

STMicroelectronics N.V.

Consolidated Statements of Income

(in million of U.S. dollars, except per share data (\$))

| | Three Months Ended | |
|---|---------------------------|--------------|
| | (Unaudited) | (Unaudited) |
| | September 30, | October 1, |
| | <u>2006</u> | <u>2005</u> |
| Net sales | 2,502 | 2,246 |
| Other revenues | 11 | 1 |
| NET REVENUES | 2,513 | 2,247 |
| Cost of sales | -1,609 | -1,481 |
| GROSS PROFIT | 904 | 766 |
| Selling, general and administrative | -264 | -248 |
| Research and development | -421 | -401 |
| Other income and expenses, net | -5 | -3 |
| Impairment, restructuring charges and other related closure costs | -20 | -12 |
| Total Operating Expenses | -710 | -664 |
| OPERATING INCOME | 194 | 102 |
| Interest income, net | 17 | 8 |
| Loss on equity investments | -1 | -2 |
| INCOME BEFORE INCOME TAXES | 210 | 108 |
| AND MINORITY INTERESTS | | |
| Income tax expense | -2 | -18 |
| INCOME BEFORE MINORITY INTERESTS | 208 | 90 |
| Minority interests | -1 | -1 |
| NET INCOME | 207 | 89 |
| | | |
| EARNINGS PER SHARE (BASIC) | 0.23 | 0.10 |
| EARNINGS PER SHARE (DILUTED) | 0.22 | 0.10 |
| | | |
| NUMBER OF WEIGHTED AVERAGE | | |
| SHARES USED IN CALCULATING | 957.1 | 935.5 |
| DILUTED EARNINGS PER SHARE | | |

STMicroelectronics N.V.

Consolidated Statements of Income

(in million of U.S. dollars, except per share data (\$))

| | Nine Months Ended | |
|---|--------------------------|--------------|
| | (Unaudited) | (Unaudited) |
| | September 30, | October 1, |
| | <u>2006</u> | <u>2005</u> |
| Net sales | 7,356 | 6,489 |
| Other revenues | 15 | 4 |
| NET REVENUES | 7,371 | 6,493 |
| Cost of sales | -4,748 | -4,328 |
| GROSS PROFIT | 2,623 | 2,165 |
| Selling, general and administrative | -786 | -766 |
| Research and development | -1,238 | -1,228 |
| Other income and expenses, net | -28 | -11 |
| Impairment, restructuring charges and other related closure costs | -67 | -113 |
| Total Operating Expenses | -2,119 | -2,118 |
| OPERATING INCOME | 504 | 47 |
| Interest income, net | 69 | 23 |
| Loss on equity investments | -6 | -2 |
| INCOME BEFORE INCOME TAXES | 567 | 68 |
| AND MINORITY INTERESTS | | |
| Income tax benefit (expense) | -60 | 17 |
| INCOME BEFORE MINORITY INTERESTS | 507 | 85 |
| Minority interests | -1 | -2 |
| NET INCOME | 506 | 83 |
| | | |
| EARNINGS PER SHARE (BASIC) | 0.56 | 0.09 |
| EARNINGS PER SHARE (DILUTED) | 0.54 | 0.09 |
| | | |
| NUMBER OF WEIGHTED AVERAGE | | |
| SHARES USED IN CALCULATING | 964.6 | 935.0 |
| DILUTED EARNINGS PER SHARE | | |