Third Quarter FY 2012
Quarterly Update

Infineon Technologies AG
Investor Relations

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Disclaimer:

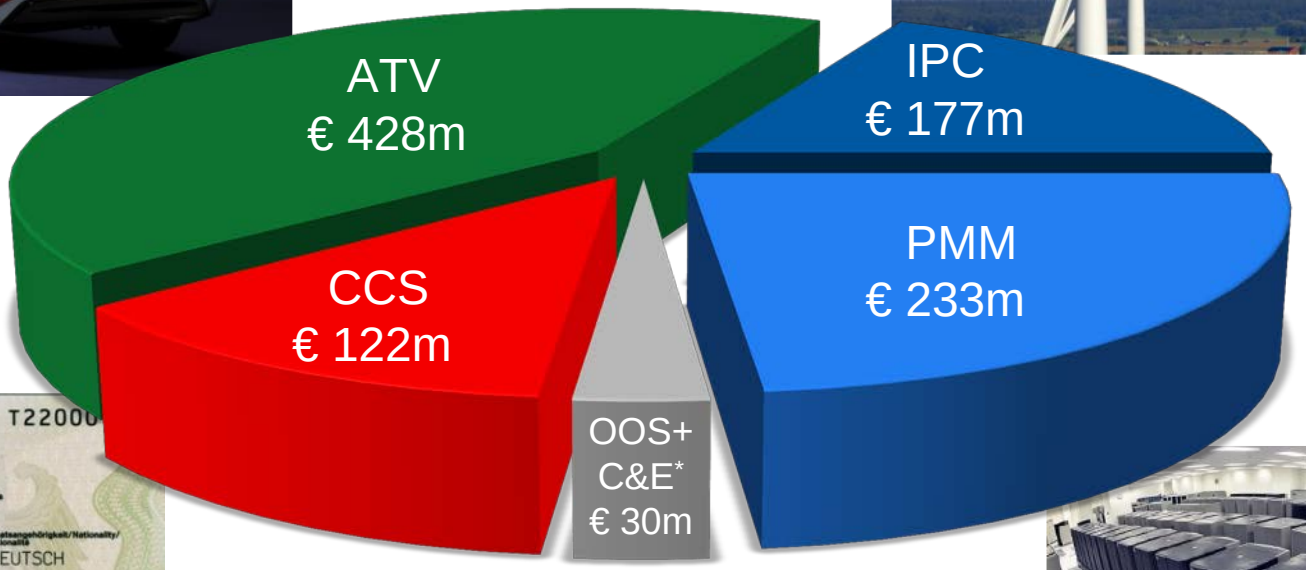
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected.

Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

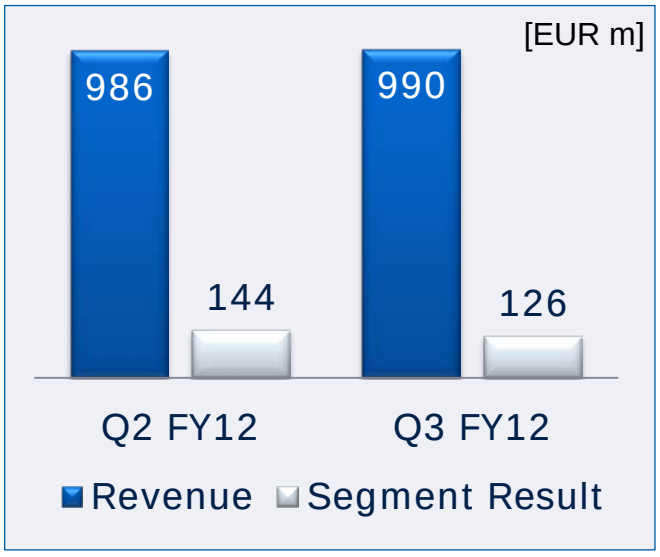
Revenue Split by Division

Q3 FY 2012 revenue: EUR 990m



* Other Operating Segments; Corporate & Eliminations.

Decreasing Segment Result Margin due to High Investment



[EUR m]	Q3 FY11	Q2 FY12	Q3 FY12
Revenue	1,043	986	990
Segment Result	212	144	126
SR Margin	20.3%	14.6%	12.7%
Net Income*	190	111	82
Investment	319	192	158
FCF from cont. operations	-8	-10	-22
Gross Cash	2,585	2,190	2,150
Net Cash	2,246	1,927	1,907

- Net Income includes „income from discontinued operations, net of income taxes“ in Q3 FY11 EUR 15m, in Q2 FY12 EUR 2m and in Q3 FY12 EUR -8m.

Tight Customer Relationships are Based on System Knowhow and App Understanding

ATV

Autoliv
HELLA
BOSCH
Continental
DELPHI
DENSO
LEAR CORPORATION
HYUNDAI
TRW
Valeo

IPC

ABB
ALSTOM
BOMBARDIER
ENERCON ENERGY FOR THE WORLD
Rockwell Automation
Schneider Electric
SEMIKRON innovation+service
SMA
SIEMENS
YASKAWA

PMM

DELL
DELTA
EMERSON
ERICSSON TAKING YOU FORWARD
hp
LG Life's Good
Microsoft
power-one Changing the Shape of Power
SAMSUNG

CCS

hp
gemalto security to be free
OBERTHUR TECHNOLOGIES
SAFRAN Morpho
Watchdata

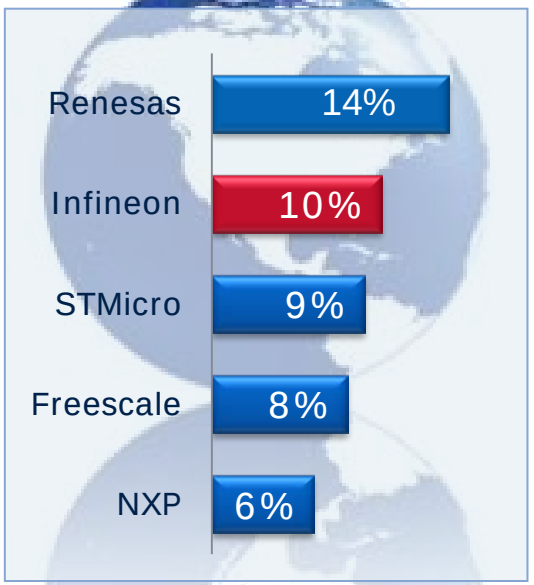
Distributors

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
RUTRONIK ELECTRONICS WORLDWIDE

Infineon Holds Top Positions in All Target Markets

Automotive

#2

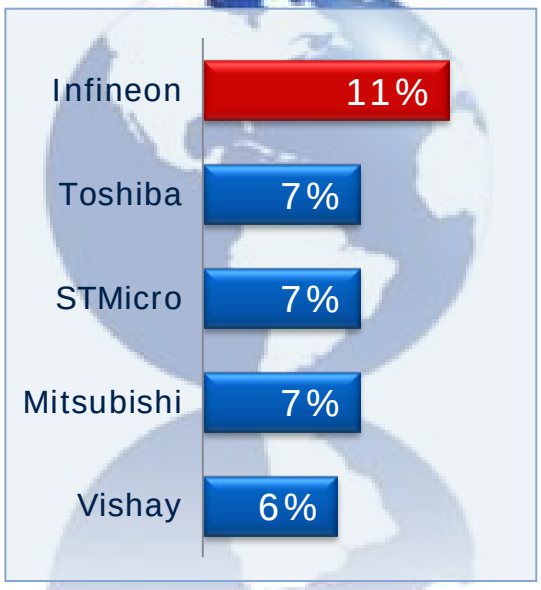


Calendar Year 2011.

Source: Strategy Analytics, April 2012.

Power

#1

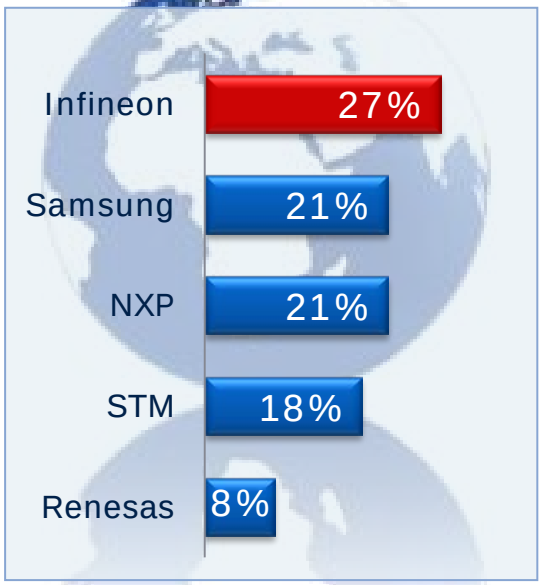


Calendar Year 2010.

Source: IMS Research, August 2011.

Chip Card

#1



Calendar Year 2010.

Source: IMS Research, August 2011.

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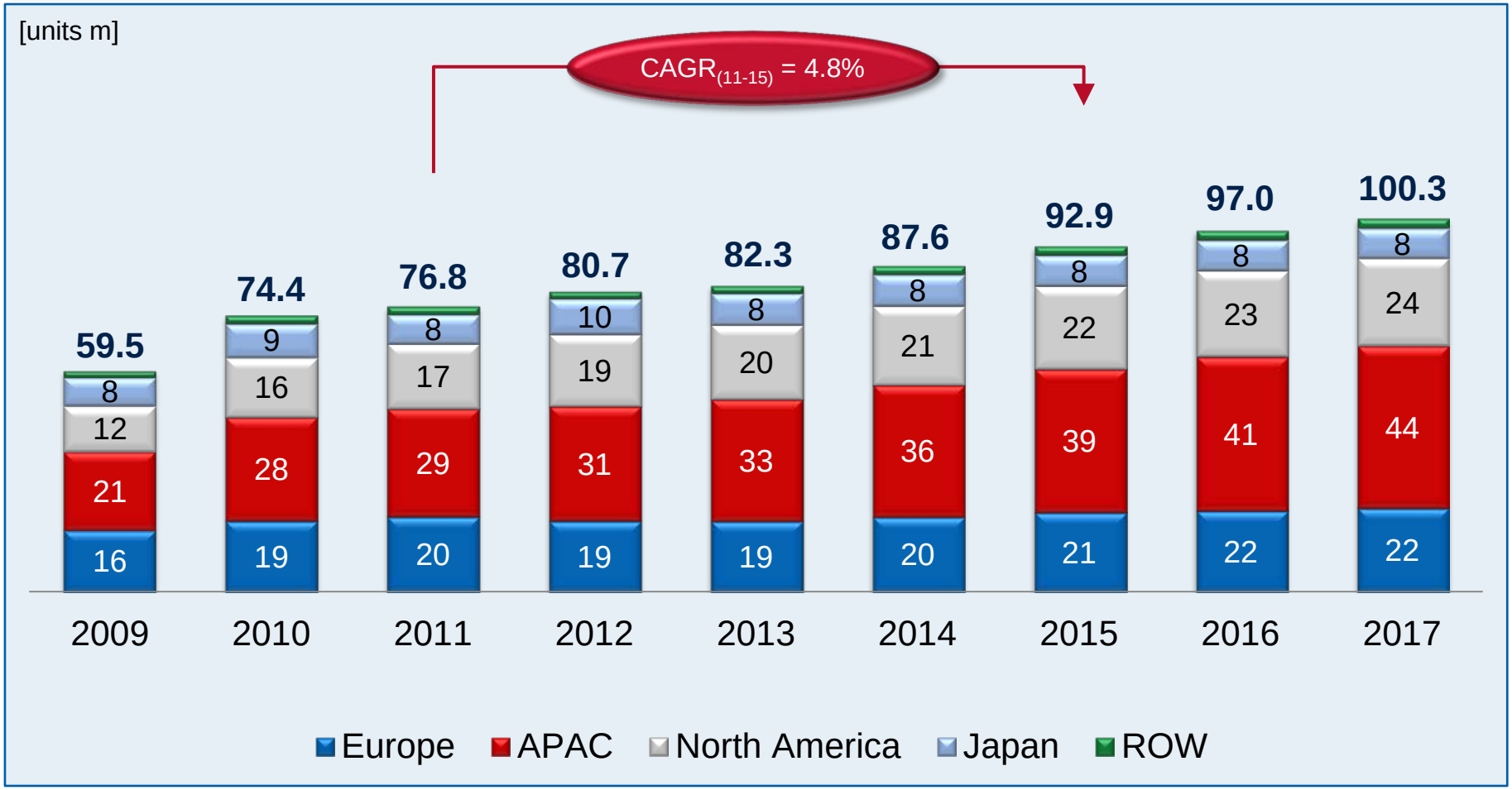
New Era: Multiple Factors Driving Demand for Power Semiconductors

'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.
		■ 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.

Despite Near-Term Outlook Cuts, Long-Term Prospect Still Healthy

Global car production (cars ≤ 6t)

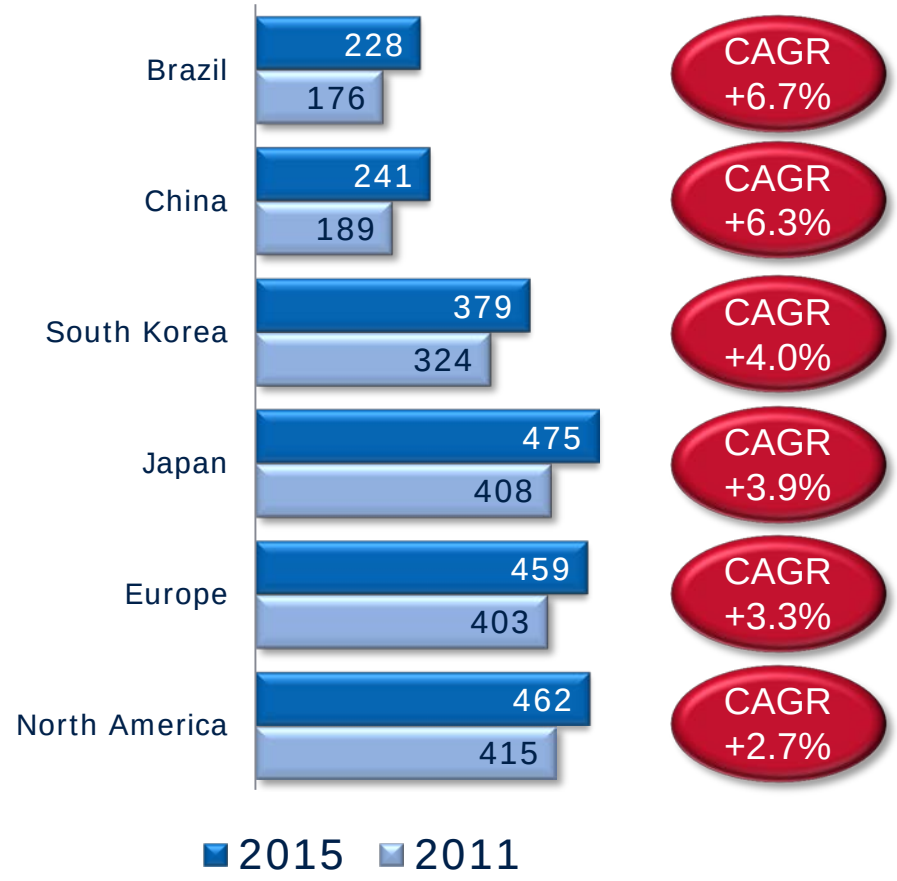


Source: IHS, July 2012.

Rising Semiconductor Value Per Car Drives Market

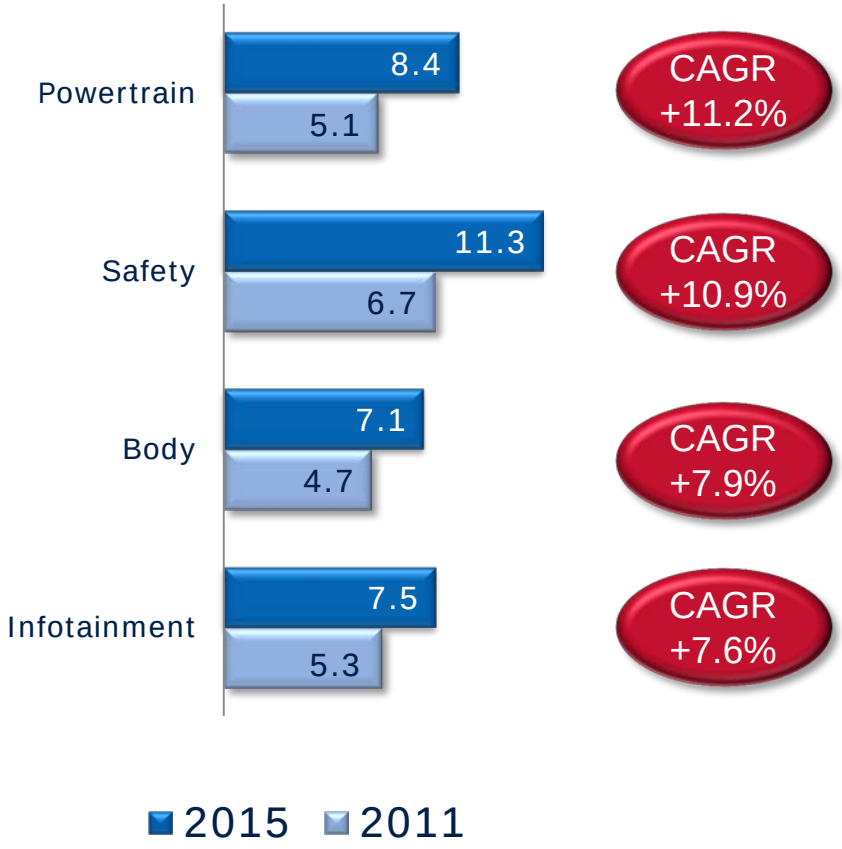
Semiconductor value per car

[USD per car]



Semiconductor market by segment

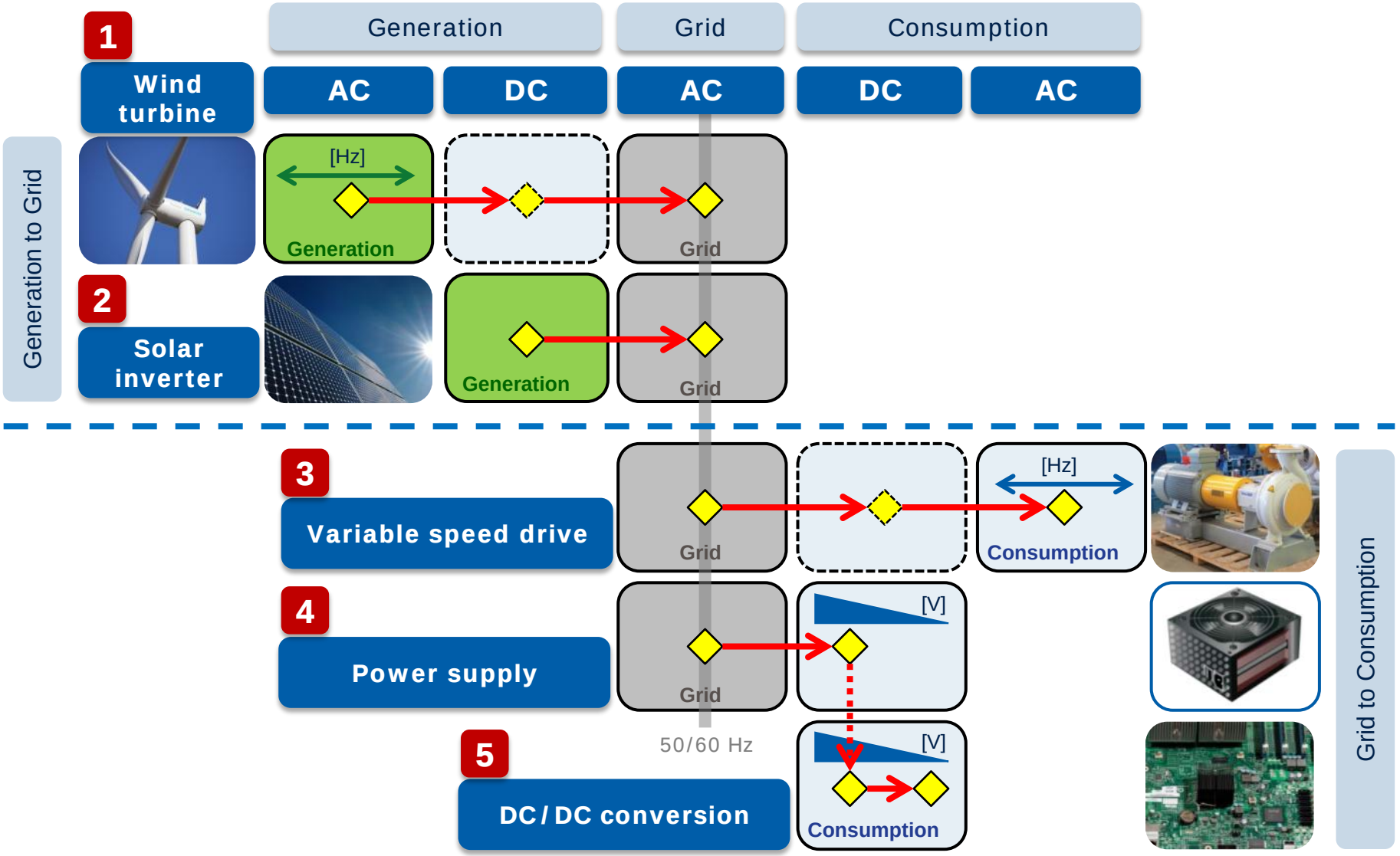
[USD bn]



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

Source: Strategy Analytics, January 2012.

Every Electricity Conversion Step Requires Infineon Components



About 10% Growth p.a. for Cycle Average Expected for Infineon

ATV	IPC + PMM	CCS

ATV growth:	IPC + PMM growth:	CCS growth:
~10% p.a.	> 10% p.a.	~5-7% p.a.

Growth target

Infineon: ~10% growth p.a. cycle average

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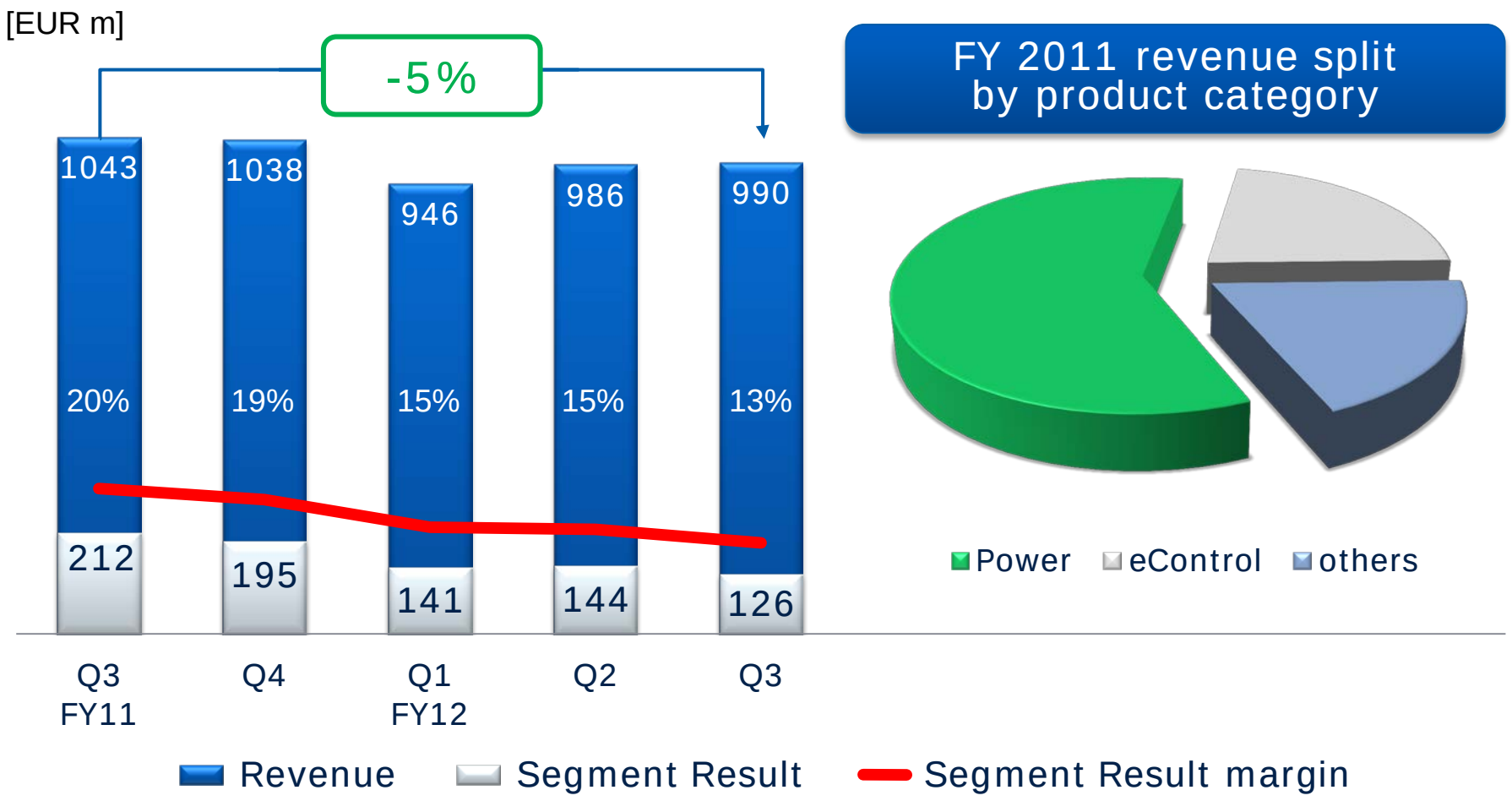
After Record Revenues in 2011, Sales in 2012 Are Almost Flat

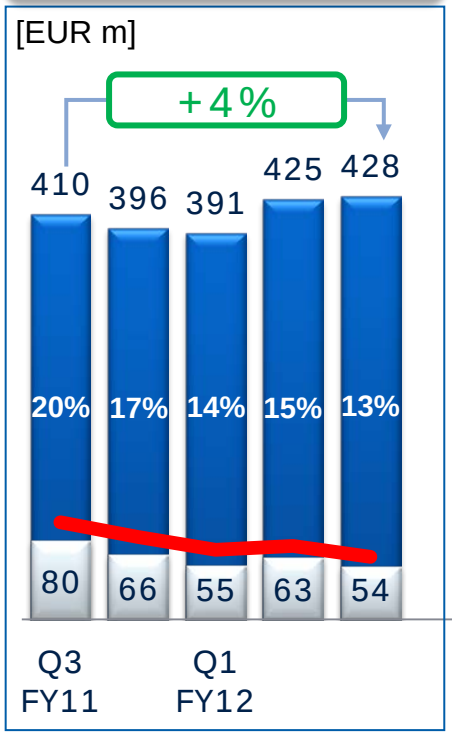
Revenue and Segment Result



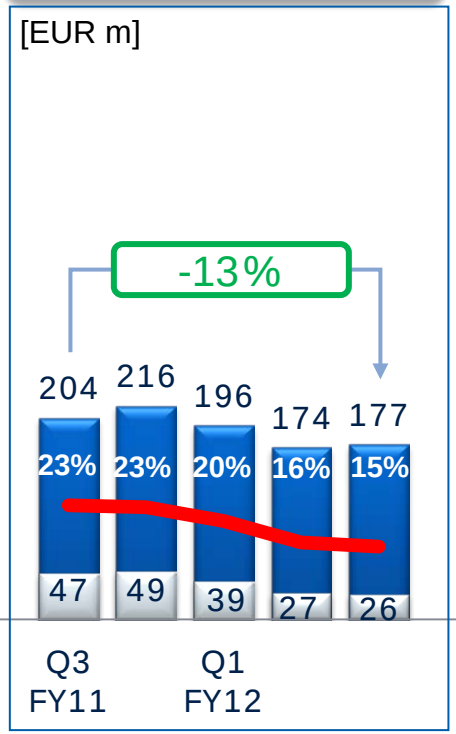
FY 2011 revenue split by product category

All-Time-High in Revenues in ATV; Slight Recovery in PMM

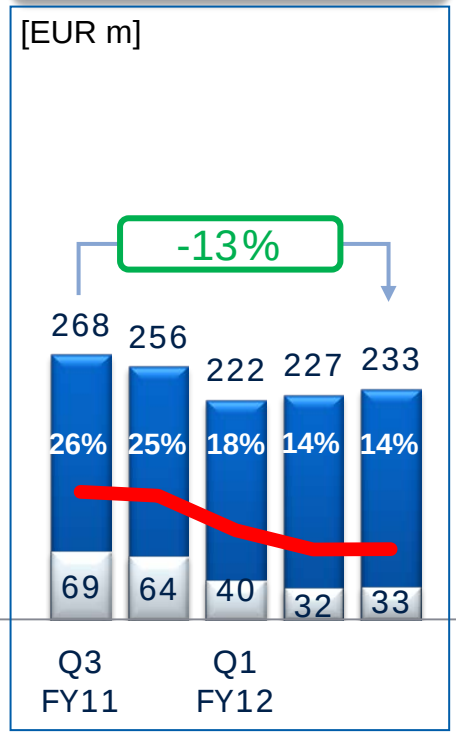
ATV



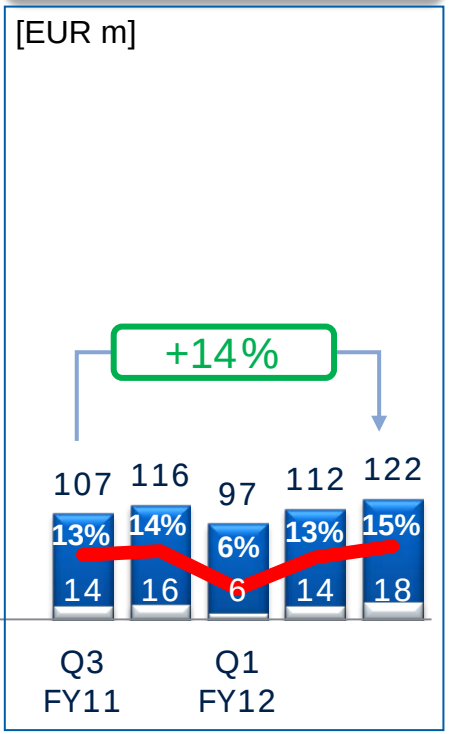
IPC



PMM



CCS

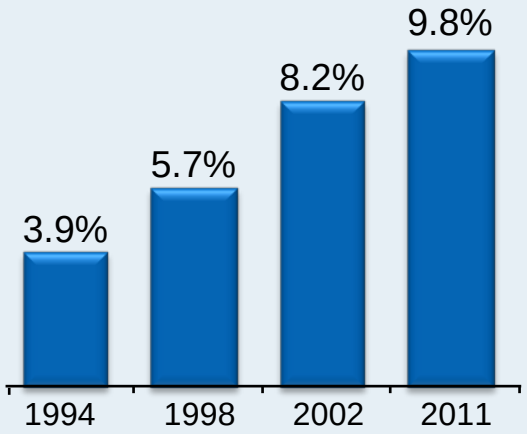


Revenue | Segment Result | Segment Result margin

Automotive: Infineon Biggest Market Share Gainer Amongst All Players in 2011

Worldwide Automotive Semiconductor Ranking for 2011

1.	Renesas	13.8%	-0.3%-pt
2.	**Infineon**	**9.8%**	**+1.0%-pt**
3.	STM	8.7%	+0.4%-pt
4.	Freescale	7.9%	-0.5%-pt
5.	NXP	6.4%	-0.4%-pt
6.	Bosch	5.8%	+0.2%-pt
7.	TI (incl. NSM)	4.7%	0%-pt



Infineon
- strengthened **world's #2** postion;
- rose from #8 to #4 position in Japan.

Europe

1.	**Infineon**	**14.7%**
2.	STM	11.3%
3.	Bosch	9.4%
4.	Freescale	8.7%
5.	NXP	8.2%
6.	Renesas	8.0%
7.	TI	6.8%
8.	ON Semi	3.0%

APAC & others*

1.	STM	10.1%
2.	**Infineon**	**9.0%**
3.	Renesas	7.5%
4.	Freescale	7.4%
5.	NXP	7.3%
6.	Bosch	5.7%
7.	Toshiba	2.9%
8.	TI	2.6%

North America

1.	Freescale	13.8%
2.	**Infineon**	**8.5%**
3.	STM	8.0%
4.	Renesas	7.5%
5.	NXP	6.7%
6.	TI	6.0%
7.	Bosch	3.7%
8.	ON	3.3%

Japan

1.	Renesas	35.1%
2.	Toshiba	13.0%
3.	Fujitsu	3.9%
4.	**Infineon**	**3.8%**
5.	Rohm	3.6%
6.	STM	3.6%
7.	ON	3.1%
8.	Sanken	2.9%

Source: Strategy Analytics, April 2012 * According to Strategy Analytics this ranking also includes Russia, South America, Australia and further countries.

London Hybrid Buses Powered by Infineon's EconoDUAL™3 and PrimePACK™ IGBT Module

London hybrid-electrical buses

- Transport is responsible for ~20% of London's CO_2 emission.
- London has been building up a fleet of environmentally-friendly hybrid-electrical buses.
- Olympic athletes and visitors are shuttled around the city.
- Fuel saving of 30%; reduction in NO_x of 20%.

Courtesy: Siemens

Powered by EconoDUAL™3

Powered by PrimePACK™

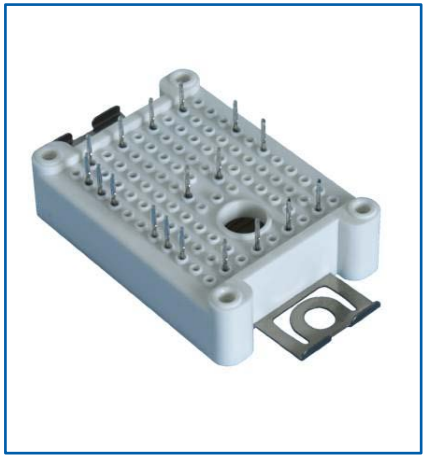
Infineon's CoolSiC™ And SiC JFET Driver Lift Inverter Efficiency to > 99%

Infineon entering the Japanese photovoltaic market with SiC products

- Japan formally implemented new feed-in-tariffs for the PV industry in July 2012 as part of the new clean energy policy.
- Infineon's Japanese customer built a prototype of a 10kW inverter using SiC products in Easy modules.
- CoolSiC™ (SiC JFET transistors) successfully entered the market of efficiency-critical applications such as solar inverters.
- In contrast to Si-based MOSFETs, SiC JFETs require dedicated control circuitry, drivers and design know-how allowing Infineon to increase value and Si-content in customer applications.

CoolSiC™

Easy module



Social Networks and Cloud Computing Driving Demand for Highest Efficient Power Supplies

Digital power management (DPM) gaining traction in server market

- Globally, we see one new data center per week with up to 100 MW of power consumption.
- Efficiency of power supply (AC/DC, DC/DC) of utmost importance.
- DPM best solution for flexible load dynamics.
- Change in value chain: servers no longer from the shelf but designed by ODMs according to specification of data center operator.

CoolMOS™ | OptiMOS™ | Driver IC

- DPM opens the door for bundling with other products.
- Recent design win: IFX offers DPM controllers along with driver ICs and MOSFETs to Taiwanese ODM.

Infineon Supplies Security Chips to Malaysia and South Africa

Malaysia's national ID card "MyKad"

INTEGRITY GUARD

SOLID FLASH™

- MyKad is one of first multi-application national electronic ID card projects implemented worldwide.
- Multi-application cards allow implementation of numerous additional functions such as eGovernment, eDriving license, eHealth, eSignature, ePurse and transport.

South Africa's smart card project

SOLID FLASH™

- Largest chip-based Government smart card project in South Africa.
  Start of issuance in April 2012.
- Government smart card for 10m South African recipients of social grants.
- Enables South African citizens to securely receive their social grants on the chip cards.

Guidance for Q4 and FY 2012

	Outlook Q4 FY12* (compared to Q3 FY12)	Outlook FY 2012* (compared to FY 2011)
Revenue	Revenue flat to down slightly	Declining approximately 3 percent. previously: Low single-digit percentage decline.
Segment Result Margin	Approximately 12 percent.	Segment Result margin between 13 and 14 percent. previously: mid teens percentage.

Investments in FY 2013	Significantly lower than in FY 2012.

* This outlook is based on an assumed Euro/US Dollar exchange rate of 1.25 for Q4 FY12.

Superior Growth and Profitability Allow Sustained Investments Over the Cycle

Superior growth and profitability

- Focus on secular growth drivers, e.g. renewables, e-mobility, energy efficiency.
- Leading market share and competitive strengths.
- Financial targets (on average over the cycle):
  - 10% growth p. a. and
  - 15% Segment Result margin.

Sustained investments for future success

- Counter-cyclical investments, selling and R&D to enable further share gains.
- Investments secure capacity for future growth and competitive advantage.
- 300mm power discretes; 200mm, quality, innovation, automation etc.

Strong returns; Value creation

- RoCE well in excess of our capital cost with 27% in Q1 FY12, 25% in Q2 FY12, and 20% in Q3 FY12.
- Capital returns through dividend payments, share buyback, and CB 2014 buyback.
- Aggregate capital returns since Q1 FY11 amount to more than EUR 500m.

ENERGY EFFICIENCY
MOBILITY
SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.

Target to Sustain 15% Cycle-Average Segment Result Margin

#1	#2	#3	#4
High barriers to entry	Semiconductors enable high functionality	Value of semis small relative to end product	Infineon's core competencies: Power and eControl

ATV	IPC	PMM	CCS
			

Courtesy: Hyundai

Total profitability target

Infineon: ~15% operating margin cycle-average

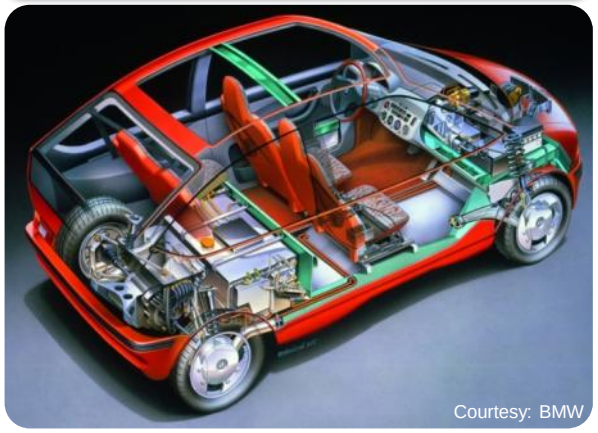
4 Reasons for Sustainable Profitability – #1 High Barriers to Entry

Long product life cycles

Courtesy: Siemens

- For many markets we address, deliveries of semis need to be ensured for very long periods of time:
  - for car industry: 7 to 24 years;
  - for train industry: about 15 years.

System knowhow and understanding


Courtesy: BMW

- Both deep and wide know-how and understanding of our customers' applications needed for making best in class solutions:
  - e.g. HEV/EV needs both automotive and industrial expertise.

Strong quality and reliability req's

- Products need to reliably perform well in the field over longer periods of time:
  - airbag reliability required as long as the car is in use;
  - wind turbines should function 30 years.

#2 Semiconductors – Core Enablers of Innovation and Higher Functionality

Energy Efficiency

- **Power supplies**
  More advanced power semiconductors allow smaller, denser, lighter and more efficient power supplies.
- **VSD**
  More precise and efficient RPM-control versus mechanical transmission.

Mobility

- **Recuperation**
  Implemented in trains for years; brought to cars by the advent of HEV/EVs.
- **Power steering**
  EPS is replacing hydraulic-mechanical power steering allowing more flexibility in car design and less power consumption.

Security

- **Identification**
  Chip-based passports and national ID cards allow much higher level of security compared with paper-only ID cards.
- **Brand protection**
  Chip-based authentication of accessories, e.g. batteries, cartridges.

#3 Semis Represent a Negligible Part of the Value of the End Product

Example 1: mid-range car

Courtesy: Volkswagen

€25,000

Semi BoM:

€250

1.0% of product value

Example 2: high-speed train

Courtesy: Siemens

€10,000,000

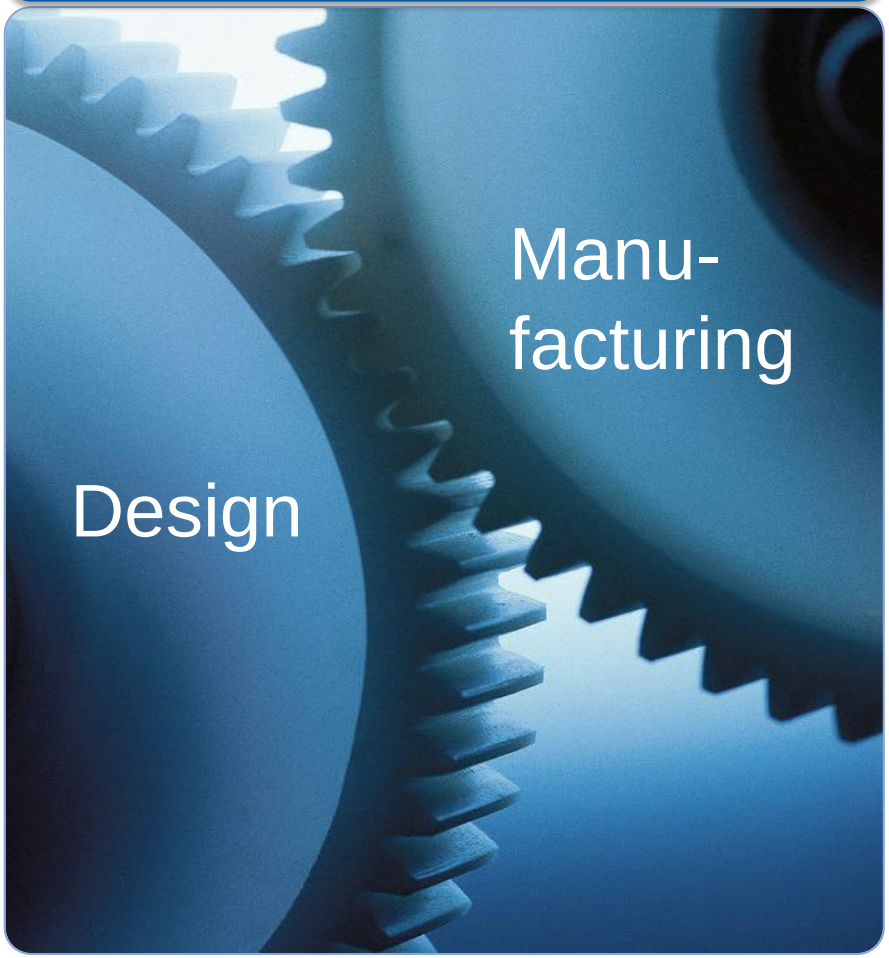
Semi BoM:

€100,000

1.0% of product value

#4 Infineon's Core Competencies — Power Semiconductors and eControl

Design and manufacturing of power semis tightly coupled



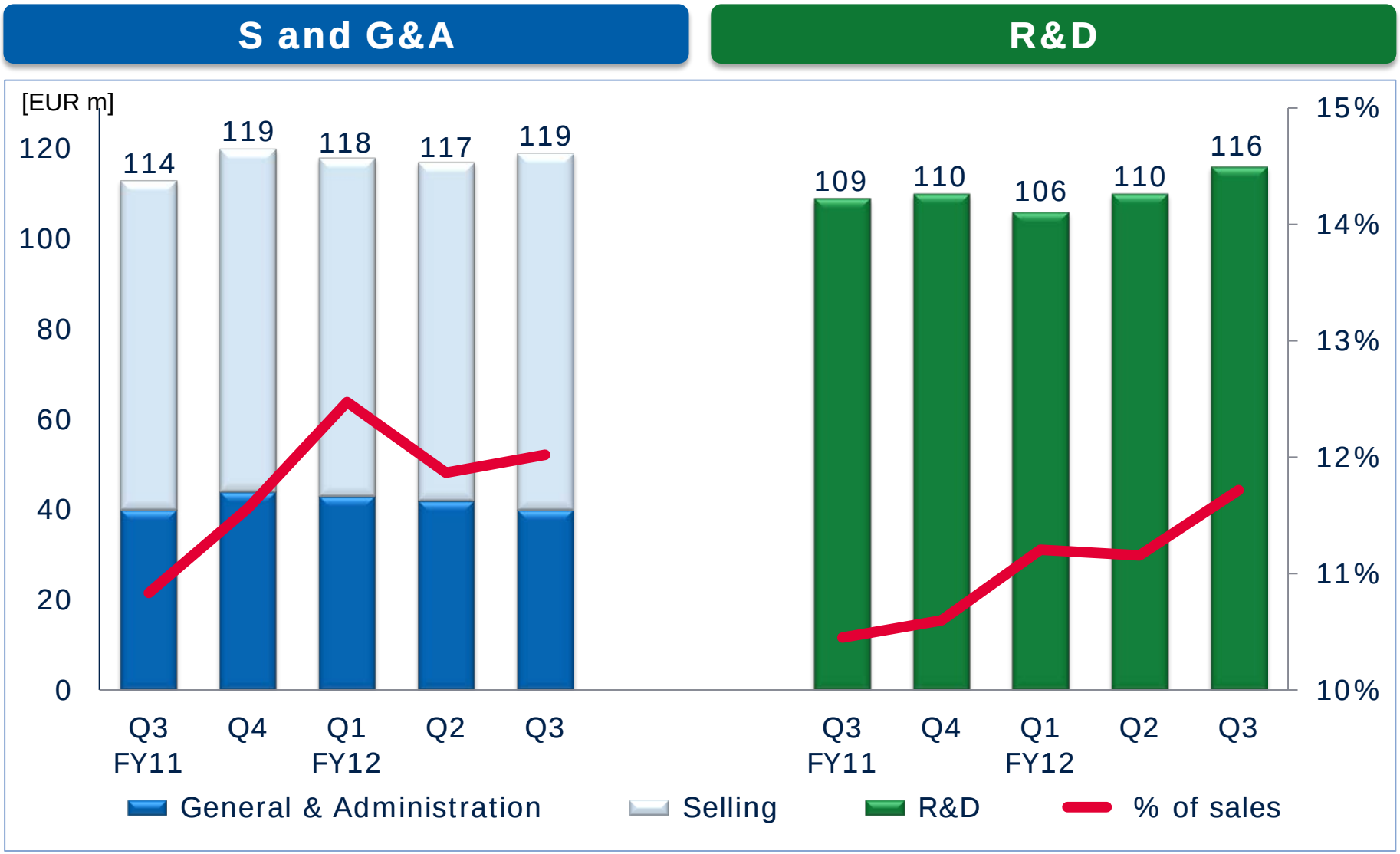
Core competence power

- Thin-wafer technology
- Super-junction MOSFETs
- Silicon-Carbide (SiC)
- IGBT module packaging

Core competence eControl

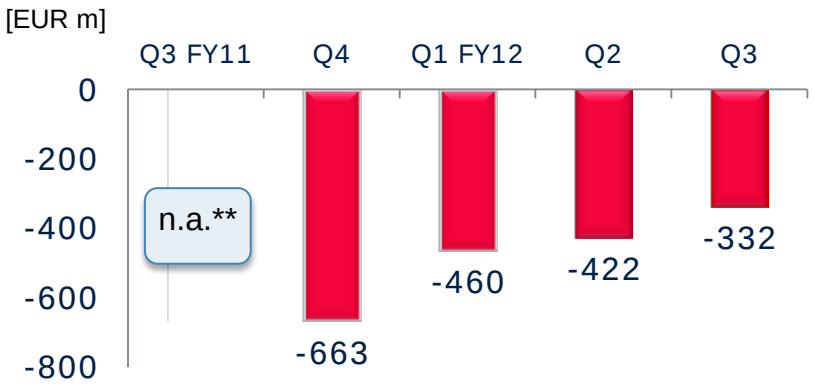
- Automotive real-time 32-bit microcontroller (TriCore™) and multi-core design (AURIX™).
- Industry microcontroller with premium peripheral functions (XMC4000 family).
- Low-power security controller.

OpEx In-line With Target Operating Model

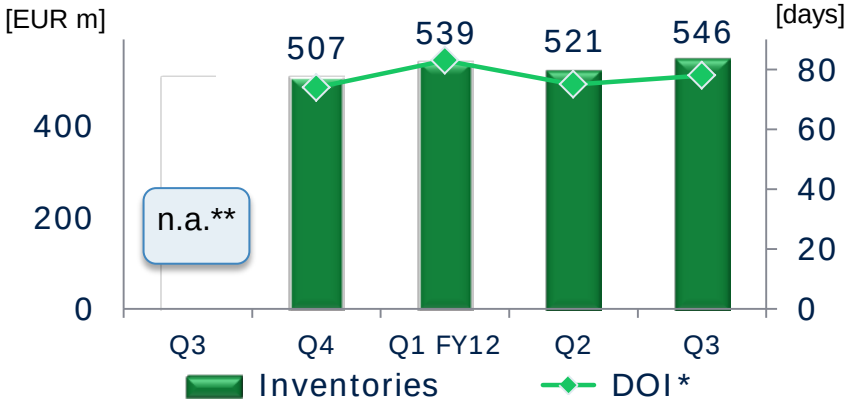


Working Capital

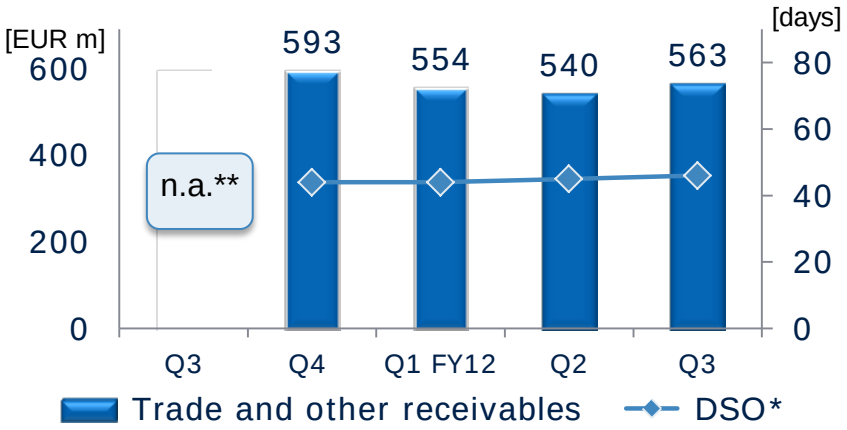
Working capital*



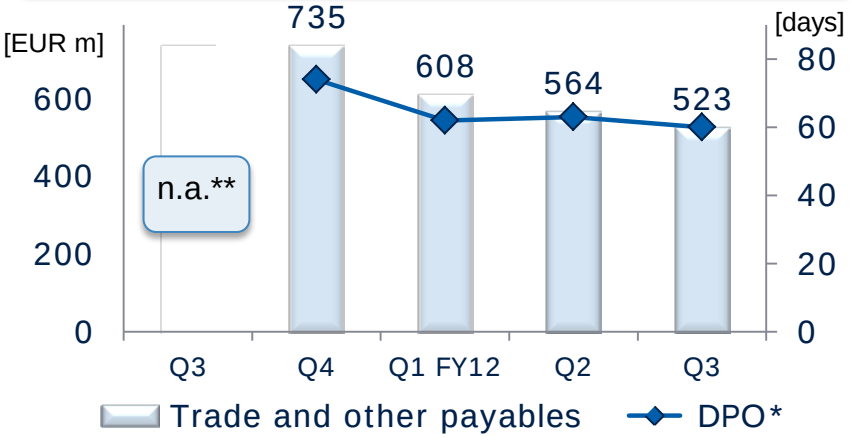
Inventories



Trade and other receivables



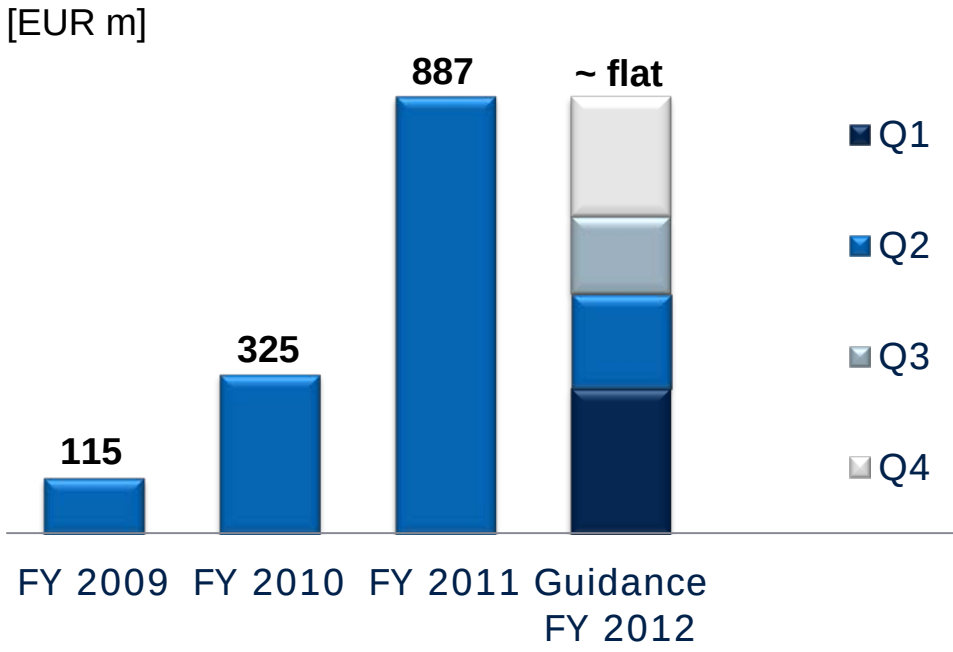
Trade and other payables



* For definition please see page 36 in appendix.
** Comparable historical figures not available.

Investments Remain High to Exploit Growth Potential

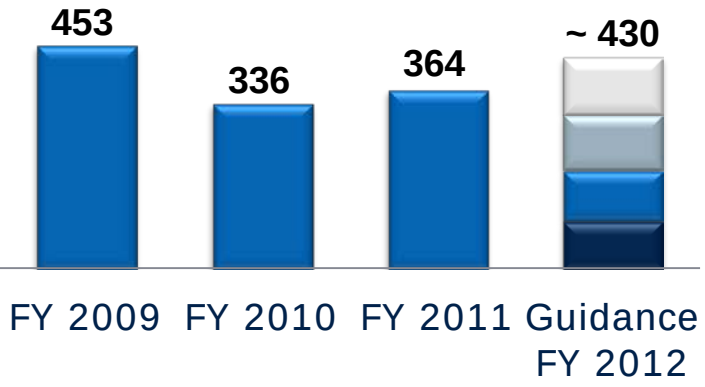
Investments*



Guidance for investments:

- FY13: significantly lower than in FY12.

D&A



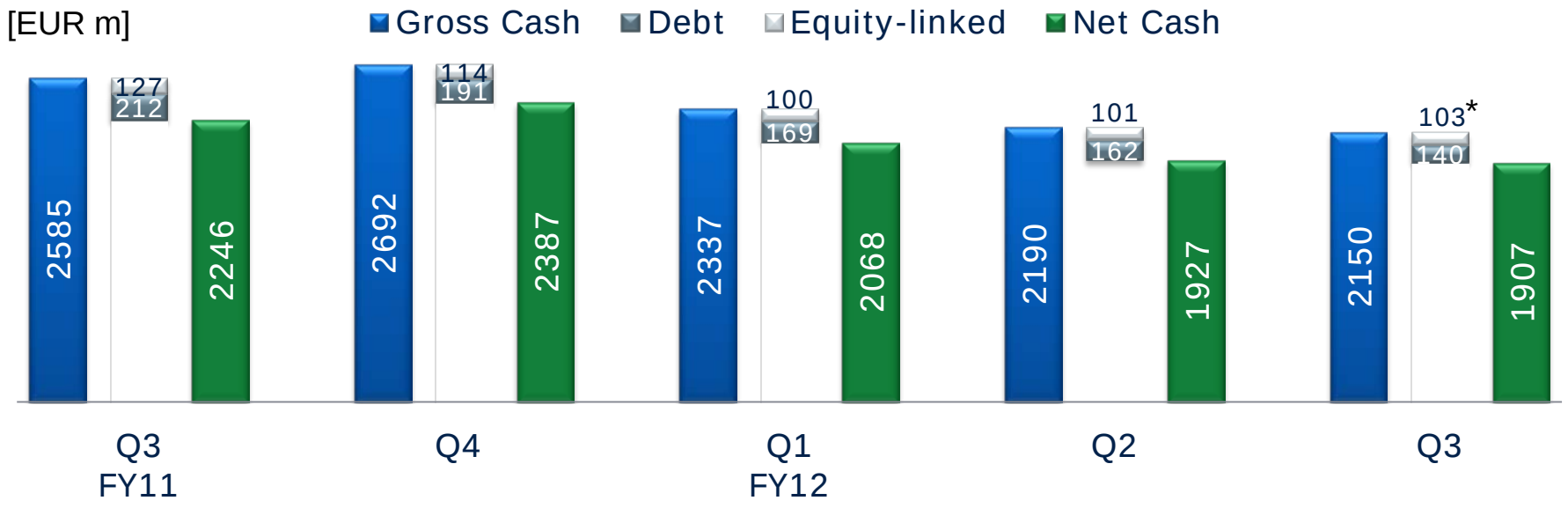
Guidance for D&A:

- FY13: increase compared to FY12.

* For definition please see page 36 in appendix.

High Gross Cash and Net Cash Position Maintained

Liquidity Development

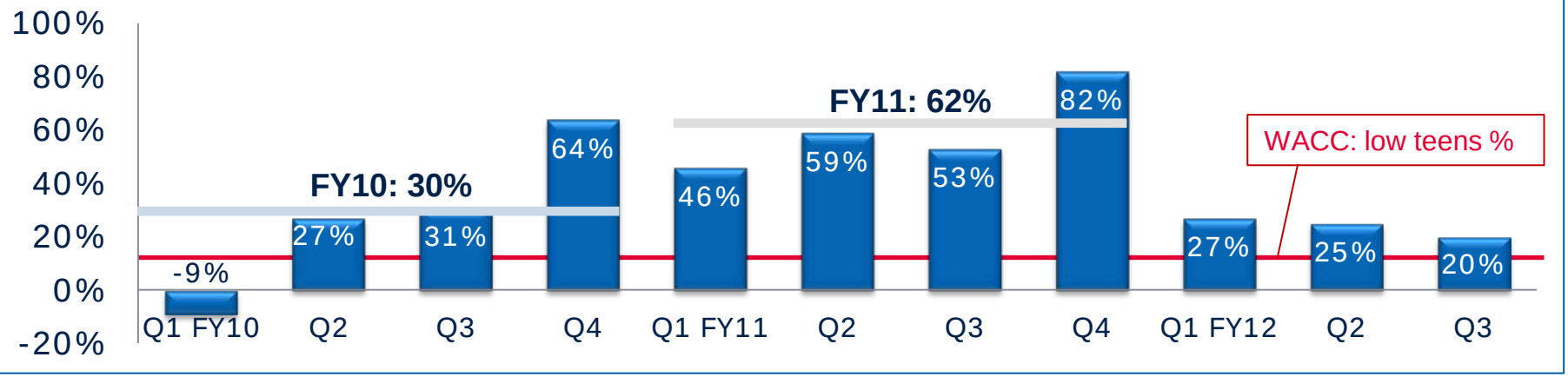


* Consists of convertible bond (nominal value EUR 118m; book value EUR 103m).

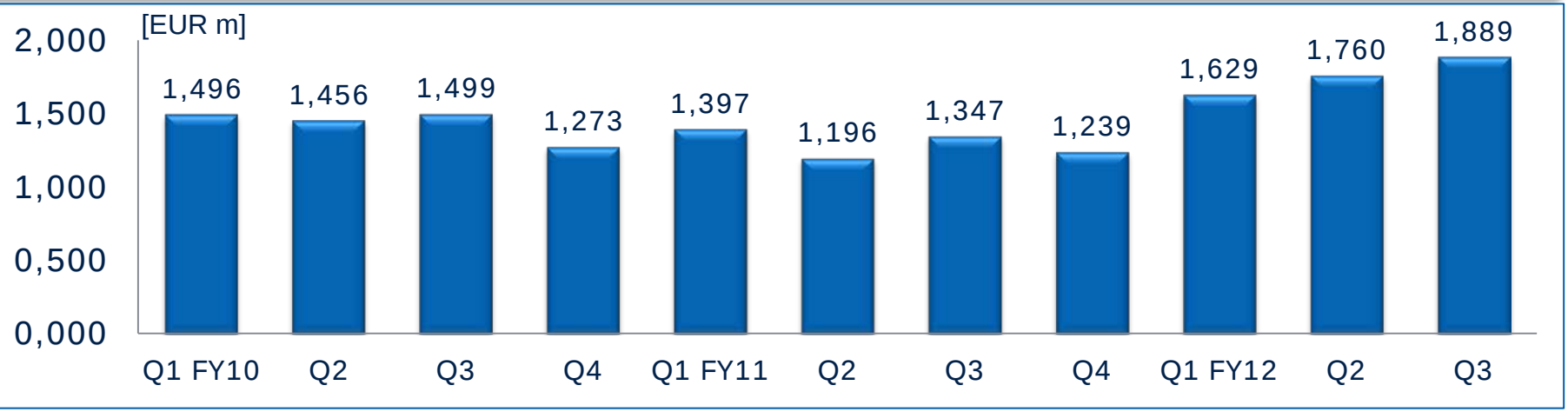
- Gross cash decreased due to negative Free Cash Flow and debt reduction of EUR 20m. Net cash impact correspondingly lower.
- Bought back another EUR 5m nominal of convertible bond for EUR 12m.
- No buyback of shares during the quarter. But put options for 9.6m shares lapsed with EUR 3.6m premium received.

Value Creation of Infineon by Sustainably High RoCE Above WACC

RoCE history

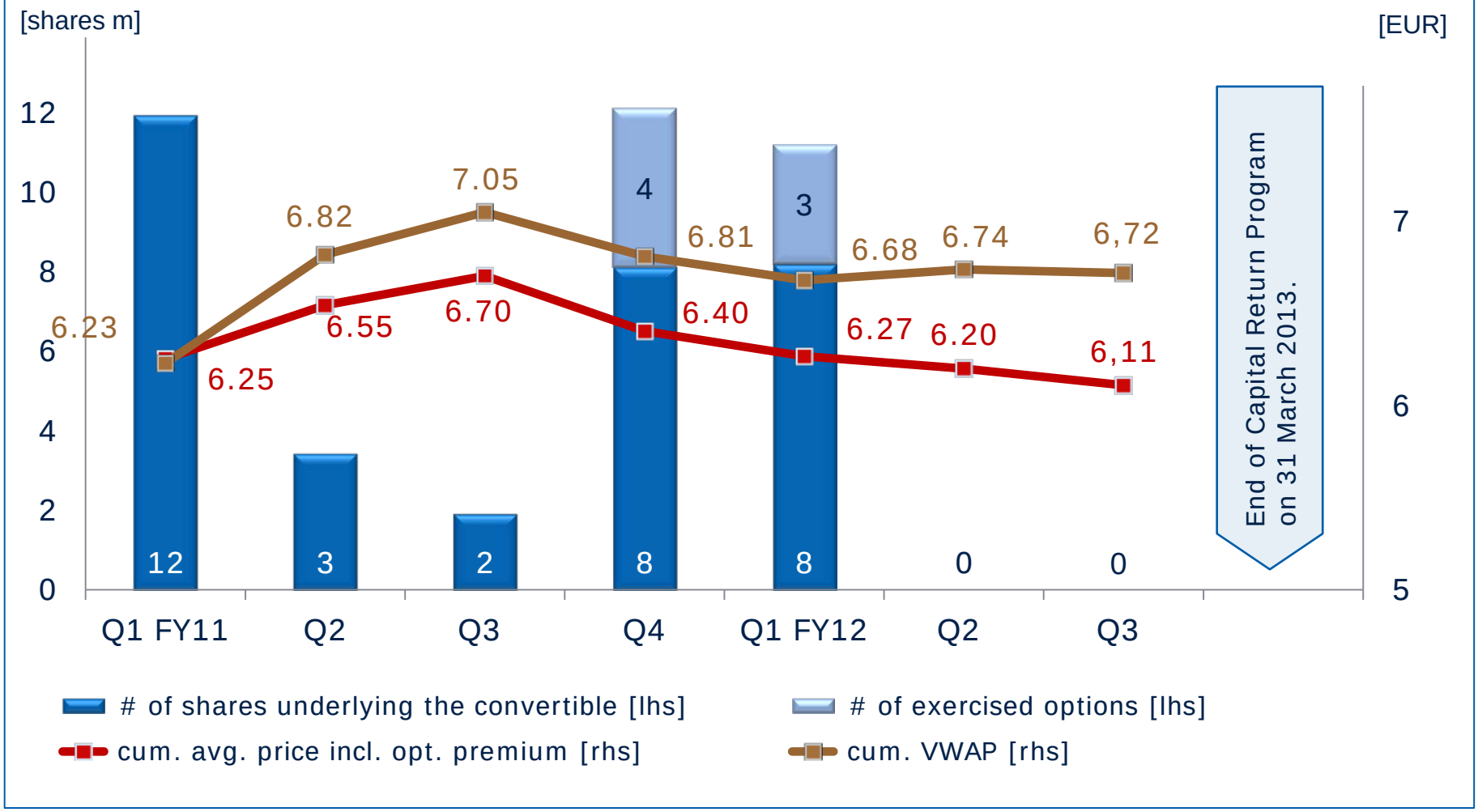


Capital Employed history



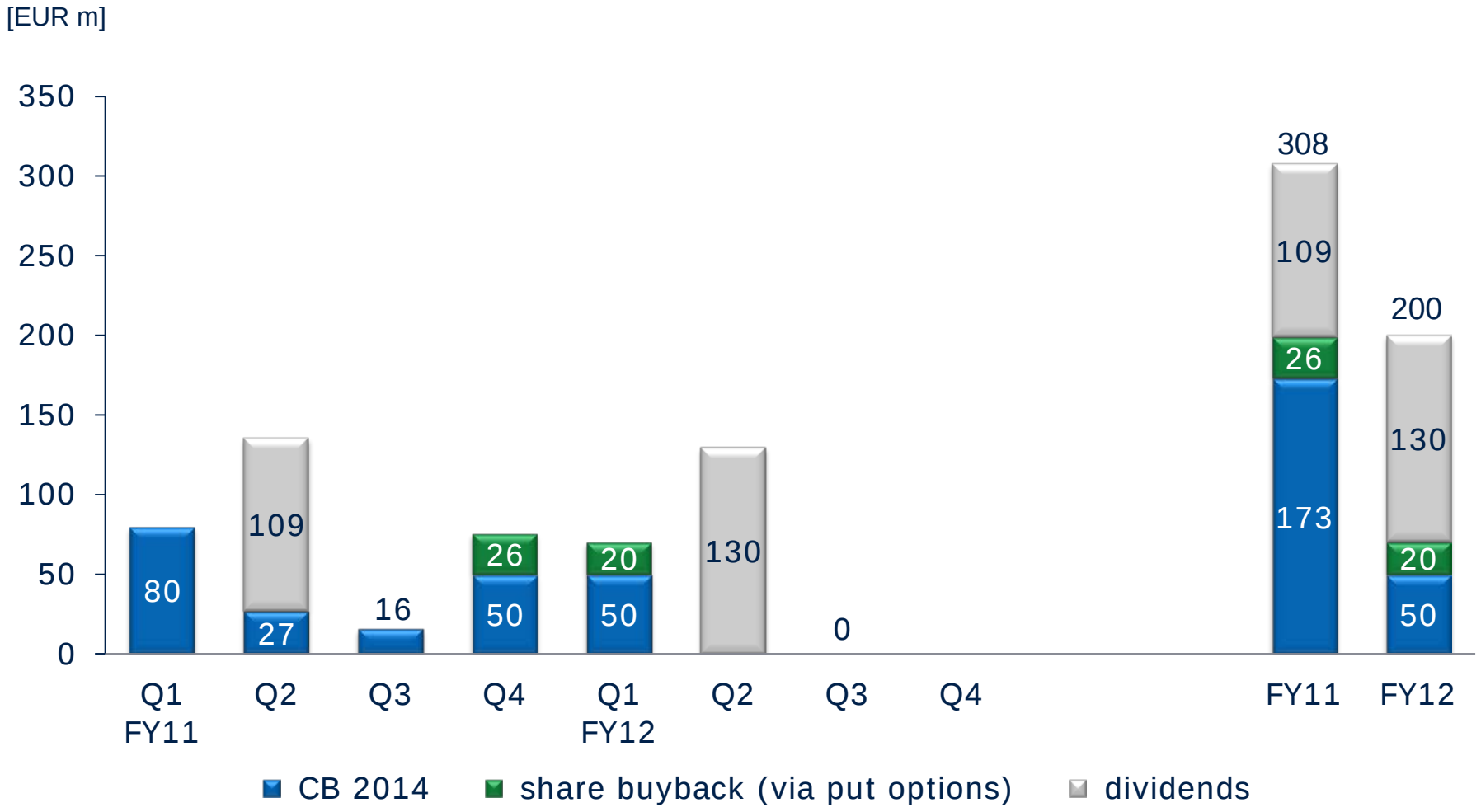
Average Price Per Underlying Share Below Volume Weighted Average Share Price

Total share buyback history via convertible bond and put options



Total Gross Capital Returns

Total gross capital returns history



Notes

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

RoCE =
NOPAT / Capital Employed =
('Income from continuing operations'
– 'financial income'
– 'financial expense')
/ ('Total assets'
– 'Cash and cash equivalents'
– 'Financial investments'
– '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'])

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 Has a Long Track Record in Responsibility and Sustainability

UN Global Compact Initiative

- As one of the first semiconductor companies worldwide, Infineon joined the Global Compact Initiative of the United Nations in 2004.

Dow Jones Sustainability Index

Dow Jones Sustainability Indexes
Member 2011/12

- Infineon is currently Europe's one and only semiconductor company member in the Dow Jones Sustainability Indexes.

Certifications


DNV

DET NORSKE VERITAS

MANAGEMENT SYSTEM CERTIFICATE

Certificate No.: 46456-2009-HSO-GER-DNV

This is to certify that

Infineon

Infineon Technologies AG
Am Campeon 1-12
85579 Neubiberg, Germany

as well as the sites and remote locations listed on the following page
have been found to conform to the
Environmental as well as Occupational Health and Safety Management System Standards
ISO 14001:2004
and
OHSAS 18001:2007

This certificate is valid for the following product or service ranges:

Development, production and sales
of semiconductor components

This certificate is valid until:
31.01.2012

Place and date:
Essen, 01.02.2009

- Based on our efforts for resources management, safety and health standards, Infineon received the EN ISO 14001 and OHSAS 18001 multi-site certification.

Financial Calendar

Date	Location	Event
29 Aug 2012	Frankfurt	Commerzbank Sector Conference Week
26 Sep 2012	Munich	Baader Investment Conference
14 Nov 2012*		Q4 FY12 Results
15-16 Nov 2012	Barcelona	Morgan Stanley TMT Conference
20 – 21 Nov 2012	London	Company Roadshow – including presentation by Dr. Helmut Gassel, Division President ,Industrial Power Control (IPC)
27-28 Nov 2012	Scottsdale	Credit Suisse Technology Conference

* provisional

Institutional Investor Relations Contact

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