

STMicroelectronics N.V.

Consolidated Statements of Income

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

	Three Months Ended	
	(Unaudited)	(Unaudited)
	June 28, <u>2008</u>	June 30 , <u>2007</u>
Net sales	2,379	2,409
Other revenues	12	9
NET REVENUES	2,391	2,418
Cost of sales	-1,511	-1,580
GROSS PROFIT	880	838
Selling, general and administrative	-281	-270
Research and development	-470	-446
Other income and expenses, net	30	12
Impairment, restructuring charges and other related closure costs	-185	-906
Total Operating Expenses	-906	-1,610
OPERATING LOSS	-26	-772
Other-than-temporary impairment charge on financial assets	-39	0
Interest income, net	19	18
Earnings (loss) on equity investments	-5	3
LOSS BEFORE INCOME TAXES	-51	-751
AND MINORITY INTERESTS		
Income tax benefit (expense)	5	-4
LOSS BEFORE MINORITY INTERESTS	-46	-755
Minority interests	-1	-3
NET LOSS	-47	-758
LOSS PER SHARE (BASIC)	-0.05	-0.84
LOSS PER SHARE (DILUTED)	-0.05	-0.84
NUMBER OF WEIGHTED AVERAGE		
SHARES USED IN CALCULATING	900.5	898.8
DILUTED LOSS PER SHARE		

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	Six Months Ended	
	(Unaudited)	(Unaudited)
	June 28, <u>2008</u>	June 30, <u>2007</u>
Net sales	4,841	4,678
Other revenues	28	15
NET REVENUES	4,869	4,693
Cost of sales	-3,090	-3,070
GROSS PROFIT	1,779	1,623
Selling, general and administrative	-585	-531
Research and development	-978	-881
Other income and expenses, net	39	-3
Impairment, restructuring charges and other related closure costs	-369	-918
Total Operating Expenses	-1,893	-2,333
OPERATING LOSS	-114	-710
Other-than-temporary impairment charge	-69	0
Interest income, net	40	36
Earnings (loss) on equity investments	-5	9
LOSS BEFORE INCOME TAXES	-148	-665
AND MINORITY INTERESTS		
Income tax benefit (expense)	19	-15
LOSS BEFORE MINORITY INTERESTS	-129	-680
Minority interests	-2	-4
NET LOSS	-131	-684
LOSS PER SHARE (BASIC)	-0.15	-0.76
LOSS PER SHARE (DILUTED)	-0.15	-0.76
NUMBER OF WEIGHTED AVERAGE		
SHARES USED IN CALCULATING	900.1	898.1
DILUTED LOSS PER SHARE		