Business highlights for the fourth quarter of the 2005 financial year

Automotive, Industrial and Multimarket

- In its ASIC & Design solution business, Infineon successfully cooperated with Microsoft to deliver three key components for the Microsoft Xbox 360™ video game and entertainment system, available in the fourth quarter of the 2005 calendar year. Infineon is providing a removable solid-state memory unit product, a single-chip Application-Specific Integrated Circuit (ASIC) wireless game-pad controller that makes cables unnecessary for game play, and an advanced security chip.
- A major cell phone manufacturer started production with Infineon's HiPAC™ (High Performance Actives & Passives on Chip) products in a broad range of applications. HiPAC products combine discrete active and passive components on a single chip. They offer improved functional performance while reducing the board space required.
- Infineon successfully extended its power semiconductor business with OptiMOS products from traditional desktop and notebook applications to more specialized solutions, for instance on graphics boards and server voltage-regulator modules.
- Infineon was able to successfully position its sensor products in safety and exterior sensing applications, and achieved various major design wins in the fourth quarter.
- In the 2004 calendar year, Infineon further strengthened its number one position in power semiconductors, and increased its market share from 8.1 percent in the 2003 calendar year to 8.4 percent in 2004. At the same time, the company was ranked number four in the fragmented industrial semiconductor market with an overall market share of 4.7 percent (according to industry analyst IMS Research, August 2005).

Communication

- In the fourth quarter, Infineon released samples of its first reference design platform for Ultra-Low-Cost (ULC) handsets. The platform is capable of basic voice and SMS services and is based on the company’s single-chip GSM radio-baseband, the E-GOLDradio. With its ULC platform, Infineon will be able to cut production costs by nearly one half, to below 20 US dollars. The platform is already designed-in at various mobile phone manufacturers.

- The company started volume production of its GSM/GPRS multimedia phone platform MP1-G, which is used in the latest Panasonic cell phones. It brings 3-band and camera functionality, polyphonic ring tones, color displays and Java capability to mid-range mobile phones. Featuring all hardware and software components required for camera-capable phones, the MP1-G platform offers numerous benefits for mobile phone manufacturers with respect to time-to-market, functionality and adaptability.
- In the 2004 calendar year, Infineon's revenues in the Voice-over-Internet Protocol (VoIP) market grew at the rate of 300 percent compared to the market growth of 70 percent.

Memory Products

- In the fourth quarter, Infineon successfully qualified its 110-nanometer TwinFlash process technology on 200-millimeter wafers at Dresden, and began production of a 1-Gigabit NAND-compatible Flash chips based on this technology. The next generation 70-nanometer TwinFlash technology is currently in development.
- While the conversion to 90-nanometer DRAM technology on 300-millimeter wafers is on track, the segment achieved the first functional samples based on 70-nanometer DRAM trench technology jointly developed with Nanya Technologies. In September 2005, Nanya and Infineon extended their existing development cooperation and entered into agreements to jointly develop 60-nanometer DRAM trench technology.
- In September 2005, the company started the volume production of memory chips at its 300-millimeter facility in Richmond, Virginia, as planned.
- For its continued leadership as a supplier of components for server systems, Sun Micro-systems, Inc. presented Infineon with the Best-in-Class Award as a memory supplier during the 2005 financial year. In the previous two years, Infineon had been recognized by Sun with its Meritorious Award for supply chain excellence.
- In the fourth quarter, the segment successfully ramped-up sales of its leading-edge 512-Megabit GDDR3 graphics RAM. Together with other components serving the graphics segment, Infineon significantly increased the share of specialty memories within its product portfolio with respect to overall bit shipments, and as a consequence, gained increased market share.