

# Infineon Wireless Solutions

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Never stop thinking

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# Key Cellular Industry Trends and Success Factors

## Key trends

### Strong growth in low-cost phones

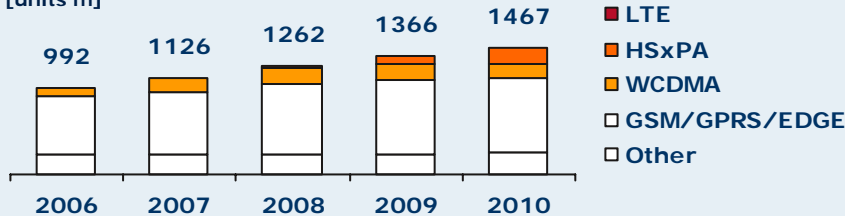
Share of low-cost phones<sup>1)</sup>



### Strong growth in 3G

Mobile phone shipments<sup>1)</sup>

[units m]



### Share of merchant solutions to increase

**Nokia renews its chipset development strategy**  
August 08, 2007

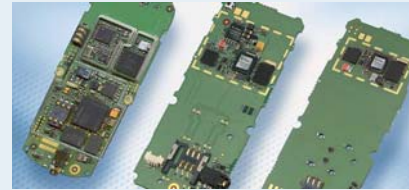
Espoo, Finland - Nokia today announced that it is introducing a licensing and multi-sourcing model for its chipset strategy.

**Vodafone launches first ultra-low cost handsets**  
May 24, 2007

Vodafone-only branded handsets to increase access to mobile technology for millions in Emerging Markets.

## Key success factors

### Integration



- RF/Mixed signal integration capabilities to enable single-chip solutions migrating from ULC phones to feature phones

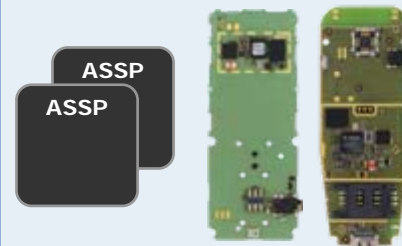
### System and software competence



Protocol stack

- System design and mobile software competence to handle increasing complexity in high-end phones

### ASSPs/mobile platforms

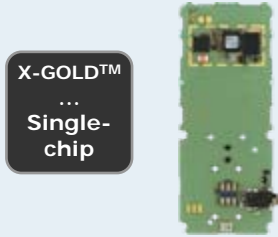
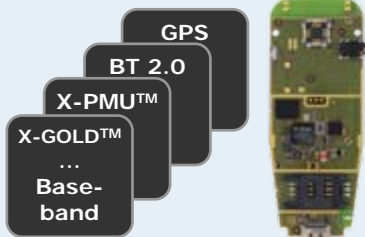






- ASSP portfolio and proven mobile platform solutions for GSM/GPRS, EDGE and 3G markets

1) Source: ABI Research, Mobile Device Market Data, Q4 2007

# Infineon is a Leading Provider of Single-Chip Solutions, EDGE/3G Platforms, Mobile Software and RF ICs



	Entry phone platforms	Feature and Smartphone platforms	Mobile software	RF engine
Products	<ul style="list-style-type: none"> <li>■ GSM/GPRS and EDGE single-chip solutions and platforms</li> </ul> 	<ul style="list-style-type: none"> <li>■ EDGE and 3G/HSxPA baseband ICs and platforms</li> <li>■ PMU</li> <li>■ Bluetooth, GPS</li> </ul> 	<ul style="list-style-type: none"> <li>■ Protocol stack:                             <ul style="list-style-type: none"> <li>□ GSM/GPRS</li> <li>□ EDGE</li> <li>□ UMTS</li> <li>□ HSxPA</li> </ul> </li> <li>■ IMS</li> </ul> 	<ul style="list-style-type: none"> <li>■ RF transceiver:                             <ul style="list-style-type: none"> <li>□ GSM/GPRS</li> <li>□ EDGE</li> <li>□ UMTS</li> <li>□ HSxPA</li> <li>□ LTE, WiMax</li> </ul> </li> <li>■ BAW filter</li> </ul> 
Market position	<ul style="list-style-type: none"> <li>■ Shipped more than 50 million single-chip solutions since ramp-up in Q1 2006</li> </ul> 	<ul style="list-style-type: none"> <li>■ Strong ramp of EDGE and 3G platform solutions during 2007</li> </ul> 	<ul style="list-style-type: none"> <li>■ 200+ devices have FTA, more than 350 million commercial units</li> <li>■ Tested and deployed in all leading networks worldwide</li> </ul>	<ul style="list-style-type: none"> <li>■ Nr. 1 in RF transceiver (230m units in 2006)</li> <li>■ Shipped 1 billion RF transceiver by November 2007</li> <li>■ Nr. 2 in BAW filters</li> </ul>

**Complete cellular system competence**

# Infineon Strengthened its Position in the Wireless Market during 2007



## Successful platform ramp at new customers

### ■ **LG Electronics**

(GSM/GPRS single-chip and EDGE platform)



### ■ **Panasonic**

(3G platform)



### ■ **ZTE**

(GSM/GPRS single-chip platform for Vodafone)



## Further expansion of leading customer base

### ■ **Nokia**

Selected our X-GOLD™101 GSM/GPRS single-chip for future entry level phones

### ■ **Ericsson Mobile Platforms (EMP)**

Selected our RF transceiver SMARTi™ 3G for their U310 and U360 EDGE/HSDPA platforms

### ■ **Motorola**





Development of a 3G (HSPA) RF transceiver based on our SMARTi™ UE

### ■ **Samsung**

Acquisition of LSI's Mobility Products Group strongly increases our supplier share

### ■ **Design wins for our EDGE and HSDPA platforms**

# Infineon Serves the Top-5 Mobile Phone OEMs

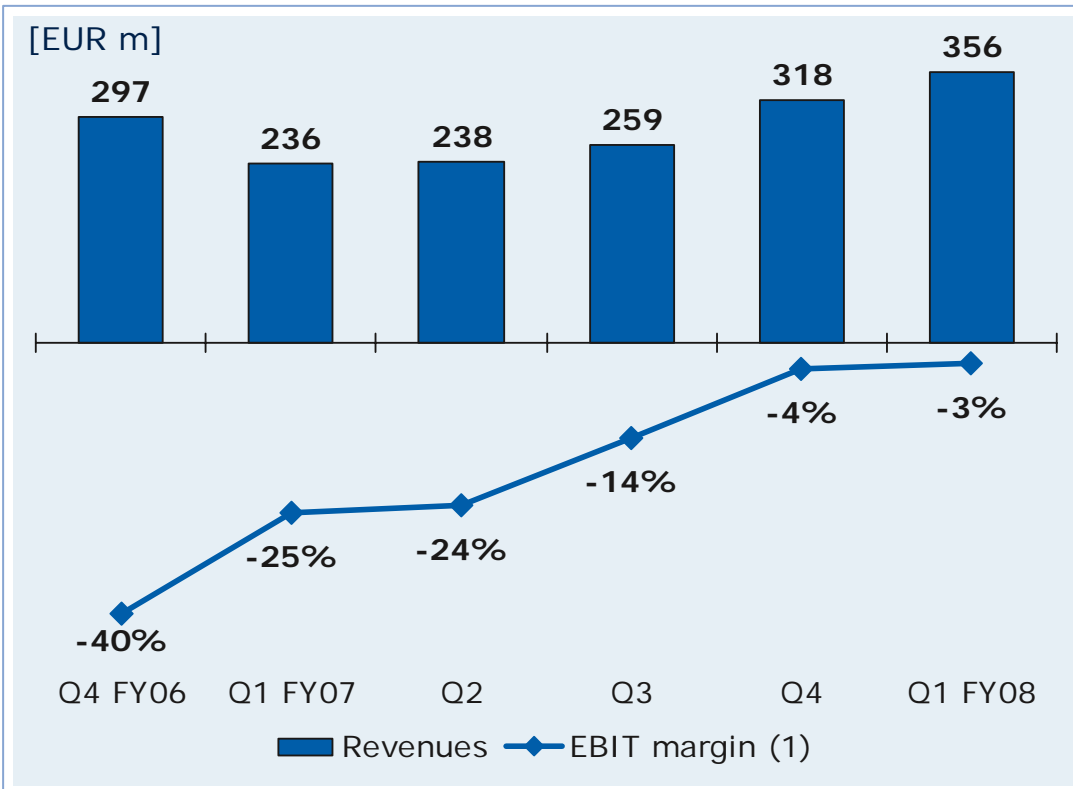
OEM and market share <sup>1)</sup>		Infineon's position		
<b>Nokia</b>	40.2%	<ul style="list-style-type: none"> <li>■ Major RF-supplier</li> <li>■ Design win with single-chip platform XMM™1010 for entry-level phones</li> </ul>		✓
<b>Samsung</b>	14.0%	<ul style="list-style-type: none"> <li>■ Supplier of EDGE RF and 3G RF</li> <li>■ Major supplier for GSM/GPRS and EDGE platforms</li> </ul>		✓
<b>Motorola</b>	12.3%	<ul style="list-style-type: none"> <li>■ Customized development of 3G (HSPA) RF transceiver</li> </ul>		✓
<b>Sony Ericsson</b>	9.3%	<ul style="list-style-type: none"> <li>■ Supplier of SMARTi™ 3G selected by Ericsson Mobile Platforms (EMP)</li> </ul>		✓
<b>LG Electronics</b>	7.1%	<ul style="list-style-type: none"> <li>■ Major supplier for GSM single-chip and EDGE platforms</li> </ul>		✓

1) Source: Q4 CY07 market shares from Strategy Analytics, Jan. 2008

# IFX COM Revenues and EBIT Strongly Improved



## IFX COM revenue and EBIT development



### (1) EBIT includes the following charges:

- Q4 FY06: EUR 75 million net special effects mainly related to insolvency of BenQ's German subsidiary
- Q1 FY08: EUR 14 million write-off of acquired in-process R&D in connection with the acquisition of the mobile phone business of LSI. Also included in the segment EBIT was the amortization of acquired intangible assets of EUR 9 million relating mainly to the mobile phone business acquired from LSI

### Drivers:

- Strong mobile platform ramp drives improvement following insolvency of BenQ's German subsidiary in Q4 FY06
- Consolidation of LSI Mobility Products Group since Oct. 24, 2007
- Reached earnings goal in Q1 FY08 despite negative USD/EUR effect when excluding the write-off of in-process R&D of Euro 14 million

### Outlook:

- Q2 FY08: Revenues expected to decline by a mid-teens percentage q-o-q due to seasonality and lower than expected volumes in certain mobile phone platform projects. Negative EBIT at around -€30m
- FY 2008: Expect 25-30% sales growth and a low to mid single-digit negative EBIT margin before charges; takes into account ~€25m amortization of acquisition-related intangible assets.

# Next Steps: Continue Our Successful Strategy



**1 Execution on design wins in RF and platforms**

**2 Grow share within existing customers**

**3 Continue to leverage our core strength in:**

■ **RF**

■ **Single-chip solutions**













■ **Complete mobile platform offering**

■ **Innovative architectures**



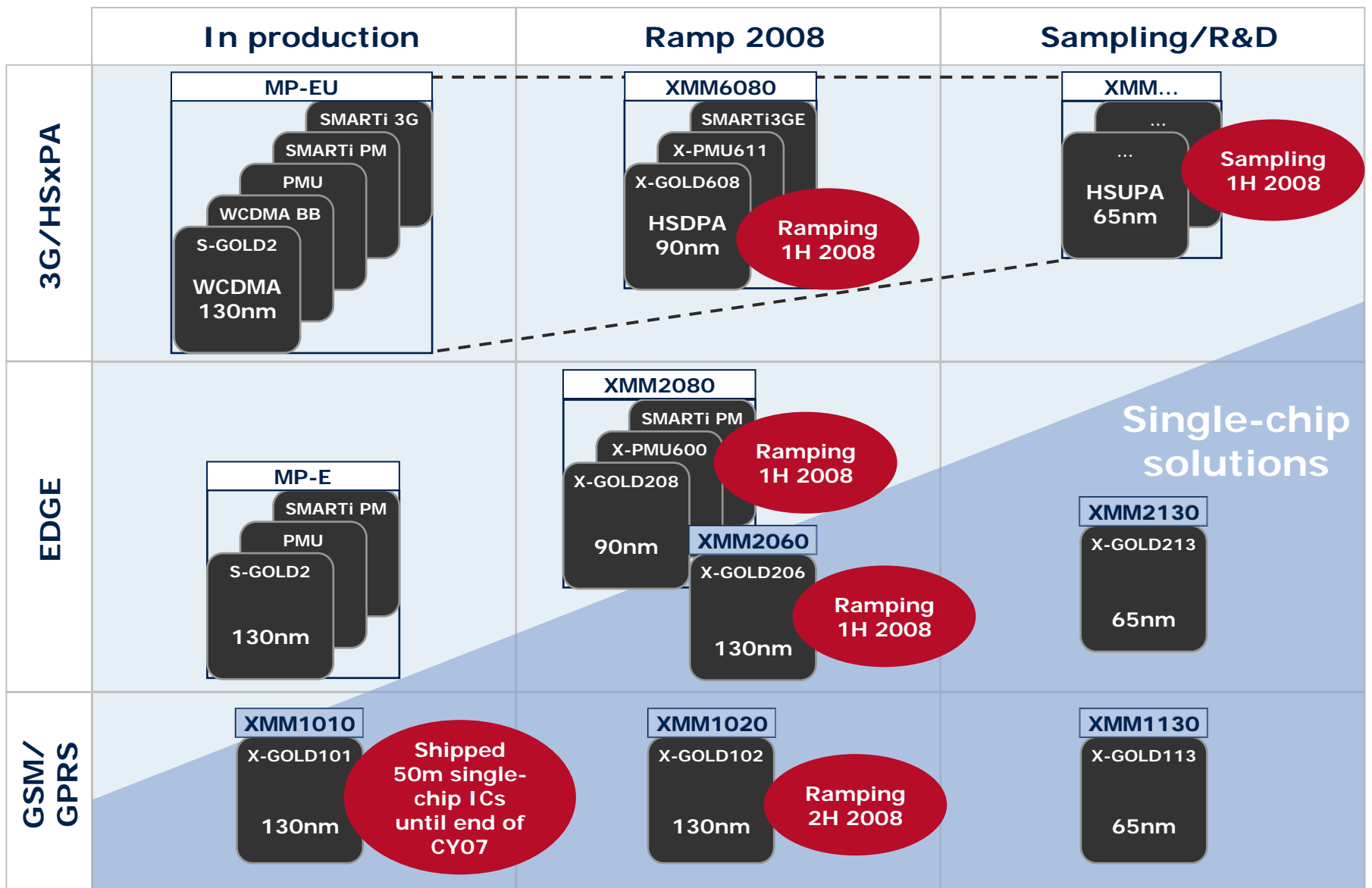
# Achieved Design Win at Tier 1 with HSUPA RF SMARTi™ UE+



	In production	Sampling	IFX position
<b>WiMAX/ LTE</b>		 	<ul style="list-style-type: none"> <li>■ Sampling to top tier customers</li> </ul>
<b>HSUPA</b>		 	<ul style="list-style-type: none"> <li>■ DW at Motorola ramping 2H 2008</li> <li>■ Achieved DW at another tier 1 OEM</li> </ul>
<b>HSDPA/ WCDMA</b>	 		<ul style="list-style-type: none"> <li>■ In production at Samsung and Sony Ericsson</li> <li>■ Multiple DW at IFX platform</li> </ul>
<b>EDGE</b>	 	  <p>65nm RF macro</p>	<ul style="list-style-type: none"> <li>■ SMARTi PM+ ramping in 2008 at two tier 1 OEMs</li> <li>■ 65nm RF macro for single-chip integration</li> </ul>
<b>GSM/ GPRS</b>		 <p>65nm RF macro</p>	<ul style="list-style-type: none"> <li>■ 65nm RF macro for single-chip integration</li> </ul>

**Shipped 1 billion RF transceiver by November 2007**

# Infineon Drives Integration from GSM to HSPA



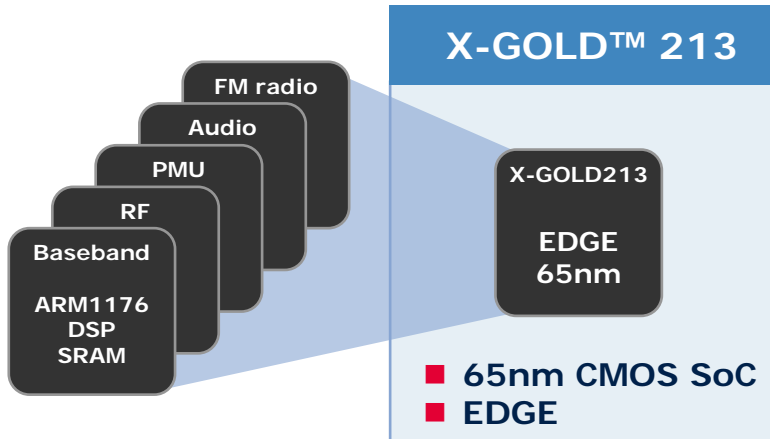
# Music and Mobile Internet for Emerging Markets: Introducing 65nm Single-Chip Solutions



## 65nm single-chip solution

## Benefits

EDGE

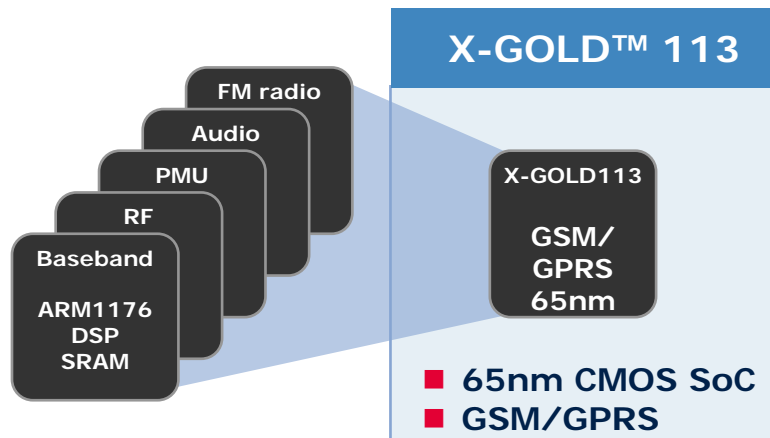


### Lowest-Cost Browsing & Messaging

- Web browser, MMS, Java
- FM stereo RDS receiver
- Audio and video player
- Camera
- QVGA display
- USB 2.0, Memory card
- Digital microphones
- Connectivity options: Bluetooth, A-GPS, WLAN



GSM/  
GPRS



### Lowest-cost Music

- FM stereo RDS receiver
- Audio and video player
- QVGA display
- USB 2.0, Memory card
- Stereo headset, class-D amplifier
- Connectivity option: Bluetooth



# Proven 3G Platform Solution – HSDPA Ramp Planned in 1H 2008



## Infineon successfully ramped its 3G platform MP-EU



Baseband ✓

Power management ✓

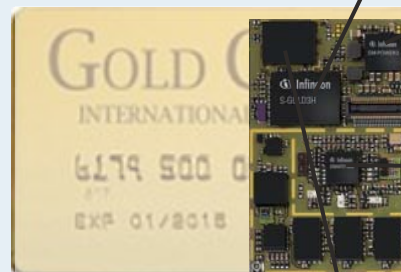
RF CMOS transceiver ✓

Dual-mode protocol stack ✓

Shipped around 2 million 3G units until end of CY07

- Platform: MP-EU
- Complete WCDMA/EDGE platform solution
- In production since Q4 2006
- Customer: Panasonic

## Ramp of HSDPA platform planned in 1H 2008



HSDPA/EDGE baseband ✓

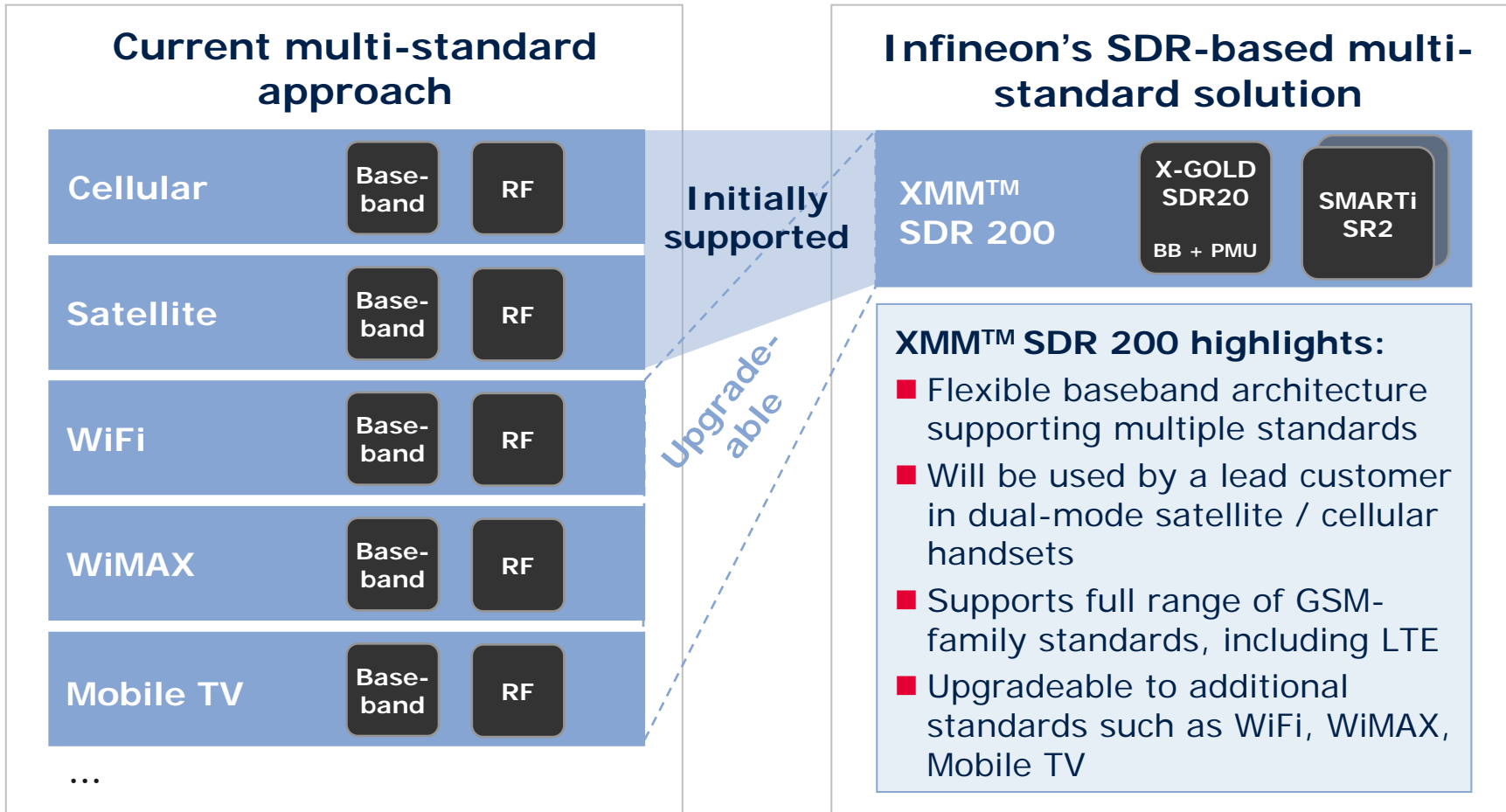
Power management ✓

HSDPA/EDGE RF CMOS transceiver ✓

HSDPA/EDGE protocol stack ✓

- Platform: XMM™6080 (MP-EH)
- Complete HSDPA/EDGE platform solution
- Ramp-up planned in 1H 2008
- Design wins at several customers

# Infineon Introduces World's First Satellite / Cellular Mobile Platform Based on SDR Technology



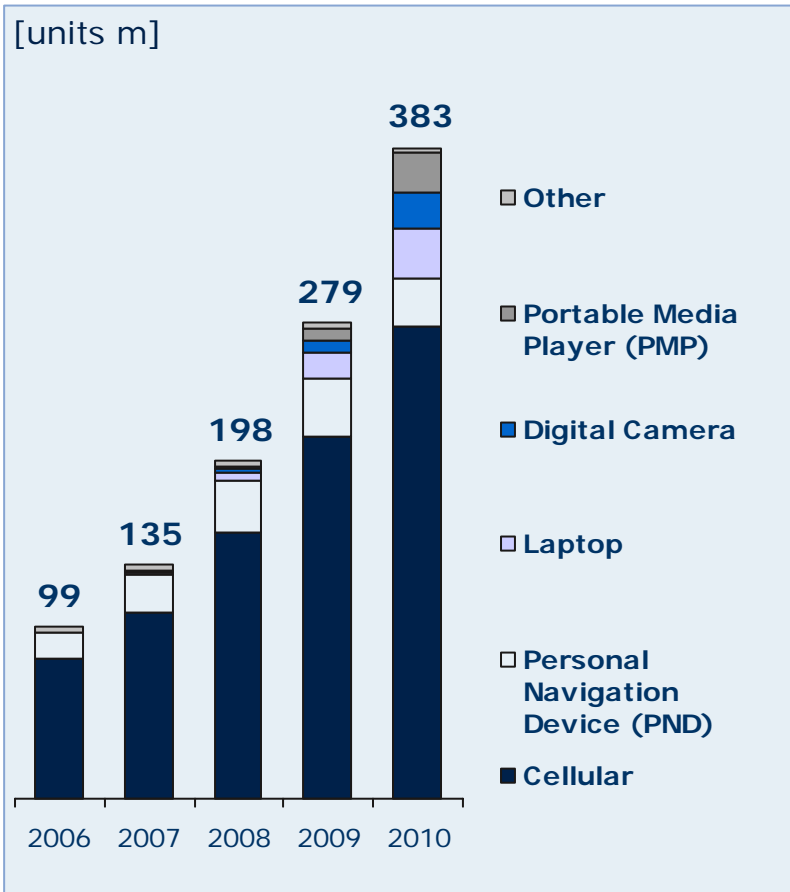
## Key SDR benefits:

- Time-to-market for emerging standards
- Cost- and area-efficiency for multi-standard systems

# Infineon's GPS ICs are Used by Leading PND and Mobile Phone Customers



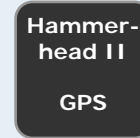
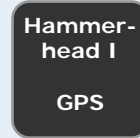
## GPS market development



Source: IMS Research 2007

## Infineon's position in GPS

### In production



### R&D



### Infineon GPS highlights:

- Hammerhead I is in production since Q4 2006 and shipping in TomTom PND devices
- Hammerhead II is shipping in a tier-1 OEM mobile phone and has several design wins for mobile phones and laptop modules
- 65nm GPS single-chip receiver is in development

# Infineon is Sampling Innovative Mobile TV IC Solutions



## Mobile TV market

### Multiple applications

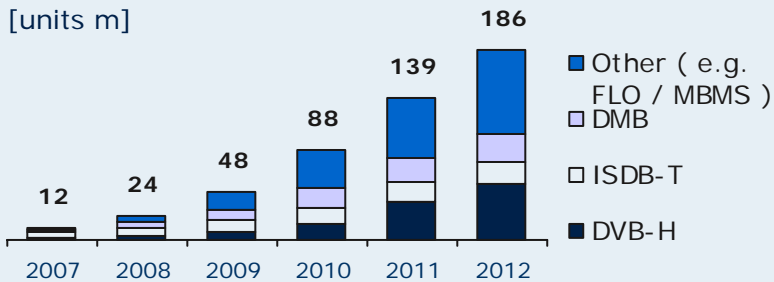


- Mobile phones
- Laptops
- PDAs
- PNDs
- Mobile Media players
- ...

### Mobile phone segment growing strongly

#### Broadcast TV-enabled mobile phones

[units m]



Source: Strategy Analytics 2007

## Infineon's Mobile TV products

### OMNIVIA™ TUS 9090

TUS 9090  
DVB-H/T  
SoC

#### Highlights:

- SoC integrates:
  - Multi-band RF tuner
  - DVB-H/T demodulator
  - Memory
- Operates at <50mW (10% time slicing)
- Sampling now

### OMNITUNE™ TUA 9001

TUA 9001  
Multi-band  
Silicon  
Tuner

#### Highlights:

- Covering VHF, UHF, L-Bands
- Operates at <18mW (10% time slicing), up to 25% lower compared to existing solutions in the market
- Sampling now

# Infineon Has All it Takes to Further Grow the Wireless Business



## ■ Strong position in single-chip solutions:

- Shipped more than 50 million single-chip solutions
- IFX is world's first to ramp EDGE single-chip solution
- Sampling 65nm single-chip solutions for GSM/GPRS and EDGE markets



## ■ Strong momentum in 3G platforms:

- 3G RF transceiver in production or achieved design win at four Top-5 OEMs
- Proven 3G platform solution
- HSDPA platform ramp in 1H 2008
- Proven 3G protocol stack



## ■ Infineon serves all Top-5 OEMs:

- Nokia (RF, design-win for single-chip platform)
- Samsung (EDGE and 3G RF, GPRS and EDGE platforms)
- Motorola (DW for 3G RF)
- Sony Ericsson (3G RF)
- LG Electronics (Single-chip and EDGE platforms)





A person wearing a white lab coat, a white face mask, and safety glasses is working in a laboratory. They are holding a piece of equipment, possibly a pipette or a small container, and are looking down at it. The background is a blurred laboratory setting with various pieces of equipment and shelves.

**We commit.**  
**We innovate.**  
**We partner.**  
**We create value.**



Never stop thinking