



Axalto and Infineon Announce Cross Licensing Agreement for Smart Cards with Enhanced Connectivity

Amsterdam, The Netherlands / Munich, Germany – September 26, 2005 – Axalto (Euronext NL0000400653 AXL), the world's leader in microprocessor cards, and Infineon Technologies (FSE/NYSE: IFX), today announced they have entered into a non-exclusive cross-licensing agreement, granting each other license rights regarding some of their respective patents in the field of smart cards with enhanced connectivity.

This agreement illustrates the willingness of both parties to develop and market new USB-enabled smart cards.

This agreement will enable Infineon to provide all its customers with new smart ICs and modules and Axalto to provide its customers with new smart cards and applications.

Further information on the terms and conditions of the agreement was not disclosed.

About Axalto

Axalto (Euronext: NL0000400653 AXL) is the world's leading provider of microprocessor cards (Gartner 2005, Frost & Sullivan 2004) — the key to digital networks — and a major supplier of point-of-sale terminals. Its 4500 employees come from over 65 nationalities and serve customers in more than 100 countries, with worldwide sales exceeding 3 billion smart cards to date. The company has 25 years' experience in smart card innovation and leads its industry in security technology and open systems.

Axalto continuously creates new generations of products for use in a variety of applications in the telecommunications, finance, retail, transport, entertainment, healthcare, personal identification, information technology and public sector markets. Microprocessor cards provide convenience, security and privacy to public and private services operators, their customers and end users.

www.axalto.com

About Infineon

Infineon Technologies AG, Munich, Germany, offers semiconductor and system solutions for automotive, industrial and multimarket sectors, for applications in communication, as well as memory products. With a global presence, Infineon operates through its subsidiaries in the US from San Jose, CA, in the Asia-Pacific region from Singapore and in Japan from Tokyo. In fiscal year 2004 (ending September), the company achieved sales of Euro 7.19 billion with about 35,600 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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