

Investor and Analyst Call

18 September 2013



Jochen Hanebeck
Division President
Automotive (ATV)



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■ ATV Segment Overview

■ Market Growth Drivers

■ High-growth Applications and Infineon's Offering

■ Summary

Disclaimer:

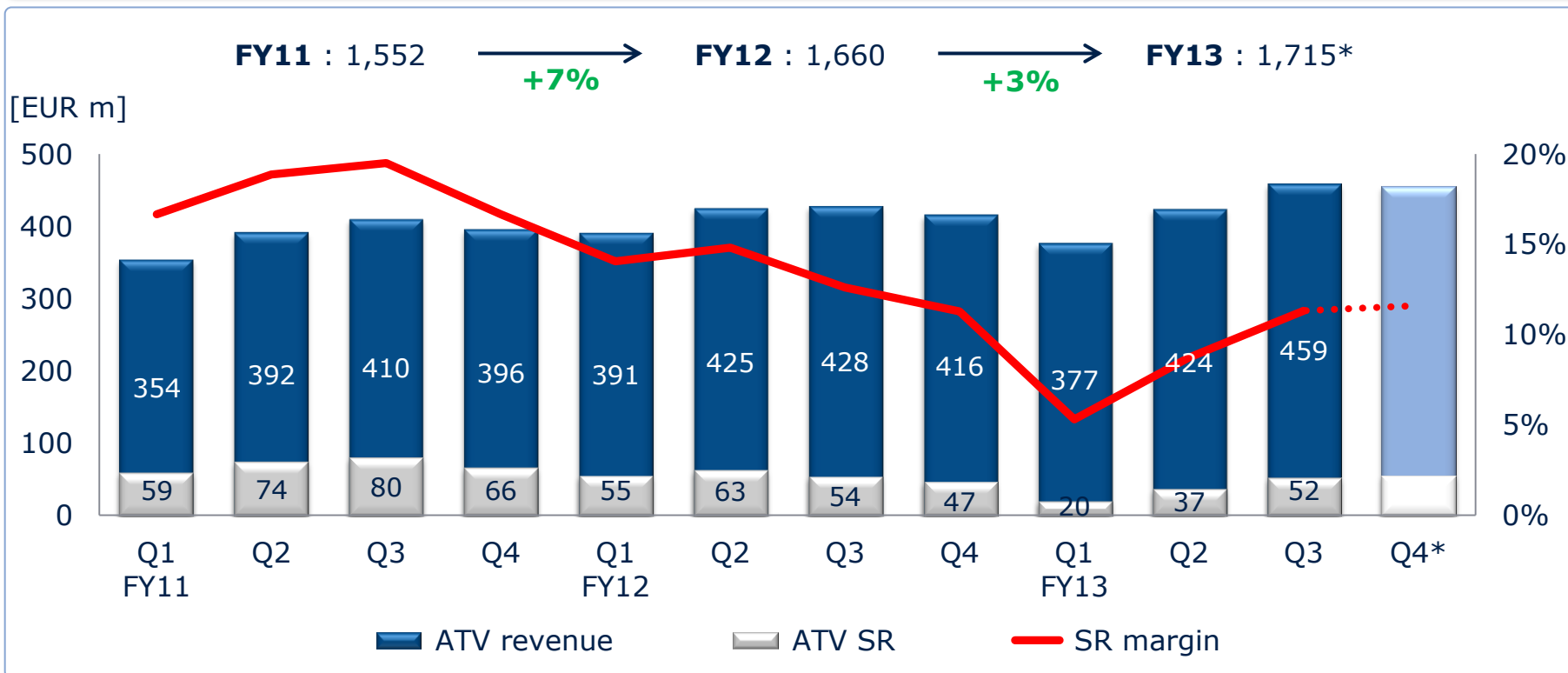
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

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.

Automotive (ATV) at a Glance

Revenue and Segment Result development



* Based on Q4 guidance, as of 30 July 2013

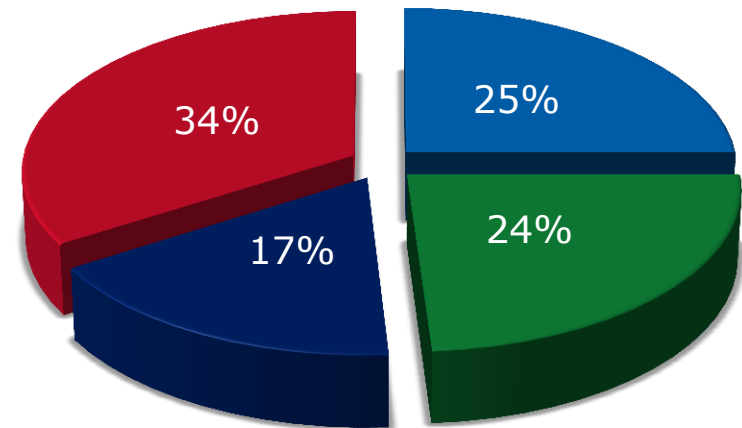
- Consistent annual revenue growth, driven by China, Korea and US recovery.
- Margin compression driven by cost of investment in capacity and higher OpEx.

Top Customers and Distributors; Revenue Split By Region

Top customers



Revenue split by region*



- Germany
- EMEA excl. Germany
- Americas
- APAC (incl. Japan)

* Based on revenues by fulfillment region for FY12.

Top distributors



Infineon Is the Global #2, and First-time #1 in APAC



World (\$23.90bn)

1. Renesas	14.2%
2. Infineon	9.1%
3. STMicro	7.9%
4. Freescale	7.0%
5. NXP	6.3%
6. Bosch	5.7%
7. TI	5.7%

Europe (\$8.04bn)

1. Infineon	13.0%
2. Bosch	11.3%
3. STMicro	10.0%
4. TI	8.4%
5. Renesas	7.8%
6. NXP	7.6%
7. Freescale	7.4%

APAC & others* (\$5.70bn)

1. Infineon	9.4%
2. STMicro	9.4%
3. Renesas	9.0%
4. NXP	8.4%
5. Freescale	7.4%
6. TI	3.1%
7. Toshiba	3.0%

North America (\$4.49bn)

1. Freescale	12.5%
2. Infineon	8.4%
3. Renesas	8.2%
4. STMicro	8.1%
5. TI	7.4%

Japan (\$5.66bn)

1. Renesas	33.3%
2. Toshiba	13.0%
3. Fujitsu	4.5%
4. Sanken	3.9%
5. Infineon	3.7%

China (\$2.82bn)

1. NXP	10.5%
2. STMicro	10.0%
3. Renesas	9.5%
4. Freescale	9.2%
5. Infineon	7.0%

Korea (\$1.81bn)

1. Infineon	13.7%
2. STMicro	6.8%
3. Freescale	6.7%
4. NXP	5.6%
5. Bosch	3.9%

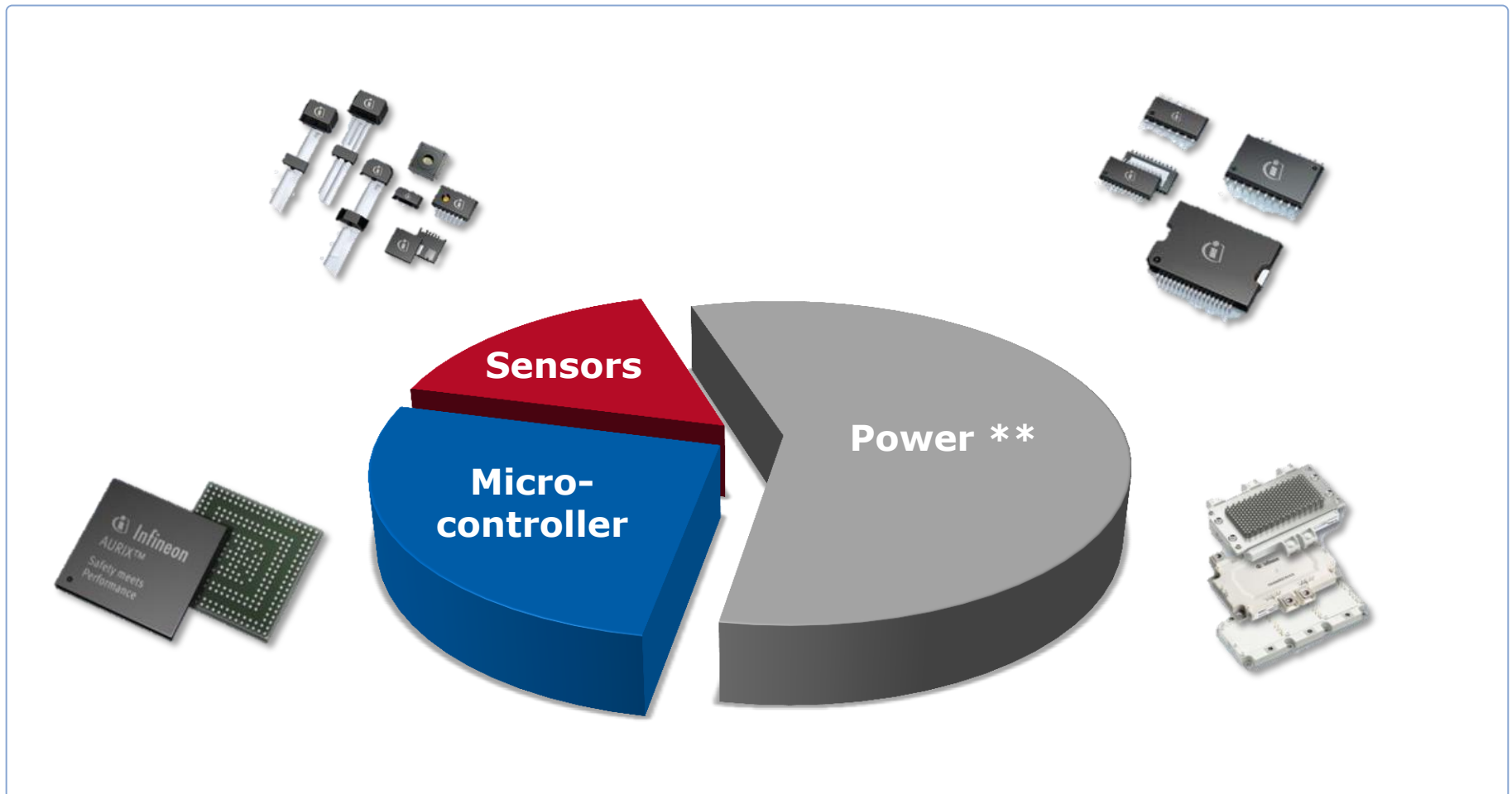
Source: Strategy Analytics, April 2013.

* According to Strategy Analytics this ranking also includes Russia, India, South America and further countries.

ATV Offers a Complete Product Portfolio: Sensors, MCU and Power



Revenue split* by product category

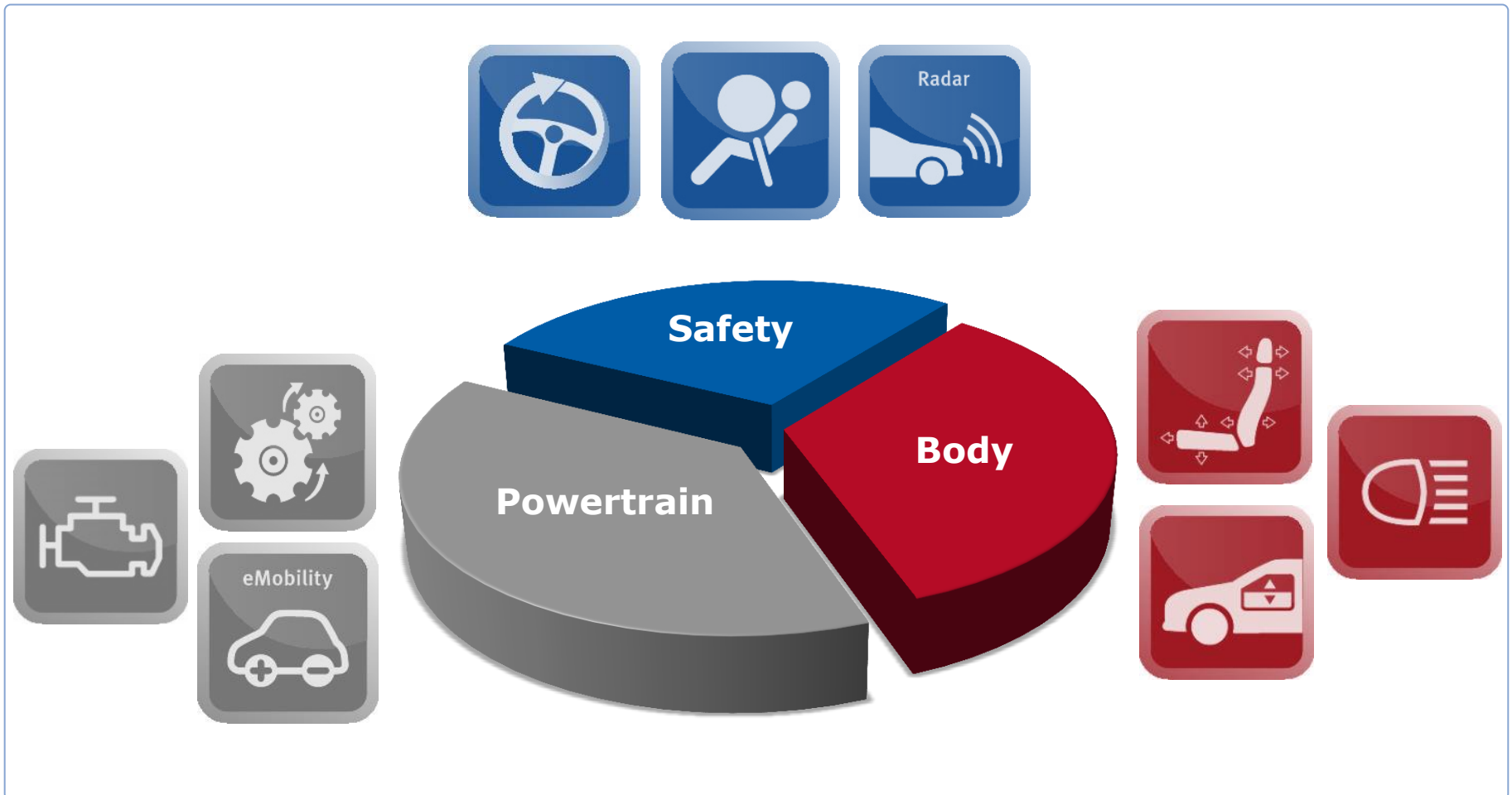


* Based on revenues from FY12.

** Power semiconductors include discretes, power ICs and power modules.

ATV Focuses on Powertrain, Safety and Body Applications

Revenue split* by application



* Based on revenues from FY12.

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■ **Market Growth Drivers**

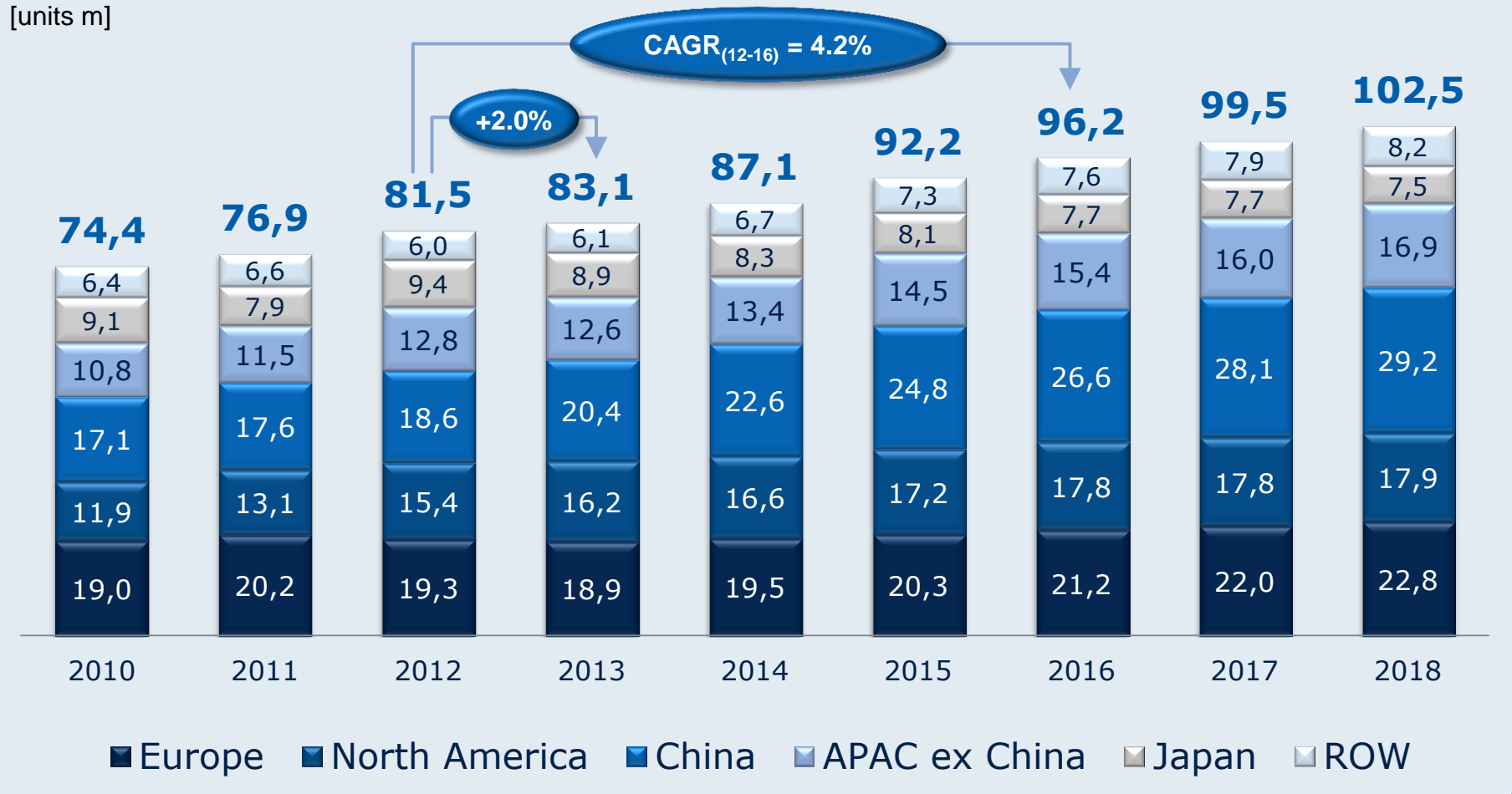
■ High-growth Applications and Infineon's Offering

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China and Asia-Pacific to Account for Majority of Car Production Growth

Global car production (cars ≤ 6t)

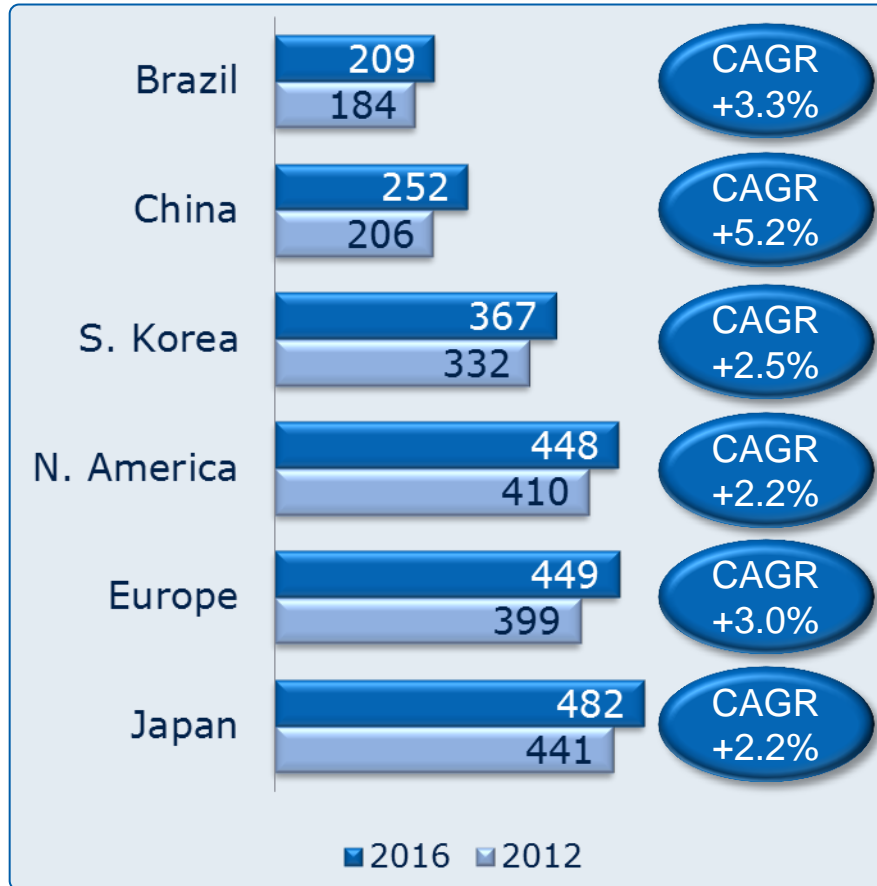
[units m]



Source: IHS, August 2013. www.ihs.com.

Semiconductor Value Per Car Increasingly Driven by Emerging Countries

Semiconductor value per car by region

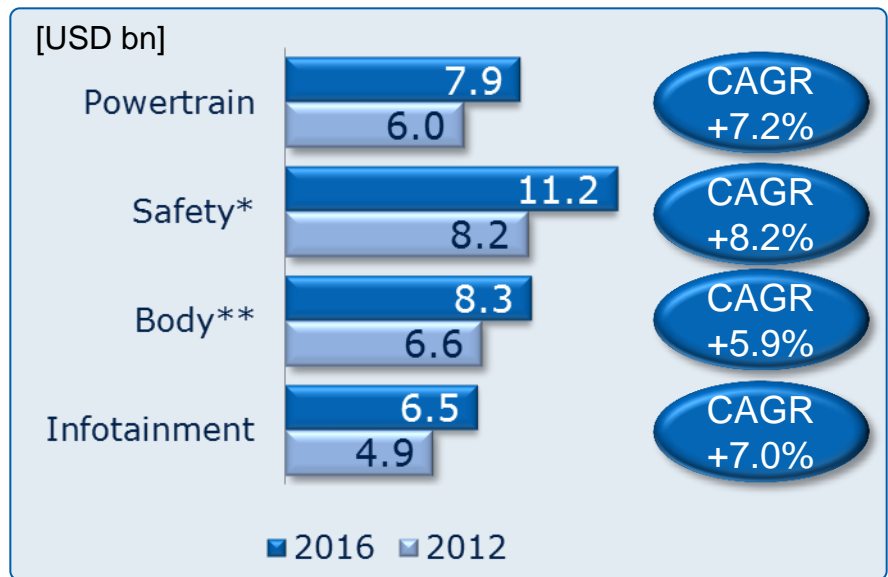


Source: Strategy Analytics (SA): "Automotive Semiconductor Demand Forecast 2011 – 2020", July 2013; including semiconductor sensors.

Semiconductor value per car



Semiconductor market by segment



* Safety = "Safety" + "Chassis" according to SA definition.

** Body = "Body" + "Security" according to SA definition.

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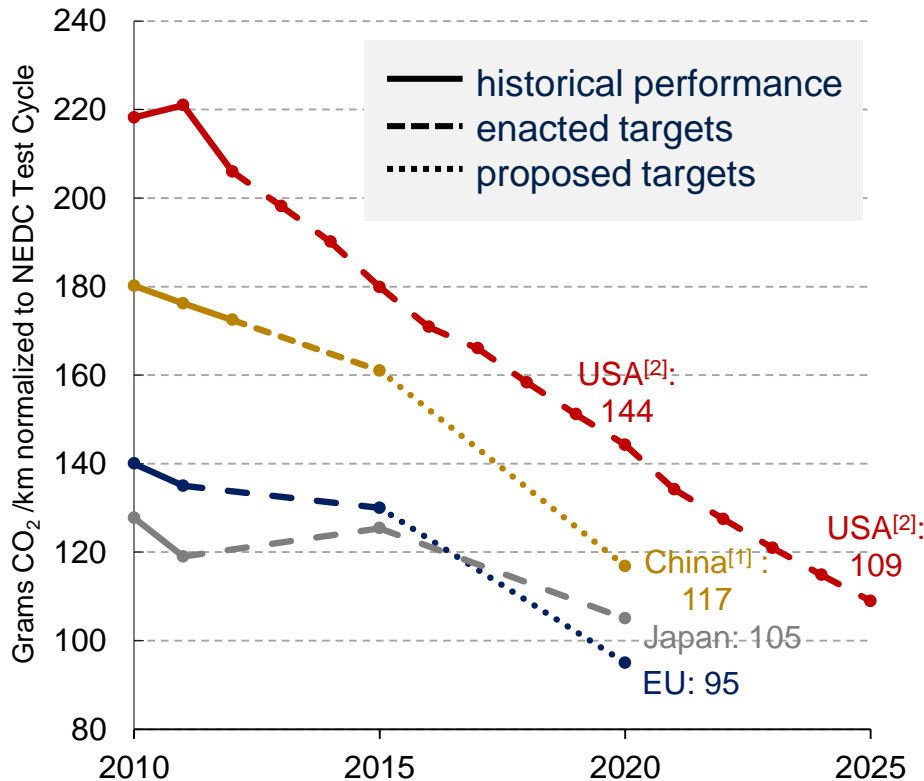
■ High-growth Applications and Infineon's Offering

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Semiconductors Are Indispensable in Reaching CO₂ Emissions Targets



Historical national fleet emissions performance and future targets



[1] China's target reflects gasoline vehicles only. The target may be higher after new energy vehicles are considered.

[2] US light-duty vehicles include light-commercial vehicles.

Source: The International Council for Clean Transportation

Penetration rate, semi content and CO₂ savings of various applications in European cars



Penetration rate in EU:

2015	81%
2010	70%

Semi content per system: \$17
CO₂ savings: 6 g/km



Penetration rate in EU:

2015	32%
2010	18%

Semi content per system: \$11
CO₂ savings: 1.5 g/km



Penetration rate in EU:

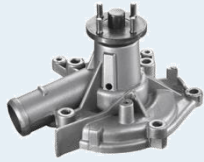
2015	57%
2010	15%

Semi content per system: \$17
CO₂ savings: 5 g/km

Sources: Infineon estimates, Strategy Analytics (SA): "Automotive Semiconductor Demand Forecast 2011 – 2020", July 2013; including semiconductor sensors. All figures based on European production.

Further CO₂ Reduction Possible Through Smart Electrification of Pumps and Motors

CO₂ reduction potential



**Water pump
(cooling)**

Saves ~4g CO₂/km

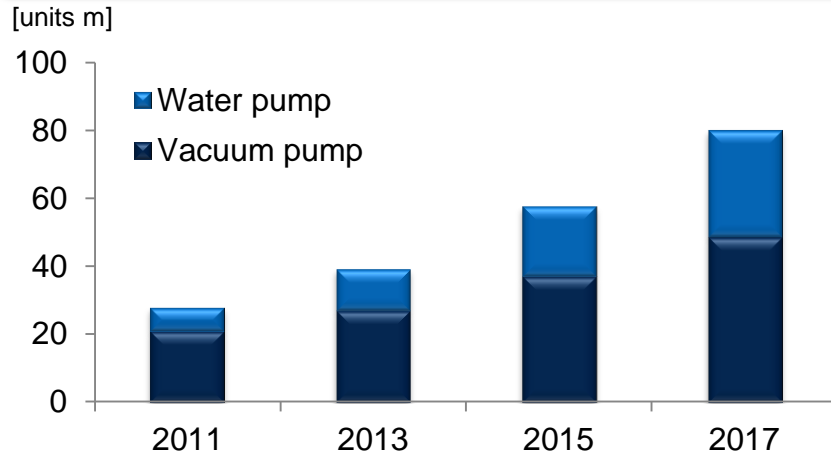


**Vacuum pump
(braking)**

Saves ~1.5g CO₂/km

Source: Infineon estimates

Forecast for motor electrification



Source: Strategy Analytics.

Infineon's system offering

Estimated water pump semi content: ~EUR 5-6



Microcontrollers



Bridge Drivers



MOSFETs



Voltage Regulators



Transceivers

Comments

Many motors are still on-off state driven while pumps are still belt-driven, thus always on. **Smart electrification** means pumps and motors are only activated on demand.

Hybridization or 48V Are Enablers to Reach European CO₂ Targets for 2020

Forecasted CO₂ reduction potential for EU cars

Innovative technologies for reducing CO₂ emissions

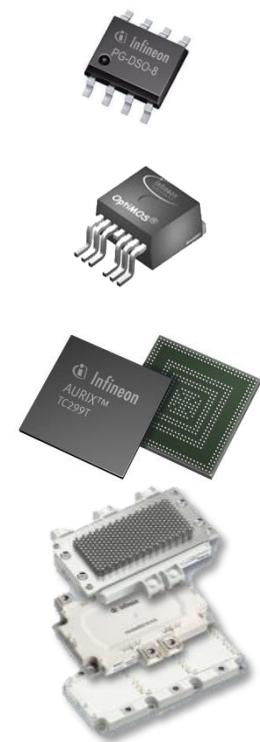
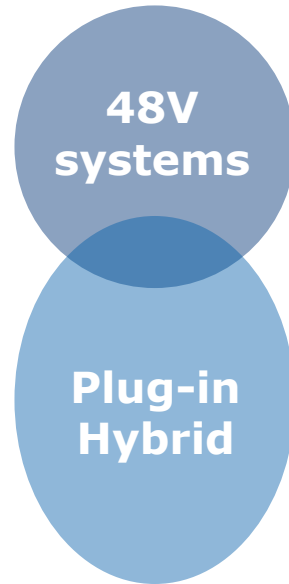
- Direct Injection
- Downsizing
- Start/Stop
- 7/8/9 gear transmission
- Energy management
- Thermal management
- Reduction of mass, tire losses, air drag and engine friction



Minimum reachable EU fleet CO₂ emission in 2020

Car Classes	Gasoline Engine [g/km]
Small 	~90
Medium 	~100
Luxury 	~130

Technologies enabling 2020 CO₂/km targets and Infineon's system offering



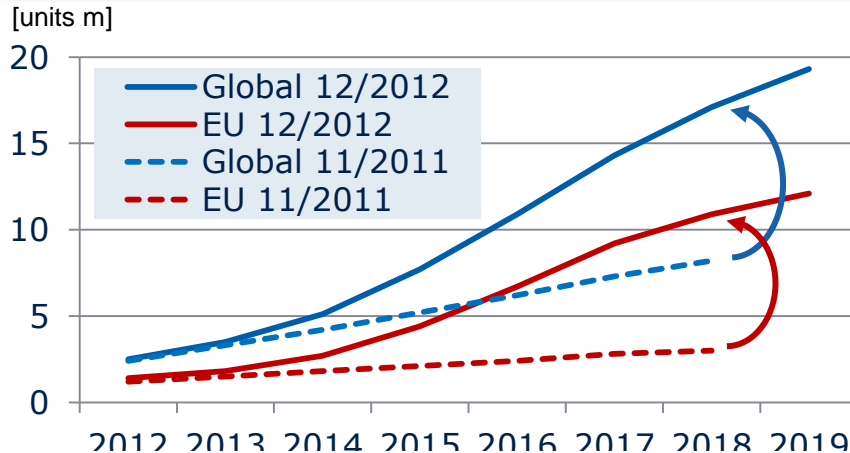
Advanced Safety Systems to Drive Growth for Infineon's HF Radar Products

Market trends



Euro NCAP 5-star rating will require **Autonomous Emergency Braking** for pedestrian, city and inter-urban safety systems.

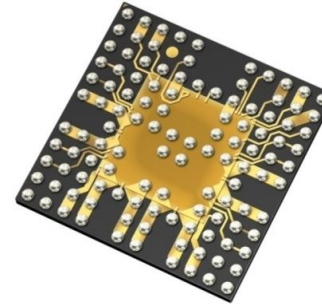
Forecast for distance warning systems



Source: Strategy Analytics

* Includes 24/77 GHz radar, camera, and LIDAR

Infineon's offering



First 77 GHz radar solution in a high-performance package

eWLB

(Embedded Wafer Level Ball Grid Array)

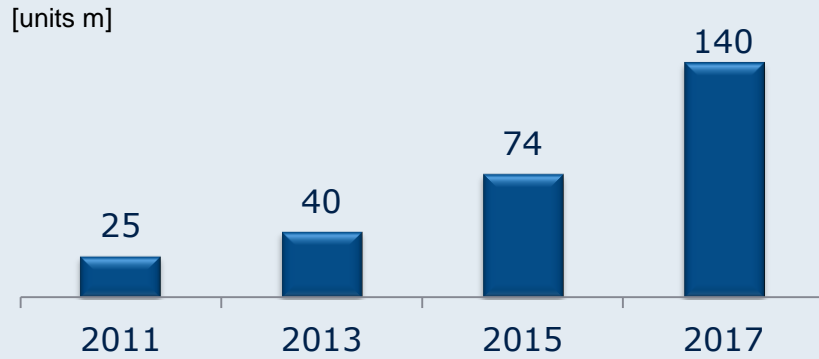
Comments

- Infineon confirmed its market leading position with the release of a "77 GHz radar-in-package".
- Multiple design-wins have been recorded at automotive suppliers in the USA, Europe and Asia.

Infineon Is the Right Partner for Addressing Security in Automotive



Forecast for cars with embedded telematics

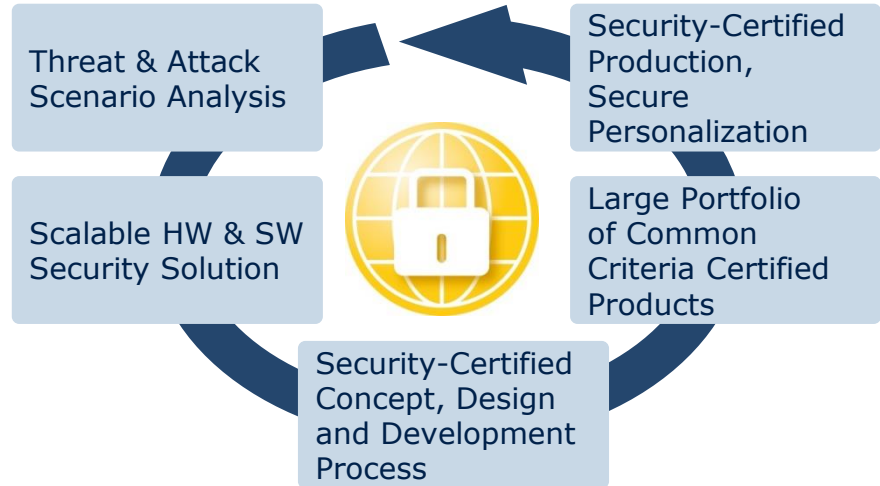


Source: Strategy Analytics; active and inactive systems, cumulative

Applications subject to hacker attacks



Infineon's system offering



Microcontroller with Integrated Security Trust Anchor

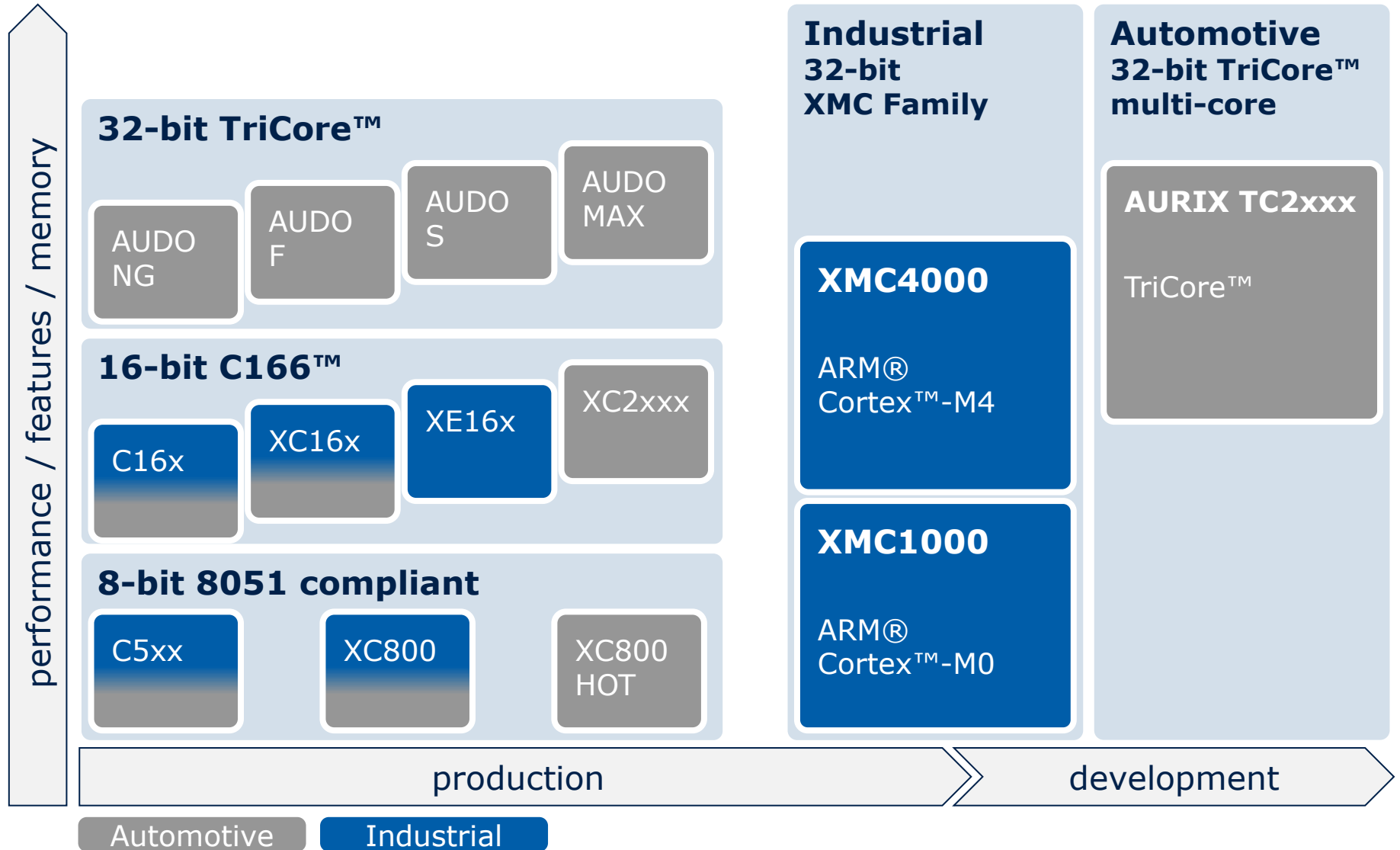
AUDOMAX
AURIX™



Secure Elements for Telematics

SLI 76 - AEC-Q100
automotive qualified

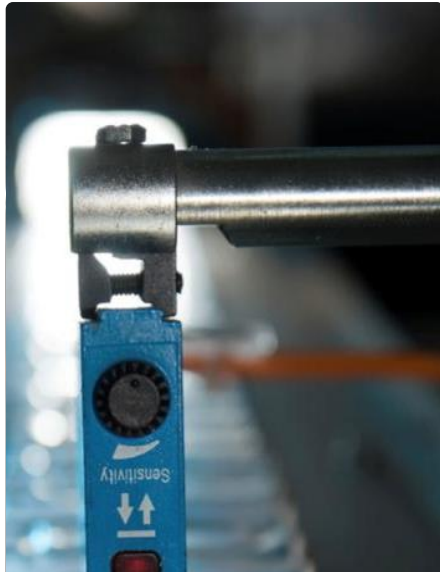
Infineon Microcontrollers Enable Customers to Differentiate



8-bit Microcontroller Replacement XMC1000: 32-bit Performance for 25 Cents



Sensors, actuators



- general purpose applications

LED lighting



- color control
- brightness control
- connectivity

Power conversion



- power supplies
- chargers
- induction cookers

Motor control



- AC induction motors
- BLDC motors
- PMSM motors

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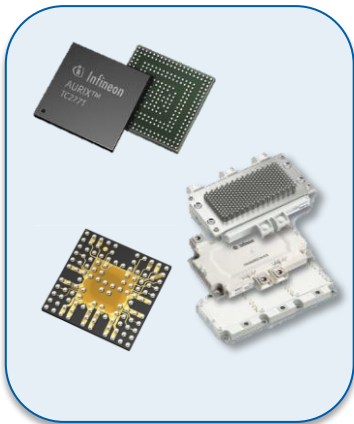
Automotive commitment:

- #2 in Automotive globally – first time #1 in APAC.
- Consistent revenue growth and profitability since the 1990s.



Growth drivers:

- Compound annual car production growth of ~4%.
- Compound annual semiconductor content growth of ~2%.
- CO₂ reduction, Advanced Safety and Security.



Differentiators:

- Innovative products and technologies for e.g. electric motor drives, efficient alternators, xEV, ADAS and Security.
- Application-optimized automotive and industrial MCUs.
- System know-how, quality excellence and a broad customer base.



ENERGY EFFICIENCY MOBILITY SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.

