Good morning everybody. Thank you for joining us and for your interest in ST.

Today, I will begin with a summary overview, and then Carlo Ferro will review our financial results in detail. I will then turn to a discussion of our two product segments, with Jean-Marc Chery reviewing our Embedded Processing Solutions segment and Georges Penalver discussing our Sense & Power and Automotive segment. Finally, I will conclude with our 2015 goals. So let’s begin.
In December of 2012, we outlined a new strategic plan for ST, based on our aim of being an undisputed leader in Sense & Power and Automotive products and in Embedded Processing Solutions through a more focused and market-driven portfolio. And it was about moving ST to sustainable profitability, with a solid mid-term financial model.

During 2013, our first year of execution, the focus was on making a major transition: the wind-down of ST-Ericsson, on time and better than budget, and the re-sizing of our operating expense base. We well achieved both these objectives.

2014 was the second year of our new strategy implementation.

Overall, I believe it has been a year where ST has made significant steps forward along three main axes: 1) Product and Technology Leadership; 2) Customer Expansion; and 3) Operational and Financial performance.

Let’s go through them, one by one.
Product leadership is about ST focusing on the five areas we see as the most promising: Analog, MEMS and Sensors; Automotive; Power and Smart Power; Microcontrollers; and Digital Consumer and ASICs products.

We have worked hard to re-focus our product portfolio, de-emphasizing certain areas and redeploying our resources. As a result, we have become a much stronger company in terms of innovation and in time-to-market. New flagship products in 2014 included, among many others, our 32-bit microcontrollers for general purpose and automotive applications, MEMS microphones and motion MEMS, touch-screen controllers, ultra-HD products for set-top box and low voltage power MOSFETs and IGBTs. We are excited about the opportunities these products bring and I will ask my colleagues to discuss them in greater detail shortly.
Our product leadership is built on a unique, strong foundation of proprietary and differentiated leading-edge technologies.

• First, with our FD-SOI, we have developed technology that makes the benefits expected of next generation CMOS technology available faster, with low power consumption and at lower cost. This is a value proposition that resonates with many of our customers and has resulted in a broad design win pipeline for ST.

• Second, our BiCMOS and RF-SOI technologies allow us to develop solutions for high-frequency applications such as in automotive radar, optical communications, wireless base stations and cellular phones.

• Third, our embedded Flash technology, with outstanding low-power characteristics, is state-of-the-art and one of the reasons for the continuing success of our 32-bit general purpose, secure and automotive microcontrollers.

• Fourth, our MEMS technology and manufacturing mastery enabled us to develop a very successful motion MEMS business. Now our efforts are focused on leveraging this know-how into additional MEMS areas, such as microphones and pressure sensors where we have had recent successes with major OEMs.

• And, last but not the least, our smart power technology is second to none. Our BCD technology – we are now on the 9th generation – continues to be a key differentiator in our power, industrial and automotive businesses.
Moreover, we have a number of other technologies such as Vertical Integrated Power, Silicon Carbide, Power MOSFET, IGBT and Intelligent Power Modules that are at the core of our power product and application strategy.

Turning now to customer expansion, in terms of diversification, the progress is evident. Our mass market initiatives have been very successful. Here we increased the share of distribution to 32% of revenues - exiting 2014- versus 27% one year ago.

In fact, our design wins to Distribution increased 50% year over year and this is a very positive indicator. Clearly, our microcontrollers, automotive, industrial, power and discrete products were major contributors to this success. And there are a number of opportunities to drive a larger part of our portfolio to many more customers. For example, many of our products contribute to enabling the Internet of Things.

Turning to our major OEM customers, we were very pleased with the solid performance in Automotive, clearly visible with APG growing 8.3% in 2014 thanks to our innovative products.

On the other hand, 2014 remained a year of transition with respect to some of our consumer and smartphone customers. Here we anticipate the turnaround to come this year thanks to the new products and functionalities we introduced to them during 2014.
So let me turn now to our financial performance. In 2014, ST made solid progress on key performance and financial metrics. Despite lower revenues, we achieved a significant turnaround year-over-year with operating income, improving by $633 million; net income, improving by $628 million and free cash flow, improving by $376 million.

With respect to our mid-term financial model, we improved our gross and operating margins. Moreover, we reached our operating expense model more rapidly than expected. We also strengthened our balance sheet with the issuance of a $1 billion convertible bond.

So, overall, it was a year of sound operational and financial execution while maintaining our financial flexibility. However, we are not where we want to be yet, it is therefore urgent to make another step forward in 2015. And we will.

I’ll now hand the call over to Carlo Ferro to go more in detail on our financial performance.
Carlo Ferro

Good morning everyone, thank you Carlo.

As you just mentioned, ST’s financial performance throughout the year 2014 was solid. We made real progress, despite softer than expected revenue progression, and we met our financial outlook in each quarter of 2014. In addition, we began to generate a positive net income starting from the second quarter and a positive free cash flow starting from the third quarter of 2014.

2014 was a year of progress:
• Our net income had a significant positive swing, moving from a net loss of $500 million to a net income of $128 million. To be fair, we received $96 million pre-tax in R&D grants related to the prior year, but the swing is still quite remarkable.
• Our free cash flow increased to positive $197 million from negative $179 million.

• Our operating margin before restructuring and impairment improved to 4.0% and 3.2% in the third and fourth quarters of 2014, respectively, from negative in 2013.

We will now accelerate our efforts to increase revenue growth in 2015 and to move ST closer to the trajectory we want to be on: at or above $2 billion revenues per quarter. The good news is that, despite lower revenues, we made improvements across the board in all the other key financial metrics during 2014.

Looking at our product portfolio:

Our three largest groups, Automotive (APG), Industrial & Power Discrete (IPD) and Microcontrollers, Memory and Secure Microcontrollers (MMS) represent 70% of our revenues and serve applications that are currently enjoying the largest growth in the industry. In addition, they are delivering profitability
margins well above ST’s consolidated average. Our fourth group, Analog, MEMS and Sensors (AMS) at 15% of revenues, experienced a year of transition in 2014, pressuring profitability. We are confident about the prospects of this business as you will hear later on in our SP&A review.

Our fifth group is the new Digital Product Group (DPG), which is the combination of DCG and IBP and represented 15% of our revenues in 2014. Revenue decline reflected, first of all, the ongoing phase-out of ST-Ericsson legacy products, the market softening and accelerated phase-out of DPG legacy products. This group is loss-making, and we made important decisions last year, including the discontinuation of our commodity camera module business and the implementation of a $100 million cost reduction initiative.

Turning to our results, revenues in 2014 were $7.40 billion; in the fourth quarter they were $1.83 billion, well in line with our outlook entering the quarter, even a bit better.
As Carlo indicated, there were several areas of very good forward progress for the full year 2014: MMS, representing 20% of revenues, grew 10.2%; APG at 25% of revenues grew 8.3%; and IPD, at 25% of ST’s revenues grew 3.6%. In AMS, revenues decreased 15.6% while DPG, in the current perimeter, decreased by 43%, including $548 million reduction due to the phase-out of ST-Ericsson products.

We continued to expand our customer base. In 2014, our 10 largest customers represented about one third of total revenues and none of them exceeded 10% on an individual basis. Our large customers are important players in their industries: Bosch and Conti in automotive, Apple, Samsung and Microsoft in wireless, HP, Seagate and Western Digital in computer peripherals, Cisco in networking and Delta in industrial.

We are now in a different, less concentrated, less exposed model compared to 2010 when the largest customer represented about 14% of total revenues...but we are having to recover $1.3 billion of revenues lost with Nokia since then
Distribution plays a more and more important role in the evolution of our customer base. Not only because we can address a very diverse and large number of customers, but also because ST can capture higher margins on sales through this channel. In 2014, revenues from distribution increased about $200 million, and exiting 2014 were 32% of total revenues.

Looking forward, we expect total revenues in the first quarter of 2015 to decrease sequentially by about 5%, plus or minus 3.5% points. This evolution is better than our normal seasonality and takes into consideration no one-time licensing revenues compared to the previous quarter, the Chinese New Year holiday as well as about 8% less days in the first quarter versus the fourth quarter.

Moving to our gross margin, during 2014 we expanded it by 140 basis points, thanks to manufacturing efficiencies as well as favorable currency effects.
Unsaturation charges, largely related to our capacity in digital technologies, have been a drag on our gross margin and, unsaturation charges will continue to significantly impact the first two quarters of 2015.

In that regard, looking specifically at the first quarter, ST’s gross margin is expected to be about 33.2%, plus or minus 2 points and reflects still high unsaturation charges. We estimate they will impact gross margin in the quarter by about 120 basis points.

Jean-Marc will shortly expand on all the actions we are taking to improve the loading of our 12-inch capacity.

We continue to make progress towards our mid-term gross margin target of 36% to 38%, driven by:
• The completion of the conversion from 6-inch to 8-inch in our front-end fab in Singapore;
• Pruning low margin products including the phase-out of legacy ST-Ericsson products and the discontinuation of our commodity camera module business;
• By the improved saturation of manufacturing capacity and related manufacturing efficiencies;
• And, importantly, by currency, which I will discuss in detail shortly.
A highlight of our progress has been with net operating expenses. Here we were quite pleased to move into our target range, $550 to $600 million per quarter, earlier than planned, as fourth quarter gross operating expenses were $611 million and, net of normalized grants, were $576 million.

As we indicated last quarter, we are taking additional measures in our digital business to extract about $100 million of operating expense savings on an annualized basis, which will take effect as we move through 2015, particularly in the second half of the year.

Turning to the balance sheet, ST has maintained a solid net financial position throughout the macro-economic and industry turbulence, the difficulties with the joint venture, and the cost of the ST-Ericsson exit.
This has enabled us to make the appropriate level of investment in capital expenditures. Capex totaled $496 million in 2014, represented 6.7% of total revenues and averaged 6.3% of revenues over the last three years - well within our target level. Finally, free cash flow in the fourth quarter of 2014 has been positive by $208 million, after a positive $140 million in the third quarter.

During 2014 we enhanced our liquidity, by taking advantage of a very favorable convertible debt financing in the amount of $1 billion. At the same time, we protected our equity shareholders from dilution by completing a 20 million share repurchase program. Today, I am pleased to note that our convertible securities are trading at attractive levels in the marketplace. So a win-win for all.

Finally, let me conclude this financial review with some comments on the currency exposure. As you know, we have seen dramatic shifts in the Euro/Dollar rate, which today stands at 1.13. We have not seen this level since mid-2003! It is a very welcome change.
While a stronger dollar is certainly a tailwind for ST, please consider that ST hedges its costs using a combination of currency forwards and collar options.

I am sure you are interested in the projection of effective Euro/Dollar rate for the next quarters.

As the Company has evolved its cost structure, a revised sensitivity analysis has slightly adjusted the quarterly effect of a plus or minus 1% change in the Euro/Dollar rate, before the short-term impact we experience on revenues. Now the sensitivity model is:

- +/- $4 Million to $5 Million on gross profit, not changed
- +/- $3 Million to $3.5 Million on net operating expenses, net of grants
- So the total EBIT quarterly impact of +/- $7 Million to $8.5 Million per quarter per percentage point

We will see the benefit of a stronger dollar but it will take a few quarters for the full effect to materialize in our financials due to existing hedges.

Additionally, please note that 14% of our revenue is billed in euro. Over time, normally price is adjusted to the US$ equivalent. Due to the sudden shift in exchange rates that recently occurred it will take time to adjust.
On the other side the good news, is that the effective currency exchange rate for the cost structure, assuming current rate, is estimated to be 1.24 for Q1 15; 1.19 for Q2; 1.17 for Q3 and 1.15 for Q4.

Carlo Bozotti

Thank you, Carlo for your comprehensive comments.

Now, let’s turn to our product segments, beginning first with the Embedded Processing Solutions segment. This part will be covered by Jean-Marc Chery.

Jean-Marc Chery

Thank you, Carlo and good morning to everybody.
Our Embedded Processing Solutions segment is now comprised of two product groups: Microcontrollers, Memory & Secure MCU and the newly formed Digital Product Group, where we combined our former DCG and IBP organizations to create more focus in the businesses and to better leverage synergies between them.

Looking at the financial results for the EPS segment, revenues were $2.61 billion in 2014, down 20% compared to 2013. This is largely driven by the wind-down of ST-Ericsson. Excluding this anticipated decrease, EPS revenues were down 4.4%, as a result of two opposite dynamics within this segment.

Turning first to MMS, the group grew 10% in 2014, continuing its strong expansion thanks to the General Purpose 32-bit Microcontrollers families. As a reminder, MMS is composed of General Purpose and Secure Microcontrollers as well as EEPROMs.

During 2014 we built on our 32-bit leadership with the STM32 general purpose MCU family growing revenue over 50% year on year. We expanded the product range: with new low power and high-performance families such as the
industry-first microcontroller based on Cortex-M7, while strengthening the surrounding ecosystem with the launch of STM32 Open Development Environment. We had success across a broad customer base, including important wins in Sensor Hub applications.

In Secure Microcontrollers, we maintained a solid Secure Element business, while in the banking market we deployed the STPay program, boosting support for the U.S. switch to highly secure EMV chip payment cards.

For 2015, we expect that MMS will benefit from our investments in product innovation and ecosystem to further expand the STM32 family across a full spectrum of applications enabling us to expand further our customer base. In addition, we expect the deployment of new Flash-based Dual interface Secure MCUs for banking and ID as well as new high-density EEPROM products to contribute to our revenue growth.

Let’s now turn to DPG. In addition to the $548 million decrease in revenues from the wind-down of legacy ST-Ericsson products, DPG also saw a decline in
the area of commodity image sensor products and in the set-top-box business, due to faster than anticipated decline of our prior-generation products.

During 2014, we made the decision to discontinue our commodity camera module business and to focus on FlightSense proximity and specialized imaging sensors; last quarter we also launched cost reduction initiatives targeting about $100 million in annualized savings.

At the same time, we focused on ramping up new families of innovative products. These included the Liege family of broadcast set-top-box products in 40nm; 32nm ASICs for Networking; and our FlightSense proximity sensor which went into volume production with a major smartphone maker.

We also continued to focus our efforts on innovation and new products to boost our future revenues. We introduced Ultra HDp60-enabled 4K solutions in our Cannes and Monaco families and started shipping to lead customers. In addition, we won a number of important sockets with major operators both in the area of cable and satellite. We demonstrated full speed DOCSIS3.1, a key technology for cable operators; our FD-SOI technology progressed well and we received first designs awards in 14nm for networking. In addition, we were awarded more than 20 new ASIC designs in BICMOS, RF-SOI and Silicon Photonics.
During 2015, key products we expect to drive growth include the new products for set-top box and home gateway markets, as well as a broad range of ASICs in 32nm CMOS, BiCMOS and Silicon Photonics technologies.

If we look now into the margin profile of EPS, we significantly decreased its operating loss from $399 million in 2013 to $103 million in 2014. The progress came first, principally from the wind-down of ST-Ericsson; second, from the Nano2017 funding (including catch-up funding), sustaining our effort to develop our differentiated technologies roadmap; and third, from the benefit of 2013 cost reduction initiatives.

Our EPS operating margin mid-term target is confirmed at about 5%. We will drive improvements in 2015, thanks to new product introduction in MMS and DPG, strong improvement in the manufacturing performance and, of course, the already announced cost reduction initiatives.

Since I just mentioned strong improvements in manufacturing performance, let me conclude here with our manufacturing strategy.
Our Crolles 12-inch fab is engaged in an important technology diversification strategy to better balance and optimize its capacity loading, with a significant payback and much reduced unsaturation costs for the second half of this year. Indeed, over the past two years, we launched a set of actions in Crolles to better balance them with our current product portfolio and, of course, to mitigate this short-term under loading situation: the exposure to Advanced Logic has been reduced and Embedded Flash for Microcontrollers and Automotive has been qualified and started production. Therefore, we are now at a time where Crolles 12-inch is under transition and we expect to see progressive improvement as we balance and optimize the loading of the fab.

Carlo Bozotti

Thank you, Jean-Marc.

Now, I would like to move to our Sense & Power and Automotive Products Segment (SP&A). I think we are well positioned here: from a technology perspective, from a product portfolio perspective, and from a customer expansion perspective. In short, we have many opportunities for growth.
Looking at our results last year we saw excellent revenue growth in APG, well supported by IPD. Moreover, we saw very significant improvement in the operating income and operating margin of SP&A on overall flat revenues. And in AMS, where ST has shown strong leadership, we have the opportunity to return to positive momentum in 2015.

So let me ask Georges Penalver to join us to review the results and plans for SP&A.

**Georges Penalver**

Thank you Carlo, good morning everyone.

SP&A represents about 65% of ST revenues with the three product groups. It is managing four manufacturing sites, including our mega-fab in Singapore that we are currently converting from 6-inch to 8-inch.
SP&A Revenues were $4.77B in 2014, flat compared to 2013. APG grew over 8% broadly based across all applications; IPD grew also close to 4%, despite the softening in the second part of the year reflecting the market conditions and AMS revenues were down 16%, due to low-margin product pruning and product transition.

In AMS, microphones and touchscreen controllers, two recently added product families, both recorded very strong growth becoming significant contributors to AMS sales during 2014. The group also pursued expansion in key customer and application diversification with a leadership position in MEMS for wearable devices, expanding from motion to environmental sensors, with the ramp of MEMS for Automotive and a first design win for a combo motion MEMS for active safety. On a regional basis, it recorded strong growth in China where ST MEMS were adopted in over 60 new phone models from 12 companies during 2014. AMS also launched the “Open.MEMS” initiative toward the mass market, providing easy licensing of sensor fusion software.
The group continued to innovate, introducing new technologies such as Piezoelectric for micro-actuation, where we announced a partnership for a new smartphone autofocus application; and, importantly, setting new benchmarks in motion MEMS with a new generation of 6-axis motion sensors, with ultra-low-power and leading noise performance for the consumer market, as well as the industry’s smallest 6-axis sensor, qualified for non-safety automotive applications.

Revenues for 2015 are expected to return to growth, boosted by this new generation of 6-axis motion MEMS with key customers and by continuing to ramp up Automotive MEMS. We expect further expansion of the touchscreen and microphone business, together with a wider adoption of environmental sensors. Our STM32 Open development Environment and Open software solutions initiatives will help us address the mass market and Internet of Things applications with products like our Bluetooth Low Energy solution.

Let’s turn now to IPD, where we recorded solid growth in a number of applications in LED lighting (digital and analog solutions), Motor control ICs, IGBT and Intelligent Power modules for appliance and industrial applications
and Field-Effect Rectifiers diodes to leading mobile phone charger manufacturers. We also ramped production of high voltage rectifiers and transistors at a leading electric car maker.

Among the many innovative, best-in-class technologies and products brought to the market by IPD last year, I would like to mention our power management chipset for servers, the galvanic isolation technology for industrial applications and our 1200V Silicon Carbide transistors. The group also expanded the automotive product portfolio with rectifiers, IGBT, Silicon Carbide diodes and thyristors.

Revenues for IPD will continue to grow in 2015 through customer base expansion, with important initiatives in distribution and mass market, as well as through a wave of new leading products, such as advanced low voltage trench MOSFETs for industrial and server applications, Intelligent Power Modules for industrial, AMOLED power supply and Power Management ICs for smartphones, various components for RF applications, and Silicon Carbide schottky diodes for servers, telecom and automotive.
Turning to the automotive product group, revenues in 2014 were strong thanks to growth across all customers, including distribution and across applications. From a geographical perspective, we expanded our footprint with key OEMs, while also strengthening our leadership in China in engine management, body and audio applications. And our independent manufacturing strategy and secured supply chain helped us continue ST’s strong momentum in Japan.

APG’s success leveraged ST’s technology leadership in power with VIPower and BCD products, and expanded the portfolio of 32-bit microcontrollers doubling shipments as design wins started to ramp. In the Infotainment area, APG introduced industry-leading digital radio, class D audio amplifier and global positioning products. And in the very promising ADAS Vision Processor product family, the group reached production maturity of the 3rd generation and is now developing the 4th generation in FD-SOI.

In 2015, APG will continue to benefit from its broad based portfolio strength and particularly from Active safety products, thanks to growing penetration and new products in that market, as well as from gaining market share in 32-bit microcontrollers and growing in infotainment. We also expect to further leverage our capability to support full system development to broaden the customer base with distribution.
From an operating margin perspective, SP&A had a year of great progress, reaching a 9.4% operating margin from 5.7% in 2013; this was driven by improvements across a number of product families. Entering 2015, the segment is pursuing further progress towards its operating margin target in the range of 10-15% by improving its product mix, continuing expansion in the mass market and distribution and improving manufacturing efficiency.

Now, before turning the call back to Carlo, let me comment on ST’s efforts in the Mass Market. One of the ways to increase mass market penetration is to expand our customer-base by growing the number of channel accounts. Another key effort is on promoting leading applications and products through initiatives such as the STM32 Open Development Environment exploiting our success in microcontrollers: more than 80 thousand STM32 Nucleo
development and Expansion boards were shipped in 2014. In 2015, we will further develop these initiatives and in addition, expand our online presence with enhanced support capabilities for mass market customers, among other actions.

Carlo, back to you

Carlo Bozotti

Let me just add that our Mass Market initiative spans across all product groups and leverages the multiple synergies among them to serve growing applications to many more customers.

And results were evident already last year, making us a leading player, present in many, many devices such as in the Internet of Things –as you can see on the chart-
Before closing, let me share a few final comments. First, I want to thank our employees. It is their talent and determination that have enabled ST to come through the difficult transition in 2013 with the energy and drive to turn 2014 into a year of good progress in terms of product leadership, operational improvements and a financial performance turnaround.

We have developed process technology leadership second to none, introduced many new flagship products across our product portfolio and built an expanded customer base.

We see opportunities to continue to expand in automotive, in the mass market, where our design wins increased very significantly during 2014, and I am optimistic that this year we will see positive steps forward also with major consumer and smartphone customers.
Our path going forward is clear – return to growth and reach the cost structure we have outlined in our financial model, to continue to achieve year-over-year improvement in our financial performance.

My colleagues and I would be happy to take your questions, now.