UBS Technology Conference
London, 13 March 2013

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Corporate Vice President
Finance, Treasury & Investor Relations

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- Infineon at a Glance
- Power Semiconductors and Manufacturing
- Results and Outlook

Disclaimer:

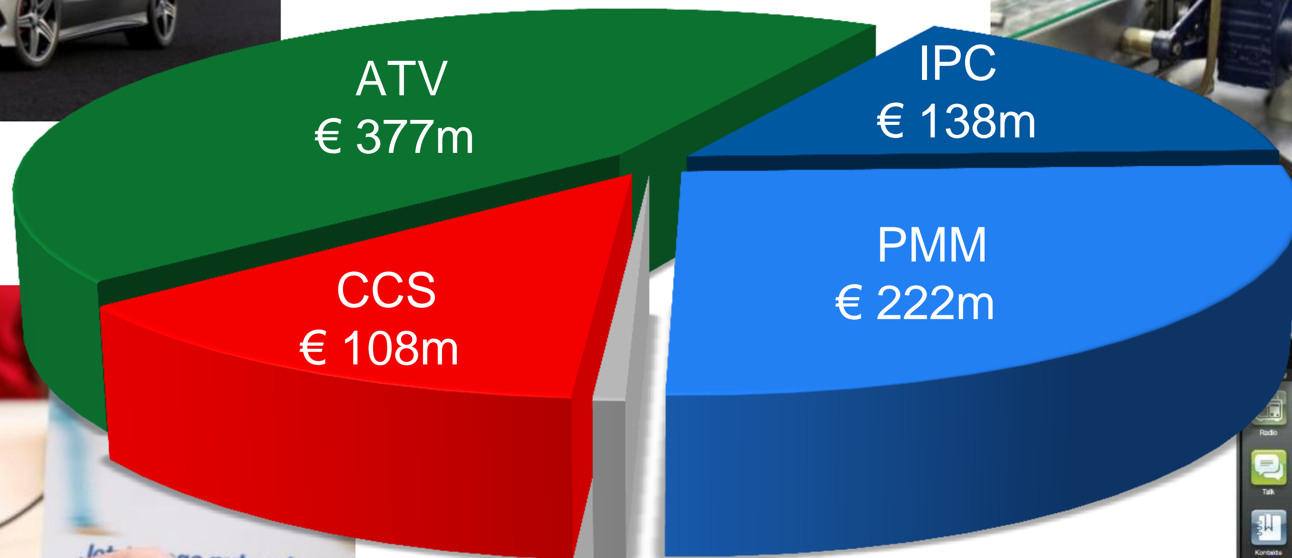
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

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

Q1 FY 2013 revenue: EUR 851m



* Other Operating Segments; Corporate and Eliminations.

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Tight Customer Relationships are Based on System Know-how and App Understanding

ATV

IPC

PMM

CCS

Distributors

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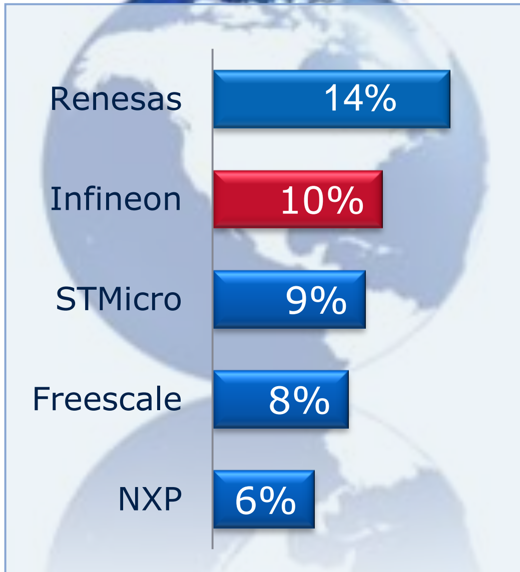
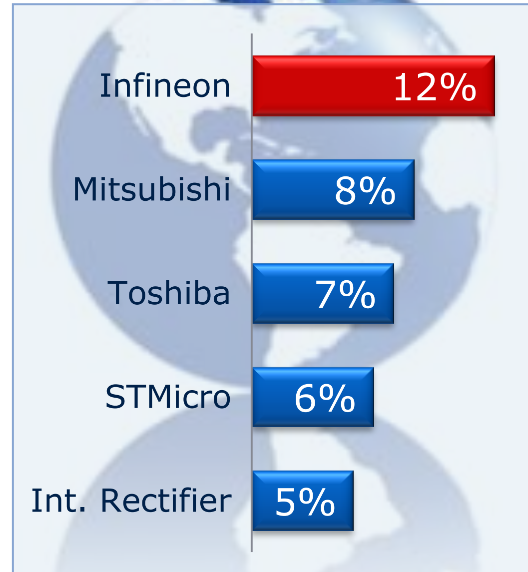
Infineon Holds Top Positions in All Target Markets

Automotive	Power	Chip Card
#2	#1	#1



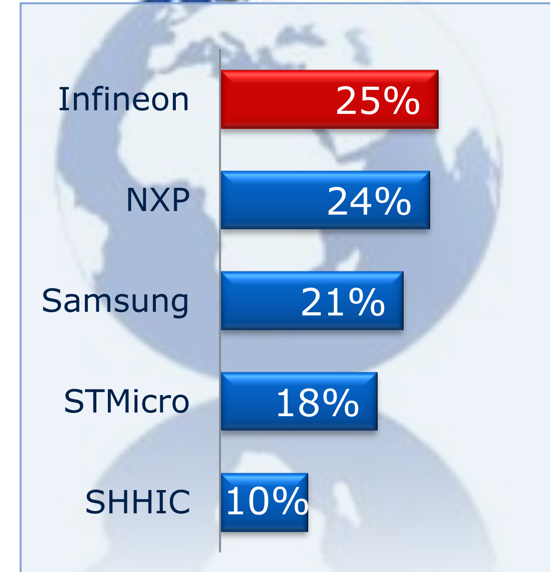
Calendar year 2011.

Source: Strategy Analytics, April 2012.



Calendar year 2011.

Source: IMS Research (an IHS company), July 2012.



Calendar year 2011.

Source: IMS Research (an IHS company), August 2012.

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Every Electricity Conversion Step Requires Infineon Components

Generation | Grid | Consumption

AC | DC | AC | DC | AC

Generation to Grid

1 Wind turbine
[Hz]
Generation
Grid

2 Solar inverter
Generation
Grid

3 Variable speed drive
Grid
[Hz]
Consumption

4 Power supply
Grid
[V]

5 DC/DC conversion
50/60 Hz
[V]
Consumption

Grid to Consumption

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Power Semiconductors Must Meet Challenging Application Requirements

Infineon

Performance

- Efficiency
- Switching frequency
- Power density
- Thermal dissipation
- EMI behavior

Environment

- Wide operating temperature range
- Humidity
- Vibration
- Exhaust gases
- Cosmic ray hardness

Robustness

- Overvoltage
- Overtemper-ature
- Power cycling
- Overcurrent
- Short circuit
- Diagnostics

Quality

- Long end-product lifetimes
- Traceability (in the event of a recall)

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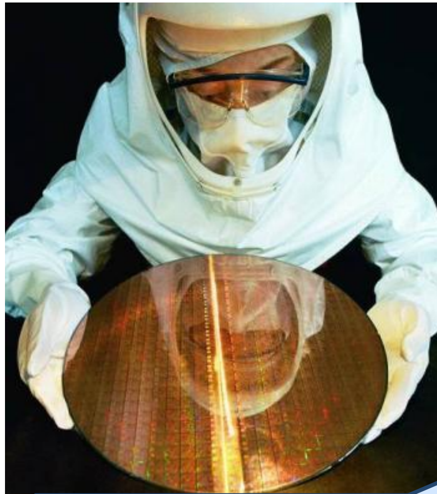
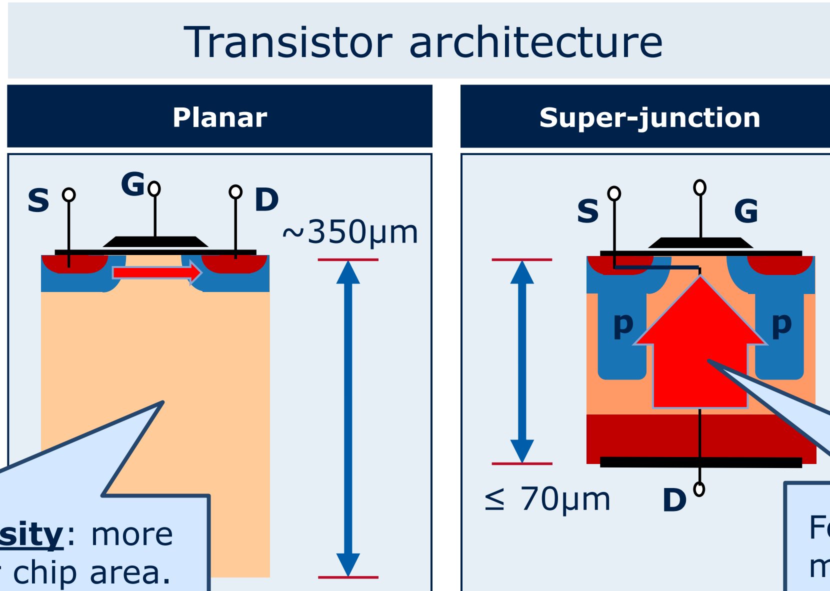
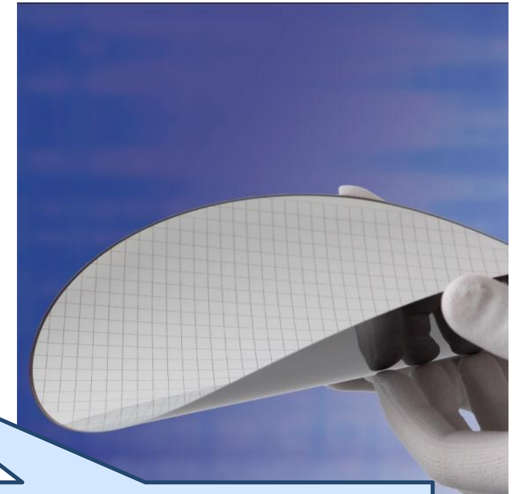
CMOS versus Power
Differences in Focus and Concept

CMOS	Power

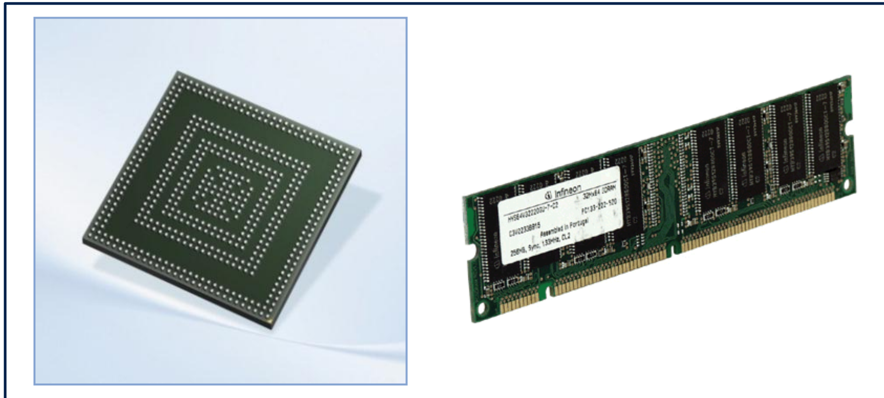


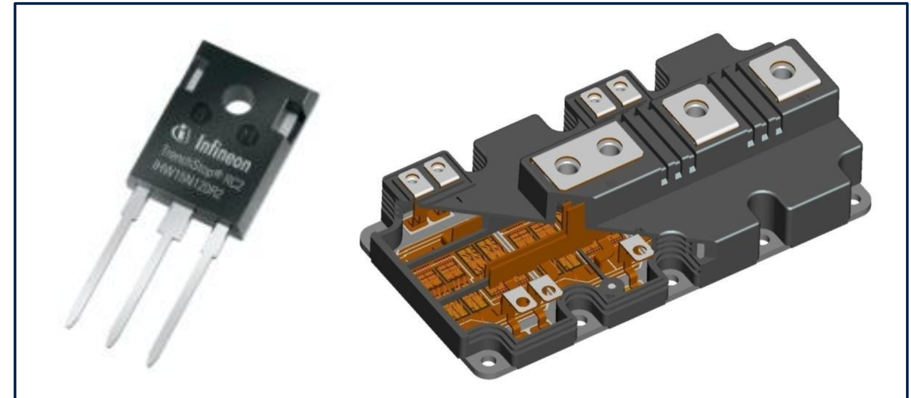




Focus on **transistor density**: more and faster transistors per chip area.

Focus on **power density**: more current per chip area.





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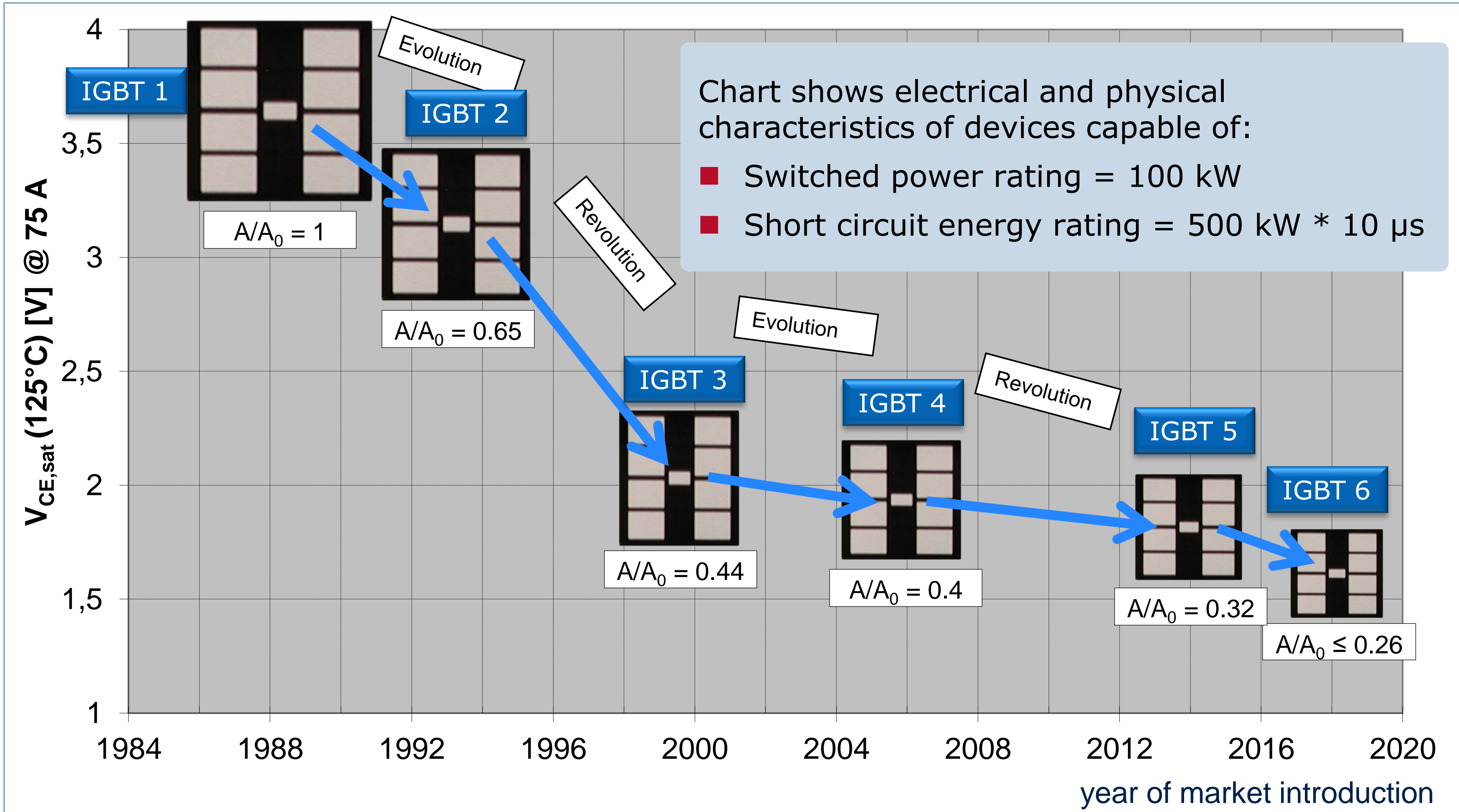
Gains in Power Density Require Improved Device Characteristics All the Time



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Increase in Power Density Goes Hand-in-Hand with Higher Junction Temperatures

Development of power density of IGBTs*

year of market introduction	IGBT	power density [kW/cm²]	junction temperature
1990	IGBT 1	30	125°C
1995	IGBT 2	50	125°C
2000	IGBT 3	70	125°C
2007	IGBT 4	85	150°C
2014	IGBT 5	110	175°C
2018	IGBT 6	170	200°C
2020	SiC	250	200°C

* Chart made for a device with 1200 V breakdown voltage.

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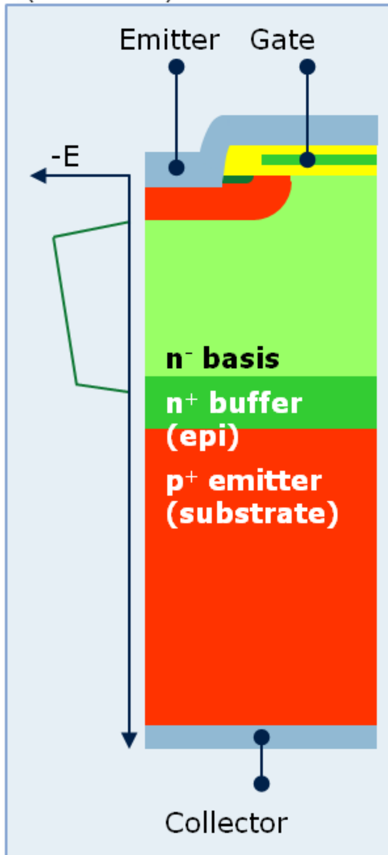
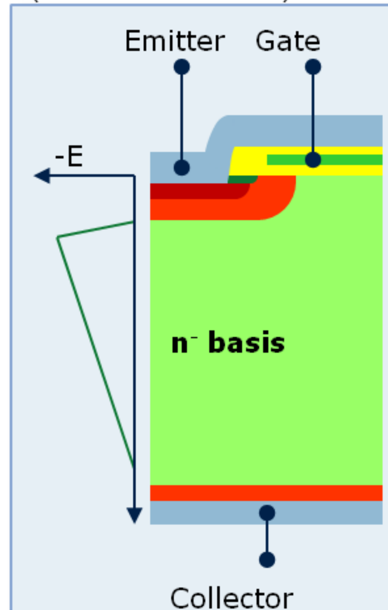
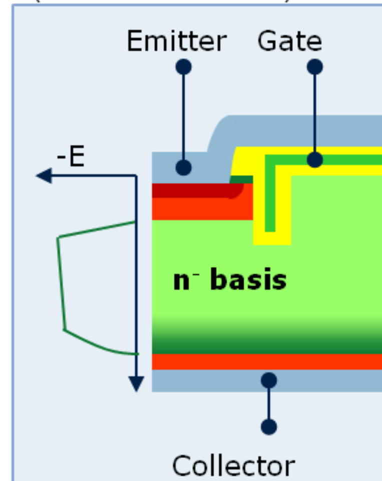
Infineon Is The IGBT Innovation Leader

Punch Through	Non-Punch Through	IGBT 3 IGBT 4	IGBT 5
(ROW: 1988)	(IFX: 1990 ROW:1997)	(IFX: 2000 ROW:2006)	(IFX: future generation)

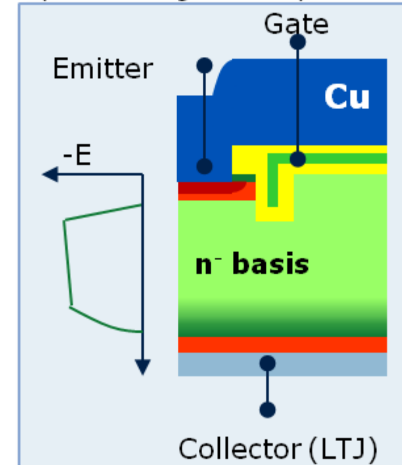




Advantages
Implanted Back-Emitter better adjustable
Performance
Lower Switching losses
Higher Switching Robustness



Advantages
Implanted Back-Emitter
Thinner Base Region
Performance
Lower VCEsat
Lower Switching losses
Robustness like NPT



Advantages
Even Thinner Base Region
New Cell Design
Copper Metallization
LTJ
Performance
Increased Lifetime
Higher Current

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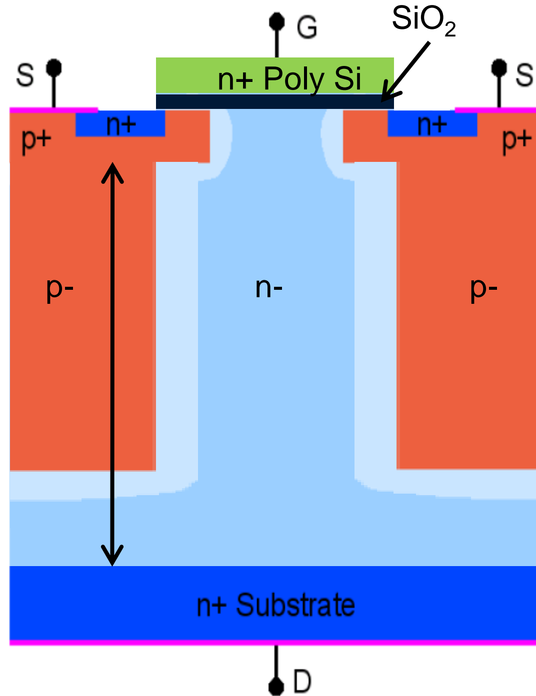
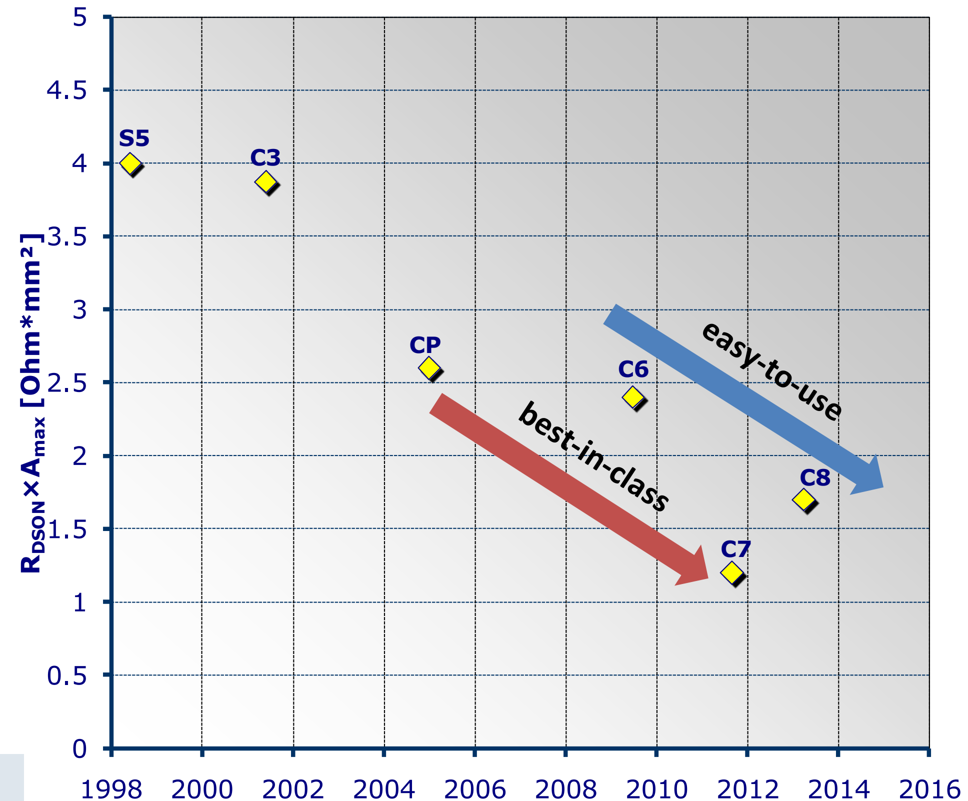
CoolMOS™ Is Break-Through High-Voltage MOSFET

Super-junction principle



- Principle of charge compensation allows drastic reduction of losses compared to traditional device concepts.
- Core know-how: structured epitaxy and thin wafer technology.
- Usable today from 500V to 900V.

CoolMOS™ generations



Adaption of product lines and targeted development to fit a broad variety of customer requirements

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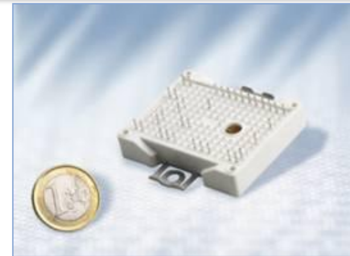
Infineon Further Advances Performance Through Innovations in Modules

Ever-increasing power density

1995	2001	2007	2014
			
IGBT 2	**IGBT 3**	**IGBT 4**	**IGBT 5** .XT technology
34 mm module	EconoPACK™2	EasyPACK2B	PrimePACK™2
1200 V	1200 V	1200 V	1200 V
Tj=125° C	Tj=125° C	Tj=150° C	Tj=175° C
0.46 kW/cm²	**0.89 kW/cm²**	**1.16 kW/cm²**	**1.31 kW/cm²**

+280%*

Tj junction temperature.
* At constant junction temperature (125°C) it would have been > 180%.

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Worldwide Front-End Production Sites

Regensburg

Employees: 1,283 (incl. temps)
Capacity: 48k WSPM*
Technology: > 200 nm
Mainly ATV and PMM.

Dresden

Employees: 1,935 (incl. temps)
Capacity: 45k WSPM*
Technology: ≥ 90 nm
Mainly ATV and CCS.

Kulim

Employees: 1,333 (incl. temps)
Capacity: 85k WSPM*
Technology: > 200 nm
Mainly ATV, IPC and PMM.

All figures as of September 2012.
* Wafer starts per month (200 mm equivalent).

Villach

Employees: 2,000 (incl. temps)
Capacity: 120k WSPM*
Technology: > 200 nm
Mainly ATV, IPC and PMM.

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Worldwide Back-End Production Sites

All figures as of September 2012.

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Existing Fab Landscape Sufficient to Roughly Triple Present Capacity

Front-End capacity bridge for power semiconductors

Normalised wafer starts per month
(200 mm equivalent)

350
300
250
200
150
100
50
0

FY12
Existing facilities
Dresden
Kulim 2 (200mm)
Kulim 2 (300mm)
Full potential*

200 mm
300 mm

* Assuming Kulim 2 (300 mm).

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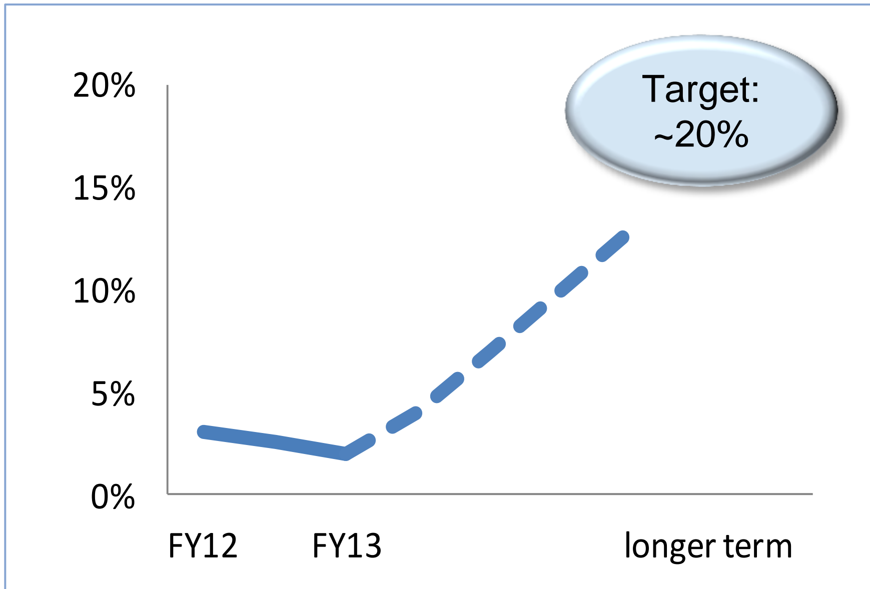
Front-End and Back-End Outsourcing Strategy

Front-End outsourcing share



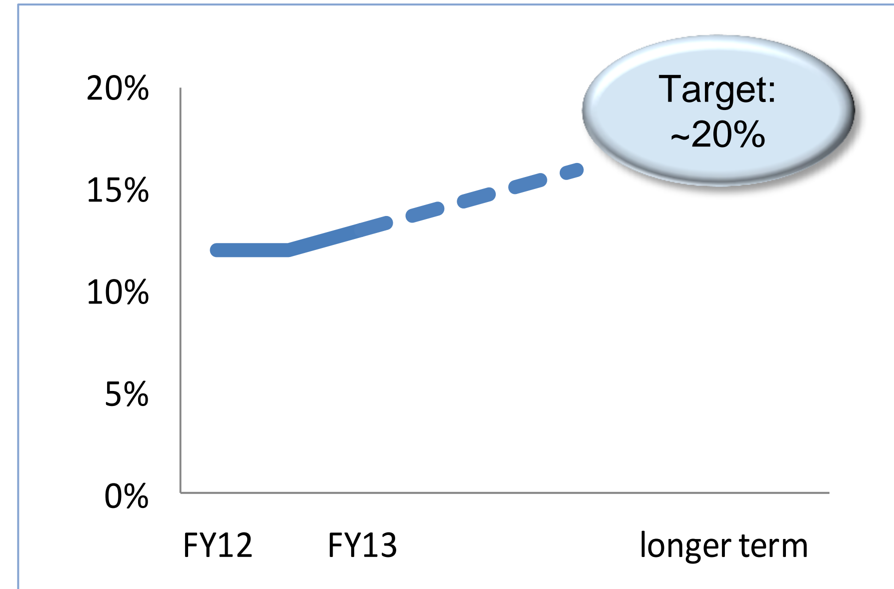
Status:

- For nodes ≥ 90 nm foundries are mainly used to optimize capex and for flexibility.

Outlook:

- Share at foundries will increase in the next five years driven by the ramp of eFlash technologies in 90 nm, 65 nm and 40 nm.

Back-End outsourcing share



Status:

- Outsourcing primarily on low-power devices and complex CMOS.

Outlook:

- Assembly and test outsourcing will continue to expand with Infineon's growth in the areas of power and CMOS.

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Investments in FY 2013 to Be Reduced Significantly

Investments

D&A

[EUR m]

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Longer term
Investments	115	325	887	890	~ 400 (Q1: 88)	400 to 700
D&A	453	336	364	428	~ 470 (Q1: 116)	500 to 600

Q1 / Full Year / Guidance

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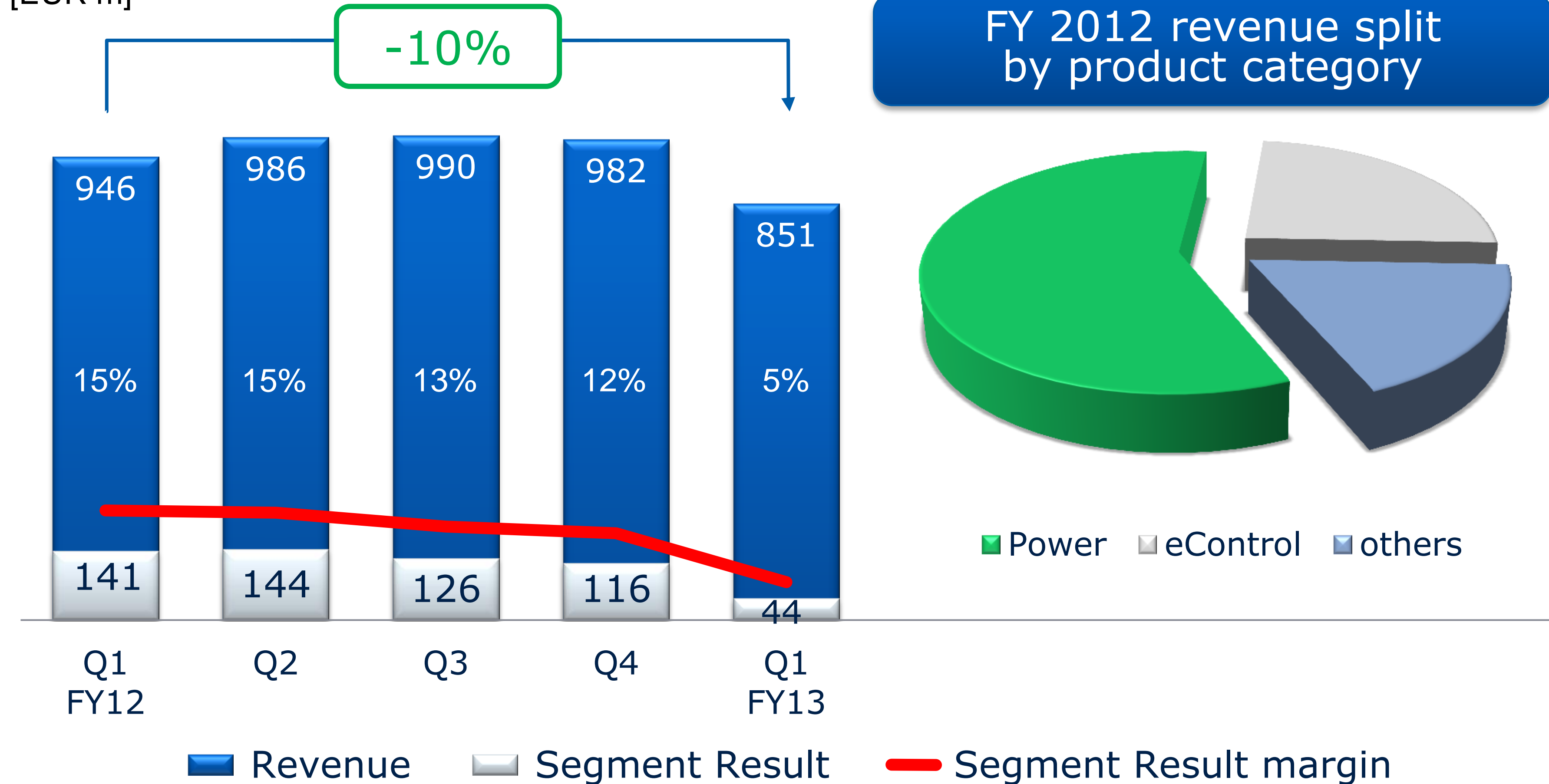
Lower Revenue And Segment Result Due To Market Weakness

Revenue and Segment Result



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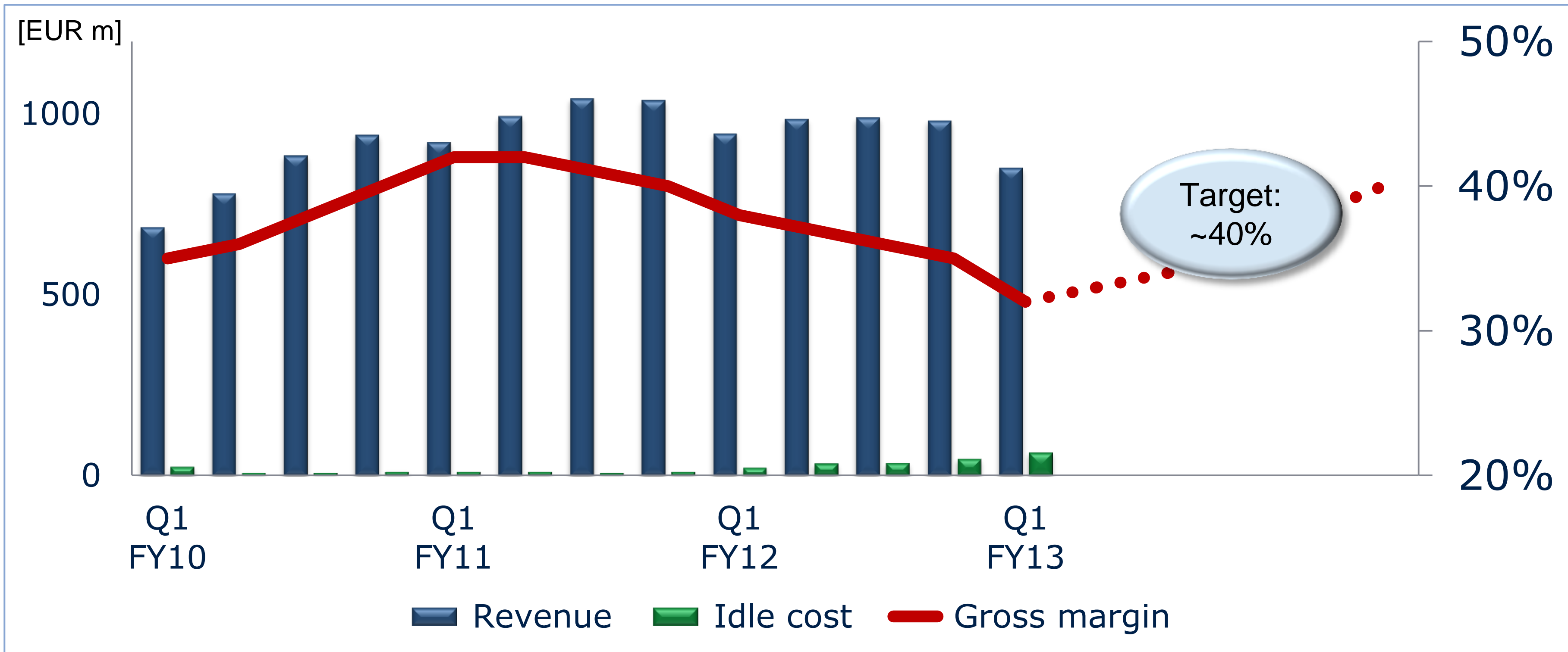
Gross Margins Will Improve As Utilization Increases

Revenue and gross margins



- Capacity in place today for annualized run rate of EUR ~4.5bn.
  - Utilization rate in Q1 FY13 at ~75%.
  - Incremental gross profit increase of €0.75 for each €1.00 revenue increase.

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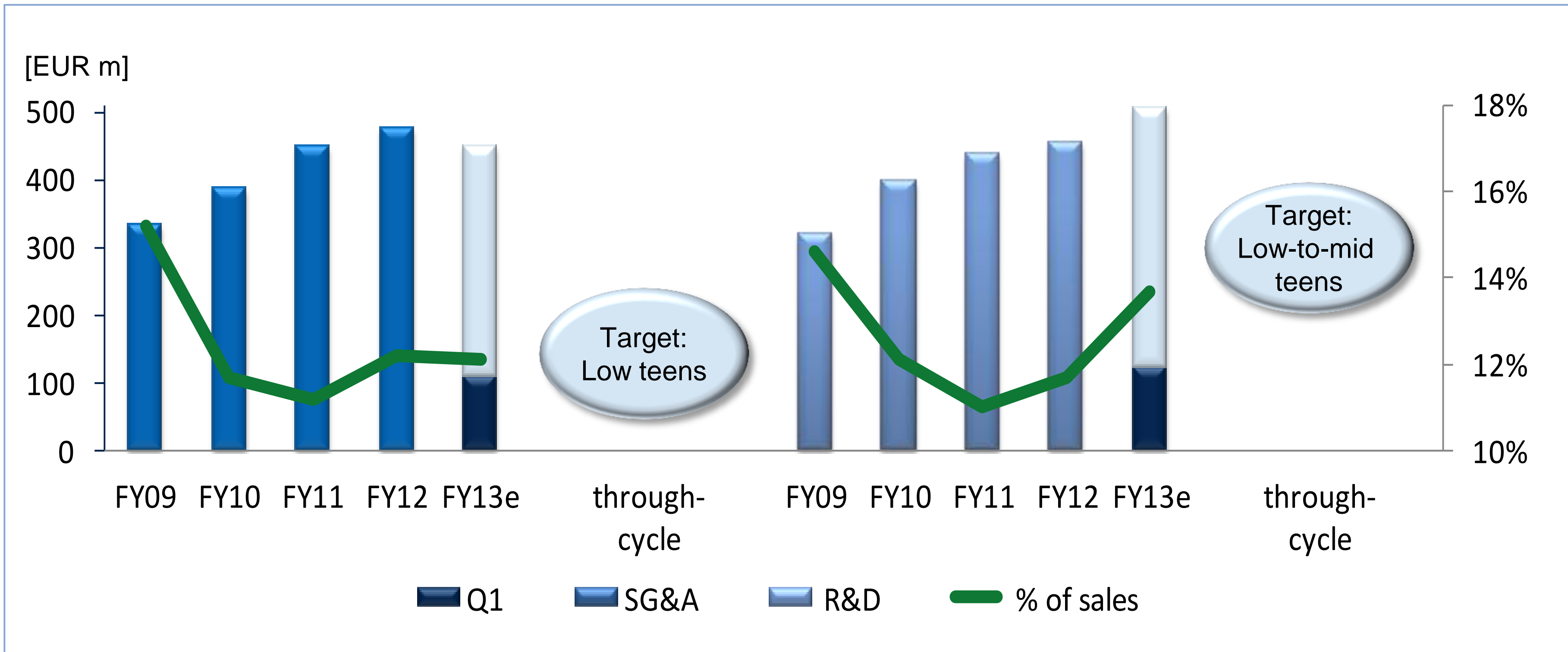
OpEx In-line With Target Operating Model



- R&D and SG&A resources are in place to fulfill EUR ~4.5bn annual run rate.
- OpEx growth to be limited to inflation and performance-based payments in FY13 and FY14.

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Profitability Determined Mainly by Utilization Levels

Segment Result bridge: Q3-FY11 vs. Q1-FY13 vs. Fully Loaded

	Q3-FY11	Q1-FY13	Fully Loaded
Revenue	EUR 1043m	EUR 851m	EUR ~1125m
SR Margin	20.3%	5.2%	Up to 20%

[EUR m]
200
150
100
50
0
212
44
Segment Result
D&A
Volume
OpEx + Other
Segment Result
OpEx + Other
Volume
Segment Result

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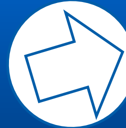
Guidance for Q2 FY13 and FY 2013

	Outlook Q2 FY13* (compared to Q1 FY13) 	Outlook FY 2013* (compared to FY 2012)
Revenue	Mid single digit percentage increase.	Mid-to-high single digit percentage decline.
Segment Result / Margin	Segment Result slightly up in absolute terms.	Segment Result Margin in the mid-to-high single digits.

Investments in FY 2013	About EUR 400m.
D&A in FY 2013	About EUR 470m.

* This outlook is based on an assumed Euro/US Dollar exchange rate of 1.30.

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