



**Joint news release of Infineon Technologies and Hindustan Semiconductor Manufacturing Corporation**

**Infineon Further Strengthens its Position as a Leading Player in the Indian Semiconductor Market; Licenses 130nm CMOS Process Technology to Hindustan Semiconductor Manufacturing Corporation**

**March 28, 2007 – Munich, Germany / New Delhi, India** - Infineon Technologies AG, a global semiconductor supplier for communications, automobile, security and industry applications has signed a Memorandum of Understanding (MoU) with the Hindustan Semiconductor Manufacturing Corporation (HSMC), a newly established semiconductor company, to license its leading-edge 130nm CMOS process technology. This MoU will help build a foundation for the production of integrated circuits for mobile phones, ID cards and automotives in India for the Indian market. This move will further strengthen Infineon's position as a leading player in the Indian semiconductor market where it has been active for ten years.

According to the MoU, Infineon will license its 130nm CMOS basic process technology, along with its process technologies for radio frequency, embedded flash for chip card applications, and embedded flash for automotive applications to HSMC. Furthermore, Infineon will offer expertise and advice for the technology transfer, and setup of the HSMC Fab. Infineon will also license its fully qualified and silicon/ product-proven design libraries. This will enable a faster ramp-up of product development for HSMC.

"We look forward to our cooperation with HSMC," said Dr. Wolfgang Ziebart, CEO of Infineon. "With this cooperation, we position ourselves as a reliable partner for the prosperous Indian semiconductor market. By bringing our process technology to the Indian market, we help build the foundation for the production of integrated circuits for the Indian market in the years to come. With our

strategic direction towards the segments energy efficiency, connectivity and security, we are a perfect fit for the Indian market.”

Dr. Deven Verma, Chairman of the Board of HSMC said: “We have strategically selected Infineon, a leading supplier of chip sets for mobile phones, smart cards and automotive applications. This initiative will lead India to become a destination of choice for the future of manufacturing hi-tech products. While India’s GDP is around 9 percent, the development of semiconductor manufacturing will help catapult the GDP to approximately 10-11 percent per year.”

Speaking on the occasion the Honorable Minister of Communications and Information Technology of the Government of India, Thiru Dayanidhi Maran said: “I am very pleased that one of the world's leading semiconductor companies, Infineon Technologies, is entering into a strategic cooperation with HSMC for the fab project. Most of the Infineon products have large market potential for India. This is in line with my vision for the semiconductor industry. The domestic demand for semiconductors is projected to reach \$36 billion by 2015 riding on the booming electronic goods manufacturing in India. We need the fabrication industry in India to complete the full semiconductor ecosystem. Now, with a clear cut policy in place, Fab units in India will attract large investments, and the state governments could take it further by attracting large players like Infineon and HSMC.”

The HSMC group plans to set up two semiconductor manufacturing facilities in India. The first Fab will require an investment of approximately \$1 Billion and will produce chips on 8-inch wafers. The second Fab will be for more advanced 12-inch wafers requiring an investment of \$3.2 to \$3.5 Billion. First products from HSMC are expected within two years.

“By bringing Infineon as a technology partner, HSMC aims to further facilitate innovate designs by Indian engineers and augment the development of affordable new products within reach of the common man,” said Dr. Verma. “The current perception in the world is that India Inc. is for software development and design, while China is for hardware manufacturing. We want to change this perception and have decided to establish the Semiconductor foundry. This will be the single most gratifying achievement for us NRIs (Non-Resident Indian).”

The Indian semiconductor industry was established about 30 years ago. Since then, nearly 200 semiconductor companies have opened offices in India mainly in the chip design arena. Infineon India has 600 employees working in the hardware design and software development in Bangalore, where operations started in 1997. According to a recent study by the India Semiconductor Association and Frost & Sullivan, the semiconductor market in India is expected to grow from \$3.25 Billion in 2006 to \$36 Billion in 2015. This growth rises from the surging demand for consumer electronics, wireless communications and automotive products, as well as growth in the semiconductor design industry.

### **About Infineon Technologies India Pvt. Ltd.**

Infineon Technologies India is one of the major development centers within Infineon's R&D network. The center was started in Bangalore in 1997 as Siemens Semiconductors with a primary focus in VLSI design. In 1999, it was renamed to Infineon Technologies India Pvt. Ltd. Today, the centre plays a vital role in software development and hardware design. Infineon India currently employs over 600 highly qualified professionals providing leading-edge and innovative technology development in wireless and wireline communications, automotive and multimarket segments. The software team contributes significantly to the development of technologies and products for applications in mobile phones, VoIP, automotive, chip card and security. The hardware team provides a comprehensive range of communication products and technology development for 130nm, 90nm, 65nm process nodes with key focus areas in communication products for the central office, customer premise equipment and GSM baseband.

Infineon Technologies has a significant market presence in India and is among the top 10 semiconductor players providing product design and development for a wide range of customers in the computing, automotive, smartcard, consumer electronics and communications industries.

### **About HSMC**

An eminent group of NRIs (Non-Resident Indian) from Silicon Valley who have nurtured flourishing high-tech companies in the United States of America for Networking, Optical Communications, EDA tools, Wireless products and Semiconductors have aligned to launch a couple of companies including HSMC

in India. HSMC's world class team has combined all critical components and composed an exclusive recipe for the success of this mega foundry project. HSMC's focus will be on Systems On Chip (SoC) for products like mobile phones, wired line telecom products like broadband, sim cards, ID cards, set top boxes and automotive chip sets.

### **About Infineon**

Infineon Technologies AG, Munich, Germany, offers semiconductor and system solutions addressing three central challenges to modern society including energy efficiency, connectivity and security. In fiscal year 2006 (ending September), the company achieved sales of Euro 7.9 billion (including Qimonda sales of Euro 3.8 billion) with approximately 42,000 employees worldwide (including approximately 12,000 Qimonda employees). With a global presence, Infineon operates through its subsidiaries in the US from Milpitas, CA, in the Asia-Pacific region from Singapore, and in Japan from Tokyo. Infineon is listed on the Frankfurt Stock Exchange and on the New York Stock Exchange (ticker symbol: IFX).

Further information is available at [www.infineon.com](http://www.infineon.com).

This news release is available online at <http://www.infineon.com/news/>

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