



3GSM 2006 NEWS RELEASE

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SPANSION BRINGS SECURE MIRRORBIT™ FLASH MEMORY TO SIM MARKET

New MirrorBit™ HD-SIM Solution will enable 1,000 times the storage capacity for mobile content distribution and management

BARCELONA, Spain. – Feb. 13, 2006 – SpanSion Inc. [NASDAQ: SPSN], one of the world's largest providers of Flash memory solutions, today announced it will develop a new class of secure, high-capacity SIM card chips, enabling SIM card manufacturers to deliver new solutions for managing distribution of mobile content, securing delivery of applications and protecting digital rights management (DRM). SpanSion is developing the first integrated solution that combines MirrorBit™ ORNAND™ products at 90nm (nanometers) with M-Systems' cryptography, logic and flash file system technology. The MirrorBit HD-SIM solution is part of SpanSion's secure Flash strategy, designed to embed a range of encryption, authentication and other security features inside SpanSion Flash memory.

HD-SIM is expected to deliver 64 megabytes of storage – 1,000 times the capacity of today's SIM cards – and SpanSion has a roadmap to support up to 256 megabytes.

"Being the first to have introduced and commercially deployed the multimedia SIM, Gemplus welcomes the technology innovations brought about by Spansion. The combination of MMC protocol and MirrorBit technology is perfectly in line with our new disruptive offer, dot-sim, which enables truly convergent multimedia solutions for the benefit of the operator," said Jean-François Rubon, Director, Innovation & Strategy, Wireless, Gemplus.

Spansion's integrated solution will benefit the entire mobile ecosystem by bringing more storage capabilities to the SIM market, enhancing connectivity for over-the air content downloads and enabling new operator-branded content channels.

"We believe that the enhancement of SIM cards with high-density, secured Flash memory in combination with a high-speed interface will enrich the mobile subscriber experience, increase services and differentiation and will lead to new revenue streams for operators," said Dr. Klaus Vedder, executive vice president and head of the Telecommunications Division of Giesecke & Devrient.

SIM cards, which ship with all GSM phones, have not been previously used to store significant amounts of data. By adding non-volatile Flash memory to SIM cards, operators can now create new revenue opportunities and channels with the ability to create specialized content for certain user segments, more effectively manage rights for digital media and enable new enterprise applications- all in a form factor compatible with today's handsets.

"Oberthur Card Systems has always been at the forefront of smart card design for the telecom market and partnering with Spansion, an innovator in Flash memory technology, will reinforce our advance in the high-performance SIM card segment. Spansion's HD-SIM technology prototype is already compliant with GIGAntIC product line for secure and innovative multimedia based services," said Marc Bertin, vice president of business development at Oberthur Card Systems.

Spansion is working with a number of wireless ecosystem partners to showcase a prototype of the MirrorBit HD-SIM product at 3GSM stand G61, in Hall 2, highlighting applications such as:

- Decryption of encrypted video streaming to help ensure only authorized users can access it
- DRM for music files, enabling secure audio file downloads directly into the handset
- An address book with 10,000 entries, which can be easily transferred from one phone to another

Spansion plans to deliver the single-chip solution in 2007.

“This announcement builds upon the agreement we signed with Spansion last year to jointly develop solutions which deliver unique benefits for mobile operators,” said Simone Cavallo, general manager MNO division, M-Systems. “Combining the innovative benefits of our MegaSim architecture with Spansion’s advanced MirrorBit technology, we bring to the market a smarter, cost-effective single chip design.”

“This move to deliver solutions for SIM card manufacturers demonstrates our system-level integration capabilities and how Flash memory can be used to bring more value and capabilities to wireless applications,” said Sylvia Summers, executive vice president of Spansion’s Embedded Memory Division. “As content continues to provide more market and revenue opportunities for the mobile industry, Spansion’s HD-SIM solution will change the way the SIM card is used and open up new revenue opportunities for wireless operators.”

About Spansion Secure Flash Memory and MirrorBit Technology

For the mobile ecosystem, Spansion Secure Flash memory will help content providers, operators, handset and SIM card manufacturers deliver digital content, applications and other services more securely to end users, creating new revenue opportunities and building subscriber loyalty.

Spansion's MirrorBit technology enables, stores and protects digital content in the wireless market, where the top 10 handset manufacturers use Spansion's Flash memory products. By leveraging the award-winning MirrorBit™ technology, Spansion has successfully developed cost-effective, smaller and more powerful product offerings designed for reliable code execution and data storage for multimedia applications.

Third Party Support

“The integrated OMA v2 DRM solution from Beep Science ties rights and content to the SIM rather than the device itself. The solution enables operators to offer revenue-generating subscription services for mobile content and will improve the user experience by enabling content and rights to move between devices. By integrating crypto and secure store on the SIM, the Spansion solution will also enhance the security protection available in the SIM card,” said Jan Rune Hetle, CEO of Beep Science AS.

"As a worldwide, leading creator, aggregator and distributor of premium off-deck mobile content, Jamster is excited to see Spansion introducing high-capacity, Flash memory SIM chips. We think out-of-the-box, pre-installed applications on phone cards have great potential for growing the mobile content market and introducing popular mobile entertainment to consumers," said Markus Berger-de León, Managing Director, Jamster.

“Medialive's digital content protection solution has been easily integrated in Spansion's new HD-SIM products, providing significant benefits to the digital content distribution industry. With this integration Spansion and Medialive bring an unprecedented end-to-end security solution for the Mobile market, enabling Legal SuperDistribution and Customer Domain Management,” said Didier Lesteven, CEO of Medialive.

“Symbian welcomes this announcement and recognises the need for all parties in the mobile phone value chain to contribute to a complete and effective security solution for mobile phone users. We look forward to continuing our close cooperation with Spansion in ensuring that security hardware components can effectively complement Symbian OS platform security,” said Craig Heath, Symbian's Product Manager for Security, Privacy and DRM of Symbian.

About Spansion

Spansion [NASDAQ: SPSN] is a leading Flash memory solutions provider, dedicated to enabling, storing and protecting digital content in the wireless, automotive, networking and consumer electronics markets. Spansion, previously a joint venture of AMD and Fujitsu, is the largest company in the world dedicated exclusively to developing, designing, and manufacturing Flash memory products and systems. For more information, visit www.spansion.com.

Cautionary Statement

This release contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that the forward-looking statements in this release involve risks and uncertainties that could cause actual results to differ materially from the company's current expectations. Risks that the company considers to be the important factors that could cause actual results to differ materially from those set forth in the forward-looking statements include the possibility that demand for the company's Flash memory products will be lower than currently expected, including without limitation the upcoming HD-SIM solution; that OEMs will increasingly choose NAND-based Flash memory products over NOR- and ORNAND-based Flash memory products for their applications; that customer acceptance of MirrorBit technology will not continue to increase; that there will be a lack of customer acceptance of ORNAND-based Flash memory products; that competitors may introduce new memory technologies that may make the company's Flash memory products uncompetitive or obsolete; that the company may not achieve its current product and technology introduction or implementation schedules; and that the company will not be able to raise sufficient capital to enable it to establish leading-edge capacity to meet product demand and maintain market share. We urge investors to review in detail the risks and uncertainties in the company's Securities and Exchange Commission filings, including but not limited to the company's Registration Statement on Form S-1.

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