

LET'S
CREATE
IT

TOWARDS TRANSFORMATION

Gilles Delfassy, President & CEO

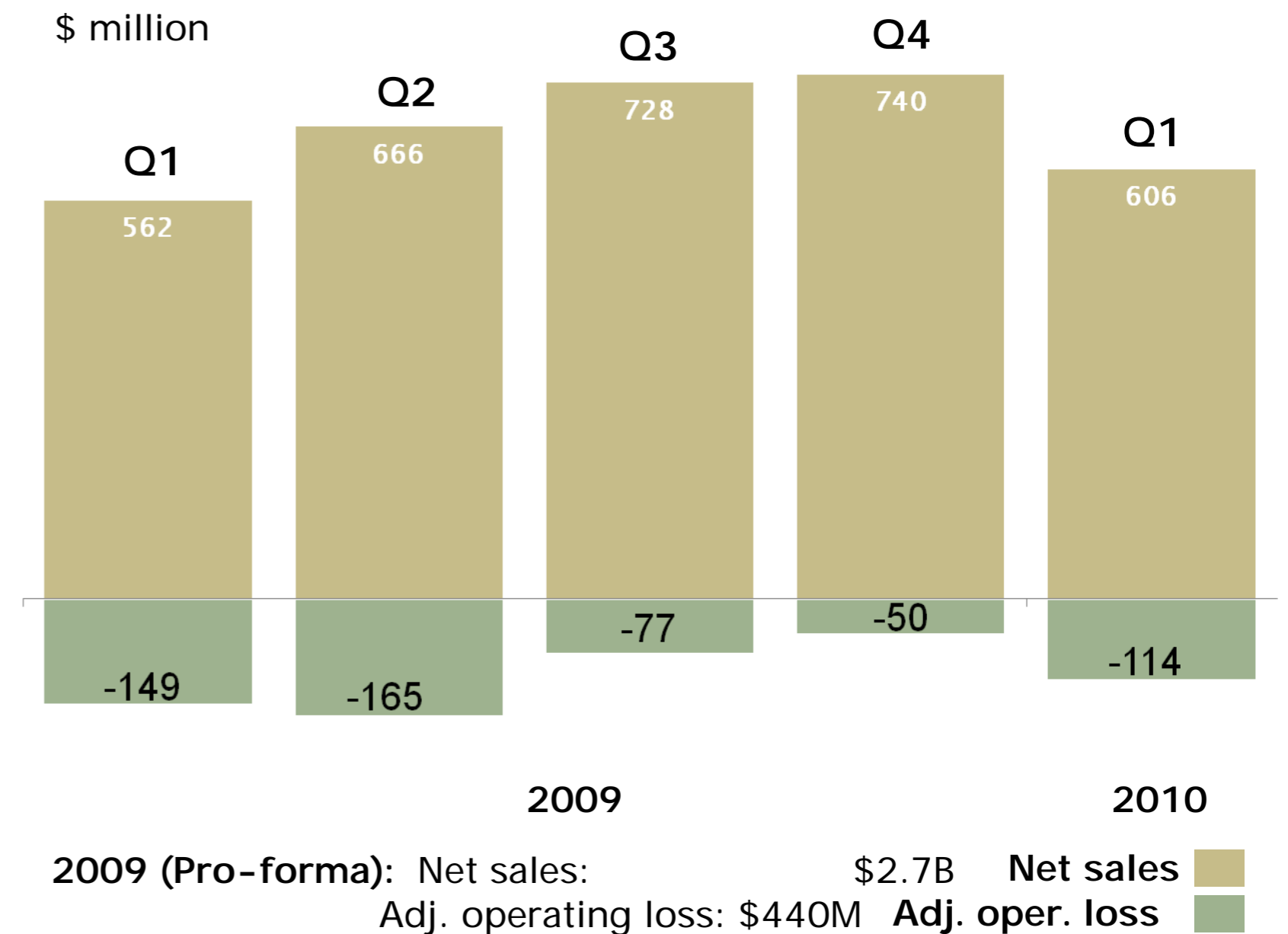


2009: FORMATION

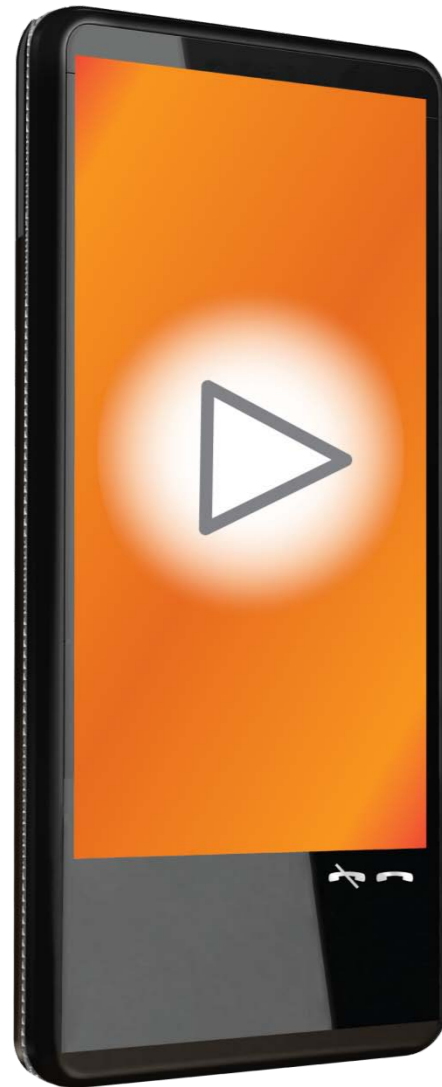
2010: TRANSITION AND TRANSFORMATION

FIRST QUARTER SUMMARY

- Net sales \$606 million
- Adjusted operating loss \$114 million
- Net cash \$120 million
- Restructuring plans on track
 - ~50% savings of \$230 million plan
 - \$115 million plan savings from H2 2010
 - R&D efficiency program
 - Integration of IT systems



2010 PRIORITIES



Competitive cost structure

New portfolio

Pursue profitable growth

Focus on priorities and fast transition

TRANSFORMING THE COMPANY

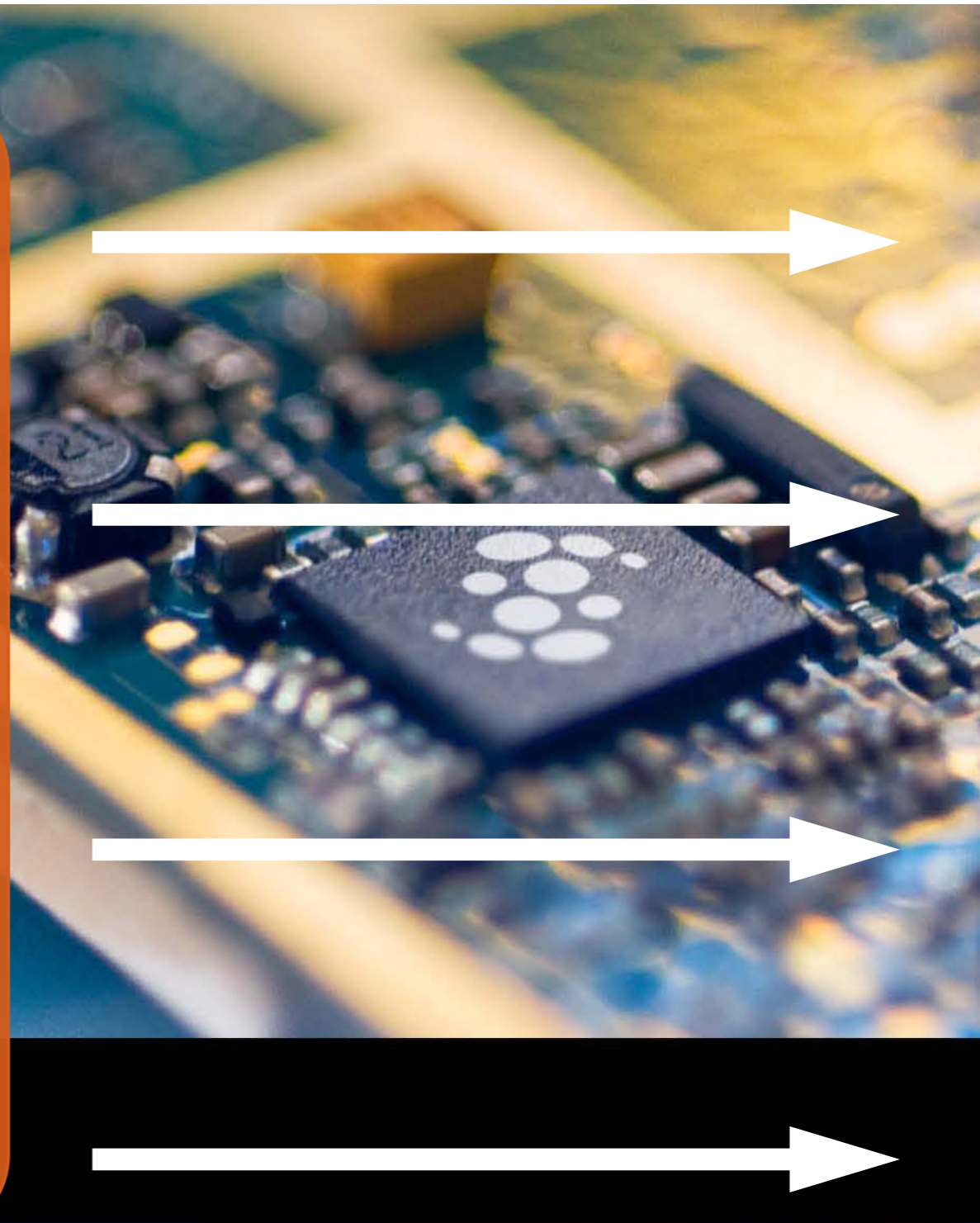
- Entry & feature phones

- Modem only

- Three big customers

- Custom solutions

- Europe and Asia



- High-value entry
- Smartphones
- Connected devices

- Application engine
- Modem
- Connectivity

- Diversified customer portfolio

- Open/complete platforms

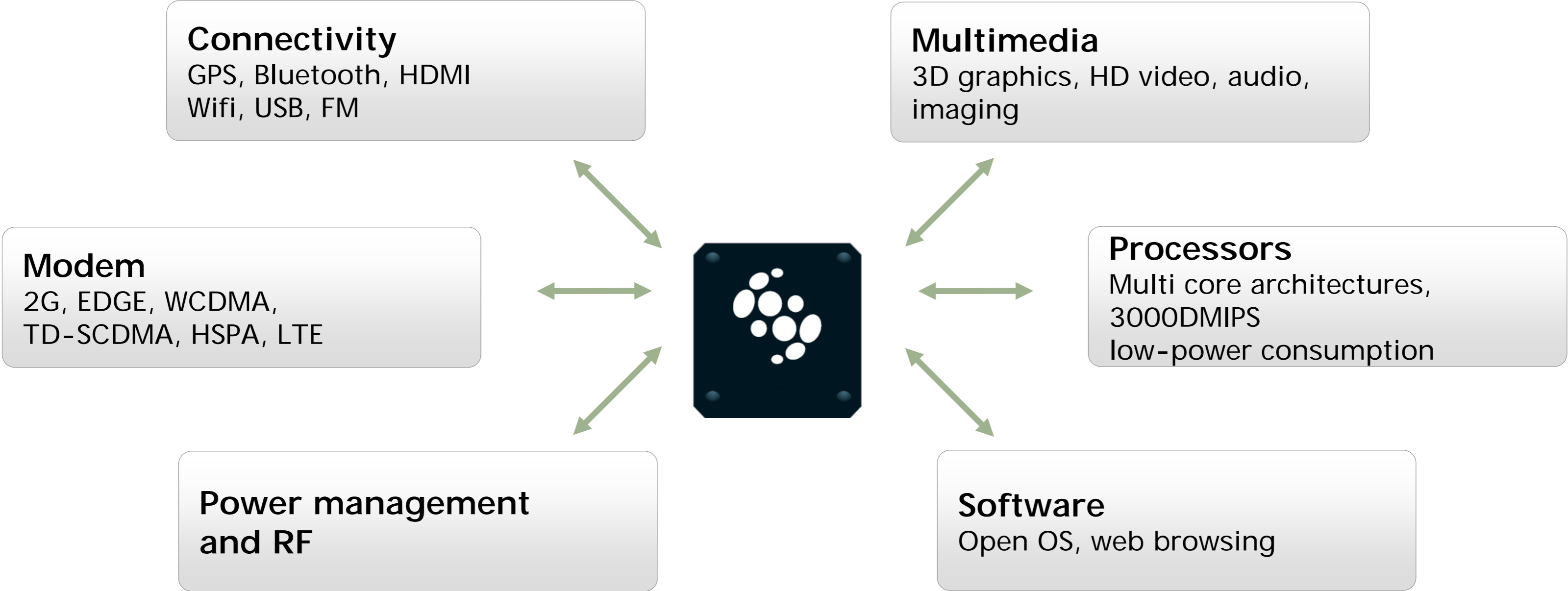
- Global

ENABLING THE 50B CONNECTED DEVICES VISION



Wireless semiconductor players at the heart of convergence

DELIVERING COMPLETE PLATFORMS IS KEY



Requirements on wireless semiconductor players are evolving accordingly

HOW WE ARE ENABLING THE VISION

Adding value to affordable devices

High-value entry

Enabling smartphones for all tiers

Smartphones

Driving mobile broadband everywhere

Connected devices



ADDING VALUE TO AFFORDABLE DEVICES

High-value entry devices

More features at low cost

Enhanced connectivity and multimedia

Integration to single-chip

Best-in-class power consumption

Smart multimedia for all

Linux/Android™ support

WQVGA screens, touch-screen and H.264 video

HSDPA for fast content sharing



G485X

Single-chip ultra low cost
Dual SIM/Dual standby
USB charging

E49XX

Single-chip Quad-band EDGE
Low power, MM touch-screen
QVGA & 3Mpixel camera

T6718

TD-HSPA
Quad-band EDGE
WQVGA & 5Mpixel camera

U6715

Affordable Linux/Android
HSDPA
WQVGA & 5Mpixel camera

ENABLING SMARTPHONES FOR ALL

High and mid-end smart devices

Top performance at low power

Dual-core processors >1GHz

HD-multimedia 1080p

Full web-browsing experience

Mobile broadband with HSPA+

Powerful 3D graphics - OpenGL ES 2.0

Touch displays, dual screen

Complete solutions with Open OS



U8500

Dual-core SMP Cortex A9
HSPA+
1080p HD & advanced 3D
Dual-screen support

U5500

Dual-core SMP Cortex A9
HSPA+
720p HD
Advanced 3D

U6715

Affordable Linux/Android
HSDPA
WQVGA & 5Mpixel camera

Thin modems

TD-HSPA
HSPA+
LTE

U8500

DRIVING MOBILE BROADBAND EVERYWHERE

Connected devices and embedded mobility

Advanced modems

HSPA+ mobile broadband for all devices

LTE, the next evolution for high-speed data

TD-HSPA broadband modems for China

Optimized modems for numerous applications

Modem technology from GSM to LTE

Supporting devices from smartphones and netbooks to consumer electronics and M2M



M720

LTE /HSPA+
Proven hand over
100 Mbps

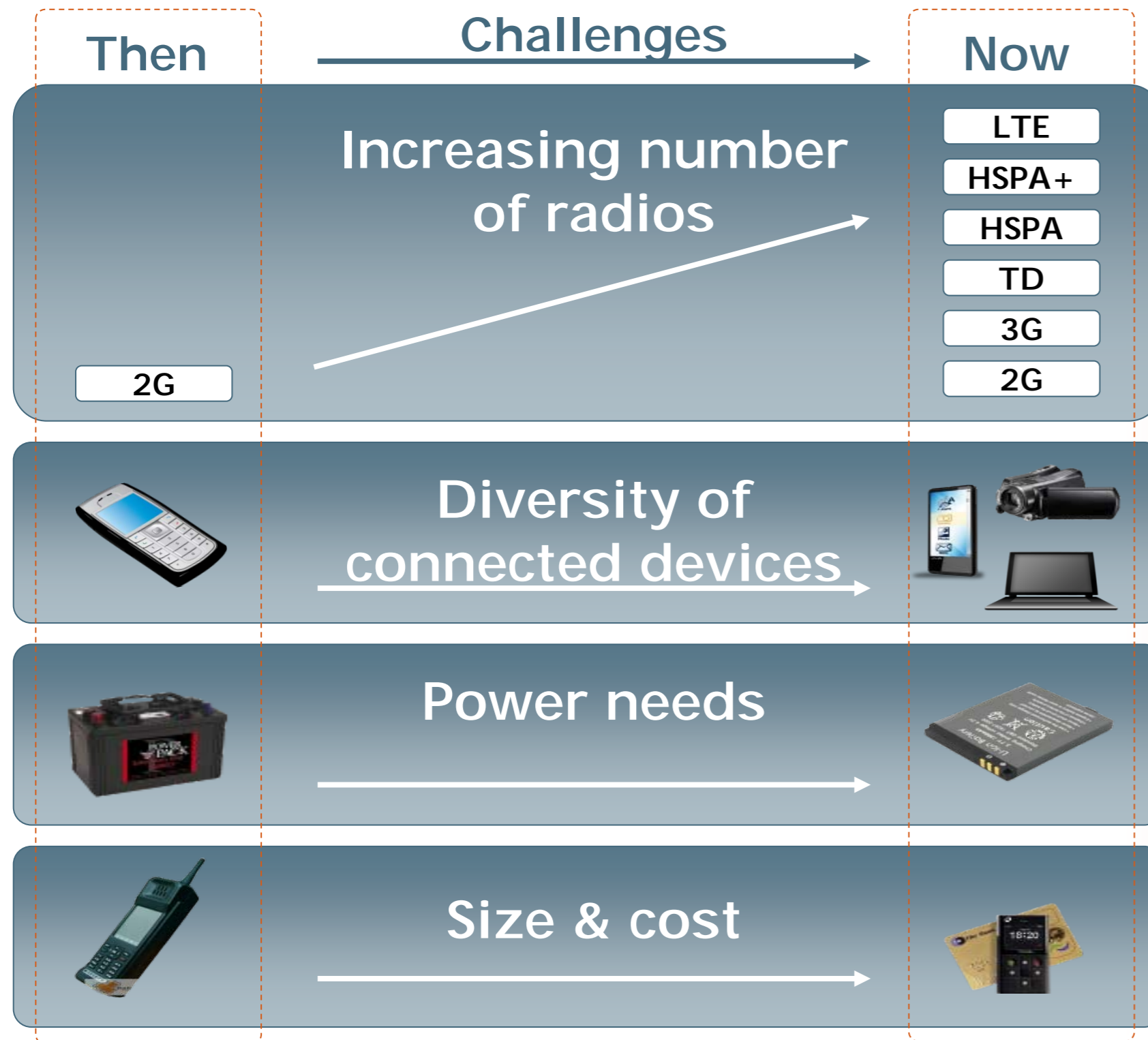
M570

HSPA+ 21 Mbps
Simultaneous full speed UL/DL
Best in class thermal heat

M6718

Dual mode
TD-HSPA & quad band
EDGE

ADDRESSING MODEM EVOLUTION



New ST-Ericsson multi-mode modem architecture

- Software-defined radio access
- LTE 100Mbps HSPA+ 42Mbps
- Target >2X power improvement
- Scalable for cost
- Building on existing LTE solution
- One SW and HW platform
- Drastic reduction of testing

2010 PRIORITIES

- Competitive cost structure
- New portfolio
- Prepare the company for future, profitable growth

Focus on priorities and fast transition

LET'S
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QUESTIONS AND ANSWERS

