

Infineon Wireless Solutions

MWC, Barcelona, February 16, 2010

Weng Kuan Tan

Division President

Wireless Solutions (WLS)



Never stop thinking

Agenda

- Review 2009
- Market Trends
- Infineon's Solutions
- Financials and Summary

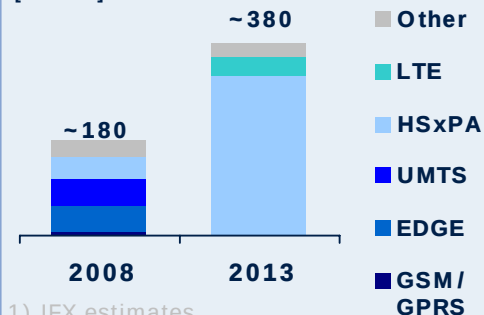
Infineon Follows a Focused Strategy in Wireless

Review: IFX Wireless Market Segment Focus presented at MWC 2009

Mobile internet / Smartphones

Smart phone shipments¹⁾

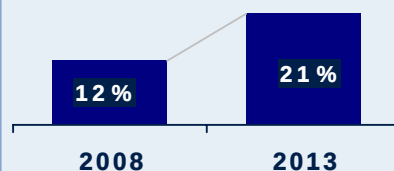
[units m]



Strong growth of smartphones driven by higher ARPU, attractive user interfaces, etc.

Strong growth in low-cost phones

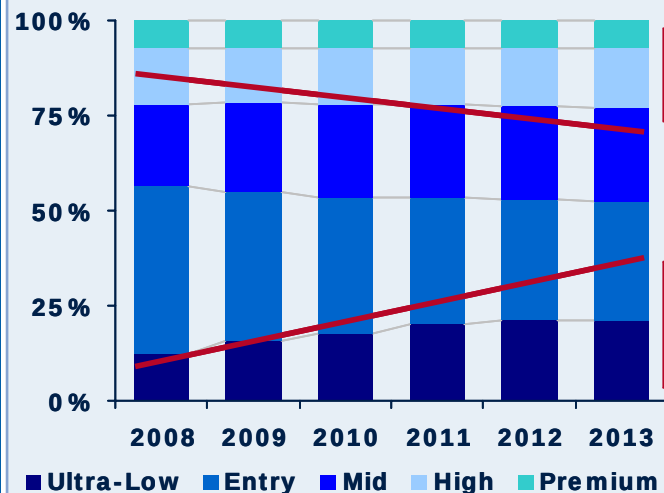
Share of Ultra low-cost phones



Source: Strategy Analytics, Sep'08

Strong growth of ULC phones driven by demand in emerging regions

“Squeeze in the middle”

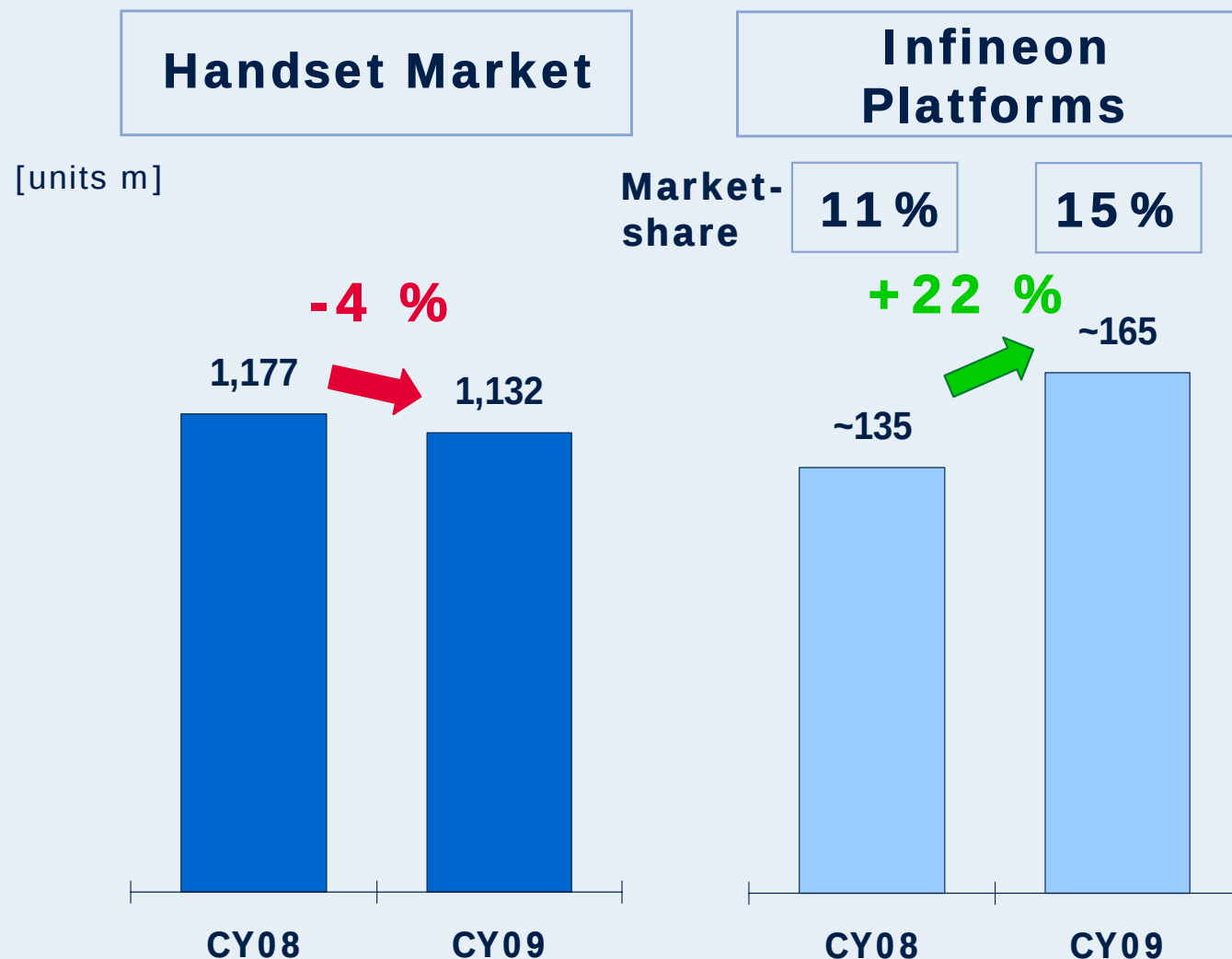


slim modem

single-chip

Infineon is Growing Share

Infineon Wireless Performance vs. Market Development



Key growth drivers:

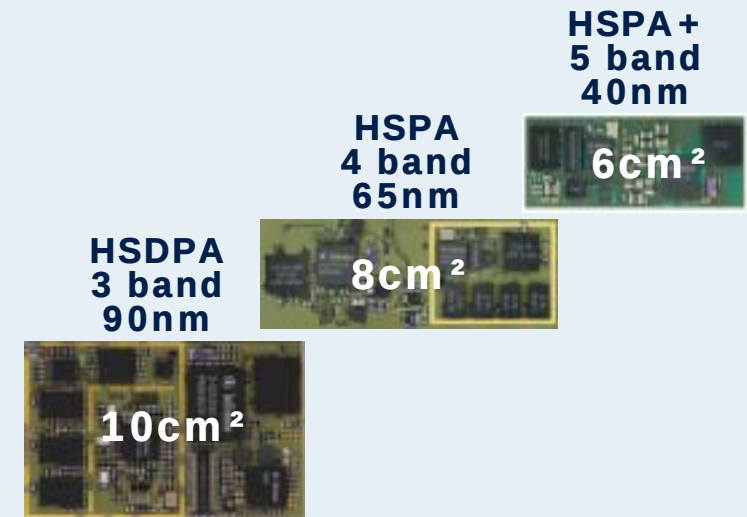
- HSPA modems for smartphones
- SoC platforms for ULC and entry phones

Source: Strategy Analytics, January 2010, Infineon

Achieved Major Design Wins

Slim Modems

- Major design wins at tier-1 customers with HSUPA platform XMM™ 6160/6180.
- RF collaboration with Nokia to develop LTE modem reference design.
- Shipped more than 1.5 billion cellular RF transceivers to date.



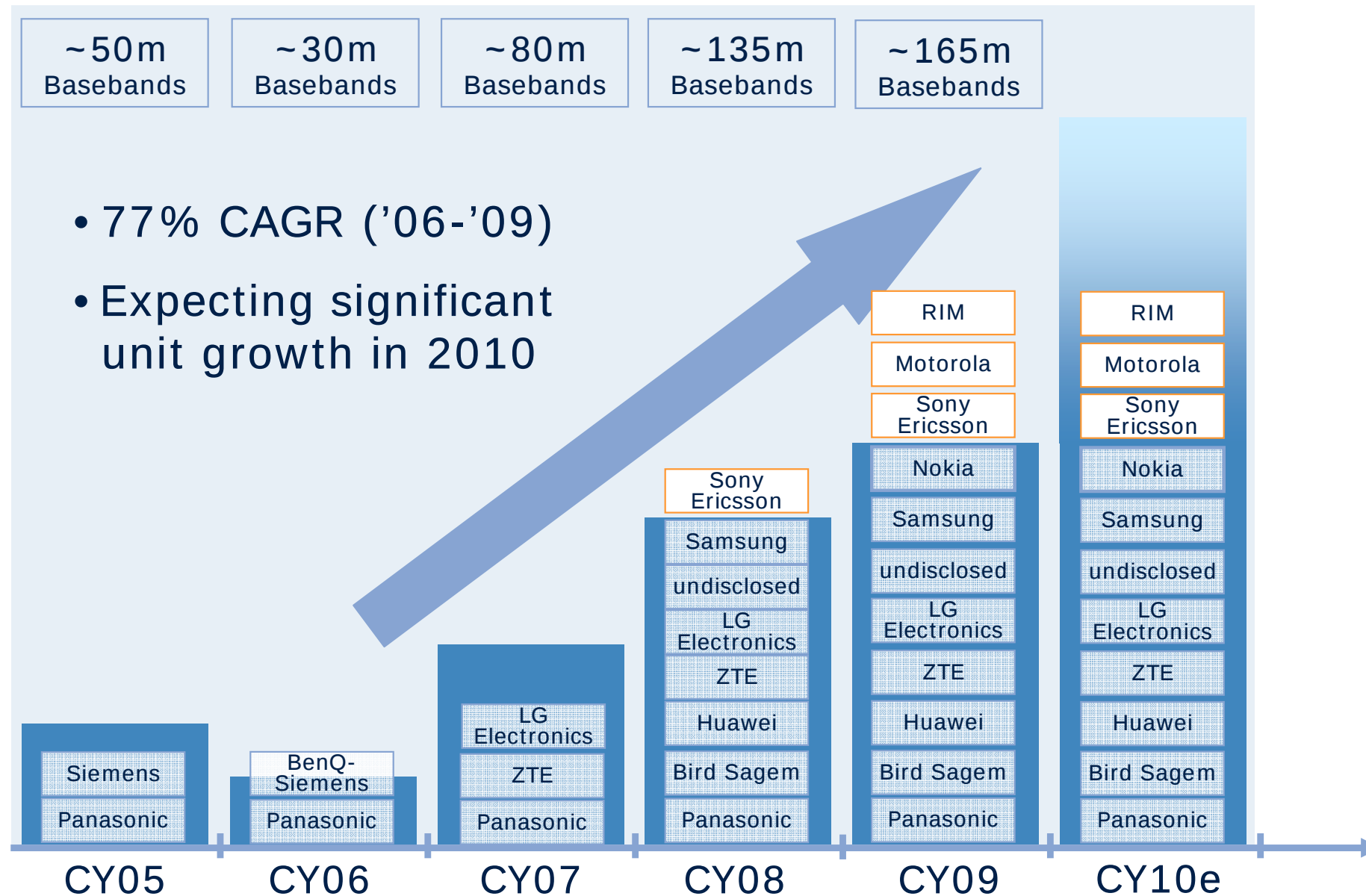
SoC platforms

- Expansion of Nokia collaboration from ULC (XMM™ 1010, XMM™ 1100) to EDGE platform (XMM™ 2130).
- Strong DW pipeline with other leading OEMs.
- Shipped > 200 million single chip solutions for ULC and entry phones to date.



Major Design Wins to Drive Further Growth

Infineon Baseband Shipments



Source: Infineon

Feb 16, 2010

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3G Slim Modem Market Opportunity is Expanding

Examples of Mobile Devices using a 3G Modem

Tablets



Netbooks / Notebooks



e-Readers

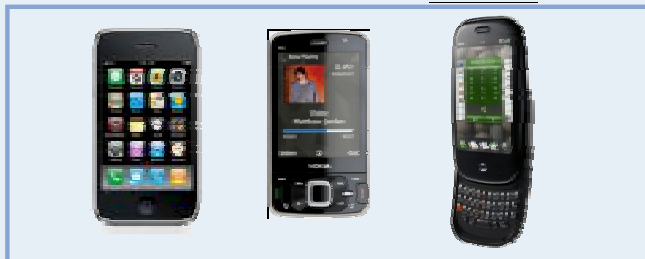


3G Routers



**3G
Modem**

Smartphones



M2M



Supplier / Customer Balance is Shifting

Major Platform Suppliers



2008



2009

Major Device Manufacturers

???



Traditional device manufacturers



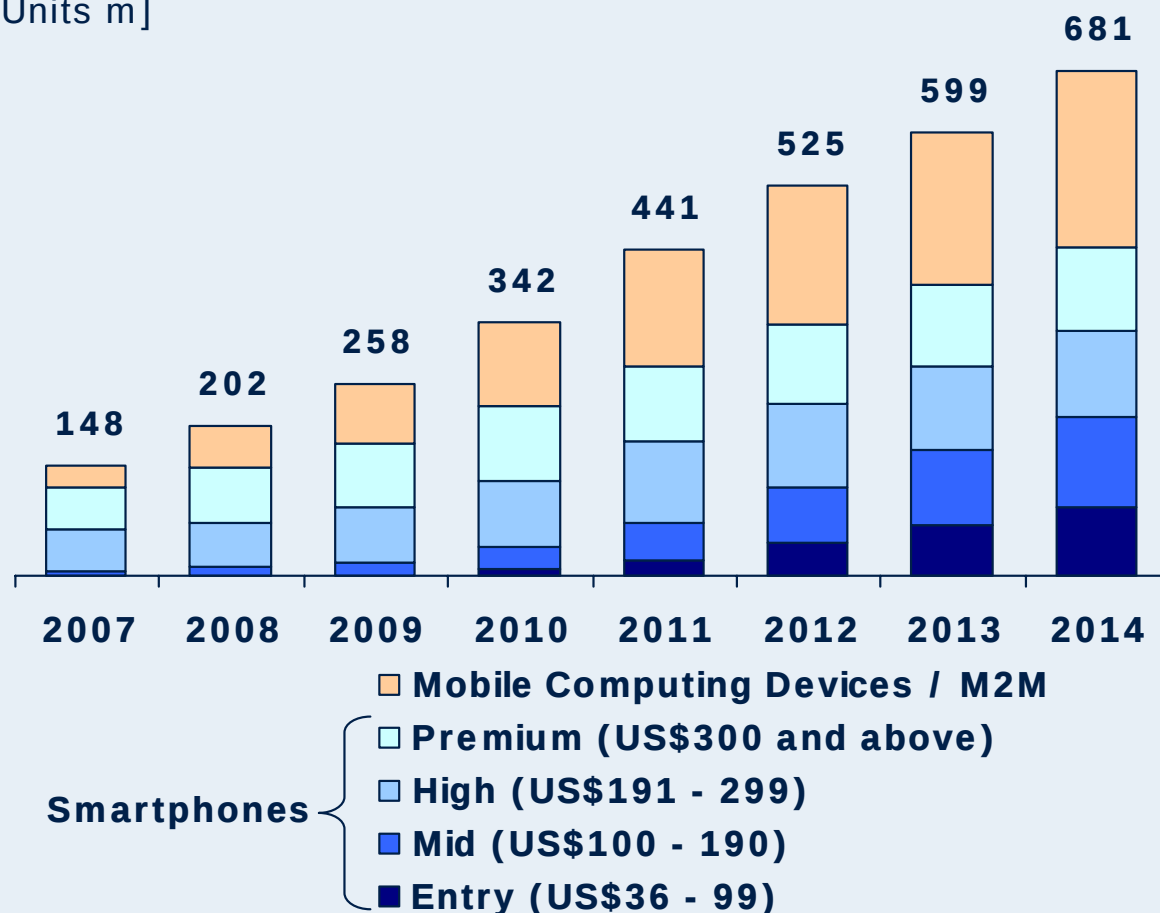
New landscape

Strong Growth in Mobile Computing and Smartphones

Market Development of Mobile Computing Devices / M2M and Smartphones

UMTS > HSDPA > HSUPA > HSPA+ > LTE

[Units m]



Source: Strategy Analytics, September 2009

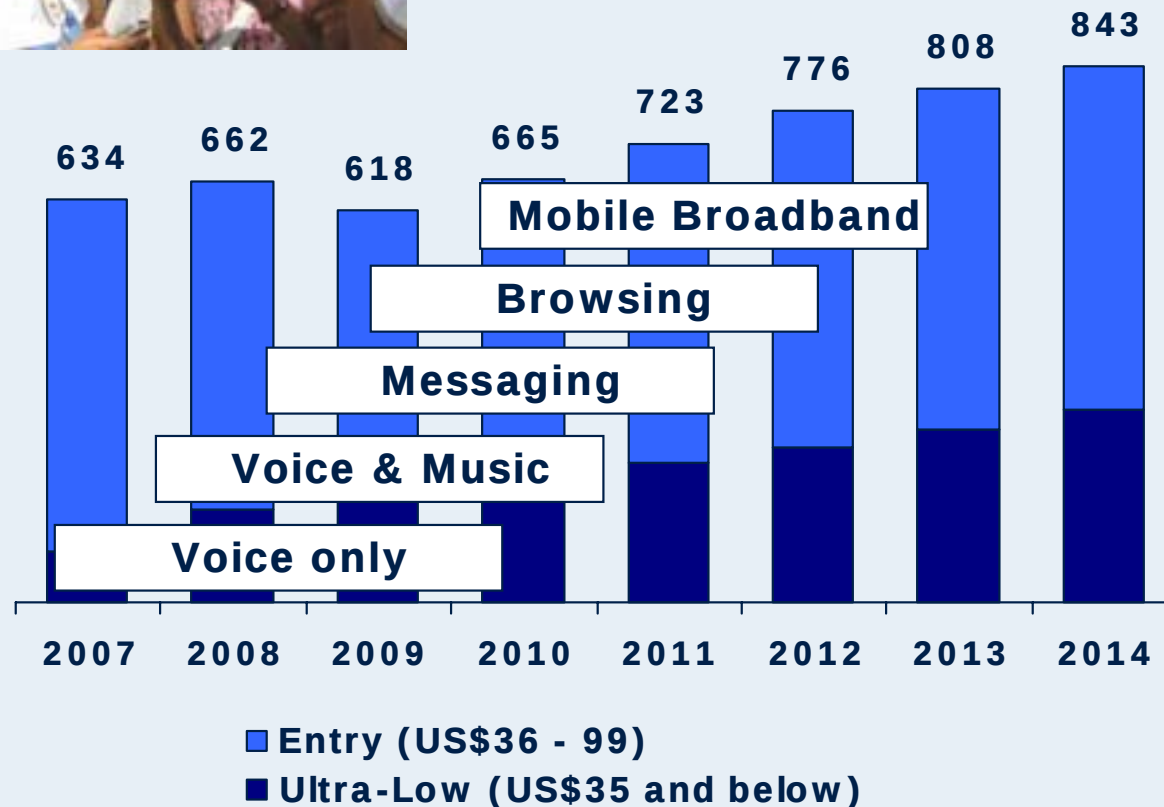
Comments:

- Smartphones are driving demand for HSUPA, HSPA+, and LTE
- Strong growth in mobile computing devices and sub \$200 smartphones
- LTE emerges from 2012 onwards

Entry Phones: From “Voice for All” to “Mobile Broadband for All”

Market Development of Entry-Level Mobile Phones

[Units m]



Comments:

- India, China, South-America and Africa are key growth regions
- EDGE to increasingly take GPRS share
- Music playback, camera, Bluetooth, and FM radio become standard features
- Operators push 3G

Source: Strategy Analytics, September 2009

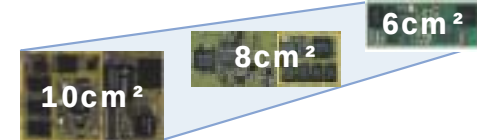
Infineon is Focusing on Fastest Growing Market Segments



Market Opportunity and Infineon Roadmap Focus

Infineon's roadmap focus:

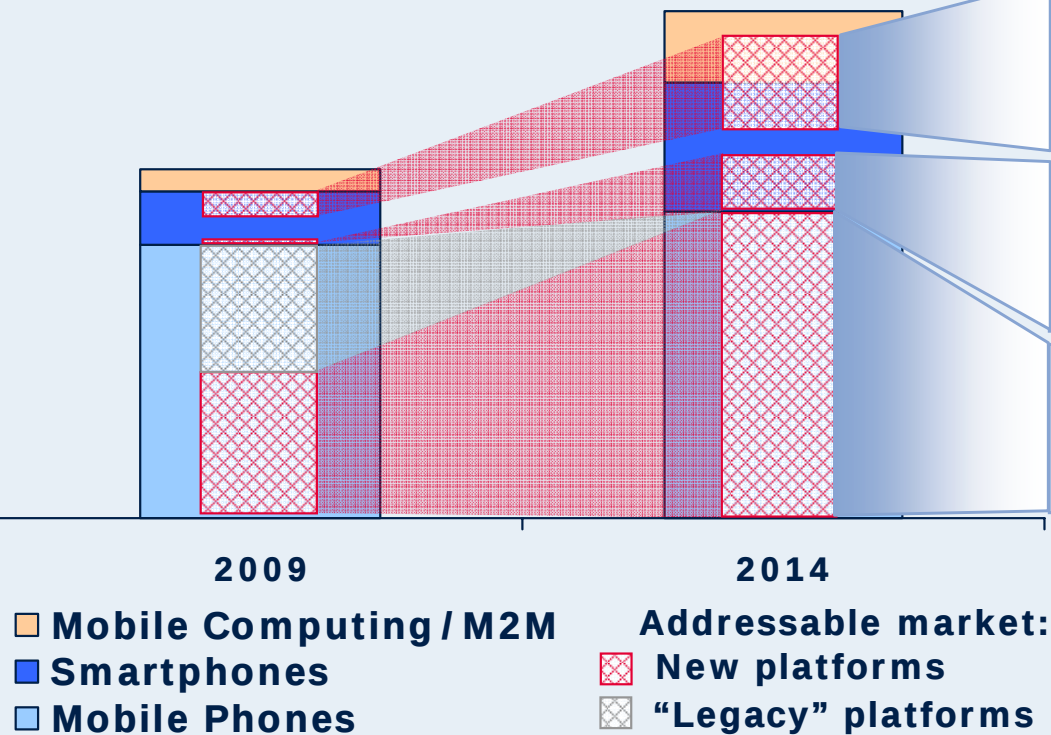
Slim Modems



Entry-level smartphone platform



Single-chip



- Slim Modem opportunity expanding
- Introducing entry-level smartphone solution
- Focusing on single-chip based ULC and entry phones

Source: Strategy Analytics, September 2009

Agenda

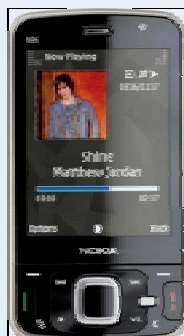
- Review 2009
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- **Infineon's Solutions**
- Financials and Summary

There are Good Reasons to Use Discrete Modem and Application Processor Solutions

Smartphones with Discrete AP



Apple
iPhone



Nokia
N96



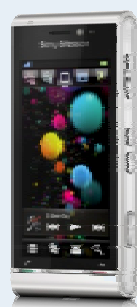
Palm
Pre



Samsung
Omnia



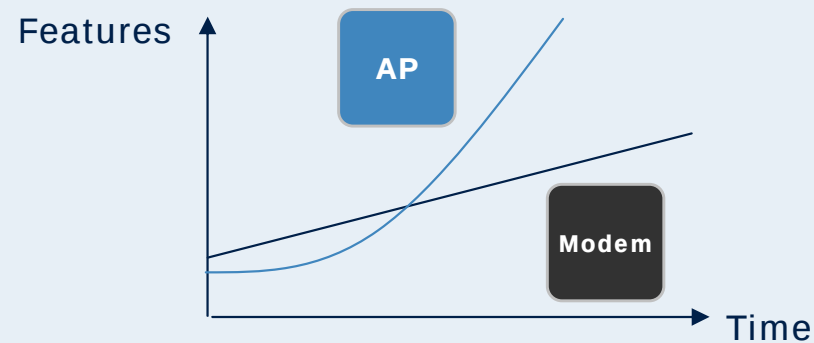
Motorola
Droid



Sony Ericsson
Satio

Key Advantages of Discrete Approach

- **Best-of-Breed Solutions**



- **Flexibility / Scalability**

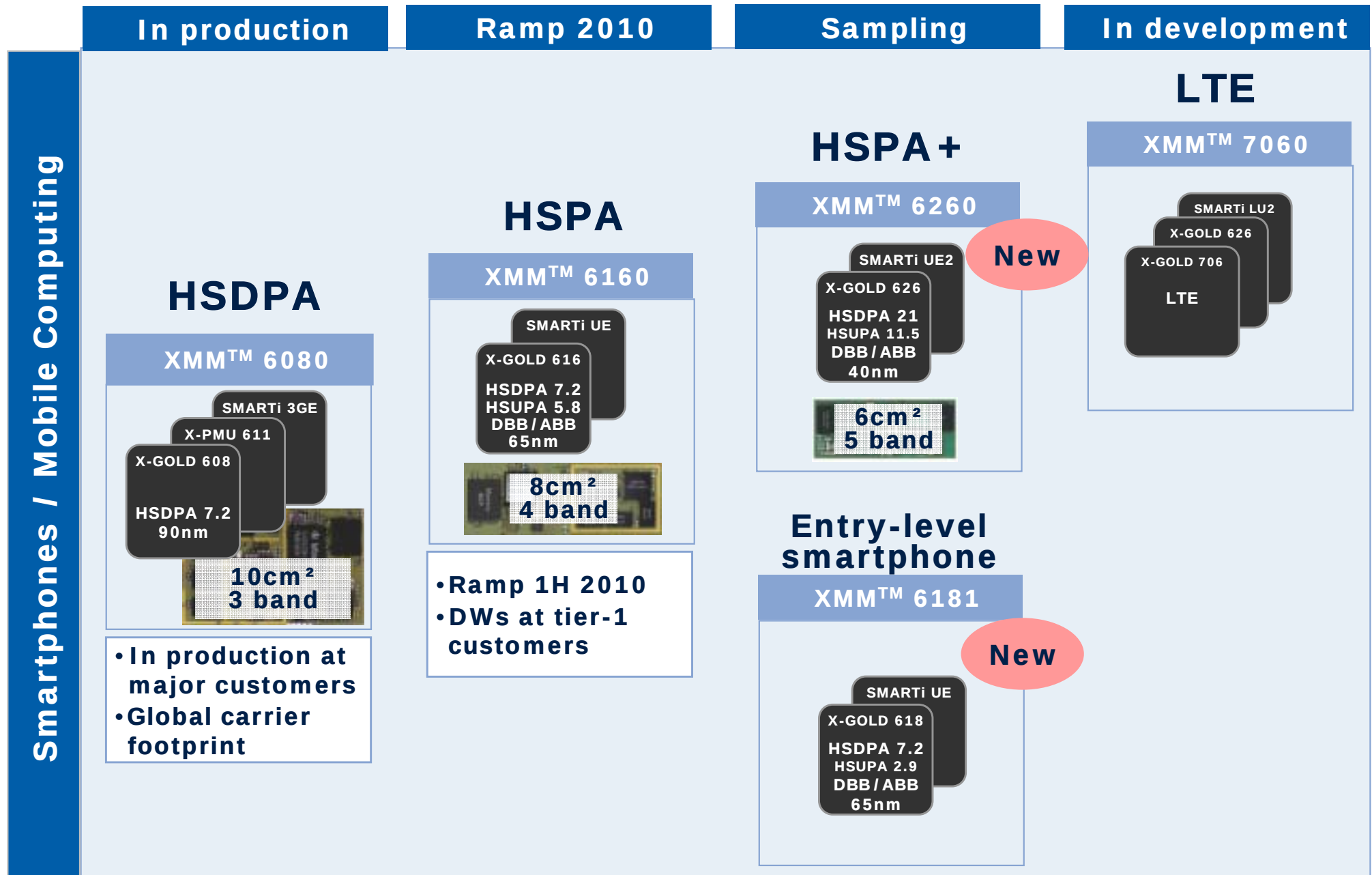


- **Broad AP vendor base***



* In alphabetical order

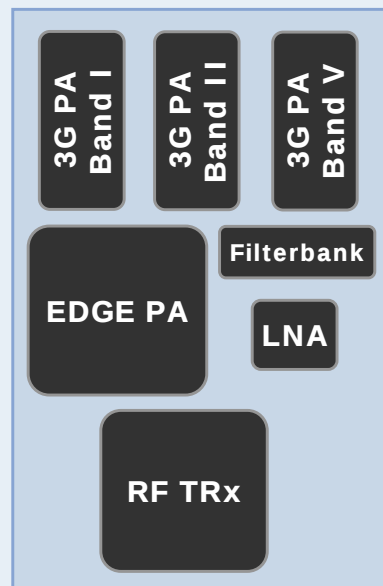
Introducing HSPA+ Slim Modem and Entry-level Smartphone Platform



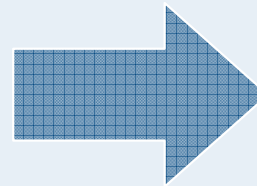
Infinion Introduces Revolutionary Digital RF Architecture with SMARTi UE2



SMARTi UE2 KPI Breakthrough



**3 Band
HSUPA RF Today**



KPI Improvements:

- RF PCB area: - 40 %
- Cost of ownership: -40 %
- Power consumption: -25 %



**5 band
HSPA+ RF 2011**

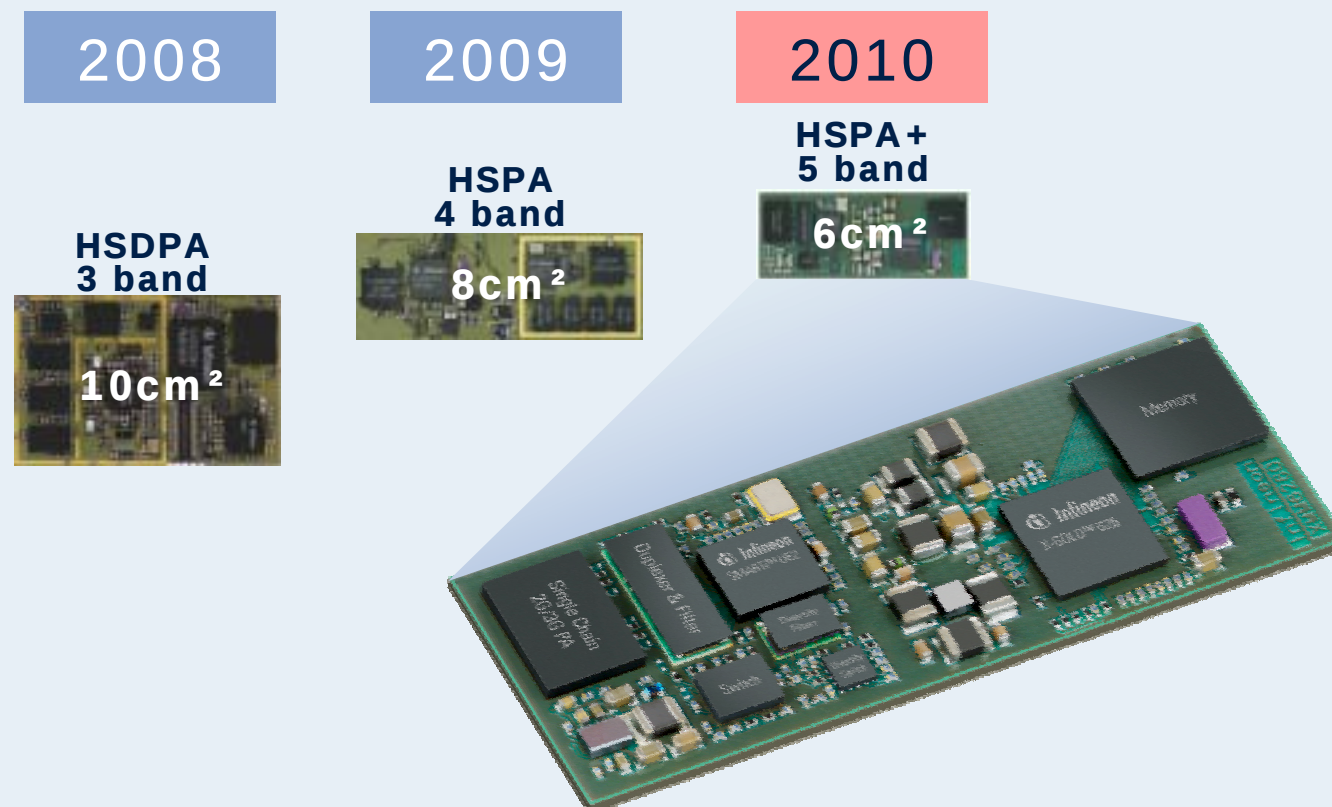


Infinion drives significant size and cost reduction with advanced digital RF architecture in 65nm CMOS combining all power amplifiers (PA) in a single PA module.

KPI: Key Performance Indicator

Introducing World's Smallest HSPA+ Solution

XMM™ 6260 Slim Modem Platform Overview



Key Features:

- 3GPP Release 7
- CPC and RX-DIV
- HSDPA 21 Mbps
- HSUPA 11.5 Mbps
- Ramp up 2011

- Lowest power consumption and smallest size:
 - Integrated, highly sophisticated PMU
 - SMARTi UE2 with revolutionary new digital architecture
- 40nm baseband and leading-edge 65nm RF
- Flexibility to adopt latest application and OS technologies

Introducing Entry-level Open-OS Smartphone Platform



XMM™ 6181 Entry-level Open OS Smartphone Platform



WVGA 800x480
TV-out D1-resol.



5 Mpixel
Integrated ISP



Video 30 fps VGA
H.264 VC1



HSDPA 7.2
HSUPA 2.9



Touchscreen
I/F integrated



A-GPS



Bluetooth



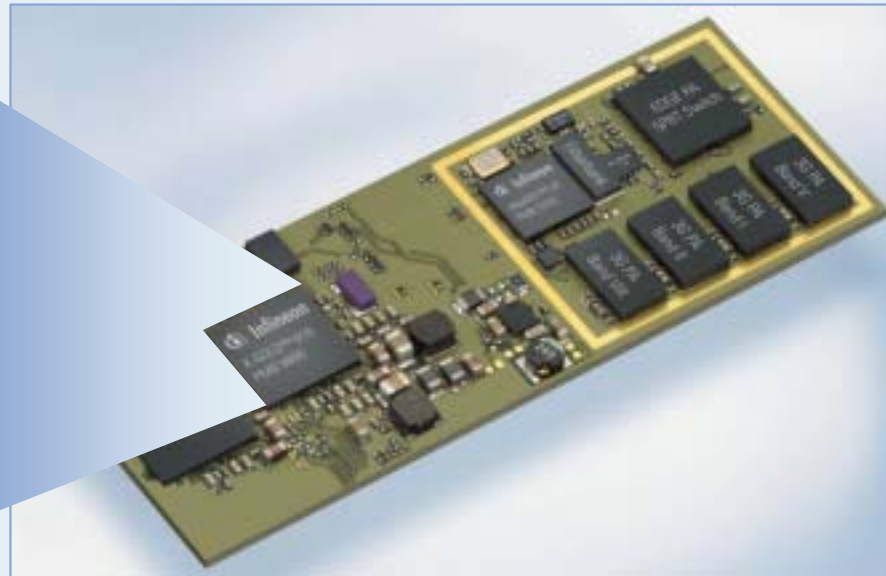
WLAN

Applications

Mobile OS



X-GOLD™ 618



- Enabling Android 3G smartphones below USD 150.
- Dedicated video, graphics and audio processing ensure high performance.
- Enabling the next level of mass communication: Mobile Social Networking.

Leveraging Success in ULC to Entry 2G and 3G

Single-chip Strategy

**Voice
for All**



**Infineon track
record:
> 200 million SoC
sold to date**

**Music,
Browsing,
Multimedia
for All**



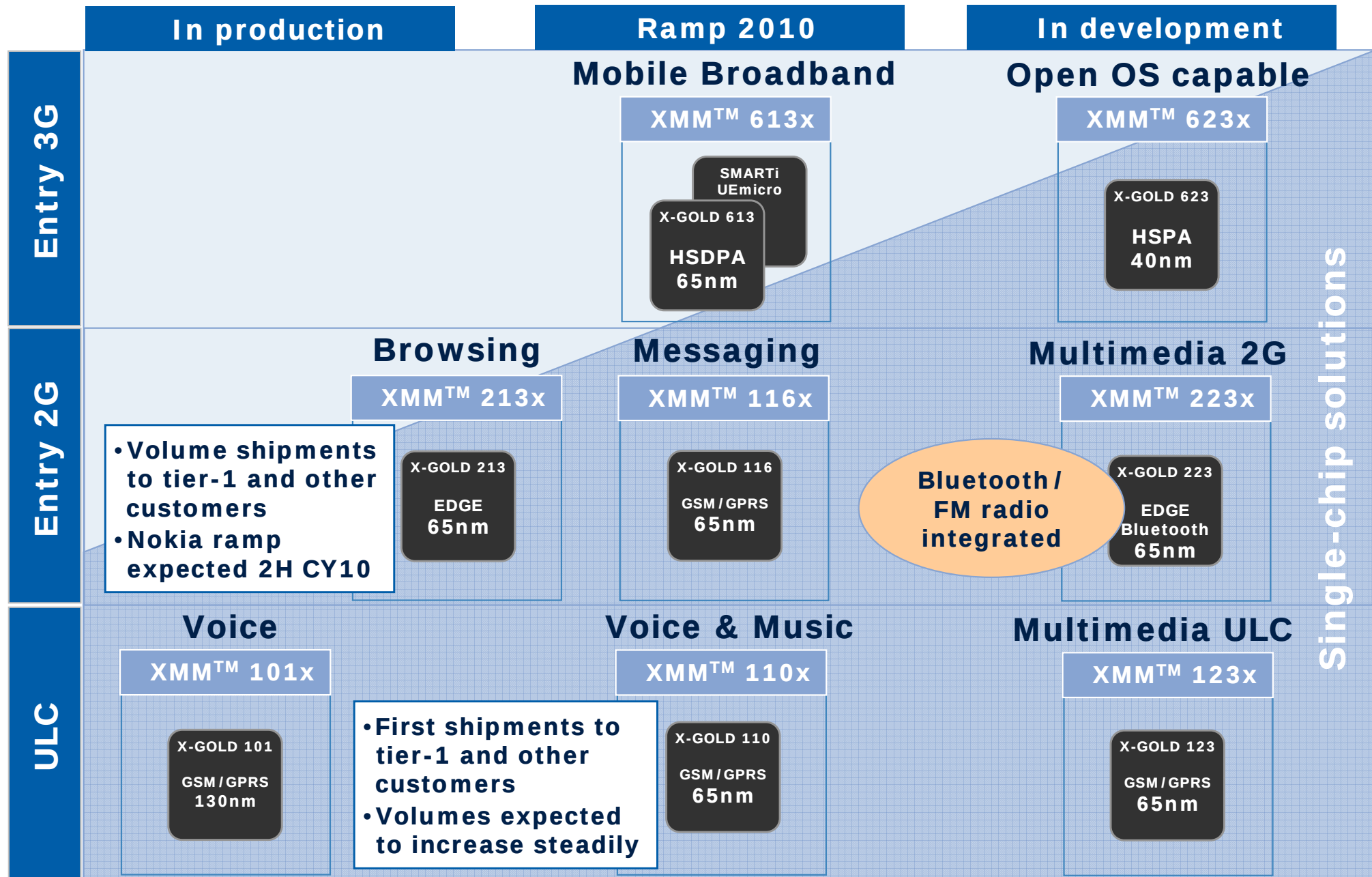
**Mobile
Broadband
for All**



Why we continue to win:

- Monolithic integration and system-level competence
- Integrateable connectivity IP in 65nm (FM radio, Bluetooth, GPS)
- Strong track record from GSM to HSPA platforms
- ARM11 performance in cost sensitive markets

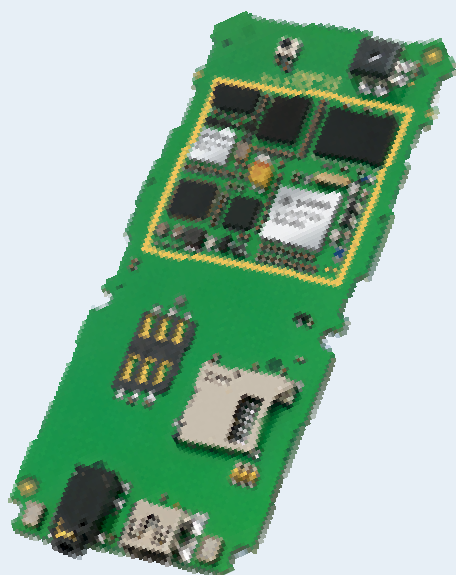
Expanding our Portfolio of Highly Integrated Platforms



Providing Leading-edge Low-cost HSDPA and Dual-SIM Platform Solutions



XMM™ 6130 - Lowest-cost HSDPA



- Modem Area < 9cm²
- Component count < 100
- 6-layer PCB
- 3 MPixel camera, WQVGA display
- USB 2.0 HS
- FM radio, Bluetooth, A-GPS, WLAN

- Targeting emerging markets
- Target BOM: USD 30-45
- Scalable: Using ARM11 core from GPRS to HSDPA
- Mature and proven protocol stack

XMM™ 2138 “Dual-SIM” platform

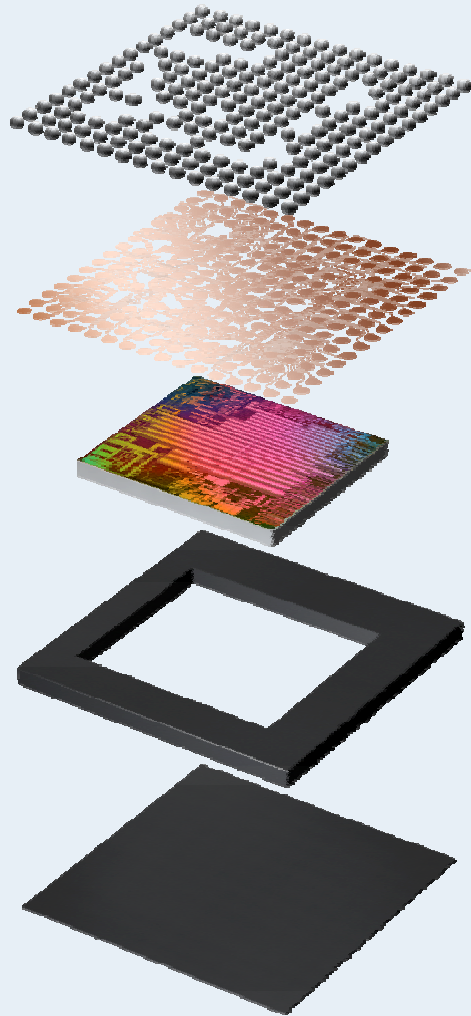


- Strong increase of Dual-SIM phones especially in APAC
- XMM 2138 opens up this market opportunity
- Platform supports Dual-SIM / Dual-Standby

Mobile Application Package Trend: eWLB Technology Provides Major Benefits



Packaging Technology Evolution



eWLB advantages:

- Thinner and smaller package
- Better thermal and electrical Performance, lower power dissipation
- Cost reduction: no laminate, no mech. drilling, no bumping, no wire bond, minimum SiP cost adder
- Further downsizing and internal interconnect density increase, hence smaller die size and PCB area

Infineon is 1st to market with this innovative technology.

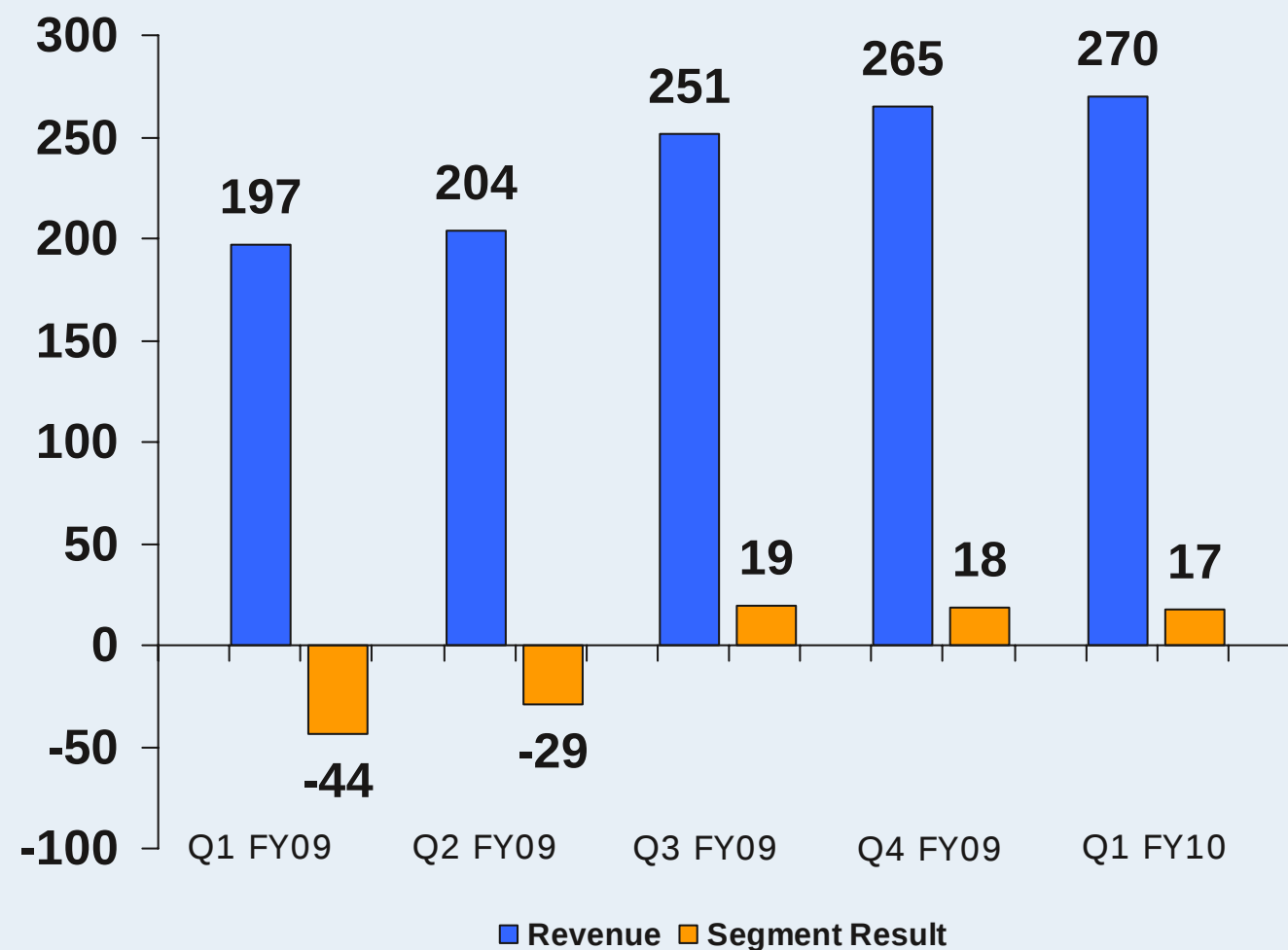
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Wireless Solutions Segment (WLS)

Revenue and Segment Result for FY 2009 and Q1 FY10

[EUR m]



Q1 FY10 Highlights:

- Record revenues
- Strength driven by smartphone segment
- 6% Segment Result margin

Outlook:

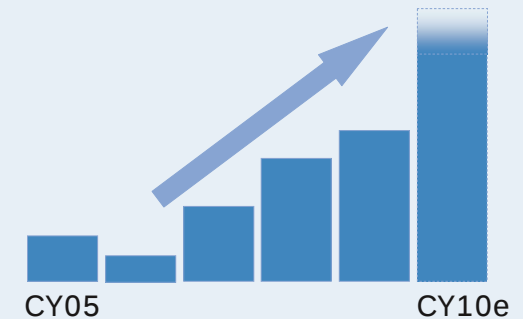
- Expecting seasonal revenue decline in Q2 FY10
- Significant unit growth in FY 2010

Summary

Strong position today

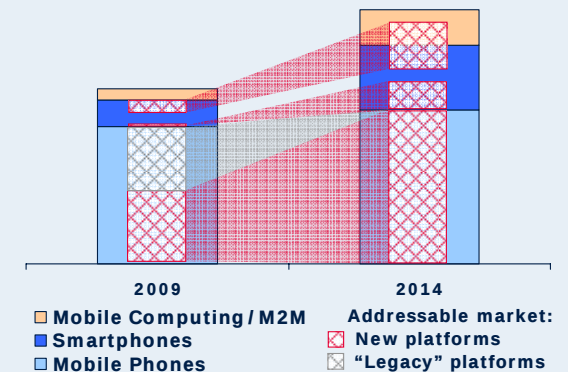
- Scale: ~\$1.4bn revenue CY09
- Profitable
- Leading customer base
- Major design wins to drive further growth

IFX baseband Shipments



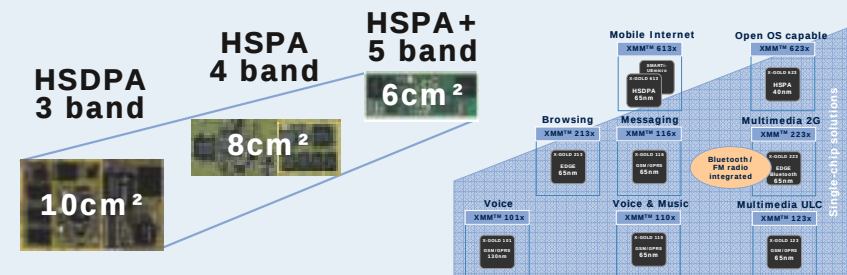
Focus on fastest growing market segments

- Slim Modem opportunity expanding
- Introducing entry-level smartphone solution
- Single-chip based ULC and entry phones



Strong technology and roadmap

- Best-in-class RF solutions
- World's smallest HSPA+ modem
- Driving single-chip integration



Disclaimer

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This presentation includes forward-looking statements about the future of Infineon's business and the industry in which we operate. These include statements relating to general economic conditions, future developments in the world semiconductor market, our ability to manage our costs and to achieve our savings and growth targets, the resolution of Qimonda's insolvency proceedings and the liabilities we may face as a result of Qimonda's insolvency, the benefits of research and development alliances and activities, our planned levels of future investment, the introduction of new technology at our facilities, the continuing transitioning of our production processes to smaller structure sizes, and our continuing ability to offer commercially viable products.

These forward-looking statements are subject to a number of uncertainties, such as broader economic developments, including the pace and sustainability of the current economic recovery; trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products, such as automobiles and consumer electronics, that incorporate our products; the success of our development efforts, both alone and with partners; the success of our efforts to introduce new production processes at our facilities; the actions of competitors; the availability of funds; the outcome of antitrust investigations and litigation matters; and the resolution of Qimonda's insolvency proceedings; as well as the other factors mentioned in this presentation and those described in the "Risk Factors" section of our annual report on Form 20-F on file with the U.S. Securities and Exchange Commission. As a result, Infineon's actual results could differ materially from those contained in or suggested by these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements.

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