

IFX Day 2007

Munich, March 13, 2007

Communications Solutions

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Never stop thinking

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

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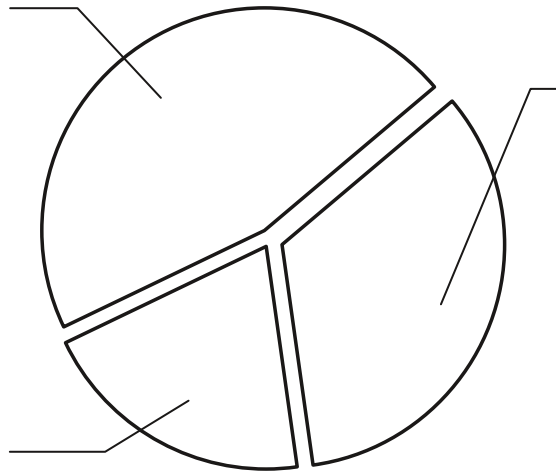
COM - Market Leader in Broadband and RF; Turning Around Mobile Platform Business



COM revenues by segment in FY 2006
Total: EUR 1.2 bn

RF Solutions

- **#1** in RF ICs¹⁾
- Shipped more than 230 m RF ICs in CY 2006



Broadband

- **#1** in Access¹⁾
- Strong revenue growth in FY 2006
- Profitable

Mobile Phone Platforms

- Revenue declined due to BenQ market share losses
- New customers ramping

1) Source: Gartner Dataquest, 2006

Key Elements of the COM Business Segment Strategy



Broadband

- Drive further market share gains in DSL and VoIP by leveraging innovative and broad product portfolio.
- Take advantage of early leadership position in VDSL2 and GPON.

RF Solutions

- Leverage RF CMOS leadership to further broaden customer base and drive growth in 3G and EDGE.
- Continue to lead single-chip RF integration.
- Gain market share in GPS and digital tuners.

Mobile Phone Platforms

- Execute on customer projects to achieve profitability.
- Gain market share by leveraging strong single-chip phone offering for GSM/GPRS and EDGE as well as complete 7.2 Mb/s HSDPA solution.

COM

COM Business Group Outlook

Q2 FY 2007

- Revenues and EBIT flat q-o-q.
- Customer ramp-ups mitigate typical seasonal decline in the wireless business; wireline business to be about flat.
- Broadband maintains profitability.
- Savings implemented in mobile phone platforms.

FY 2007 and beyond

- FY 2007: expect sales decline y-o-y; expect annualized EUR 40 m cost reduction from Jun Q onwards; EBIT before charges to remain broadly flat y-o-y.
- Beyond FY 2007: Wireless business to break-even in Dec Q 2007; expect strong sales growth versus FY 2007 and positive EBIT.

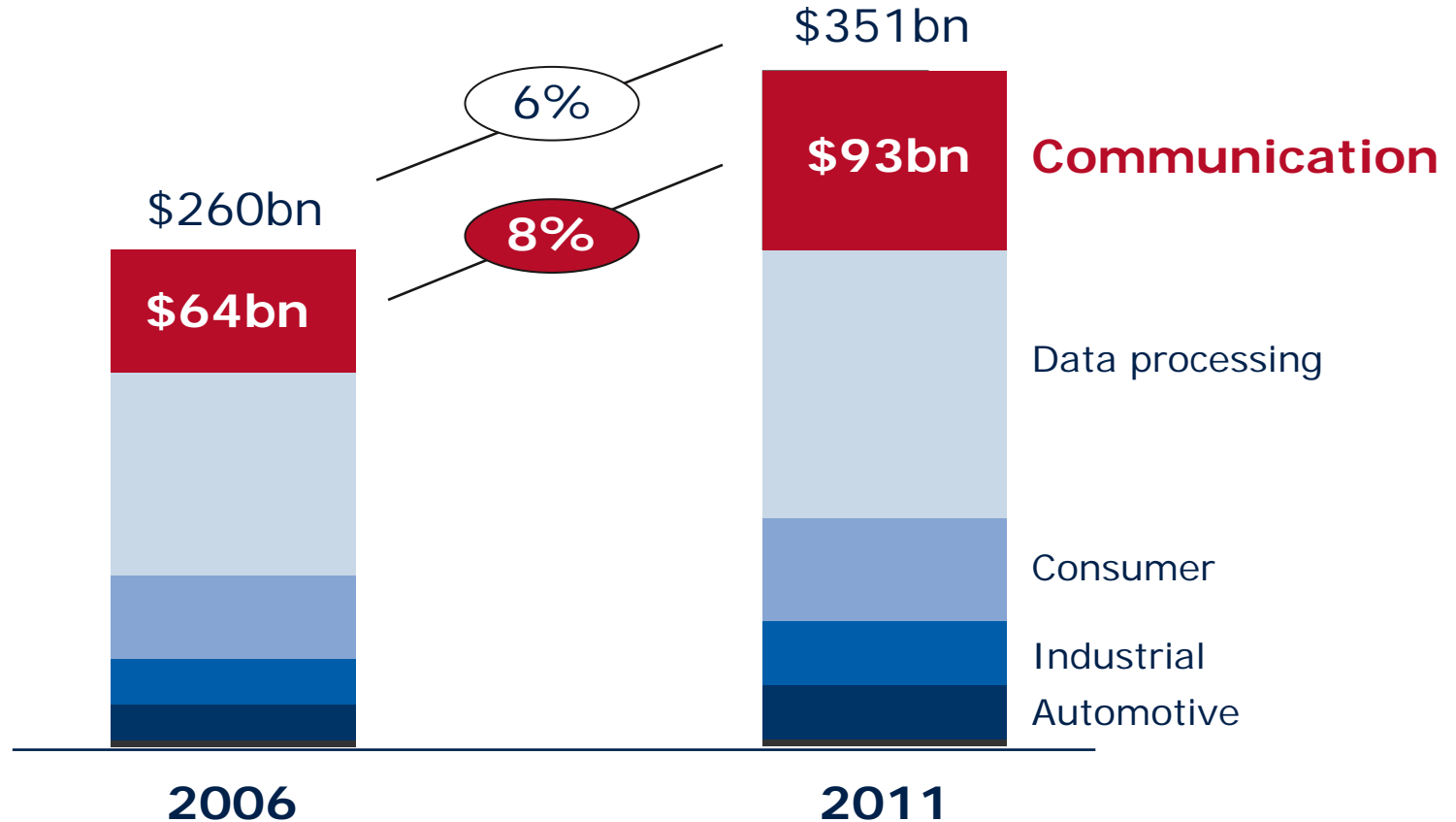
Communication Semiconductors Are Expected to Grow Stronger than the Total Market



Semiconductor Market Development

Total market

CAGR



Source: Gartner, Feb. 2007

Connectivity

Mobile music, mobile video, mobile internet



7.2 Mb/s
and more

Mobile communication in emerging markets



Wireless connectivity everywhere

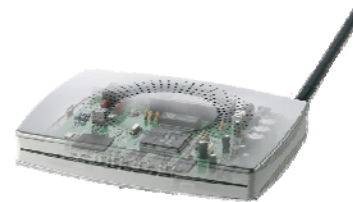


GPS



Mobile TV

Triple-Play broadband and network replacement

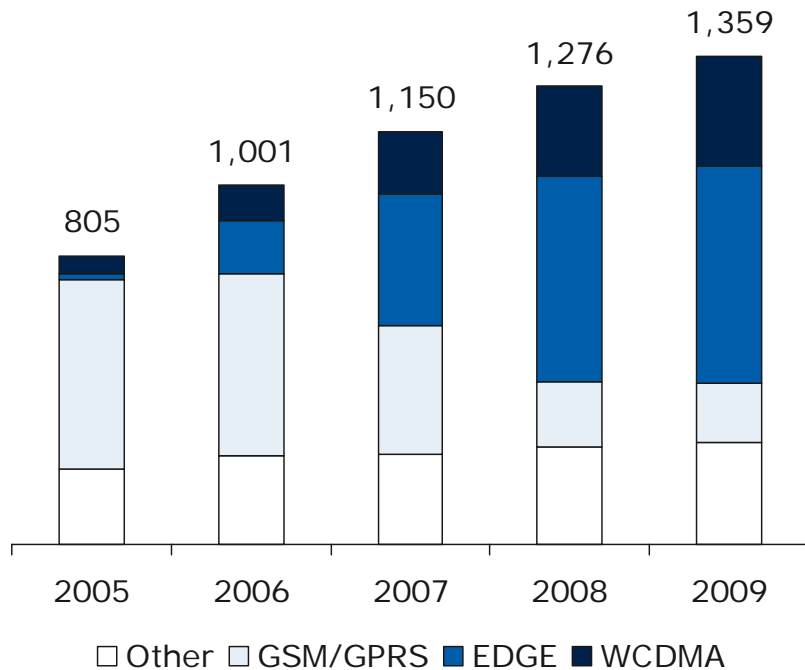


IPTV
VoIP
Internet surfing

Major COM Growth Opportunities

Mobile Phones

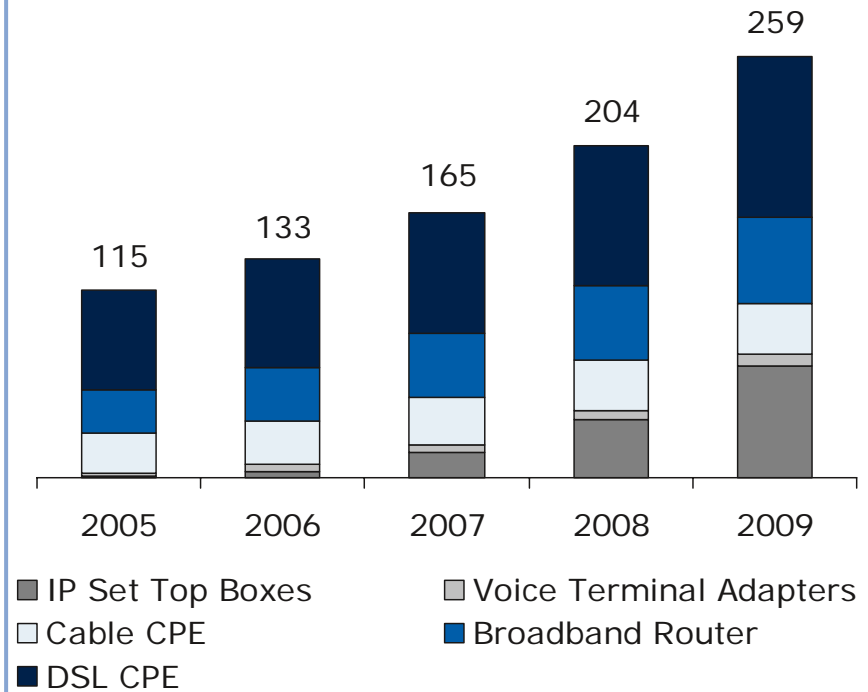
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Source: ABI Research, Mobile Device Market Data, Q4 2006

Broadband CPE

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Source: Infonetics, Broadband CPE, Q3 2006

Broad Product Portfolio: Significant Infineon Content in Target Applications



Mobile Phones



LG "Shine"

IFX content:

- Multimedia baseband
- RF CMOS transceiver
- Power management
- Bluetooth
- Protocol stack
- Application framework software

Broadband Gateways

- ADSL2/2+ transceiver
- VoIP
- SLIC
- Ethernet switch
- ISDN



T-COM "Speedport W700V"

Infineon Engineers Develop World-Class Products

Single-chip
EDGE mobile phone
solution

"S-GOLDRadio"



Single-chip
GSM mobile
phone solution

"E-GOLDvoice"



Single-chip
7.2 Mb/s HSDPA
baseband

"S-GOLD3H"



World's first
3G/EDGE DigRF
CMOS transceiver

"SMARTI UE"



World's smallest
EDGE
CMOS transceiver

"SMARTi PM+"



Single-chip
Mobile TV
front-end

"OmniVia"



World's smallest
GPS single-chip
receiver

"Hammerhead II"



World's first stan-
dard compliant
VDSL2 solution

"VINAX"



World's first single-
chip ADSL2+
broadband IAD

"Danube"



World's first
5+2G switch

"Tantos"



COM Has a Leading Customer Base

Selection of Announced Customers and Key Customers*, resp.



* In alphabetical order.

How
we plan to turn around
our Mobile Platform business

Successful Launch of Platforms in Major Target Markets



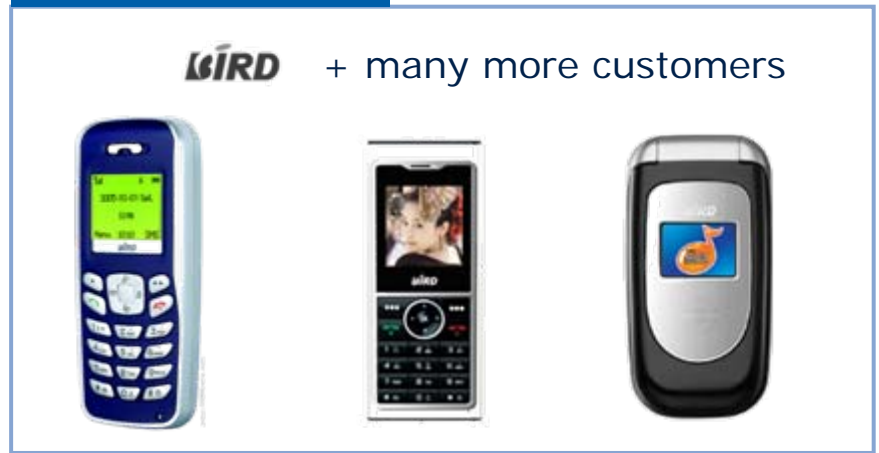
EDGE



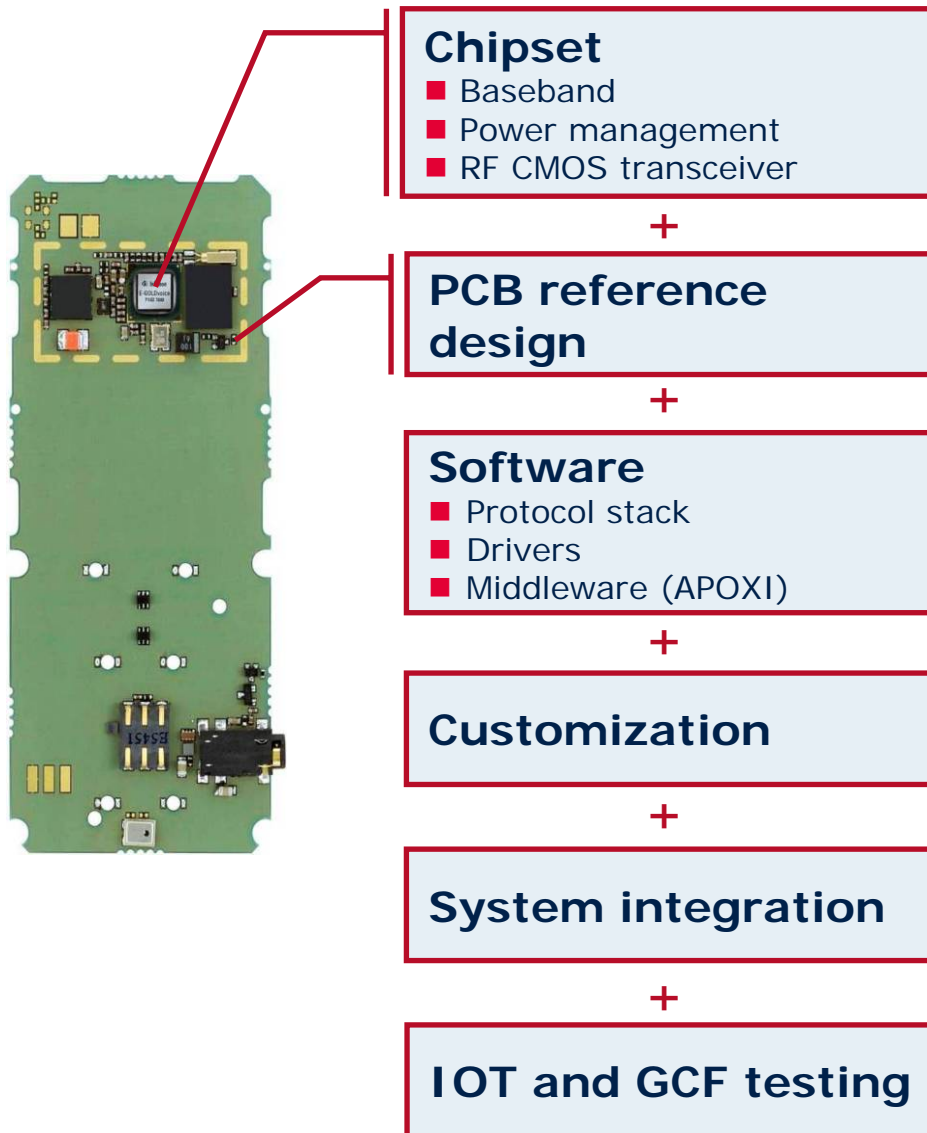
3G



ULC



Infineon's Advantage: Mobile Platform System Competence



Advantages:

- Small platform footprint
- Low component count
- Low power consumption
- Time-to-market

Complete Mobile Phone Platform Solutions for Major Growth Markets

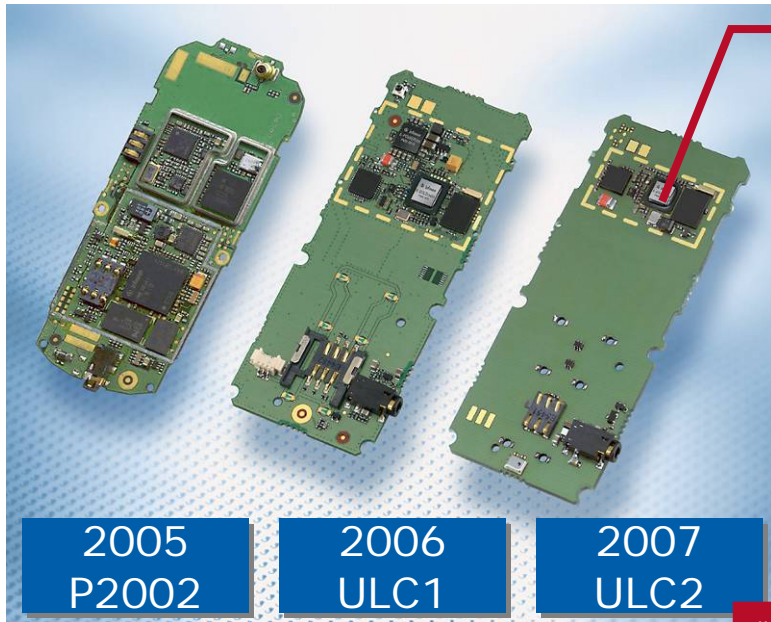


Target markets	2G / 2.5G GSM / GPRS		2.75G EDGE		3G UMTS	3.5G HSDPA
Platform	ULC1	ULC2	MP-E	MP-Elite	MP-EU	MP-EH
Baseband	✓ E-GOLDradio	✓ E-GOLDvoice	✓	✓ S-GOLDradio	✓	✓
RF CMOS transceiver	✓ E-GOLDradio	✓ E-GOLDvoice	✓	✓ S-GOLDradio	✓	✓
Power management	✓	✓ E-GOLDvoice	✓	✓ S-GOLDradio	✓	✓
Protocol stack	✓	✓	✓	✓	✓	✓
Ramp-up	✓	✓	✓	2H CY07	✓	CY 2007+



Integrated in one chip

Infineon's ULC2 is Benchmark in Component Count and Footprint



E-GOLDvoice single-chip integrating:

- Baseband
- RF transceiver
- Power management
- SRAM

ULC2 Highlights:

- In volume production
- Footprint: 4 cm²
- Component count: < 50

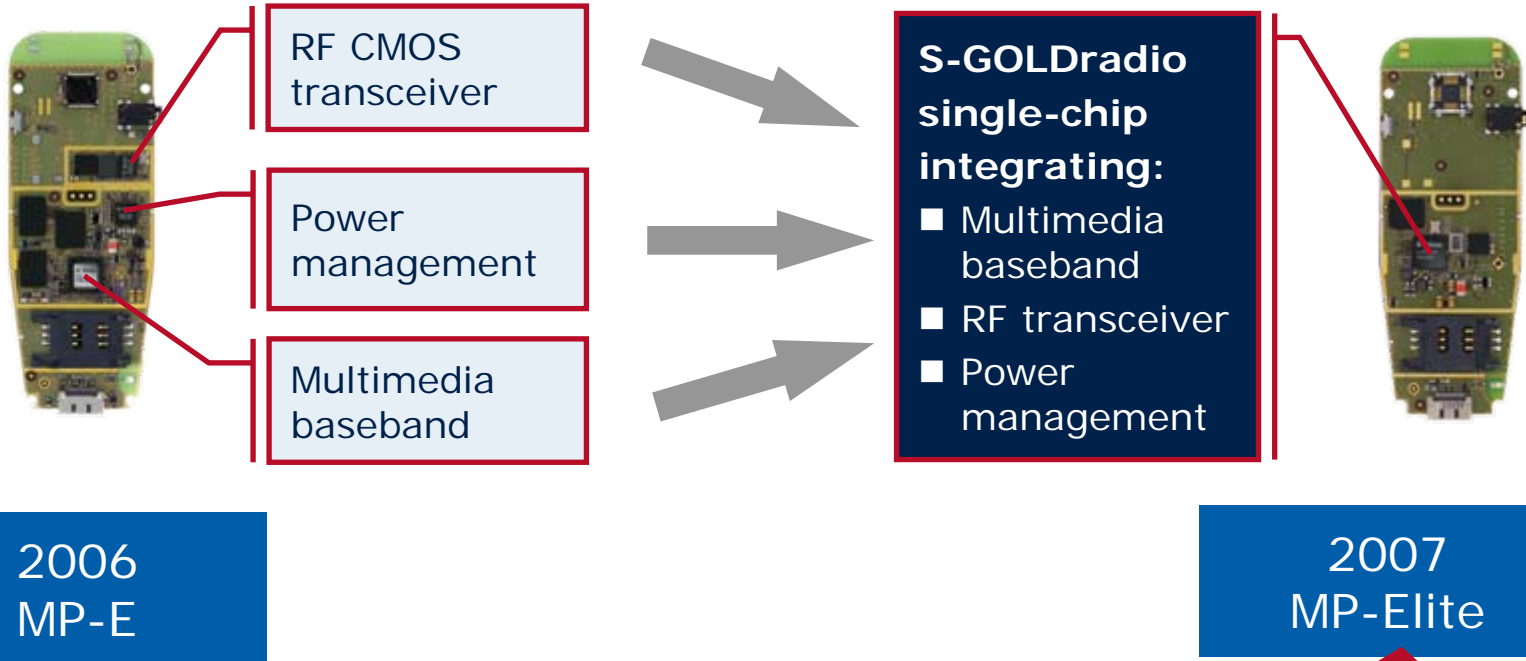
ULC2 features

- Color display
- Text messages
- MP3 quality ring tones
- Applications such as integrated handsfree and speaking clock

“Nokia aims to further improve the power performance in our entry level phones and reduce their size. Adding Infineon's single-chip solution to Nokia's portfolio of chipset suppliers helps us ensure access to optimized solutions. [...]”

Soren Petersen, Senior Vice President, Entry Business Unit, Nokia

Introducing the MP-Elite EDGE Single-Chip Platform



MP-E and MP-Elite features:

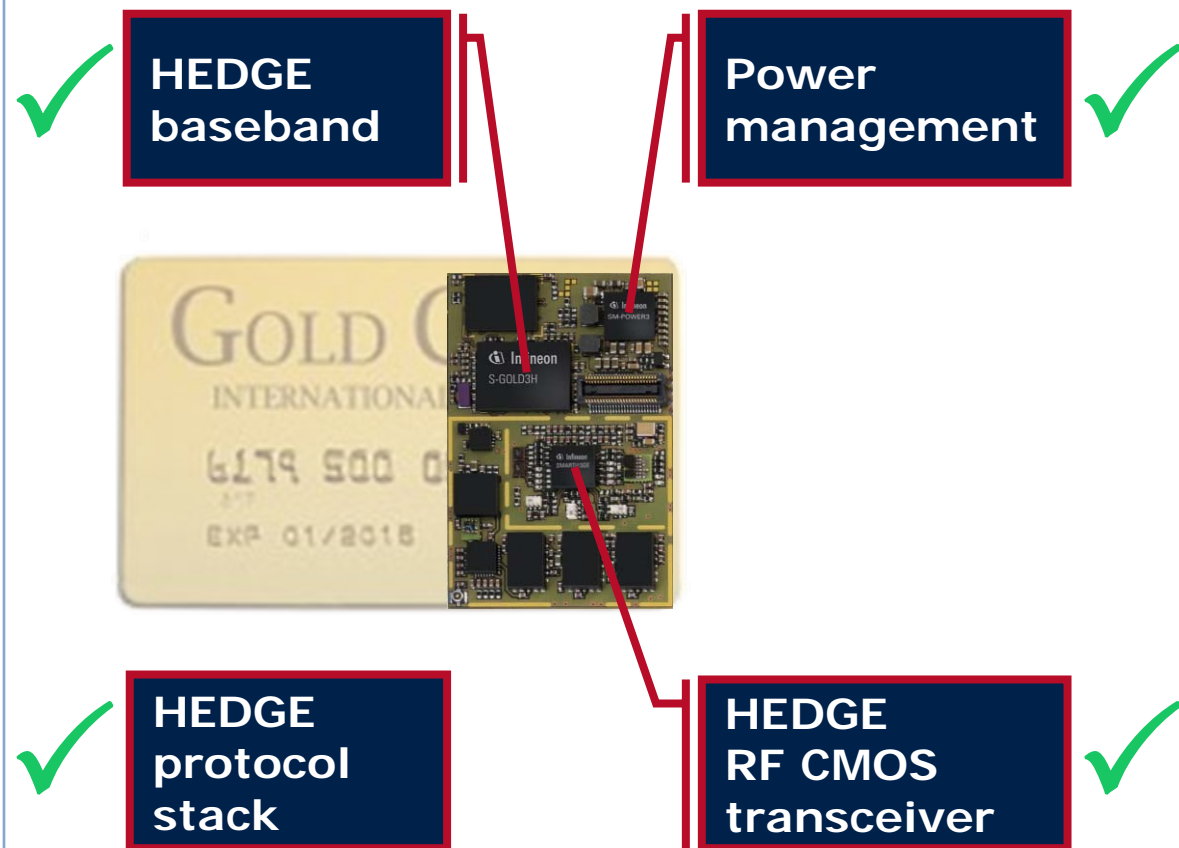
- Video and audio playback and recording
- Video streaming
- Dual color display
- Camera modules
- Enhanced security features

Up to 30% lower eBoM
Up to 20% lower footprint
15% lower component count

Our 7.2 Mb/s HSDPA Platform MP-EH Enables Broadband Multimedia on Less Than 16 cm²



Complete 7.2 Mb/s HSDPA platform



MP-EH Highlights:

- Volume production start planned in 2007
- 7.2 Mb/s HSDPA
- Video streaming
- High-speed audio/video download
- Footprint: < 16 cm²

Clear Path to 65 Nanometer

Key mobile phone platform introductions

	2006	2007	2008
3G	<div style="background-color: #666; color: white; padding: 10px; display: inline-block;">MP-EU</div>	<div style="background-color: #0056b3; color: white; padding: 10px; display: inline-block;">MP-EH</div>	<div style="background-color: #a50020; color: white; padding: 10px; display: inline-block;">65 nm 3G</div>
EDGE	<div style="background-color: #666; color: white; padding: 10px; display: inline-block;">MP-E</div>	<div style="background-color: #0056b3; color: white; padding: 10px; display: inline-block;">MP-Elite</div>	<div style="background-color: #a50020; color: white; padding: 10px; display: inline-block;">65 nm EDGE</div>
ULC	<div style="background-color: #666; color: white; padding: 10px; display: inline-block;">ULC1</div>	<div style="background-color: #666; color: white; padding: 10px; display: inline-block;">ULC2</div>	<div style="background-color: #a50020; color: white; padding: 10px; display: inline-block;">65 nm ULC</div>

In production

Sampling

Under development

Further Expanding Our Mobile Platform Customer Base



Announced Mobile Phone Platform Customers

July 2006

LG Electronics

Infineon Multimedia Platform Selected by LG Electronic for New EDGE Mobile Phones

17 Jul 2006

Munich, Germany, Infineon Technologies AG today announced that LG Electronics, Inc. (LGE), Seoul, Korea, has chosen Infineon as phone platform supplier for their new EDGE mobile handsets.

Beginning with the recent introduction of new phones by LGE, the MP-E platform from Infineon will be used in a series of EDGE mobile phones from LGE, the number-four mobile phone supplier in the world.



Oct. 2006

Panasonic

Infineon's Multimedia Platform for Dual-mode Handsets Powers Newly Launched "SoftBank 705P" GPRS/UMTS 3G Phone for Japanese Market from Panasonic Mobile Communications

5 Oct 2006

Munich, Germany, Infineon Technologies AG, a leading provider of communication ICs today announced that its GPRS/UMTS multimedia platform powers Panasonic Mobile Communications Co., Ltd. newest commercially available Softbank 705P mobile handset which SOFTBANK MOBILE Corp. launched these days for the Japanese market.



Feb. 2007

Nokia

New!

Nokia Selects Single-Chip from Infineon for Entry Level Mobile Phones

7 Feb 2007

Munich, Germany, Infineon Technologies today announced that Nokia has selected Infineon as a supplier of baseband and RF (Radio frequency) chips for GSM mobile handsets. The highly integrated single-chip E-GOLD™voice will be incorporated in selected future entry level phones from Nokia.

...

"In order to sustain our clear leadership position in this high volume sector, it is critical for Nokia to offer most competitive and cost-effective portfolio of mobile phones to consumers in new growth markets," said Soren Petersen, Senior Vice President, Entry Business Unit, Nokia. "Nokia aims to further improve the power performance in our entry level phones and reduce their size. Adding Infineon's single-chip solution to Nokia's portfolio of chipset suppliers helps us ensure access to optimized solutions for this important market."

Plus design-wins across our ULC, EDGE and 3G platforms at major new customers.

Infineon Has All it Takes to Turn Around the Mobile Platform Business



- Technology leadership and wireless system competence:
 - RF CMOS leadership
 - Single-chip solutions for GSM, GPRS and EDGE
 - Complete 7.2 Mb/s HSDPA platform



- Highly integrated and cost effective solutions for major growth markets:
 - HSDPA
 - EDGE
 - ULC



- Leading customer base (announced customers only):
 - Nokia (ULC platform)
 - Samsung (EDGE RF transceiver)
 - LG (EDGE platform)
 - Panasonic (3G platform)



Infineon –
Never stop thinking



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