

Infineon

CSFB Smart Card and RFID Conference

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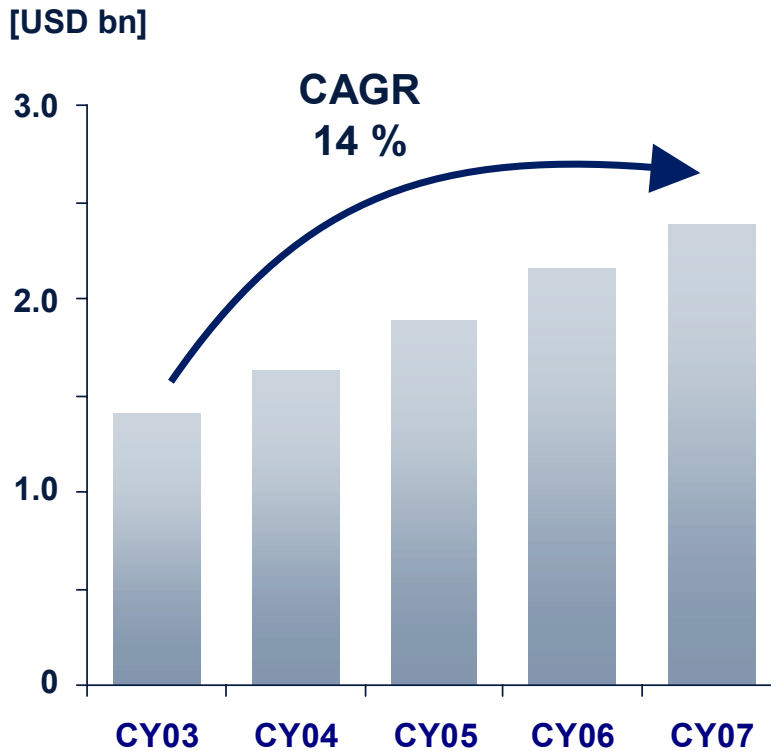
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This presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to the Risk Factors noted in the Company's Earnings Releases and the Company's filings with the Securities and Exchange Commission.

Chip Card ICs: Market Development

Chip Card IC market revenue development



Source: Frost & Sullivan 2004

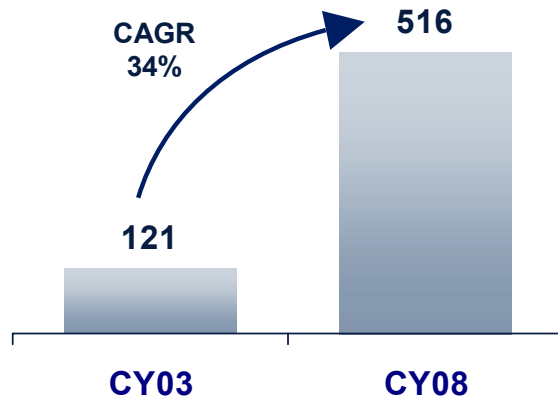
Key market drivers

- **Mobile Communication**
 - High-end SIM ICs
 - Subscriber growth
- **Government ID projects**
 - Passports
 - National ID
 - Healthcare cards
- **Contactless technology**
 - Secure travel documents
 - Payment and Transport
- **Banking**
 - EMV migration push

Benefit from a Growing Contactless Market through a Complete Product Offering

Contactless market

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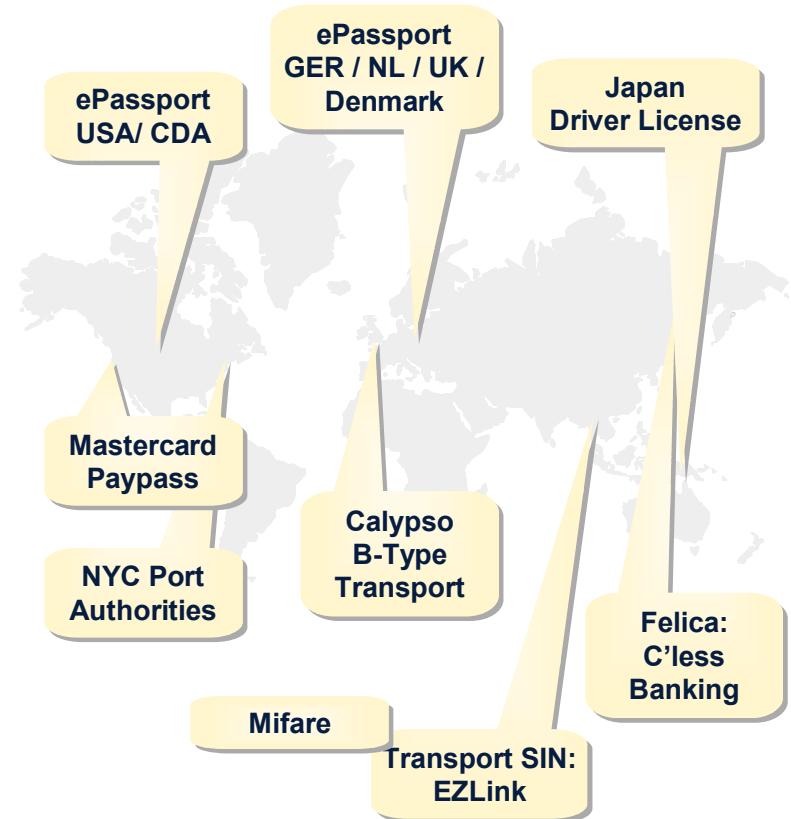


Source: Gartner Dataquest, May 2004

Complete Product Offering:

- Contactless Crypto Controller with 32/64KB E²PROM for Passports
- Contactless Security Controller with 8KB E²PROM for Transport and Finance
- Infineon Mifare and my-d contactless memory IC's for Transport and Industry ID

Contactless project overview



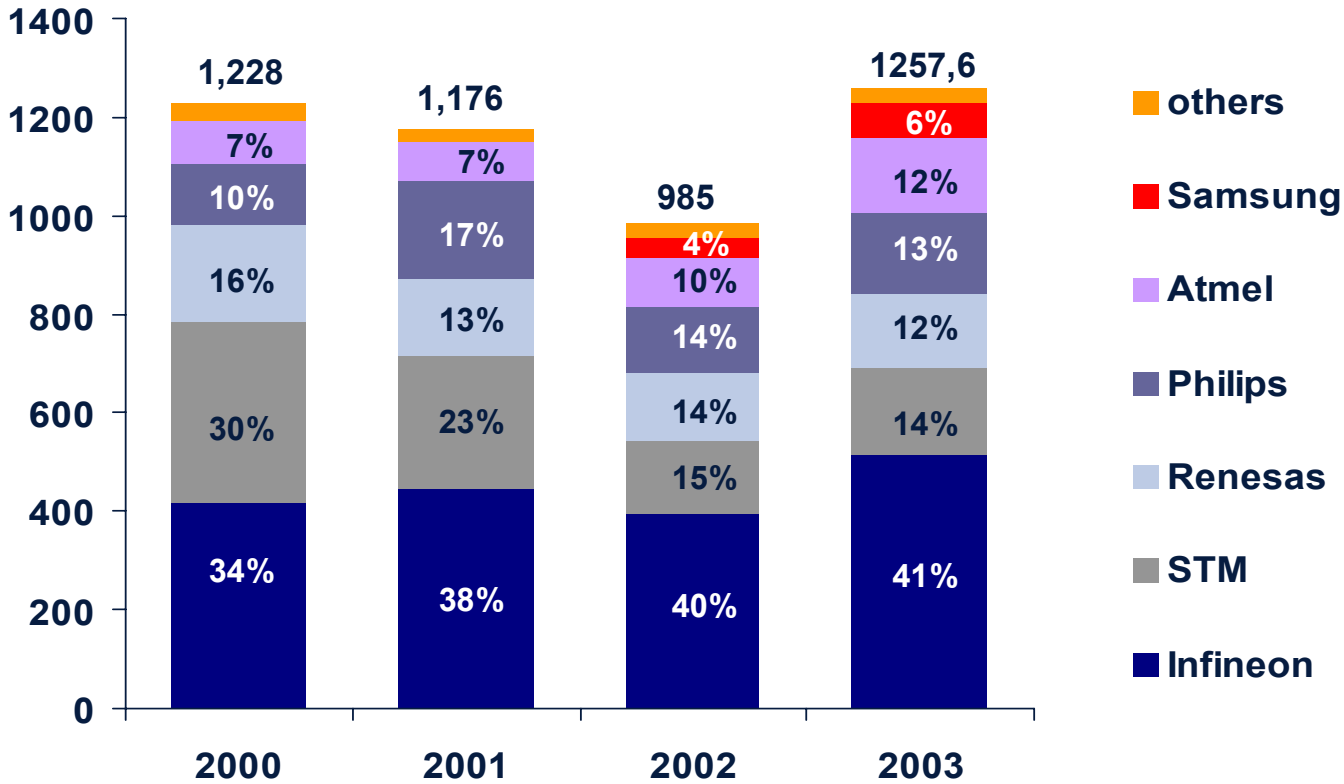
Infineon is well Positioned to Serve the Key Growth Markets

		Contact-based chip cards	Contactless chip cards, RFID	Security ICs
 <p>Communications Prepaid Mobile</p>	 <p>Prepaid Card SIM Card</p>			
 <p>Payment Credit/Debit, e-purse Transport, Ticketing</p>	 <p>Payment Card eTicket</p>			
 <p>Identification ePassport, Nat. ID Social, Access RFID, e-Government</p>	 <p>Identification Card</p>		 <p>TPM</p>	
 <p>Entertainment Pay TV, Gaming Video/Audio</p>	 <p>Entertainment Card Security Card</p>			

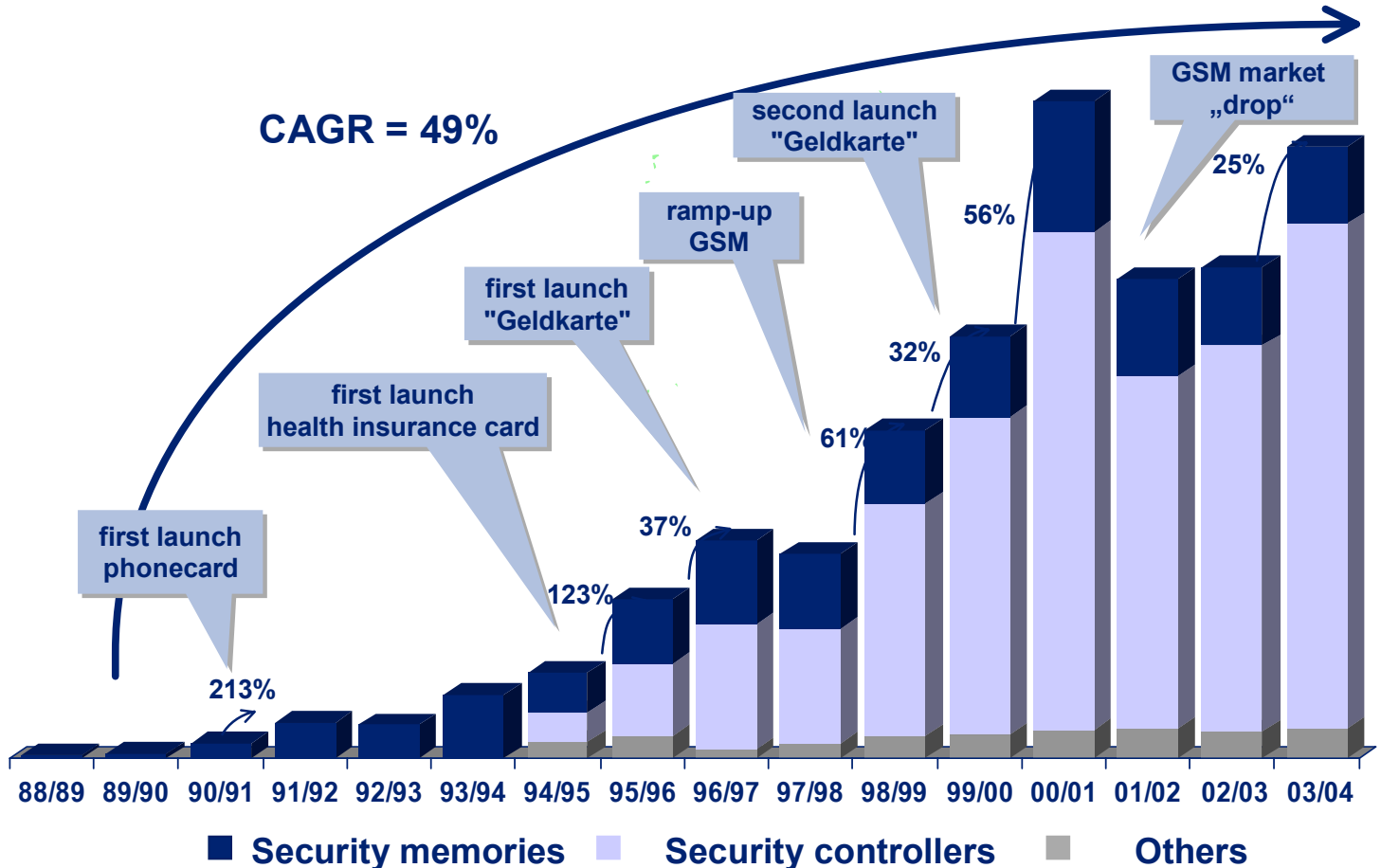


Market Shares: Infineon Achieved a Positive Development

Market shares (USD)
Source: Gartner Dataquest



Successful in the Chip Card Market for more than 15 Years



Chip Card & Security ICs: Strategy Overview

FOCUS on sustainable and growing market segments

- Communications
- Identification
- Payment
- Entertainment



LEVERAGE and enforce core competencies

- Security expertise
- High volume production in NVM technologies
- Module Assembly
- Focused System Know-How
- Engineering Excellence
- Strategic partnerships

SHAPE the market with leading products

- Chip Card ICs
- Contactless Systems
- Security ICs



Product Portfolio Security

Controllers for Enhanced Security, C'less for Convenience

Memories

Counter
Telecom



Data Carrier
Identification



Microcontrollers (μCs) for Chip Cards

Low-end μC



ID, Finance

Mid-range μC



MobCom, ID,
Finance, Pay-TV

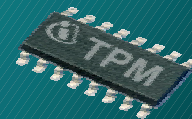
High-end μC



MobCom,
Multi-Appl.

TPM

Trusted Platform
Modules (μC)



PC's, Notebooks

Contactless memories & RFIDs



Object ID, Transport
ISO 15693

Identification
ISO 14443

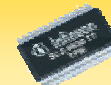


C'less μC (incl. dual-interface)
Identification, Transport, Finance

ISO14443 (13.56MHz) - est.
standards A, B, C/Felica



Modules & Standard Packages



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Significant Manufacturing Cost Reductions in Chip Card ICs

Microslim technology

- Volume roll-out of microslim technology (66PE family) since mid 2004
 - Move from 2 transistor/bit to 1 transistor/bit cell design
 - Significant reduction of chip area
 - Higher performance (30 MHz) and increased memory sizes

Introduction of FCOS modules

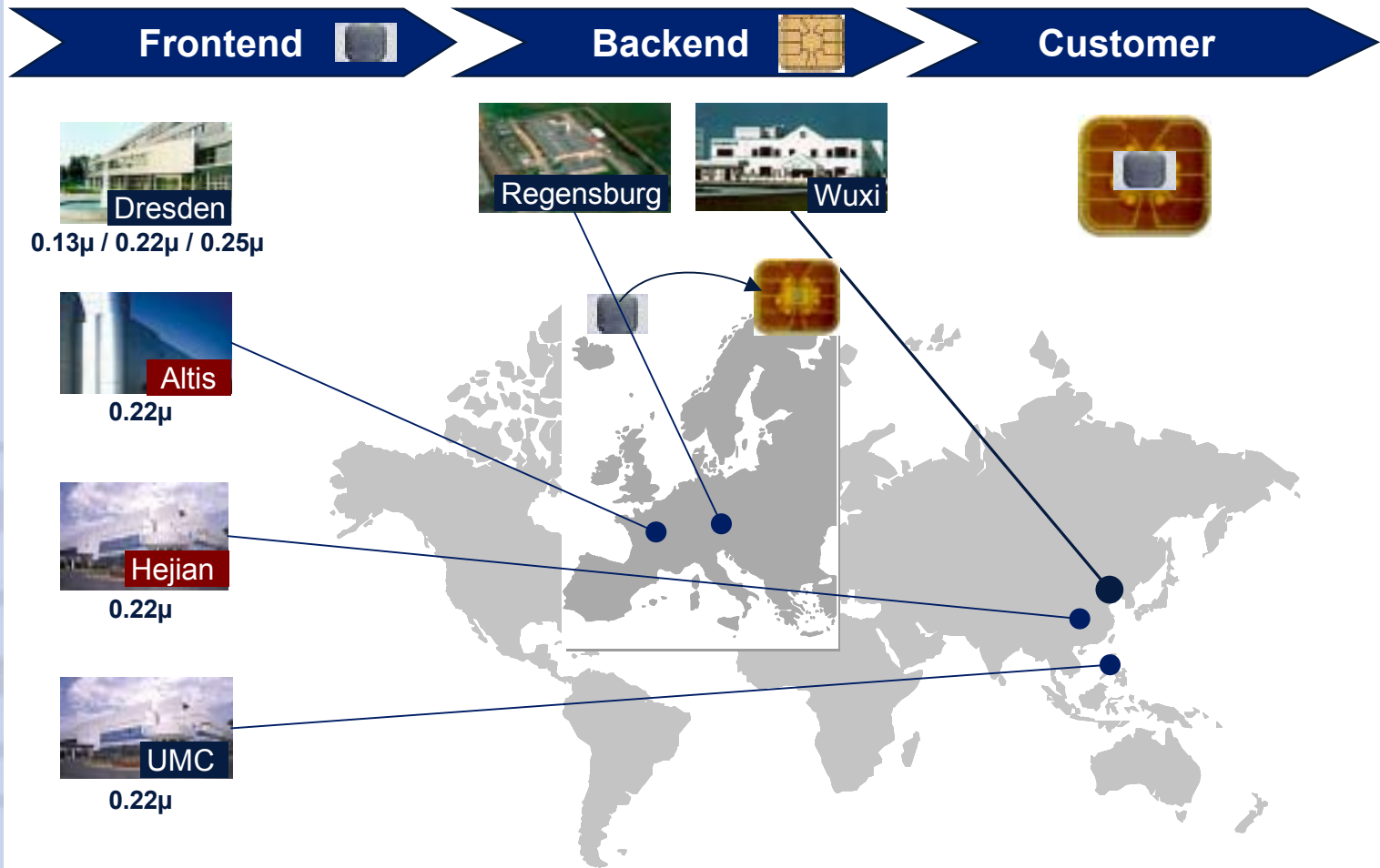
- Ramp-up of “Flip-Chip on Substrate” packaging technology since 01/2005

130nm shrink

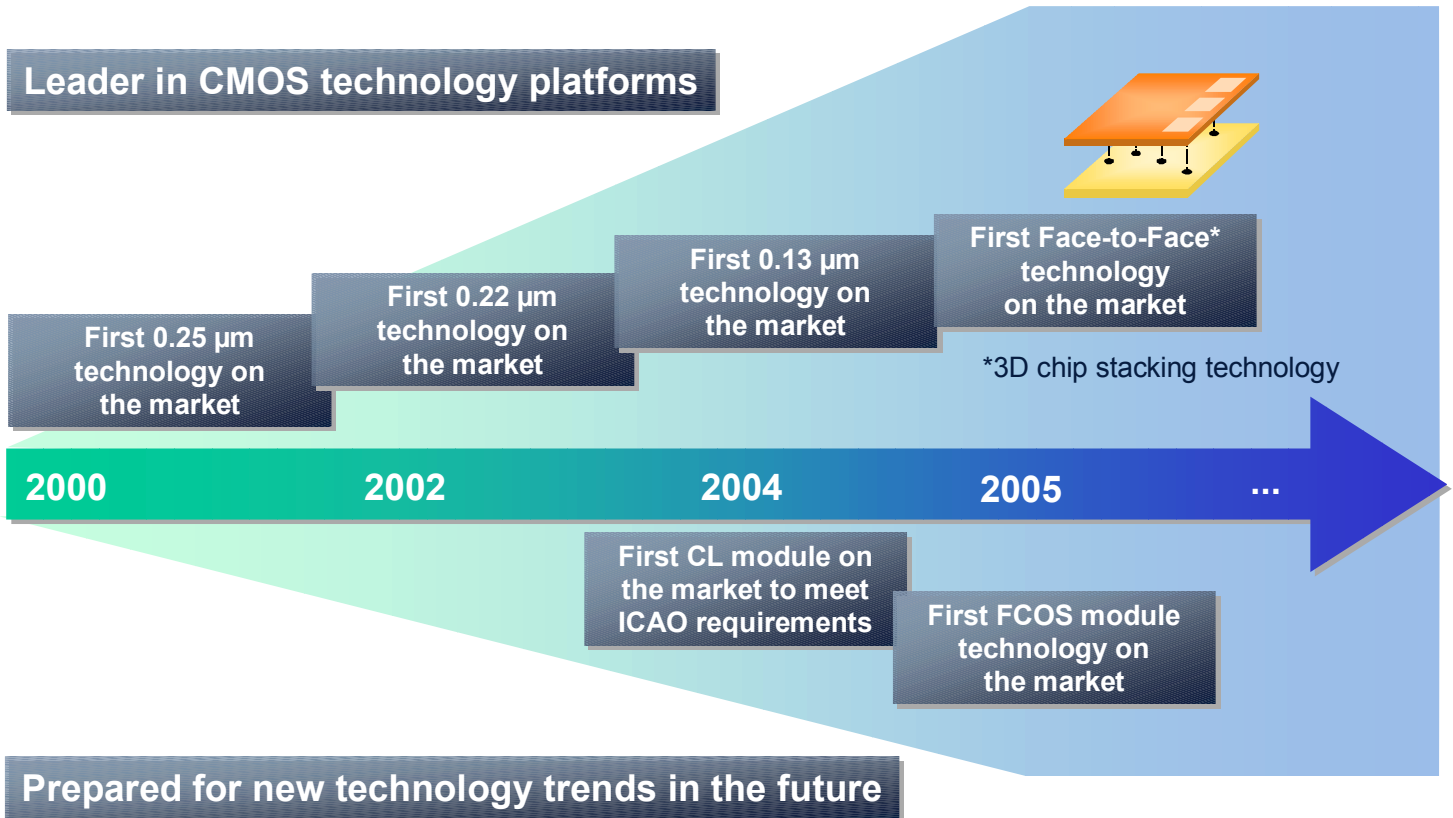
- Volume roll-out of first chip card products on 130nm technology in mid 2004
 - First 32bit controller with flash memory dramatically improves flexibility and manufacturing time for customer
 - 32bit architecture enables applications with higher memory- and security-requirements
 - Low power consumption (1.8V) and increased performance (66MHz)

FAB Cluster Concept for Microcontrollers

Certificated Manufacturing Concept within Infineon



Infineon is a Proven Technology Leader in the Chip Card Segment



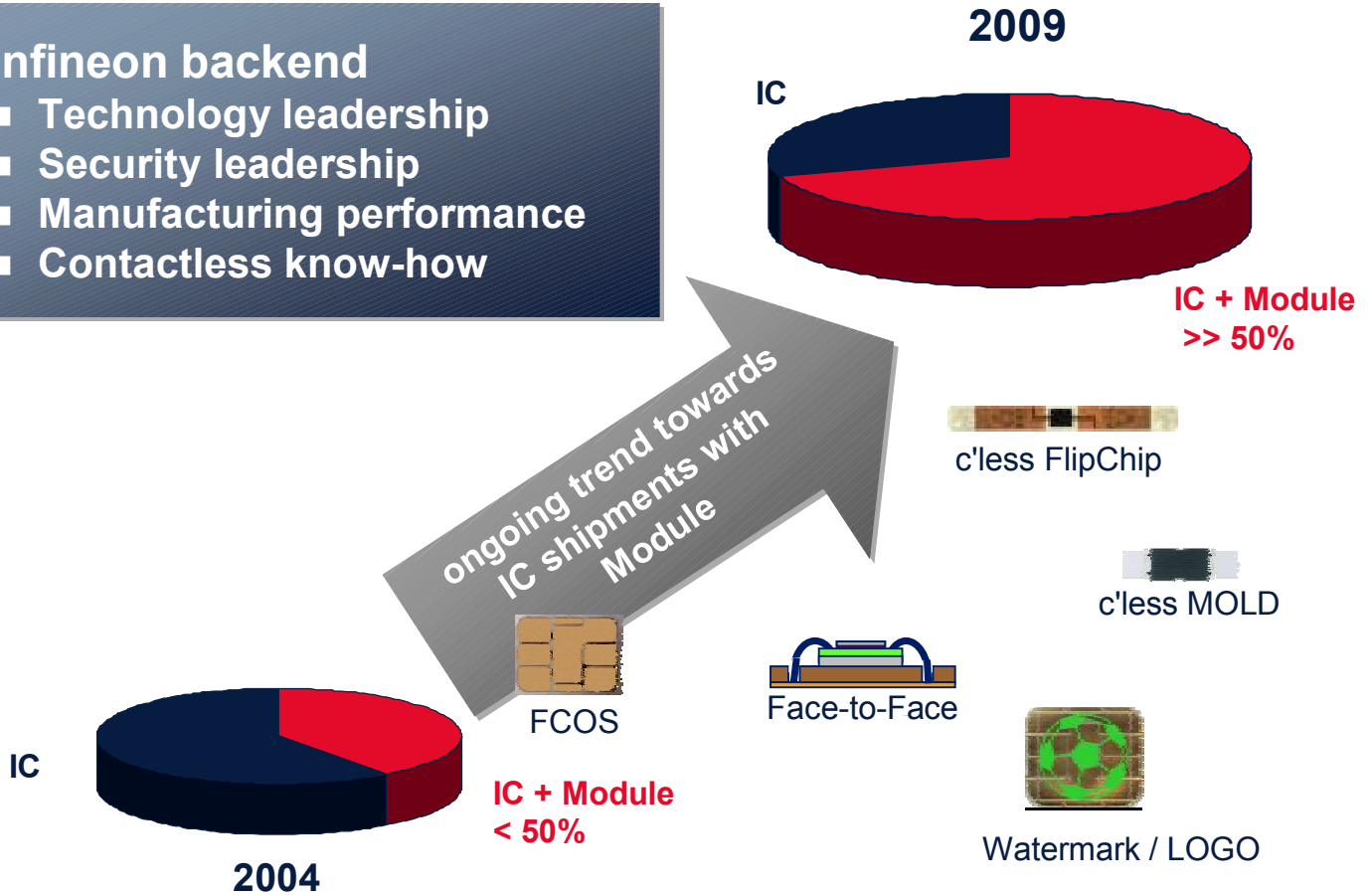
- New NVM technologies are under development with partners: NROM, FeRAM, MRAM

Modules

Bring Infineon's Outstanding Module Technology to the Market

Infineon backend

- Technology leadership
- Security leadership
- Manufacturing performance
- Contactless know-how



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Chip Card Certification at Infineon

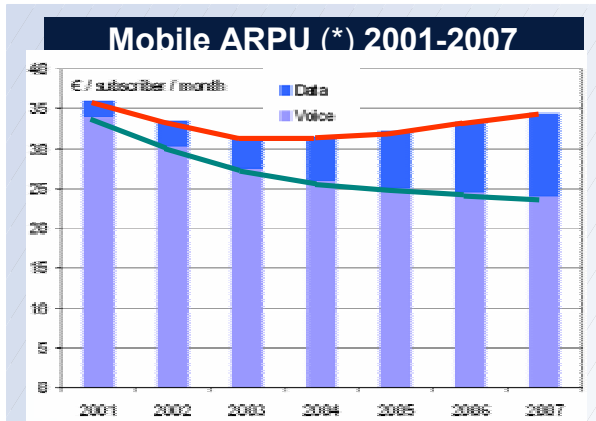
Proof for Infineon Leading Position with Security Controller

- **Proactive security evaluations at the highest levels worldwide**
- **Recent certification high-lights:**
 - 66P **ZKA/Seccos (German e-purse) approval**
 - 66P **6 x ITSEC E4 / high certificates**
 - 66P **Approval for German signature card**
 - 66S/P **18 x Visa Type 3 approval**
 - 66P **CAST approval for the whole family**
 - 66P **Mondex Type approval**
 - 66P **Proton World approval**
 - 66P **Common Criteria EAL5+
SSVG Protection Profile BSI-PP0002**
 - 66M **ITSEC E3 / high for French application**
 - 88P **Common Criteria EAL5+
SSVG Protection Profile BSI-PP0002**



High-Density SIM - Market Environment

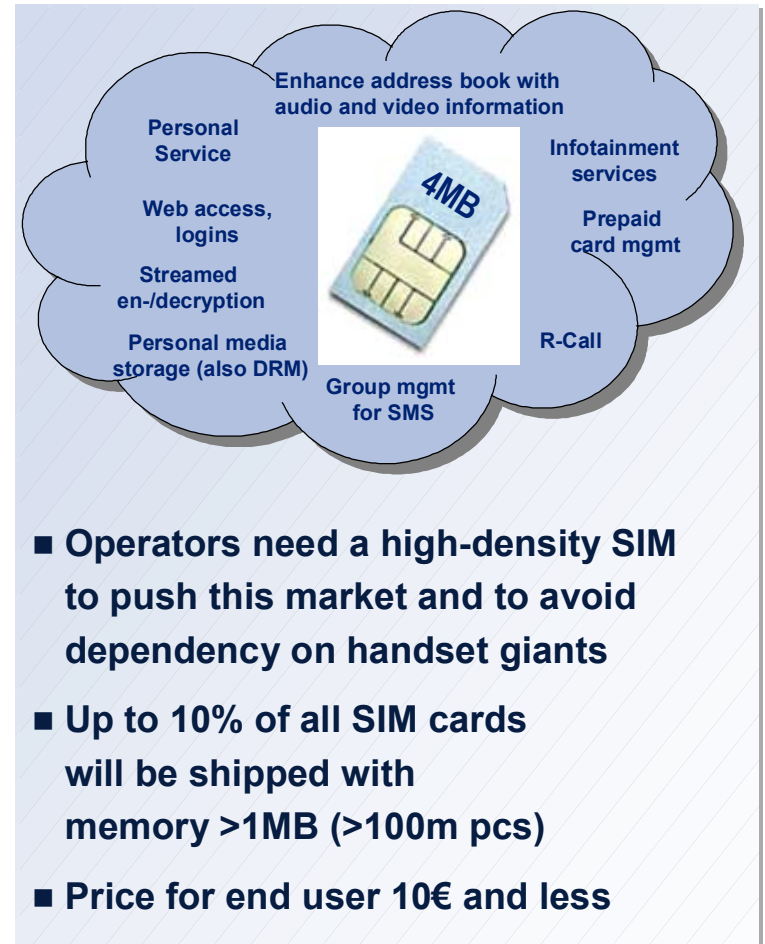
HD SIMs enable Operators to Increase their ARPU



source: Nokia, 2003

- Operators' ARPU will grow only through a significant increase of data traffic

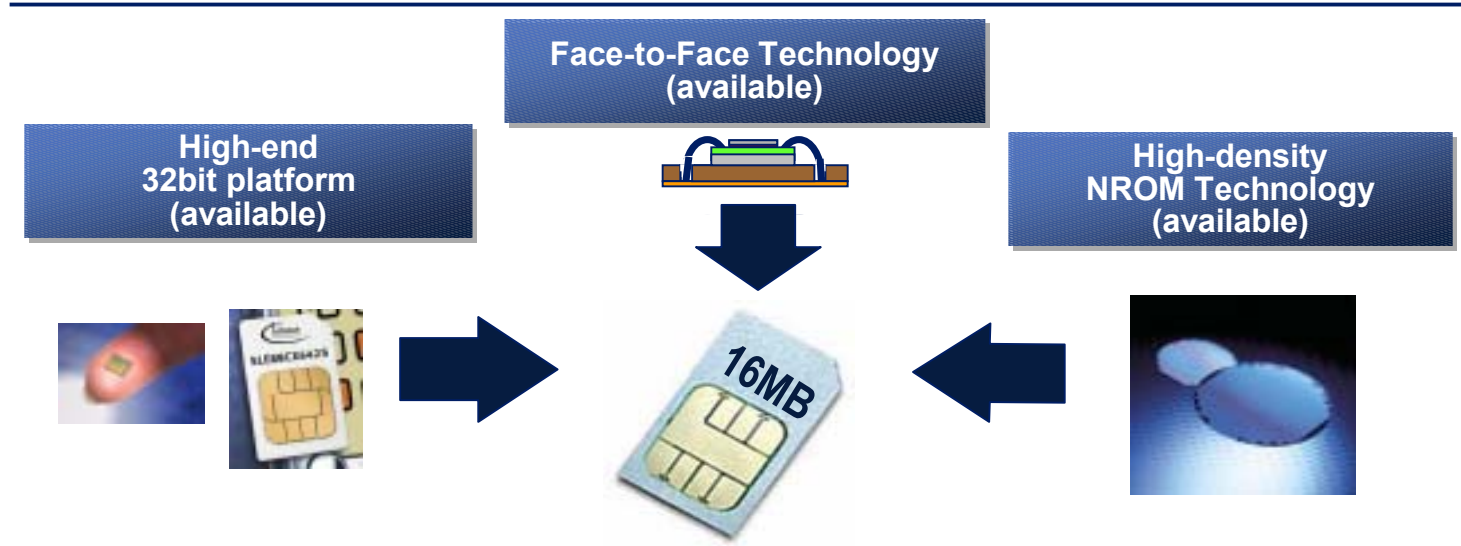
(*) ARPU = Average Revenue Per User



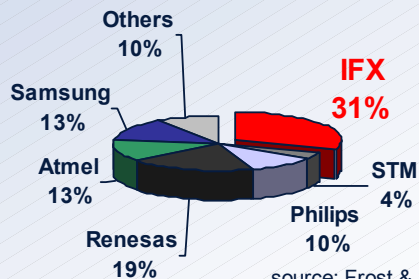
- Operators need a high-density SIM to push this market and to avoid dependency on handset giants
- Up to 10% of all SIM cards will be shipped with memory >1MB (>100m pcs)
- Price for end user 10€ and less

High-Density SIM – IFX Position

Best-in-class Technology from the Market Leader

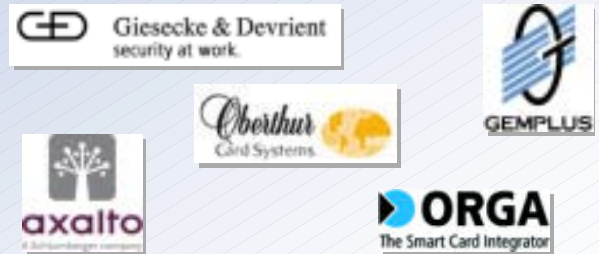


Leading SIM supplier
SIM IC shipments 2003



source: Frost & Sullivan 2004

All leading card vendors trust in IFX products



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