Infineon

Company Information

July 2005

Never stop thinking.

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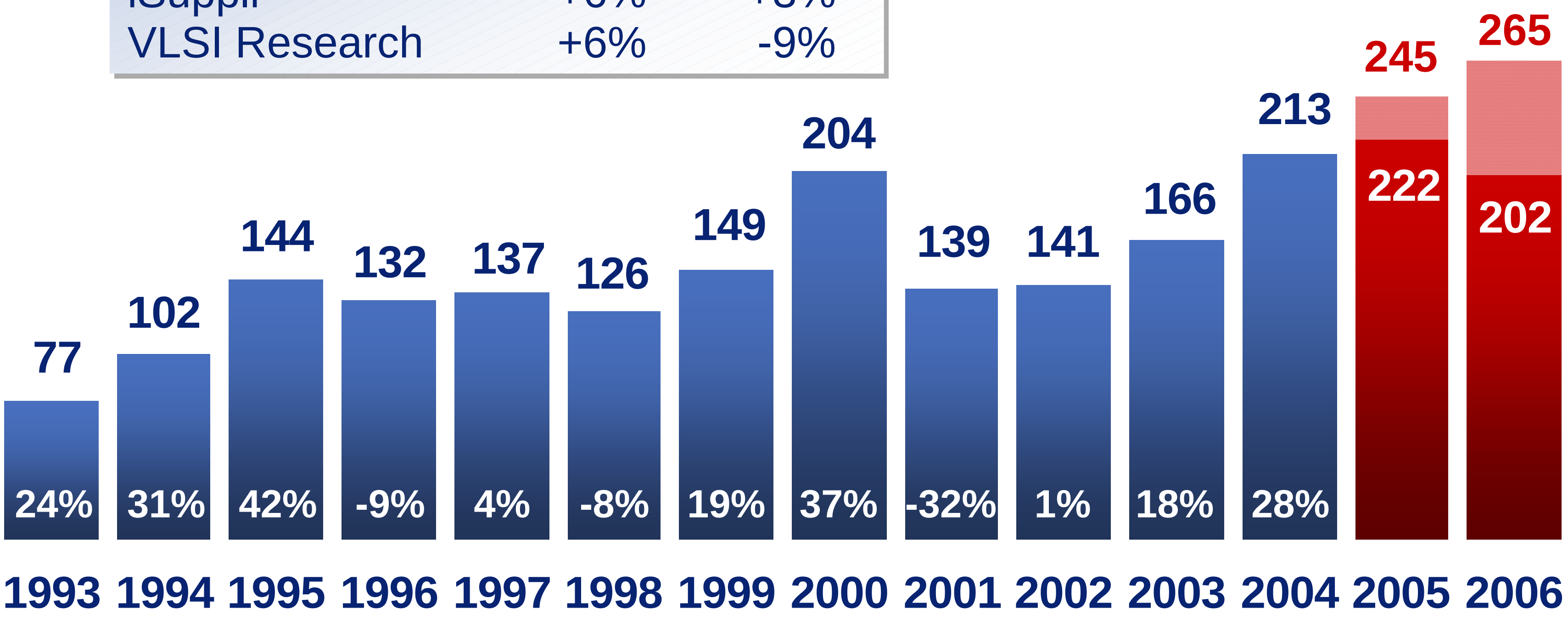
Semiconductor market development and forecasts 1993 - 2006

🟥 **Forecasts***	**2005**	**2006**
IC Insights	+4%	+8%
WSTS**	+6%	+5%
Future Horizons	+15%	+6%
Gartner DQ	+6%	+7%
iSuppli	+6%	+3%
VLSI Research	+6%	-9%



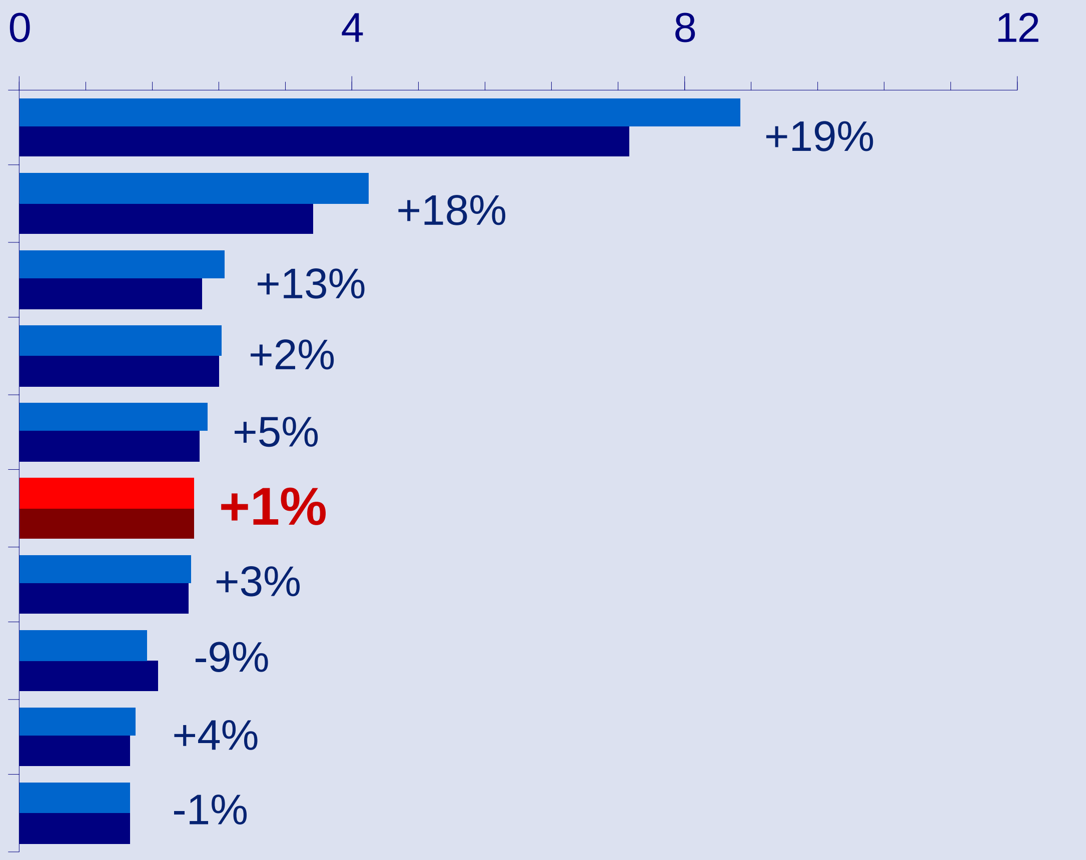
🟦 Source: WSTS for historical data

* As of July 12th, 2005

** incl. Update 1Q CY 2005

Worldwide semiconductor ranking Q1 2005 and Q1 2004

Rank Q1 2005	Rank Q1 2004
1. Intel	(1)
2. Samsung	(2)
3. Renesas*	(4)
4. TI	(3)
5. Toshiba	(5)
6. Infineon	(6)
7. STM	(7)
8. NEC	(8)
9. Freescale**	(9)
10. Philips	(10)



🟦 Q1 2005

■ Q1 2004

* Merger of Mitsubishi and Hitachi

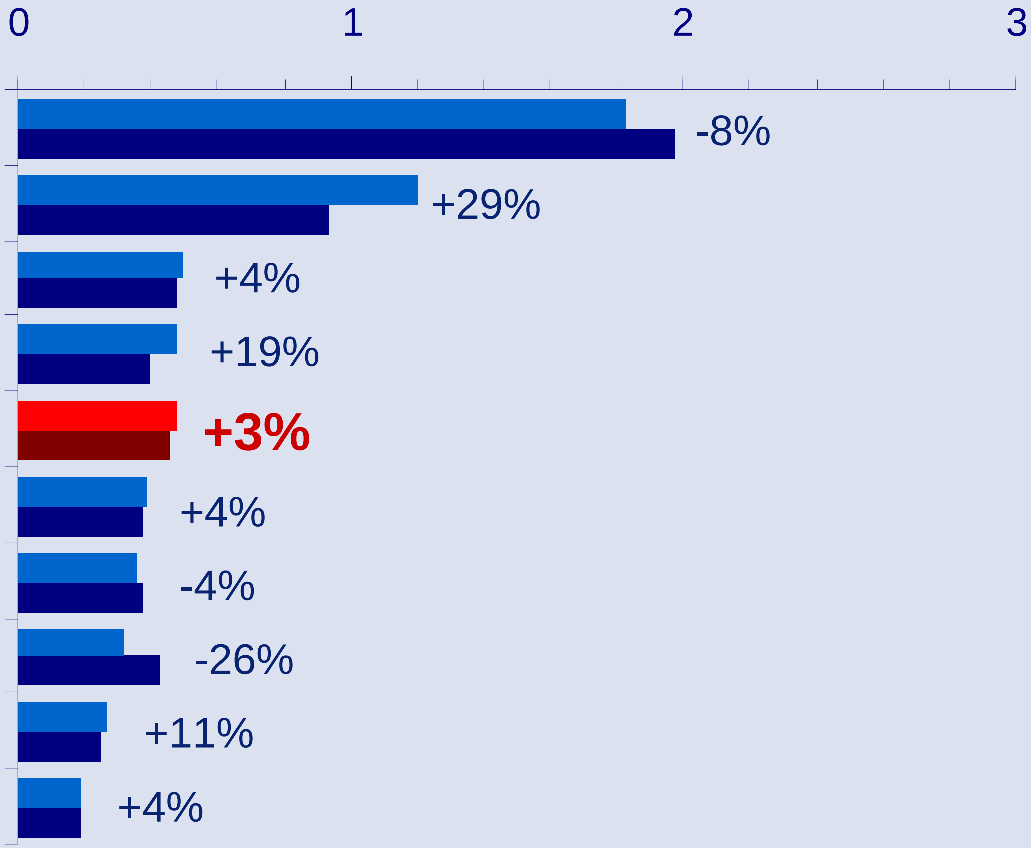
** Ex-Motorola Semi

Revenues [USD bn]

Source: iSuppli, June 2005

Ranking Americas*

Rank Q1 2005	Rank Q1 2004	
1. Intel	(1)	-8%
2. Samsung	(2)	+29%
3. Micron	(3)	+4%
4. IBM	(6)	+19%
5. Infineon	(4)	**+3%**
6. Freescale**	(8)	+4%
7. STM	(7)	-4%
8. TI	(5)	-26%
9. AMD	(9)	+11%
10. NEC	(10)	+4%



🟦 Q1 2005
■ Q1 2004

Revenues [USD bn]

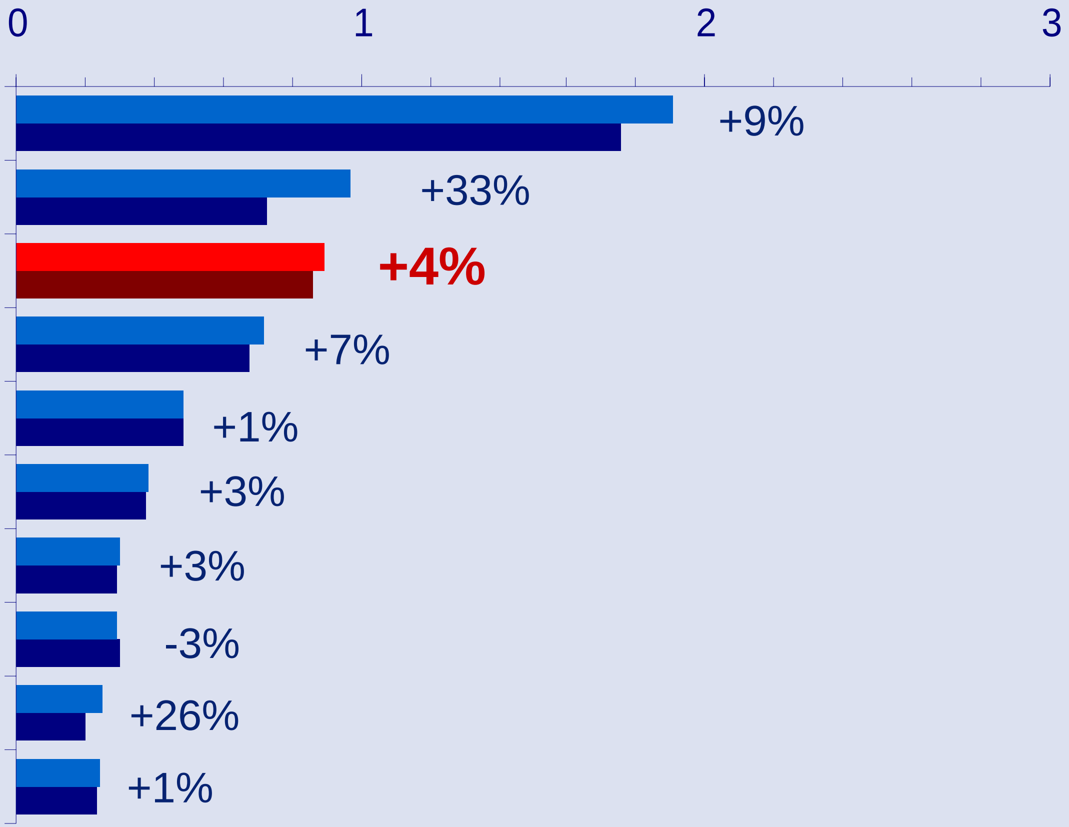
* North-, South-, Central America and the Carribean

** Ex-Motorola Semi

Source: iSuppli, June 2005

Ranking Europe

Rank Q1 2005	Rank Q1 2004
1. Intel	(1)
2. Samsung	(3)
3. Infineon	(2)
4. STM	(4)
5. TI	(5)
6. Philips	(6)
7. Freescale*	(8)
8. AMD	(8)
9. Micron	(10)
10. Renesas**	(9)



🟦 Q1 2005
■ Q1 2004

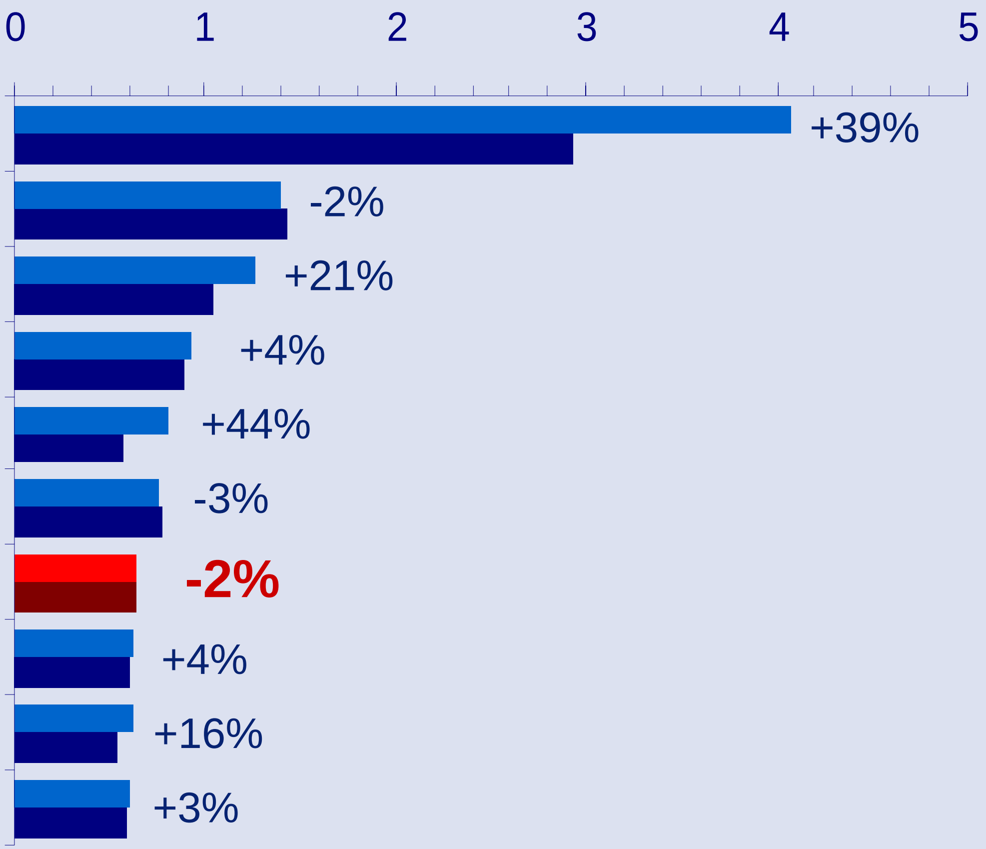
* Ex-Motorola Semi
** Merger of Mitsubishi and Hitachi

Revenues [USD bn]

Source: iSuppli, June 2005

Ranking Asia

Rank Q1 2005	Rank Q1 2004	
1. Intel	(1)	+39%
2. Samsung	(2)	-2%
3. TI	(3)	+21%
4. STM	(4)	+4%
5. Hynix	(9)	+44%
6. Philips	(5)	-3%
7. Infineon	(6)	**-2%**
8. Freescale**	(7)	+4%
9. Renesas*	(10)	+16%
10. Toshiba	(8)	+3%



🟦 Q1 2005
■ Q1 2004

* Merger of Mitsubishi and Hitachi
** Ex-Motorola Semi

Revenues [USD bn]

Source: iSuppli, June 2005

Ranking in all targeted applications

* Application-specific semiconductor
Source: Gartner Dataquest (March 2005); iSuppli (March 2005)

Market

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Infineon at a glance

- Infineon – the No. 6 semiconductor company worldwide
- Revenues of Euro 7.2 billion in the fiscal year 2004; revenues growth of 17% year-on-year
- Approx. 36,000 employees (incl. 7,300 R&D staff) as of June 30, 2005
- Strong technology portfolio with about 41,000 patents and applications; more than 35 major R&D locations worldwide
- Most advanced fab cluster in 300mm production
- Focus on automotive and industrial electronics, security and chip cards, communication and memory products

Infineon – Market-oriented business structure

Business Groups

Applications

AIM

Automotive, Industrial & Multimarket

Car Electronics (powertrain, safety management, body & convenience, infotainment), **Power control** (distributed power generation, automation / motor control, traction, power supplies), **Chipcard & Security** (communications, payment, identification, entertainment)

COM

Communi-cation

Mobile Solutions, Cellular Base Stations, Broadband and Carrier Access, Metro Ethernet Access, Local / Personal area wireless, GPS, CPE, Tuner

MP

Memory Products

Desktop and notebook PCs, workstations, infrastructure (servers and networking), computer peripherals, PDAs, SMART phones, consumer products, Removable-Solid-State-Memories (Flash-Cards)

Customers

Infineon's technology competence

Memory

DRAM: 170nm – 90nm Trench

eDRAM: 170nm Trench

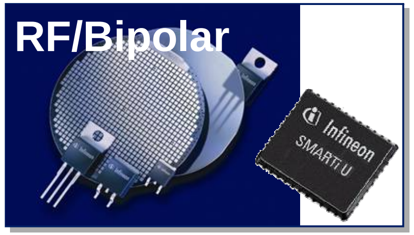
Nonvolatile Memory: 170nm – 110nm TwinFlash

Various Future Memory Technologies under review and development

CMOS

Digital CMOS: 1200nm – 90nm Technology Nodes (Platform <180nm incl. RF, AMS)
Analog/Mixed Signal: 1000nm – 180nm Technology Nodes (CxPA, CyNA)
eNVM: EEPROM: M3FR (Low Cost), IMEM, C5FR3,
OTP: C5OP (Automotive)
eFlash/EEPROM: 500nm – 130nm CxFL (Chip Card), CxFLA, CxFLN (Automotive)

RF/Bipolar



RF BICMOS: 25GHz – 75GHz BxHFC, B9COPT
Bipolar IC: <200GHz NF-IC, RF-Bipolar: BxHF, SiGe: B7HFxx, B7HF200, RF Power: BxP
Bipolar/Discretes/MMIC:
Diodes: NF-DI, Tuner: DxT, PIN: DxP, Schottky: DxS
RFMOS: HFMOS, LDMOS, LDCAP
AF Transitors NF-TR; RF-Transistors HFBxN/P, BxHF(D/M), B6HFE, RF Bipolar/SiGE: B7HF

Power/Analog

Bipolar: DOPL, Ax, BIPEP
Analog: SPT170, B6CA, HV-CMOS-SOI
Smart Power (BCD): SPTx (Automotive, EDP)
Smart (SmartMOS CD): SMARTx, MSMARTx, SSMARTx, Opto-TRIAC
SiC Devices: Diode; JEFET (Research)

DMOS (OptiMOS): KSPx, PFET
KSNx, EH4, EHmilli, SFETx
HV-DMOS (CoolMOS): EH5/6, APT6,
EHATx, EHATDx, EHCx
IGBT: IGBTx, LightMOS, ZIGBT,
Fast Recovery Diodes: FRSTDx (EMCONx)

MEMS

Temperature: D-TEMP
Hall: BxCAS, C9FLRN_GMR, CxHV
Pressure: BxCSP, PIEZO, TIREPx,
Inertia: GYRO
Distance Radar

RF MEMs: Int. Passives, Filter, RF-Networks
Microphone
Opto OP-DI, OP-TR

- Market
- Company overview
- **Mission**
- Business development 3rd quarter fiscal year 2005
- Business groups
- General company information

Infineon's four pillars

New Infineon mission based on the four pillars

- **Customer Focus:**
  We think of our customers first; delivering innovative semiconductor solutions to meet their needs today and in the future.

- **Operational Excellence:**
  We are committed to being best-in-class on cost, quality and time-to-market.

- **Profitable Growth:**
  We focus on profitable growth in the interest of our shareholders and employees.

- **Collaborative Leadership:**
  We foster a cooperative culture and work as a global team for the success of our customers.

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Market Environment and results of Infineon in Q3 FY 2005

Infineon

- Stable revenues in Q3 compared to Q2
- Significant pricing pressure in memory market
- Rapid decline of prices in security and chip card business
- EBIT includes charges of Euro 81 million, EBIT loss increased to Euro 234 million
- Net loss in Q3 at Euro 240 million

AIM

- Slightly lower revenues due to higher than expected pricing pressure in security and chip card business
- Revenues for automotive and industrial businesses increased slightly
- Lower EBIT due to pricing pressure at security and chip card ICs

COM

- Revenues decreased slightly due to pricing pressure
- Decline in demand from baseband customers
- Significant improvement of EBIT
- Reduction of idle capacity costs, efficiency programs and lower R&D costs

MP

- Significant price-per-bit decline of app. 30%
- Higher revenues due to strong bit-shipment growth of 45%
- EBIT decline due to higher the expected price decline, ramp-up costs of 300mm production at Richmond

Business highlights Q3 FY 2005
Automotive, Industrial & Multimarket

- Infineon received the Supplier Award 2004 from Continental for outstanding performance in logistics and quality. In addition, Astec awarded the company its Quality Award for the implementation of Infineon's zero-defect program, which was launched at IBM.
- Infineon will supply the German government with its secure chips for use in next-generation electronic passports, which the German Passport Office intends to begin to issue in November 2005. The company will also supply a special chip package developed for identity cards and passports, as well as the inlay containing the antenna and its connection to the chip.
- In the third quarter, the company signed an agreement with a leading hard-disk-drive manufacturer to develop a product to enter the new and fast-growing market segments of mobile applications.

Business highlights Q3 FY 2005
Communications

- We sampled our first UMTS six-band single-chip CMOS RF transceiver, which makes UMTS phones usable worldwide. The new SMARTi 3G has achieved design wins at various customers and is the world's first CMOS RF transceiver specifically developed for UMTS applications.
- We launched a new multimedia phone platform offering flexible support to GPRS and EDGE cellular standards. The MP-E platform includes all hardware and software components required for high-performance wireless phones with advanced multimedia functionality such as video streaming, video recording and playback. The true three-chip solution consisting of multi-media baseband, power management unit and CMOS RF transceiver makes possible one of the cellular industry's smallest platforms.
- With the first sample of its VINAX chip available, we announced the industry's first fully standard-compliant VDSL2 end-to-end solution. With VINAX, we extend our comprehensive DSL portfolio and established a leading position in VDSL2, which is necessary for Triple Play services such as multi-channel HDTV, on-line / on-demand gaming and video applications, Voice over IP, and high-speed internet access.

Business highlights Q3 FY 2005
Memory Products

- Start of commercial production based on 90nm DRAM trench technology. Two products available: 512M DDR and 512M DDR2.
- Strong bit-growth of about 45% compared to previous quarter.
- Increased share of specialty DRAMs (Graphic and Mobile RAM).
- Sampling started of customized 8GB (Gigabyte) DDR2-400 Tall registered DIMMs based on dual-die technology.
- First to provide DDR3 devices with full interface functionality to major PC enabler.
- Only company to offer complete in-house solution for next generation server modules (FB-DIMMs), including DRAM module, AMB-Chip and heat spreader.

Business Development Infineon, Comparison Q2 FY 2005 vs. Q3 FY 2005 and 9 months FY 2004 vs. 9 months 2005

(according to US GAAP in EUR m)	Q2 FY 2005	Q3 FY 2005	Change	9 Months FY 2004	9 Months FY 2005	Change
Net sales	1,606	1,606	0	5,202	5,028	(174)
Growth (%)		0			(3)	
EBIT	(117)	(234)	(117)	143	(140)	(283)
Net profit (loss)	(114)	(240)	(126)	17	(212)	(229)
Earnings / (loss) per share (EUR)	(0.15)	(0.32)	(0.17)	0.02	(0.28)	(0.30)

Revenue performance and EBIT development (1 of 2)

Revenue and EBIT

(according to US GAAP [EUR m])	Q3 03/04	Q4 03/04	Q1 04/05	Q2 04/05	Q3 04/05
Automotive, Industrial & Multimarket					
Revenues	669	708	631	634	625
EBIT	74	90	48	36	23
Communication					
Revenues	419	466	414	332	314
EBIT	2	(73)	(19)	(142)	(88)
Memory Products					
Revenues	811	807	766	633	659
EBIT	(50)	149	196	17	(125)

Prior period segment results are reclassified to be consistent with the current period presentation and organizational structure.

Revenue performance and EBIT development (2 of 2)

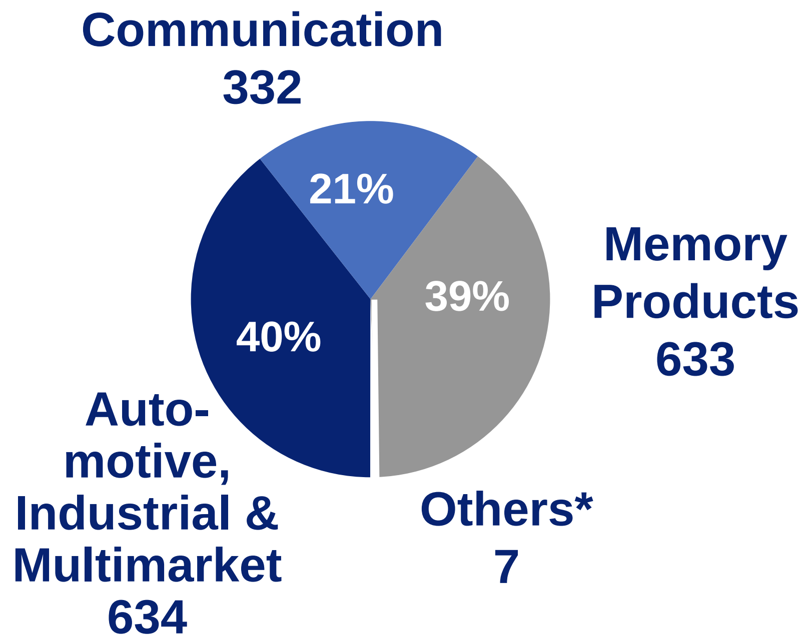
Revenue and EBIT

(according to US GAAP [EUR m])	Q3 03/04	Q4 03/04	Q1 04/05	Q2 04/05	Q3 04/05
Others					
Revenues	1	3	3	4	3
EBIT	(9)	(35)	(2)	11	(1)
Corporate & Reconciliation					
Revenues	8	9	2	3	5
EBIT	(15)	(18)	(12)	(39)	(43)

Prior period segment results are reclassified to be consistent with the current period presentation and organizational structure.

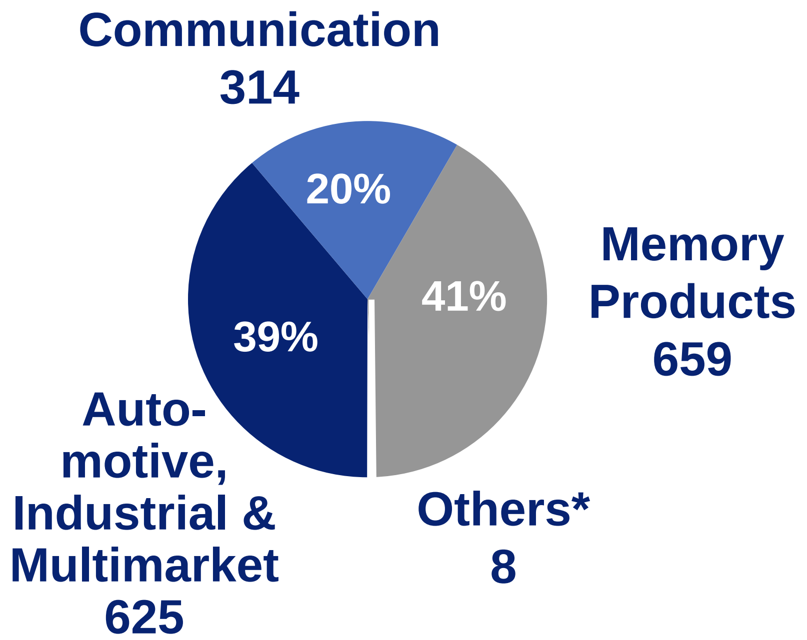
Sales by segments,
2nd quarter FY 2005 and 3rd quarter FY 2005

Q2 FY 2005



Total: EUR 1,606 m

Q3 FY 2005



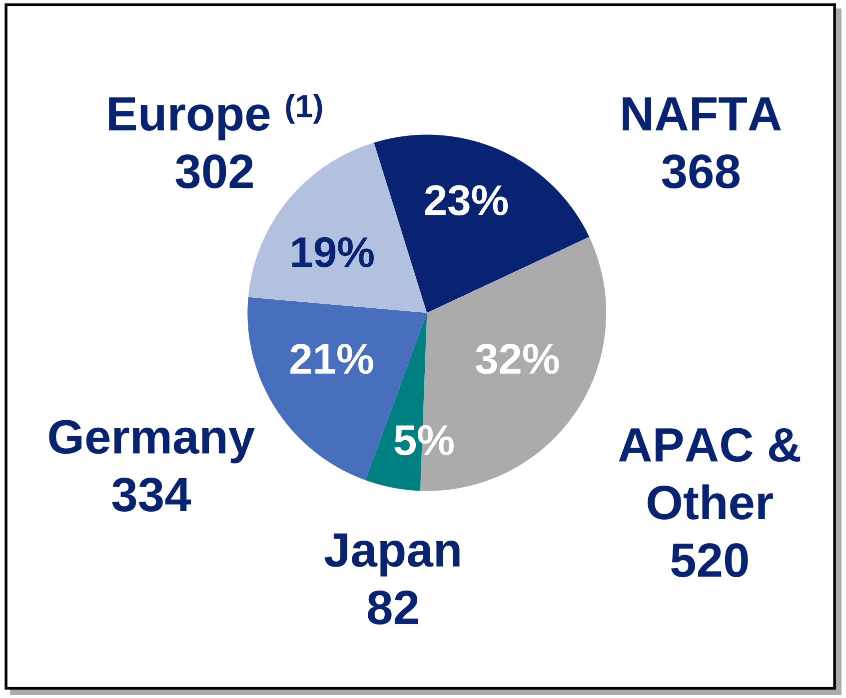
Total: EUR 1,606 m

(according to US GAAP)

* Includes Corporate & Reconciliation and Other Operating Segments

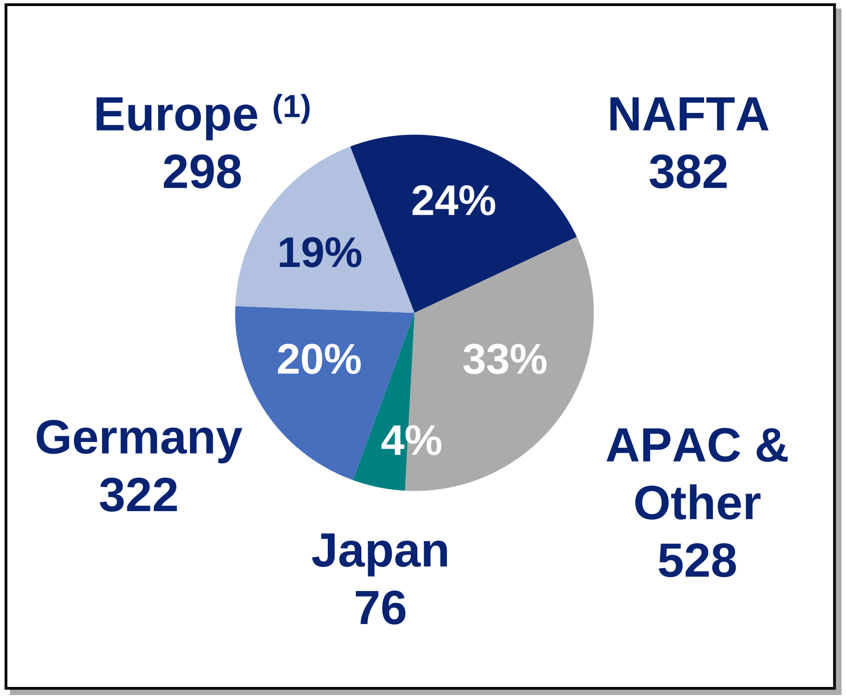
Sales by region,
2nd quarter FY 2005 and 3rd quarter FY 2005

Q2 FY 2005



Total: EUR 1,606 m

Q3 FY 2005



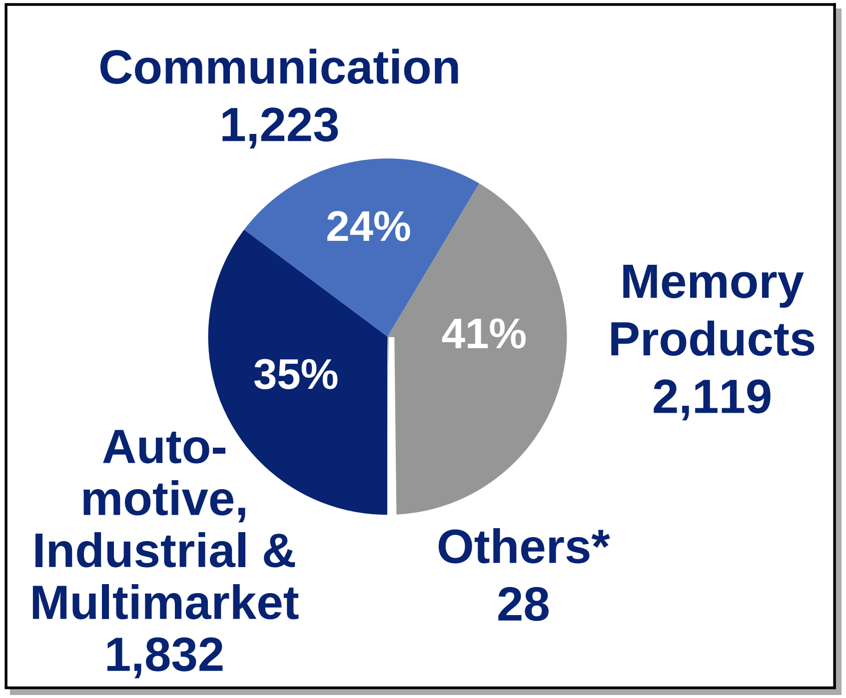
Total: EUR 1,606 m

(1) Excluding Germany

(according to US GAAP)

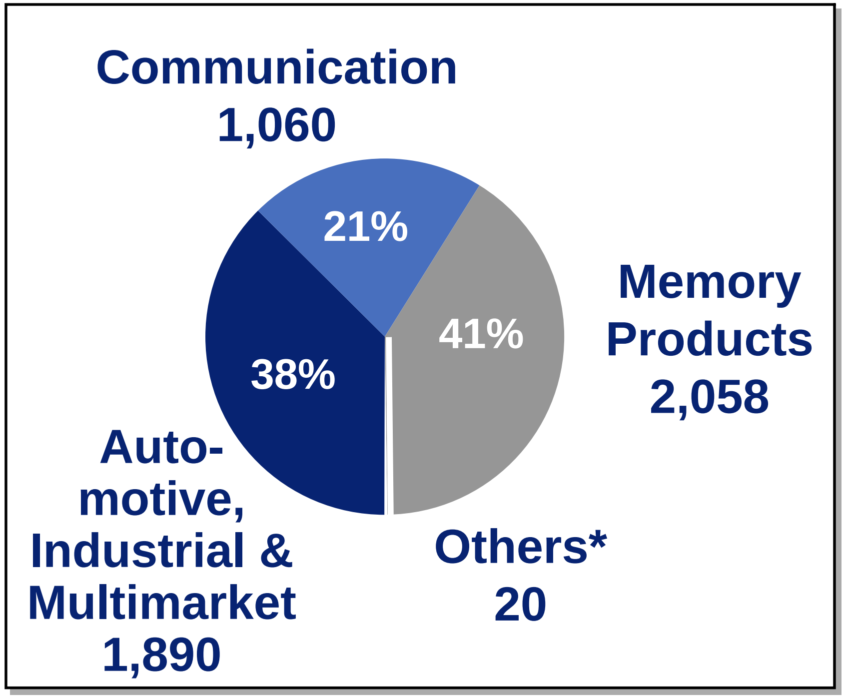
Sales by segments, 9 months FY 2004 and 9 months FY 2005

9 Months FY 2004



Total: EUR 5,202 m

9 Months FY 2005



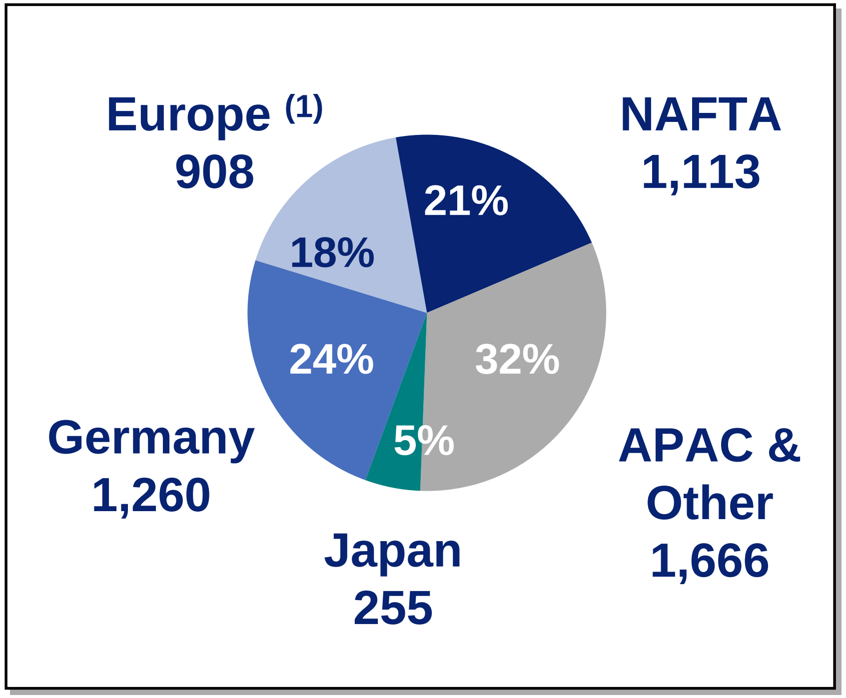
Total: EUR 5,028 m

(according to US GAAP)

* Includes Corporate & Reconciliation and Other Operating Segments

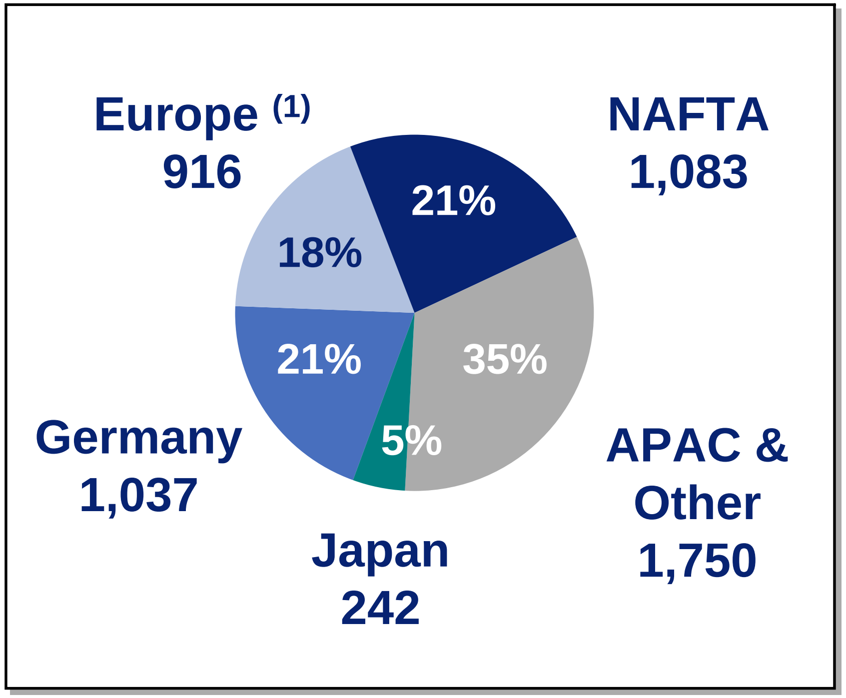
Sales by region,
9 months FY 2004 and 9 months FY 2005

9 Months FY 2004



Total: EUR 5,202 m

9 Months FY 2005



Total: EUR 5,028 m

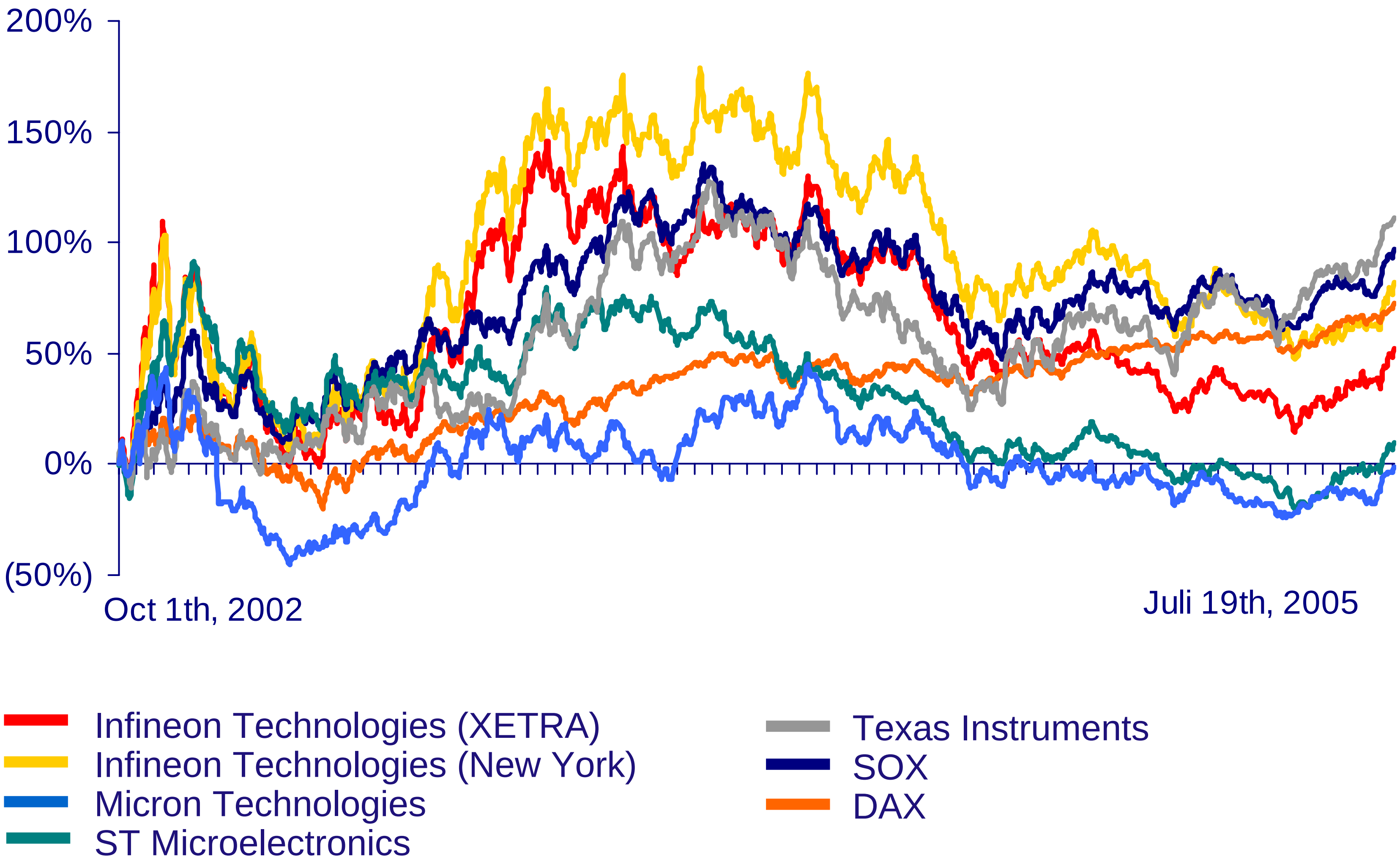
(1) Excluding Germany

(according to US GAAP)

Outlook for Q4 FY 2005

- Improved Q4 compared to Q3 expected.
- Stable revenues and EBIT for **AIM** expected, despite ongoing pricing pressure especially at security and chip card ICs. Planned phase-out of production at Munich-Perlach and start-up costs for production site at Kulim will negatively impact EBIT through the end of CY 2006.
- For **COM**, stable or slightly increasing revenues expected compared to Q3. EBIT loss anticipated to remain stable or decrease slightly excluding impairment charges.
- For **MP** a further increase in memory loads per system, increasing demand and only moderate growth of supply in the industry expected for Q4. A rather balanced supply and demand ratio is anticipated. In addition, we expect to gain further market share with our bit shipments further increasing at a rate above market growth, as a result of constantly increasing capacities at our joint venture and foundry partners and due to the start of ramp-up of the 300mm production facility in Richmond. We will continue to focus on diversification of our memory product portfolio aiming at improving market shares and reducing price volatility.

Relative performance of IFX stock since the beginning of FY 2003



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Infineon – Business groups

AIM

Automotive, Industrial & Multimarket

COM

Communication

MP

Memory Products

Automotive Semiconductor Solutions
Combining sensing, computing and actuating

		Sense	Compute	Actuate
Powertrain - Diesel Engine Mgmt. - Gasoline Engine Mgmt. - Transmission Control - Starter / Alternator		▪ Pressure Sensors ▪ Hall Sensors	▪ 16 bit µC ▪ 32 bit TriCore® (µC + DSP)	▪ MOSFETs ▪ IGBTs ▪ Regulators ▪ Transceivers ▪ Smart Power ▪ System ICs
Safety Management - ABS / Traction Control - Suspension - Airbag + Restraint Systems - Power Steering - Tire Pressure Monitoring		▪ Pressure Sensors ▪ Hall Sensors ▪ RF ICs	▪ 8 bit µCs ▪ 16 bit µCs ▪ 32 bit TriCore® (µC + DSP)	▪ Diodes ▪ Transistors ▪ MOSFETs ▪ Regulators ▪ Transceivers ▪ Smart Power ▪ System ICs
Body & Convenience - Light Control - Heating, Ventilation, Air Condition - Door & Seat - Smart Battery Terminal		▪ Hall Sensors ▪ Temp. Sensors ▪ RF ICs	▪ 8 bit µCs ▪ 16 bit µCs	▪ Diodes ▪ Transistors ▪ MOSFETs ▪ Regulators ▪ Transceivers ▪ Smart Power
Infotainment - Telematics - Navigation - Multimedia - Car Audio - Dashboard		Microcontrollers, Wide Range (GSM/GPRS) and Short Range (Bluetooth, WLAN) communication solutions, GPS, High Frequency ICs, CAN/MOST Transceivers, Plastic Optical Fibres, Multimedia Cards, Power ICs, Security ICs		

AIM

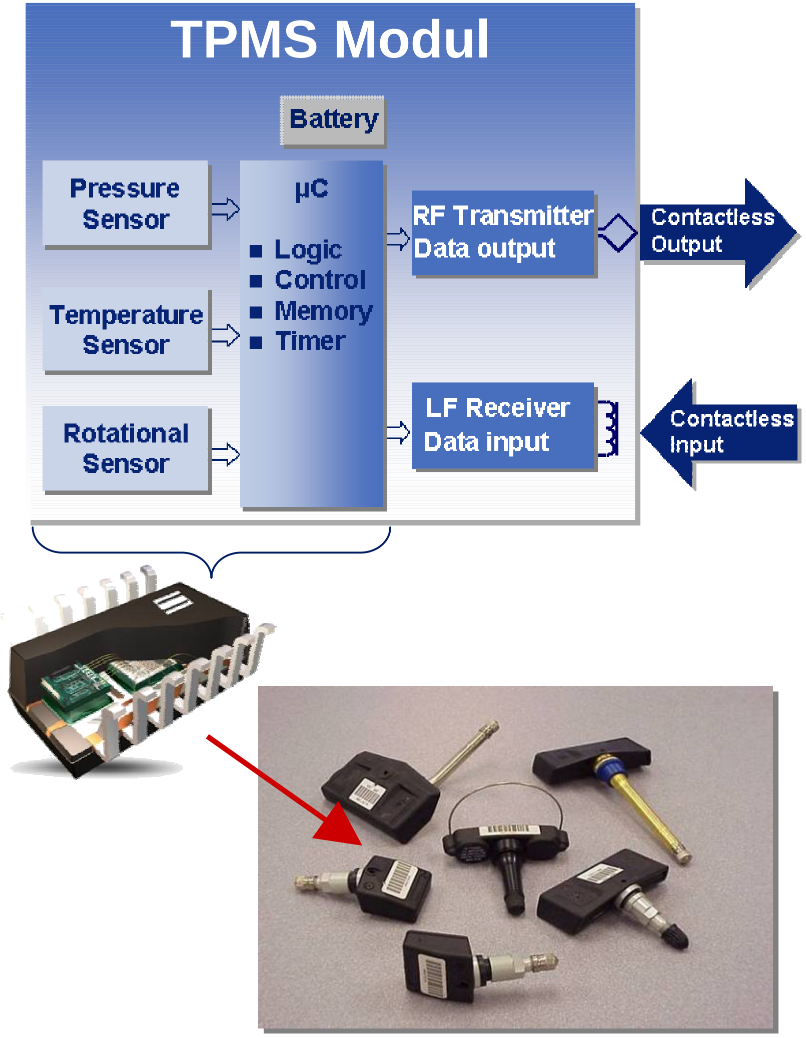
Advanced sensors, controllers and RF ICs for Tire Pressure Monitoring Systems (TPMS)

- Infineon utilizes its combined wireless and automotive know-how to build a leading position in Tire Pressure Monitoring Systems

- Key solutions include:
  - Leading edge Pressure, temperature and rotational sensors
  - High-performance microcontrollers
  - Broad range of transmitter, receiver and transceiver ICs

- Our core competencies in sensors:
  - Advanced signal processing
  - Strong technical support expertise

- Key sensor trends:
  - Further integration of functionality through advanced signal processing
  - Increased robustness
  - Standardized signal transmission concepts



TPMS Modul

Battery

Pressure Sensor

Temperature Sensor

Rotational Sensor

µC
- Logic
- Control
- Memory
- Timer

RF Transmitter Data output

LF Receiver Data input

Contactless Output

Contactless Input

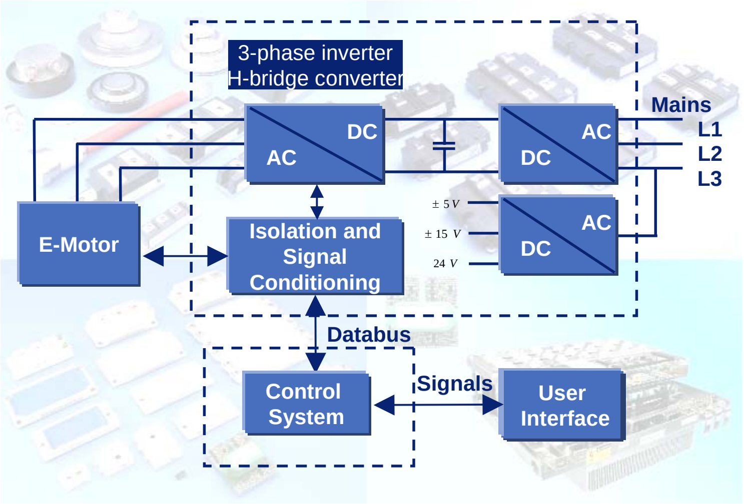
AIM

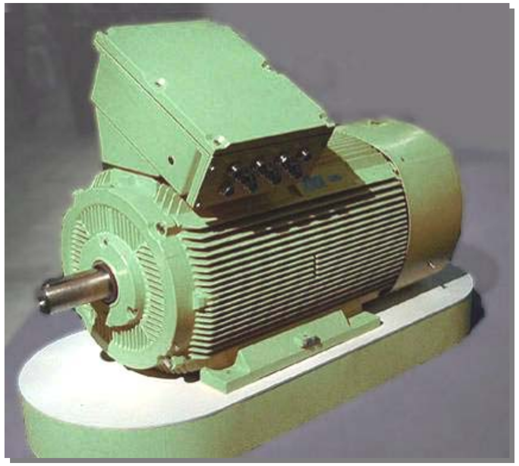
Controlling power with power semiconductors, power modules and microcontrollers

		Power Discretes	Power Modules	Power ICs	Micro-controllers
Distributed Power Generation		Thyristor & Diodes PressPACK	EasyPIM™ EasyPACK™ EconoPACK™ IHM modules BIP modules Stacks	EiceDrive™	8-bit µCs 16-bit µCs 32-bit TriCore® (µC + DSP)
Automation / Motor Control **- Industrial Drives** **- Consumer Drives**		EmCon™ Trench Stop IGBTs Fast IGBTs	EasyPIM™ EasyPACK™ EconoPACK™ IHM modules BIP modules Stacks	PWM & PFC ICs EiceDrive™	8-bit µCs 16-bit µCs 32-bit TriCore® (µC + DSP)
Traction		Thyristor & Diodes PressPACK	IHM / IHV modules Stacks PrimePACK™ 62mm IGBT modules	EiceDrive™	8-bit µCs 16-bit µCs 32-bit TriCore® (µC + DSP)
Power Supplies **- UPS** **- AC / DC** **- DC / DC**		CoolMOS™ thinQ!™ (SiC Schottky Diode) Highspeed IGBTs OptiMOS®	EasyPIM™ EasyPACK™ IsoPACK™ EconoPACK™ Thyristor- / Diode- modules	PWM & PFC ICs CoolSET™ Integrated switches Gate drivers EiceDrive™	8-bit µCs 16-bit µCs

Industrial drives
Power range from 100 W to 4 MW

- No. 1 worldwide in standard IGBT modules
- No. 3 worldwide in semiconductors for drives
- Product portfolio covers complete application: Power Semiconductors, Rectifiers, IGBT Modules, Controllers, optical POF transceivers
- Inverter solutions for low, medium and high power drives
- IGBT / BIP stacks & subassemblies including drivers & control circuit
- Comprehensive microcontroller portfolio with excellent real time performance and motor control peripherals (PWM, ADC, Timer etc.)
- 16- & 32-bit microcontrollers with DSP processing performance
- TriCore™ based 32-bit micro-controllers and third generation IGBTs allow high performance system solutions for drives


3-phase inverter
H-bridge converter
Mains
L1
L2
L3
DC
AC
AC
DC
AC
DC
E-Motor
Isolation and Signal Conditioning
± 5 V
± 15 V
24 V
Databus
Control System
Signals
User Interface



Chip Card and Security applications
Infineon is well-positioned to serve the key growth markets

Contact-based chip cards

Contactless chip cards, RFID

Security ICs

Communications
Prepaid
Mobile

Payment
Credit / Debit, e-purse

Transport, Ticketing

Identification
ePassport, national ID
Social, Access
RFID, e-Government

Entertainment
Pay-TV, Gaming
Video/Audio

Challenges and developments in the banking market
Chip Card Security expands the value chain for banks

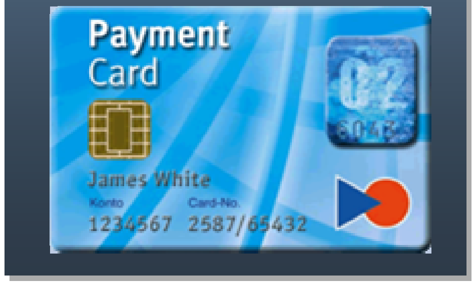
Demand for Chip Security

Substitution of Magstripe Banking cards

Minimum requirement of EMV mandate by VISA and Mastercard

More Added Value for Banks and Customers

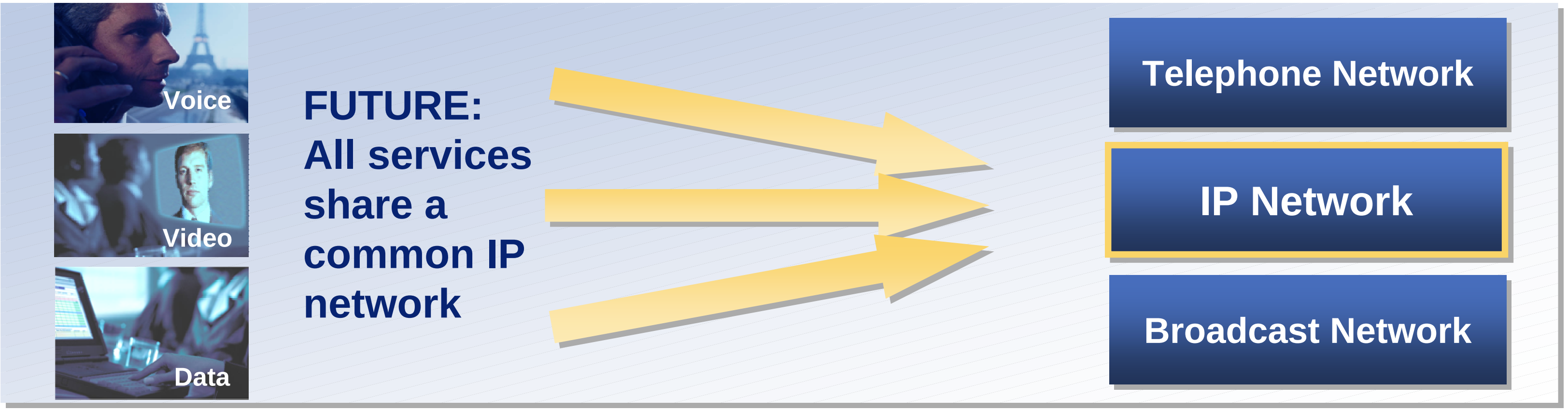
Contactless interface for comfort / public transportation
EMV DDA, loyalty applications, e-purse, etc.



Banks will be the Trust Centers of Tomorrow

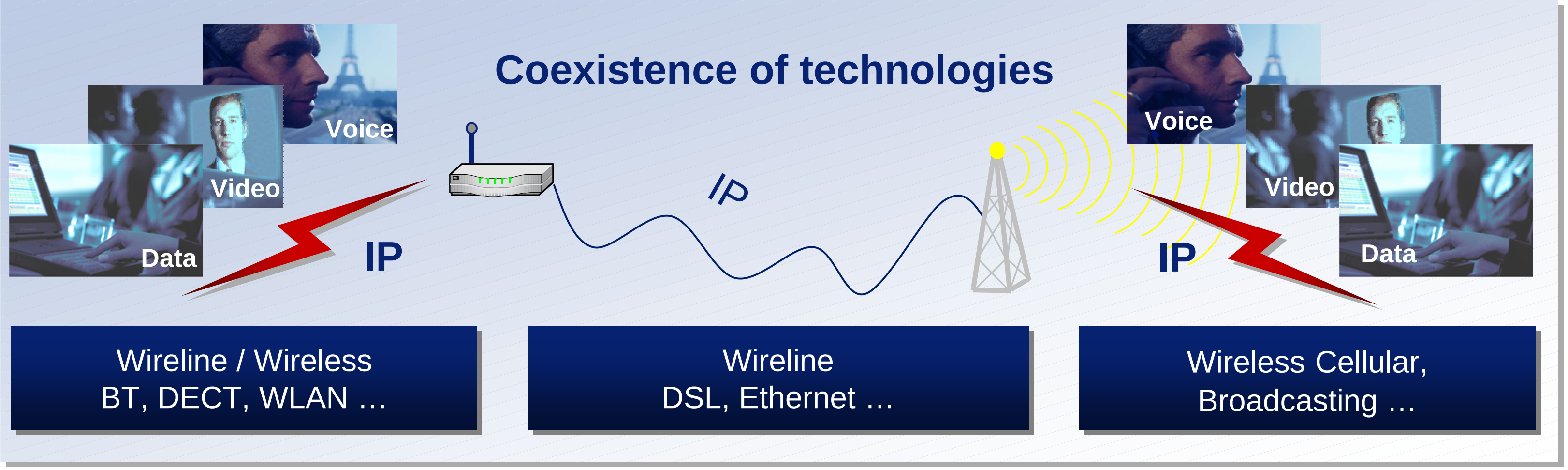
Secure Home Banking
PKI / digital signature enabled by the Bank
(e.g. as Job Card, Health Care Card, Citizen Card, etc.)

We drive the convergence of voice, video and data communications



FUTURE:
All services share a common IP network

- Telephone Network
- IP Network
- Broadcast Network



Coexistence of technologies

- Wireline / Wireless
  BT, DECT, WLAN …
- Wireline
  DSL, Ethernet …
- Wireless Cellular,
  Broadcasting …

Depending on user requirements

Bandwith Range Cost Flexibility Reliability Power consumption

COM business units -
Driving convergence of communication technologies

Broadband Access

Access
CPE

- Complete xDSL CO / CPE portfolio
- One chipset family for all VoIP applications
- Reference designs for ADSL2+ router, VoIP router and IP phones
- Chipsets for T/E carrier, analog linecards and ISDN

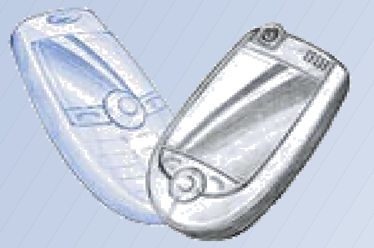
RF Connectivity

RF Engine, RF Power, Tuner System, RF Custom, SR Wireless

- RF transceivers and BAW filters for 2G and 3G mobile phones and wireless data modules
- Power amplifiers and RF ASIC for 2G and 3G base stations
- Bluetooth EDR, A-GPS and WLAN connectivity solutions
- DECT/WDCT chipset
- Analog and digital terrestrial tuner systems

Mobile Phones

Entry Phone, Feature Phone, CP Siemens, Software

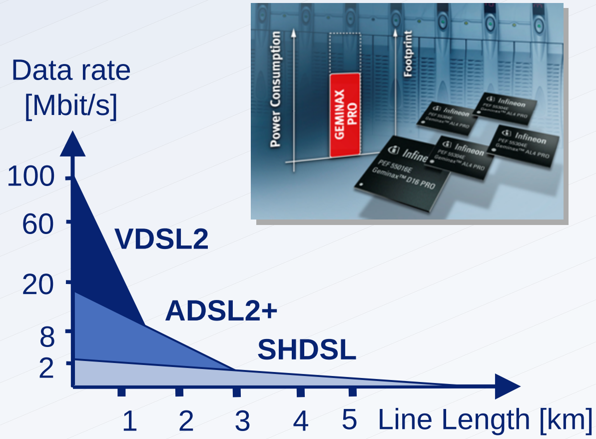


- Reference designs for GSM / GPRS, EDGE and UMTS standards
- RF / Baseband single-chip and multimedia baseband SoC
- Protocol stack and application framework software

Broadband access
Focus areas

Access

- Leading market position in Standard Telecom infrastructure*: No. 1 in T/E carrier, No. 1 in Analog Linecards
- Complete xDSL CO/CPE portfolio:
  - Aggressively gaining market share in ADSL/2/+
  - Industry’s first standard compliant VDSL2 ICs
  - Leading position in SHDSL and VDSL
- First Integrated Voice Data solution, fully integrated splitter and VoIP option
- Significant deployment of Infineon based ADSL2+ DSLAMs and early availability of an ADSL2+ modem chipset
- Highest-quality VoIP and IP telephony solutions



CPE (Customer Premise Equipment)

- Entry in the Digital Home market by combining IFX DSL and packetized Voice with ADMtek's strong Home Router and WiFi technology and market position
- Extensive wired and wireless : Network Processors, NICs, Switches and Router, product portfolio

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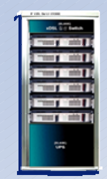
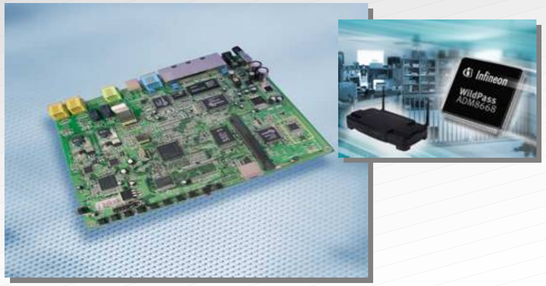
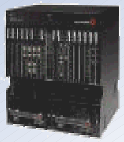
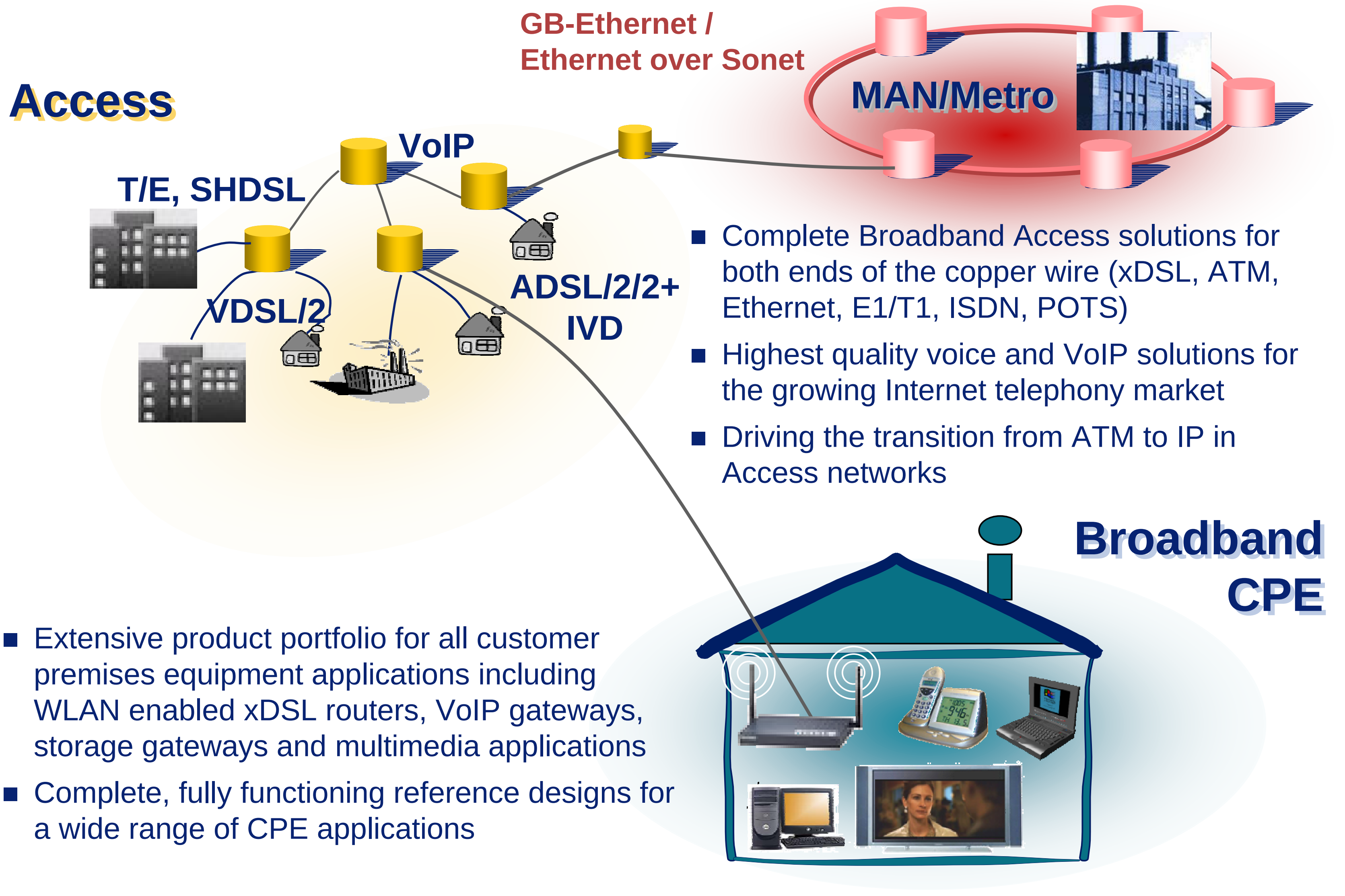
* Gartner, June 2004

Broadband access
Product portfolio

Applications	Product Features
 DSLAM / DLC IVD line-cards  Cellular base-stations 	■ Ultra low power ADSL2+ ■ Fully standard compliant VDSL2 
 Video Phone Media Adapter   Home Gateway	■ Advanced system-on-chips ■ High integration level ■ Multiple interfaces for a wide host of applications ■ Complete system designs 
  IP Phone  VoIP and POTS line cards	■ Complete IP phone SW/HW package ■ Scalable solutions that fit all country requirements 

Broadband access –
End to end broadband access and CPE solutions

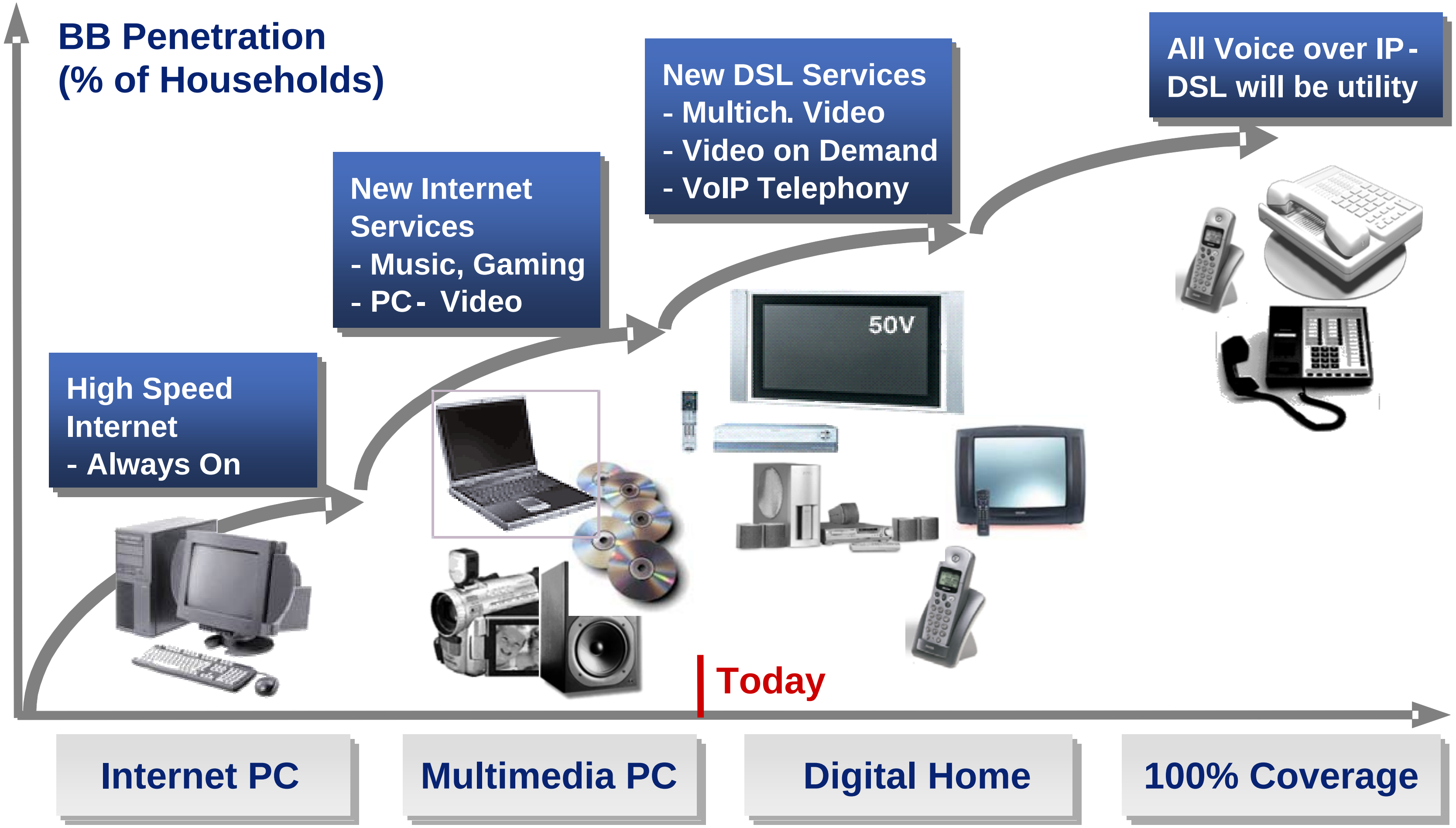


- Complete Broadband Access solutions for both ends of the copper wire (xDSL, ATM, Ethernet, E1/T1, ISDN, POTS)
- Highest quality voice and VoIP solutions for the growing Internet telephony market
- Driving the transition from ATM to IP in Access networks

- Extensive product portfolio for all customer premises equipment applications including WLAN enabled xDSL routers, VoIP gateways, storage gateways and multimedia applications
- Complete, fully functioning reference designs for a wide range of CPE applications

Broadband access - DSL semiconductor market growth is strongly driven by Voice over IP (VoIP)

Broadband Markets



BB Penetration (% of Households)

High Speed Internet
- Always On

New Internet Services
- Music, Gaming
- PC - Video

New DSL Services
- Multich. Video
- Video on Demand
- VoIP Telephony

All Voice over IP - DSL will be utility

Today

Internet PC | **Multimedia PC** | **Digital Home** | **100% Coverage**

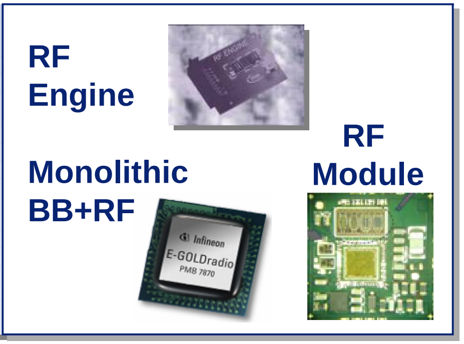
Source: COM AC M; S. Lindecke.

COM

RF connectivity
Focus areas

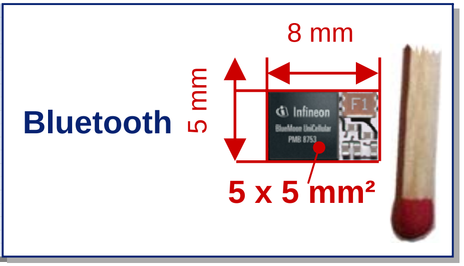
RF Engine

- GPRS / EDGE: Lowest cost solution by using Infineon RF CMOS and 3rd party Power Amplifier and Frontend
- CDMA 2000 : World’s 1st Single Chip CMOS RF SMARTi CD for CDMA 1X
- Multimode UMTS/EDGE: Scalable RF engine solution to address multiband WDCMA requirements
- Full Radio Module: RF engine modules using CMOS RF in coop. with partner
- GPRS World's 1st CMOS Single Chip BB+RF EGOLDradio



Short Range Wireless

- Leading position in DECT/WDTC. Developing new CMOS single chip
- Strong position in Bluetooth with new Enhanced Data Rate solution
- "Hammerhead": first CMOS single chip A-GPS solution in cooperation with Global Locate
- Developing low power W-LAN solution for mobile applications

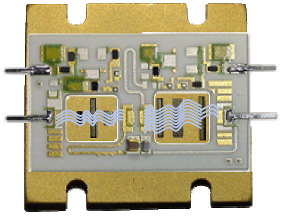


Tuner Systems

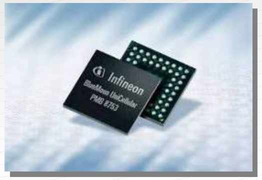
- Leader in the terrestrial market segment with the digital Tuner "TUA6034"
- Focus on the portable and mobile segments with new low power digital tuners for Laptop / PC and Mobile Phone applications with TUA6041 (alignment free) and TUA6045
- Continue to supply and service the analog tuner market segment

RF Power

- Product offerings for radio base stations including RF modules, RF ICs and RF Power Transistors & modules
- No. 2 in high-power RF transistors
- State of the art RF power LDMOS technology and thermally enhanced packaging

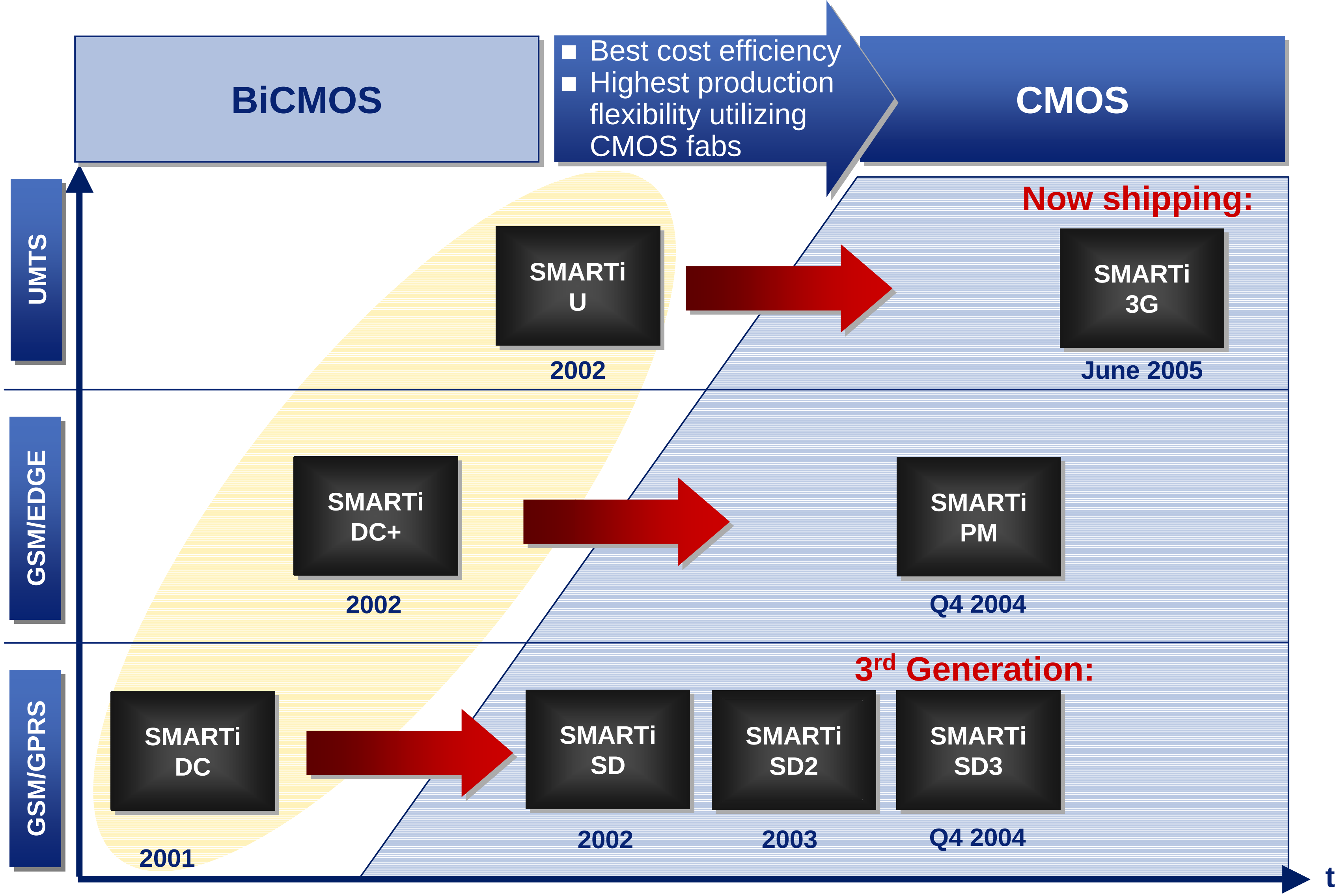


RF connectivity
Product portfolio

Applications	Product Features
RF engine  Mobile phones PC Cards 	■ FTA compliant RF engines ■ Leading edge comprehensive RF CMOS Transceiver portfolio for all mobile system standards ■ Highest level of integration + lowest Bill of Material (BOM) 
Bluetooth WLAN GPS DECT 	■ Bluetooth CMOS-single chip for enhanced data-rate ■ Low power voice centric WLAN solution for phones ■ Fully Integrated CMOS solution for GPS-A ■ Step 8 enhanced feature sets followed by DECT single chip 
Tuner Setup box  PDA  Car TV 	■ Tuner ICs for fixed, portable and mobile TV reception ■ Analog and Digital Cable/Terrestrial TV reception ■ Analog (PAL, NTSC) and Digital (DVB-C/T, ISDB, ATSC, DAB) TV standards ■ Low voltage and low power consumption ■ Digital China Terrestrial, T-DMB standards in focus
RF- Power amplifiers Cellular basestations Broadcast Wi-Max	■ Power levels from 10W up to 300W ■ Frequencies from 450 MHz up to 2700 MHz ■ Ceramic and plastic molded packages 

COM

RF connectivity
Leading RF transceivers' transition to CMOS



BiCMOS

- Best cost efficiency
- Highest production flexibility utilizing CMOS fabs

CMOS

(All dates refer to first customer samples available)

CMOS RF enabling the path towards highest integration - Monolithic integration of baseband & CMOS RF transceiver

2004

RF CMOS transceiver:

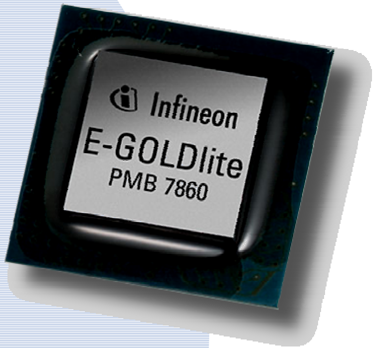
- In volume production
- 130nm CMOS
- Single-chip digital RF solution

Baseband:

- In volume production
- 130nm CMOS
- Integrates:
  - Digital baseband
  - Mixed signal
  - SRAM

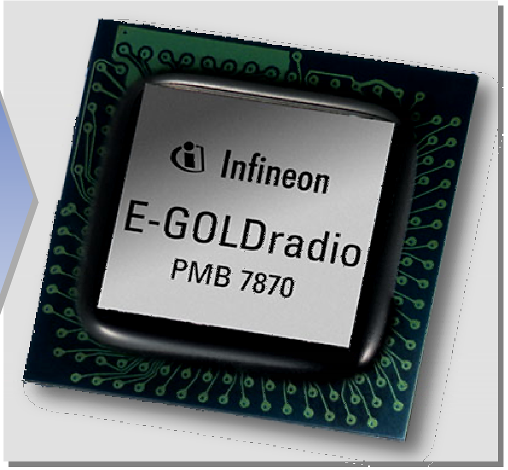
Customer benefits:

- Lower system cost
- Smaller PCB area
- Less complexity



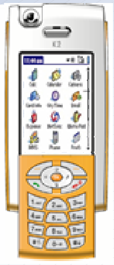
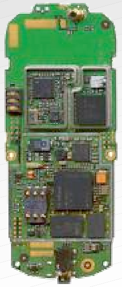
2005

Single-chip: RF and baseband



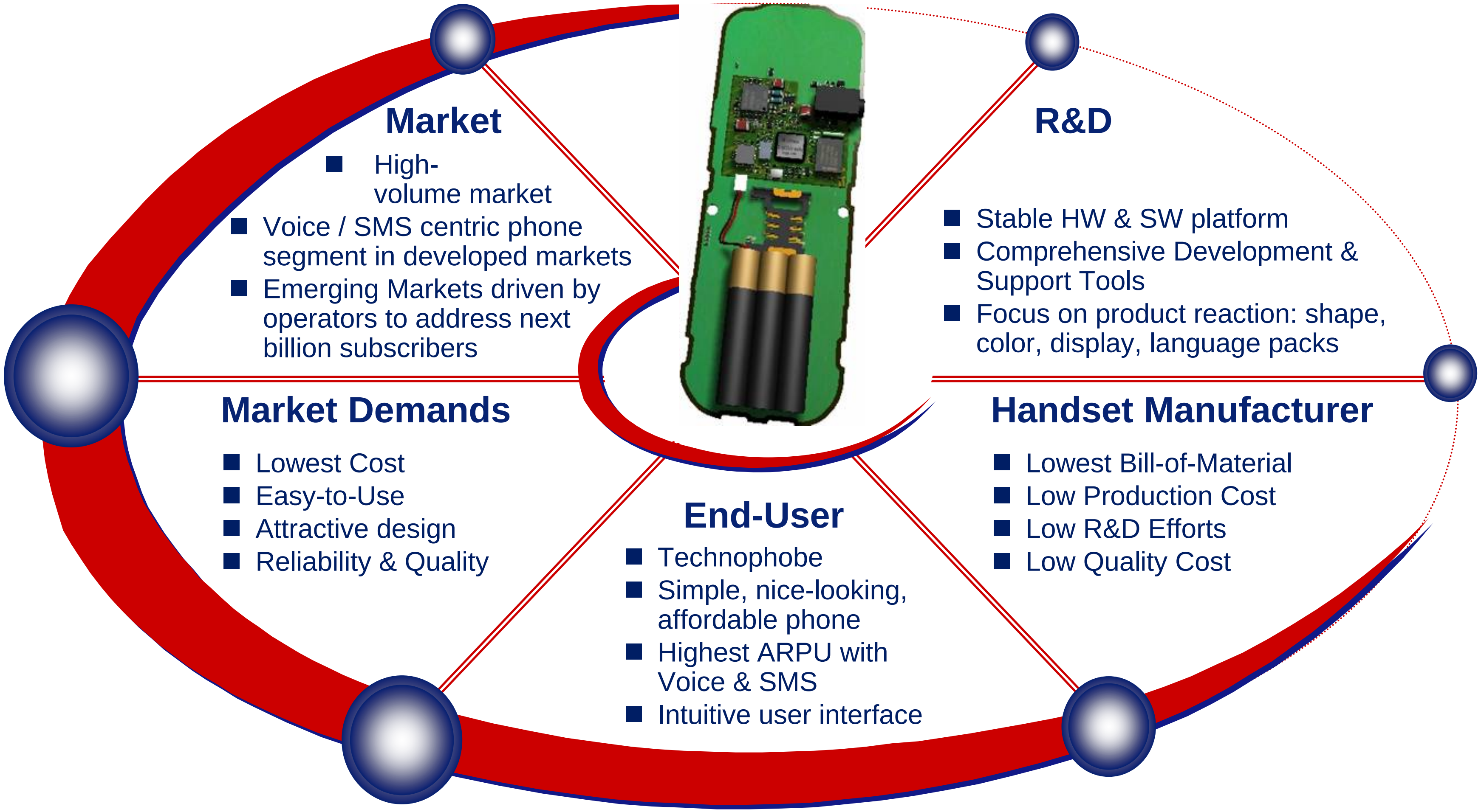
COM

Mobile phone
Product portfolio

Applications	Product Features
SMART Phones Open OS 	Video conferencing / Video streaming Video recording with preview High-speed browsing 3D sound/3D gaming Advanced J2ME features UMTS reception diversity 
MultiMedia Phones MP-E/U Camera 	2 MPix Still Picture Camera Video Playback / Recording Video Streaming w/o companion MPEG4, H.263, MP3, AAC++ Voice recording / recognition
Low-End Feature Phones MP-1G Apoxi 	VGA Camera Module Polyphone Ringer: up to 40 voices Video: MPEG-4/H.263 play/Record Codecs: FR / HR / EFR / NB-AMR Connectivity: IrDA, USB 2.0, Bluetooth 

Never stop thinking

Mobile phone
Infineon's ULC platforms meets all market requirements



Market
- High-volume market
- Voice / SMS centric phone segment in developed markets
- Emerging Markets driven by operators to address next billion subscribers

R&D
- Stable HW & SW platform
- Comprehensive Development & Support Tools
- Focus on product reaction: shape, color, display, language packs

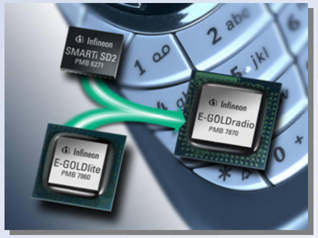
Market Demands
- Lowest Cost
- Easy-to-Use
- Attractive design
- Reliability & Quality

End-User
- Technophobe
- Simple, nice-looking, affordable phone
- Highest ARPU with Voice & SMS
- Intuitive user interface

Handset Manufacturer
- Lowest Bill-of-Material
- Low Production Cost
- Low R&D Efforts
- Low Quality Cost

Infineon's contribution:
ULC platform enables mobile phones' BOM for < 20 USD

Component cost



- Highest level of integration: single-chip E-GOLDradio
- Optimization of external components
  - Minimum of memory: only 2 MByte Flash
  - Supports standard Ni-MH AAA-cells
  - Combined headset/charger connector
  - 4-layer PCB
  - Linear Charger

Manufacturing cost

- Low component count of less than 100 components on PCB
- Reduction of manufacturing time: Single-sided mounted PCB
- Reduction of test time: Calibration time reduced from 60s to 1s
  - Lowest field-return rate

Optimized Total Cost

R&D cost

- Stable and mature E-GOLDradio platform
- Comprehensive Development & Supporting tools
  - Graphical MMI with small memory footprint
  - Support for unicode, bi-directional based languages and dialects

Portfolio cost

- Different memory options for
  - Color display support
  - Ring tones, personalization
  - Language packages
- Migration path to Entry Phone platform BP3 and next generation ULC platforms

Strong commitments for customers success

Customer Commitment

We achieve sustainable success through partnering with our customers

- Top three position in worldwide markets for voice and data access over copper infrastructure enables customers to expand and succeed in access and broadband CPE
- Leading positions in wireless (RF + GSM/GPRS baseband)
- Focused investment in strategic business areas

Product Innovation

We team up with top industry players and organizations to create best-in-class solutions

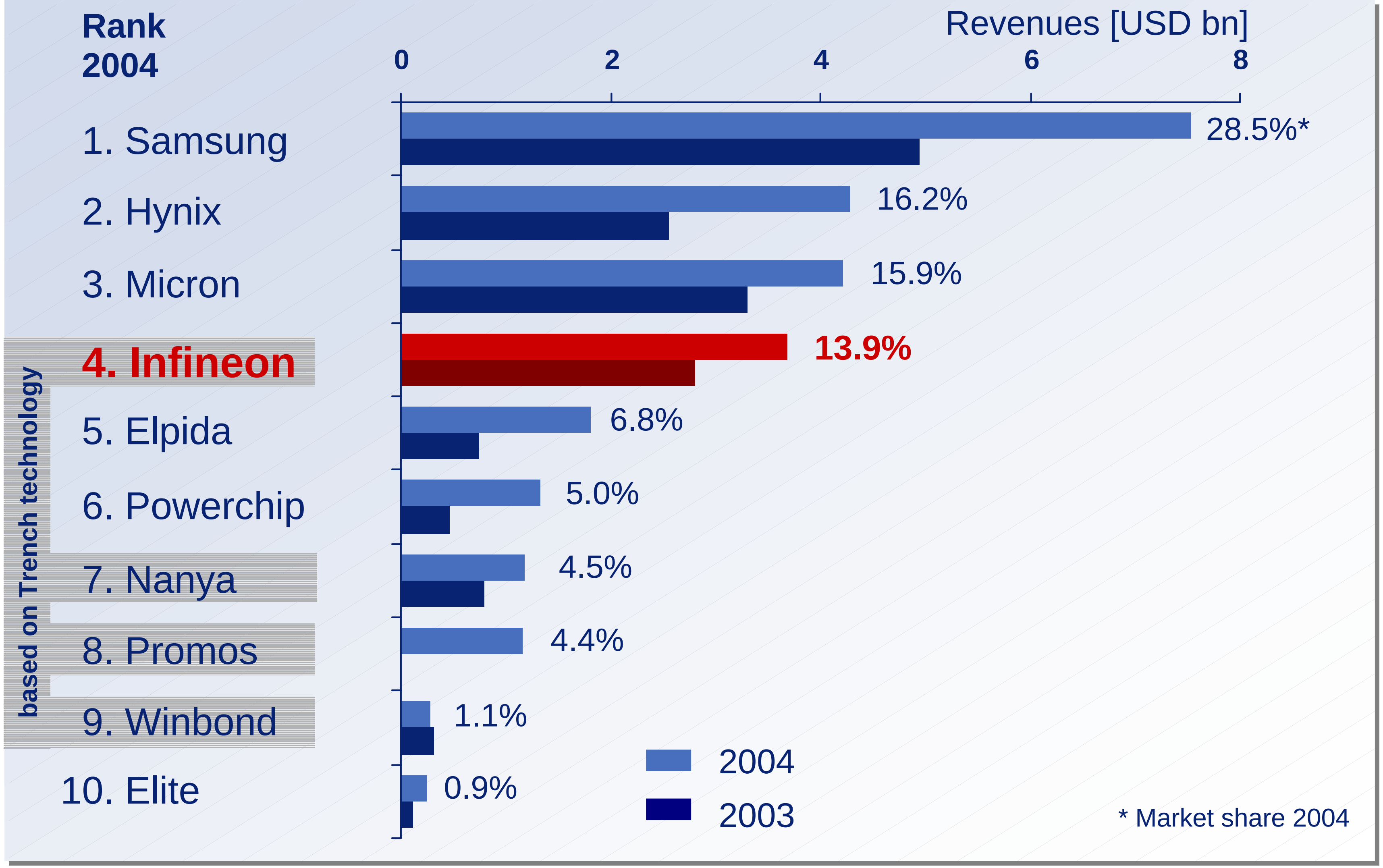
- Innovative, power/cost efficient xDSL, ATM, Ethernet, VoIP, analog voice portfolio
- Industry-leading RF chips/chipsets, integrated platform solutions (single-chip phones)
- Worldwide presence of COM design resources

Execution Excellence

We cover the complete semiconductor value chain and guarantee maximum flexibility in development and production

- Deep understanding / know how related to complexity of data/voice/video over copper wire infrastructure
- Best in class cost position for RF CMOS
- Software / hardware integration IP and system knowledge

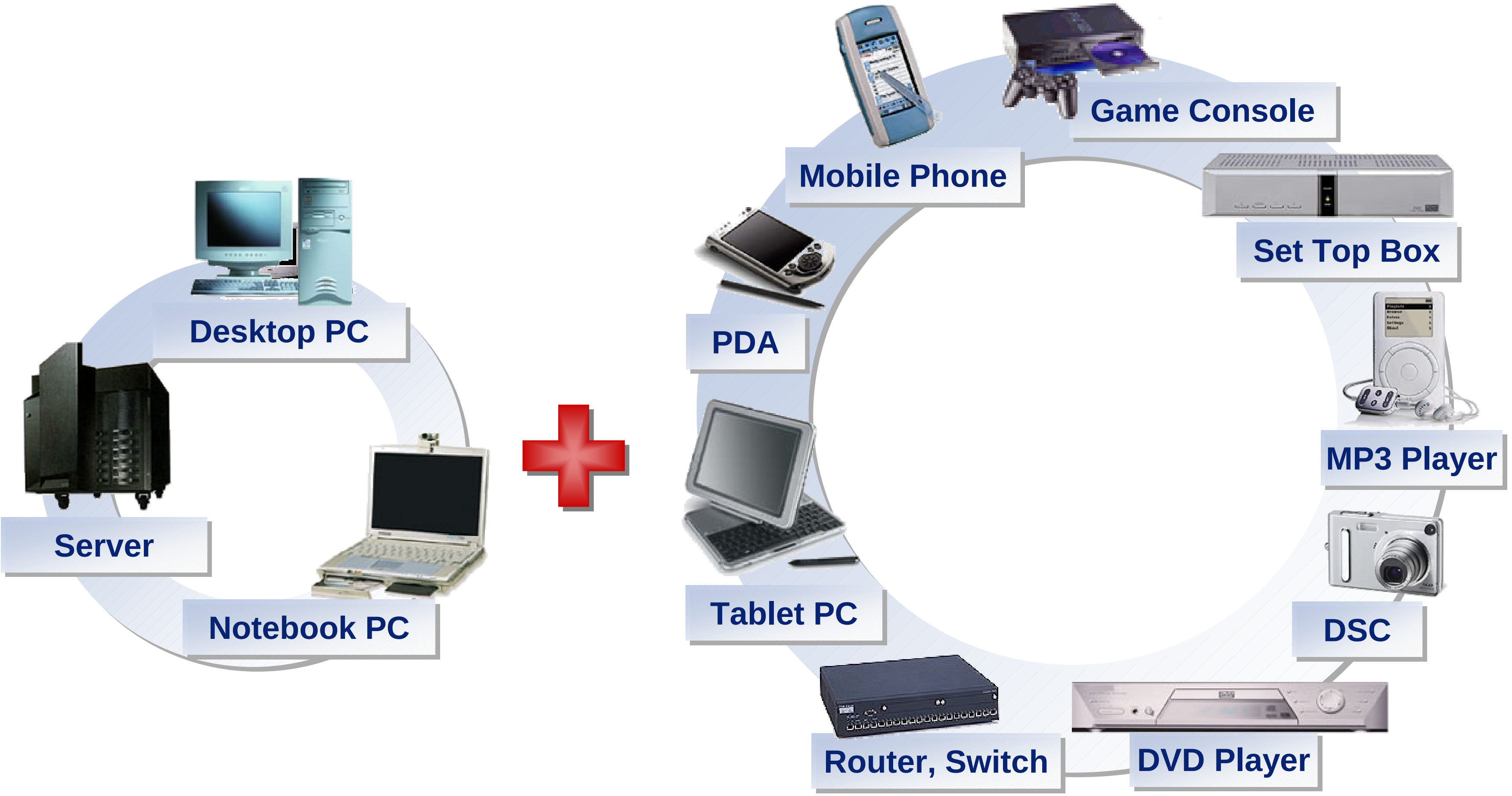
Worldwide DRAM Revenue Ranking 2004 and 2003



Source: iSuppli, March 2005

MP

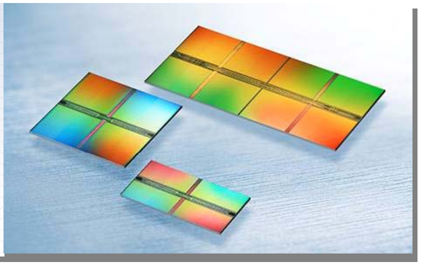
The market place – new Memory applications



MP – strengths

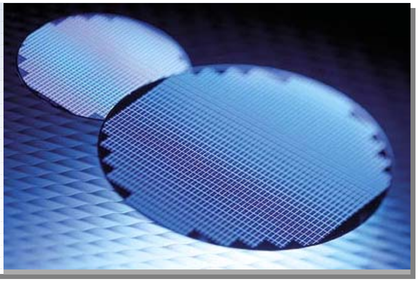
Technology leadership

- Commercial production based on 90nm technology started: 512M DDR and 512M DDR2 products on 90nm available
- First product prototype on 70nm technology



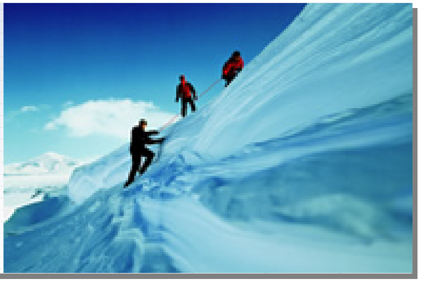
Manufacturing leadership

- Most advanced global fab cluster
- Leader in manufacturing on cost efficient 300mm wafers



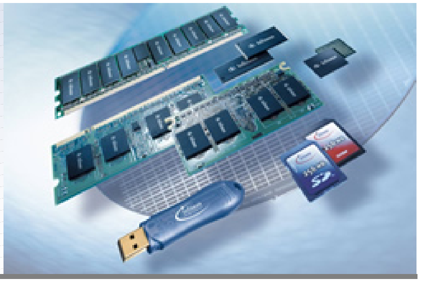
Strong technology and manufacturing alliances

- Joint technology development to improve economies of scale
- Improve market position with reduced capital requirements
- Flexible capacity increase through foundries



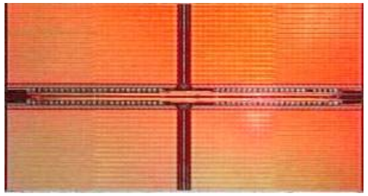
Expanding product portfolio

- Expanding module portfolio for mobile PCs and infrastructure
- Increasing focus on consumer and specialty DRAMs
- Including expanding portfolio for NAND-compatible Flash



DRAM technology roadmap

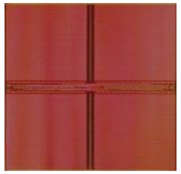
2004 – 110nm



256M DDR 110nm

- Early adoption of 193nm lithography

2005 – 90nm



512M DDR 90nm

- Key innovations:
  Bottle shaped trench
  New cell layout
- Commercial production started Q2 2005

2006 – 70nm

512M DDR2 70nm

- First prototype on 300mm available

DRAM fab cluster

DRAM Fab Cluster

Frontend

Dresden
200 + 300mm

Richmond
200 + 300mm

Inotera
300mm

SMIC™
200 + 300mm

Winbond Electronics Corp.
200 + 300mm

Identical Technology Roadmaps

Global Process Synchronization and Quality Control

Best Practice Sharing and Fast Ramps

Backend

Dresden

Porto

Malacca

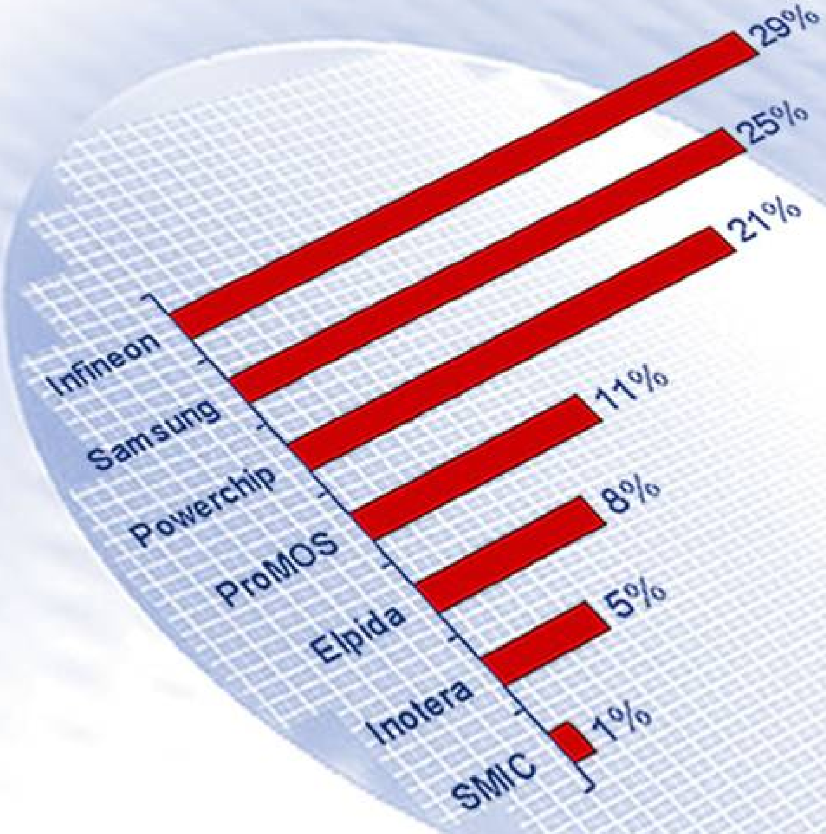
Suzhou

EEMS
Kingston Technology
UTAC

One (virtual) Fab to the Customer

Leader in 300mm DRAM manufacturing

2004 Annual 12-inch Wafer Production Market Shares



Source: iSuppli, February 2005

MP

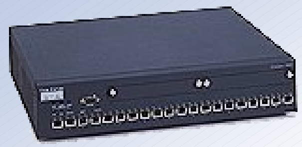
The new organization of Memory Products: Focus on applications and market segments

Business Units	**Computing**	**Graphics**	**Consumer & Mobile**	AENEON Simply advanced	**Flash**
Application (Selection)	■ Desktop PC ■ Notebook PC ■ Server ■ Workstation ■ Storage ■ Networking	■ Graphics ■ Game Console ■ Game Handhelds	■ Mobile Phones ■ Set-Top-Box ■ DVD Players & Recorders ■ DSC ■ MP3 Players ■ Car Navigation ■ PDA ■ Digital TV ■ Peripherals	■ Desktop PC ■ Notebook PC ■ Workstation	■ Mobile Phones ■ DSC ■ MP3 Players ■ USB Drive ■ PDA ■ Flash cards
Drivers	Replacement Performance Internet Infrastructure Bandwidth Data Warehouse	Performance Digital Lifestyle 3D picture New games	Mobility Digital Lifestyle Low-Power Info Mgmt. Content Download	Performance Emerging markets White boxes	Data Storage Digital Lifestyle Mobility

Computing Portfolio

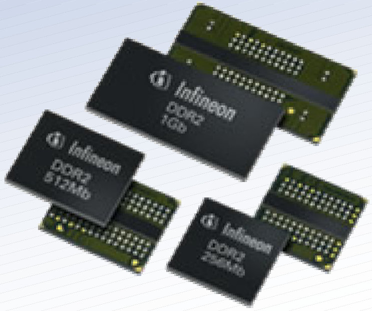
Applications

Product Features

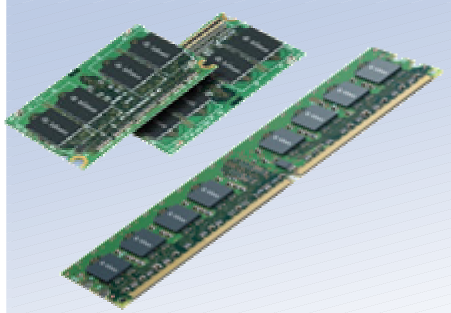


Router, Switches

DRAM Components:
- Interfaces: SDR, DDR, DDR2
- Densities: 128MB – 1GB
- Organizations: x4, x8, x16
- Packages: TSOP, FBGA
- Speeds: PC133 – DDR2-533



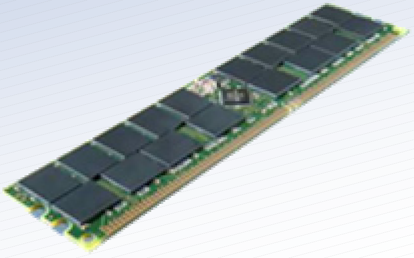
Desktop PC
Workstation
Notebook PC
Sub-Notebook PC



Unbuffered and SO-DIMMs:
- Interfaces: SDR, DDR, DDR2
- Formfactors: Unbuffered, SO-DIMM, MicroDIMM
- Densities: 128MB – 2GB
- Speeds: PC2100 – PC2-4200

High-End Workstation
Server

Registered Modules:
- Interfaces: SDR, DDR, DDR2
- Formfactors: Registered, FB-DIMM
- Densities: 128MB – 4GB
- Speeds: PC2100 – PC2-4200



MP

Graphics portfolio

Graphics Segment	Features	Products
High end	High speed: 500 – 800 MHz High bandwidth: x32 Low operating current	 512M & 256M GDDR3
Mainstream	Advanced speed: 300 – 500 MHz FBGA package Bandwidth: x16 Operating voltage 1.8V-2.0V	 256M DDR2 (+512M)
Value	Mainstream speed: 200 – 300 MHz TSOP package Bandwidth: x16 Operating voltage 2.5V	 256M DDR (+512M)

Consumer portfolio

Applications


Digital TV


Digital Still Camera (DSC)


Set-Top Boxes

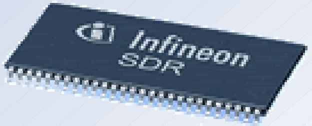

Printer

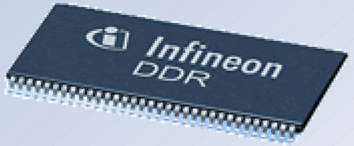

DVD Player / Recorder

Product Features

Long-term product support with:

SDR:
- Interface: x16, x32
- Densitiy: 64M – 256M
- Speed: PC133 – PC166
- Voltage: 3.3V





DDR:
- Interface: x8, x16
- Density: 128M – 512M
- Speed: DDR333 – DDR400
- Voltage: 2.5V

DDR2:
- Interface: x16
- Density: 256M – 1G
- Speed: DDR2 533 – DDR2 800
- Voltage: 1.8V

Mobile portfolio

Applications	Product Features

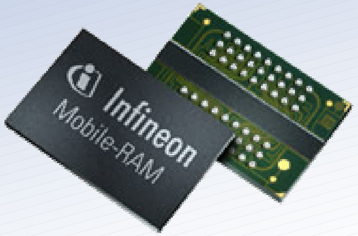
MP3 player

DSC

Smart Phone

MOBILERAM

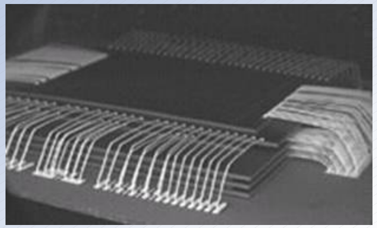
- Small form factor
- Ultra low power



Mobile Phone

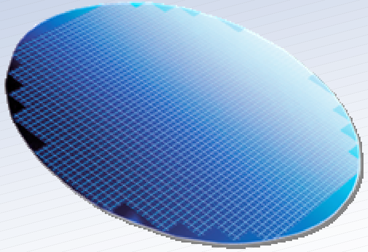
CellularRAM™

- SRAM Performance
- High memory density
- Low DRAM cost level



Multi Chip Package

- Tested Mobile-RAM and CellularRam dies
- MCP specific pad layout



Flash product portfolio

Applications

Product Features

Flash Cards and Drives

- High volume growth segment
- Products: SD-Card and MultiMediaCard, mini SD and RS MMC
- USB Flash drive

Flash Components

- NAND-compatible 512Mbit Flash in a TSOP-package

Second brand for DRAM products

AENEON
Simply advanced

Applications & Market

- Address Whitebox PC market through distribution partners
- Large share and strong growth potentials of Whitebox market especially in emerging economies such as Eastern Europe, Latin America and South East Asia

Product Features

- Desktop PC
  - DDR unbuffered DIMMs
  - DDR2 unbuffered DIMMs

- Notebook PC
  - DDR SO-DIMMs
  - DDR2 SO-DIMMs

- Market
- Company overview
- Mission
- Business development 3rd quarter fiscal year 2005
- Business groups
- **General company information**

Infineon organization

Board

Dr. W. Ziebart

P. Bauer Prof. Dr. H. Eul P. Fischl K. W. Loh

Business Groups

Automotive, Industrial & Multimarket

P. Bauer

Dr. R. Ploss G. Henschel

- ASIC Design Solutions
- Automotive Power
- Chip Card & Security
- Discrete Semiconductors
- Microcontroller
- Power Management & Drives
- Sense & Control

\+ Group Functions

Communication

Prof. Dr. H. Eul

P. Gruber

- Access
- Customer Premise Equipment
- Customer Projects
- Entry Phone
- Feature Phone
- Fiber Optics
- Optical Networking
- RF Engine
- Short Range Wireless
- Tuner Systems
- Wireless Infrastructure

\+ Group Functions

Memory Products

K. W. Loh

T. Seifert Dr. M. Majerus

- Aeneon
- Computing
- Consumer & Mobile
- Flash
- Graphics

\+ Group Functions

Corporate Functions

- Accounting & Finan. Rep.
- Alliances
- Business Continuity
- Central Sales Functions
- Corporate Audit
- Corporate Communications
- Corporate Logistics
- Corporate Purchasing
- Corporate Quality Mgmt.
- Corporate Research
- Corporate Risk Mgmt.
- Finance & Treasury
- Human Resources
- Information Techn.
- Legal & Patent Dept.
- Manufacturing Strategy
- Planning & Controlling
- Strategy, Investor Relations, Mergers & Acquisition

Regional Units

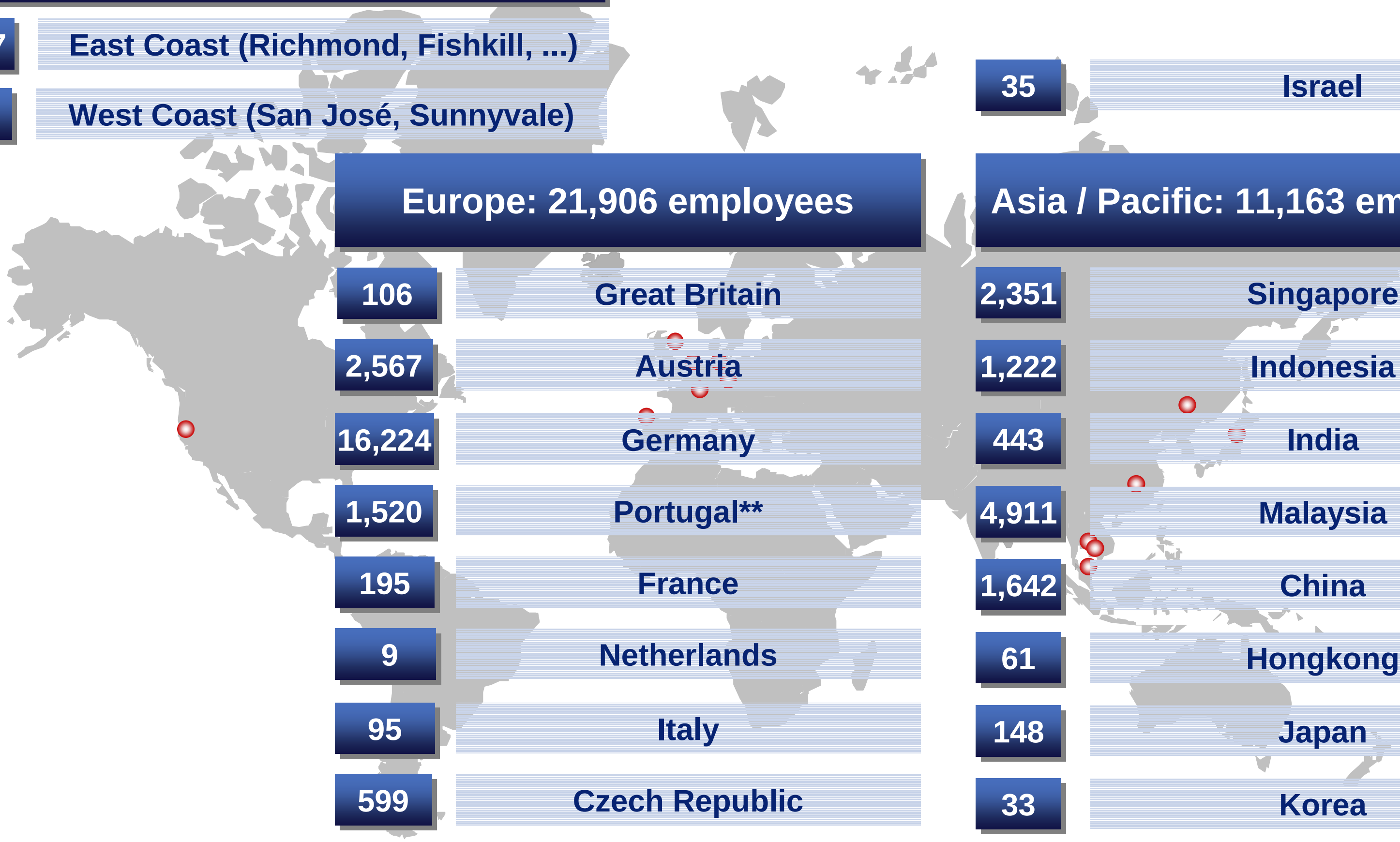
Infineon Technologies North America Corporation

Infineon Technologies Asia Pacific Pte. Ltd.

Infineon Technologies Japan K.K.

This chart does not represent the legally binding structure. It can be subject to changes based on the decision of the Management.

Infineon has 36,151 employees worldwide*



USA : 3,047 employees

2,467	East Coast (Richmond, Fishkill, ...)
580	West Coast (San José, Sunnyvale)

35	Israel

Europe: 21,906 employees

106	Great Britain
2,567	Austria
16,224	Germany
1,520	Portugal**
195	France
9	Netherlands
95	Italy
599	Czech Republic
557	Sweden, Norway
34	Slovakia

Asia / Pacific: 11,163 employees

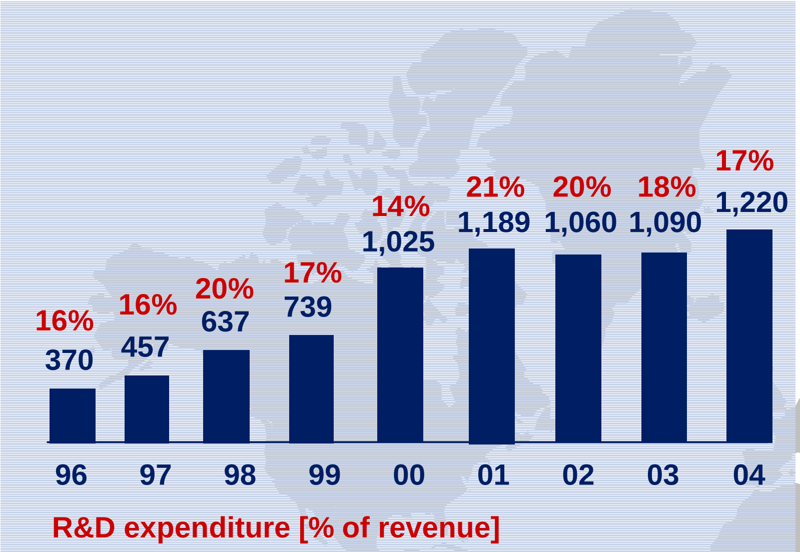
2,351	Singapore
1,222	Indonesia
443	India
4,911	Malaysia
1,642	China
61	Hongkong
148	Japan
33	Korea
343	Taiwan
9	Australia

* as of June 30th, 2005
** incl. ESAS MA

Never stop thinking

Continuous investment in R&D

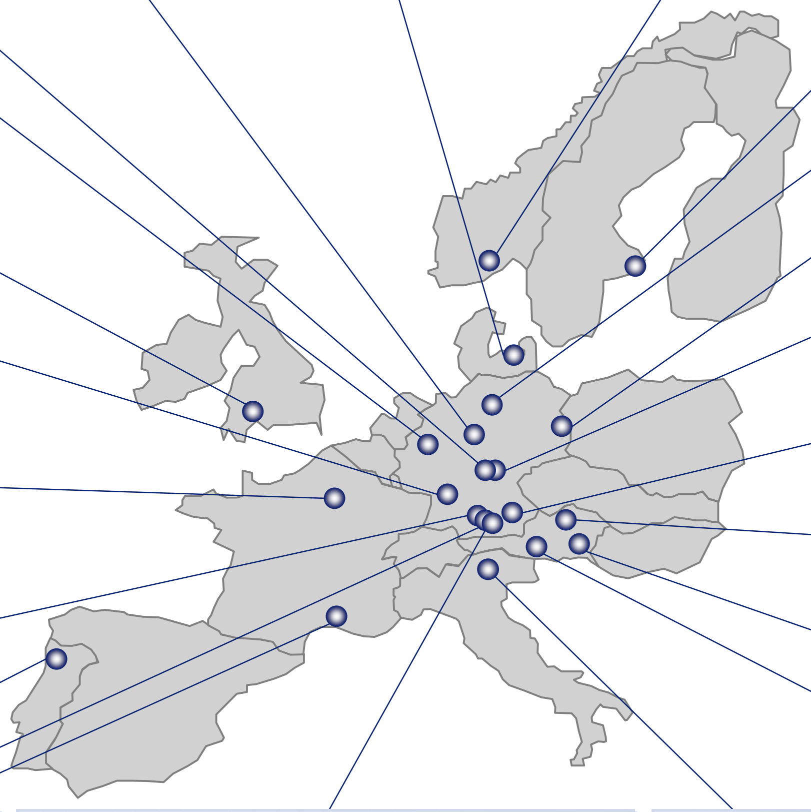
R&D Spending
FY 1996-2004 [EUR m]



No. of Patents and Patent
Applications (FY 1996-2004)

- About Euro 1.2 billion for R&D expenditure in FY 2004
- More than 35 major R&D locations worldwide
- 7,300 R&D employees
- Currently about 41,000 patents / patent applications

Infineon – R&D network in Europe



Duisburg
UMTS
Embedded RF
GSM SingleChip
Wireline Access
Supp. Customer
System Engineering
Product & Test Eng.

Nuremberg
Software Development

Warstein
High Power

Aalborg
Wireless Systems, Wireless Infrastructure

Horten
Tire pressure & inertia sensors

Kista
Bluethooth, RF ICs, RF Power

Hanover
Wireless

Bristol
High Perform. Cores

Karlsruhe
Emulators for Microcontr.

Corbeil-Essonnes
Mixed Signal ASICs for Storage and Consumer Applications

Ulm
RF ICs, IF ICs for GSM

Porto
Memories

Augsburg
Security Software

Sophia Antipolis
Baseband ICs, MC

Munich
Mixed Signal ASICs, Mixed Signal Cores, Automotive Power, Memory Security, Technology, Design Flow, Test and Product Engineering for Storage and Consumer Applications

Padua
Automotive & Indust. Power Flash

Villach
Mixed Signal Cores, Telecom, Automotive Power, Design Test & Product Eng. for ASICs

Dresden
DRAM, Logic, Flash

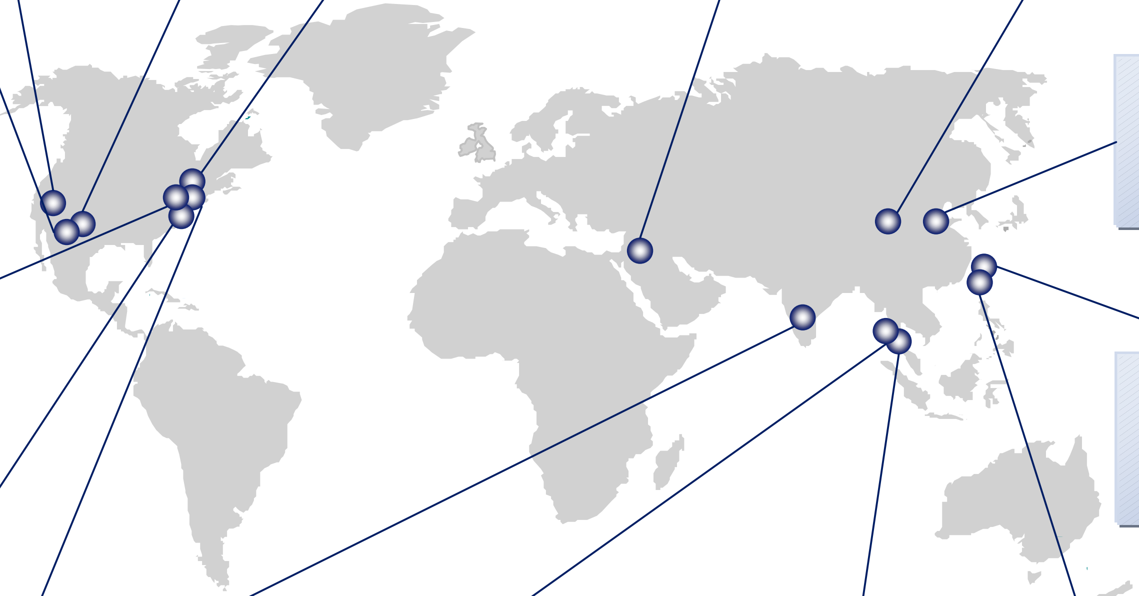
Erlangen
Memories

Regens-burg
Interconnect. Packaging

Linz
Baseband ICs, RF ICs, Software Dev.

Graz
Security Autom. Sense & Control RFID Solutions

Infineon – Worldwide R&D network (excluding Europe)



San Jose
Optical Networking
Comp. Periph.
Datacom 32bit
TriCore / SATA
Interface lab

Morgan Hill
RF Power
Transistors

Burlington
DRAM
Product dev.

Netanya
Telecom.
Flash Memory

Xi'an
Super Design
Fab, MC

Tempe
RF Power
Devices

Shanghai
Software
Customization
SMS

Albany
Nanotechnology

Taipei
Broadband
CPE System
development

Cary
DRAM
Product dev.

East Fishkill
Logic 65/45

Bangalore
Software
Development

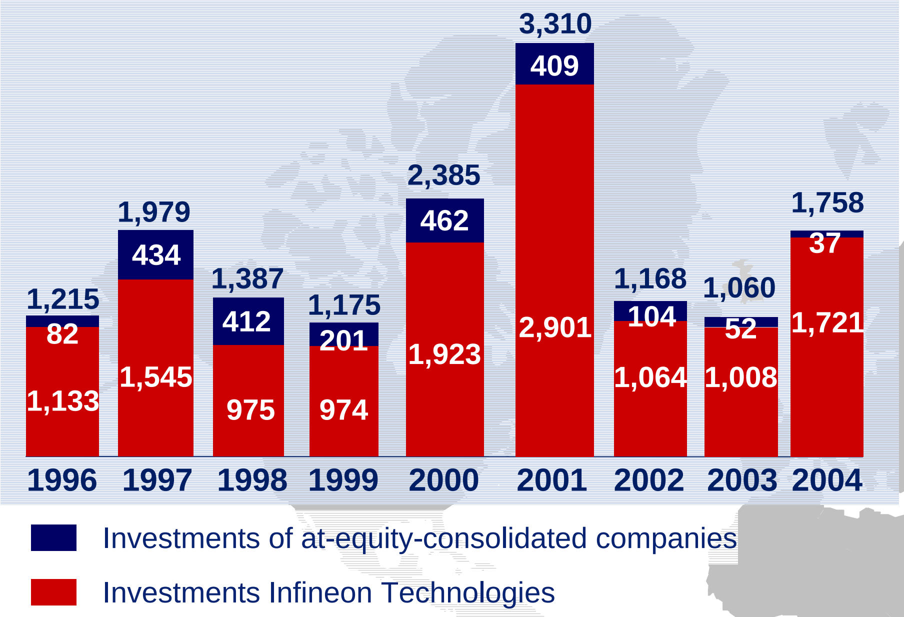
Malacca

Singapore
8/32 bit µC, Telecom Network
& Computer Storage, Mixed
Signal ASICS for Storage &
Consumer Applications

Hsinchu

World-class manufacturing sites on 3 continents

Investments
FY 1996-2004 [EUR m]



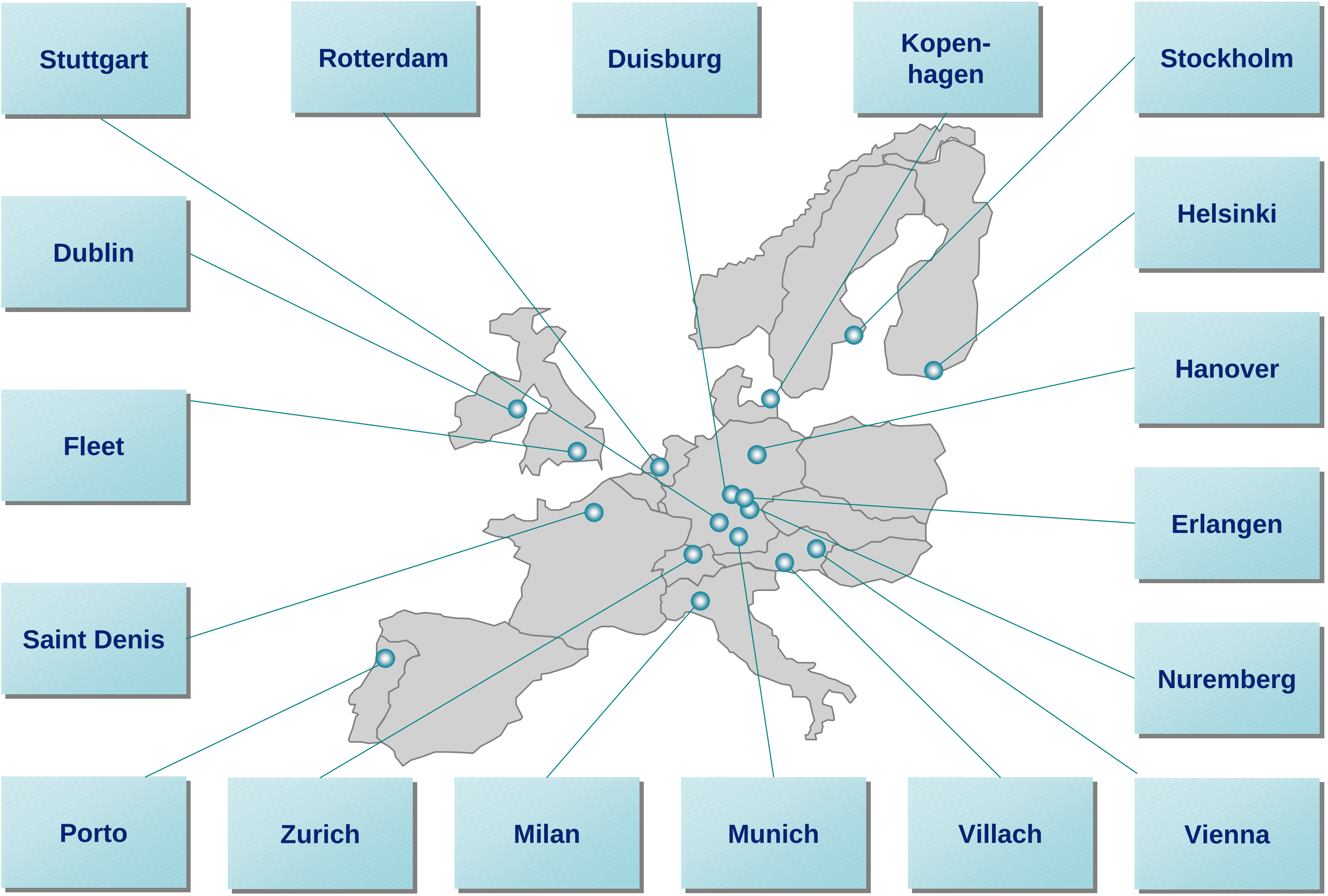
8/12" Production Sites

1996	Dresden (Germany) opened (DRAM and Logic)
1998	Richmond (Virginia, USA) opened (DRAM)
1999	ALTIS (Essonnes, France) JV with IBM founded (Logic)
2001	Dresden (Germany) 300mm module opened
2003	Inotera Memories (Taiwan), JV with Nanya: 300mm module opened
2004	Expansion Richmond to 300mm production

More than 10 production sites (wafer manufacturing, assembly and testing)

Infineon production sites

Infineon sales offices in Europe



Infineon sales offices worldwide (excluding Europe)

Cary

Schaumburg

Kanata

Bangalore

Beijing

Seoul

Nagoya

San Jose

San Diego

Austin

Houston

Detroit

Tokio

Osaka

Shanghai

Taipei

Hongkong

Iselin

Westford

Sao Paulo

Penang

Singapore

Shenzhen

Bayswater

Comprehensive and sustainable environmental, safety and health concept at Infineon

Synergy between ecological responsibility and economic success

- EN ISO 14001 multi-site certification
- Efficient resources management in terms of optimized consumption, recovery, recycle and re-use

- Intelligent waste management and emission reduction
- Voluntary commitment to reduce green-house gas emissions on global scale
- Environmental commitments covering development and life-cycle considerations
- Environmental requirements as part of supply chain management
- High safety and health standards

For Infineon environmental responsibility means more than just the fulfillment of legal requirements

Source of picture: photocase.de

Green products

- IFX is running the project "Green Products" since 1998 according to the EU directives.
- More than 50% of the total volume in pieces is already converted to "Green".
- The main conversion is in 2004 / 2005.
- Information about project, technology and conversion roadmaps are available on the homepage: http://www.infineon.com/greenproduct/index.htm

Integrated business continuity, disaster recovery and security at Infineon

Business Continuity Planning

Business impact & risk assessment

Supply chain & manufacturing recovery

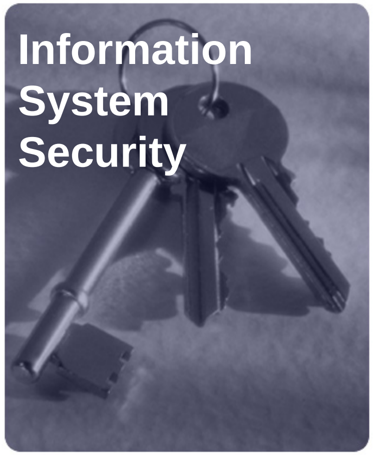
Business continuity plans

Security Crisis Management

Supply chain security

IP protection

Crisis management



Information System Security

IT system security

IT risk assessment

Intrusion detection

Global Site Security

Security control centre

Security technology

Plant & property protection

Infineon – partner of the worldwide electronics industry

Main Customers

Automotive, Industrial & Multimarket

- Autoliv
- Axalto
- Bosch
- Continental
- Delphi
- Delta
- Denso
- Emerson
- Gemplus
- G&D
- Hella
- HGST
- Kostal
- Lear
- Micronas
- Microsoft
- Motorola
- Oberthur
- Siemens
- TRW
- Visteon

Communication

- Alcatel
- BenQ
- CCT
- Ericsson
- Fujitsu
- Huawei
- LG
- Lucent
- Matsushita
- Motorola
- NEC
- Nokia
- Samsung
- Siemens
- Sony-Ericsson
- Sony
- ZTE

Memory Products

- Acer
- Asustek
- ATI
- Cisco
- Dell
- EMC
- Fujitsu Siemens
- HP
- HTC
- IBM
- Intel
- Kingston
- Kreton
- Lenovo
- Nvidia
- NEC
- Spansion
- Sony
- Sun

- Main channel partners: Arrow, Avnet, Fujitsu Devices, Silicon Applications
- Electronic Manufacturing Services: Celestica, Elcoteq, Flextronics, Hon Hai, Jabil, Sanmina-SCI

Expanding global network: Selected partnerships*

Technology Development

- **AMTC** (together with **AMD & DuPont**)
- **Nanya**
- **IBM**
- **Chartered**
- **Samsung**

Chip- & Software Development

- **StarCore** (together with **Agere & Motorola**)
- **InterDigital**
- **Emuzed**

Manufacturing

- **SMIC**
- **Winbond**
- **Inotera** (together with **Nanya**)
- **Altis** (together with **IBM**)

System Integration & Solutions

- **SAP**
- **Huawei**
- **Broadcom**
- **Ritchtek**

* some of almost 40 Infineon alliances as per September 2004

Infineon
technologies

Never stop thinking.