

PRESS RELEASE

Joint News Release by Infineon Technologies and Mecel

Infineon Technologies And Mecel Offer Bluetooth Solutions To Expand Networked Automotive Systems

Munich, Germany / Gothenburg, Sweden – July 17, 2001

Infineon Technologies AG (NYSE, FSE: IFX) and Mecel AB today announced a strategic co-operation agreement to jointly provide Bluetooth short-range communication system solutions for automotive infotainment platforms. Under this agreement, Mecel will adapt its Bluetooth software package, "Mecel Bluetooth SDK", with Infineon's family of Bluetooth chipsets, BlueMoon™ and both companies will provide the resulting complete solution to the automotive industry. Additionally, Mecel will offer advanced software engineering services for customer-specific applications. The combined Infineon/Mecel solution targets applications such as hands-free telephony, vehicle diagnostics, and mobile Internet access.

"Bluetooth is expected to play a substantial role connecting vehicle systems both within internal vehicle networks, and, to the Internet," said Kent Eric Lång, Managing Director at Mecel. "This complete system solution is in direct response to increased demand from the automotive industry. Mecel's pioneering software and Infineon's leadership in semiconductor solutions for wireless and automotive environments created a winning combination."

"This partnership emphasizes Infineon's commitment to provide automotive systems OEM customers with reliable, easy-to-integrate and cost-effective system solutions to allow implementation of leading-edge communications technologies into existing platforms," said Dr. Reinhard Ploss, senior vice president and general manager of the Automotive & Industrial business group at Infineon Technologies. "Mecel's software expertise combined with Infineon's proven wireless and automotive know-

how will enable customers to concentrate on their strategic core competencies while offering leading edge communication solutions.”

About Infineon’s BlueMoon family

With the BlueMoon chip family, Infineon offers the industry’s broadest Bluetooth semiconductor solutions portfolio. The BlueMoon family includes the high-performance BlueMoon One; the BlueMoon Single, enabling compact design; the BlueMoon Multimedia, offering high throughput through its integrated USB interface and software API (Application Programmers Interface); and, the core IP of BlueStar designed for integration in application specific integrated circuits (ASICs). The BlueMoon family also incorporates efficient and highly integrated Bluetooth power amplifiers for long range class 1 operation.

About Infineon’s Infotainment Solutions

Infineon provides a broad range of electronics components and system software to enable infotainment solutions meeting the requirements of the automotive industry. With historic strengths in automotive control, wired and wireless communications, and high-level system-on-chip integration Infineon has the technical expertise to provide highly integrated, innovative and low-cost turnkey solutions for infotainment systems. Infineon sees itself well-positioned to significantly shape this emerging market. Today, leading vehicle manufacturers are working closely with Infineon to incorporate infotainment technologies such as Bluetooth, GPS, and application-specific system-on-chip solutions to introduce safety, security, information and entertainment to vehicles via wireless telecommunications networks.

For further information on Infineon's infotainment strategy please see separate backgrounder issued today with this release at www.infineon.com/news

Further information is available at www.infineon.com/Bluetooth

About Mecel

Mecel AB, a subsidiary of Delphi Automotive, with operations in Gothenburg and Åmål, Sweden, is a systems, software and service development company with more than 15 years experience in developing communication solutions for the automotive industry. With expertise in both on-board application platforms (WinCE, JAVA, embedded systems), communication concepts (CAN, MOST, Bluetooth, GSM), and



off-board service development , Mecel can with its 160 employees manage all kinds of systems and software development programs.

Mecel joined the Bluetooth SIG already in May 1998, and is now an associate member.

Mecel Bluetooth SDK has been BQB-qualified and it is characterised by its robustness, resource efficiency and portability.

Further information about Mecel and the Mecel Bluetooth SDK (incl. demo.kit and full documentation) available at www.mecel.se.

About Infineon

Infineon Technologies AG, Munich, Germany, offers semiconductor and system solutions for applications in the wired and wireless communications markets, for security systems and smartcards, for the automotive and industrial sectors, as well as memory products. With a global presence, Infineon operates in the US from San Jose, CA, in the Asia-Pacific region from Singapore and in Japan from Tokyo. In the fiscal year 2000 (ending September), the company booked sales of Euro 7.28 billion with about 29,000 employees worldwide. Infineon is listed on the DAX index of the Frankfurt Stock Exchange and on the New York Stock Exchange (ticker symbol: IFX). Further information is available at www.infineon.com.

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Press contact for Mecel AB:

Kent Eric Lång, Managing Director

Phone: +46 704 313320

Fax: +46 31 40 31 50

e-mail: kent-eric.lang@mecel.se

Paul E Stefens, Media contact Delphi Automotive Systems

Phone: +32 2 77 84955

Fax: +32 2 77 84 999

e-mail: Paul_Stefens@raytheon.com

Press contact for Infineon Technologies

Monica Sonntag, Media contacts Infineon Technologies Headquarters

Phone/Fax: +49 89 234 24497

Fax: +49 89 234 28482

e-mail: Monika.sonntag@infineon.com

This news is available at

<http://www.infineon.com/news> and <http://www.mecel.se/news>
