

Business highlights first quarter of financial year 2005

Automotive & Industrial

- In the first quarter of financial year 2005, the segment announced an investment of approximately Euro 1 billion over the next years in a new front-end production plant in Malaysia. The facility will primarily produce power chips used in automotive and industrial power applications. Groundbreaking is planned for early 2005, and ramp-up is scheduled for 2006. At full capacity, the fab will employ approximately 1,700 people.
- Due to increased demand and despite the strong impact of the weakening US dollar, Infineon successfully expanded its market share for MOSFETs in PC motherboards to more than 30 percent in the first quarter of financial year 2005.

Wireline Communications

- In the first quarter of financial year 2005, the segment had design wins at major customers for its ADSL Customer Premises Equipment (CPE) chip called AMAZON.
- A significant design win was also made at a major US customer for Infineon's SHDSL chip.
- The company successfully demonstrated Wild-TriPlay, a home gateway reference system, offering a complete platform including hardware and software for triple-play applications (voice, video and data).

Secure Mobile Solutions

- In the first quarter of financial year 2005, the Secure Mobile Solutions segment successfully introduced in Asia Pacific the first single-chip CMOS GPRS transceiver named SMARTi SD2.
- Infineon launched BlueMoon UniCellular. This Bluetooth chip is the industry's smallest and very energy-efficient. The chip triples data rates compared to classic Bluetooth solutions.
- Infineon also expanded its customer portfolio in wireless infrastructure, among others, with a first design-win in China.
- In its Security business, the company was first to successfully introduce a 1-Megabyte Flash high-end microcontroller. The chip is used in mobile communications and other applications in which increased memory is a major asset. The chip has received the chip card industry's prestigious "Sesames Award" for best hardware innovation.

Memory Products

- In the first quarter of financial year 2005, Infineon presented its 70-nanometer trench technology at the 2004 IEEE International Electronical Devices Meeting in San Francisco. Some of the innovations presented there have already been proven in chip production using 90-nanometer technology.
- The transition from development to volume production of products based on 90-nanometer technology has made good progress. Infineon was the second DRAM manufacturer to have a 90-nanometer-based DRAM product validated by Intel. Yields on 300-millimeter wafers have now improved to levels comparable to those achieved using 200-millimeter wafer manufacturing.
- The Memory Products segment has further extended its product portfolio in the first quarter of financial year 2005. Infineon is the first supplier of 256-MegaByte and 512-MegaByte Micro-DIMMs for sub-notebooks, as well as 512Megabit Mobile-RAMs with DDR interface. Samples of fully-buffered DIMMs and a new 256Megabit DDR2 Graphics-RAM with clock frequencies up to 400 MegaHertz have been delivered to customers.