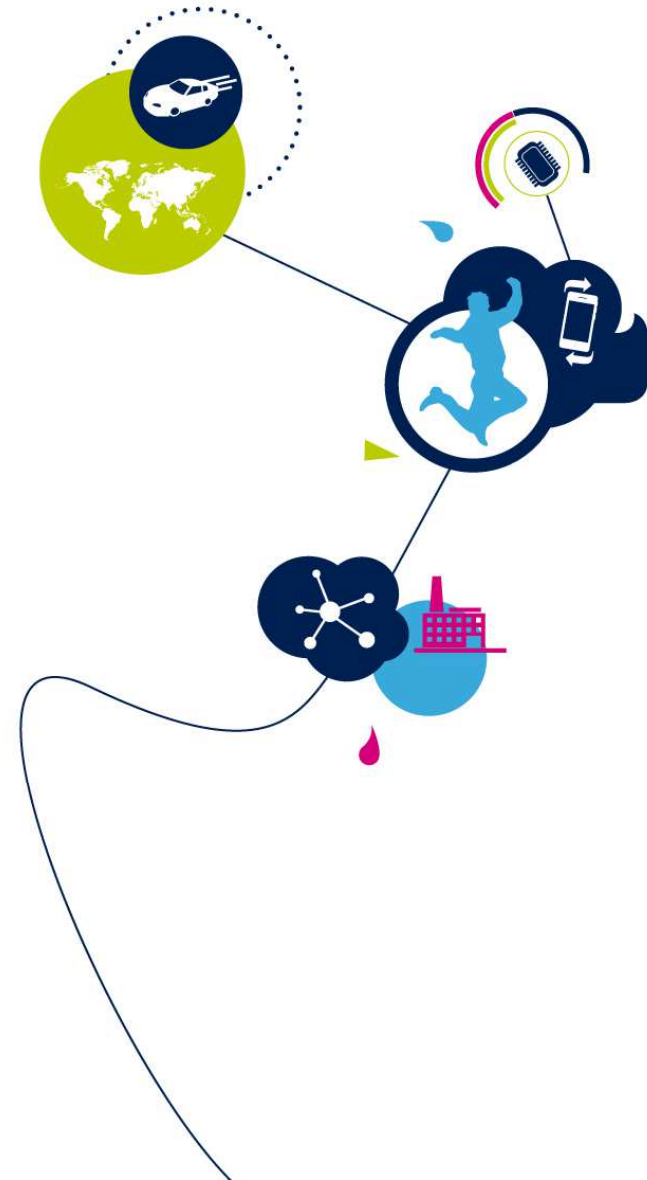


STMicroelectronics Q4 & FY 2018 Financial Results

January 24, 2019



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:

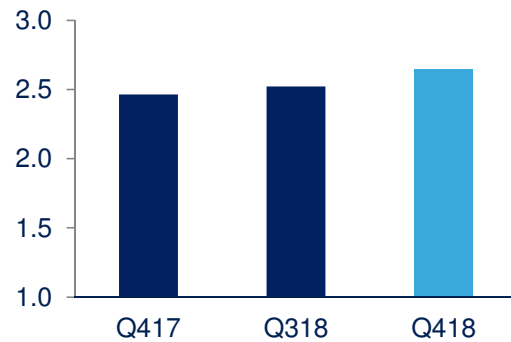
- Uncertain macro-economic and industry trends, which may impact end-market demand for our products;*
- Customer demand that differs from projections;*
- The ability to design, manufacture and sell innovative products in a rapidly changing technological environment;*
- Changes in economic, social, labor, 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 conflicts, social unrest, labor actions, or terrorist activities;*
- Changes in global trade policies, including the adoption and expansion of tariffs and trade barriers, that could affect the macro-economic environment and adversely impact the demand for our products;*
- The Brexit vote and the perceptions as to the impact of the withdrawal of the U.K. may adversely affect business activity, political stability and economic conditions in the U.K., the Eurozone, the EU and elsewhere. While we do not have material operations in the U.K. and have not experienced any material impact from Brexit on our underlying business to date, we cannot predict its future implications;*
- 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;*
- Changes in our overall tax position as a result of changes in tax rules, new or revised legislation, 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, claims based on epidemic or delivery failure, or other claims relating to our products, 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;*
- Availability and costs of raw materials, utilities, third-party manufacturing services and technology, or other supplies required by our operations;*
- Industry changes resulting from vertical and horizontal consolidation among our suppliers, competitors, and customers;*
- The ability to successfully ramp up new programs that could be impacted by factors beyond our control, including the availability of critical third party components and performance of subcontractors in line with our expectations; and*
- Theft, loss, or misuse of personal data about our employees, customers, or other third parties, and breaches of global privacy legislation, including the EU's General Data Protection Regulation ("GDPR").*

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.

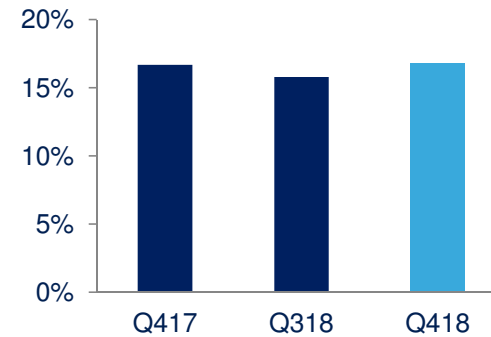
Some of these risk factors are set forth and are discussed in more detail in "Item 3. Key Information — Risk Factors" included in our Annual Report on Form 20-F for the year ended December 31, 2017, as filed with the SEC on March 1, 2018. Should one or more of these risks or uncertainties materialize, 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.

Q418 Financial Highlights

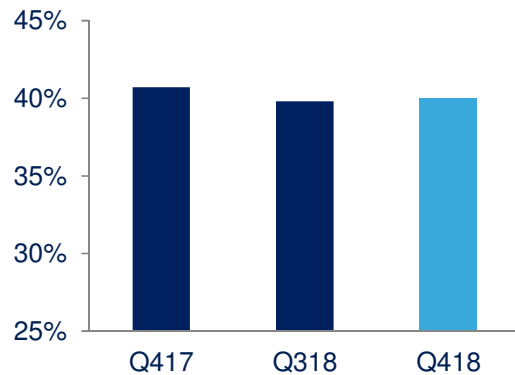
Revenues = \$2.65B



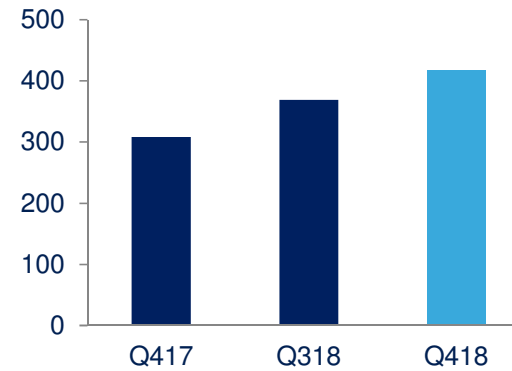
Operating Margin = 16.8%



Gross Margin = 40.0%



Net Income = \$418M



Q418 Product Group Results

Automotive & Discrete (ADG)

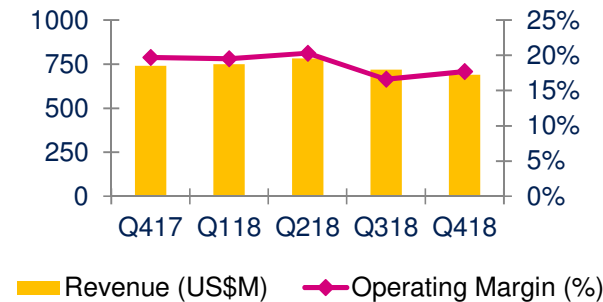
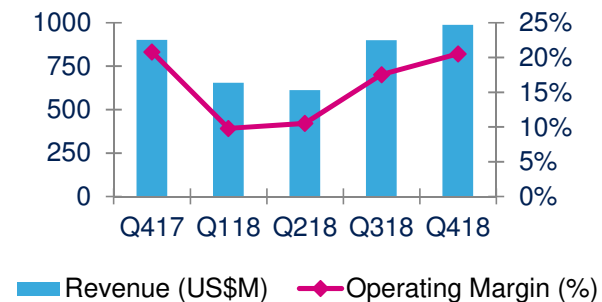
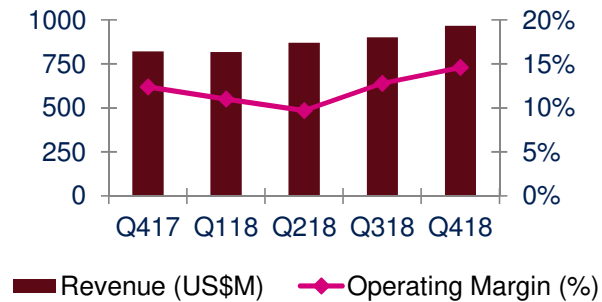
Revenues = \$967M
Operating Margin Q418 = 14.6%

Analog, MEMS & Sensors (AMS)

Revenues = \$988M
Operating Margin Q418 = 20.5%

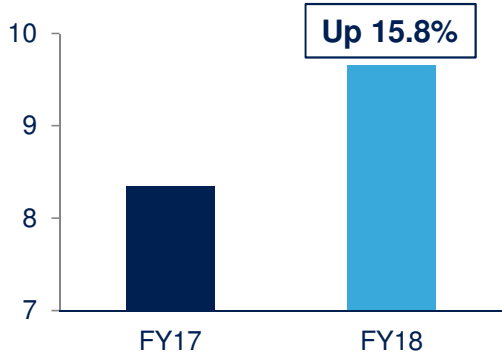
Microcontrollers & Digital ICs (MDG)

Revenues = \$689M
Operating Margin Q418 = 17.7%

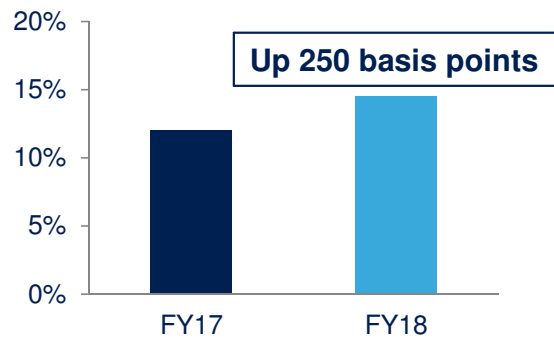


FY18 Financial Highlights

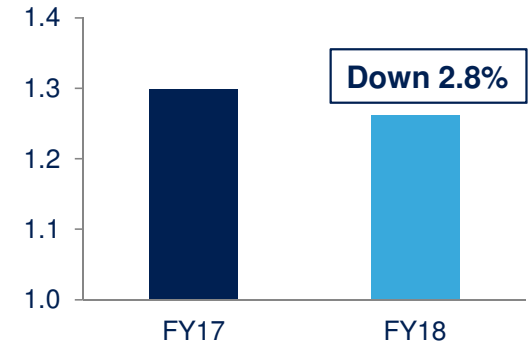
Revenues = \$9.66B



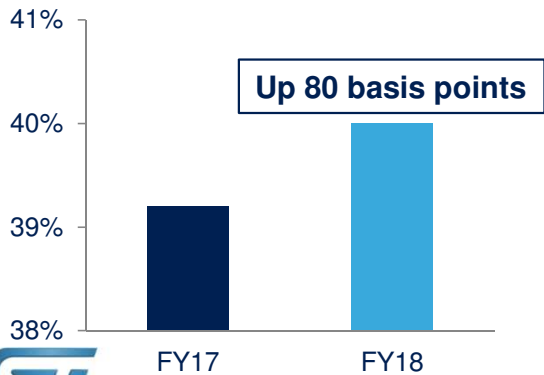
Operating Margin = 14.5%



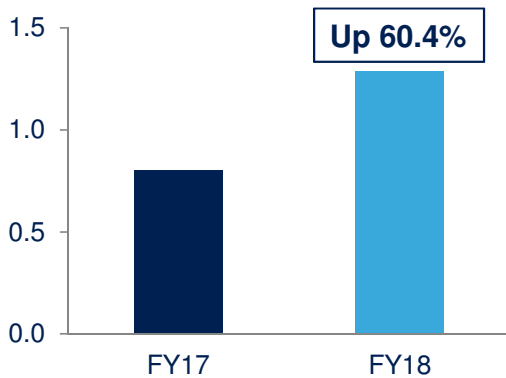
Capex = \$1.26B



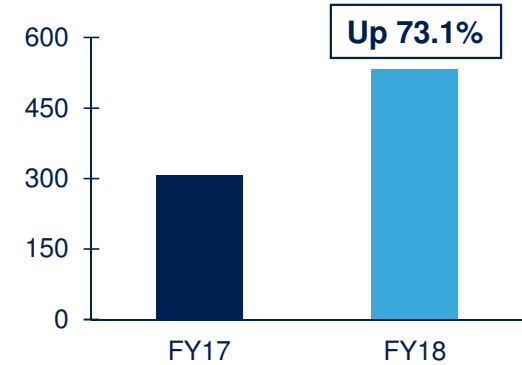
Gross Margin = 40.0%



Net Income = \$1.29B



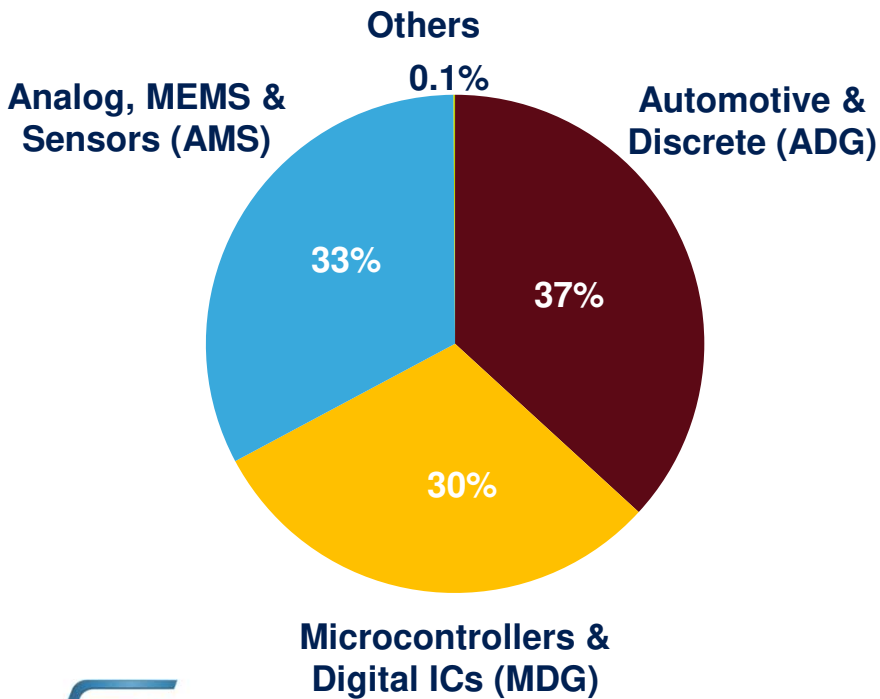
Free Cash Flow* = \$533M



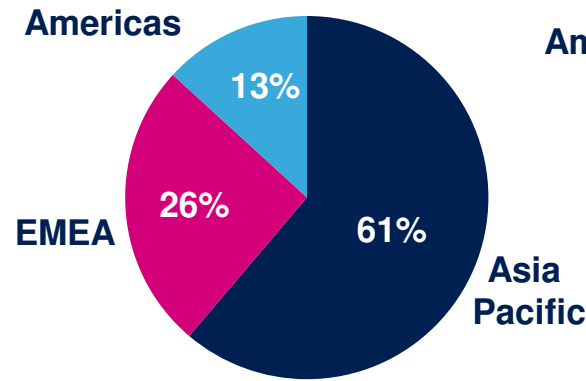
*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.

FY18 Revenues

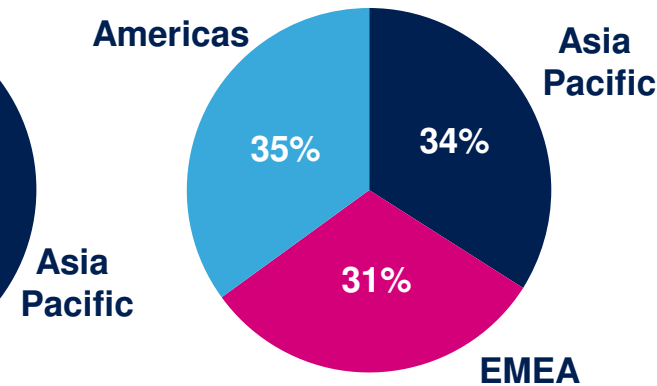
% by product group



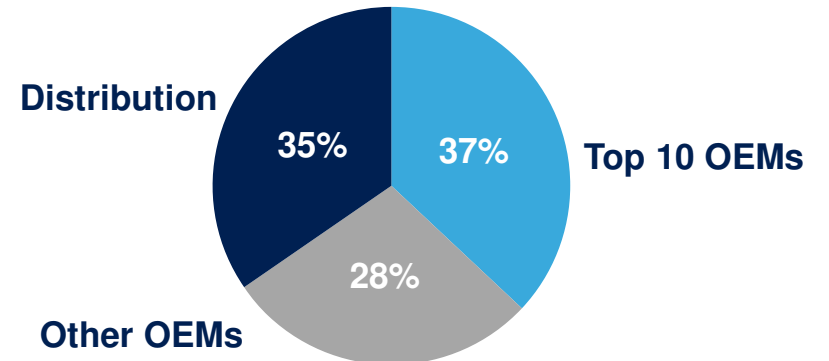
% by shipment location



% by region of origin



% by customer type



Serving More Than 100,000 Customers

- Top 10 Customers***
2018
Apple
Bosch
Cisco
Conti
HP
Huawei
Mobileye
Samsung
Seagate
Western Digital

*In alphabetical order



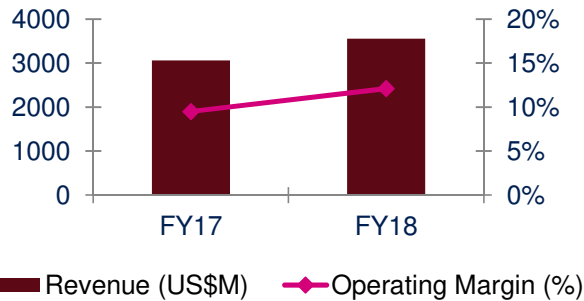
Unified worldwide account management tailored to each account to provide global coverage and service

Standard process, reporting & follow-up in Sales & Marketing worldwide
Differentiated approach by type of customer

FY18 Product Group Results

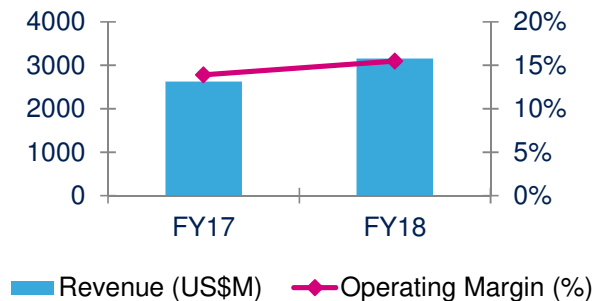
Automotive & Discrete (ADG)

Revenues = \$3,556M
Operating Margin FY18 = 12.1%



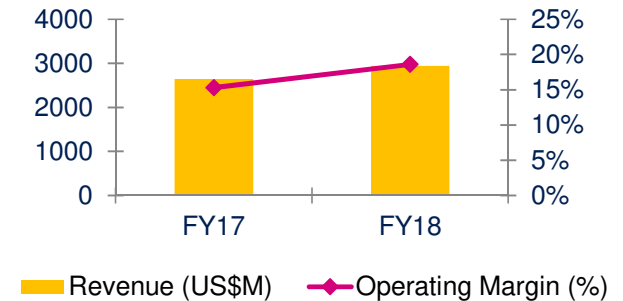
Analog, MEMS & Sensors (AMS)

Revenues = \$3,154M
Operating Margin FY18 = 15.5%



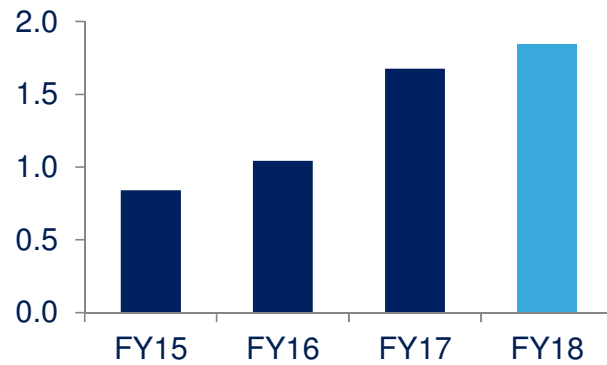
Microcontrollers & Digital ICs (MDG)

Revenues = \$2,940M
Operating Margin FY18 = 18.6%

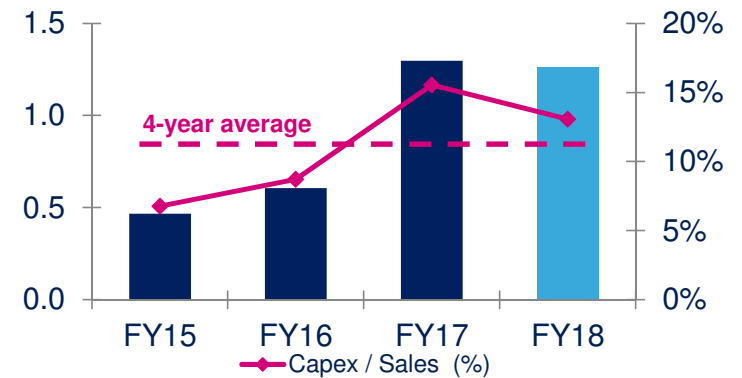


Financial Flexibility

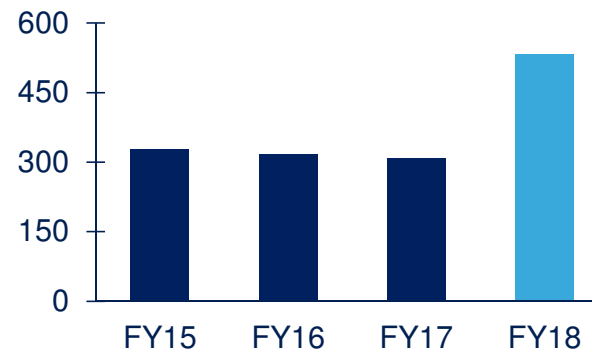
FY18 Net Cash From Operating Activities = \$1.85B



FY18 Capex = \$1.26B



FY18 Free Cash Flow* = \$533M



*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.



Solid Capital Structure

End of period (\$M)	December 31 2018	September 30 2018	December 31 2017
Total Liquidity	2,596	2,171	2,190
Total Financial Debt	(1,910)	(1,724)	(1,701)
Net Financial Position*	686	447	489

**Cash dividends of \$0.06 per share per quarter
\$216M of dividends distributed in 2018**

All rating agencies which report on ST on a solicited basis (Moody's, S&P and Fitch) are aligned in rating ST's credit profile well within investment grade and with Stable Outlook



*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.

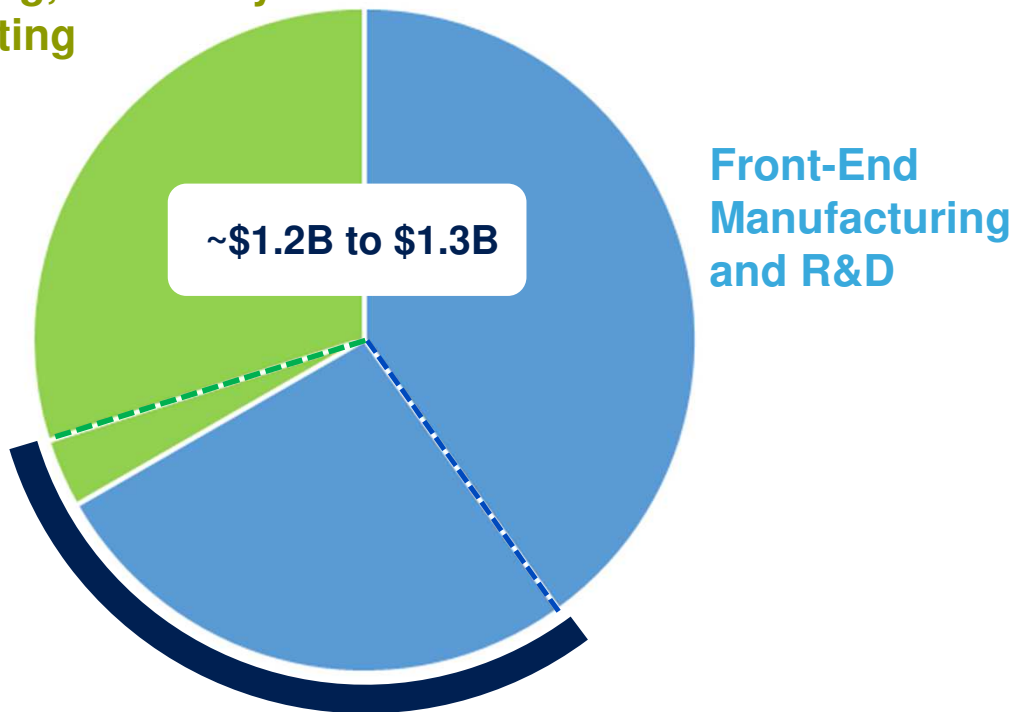
The Company's guidance for the 2019 first quarter is:

- Net revenues are expected to decrease about 20.7% sequentially (down 5.7% year-over-year), plus or minus 350 basis points
- Gross margin of about 39.0%, plus or minus 200 basis points
- This outlook is based on an assumed effective currency exchange rate of approximately \$1.16 = €1.00 for the 2019 first quarter and includes the impact of existing hedging contracts
- The first quarter will close on March 30, 2019

2019 Capital Spending

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Probing, Assembly
& Testing



3 Key Strategic Initiatives

Investment and Strategic Initiatives to
prepare future business growth

Maintenance, R&D and capacity additions
in some of our existing technologies

Plus 3 Key Strategic Initiatives

- New 300mm fab in Agrate for BCD, IGBT and Power technologies
- Expansion of installed capacity for Silicon Carbide and start of production ramp-up for Gallium Nitride for RF devices
- Next generation Imaging sensor technologies

Key Takeaways

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- In 2018 we met our objectives:
 - 15.8% year-over-year revenue growth across our product groups
 - Strong expansion of profitability and cash flow from operations
- In 2019:
 - After Q1 2019, we plan to return to sequential revenue growth in the second quarter, with an acceleration in the second half
 - Our key objectives for this year are to continue outperforming our served market and to balance our end market and application focus, delivering sustainable profitability and returning value to shareholders