

STMicroelectronics Expands Capabilities in Convergent Home Digital Networking and Smart Grid

Completes IP and talent acquisition from Arkados, strengthening ST's position in powerline communications

GENEVA, July 5, 2011 -- STMicroelectronics (NYSE: STM), a global semiconductor leader serving customers across the spectrum of electronics applications, is enhancing its powerline communication (PLC) capabilities with the completion of its acquisition of the semiconductor assets and intellectual property of Arkados.

Arkados has been a leading player in the new industry initiative HomePlug, focused on accelerating the development and deployment of Convergent Digital Home Networking, and ST has been working closely with Arkados since late 2008 to develop best-in-class HomePlug wideband PLC solutions. Home networking via wideband PLC technology provides the key advantage of the 'no-new-wire' approach to users because high-speed home networks can be created by using the power sockets and wiring infrastructure that already exist in the home.

Today, ST is already the undisputed leader in Smart Metering, which gives consumers the ability to monitor and manage their electricity usage as never before, and in Smart-Grid Powerline Communication. ST's narrow-band PLC platforms are already extensively deployed in major smart-metering infrastructure programs worldwide. The newly acquired, additional broadband IP completes ST's offering in Powerline Communication, giving the Company an even stronger position to lead in the future broadband PLC markets, such as home multimedia networking, Smart Energy applications, and electric-vehicle-to-the-grid communication technologies, collectively known as Convergent Home Digital Networking and Smart Grid.

"ST is continuing to extend its leadership in energy management and energy savings by focusing on the most innovative technologies to deliver the applications that will allow people to enjoy the widest access to information and entertainment anytime, anywhere, while minimizing power consumption," said Carmelo Papa, Senior Executive Vice President and General Manager, Industrial and Multisegment Sector, STMicroelectronics. "We believe that the Arkados implementation of the HomePlug technologies offers many advantages in terms of size, simplicity, flexibility and future expandability over other industry proposals. Combining ST's technology with Arkados' expertise in broadband powerline communications will accelerate the widespread adoption of PLC as a backbone for home networks and smart grid," concluded Papa.

About STMicroelectronics

STMicroelectronics is a global leader serving customers across the spectrum of electronics applications with innovative semiconductor solutions. ST aims to be the undisputed leader in multimedia convergence and power applications leveraging its vast array of technologies, design expertise and combination of intellectual property portfolio, strategic partnerships and manufacturing strength. In 2010, the Company's net revenues were \$10.35 billion. Further information on ST can be found at www.st.com.

Further Information on HomePlug and Powerline Technologies

HomePlug is an industry-wide alliance (www.homeplug.org) whose sponsors include ST and many other top players. The Alliance's mission is to enable and promote rapid availability, adoption and implementation of cost effective, interoperable and standards-based home powerline networks and products.

The HomePlug technologies are fully compliant to the IEEE1901(1) standard for broadband-over-powerline networks and offer a complete ecosystem of interoperable technologies ensuring the forward migration path to Gigabit-class service. There are two major variants within HomePlug standard: the HomePlug GP (Green PHY), which targets 'Smart Grid' and smart-energy applications; and HomePlug AV (Audio/Video), which is the consumer standard, aimed primarily at home networking. HomePlug GP and AV are interoperable.

Home networking via powerline technology provides the key advantage of the 'no-new-wire' approach to users. Fast home networks can be created by using the power sockets that already exist in the home.

The 'Smart Grid' is essentially an intelligent and digital electricity network, and is being used to define the next generation of distribution networks for electricity. Using their home networks, consumers will be able to communicate with the smart grid, through their electricity meters, offering smarter power management for utility companies and consumers alike.

Electric Vehicle to Grid Communication will allow utilities and consumers to manage the process of charging Plug-In Electric Vehicles, providing the much needed ability to control the amount of energy consumed from the power grid during peak hours. Recently the HomePlug Alliance received a letter from the Coordination Office Charging Interface, Carmeq GmbH, representing five German automakers stating that these OEMs had selected PLC IEEE1901 Profile Green PHY (HomePlug GP(2)) as the communication technology between Plug-in Electric Cars and Charging Stations. A key objective for a global standard is the selection of a common communication technology for the physical & data link layer.

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(1) IEEE1901 is the IEEE standard for broadband-over-powerline networks (Medium Access Control and Physical Layer Specifications). The standard was approved in September 2010; final publication of the standard took place in February 2011.

(2) The HomePlug GP ("Green PHY") is a new specification developed by the HomePlug Alliance that targets smart grid / smart energy applications More details can be found at http://www.homeplug.org/tech/homeplug_gp

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