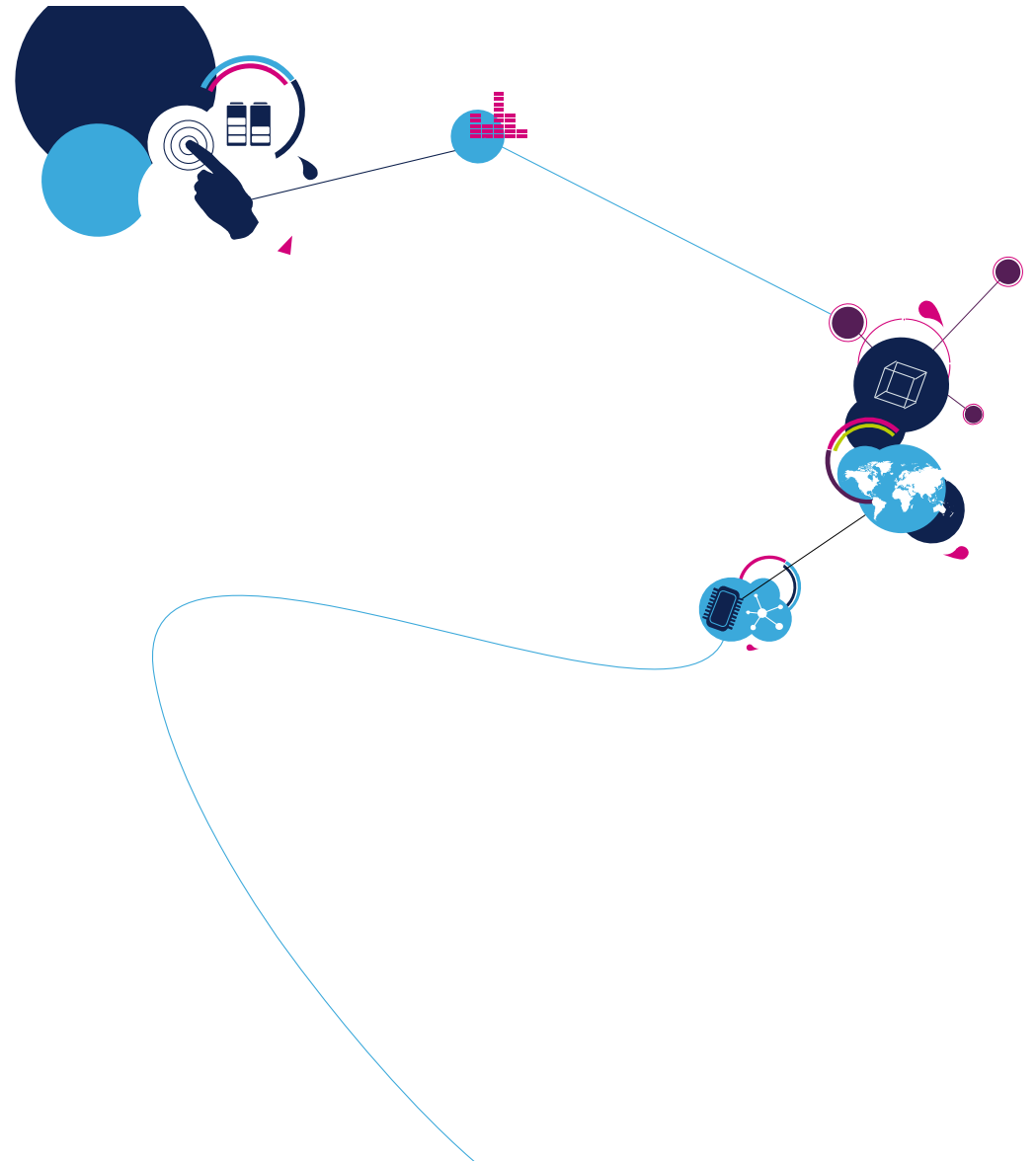


STMicroelectronics Q4 & FY13 Earnings

January 28, 2014
Paris



Agenda 2



Time	Presentation	Speaker
11:00 am	Introduction	Tait Sorensen
11:05 am	Q4 & FY13 Business and Financial Performance	Carlo Ferro
11:25 am	Embedded Processing Solutions	Jean-Marc Chery
11:45 am	Sense, Power & Automotive	Georges Penalver
12:05 pm	Strategy and 2014 Priorities	Carlo Bozotti
12:30 pm	Questions & Answers	
13:00 pm	Lunch	

Forward Looking Statements

Some of the statements contained in this release 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) that are based on management's current views and assumptions, and are conditioned upon and also involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those anticipated by such statements, due to, among other factors:

- *Uncertain macro-economic and industry trends;*
- *Customer demand and acceptance for the products which we design, manufacture and sell;*
- *Unanticipated events or circumstances, which may either impact our ability to execute the planned reductions in our net operating expenses and / or meet the objectives of our R&D Programs, which benefit from public funding;*
- *Future events or circumstances, which may have an impact on the timing and final cost of the wind down of the ST-Ericsson joint venture;*
- *The loading and the manufacturing performance of our production facilities;*
- *The functionalities and performance of our IT systems, which support our critical operational activities including manufacturing, finance and sales;*
- *Variations in the foreign exchange markets and, more particularly, in the rate of the U.S. dollar exchange rate as compared to the Euro and the other major currencies we use for our operations;*
- *The impact of intellectual property ("IP") claims by our competitors or other third parties, and our ability to obtain required licenses on reasonable terms and conditions;*
- *Restructuring charges and associated cost savings that differ in amount or timing from our estimates;*
- *Changes in our overall tax position as a result of changes in tax laws, the outcome of tax audits or changes in international tax treaties which may impact our results of operations as well as our ability to accurately estimate tax credits, benefits, deductions and provisions and to realize deferred tax assets;*
- *The outcome of ongoing litigation as well as the impact of any new litigation to which we may become a defendant;*
- *Natural events such as severe weather, earthquakes, tsunamis, volcano eruptions or other acts of nature, health risks and epidemics in locations where we, our customers or our suppliers operate;*
- *Changes in economic, social, political, or infrastructure conditions in the locations where we, our customers, or our suppliers operate, including as a result of macro-economic or regional events, military conflict, social unrest, or terrorist activities;*
- *Availability and costs of raw materials, utilities, third-party manufacturing services, or other supplies required by our operations.*

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 forward-looking statements can be identified by the use of forward looking terminology, such as "believes," "expects," "may," "are expected to," "should," "would be," "seeks" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions.

Some of these risk factors 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, 2012, as filed with the SEC on March 4, 2013. 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 industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances.



Agenda 4



- Q4 & FY13 Business and Financial Performance
- Embedded Processing Solutions
- Sense, Power & Automotive

Q4 & FY13 Business and Financial Performance

Carlo Ferro
Chief Financial Officer
Executive Vice President
Finance, Legal, Infrastructure and Services



Who We Are

6



- A global semiconductor leader
- The largest European semiconductor company
- 2013 revenues of **\$8.08B**
- Approximately **45,000** employees worldwide
- Approximately **9,000** people working in R&D
- **12** manufacturing sites
- Listed on New York Stock Exchange, Euronext Paris and Borsa Italiana, Milano



As of December 31, 2013

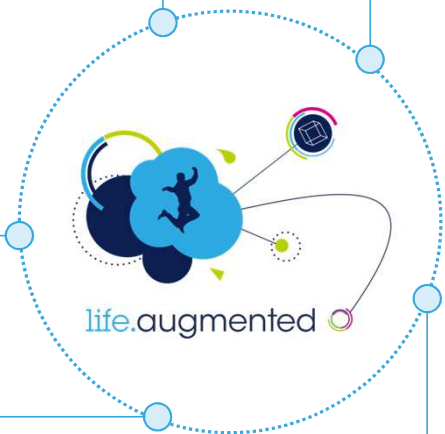
ST's Vision and Strategy



Where You Find Us



Our MEMS & Sensors are augmenting the consumer experience



Our digital consumer products are powering the augmented digital lifestyle



Our automotive products are making driving safer, greener and more entertaining



Our smart power products are making more of our energy resources



Our Microcontrollers are everywhere making everything smarter and more secure

2013 Product Segments



life.augmented

Sense & Power and Automotive Products (SP&A)

Analog, MEMS & Sensors (AMS)



Automotive Product Group (APG)



Industrial & Power Discrete (IPD)



Embedded Processing Solutions (EPS)

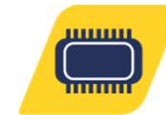
Digital Convergence Group (DCG)



Imaging, BiCMOS, ASIC & Silicon Photonics (IBP)



Microcontrollers, Memory & Security (MMS)



Wireless (WPS)*

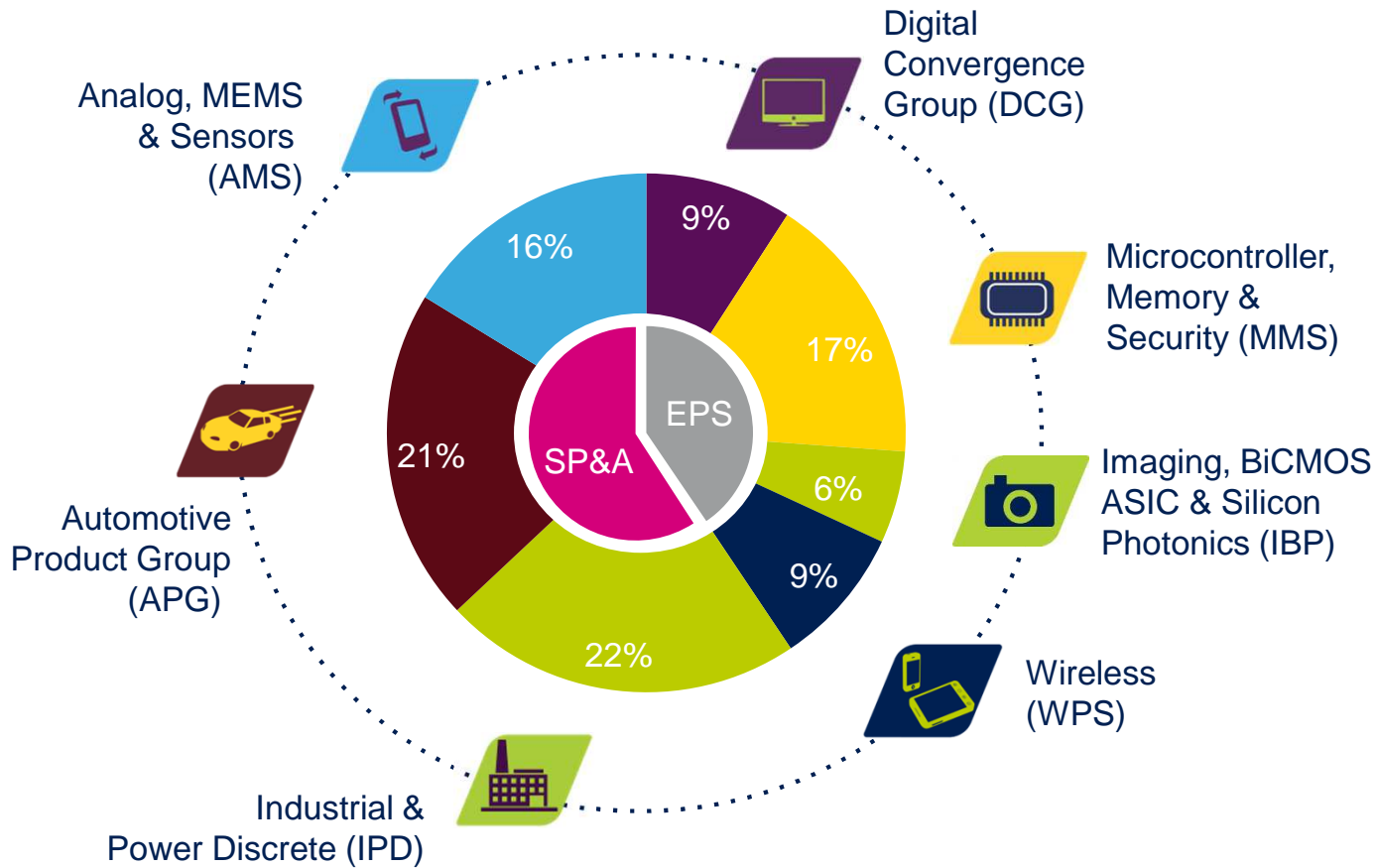


* Former ST-Ericsson legacy products

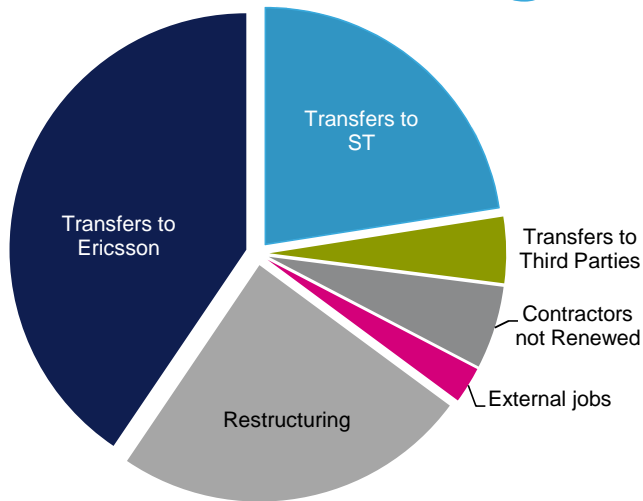
FY13 Revenues by Product Groups

Sense & Power and Automotive Products (SP&A)

Embedded Processing Solutions (EPS)



ST-Ericsson Split Up Completed



To STMicroelectronics
 Existing ST-Ericsson products & related business as well as certain assembly & test facilities
 About 1,000 employees re-deployed to strengthen product development across all ST Product Groups*

To Ericsson
 Design, development and sales of LTE multimode thin modem products, with about 1,800 employees*

To Third Parties
 Sale of GNSS business and other Connectivity activities
 Transfer of Linux SW development team
 Ongoing process to sell patents

- Wind down of remaining ST-Ericsson activities ongoing with both parents assuming equal funding
- Exit costs much lower than anticipated

- Consolidation of the wind-down activities by equity method
- Former ST-Ericsson legacy product revenues and margins registered in the EPS segment

Split-up completed on August 2, 2013

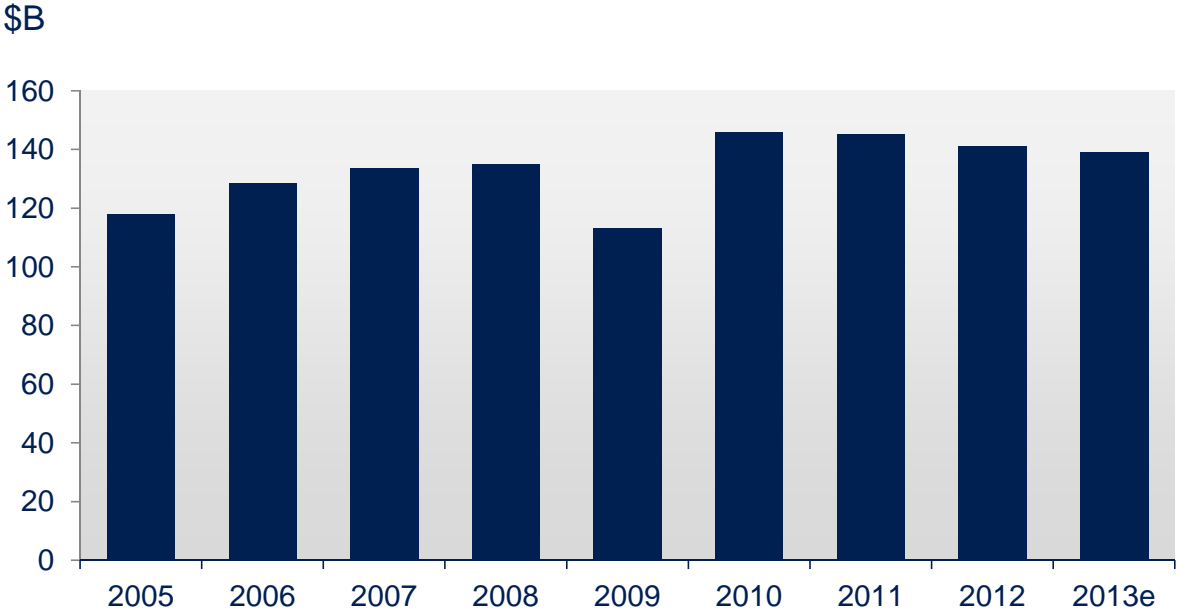
Deconsolidation of ST-Ericsson as of September 2013



*As of March 2, 2013

Semiconductor Market

ST SAM



Serviceable Available Market

~ \$139B in 2013

-1.7% y-o-y in 2013

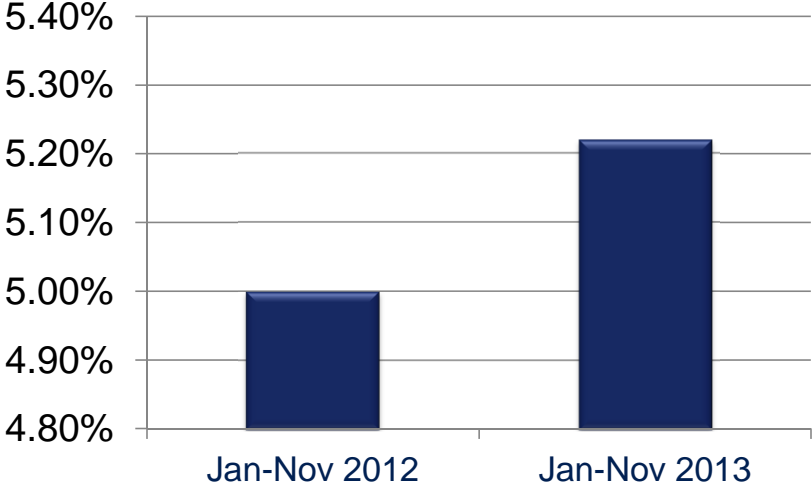
+ 4.2% y-o-y* expected in 2014



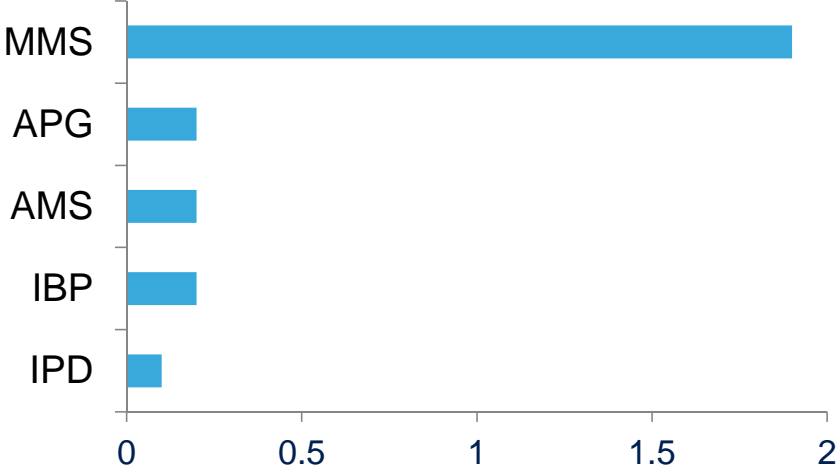
* WSTS market growth expectation; ST SAM includes Image Sensor

ST Market Share

ST excluding ST-Ericsson Market Share*



Points of Market Share Growth % FY13 / FY12



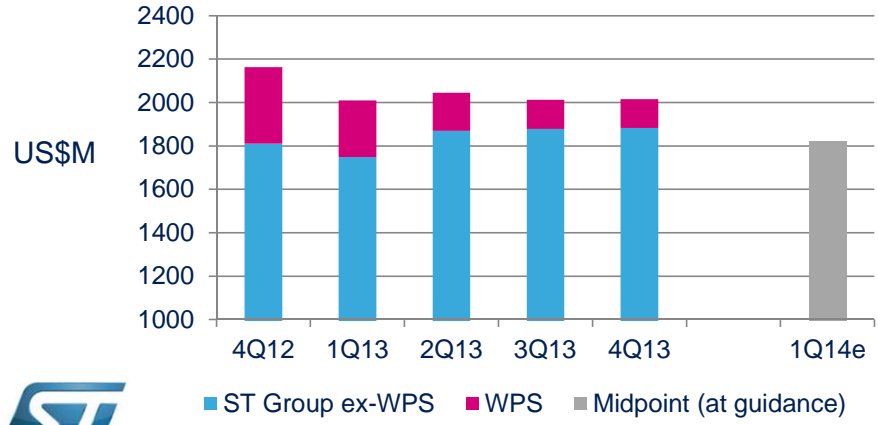
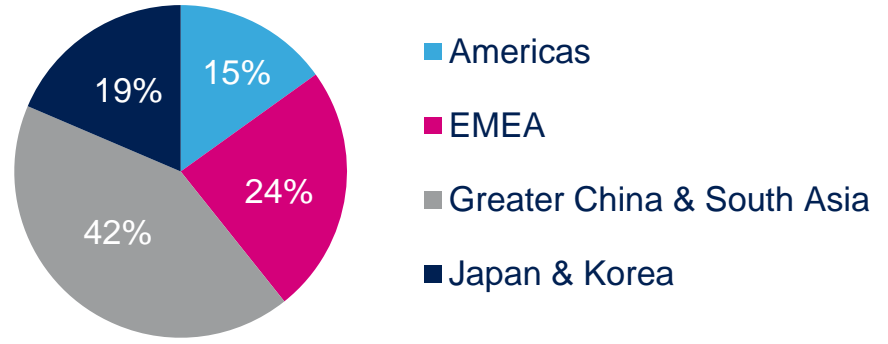
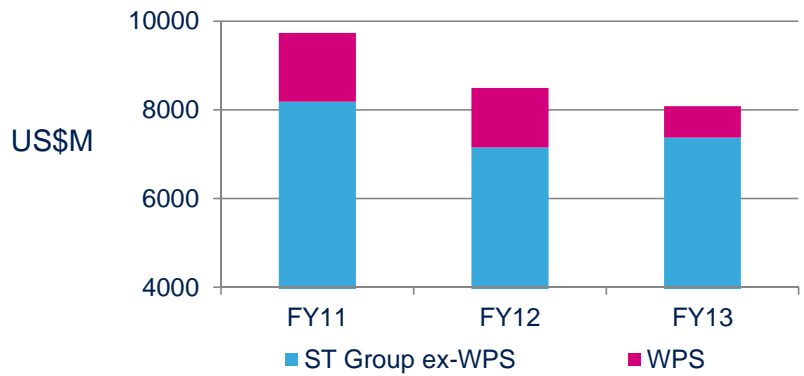
Every product group contributed to the market share gain with the exception of DCG



*WSTS – November 2013, SAM including Image Sensor Market, ST

ST Revenues

FY13 Revenues = \$8.08B



FY13 revenues, excluding WPS (former ST-Ericsson products)

- Up 3.2% compared to 2012, better than SAM

FY13 as reported

- Down 4.8% due to exit from former ST-Ericsson products (\$641M less revenues compared to 2012)

4Q13, excluding WPS:

- Up 3.9% y-o-y and 0.2% q-o-q
- Sequential growth driven by Automotive and MEMS

1Q14 revenue outlook:

- Expected to decrease sequentially about 9.5% (+/- 3.5 points) including seasonality and a drop in revenue from ST-Ericsson legacy products of more than half from 4Q13



Expanding the Customer Base

FY13 Ex ST-Ericsson

Top 10 OEM*:

- Apple
- Bosch
- Cisco
- Conti
- HP
- Nokia
- Oberthur
- Samsung
- Seagate
- Western Digital

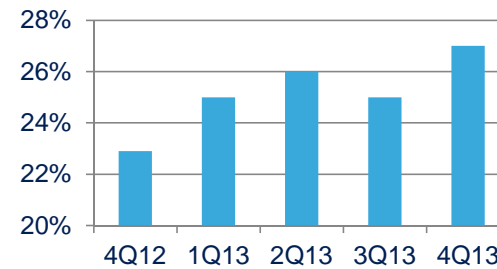
Top 4 Distributors*:

- Arrow Electronics
- Avnet
- Wintech
- Yosun

FY13 Ex ST-Ericsson

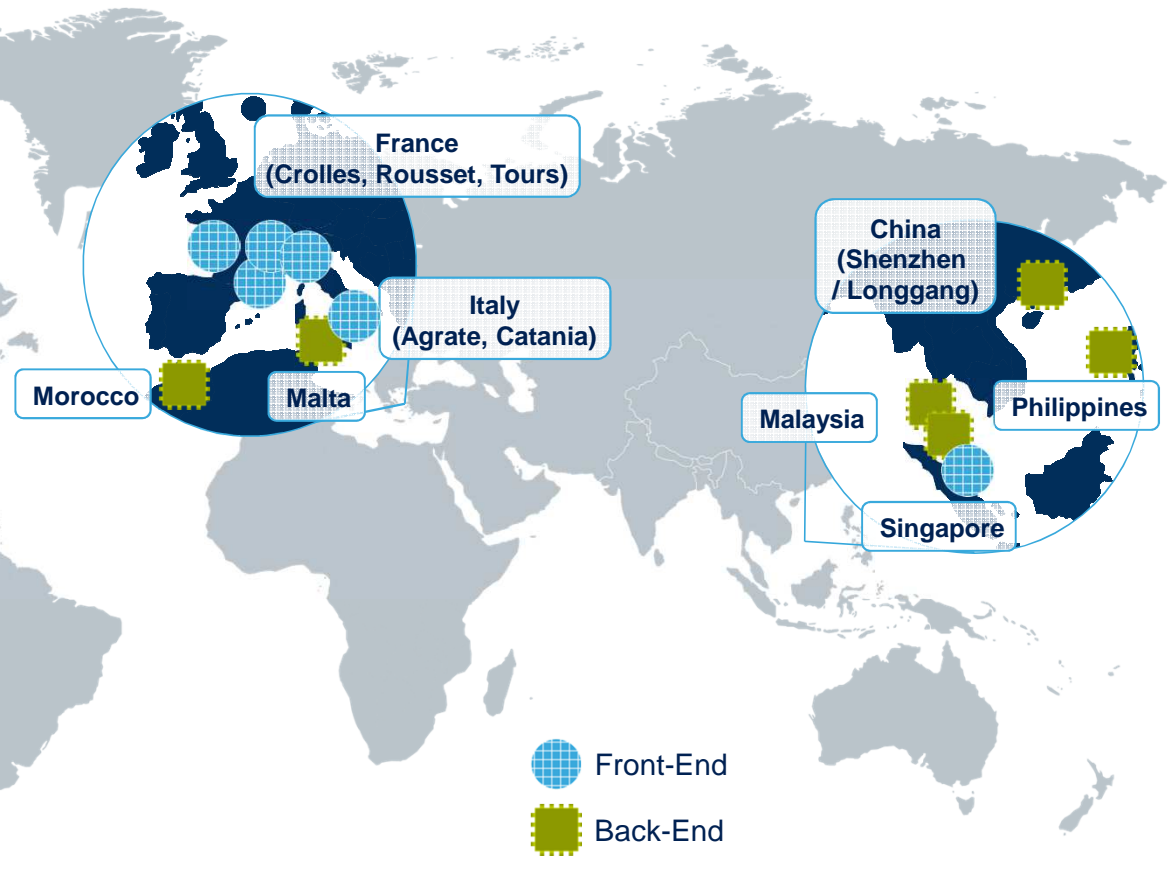


Distribution (as % of total revenues)



*Listed alphabetically
** Mass market includes Distribution, Online Accounts and Core Key Accounts

Flexible and Independent Manufacturing



Financial Performance

17

<i>In US\$M, except EPS</i>	1Q13	2Q13	3Q13	4Q13	FY13	FY12
Net Revenues	2,009	2,045	2,013	2,015	8,082	8,493
Gross Margin	31.3%	32.8%	32.4%	32.9%	32.3%	32.8%
Operating Income (Loss) before impairment & restructuring Operating Margin before impairment & restructuring	(180) (9.0%)	(64) (3.1%)	54 2.7%	18 0.9%	(173) (2.1%)	(705) (8.3%)
Impairment & Restructuring charges	(101)	(43)	(120)	(29)	(292)	(1,376)
Net Income – Reported	(171)	(152)	(142)	(36)	(500)	(1,158)
EPS Diluted	(0.19)	(0.17)	(0.16)	(0.04)	(0.56)	(1.31)
Adjusted EPS Diluted*	(0.13)	(0.06)	(0.03)	(0.01)	(0.23)	(0.33)
Free Cash Flow*	(65)	(134)	(72)	91	(179)	33
Net Financial Position	1,013	809	739	741	741	1,192
Effective Exchange Rate €/€	1.31	1.30	1.31	1.34	1.31	1.31

ST Gross Margin

18

4Q13 Gross Margin : 32.9%

Up 50 basis points sequentially

- Primarily due to manufacturing efficiency improvement
- Fab loading still sub-optimal

1Q14 outlook

- 32.4% +/- 2 points, still affected by unused capacity charges

Focus on progressive improvement in gross margin

- Optimize fab loading and manufacturing efficiency
- Structural changes to our manufacturing footprint ongoing: Singapore (AMKJ9) and China (Longgang);
- Product mix: phase-out of former ST-Ericsson products, pruning low margin products, accelerate innovation

ST Operating Expenses

19

4Q13 Operating Expenses

Further progress meeting our target range

Combined 4Q13 SG&A and R&D at \$656M

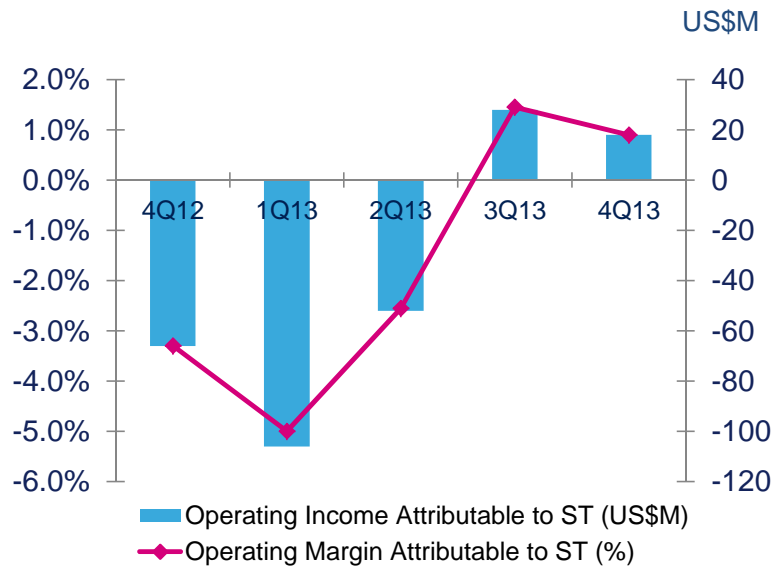
- Down \$20M sequentially and \$220M y-o-y
- Mainly reflecting ongoing cost reduction initiatives
- \$628M net of \$28M R&D grants

Our net operating expenses target range reached in 4Q13, one quarter ahead of plan

- Net operating expenses target in the range of \$600M to \$650M average per quarter
- Includes SG&A and R&D expenses net R&D grants
- Targeting to move towards the lower end of the range

ST Operating Results

20



4Q13 Operating Results

Return to positive operating income before impairment and restructuring charges

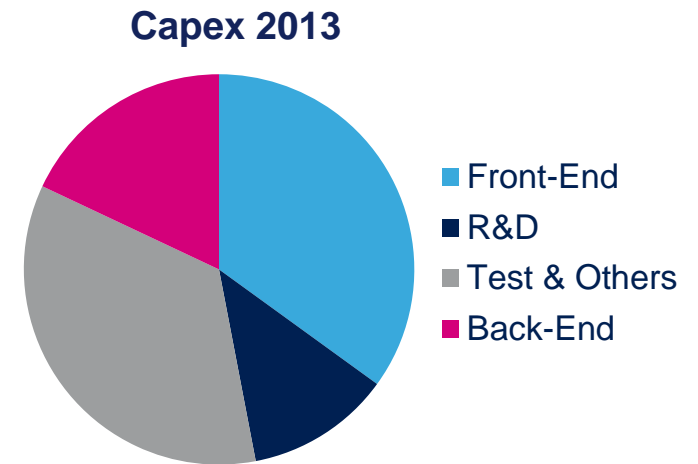
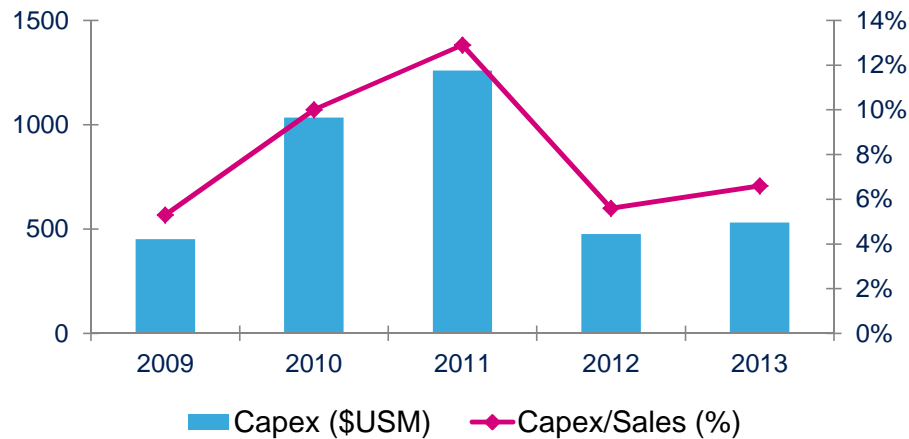
4Q13 Operating Income at \$18M

- Attributable operating income up \$84M y-o-y
- Excluding 3Q13 gain on sale of businesses, attributable operating income improved by \$37 million sequentially

Operating Margin Improvement Drivers in 2014

- Leverage on revenue growth in 2nd half
- Ramp of new world class products
- Distribution and mass market initiatives
- Manufacturing performance and optimization
- Further OpEx savings
- “Nano 2017” R&D grants program

Assets Lighter Model



- Proven ability to significantly modulate Capex
- 2013 Capex : \$531M or 6.6% capex/sales ratio
- 2014 Capex anticipated to be at a similar level (in US\$) as 2013, based on current visibility

Net Financial Position*

22

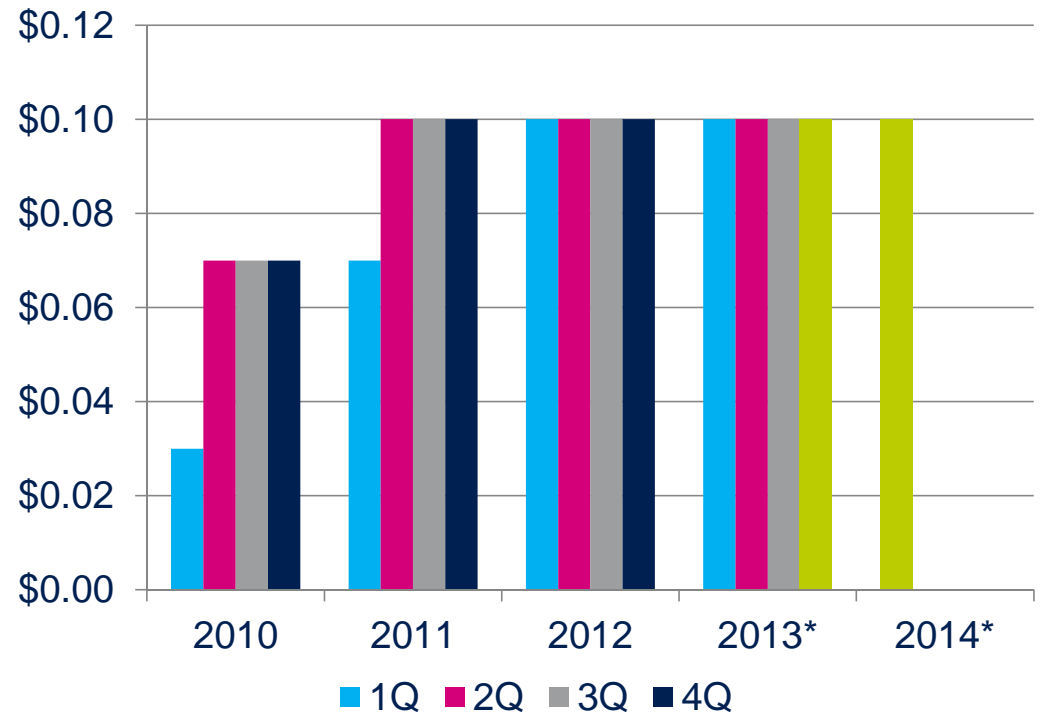
End of period (US\$M)	Dec. 31, 2013	Sep. 28, 2013	Dec. 31, 2012
Available Cash and Marketable Securities	1,894	1,526	2,489
Non-Current Restricted Cash	-	-	4
Total Liquidity	1,894	1,526	2,493
Short term borrowings and current portion of LT debt	(225)	(168)	(630)
Long-term debt	(928)	(619)	(671)
Total Financial Debt	(1,153)	(787)	(1,301)
Net Financial Position	741	739	1,192

Maintaining a Strong Financial Position

- Positive free cash flow of \$91 million in 4Q13
- About \$730 million of available committed credit facilities

Dividend Evolution

- Quarterly dividend distribution on a semi-annual resolution
- Dividend maintained at US\$0.10 per share per quarter in 4Q13 and 1Q14
- 5.2% dividend yield among the highest in the semiconductor industry.



*4Q13 and 1Q14 dividend as adopted at the Extraordinary General Meeting on December 2, 2013



Three-axis Plan to Achieve Financial Model

24



Revenue Expansion

Key growth drivers
Innovation
Market share gains

Gross Margin Expansion

Improved product mix
Manufacturing optimization

Opex Reduction

Driving to the lower end of
the targeted range

Financial Model*

- Targeting about 10% operating margin
- Net operating expenses average quarterly rate range: \$600 to \$650 million**



*Based on an average effective exchange rate of 1.30 Euro/dollar
**By the beginning of 2014; includes SG&A and R&D including R&D grants

Targeting our Financial Model

25

On-going Initiatives

- ST-Ericsson wind-down substantially completed
- Revenue expansion initiatives
- Product mix
 - Product / Technology innovation
 - Product portfolio reviews
 - Low margin products pruning
- Operating Expenses optimization plan
- Front End Manufacturing
 - Singapore 6" phase out and 8" expansion
 - Catania 6" to 8" conversion
- Back End Manufacturing
 - Consolidating China back-end operations to Shenzhen

We continue to aggressively pursue our objective to reach an operating margin of about 10 percent

- The timing will depend greatly on our level of revenues
- Based on current visibility including market conditions, reaching this operating margin target is expected in mid-2015



- Q4 & FY13 Business and Financial Performance
- Embedded Processing Solutions
- Sense, Power & Automotive

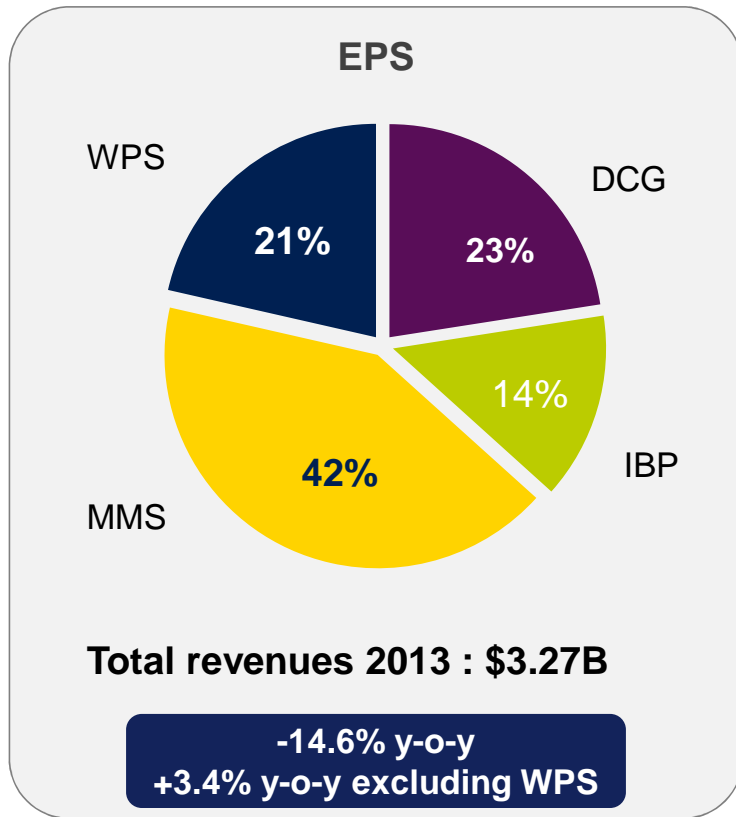


Embedded Processing Solutions

Jean-Marc Chery
Executive Vice President
General Manager, Embedded Processing Solutions



Embedded Processing Solutions



3 product groups

DCG	IBP	MMS
Digital Consumer Group	Imaging, BiCMOS ASIC & Silicon Photonics	Microcontroller, Memory & Security

2 Front-End Manufacturing sites

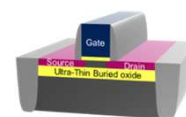
Focus on digital CMOS (12") & derivative technologies (8/12")
Partnerships for process development and manufacturing





Driving EPS success

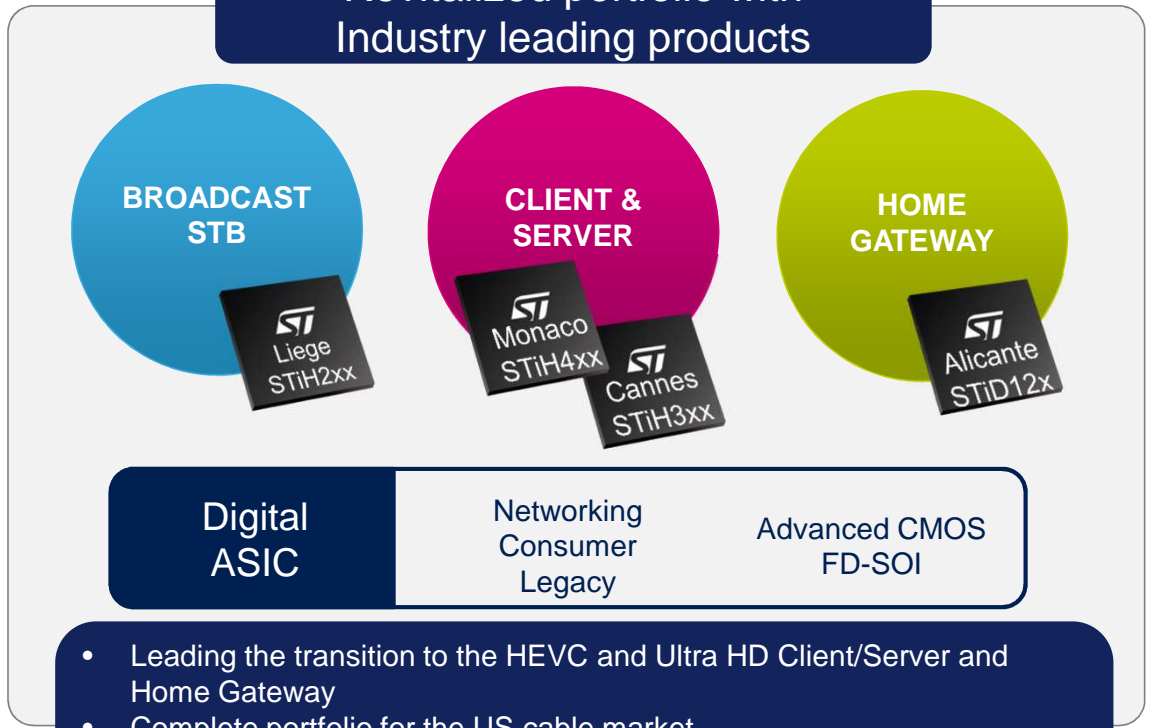
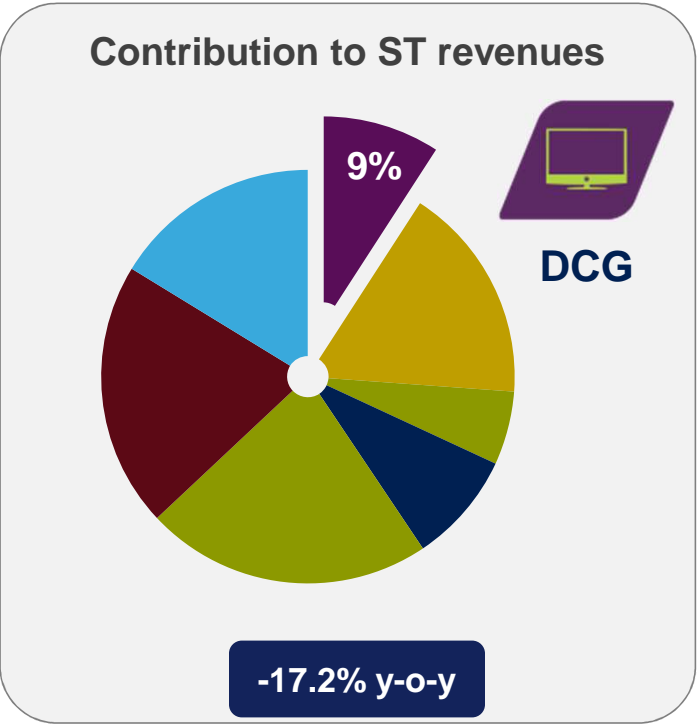
- **Digital Convergence Group** turnaround in two waves to double revenues by Q4 2015
- **FD-SOI** moved from a technology opportunity to a massive revenue generator for 2015
- Diversification of our technology and customer base in **imaging**
- Continue to aggressively win market share in **microcontrollers** towards leadership





DCG – Digital Convergence Group

Revitalized portfolio with Industry leading products



- Leading the transition to the HEVC and Ultra HD Client/Server and Home Gateway
- Complete portfolio for the US cable market
- Established worldwide ecosystem of partners and 3rd parties
- Leading Digital ASIC through FD-SOI differentiation and IP sub-systems expertise



DCG – Digital Convergence Group

Highlights 2013

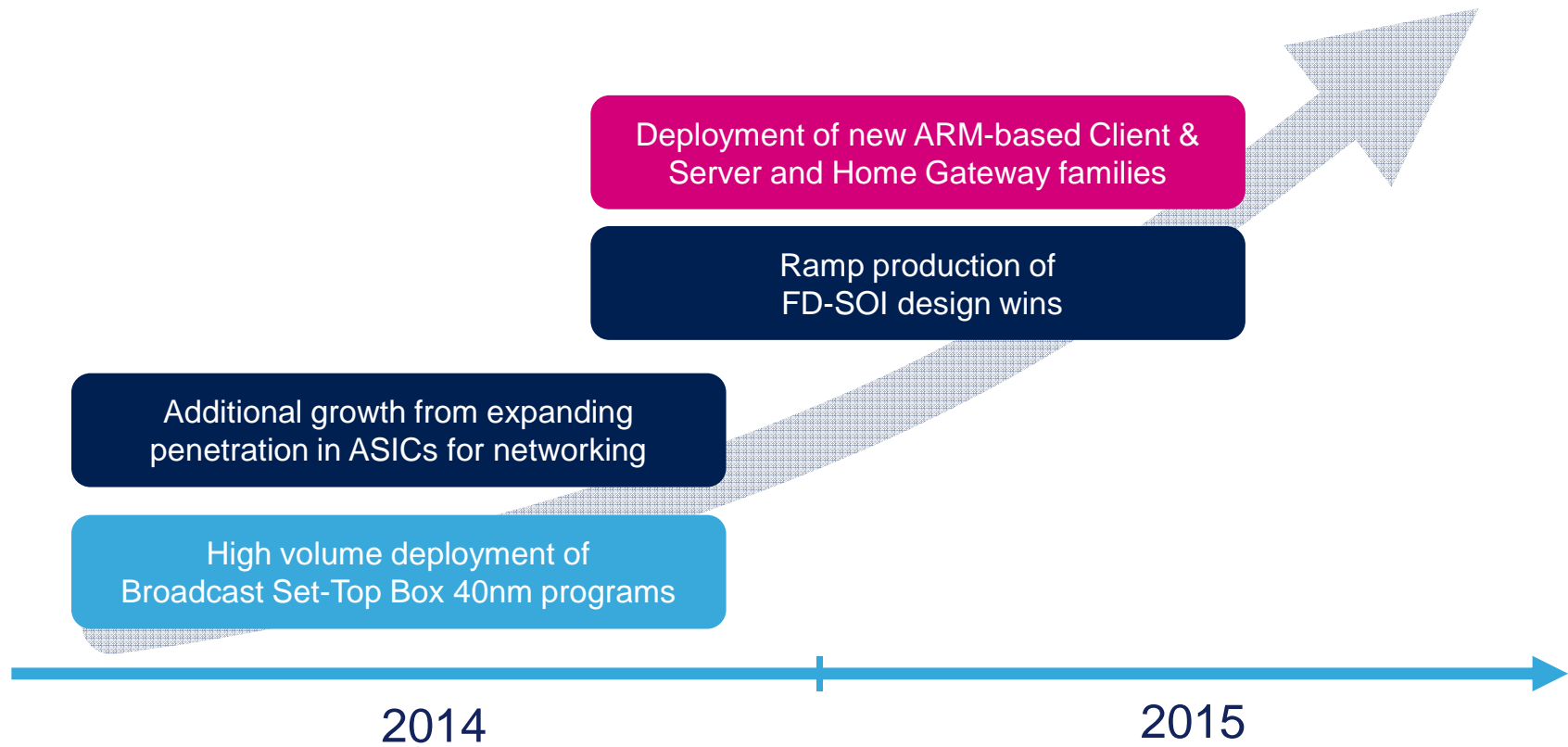
Products

- New ARM-based **Client & Server portfolio** supporting Ultra HD and HEVC
- **DOCSIS 3.0** certification for SoC for cable-data gateway and interactive set-top box markets
- Successful sampling and validation of first **FD-SOI** customer projects

Customers

- Strong traction and early customer adoption of **new client and server portfolio** following IBC launch
- Multiple design wins in **Ultra HD and HEVC video**, including US cable and European satellite markets
 - 5 major design wins in Q4
- 15 active designs in **FD-SOI**, including multiple design wins in ASIC for networking and consumer

Doubling DCG Revenues by Q4 2015



FD-SOI: Efficiency at all levels

CPU, GPU and logic

FBB dynamic modulation to get the best total power

Best dynamic power/leakage tradeoff

Memories

Memory bit cells in FD-SOI have much lower leakage compared to Bulk

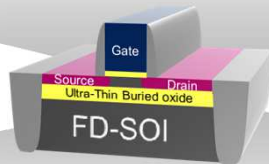
Analog & High-speed

FD-SOI analog performance far exceeds Bulk

Better figures of merit than FinFET for high-speed IPs

- Infrastructure Networking
- Consumer
- Internet of Things

POWER EFFICIENCY & PERFORMANCE



DESIGN & PRODUCTION

Simplicity & cost

Lower cost vs Bulk HPM & FinFET

Lower development cost vs. FinFET

Reliability and yield

Memory: 50x better immunity to Neutron SER vs alternatives

True process compensation through body bias

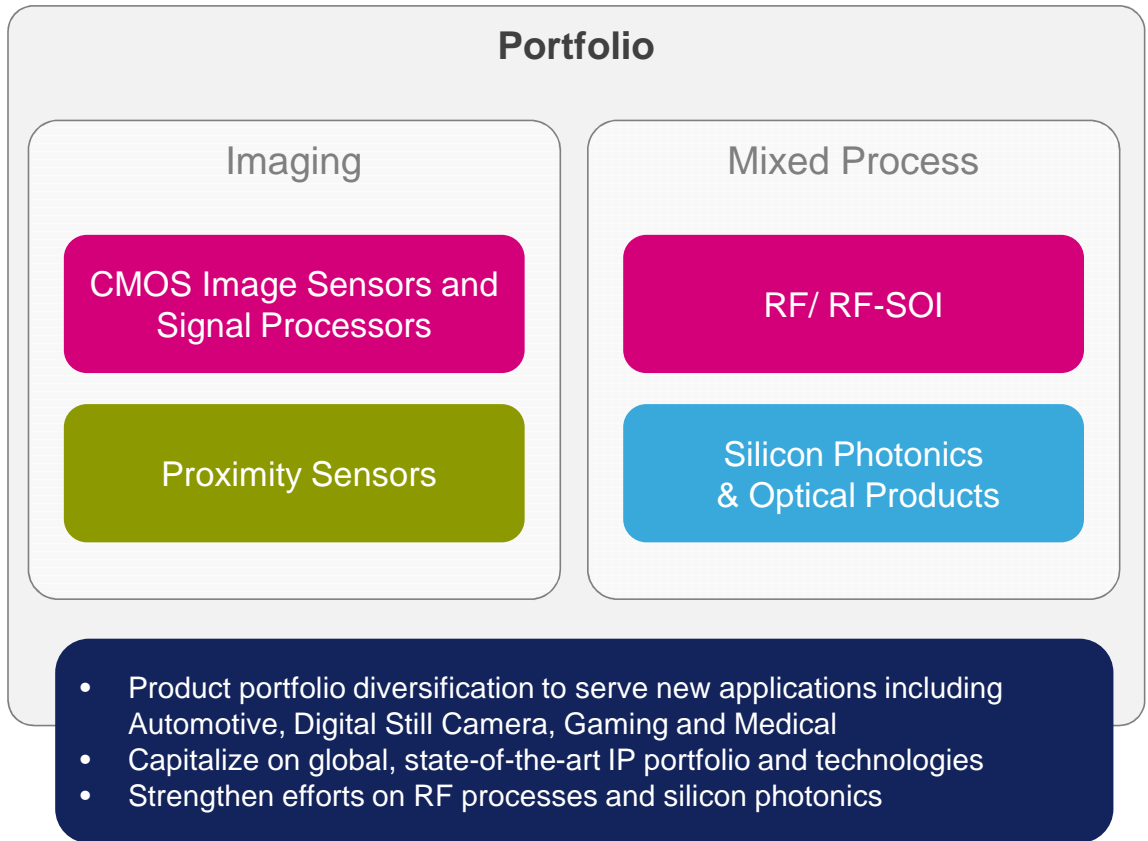
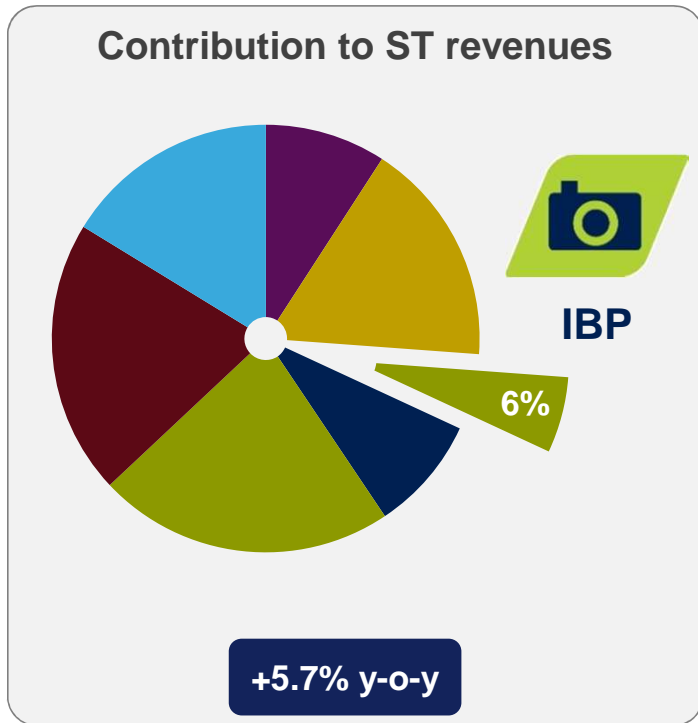
Flexibility of usage

Single implementation from very low power to high performance

Ultra low voltage / sub threshold



IBP – Imaging, BICMOS ASIC & Silicon Photonics





IBP – Imaging, BiCMOS ASIC & Silicon Photonics

Highlights 2013

Products

- Productization of **FlightSense™** proximity sensing technology
- Volume production of **image sensors** based on proprietary backside-illumination (BSI)
- High-performance **Image Signal Processor** and sensor for automotive and security applications
- Ramping production for 100G and Parallel **Optics** applications

Customers

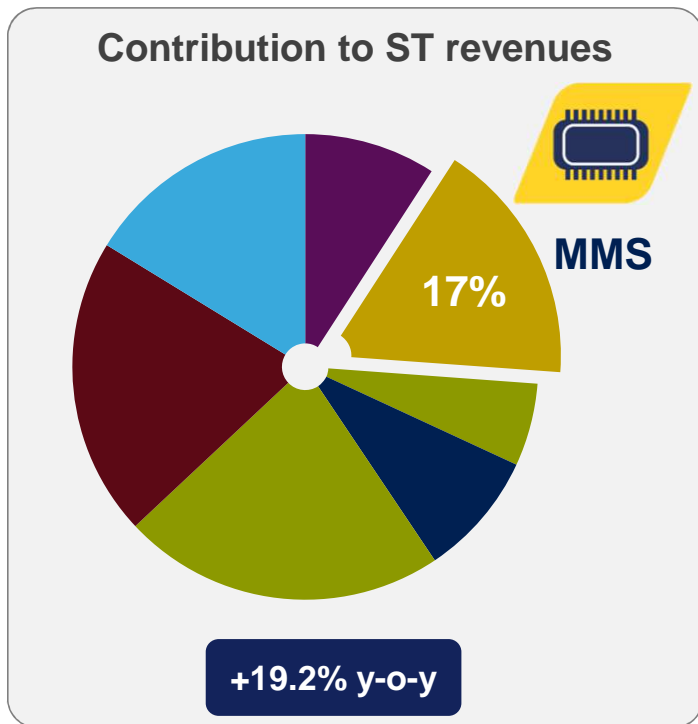
- Good traction on diversification to **new customers** and applications such as automotive
- Ramped production of new customers with **ISP** win at a leading phone OEM and high-value dedicated **ISP** for a leading consumer brand
- 30+ new ASIC projects in **BiCMOS and Silicon Photonics**

Revenue Boosters 2014

- Ramp innovative **proximity sensors** based on proprietary **FlightSense™** technology
- Deploy new generation of **Imaging Signal Processor**
- Continue strong momentum in **Silicon Photonics**
- RF ICs for Mobile and Wi-Fi Front End based on **RF-SOI** technology



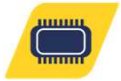
MMS – Microcontrollers, Memory & Security



Portfolio

- GP Microcontrollers**
 - General Purpose 8-bit & 32-bit MCUs
 - Automotive 8-bit MCUs
- Memories**
 - Serial EEPROM
 - RF memories
 - Dual-Interface memories
- Secure MCU**
 - Personal and embedded security
 - Secure HW platforms & turnkey solutions

- ST mass market customer base driving GP MCU revenue growth
- Advanced e-NVM technology platform
- ARM Cortex-M 32-bit architecture
- Strong Secure MCUs portfolio driven by:
 - Full NFC solution including Secure Element and Contactless transceiver
 - Advanced contactless platform



MMS – Microcontrollers, Memory & Security

37

Highlights 2013

Products

- Expanded **STM32** portfolio with STM32F0 Cortex-M0 product family
- Introduced second-generation **Secure Element** that further improves performance and security
- New family of “**dynamic NFC tag**” memories enabling NFC connectivity with smartphones for a wide range of electronic devices

Customers

- Confirmed **32-bit leadership** with STM32
 - Revenue growth > 60% y-o-y to approx. \$350M
 - Major Sensor Hub wins with high performance STM32
- Strengthened leading position in **Secure Element**
 - ST33 massive deployment in SWP SIM and Embedded Secure Element for NFC smartphones
 - ST33 volumes **x 5** vs. 2012

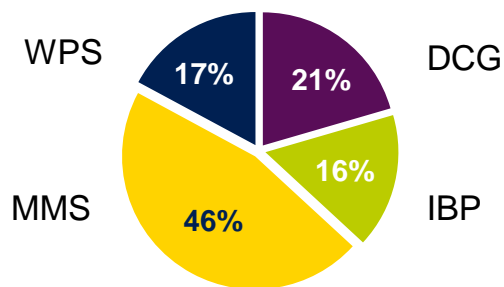
Revenue Boosters 2014

- Continue to expand the STM32 product line: **STM32L0 (Cortex-M0)** and **STM32L4 (Cortex-M4)** to reinforce position in **Ultra Low Power** 32-bit Cortex-M arena
- Ramp-up **ST31Z** Dual Interface Secure MCU for banking in Asia
- Expand the secure portfolio to new value-added applications such as M2M for **automotive**
- Introducing **new low end NFC EEPROM Tags** to reinforce our position in Internet of Things market



Embedded Processing Solutions

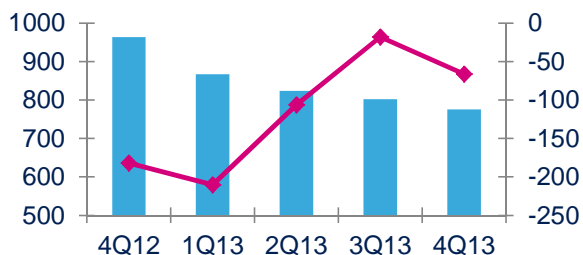
4Q13 Revenues : \$776M



Revenue Boosters in 2014

- Continued expansion of the General Purpose MCUs
- Ramp-up of secure MCUs in banking in Asia
- New generation of Set-Top-Box / Home Gateway products
- ASICs for networking
- Imaging signal processors and proximity sensors
- RF-SOI technology

4Q13 Operating Losses : \$66M



Operating Margin Improvement Drivers in 2014

- New products expansion
- Customer base expansion initiatives
- Manufacturing performance
- “Nano 2017” R&D grants program
- Opex reduction



Operating Margin Mid-term Target About 5%



* Operating Income / loss before impairment, restructuring charges. Unused capacity charges are reported in the Group “Others”

Agenda 39



- Q4 & FY13 Business and Financial Performance
- Embedded Processing Solutions
- Sense, Power & Automotive



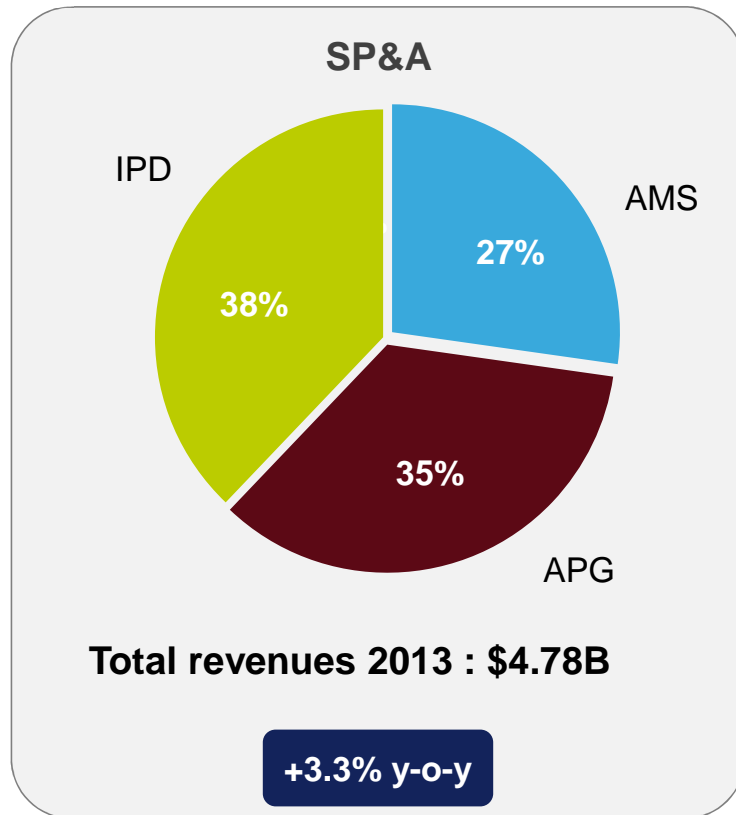
Sense, Power & Automotive

Georges Penalver
Chief Strategy Officer,
Executive Vice President Strategy, Communication,
Human Resources and Quality





Sense, Power and Automotive



3 product groups

AMS Analog, MEMS and Sensors	IPD Industrial & Power Discrete	APG Automotive Product Group
--	---	--

4 Front-End Manufacturing sites

Focus on analog, power and MEMS technologies





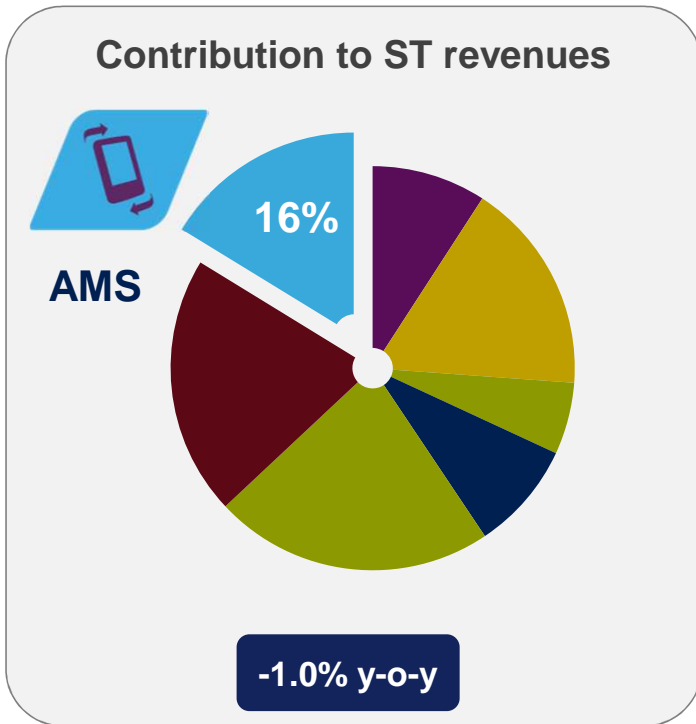
Driving SP&A Success

42







- **Well positioned in markets with favorable trends**
 - Automotive semiconductor content increasing
 - Sensors pervasion driven by mobile, wearable and the Internet of Things
 - Macro-economy environment improvement (especially for IPD markets)
- Leveraging recent innovation efforts and product portfolio expansion in **power management**
- **MEMS and Sensors** expanding beyond motion MEMS and mobile
- Strong position, broad based portfolio and design win pipeline in **Automotive**
- **Distribution and Mass Market Efforts**
- **Manufacturing efficiency** improvement programs: conversion from 6” to 8”, consolidation of back-end activities in China



AMS – Analog, MEMS & Sensors



Portfolio

MOTION MEMS Accelerometers Compass Gyroscopes		TOUCH SENSORS Touch Screen Active Pen	
ACOUSTIC MEMS Microphones		ANALOG OpAmps, Comparators Low-power electronics Bluetooth Low Energy Advanced Audio Solutions	
ENVIRONMENTAL SENSORS Humidity / Chemical Pressure / Temperature Infrared / Gas Flow Light / Proximity		MICRO-ACTUATORS Electrostatic: Mirrors for Portable Projector Thermal / Piezoelectric: InkJet Drug Dispensing	
Sensor Hub & Sensor Fusion			

- Leadership position to take advantage of explosion of sensors driven by mobile, wearable and the Internet of Things
- Focus areas: Complete sensor hub solutions, beyond motion MEMS



AMS – Analog, MEMS & Sensors

44

Highlights 2013

Products

- New family of Android KitKat-compliant **6-axis smart sensors**
- Shipping world's smallest, lowest-power **6-axis compass**
- **iNEMO smart sensor system** in high volume production
- Pruning of mature **standard logic** products

Customers

- Consolidating lead **motion MEMS position** - wins at top phone OEMs & proliferation in wearable
- >100MUnits **MEMS microphones** shipped to tablet and smartphone makers
- Multiple **environmental sensor** wins
- Started shipments of a new **touchscreen controller** to a large Asian consumer OEM
- Doubled sales with China smartphone OEMs

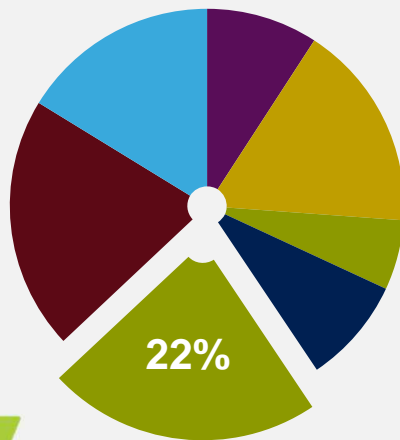
Revenue Boosters 2014

- **Growing**: high-performance microphone, high-accuracy pressure sensors, touchscreen controllers, gyroscope for Optical Image Stabilization
- Continuing to **diversify** in MEMS: ramp automotive wins
- Ramping production of ultra-low power **smart 6-axis family** for mobile and wearable devices.
- Start production of high-performance **touch screen controllers** with hovering function
- Major mass market initiative for **general purpose analog**



IPD – Industrial & Power Discrete

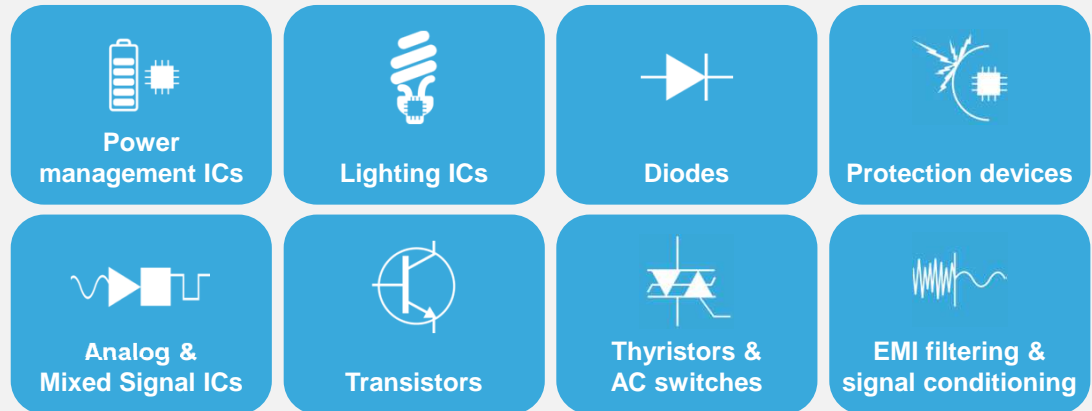
Contribution to ST revenues



IPD

+3.1% y-o-y

Portfolio



- Drive revenue growth and profitability through balanced presence between OEM and distribution
- Focus on product development for Industrial and Portable applications



IPD – Industrial & Power Discrete

46

Highlights 2013

Products

- World's first **intelligent-gateway SoC for metering** embedding powerline modem, metrology and diagnostics
- Introduced best-in-class **600V IGBT** and high performance **low-voltage advanced trench MOSFET**
- Enlarged **X-Spin motion control** smart power IC family

Customers

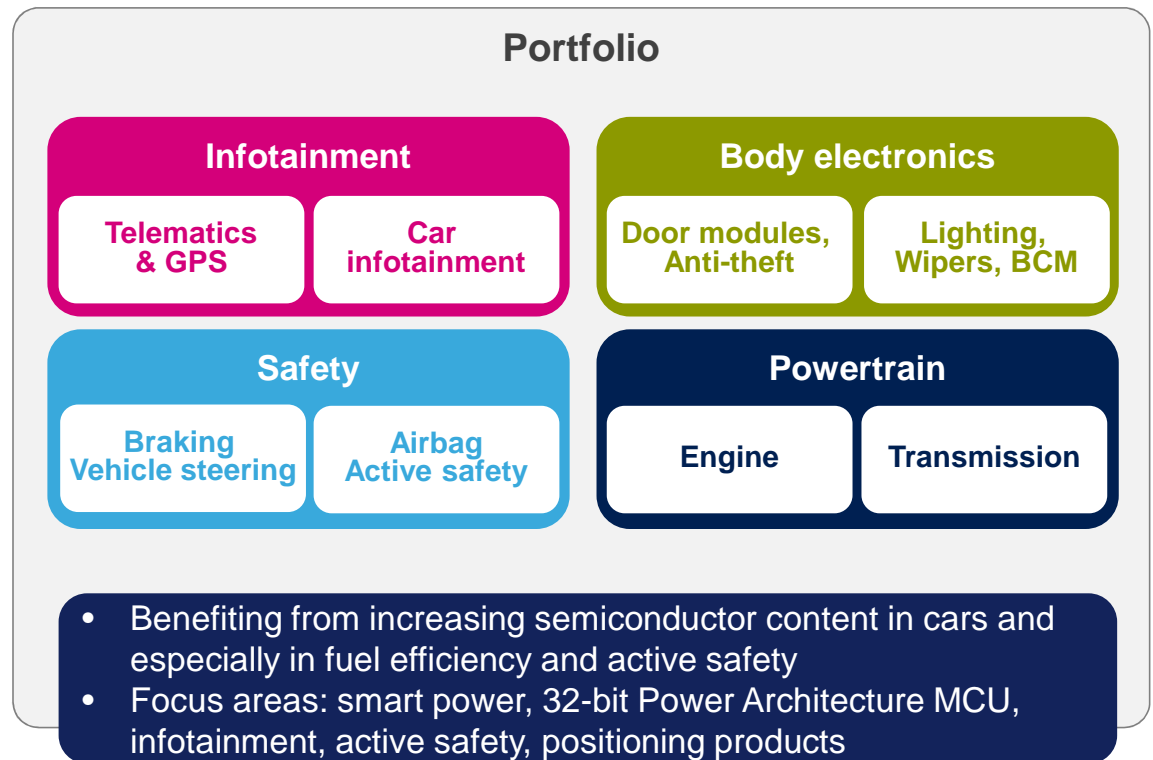
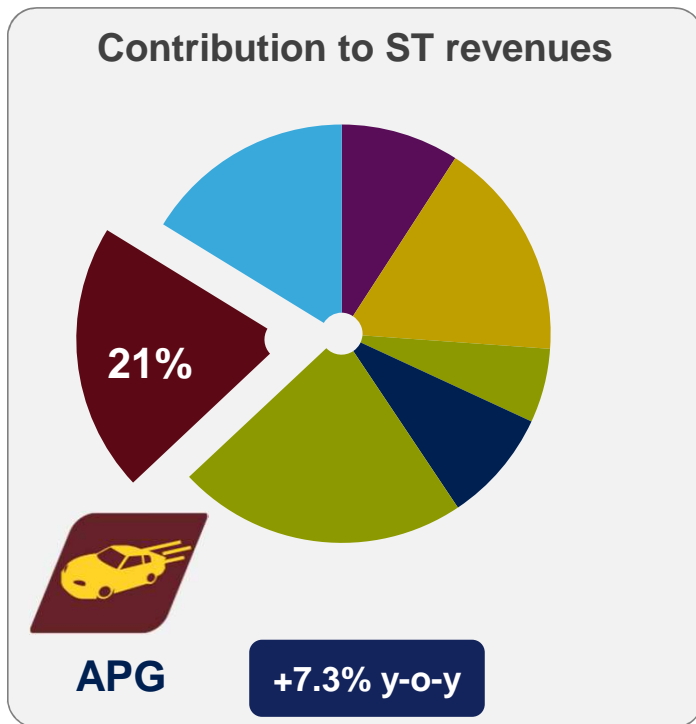
- Volume shipments of **tunable capacitors** for 4G LTE devices to leading smartphone manufacturers
- 10% growth in **distribution and mass market**
- Reinforced leadership in **AMOLED** driver products
- New power management IC family for **battery management** in Mobile Platform and Handsets

Revenue Boosters 2014

- Expected growth supported by overall **macro economic** improvement in particular in industrial and housing
- Leveraging our **innovation** efforts in discrete: new super junctions high voltage MOSFET, Trench IGBT portfolio, high performance Rectifiers, advanced low voltage trench MOSFET & Silicon Carbide Diodes and Transistors
- Ramping wins in **smartphones & tablets** with Tunable Capacitors, RF Couplers, Baluns and Filters
- Confirming leadership in **AMOLED** drivers for smartphones and portable devices with new product generation
- Expanding **Power Management** IC family in servers thanks to additional resources from ST-Ericsson
- Dedicated regional marketing campaigns for **distribution and mass market** targeting double-digit growth



APG – Automotive Product Group





APG – Automotive Product Group

48

Highlights 2013

Products

- Continued expansion of **32-bit Power Architecture** MCU family
- Leadership confirmed in the area of **smart power** with latest 110nm BCD9S process
- Announced latest generation of industry-leading **multi-constellation** satellite-positioning chips

Customers

- **Strong growth** across all applications
- 25% of sales through **distribution**
- Over \$100M revenues and more than \$2.5B in design wins for **32-bit MCU**
- Double digit-growth in the **smart power** products
- Important design wins in **telematics & navigation**
- Major growth in **active safety** with radar & vision

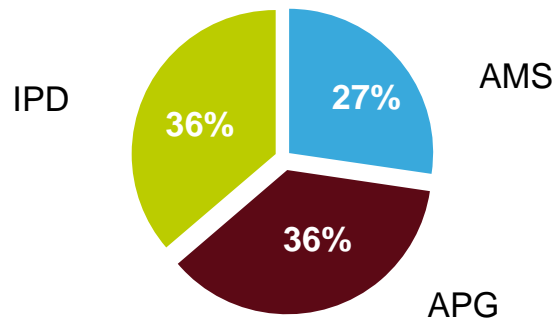
Revenue Boosters 2014

- Continuing to gain market share in **32-bit microcontrollers** doubling revenues
- Continuing major effort on **enlarging customer base** in distribution and mass market highlighting our increased capability to support full system development in Automotive
- Ramping products in **new leading-edge technologies**: embedded flash on 300mm and smart power
- Focusing on higher margin products: **Infotainment, Active Safety, Positioning**

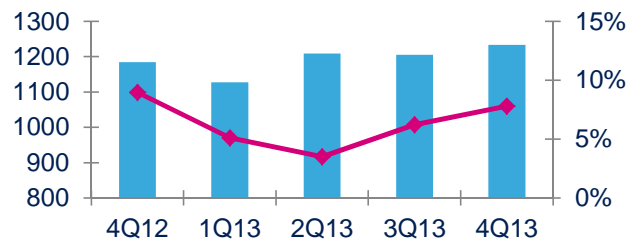


Sense & Power and Automotive

4Q13 Revenues : \$1233M



4Q13 Operating Margin : 7.7%



Revenue ■ Operating Margin * —◆—

Revenue Boosters in 2014

- MEMS & sensors next generation products
- 32-bit microcontrollers for automotive
- Power/Smart Power products for industrial & automotive
- Overall macro-economic improvement in the housing and industrial markets
- Major efforts in Distribution and Mass Market

Operating Margin Improvement Drivers in 2014

- Product mix improvement
- Customer base expansion initiatives
- Optimize fab loading
- Manufacturing efficiency

**Operating Margin Mid-term Target
in the range of 10-15%**



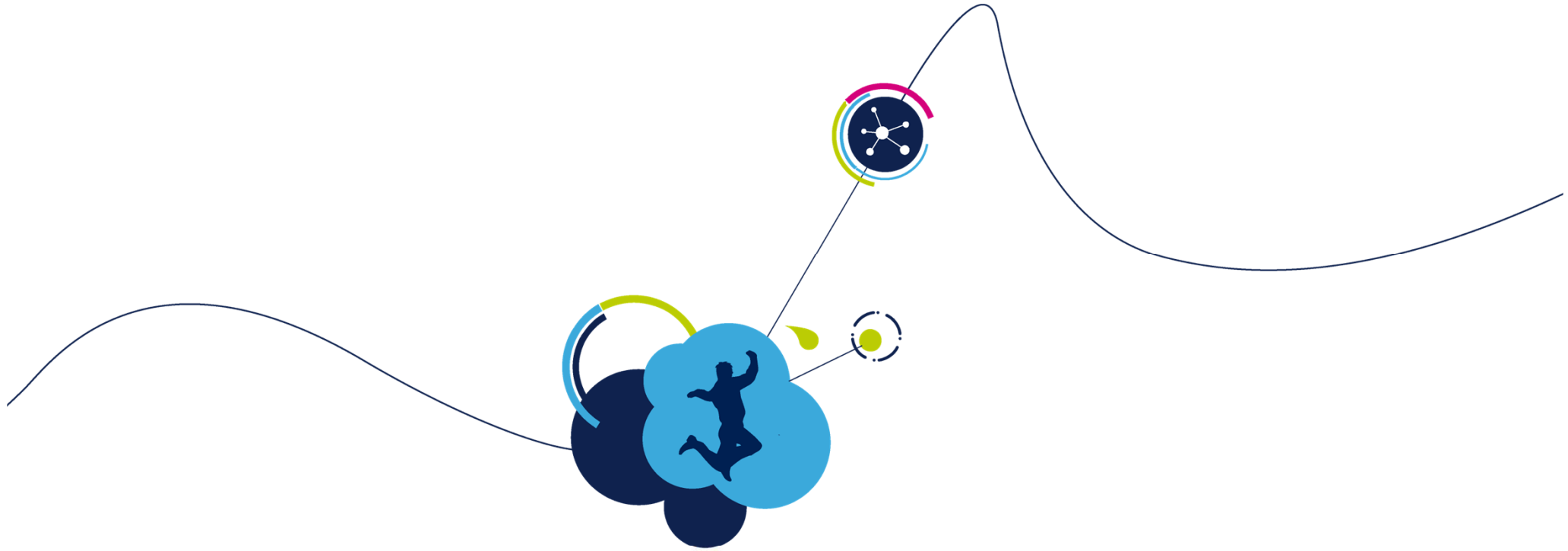
* Operating Income before impairment, restructuring charges. Unused capacity charges are reported in the Group "Others"



Strategy and 2014 Priorities

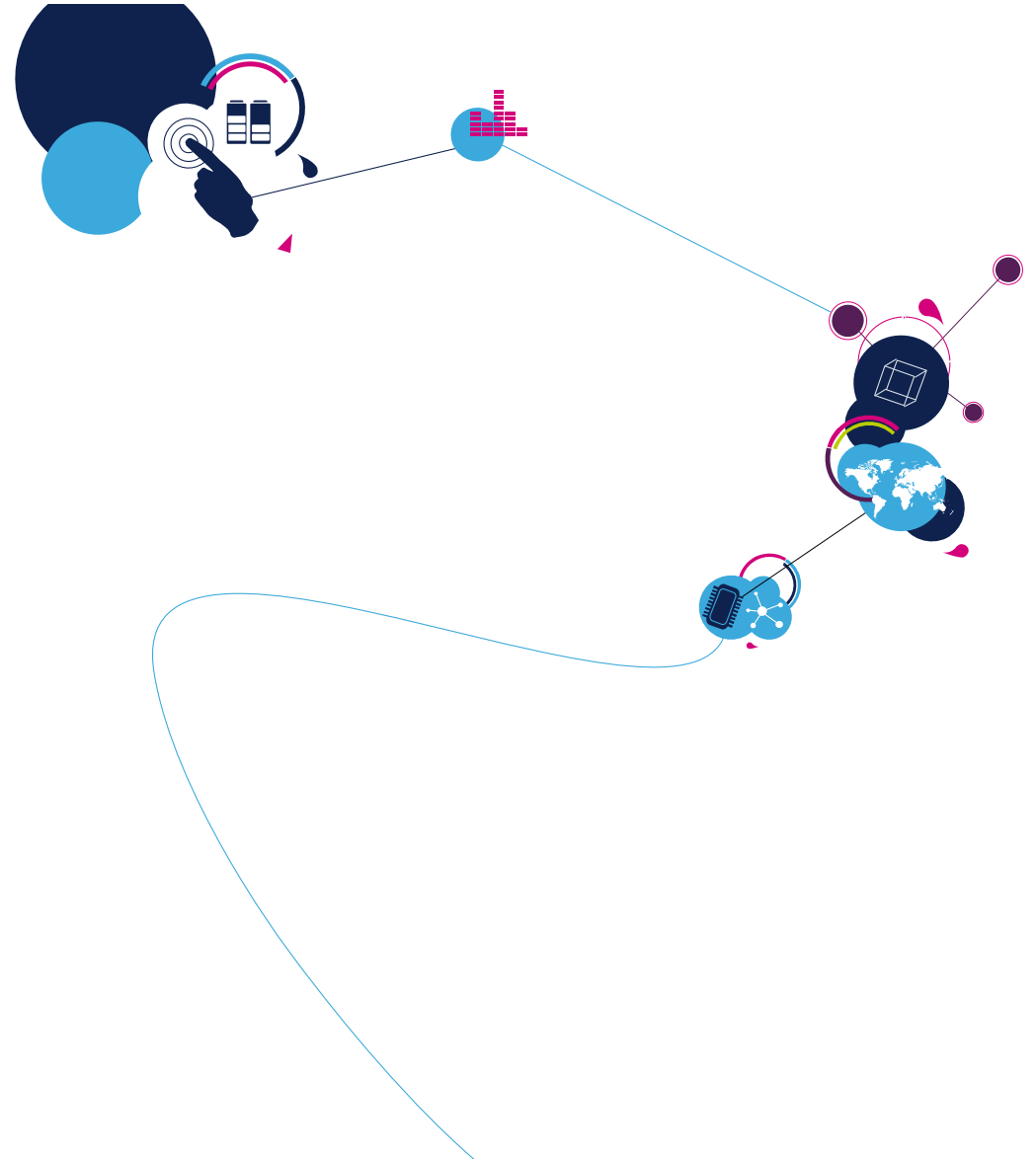
Carlo Bozotti
President and CEO





Questions & Answers

Appendix



Pre-Tax Items to Adjusted Earnings*

OPERATING RESULT	<i>In US\$M</i>	1Q13	2Q13	3Q13	4Q13	FY13
	NET EARNINGS	U.S. GAAP Net Earnings	(171)	(152)	(142)	(36)
Impairment & Restructuring Charges (attributable to Parent Company's shareholders)**		58	41	117	29	245
Loss on equity-method investments (3Sun)			69			69
Loss on equity-method investments (MicroOLED)				4		4
Estimated Income Tax effect of Adjustment		(3)	(11)	(2)	(6)	(22)
	Adjusted Net Earnings*	(116)	(53)	(23)	(13)	(205)



* See appendix

** Total Impairment & Restructuring Charges were \$101M in 1Q13, \$43M in 2Q13, \$120M in 3Q13 and \$29M in Q413.

- **Free cash flow** is defined as net cash from operating activities minus net cash from (used in) investing activities, excluding proceeds from the sale of marketable securities. We believe free cash flow provides useful information for investors and management because it measures our capacity to generate cash from our operating and investing activities to sustain our operating activities. Free cash flow is not a U.S. GAAP measure and does not represent total cash flow since it does not include the cash flows generated by or used in financing activities. In addition, our definition of free cash flow may differ from definitions used by other companies.
- **Net financial position:** resources (debt), represents the balance between our total financial resources and our total financial debt. Our total financial resources include cash and cash equivalents, marketable securities, short-term deposits and restricted cash, and our total financial debt includes short term borrowings, current portion of long-term debt and long-term debt, all as reported in our consolidated balance sheet. We believe our net financial position provides useful information for investors because it gives evidence of our global position either in terms of net indebtedness or net cash position by measuring our capital resources based on cash, cash equivalents and marketable securities and the total level of our financial indebtedness. Net financial position is not a U.S. GAAP measure.
- **Operating income** before impairment, restructuring excludes impairment, restructuring charges and other related closure costs
- **Operating income before impairment and restructuring attributable to ST** is calculated as operating income before impairment and restructuring excluding 50% of ST-Ericsson operating loss before impairment and restructuring as consolidated by ST.
- **Operating margin before impairment and restructuring attributable to ST** is calculated as operating income before impairment and restructuring attributable to ST divided by reported revenues excluding 50% of ST-Ericsson revenues as consolidated by ST
- **Adjusted net earnings and earnings per share (EPS)** are used by our management to help enhance an understanding of ongoing operations and to communicate the impact of the excluded items like impairment, restructuring charges and other related closure costs attributable to ST, and one-time items, net of the relevant tax impact.
- FY2012 as reported includes a net charge of \$54 million related to NXP arbitration award.