

## STMicroelectronics N.V.

## Consolidated Statements of Income

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

	<b>Three Months Ended</b>	
	(Unaudited)	(Unaudited)
	September 27, 2008	September 29, 2007
Net sales	2,687	2,555
Other revenues	9	10
<b>NET REVENUES</b>	<b>2,696</b>	<b>2,565</b>
Cost of sales	-1,737	-1,663
<b>GROSS PROFIT</b>	<b>959</b>	<b>902</b>
Selling, general and administrative	-297	-272
Research and development	-602	-442
Other income and expenses, net	17	24
Impairment, restructuring charges and other related closure costs	-22	-31
Total Operating Expenses	-904	-721
<b>OPERATING INCOME</b>	<b>55</b>	<b>181</b>
Other-than-temporary impairment charge on financial assets	-14	0
Interest income, net	8	22
Earnings (loss) on equity investments	-344	3
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>-295</b>	<b>206</b>
<b>AND MINORITY INTERESTS</b>		
Income tax benefit (expense)	15	-18
<b>INCOME (LOSS) BEFORE MINORITY INTERESTS</b>	<b>-280</b>	<b>188</b>
Minority interests	-9	-1
<b>NET INCOME (LOSS)</b>	<b>-289</b>	<b>187</b>
<b>EARNINGS (LOSS) PER SHARE (BASIC)</b>	<b>-0.32</b>	<b>0.21</b>
<b>EARNINGS (LOSS) PER SHARE (DILUTED)</b>	<b>-0.32</b>	<b>0.20</b>
<b>NUMBER OF WEIGHTED AVERAGE</b>		
<b>SHARES USED IN CALCULATING</b>	<b>890.3</b>	<b>945.2</b>
<b>DILUTED INCOME (LOSS) PER SHARE</b>		

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<b>Nine Months Ended</b>
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	(Unaudited)	(Unaudited)
	September 27, <u>2008</u>	September 29, <u>2007</u>
Net sales	7,528	7,233
Other revenues	38	25
<b>NET REVENUES</b>	<b>7,566</b>	<b>7,258</b>
Cost of sales	-4,828	-4,733
<b>GROSS PROFIT</b>	<b>2,738</b>	<b>2,525</b>
Selling, general and administrative	-882	-803
Research and development	-1,581	-1,322
Other income and expenses, net	56	20
Impairment, restructuring charges and other related closure costs	-390	-949
Total Operating Expenses	-2,797	-3,054
<b>OPERATING LOSS</b>	<b>-59</b>	<b>-529</b>
Other-than-temporary impairment charge on financial assets	-82	0
Interest income, net	48	57
Earnings (loss) on equity investments	-350	12
<b>LOSS BEFORE INCOME TAXES</b>	<b>-443</b>	<b>-460</b>
<b>AND MINORITY INTERESTS</b>		
Income tax benefit (expense)	34	-32
<b>LOSS BEFORE MINORITY INTERESTS</b>	<b>-409</b>	<b>-492</b>
Minority interests	-12	-4
<b>NET LOSS</b>	<b>-421</b>	<b>-496</b>
<b>LOSS PER SHARE (BASIC)</b>	<b>-0.47</b>	<b>-0.55</b>
<b>LOSS PER SHARE (DILUTED)</b>	<b>-0.47</b>	<b>-0.55</b>
<b>NUMBER OF WEIGHTED AVERAGE</b>		
<b>SHARES USED IN CALCULATING</b>	<b>896.8</b>	<b>898.5</b>
<b>DILUTED LOSS PER SHARE</b>		