

IFX Day 2007

Munich, March 13, 2007

Automotive, Industrial & Multimarket
Automotive Power

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Senior Vice President and General Manager



Never stop thinking

Disclaimer

This presentation was prepared as of March 13, 2007 and is current only as of that date.

This presentation includes forward-looking statements about the future of Infineon's business and the industry in which it operates. These include statements relating to future developments in the world semiconductor market, including the market for memory products, Infineon's future growth, the benefits of research and development alliances and activities, Infineon's planned levels of future investment in the expansion and modernization of its production capacity, the introduction of new technology at its facilities, the continuing transitioning of its production processes to smaller structure sizes, cost savings related to such transitioning and other initiatives, Infineon's successful development of technology based on industry standards, Infineon's ability to offer commercially viable products based on its technology, Infineon's ability to achieve its cost savings and growth targets, and the impact of the carve-out of Qimonda, the group's memory products business, its initial public offering, and any further sales of Qimonda shares or other corporate financing measures in that regard.

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- Safety
- Powertrain

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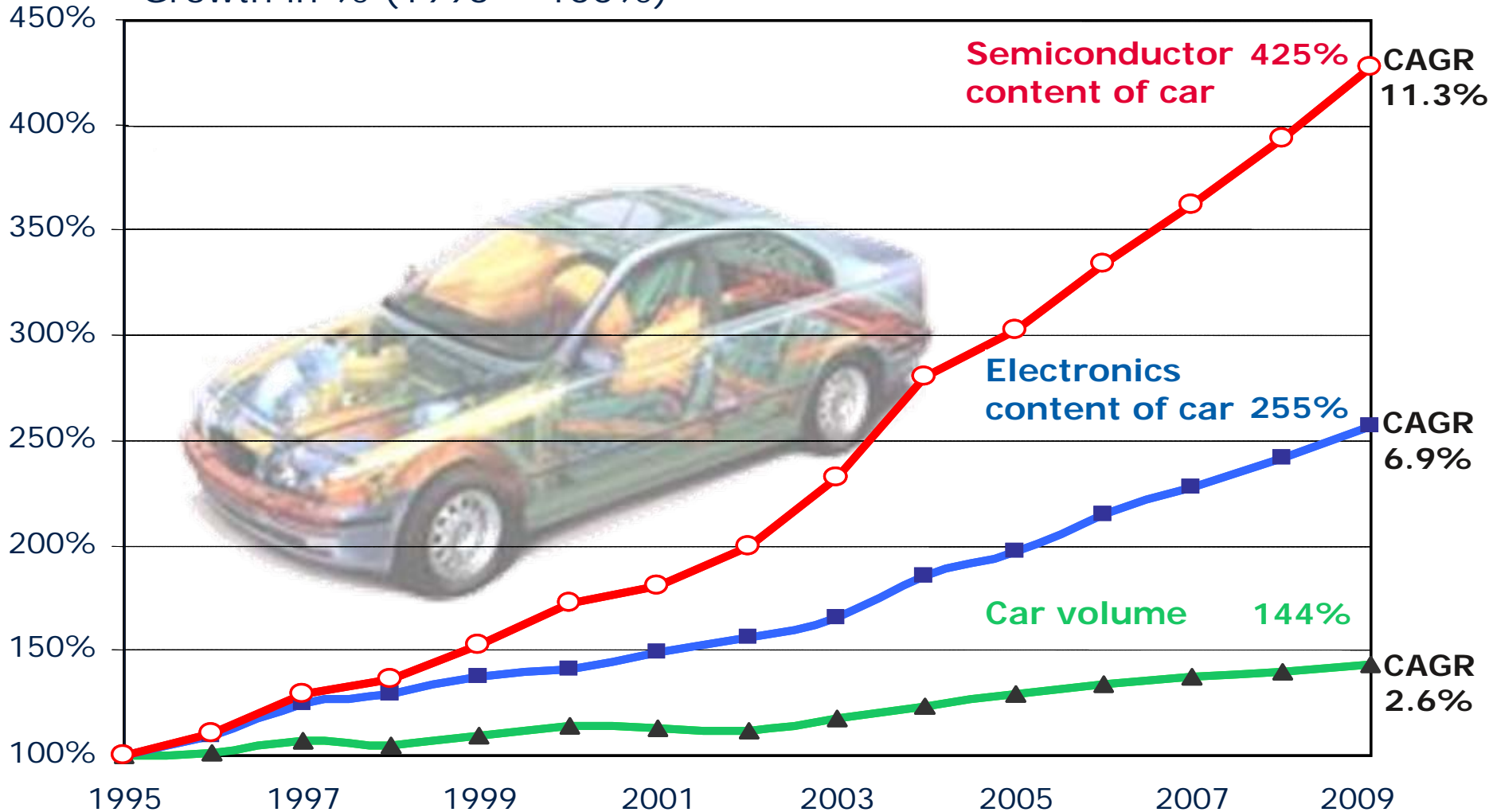
- Body & Convenience
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■ Summary

Automotive Microelectronics Trends – More Than 50% of \$-value of Electronics is Semiconductors



Growth in % (1995 = 100%)



Source: ZVEI

13-Mar-2007

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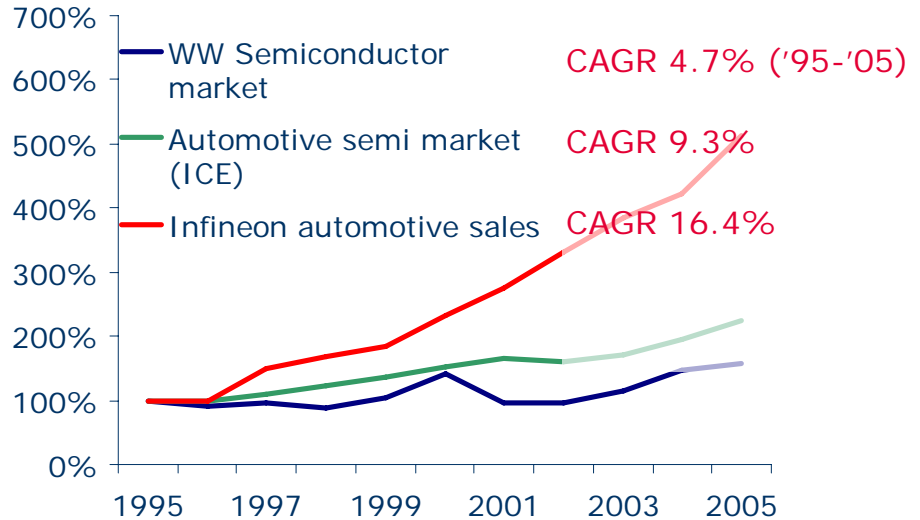
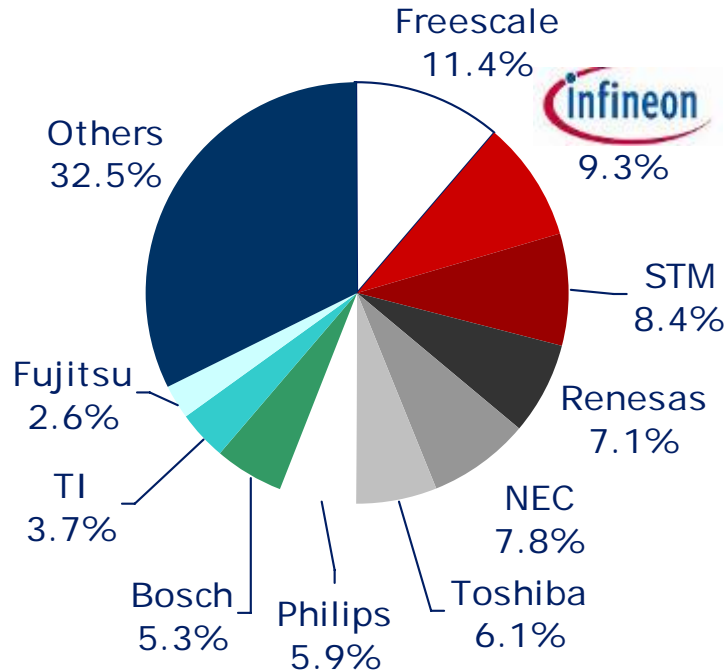
Slide 5

Infineon Automotive Ranks No. 2 Worldwide Continuously Outperforming the Market



Infineon Automotive 2005*
No. 3 US No. 2 World No. 1 Europe

Continuous Outperformance



Market: USD 18,019 m**
CAGR: 7.4% (2006-11)**

- Strong European market development compared to rest of world.
- Strengthened regional business in NAFTA/Japan.
- Improved relationships to major automotive system vendors.

Strong market position in Europe secures technological leadership.

Sources: * Strategy Analytics, May 2006; ** Strategy Analytics, August 2006

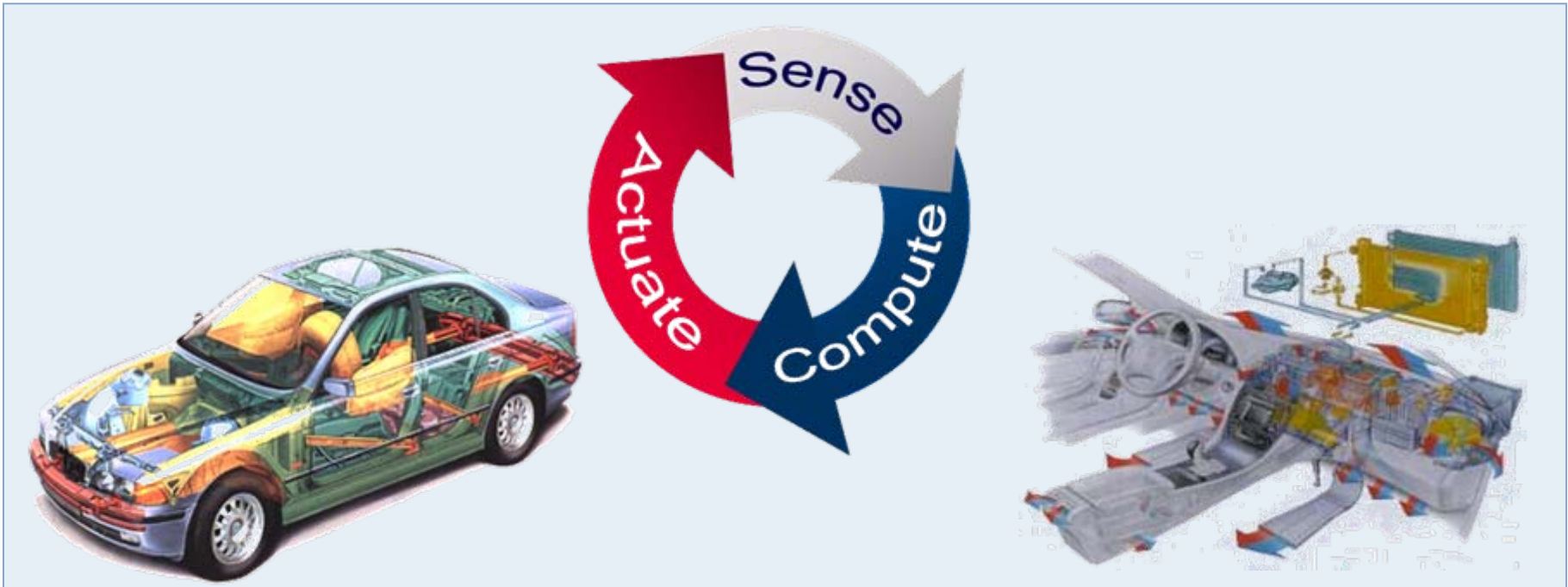
Infineon Automotive – Covering the Full Control Cycle



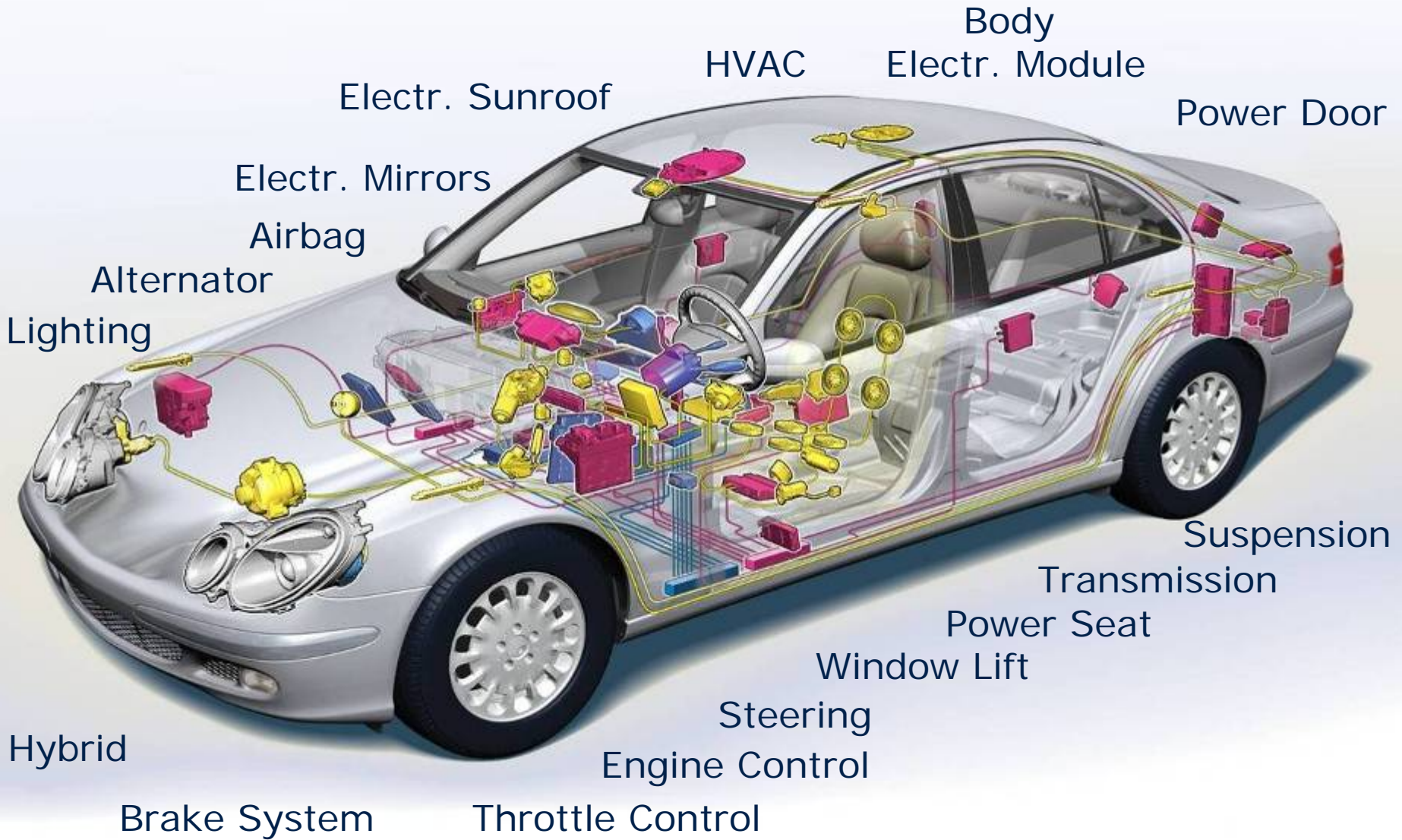
Sense & Control

Microcontroller

Automotive Power



Where Can We Find Automotive Power Components in the Car?



Automotive Power Products – Fields of Application



Applications



Switches

Supply



Communication

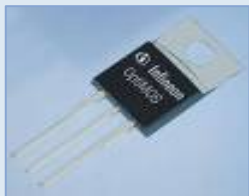


Diagnosis



Integration

Products



MOSFET,
IGBT



TEMPFET
HITFET



PROFET



Smart
Power IC's



Power
System IC's



Embedded
Power
Products

Automotive Power IC's are Represented in All Major Growing Car Electronics Applications



NOVALITHIC

DOMOPO

LIN/CAN

SPOC



Alternator IC Flexray transceiver

New products under development

- Throttle Control ICs
- Alternator regulator family
- Flex/Spider body switches
- SPOC family
- xFET family 30V/40V/60V
- Bridge driver (EPS)
- Door module derivatives
- Embedded power family
- Voltage tracker family
- Restraint ICs (e.g. airbag)

Body & Convenience

- Light control
- Heating, ventilation, air condition
- Door and seat
- Smart battery terminal



Safety Management

- ABS and traction control
- Suspension
- Airbag and restraint systems
- Power steering



Powertrain

- Diesel/Gasoline Engine Mgmt.
- Transmission Control
- Starter/Alternator
- Hybrid



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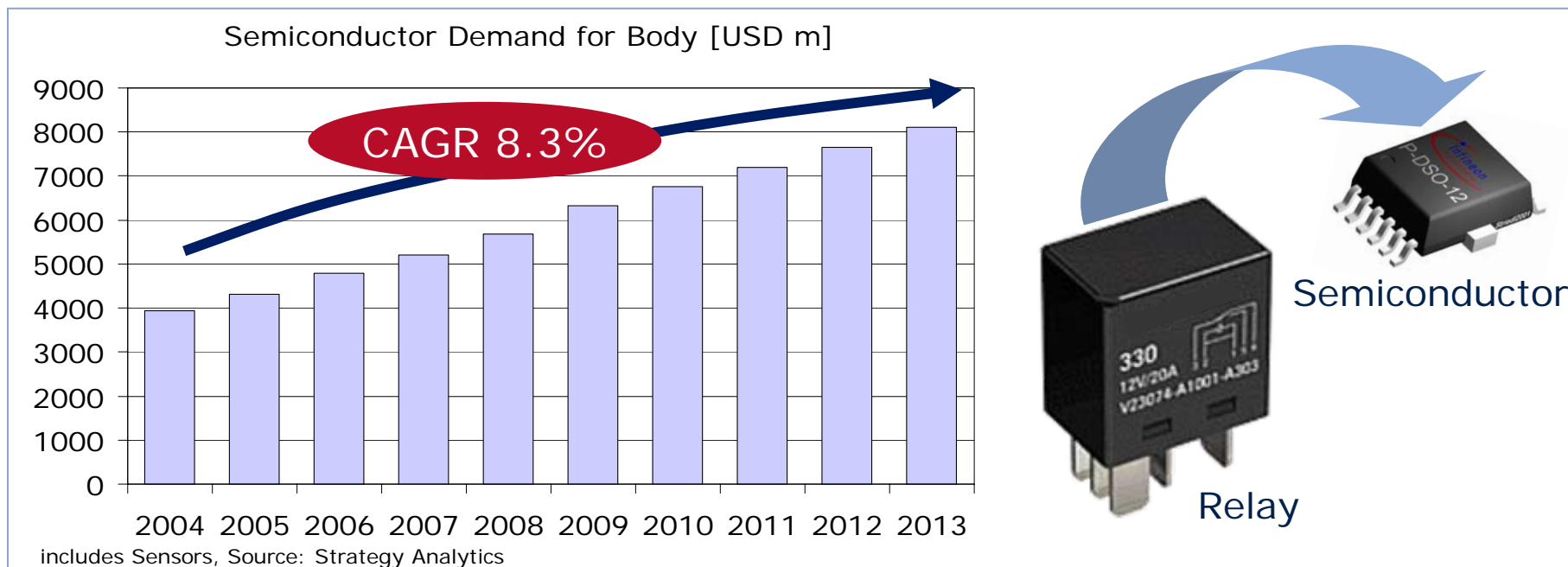
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Body Semiconductor Growth Outperforms Market

IFX AP Holds a Market Share > 35%*

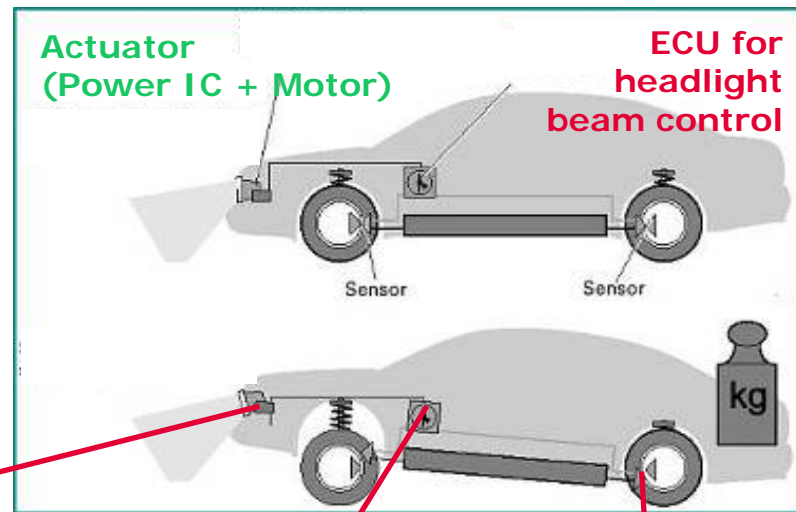
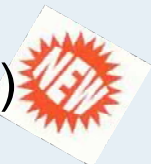


- Relay replacement reduces weight, space and cost gaining higher functionality
 - Body ECUs are showing all kind of integration: from complete discrete to highly integrated approach.
 - ECU platforms over several models with very high volume globally sourced.
- ECU = Electronic Control Unit

*) IFX estimate for the body segment.

Headlight Beam Control Using Power Semiconductor Instead of Mechanical Switch

TLE4206-3G (<18V, 2*0.8A)



Right



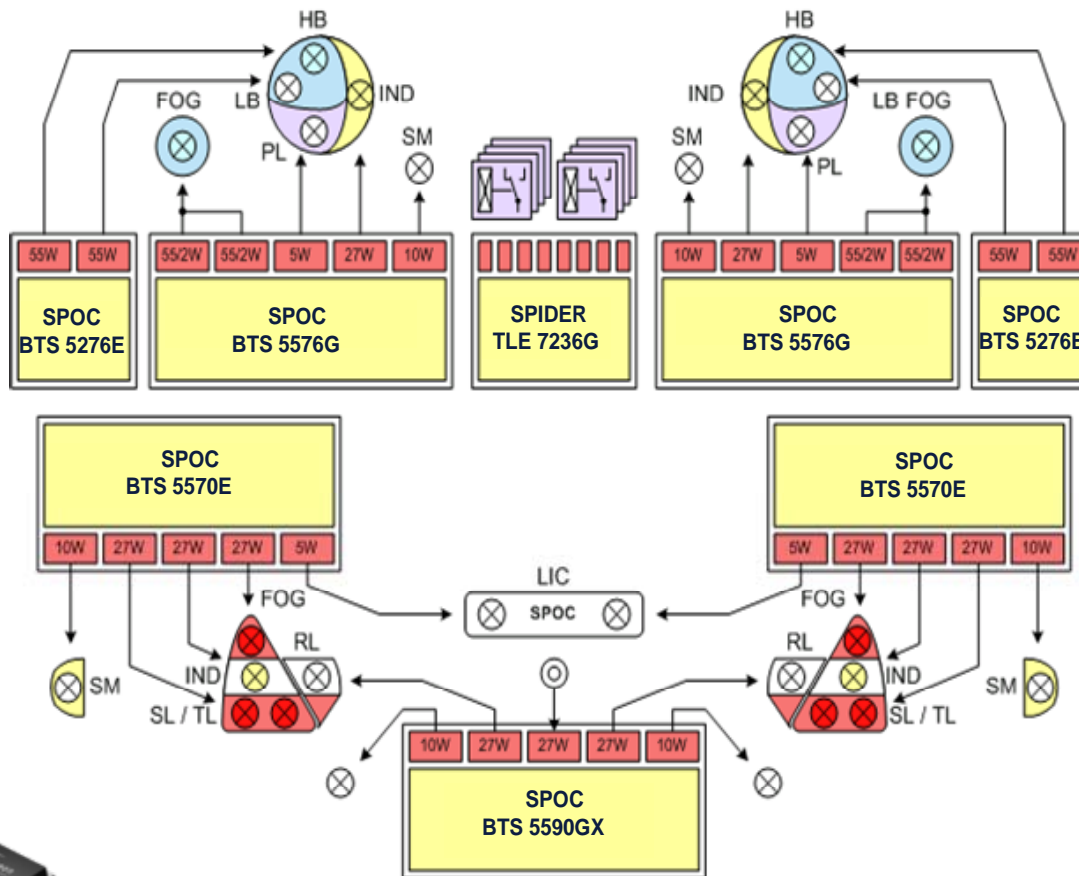
Left



ECU

Sensor signals from front and rear axel

SPOC Family Saves Space and Weight in Body Applications



Front light

Back light



Integration with SPOC
SPI Power Controller for
advanced light control



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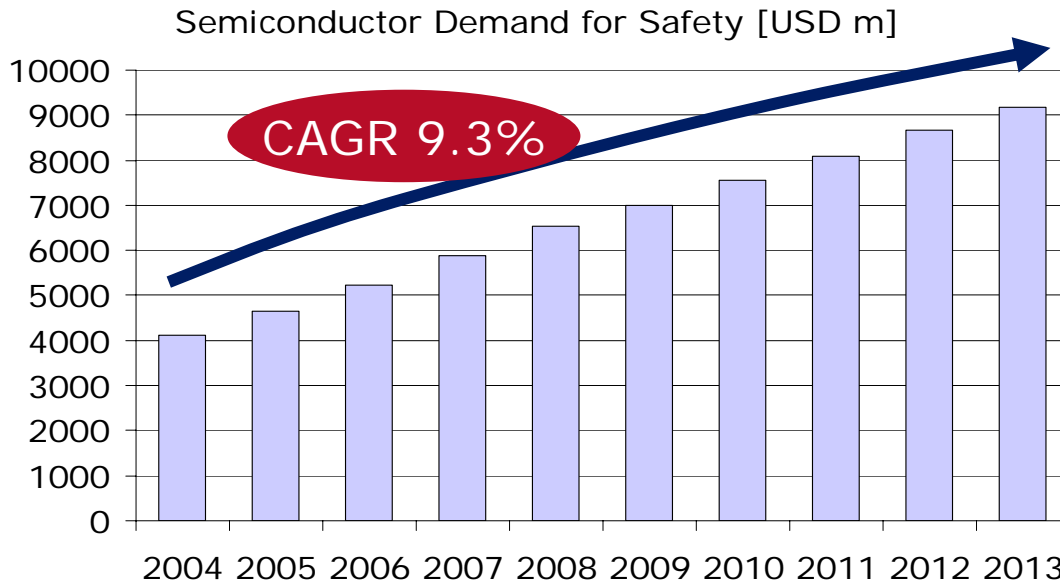
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Increasing Legal Safety Requirements and End Customer Demand Fuel Safety Market



includes sensors, Source: Strategy Analytics, 2006



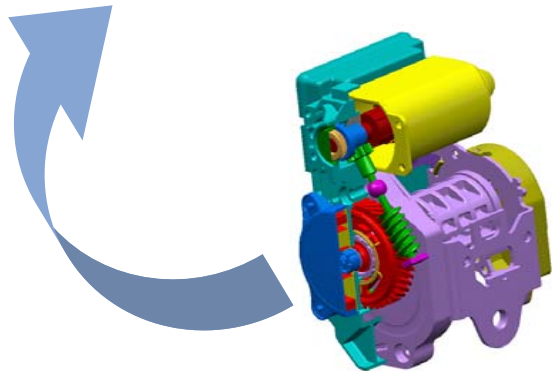
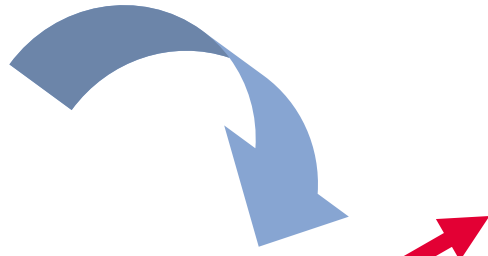
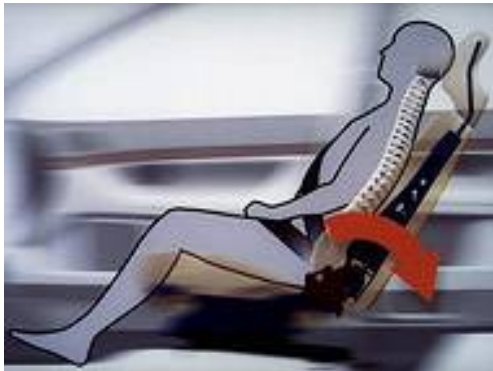
Automotive Power market share 17%*

- Emphasis on passenger safety driven by legislation and end customer as key growth drivers, e.g.:
 - increasing number of airbags per car
 - additional functions like belt pretension go in high volume
- Emerging driver assistance applications will additionally increase the safety market.

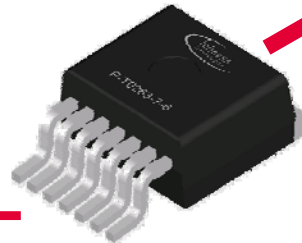
*) IFX estimate for safety segment.

Usage of Outstanding Frontend and Backend Know-How Support New Safety Applications

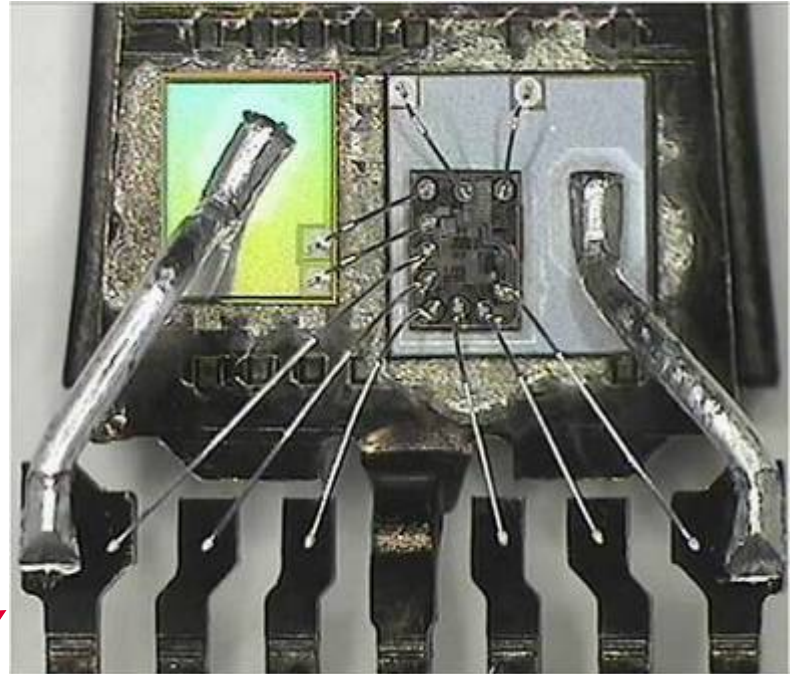
Emerging applications like belt pretension gain from reliable, cost efficient and space saving NovalithIC solution as motor driver control.



+

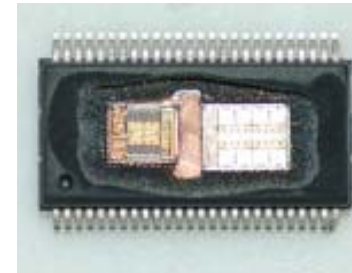
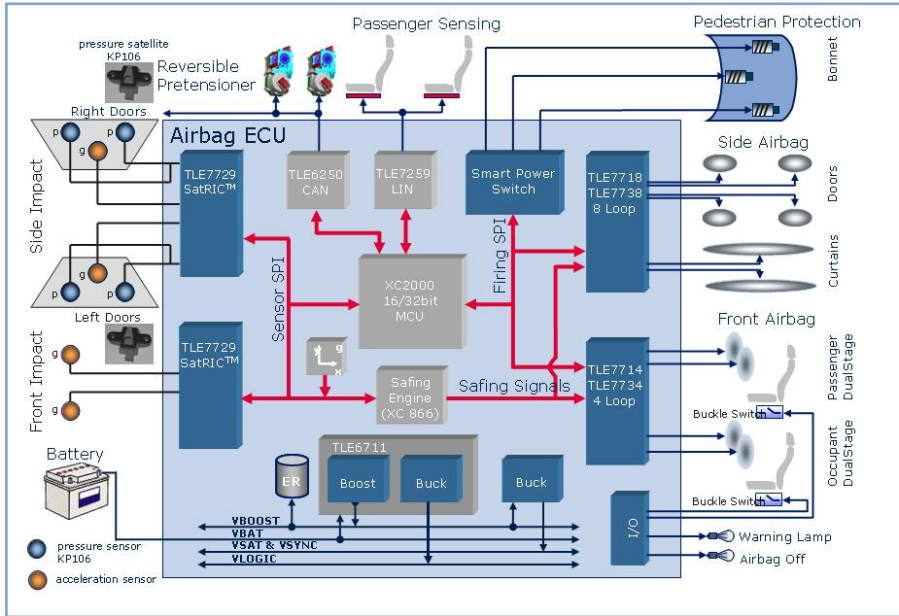


BTS7960



IFX is combining several technologies with highly sophisticated interconnect know-how gaining competitive advantages on product and system level.

Infineon "Automotive Power" Drives Safety With Innovative IC Solutions



Complete know-how in-house

- Application
- Components
- System chips
- Board integration

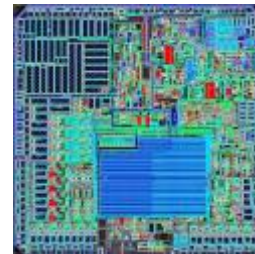


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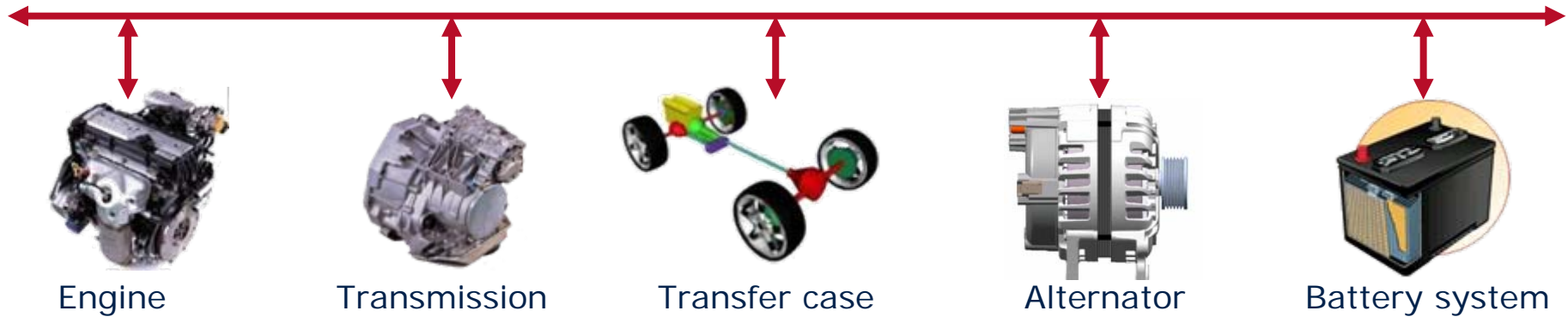
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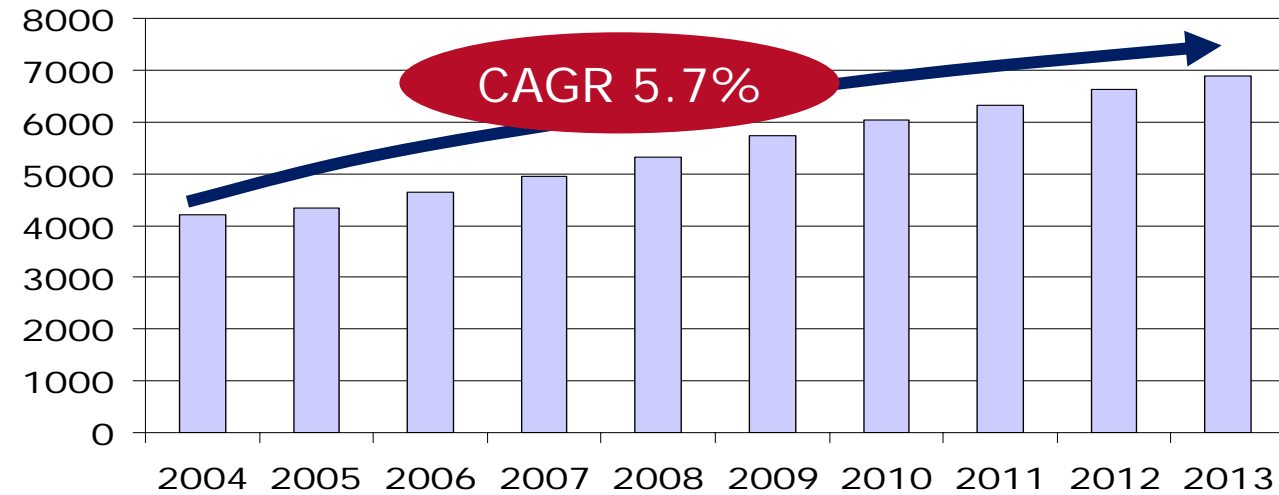
■ Summary

Fuel Reduction Gives New Momentum to the Powertrain Market – Automotive Power Owns 13% of the Market*



- Engine management will maintain a share of ~70% of Powertrain applications growing twice as fast of the car volume.
- Hybridization may achieve worldwide 3% in 2010.

Semiconductor Demand for Powertrain [USD m]



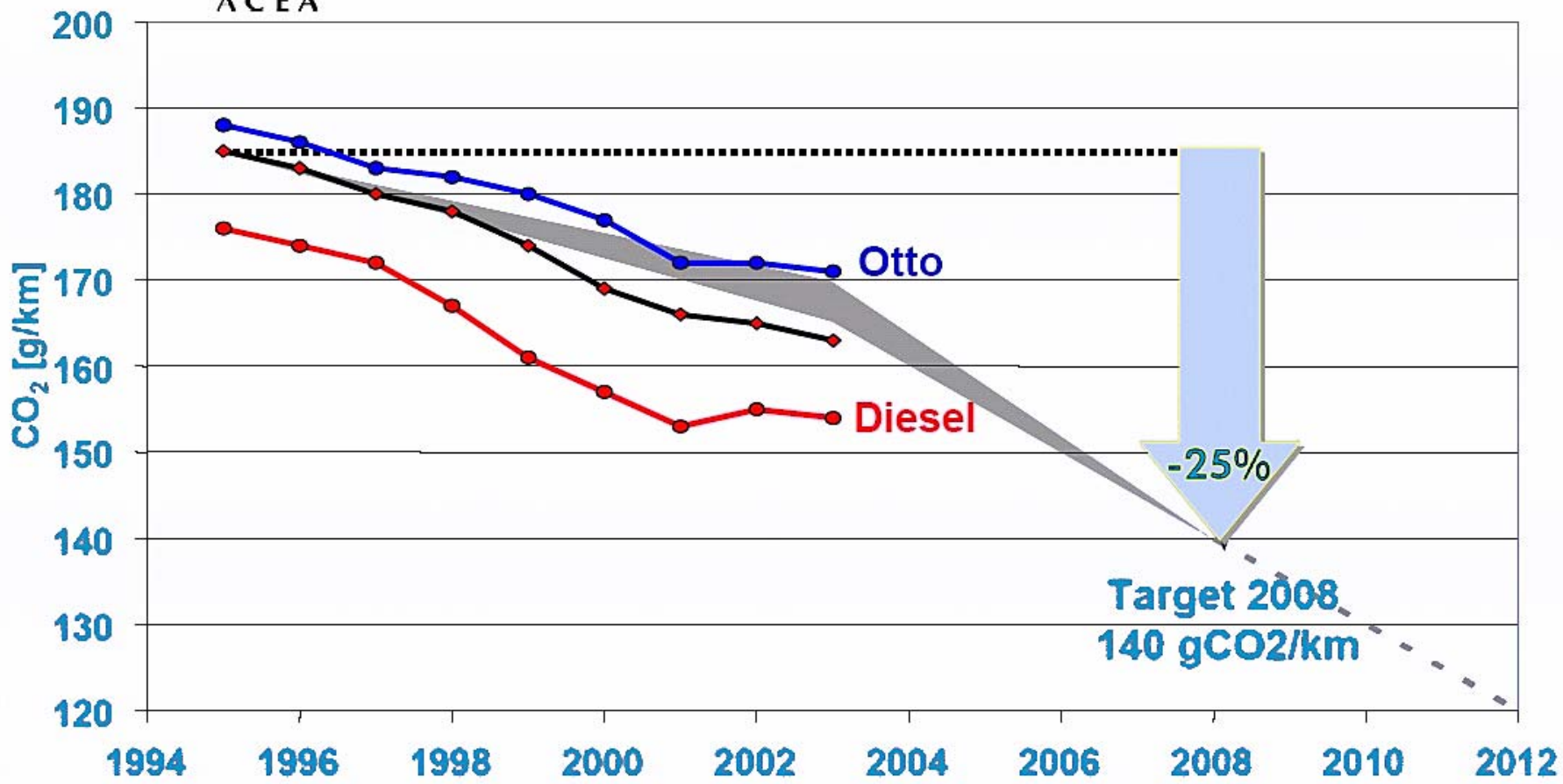
includes Sensors, Source: Strategy Analytics

*) IFX estimate for Powertrain segment.

Legislation Forces CO₂ Reduction



Association des Constructeurs Européens d'Automobiles



Power Controlled Fuel Pump Reduces CO₂ Emissions by 288kg Over Lifetime

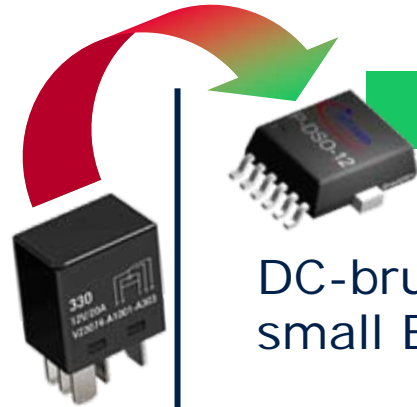
Uncontrolled

■ Realization

DC-brush motor switched by relay

■ Estimated costs

~ EUR 0.30



Controlled

DC-brush motor controlled by small ECU*

* = incl. 8-bit μ C, NovalithIC, voltage regulator, Π -filter, package, connectors

< EUR 20



■ Benefits of controlled fuel pump

Reduction results out of controlled fuel supply according needs – high at start / acceleration – low at constant car speed

Reduced fuel consumption ~0.08l/100km = ~ EUR 0.001/km

Assumed vehicle lifetime = 150,000 km

Total fuel reduction = 120l

Total fuel cost reduction = ~ EUR 150 (> 6x invest)

Total CO₂ reduction = 1.9g/km (288kg total)

**Pays off
after less
then 23,000 km**

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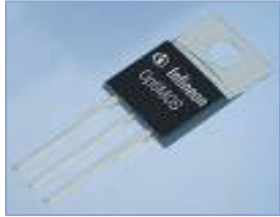
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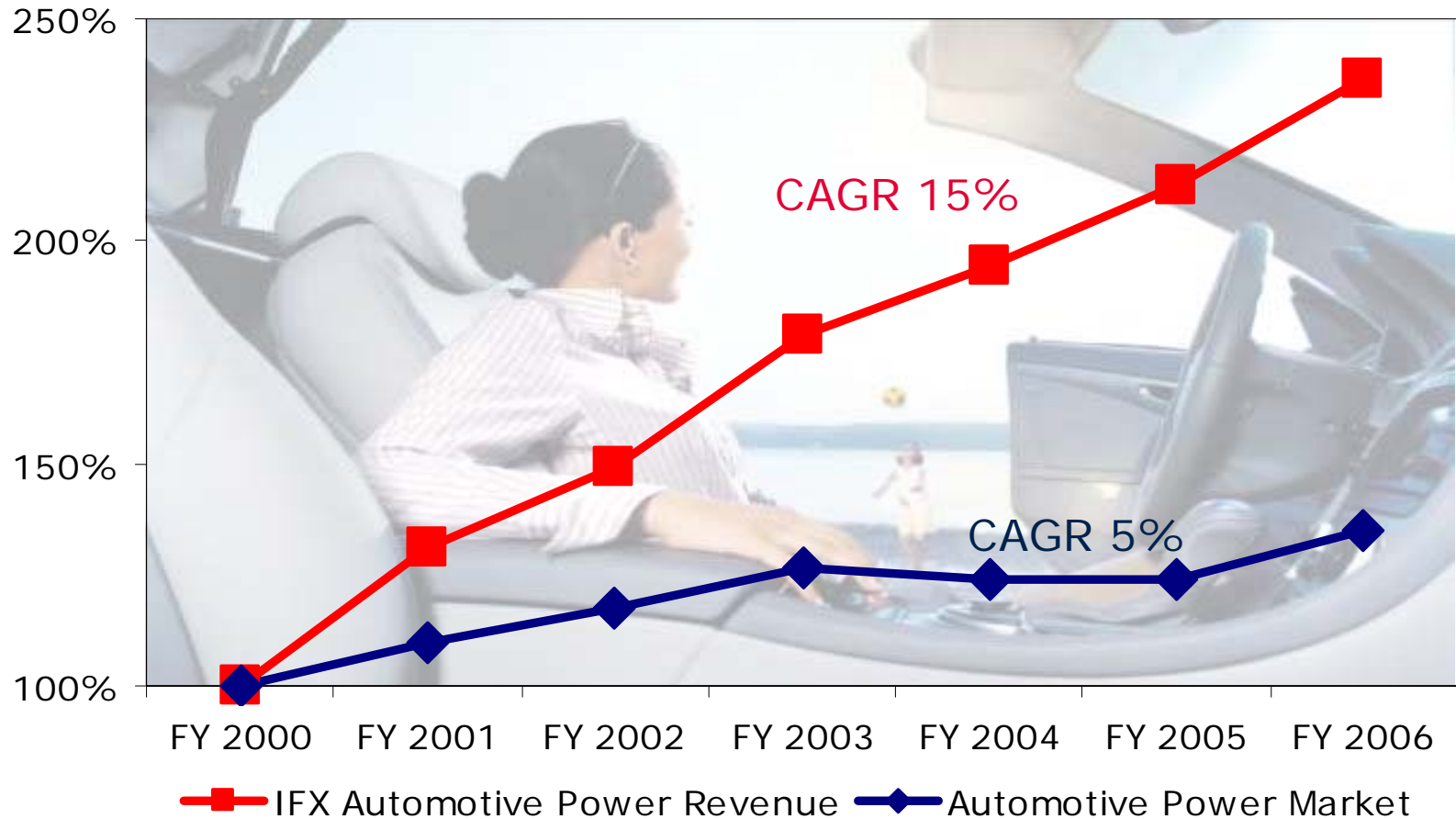
IFX “Automotive Power” Is And Will Be the Semiconductor Partner in the Automotive Business



- With more than 20 years of experience in automotive electronics, Infineon is a world leader in automotive power applications with more than 15% global market share.
- Using automotive optimized technologies, innovative designs and insightful market knowledge, Automotive Power growth continues almost twice as fast as the automotive electronics market.
- Cognizant of our customer needs and the evolution of technology, we offer our customers a broad portfolio from simple 3-pin power devices to highly complex system solutions.



Infineon "Automotive Power" Shows Outstanding Performance Over the Last 6 Years



Infineon –
Never stop thinking



Never stop thinking