

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

| | (Unaudited) | |
|---|--------------------------|--------------------|
| | Nine Months Ended | |
| | As Reported | As Reported |
| | September 27 | September 28 |
| | <u>2003</u> | <u>2002</u> |
| Net sales | 5,122.1 | 4,499.0 |
| Other revenues | 2.4 | 32.5 |
| NET REVENUES | 5,124.5 | 4,531.5 |
| Cost of sales | -3,318.4 | -2,894.6 |
| GROSS PROFIT | 1,806.1 | 1,636.9 |
| Selling, general and administrative | -557.1 | -464.1 |
| Research and development | -883.6 | -739.9 |
| Other income and expenses, net | 8.3 | -11.4 |
| Impairment, restructuring charges and other related closure costs | -192.9 | -29.6 |
| Total Operating Expenses | -1,625.3 | -1,245.0 |
| OPERATING INCOME | 180.8 | 391.9 |
| Interest expense, net | -44.9 | -51.5 |
| Equity in loss of joint venture | -1.3 | -11.0 |
| Loss on extinguishment of convertible debt | -36.4 | 0.0 |
| INCOME BEFORE INCOME TAXES | | |
| AND MINORITY INTERESTS | 98.2 | 329.4 |
| Income tax expense | 13.9 | -57.9 |
| INCOME BEFORE MINORITY INTERESTS | 112.1 | 271.5 |
| Minority interests | -2.7 | -2.7 |
| NET INCOME | 109.4 | 268.8 |
| | | |
| EARNINGS PER SHARE (BASIC) | 0.12 | 0.30 |
| EARNINGS PER SHARE (DILUTED) | 0.12 | 0.30 |
| | | |
| NUMBER OF WEIGHTED AVERAGE | | |
| SHARES USED IN CALCULATING | | |
| DILUTED EARNINGS PER SHARE | 934.9 | 893.9 |

STMicroelectronics N.V.

Consolidated Statements of Income

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

| | (Unaudited) | |
|---|---------------------------|--------------------|
| | Three Months Ended | |
| | As Reported | As Reported |
| | September 27 | September 28 |
| | <u>2003</u> | <u>2002</u> |
| Net sales | 1,802.9 | 1,632.9 |
| Other revenues | 1.0 | 12.3 |
| NET REVENUES | 1,803.9 | 1,645.2 |
| Cost of sales | -1,171.4 | -1,036.1 |
| GROSS PROFIT | 632.5 | 609.1 |
| Selling, general and administrative | -191.7 | -162.7 |
| Research and development | -302.8 | -258.0 |
| Other income and expenses, net | -9.4 | 8.0 |
| Impairment, restructuring charges and other related closure costs | -192.9 | -11.6 |
| Total Operating Expenses | -696.8 | -424.3 |
| OPERATING INCOME (LOSS) | -64.3 | 184.8 |
| Interest expense, net | -11.4 | -20.3 |
| Equity in loss of joint venture | 0.0 | -3.8 |
| Loss on extinguishment of convertible debt | -21.6 | 0.0 |
| INCOME (LOSS) BEFORE INCOME TAXES | -97.3 | 160.7 |
| AND MINORITY INTERESTS | -97.3 | 160.7 |
| Income tax expense | 49.1 | -29.0 |
| INCOME (LOSS) BEFORE MINORITY INTERESTS | -48.2 | 131.7 |
| Minority interests | -0.9 | -0.5 |
| NET INCOME (LOSS) | -49.1 | 131.2 |
| | | |
| EARNINGS PER SHARE (BASIC) | -0.06 | 0.15 |
| EARNINGS PER SHARE (DILUTED) | -0.06 | 0.15 |
| | | |
| NUMBER OF WEIGHTED AVERAGE | | |
| SHARES USED IN CALCULATING | | |
| DILUTED EARNINGS PER SHARE | 888.3 | 890.3 |