



THIRD QUARTER REPORT 2010





THIRD QUARTER REPORT 2010

Claudia Levo

Senior Vice President, Communications





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 2010

Gilles Delfassy, President and CEO

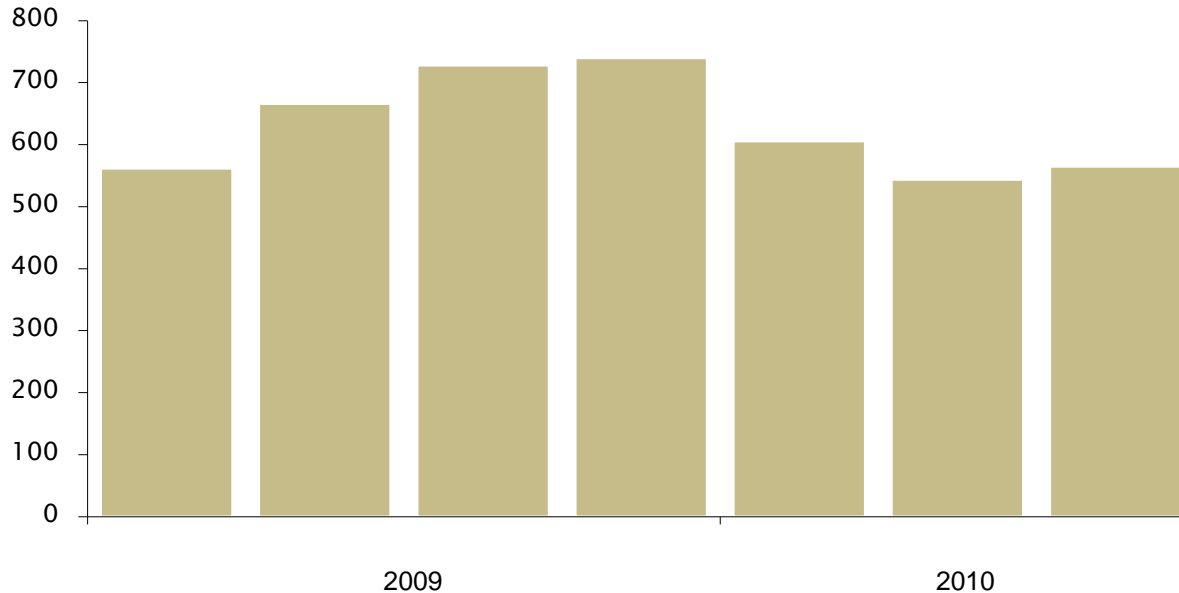


NET SALES



- Net sales \$565 million
 - Continued portfolio transition
 - Good traction of new high-value entry portfolio
 - Product mix variations and more intense competition in China

\$ million



THIRD QUARTER SUMMARY



- Adjusted operating loss \$85 million
 - Savings from restructuring plans
 - Positive seasonal effects
- Restructuring plans fully on track
 - \$230 million plan completed - full effects realized in Q3
 - \$115 million plan started to contribute savings in Q3
- Inventory increased by \$33 million to \$295 million
- Net financial position \$39 million



ST-ERICSSON HIGHLIGHTS



- Over 100 million 2G/EDGE shipments year-to-date
- Over 15 million TD-SCDMA shipments since launch



- U8500 programs reached all major milestones agreed with customers
- Lead partner for ARM's Cortex-A15 MPCore processor



- New HSPA+ 21Mbps modem, M5730, in commercial devices early 2011
- M570 and M34x modems in Ericsson's mobile broadband modules for tablets and notebooks



TRANSFORMING THE COMPANY



- Entry & feature phones

- Modem only

- Three big customers

- Custom solutions

- Europe and Asia



- Smartphones
- Connected devices
- High-value entry

- Application engine
- Modem
- Connectivity

- Diversified customer portfolio
- Open/complete platforms

- Global





Q&A

