STMicroelectronics
2Q 2013 Financial Results

July 22, 2013

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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 require us to reassess our current plans concerning the break up and wind down of our ST-Ericsson joint venture;*
- *the loading and the manufacturing performances 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, tsunami, 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.

Who we are

- A global semiconductor leader
- The largest European semiconductor company
- 2012 revenues of **$8.49B**(1)
- Approximately **48,000** employees worldwide(1)
- Approximately **11,500**(1) people working in R&D
- **12** manufacturing sites
- Listed on New York Stock Exchange, Euronext Paris and Borsa Italiana, Milano

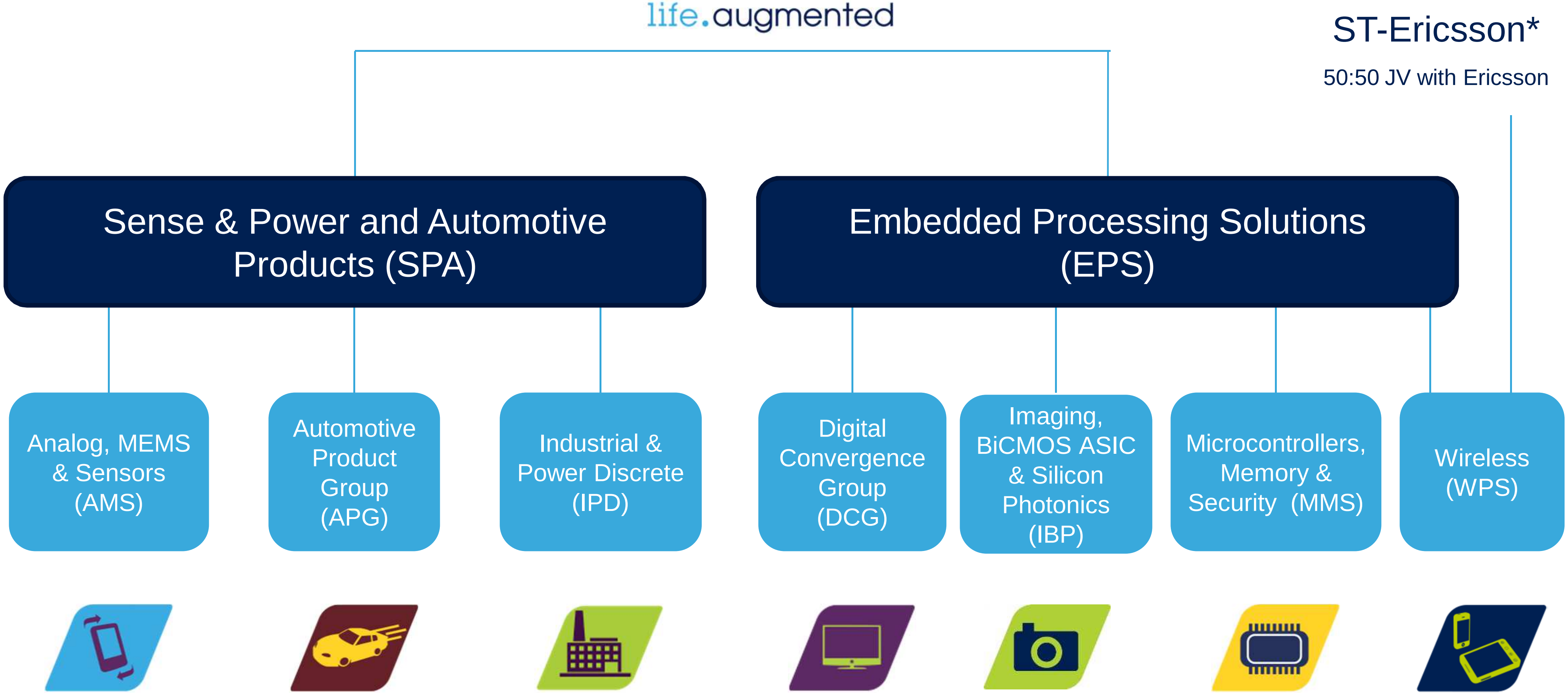
(1) As of December 31, 2012, including ST-Ericsson, a 50:50 joint venture with Ericsson

2Q13 Highlights

- Net revenues of $2.05 billion, in line with guidance
  - Sequentially up 6.8% excluding Wireless product line
  - Accelerated decline of ST-Ericsson's existing product revenues
- Gross margin of 32.8%, above the midpoint of our guidance
  - Up 150 basis point sequentially due to manufacturing efficiencies and increased volumes
- Solid progress towards our quarterly net operating expense target range
  - Net operating expenses excluding restructuring of $736 million
  - Down $72 million sequentially and $151 million year-on-year
- ST-Ericsson transaction to close in early August
  - Estimated total cash costs for ST to exit the JV revised down to $300 to $350 million

Sequential progress towards our objectives of sales growth, gross margin improvement and expense reduction

2013 Product Segments



*Exit to be completed in early August, 2013

ST-Ericsson Split Up - Update

Transaction closing

Formal transfer of the parts to the parents expected in early August, 2013

From March 2, 2013 and until completion of the wind-down:

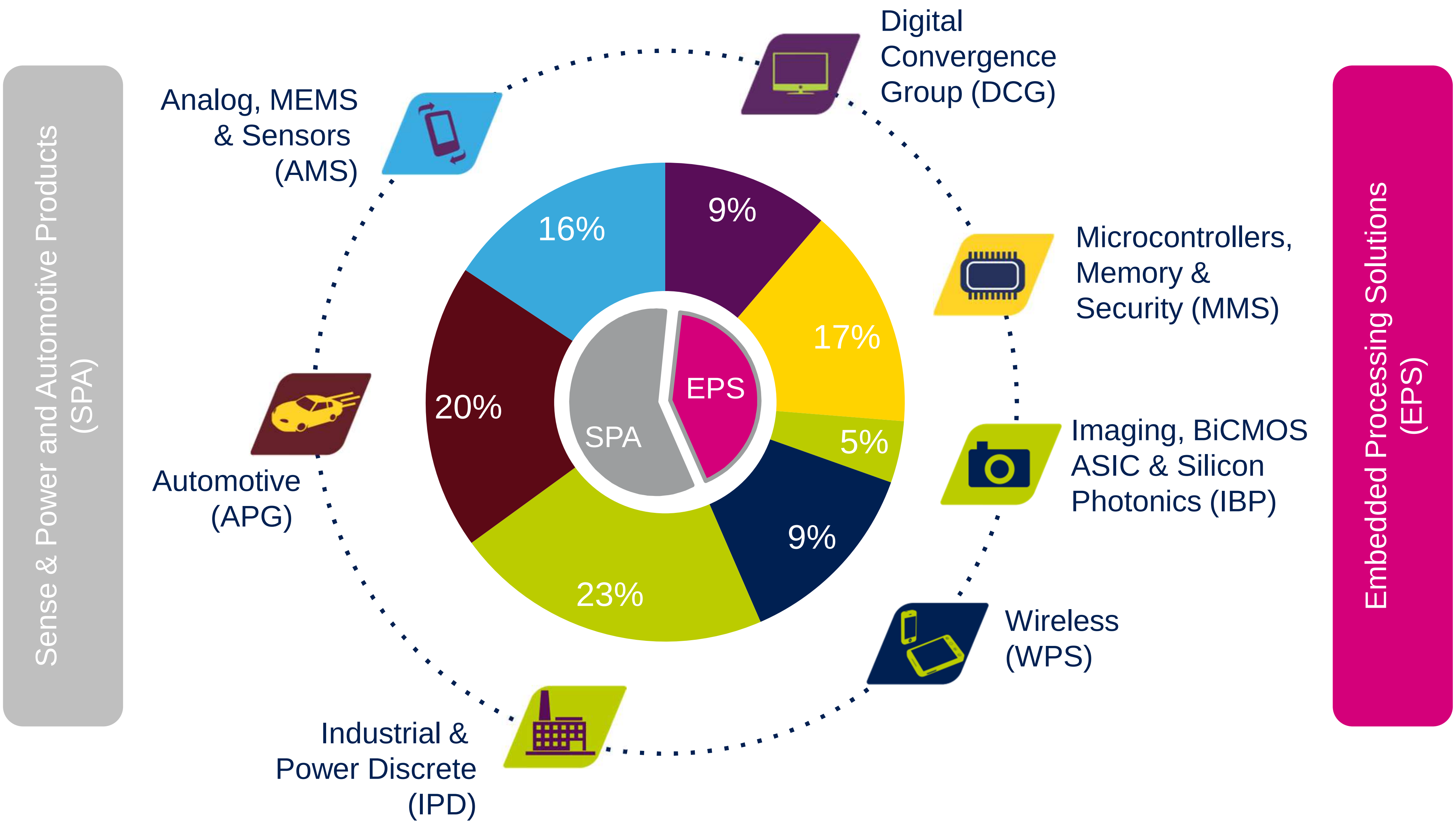
- Ericsson taking on the expenses of the LTE Modem activities.
- ST taking on the existing products and related business as well as expenses for resources working on ST programs.
- Both parents assuming equal funding of the wind-down activities.

ST estimated total cash costs to exit ST-Ericsson

Revised down to $300 to $350M

- From January 1st, 2013.
- $145 million already funded under the parent facility in 1H13
- Lower than the previous estimate as a result of the timely restructuring and the transfer of certain teams to third-party companies.

2Q13 Revenues by Product Groups



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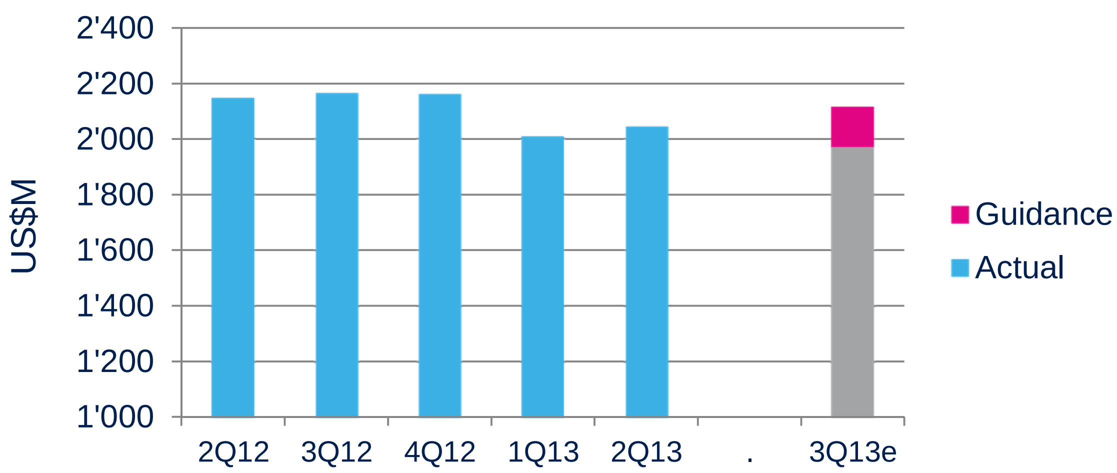
ST 2Q13 Revenues

2Q13 Revenues = $2.05B
+1.8% vs 1Q13

- Excluding Wireless product line:
  - Up 6.8% sequentially
  - Up 3.6% y-o-y
- Wireless product line down 32% sequentially

3Q13 revenue expected to be about flat sequentially (+/- 3.5 percentage points)
  - Up about 3.5% at mid-point excluding Wireless product line



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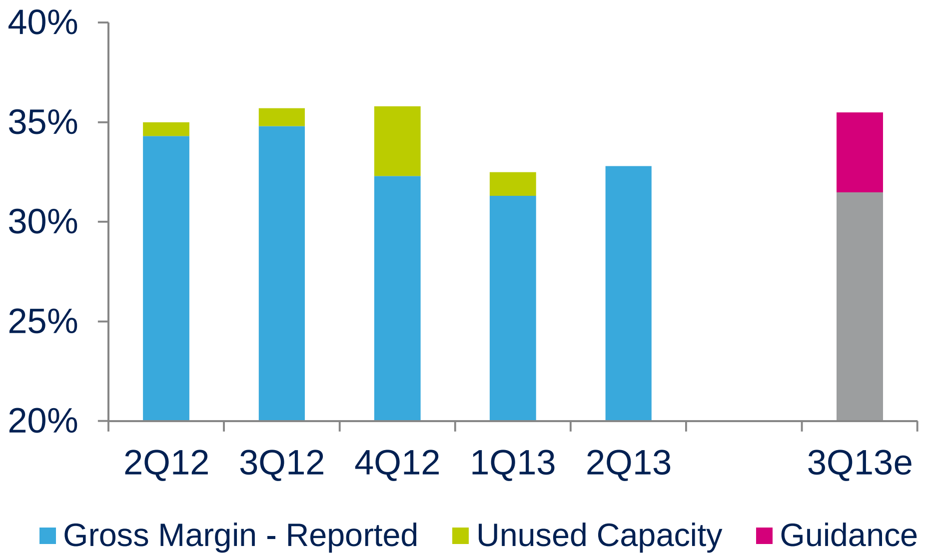
Financial Performance

In US$M, except EPS	2Q12	1Q13	2Q13
Net Revenues	**2,148**	**2,009**	**2,045**
Gross Margin	**34.3%**	**31.3%**	**32.8%**
Operating Income (Loss) before impairment, restructuring & one-time items*	**(151)**	**(180)**	**(64)**
Operating Margin before impairment, restructuring & one-time items attributable to ST*	(1.3%)	(5.3%)	(2.6%)
Net Income – Reported	**(75)**	**(171)**	**(152)**
EPS Diluted	**(0.08)**	**(0.19)**	**(0.17)**
Adjusted EPS Diluted*	**(0.05)**	**(0.13)**	**(0.06)**
Free Cash Flow*	**(129)**	**(65)**	**(134)**
Net Financial Position, adjusted for 50% investment in ST-Ericsson*	**1,153**	**1,096**	**954**
Effective Exchange Rate €/$	**1.32**	**1.31**	**1.30**

*See appendix

ST Gross Margin Evolution



2Q13 Gross Margin

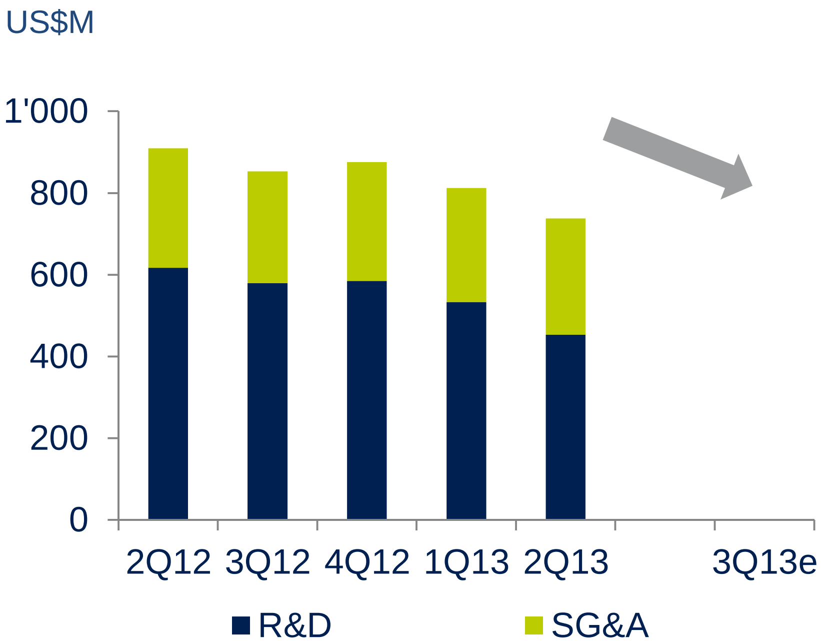
Up 150 basis points sequentially

- Reflecting lower unsaturation charges, manufacturing efficiencies and higher volumes partially offset by price pressure

Looking ahead, we anticipate progressive improvement in our gross margin

- With fab utilization at a more stable and optimal level we plan to continue to grow our business in our targeted growth drivers
- We are focused on better utilizing and optimizing our technology portfolio
- We are now in a position to more aggressively manage our product mix in order to prune lower margin products from our portfolio.
- We will make gradual structural changes to our manufacturing footprint

ST Opex Evolution



2Q13 Operating Expenses

Solid progress toward our target range

Combined 2Q13 SG&A and R&D at $738M

- Down $74M sequentially
- Benefitting principally from the ongoing ST-Ericsson exit and cost reduction initiatives

We again expect significant reductions in operating expenses in the third quarter

- We are well aligned to achieve our net operating expenses target range of $600 million to $650 million in the first quarter of 2014
- With the closing of the ST-Ericsson transaction in early August, the remaining ST-Ericsson activities will be deconsolidated.

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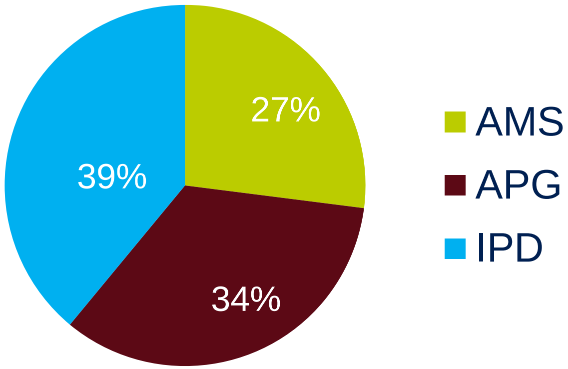
Sense, Power and Automotive

2Q13 Revenues



2Q13 Revenues = $1,209M

- Up 7.3% q-o-q, mainly driven by Industrial and Power products and Automotive
- Up 4.6% y-o-y driven by MEMS

2Q13 Operating Margin = 3.5%

- Decrease principally driven by resources deployed from ST-Ericsson to strengthen R&D activities and price pressure within the Analog, MEMS and Sensors (AMS) group

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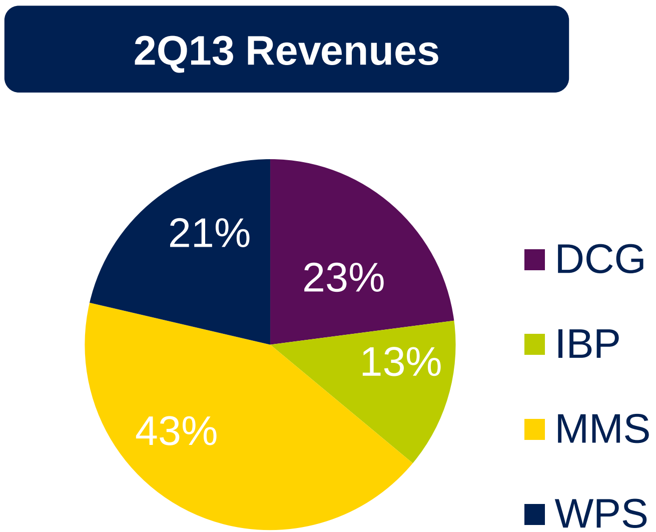
* Operating Income before impairment, restructuring charges. Unused capacity charges are reported in the Group "Others"

Embedded Processing



2Q13 Revenues = $824M

- Down 5% q-o-q and 16% y-o-y
- Due to a significant decrease in ST-Ericsson sales and to a lesser extent, Digital Convergence (DCG)

2Q13 Operating Losses = $106M

- Operating margin improved to negative 12.8% from negative 24.2% and negative 23.7% in the prior and year-ago quarters, respectively
- Mainly due to a significant reduction in expenses.

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

Sense, Power and Automotive
2Q13 Product Highlights

MEMS AND SENSORS

- Deployment of the **SPIRIT1**, sub-GHz RF transceiver-based application for remote control of **street lights in Paris.**
- Win for **a high-end digital top-port microphone** in a **new tablet** to be launched this fall.
- **In production with 9-axis inertial module** for several innovative navigation-related applications **from top-tier Americas manufacturers.**

POWER AND SMARTPOWER

- Gaining market traction with the innovative digital-power **STLUX385x platform** for various projects with wins in **major EMEA lighting customers.**
- Design wins in several server SMPS platforms with **ViperPlus high-voltage converters** from a **major Taiwanese SMPS manufacturer.**
- Wins for **RF antenna-tuner** solution for smartphones from a **leading Taiwanese OEM.**

AUTOMOTIVE

- Reinforced leadership in **Infotainment** with the awarding of a **multi-standard digital terrestrial tuner** from a **leading European Tier 1.**
- Earned an important award for a **microcontroller companion chip** that integrates all key functions for **stability-control systems** for the Korean market from a **leading Korean supplier.**
- Captured a design win from a **global leader** in the **braking market** for a fully integrated **electronic parking-brake solution.**

Embedded Processing
2Q13 Product Highlights

MICROCONTROLLERS

- Continued **STM32** momentum with several design wins for **smart-watch applications** at **major global OEMs**, as a **sensor-hub** in various mobile applications at a **major manufacturer**, and in a **next-generation low-power fitness-monitoring system** at a **key Americas OEM.**
- Ramped production of **STM32 controllers** for Wi-Fi modules for **Internet of Things** applications at various **customers.**
- Captured the **prestigious 'Electron d'Or 2013' award** from ElectroniqueS Magazine for the **ST31, the first 32-bit Contactless Secure Microcontroller.**

IMAGING, BI-CMOS ASIC AND SILICON PHOTONICS

- Secured design wins for **ASICs using Silicon Photonics** with t**wo of the world's top optical communications manufacturers.**
- Won a slot for the **Image Signal Processor** from a **leading phone manufacturer.**

DIGITAL CONVERGENCE

- Continued building momentum for **ASICs** to be manufactured in **28nm FD-SOI** technology, with two new design wins for **networking** and **consumer** applications.
- Maintained success with **worldwide customers** of awards for new **set-top box Class2** product family, which has now also obtained the **full certification** from **Nagra** and **Viaccess.**
- Began an important design at a **key customer for the US cable modem** based on the **Orly platform.**

Net Financial Position*

End of period (US$M)	Jun. 29, 2013	Mar. 30, 2013	Dec. 31, 2012
Available Cash and Marketable Securities	1,773	1,906	2,489
Non-Current Restricted Cash	-	4	4
Total Liquidity	**1,773**	**1,910**	**2,493**
Total Financial Debt**	**(964)**	**(897)**	**(1,301)**
Net Financial Position	**809**	**1,013**	**1,192**
Net Financial Position, adjusted to account for 50% investment in ST-Ericsson	**954**	**1,096**	**1,192**

Maintaining a Strong Financial Position

In 2Q13:

- Funded $62M under the ST-Ericsson parent facility
- Capex of $121M

* See appendix

** Includes ST-Ericsson debt to Ericsson of $145M at June 29, 2013, $83M at March 30, 2013, $0M at December 31, 2012.

3Q13 Outlook

- **Macro trends remain uncertain but excluding ST-Ericsson, we have seen a progressive improvement in bookings in the second quarter, although towards the end of the second quarter we experienced a softening in the smartphone market also impacting ST products.**

- **We continue to expect the ramp of key products in MEMS, Automotive, Microcontrollers and Imaging in the second half of this year, leading to higher sequential revenue results for both the third and fourth quarters of this year.**

- 3Q13 revenues are expected to be about flat sequentially at the midpoint of our guidance (+/- 3.5%)
  - Up about 3.5% at the midpoint excluding Wireless product line

- 3Q13 gross margin is expected to be about 33.5%, plus or minus 2.0 percentage points

Outlook based on an assumed effective currency exchange rate of approximately $1.30= €1.00 for the 2013 third quarter and includes the impact of existing hedging contracts.
The third quarter will close on September 28, 2013.

Appendix

Pre-Tax Items to Adjusted Earnings*

OPERATING RESULT

NET EARNINGS

In US$M	2Q12	1Q13	2Q13
U.S. GAAP Net Earnings	**(75)**	**(171)**	**(152)**
Impairment & Restructuring Charges (attributable to Parent Company's shareholders)**	**28**	**58**	**41**
Loss on equity-method investments (3Sun)	**N/A**	**N/A**	**69**
Estimated Income Tax effect of Adjustment	**-**	**(3)**	**(11)**
Adjusted Net Earnings*	**(47)**	**(116)**	**(53)**

* See appendix

** Total Impairment & Restructuring Charges were $56M in 2Q12, $101M in 1Q13 and $43M in 2Q13.

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Appendix

- **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 and one time item excludes impairment, restructuring charges and other related closure costs

- **Operating income before impairment, restructuring and one-time item attributable to ST is** calculated as operating income before impairment, restructuring and one time item excluding 50% of ST-Ericsson operating loss before impairment and restructuring as consolidated by ST. **Operating margin before impairment restructuring and one time item attributable to ST** is calculated as operating income before impairment, restructuring and one time item 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.

- **Consolidation of ST-Ericsson:** ST-Ericsson, a joint venture owned 50% by ST, began operations on February 3, 2009 and is consolidated into ST's operating results as of that date. ST-Ericsson is led by a development and marketing company consolidated by ST. A separate platform design company providing platform designs mostly to the development and marketing company is accounted for by ST using the equity method.

- **Wireless Segment:** As of February 3, 2009, "Wireless" includes the portion of sales and operating results of the 50/50 ST-Ericsson joint venture as consolidated in the Company's revenues and operating results, as well as other items affecting operating results related to the wireless business.

- **Sales recorded by ST-Ericsson and consolidated by ST are included in OEM and Distribution**