

# Identification:

As the market leader for semiconductors integrated into chip cards and smart cards, we have extensive experience. For this reason, we are also the first contact point when it comes to achieving digital security in our increasingly networked world of data.

Our Security and Chip Card ICs Business Group offers security controllers, security memories and other semiconductor systems solutions. These solutions are used as identification and security mediums in the fields of telecommunications, banking, health services, access control, software distribution, games and multimedia. We are the world market leader for ICs for chip cards and smart cards, thanks to our competitive edge in technologies combined with excellent customer relations. Furthermore, in the 2001 fiscal year, we further improved our position in the promising market for digital security applications. All in all, we succeeded in increasing revenues by 57 percent to 588 million Euro in comparison to the year before. However, EBIT declined to 27 million Euro in the same period. The main reason was the strong pressure on prices, which was the result of a decrease in market volume during the course of the year.



As technological leader, we cover almost the entire spectrum of semiconductors for intelligent security hardware with

- Chip Card ICs for identification purposes via card reading devices and for secure storage of personal data;
- Security ICs to protect applications and data from unauthorized access as well as for biometric authentication (fingerprint) in open network systems;
- Secure Memory ICs to protect digital right and therefore to prevent the unauthorized reproduction of data;
- Identification Systems ICs to electronically secure and simplify logistics and purchasing processes in a contactless manner.

## Cooperations and Capacities

We maintained our market leadership in the lucrative but increasingly competitive chip card market. We extended key partnerships with leading card manufacturers such as Gemplus, Giesecke & Devrient, OCS and SchlumbergerSema. On the basis of our launching of the world's first 16-bit processor/64-Kilobyte memory SIM chip cards for high-end GSM platforms, we were able to acquire new contracts and strengthen our market position, above all in Asia.

## UNDOUBTEDLY TOP IN SECURITY.

In May 2001, we established “Ingentix”, a joint venture with the Israeli company Saifun Semiconductors. Ingentix specializes in developing MultiMediaCard memory products, for example for the PDA market or MP3 compatible devices. In the future, special flash memory products based on Nitrided Read Only Memory (NROM) technology will also be developed, manufactured and marketed.

Simultaneously, we have increasingly invested in capacities for digital security. We have begun mass production of the biometric identification system FingerTIP, which is being increasingly built into laptops as well as PC keyboards and mice. We are also preparing ourselves to more forcefully enter the mass market of the global banking industry. The decision on the part of credit card companies to replace the magnetic strips on credit cards with chips opens up new market perspectives for Infineon’s crypto-controllers, which have already passed their operational tests in series.

### Security as a Growth Market

The issue of security has gained a new global dimension since the events of September 11, 2001. The convergence of various communications and data networks through the Internet had already changed our lives beforehand. By means of the ongoing information flow, it creates a level of comfort today to an extent which has never been achieved before. The new opportunities may also lead to abuse. It is now easier to falsify identities or to gain access to the personal data of others. As a consequence, people will increasingly be forced to accurately and reliably identify themselves in the virtual world – as they have done in the past in real-life situations, for example at the bank counter or at national borders.

In dealing with the issue of security, we do not restrict ourselves to developing optimal digital solutions. Infineon is contributing its expertise towards making political discussion more objective. We established the “Silicon Trust” network in the 2001 fiscal year, which creates synergetic effects for customers and partners who work with Infineon’s security technologies.

We are confident that the market for secure, mobile and easy-to-use data applications will continue to expand considerably in the mid-term. As the world market leader with superior technology, we intend to disproportionately benefit from this market growth.



### Dr. Hermann Eul

Chief Executive Officer,  
Security and Chip Card ICs  
Business Group

- Born 1959.
- Studied electrical engineering.
- Doctorate in engineering.

### SECURITY AND CHIP CARD ICs IN EURO MILLIONS

