Business highlights for the first quarter of the 2006 financial year

Automotive, Industrial and Multimarket

- Infineon successfully managed the strong demand in the ramp-up of the Trusted Platform Module TPM 1.2 and won various design slots worldwide in this early stage. The TPM1.2 is a secure microcontroller for PC motherboards that checks system integrity, authenticates the platform, provides storage and ensures privacy of users. The TPM 1.2. supports the secure startup feature for Microsoft's new operating system Vista. The market research institute IDC predicts a market of more than 250 million pieces annually by 2010.
- Infineon received the Fujitsu Siemens “Preferred Supplier Award 2005” for the high quality and logistics performance of the company’s power management and drives business.
- For the industrial power business, Infineon received the Emerson Award for the best supplier in 2005 in terms of technology, quality, response time, delivery, and cost among 153 suppliers.
- The company continued to ramp up production of Tire Pressure Monitor Sensors (TPMS) for the North American market, and added additional production capacity to serve the increasing demand. As of October 2006, new passenger cars and light trucks in the U.S. have to be equipped with TPMS, representing a market of approximately 60 million TPMS modules by 2008.

Communication

- In the first quarter of the 2006 financial year, Infineon announced the availability of its latest multimedia mobile phone reference design platform, MP-EU, which today is the industry’s most integrated platform, supporting UMTS, EDGE and GSM/GPRS cellular standards. It enables mobile phone manufacturers to speed up introduction of next-generation UMTS phones by up to 30 percent from today’s average of 14 months. During the first quarter, Infineon had its first design win at a major mobile phone manufacturer for its MP-EU platform.
- The company secured another design win at a major mobile phone manufacturer for its EDGE multimedia platform, MP-E. This design also includes Infineon’s Bluetooth solution.
- Customer interest remained high in the first quarter for Infineon’s Ultra-Low-Cost (ULC) solutions based on the company’s single-chip GSM/GPRS solution E-GOLDradio, with various mobile phone manufacturers evaluating the company’s product. In the first quarter, Infineon added another important design win at a mobile phone manufacturer for its ULC platform.

- In the first quarter of the 2006 financial year, Infineon added new features to its software solutions for mobile devices. With Kineto Wireless, for instance, the company successfully demonstrated the world’s first Internet Protocol Multimedia Subsystem (IMS) services, such as push-to-talk applications, which allow the seamless handover between mobile and Wi-Fi access networks.
- In the first quarter, customers placed first volume orders for the company’s VINAX chip, the industry’s first fully standard-compliant VDSL2 chip providing 100 Megabit per second simultaneous up-link and down-link speeds over traditional two-wire telephone lines.
- With the automotive supplier Siemens VDO having signed an agreement to take over Infineon's manufacturing plant in Trutnov on July 1st, 2006, the company finalized the restructuring process of its Fiber Optics business.

Memory Products

- In the first quarter of the 2006 financial year, Infineon received first revenues from its 1-Gigabit NAND-compatible Flash chip based on 110-nanometer TwinFlash process technology.
- In the conversion to 90-nanometer DRAM technology on 300-millimeter wafers, Infineon reached the revenue cross-over compared to 110-nanometer DRAM technology at the end of the first quarter as planned. Development of 70-nanometer DRAM trench technology continued on schedule.
- The ramp-up of volume production of memory chips at Infineon’s 300-millimeter facility in Richmond, Virginia, proceeded on track in the first quarter.
- The company’s joint venture, Inotera Memories, successfully received listing approval from the Taiwanese Stock Exchange in December 2005.
- Also in the first quarter, the company extended its foundry agreement with SMIC to include the transfer of 90-nanometer DRAM technology with an option for the extension to 70-nanometer technology.