



FOURTH QUARTER REPORT 2009





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.





FOURTH QUARTER REPORT 2009

Gilles Delfassy, President and CEO



2009 IN A NUTSHELL



- Economic downturn hit the industry
- Unique and challenging year for the company
 - ST-Ericsson established in February
 - Three different companies to be integrated
 - Restructuring plans in place
 - Devised new portfolio strategy
 - Started transitioning our portfolio
 - Good progress achieved, more still needs to be done



MARKET UPDATE IN Q4



- High speed mobile broadband now a reality
 - HSPA+ networks of 21 Mbps and first commercial LTE network rolled out
- Shift to smart devices and technologies accelerated
 - Mobile phone and mobile platforms at the center of convergence
- TD market growth accelerated
 - Asian economies recovering faster from economic crisis, especially China



ST-ERICSSON HIGHLIGHTS IN Q4



Connecting worlds

- Achieved first LTE/HSPA mobility with a multimode device



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Smart mobility & multimedia

- Accelerating innovation in the leading-edge graphics
- Mobile HSPA broadband to power LG GW990 smartphone



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Mobilizing the next billion people

- Shipped 6.5 million unit TD chipset to our customers
- Extended the long-standing collaboration with Nokia into TD area



FOURTH QUARTER SUMMARY



- Net sales \$740 million, up 2% sequentially
 - Continued demand in China
- Operating loss \$50 million
 - Reduced operating expenses
- Inventory reduced by \$33 million to \$244 million
 - Improved efficiency in the supply chain
- Net cash \$229 million
 - Including improved working capital and a one-time payment from parents, planned since the inception



UPDATE ON RESTRUCTURING PLANS



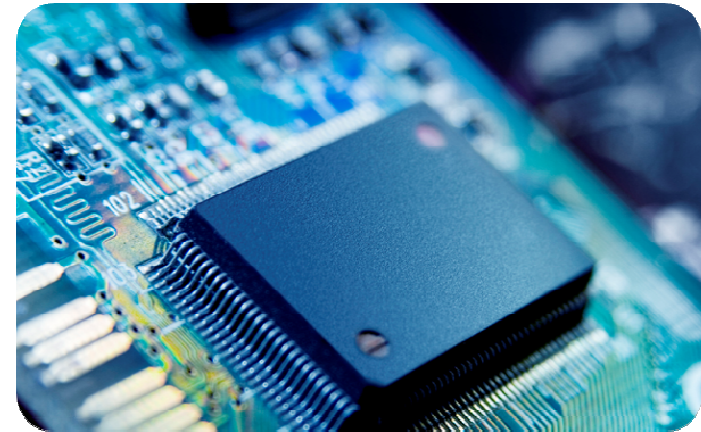
- \$250 million cost synergies program defined in Q3 2008 – fully completed
- \$230 million restructuring plan announced on April 29 – in progress
 - To be completed as planned by second quarter 2010
- \$115 million restructuring plan announced on December 3 - initiated
 - Reductions in operating expenses and spending, extensive R&D efficiency program
 - A global workforce review of 600 employees worldwide
 - To be completed by end 2010
- Remaining costs from the ongoing restructuring plans to be incurred in 2010



MARKET EVOLUTION



- Visibility in the medium term somewhat limited*
- The company expects first quarter 2010 to be characterized by the usual market seasonal decline*



** This slide contains forward looking statements*



IN SUMMARY



- Good progress in 2009 and in the quarter
 - More to be done
- 2010 focus
 - Transition our portfolio to next generation
 - Firm execution on restructuring plans
 - Prepare the company for future, profitable growth





THANK YOU





Q&A

