



# FIRST QUARTER REPORT 2011





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## SAFE HARBOR

This presentation contains forward-looking statements that involve inherent risks and uncertainties. We have identified certain important factors that may cause actual results to differ materially from those contained in such forward-looking statements.

For a detailed description of risk factors see STMicroelectronics' (NYSE:STM) and Ericsson's (NASDAQ:ERIC) filings with the US Securities and Exchange Commission, particularly each company's latest published Annual Report on Form 20-F.





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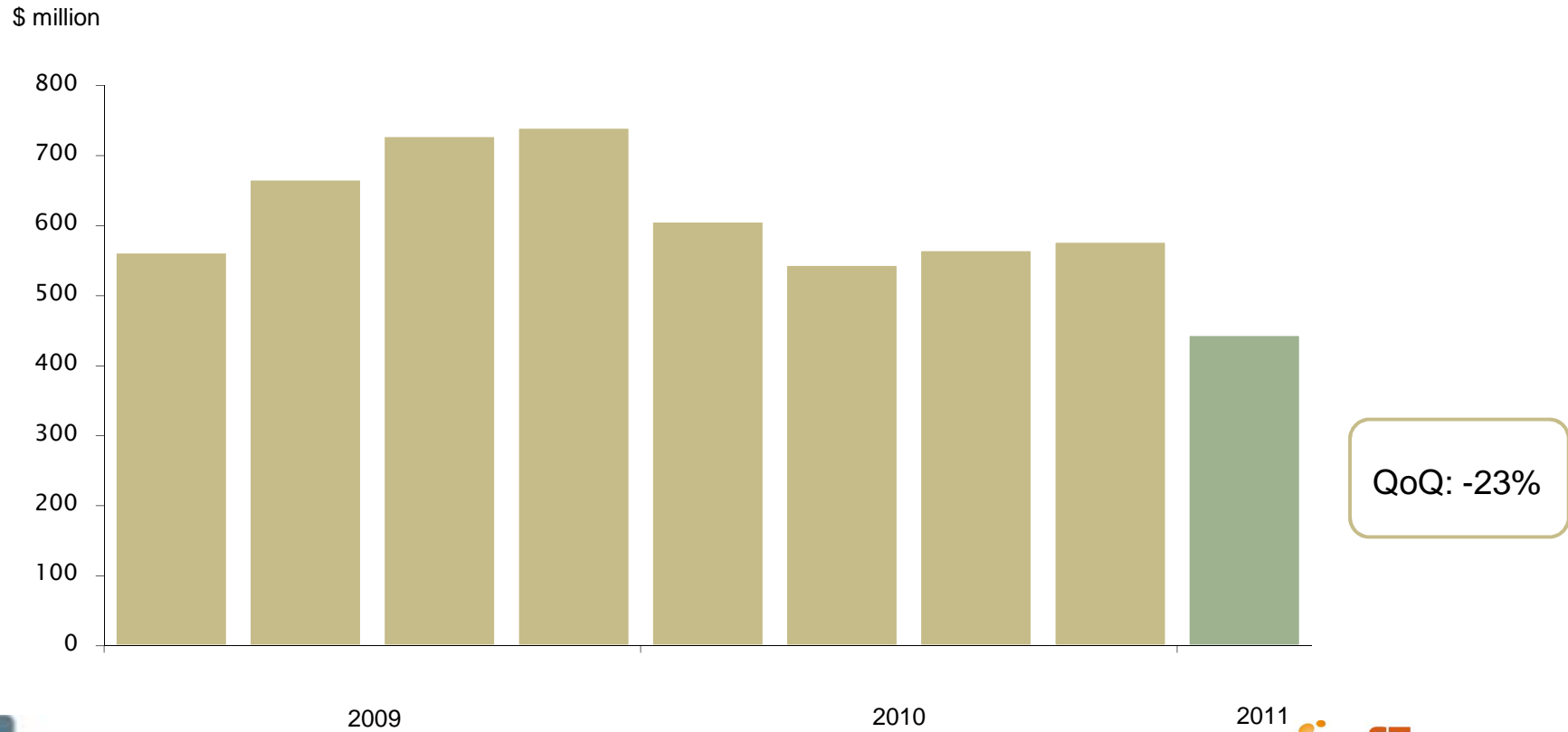
**Gilles Delfassy, President and CEO**



# Q1 NET SALES



- Net sales \$444 million
- Steep drop in sales of legacy products





# ADDITIONAL Q1 FINANCIAL INFORMATION

- Adjusted operating loss increased
- Partially offset by
  - Higher R&D service sales related to LTE development
  - Some positive one-offs
  - Restructuring plan savings



# CONTINUING PROGRESS



- Revenue from new products as a percentage of total revenue continued to grow in Q1
- New high-speed Thor™ 21 Mbps modem sales nearly doubled sequentially
- Modems in lightning-fast phones for US market
- Additional customer traction with NovaThor™ family



# MOVING FOR MARKET LEADERSHIP



- Announced some of most advanced & attractive products in the market:
  - Thor™ modems
  - Nova™ application processors
  - NovaThor™ integrated, complete platforms
  
- 7 out of 9 top device manufacturers by revenue actively engaged with us

**NovaTHOR™**  
BY ST-ERICSSON





# Q2 SALES OUTLOOK



- Net sales to decline sequentially:
  - On-going erosion of legacy products
  - Not yet compensated by the ramp of new products
- Areas of uncertainty:
  - Mid-term impact of Japan earthquake
  - Exchange rate evolution
- Main focus:
  - Improving efficiency
  - Securing the successful execution and delivery of new products



# OUR AIM

- Leadership in smartphones and tablets
- Drive innovation in mobile broadband
- Enable coolest, richest, affordable devices



Q&A

