

## STMicroelectronics N.V.

## Consolidated Statements of Income

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

	<b>Three Months Ended</b>	
	(Unaudited)	(Unaudited)
	October 1, <u>2005</u>	September 25, <u>2004</u>
Net sales	2,246	2,231
Other revenues	1	0
<b>NET REVENUES</b>	<b>2,247</b>	<b>2,231</b>
Cost of sales	-1,481	-1,386
<b>GROSS PROFIT</b>	<b>766</b>	<b>845</b>
Selling, general and administrative	-248	-233
Research and development	-401	-384
Other income and expenses, net	-3	-3
Impairment, restructuring charges and other related closure costs	-12	-12
Total Operating Expenses	-664	-632
<b>OPERATING INCOME</b>	<b>102</b>	<b>213</b>
Interest income, net	8	0
Loss on equity investments	-2	-2
<b>INCOME BEFORE INCOME TAXES</b>	<b>108</b>	<b>211</b>
<b>AND MINORITY INTERESTS</b>		
Income tax expense	-18	-20
<b>INCOME BEFORE MINORITY INTERESTS</b>	<b>90</b>	<b>191</b>
Minority interests	-1	-2
<b>NET INCOME</b>	<b>89</b>	<b>189</b>
<b>EARNINGS PER SHARE (BASIC)</b>	<b>0.10</b>	<b>0.21</b>
<b>EARNINGS PER SHARE (DILUTED)</b>	<b>0.10</b>	<b>0.20</b>
<b>NUMBER OF WEIGHTED AVERAGE</b>		
<b>SHARES USED IN CALCULATING</b>	<b>935.5</b>	<b>934.9</b>
<b>DILUTED EARNINGS PER SHARE</b>		

STMicroelectronics N.V.

Consolidated Statements of Income

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

<b>Nine Months Ended</b>
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	(Unaudited)	(Unaudited)
	October 1, <u>2005</u>	September 25, <u>2004</u>
Net sales	6,489	6,429
Other revenues	4	3
<b>NET REVENUES</b>	<b>6,493</b>	<b>6,432</b>
Cost of sales	-4,328	-4,056
<b>GROSS PROFIT</b>	<b>2,165</b>	<b>2,376</b>
Selling, general and administrative	-766	-702
Research and development	-1,228	-1,131
Other income and expenses, net	-11	-13
Impairment, restructuring charges and other related closure costs	-113	-57
Total Operating Expenses	-2,118	-1,903
<b>OPERATING INCOME</b>	<b>47</b>	<b>473</b>
Interest income (expense), net	23	-8
Loss on equity investments	-2	-2
Loss on extinguishment of convertible debt	0	-4
<b>INCOME BEFORE INCOME TAXES</b>	<b>68</b>	<b>459</b>
<b>AND MINORITY INTERESTS</b>		
Income tax benefit (expense)	17	-42
<b>INCOME BEFORE MINORITY INTERESTS</b>	<b>85</b>	<b>417</b>
Minority interests	-2	-3
<b>NET INCOME</b>	<b>83</b>	<b>414</b>
<b>EARNINGS PER SHARE (BASIC)</b>	<b>0.09</b>	<b>0.46</b>
<b>EARNINGS PER SHARE (DILUTED)</b>	<b>0.09</b>	<b>0.45</b>
<b>NUMBER OF WEIGHTED AVERAGE</b>		
<b>SHARES USED IN CALCULATING</b>	<b>935.0</b>	<b>936.9</b>
<b>DILUTED EARNINGS PER SHARE</b>		