



THIRD 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.





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Alain Dutheil, President and CEO

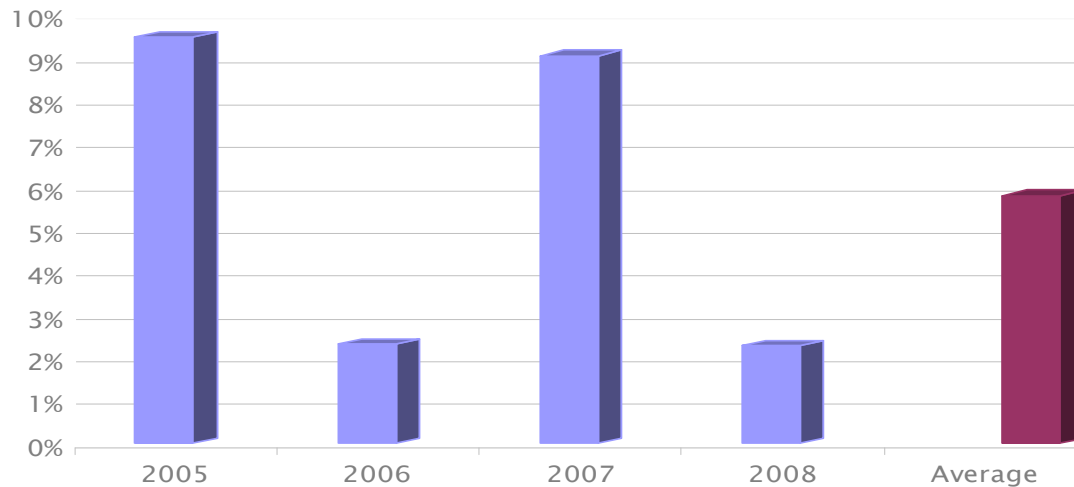


MARKET UPDATE



- Economy slowly recovering – different speeds from country to country
 - Asia and emerging countries remain the main growth driver
- Wireless semiconductor market almost over the recession

Wireless semiconductor sales Q3oQ2 growth (2005-2008)



Source: *iSuppli Q3 2009*



ST-ERICSSON UPDATE



Smart mobility & multimedia

- U8500 selected by an additional top tier manufacturer



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Connecting worlds

- Strengthened partnerships with mobile computing players
- World's smallest single-chip solution for connectivity launched
- New highly integrated Wireless LAN device launched



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Mobilizing the next billion people

- Shipped 3 million unit TD chipset to our customers
- Continued drive in innovation with industry's first TD-HSPA modem chip samples in 65nm



THIRD QUARTER SUMMARY



- Net sales \$728 million, up 9% sequentially
 - Solid performance in Asia
- Operating loss \$77 million
 - Tight cost control
- Inventory reduced by \$48 million to \$277 million
 - Increased efficiency in the supply chain and cost reductions
- Net cash \$216 million



UPDATE ON RESTRUCTURING PLANS



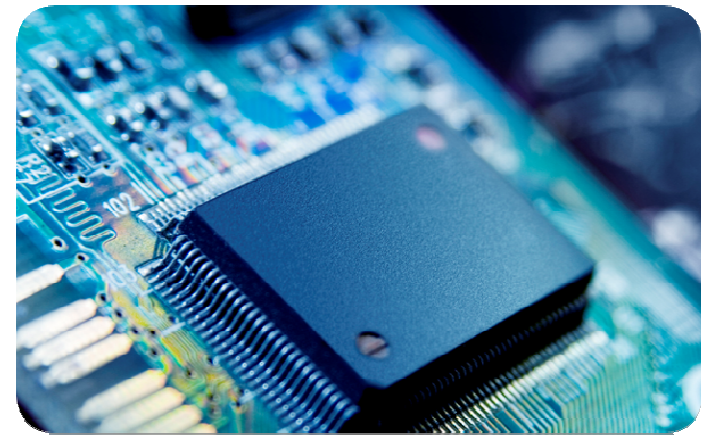
- \$250 million cost synergies program defined in Q3 2008
 - Substantially completed
 - A workforce reduction of 500 worldwide
- \$230 million restructuring plan announced on April 29
 - In progress, to be completed as planned by second quarter 2010
 - Restructuring charges \$19 million in the quarter
 - A planned workforce reduction of 1,200 worldwide



MARKET EVOLUTION



- Visibility on the medium-term business environment remains poor*
- Seasonal market trends are likely to be confirmed in the fourth quarter with Asia as one of the main drivers*



** This slide contains forward looking statements*



IN SUMMARY



- Sales in the quarter up 9%, with solid performance in Asia
- The company progressing to become a solid and profitable leader
- Gilles Delfassy to assume position as President and CEO on November 2





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Gilles Delfassy, incoming President and CEO





Q&A

