

Third Quarter FY 2009

Quarterly Update

Infineon Technologies AG
Investor Relations



Never stop thinking

Disclaimer

This presentation was prepared as of August 4, 2009 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 we operate. These include statements relating to general economic conditions, future developments in the world semiconductor market, our ability to manage our costs and to achieve our savings and growth targets, the resolution of Qimonda's insolvency proceedings and the liabilities we may face as a result of Qimonda's insolvency, the benefits of research and development alliances and activities, our planned levels of future investment, the introduction of new technology at our facilities, the continuing transitioning of our production processes to smaller structure sizes, and our continuing ability to offer commercially viable products.

These forward-looking statements are subject to a number of uncertainties, including broader economic developments, including the duration and depth of the current economic downturn; trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products, such as automobiles and consumer electronics, that incorporate our products; the success of our development efforts, both alone and with partners; the success of our efforts to introduce new production processes at our facilities; the actions of competitors; the successful closing of our pending rights offering and the availability of funds; the outcome of antitrust investigations and litigation matters; and the resolution of Qimonda's insolvency proceedings; as well as the other factors mentioned in this presentation and those described in the "Risk Factors" section of the registration statement of Infineon on Form F-3 filed with the U.S. Securities and Exchange Commission on July 16, 2009 and the prospectus of Infineon dated July 16, 2009 and approved by the German regulator BaFin. 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.

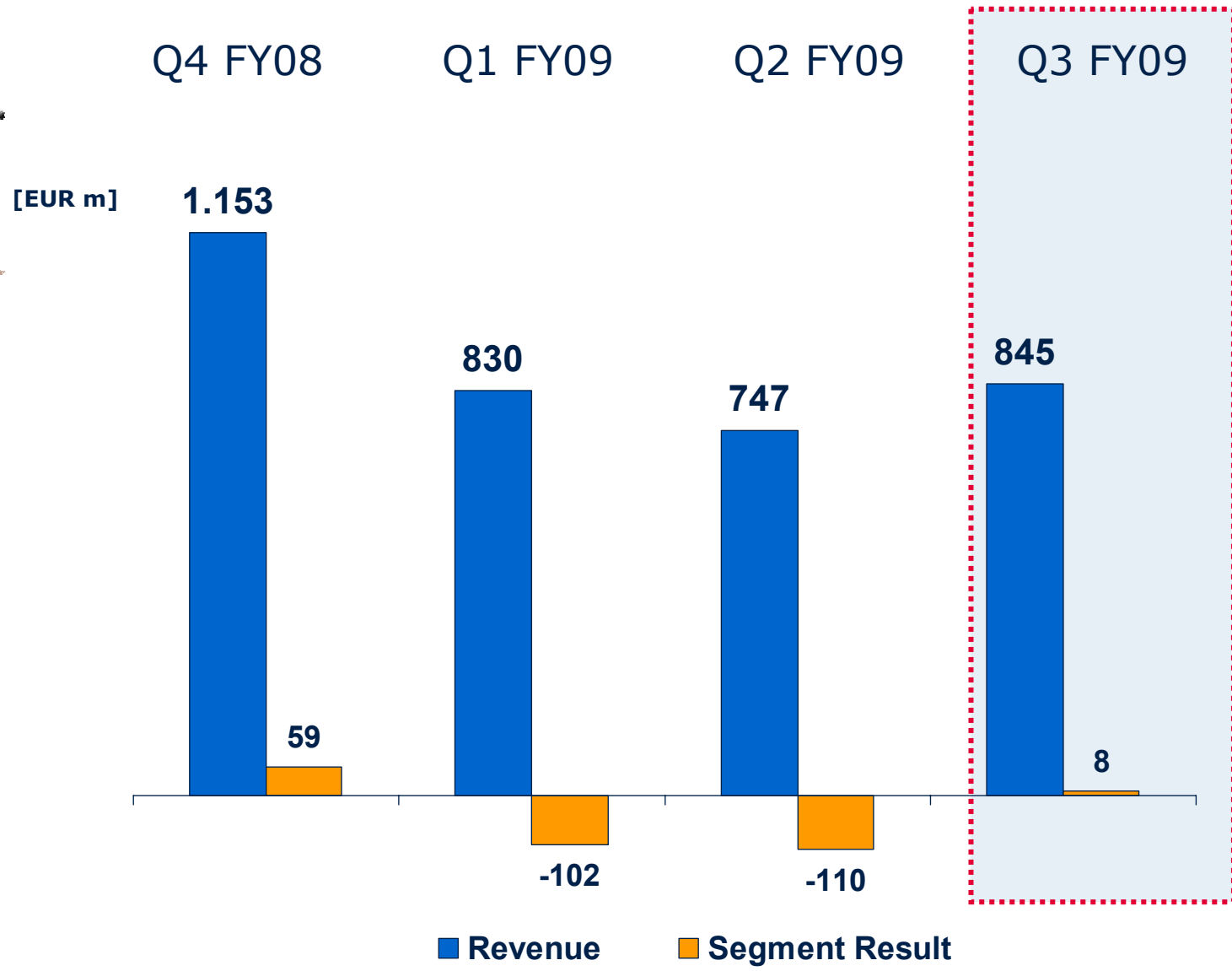
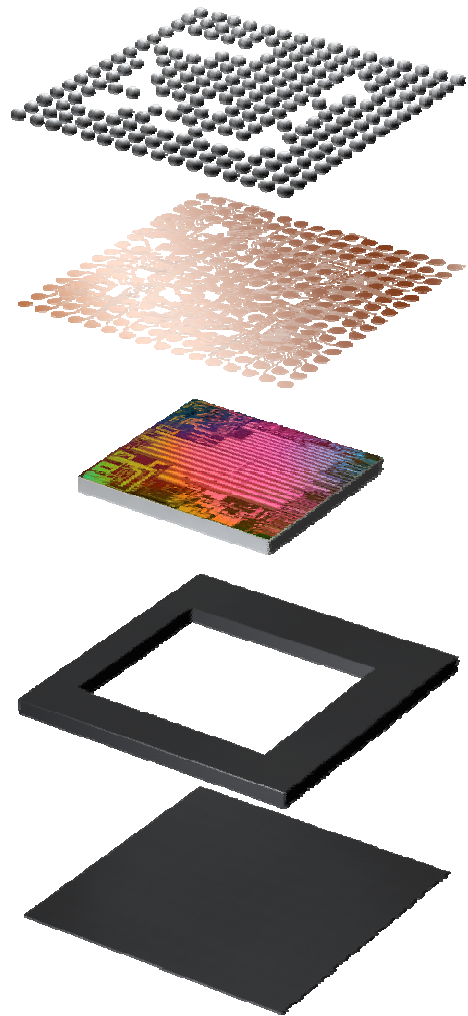
Infineon does not undertake any obligation to publicly update or revise any forward-looking statements in light of developments which differ from those anticipated.

→ Infineon Results and Outlook

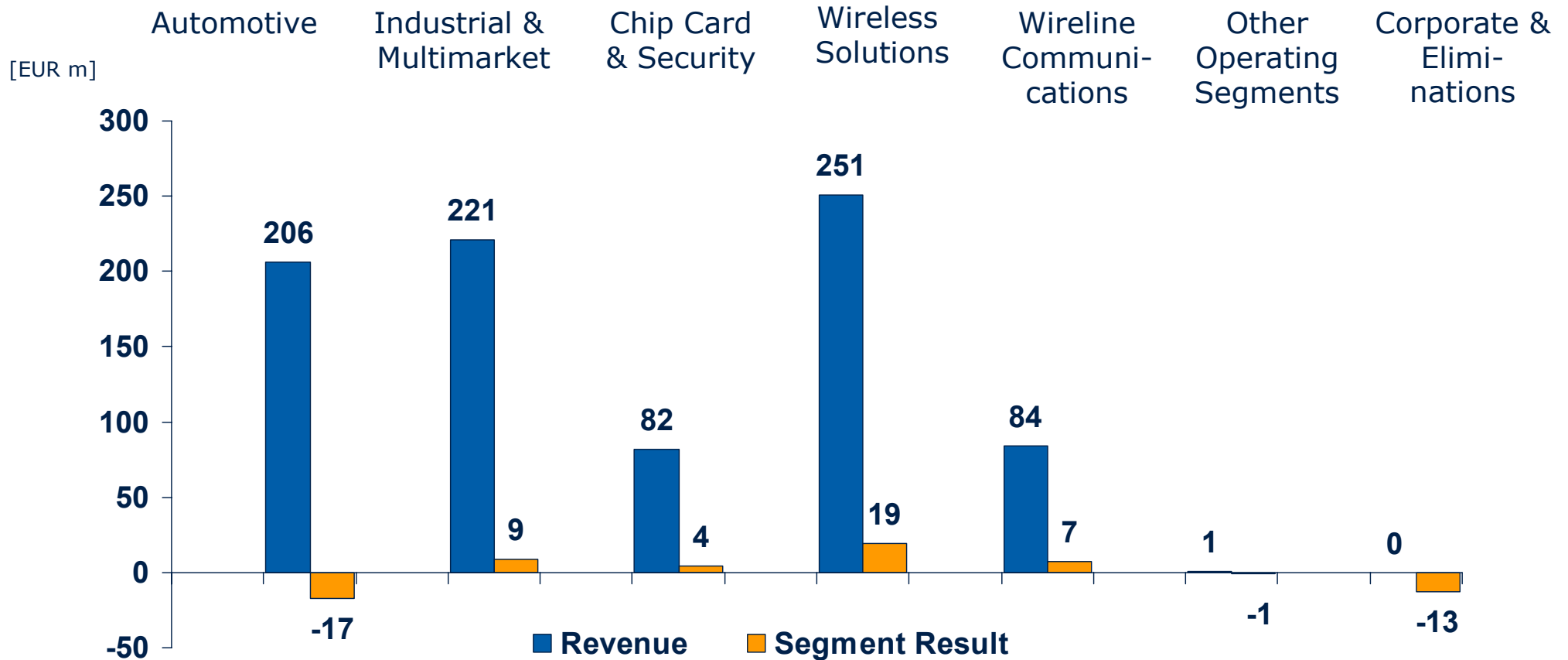
→ Refinancing Package

→ Business Highlights

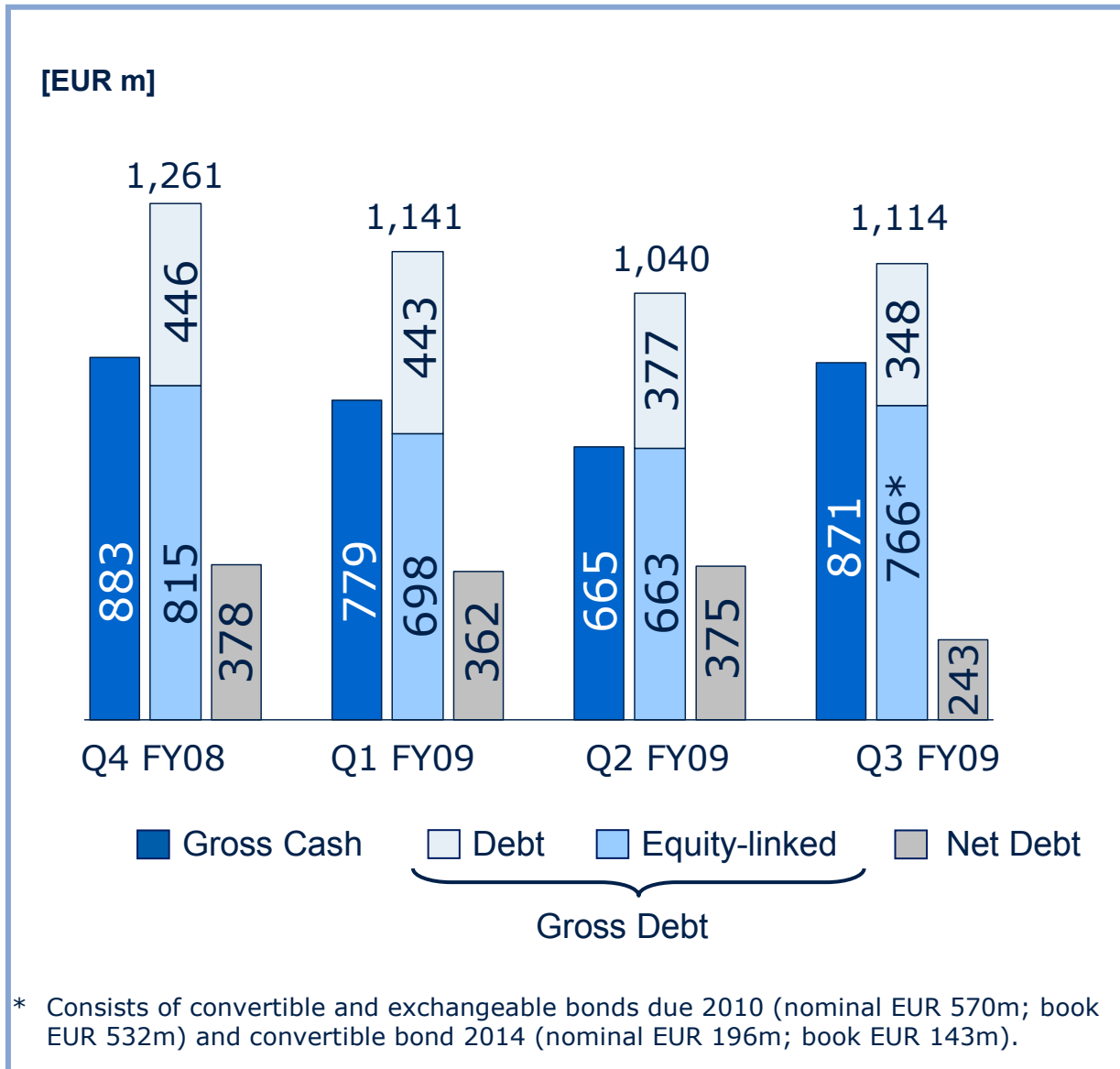
Q3 FY09 Revenue Increased to EUR 845m Segment Result Slightly Positive



Q3 FY09 Revenue and Segment Result by Segment



Net Debt in Nominal Terms Declined by More Than EUR 100m



Debt structure changes in 3Q FY09

- Repurchase of EUR 94m nominal amount of convertible and exchangeable bonds for about EUR 71m in cash, using strong cash flow.
- Issuance of a new EUR 196m convertible bond with 2014 maturity, generating gross proceeds of ~EUR 182m.

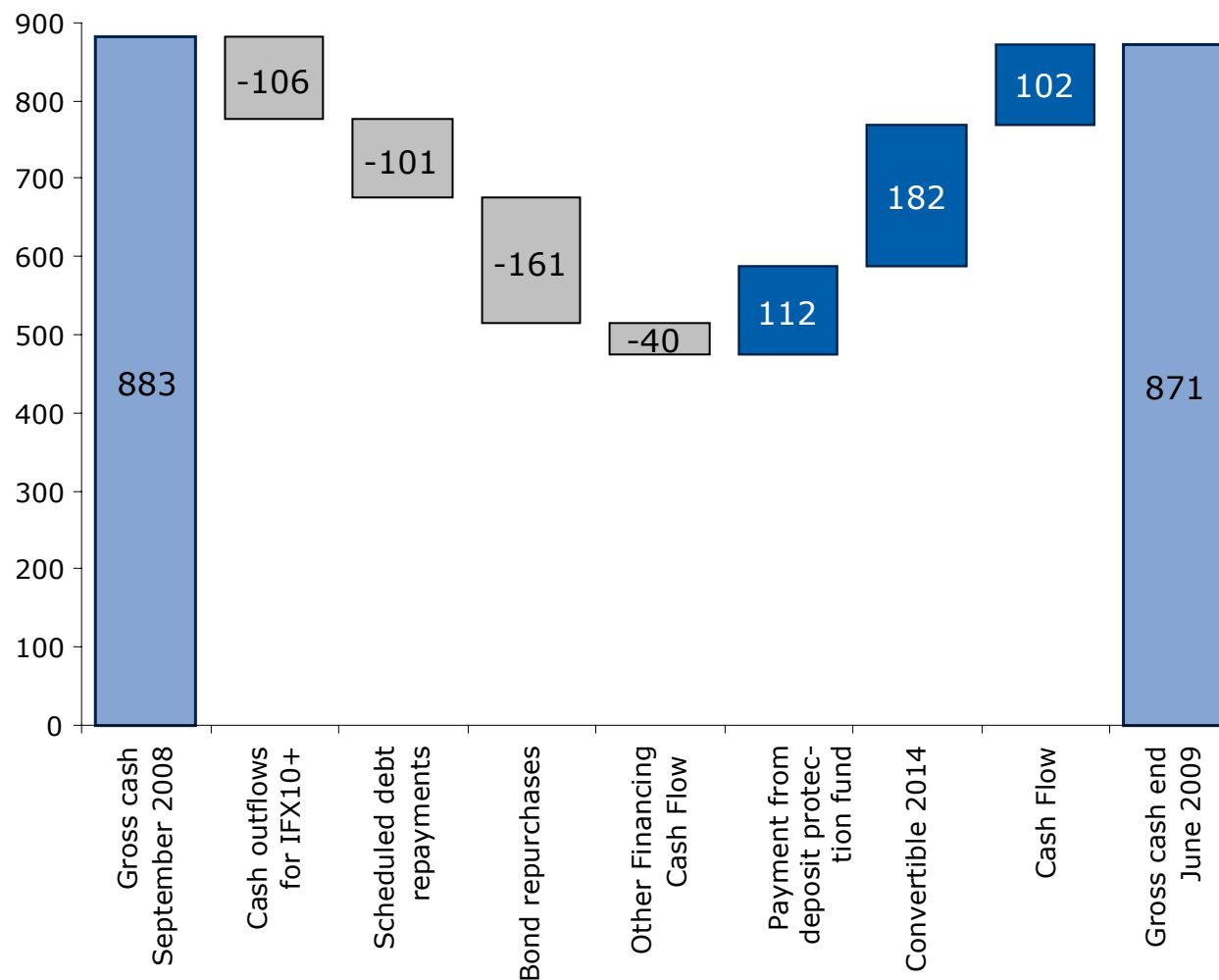
Excluding IFX10+, Cash Generation during 9-months FY09 Despite Significant Revenue Decline



Gross cash development since end Q4 FY08

[EUR m]

As of June 30, 2009

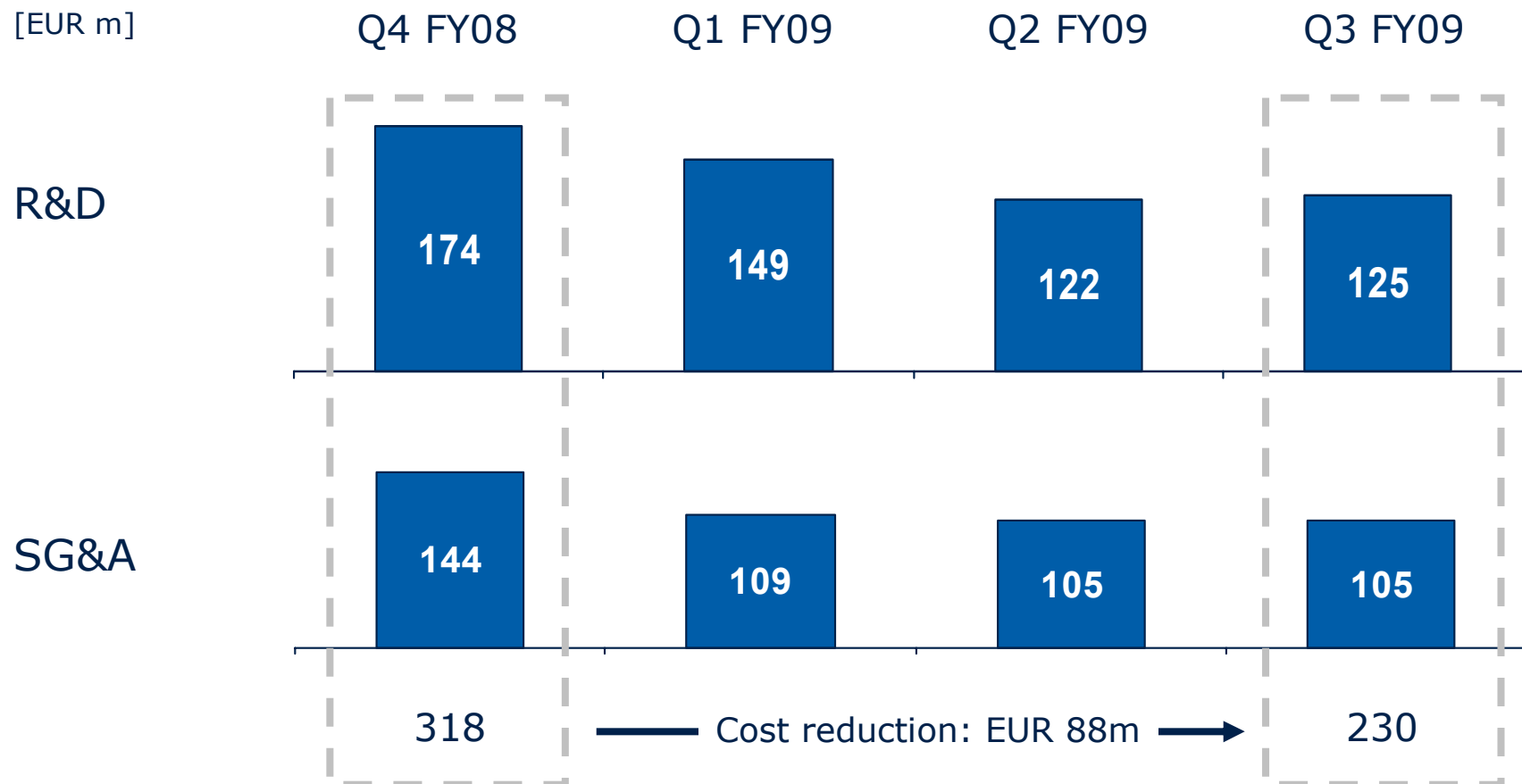


Through the IFX10+ Program and Further Measures, Infineon significantly reduced OpEx

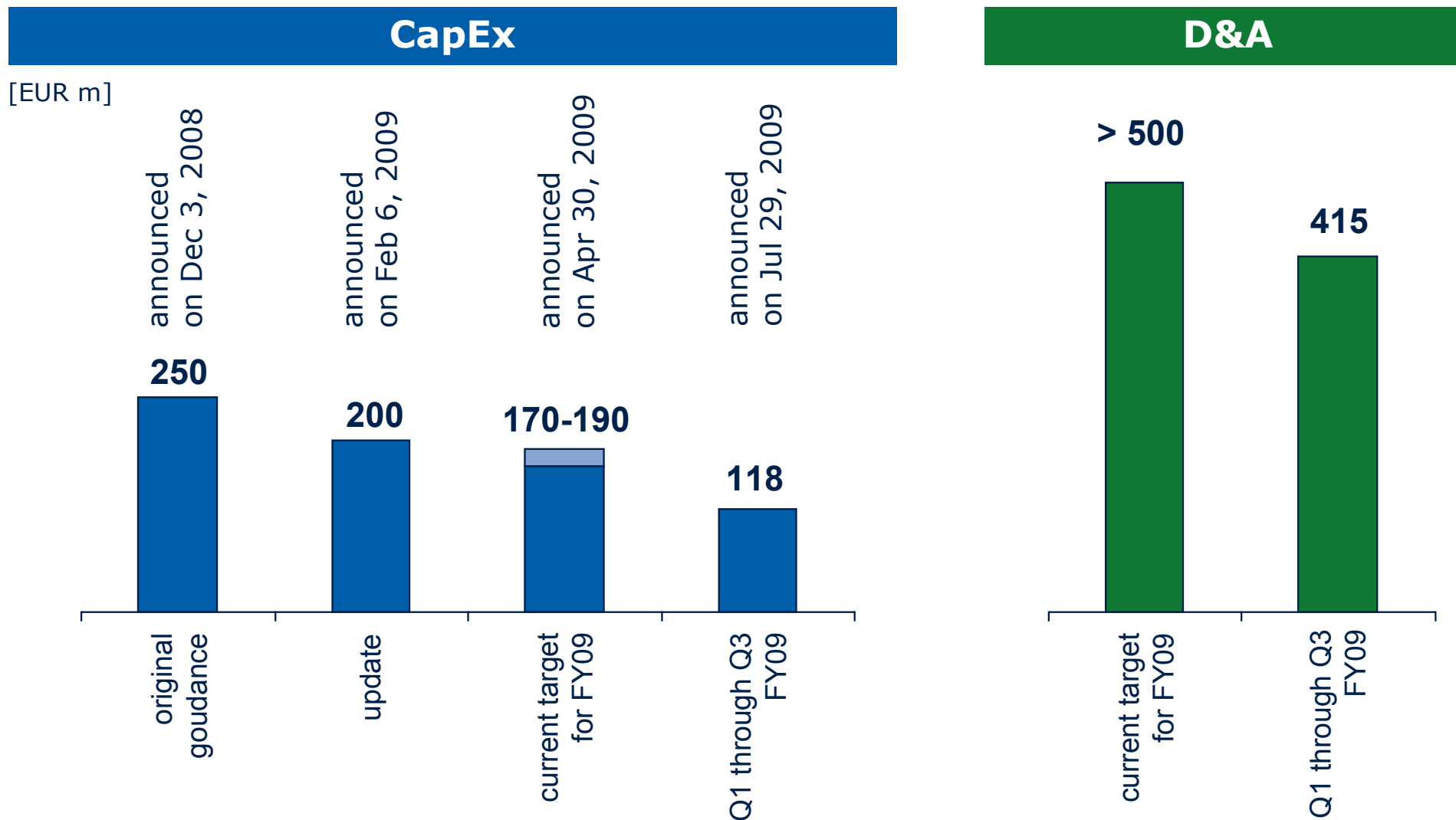


Actual expenditures in SG&A and R&D

[EUR m]

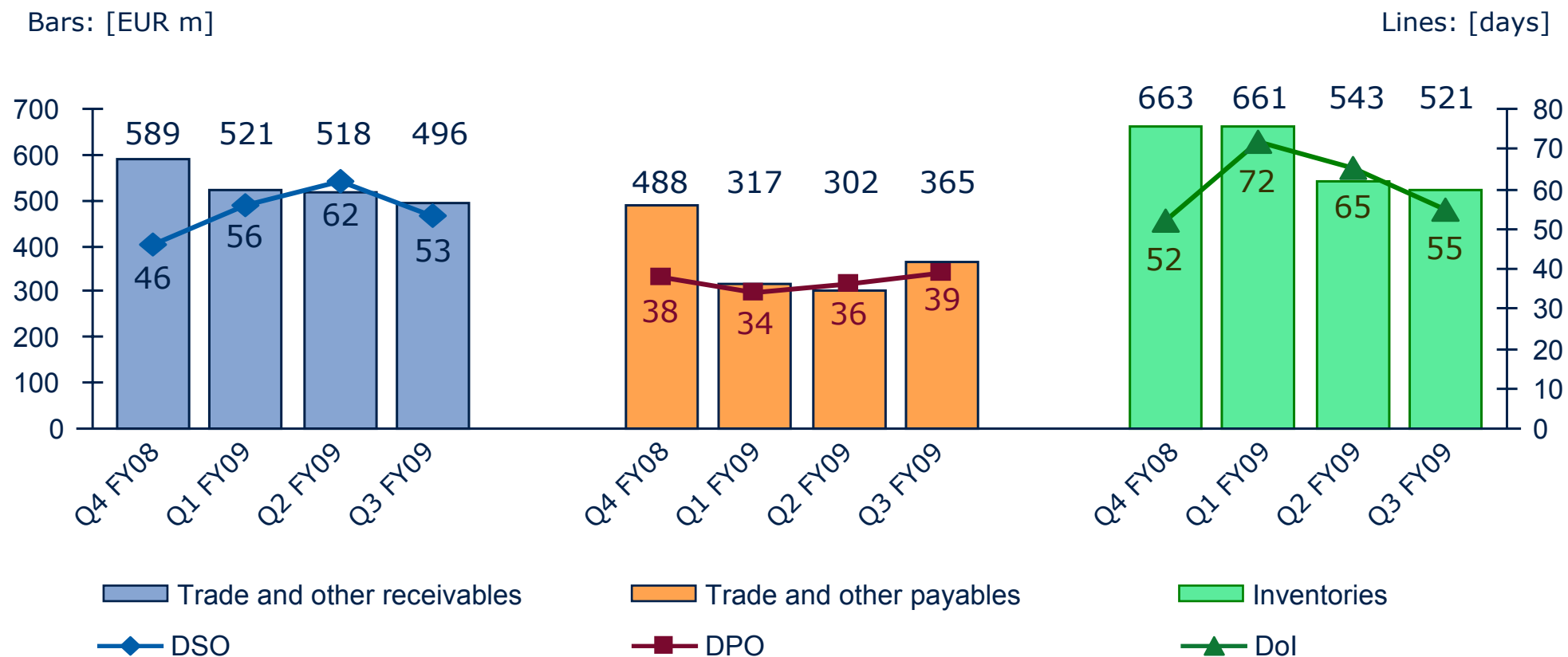


CapEx Significantly Below D&A, Reduction of CapEx Targets During 9-months FY09



CapEx = purchase of property, plant and equipment + purchase of intangible assets, and other assets + capitalization of R&D expenses

Strict Management of Working Capital Positions



Q4 FY09 Outlook and Update on Full Year FY 2009 Outlook (IFRS)



- Reflecting the pending sale of the WLC business, Infineon will classify WLC as discontinued operations in its consolidated financial statements for Q4 FY09 and fiscal year ending September 30, 2009, effective as of the fourth quarter.

Revenues

- Revenues expected to grow sequentially – on a comparable basis, excluding the WLC segment.
- Anticipated revenues increase driven in particular by the segments Automotive (ATV) and Industrial & Multimarket (IMM).

Segment Result

- Cautious increases in production levels in the fourth quarter are expected as company adapts capacity loading to the improved demand environment – on a comparable basis, excluding the WLC segment.
- Together with the benefits of anticipated higher sales levels and total costs contained at a low level, Infineon expects Segment Result to improve accordingly.

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Steps for Refinancing Taken in Q3 FY09

- May 5: Bond Tender Offer
 - Repurchase of EUR 53m (nominal) of Conv and Exch Bonds 2010
- May 26: New Convertible Bond 2014
 - Gross proceeds of ~EUR 182m
- During Q3 FY09: Additional repurchases of bonds
 - EUR 41m (nominal) for Conv and Exch Bonds 2010
- July 7: Announcement of sale of WLC
 - Purchase price is EUR 250m, proceeds of EUR 230m at closing (expected in autumn 2009), remainder of EUR 20m payable 9 months thereafter
- July 16: Announcement of capital increase and rights offering
- Aug 4: Anticipated net proceeds from capital increase and rights offering of approximately EUR 680m

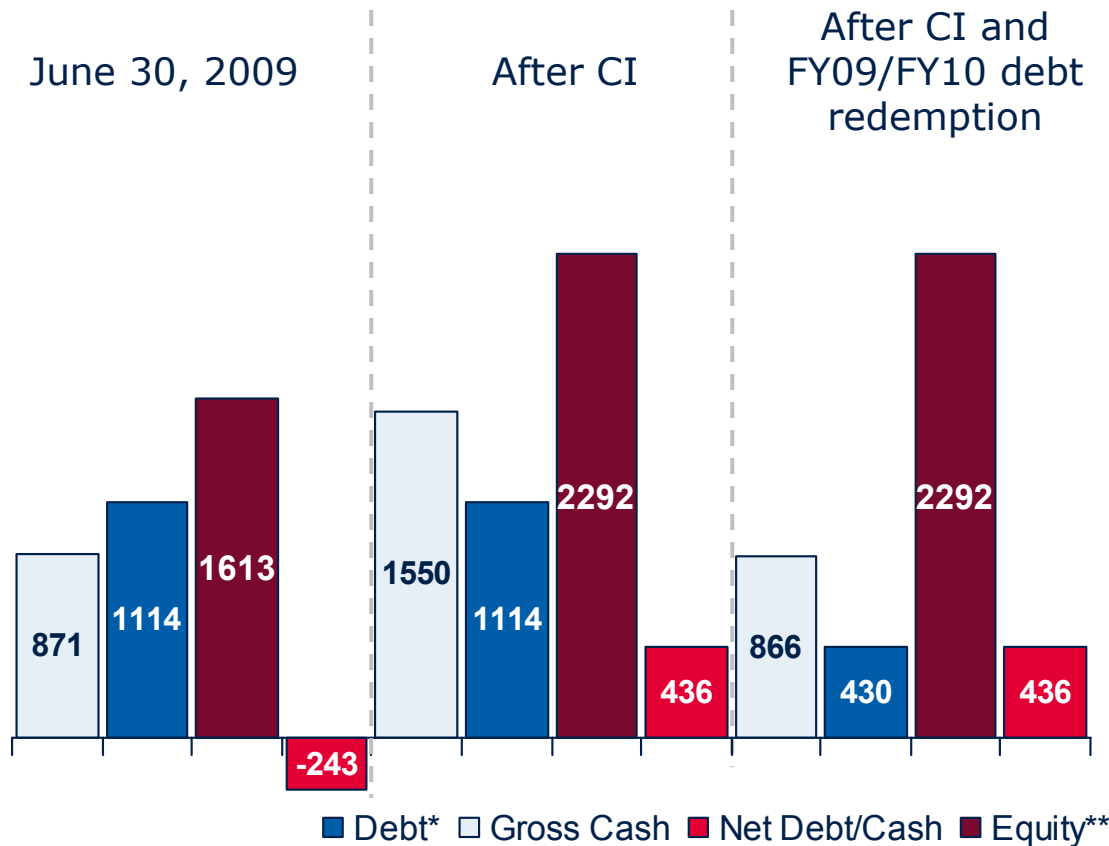
Summary of Key Results of the Capital Increase

- ~323m shares have been subscribed for by execution of subscription rights (~96.9% of available shares).
- ~14m shares haven been subscribed for by Apollo.
 - After settlement of the shares subscribed Apollo will hold 1.3% of Infineon.
- Registration of the new shares subscribed for under the rights offering at the Commercial Register and decision on admission at the Frankfurt Stock Exchange expected for August 6, 2009.
- Delivery of the new shares subscribed for under the rights offering and inclusion in the existing stock quotation of the company's shares expected for August 7, 2009.

Successful Recapitalization Results in Balanced Maturity Profile



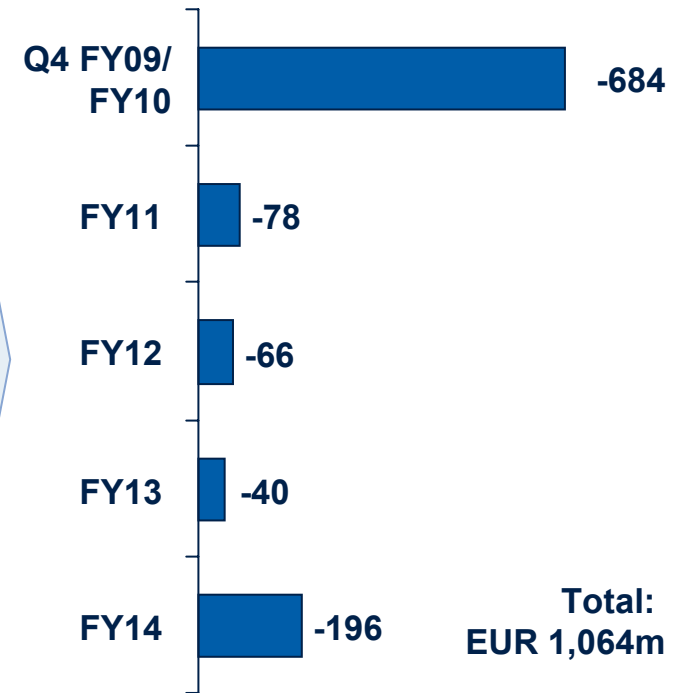
All figures based on nominal values



Maturity Profile

[EUR m]

as of June 30, 2009



Potential cash flows for Qimonda risks (provision of EUR 206m), ALTIS and WLC disposal not included.

Assumptions:

- No operational or investing cash flow effect considered.
 - No additional debt repurchases or debt issuance considered, convertible 2010 and exchangeable 2010 mature at 100%.
- Fees and expenses included for capital increase: ~EUR 45m.

- * Nominal value. Book value: EUR 675m for all bonds; EUR 347m for other debt.
- ** Excl. EUR 91m option component.

Sale of Wireline Communications (WLC)

- Signing of Sale agreement on July 7, 2009 with Golden Gate Capital.
- Closing expected in autumn 2009.
- Purchase price is EUR 250m, book gain of ~EUR 135m, proceeds of EUR 230m at closing, remainder of EUR 20m payable 9 months thereafter.
- Approximately 900 staff will be transferred; 600 from WLC and 300 from central functions.
- WLC represents about a tenth of Infineon's revenue.
- WLC has limited inter-dependencies with other parts of the Infineon group, i.e. the separation does not entail any major restructuring or regrouping of business units.
- Focused business portfolio allows stronger concentration of financial resources on remaining core businesses.

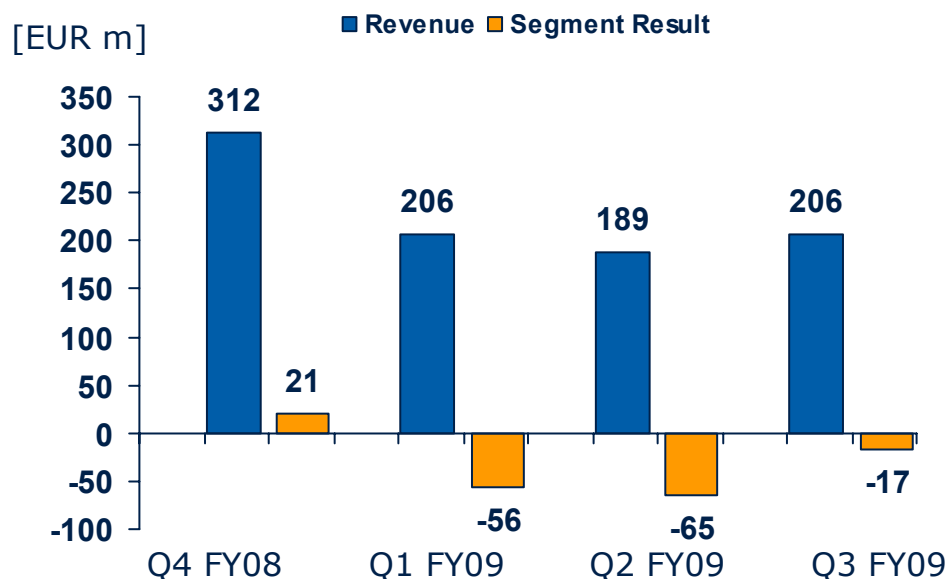
→ Infineon Results and Outlook

→ Capital Increase Transaction Overview

→ Business Highlights

Automotive Segment (ATV)

Revenue and Segment Result



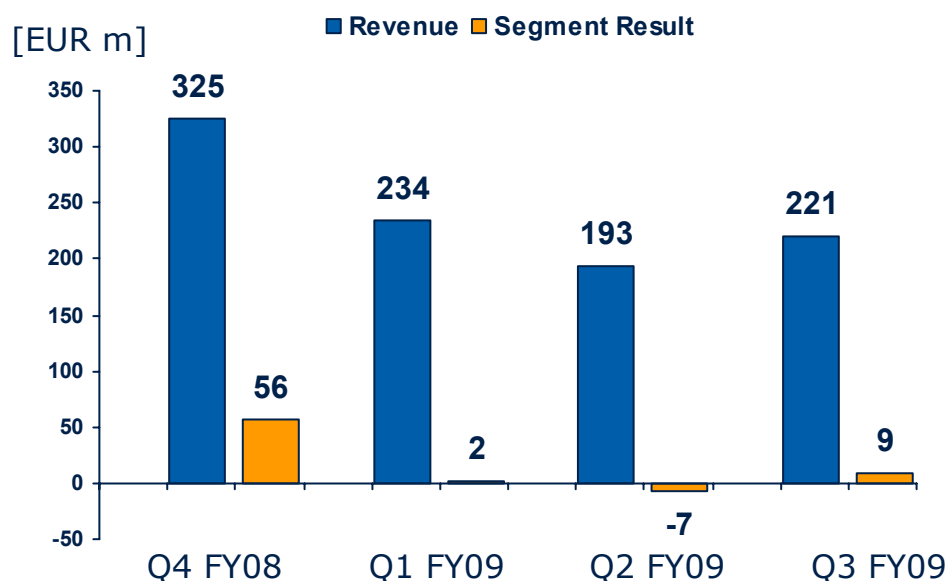
- Revenue increased due to
 - improved demand worldwide for smaller-sized cars in the context of national car-scrap bonus programs in Europe and an economic stimulus program in China;
 - end of customers' de-stocking in the supply chain in EU and Japan.
- Segment Result improved strongly due to higher production levels, cost savings, and the increase in revenue.

Major recent developments

- Cooperation with Bosch for power semiconductors started on April 20, 2009.
- Steady growth market share from 3.9% in 1994 to 9.5% in 2008 (Source: Strategy Analytics 1995 to May 2009).
- World's number 2 automotive semiconductor supplier with USD 1,742m revenue in CY08, second to number 1 with USD 1,744m (Source: Strategy Analytics, July 2009).

Industrial & Multimarket Segment (IMM)

Revenue and Segment Result



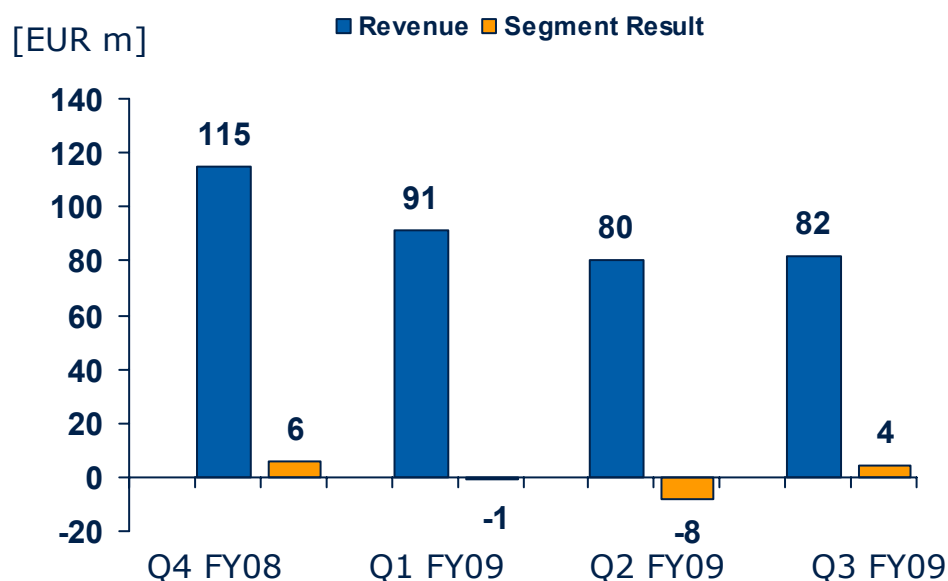
- Revenue increased due to stronger end customer demand for computing, communications and industrial products.
- Segment Result improved significantly. The principal drivers were higher sales volumes as well as improved factory loading, besides cost savings.

Major recent developments

- Cooperation with LS Industrial Systems for power modules in white goods and industrial drives for the Asian market.
- Again market leader in CY08 for power semiconductors with 10.2% market share (Source: IMS Research, July 2009).

Chip Card & Security Segment (CCS)

Revenue and Segment Result



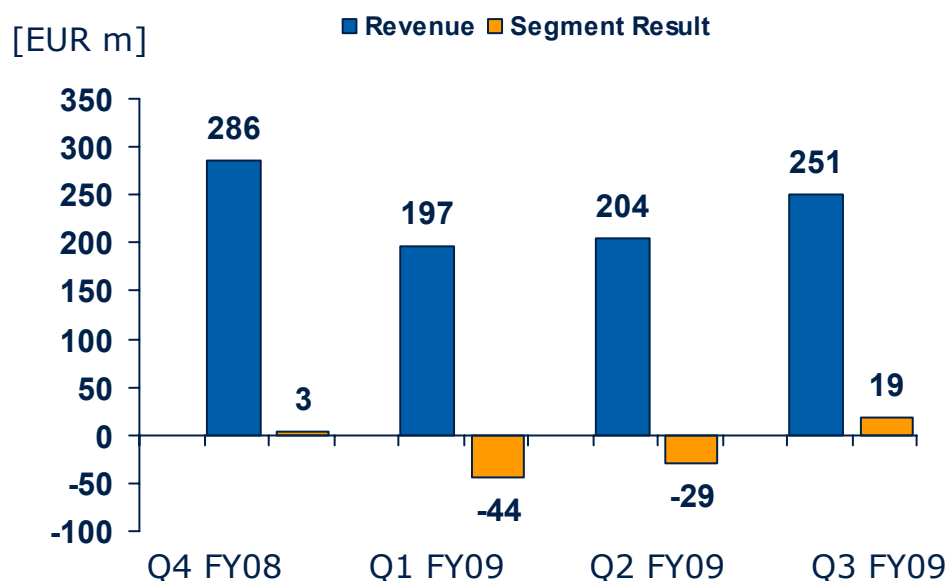
- Revenues increased slightly as stronger revenues in the SIM card business were partially offset by lower revenues in the ID business.
- Segment Result was positive again with a significant increase in sequential earnings, reflecting principally the overall increase in factory utilization.

Major recent developments

- Infineon has implemented chipcard projects in more than 60 countries.
- Recently won gov't ID projects: Turkey, Saudi Arabia, Bahrein, UAE, Oman, India.
- Recently won transportation projects: Beijing, Shenzhen, Taiwan, and Rio de Janeiro.
- Infineon has been number 1 in chips for chipcard applications in each year since 1997 through 2008 (Sources: iSuppli, 2009 and Frost & Sullivan, 1998-2008).

Wireless Solutions Segment (WLS)

Revenue and Segment Result



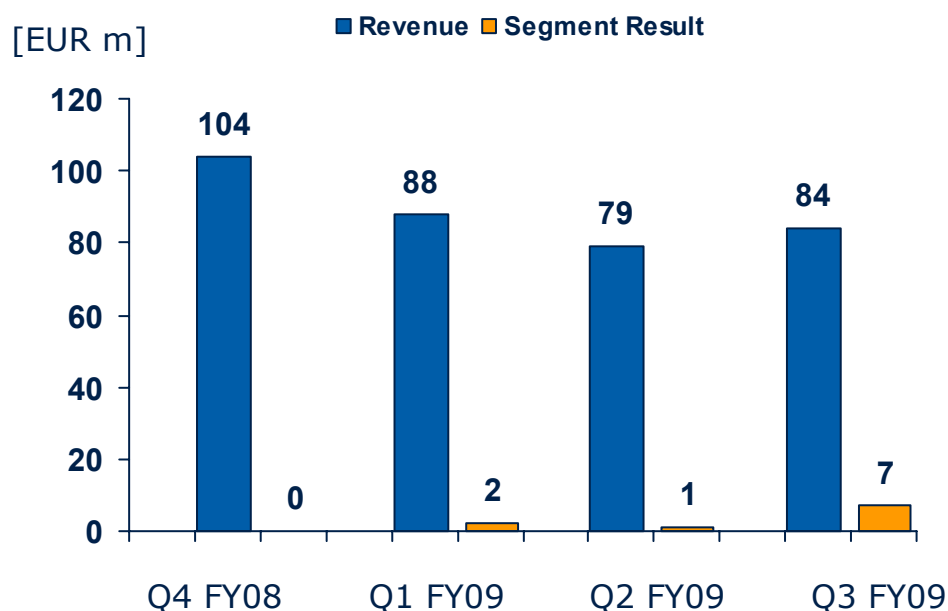
- Revenues increased significantly on a sequential basis, mainly due to increased demand of some major mobile phone platform customers for both HSDPA and Ultra Low Cost solutions.
- Segment Result increased significantly and was positive, reflecting the increase in revenues and higher production levels.

Major recent developments

- Two single-chip design wins at Nokia:
 - a.) XMM™1100 GSM/GPRS platform ramping in Q4 CY09,
 - b.) XMM™2130 EDGE platform ramping in 2H CY10.
- Examples of HSDPA phones launched based on XMM™6080 platform: KM900 („Arena“) and KF900 („Prada“) by LG; C6620 and C6625 by Samsung; 831P by Panasonic.

Wireline Communications Segment (WLC)

Revenue and Segment Result



- Revenues increased mostly driven by the CPE business where
 - several high-end Integrated Access Devices (IAD) projects at major European carriers ramped, and
 - the system-on-a-chip for the low-cost ADSL market continued to ramp.
- Segment Result increased mainly due to the increase in revenues and improved factory loading.

Major recent developments

- Sale of WLC announced on July 7, 2009. Closing expected in autumn 2009.
- In 2007, Infineon held the number 1 position with a market share of 22% of the wireline access network IC market (Source: Gartner Dataquest, June 2008, excluding cable modem transceiver ICs).
- Infineon entered into an agreement with Huawei Technologies to provide semiconductor solutions in the area of central office solutions and customer premises equipment.



We commit.
We innovate.
We partner.
We create value.



Never stop thinking

Infineon Condensed Consolidated Statements of Operations (IFRS) (unaudited)



in Euro million	3 months ended			9 months ended	
	Jun 30, 08	Mar 31, 09	Jun30, 09	Jun 30, 08	Jun 30, 09
Revenue	1,029	747	845	3,168	2,422
Cost of goods sold	(673)	(634)	(610)	(2,063)	(1,922)
Gross profit	356	113	235	1,105	500
Research and development expenses	(169)	(122)	(125)	(520)	(396)
Selling, general and administrative expenses	(145)	(110)	(108)	(415)	(330)
Other operating income	55	15	4	103	22
Other operating expense	(12)	(39)	(11)	(51)	(61)
Operating income (loss)	85	(143)	(5)	222	(265)
Financial income	6	21	19	37	100
Financial expense	(37)	(32)	(31)	(125)	(119)
Income from investments accounted for using the equity method, net	1	2	2	3	5
Income (loss) from continuing operations before income taxes	55	(152)	(15)	137	(279)
Income tax benefit (expense)	(5)	2	(5)	(28)	(7)
Income (loss) from continuing operations	50	(150)	(20)	109	(286)
Loss from discontinued operations, net of income taxes	(429)	(108)	(3)	(2,972)	(399)
Net loss	(379)	(258)	(23)	(2,863)	(685)
Attributable to:					
Minority interests	(87)	(19)	1	(639)	(48)
Shareholders of Infineon Technologies AG	(292)	(239)	(24)	(2,224)	(637)

Basic and diluted earnings (loss) per share attributable to shareholders of Infineon Technologies AG (in Euro)*:

Weighted average shares outstanding (in million) – basic and diluted	750	750	750	750	750
Basic and diluted earnings (loss) per share from continuing operations	0.06	(0.20)	(0.03)	0.11	(0.38)
Basic and diluted loss per share from discontinued operations	(0.45)	(0.12)	–	(3.08)	(0.47)
Basic and diluted loss per share	(0.39)	(0.32)	(0.03)	(2.97)	(0.85)

Infineon consolidated Balance Sheet (IFRS) (unaudited)



in Euro million	Sep 30, 08	Jun 30, 09
Assets		
Current assets:		
Cash and cash equivalents	749	767
Available-for-sale financial assets	134	104
Trade and other receivables	799	496
Inventories	665	521
Income tax receivable	29	13
Other current financial assets	19	29
Other current assets	124	113
Assets classified as held for disposal	2,129	5
Total current assets	4,648	2,048
Property, plant and equipment	1,310	1,011
Goodwill and other intangible assets	443	423
Investments accounted for using the equity method	20	24
Deferred tax assets	400	396
Other financial assets	133	114
Other assets	28	21
Total assets	6,982	4,037
in Euro million	Sep 30, 08	Jun 30, 09
Liabilities and equity		
Current liabilities:		
Short-term debt and current maturities of long-term debt	207	634
Trade and other payables	506	365
Current provisions	424	415
Income tax payable	87	97
Other current financial liabilities	63	43
Other current liabilities	263	146
Liabilities associated with assets classified as held for disposal	2,123	–
Total current liabilities	3,673	1,700
Long-term debt	963	388
Pension plans and similar commitments	43	35
Deferred tax liabilities	19	15
Long-term provisions	27	105
Other financial liabilities	20	6
Other liabilities	76	84
Total liabilities	4,821	2,333
Shareholders' equity:		
Ordinary share capital	1,499	1,499
Additional paid-in capital	6,008	6,041
Accumulated deficit	(5,252)	(5,889)
Other components of equity	(164)	(3)
Total equity attributable to shareholders of Infineon Technologies AG	2,091	1,648
Minority interests	70	56
Total equity	2,161	1,704
Total liabilities and equity	6,982	4,037

Infineon Condensed Consolidated Statements of Cash Flows (IFRS) (unaudited)



in EUR m	3 months ended		
	Jun 30, 08	Mar 31, 09	Jun 30, 09
Net loss	(379)	(258)	(23)
Less: net loss from discontinued operations	429	108	3
Adjustments to reconcile net loss to cash provided by (used in) operating activities:			
Net cash provided by (used in) operating activities			
Depreciation and amortization	142	137	133
Provision for (recovery of) doubtful accounts	1	(2)	(1)
(Losses) gains on sales of current available-for-sale financial assets	1	-	2
Losses (gains) on sales of businesses and interests in subsidiaries	(38)	17	-
Losses on disposals of property, plant, and equipment	(4)	-	1
Income from investments accounted for using the equity method	(1)	(2)	(2)
Impairment charges	-	1	(2)
Stock-based compensation	1	1	1
Deferred income taxes	(7)	(4)	-
Changes in operating assets and liabilities:			
Trade and other receivables	61	(89)	7
Inventories	(68)	119	23
Other current assets	(20)	25	1
Trade and other payables	14	(17)	66
Provisions	25	(47)	(4)
Other current liabilities	23	(63)	(13)
Other assets and liabilities	14	4	18
Interest received	11	6	1
Interest paid	(41)	(4)	(35)
Income tax received	(8)	(2)	(4)
Net cash provided by (used in) operating activities from continuing operations	156	(70)	172
Net cash used in operating activities from discontinued operations	(147)	(44)	(10)
Net cash used in operating activities	9	(114)	162
Cash flows from investing activities:			
Purchases of available-for-sale financial assets	(80)	-	(30)
Proceeds from sales of available-for-sale financial assets	251	5	48
Proceeds from sales of businesses and interests in subsidiaries	61	4	-
Business acquisitions, net of cash acquired	(32)	-	-
Purchases of intangible assets, and other assets	(11)	(11)	(14)
Purchases of property, plant and equipment	(57)	(40)	(13)
Proceeds from sales of property, plant and equipment, and other assets	5	95	7
Net cash provided by (used in) investing activities from continuing operations	137	53	(2)
Net cash used in investing activities from discontinued operations	74	(286)	-
Net cash used in investing activities	211	(233)	(2)
Cash flows from financing activities:			
Net change in short-term debt	-	3	(13)
Net change in related party financial receivables and payables	1	1	-
Proceeds from issuance of long-term debt	1	-	181
Principal repayments of long-term debt	(112)	(98)	(86)
Change in restricted cash	-	1	(7)
Dividend payments to minority interests	(4)	(6)	-
Net cash used in financing activities from continuing operations	(114)	(99)	75
Net cash provided by financing activities from discontinued operations	47	(59)	-
Net cash provided by (used in) financing activities	(67)	(158)	75
Net decrease in cash and cash equivalents	153	(505)	235
Effect of foreign exchange rate changes on cash and cash equivalents	(2)	1	-
Cash and cash equivalents at beginning of period	-	1,036	532
Cash and cash equivalents at end of period	151	532	767
Less: Cash and cash equivalents at end of period from discontinued operations	(30)	-	-
Cash and cash equivalents at end of period from continuing operations	181	532	767

Financial Calendar

- Aug 03, 2009 **End of the Capital Increase Subscription Period**
- Aug 07, 2009* **Settlement of New Shares subscribed for under rights issue**
- Nov 19, 2009* **Q4 FY09 and full year results**

* Preliminary Date