lighting and server power supply (including Silicon Carbide-based products). In the area of energy management, we secured wins in Automotive in various Electric and Hybrid Vehicle applications while continuing to develop innovative solutions for energy harvesting and energy management; and, finally, in portable, we grew our business of protection devices and introduced innovative antenna tuning solutions.

Our Analog, MEMS and sensors business continued to go through a difficult revenue transition in 2015. However, during the year, we made progress building a more diversified portfolio and broader customer base that should ultimately allow a gradual return to growth.

In Analog, our low power connectivity solutions were well received by the market, with volume sales of our Bluetooth Low energy solutions for a top-tier wearable manufacturer and wins with our sub-GHz RF transceiver for Smart Home applications.
In MEMS and Sensors, we grew our Automotive MEMS business with sensors for in car-navigation and telematics applications and with first shipments for airbag applications. We also had motion MEMS wins in active safety for Vehicle Dynamic Control applications. This led us to be identified by IHS as the fastest growing automotive-sensors supplier.

We grew revenues for our micro-mirrors business for Intel Perceptual Computing initiatives as well as for our Touchscreen controllers, while our piezoelectric MEMS technology helped Polight to develop a fast-focus smartphone camera lens. Our diversification also included new environmental sensors brought onto the market, such as the smallest, most accurate pressure sensor in the industry.

Of course, smartphones continue to remain a focus for us and we are confident that products such as our latest 6-axis device and our gyroscope for optical image stabilization will soon be found in flagship devices.

In Digital ASICs, a remarkable result was our strengthened position in the Networking Market, with record billings in Optical Modules and a strong ramp of ASICs in leading-edge CMOS technologies, while, in our Imaging business, we started to demonstrate success with our refocused strategy of specialized image and photonic sensors. In fact, our FlightSense technology was integrated in over 20 phones during 2015 and we passed the milestone of 50 million units shipped.
These are some of the key product achievements of 2015, supporting our focus on Smart Driving and Internet of Things.

And, just recently, we took two further steps in aligning our organization with our focus.

First, we took the difficult decision on our set-top box and home gateway business that Jean-Marc will explain in more detail later.

And, second, we have today announced the reorganization of our business into three product Groups –and we will align our financial reporting in Q1 accordingly:- the first Group, Automotive and Discrete, is led by Marco Monti, and includes all of our automotive ICs, both digital and analog and our discrete products. As you know, power discretes are increasingly important in the growing segment of car electrification. The second Group, Microcontrollers and Digital ICs, is led by Claude Dardanne, and includes our general purpose and secure microcontrollers, our E2PROM memories and all of our digital ICs outside of automotive ICs. Clearly, technical synergies between microcontrollers and the other digital ICs will benefit ST in terms of technology leadership and time to market. The third Group, Analog and MEMS, is led by Benedetto Vigna, and includes our low-power analog ICs, smart power products for industrial and power conversion and all of our MEMS activity.
The Technology and Manufacturing organization is now under the leadership of Jean-Marc Chery, our Chief Operating Officer.

I would like to conclude this organizational update by deeply thanking a colleague who is here with us today, and whom you all know very well: Carmelo Papa. He’s going to retire after a long and successful career. We will miss his business drive and dedication. We warmly thank him for the great business foundation he has established with his management team and colleagues that will drive our business towards future successes.

We now have to move forward and turn our strong application and product focus into revenue growth. I’ll come back to that, but in the meantime let me hand over to Carlo Ferro for the financial review.

Carlo Ferro:
Thank you Carlo. Good morning everyone.

2015 has been a year of progress across most of our financial metrics, in line with the journey towards higher profitability that we are taking in the “post-Nokia” phase for our company.

Despite missing revenue expansion in a market much weaker than expected -particularly in the second half of the year-, we managed to
slightly improve operating income, to consolidate a net profit and to expand free cash flow generation:

- Our operating income before impairment and restructuring charges totaled $174 million. This represents a year-over-year improvement of $13 million, excluding the $97 million of R&D funding included in the 2014 operating income but related to the prior year. Moreover, we turned from $173 million operating losses in 2013 to a sustainable profit.
- Also the P&L bottom line turned into a sustainable profit from the severe losses incurred two years ago, and we posted $104 million of net earnings.
- Importantly, on an annual basis, free cash flow again increased significantly. In 2015, in fact, we generated $327 million of free cash flow, reaching the highest level we have recorded in the past 5 years.

As a result, we ended 2015 with a solid capital structure, with a net financial position positive by $494 million and total liquidity of $2.1 billion.

However, the revenues line is not progressing yet, due to a combination of market conditions—particularly the overall semiconductor market correction in the second half of the year and a few specific product and customer circumstances, in addition to the progressive wind-down of legacy products.
For the fourth quarter, revenues were $1.67 billion, sequentially down by 5.5% and slightly better than the midpoint of our outlook. But for the full year, the $6.9 billion of revenues was below initial expectations. Year-over-year, revenues were down by -6.8%, as reported, or by -3.3% as the meaningful reference when excluding unfavorable currency effects and mobile legacy products.

By group, MMS recorded a remarkable performance, increasing 7.2% year over year, or 9.4% excluding currency effects. MMS represented 23% of our total sales for 2015 and is a very strong and healthy portion of our portfolio.

Similarly, we are very well positioned in Automotive, which represents 25% of our total revenues. APG was stable, excluding currency effects, in 2015 and reflected market uncertainties, particularly in China and in Japan, in the second half of the year: uncertainties that now look to be behind us.

Turning to IPD, ST has a strong portfolio of products, representing 25% of net revenues during 2015. IPD’s sales decreased in 2015, closely linked to the weak market conditions, especially in China and in the computer and lighting markets.
AMS saw a continuation of the transition we experienced in 2014 with MEMS, temporarily aggravated by specific issues with a supplier delaying our ability to ramp microphones at a major customer. Revenues for AMS in total were just under $1 billion in 2015.

DPG was clearly reflecting different trends, with Networking ASIC growing and set-top-box and Imaging declining.

Looking forward to the current quarter, we anticipate a sequential revenue decline by about 3% at the midpoint, reflecting the further impact of the ongoing industry correction. However, we are happy to see APG expected to return to growth with a pretty healthy sequential increase.

Turning to our customer base, our ten largest customers, well distributed geographically and by end-markets, accounted for approximately 34% of our total revenues in 2015, with no customer exceeding 10% individually. Our customer base continues to evolve and as a testimony of our customer expansion efforts, we saw Huawei enter our top 10 customers for the first time.

We continued to make progress in terms of our mix of OEMs and Distribution. Revenues from Distribution were 32% of net revenues in 2015 compared to 31% in 2014. We are encouraged that this trend will
continue, as we advance on our strategy to strengthen our mass market programs.

Moving to our gross margin, we delivered Q4 at the midpoint of our quarterly guidance.

2015 gross margin of 33.8% was 10 basis points higher than the prior year. It reflected manufacturing efficiencies as well as favorable currency effects. Also, we still have the opportunity to capture an additional 80 bps of gross margin from the current currency rates, not evident yet due to hedging. Gross margin is moving in the right direction, but not fast enough, particularly due to the drag of unused capacity charges. In 2015, we lost 90 bps due to unused capacity charges affecting both of our segments, SP&A and EPS, particularly in the fourth quarter.

We continue to take actions to improve the loading of our fabs, particularly for our 12” fab.

Looking at our 2016 first quarter gross margin, we are estimating a midpoint of about 33%, mainly reflecting both unused capacity charges in the range of 70 bps and less efficient manufacturing performance experienced during the last quarter.
Net operating expenses in 2015 remained well on track with our objectives. Net of grants, operating expenses in 2015 averaged about $545 million on a quarterly basis, we kept an R&D effort of about 21% of sales to boost future growth.

Currency played an important role in 2015. Despite some unfavorable effects on the top-line for our euro-denominated contracts, we began to progressively benefit through the year from the stronger US dollar as our existing hedges are rolling off. We estimate the further operating margin improvement from currency, assuming Euro/US$ at 1.08, in the range of 1 percentage point.

Turning to the balance sheet, ST again maintained a solid net financial position. As anticipated, through the year we adjusted our capital expenditures, net of proceeds from sale of assets, to $467 million, to ensure we spent the appropriate level of investment.

In the year, we reported $174 million in operating income before restructuring and impairment, or 2.5% as a percentage of sales.

SP&A’s margin at 6.5% was compressed by lower revenues and also hit by unused capacity charges. Only IPD operating margin has been resilient compared to the prior year, thanks to the manufacturing initiatives in 6
and 8 inches and in the back-end, as well as to the turnaround of the power discrete division.

In EPS we saw:
- MMS well progressing into the high-teens operating margin
- DPG still posting substantial losses, lower than the previous year. This result reflects the lack of profitability of the set-top-box business, which generated about $250M losses in 2015, and the ongoing investment for the transition of Imaging from camera modules to specialized image sensors.

As Carlo said, we have entered 2016 with a renewed focus on our product portfolio, and with a revised organization targeting growth in Smart Driving and Internet of Things applications.

To start to introduce the new product groups; we will have more details available with our first quarter of 2016 results, here you have a initial picture of their pro-forma revenues in 2015 and their relative weight on ST’s total sales.

Automotive and Discrete—$2.73 billion revenues – 40% of total ST sales
Microcontrollers and Digital ICs -$2.02 billion revenues – 29% of total ST sales
Analog and MEMS- $1.67 billion – 24% of total ST sales
The remaining balance of ST total revenues is related to discontinued businesses, like the former wireless legacy products, camera modules and now the set-top-box. It also includes the initial sales in the new field of specialized image sensors.

More importantly, you can see here the strong synergies among the new product groups and their comprehensive breadth to serve Smart Driving, Smart Homes, Cities, Industry and Things.

To conclude, we are encouraged by the profitability of each of the three new reporting segments as a starting point for future improvements in operating income. All three groups in 2015 are profitable. Before unused capacity charges, the Microcontrollers and Digital ICs group (excluding set-top box) had a double-digit operating margin and the other two were mid to high single digits while we continue to invest in the specialized imaging business.

All in all, ST made important steps during 2015. Our potential to generate operating income is much stronger than our bottom line indicated in 2015 and we are focusing on creating growth and shareholders’ value.

At this point, let me hand over to Jean-Marc Chery to share with you the details of today’s announcement.
Jean-Marc Chery

Thank you Carlo. Today’s announcement to discontinue the development of new platforms and standard products for set-top box and home gateway is the result of an extensive review of various options, that started in May last year with the objective to fix a loss-making situation for DPG in a sustainable way. You may recall that in 2013 we put in place a turnaround plan for our set-top box and home gateway business. The plan was based on a combination of the fast market adoption of our new products and a high success rate with those products through on-time execution. However, the turnaround could not be completed for a number of reasons, including a much slower than expected market take-off, M&A at the operators and box manufacturers delaying roll-outs, increasing competition on low-end boxes and high level of R&D costs. And losses are unsustainable – about a half a billion dollars cumulatively in the last two years.
As a result of the plan, we have announced a global workforce review, including:

• the redeployment of about 600 employees, currently associated with the set-top-box business, to support principally ST’s growth ambitions in digital automotive and microcontrollers;

• a global workforce re-alignment that may affect approximately 1,400 employees worldwide, of which about 430 in France through a voluntary departure plan, about 670 in Asia and about 120 in the US. Deployment of the plan by country or site will be subject to applicable legislation and will depend on local negotiations. In 2016, the workforce re-alignment is anticipated to affect about 1,000 employees, out of which about 150 in France.

Annualized savings at completion are estimated at $170 million per year. Restructuring costs are anticipated to be about $170 million. We expect to recognize savings progressively throughout 2016 and by the end of 2017 we should have completed over 85% of the estimated savings. The remaining 15% of savings will depend on the lifespan of the residual products.

Now let me recap for you our Digital business.

Digital, Analog-Mixed Signal and Power technologies are clearly all instrumental to the strategy and the future of ST. Therefore, our
commitment to Digital is very material. Digital ICs, including our microcontrollers, are at the core of the car digitalization trend and of all Internet of Things applications. As Carlo mentioned, in 2015 our digital ICs revenues were about $2.8 billion of total revenues. Our general purpose and secure MCUs, our memories, our digital ASICs, our specialized imaging sensors, our digital automotive ICs, our digital technologies that are increasingly integrated with traditional analog and power products to provide smart solutions—all of that is a proof of the value of the business for ST, today and in the future. And you will see some examples of the “digitalization” opportunities in our next session, with Georges Penalver.

Georges Penalver

Thank you Jean-Marc.

As Carlo mentioned, we are firmly focused on two areas, addressing a serviceable market of about $150 billion: Smart Driving and Internet of Things. As ST is already a leading provider of product, systems and solutions for these areas, we are starting from a very good foundation.

The next few years are expected to be a period of growth for many application areas served by the semiconductor industry. ST is focused on those that are expected to grow the fastest, as you can see in the chart. So how are we going to address them?
Let’s start with Smart Driving.

Smart Driving is about making driving safer, green and more connected. This is very much in line with the forecast development of the Automotive market in the coming years, with areas such as safety and infotainment showing above average growth. Both mixed signal and digital technologies here are key: a key example are the ADAS applications that are fully digital and we are addressing a very large portion of them.

Smart Driving covers all of the key application areas in the car - active and passive safety systems, electric and hybrid vehicle electrification, infotainment and telematics and all the body, chassis and powertrain related subsystems. ST is very well positioned here with the right portfolio to be an ideal partner for established and new car makers and for their suppliers. Our broad range of technologies allows us to build every kind of part, and our deep system know-how enables us to offer complete optimized subsystems.

Moving now to Internet of Things:

As you know, the internet of Things is an “umbrella” covering a number of application areas. For example, the Smart Industry, is about the evolution of manufacturing and other industrial sectors through the application of a range of smart technologies to achieve better efficiency, flexibility, and
safety. Factory Automation is an example of an area where IoT is bringing ST new opportunities to add sensors, intelligence and connectivity while continuing to lead in power and motor control.

Moving to the smart home and the smart city, ST’s portfolio is very well adapted, and our ability to offer solutions involving multiple ST products tailored to specific vertical applications, positions us well to address this area of the Internet of Things. With our sales channels and customers, we will benefit from the above average growth forecast for home and building control, LED lighting and metering, among the principal opportunities.

And finally the connected devices in the Internet of Things that we call Smart Things. Alongside the existing, well identified markets like smartphones and wearables, we see a huge opportunity for new connected devices – some will be products we know that become smart and connected, and others will be completely new categories of devices. What they all have in common is a need for the same core electronics building blocks which ST offers as well as need for a fast and easy development tools such as ST’s STM32 Open Development Environment.

Carlo Bozotti

Thanks Georges. This is our market-driven focus, based on our system application capabilities, our products and our analog and digital technologies.
Let me now close with our three priorities for 2016.

First, sales growth. Here we have set a number of objectives. We are targeting growth both with major OEMs, including smartphone and automotive customers, and in the mass market, especially in Asia. We believe that our stronger system and application approach, on top of our leading-edge products, allows us to have much more opportunities than in the past. In the mass market, across all regions and particularly in Asia, we have recently strengthened our local marketing application and sales teams and we plan to grow this set of competencies even more during this year.

And with sales growth, our manufacturing efficiencies can and will significantly improve and unused capacity charges can and will be significantly reduced, benefiting our financial performance.

Second, with our anticipated capital expenditures of about $600 million in 2016 combined with our product roadmaps in R&D, we will make sure that we benefit from the resources devoted there and from the about 600 talents moving to our strategic focus areas of digital automotive and microcontrollers.

Third, we need to flawlessly execute on our decision to discontinue platforms and standard products for set-top box and home gateway. We
expect a meaningful portion of the plan to be well underway during 2016 which will benefit our cost structure.

There is lots of work ahead of us, but we’re moving forward -with a clear strategy and plan and a sharp and deep focus on execution. My colleagues and I would now be happy to take your questions.