

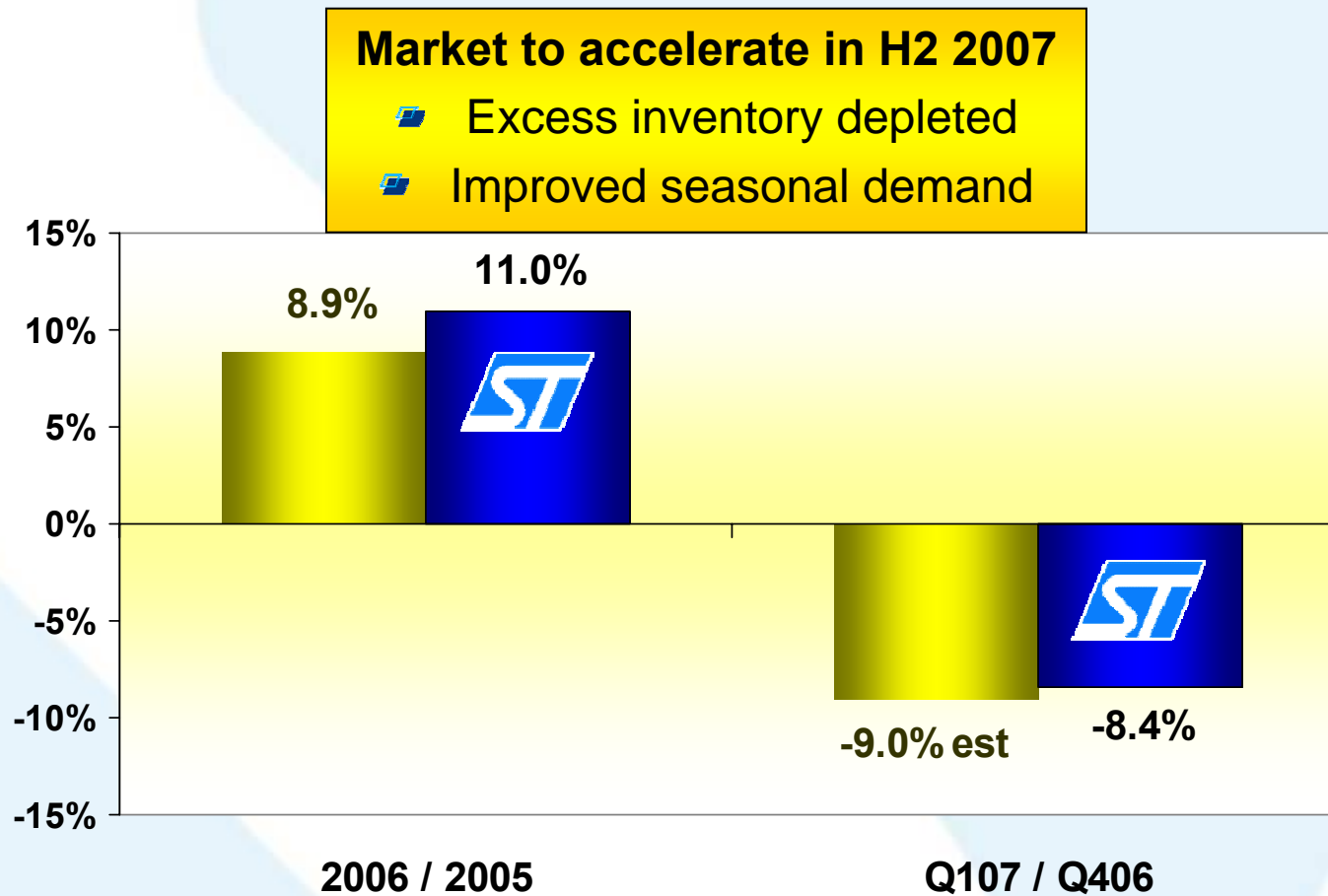
Q1 2007 Financial Performance



April 25, 2007

2007: Well Positioned to Gain Market Share

ST vs Total Available Market (TAM)



Source: ST est, WSTS

■ TAM (WSTS) ■ ST

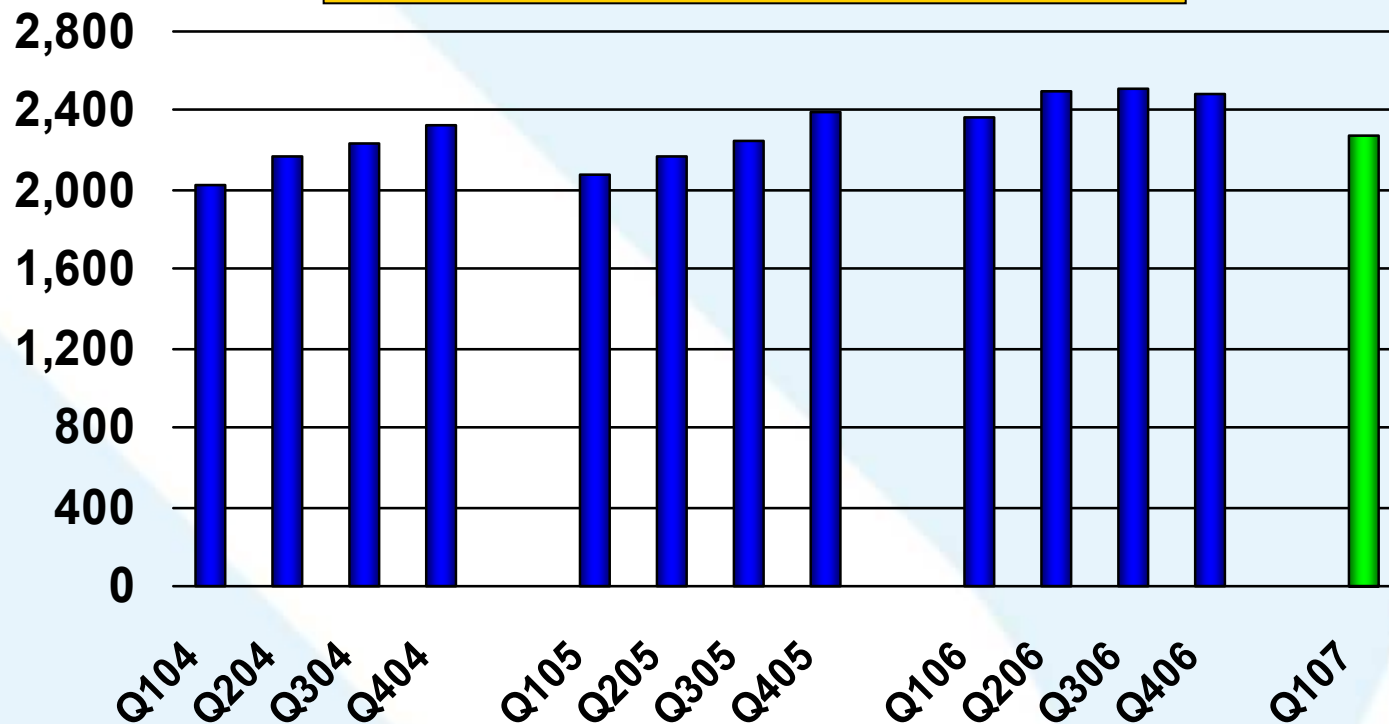
April 25, 2007



ST Total Revenues

US\$M

Q107 Total Revenues = \$2.28B
-3.7% vs. Q106; -8.4% vs Q406

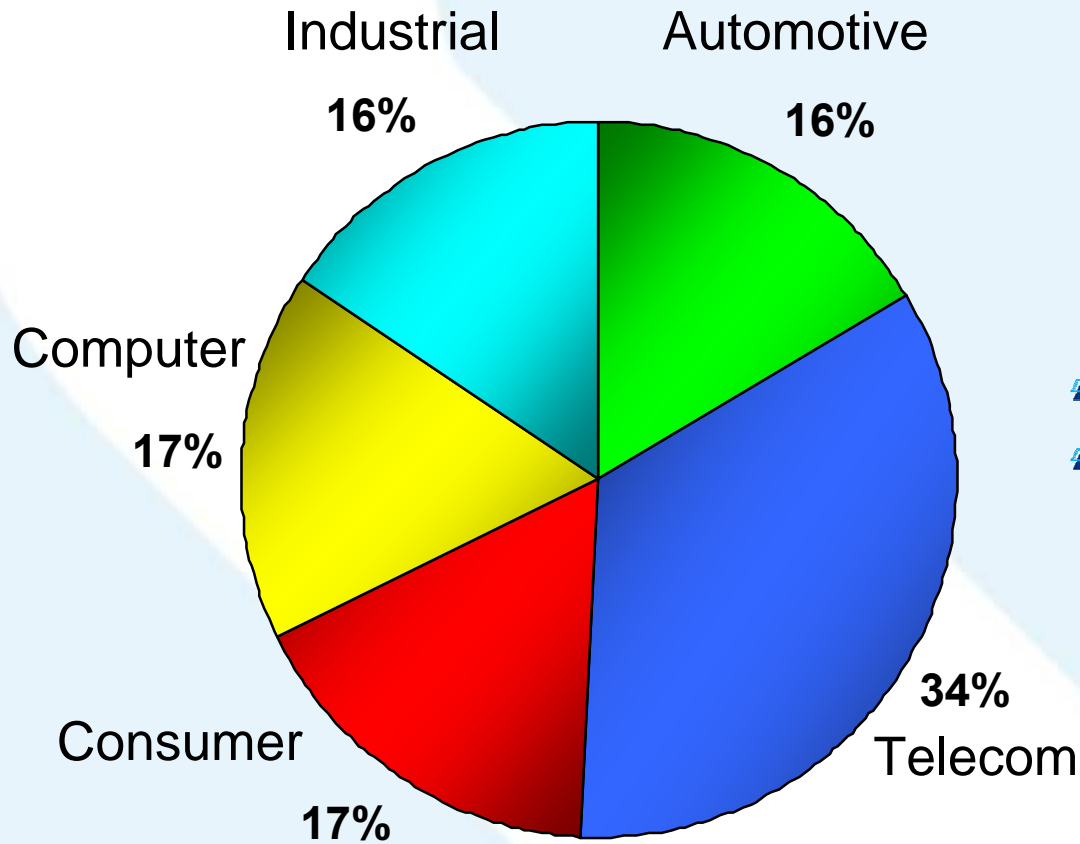


April 25, 2007



Revenues by Market Segment

Based on Q107 Sales = \$2.28B



Y-o-Y Growth Drivers

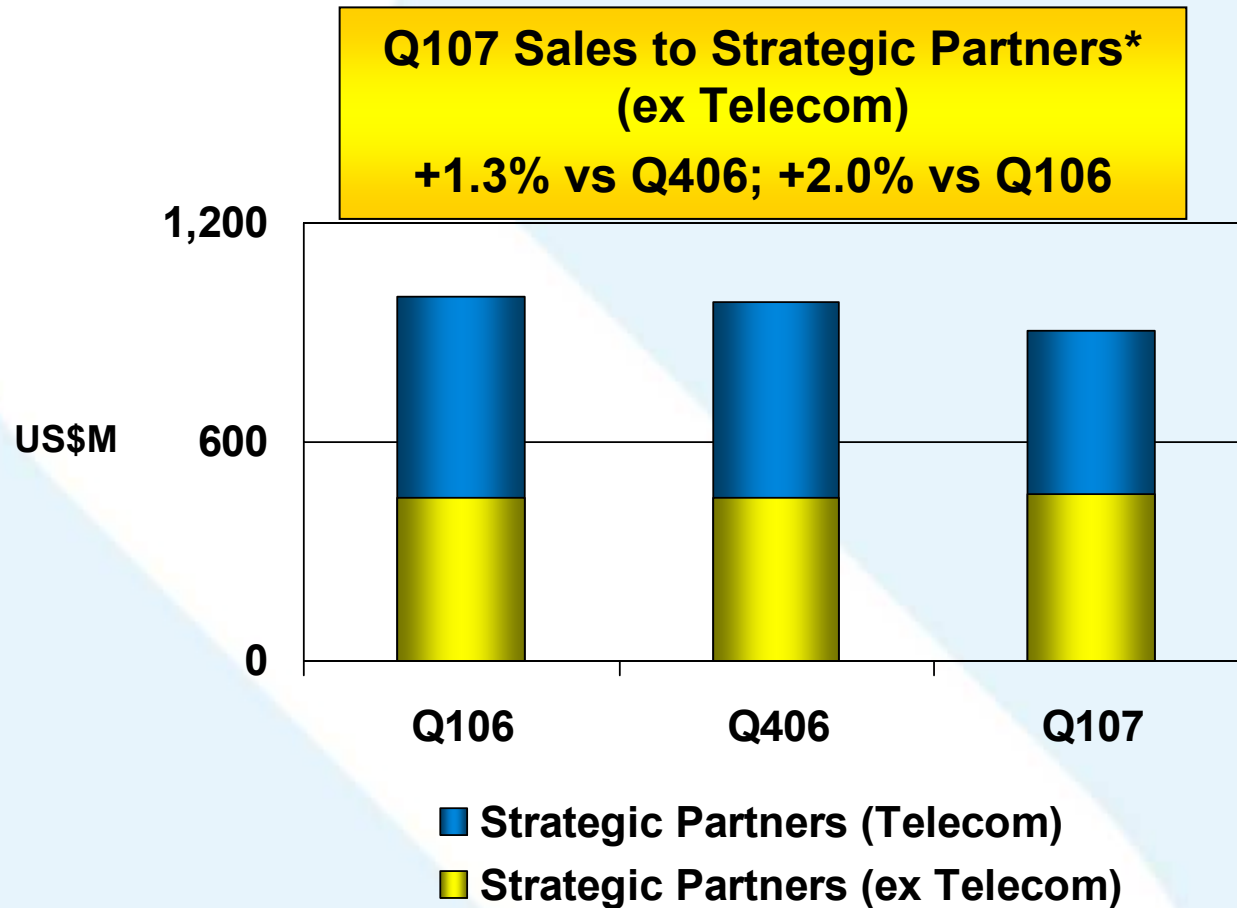
- Automotive Applications + 3%
- Industrial Segment +10%

* 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

April 25, 2007



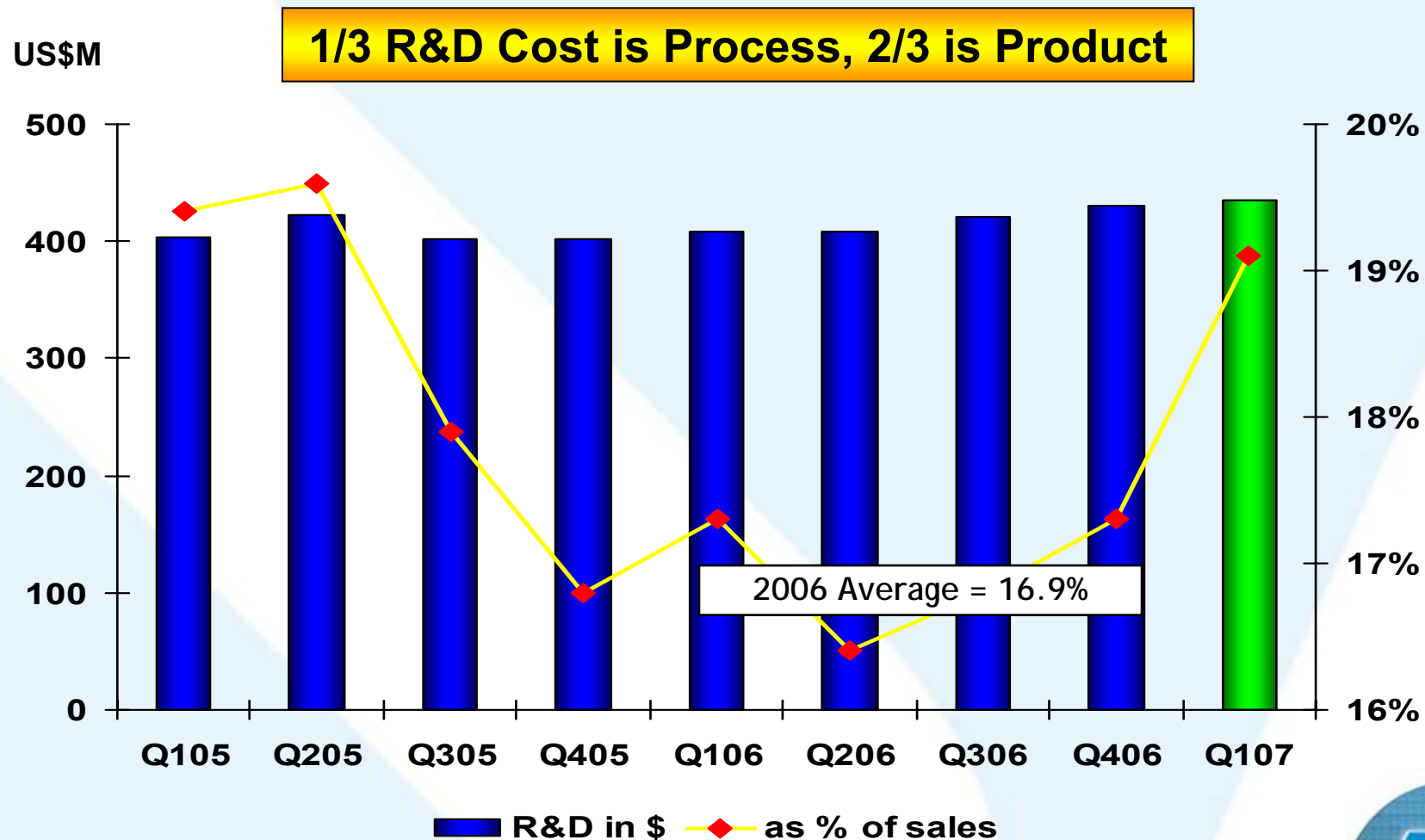
Targeted Customers



* Strategic Partners:



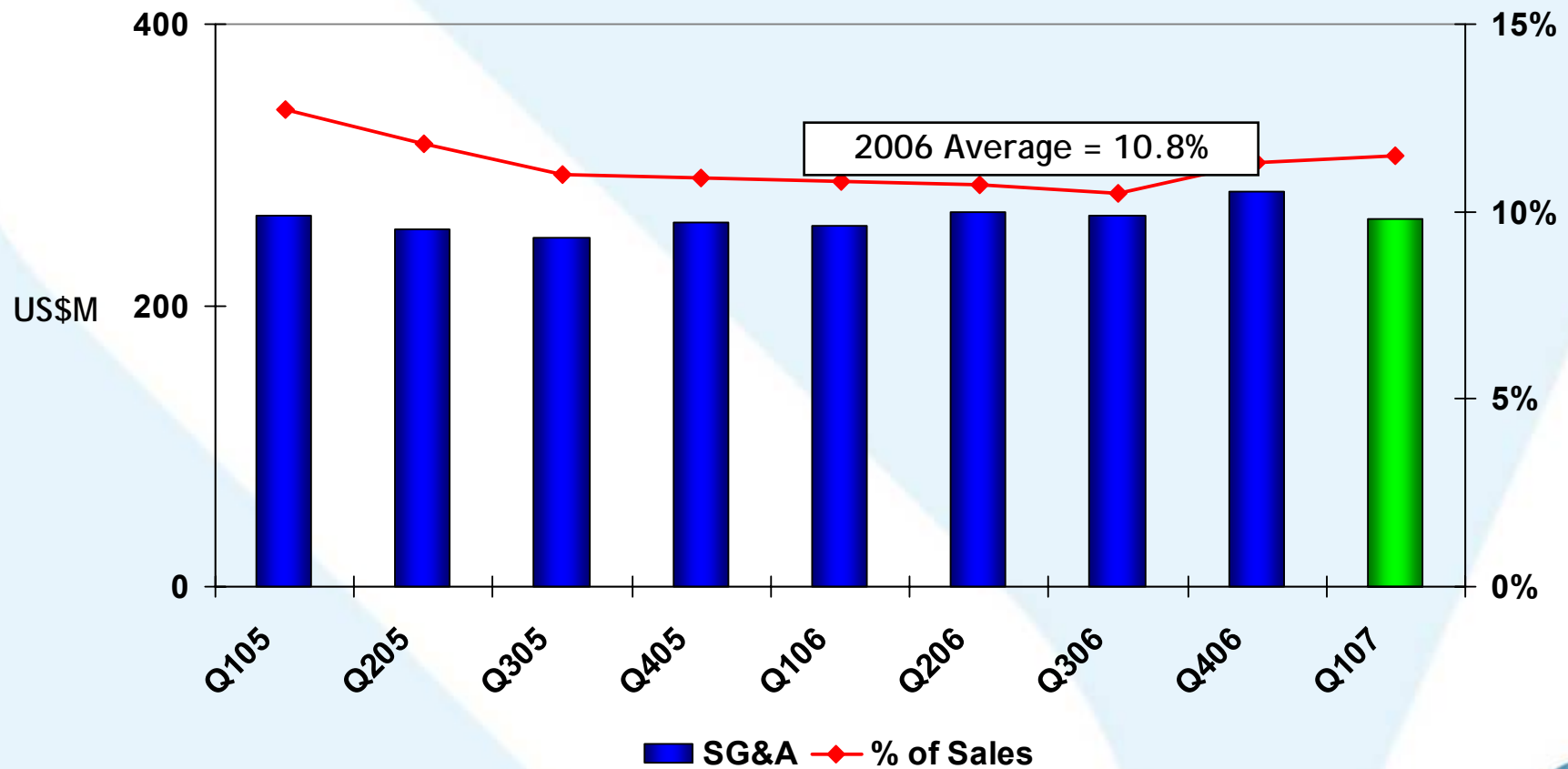
R&D Investment: Consistent and Focused



April 25, 2007



SG&A: Effectively Controlling Expenses



April 25, 2007



Quarterly Financial Performance

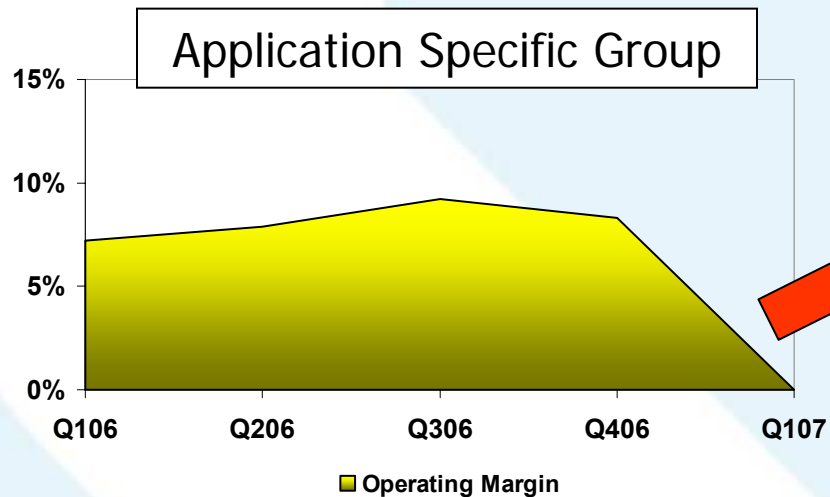
(As reported, in US\$M, except EPS amounts)

	Q106	Q406	Q107
Net Revenues	2,364	2,483	2,276
Gross Margin	35.4%	36.3%	34.5%
Operating Margin	5.9%	7.0%	2.7%
Net Income	132	276	74
EPS Diluted	0.14	0.30	.08
Pre-tax restructuring charges	13	10	12
RONA (excluding restructuring)	7.4%	8.3%	3.3%

April 25, 2007

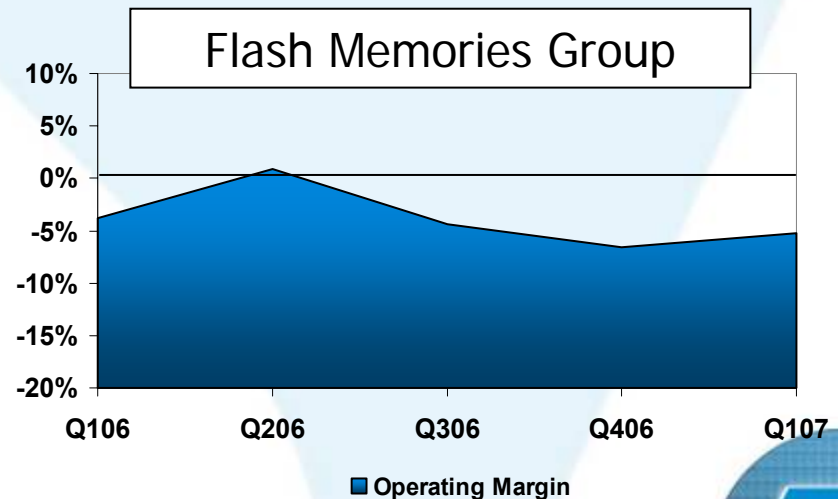
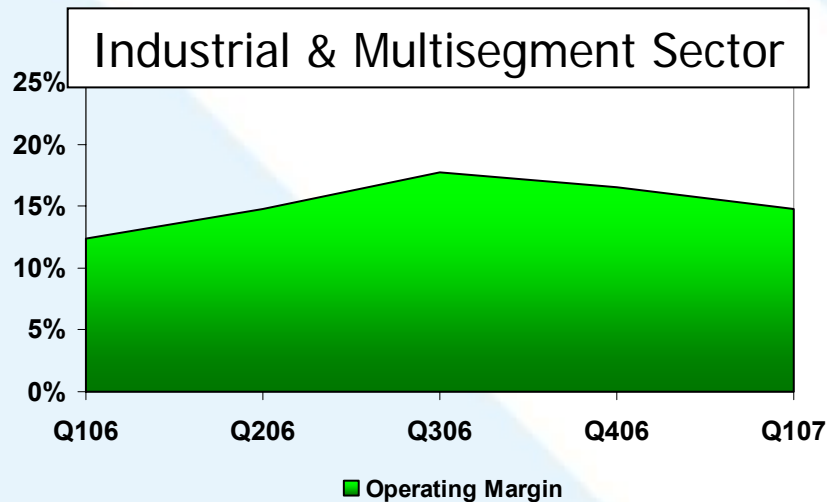


Product Segments: Operating Margin Trends



Reversing ASG's Trend!

- Negatively impacted by industry correction and ST's inventory actions
- Strengthen / ramp product portfolio
 - ◆ 3G DBB
 - ◆ Connectivity
 - ◆ Digital TV
 - ◆ HDD SoC...



Some of the Many New Product Opportunities

📠 Telecom

- ◆ Digital Base Band (3G & 3.5G)
 - ▶ Ramping in volume in 2007 to EMP
- ◆ Application Processor
 - ▶ Samsung, LG and Nokia ramping volume in 2007/2008
- ◆ Connectivity
 - ▶ After strong growth in 2006, poised to expand market share in 2007
 - ▶ Bluetooth in volume in > 45 phones, and designed in >100 phones
 - ▶ WLAN 802.11 a,b,g & b,g solutions in volume in 10 mobile devices with a top-tier OEM, and designed in >25 devices
- ◆ Infrastructure
 - ▶ Shipping 90nm ASIC with embedded DRAM to a world-leading communications infrastructure customer



MORE...New Product Opportunities...

Digital Consumer

- ◆ Set-top Box
 - ▶ 7100 family: world's first 90nm single-chip for H.264 and VC1
 - ▶ 7100 – 7109 customers: Philips, Sagem, Dish, Samsung, Thomson,...
 - ▶ 7200: next generation platform, world's first Dual HDTV decoder chip in 65nm
- ◆ 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
 - ▶ SPEAr, shipping 110nm; next generation 90nm rollout in 2007



MORE...New Product Opportunities

Industrial & Multisegment

◆ MEMS

- ▶ Triple digit growth in 2007 for Gaming & Mobile Phone markets
 - Significant ramp in accelerometer shipments to Nintendo (Wii)
 - New handset applications: image stabilizer, GPS functionalities

◆ High Performance Analog

- ▶ Improving mix & share for industrial, mobile & consumer segments
 - Temperature sensors, LED drivers, switches...

Automotive

- ◆ Key design wins in airbag devices, power-steering solutions, car body and powertrain
- ◆ Developing technology for hybrid vehicles; major design win in engine control
- ◆ Shipping portable navigation devices to a market leader



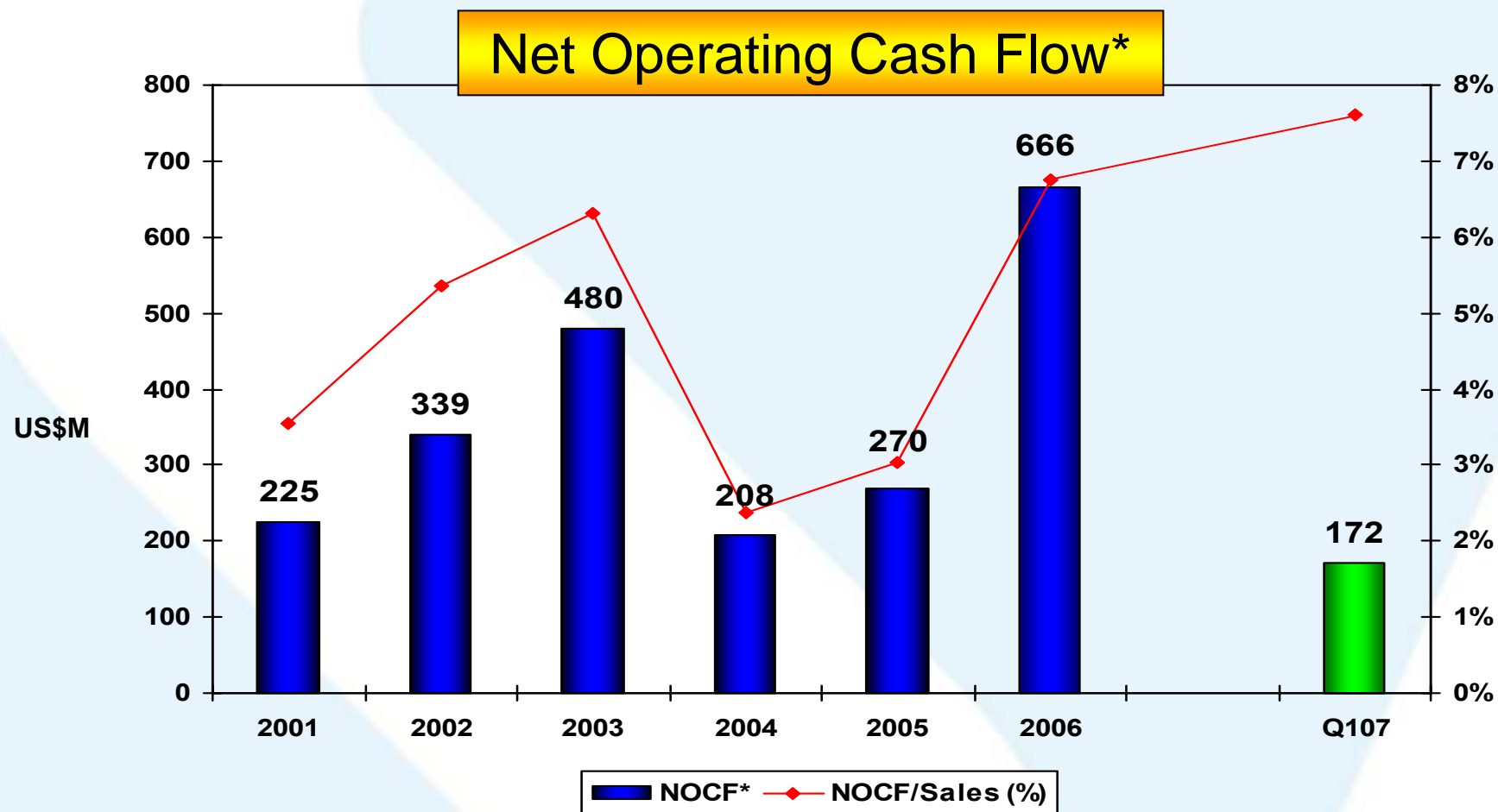
Balance Sheet Highlights

In US\$M (end of period)	1 April 2006	31 Dec 2006	1 April 2007
Total Assets	14,385	14,198	14,200
Shareholders' Equity	8,756	9,747	9,862
Cash and Cash Equivalents	3,734	2,891	2,780
Net Financial (Debt)/Cash Position	400	761	917
Inventory Turns	4.1x	3.9x	3.6x
Net Asset Turns	1.14	1.13	1.02

April 25, 2007



Generating Cash

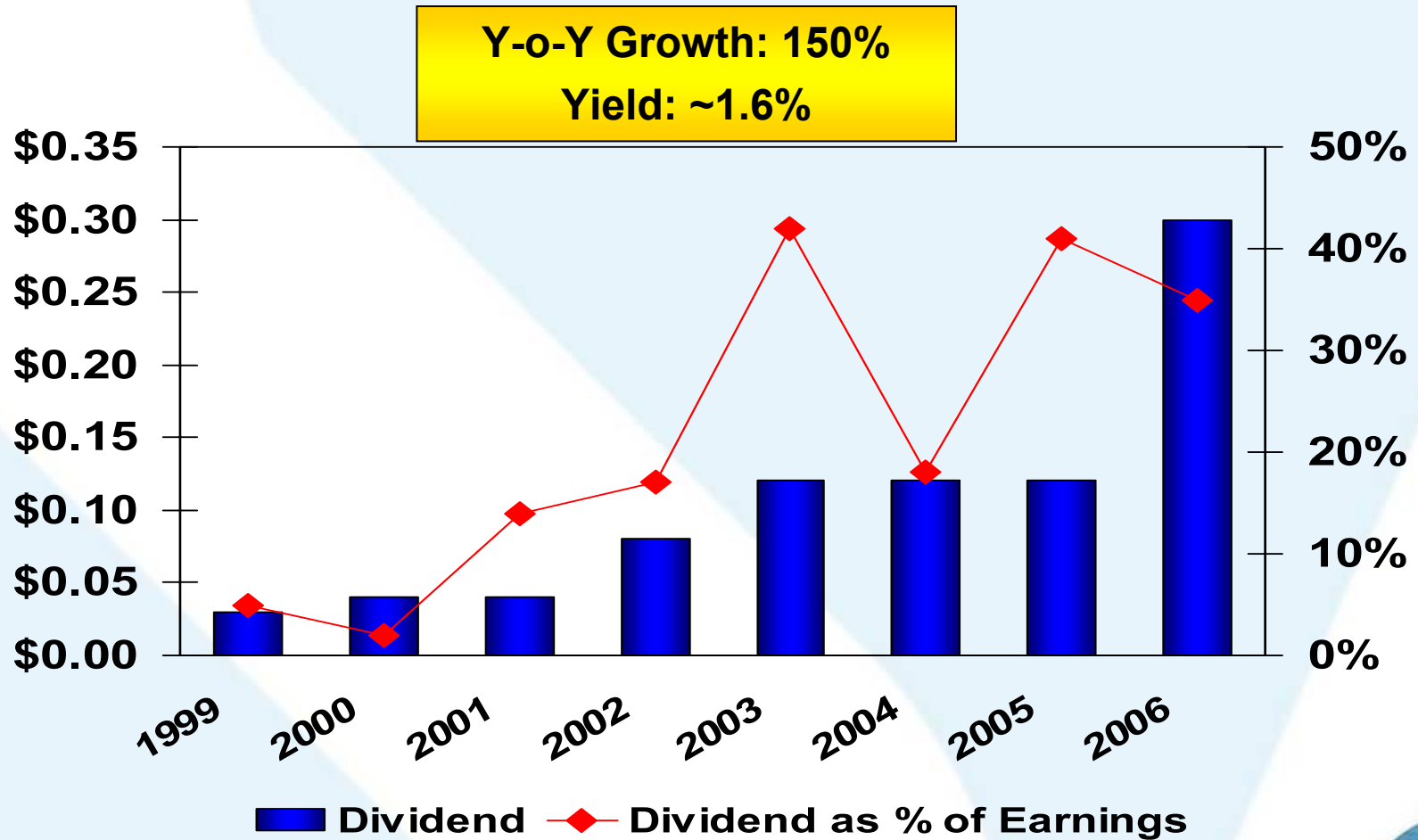


*Non US GAAP measure defined as: Net cash from operating activities minus net cash used in investing activities excluding payments for purchase of and proceeds from the sale of marketable securities and short term deposits.

April 25, 2007



Dividends: Returning Cash to Shareholders



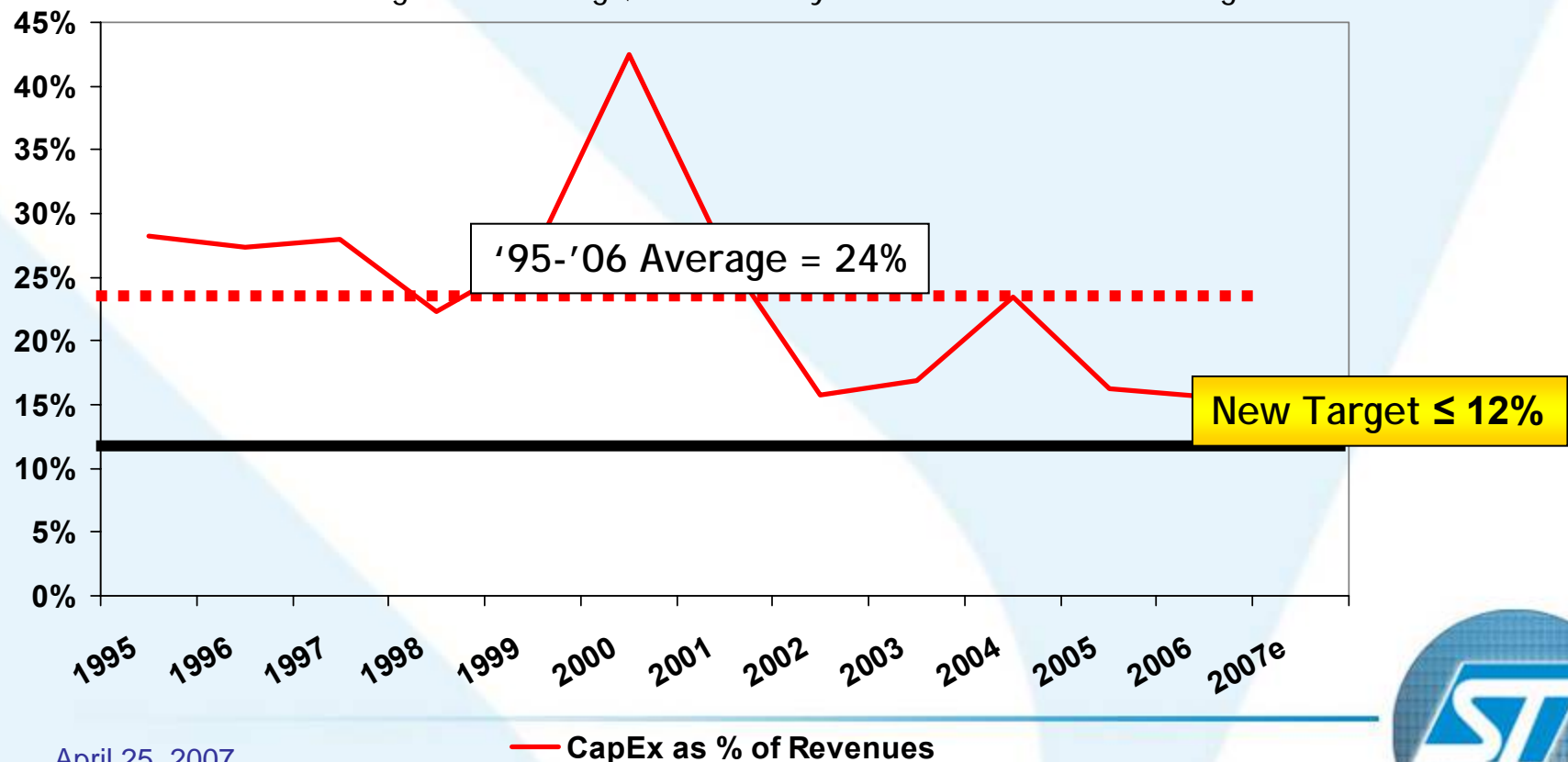
April 25, 2007



Improving our Business Model

Reducing CapEx to Sales Ratio

- ▣ Structural growth of the semiconductor market has changed
 - ◆ Industry has moved from double-digit growth to <10%; past 10 years = 7.5%
- ▣ Decrease the heavy burden of depreciation
- ▣ Reduce our dependence on the market cycles
 - ◆ Better manage fab loadings; avoid costly fab underutilization charges



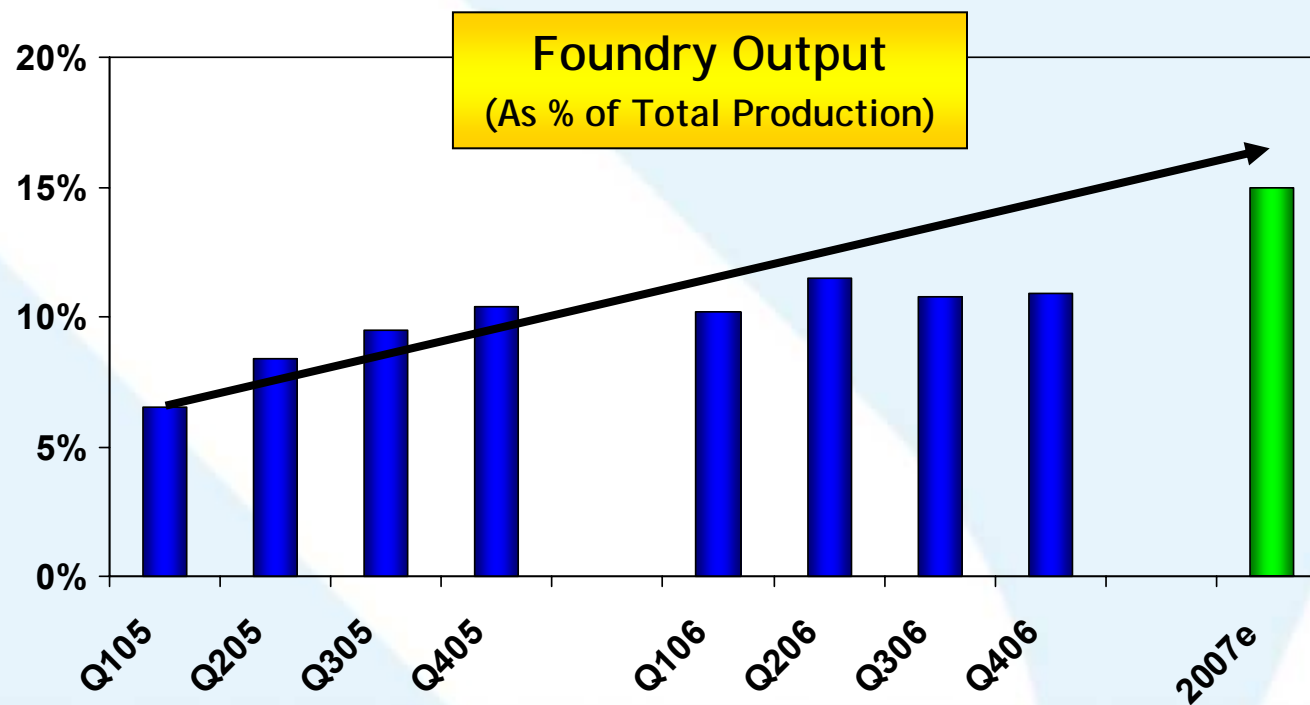
April 25, 2007



Improving our Business Model

Lighter Asset Roadmap

- ▣ Reposition product portfolio: Flash initiative
- ▣ Outsource core technology in CMOS processes (<45nm)
- ▣ Increase sourcing from foundries from 8% to 15+%



April 25, 2007



High Performance Logic Technology

- Ramping 65nm; current capacity at Crolles2 ~ 2,500 w/w
- Crolles2 Alliance will continue through 2007 developing 45nm
- Core technologies below 45nm
 - ◆ ST will work with an industry leader; currently in negotiations with potential partners
- ST will continue to develop state-of-the-art derivative technologies at Crolles2
 - ◆ RF CMOS, Power CMOS and CMOS Imaging

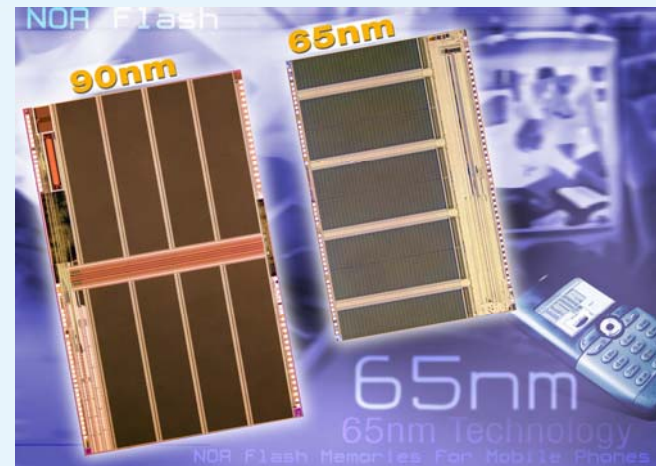


April 25, 2007



Flash Memories

- Pursuing industry consolidation and financial deconsolidation
- NOR & NAND Flash
- Flash Memories Group is now a separate segment including:
 - ◆ Technology development
 - ◆ All product activities
 - ◆ Marketing and sales
 - ◆ Manufacturing (including M6 Catania)

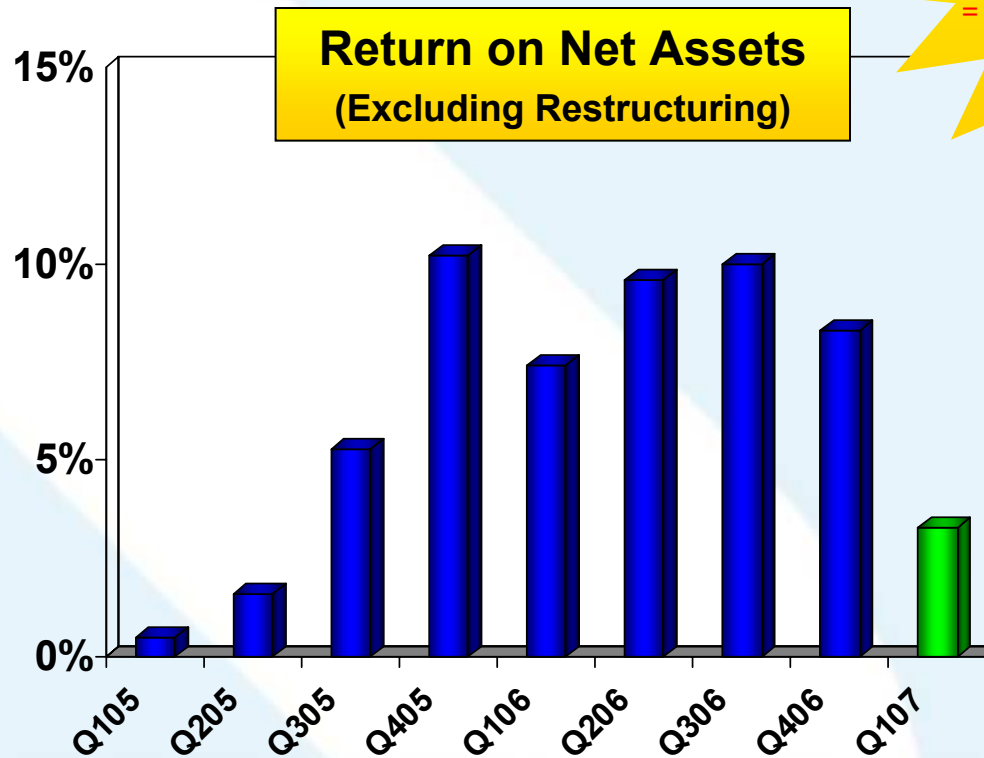


2007 Focus

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

OPERATING MARGIN 11% - 15%
x NET ASSET TURNS 1.1 - 1.3

= RONA 12% - 20%



April 25, 2007



Outlook

- **Q207 revenues to increase between 4% and 10% sequentially**
- **Q207 gross margin:**
 - ◆ Sequential gross margin expansion limited by:
 - US dollar weakness
 - Underloading of logic products in our Singapore fab in connection with the Flash carve-out (40 bps)
 - ◆ Expect about 35% +/- 1 percentage point

Based on effective currency rate of about \$1.34 = €1



Disclaimer

This presentation may include statements that are not historical facts and are statements of future expectations and may include other forward looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended) that are based on management's current views and assumptions and that involve known and unknown risks and uncertainties that could cause actual results or performances to differ materially from those in such statements. In particular 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 be successful in our strategic research and development initiatives to develop new products to meet anticipated market demand, as well as our ability to achieve our corporate performance roadmap by timely and successful completion of our other various announced initiatives to improve our overall efficiency and financial performance, (vi) anticipated benefits of research and development alliances and cooperative activities, (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 counties 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.

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 April 24, 2007, could materially affect the Company.

April 25, 2007

