Infineon Wireless Solutions

MWC, Barcelona, February 17, 2009

Prof. Dr. Hermann Eul

Member of the Management Board

Sales & Marketing, Research & Development

Never stop thinking

Disclaimer

Please note that while you are reviewing this information, this presentation was created as of the date listed, and reflected management views as of that date.

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.

Copyright © Infineon Technologies 2009. All rights reserved.

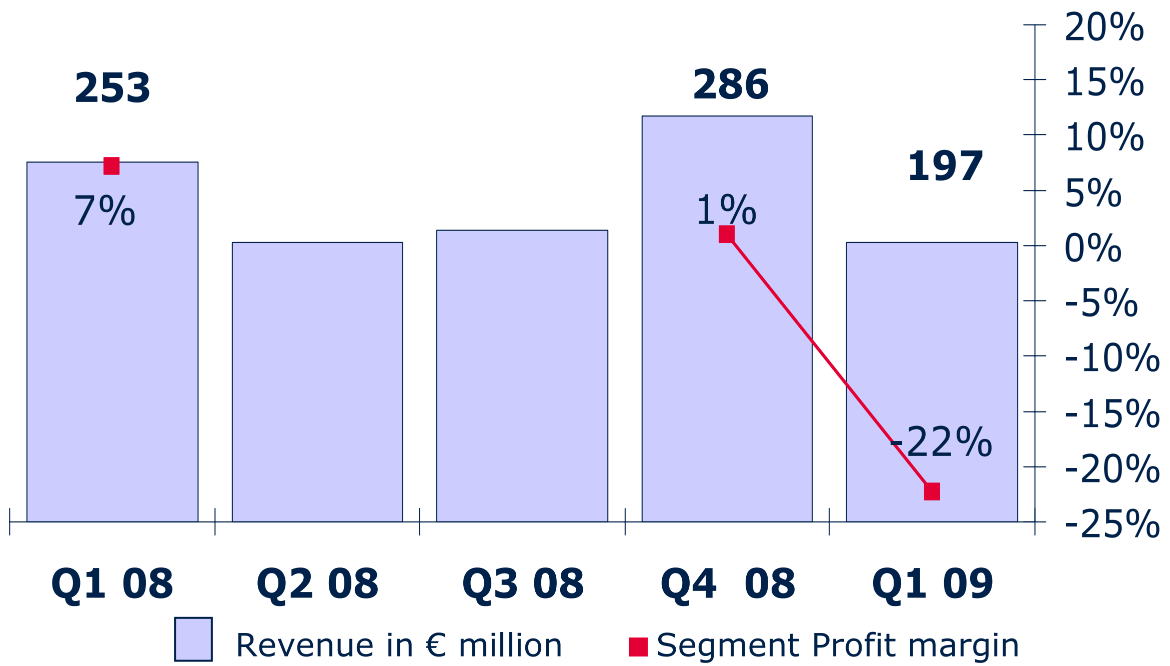
X-GOLD™101: Winner of the Innovation Award of German industry for the best technological innovation 2008

More than 100 million devices were sold so far!

Copyright © Infineon Technologies 2009. All rights reserved.

Q1 FY09 Financial Figures for Wireless Solutions

Wireless Solutions – First quarter



	Segment Profit [€ m]
Q1 09	**-44**
Q4 08	**3**
Q1 08	**18**

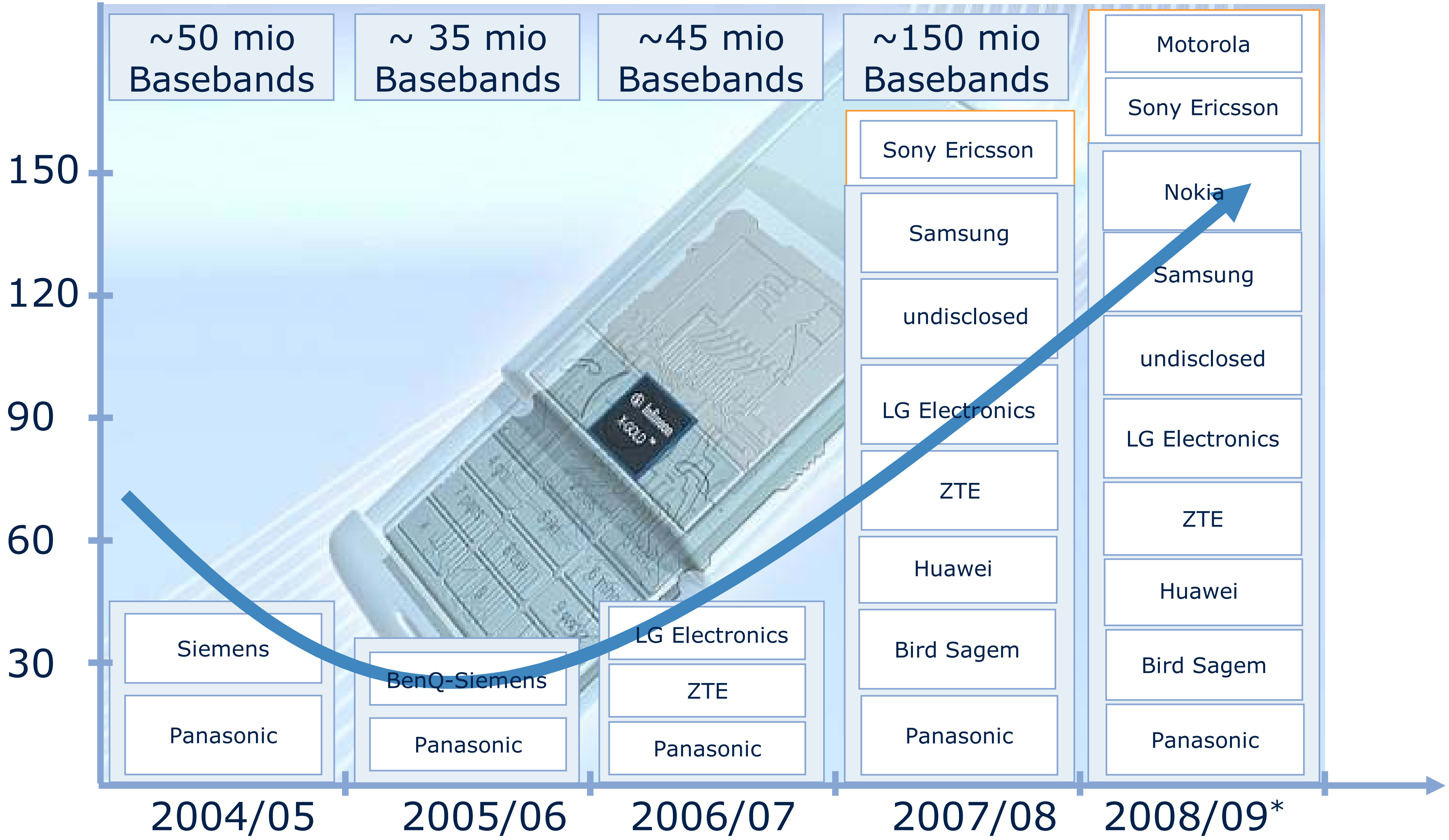
Note: Figures according to IFRS

Remarks

- Q4 revenue peak due to high demand of one HSDPA customer.
- Revenue decrease by 31% compared to Q4 FY08 mostly due to given market slow-down and inventory correction.
- Segment Profit: Negative € 44 million due to revenue decline and idle cost.

Copyright © Infineon Technologies 2009. All rights reserved.

Infineon is scaling up customer base and volumes significantly

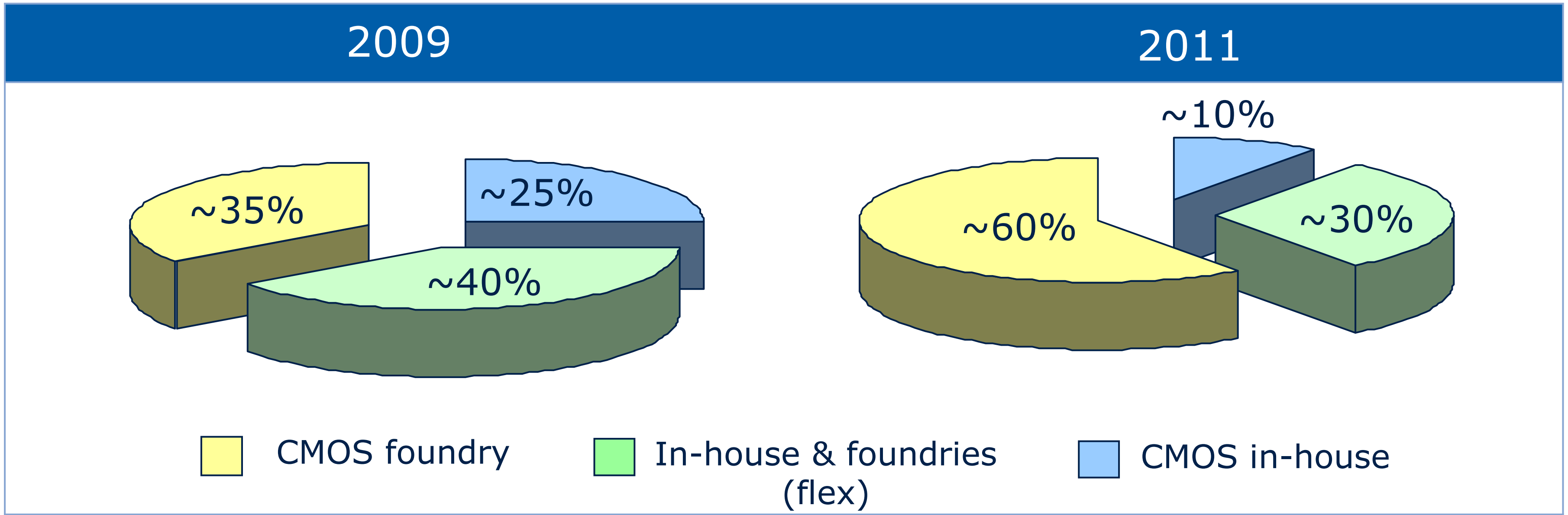


*estimated

RF transceiver

Copyright © Infineon Technologies 2009. All rights reserved.

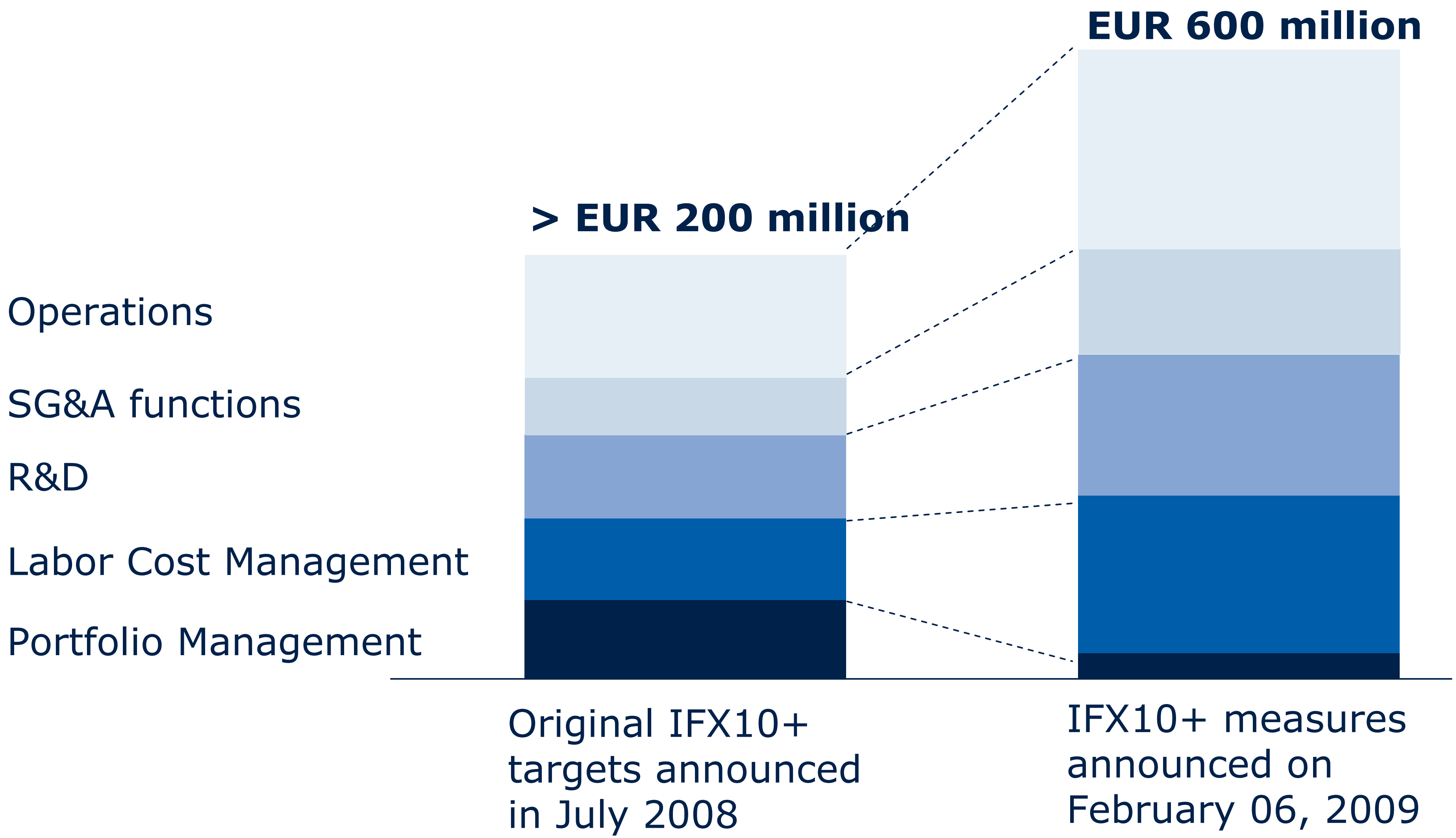
Infineon wireless following up consequently on fab-light strategy



- 2009:
  - 130nm and 90nm technologies are in full production and manufactured in-house as well as at silicon foundries.
  - 65nm technology is the first technology only manufactured at silicon foundries; multi-sourcing concept for supply security.
- 2011:
  - 65nm will be in volume production.
  - Next technology node 40nm will be in ramp-up.

Copyright © Infineon Technologies 2009. All rights reserved.

Costs will be reduced further by early implementation of IFX10+



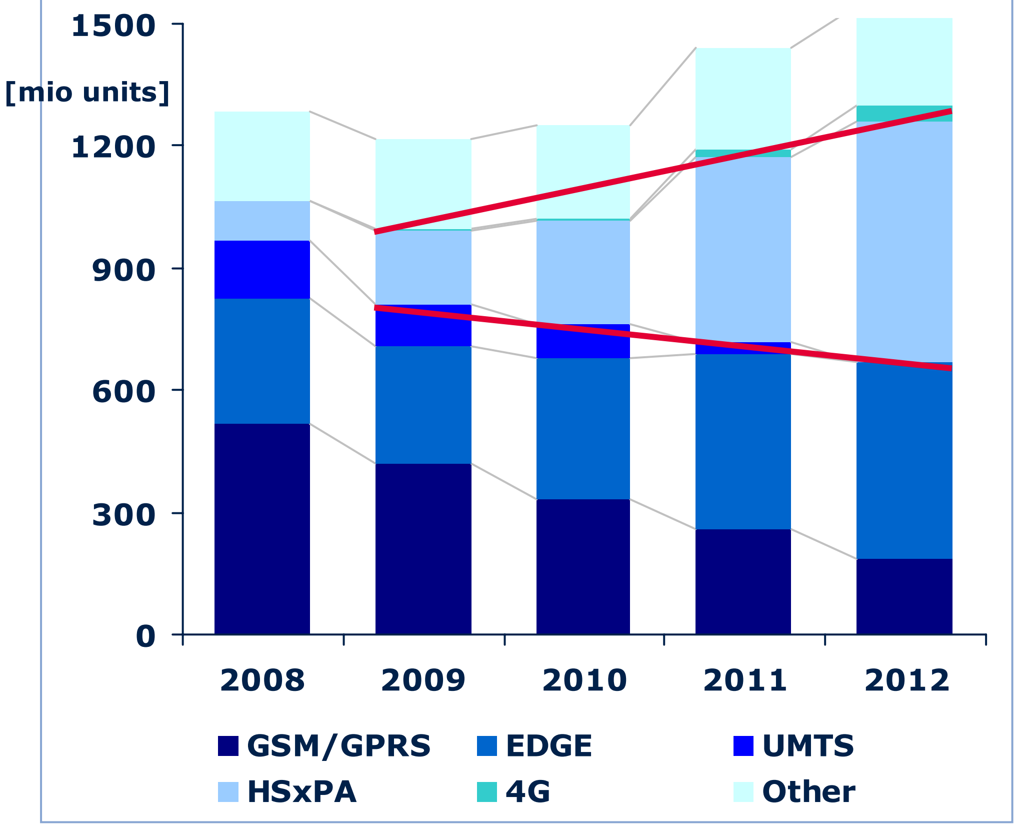
1) Excluding revenue measures

Copyright © Infineon Technologies 2009. All rights reserved.

Handset growth fueled by HSxPA technology while 2/2.5 G still represent 50% of market

Cellular Handset Market [mio units]

	2008	2009	2010	2011	2012
Handset Units	1287	1215	1253	1440	1547
y-o-y Growth		-6%	3%	15%	7%



Source: iSuppli, December 2008

Comments

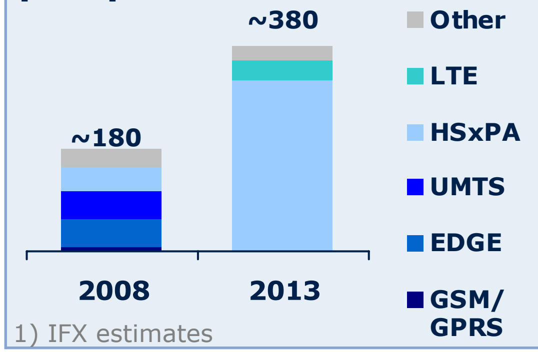
- Global handset shipments are forecasted to grow at a 4-year CAGR of 4.7% (2008–2012)
  - HSxPA segment is growing the fastest (57% CAGR) to 38% of all handset shipments by 2012.
  - EDGE segment grows steadily as well, reaching ~480 mio units in 2012.
- The WEDGE segment will decline substantially as the OEMs and operators are focusing on HSxPA handsets.
- Growth of HSxPA is mainly driven by replacement handset sales as feature-rich handsets enabling various data services that require faster data connection.

Copyright © Infineon Technologies 2009. All rights reserved.

High performance slim modems and cost-effective single-chip solutions will experience high demand

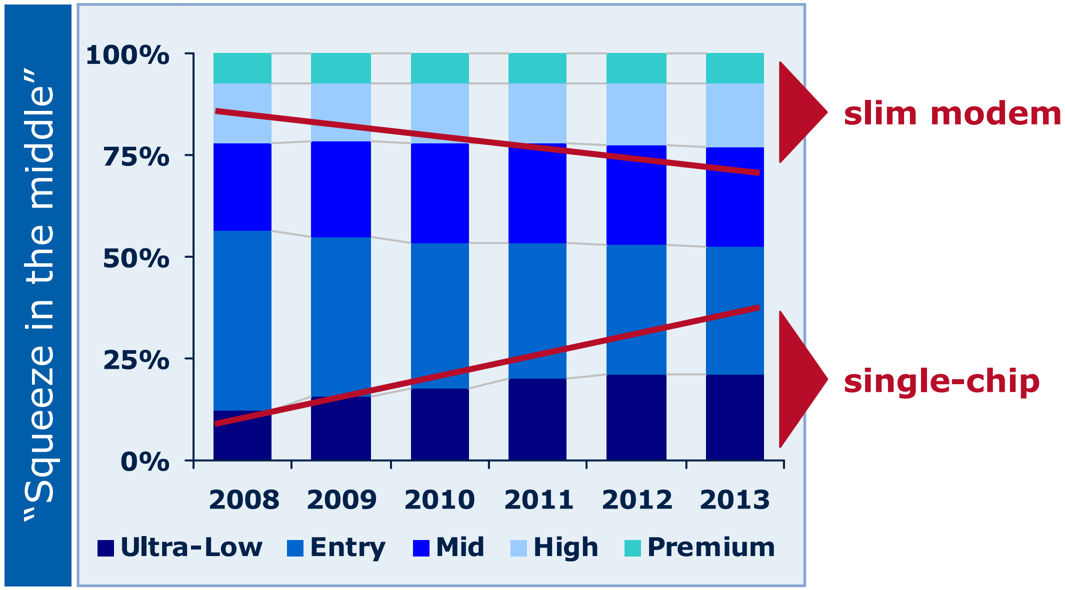
Mobile internet / Smartphones

Smart phone shipments[1)]
[units m]



1) IFX estimates

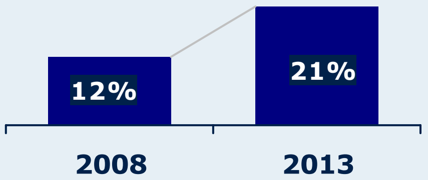
Strong growth of smartphones driven by operators subsidies due to higher ARPU, attractive user interfaces, etc.



Strong growth in low-cost phones

Source: Strategy Analytics, Sep'08

Share of Ultra low-cost phones



Strong growth of ULC phones driven by demand in emerging regions

Copyright © Infineon Technologies 2009. All rights reserved.

Infineon well positioned for success in the wireless market and prepared for further consolidation

INFINEON WIRELESS POSITIONING ALONG SUCCESS FACTORS

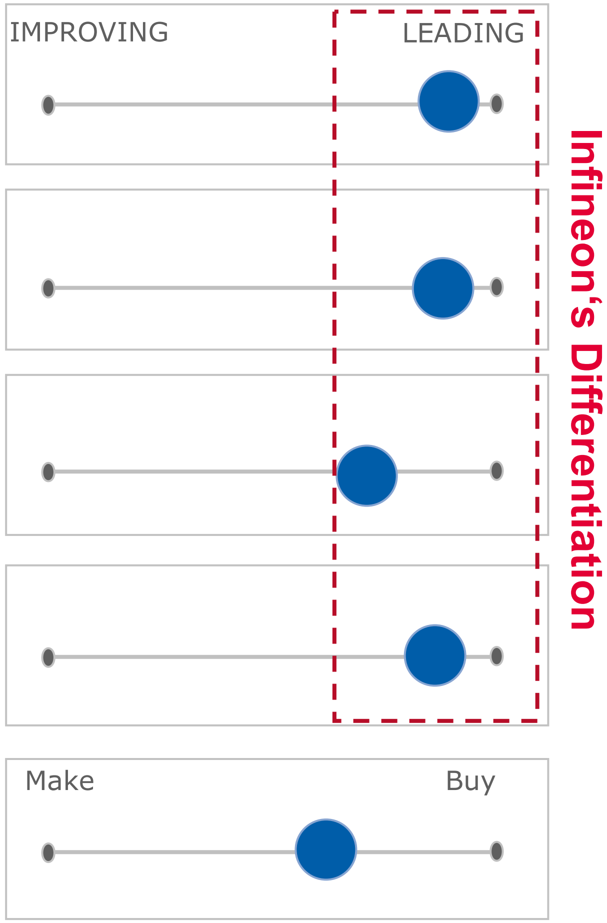
Major Market Trends

- OEMs diversify supplier base and migrate from in-house solutions towards merchant market platforms
- Strong growth of HSxPA, Smartphones and ULC segment
- New handset market entries, e.g.
  - Operator/ODM business model
  - Smartphone "pure plays"
- Consolidation of platform supplier base

Success Factors

- **RF CMOS Transceiver**
- **RF / Mixed Signal integration capabilities**
- **System & Software competence with focus on HSPA, smart phones and ULC**
- **Top-tier customer access**
- **Connectivity and apps processor, power amplifier**

Relative Positioning



Copyright © Infineon Technologies 2009. All rights reserved.

Infineon differentiates through four major success factors

RF CMOS transceivers (TRx)

- Complete portfolio from GPRS to HSxPA, LTE and WiMax RF transceivers
- Shipped 1.4 billion Cellular RF TRx to date
- World`s first 65nm LTE DigRF TRx sampled

Customer Base

- Broadest customer base with access to all Tier 1 OEMS
  - LG Electronics
  - Motorola
  - Nokia
  - Panasonic
  - RIM
  - Samsung
  - Sony Ericsson

RF/mixed-signal integration

- Shipped > 100 mio X-GOLD™101 in the first year of volume production
- World's first EDGE single chip in volumes

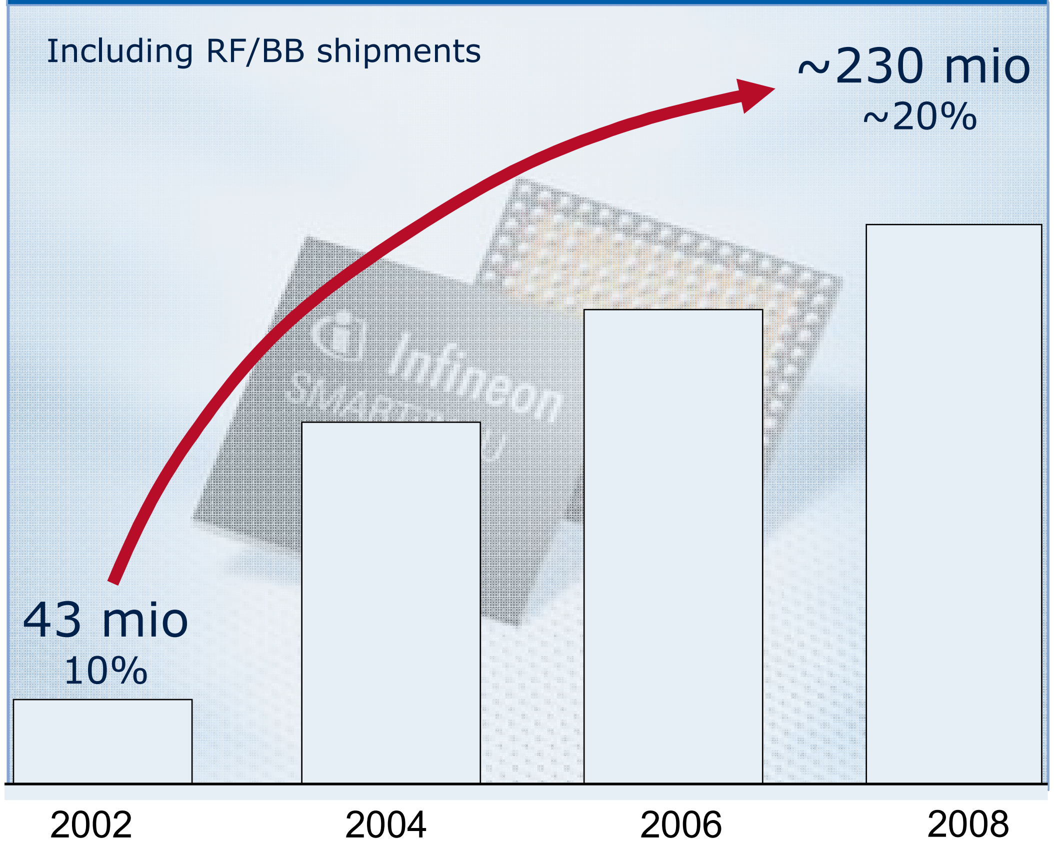
Mobile phone platform solutions

- Complete HW/SW platform solutions from GSM to HSDPA in volume production
- Strong system and software competence
- Partner on connectivity and application processor

Copyright © Infineon Technologies 2009. All rights reserved.

Infineon RF Transceivers for cellular applications showed steady growth of market share

Infineon's volume shipments and market share for RF transceivers



Source: Strategy Analytics, Infineon

Major Contributors

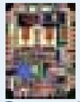
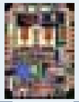
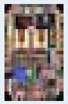
- Successful ramp-up of new RF transceivers for major OEMs
- Complete product and roadmap conversion to CMOS technology since 2004
- Leader in RF / BB integration
- Leading cost position
- Excellent RF performance

→ Infineon shipped 1.4 billion cellular RF transceivers to date

Copyright © Infineon Technologies 2009. All rights reserved.

All major wireless standards are addressed by RF CMOS solutions

RF Transceiver Roadmap

	In production	Sampling	R&D	IFX position
WiMAX/ LTE	SMARTi WiMAX	SMARTi LTE SMARTi LU LTE DigRFv4 (new)	SMARTi LU2 LTE TDD	■ Strong interest from all Tier1s in world´s first 65nm DigRFv4 LTE/3G/2G transceiver
HSUPA	SMARTi UE HSPA/ EDGE DigRF SMARTi UE+ HSPA/ EDGE Rx Div.	SMARTi UE micro 3G low cost (Q2.09)	SMARTi UE2 65nm  32nm RF macro	■ SMARTi™ UEmicro: Lowest Cost 3G (emerg. markets) ■ SMARTi™ UE/UE+: DW Motorola ramping 2H CY 2009
HSDPA/ WCDMA	SMARTi 3G HSDPA SMARTi 3GE HSDPA/ EDGE	SMARTi 3GE2 DigRF (new)		■ In production at Samsung, Sony Ericsson, LG and RIM ■ Multiple DWs with IFX platform
EDGE	SMARTi PM SMARTi PM+ 3x3 mm	SMARTi PM2 DigRF TRP  65nm RF macro		■ SMARTi™ PM+ in volume production at two Tier-1s ■ 65nm RF macro for single chip integration
GSM/ GPRS	SMARTi SD2	 65nm RF macro		■ 65nm RF macro for single chip integration

Copyright © Infineon Technologies 2009. All rights reserved.

New RF products addressing growth segments 3G low cost and LTE

LTE Mobile Data

- World's 1st LTE multimode transceiver
- LTE / 3G / 2G single chip RF CMOS
- up to 150 Mbps downlink
- DigRF v4 interface
- 65nm standard CMOS technology

Global Roaming | lte 150 Mbps | HSPA+ Cat 16 | Diversity

DigRF 3.09 | DigRF v4 | 3GPP Rel. 7 | 3GPP Rel. 8

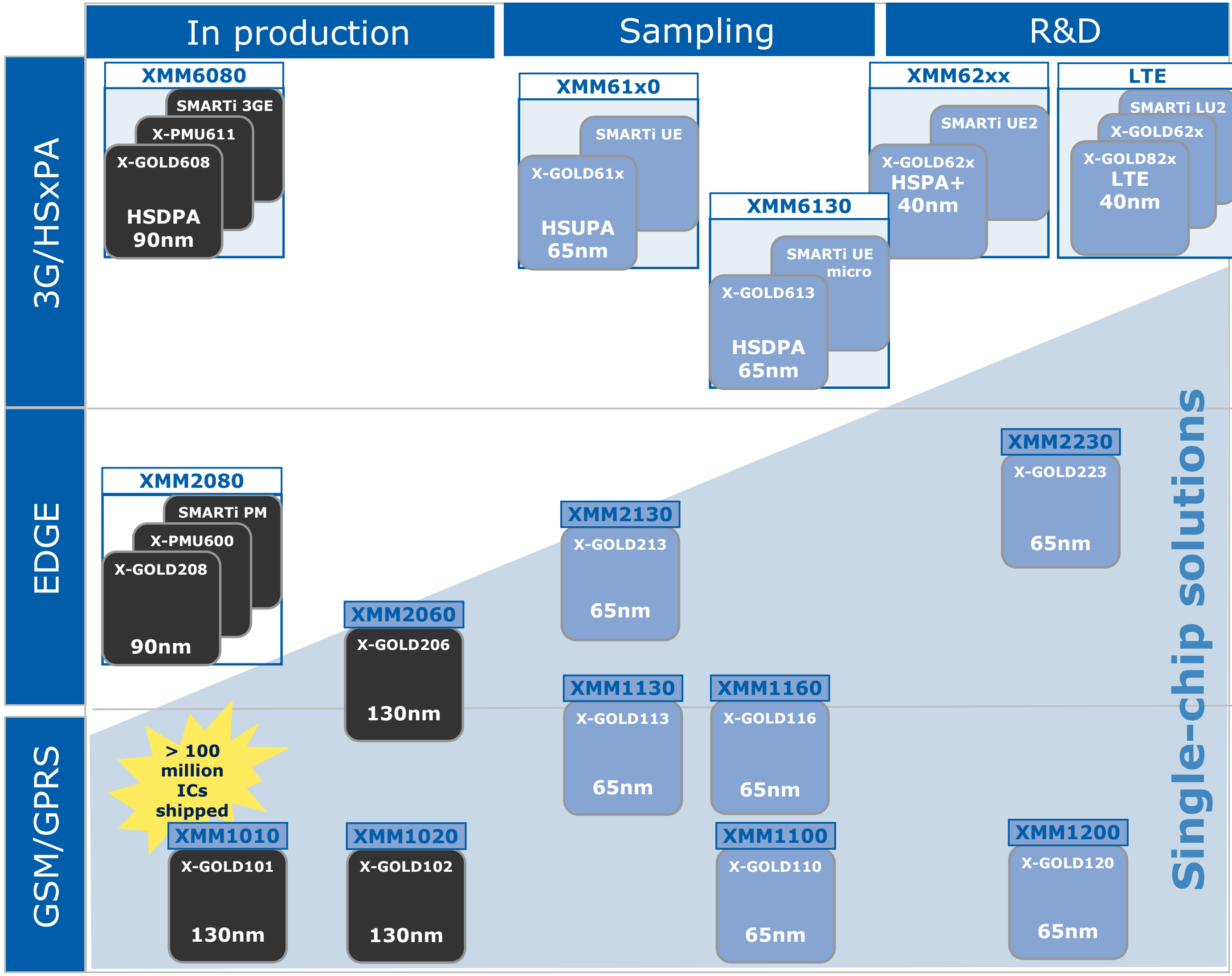
3G Low Cost

- HSPA/EDGE single chip transceiver
- lowest cost 3G for emerging markets
- DigRF v3.09 interface, 1.2s calibration time
- eliminating ext. LNAs and Rx filters
- enabling lowest RF system eBOM USD 6.50
- 130nm standard CMOS technology

Reference Design | HSDPA 3.6 Mbps | DigRF 3.09 | 1 sec calibration

Copyright © Infineon Technologies 2009. All rights reserved.

Infineon drives SoC integration from GSM to full EDGE solutions and beyond



IFX position

- HSDPA in production at Samsung and three other major customers
- High-integrated 2nd generation HSxPA (65nm) solutions sampling
- HSPA+ / Rel7 in development (40nm)
- LTE under development

- Integration success continues in EDGE with volume production at key customers

- Award-winning X-Gold™ 101 ULC solution; >100 mio devices shipped so far
- Continuing XMM™1010 success story with our 65nm single chip generation (already sampling)

Copyright © Infineon Technologies 2009. All rights reserved.

Ultra-Low-Cost enables "Voice for All"

Infineon

GSM/GRRS	**XMM™1200** X-GOLD120 GSM/GPRS	**ULC Innovation** ■ Revolutionary ULC system concepts ■ Serial Flash ■ Dual-feed antenna
GSM/GPRS	**XMM™1100** X-GOLD110 GSM/GPRS 65nm	**ULC and FM Radio single-chip** ■ Highest available integration 65nm ULC single-chip ■ Integrated FM stereo RDS receiver ■ USB charging ■ MP3, Stereo Audio, Class-D amplifier
GSM / GPRS	**XMM™1020** X-GOLD102 GSM/GPRS 130nm	**ULC Single-chip GSM** ■ Best-in-class ULC colour single-chip ■ MP3 ■ USB charging ■ Dual-SIM (XMM™1028)

Same Software Architecture

Full MMI & Tools re-use

Copyright © Infineon Technologies 2009. All rights reserved.

Entry phones provide “Mobile Internet for All”

HSDPA

XMM™6130

X-GOLD613 HSDPA 65nm

SMARTi-UEmicro HSDPA 130nm

Lowest-Cost HSDPA

- Smallest footprint
- ARM11 core
- Audio and video player
- WQVGA display, 3Mpix camera
- USB 2.0 HS, memory card

EDGE

XMM™2130

X-GOLD213 EDGE 65nm

Lowest-Cost Browsing

- Highest available integration level
- ARM11 core
- FM stereo RDS receiver integrated
- Audio and video player
- QVGA display, 2Mpix camera
- USB 2.0 HS, memory card, Stereo
- Integrated power management

GSM / GPRS

XMM™1130/60

X-GOLD113 GSM/ GPRS 65nm

Lowest-cost Messaging

- Highest available integration level
- ARM11 core
- FM stereo RDS receiver integrated
- QVGA display, 1.3Mpix camera (XG116)
- USB 2.0 HS, memory card, Stereo
- Integrated power management, int. SRAM

One Software Architecture
ARM11 HW Architecture

Copyright © Infineon Technologies 2009. All rights reserved.

Smartphones require high-performance modems

LTE

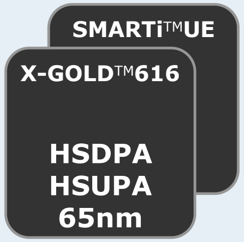
LTE Demonstrator

LTE smart modem solution

- Rapid algorithm prototyping on DSP/FPGA platforms
- Verified in co-operation with Agilent Techn.
- Key algorithms implemented:
  - LTE MIMO Diversity
  - LTE MIMO Spatial Multiplexing
  - Flexible resource block allocation
  - Channel estim. & baseline MIMO Equalizer

HSUPA

XMM™6160



HSUPA smart modem solution

- Smallest footprint
- HSDPA cat8 - 7.2 Mbps
- HSUPA cat6 - 5.76 Mbps
- 4 band 3G / 4 band EDGE
- PMU & baseband monolithically integrated
- Lowest power consumption

HSDPA

XMM™ 6081

HSDPA smart modem solution

- HSDPA cat8 - 7.2 Mbps
- 3 band 3G / 4 band EDGE
- Low power consumption
- Market proven

Copyright © Infineon Technologies 2009. All rights reserved.

Infineon offers complete HW/SW system solutions for all major standards

INTEGRATED HW AND SW, SYSTEM DESIGN, IOT AND GCF TESTING

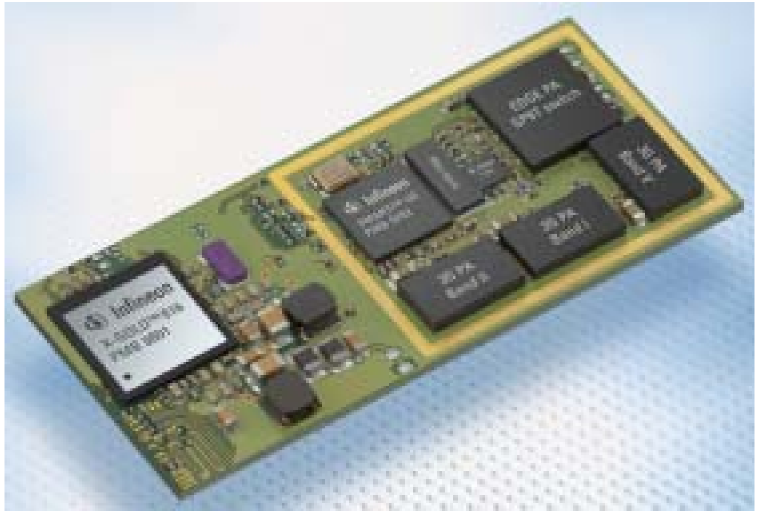
HW Components

Baseband
- 2G/HSxPA baseband
- PMU and analog

RF transceiver
- EDGE/3G/LTE
- Stand-alone / integrated

Connectivity/Location
- Bluetooth, FM
- A-GPS (XPOSYS™)

Discretes
- Silicon Discretes (LNAs etc.)



HSUPA mobile phone platform XMM™ 6160

SW Components

Protocol Stack
- 2G – Rel.6 GSM, EDGE
- 3G – Rel.6 HSxPA

Pre-GCF
- Automated testing:
- 24 hours a day
- 7 days a week

Pre-IOT
- With all major infrastructure vendors

IOT = inter-operability test
GCF = global certification forum

Ownership of each platform component simplifies completing lab tests, field tests, and operator approvals, significantly accelerating phone projects

Copyright © Infineon Technologies 2009. All rights reserved.

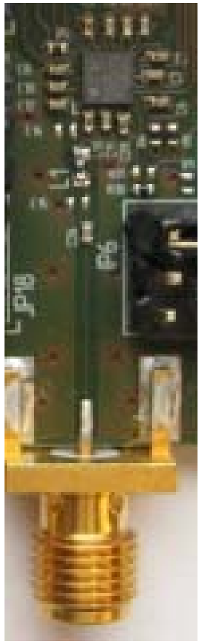
XPOSYS™ A-GPS single-chip solution offers a sensitivity down to -165 dBm

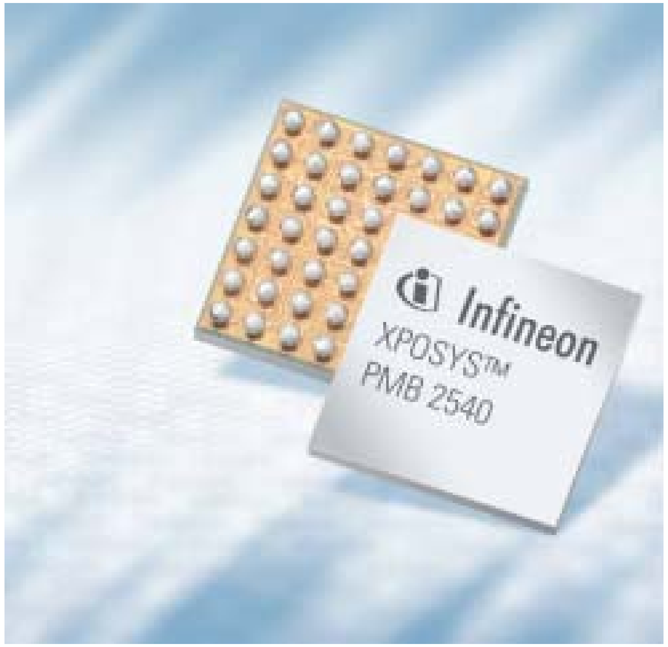
XPOSYS™ A-GPS

- Highly integrated single chip 65nm A-GPS
- Integrated high sensitivity LNA
- Package WLB47
  2.8 x 2.9mm²; 0.4mm pitch;
  0.8 mm height

Key Features

- Highest sensitivity of less than -165 dBm
- Lowest power consumption 9 mW tracking
- TCXO shared with cellular system
- SW for assisted modes:
  C-plane and User-plane (SUPL 2.0)
- Performance margin enables low cost filters and antennas





Circuit/System

- **Less than 26 mm² board space**
  to maximize design flexibility
- **Only 9 external components**
  to reduce eBOM
- **3GPP, DoCoMo and OMA compliant**
  for fast time-to-market
- **Lowest power consumption 6µW StdBy**
  to successfully interact with multiple LBS applications

Copyright © Infineon Technologies 2009. All rights reserved.

Rich Communication Suite (RCS) based on Comneon's IMS Device Framework

Rich Communication Suite

- RCS is a standardized sub-set of IMS functions.
- Seamless communication for end users.
- Services include:
  - Presence enabled Phone Book
  - Service Capability Exchange
  - Multimedia Messaging
  - Chat
  - File Transfer
  - Video Share
  - Image Share

Comneon is a member of the GSMA RCS Group

Copyright © Infineon Technologies 2009. All rights reserved.

Infineon serves the top 5 mobile phone OEMs as well as important additional players

CUSTOMER BASE

OEM Market shares in 2008[1)]		IFX platforms	IFX RF transceiver (standalone)	
Nokia	39.9%	ULC XMM™101 in volume production	Major RF supplier for GPRS and EDGE	✓
Samsung	16.2%	Major supplier of GSM/GPRS/ EDGE platforms HSDPA in the market	Supplier of EDGE RF and 3G RF	✓
Motorola	8.7%		Customized development HSxPA RF transceiver based on SMARTi UE	✓
LG Electronics	8.3%	Major supplier of GSM single-chip/ EDGE platforms HSDPA in the market	Major supplier of EDGE and 3G RF (through IFX platforms)	✓
Sony Ericsson	8.3%		Supplier of SMARTi 3G selected by Ericsson Mobile Platforms (EMP)	✓
Major other (undisclosed)		EDGE and HSDPA in the market	In volume production at key smartphone customers	✓

1) Strategy Analytics estimates, December 2008

Copyright © Infineon Technologies 2009. All rights reserved.

Summary

	Focus on Smartphone with slim modems for HSDPA / HSUPA systems and beyond
	Extend leadership position in RF CMOS transceivers into advanced mobile systems
	Expand leading position in SoC integration; lever it to EDGE and low-cost 3G
	Offer complete mobile phone platform solutions out of one hand
	Keep broad customer base and increase share

Copyright © Infineon Technologies 2009. All rights reserved.

infineon

Never stop thinking