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Corporate Vice President Investor Relations



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■ Infineon at a Glance

■ Growth Drivers

■ 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.

Leadership in System Understanding Will Foster Future Growth and Profitability



Competitive advantages

**System leader in
Automotive**

**#1 and technology
leader in Power**

**Leader in Security
Solutions**

Average-cycle financial targets

Revenue Growth:

~8%

Segment Result Margin:

~15%

Investment-to-Sales:

~13%

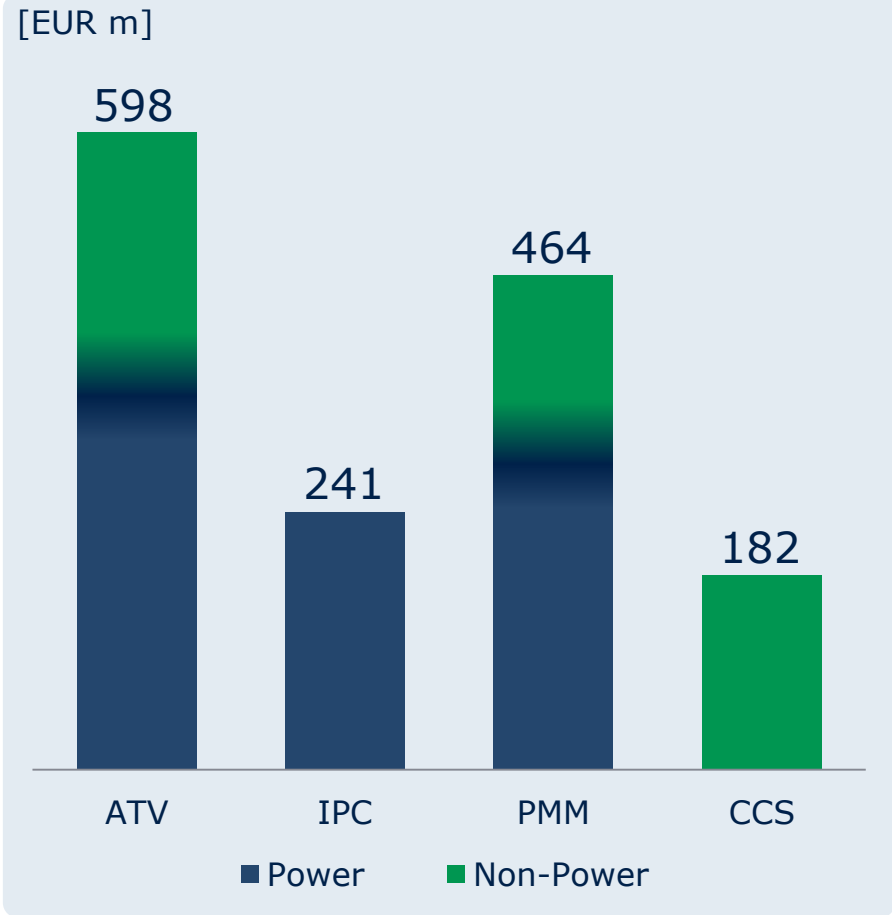
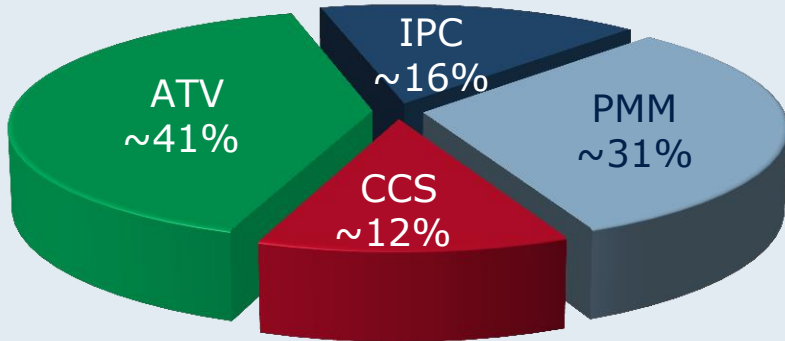
Automotive and Power are the Two Major Pillars of Infineon's Businesses



Q2 FY15 revenue*: EUR 1,483m

Revenue split by Segment**

Power represents ~60% of revenue



** `Other Operating Segments` (OOS) and `Corporate and Eliminations` (C&E) accounted for €-2m.

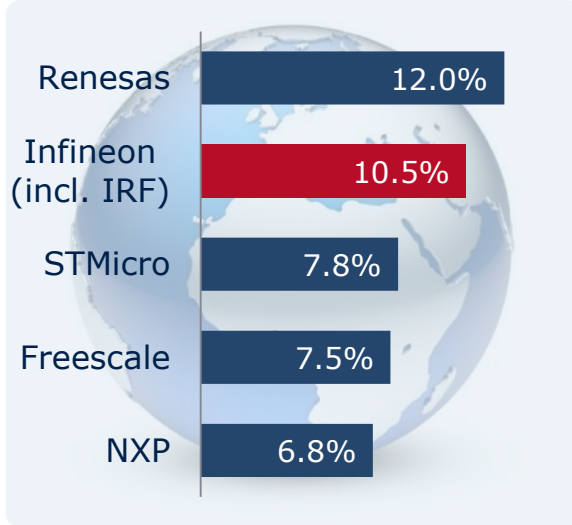
*Includes revenues from International Rectifier from 13 January to 31 March 2015.

Infineon is Growing faster than the Market in Automotive and the Clear Leader in Power



Automotive semiconductors

total market in 2014:
\$27.5bn

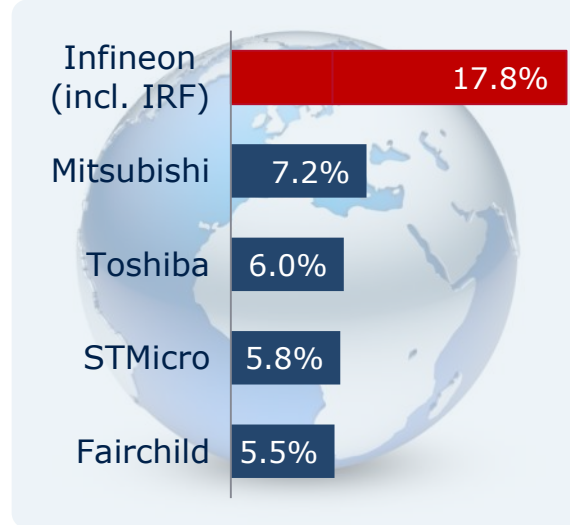


Automotive semiconductors incl. semiconductor sensors.

Source: Strategy Analytics, April 2015

Power semiconductors

total market in 2013:
\$15.4bn

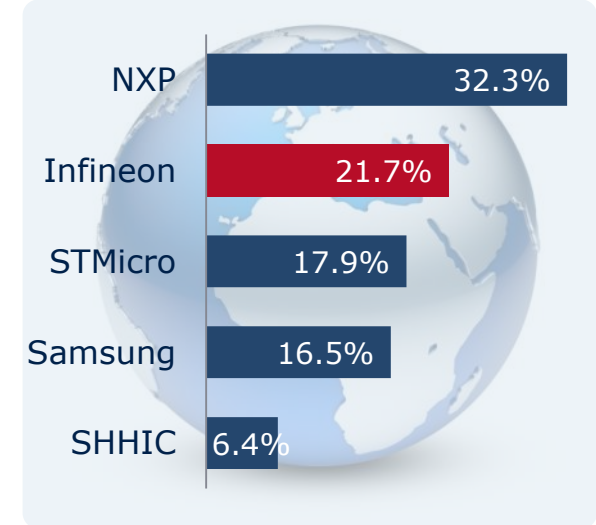


Discrete power semiconductors and power modules.

Source: IHS Inc., September 2014

Smart card ICs

total market in 2013:
\$2.48bn



Microcontroller-based smart card ICs.

Source: IHS Inc., July 2014

Integration of International Rectifier on Track – First Synergies Realized



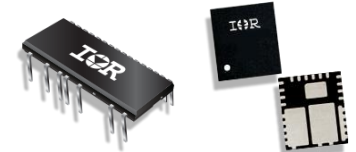
Major achievements since closing

- Closing on January 13th, 2015
- Merging of organizations progresses as planned
- Realization of synergies progresses as planned
- First „adding of scope“ and „adding of scale“ opportunities realizing
- Sales and distribution fully integrated ahead of schedule
- Accretive to adjusted EPS from day of closing



= A Powerful Combination

Example: expanding our IPM* portfolio for further low-power applications.



Q2 FY15 adjusted EPS: €0.13

* IPM = Intelligent Power Module; modules that combine IGBTs with control and protection circuitry in a single housing.

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■ Infineon at a Glance

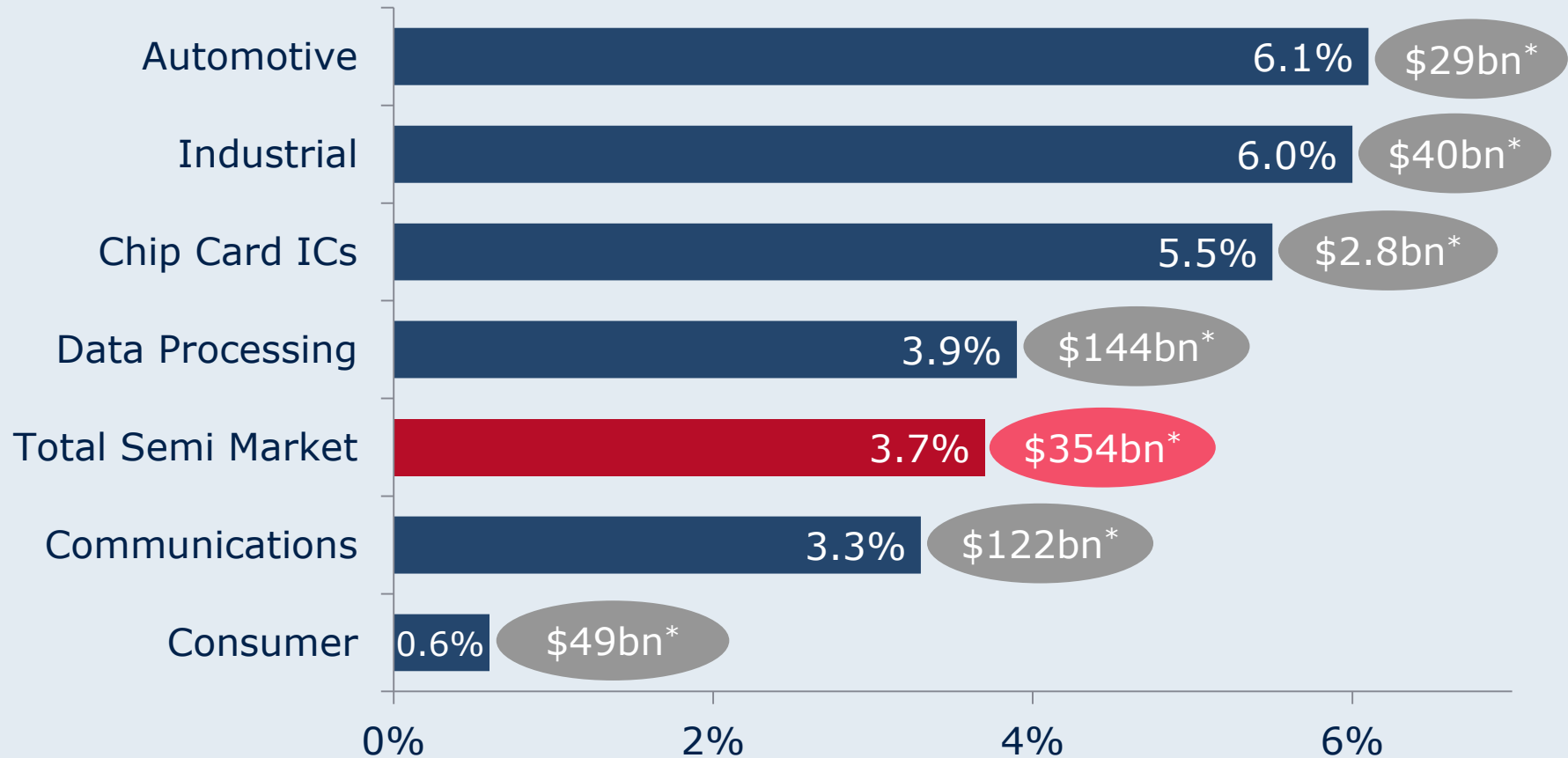
■ Growth Drivers

■ Results and Outlook

Infineon Benefits From Auto and Industrial, the by Far Fastest Growing Semi Sectors



Compound annual growth rates 2014 - 2019



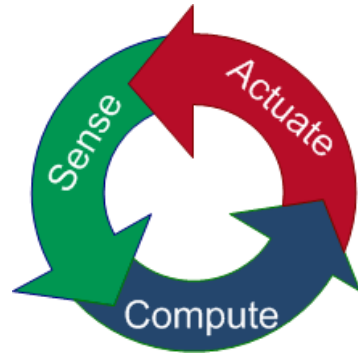
Source: IHS, Worldwide Semiconductor Shipment Forecast, AMFT Q1 2015, April 2015

* In calendar year 2014

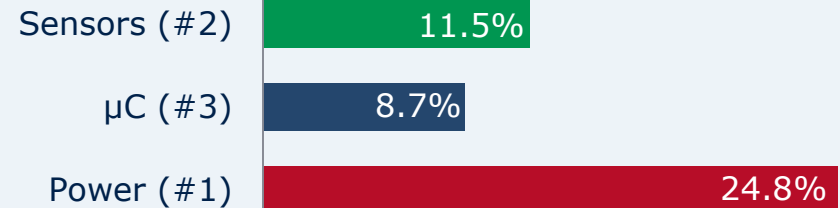
Automotive: IFX Holds Leading Positions in System-Crucial Product Categories as global #2



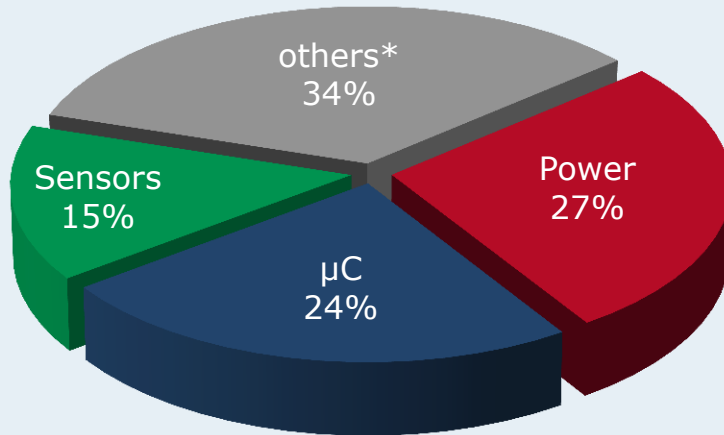
Infineon covers the entire control loop



Infineon's position 2014



2014 automotive semiconductor market by product category (\$27.5bn)

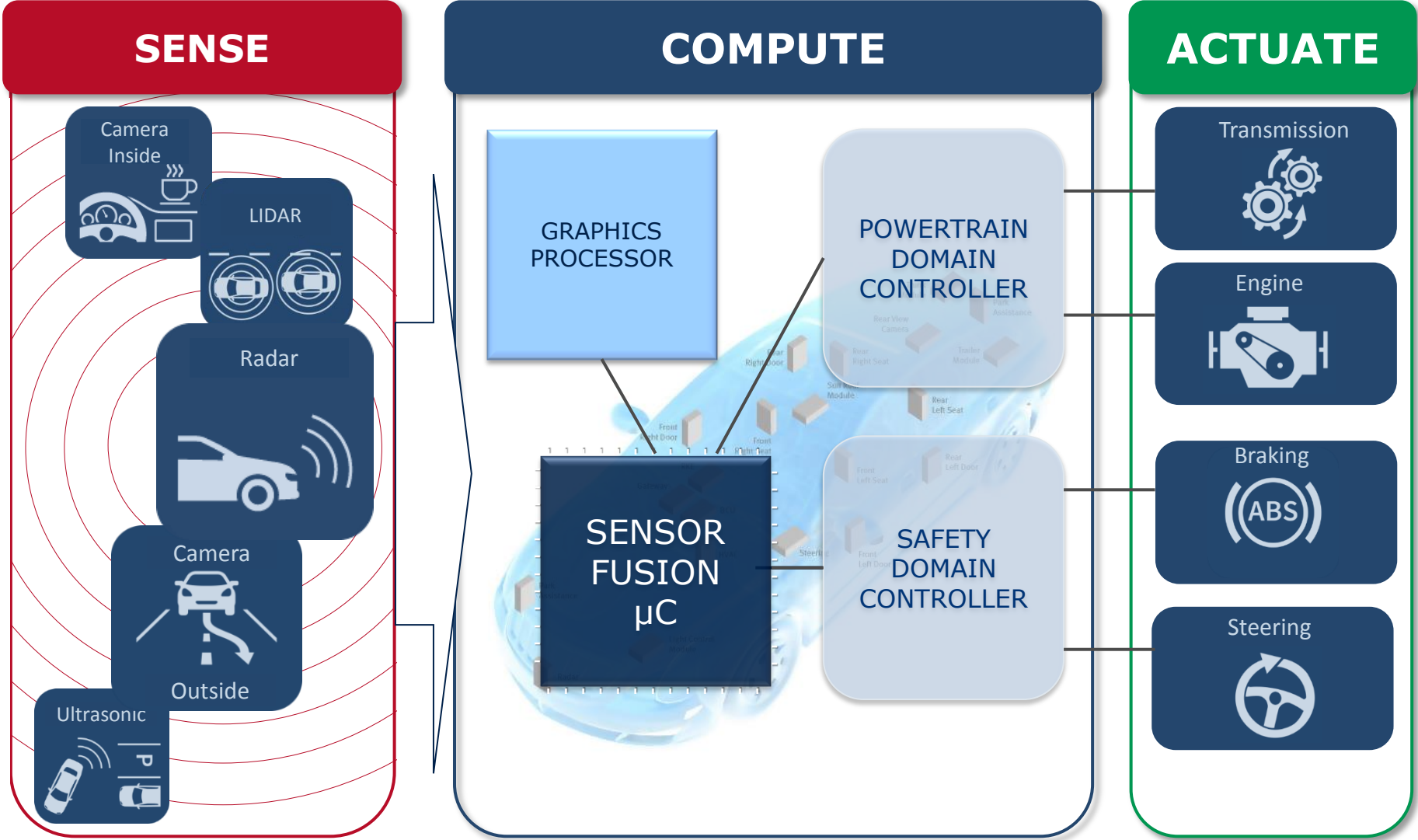


- "Power" and "Sensors" are among the fastest growing product categories with 11% growth y-y each.
- Infineon increased market share in "Power" by 3.5%-points resulting in market share of 24.8%.
- Infineon's share in "Sensors" driven by pressure and magnetic sensors.

Source: Strategy Analytics, April 2015.

* "others" include: opto, small-signal discretes, logic ICs, non-power analog, memory, and other components.

Infineon Covers Critical Elements for (Semi-) Autonomous Driving



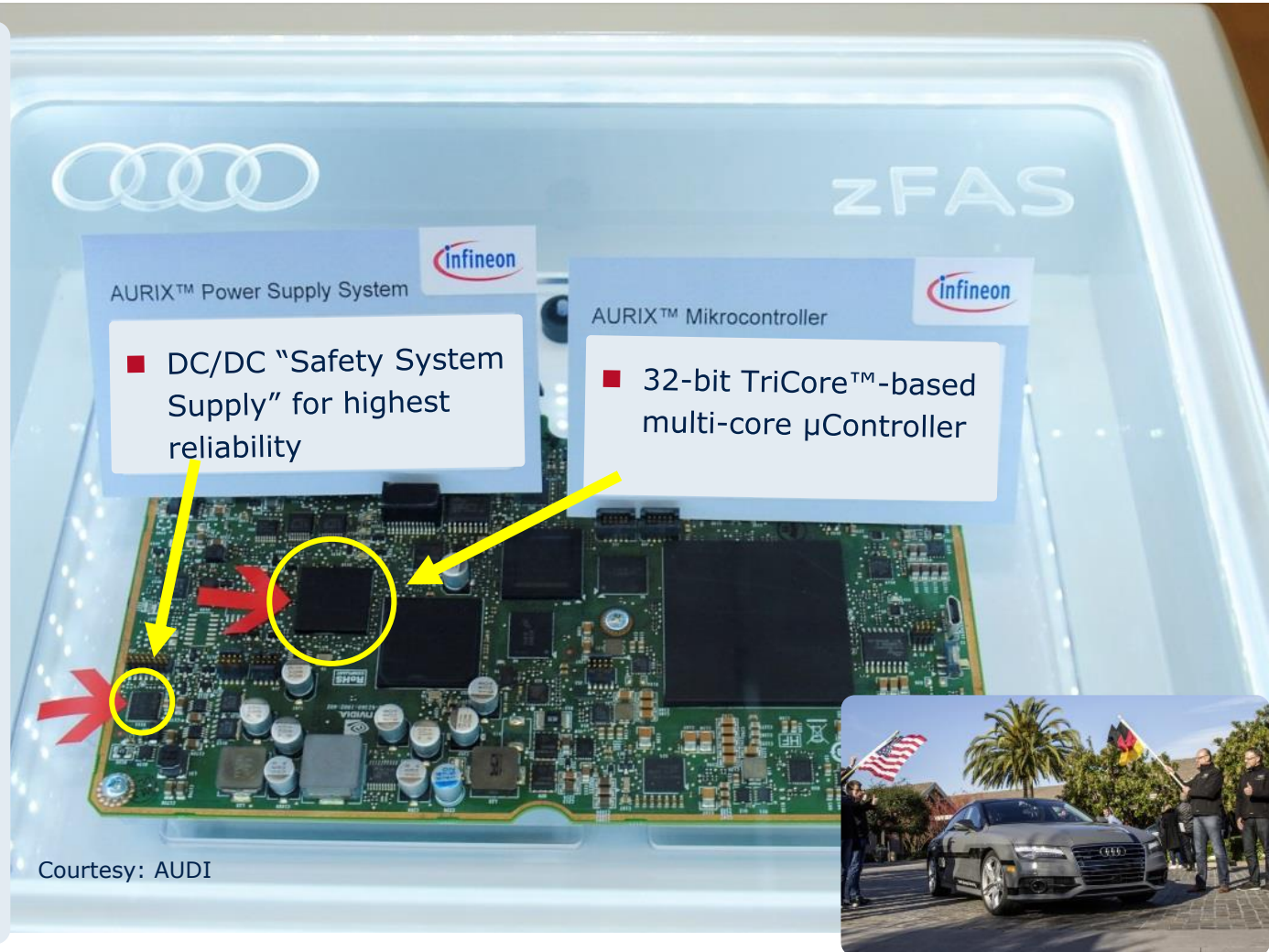
Infineon AURIX™ μ Controllers Make Autonomous Driving Dependable



At 2015 CES in Las Vegas, Audi showcased its self-driving 'piloted drive' efforts in an A7 concept car called "Jack". "Jack" drove 550 miles autonomously from Stanford to Las Vegas.

The central driving system "zFAS*" ("Sensor fusion ECU") has the size of a notebook.

Infineon's AURIX™ μ Controller makes this sensor fusion ECU 100% reliable.



* zFAS = zentrales Fahrerassistenzsystem = German term for central driver assistance system ("sensor fusion ECU").

Wide Adoption of Premium Features, ADAS and CO₂ Reduction Drive ATV's Growth

Vehicle production



Drivers for semiconductor content per car

CO₂ reduction



Courtesy: BMW Group

ADAS*



Courtesy: AUDI

Comfort, Premium



- ~4% growth per annum
- highest growth in China
- Europe and the US recovering

- driven by legislation
- realized in electric motors and pumps
- adoption of EV/HEV

- 1st step: assisted driving
- 2nd step: semi-autonomous driving
- 3rd step: fully autonomous driving

- premium cars are early adopters of high-end comfort and safety features
- trickling down to mid-range

* ADAS: Advanced Driver Assistance Systems

Infineon is #1 and Technology Leader in Power Semiconductors



#1 in the market

Broadest product and technology portfolio

Addressing broadest range of applications

300mm thin-wafer manufacturing for power semiconductors

System leader with digitalization of the control loop and functional integration

Leader in next-generation power semiconductor materials GaN and SiC

Infineon is ideally positioned to gain further market share and earn superior margins in power semiconductors

World's First Automotive Power MOSFET From 300mm Thin-Wafer Manufactured



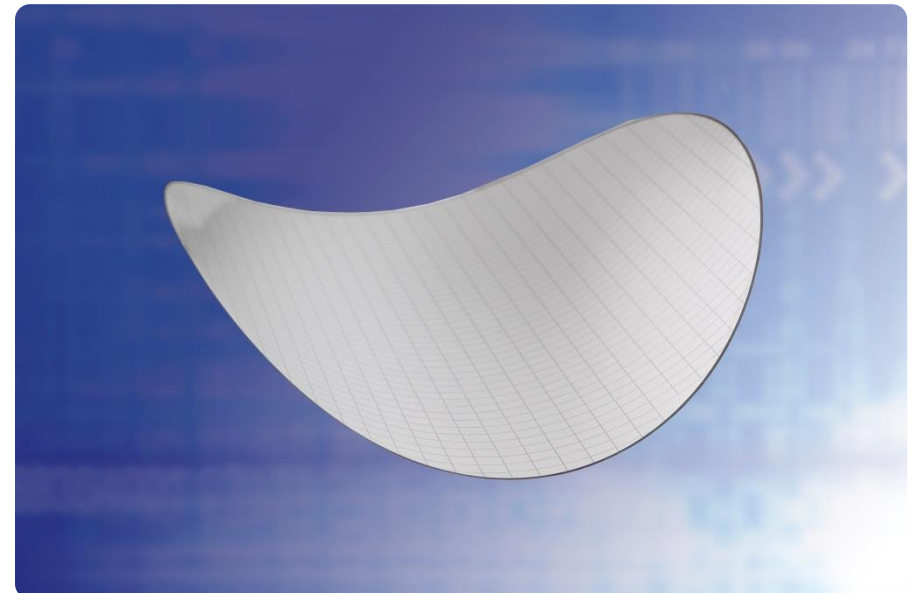
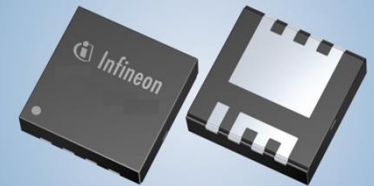
Features

- Infineon is the world's first company to manufacture automotive-grade power MOSFETs on 300mm thin-wafers
- Thereby, first step to load the 300mm fabs with automotive products done
- Initial product: 40V OptiMOS™5
- Thin-wafer technology is key basis for performance improvements:
 - brings energy losses to the minimum
 - enables very compact designs

Applications

- power window
- valve control
- door control
- sun roof
- pumps

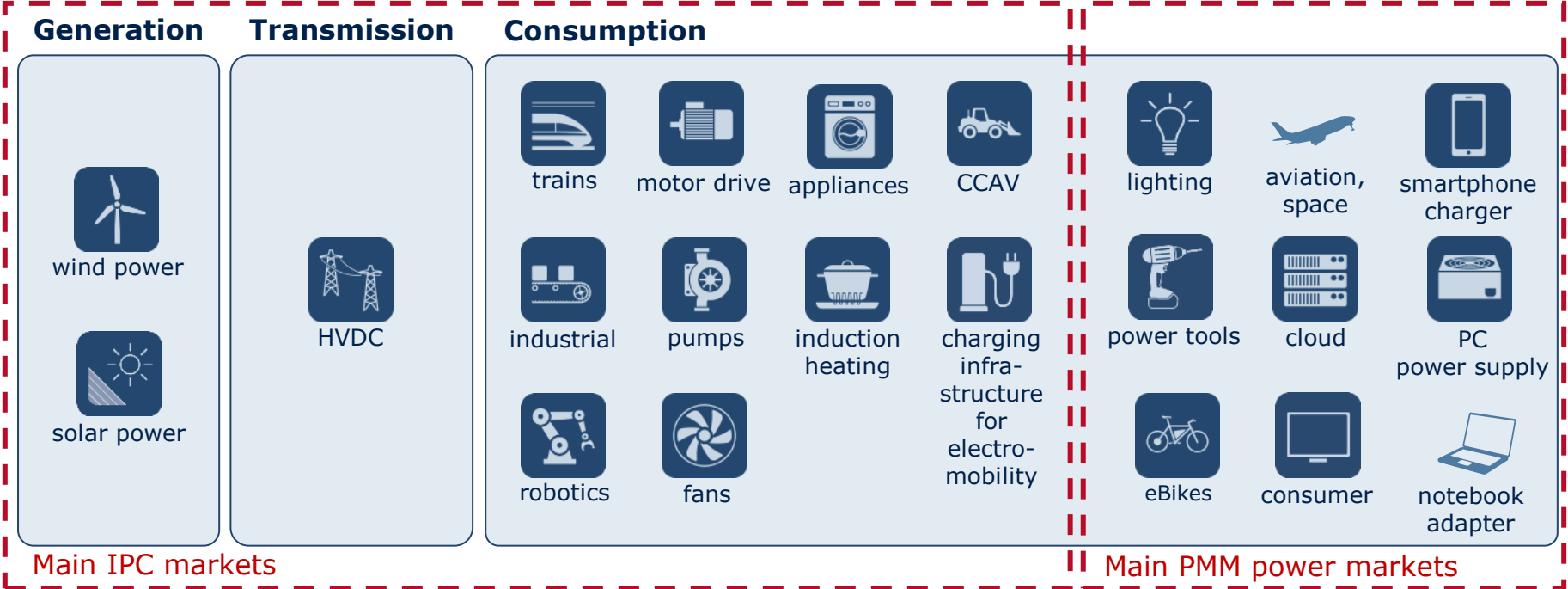
Package



As System Leader in Power Infineon Offers Solutions to a Wide Spectrum of Applications



Covering the entire power chain



System competence for highest reliability and highest efficiency

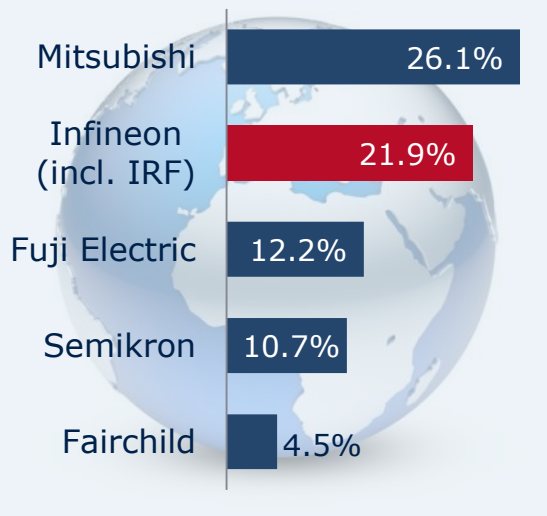
Controllers	Drivers	MOSFET/IGBT	Modules	Stacks
<ul style="list-style-type: none"> ■ Primarion, CHiL ■ .dp ■ Power ICs ■ μC: XMC™ family 	<ul style="list-style-type: none"> ■ MOSFET driver ■ IGBT driver ■ galvanic isolation 	<ul style="list-style-type: none"> ■ low-voltage MOSFETs ■ high-voltage MOSFETs ■ discrete IGBTs 	<ul style="list-style-type: none"> ■ low-power ■ mid-power ■ high-power 	<ul style="list-style-type: none"> ■ IGBT stacks

Infineon Holds Top Positions in Both MOSFET and IGBT Markets



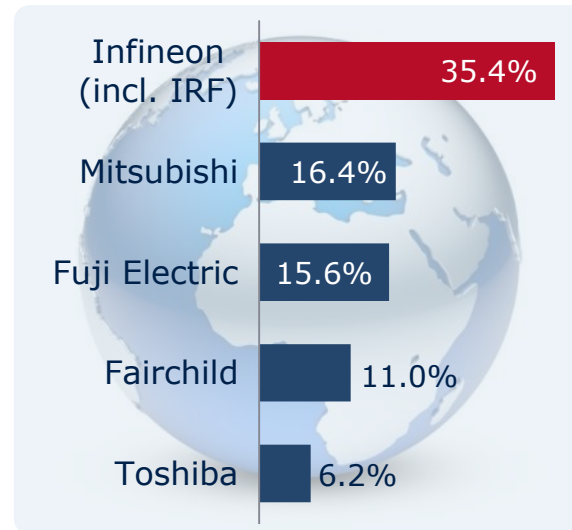
IGBT Module

total market in 2013:
\$3.05bn



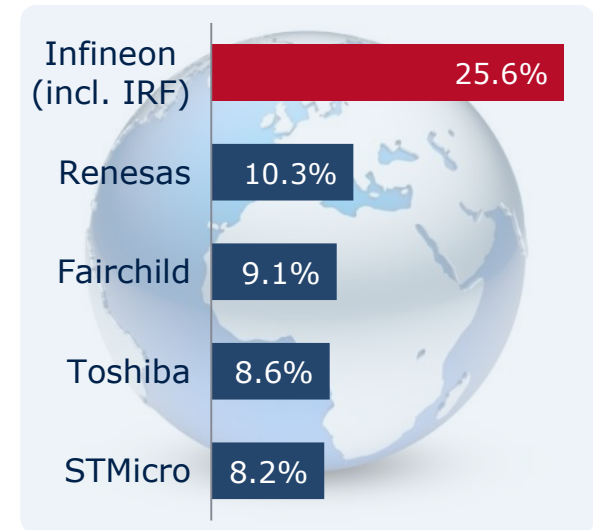
Discrete IGBT

total market in 2013:
\$968m



Discrete Standard MOSFET

total market in 2013:
\$5.46bn



Source: IHS Inc., "Power Semiconductor Discretets & Modules Report – 2014", September 2014

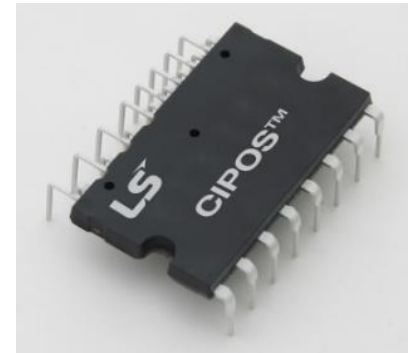
Infineon's Path to Expand its Market Share for MHA* and Light Industrial Applications



Strategic steps

- 1st step: Increase of shareholding in the Korean joint venture LS Power Semitech (LSPS) from 46% to 66%, thereby benefitting from the close cooperation with Samsung and LG who go for 100% VSD** motor control.
- 2nd step: Acquisition of International Rectifier. Major product families for MHA*: IRAM and iMOTION.
- 3rd step: Fully consolidation of LSPS, thereby increasing Infineon's footprint in the growing market segment of IPMs*** for consumer appliances and light industrial applications.
- Profitable growth achieved by very competitive manufacturing cost position.

LS Power Semitech
A joint venture with infineon



CIPOS™-Mini

Major market developments

- Demand for higher efficiency increases VSD** penetration in home appliances.
- In the US, a decent share of MHA* are overaged; no refurbishment since economic crisis.
- In the US, new energy efficiency legislation for refrigerators and freezers drives VSD penetration for compressors and fans.

* MHA = Major Home Appliances.

** VSD = Variable Speed Drive.

*** IPM = Intelligent Power Module; modules that combine IGBTs with control and protection circuitry in a single housing.

Expanding Infineon's MEMS Competence: New Digital Barometric Air Pressure Sensor



Features of Digital Pressure Sensor (DPS310)

- MEMS-based pressure sensor and temperature sensor in one
- Applications:
 - indoor navigation (shopping malls, parking garages)
 - health, sports, activity tracking
 - weather stations
- Nokia *Here* and Google are driving indoor maps
- High resolution measurements ($\pm 5\text{cm}$): even individual steps can be counted
- First design-wins secured; ramp expected in H2 CY15



DPS310



2.0mm x 2.5mm x 1.0mm

Efficiency and Digitalization are Main Market Drivers for Power Applications

IPC				PMM	
Renewables	Drives	Traction	MHA	AC/DC	DC/DC
<ul style="list-style-type: none"> ■ Legislation ■ Growing share of renewable energies as part of the energy generation mix 	<ul style="list-style-type: none"> ■ Energy efficiency ■ Automation ■ productivity increase 	<ul style="list-style-type: none"> ■ Growing population in metropolitan areas ■ Fast and efficient mass transport system 	<ul style="list-style-type: none"> ■ Energy efficiency ■ Growing VSD penetration 	<ul style="list-style-type: none"> ■ Energy efficiency ■ charging time ■ Compactness (power density) ■ DPM 	<ul style="list-style-type: none"> ■ Energy efficiency ■ Compactness (power density) ■ DPM

DPM = Digital Power Management. MHA = Major Home Appliances. VSD = Variable Speed Drive.

CCS is Well Positioned to Grow Faster Than the Market as Leader in Security Solutions



High-end Mobile Communications



- Greater adoption of NFC technologies
- Larger memory (1.5 Megabyte)
- Multi-application cards

Payment



- Transition to chip-based payment cards in China and the US
- Growth of mobile payment

Government Identification



- Adoption of electronic governmental documents (national ID cards, passports, health cards, etc.)
- Larger memory

IoT Security



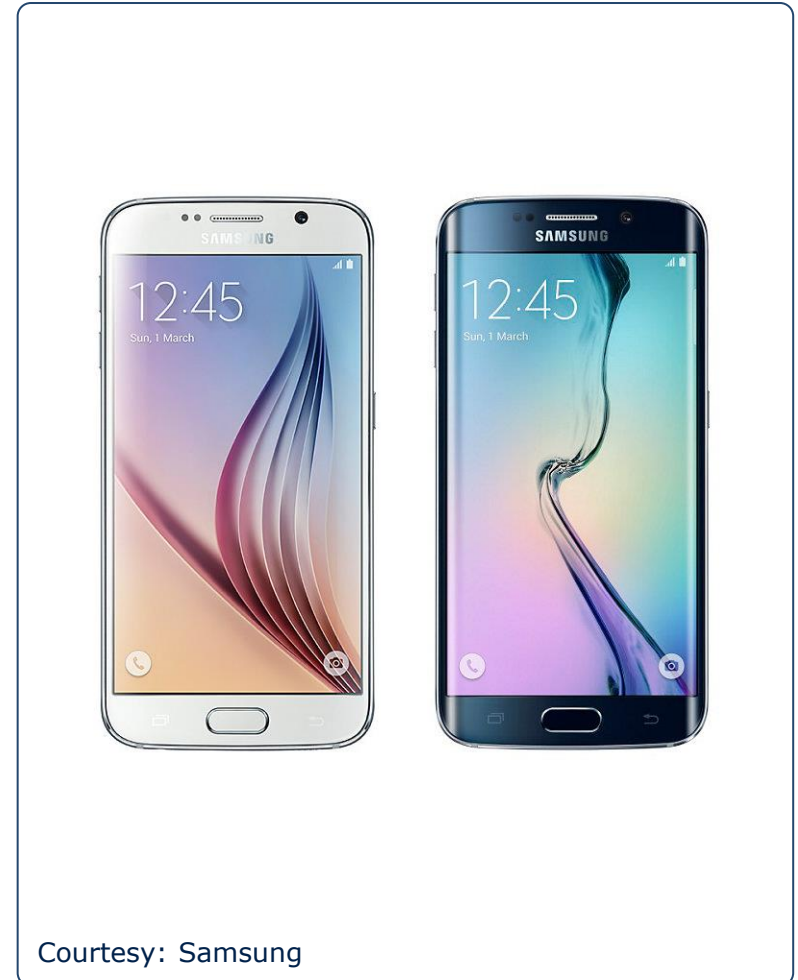
- Rise of smart homes, connected cars, automated industries etc.
- Increasing need of IT security
- Growth of M2M communication

Infineon Supplies Embed. Secure Element Chips to Samsung's Galaxy S6 and S6 edge



Infineon eSE chip for Samsung Galaxy S6 and S6 edge

- Infineon supplies the embedded Secure Element (eSE) chip for Samsung's new premium smartphones Galaxy S6 and S6 edge.
- Samsung's flagship Galaxy S6 and S6 edge mobile devices use the Infineon SLE 97 eSE.
- Infineon's SLE 97 is a SOLID FLASH™-based eSE chip which can safeguard the functionalities of the mobile device as well as transactions where users' sensitive data such as payment credentials are concerned.



Courtesy: Samsung

Infineon Supplies TPM Security Controller to Microsoft Surface Pro 3 Tablet



Infineon TPM 2.0 for Microsoft Surface Pro 3

- Infineon's OPTIGA™ TPM (Trusted Platform Module) security controller is used in Microsoft Surface Pro 3.
- Microsoft Surface Pro 3, widely recognized for its excellent performance both as a tablet and a laptop replacement, utilizes the higher security and improved system management features of the latest TPM 2.0 standard.
- The Infineon OPTIGA™ TPM SLB 9665 series is used in Microsoft Surface Pro 3, supporting a wide range of security needs ranging from strong authentication to platform integrity checks.



Courtesy: Microsoft

Infineon's Long-term Growth is Based on Sustainable Growth Drivers



ATV



- CO₂ reduction
- Advanced Driver Assistance Systems

IPC



- Energy Efficiency
- Automation
- Productivity increase

PMM



- Energy efficiency
- Power density
- Mobile device and LTE growth

CCS



- Security
- Mobile payments
- Authentication
- M2M communications

~8% p.a. through-cycle growth

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■ Infineon at a Glance

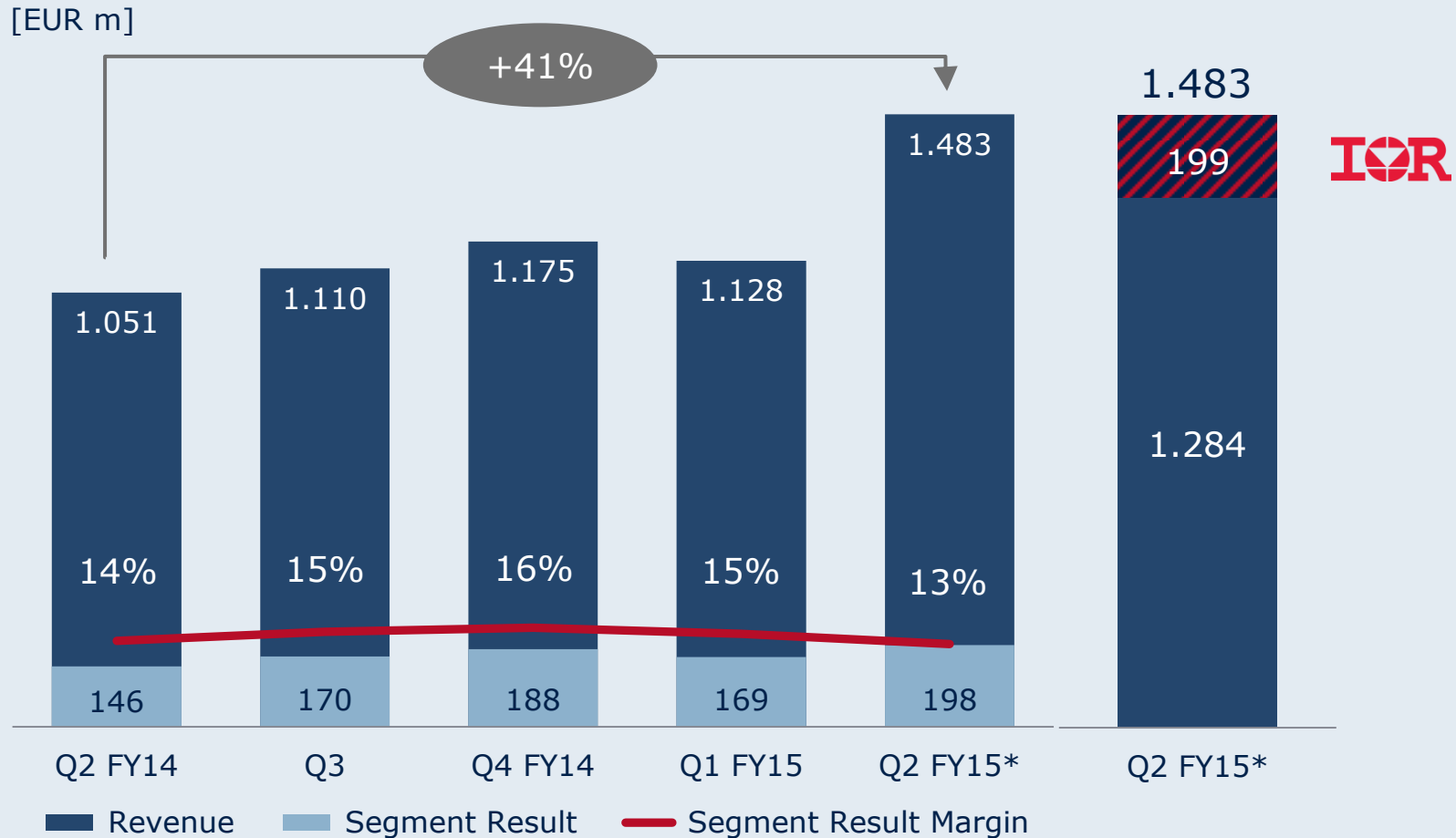
■ Growth Drivers

■ Results and Outlook

Q2 Revenue Driven by Integration of IRF, FX Effects, and Strong Growth in CCS

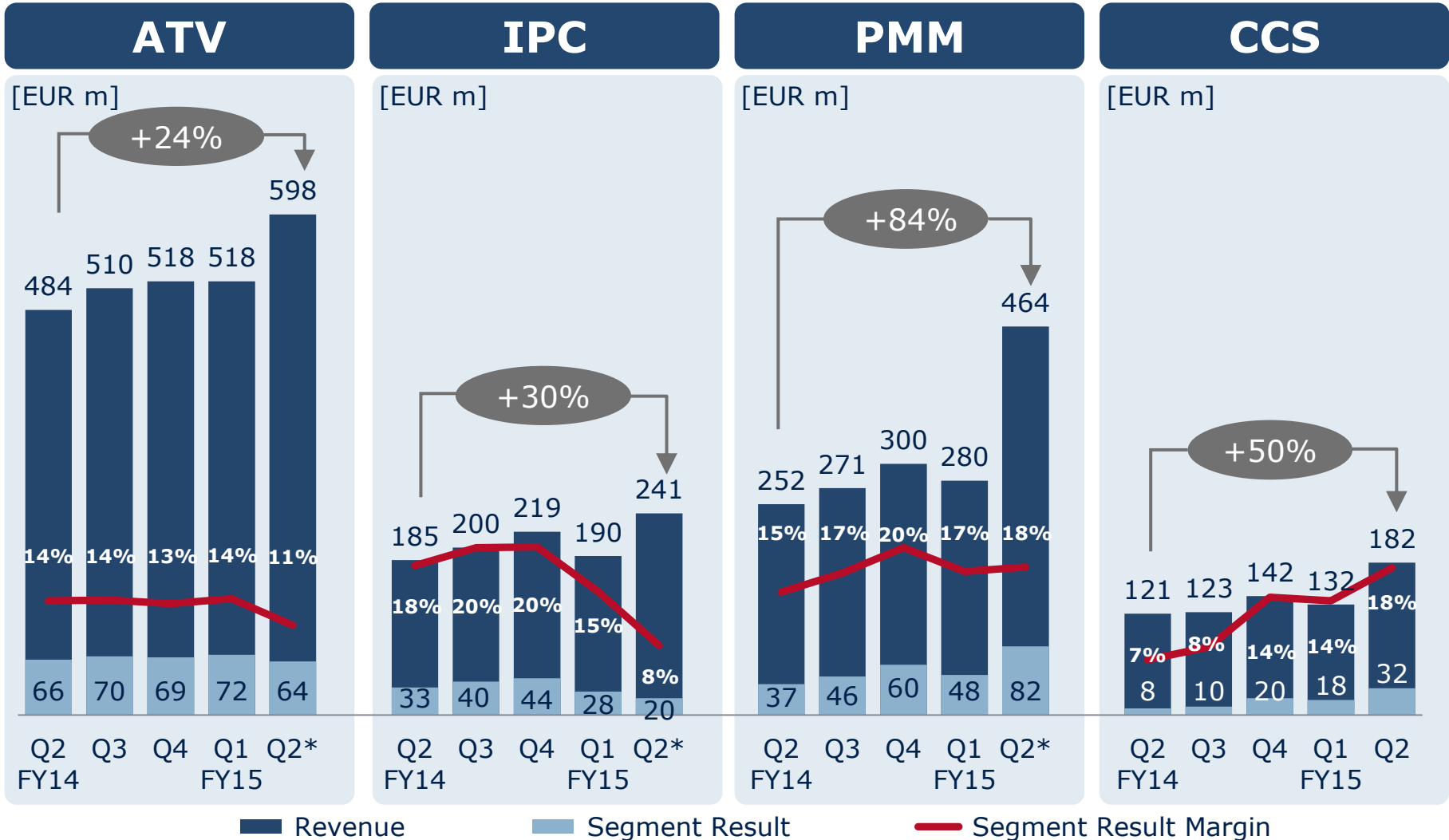


Revenue and Segment Result



* Including International Rectifier from 13 January to 31 March 2015.

ATV, IPC and PMM Boosted by Int. Rectifier Businesses; CCS Growth Solely Organic



* Including International Rectifier from 13 January to 31 March 2015.

Guidance for Q3 FY15 and Total FY15

	Outlook Q3 FY15 (compared to Q2 FY15)	Outlook FY15 (compared to FY14)
Revenue	Increase between 7% and 11%	Increase of 36% +/- 2%-points <small>(prev.: „Increase of 12% +/- 2%-points“)</small>
Segment Result Margin	At the mid-point of the revenue guidance: 15%	At the mid-point of the revenue guidance: 15% <small>(previously: „Between 14% and 15%“)</small>
Investments in FY15		About €800m* <small>(previously: „About €750m***“)</small>
D&A in FY15		About €750m*** <small>(previously: „About €600m“)</small>

* Including International Rectifier and €60m to €70m for Kulim 2 and €21m for Qimonda IP.

** Including €60m to €70m for Kulim 2 and €21m for Qimonda IP.

*** Including D&A on tangible and intangible assets from purchase price allocation of International Rectifier.



ENERGY EFFICIENCY MOBILITY SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.

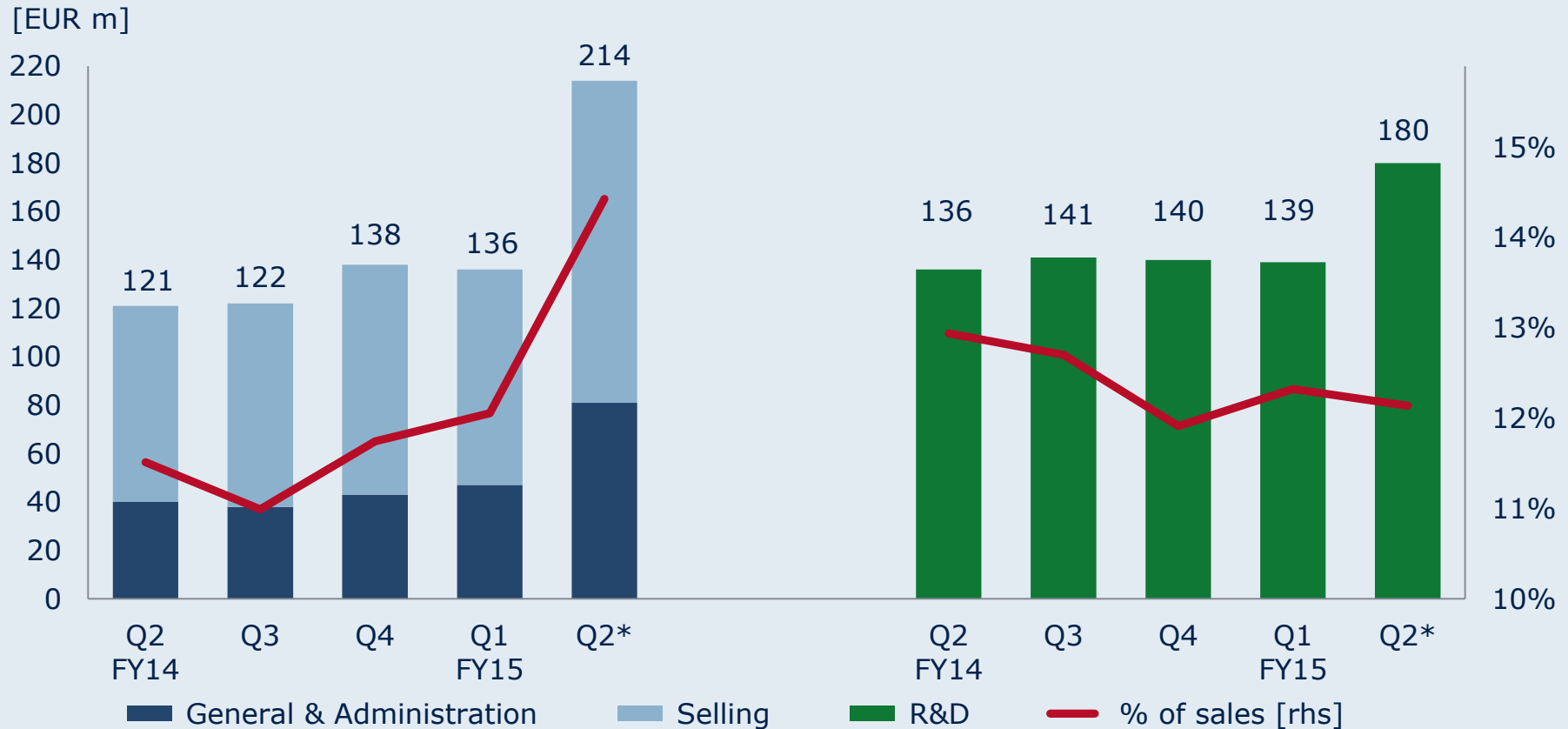


SG&A Ratio Significantly Increased Due to Acquisition-Related Expenses



S and G&A**

R&D***



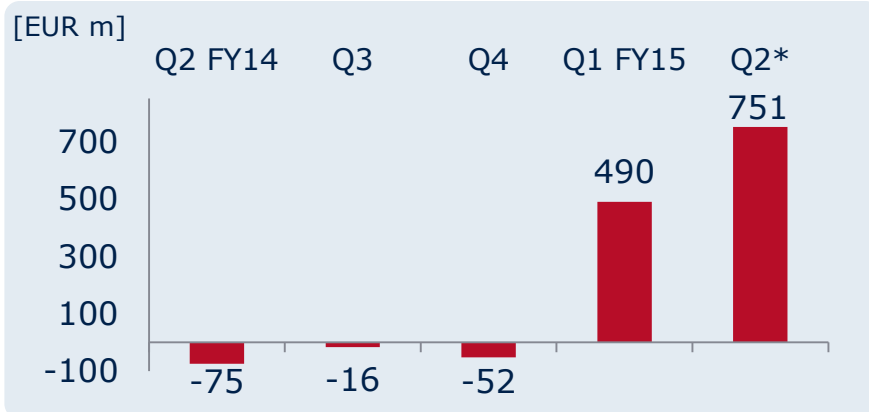
* Including International Rectifier from 13 January to 31 March 2015.

** Target range for SG&A: „Low teens percentage of sales“.

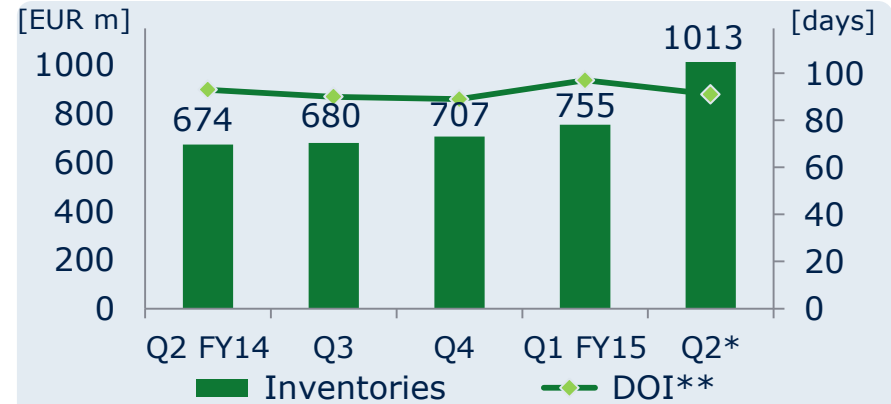
*** Target range for R&D: „Low to mid teens percentage of sales“.

Higher Business Volume Leads to an Increase in Working Capital

Working capital**



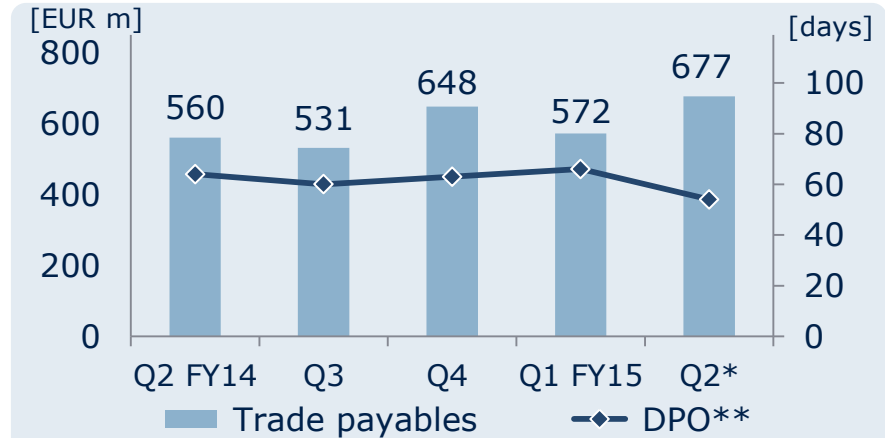
Inventories



Trade receivables



Trade payables



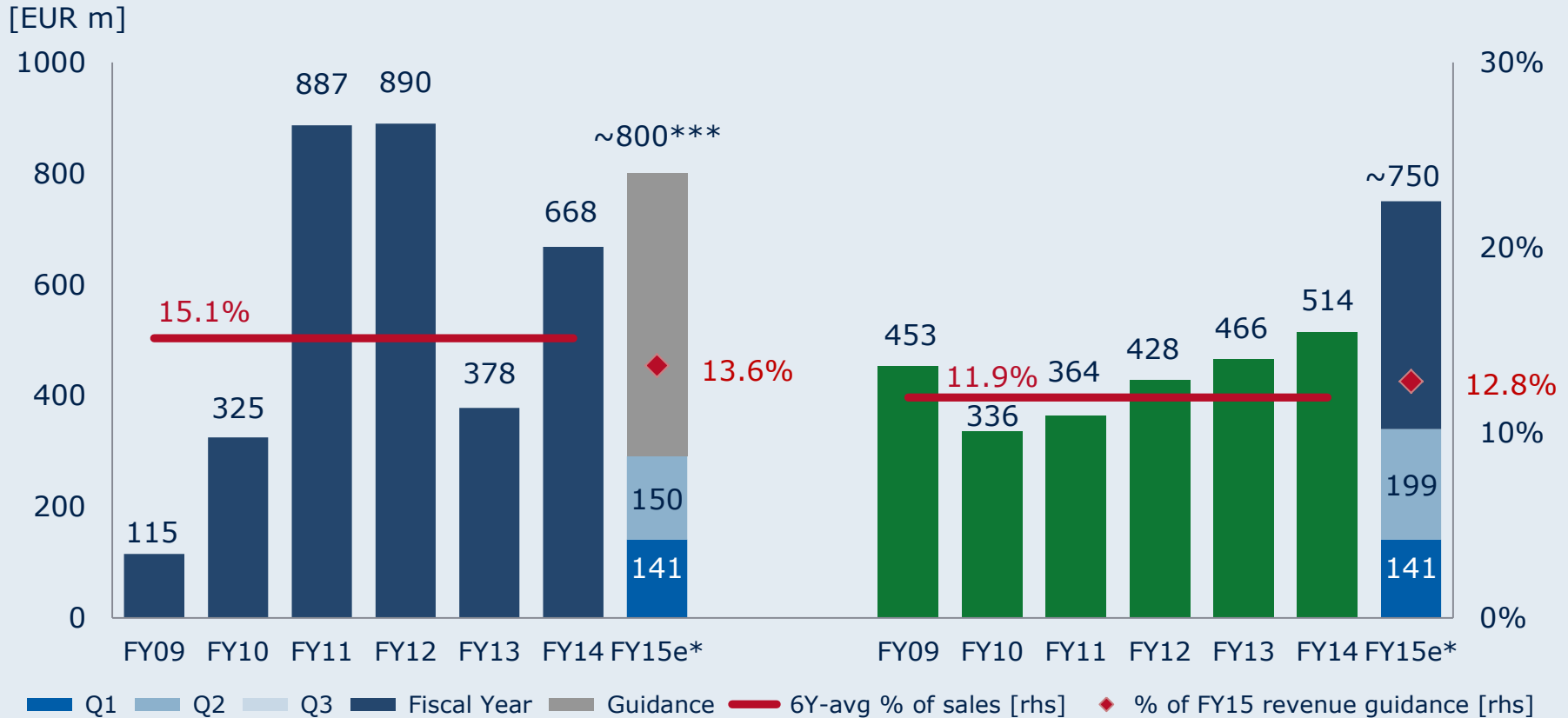
* Including International Rectifier from 13 January to 31 March 2015. ** For definition please see page 35.

FY15 Investments Ratio Including Int. Rectifier is Decreasing Towards 13%



Investments**

D&A



* Including International Rectifier from 13 January to 31 March 2015.

** For definition please see page 35.

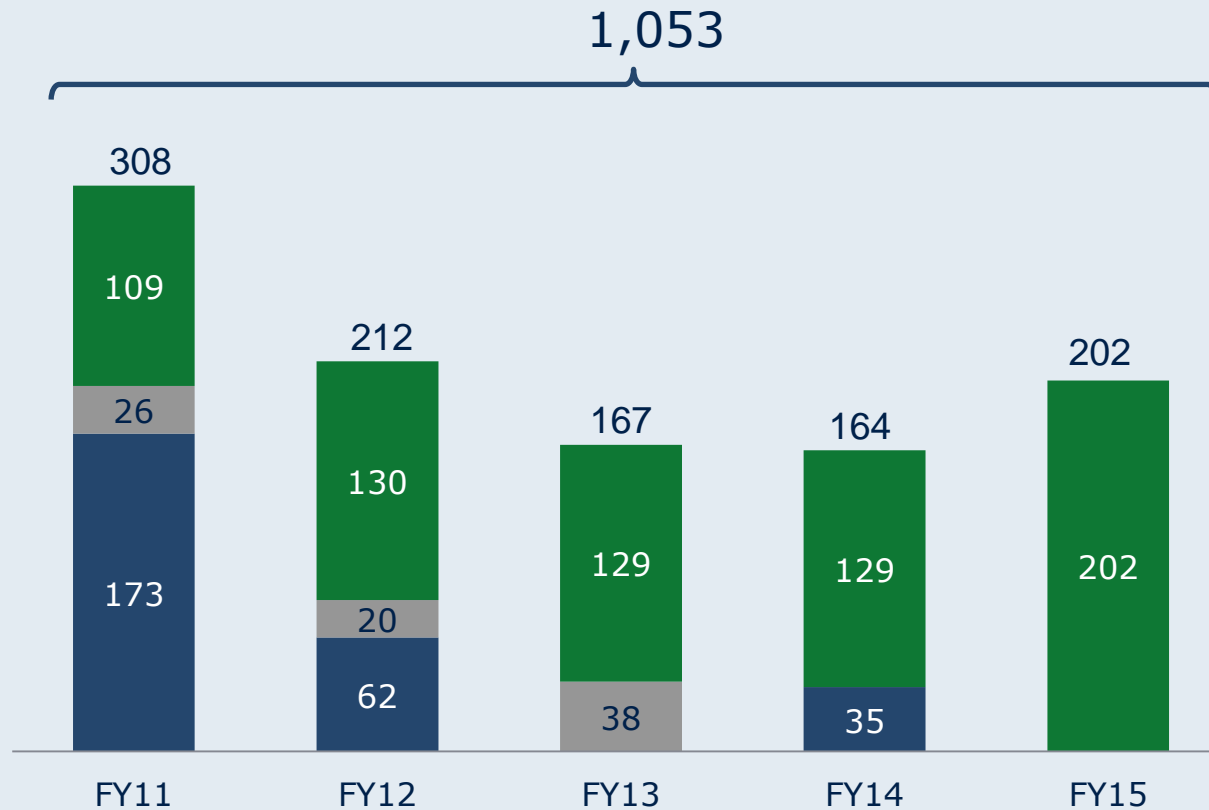
*** Including International Rectifier, €60m to €70m for Kulim 2, and €21m for Qimonda IP.

Dividend of €0.18 Has Increased Capital Returns by €202m in February 2015



Total gross capital returns history

[EUR m]



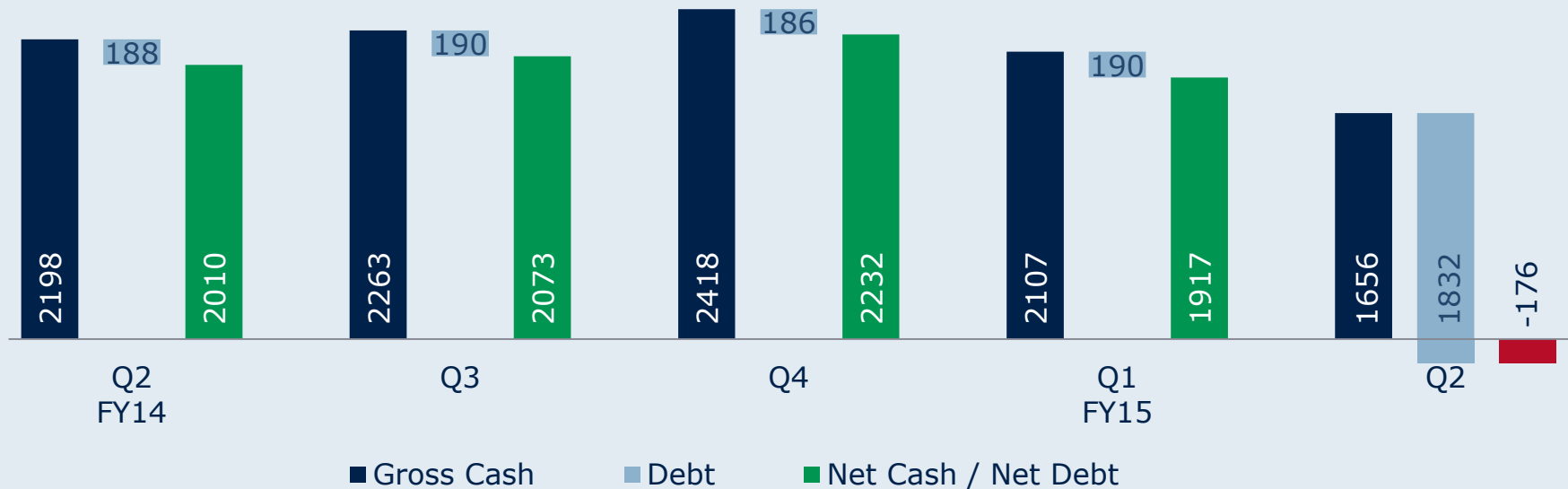
- In November 2013, a new €300m capital returns program with a maturity until Sep 2015 was started.
- Per 31 Mar 2015, no put options for buyback outstanding.
- After acquisition of International Rectifier, currently no intention to issue new options or to buyback shares.

■ convertible bond buyback ■ share buyback (via put options) ■ dividends

Net Cash Position Turned Negative After Acquisition of International Rectifier

Liquidity Development

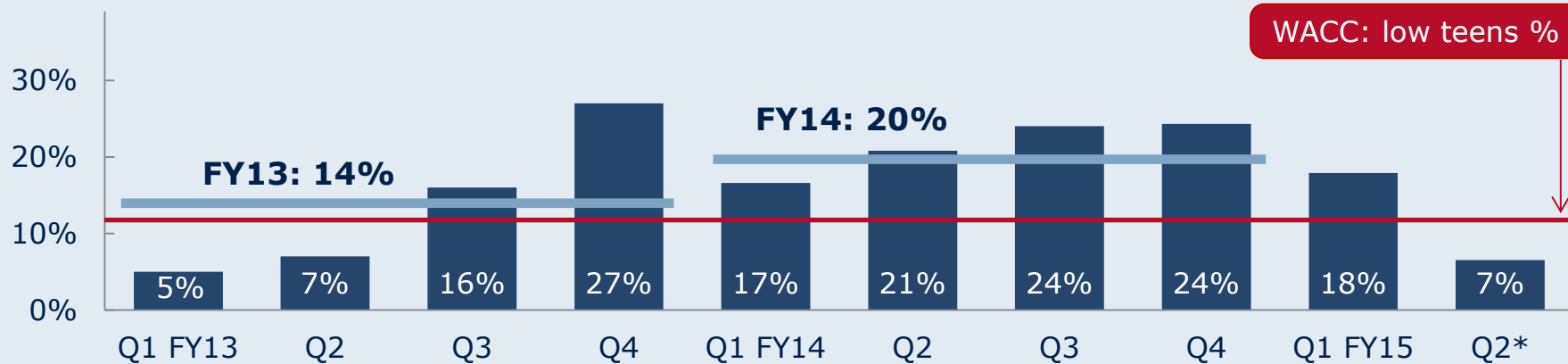
[EUR m]



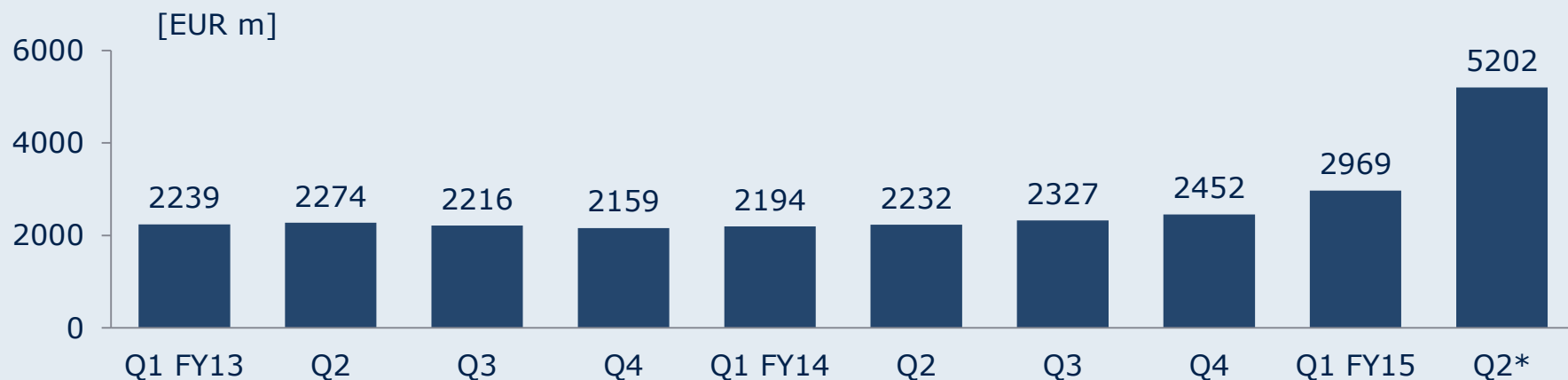
- In Q2, gross cash and net cash affected by:
 - ✎ payment of purchase price for International Rectifier,
 - ✎ dividend payment to the amount of €202m,
 - ✎ positive operating cash flow of €135m, and
 - ✎ increase in debt by €1.642m.

Target: 'RoCE Above WACC' Over the Cycle

RoCE** history



Capital Employed** history



* Including International Rectifier from 13 January to 31 March 2015. ** For definition please see page 35.

Notes

Investments =

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

Capital Employed =

- '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')

Please note:

All positions in ' ' refer to the respective accounting position and therefore should be applied with the positive or negative sign used in the relevant accounting table.

RoCE =

$$\frac{\text{NOPAT} / \text{Capital Employed} = \text{'Income from continuing operations' - 'financial income' - 'financial expense'}}{\text{Capital Employed}}$$

Working Capital =

$$\text{'Total current assets' - 'Cash and cash equivalents' - 'Financial investment' - 'Assets classified as held for sale' - ('Total current liabilities' - 'Short term debt and current maturities of long-term debt' - 'Liabilities classified as held for sale')}$$

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

$$\text{DSO (days sales outstanding; quarter-to-date) = ('Trade receivables' / 'revenue') * 90}$$

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

Infineon is a Long-standing Member of Europe's Leading Sustainability Indices



Infineon's most recent achievements

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

- January 2015: Infineon is listed in the Sustainability Yearbook for the fifth consecutive year and, according to RobecoSAM, among the top 15% most sustainable companies worldwide.
- 11 September 2014: Infineon was listed in the Dow Jones Sustainability Index for the fifth consecutive year.

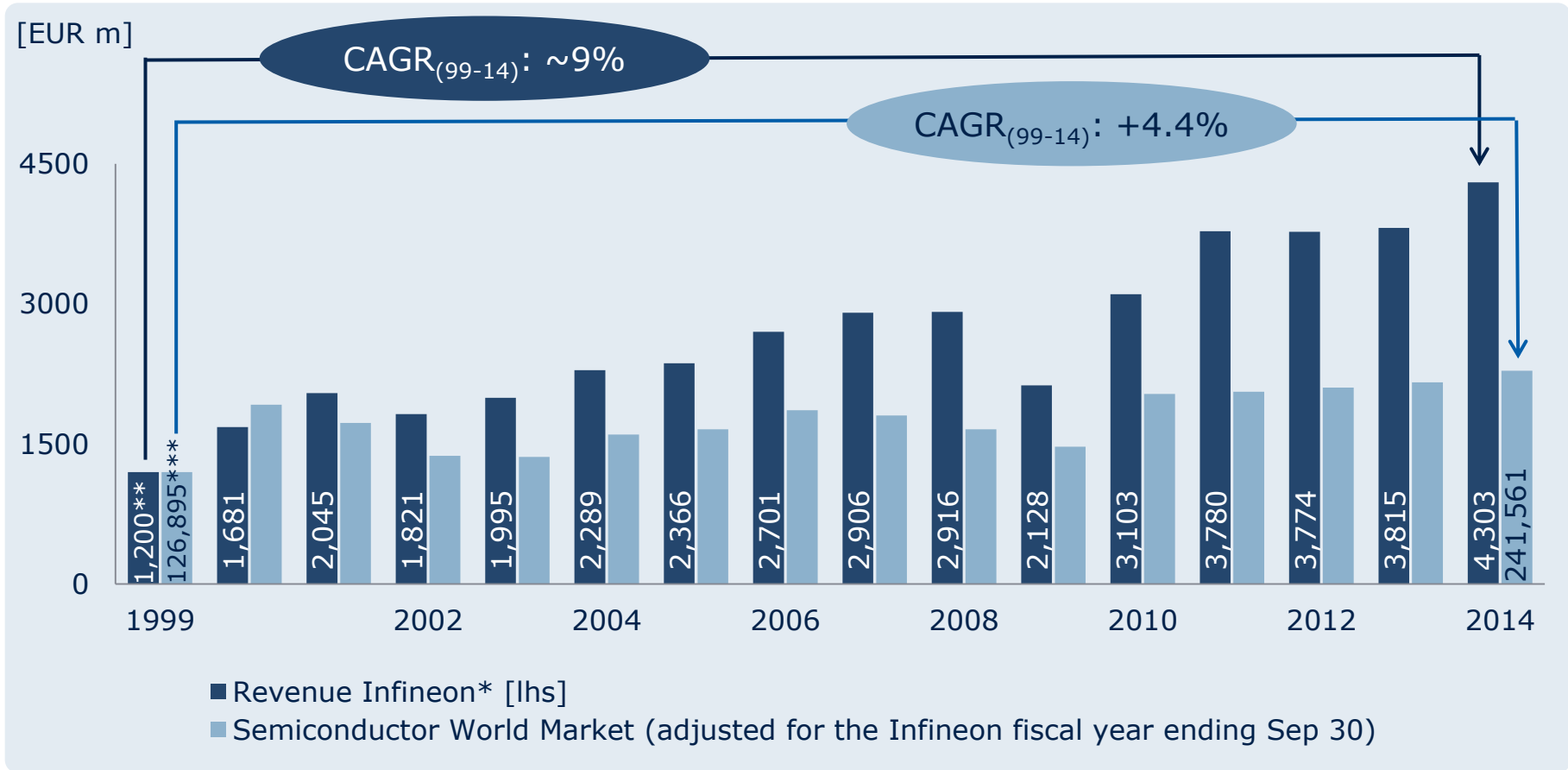
- September 2014: Infineon was listed in the STOXX® Global ESG Leaders Indices, which serves as an indicator of the quality of Infineon's performance in the governance, social and environmental areas (ESG).



FTSE4Good

- Infineon was added to the FTSE4Good Index Series in 2001 and has been confirmed as a member since then.

Infineon's Revenue Development Outperformed Total Semiconductor Market



- * Based on Infineon's portfolio (excl. Other Operating Segments and Corporate & Eliminations) per end of 2014 fiscal year.
- ** Based on market development assumptions FY99's revenue figures for some smaller product categories have been derived from the FY00's revenue figures.
- *** Scale indexed to the Infineon FY99 revenue.

Source: Infineon; WSTS (World Semiconductor Trade Statistics), November 2014.

Financial Calendar

Date	Location	Event
03 Jun 2015	Copenhagen	Danske Bank German Corporate Day
17 Jun 2015	Berlin	Dt. Bank German, Swiss & Austrian Conference
30 Jul 2015*		Q3 FY15 Results
16 Sep 2015*		ATV Analyst Call by Jochen Hanebeck, Division President Automotive
22 Sep 2015	Munich	Baader Investment Conference
23 Sep 2015	Munich	Berenberg Bank and Goldman Sachs German Corporate Conference
11 – 13 Nov 2015	Barcelona	Morgan Stanley TMT Conference
26 Nov 2015*		Q4 FY15 and FY 2015 Results

* preliminary

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