

STMICROELECTRONICS NV  
Form 20-F  
March 04, 2013  
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As filed with the Securities and Exchange Commission on March 4, 2013

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report \_\_\_\_\_

Commission file number: 1-13546

## **STMicroelectronics N.V.**

(Exact name of registrant as specified in its charter)

**Not Applicable**  
(Translation of registrant's name into English)

**The Netherlands**  
(Jurisdiction of incorporation or organization)

**WTC Schiphol Airport**

**Schiphol Boulevard 265**

**1118 BH Schiphol Airport**

**The Netherlands**

(Address of principal executive offices)

**Carlo Bozotti**

**39, chemin du Champ des Filles**

**1228 Plan-Les-Ouates**

**Geneva**

**Switzerland**

**Tel: +41 22 929 29 29**

**Fax: +41 22 929 29 88**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class:

Name of Each Exchange on Which Registered:

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Common shares, nominal value 1.04 per share

New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

**887,953,202 common shares at December 31, 2012**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company  (Do not check if a smaller reporting company)

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued  Other

by the International Accounting Standards Board

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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**PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

In this annual report or Form 20-F (the "Form 20-F"), references to we, us and Company are to STMicroelectronics N.V. together with its consolidated subsidiaries, references to EU are to the European Union, references to and the Euro are to the Euro currency of the EU, references to the United States and U.S. are to the United States of America and references to \$ or to U.S. dollars are to United States dollars. References to mm are to millimeters and references to nm are to nanometers.

We have compiled market size and ST market share data in this annual report using statistics and other information obtained from several third-party sources. Except as otherwise disclosed herein, all references to trade association data are references to World Semiconductor Trade Statistics ("WSTS"). Certain terms used in this annual report are defined in "Certain Terms".

We report our financial statements in U.S. dollars and prepare our Consolidated Financial Statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). We also report certain non-U.S. GAAP financial measures (free cash flow and net financial position), which are derived from amounts presented in the financial statements prepared under U.S. GAAP. Furthermore, since 2005, we are required by Dutch law to report our Statutory and Consolidated Financial Statements, previously reported using generally accepted accounting principles in The Netherlands, in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The IFRS financial statements are reported separately and can differ materially from the statements reported in U.S. GAAP.

Various amounts and percentages used in this Form 20-F have been rounded and, accordingly, they may not total 100%.

We and our affiliates own or otherwise have rights to the trademarks and trade names, including those mentioned in this annual report, used in conjunction with the marketing and sale of our products.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements contained in this Form 20-F that are not historical facts, particularly in "Item 3. Key Information Risk Factors", "Item 4. Information on the Company" and "Item 5. Operating and Financial Review and Prospects" and "Business Outlook" are statements of future expectations and other forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended) that are based on management's current views and assumptions, and are conditioned upon and also involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in such statements due to, among other factors:

future risks to our core business, other potential write-offs of assets, our share of costs and the required cash resources that ensue from our decision to exit ST-Ericsson, and will depend on the chosen exit options;

our ability to competitively address market demand for the products which we design, manufacture and sell;

changes in the market for our products, including the actual demand for products where we have achieved design wins and/or demand for applications where we are targeting growth;

our customers' ability to successfully compete in the application markets they serve with our products;

our ability in periods of reduced market demand or visibility to reduce our expenses as required, as well as our ability to operate our manufacturing facilities at sufficient levels with existing process technologies to cover our fixed operating costs;

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our ability, in an intensively competitive environment, to identify and allocate necessary design resources to successfully and timely develop and secure customer acceptance for new products meeting their expectations;

our ability to achieve our pricing expectations for high-volume supplies of new products in whose development we have been, or are currently, investing;

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the financial impact of obsolete or excess inventories if actual demand differs from our expectations;

our ability to maintain or improve our competitiveness especially in light of volatility in the foreign exchange markets and, more particularly, in the U.S. dollar exchange rate as compared to the Euro and the other major currencies we use for our operations;

the impact of intellectual property ( IP ) claims by our competitors or other third parties, and our ability to obtain required licenses on reasonable terms and conditions;

restructuring charges and associated cost savings that differ in amount or timing from our estimates;

changes in our overall tax position as a result of changes in tax laws, the outcome of tax audits or changes in international tax treaties which may impact our results of operations as well as our ability to accurately estimate tax credits, benefits, deductions and provisions and to realize deferred tax assets;

natural events such as severe weather, earthquakes, tsunami, volcano eruptions or other acts of nature, health risks and epidemics in locations where we, our customers or our suppliers operate;

changes in economic, social, political or infrastructure conditions in the locations where we, our customers or our suppliers operate including as a result of macroeconomic or regional events, military conflict, social unrest or terrorist activities;

availability and costs of raw materials, utilities, third-party manufacturing services, or other supplies required by our operations; and

the outcome of ongoing litigation as well as any new litigation to which we may become a defendant.

Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of our business to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology, such as believes , expects , may , are expected to , should , would be , seeks or anticipates or similar expressions, or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Some of these risk factors are set forth and are discussed in more detail in Item 3. Key Information Risk Factors . Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Form 20-F as anticipated, believed or expected. We do not intend, and do not assume any obligation, to update any industry information or forward-looking statements set forth in this Form 20-F to reflect subsequent events or circumstances.

Unfavorable changes in the above or other factors listed under Item 3. Key Information Risk Factors from time to time in our Securities and Exchange Commission ( SEC ) filings, could have a material adverse effect on our business and/or financial condition.

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Not applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not applicable.

**Item 3. Key Information****Selected Financial Data**

The table below sets forth our selected consolidated financial data for each of the years in the five-year period ended December 31, 2012. Such data have been derived from our audited Consolidated Financial Statements. Audited Consolidated Financial Statements for each of the years in the three-year period ended December 31, 2012, including the Notes thereto (collectively, the Consolidated Financial Statements), are included elsewhere in this Form 20-F, while data for prior periods have been derived from our audited Consolidated Financial Statements used in such periods.

The following information should be read in conjunction with Item 5. Operating and Financial Review and Prospects and the audited Consolidated Financial Statements and the related Notes thereto included in Item 18. Financial Statements in this Form 20-F.

	2012	Year Ended December 31,			2008
		2011	2010	2009	
		(In millions except per share and ratio data)			
<b>Consolidated Statements of Income Data:</b>					
Net sales	\$ 8,380	\$ 9,630	\$ 10,262	\$ 8,465	\$ 9,792
Other revenues	113	105	84	45	50
Net revenues	8,493	9,735	10,346	8,510	9,842
Cost of sales	(5,710)	(6,161)	(6,331)	(5,884)	(6,282)
Gross profit	2,783	3,574	4,015	2,626	3,560
Operating expenses:					
Selling, general and administrative	(1,166)	(1,210)	(1,175)	(1,159)	(1,187)
Research and development <sup>(1)</sup>	(2,413)	(2,352)	(2,350)	(2,365)	(2,152)
Other income and expenses, net <sup>(2)</sup>	91	109	90	166	62
Impairment, restructuring charges and other related closure costs	(1,376)	(75)	(104)	(291)	(481)
Total operating expenses	(4,864)	(3,528)	(3,539)	(3,649)	(3,758)
Operating income (loss)	(2,081)	46	476	(1,023)	(198)
Other-than-temporary impairment charge and realized gains (losses) on financial assets		318		(140)	(138)
Interest income (expense), net	(35)	(25)	(3)	9	51
Income (loss) on equity-method investments and gain on investment divestiture	(24)	(28)	242	(337)	(553)
Gain (loss) on financial instruments, net	3	25	(24)	(5)	15
Income (loss) before income taxes and noncontrolling interest	(2,137)	336	691	(1,496)	(823)



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Income tax benefit (expense)	(51)	(181)	(149)	95	43
Net income (loss)	(2,188)	155	542	(1,401)	(780)
Net loss (income) attributable to noncontrolling interest	1,030	495	288	270	(6)
Net income (loss) attributable to parent company	(1,158)	650	830	(1,131)	(786)
Earnings per share (basic) attributable to parent company stockholders	(1.31)	0.74	0.94	(1.29)	(0.88)
Earnings per share (diluted) attributable to parent company stockholders	(1.31)	0.72	0.92	(1.29)	(0.88)
Number of shares used in calculating earnings per share (basic)	886.7	883.6	880.4	876.9	892.0
Number of shares used in calculating earnings per share (diluted)	886.7	904.5	911.1	876.9	892.0

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	2012	Year Ended December 31,			2008
		2011	2010	2009	
<b>Consolidated Balance Sheets Data (end of period):</b>					
Cash and cash equivalents	2,250	1,912	1,892	1,588	1,009
Short-term deposits	1		67		
Marketable securities	238	413	1,052	1,032	651
Restricted cash	4				