Grandstream Networks Contact
Marianne Rocco
mrocco@grandstream.com
(617) 566-9300

Infineon Contact
Agnes Toan
agnes.toan@infineon.com
(408) 503-2587

FOR IMMEDIATE RELEASE

GRANDSTREAM SELECTS INFINEON'S VINETIC® VOICE OVER IP SOLUTION FOR SUPERIOR VOICE QUALITY IN NEXT-GENERATION VOIP GATEWAY

VON 2007, Boston, MA – October 31, 2007 – Infineon Technologies AG (FSE/ NYSE: IFX) today announced that Grandstream Networks Inc. has selected Infineon's advanced VINETIC® VoIP processor and other customer premise equipment (CPE) ICs to power its next-generation GXW400x series of multi-port analog FXS gateway. Grandstream chose Infineon's broad product portfolio to design a cost-effective high-performance platform for its Voice-over-IP (VoIP) family of products. These products support data, T.38 fax and analog telephone connections. Infineon continues to increase its market footprint through partnerships with customers such as Grandstream to bring VoIP technology to both established and emerging markets.

According to market research firm Infonetics, the number of VoIP subscribers worldwide will more than triple over the next three years. By 2009, the firm projects the number of VoIP users will reach more than 140 million worldwide, up from 46 million in 2006.

"Infineon's portfolio of VoIP solutions provides us with a powerful and scalable platform to support our latest family of multi-port VoIP analog gateway," said David Li, CEO of Grandstream Networks. "We are very impressed with Infineon's VINETIC solution, especially its excellent voice quality and cost competitiveness. The Infineon VoIP and CPE solutions enable Grandstream to develop a family of products that delivers on our commitment to design the most innovative and affordable IP multi-media products to our world-wide customer base."

Infineon's VINETIC-ATA VoIP engine, SLIC-DC and ADM3120 host controller enable the rich feature functionality and competitive price-performance benchmark of the new GXW400x series. The GXW400x series is fully compliant with SIP industry standards and interoperable with most 3rd party SIP platforms.

"We are very pleased that Grandstream selected Infineon's VoIP platform for its latest series of products," said Christian Wolff, senior vice president and general manager for the wireline access business unit in the Communication Solutions business group, Infineon Technologies AG. "This partnership is evidence that Infineon's customer premise and VoIP solutions offer the right combination of best-in-class solutions to enable cost-effective, next-generation products."

Grandstream's GXW400x Series

The Grandstream GXW400x Analog FXS Gateway Series creates an easy and cost-effective VoIP communications solution for the small business, enterprise and service provider market. It is auto-configurable, remotely manageable and scalable, and features 4 or 8-port FXS interface for analog

– more –

telephones, dual 10M/100M network ports with integrated router and an RS232 serial port for administration. The GXW400x delivers superb audio quality and rich feature functionality including 2 SIP account profiles, caller ID for various countries/regions, T.38 fax relay, 1 or 2-stage dialing, flexible dialing plans, security protection (SIPS/TLS), and comprehensive voice codec support. It offers the simplicity of plug-and-dial and the peace of mind of automatic fall-back to PSTN life line in case of power outage. The GXW400x is ideal for expanding an existing network, SIP trunking applications or establishing a new VoIP system.

The GXW400x series is already available through Grandstream's distribution channels worldwide. For more information about the GXW400x analog FXS gateway Series, please visit www.grandstream.com.

Infineon Components

Infineon's VINETIC family of devices offers a VoIP solution that is optimized for low-cost high-performance Customer Premises Equipment (CPE) as well as Small and Medium Enterprise (SME) applications. Featuring integrated VoIP DSP with support for 1, 2 or 4 VoIP channels together with 1 or 2 SLIC interfaces, VINETIC offers a flexible VoIP sub-system for application in VoIP ATA, xDSL VoIP gateways, DECT VoIP Basestations, VoIP Routers and SOHO IP-PBX. Infineon's SLIC-DC with integrated DC-DC converter enables cost and power-optimized solutions for customer premises equipment (CPE) applications. Infineon's ADM3120 is a high-performance SoC network controller with integrated 5-port 10/100 MAC/PHY and hardware NAT, enabling small and cost-effective CPE routing platforms.

About Grandstream Networks

Grandstream Networks, Inc. is an award-winning designer and manufacturer of next generation IP voice & video products for broadband networks. Grandstream's products deliver superb sound and picture quality, rich telephony features, full compliance with industry standards, and broad interoperability with most service providers and 3rd party SIP based VoIP products. Grandstream is consistently recognized in the VoIP industry for their innovation, affordability and superior value in their products. Grandstream Networks is a private company headquartered in Brookline, MA with offices in Los Angeles, Dallas and China. For more information, please visit www.grandstream.com.

About Infineon

Infineon Technologies AG, Neubiberg, Germany, offers semiconductor and system solutions addressing three central challenges to modern society: energy efficiency, communications 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).

# # #

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

Media Relations Technology:	Name:	Phone:	Email:
Worldwide Headquarters	**Christoph von Schierstaedt**	+49 89 234 22984	christoph.von-schierstaedt@infineon.com
U.S.A.	**Agnes Toan**	+1 408 503 2587	agnes.toan@infineon.com
Asia	**Chi Kang David Ong**	+65 6876 3070	david.ong@infineon.com
Japan	**Hirotaka Shiroguchi**	+81 3 5745 7340	hirotaka.shiroguchi@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com