STMICROELECTRONICS NV
Form 6-K
October 24, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated October 24, 2012

Commission File Number: 1-13546

STMicroelectronics N.V.
(Name of Registrant)

WTC Schiphol Airport
Schiphol Boulevard 265
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The Netherlands

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes o No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes o No x

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-__________

Enclosure: A press release dated October 23, 2012, announcing STMicroelectronics' 2012 Third Quarter and Nine Month Financial Results.

PR No.: C2694C

STMicroelectronics
Reports 2012 Third Quarter and Nine Month Financial Results

- Third quarter net revenues up 0.9% sequentially to $2.17 billion
- Third quarter gross margin up 50 basis points sequentially to 34.8%
- New cost-savings plan at ST level to achieve $150 million of annualized savings by end of 2013
- Non-cash impairment charge of $690 million for Wireless

Geneva, October 23, 2012 - STMicroelectronics (NYSE: STM) reported financial results for the third quarter and nine months ended September 29, 2012.

On a sequential basis, third quarter net revenues increased 0.9% to $2.17 billion and gross margin improved to 34.8%. Net loss attributable to parent company was $478 million, mainly due to a non-cash charge of $690 million for the impairment of Wireless goodwill.

President and CEO Carlo Bozotti commented, ”Our third quarter revenue and gross margin results delivered sequential improvements.Overall, the strength of our product portfolio enabled us to manage the current weak demand environment. As anticipated, we benefited from the revenue growth of our MEMS, microcontrollers, Power MOSFET and IGBT businesses, which continue to expand into new applications, and we continue to strengthen relationships with key market leaders, such as Audi and Samsung. ST’s wholly-owned businesses operating margin improved, on a sequential basis, to 5.8%, mainly driven by improvements inour Power Discrete (PDP) segment.

“We have already been taking a number of important steps to advance our key priorities. In December, we will present our new strategic plan which will accelerate the roadmap towards our previously announced financial model and ensure the future success of both our Analog and Digital businesses and, therefore, of our company as a whole.

“Through this process we are progressing in moving our digital businesses towards self-sustainability and we are announcing today a new $150 million annual savings plan at the ST level: a part of the savings coming from the identified initiatives to leverage on the synergies of our Unified Processing Platform approach announced in April, and the remainder of the savings coming from other new initiatives, such as efficiencies in our process technology development model and expenses related to design outsourcing.

“Our Wireless segment delivered strong progress during the third quarter; however, the segment’s operating loss and negative cash flows still remain significant. As part of our annual impairment test and based upon our assessment of the Wireless segment plan, updated in Q3 2012, and the evolving dynamics of the smartphone industry, we posted a non-cash charge of $690 million. This charge reflects our current best estimate of the fair market value of our Wireless business.”

Summary Financial Highlights

U.S. GAAP (In Million US$)	Q3 2012	Q2 2012	Q3 2011
Net Revenues (a)	2,166	2,148	2,442
Gross Margin	34.8%	34.3%	35.8%
Operating Loss, as reported	(792)	(207)	(23)
Net Income (Loss) attributable to parent company	(478)	(75)	71

(a)Net revenues include sales recorded by ST-Ericsson as consolidated by ST

Non-U.S. GAAP* Before impairment, restructuring and one-time items (In Million US$)	Q3 2012	Q2 2012	Q3 2011
Operating Loss	(79)	(151)	(13)
Operating Margin	(3.6%)	(7.0%)	(0.5%)
Operating Margin – attributable to ST	0.3%	(1.3%)	4.3%

Third Quarter Review

ST's third quarter net revenues increased 0.9% on a sequential basis, with ST's wholly-owned businesses stable and the Wireless product segment increasing by about 4%, including revenue from IP licensing of $35 million. The EMEA region grew sequentially 5%, while Greater China & South Asia, the Americas, and Japan & Korea were relatively flat.

Third quarter gross margin increased 50 basis points sequentially to 34.8% mainly due to improved manufacturing efficiencies, a favorable product mix and currency effects.Unsaturation charges in the third quarter were $19 million compared to $16 million in the second quarter.

Combined SG&A and R&D expenses decreased 6% to $852 million compared to $909 million in the prior quarter due to positive seasonal and currency effects and ST-Ericsson's ongoing cost-realignment initiatives. Combined operating expenses as a percentage of sales, improved to 39.3% in the 2012 third quarter compared to 42.3% in the prior quarter.

Restructuring and impairment charges significantly increased to $713 million compared to $56 million in the prior quarter, mainly due to the non-cash impairment charge of Wireless goodwill.

Reflecting losses at ST-Ericsson, operating margin before impairment, restructuring and one-time items attributable to ST improved to 0.3% in the 2012 third quarter compared to negative 1.3% in the prior quarter.*

In the third quarter of 2012, net loss attributable to non-controlling interests was $351 million, which mainly included the 50% owned by Ericsson in the ST-Ericsson joint venture, as consolidated by ST. In the second quarter of 2012, the corresponding amount was $160 million.

Third quarter net loss attributable to parent company was $478 million or $(0.54) per share, compared to a net loss of $(0.08) per share and diluted earnings of $0.08 per share in the prior and year-ago quarters, respectively. On an adjusted basis, net of related taxes, ST reported a non-U.S. GAAP net loss per share of $(0.03), excluding impairment, restructuring charges and one-time items in the third quarter, compared to a net loss of $(0.05) per share and diluted earnings of $0.09 per share in the prior and year-ago quarters, respectively.*

(*) Operating income before impairment, restructuring and one-time items, operating margin before impairment, restructuring and one-time items, operating margin before impairment, restructuring and one-time items attributable to ST and adjusted net earnings per share are non-U.S. GAAP measures. For additional information and reconciliation to U.S. GAAP, please refer to Attachment A.

For the third quarter of 2012, the effective average exchange rate for the Company was approximately $1.29 to €1.00 compared to $1.32 to €1.00 for the second quarter of 2012 and $1.40 to €1.00 for the third quarter of 2011.

Net Revenues by Market Segment / Channel

Net Revenues By Market Segment / Channel (*) (Estimated and In %)	Q3 2012	Q2 2012	Q3 2011
Market Segment / Channel:			
Automotive	18%	19%	17%
Computer	13%	13%	14%
Consumer	11%	10%	10%
Industrial & Other	9%	9%	9%
Telecom	25%	27%	28%
Total OEM	76%	78%	78%
Distribution	24%	22%	22%

(*) Sales recorded by ST-Ericsson and consolidated by ST are included in Telecom and Distribution.

On a sequential basis, Computer, Consumer and Industrial & Other grew 3%, 1% and 1%, respectively, while Automotive and Telecom decreased 3% and 8%, respectively. Distribution increased 6%.

Revenues and Operating Results by ST Product Segment

Commencing January 1, 2012, the Company began reporting the former ACCI Product Segment (Automotive/Consumer/Computer/Communication Infrastructure) into the other segments. The new product segments are Automotive Segment ("APG") and Digital Sector ("Digital") comprised of the Digital Convergence Group ("DCG") and Imaging, BiCMOS ASIC and Silicon Photonics Group ("IBP").

Operating Segment (In Million US$)	Q3 2012 Net Revenues	Q3 2012 Operating Income (Loss)	Q2 2012 Net Revenues	Q2 2012 Operating Income (Loss)	Q3 2011 Net Revenues	Q3 2011 Operating Income (Loss)
Automotive (APG)	391	34	404	38	404	46
Analog, MEMS & Microcontrollers (AMM)	804	101	774	98	856	147
Digital	325	(30)	353	(36)	442	20
Power Discrete (PDP)	275	18	262	4	316	33
Wireless (a)	359	(184)	344	(240)	412	(215)
Others (b)(c)	12	(731)	11	(71)	12	(54)
TOTAL	2,166	(792)	2,148	(207)	2,442	(23)

(a) Wireless includes the portion of sales and operating results of ST-Ericsson as consolidated in the Company's revenues and operating results, as well as other items affecting operating results related to the wireless business.
(b) Net revenues of "Others" includes revenues from sales of Subsystems, assembly services and other revenues.

(c) Operating income (loss) of “Others” includes items such as unused capacity charges, impairment, restructuring charges and other related closure costs, phase out and start-up costs, NXP arbitration award and other unallocated expenses such as: strategic or special research and development programs, certain corporate-level operating expenses, patent claims and litigations, and other costs that are not allocated to product groups, as well as operating earnings of the Subsystems and Other Products Group. “Others” includes $19million, $16 million and $42 million of unused capacity charges in the third and second quarters of 2012 and third quarter of 2011, respectively; and $713 million, $56 million and $10 million of impairment, restructuring charges and other related closure costs in the third and second quarters of 2012 and third quarter of 2011, respectively.

Automotive (APG) third quarter net revenues decreased 3.1% sequentially, mainly due to weak market trends. APG third quarter operating margin was 8.6%, compared to 9.4% in the prior quarter.

Analog, MEMS and Microcontrollers (AMM) third quarter net revenues increased 3.9% sequentially driven by analog and microcontroller applications. AMM operating margin was 12.6% in the 2012 third quarter, stable compared to the prior quarter.

Digital third quarter net revenues decreased 7.8% sequentially principally due to weak demand from specific Imaging customers leading to a sequential revenue decrease of the Imaging, Bi-CMOS ASIC and Silicon Photonics (IBP) division to $85 million from $124 million in the previous quarter. Digital operating loss was reduced to negative $30 million in the 2012 third quarter, compared to a loss of $36 million in the prior quarter.

Power Discrete (PDP) third quarter net revenues increased 5.2% sequentially due to higher demand for Power MOSFET and IGBT. PDP operating margin increased to 6.4% in the 2012 third quarter compared to 1.6% in the prior quarter.

Wireless net revenues in the third quarter increased 4.3% compared to the prior quarter reflecting ST-Ericsson's continued ramp of NovaThor platforms as well as revenues from IP licensing. Wireless operating loss was $184 million in the third quarter, or $98 million after considering non-controlling interest, compared to a loss of $240 million, or $113 million after considering non-controlling interest, in the prior quarter. For additional information, see ST-Ericsson's Q3 2012 earnings results press release at www.st.com and at www.stericsson.com

Cash Flow and Balance Sheet Highlights

Free cash flow was negative $80 million in the third quarter mainly due to the results of ST-Ericsson. In the prior quarter free cash flow was negative $129 million.*

Capital expenditures, net of proceeds from sale, were $203 million during the third quarter of 2012 compared to $70 million in the prior quarter. Year-to-date capital expenditures are down significantly, at $398 million, compared to $1.2 billion in the first nine months of 2011.

Inventory slighty decreased at quarter end to $1.48 billion.

In the third quarter, dividends paid to stockholders were $89 million.

ST continued to maintain a solid attributable net financial position with a net cash position of $1.06 billion, as adjusted, taking into account the 50% of ST-Ericsson's debt, at September 29, 2012 compared to $1.17 billion at December 31, 2011.ST's cash and cash equivalents, marketable securities and restricted cash equaled $1.93 billion and total debt was $1.56 billion, including $695 million of short-term debt by ST-Ericsson to Ericsson, at September 29, 2012.*

Total equity, including non-controlling interest, was $6.33 billion at quarter end.

In the 2012 third quarter the Company posted a return on net assets (RONA) attributable to ST of 0.5%.*

Nine Months 2012 Results

Net revenues for the first nine months of 2012 decreased approximately 16% to $6.33 billion from $7.54 billion in the year-ago period mainly due to lower volumes, including a significant drop in sales at ST's former largest customer, and a slowdown in the overall semiconductor market.

(*) Free cash flow, net financial position and RONA attributable to ST are non-U.S. GAAP measures. For additional informationand reconciliation to U.S. GAAP, please refer to Attachment A.

Gross margin was 32.9% of net revenues, compared to 37.7% of net revenues for the 2011 first nine months. The first nine months 2012 gross margin was negatively impacted by lower sales, unsaturation charges of $106 million and, to a lesser extent, a one-time $53 million charge to ST's cost of sales due to an arbitration award. Net loss, as reported, was $730 million in the first nine months of 2012, or ($0.82) per share, compared to a net income of $661 million, or $0.73 diluted earnings per share in the first nine months of 2011. On an adjusted basis, net of related taxes, ST reported a non-U.S. GAAP net loss per share of ($0.22) excluding impairment, restructuring charges and one-time items in the first nine months of 2012 compared to diluted earnings of $0.43 per share in the first nine months of 2011.*

The effective average exchange rate for the Company was approximately $1.31 to €1.00 for the first nine months of 2012, compared to $1.37 to €1.00 for the first nine months of 2011.

2012 Nine Months Revenue and Operating Results by Product Segment

Operating Segment (In Million US$)	Nine Months 2012 Net Revenues	Nine Months 2012 Operating Income (Loss)	Nine Months 2011 Net Revenues	Nine Months 2011 Operating Income (Loss)
Automotive (APG)	1,186	108	1,295	187
Analog, MEMS & Microcontrollers (AMM)	2,336	298	2,631	490
Digital	1,014	(103)	1,451	98
Power Discrete (PDP)	770	16	986	123
Wireless	994	(717)	1,143	(601)
Others	31	(954)	37	(119)
TOTAL	6,331	(1,352)	7,543	178

New Savings Plan

In a move to enhance performance and optimize asset utilization, ST has announced a new savings plan designed to achieve $150 million in annual savings at the ST level upon completion by the end of 2013.

A portion of the savings coming from the identified initiatives will leverage the synergies of our previously disclosed Unified Processing Platform approach by integrating the development of System-On-Chip for digital TV. The plan also involves other new initiatives, such as efficiencies in our process-technology development model and expenses related to design outsourcing. Total restructuring costs are expected to be about $25 to $30 million through completion and might affect up to 500 jobs including contractors and attritions.

As a consequence, in combination with the savings to be realized through the restructuring plan announced in April 2012 underway at ST-Ericsson and considering the 50% holding of ST in ST-Ericsson, the Company expects to capture $220 million in annualized savings benefiting operating income attributable to ST by the end of 2013 (based on Q4 2011 cost base).*

Fourth Quarter 2012 Business Outlook

Mr. Bozotti stated, "Looking to the fourth quarter, we expect a relatively flat quarter-to-quarter pattern in revenue for the Company, reflecting the weak macro environment which has translated into a decrease of our booking levels. In anticipation, we have put in place plans to better align our manufacturing with the market environment by temporarily closing fabs, repatriating activities from subcontractors and executing cost-reduction measures. These extraordinary measures target an inventory reduction of approximately $150 million and will result in unsaturation charges during the fourth quarter estimated at about $80 million.

(*) Adjusted net earnings per share and operating income attributable to ST are non-U.S. GAAP measures. For additional information and reconciliation to U.S. GAAP, please refer to Attachment A.

"As we have been managing through the difficult wireless business and macro-economic issues this year, our focus has been on maintaining a solid financial position. ST's attributable net financial position exiting 2012 is expected to improve in the fourth quarter and to be stable compared to the end of December, 2011. We have significantly reduced our capital expenditures this year and now project that the full year amount will be about $500 million.

"Finally, even with the softer macro environment, in the fourth quarter we anticipate strong revenue growth in motion MEMS and environmental sensors and continued progress in microcontrollers. On a longer-term basis, we have greatly expanded our opportunities in automotive with the recently announced strategic alliance with Audi."

The Company expects fourth quarter 2012 revenues sequential evolution to be in the range of about -5% to +2%. Reflecting significantly higher unsaturation charges compared to the third quarter, gross margin in the fourth quarter is expected to be about 32.0%, plus or minus 2 percentage points.

This outlook is based on an assumed effective currency exchange rate of approximately $1.30 = €1.00 for the 2012 fourth quarter and includes the impact of existing hedging contracts. The fourth quarter will close on December 31, 2012.

Recent Corporate Developments

On August 6, ST announced the completion of an IP and talent acquisition from bTendo, an Israel-based projection-technology innovator. Following a successful joint development effort leveraging bTendo's Scanning Laser Projection engine and ST's industry-leading MEMS expertise, ST is well positioned to lead the emerging video-sharing market for smartphones and other portable consumer devices.

On August 30, ST announced a cooperation agreement with, and minority investment of 6 million Euros in, MicroOLED, a Grenoble, France-based company dedicated to the development and commercialization of state-of-the-art organic light emitting diodes (OLEDs). The agreement and investment strengthens ST's presence in the emerging market of micro-displays for a wide range of portable applications, spanning from camera viewfinders, video goggles to medical and security applications.

On September 13, ST announced that Georges Penalver had joined the company and been appointed Executive Vice President, Member of the Corporate Strategic Committee and Corporate Strategy Office. Penalver, most recently a member of the executive board of France Telecom/Orange Group in charge of the Group's Strategic Initiatives and Partnerships brings wide experience in defining corporate strategies, leading businesses, and implementing comprehensive transformation processes. At the same time, Executive Vice-President Jean-Marc Chery assumed the responsibilities of General Manager, Digital Sector, while maintaining his current role of Executive Vice-President, Chief Technology and Manufacturing Officer. As a consequence of Chery's expanded responsibilities, Eric Aussedat, Corporate Vice President, General Manager, Imaging, Bi-CMOS ASIC and Silicon Photonics Group; Joel Hartmann, Corporate Vice President, Front-end Manufacturing & Process R&D, Digital Sector, and Philippe Magarshack, Corporate Vice President, Design Enablement & Services, were promoted to Executive Vice Presidents while maintaining their previous scope of activities.

At the same time, ST also announced it will present its new strategic plan in December. The objectives of the plan are to continue to accelerate the company's roadmap towards its already announced financial model, taking into account the changed market environment and some specific customer dynamics, and to continue to ensure the future success of the company in total, with the two pillars, the Analog and the Digital businesses, both becoming as quickly as possible sustainable segments of ST.

Q3 2012 – Product and Technology Highlights

During the quarter, ST made strong progress with important new-product introductions and significant design wins in its key growth areas, including energy management & savings, trust & data security, health & wellness and smart consumer devices.

Automotive
- Contributed to safer, more reliable electronics systems in vehicles by introducing the only surge protection devices certified to the automotive industry's preferred specifications.
- Established a joint laboratory to drive innovation in Automotive electronics with the FAW Group of China.
- Collected multiple design wins on three continents for 32-bit automotive microcontrollers that manage critical safety systems in the car, including airbags and vehicle stability control.
- Confirmed its leadership position in car-body applications with two major design wins at major automotive-electronics manufacturers in Europe and Korea.
- Awarded a design win in the power supply for an Engine Management System (EMS) at one of the world's largest automotive players.
- ST's chips were selected to regulate voltage in automotive alternators by a major car maker in Korea.

Digital Sector
Digital Convergence
- With the introduction of a new, tiny set-top box (STB) chip, enabled end users to enjoy the prospect of smaller, cheaper portable STBs that allow broadcast and OTT (Over-The-Top) multimedia services beyond the confines of their home.