IFX Day 2008

Munich, June 3rd, 2008

Operations

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Member of the Management Board
Head of Operations

Never stop thinking

Disclaimer

This presentation was prepared as of June 02, 2008 and is current only as of that date.

This presentation includes forward-looking statements about the future of Infineon's business and the industry in which it operates. These include statements relating to future developments in the world semiconductor market, including Infineon's future growth, the benefits of research and development alliances and activities, Infineon's planned levels of future investment in the expansion and modernization of its production capacity, the introduction of new technology at its facilities, the continuing transitioning of its production processes to smaller structure sizes, cost savings related to such transitioning and other initiatives, Infineon's successful development of technology based on industry standards, Infineon's ability to offer commercially viable products based on its technology, Infineon's ability to achieve its cost savings and growth targets, and any potential disposal of Infineon's interest in Qimonda.

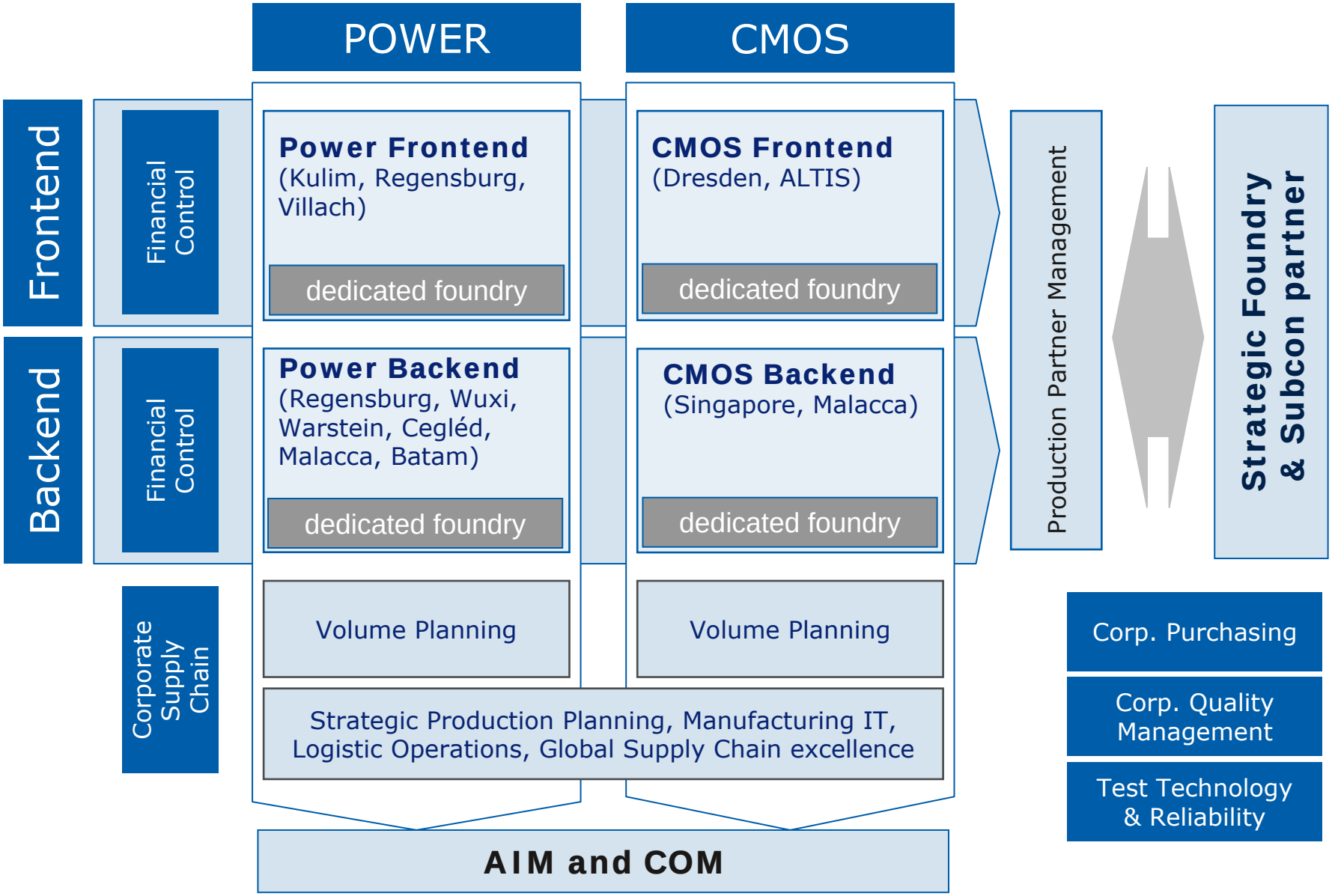
These forward-looking statements are subject to a number of uncertainties, including trends in demand and prices for semiconductors generally and for Infineon's products in particular, the success of Infineon's development efforts, both alone and with partners, the success of Infineon's efforts to introduce new production processes, the actions of competitors, the availability of funds for planned expansion efforts, and the outcome of antitrust investigations and litigation matters, the success of any corporate activities we may undertake with respect to our interest in Qimonda, as well as the other factors mentioned in this presentation and those described in the "Risk Factors" section of the annual report of Infineon on Form 20-F filed with the U.S. Securities and Exchange Commission on December 7th, 2007 or contained in the company's quarterly reports. As a result, Infineon's actual results could differ materially from those contained in these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements.

Infineon does not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

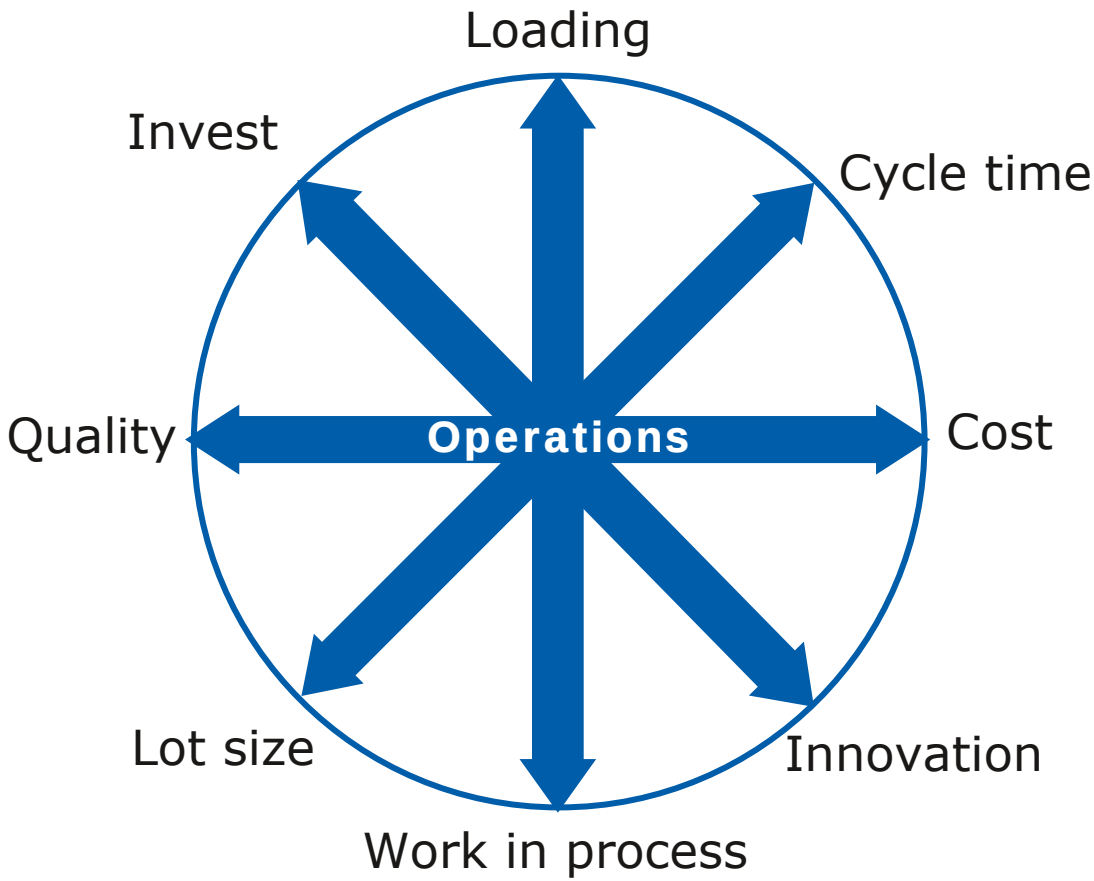
Agenda

- Infineon‘s Operations
- Frontend and Backend Locations
- Manufacturing Highlights
- Summary

Operations: Manufacturing and Supply Chain Optimizing Along the Value Chain

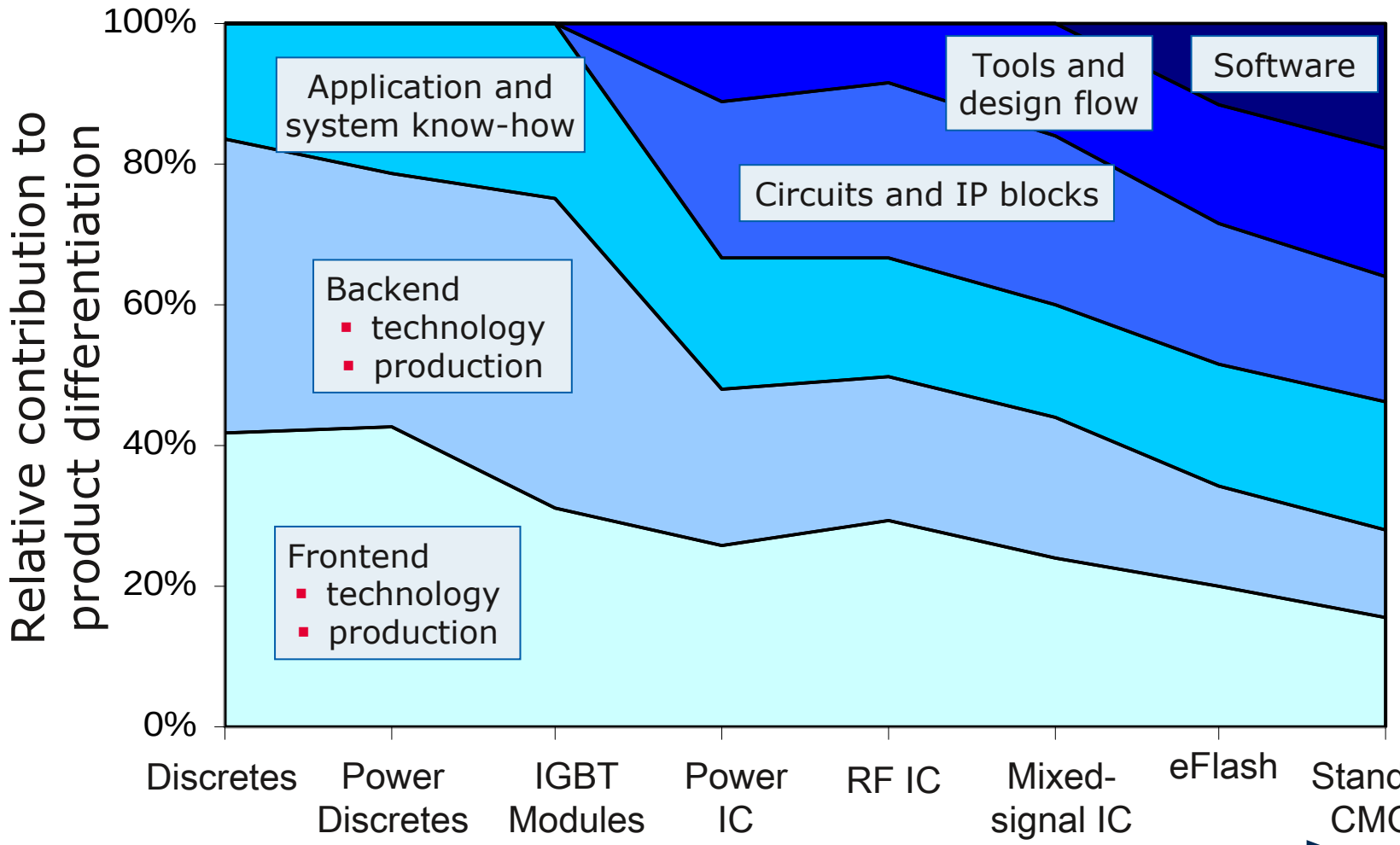


Infineon Operations: Conflicting Targets to be Handled



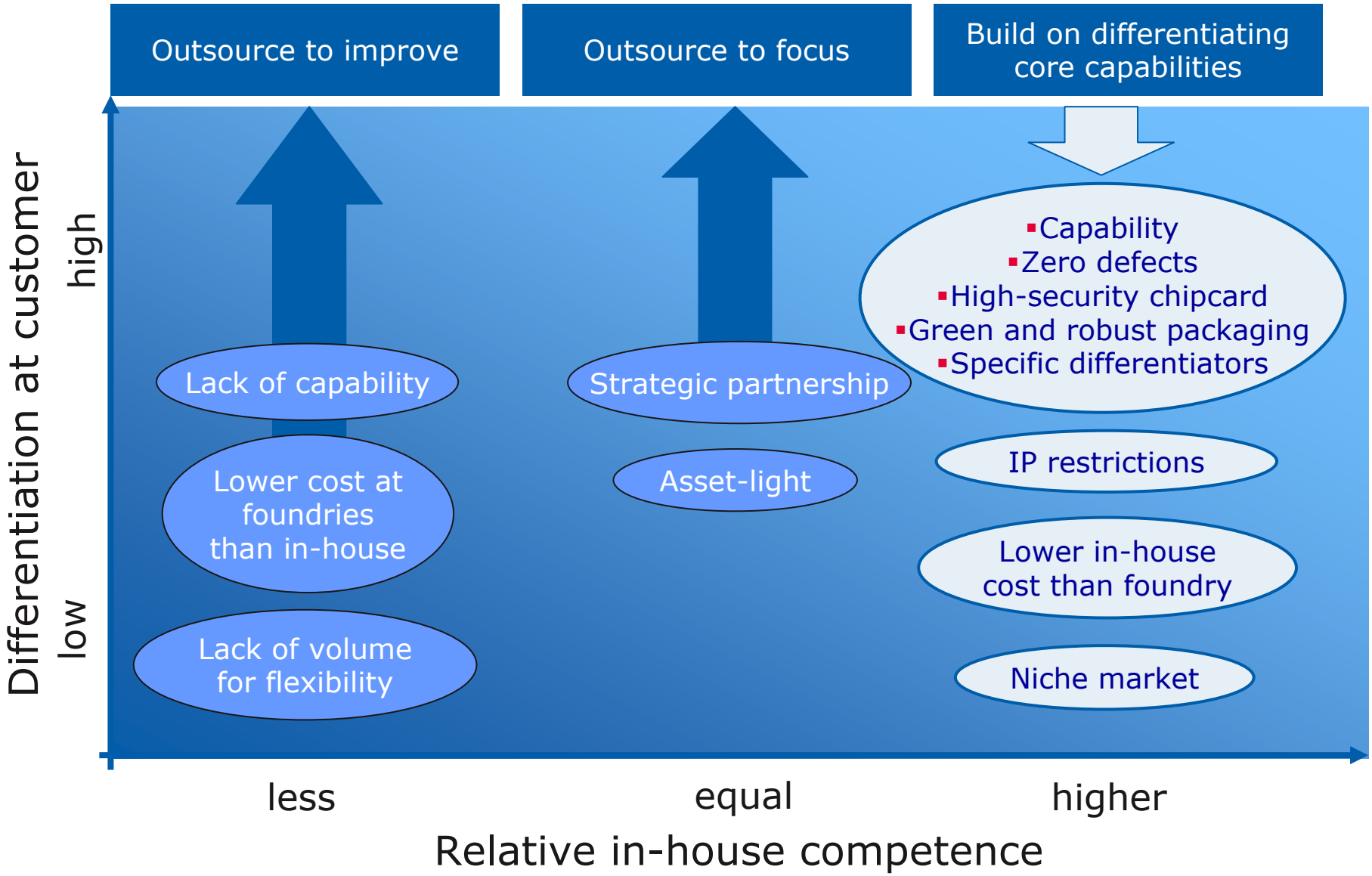
We have to balance requirements and priorities that differ from business to business

Manufacturing and Technology Differentiating Factors? In-house Production Where it's an Advantage for us!



Average importance of manufacturing is decreasing.
Different segments require different strategies.

Make-or-buy Decisions Conform to Business Requirements



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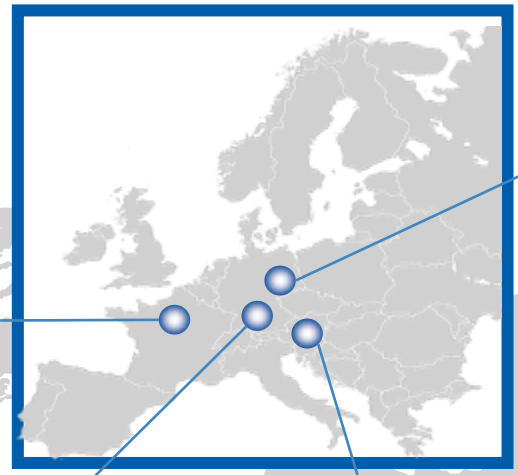
Infineon's Key Frontend Sites – For High-end CMOS, Infineon Will Go Fabless

- Key technologies
- Major products



Dresden

- Specialty CMOS, e.g. embedded Flash
- Chipcard
- Microcontroller

Essonnes

Power cluster

Regensburg

- Power MOSFET, IGBT
- Smart, SPT (BCD)

Villach

- OptiMOS, CoolMOS
- Power ICs for automotive and industrial
- bipolar ICs
- discretes, diodes
- sensors

Kulim

Successful Ramp of Plant in Kulim, Malaysia

Ramp-up in just 18 months

Mar 2005

Ground Breaking

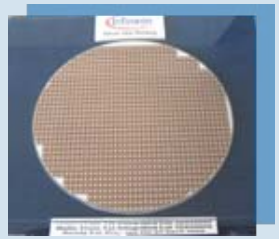
28 Feb 2006

Ready for Equipment

21 Apr 2006

Ready for Production

7 May 2006



First Yielding Wafer

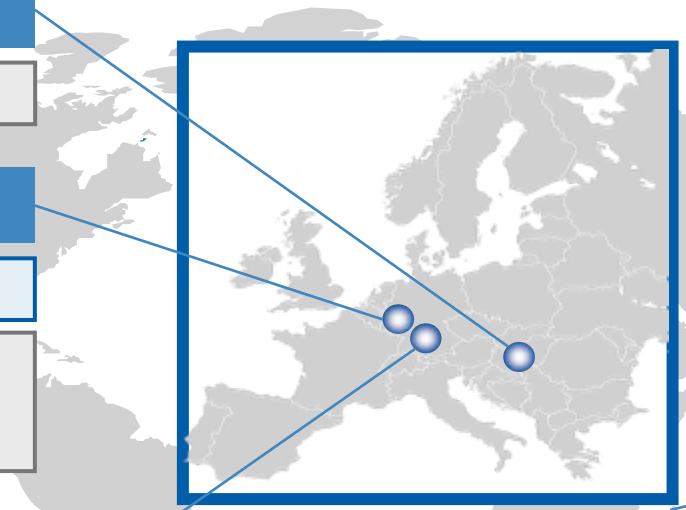
8 Sep 2006

First technology qualified: CoolMOS C3

- Nine technologies qualified
- 100% automotive qualified („Zero defects“)
- Cash-out cross-over achieved in Q2 FY08
- In adjustment to market conditions, Kulim fully loaded in CY 2011/2012

Infineon's Key Backend Sites

- Key technologies
- Major products



Wuxi

- Chipcard
- Discretes

Cegléd

- Power modules

Warstein

- IGBT modules
- EconoPACK
- EasyPACK
- IHM, IHV

Regensburg

- Chipcard
- Sensors
- Discretes
- WLB

Batam

- DSO
- Power DSO

Malacca

- DSO
- QFP (quad flat package)
- Laminate
- Sensors
- Discretes
- Power discretes

Singapore

- Laminate
- QFP (quad flat package)

Backend: Segment-specific Strategies Using „Best Cost Country“ and Subcontractors

Low pin-count and power

Batam
- High-volume products

Wuxi
- High-volume products

Cegléd
- High-volume products

Warstein
- Competence center for power modules

High pin-count, CMOS, eWLB

Malacca
- Competence center for power
- High-volume leadframes

Singapore
- Test for power
- Test for CMOS
- Tester pool CMOS

Regensburg
- Competence center for chipcard
- Innovation hub
- WLB pilot line

Subcontractor

FUJITSU
Nantong Fujitsu

unisem

PSi TECHNOLOGIES, INC.

Subcontractor

ASE GROUP

UTAC

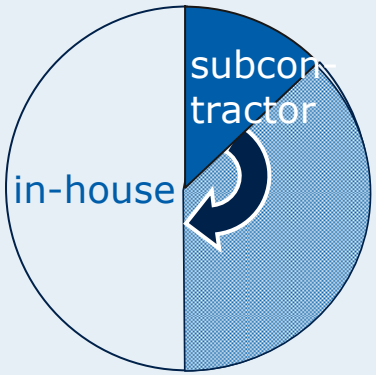
KYEC

STATSChipPAC

Amkor Technology

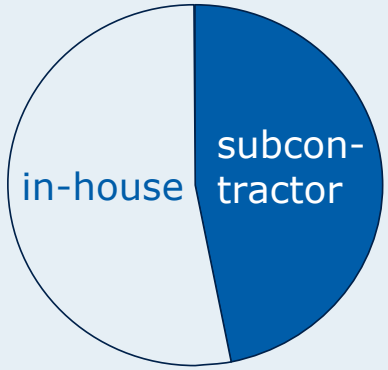
According to Fab-light Strategy, We Will Continue to Increase Our Foundry Share

Frontend CMOS



- Due to fab-light strategy, foundry share will increase substantially
- Multi-sourcing concept in execution

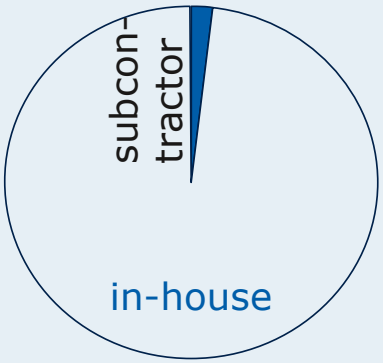
Backend CMOS



- Keep subcontractor level high
- Develop differentiating packages in-house (e.g. eWLB)

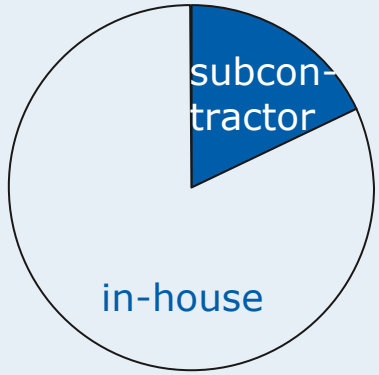
All pie charts indicate in-house/subcontractor split on average over FY07. Sale of ALTIS not considered.

Frontend Power



- Focus on in house production
- Increase flexibility with higher foundry share

Backend Power



- Develop differentiating packages in-house
- Make-or-buy decision made case-by-case

Infineon's Advanced Logic Development Alliance

International Semiconductor Development Alliance

Development objectives:

- Leading-edge „foundry" technologies
- 65nm, 45nm, 32nm technologies

Infineon's alliance history

1989 – Start of DRAM development alliance (DRAM 16M/64M) IFX/IBM/Toshiba

1997 – Start of logic development alliance (180nm … 90nm) IFX/IBM

2003 – 65/45 nm alliance IFX/IBM/Chartered Semic.

2004 – Samsung joins

2007 – Freescale, STM and Toshiba join

IMEC Partners 2008

IMEC is Europe's leading independent research center in the field of micro- and nanoelectronics, nanotechnology, enabling design methods and technologies for ICT systems.

Innovation pipeline: Early insight into technology trends and key innovations for in-time preparation of design and product innovations (pathfinding).

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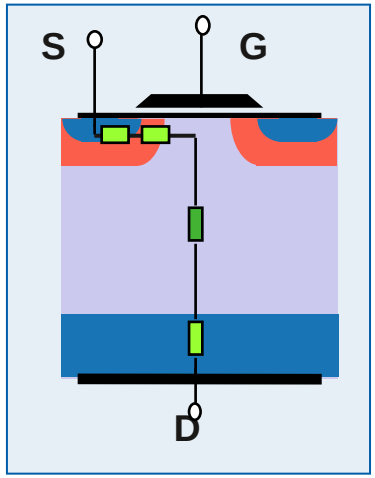
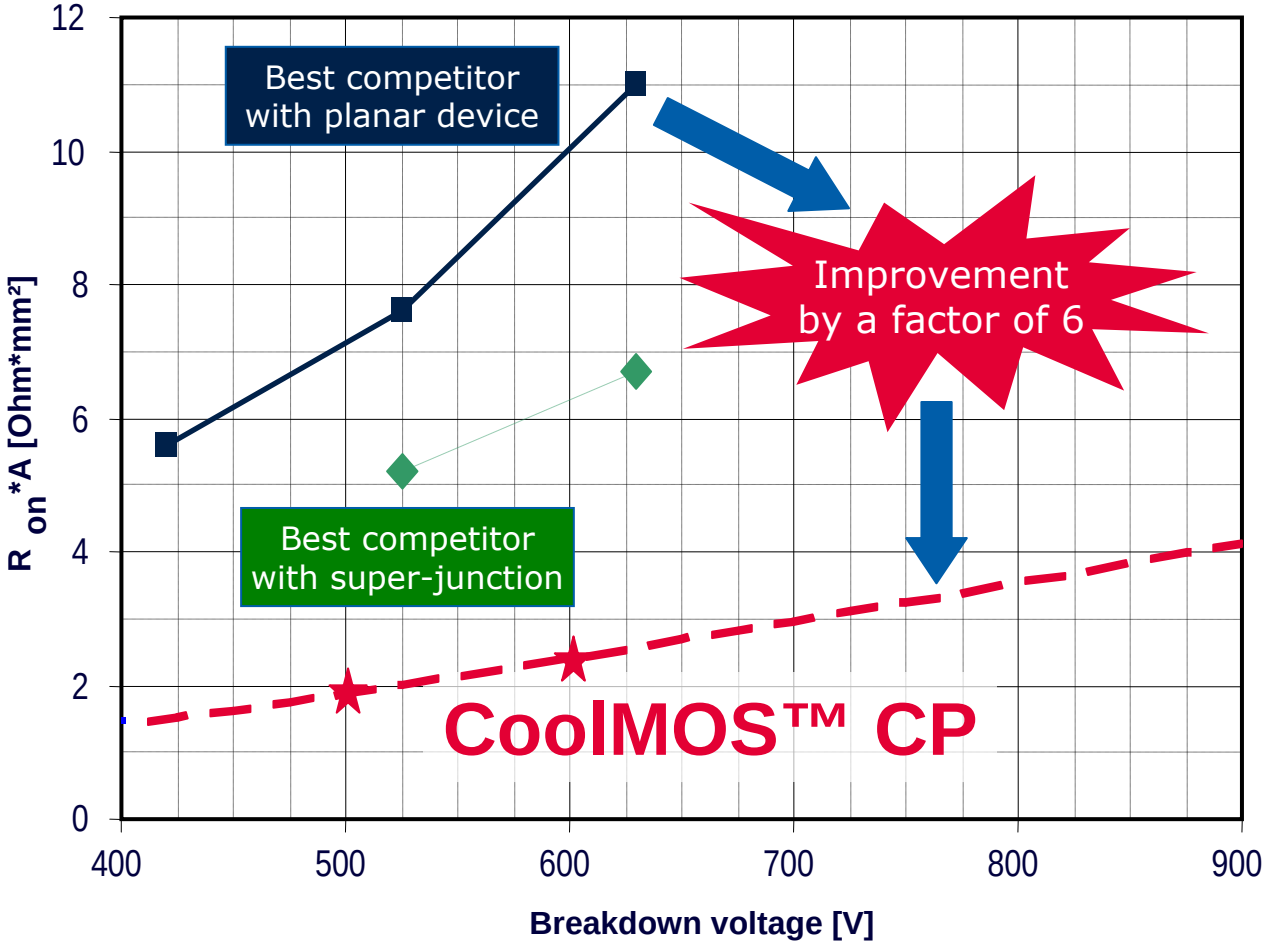
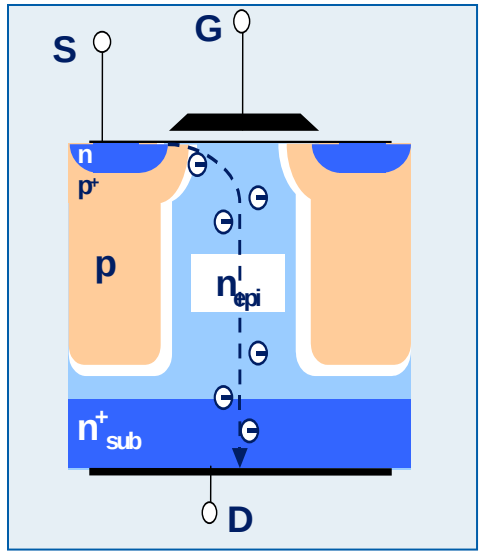
CoolMOS Success Story: 3D Device Construction a Manufacturing Challenge

Planar device





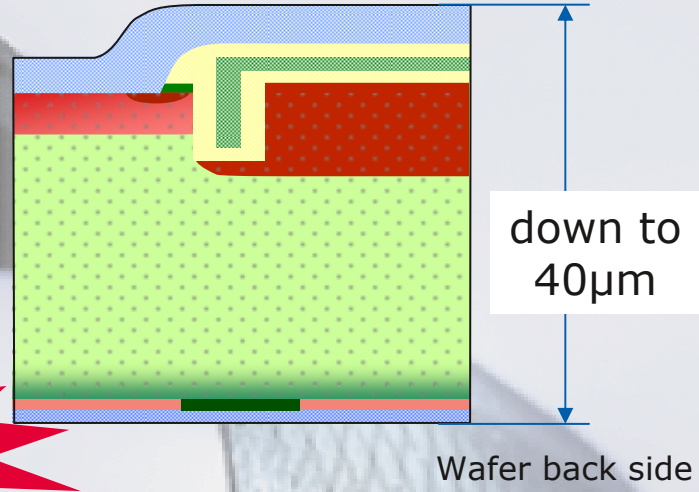
Infineon's super-juction 3D device



Infineon's Ultra-thin Wafer Technology: Enabler for Energy Efficiency Systems

Manufacturing Competencies

- Ultra-thin wafer handling
- frontside processing
- backside processing
- Enables highly innovative product concepts with outstanding cost performance, e.g. IGBTs and diodes



World's thinnest wafer

Manufacturing Technologies

- IGBT
- Diodes
- MOSFET (e.g. CoolMOS)
- SPT (smart power technology)

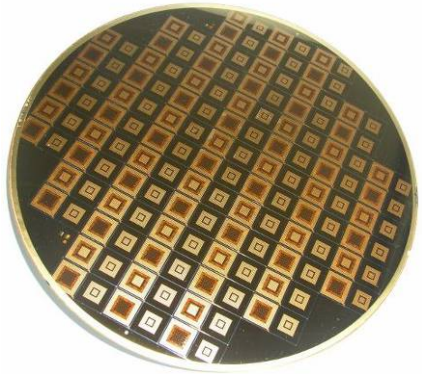
Applications

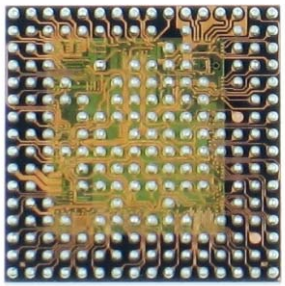
- Traction (trains)
- Speed-controlled motors, pumps
- Power supplies for computer and server
- Power supplies for consumer electronics
- Lighting
- Inductive cooking
- Automotive

Focused Innovations for High Pin-count and High-performance Packaging

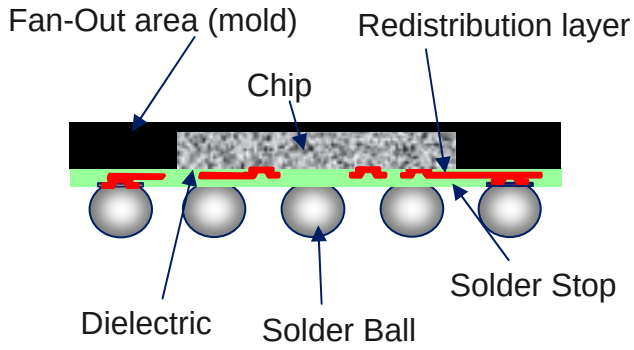
eWLB (embedded wafer level ball grid array)

- New packaging approach
- Outstanding cost performance
- Improved electrical performance
- Ready to become a standard package in industry
- Great interest from subcontractors and other IDMs
- ASE took a license already





X-GOLD™213
(bottom view)

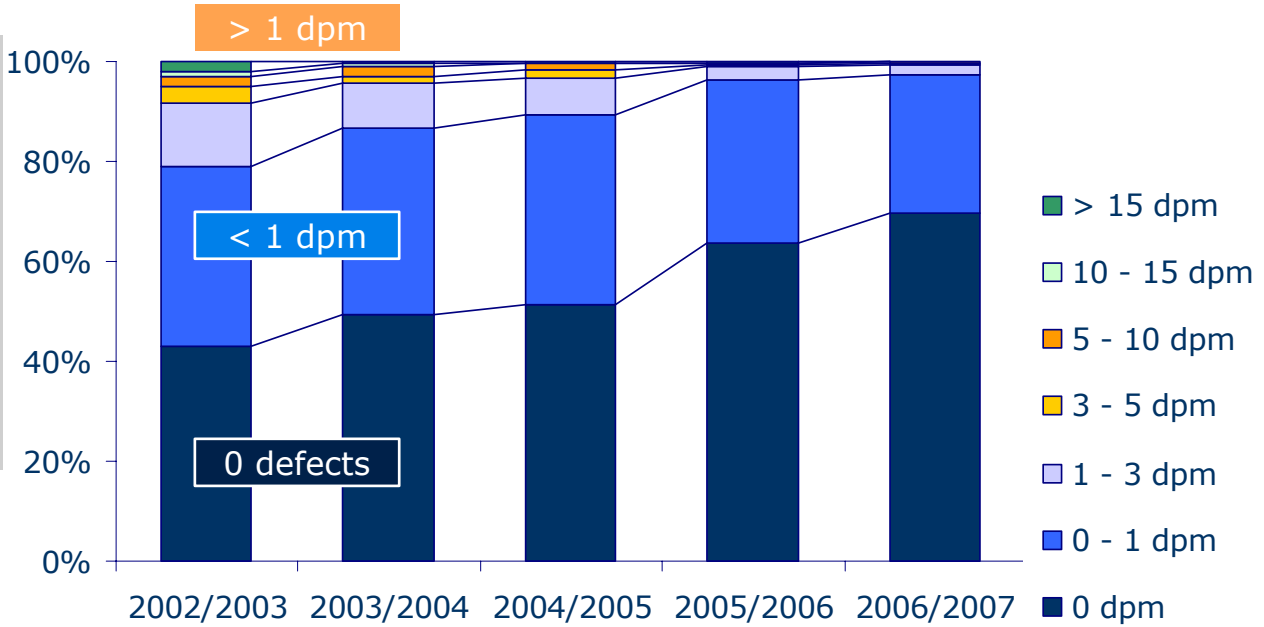


X-GOLD™213
65nm CMOS SoC
eWLB-216 (8 x 8 x 0.8 mm³)

: Metal carrier
: Adhesive foil
: Chip with pads
: Mold compound

Quality is a Key Differentiator, Especially for Automotive Products with < 1 dpm

- 70% of automotive volume is shipped with zero defects
- 97% of automotive volume is shipped with ≤ 1 dpm



DET NORSKE VERITAS
CERTIFICATE

DNV ZERTIFIZIERUNG UND UMWELTGUTACHTER GMBH
certifies that the company

Infineon

Infineon Technologies (Kulim) Sdn. Bhd.
Lot 10&11, Jalan Hi-Tech 7,
Industrial Zone Phase 2,
Kulim Hi-Tech Park,
09000 Kulim, Kedah Darul Aman / Malaysia

has established a quality management system in conformity with

EN ISO 9001 : 2000

This Certificate is valid for:

Development, production and sales of semiconductor components

This Certificate is valid until:
31.12.2009

Certificate-Registration-No.:
CERT-08659a-00-AQ-ESN-TGA

Issued in Essen on 29.05.2007 — Certified by DNV since 19.04.2002

N. Kim, General Manager — T. Beck, Technical Support

TGA-ZM-04-02-00

Outstanding Feedback during Customer Audits; ISO 9001 Qualification in May 2007:

- ✓ Bosch, Conti, Hella audit: ”Excellent lot tracking system including operators access control on tools.“
- ✓ SiemensVDO pre-audit: “All measures from the Automotive Excellence Program found a new place.“
- ✓ Delphi: ”Very effective and efficient, well run fab.“

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Summary

- Outsourced CMOS share will increase substantially
- Infineon goes fabless for 65nm and below
- Infineon is on track for CapEx/sales target of 10% or below
- Productivity improvements at Kulim on track
- Infineon will keep special manufacturing processes inhouse where competitive differentiation is an advantage

Never stop thinking