CS Tech Conference

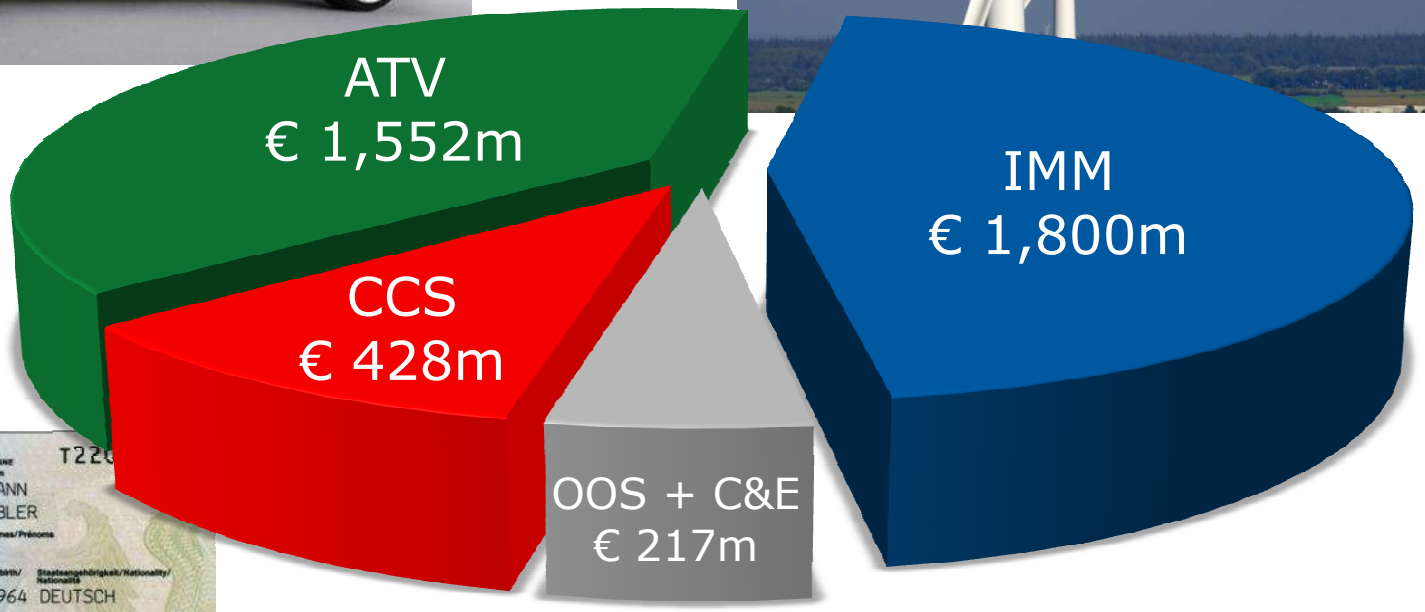
Scottsdale, AZ, 29 – 30 November 2011

Infineon Technologies AG
Dominik Asam, Chief Financial Officer

- Infineon Overview and Financials
- Growth Outlook and Margin Resilience

Revenue Split by Division

Full FY 2011 revenue: EUR 3,997m



Tight Customer Relationships are Based on System Knowhow and App Understanding

ATV

Autoliv

HELLA

BOSCH

Continental

DELPHI

DENSO

TRW

HYUNDAI

IMM

DELTA

ERICSSON
TAKING YOU FORWARD

EMERSON

power-one
Changing the Shape of Power

SEMIKRON
innovation+service

SMA

SIEMENS

CCS

hp
invent

gemalto
security to be free

Oberthur
Card Systems

Sagem Orga
SAFRAN Group

Watchdata

Distributors

ARROW

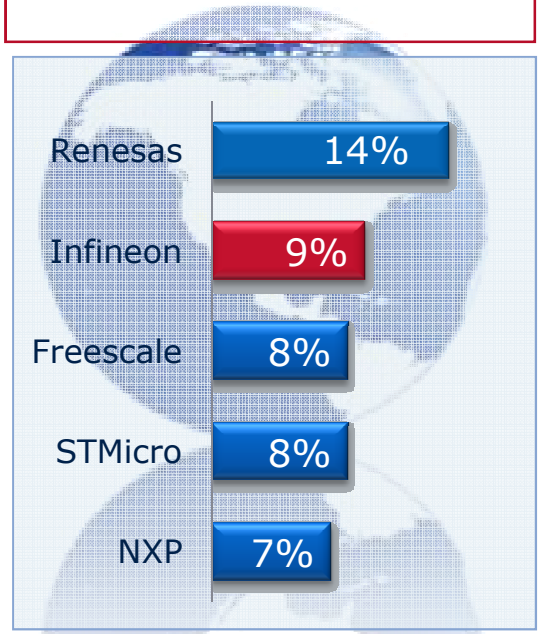
AVNET

北京晶川电子技术发展有限责任公司
Beijing Jingchuan Electronic Technology Development Co.,Ltd

Infineon Holds Top Positions in All Target Markets

Automotive

#2

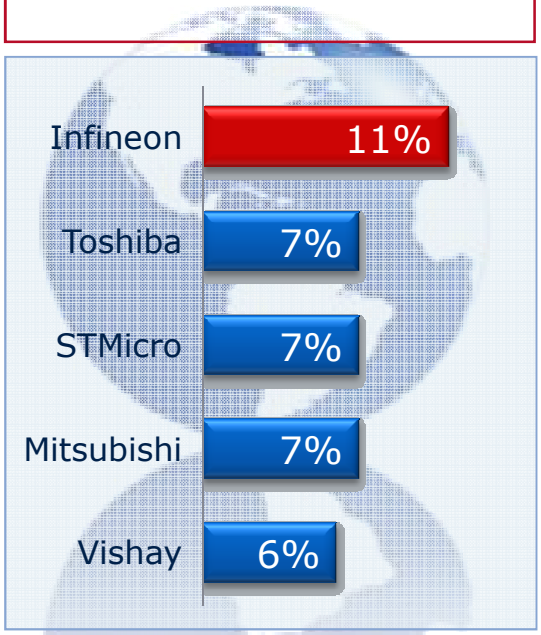


Calendar Year 2010.

Source: Strategy Analytics, April 2011.

Power

#1

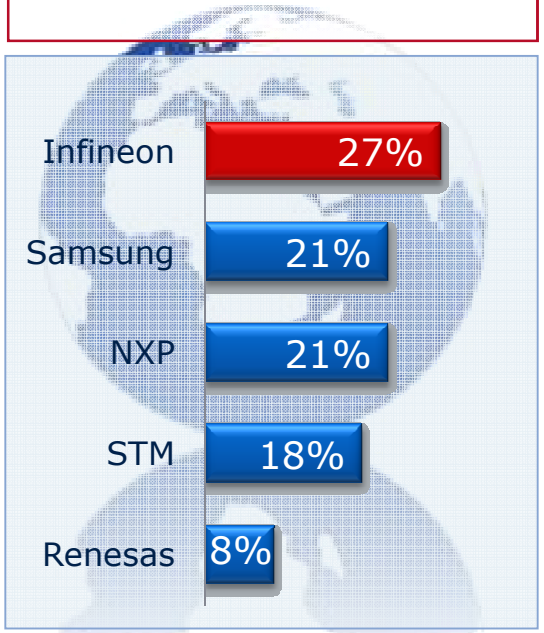


Calendar Year 2010.

Source: IMS Research, August 2011.

Chip Card

#1

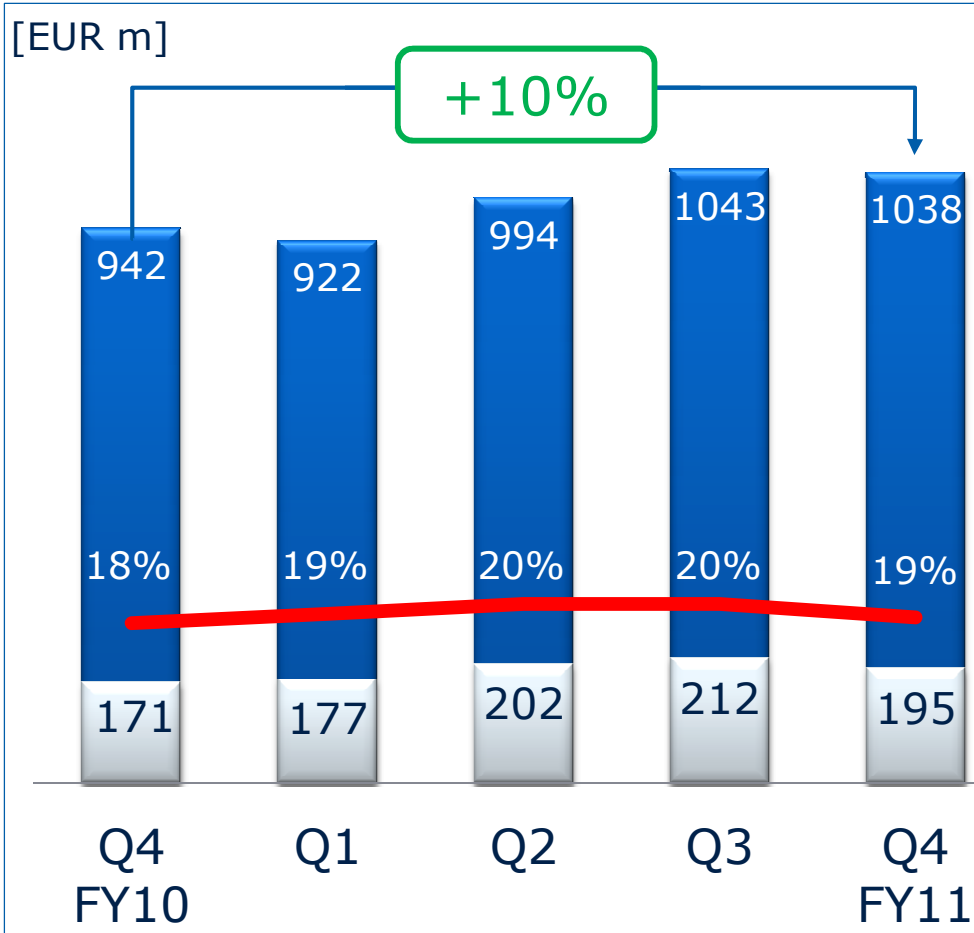


Calendar Year 2010.

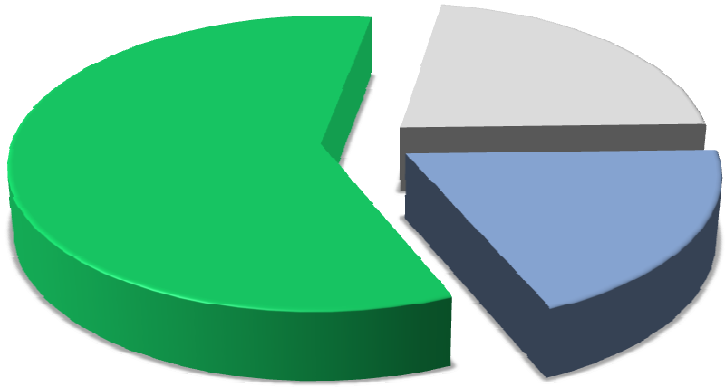
Source: IMS Research, August 2011.

Q4 FY11: Maintained Solid Total Segment Result Margin

Revenue and Segment Result

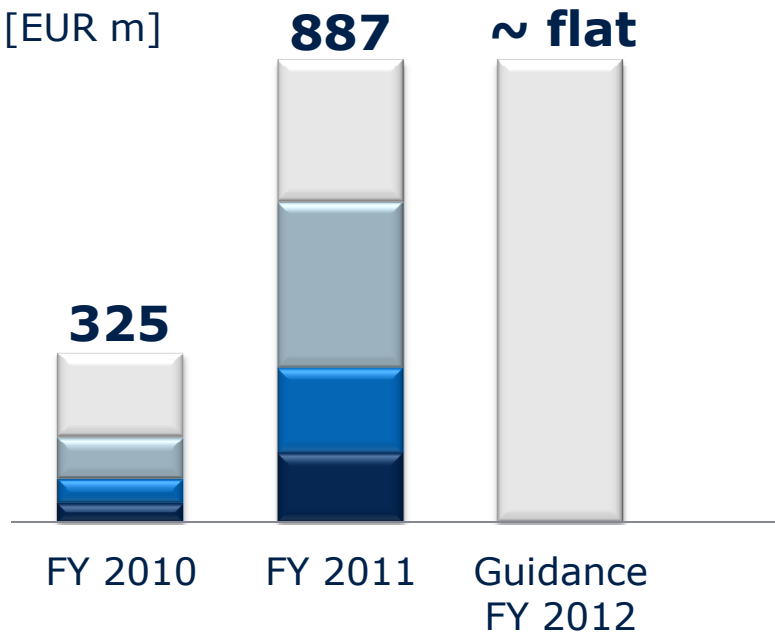


FY11 revenue split by product category

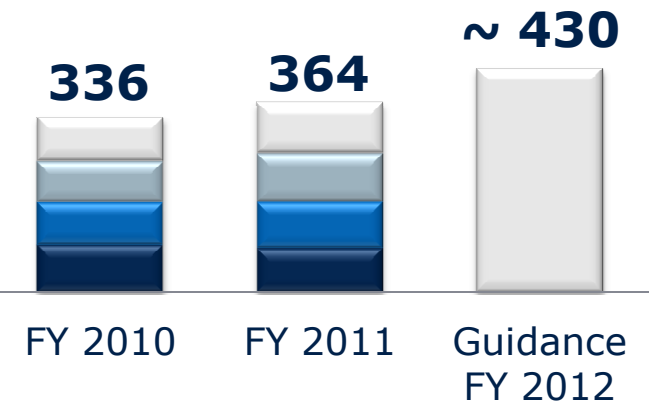


Investments Remain High to Exploit Growth Potential

Investments*



D&A



Guidance for Investments:

- FY13: below investments in FY12
- beyond FY13: 10 – 15% of sales

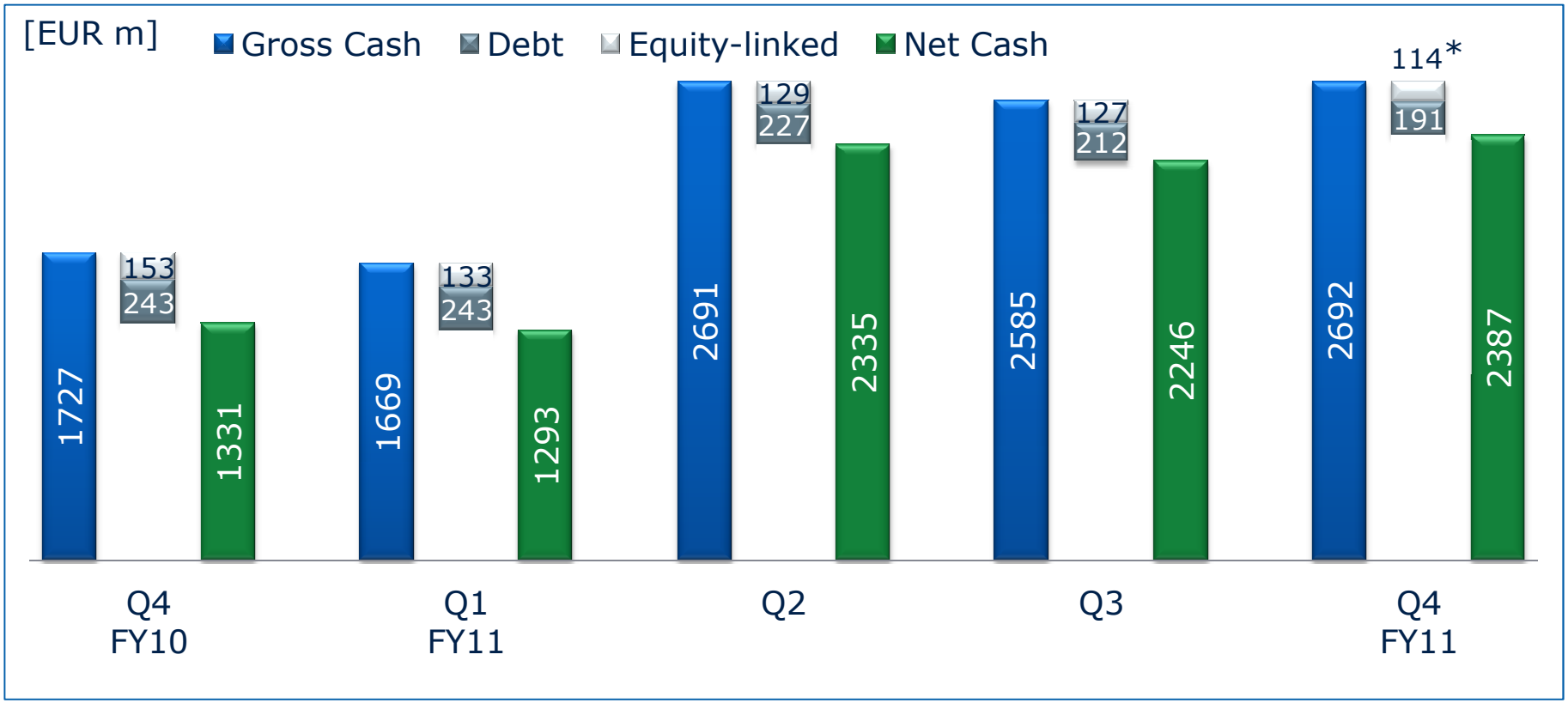
Guidance for D&A:

- FY13: increase compared to FY12
- beyond FY13: 10 – 15% of sales

* For definition please see slide 32 in appendix.

High Gross and Net Cash Position Maintained

Liquidity Development



* Consists of Convertible Bond 2014 (nominal value EUR 137m; book value EUR 114m).

- Gross and net cash increased despite accelerated capital returns in Q4 FY11.
- FY 2011: Repurchases of nominal EUR 59m of CB 2014 (~26m shares underlying) and 4m shares for total of €199m in cash.

Guidance for Q1 and FY 2012

	Outlook Q1 FY12 (compared to Q4 FY11)	Outlook FY 2012 (compared to FY 2011)
Revenue	Revenue to decline by about 10%.	Mid-single digit percentage decline.
Total Segment Result Margin	13 to 14% of sales.	Low-to-mid teens percentage.

- Infineon Overview and Financials
- Growth Outlook and Margin Resilience
- Results and Outlook

New Era: Multiple Factors Driving Demand for Power Semiconductors

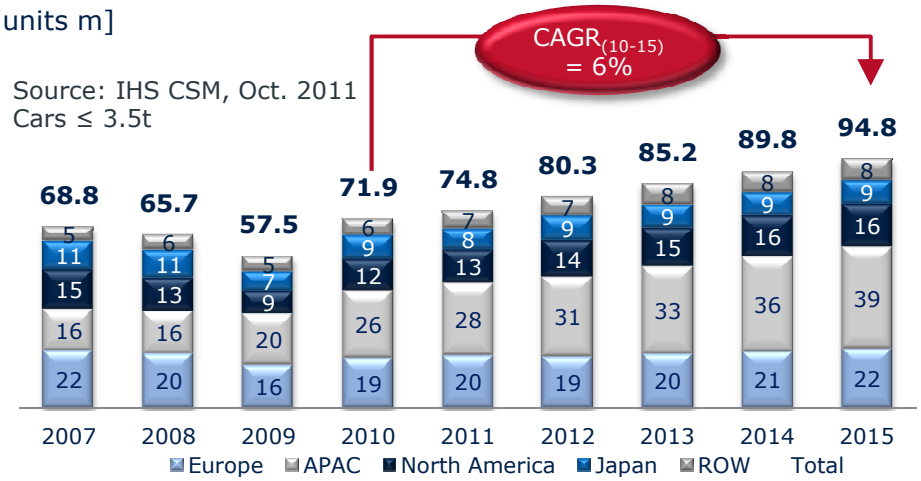
'90 – '10	'10 – '30	Changes
	 Courtesy: Tesla	■ Electrification of powertrain fuels demand for high-power semis in cars and doubles silicon content.
		■ Shift towards renewable energies requires orders of magnitude more high-power semis per MW of power generated.
	 Courtesy: Facebook	■ Higher efficiency in power conversion lowers CO_2, material and electricity costs.
		■ Stronger demand for goods containing power semis due to faster increase in standard of living in BRIC countries.

Growth: Rising Global Car Production and Silicon Content Drive Market

Global car production

[units m]

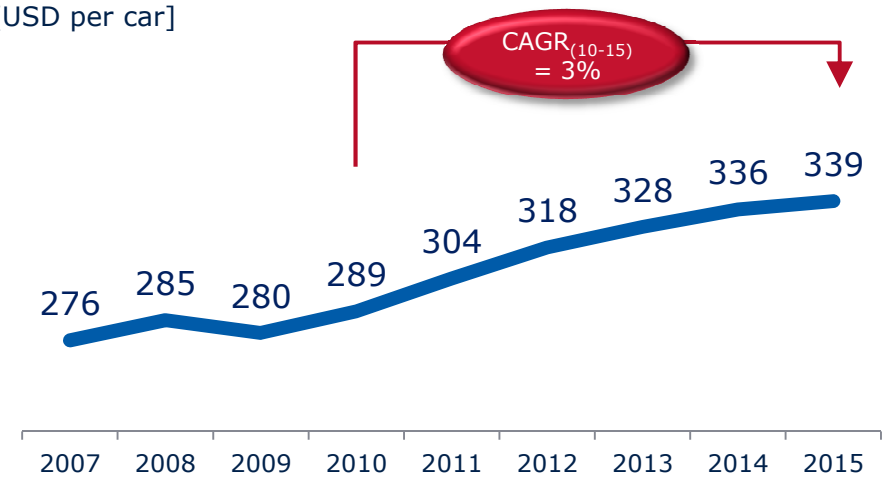
Source: IHS CSM, Oct. 2011
Cars ≤ 3.5t



- Highest growth in car units out of APAC.
- Semi content per car: USD 289 in 2010 versus USD 339 in 2015.
- Auto semi market growth drivers: safety, powertrain and body.

Semi value per car

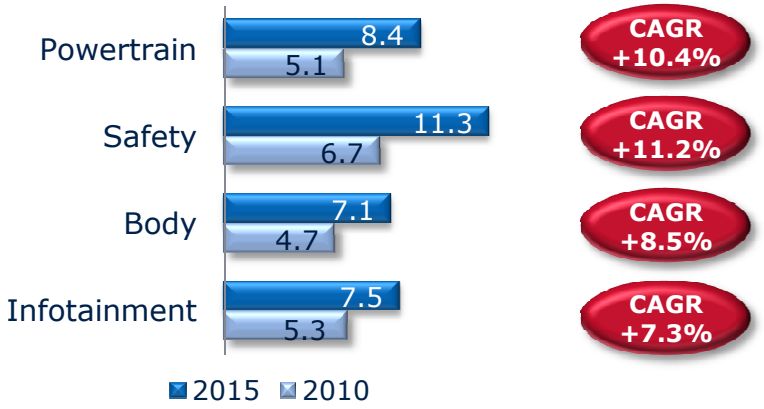
[USD per car]



Source: Strategy Analytics, Oct. 2011; includes semiconductor sensors

Semi market by segment

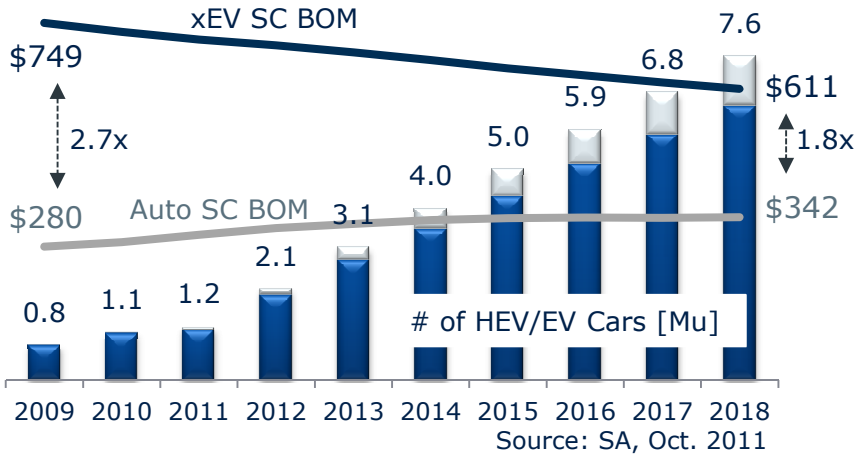
[USD bn]



Source: Strategy Analytics, Oct. 2011

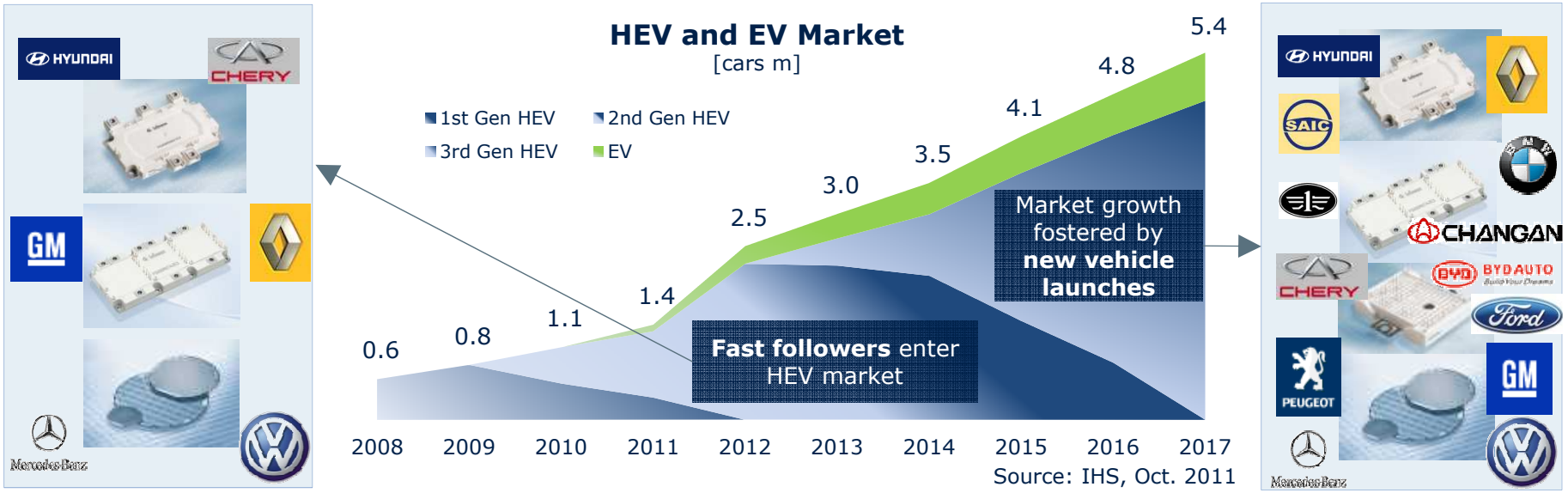
Electric Vehicles (EV) and Hybrid EVs (HEV) Drive Semiconductor Demand

ICE vs. EV/HEV Semiconductor BOM



Source: SA, Oct. 2011

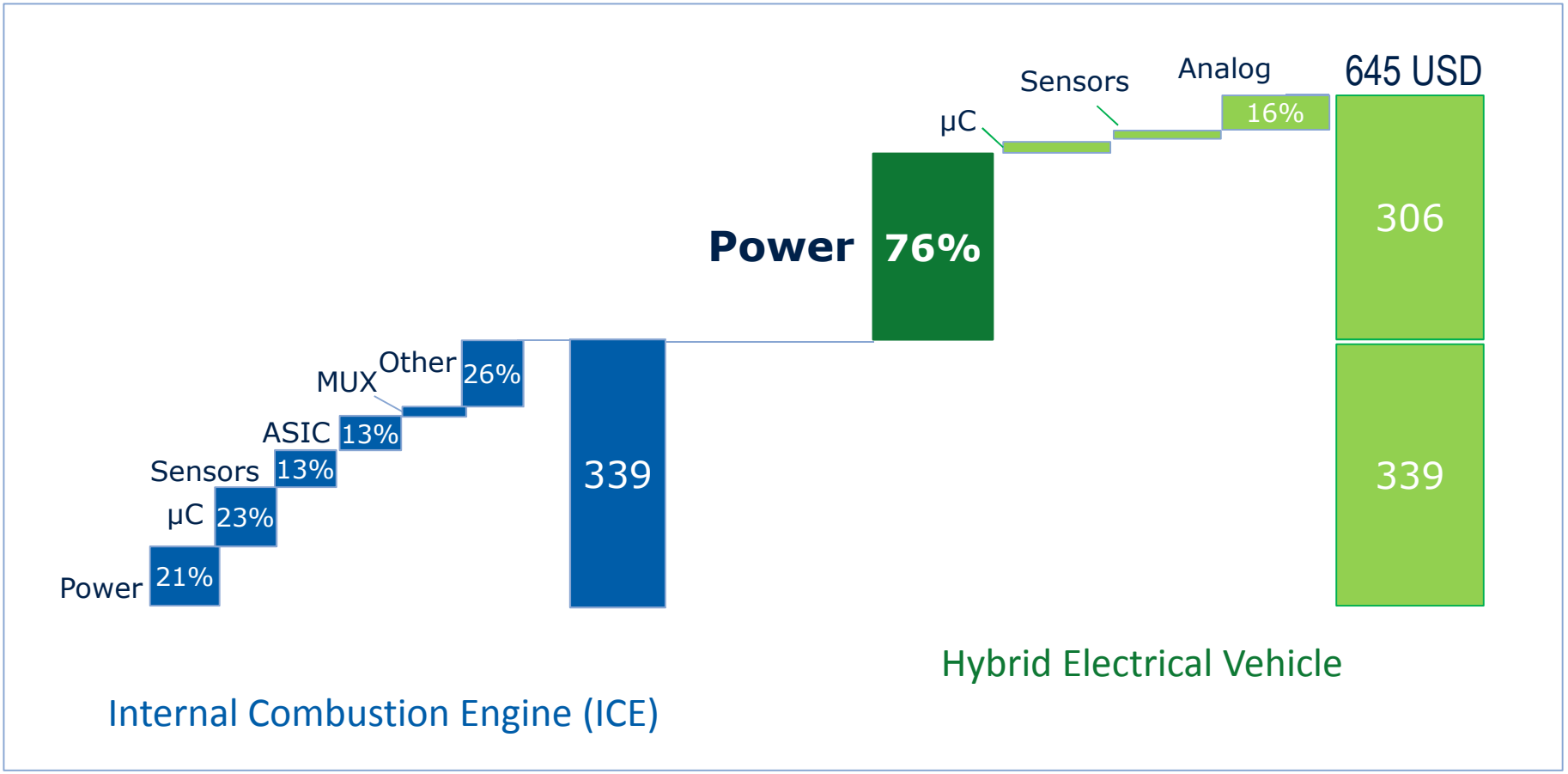
- Fuel cost, CO_2 reduction and price are **main drivers** for EVs and HEVs.
- Semiconductor bill-of-material of an **EV/HEV** is 2 to 3 times higher than total semiconductor bill-of-material on an ICE.
- 50-80% related to IGBT and diode chips in state-of-the-art **module packages**.



Source: IHS, Oct. 2011

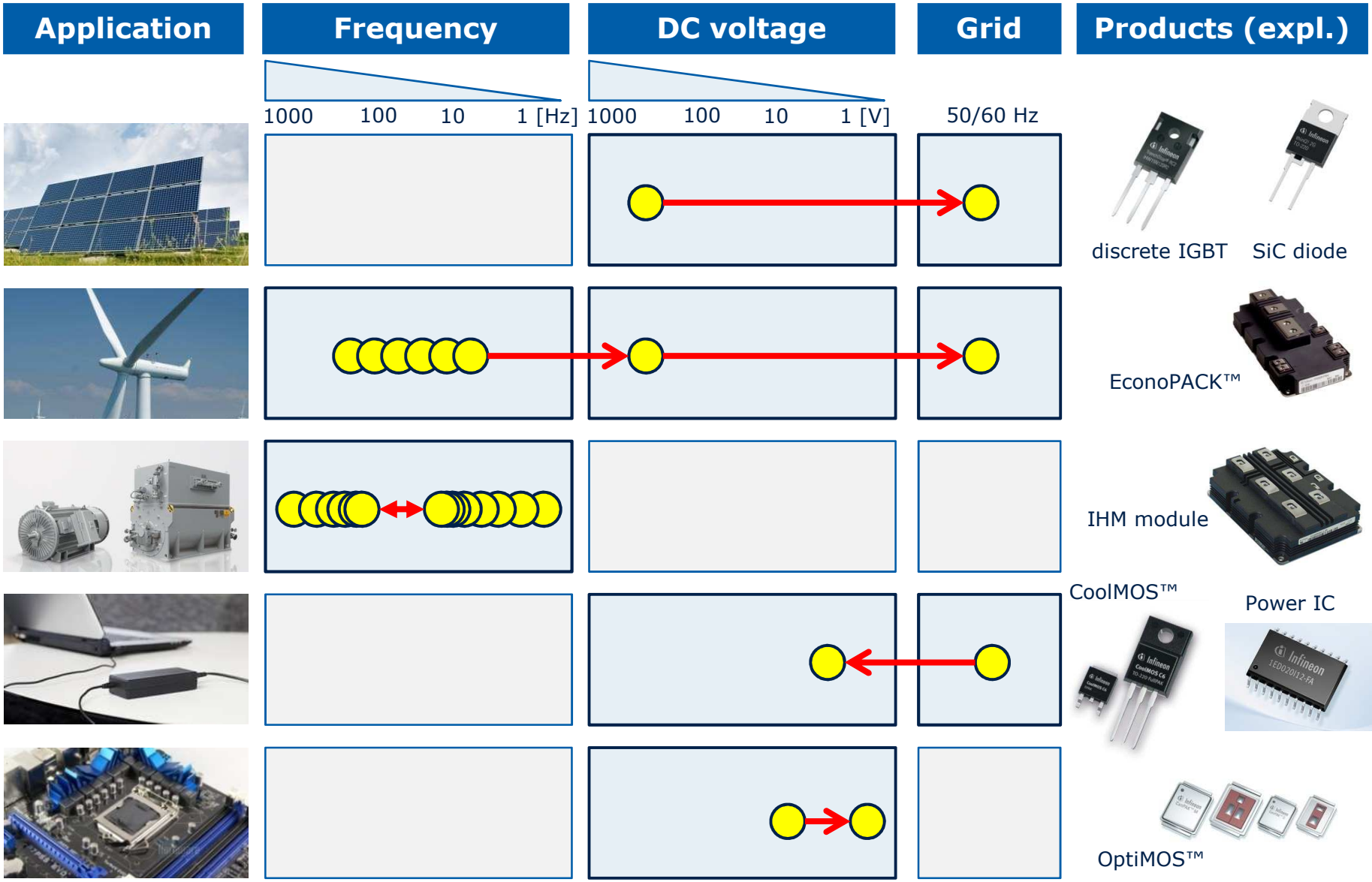
Three Quarters of Incremental Semi Content in Hybrid Vehicles is Power

Semiconductor bill-of-material for ICE and hybrid vehicles in 2015



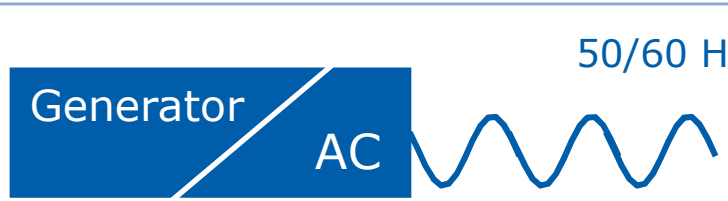
Source: Strategy Analytics, October 2011.

Every Electricity Conversion Step Requires IFX Components



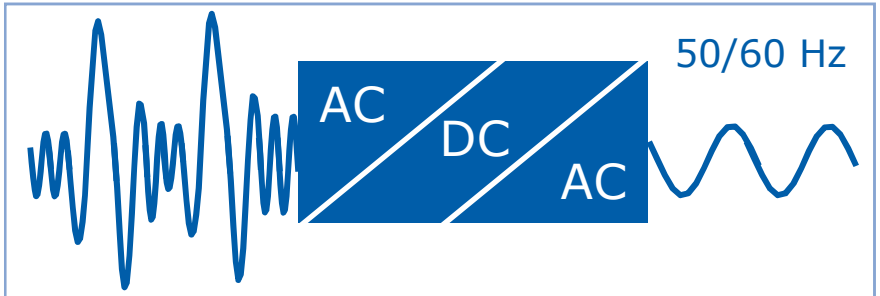
Semi Content per MW in Wind Turbines Much Higher Than in Trad. Power Plants

Nuclear plant, coal-fired plant



- No fluctuation in amplitude and frequency. Direct grid coupling possible.
- Power semiconductor content: **~ €200 per MW**.
- Semiconductors primarily used for uninterruptable power supplies.

Wind turbines



- Fluctuations in amplitude and frequency.
- Power semiconductor content:
  - **~ €3,000 per MW** for gear-based turbines;
  - **~ €9,000 per MW** for direct conversion turbines.

Motor Drives and Traction: Focus on Efficient Power Conversion and RPM Control

Direct AC connection

AC/DC/AC conversion






- About 60% of industrial energy is used by electrical motors.
- For each $1 spent to purchase a more efficient electrical motor, $100 of energy cost can be saved during the life of such motor.
- Conventional motor drives are being replaced by intelligent inverter-based drives, saving up to 40% energy.
- AC/DC/AC conversion allows permanent control to match output with the needs.
- Power semiconductor content: **~ €5,000 per MW** or $10-100k, depending on application.

10% Growth or More p.a. Expected for Infineon

ATV	IMM	CCS
 Courtesy: Hyundai		
ATV: ~10% p.a.	IMM: > 10% p.a.	CCS: ~5-7% p.a.

Infineon: ≥ 10% p.a.

Sustainable Profitability: We Will Keep High Margins

#1	#2	#3	#4
High barriers to entry	**Semis enable high functio-nality**	**Value of semis small relative to end product**	**Infineon's core compe-tencies: Power and eControl**

SR target margins

ATV:	IMM:	CCS:
15–20%	**20–25%**	**10–15%**


Courtesy: Tesla

Infineon:

- **~20% under normal industry conditions**
- **~15% through cycle**

Target Operating Model

	FY 2011	FY 2012e	Longer term
Revenue	EUR 3.997bn	Decreasing by a mid single-digit %	≥ 10% growth p.a.
Gross margin	41.4%	< 40%	>40%
R&D	11.0% of sales	Increasing by 5 – 10%	Low-to-mid teens % of sales
SG&A	11.2% of sales	Increasing by 5 – 10%	Low-teens % of sales
Total Segment Result margin	19.7%	Low to mid teens %	~20%

ENERGY EFFICIENCY
MOBILITY
SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.



Notes

- **Investments** =
  'Purchase of property, plant and equipment'
  + 'Purchase of intangible assets and other assets' *incl. capitalization of R&D expenses*

- **Working Capital** =
  ('Total current assets'
  – 'Cash and cash equivalents'
  – 'Financial investment'
  – 'Assets classified as held for sale')
  – ('Total current liabilities'
  – 'Short term debt and current maturities of long-term debt'
  – 'Liabilities classified as held for sale')

- **DOI** (inventory days; quarter-to-date) =
  ('Net Inventories' / 'Cost of goods sold') * 90

- **DSO** (days sales outstanding; quarter-to-date) =
  ('Trade accounts receivables (net)' / 'revenue') * 90

- **DPO** (days payables outstanding; quarter-to-date) =
  ('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment']) * 90

Infineon Consolidated Statements of Operations (IFRS) (unaudited)

in Euro million; except for the per share data	3 months ended			12 months ended	
	Sep 30, 11	Jun 30, 11	Sep 30, 10	Sep 30, 11	Sep 30, 10
Revenue	1,038	1,043	942	3,997	3,295
Cost of goods sold	(619)	(613)	(563)	(2,343)	(2,058)
Gross profit	**419**	**430**	**379**	**1,654**	**1,237**
Research and development expenses	(110)	(109)	(114)	(439)	(399)
Selling, general and administrative expenses	(119)	(114)	(103)	(449)	(386)
Other operating income	10	2	7	23	18
Other operating expense	(21)	(8)	(15)	(53)	(122)
Operating income	**179**	**201**	**154**	**736**	**348**
Financial income	12	13	5	39	29
Financial expense	(22)	(14)	(16)	(65)	(95)
Income from investments accounted for using the equity method	3	(1)	1	4	8
Income from continuing operations before income taxes	**172**	**199**	**144**	**714**	**290**
Income tax benefit (expense)	75	(24)	49	30	22
Income from continuing operations	**247**	**175**	**193**	**744**	**312**
Income (loss) from discontinued operations, net of income taxes	(122)	15	197	375	348
Net income	**125**	**190**	**390**	**1,119**	**660**
Attributable to:					
Non-controlling interests	-	-	-	-	1
Shareholders of Infineon Technologies AG	125	190	390	1,119	659
Basic earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):					
Weighted average shares outstanding (in million) – basic	1,085	1,087	1,087	1,086	1,087
Basic earnings per share (in Euro) from continuing operations	0.23	0.16	0.18	0.68	0.29
Basic earnings per share (in Euro) from discontinued operations	(0.11)	0.01	0.18	0.35	0.32
Basic earnings per share (in Euro)	**0.12**	**0.17**	**0.36**	**1.03**	**0.61**
Diluted earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):					
Weighted average shares outstanding (in million) – diluted	1,152	1,157	1,172	1,159	1,171
Diluted earnings per share (in Euro) from continuing operations	0.22	0.16	0.16	0.66	0.28
Diluted earnings per share (in Euro) from discontinued operations	(0.11)	0.01	0.17	0.32	0.30
Diluted earnings per share (in Euro)	**0.11**	**0.17**	**0.33**	**0.98**	**0.58**

Infineon Consolidated Statements of Financial Position (IFRS) (unaudited)

in Euro million	Sep 30, 11	Jun 30, 11	Sep 30, 10
Assets:			
Current assets:			
Cash and cash equivalents	1,007	822	1,667
Financial investments	1,685	1,763	60
Trade and other receivables	593	828	687
therin: Trade accounts receivables	510	584	622
Inventories	507	631	514
Income tax receivable	30	15	7
Other current financial assets	2	4	72
Other current assets	142	101	88
Assets classified as held for sale	5	4	495
Total current assets	**3,971**	**4,168**	**3,590**
Property, plant and equipment	1,343	1,185	838
Goodwill and other intangible assets	111	103	87
Investments accounted for using the equity method	34	31	35
Deferred tax assets	262	221	308
Other financial assets	124	124	119
Other assets	28	31	16
Total non-current assets	**1,902**	**1,695**	**1,403**
Total assets	**5,873**	**5,863**	**4,993**
Liabilities and equity:			
Current liabilities:			
Short-term debt and current maturities of long-term debt	68	83	133
Trade and other payables	735	760	665
therin: Trade accounts payables	720	718	659
Current provisions	810	619	553
Income tax payable	59	113	111
Other current financial liabilities	159	121	16
Other current liabilities	174	315	153
Liabilities classified as held for sale	-	-	177
Total current liabilities	**2,005**	**2,011**	**1,808**
Long-term debt	237	256	263
Pension plans and similar commitments	168	147	146
Deferred tax liabilities	7	9	11
Non-current provisions	26	45	55
Other financial liabilities	4	6	6
Other liabilities	71	69	79
Total non-current liabilities	**513**	**532**	**560**
Total liabilities	**2,518**	**2,543**	**2,368**
Shareholders' equity:			
Ordinary share capital	2,173	2,173	2,173
Additional paid-in capital	5,854	5,875	6,048
Accumulated deficit	(4,514)	(4,619)	(5,613)
Other reserves	10	4	17
Own shares	(26)	-	-
Put options on own shares	(142)	(113)	-
Equity attributable to shareholders of Infineon Technologies AG	**3,355**	**3,320**	**2,625**
Total liabilities and equity	**5,873**	**5,863**	**4,993**

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

in Euro million	3 months ended		
	Sep 30, 11	Jun 30, 11	Sep 30, 10
Net income	**125**	**190**	**390**
Less: net income (loss) from discontinued operations, net of income taxes	122	(15)	(197)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	98	94	85
Income tax	(75)	24	(49)
Interest result	7	4	10
Provision for (recovery of) doubtful accounts	-	(2)	-
Losses (gains) on sales of financial investments	2	-	-
Losses (gains) on sales of businesses and interests in subsidiaries	-	(2)	-
Losses in connection with the deconsolidation of ALTIS	-	-	(14)
Losses (gains) on disposals of property, plant and equipment	(1)	-	-
Income from investments accounted for using the equity method	(3)	1	(1)
Dividends received from associated companies	-	5	4
Impairment charges	1	-	-
Share-based compensation	1	-	-
Changes in trade and other receivables	15	(5)	6
Changes in inventories	6	(20)	(8)
Changes in other current assets	(11)	1	34
Changes in trade and other payables	(1)	31	92
Changes in provisions	39	50	114
Changes in other current liabilities	26	(10)	(80)
Changes in other assets and liabilities	(5)	(13)	19
Interest received	11	6	3
Interest paid	(2)	(12)	(1)
Income tax paid	6	(16)	(8)
Net cash provided by operating activities from continuing operations	**361**	**311**	**399**
Net cash provided by (used in) operating activities from discontinued	**135**	**(32)**	**(12)**
Net cash provided by operating activities	**496**	**279**	**387**
Cash flows from investing activities:			
Purchases of financial investments	(887)	(550)	-
Proceeds from sales of financial investments	962	321	2
Proceeds from sales of businesses and interests in subsidiaries	2	-	1
Purchases of intangible assets and other assets	(13)	(11)	(8)
Purchases of property, plant and equipment	(260)	(308)	(155)
Proceeds from sales of property, plant and equipment and other assets	7	-	(1)
Net cash used in investing activities from continuing operations	**(189)**	**(548)**	**(161)**
Net cash used in investing activities from discontinued operations	**(33)**	**(43)**	**(8)**
Net cash used in investing activities	**(222)**	**(591)**	**(169)**
Cash flows from financing activities:			
Net change in related party financial receivables and payables	-	-	2
Proceeds from issuance of non-current debt	-	2	2
Repayments of non-current debt	(21)	(17)	(13)
Repurchase of convertible subordinated bonds	(50)	(16)	-
Change in restricted cash	1	(1)	1
Purchases of own shares	(26)	-	-
Proceeds from the issuance of put options for own shares	4	4	-
Dividend payments	-	-	-
Net cash used in financing activities from continuing operations	**(92)**	**(28)**	**(8)**
Net cash provided by financing activities from discontinued operations	**-**	**-**	**-**
Net cash used in financing activities	**(92)**	**(28)**	**(8)**
Net increase (decrease) in cash and cash equivalents	182	(340)	210
Effect of foreign exchange rate changes on cash and cash equivalents	3	-	5
Cash and cash equivalents at beginning of period	822	1,162	1,452
Cash and cash equivalents at end of period	**1,007**	**822**	**1,667**

Financial Calendar

Date * preliminary date	Location	Event
01 Feb 2012*		Q1 FY12 Results
08 Mar 2012*	Munich	Annual General Meeting
03 May 2012*		Q2 FY12 Results
28 Jun 2012	Munich	IFX Day (Capital Markets Day)
31 Jul 2012*		Q3 FY12 Results
13 Nov 2012*		Q4 FY12 Results

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Disclaimer

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This presentation includes forward-looking statements and assumptions about the future of Infineon's business and the industry in which we operate. These include statements and assumptions relating to general economic conditions, future developments in the world semiconductor market, our ability to manage our costs and to achieve our 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, our continuing ability to offer commercially viable products, and our expected or projected future results.

These forward-looking statements are subject to a number of uncertainties, such as broader economic developments, including the market environment; trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products, such as automobiles, drives, renewable energies 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 continued availability of adequate funds; any mergers, acquisitions or dispositions we may undertake; 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 disclosed at other occasions.

As a result, Infineon's actual results could differ materially from those contained in or suggested by 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.