Lehman Brothers Wireless, Wireline and Media Conference

New York, May 23, 2006

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Never stop thinking

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Infineon Communication Solutions: A Diversified and Leading Player in the Communication Market

Infineon Communication Solutions

FY05 revenue: EUR 1.4bn

Broadband

- Broadband Access
- Broadband CPE
- Core Access
- Voice Access

Market position:

- No. 3 in wireline access IC market overall
- No. 1 in T/E Carrier, ISDN and Analog Linecard ICs
- Growing fast in DSL and VoIP

RF Solutions

- RF Engine (3G, 2G)
- Connectivity
  - Bluetooth
  - DECT
  - GPS
  - UWB
  - WLAN
- Tuner
- RF Power

Market position:

- No. 1 in RF transceivers
- No. 2 in BAW filters
- No. 1 in digital terr. tuner
- No. 3 in DECT
- No. 3 in power amplifiers for base stations

Mobile Phone Platforms

- Feature Phone (3G, 2G)
- Entry Phone
- Mobile Software (3G, 2G)

Market position:

- No. 4 in baseband for GSM mobile phones

Source: Broadband and RF: Gartner, 2005.
Mobile Phone Platforms: Infineon 2006

What Has Changed During Last Year

Major changes

✓ **Achieved profitability in Broadband driven by successful restructuring and revenue growth**

✓ **Maintained no. 1 position in RF for mobile phones with approximately 200 million RF chips sold in CY05**

✓ **Introduced new important products, for example:**

- **VDSL2 chipset, new VoIP products**
- **3G RF CMOS transceivers**
- **GSM/GPRS RF/Baseband single-chip, 7.2 Mb/s HSDPA solution**

✓ **Expanded our customer base in Broadband, RF Solutions and Mobile Phone Platforms based on strong product offering**

✗ **Lost market share in baseband in CY05**

Four Hot Topics in the Communication Market – Infineon Drives Them All

HSDPA

- HSDPA enabled mobile phones to increase from 10 million in 2007 to more than 300 million by 2010*

Cellular ULC

- ULC ("Ultra-Low-Cost") phones to represent 12% of worldwide mobile phone sales by 2010 compared to 1% in 2005*

Connectivity & Mobile TV

- Bluetooth penetration to increase from 19% in 2005 to 50% in 2008*
- WLAN, GPS, UWB and Mobile TV to move into high-end phones

DSL & VoIP

- Triple play services and network replacement drive DSL demand
- Strong growth in residential VoIP market

*Source: Strategy Analytics, IMS Research

Infineon Communication Solutions Segments

Broadband

RF Solutions

Mobile Phone Platforms

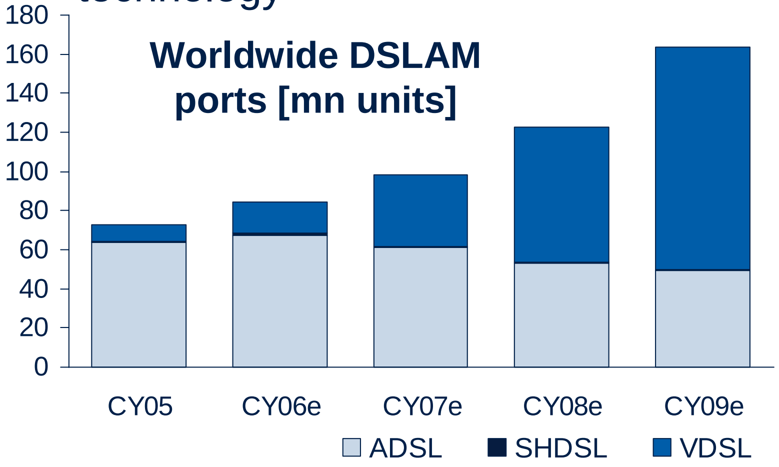
Growth Driver: Broadband Access

DSL market development

Triple play services and network replacement drive DSL demand

For example:

- Deutsche Telekom intends to provide Germany's 50 largest cities with up to 50Mbit/s broadband lines by 2007
- By mid-2006, already 2.9 million households can use the new technology



Source: Infonetics, Q4 2005

Infineon's position

VDSL2 leadership

- We offer the first fully standard compliant VDSL2 chip solution
- Deutsche Telekom will base the rollout of its VDSL2 network entirely on Infineon’s VDSL2 chip-set
- More than 500k VDSL2 lines shipped in Q1 CY06

New customers in ADSL2/2+

- Design-wins at several new major OEMs beginning to ramp-up in CY06

Infineon Powers Germany’s New VDSL2 Network

May 2005

Infineon introduces world’s first VDSL2 solution

March 2006

Infineon powers Germany’s VDSL2 network

Infineon’s VINAX™ Solution Powers Germany’s VDSL-2 Rollout in 10 Cities: Deutsche Telekom Becomes the First Carrier Worldwide to Deploy VDSL2 with Speeds up to 50 Mbit/s

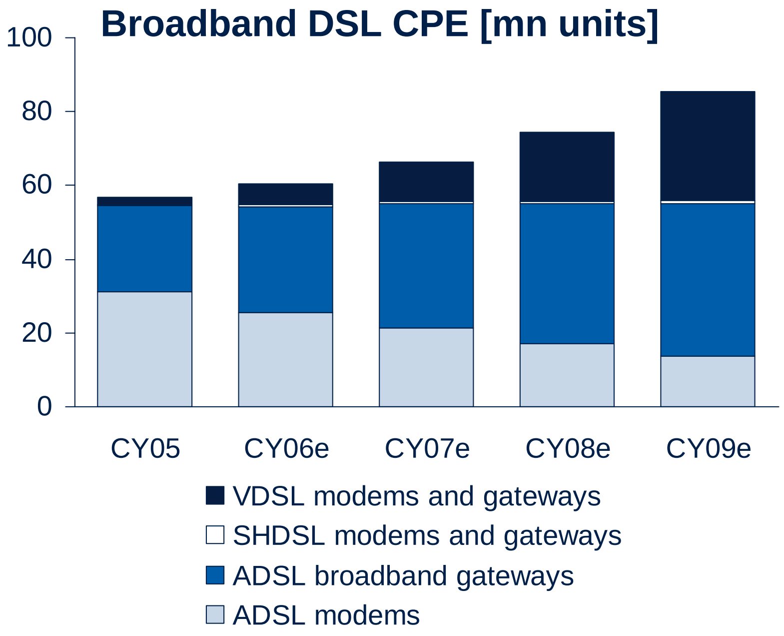
10 Mar 2006

Munich, Germany – March 10, 2006 - Infineon Technologies, a leading provider of Communication ICs, today announced that T-Com, the Fixed Network business unit of Deutsche Telekom AG will base the rollout of its new hyper-speed VDSL2 network entirely on broadband access systems powered by Infineon’s VINAX™ chip-set.

Growth Driver: Broadband CPE

Market development

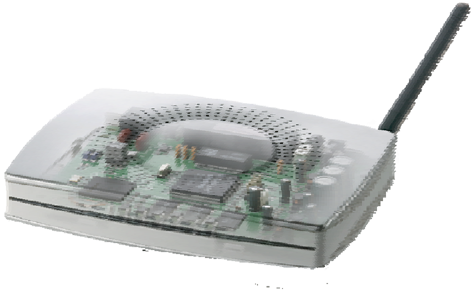
- DSL CPE market to grow from 57 million units in 2005 to 85 million units by 2009
- Major growth drivers are VDSL2 and ADSL2/2+ broadband gateways



Source: Infonetics, Q4 2005

Infineon's position

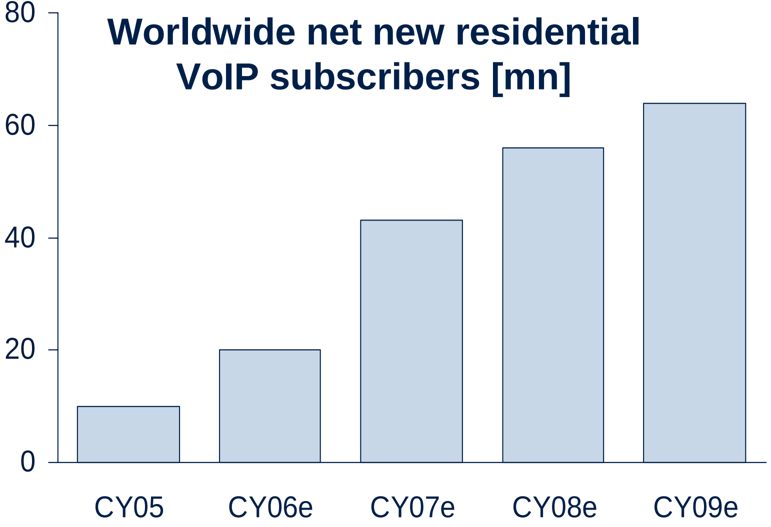
- Infineon broadband gateway content:
  - –ADSL2/2+ / VDSL2 transceiver
  - –Switch / router
  - –VoIP
  - –ISDN
  - –Software
- Achieved several system solution design-wins for xDSL gateways beginning to ramp-up in CY06
- Next step: Integration of xDSL, router and VoIP into a single-chip



Growth Driver: VoIP

VoIP market development

- New residential VoIP subscribers to increase from 10 million in 2005 to 64 million in 2009
- This generates a VoIP enabled market for semiconductor products
- xDSL residential voice gateways remain the main VoIP enabling devices

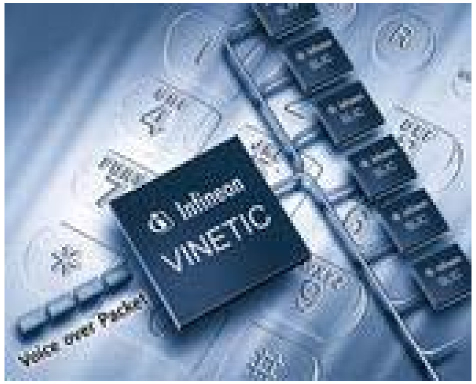


Source: iSuppli, 2006

Infineon's position

Successfully addressing all major VoIP applications:

- VoIP CO line cards: Design wins at several major OEMs
- VoIP CPE: Design wins at major OEMs and ODMs beginning to ramp-up in CY06
- IP Phones: Design win with major OEM for next generation IP Phones



Infineon Communication Solutions Segments

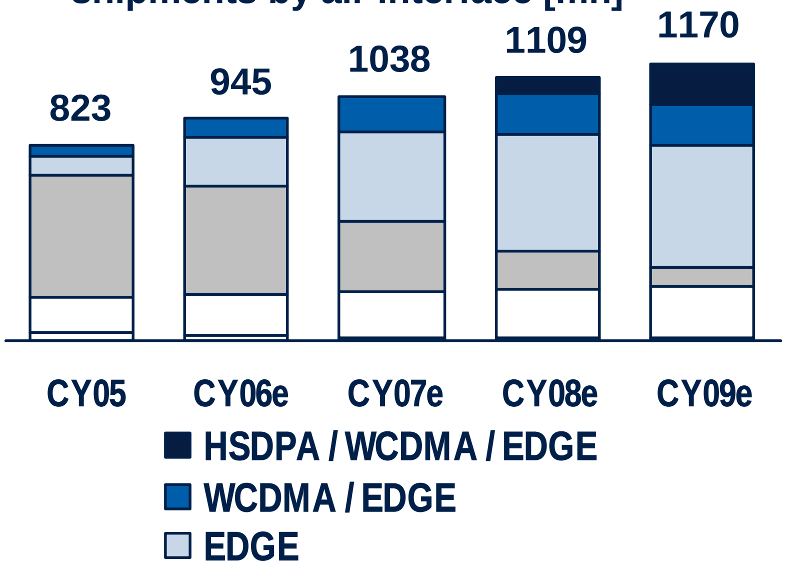
- Broadband
- **RF Solutions**
- Mobile Phone Platforms

Growth Driver: RF Transceiver

Market development

- 3G phones to grow from 44 million in 2005 to almost 350 million in 2009
- EDGE phones to grow from 77 million in 2005 to more than 500 million in 2009

Worldwide mobile phone shipments by air interface [mn]



Source: Strategy Analytics, January 2006

Infineon's position

- No. 1 in RF with approximately 200 million RF chips sold in CY05
- Leading the transition to RF CMOS

Infineon introduced:

- World's first CMOS EDGE single-chip transceiver
- World's first CMOS single-chip 6-band WCDMA transceiver
- World's first CMOS one-chip 6-band WCDMA and 4-band EDGE transceiver

Expanding RF Transceiver Customer Base

Samsung selects Infineon’s EDGE CMOS transceiver

Samsung Selects RF Transceiver from Infineon for EDGE Mobile Phones; Chip Reduces Number of Components and Board Space

20 Apr 2006
Munich, Germany – April 20, 2006 – Infineon Technologies AG (FSE/NYSE: IFX) today announced that Samsung, the world’s third-largest mobile phone supplier, has selected the single-chip SMARTi PM CMOS radio frequency (RF) transceiver for new EDGE mobile phones that will be coming to the market in the second half of 2006. The SMARTi PM chip reduces component count in a complete GPRS/EDGE radio by 30 percent, requiring 50 percent less board space for the RF portion of the phone than competing solutions.

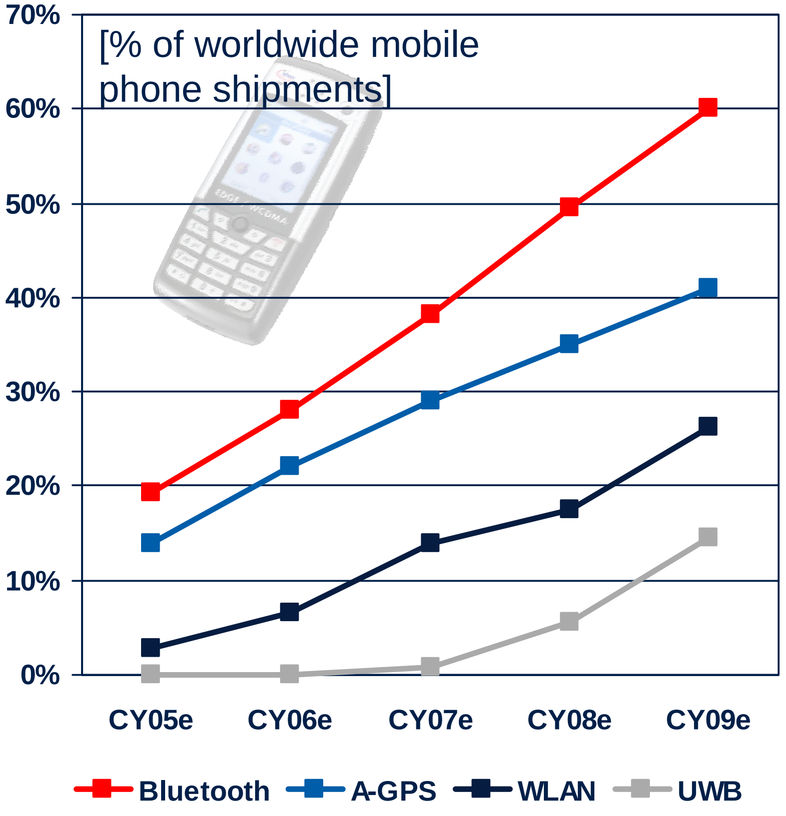
Lehman Brothers W3
New York, May 23, 2006

infineon

Growth Driver: Connectivity

Growth driver

Increasing demand for connectivity in mobile phones:



Source: IMS Research, 2005, for Bluetooth, WLAN, UWB
Strategy Analytics, 2005, for A-GPS

Infineon's position

Bluetooth

- Customers: BenQ, Panasonic
- Bluetooth 2.0 + EDR solution sampling since early 2005
- New design wins at BenQ and OEM to ramp up in 2H CY06

A-GPS

- World's first RF / BB single-chip solution sampling since early 2005
- Design-win at a mobile phone platform

WLAN

- 802.11 a/g single-chip for mobile phones available in 2006
- VoIP functionality integrated
- UMA support

UWB

- Single-chip in development

Growth Driver: Digital Terrestrial TV and Mobile TV

Digital terrestrial TV

Growth Drivers:

- Introduction of digital terrestrial TV in many regions
- Analog terrestrial TV to be switched off by 2015

Infineon's Position:

- Leading share worldwide in tuners for digital terrestrial TV
- Infineon tuners are fully compliant to DVB-T, DVB-C, ISDB-T, ATSC

Mobile TV

Growth Drivers:

- World's first roll-out took place in South Korea in 2005
- Field trials in many regions all over the world

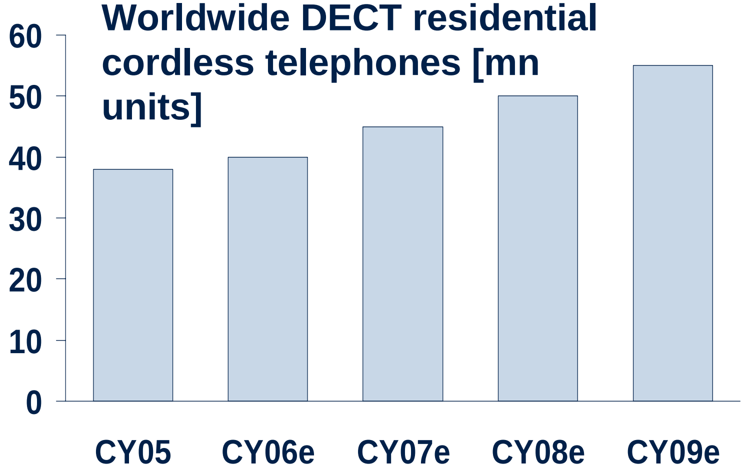
Infineon's Position:

- Volume shipments of portable TV tuners since end 2005
- DVB-H frontend solution demo at 3GSM '06

Growth Driver: Digital Cordless

Growth driver

- Main growth driven by ultra low-cost segment
- Replacement of corded phones and analog standards
- 2.4 GHz in the Chinese market
- DECT 6.0 in North America
- DECT Next Generation in Europe
- Strong interest in combined DECT and VoIP solution



Source: In-Stat, 2006

Infineon's position

- More than 180 million digital cordless modems shipped so far
- Infineon plans to regain market leadership with digital cordless single-chip strategy
- Single-chip planned to ramp-up in 2H CY07

Digital Cordless single-chip advantage:

- Up to 50% reduction in component count for a DECT/WDCT system
- Up to 40% lower production costs

Infineon Communication Solutions Segments

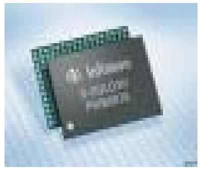
- Broadband
- RF Solutions
- **Mobile Phone Platforms**

Infineon Provides All Key Elements For 7.2 Mb/s HSDPA

HSDPA multimedia baseband S-GOLD 3H

✓

- One-chip HSDPA / WCDMA / EDGE solution
- 7.2 Mbit/s baseband
- Video telephony and streaming without companion
- Status: Sampling



HSDPA RF CMOS transceiver SMARTi 3GE

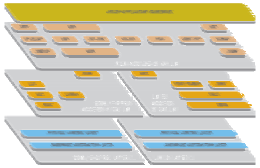
✓

- World's first one-chip six-band WCDMA and quad-band EDGE transceiver
- Offers data rates up to 7.2Mbit/s
- Status: Sampling

HSDPA protocol stack

✓

- 3GPP WCDMA FDD multimode type II protocol stack
- Full support of 3GPP release 5 HSDPA
- Supports GSM, GPRS and EDGE up to Class 12
- Status: Delivery to first customer in Q1 CY06



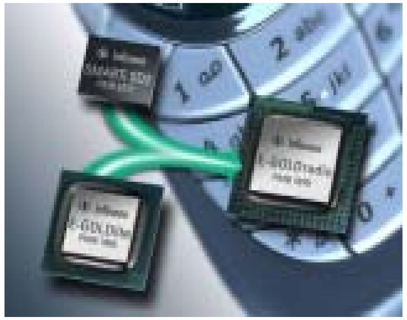
Power management and connectivity solutions

✓

Leadership in GSM/GPRS Single-Chip Solutions

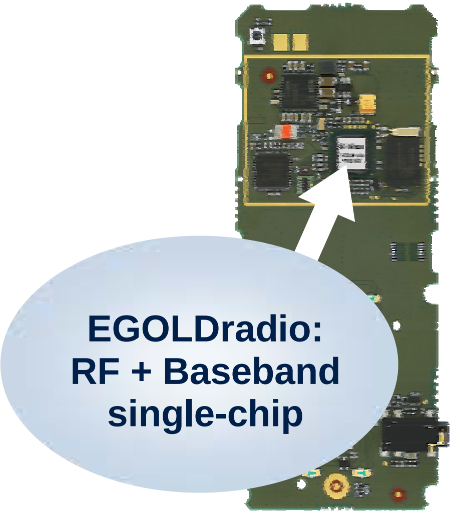
February 2005

Infineon announced 1st gen. RF/BB single-chip



Q1 2006

Infineon begins 1st gen. single-chip volume shipments

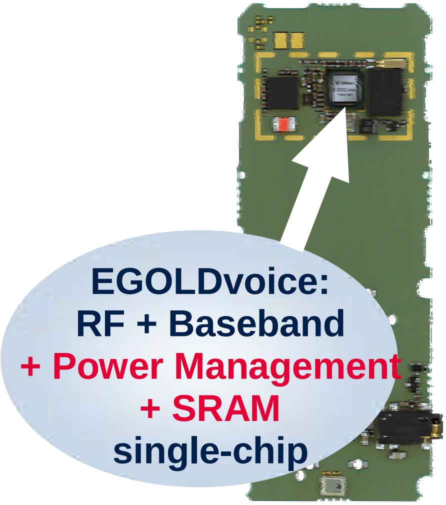


EGOLDradio:
RF + Baseband
single-chip

- **First to market**
- **Enabling < $ 20 mobile phone BoM**

May 2006

Infineon achieved call on air with 2nd gen. single-chip



EGOLDvoice:
RF + Baseband
+ Power Management
+ SRAM
single-chip

- **Enabling < $ 16 mobile phone BoM**

Expanding Mobile Phone Platform Customer Base

Complete offering from 2G to 3.5G

Software

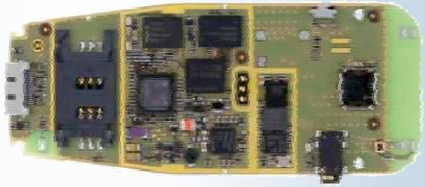
APOXI reference MMI | **Applications**

APOXI framework

Protocol stack

Hardware driver | Realtime operating system

Reference Design



Hardware

Baseband

RF transceiver

Power management

+ Bluetooth, A-GPS, WLAN single-chip solutions

Design wins

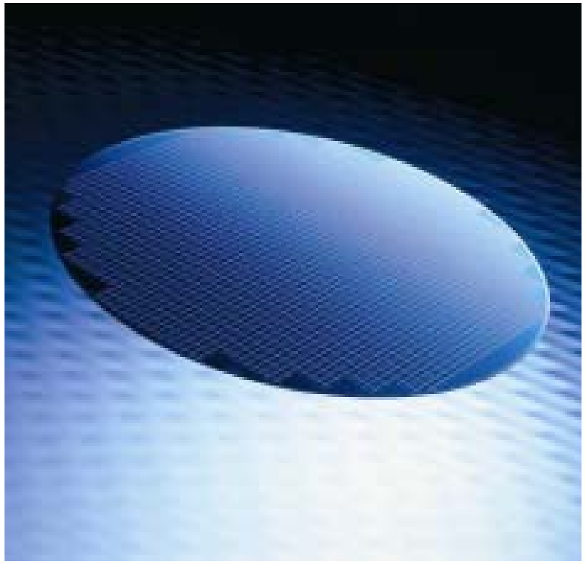
Customer	Platform	Ramp-up
OEM	GSM ULC	In production ✓
ODM	GSM ULC	2H CY06
ODM	GSM ULC	2H CY06
BenQ	GSM/GPRS Entry phones	2H CY06
BenQ	EDGE Multimedia	2H CY06
OEM	2x EDGE Multimedia	2H CY06
OEM	EDGE Multimedia	1H CY07
Panasonic	3G Multimedia	2H CY06

Significant Progress in 65nm

Achieved call on air with 65nm mobile phone IC

Advanced 65nm mobile phone chip works first time - 30 million transistors integrated on one cell phone key

12 May 2006
Munich, May 12, 2006 – Infineon Technologies AG announced today that the first cell phone chips equipped with its advanced 65-nm CMOS process technology are now available. The components functioned perfectly right from the start, as complicated testing in Duisburg, Munich and Bangalore, India has now shown. The dial-in to different GSM mobile communications networks and the resulting connections worked without a hitch.



- **Leveraging results of 65nm / 45nm ICIS alliance**
- **65nm technology is expected to further strengthen our leading position in baseband and RF CMOS single-chip integration**

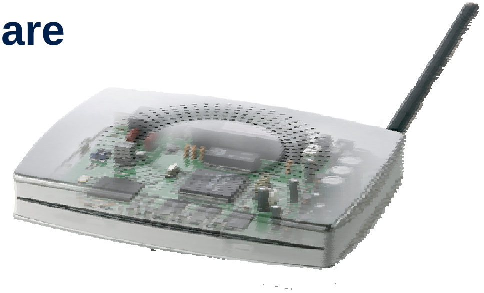
Infineon is in a Strong Position to Drive the Convergence of Voice, Video and Data Towards Seamless Communication

For example …

Broadband gateways

Potential Infineon content:

- ✓ ADSL2/2+ / VDSL2 transceiver
- ✓ Switch / router
- ✓ VoIP
- ✓ ISDN
- ✓ WLAN
- ✓ DECT/WDCT
- ✓ Software



Mobile phones

Potential Infineon content:

- ✓ 3G / 2G RF CMOS transceiver
- ✓ 3G / 2G Baseband
- ✓ Power management
- ✓ 3G / 2G Protocol stack
- ✓ Application framework
- ✓ IMS
- ✓ WLAN
- ✓ Bluetooth
- ✓ UWB
- ✓ A-GPS
- ✓ DVB-H

Summary

Broadband

- Top 3 position in overall wireline access IC market
- Complete broadband and VoIP product offering
- Design wins with major customers in Broadband Access, Broadband CPE and VoIP
- Expanding customer base due to strong product offering

RF Solutions

- Market leader in RF trans-ceiver and digital terr. tuner
- Top 3 position in several other RF applications
- Broad RF CMOS portfolio in cellular, connectivity and DECT/WDCT
- Expanding customer base due to RF CMOS leadership

Mobile Phone Platforms

- Major player in baseband
- Complete system solution offering from 2G to 3.5G
- Providing all key hardware and software elements
- Leadership in RF / baseband single-chip
- Expanding customer base due to strong system solution offering

Never stop thinking.