

STMicroelectronics N.V.  
Consolidated Statements of Income  
(in million of U.S. dollars, except per share data (\$))

	<b>Three Months Ended</b>	
	(Unaudited)	(Unaudited)
	April 2, <u>2005</u>	March 27, <u>2004</u>
Net sales	2,081	2,028
Other revenues	2	1
<b>NET REVENUES</b>	<b>2,083</b>	<b>2,029</b>
Cost of sales	-1,398	-1,311
<b>GROSS PROFIT</b>	<b>685</b>	<b>718</b>
Selling, general and administrative	-265	-230
Research and development	-404	-363
Other income and expenses, net	-6	-12
Impairment, restructuring charges and other related closure costs	-78	-33
Total Operating Expenses	-753	-638
<b>OPERATING INCOME (LOSS)</b>	<b>-68</b>	<b>80</b>
Interest income (expense), net	7	-4
<b>INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>-61</b>	<b>76</b>
Income tax benefit	31	1
<b>INCOME (LOSS) BEFORE MINORITY INTERESTS</b>	<b>-30</b>	<b>77</b>
Minority interests	-1	0
<b>NET INCOME (LOSS)</b>	<b>-31</b>	<b>77</b>
<b>EARNINGS (LOSS) PER SHARE (BASIC)</b>	<b>-0.03</b>	<b>0.09</b>
<b>EARNINGS (LOSS) PER SHARE (DILUTED)</b>	<b>-0.03</b>	<b>0.08</b>
<b>NUMBER OF WEIGHTED AVERAGE SHARES USED IN CALCULATING DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>893.1</b>	<b>938.7</b>