

Business highlights fourth quarter and fiscal year 2004

Automotive & Industrial

- In fiscal year 2004, the segment had major design wins and expanded its regional markets, especially in North America, Asia Pacific, and Japan.
- The new safety standard proposed by the U.S. National Highway Traffic Safety Administration (NHTSA) for Tire Pressure Monitoring Systems (TPMS), effective September 2005, initiated an increase in demand for Infineon's TPMS sensors.
- In the 2004 fourth quarter, the market research institute Frost & Sullivan presented Infineon with its 2004 Market Leadership Award in the European semiconductor market for passenger cars.

Wireline Communications

- In fiscal year 2004, the segment complemented its product portfolio for Customer Premises Equipment (CPE) products with the acquisition of the Taiwanese company ADMtek. Infineon is now able to offer a complete ADSL solution for both ends of the copper line, including its recently launched ADSL CPE chip called AMAZON.
- In addition, the company had significant design wins for ADSL products at major customers such as ECI Telecom and ZTE Corporation.
- In its optical networking business, the company achieved significant design wins for Ethernet-over-SONET at nearly all major communications equipment suppliers in fiscal year 2004.

Secure Mobile Solutions

- In fiscal year 2004, the Secure Mobile Solutions segment successfully expanded its market position in all of its major business areas.
- In line with the high demand for mobile phones worldwide in fiscal year 2004, Infineon saw increased sales of baseband and radio frequency chips, as well as mobile platform solutions and SIM cards chips for mobile phones.
- In the fourth quarter of fiscal year 2004, the company's security business achieved a high market acceptance of its new "66P Enhanced" family of security controllers for standard 8-bit and 16-bit chip card applications used in high-security applications, such as electronic payment.

Memory Products

- In fiscal year 2004, the segment broadened its product portfolio with innovative, higher-value DRAMs such as DDR2, Graphics RAM and Mobile-RAMs, and successfully increased the share of higher margin products within the overall sales volume.
- By the end of fiscal year 2004, Infineon had converted more than 80 percent of its capacities to its 110-nanometer trench technology, and presented the first fully functional customer samples based on 90-nanometer technology and a first product demonstrator based on 70-nanometer trench technology.
- In the fourth quarter of fiscal year 2004, the company received the SUN Meritorious Award for supply chain excellence for the second year in a row.
- During fiscal year 2004, Infineon paved the way for the further growth of its DRAM capacities with the completion of the first phase of the ramp-up of its joint venture Inotera and the decision to equip its 300-mm facility at Richmond, Virginia. Infineon also has opened additional backend manufacturing facilities in Porto, Portugal, and in Suzhou, China.