

STMICROELECTRONICS NV
Form 6-K
November 22, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

Report on Form 6-K dated November 22, 2002

Incorporated by reference in
STMicroelectronics N.V.'s
Registration Statements on Form S-8,
as initially filed with the Commission on October 23, 2000
(File No. 333-12732);
on July 9, 1997 (File No. 333-7226);
and on February 4, 1997 (File No. 333-6390)

STMicroelectronics N.V.

(Name of Registrant)

39, Chemin du Champ-des-Filles
1228 Plan-les-Ouates, Geneva, Switzerland
(Address of Principal Executive Offices)

(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 Form 40-F

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 No

Enclosures: STMicroelectronics N.V.'s Third Quarter 2002 Operating and Financial Review and Prospects

STMicroelectronics N.V.
CONSOLIDATED STATEMENT OF INCOME (Unaudited)
(In millions of U.S. dollars, except per share data)

	Three Months Ended		Nine Months Ended	
	September 28, 2002 ⁽¹⁾	September 29, 2001	September 28, 2002 ⁽¹⁾	September 29, 2001
Net sales	\$ 1,632.9	\$ 1,384.5	\$ 4,499.0	\$ 4,865.5
Other revenues	12.3	16.2	32.5	43.5
Net revenues	1,645.2	1,400.7	4,531.5	4,909.0
Cost of sales	(1,036.1)	(938.6)	(2,894.6)	(3,058.6)
Gross profit	609.1	462.1	1,636.9	1,850.4
Selling, general and administrative	(162.7)	(144.2)	(464.1)	(501.1)
Research and development ⁽²⁾	(258.0)	(229.2)	(739.9)	(757.0)
Other income and expenses ⁽²⁾	8.0	(17.2)	(11.4)	10.9
Impairment, restructuring and other related closure costs	(11.6)	(23.3)	(29.6)	(334.6)
Total operating expenses.	(424.3)	(413.9)	(1,245.0)	(1,581.8)
Operating income	184.8	48.2	391.9	268.6
Net interest expense	(20.3)	(4.8)	(51.5)	(1.3)
Equity in loss of joint ventures	(3.8)	(1.2)	(11.0)	(1.2)
Income before income taxes and minority interests	160.7	42.2	329.4	266.1
Income tax expense	(29.0)	(6.2)	(57.9)	(51.8)
Income before minority interests	131.7	36.0	271.5	214.3
Minority interests	(0.5)	(0.2)	(2.7)	(2.2)
Net income	\$ 131.2	\$ 35.8	\$ 268.8	\$ 212.1
Earnings per share (basic)	\$ 0.15	\$ 0.04	\$ 0.30	\$ 0.24
Earnings per share (diluted)	\$ 0.15	\$ 0.04	\$ 0.30	\$ 0.23
Number of weighted average shares used in calculating diluted earnings per share (in millions)	890.3	905.1	893.9	903.3

(1) Results of operations for interim periods are not necessarily indicative of results to be expected for the full year.

(2) Other income and expenses include primarily funds received from government agencies in connection with our research and development programs, the cost of new plant start-ups, as well as foreign currency gains and losses, the gains realized on certain sales of marketable securities, the costs of certain activities relating to intellectual property and miscellaneous revenues and expenses. In 2001, other income and expenses included the amortization of goodwill; from January 1, 2002, with the implementation of FAS 142, goodwill is no longer amortized. Our reported research and development expenses do not include design center, process engineering, pre-production or industrialization costs.

STMicroelectronics N.V.
CONSOLIDATED BALANCE SHEET
(In millions of U.S. dollars)

	As at September 28, 2002 (unaudited)	As at December 31, 2001 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,066.6	\$ 2,438.8
Marketable securities	1,202.2	5.4
Trade accounts receivable	1,016.3	902.4
Inventories	887.3	742.5
Other receivables and assets	543.8	468.5
Total current assets	4,716.2	4,557.6
Goodwill, net	170.8	63.0
Other intangible assets, net	313.0	149.6
Property, plant and equipment, net	5,971.8	5,888.2
Investments and other non-current assets	110.1	139.1
	6,565.7	6,239.9
Total assets	\$ 11,281.9	\$ 10,797.5
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Bank overdrafts	\$ 15.3	\$ 32.8
Current portion of long-term debt	125.4	96.5
Trade accounts payable	823.1	936.1
Other payables and accrued liabilities	481.7	409.5
Accrued and deferred income tax	172.9	212.4
Total current liabilities	1,618.4	1,687.3
Long-term debt	2,797.3	2,771.5
Reserves for pension and termination indemnities	134.4	115.8
Other non-current liabilities	121.4	112.2
	3,053.1	2,999.5
Total liabilities	4,671.5	4,686.8
Commitments and contingencies		
Minority interests	41.0	36.0
Common stock	1,143.1	1,142.4
Capital surplus	1,847.2	1,836.0
Accumulated result	4,431.7	4,198.6
Accumulated other comprehensive loss	(504.3)	(869.0)
Treasury stock	(348.3)	(233.3)
Shareholders equity	6,569.4	6,074.7

Total liabilities and shareholders' equity	\$ 11,281.9	\$ 10,797.5
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STMicroelectronics N.V.
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
(In millions of U.S. dollars)

	Nine Months Ended	
	September 28, 2002	September 29, 2001
Cash flows from operating activities:		
Net income	\$ 268.8	\$ 212.1
Add (deduct) non-cash items:		
Depreciation and amortization	1,013.6	972.1
Amortization of discount on convertible debt	65.2	58.9
Impairment and restructuring charges	7.0	334.6
Gain on the sale of marketable securities	(1.4)	(44.8)
Other non-cash items	34.2	(8.2)
Minority interest in net income of subsidiaries	2.7	2.2
Deferred taxes	3.9	(33.9)
Equity in loss of joint ventures	11.0	1.2
Change in assets and liabilities:		
Trade accounts receivable	(74.3)	422.1
Inventories	(64.9)	(8.4)
Trade accounts payable	(44.7)	(379.6)
Other assets and liabilities, net	(67.1)	(11.4)
Net cash provided by operating activities	1,154.0	1,516.9
Cash flows from investing activities:		
Payment for purchases of tangible assets	(770.7)	(1,563.1)
Purchase of marketable securities	(1,200.0)	(1,100.5)
Proceeds from the sale of marketable securities	1.4	63.7
Investment in intangible and financial assets	(34.3)	(109.3)
Payment for purchase of acquisition net of cash received	(308.8)	
Net cash used in investing activities	(2,312.4)	(2,709.2)