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, 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;
- Financial difficulties with any of our major distributors or significant curtailment of purchases by key customers;
- The loading, product mix, and 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, and any breaches of our IT systems or those of our customers or suppliers;
- Variations in the foreign exchange markets and, more particularly, 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;
- The ability to successfully restructure underperforming business lines and associated restructuring charges and 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;
- Product liability or warranty claims or recalls by our customers for products containing our parts;
- 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, labor, 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, labor actions, 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, 2015, as filed with the SEC on March 16, 2016. 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.

[Logo]
Who We Are

- A global semiconductor leader
- 2015 revenues of $6.90B
- Listed: NYSE, Euronext Paris and Borsa Italiana, Milan

- Approximately 43,200 employees worldwide
- Approximately 8,300 people working in R&D
- 11 manufacturing sites
- Over 75 sales & marketing offices
Organization aligned to Strategic Focus (FY 2015)

- Analog & MEMS Group (AMG): $1.67B
- Automotive & Discrete Group (ADG): $2.73B
- Microcontrollers & Digital ICs Group (MDG)*: $2.02B
- Imaging: 3%
- Smart Driving
- Smart Industry
- Smart Home & City
- Smart Things

*MDG excludes Set-Top Box business
Product Family Focus

The leading provider of products and solutions for Smart Driving and the Internet of Things

- Dedicated Automotive ICs
- Discrete & Power Transistors
- Analog, Industrial & Power Conversion ICs
- MEMS & Specialized Imaging Sensors
- Digital ASICs
- General Purpose & Secure MCUs EEPROM

Portfolio delivering complementarity for target end markets, and synergies in R&D and manufacturing
Where you find us

Making driving safer, greener and more connected

Making everyday things smarter, connected and more aware of their surroundings

Enabling cities to make more of available resources

Making homes smarter, for better living, higher security, and less waste

Enabling the evolution of industry towards smarter, safer and more efficient factories and workplaces
1Q16 Highlights

• Net revenues of $1.61 billion
  • Down 3.3% sequentially, in line with Company’s expectations
  • Down 3.3% year-over-year when excluding negative currency effect and certain businesses undergoing a phase-out
  • Automotive and microcontroller first quarter revenues both up above 4% when excluding negative currency effect

• Gross margin 33.4%
  • Up 20 basis points year-over-year
  • Includes negative impact of 60 basis points of unused charges

• Organization in place to drive growth in Smart Driving and Internet of Things
  • Product families realigned into three product groups
  • Regions realigned into three sales organizations

First quarter in line with expectations and better than normal seasonality despite a volatile macro-economic scenario and mixed industry dynamics
1Q16 Revenues – New Organization

% by product group:
- **ADG**: Former APG + Discrete part of former IPD, 42%
- **MDG**: Former MMS + former DPG excluding Imaging, 33%
- **AMG**: Former AMS + Non-Discrete part of former IPD, 23%
- **Others**: Mainly Imaging business of former DPG, 2%

% by location of order shipment:
- **EMEA**: 56%
- **Asia Pacific**: 56%
- **Americas**: 29%
- **Others**: 15%

*In 1Q16, ST realigned its product families into three product groups: Automotive and Discrete Group (ADG); Analog and MEMS Group (AMG) and Microcontrollers and Digital ICs Group (MDG).
**MDG includes ST’s set-top-box business which is currently undergoing a restructuring.*
## Financial Performance

### In US$M, except EPS

<table>
<thead>
<tr>
<th></th>
<th>1Q15</th>
<th>4Q15</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenues</strong></td>
<td>1,705</td>
<td>1,668</td>
<td>1,613</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>33.2%</td>
<td>33.5%</td>
<td>33.4%</td>
</tr>
<tr>
<td><strong>Operating Income (Loss) before impairment, restructuring</strong></td>
<td>10 (0.6%)</td>
<td>29 (1.7%)</td>
<td>(5) (0.3%)</td>
</tr>
<tr>
<td><strong>Operating Margin before impairment, restructuring</strong></td>
<td>148 0.6%</td>
<td>494 1.7%</td>
<td>31 (0.3%)</td>
</tr>
<tr>
<td><strong>Net Income – Reported</strong></td>
<td>(22)</td>
<td>2</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>EPS Diluted</strong></td>
<td>(0.03)</td>
<td>0.00</td>
<td>(0.05)</td>
</tr>
<tr>
<td><strong>Adjusted EPS Diluted</strong></td>
<td>0.01</td>
<td>0.00</td>
<td>(0.02)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>41</td>
<td>148</td>
<td>31</td>
</tr>
<tr>
<td><strong>Net Financial Position</strong></td>
<td>512</td>
<td>494</td>
<td>439</td>
</tr>
<tr>
<td><strong>Effective Exchange Rate €/$</strong></td>
<td>1.23</td>
<td>1.11</td>
<td>1.10</td>
</tr>
</tbody>
</table>

*See appendix*
1Q16 Revenues = $1.61B

1Q16 down 3.3% sequentially
- ADG up 5.4% driven by automotive products
- AMG substantially flat
- MDG down 13.4%, from a strong base of comparison in 4Q15

1Q16 down 5.4% y-o-y
- Down 3.3% excluding negative currency effect and certain businesses undergoing a phase-out
- Mainly reflecting weaker market conditions
- Automotive and microcontroller revenues both up above 4% excluding negative currency effect

2Q16 revenue outlook
- Expected to increase sequentially by about 5.5% (+/- 3.5 percentage points)
Gross Margin Evolution

1Q16 Gross Margin = 33.4%

Up 20 basis points year-over-year
- Benefiting from favorable currency effect, lower unused capacity charges and manufacturing efficiencies partially offset by price pressure

Down 10 basis points sequentially
- Mainly due to manufacturing efficiencies and price pressure partially offset by lower unused capacity charges, favorable product mix and favorable currency effect

About 60 basis points negative impact of unused capacity charges

2Q16 outlook
- About 34.0% +/- 2.0%
- Reflects unused capacity charges negatively impacting gross margin by about 60 basis points

2Q16 outlook
- About 34.0% +/- 2.0%
- Reflects unused capacity charges negatively impacting gross margin by about 60 basis points
Net Operating Expenses

1Q16 combined SG&A and R&D at $571M

- Down $20M year-over-year principally due to favorable currency effects and the saving plan completed in 2015
- Down $12M sequentially mainly due to favorable currency effect and lower calendar days in the first quarter compared to the fourth quarter
- $546M net of R&D grants

* Net Operating Expenses: R&D + SG&A – recurring R&D grants
Plan for Set-Top Box Business

Annualized savings at completion of plan estimated at $170M per year
- ~60% expected to be achieved by end of 2016
- ~85% expected to be achieved by end of 2017
- Remaining savings depend on the lifespan of the residual products

Discontinue development of new platforms and standard products for set-top box and home gateway

- Global workforce review:
  - Redeploy ~600 to accelerate product development principally in digital automotive and microcontrollers
  - Restructure ~1,400 including:
    • ~670 in Asia
    • ~430 in France, through voluntary departure plan
    • ~120 in US
  - Annualized savings estimated at $170M
    • Majority of savings recognized by end of 2017
  - Restructuring costs estimated at $170M
**Product Group Results**

**Automotive and Discrete**
1Q16 Operating Margin = 5.7%

**Analog and MEMS**
1Q16 Operating Margin = 0.5%

**Microcontrollers and Digital ICs**
1Q16 Operating Margin = (0.6%)

---

Microcontrollers and Digital ICs Group (MDG) includes ST’s set-top-box business.

All prior-period amounts have been retrospectively aligned to the 2016 reporting segments.
Financial Flexibility

Free Cash Flow* (US$M)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q15</th>
<th>4Q15</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>420</td>
<td>150</td>
<td>200</td>
</tr>
</tbody>
</table>

Capital Expenditures (US$M)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q15</th>
<th>4Q15</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>420</td>
<td>150</td>
<td>200</td>
</tr>
</tbody>
</table>

End of period (US$M)

<table>
<thead>
<tr>
<th>End of period</th>
<th>Apr 2 2016</th>
<th>Dec 31 2015</th>
<th>Mar 28 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liquidity</td>
<td>2,040</td>
<td>2,106</td>
<td>2,287</td>
</tr>
<tr>
<td>Total Financial Debt</td>
<td>(1,601)</td>
<td>(1,612)</td>
<td>(1,775)</td>
</tr>
<tr>
<td>Net Financial Position*</td>
<td>439</td>
<td>494</td>
<td>512</td>
</tr>
</tbody>
</table>

*See appendix
Dividends Paid per Annum
(US$M)

Dividend proposal to the 2016 AGM of $0.06 per share per quarter for the second, third and fourth quarters of 2016 and for the first quarter of 2017
2Q16 Outlook

• Following a few quarters of market softness, during the first quarter we started to see signs of a recovery in the industry, with bookings improving across all regions and particularly in automotive and industrial.

• Based on this, we anticipate a sequential increase in net revenues by about 5.5% at the mid-point, and the gross margin to be about 34.0% at the mid-point

Outlook based on an assumed effective currency exchange rate of approximately $1.12= €1.00 for 2Q16 and includes the impact of existing hedging contracts. 2Q16 will close on July 2, 2016
Appendix
In 1Q16, ST realigned its product families into three product groups: Automotive and Discrete Group (ADG); Analog and MEMS Group (AMG) and Microcontrollers and Digital ICs Group (MDG).

MDG includes ST’s set-top-box business which is currently undergoing a restructuring targeting annualized savings of $170 million upon completion.

All prior-period amounts have been retrospectively aligned to the 2016 reporting segments.

<table>
<thead>
<tr>
<th>Million US$</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>FY15</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive and Discrete Group (ADG)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net Revenues</td>
<td>674</td>
<td>714</td>
<td>706</td>
<td>637</td>
<td>2,731</td>
<td>671</td>
</tr>
<tr>
<td>- Operating Income (Loss)</td>
<td>36</td>
<td>46</td>
<td>68</td>
<td>44</td>
<td>194</td>
<td>39</td>
</tr>
<tr>
<td><strong>Analog and MEMS Group (AMG)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net Revenues</td>
<td>445</td>
<td>445</td>
<td>411</td>
<td>370</td>
<td>1,671</td>
<td>369</td>
</tr>
<tr>
<td>- Operating Income (Loss)</td>
<td>37</td>
<td>30</td>
<td>34</td>
<td>8</td>
<td>109</td>
<td>2</td>
</tr>
<tr>
<td><strong>Microcontrollers and Digital ICs Group (MDG)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net Revenues</td>
<td>530</td>
<td>558</td>
<td>590</td>
<td>614</td>
<td>2,292</td>
<td>532</td>
</tr>
<tr>
<td>- Operating Income (Loss)</td>
<td>(28)</td>
<td>(1)</td>
<td>22</td>
<td>36</td>
<td>29</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net Revenues</td>
<td>56</td>
<td>43</td>
<td>57</td>
<td>47</td>
<td>203</td>
<td>41</td>
</tr>
<tr>
<td>- Operating Income (Loss)</td>
<td>(64)</td>
<td>(63)</td>
<td>(33)</td>
<td>(63)</td>
<td>(223)</td>
<td>(71)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net Revenues</td>
<td>1,705</td>
<td>1,760</td>
<td>1,764</td>
<td>1,668</td>
<td>6,897</td>
<td>1,613</td>
</tr>
<tr>
<td>- Operating Income (Loss)</td>
<td>(19)</td>
<td>12</td>
<td>91</td>
<td>25</td>
<td>109</td>
<td>(33)</td>
</tr>
</tbody>
</table>

* See appendix
### Pre-Tax Items to Adjusted Earnings*

<table>
<thead>
<tr>
<th>Operating Result</th>
<th>NET EARNINGS</th>
<th>1Q14</th>
<th>4Q15</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>In US$M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. GAAP Net Earnings</td>
<td></td>
<td>(22)</td>
<td>2</td>
<td>(41)</td>
</tr>
<tr>
<td>Impairment &amp; Restructuring</td>
<td></td>
<td>29</td>
<td>4</td>
<td>28</td>
</tr>
<tr>
<td>Estimated Income Tax Effect</td>
<td></td>
<td>(1)</td>
<td>(4)</td>
<td>(3)</td>
</tr>
<tr>
<td>Adjusted Net Earnings*</td>
<td></td>
<td>6</td>
<td>2</td>
<td>(16)</td>
</tr>
</tbody>
</table>

* See appendix
Appendix

- **Free cash flow** is defined as net cash from operating activities minus net cash from (used in) investing activities, excluding payment for purchases (proceeds from the sale of) marketable securities and net cash variation for joint venture deconsolidation. 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 and restructuring charges** excludes impairment, restructuring charges and other related closure costs. It is used by management to help enhance an understanding of ongoing operations and to communicate the impact of the excluded items.

- **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, net of the relevant tax impact.

- **Net revenues of “Others”** includes revenues from sales of Imaging Product Division, Subsystems, assembly services, and other revenue. **Operating income (loss) of “Others”** includes items such as unused capacity charges, impairment, restructuring charges and other related closure costs, phase out and start-up costs, and other unallocated expenses such as: strategic or special research and development programs, certain corporate-level operating expenses, patent claims and litigations, and other costs that are not allocated to product groups, as well as operating earnings of the Imaging Product Division, Subsystems and other products. “Others” includes $10 million, $30 million, and $19 million of unused capacity charges in the first quarter of 2016 and fourth and first quarters of 2015, respectively; and $28 million, $4 million, and $29 million of impairment, restructuring charges, and other related closure costs in the first quarter of 2016 and fourth and first quarters of 2015, respectively.