

Financial and technology glossary

Financial glossary

ADS: American Depositary Shares – ADS are U.S.-traded stock certificates for non-U.S. stocks. These certificates simplify access to U.S. capital markets for non-U.S.-based companies, and in turn provide U.S. investors with investment opportunities in non-U.S.-based companies. Infineon's ADS are listed on the New York Stock Exchange (NYSE) at a 1:1 ratio.

Cash flow: The cash-effective balance arising from inflows and outflows of funds over the financial year. The cash flow statement is part of the consolidated financial statements and shows how the Company generated cash during the period and where it spent cash, in terms of operating activities (cash the Company made by purchasing/selling goods and services), investing activities (cash the Company spent for investment, or cash it raised from divestitures), and financing activities (cash the Company raised by selling stocks, bonds and loans or spent for the redemption of stocks or bonds).

Dax: Deutscher Aktienindex – The German Blue Chip Index tracking the 30 major German companies traded on the Frankfurt Stock Exchange, in terms of order volume or market capitalization.

Debt-equity ratio: An indicator of the Company's financing structure, representing the total short and long-term debt as a percentage of shareholders' equity.

Deferred taxes: Since tax laws often differ from the recognition and measurement requirements of financial accounting standards, differences can arise between (a) the amount of taxable income and pre-tax financial income for a year and (b) the tax bases of assets or liabilities and their reported amounts in financial statements. A deferred tax liability and corresponding expense results from income that has already been earned for accounting purposes but not for tax purposes. Conversely, a deferred tax asset and corresponding benefit results from amounts deductible in future years for tax purposes but that have already been recognized for accounting purposes.

EBIT: Infineon defines EBIT as "Earnings Before Interest and Taxes". This is the measure that Infineon uses to evaluate the operating performance of its segments.

EBIT margin: An indicator of operating performance, calculated as the percentage of EBIT in relation to net sales.

Equity-to-assets ratio: An indicator of the proportion of equity capital in the Company's financial structure, calculated as the ratio of shareholders' equity capital to total assets.

EPS: Earnings (loss) Per Share – basic earnings (loss) per share ("EPS") is calculated by dividing net income (loss) by the weighted average number of ordinary shares outstanding during the reporting period (financial quarter or year). Diluted EPS is calculated by dividing net income by the sum of the weighted average number of ordinary shares outstanding plus all additional ordinary shares that would have been outstanding if potentially dilutive securities or ordinary share equivalents had been issued.

Free cash flow: Inflow and outflow of cash from operating and investing activities excluding purchases or sales of marketable securities.

Goodwill: An intangible asset of the Company that results from a business acquisition, representing the excess of the acquired entity's purchase price (cost) over the fair value of the net assets acquired and liabilities assumed. Under U.S. GAAP, goodwill is not reduced through regularly scheduled amortization, but rather written down to its fair value if impaired. An impairment assessment is done at least once a year.

Gross cash position: Total of cash and cash equivalents and marketable securities.

Gross profit or margin: Net sales less cost of goods sold.

In-process research and development: Under German GAAP, in-process research and development projects acquired in a business combination are not specifically identified but rather included as part of goodwill. Under U.S. GAAP, acquired in-process research and development is specifically identified, valued, and charged to expense at the time of acquisition.

Minority interest: Proportional share in net income not ascribed to the consolidated group but to outside shareholders that hold a minority share in the equity of the Company's subsidiaries.

Net cash position: Gross cash position less long and short-term debt.

Registered shares: Shares registered in the name of a certain person. This person's details and number of shares are registered in the Company's share ledger in accordance with securities regulations. Only individuals registered in the Company's stock ledger are considered shareholders of the Company and are, for example, able to exercise their rights at the annual general meeting of shareholders.

ROE: Return On Equity – An indicator of the Company's financial performance, representing net income/loss as a percentage of the average amount of shareholders' equity capital employed during the period.

ROTA: Return On Total Assets – An indicator of the Company's financial success, representing net income/loss as a percentage of the average total assets employed during the period.

U.S. GAAP: Accounting principles generally accepted in the United States of America. Infineon prepares its consolidated financial statements according to U.S. GAAP.

Technology glossary

2G: Second generation, digital mobile telephony. Subsequent to the first generation (analog), 2G digital signals offer good overall sound quality and numerous data services. Second generation mobile communications standard in Europe: GSM.

2.5G: Currently most common used mobile communications infrastructure. 2.5-generation mobile communications standard in Europe: GPRS.

3G: Third generation of mobile communications: Provides the broadband transmission of voice and data with considerably higher capacity compared to the second generation. Third generation mobile communications standard in Europe: UMTS.

300-millimeter technology: Comprehensive term for the manufacture and processing of wafers with a diameter of 300 millimeters. At Infineon, the term is used as a synonym for the manufacture of memory chips on a 300-millimeter wafer.

300-millimeter production site: A semiconductor production site which can process wafers with a diameter of 300 millimeters.

Advanced Memory Buffer: The Advanced Memory Buffer (AMB) is a chip on a FB-DIMM memory module which buffers data and coordinates the communication between the memory module and the memory controller.

ADSL2, ADSL2+: ADSL2 and ADSL2+ are further developments of the ADSL (Asymmetric Digital Subscriber Line) standard which above all improve the data rates and range of ADSL connections. The increased range allows network providers to offer ADSL to a higher number of potential customers, while the increased data rates allow for new services like high-definition television (HDTV) over the Internet. ADSL2+ increases the maximum data rate to 25 megabit per second downstream compared to the 16 megabits per second with ADSL2. These data rates easily allow for the transmission of multiple TV or single HDTV channels.

ASIC: Application-Specific Integrated Circuit. Logic IC constructed for a specific application and a specific customer, and implemented on an integrated circuit.

ASSP: Application-Specific Standard Product. Standard product constructed for a specific use that can be used by several customers, and implemented on an integrated circuit.

Back-end manufacturing: The part of the semiconductor manufacturing process that happens after the wafer has left the cleanroom (front-end manufacturing). This includes testing the chips at wafer level, repairing the chips if necessary, dicing the wafers and packaging the individual chips. There is a growing trend among semiconductor manufacturers to outsource the assembly, and sometimes even the testing, to independent assembly companies. Much of the assembly capacity is based in the Pacific Rim countries.

Baseband IC: A baseband IC processes the digital signals received and those to be sent. This complex component usually comprises a digital signal processor, microcontroller, memory and analog circuits. It essentially forms the core of a wireless communications system.

BiCMOS: Bipolar Complementary Metal Oxide Substrate. IC-technology which combines bipolar transistors and CMOS field effect transistors on one chip.

Bit: Information unit; can take one of two values: "true" / "false" or "0" / "1".

Bluetooth: Technology for wireless voice and data transmission over short distances.

Broadband applications: Any network technology to provide high-bandwidth data transmission with bandwidths of several hundreds of kilobits per second or more.

Byte: Unit of information in data processing components. One byte is equivalent to 8 bits.

CDMA: Code Division Multiple Access. Process used in mobile communications systems, allowing several users simultaneous access to a transmission channel. Advantage: optimal utilization of available transmission bandwidth.

Chip card: Plastic card with built-in memory chip or micro-processor, which can be combined with a Personal Identification Number (PIN).

CMOS: Complementary Metal Oxide Substrate. Standard semiconductor manufacture technology used to produce microchips with low power usage and a high level of integration.

Customer premises equipment: The subscriber line, also called exchange line or last mile, is the part of the telephone network that connects the telephone exchange of the service provider with the telephone connection inside the user's/subscriber's house.

DDR: Double Data Rate. A technique increasing the data transmission rates of semiconductor RAMs by reading and writing data on both the rising and falling edges of the clock signal which leads to a doubled data transmission rate compared to the use of only one data transmission rate.

DDR2: A further development of the DDR technology. This is currently the commonly used memory technology for PCs and notebooks.

DDR3: A further development of the DDR2 technology. Expected in PCs in the second half of the calendar year 2007.

DECT: Digital Enhanced Cordless Telecommunications. Uniform European standard for digital wireless communications systems.

DRAM: Dynamic Random Access Memory. Widely used low-cost memory chip technology based on high-level integration. Examples of DRAM chips: SDRAM, DDR DRAM, RDRAM, SGRAM. (See "RAM").

DSL: Digital Subscriber Line. A broadband digital connection using telephone networks.

Dual die technology: Assembly technology for memory ICs. In the Dual-die-Technology two identical chips in a BGA (Ball Grid Array) casing are stacked on-top of each other. This doubles the capacity of the components and therefore also the memory modules without requiring additional board space.

DVB-T: Digital Video Broadcasting – Terrestrial. Describes the terrestrial (earthbound) variant of DVB which is used in European states and other countries as a standard for the transmission of digital television and radio via aerials.

EDGE: Enhanced Data Rates for GSM Evolution. Describes a technology for an increased data rate in GSM mobile communications networks which, to date, is only very rarely applied. Like GPRS, EDGE is evolved as a further development of the GSM technology which can be introduced in mobile communications networks at modest efforts.

FB-DIMM: Fully Buffered Dual-Inline Memory Module. Represents a novel memory module technology which, in the area of servers, ensures that the maximum memory system capacity can be increased in the light of higher memory clock rates where it usually would need to be decreased.

FCOS: Flip Chip on Substrate. Stands for the newest development in chip card technology. This process combines the new flip chip assembly with a revolutionary concept of material usage. FCOS chip modules provide increased mechanical stability and optical quality for memory and microprocessor cards.

Flash memory: A type of non-volatile memory. Its contents are preserved, even when the system's power is turned off.

Front-end manufacturing: Wafer processing that takes place in the cleanroom, as opposed to processing that happens after the wafer has been essentially finished. Once the wafer is done with its cleanroom processing, it moves into the back-end manufacturing, which involves testing and assembly (packaging). See also: back-end manufacturing.

Giga: In information technology, prefix denoting a multiple of 2^{30} as in Gigabit (Gbit), Gigabyte (GByte).

GPRS: General Packet Radio Service. New generation of mobile communications (2.5 group) for higher data transmission rates (up to 115 kbits/s) in GSM networks.

GPS: Global Positioning System. Satellite and radio-based location identification and positioning process based on the transit-time differences of received signals.

Graphics RAMs: Also called SGRAM (Synchronous Graphics RAM). A special, advanced variant of the SDRAM components optimized for graphical applications and used for high-end graphics cards. By using an internal command pipeline, access sequences can be buffered on the chip, which lead to increased access bandwidths.

GSM: Global System for mobile communications. Currently the most widely used digital mobile communications standard in the world.

HDTV: High Definition Television is a generic term for a number of television standards which are characterized by an increased vertical, horizontal and/or temporal resolution compared to conventional television. This is accompanied by the transition from the 4:3 to the 16:9 aspect ratio.

Home gateway: This allows high-speed data transmissions from and to private homes. They can be considered as the next evolutionary step following the set-top box (decoder).

IPTV: Internet Protocol Television. Describes the digital transmission of TV programs and movies over a digital data network. The Internet Protocol (IP) on which the Internet is based, is used. The transmission of digital video signals demands a high data rate (about six to eight megabits for HDTV). Therefore IPTV was not possible before the wide spread of broadband Internet connections to the customer (e.g. ADSL2, cable modem or VDSL) and introduction of new compression methods.

IC: Integrated Circuit. Electronic component parts composed of semiconductor materials, such as silicon; numerous components, such as transistors, resistors, capacitors and diodes can be integrated into ICs and interconnected.

ISDN: Integrated Services Digital Network. Type of on-line connection, integrating telecommunications services, such as telephone, fax or data transmissions into one single network.

Kilo: In information technology, prefix denoting a multiple of 2^{10} as in kilobit (Kbit), kilobyte (Kbyte).

LAN: Local Area Network. Data communications network in an extremely limited physical space, such as the confines of one building.

Logic segment: Combination of the two Infineon segments Automotive, Industrial and Multimarket and Communication.

Mega: In information technology, prefix denoting a multiple of 2^{20} as in Megabit (Mbit), Megabyte (Mbyte).

Megahertz: Hertz (Hz) is the unit for frequency. It is named after the German physicist Heinrich Rudolf Hertz. The Hertz determines the number of oscillations per second, or more generally the number of repetitive processes per second. Frequently used units are kilohertz (thousand oscillations per second), megahertz (one million oscillations per second) and gigahertz (one billion oscillations per second).

Memory stick: A memory stick is a digital storage media for data. It is a proprietary standard developed by Sony and was introduced in 1998. Memory sticks are used in a range of products from Sony in the field of consumer electronics.

Microcontroller: A microprocessor integrated into a single IC combined with memory and interfaces, functioning as an embedded system. Logical integrated circuits of the highest complexity can be designed in a microcontroller and controlled by software.

Micro-DIMM: Micro-Dual-Inline Memory Module. A form of memory module which, in comparison with the SO-DIMM, has been more miniaturized. This miniature memory module is designed for use as main memory in sub-notebooks.

Micron (micrometer): Metric linear measure, corresponding to the millionth part of a meter (10^{-6}). Symbol: μm . As an example, the diameter of a single human hair is 0.1 millimeter or 100 μm .

MicroSlim: A novel storage concept for the non-volatile memory on Infineon chip cards. It uses only one transistor instead of two per memory cell.

Mobile-RAM: Low-power DRAM designed for mobile applications like PDAs and smart phones.

MP3 player: A battery-powered device which plays digital audio data stored in MP3 format.

MultiMediaCard: A format for a digital storage medium. The MultiMediaCard standard was developed by Infineon and SanDisk in 1997. A MultiMediaCard uses NAND flash technology to store data.

NAND flash: NAND flash memory is mostly used for large storage media like USB sticks and flash memory cards (MultiMediaCard, SD Card, memory stick, etc.). These memory cards are for example used in MP3 players and digital cameras.

Non-volatile memory: Memory that does not lose its stored information even when the power supply is turned off.

PDA: Personal Digital Assistant. An electronic address book, appointment calendar, and notebook; is usually synchronized with the PC.

Power semiconductor: Over the last 30 years power semiconductors mostly replaced electromechanical solutions in the areas of drive technology and power management and supply due to their ability to form high energy flows almost at will. The advantage of the components is the possibility to switch extremely fast (typically a fraction of a second) between the "open" and the "closed" state. With the rapid sequences of on/off pulses almost any form of energy flow can be created, for example a sinus-wave.

Radio frequency (RF) transceiver: The term "transceiver", created from the words "transmitter" and "receiver", is used to describe a combination of transmitter and receiver in a single component used in wireline and wireless communications. Radio frequency transceivers are used in wireless communications, for example, in mobile phones and cordless telephones.

RAM: Random Access Memory. Semiconductor memory that can be accessed in any order. The name is derived from, and is in contrast to, the sequential access memory of a tape storage medium. Data memory, known as main memory, contains programs and data. Examples: SRAM and SDRAM. (See "DRAM").

ROM: Read-Only Memory. Digital, non-volatile data memory in which data can be permanently stored regardless of the power supply. The most recent developments are in the form of flash memories (NAND and NOR).

SD card: Secure Digital Memory Card. A digital storage medium. The term "secure digital" comes from the additional hardware functions for the Digital Rights Management (DRM). With a memory area protected from user access the card prevents the illegal playing of protected media files.

Semiconductor: Crystalline material; its electrical conductivity can be changed as desired by the application of doping materials (most often boron or phosphorous). Semiconductors include silicon or germanium. The term is also applied to ICs made of these materials.

Server: General term used to describe powerful computer within computer networks which fulfill various tasks. Examples are print servers, web servers, mail servers, database servers etc.

Silicon: A chemical element with semiconducting characteristics. Silicon is the most important raw material in the semiconductor industry.

Smart card: A plastic card, usually about the size of a credit card, with an embedded microcontroller. In contrast to a memory-based card, the microprocessor permits the extremely secure processing of large volumes of data.

Smart phone: A smart phone combines the performance of a PDA with a mobile phone. Depending on the manufacturer the device will be more PDA or more mobile phone. This means that smart phones can log on to a mobile phone network or, as small computers, also run applications like a PDA.

SMS: Short Message Service. A telecommunications service for the transmission of text messages. It was initially developed for GSM mobile communications and is now also available via landline connections.

Tire Pressure Monitoring System (TPMS): A system that monitors the pressure inside a tire and alerts the driver when the pressure is insufficient.

Triple-play: Describes the communications package of the future consisting of high-speed Internet connection, telephone service (Voice over IP) and online video services. Triple-play can be provided using copper wires (DSL connection), cable connections or radio connections.

Trusted Platform Module: The Trusted Platform Module (TPM) is chip which has the task of making the computer more secure. It is equivalent to a permanently embedded smart card with the difference of being associated with a system, not a particular user. In addition to its use in PCs it will be integrated into PDAs, mobile phones and consumer electronics. The chip is passive and can not directly influence the boot process or the operation of the device. It contains a unique identifier and allows for the identification of the computer.

UMTS: Universal Mobile Telecommunications System. Designed to be the future global digital standard for mobile communications. UMTS enables data transmission of up to 2 Mbit/s.

USB stick: A USB device with a very small stick or plug like design. The term is colloquial and does not stand for a class of products. In German it usually describes an USB storage device serving as exchangeable storage.

VDSL, VDSL2: Very High Data Rate Digital Subscriber Line. VDSL, like ADSL, is a digital transmission technology for the connection of customers using copper wires. It offers significantly higher data rates of up to 52 megabits per second. This decreases the maximum range of the bridgeable copper wire to a maximum of 1.5 kilometer. Therefore the use of VDSL2 is restricted to hybrid networks as an extension to an already existing fiber-optics connection. The successor VDSL2 will offer bandwidths of up to 100 megabits per second. The targeted range for this speed is about 200 meter.

Voice over IP (VoIP): IP telephony is the ability to telephone via a computer network based on the Internet Protocol. When IP telephony is used to conduct conversations over the Internet, one talks of Internet telephony. The essential difference to conventional telephony is that voice data is not transmitted via a switched connection through a telephone network, but rather it is split up into IP packages which travel through the network to their destination along an unspecified route. IP telephony can share the infrastructure, i.e. the network, with other communications services.

Volatile memory: Memory that loses stored information when the system's power is turned off.

Wafer: Disc made of a semiconductor material, such as silicon, with a diameter of up to 300 millimeters.

WDCT: Worldwide Digital Cordless Technology. Unified standard for wireless digital communications systems in North America. An adaptation of the DECT standard.

WLAN: Wireless Local Area Network. A local computer network which connects computers with each other or the Internet via a radio connection.

Workstation: very capable PC.

xDSL: xDigital Subscriber Line. Generic term for various technical concepts for broadband, digital data transmission via existing twisted copper wires. Depending on the configuration, the "x" stands for: Asymmetric (A), High bit-rate (H), Single line (S), Symmetric High bit-rate (SH) or Very high bit-rate (V).

