

Infineon's business highlights for second quarter of financial year 2005

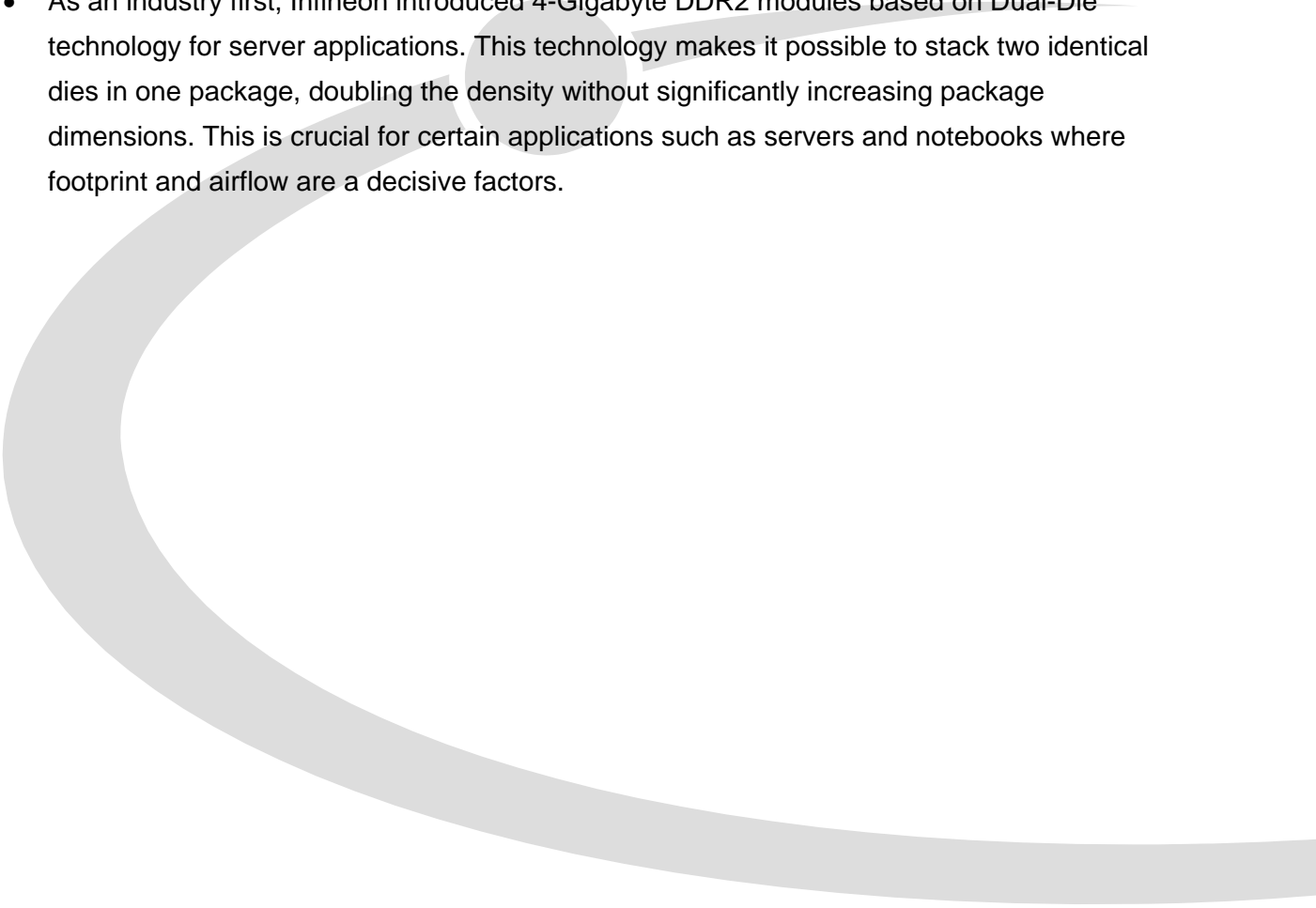
Automotive, Industrial and Multimarket

- In February 2005, Infineon announced ground breaking at its new front-end production plant in Kulim, Malaysia. The fab will primarily produce power semiconductors used in automotive and industrial power applications.
- With respect to power semiconductors, Infineon expanded its CoolMOS™ product portfolio with a new series of high-performance power transistors. These are designed for power supplies used in computer servers and other high-power-density applications such as telecom equipment and flat-panel displays.
- The company and Giesecke & Devrient jointly introduced a new production methodology called "Flip Chip On Substrate" (FCOS) for chip-card IC packages which increase IC packages' robustness.
- Infineon further expanded its microcontroller product offering, including two 32-bit microcontrollers based on the TriCore™ architecture, and a family of application-specific 16-bit microcontrollers that enables cost savings of up to 30 percent compared to available alternatives.

Communication

- In the second quarter of financial year 2005, Infineon, Samsung Electronics, Trolltech, and Emuzed announced the world's first UMTS/EDGE smartphone reference design based on the Linux operating system.
- Infineon also announced SMARTi PM, the industry's first single-chip CMOS RF transceiver for GSM, GPRS and EDGE mobile phones. SMARTi PM saves 50 percent board space and 30 percent of component costs compared to competing solutions.
- In its wireline business, Infineon introduced GEMINAX Pro, the world's smallest and most economical chip for ADSL2+, the broadband access technology that the company expects to become the next dominant technology in the mid-term. GEMINAX Pro sets new standards as it reduces power consumption, footprint, and system costs by up to 30 percent.

Memory Products

- The segment is on track with the introduction of its 90-nanometer DRAM trench technology on 300-millimeter wafers, and expects production to start ramping up by mid-2005.
 - In the second quarter of fiscal year 2005, Infineon further increased the proportion of higher-density products in its portfolio, and introduced additional leading-edge products. It also started sampling of the 512-Megabit GDDR3 Graphics RAMs.
 - As an industry first, Infineon introduced 4-Gigabyte DDR2 modules based on Dual-Die technology for server applications. This technology makes it possible to stack two identical dies in one package, doubling the density without significantly increasing package dimensions. This is crucial for certain applications such as servers and notebooks where footprint and airflow are a decisive factors.
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