

# Press Conference

New Delhi, March 28, 2007

Dr. Wolfgang Ziebart  
President and CEO



Never stop thinking

# Company Overview – Some Facts And Figures

- More than EUR 4 bn in revenues in fiscal year 2006
- Approx. 30,000 employees (incl. 6,000 R&D staff)
- Strong technology portfolio with about 22,900 patents and applications
- More than 35 major R&D locations worldwide
- Majority holding of Qimonda, #2 in DRAM-market

# We Have A Market-Oriented Business Structure

## Business Groups

## Applications

### AIM

Automotive,  
Industrial &  
Multimarket



**Car Electronics** (powertrain, safety management, body & convenience, infotainment),

**Power control** (distributed power generation, automation / motor control, transportation, power supplies, medical, building control),

**Chipcard & Security** (communications, payment, identification, entertainment)

### COM

Commu-  
nication  
Solutions



Mobile telephone systems for major standards (GSM, GPRS, EDGE, UMTS), cordless telephone systems for major standards (WDCT, DECT), RF connectivity solutions (Bluetooth, GPS, etc.), cellular base stations, traditional telecom and enterprise equipment, broadband access solutions for central office and customer premises equipment, home networking equipment.

Customers

# Ranking In Our Global Target Markets

Power	Wireline Access	Wireless, RF	Chipcard	Auto-motive
#1	#1	#1	#1	#2
Market share 9.4%	Market share 19%	Market share 11%	Market share 29%	Market share 9.3%

Source: IMS, Sept. 2006

Source: Gartner, Jun. 2006

Source: Gartner, Sept. 2006

Source: Frost & Sullivan, July 2006

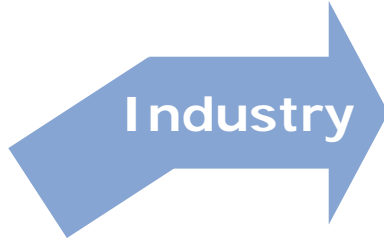
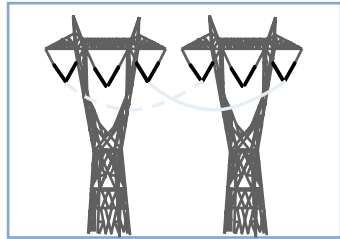
Source: Strategy Analytics, May 2006

- Energy Efficiency
- Connectivity
- Security

## Energy Efficiency

- Energy savings in power generation
- Energy savings in power transmission
- Energy savings in power consumption

# Increased Efficiency In all Areas Of Electric Supply Chain Through Semiconductors



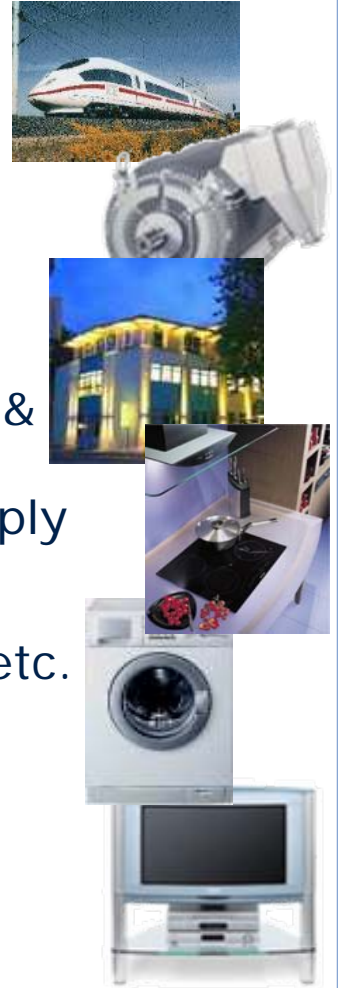
Consumption

- Wind, water and solar power
- Fuel cells

- FACTS & SVC
- HVDC Transmission

## Saving potential is everywhere

- Traction
- Speed controlled motors
- Pumps
- Computer & server power supply
- Lighting
- TV, DVD, etc. supply & stand-by
- Inductive cooking



# India Has A Huge Need for Consuming Energy In the Most Efficient Way



- Two big topics: increasing energy consumption and pollution through CO<sup>2</sup>
- Annual electricity generation and consumption in India have increased by about 64% in past decade
- Projected to increase by 8 to 10% annually through 2020
- CO<sup>2</sup> emission will rise analog to prospering wealth



## ■ Example household appliances:

- Waste of electricity with technically obsolescent appliances
- Effective compressor management by chips can slash energy consumption of refrigerator or air conditioning by 25%

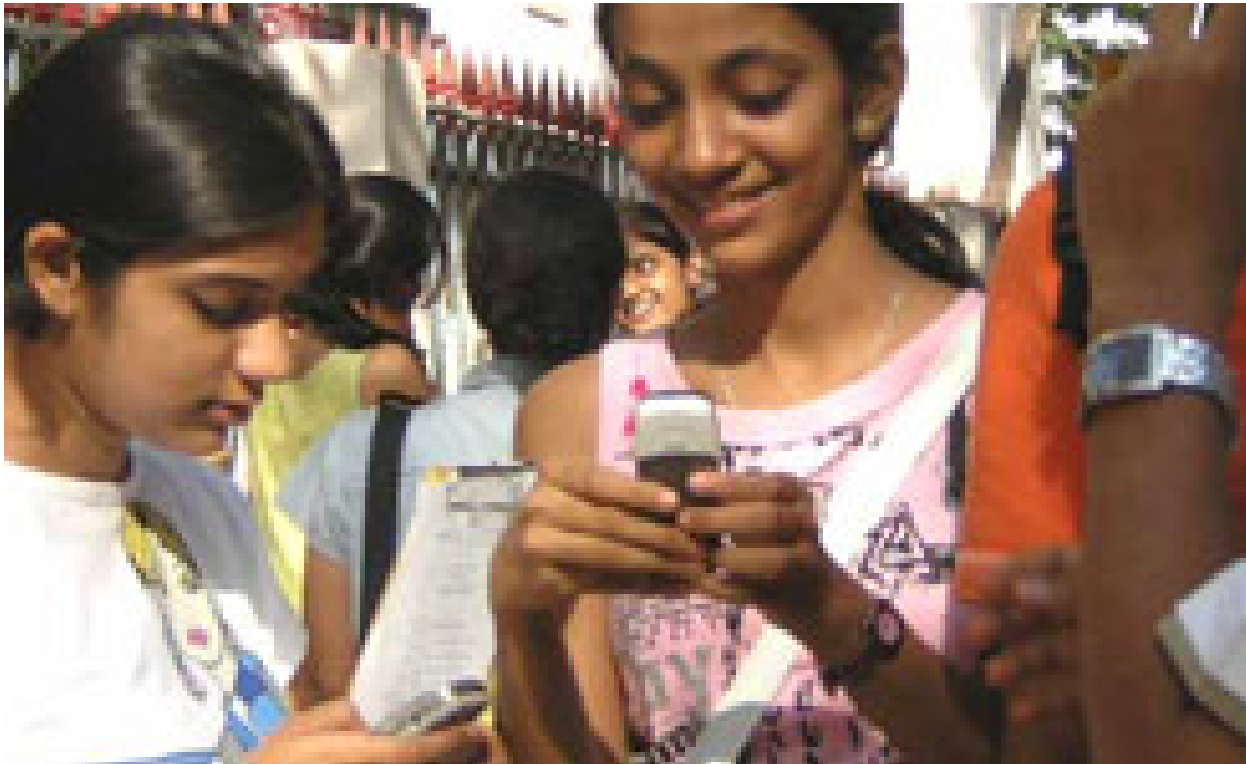
## ■ Example renewable energies:

- Replacing coal fuels with energy from renewable energies can help reducing air pollution
- Semiconductors are the heart of wind, solar power and hydropower systems, essential for feeding the energy into the power grid

## Connectivity

- Products and technology everyone can use to be connected every day and everywhere – at home, in the office or on the way
  - Mobile Phone Platforms
  - Broadband Access
  - Wireless connectivity

# Ultra-Low-Cost Handsets – Key Driver For Mobile Communications In Emerging Markets



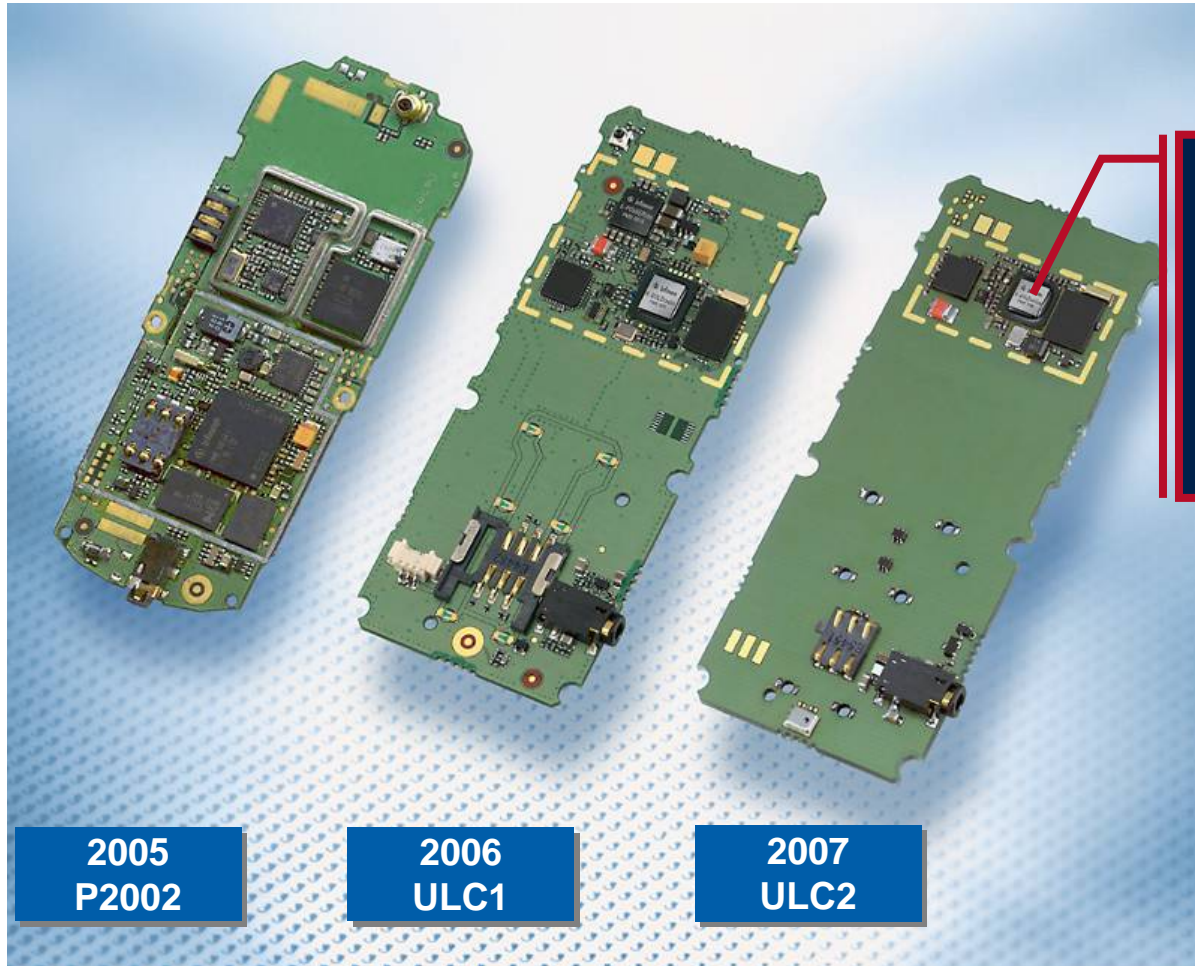
- Global ULC-market growing more than 14 times faster than global handset market
- In 2011, over 330 million ULC phones are expected
- India is one of the markets with the largest growth potential

# India Is One Of The Market With Largest Growth Potential In Ultra-Low-Cost Handsets



- India is the fastest growing mobile phone market in the world
- Especially the Ultra-Low-Cost-segment is pushed by new subscriber growth
- Global ULC-market growing more than 14 times faster than global handset market
- In 2011, over 330 million ULC phones are expected
- India is a key driver for ULC-market, with huge need for function, but low price

# Our ULC-Platform Leads The Market With Best Price-Performance Ratio



## E-GOLDvoice single-chip integrating:

- Baseband
- RF transceiver
- Power management
- SRAM

## ULC2 Highlights:

- Footprint: 4cm<sup>2</sup>
- Components < 50
- Bill-of-Material < \$16

# Our ULC-Platform Leads The Market With Best Price-Performance Ratio



- Entire electronic packaging accommodated on a board measuring 3x3 cm
- Next generation of ULC-platform coming up in a few weeks only 2x2 cm
- Only 50 system components needed (compared to 200 components in other systems)
- Heart of ULC-platform is a single-chip
- Helps to drastically reduce bill-of-material

## Security

- Protection and privacy of personal and company data
- Secure e-commerce
- Contactless identification and payment

# With Our Chipcard And Security Applications We Serve The Key Growth Markets



## Infineon Chip Card and Security applications



**Identification**  
ePassport, National ID  
Social/Health Card  
Physical and IT Access



**Entertainment**  
Pay-TV, Gaming  
Video/Audio



**Payment**  
Credit / Debit, e-purse  
Transport  
Ticketing



**Communications**  
Mobile Communication  
Prepaid Telecom

## Key drivers in India

- Driving licence, vehicle registration, ID cards
- Introduction of biometrical passport

- India will be Asia's leading pay-TV market by 2015

- Growth of banking and retail applications
- Example: Cash machines annual growth rate 60%

- Increase in mobile connectivity
- Especially growth in GSM telephony



- Indian smart card market should increase to almost 150 million USD by 2010/11, annual growth rate of nearly 23%
- Key growth drivers
  - Mobile connectivity
  - Banking and retail applications (debit cards, credit cards)
  - Passports (introduction of biometric passports)

# Infineon In India

- Present in India since 1997 with Development Center in Bangalore
- Investment of 150 million USD over last 8 years, mostly in R&D
- DC in Bangalore is competence center for product and technology development in
  - Hardware
  - Software
  - Wireless and Wireline Communications
  - Automotive
  - Security

- Looking to significantly grow business in India
- Support further building up of semiconductor industry in India
- Intended technology cooperation with HSMC is a good example
- Infineon is looking forward to become a part of the Indian semiconductor eco-system

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