I would like to thank everyone for joining today’s first quarter financial results call.

Overall, the macro-economic environment and business dynamics in the quarter positively evolved as expected.

Looking briefly at our financial results and key metrics:
• Revenue and gross margin were well within our guidance,
• operating expenses were well in line with our financial model,
• operating income before impairment and restructuring charges was a positive $8 million representing a year-over-year improvement of $188 million.
• our capex investments represented about 6% of total revenues in the quarter;
• our financial position remained solid, and
• dividends paid in the quarter represented a yield of about 4%.

Despite this progress we still have much more work ahead of us to achieve our target financial model of about 10% operating margin and
our main area of focus is the Embedded Processing Solutions segment which I will discuss in detail shortly.

Looking at our financial results, first quarter revenues were $1.83 billion, down 9.4% sequentially. As anticipated, legacy ST-Ericsson product revenues decreased sequentially by about 50% to $63 million. Excluding this, ST’s first quarter revenues grew 0.7% year-over-year and decreased 6.4% sequentially.

From a product group perspective, MMS and APG led the groups with year-over-year revenue growth of 15.6% and 15.5%, respectively. And from a channel perspective, distribution represented 30% of total sales in the first quarter, up from 25% one year ago. In addition, point of sales, meaning the sales of our products by our distributors, grew double-digit year-over-year.

Also in the first quarter, ST recorded a one-time licensing revenues of $15 million related to the settlement of proceedings with Invensense.

Gross margin in the first quarter was 32.8% up 150 basis points year-over-year. On top of the one-time licensing revenues, the improvement has been driven by a better situation in manufacturing, both in terms of loading and manufacturing efficiencies despite price pressures.
In manufacturing, as we outlined last quarter, structural changes and other initiatives are underway to help progressively move our gross margin into a target range of between 36% and 38%. Key levers here include: the reshaping of our manufacturing footprint in mature technologies, with the upgrade of our front-end fab in Singapore to 8-inch and the consolidation of our back-end activities in China; an overall better saturation of manufacturing capacity particularly in our fabs serving Embedded Processing Solutions; product migration into new technologies and thinner lithography nodes; replacing low margin legacy ST-Ericsson products with higher sales of ST’s new products and the pruning of low margin mature products, in particular, within IPD and AMS.

Turning to operating expenses, combined R&D and SG&A totaled $606 million, representing a decrease year-over-year of about 25%. Over the past twelve months we have successfully completed a number of cost reduction programs yet we remain vigilant in controlling our costs going forward. In comparison to operating expenses in the fourth quarter a portion of the difference relates to a lower number of days in the first quarter. Importantly, we have not yet benefited from the Nano2017 R&D grants which are now expected in the second quarter, pending European Union approval.
Now let’s move to our product segment results starting with Embedded Processing Solutions (“EPS”).

The first quarter of 2014 was important as it represented a bottom in revenues for EPS. Mainly due to the phasing out of legacy ST-Ericsson products and lower sales of set-top-box products, revenues decreased 27.6% year-over-year, driving improved but still negative operating results. As anticipated, legacy ST-Ericsson product revenues in the first quarter decreased to $63 million and we expect them to again decline by over 50% in Q2 before stabilizing at that level. Importantly, our set-top box business is expected to grow in the second quarter, as it transitions to ARM-based solutions. On top of this, we expect growth in microcontrollers in Q2. As a result, we expect the Embedded Processing Solutions segment to grow sequentially. While these dynamics currently translate into sub-optimal loading for our fabs serving the EPS segment, we are encouraged by the restart of growth overall in EPS in the second quarter.

Going now into more detail into the EPS dynamics for the quarter:

First, we had strong year-over-year growth in Microcontrollers – where our general purpose microcontroller business enjoyed the fourth consecutive quarter of record revenues. Looking at the combined general purpose and secure MCU market, according to IHS, we climbed from the
4th position in 2012 to 2nd in 2013, building on our comprehensive range of industry-leading ARM-based products, the rapidly developing ecosystem we’re assembling and our broad reach through distribution partners.

Second, we just signed a strategic agreement with a top-tier foundry for 28nm FD-SOI technology. This agreement expands the ecosystem and assures the industry of high-volume production of ST’s FD-SOI based IC solutions. ST’s unique FD-SOI technology is well on its way to become a significant revenue generator for 2015 and beyond and strengthens the business and financial prospects of our Embedded Processing Solutions segment.

And third, I can confirm that our Digital Convergence Group is now reaching an inflection point with a revenue ramp starting to show traction with the first wave of new products – the high volume deployment of our 40nm chips for broadcast set-top box, and further market penetration of our ASICs for networking. Our roadmap to double DCG revenues by Q415 in comparison to Q413 is confirmed.

Moving to our Sense & Power and Automotive segment, on a year-over-year basis it delivered revenue growth of 5.7% driven by our Automotive and Industrial & Power Discrete product groups. Automotive revenues increased 15.5% year-over-year driven by strong
market conditions, the expansion of our customer base, product innovation as well as market share gains in 32-bit automotive-grade microcontrollers. In IPD improving market conditions and dedicated regional marketing campaigns for distribution and the mass market have supported revenue growth of 3.1% compared to the year-ago quarter.

A major area of focus for AMS is the ramp of new products such as high-performance microphones and high-accuracy pressure sensors and the diversification of our MEMS and Sensors towards a broader set of applications. Touch screen controllers will also an important contributor to AMS.

SP&A operating margin improved to 8.7% in Q114 compared to 7.7% in the prior quarter even with seasonally lower sales. It also improved year-on-year, from the 5.1% operating margin recorded in Q113, reflecting leverage on revenue growth, product innovation and manufacturing performance improvement. Moving forward, we expect margins to improve further thanks to revenues coming from new products.

With expenses well aligned, gross margin improvement initiatives underway and a solid roadmap to growth for EPS evolving, let me share some perspective on what we see ahead with respect to our
product portfolio to enable ST to deliver quarter-on-quarter revenue
growth for the remainder of 2014.

Let’s start with our microcontroller business.

In **General Purpose Microcontrollers**, we ramped production of the
STM32 for three new Samsung smartwatches that were unveiled at the
2014 Mobile World Congress; we also expanded into the mass market,
with an impressive number of wins in many devices, such as detectors and
sensors, lighting applications, and gaming accessories.

Building a strong ecosystem is a key element of our winning strategy and,
during the quarter, we took a major step forward in making our STM32
development platform more widely available, affordable and easier to use
with the launch of the STM32 Nucleo boards and the STM32Cube
software suite. In just two months from the launch we shipped over 17
thousand boards to developers around the globe. An amazing result.

Moving to our **Secure Microcontroller** business, we captured a Flash-
based Secure MCU win for a major Smartcard health program in Europe.

Our **Automotive** business achieved important wins in Infotainment, Active
Safety and Positioning. We had two key wins in Audio Amplifiers: we
signed an exclusive agreement with a market-leading manufacturer of
audio sound systems and a breakthrough deal for the Japanese market. We continued our relationship with Mobileye to supply an FD-SOI based vision processor for their 4th-generation advanced driver assist system. And, finally, we recently were confirmed as the number one player overall in automotive in China.

Our Digital Convergence business is progressing in building a solid design win pipeline. In our set-top box and home gateway business we continued to build global momentum collecting several design wins, including HEVC HD, HEVC UltraHD and DOCSIS 3.0 sockets with our Cannes and Alicante product families and other wins with our Liege family.

In our ASIC business we added two design wins for 28nm FD-SOI for consumer applications to our growing pipeline of business.

Moving now to Analog, MEMS and Sensors, we maintained momentum with our motion MEMS with wins at four leading smartphone manufacturers in Greater China and the launch of a new 9-axis movement and position sensor. In addition, we made good progress in a number of areas that we highlighted in January as our revenue boosters for 2014. For example, our touch-screen controllers ramped production for a new Samsung smartphone launched in the quarter and we gained momentum with additional big wins in tablets in Asia.
Another booster, our environmental sensors, took a step forward with 100% share in all pressure sensors with a leading consumer brand in Asia and the launch of a new pressure-sensor, ideal for wearable applications.

Our diversification into other areas continued with wins in accelerometers for automotive-infotainment market from top players across the globe. To sharpen our focus on the wearable market we also announced a broad portfolio of analog devices for creating innovative wearable applications. This complements our complete offering of sensors, microcontrollers and low-power connectivity solutions for this market.

In Imaging, our “time of flight” photonic sensor, another of our revenue boosters for this year, was selected by a leading smart-phone manufacturer for an innovative camera system.

Also within IBP, our momentum in Silicon Photonics is continuing, with a new project and transceiver chipset with a key customer for FibreChannel – used for high-speed data-storage applications.

Closing now with **Power and Smart Power management products**, also during this quarter we continued to focus on our three main growth areas: power management for portable, industrial automation and smart grid. In portable, we landed a number of design wins in portable devices
for filtering and protection, which will contribute to the ramp of the business this year.

And, in industrial, we secured qualifications from several power-supply manufacturers for low-voltage MOSFETS and earned a first win from a large Chinese manufacturer for high-voltage IGBT for a telecom application.

Finally, we launched a complete, configurable plug-and-play street-lighting solution to address the growing digital power management market.

Looking forward, we are encouraged by:

First, the signs of improvement in the general macro-economic environment; Second, by the forecasts for the semiconductor industry, that continue to show positive momentum and third, by the specific product dynamics we see evolving over the next several quarters.

As a result, we are anticipating a sequential revenue increase of about 2%, plus or minus 3.5%. This includes the anticipated reduction in legacy ST-Ericsson product revenues of more than half of the $63 million posted in the first quarter. Excluding legacy ST-Ericsson product revenues and first quarter one-time licensing revenues, our
second quarter revenue guidance at the mid-point equates to sequential growth of about 5%.

Key revenue drivers in the second quarter include microcontrollers, automotive, industrial and power applications. Moreover, we will begin to see an initial recovery in revenues of the Embedded Processing Solutions segment.

Gross margin, driven by manufacturing efficiencies, is expected to be about 33.6%, plus or minus 2% in the second quarter.

To conclude, we are working towards our 2015 financial model goal of 10% operating margin and as mentioned earlier we still have much to accomplish. We are continuing to build a solid pipeline of designs wins across our portfolio and this should enable us to deliver quarter-on-quarter revenue growth for the remainder of 2014.

Based upon our financial position, performance and market outlook, our Supervisory Board is recommending to shareholders the approval of a $0.10 per share cash dividend for each of the second and third quarters of this year, in line with our intention to continue to return value to shareholders.

My colleagues and I are now ready to take your questions. Thank you.