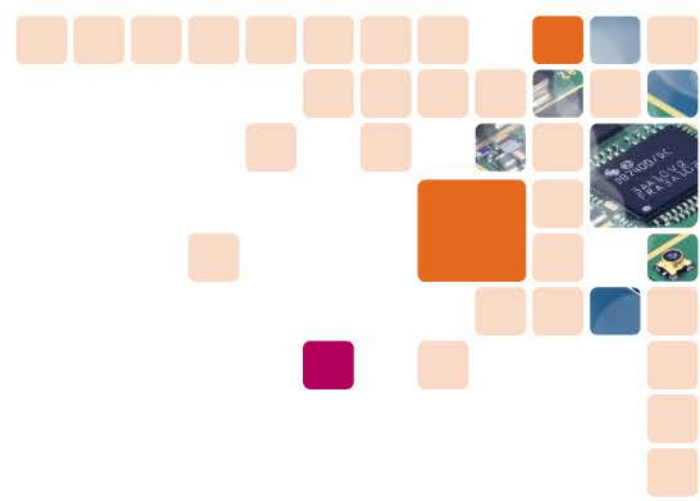




Third quarter report 2012



Third quarter report 2012



Fabrizio Rossini
Head of investor relations

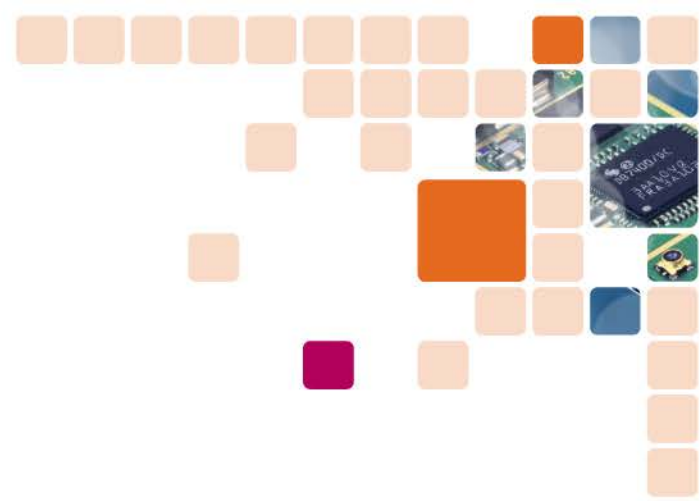


Safe harbor

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.

Third quarter report 2012



Didier Lamouche
President and CEO



Transforming our company

Products

- Clear market strategy
- Focused portfolio approach
- Differentiation

Customers

- Engage with market shapers
- Diversification

Company Organization

- Execution
- Simplicity
- Speed
- Focus

Culture

- From technology focus to customer focus
- Sustainable profitability
- From brilliant ideas to products delivered on time

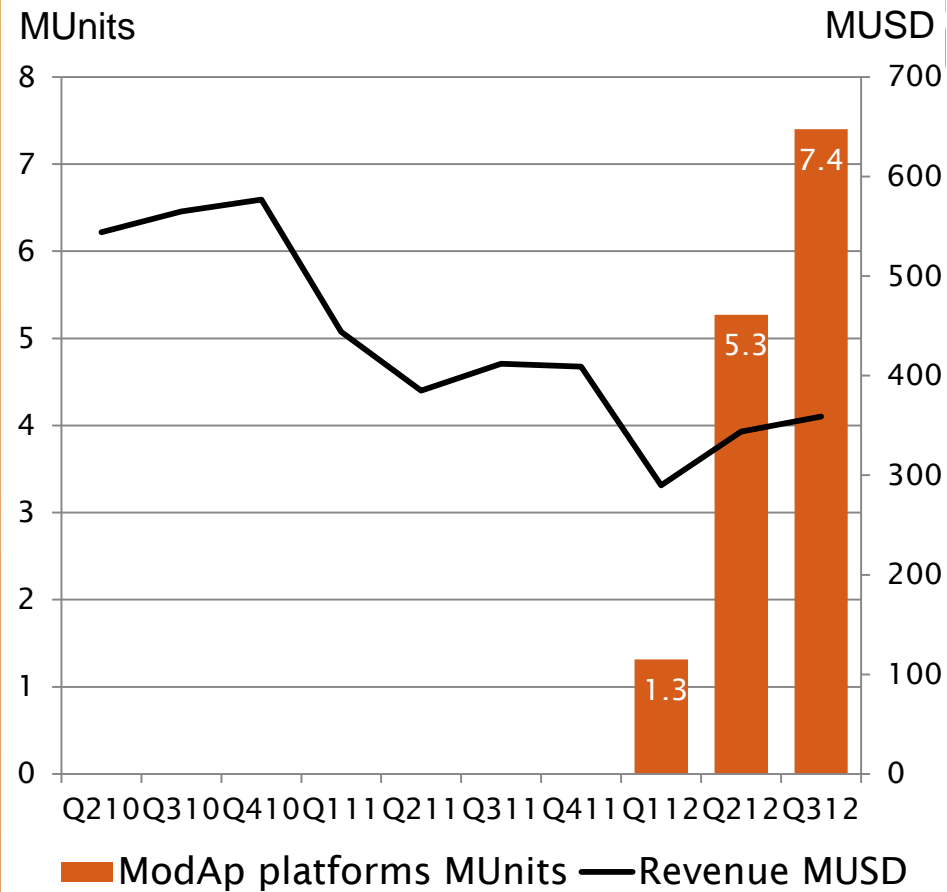
Solid execution in the last quarters in line with the transformation roadmap

Q3 Revenues

- \$359 million revenues
- NovaThor ModAp platforms continue to grow as largest revenue segment with 7.4 million units shipped
- Feature phones and legacy about 40% of revenues
- Revenues stabilized

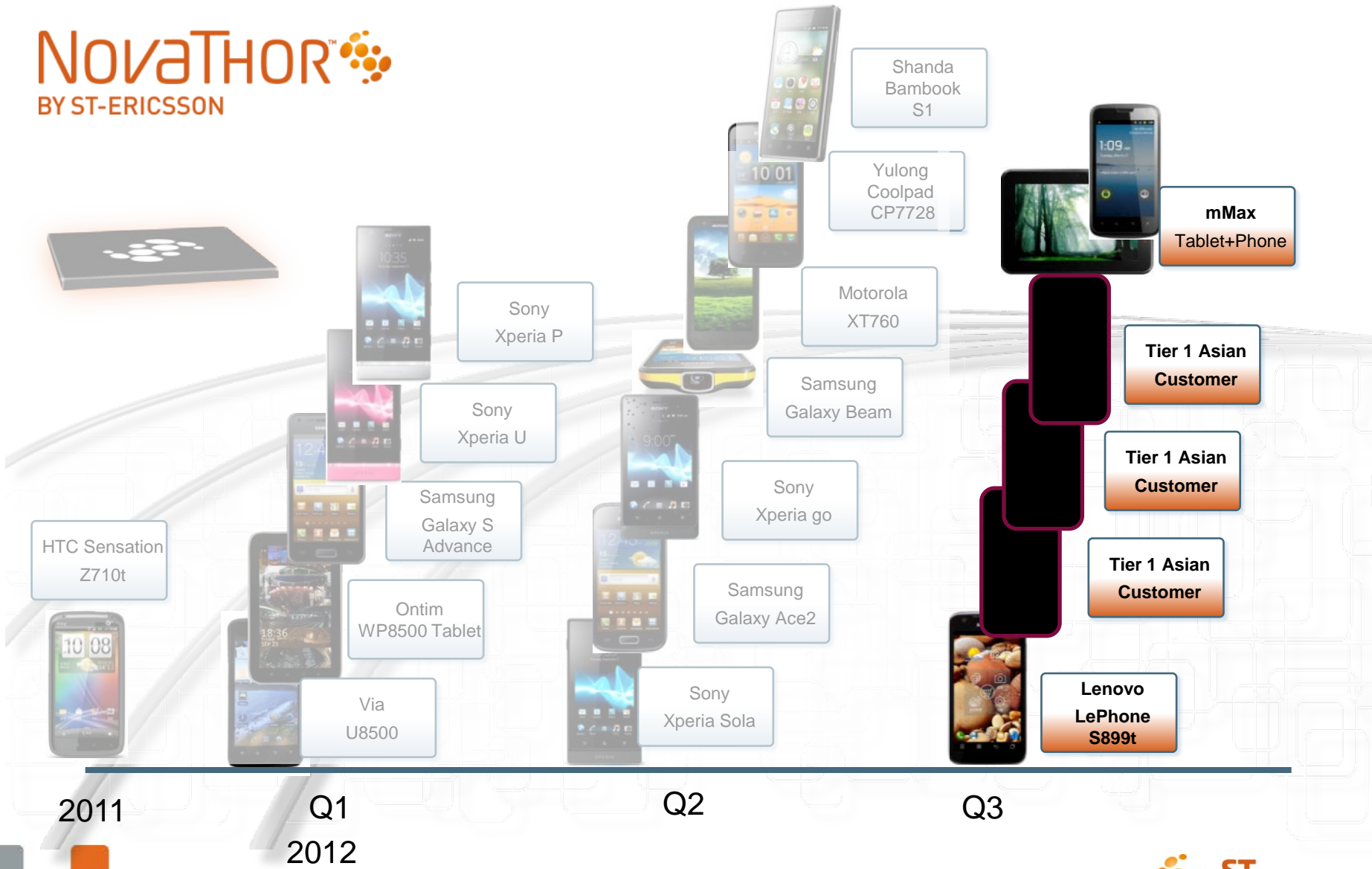
Q4 Outlook

- Net sales to be approx. flat sequentially



Continuing to execute well on NovaThor platform ramp

Continuing momentum



2011

Q1
2012

Q2

Q3



Samsung GALAXY S III mini

Launched October 11th



Organization

Products

Customers

Company

Culture

Members of the Executive Committee

Didier LAMOUCHE
President and CEO



Mats NORIN
EVP, Chief
Technology Officer



Carlo FERRO
Chief Operating
Officer



Ronen BEN-HAMOU
R&D



Marc CETTO
Smart Platform
Solutions



Peter Oaklander
Sales & Marketing



Newly appointed Senior Vice President
Sales & Marketing

Transforming our Sales focus in line with market developments

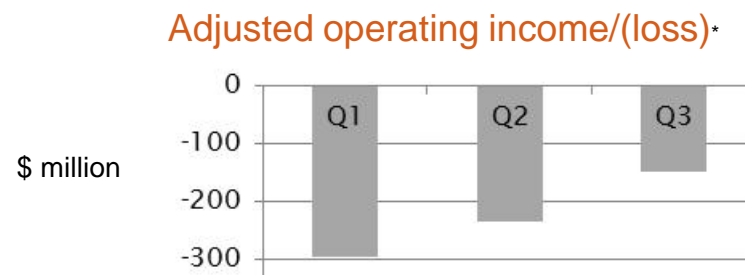
Financial Overview

- Net sales \$359 million
4% sequential growth
- Execution of cost transformation initiatives ahead of plan: \$38 million savings vs. Q4 2011
- Operating loss halved from Q1 2012 level to \$148 million
 - \$87 million sequential reduction
- -\$146 million net operating cashflow
 - \$103 million sequential improvement



\$ million	2012 Q3	2012 Q2	2012 Q1	Delta Q3 vs Q2
Net sales	359	344	290	15
Adjusted Operating income/(loss)*	(148)	(235)	(297)	87
Net operating cashflow	(146)	(249)	(159)	103

*: Adjusted Operating Income/(Loss) is a non-GAAP measure. Please refer to the press release for details.



Solid execution delivering progress on all our key financial metrics

Conclusions

Products

Customers

Company

Culture

- In the last 9 months
 - Repositioned company strategy and showing solid progress on execution
 - Put in place the full organization to aggressively execute the strategy
 - Ramped and delivered NovaThor platforms in volume
 - Catching up on execution of our advanced LTE platforms
 - Delivering FD-SOI silicon supporting our differentiated new platform roadmap
 - Executing with sense of urgency on cost realignment in a predictable manner
 - Delivering on key elements of strategy, such as application processor partnership
 - Moving forward on site consolidation strategy
- However, we still have significant work ahead
 - Recovering from large losses towards profitability and financial sustainability
 - Execution of current and future platforms remains our priority focus
 - Market remains competitive and we are dependent on our customers' success

Q&A