Berenberg Bank and Goldman Sachs German Corporate Conference

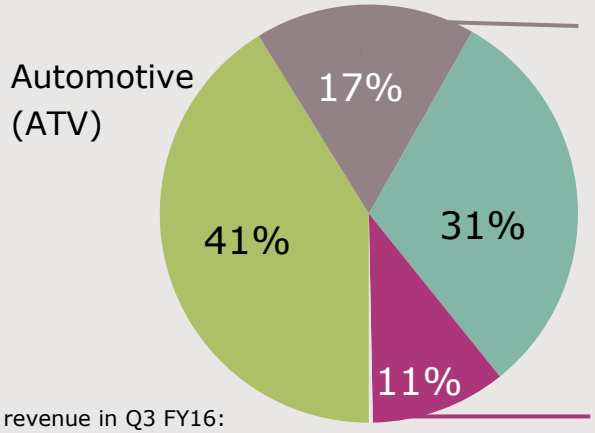
Munich, 19 September 2016

Dominik Asam
Chief Financial Officer

Table of Contents

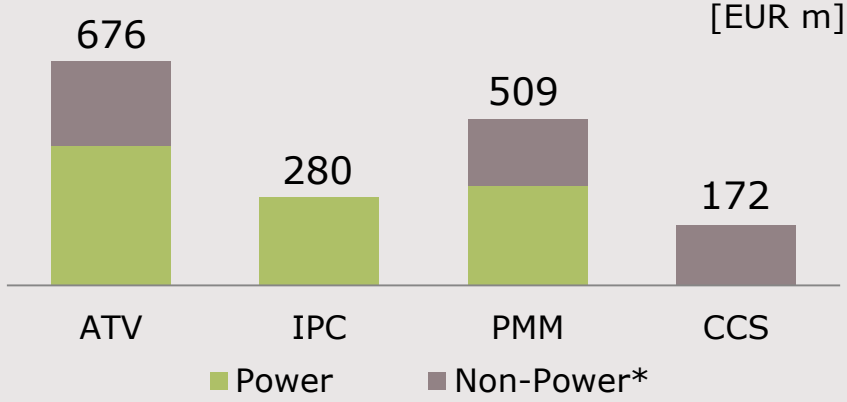
Infineon at a glance

Business Segments



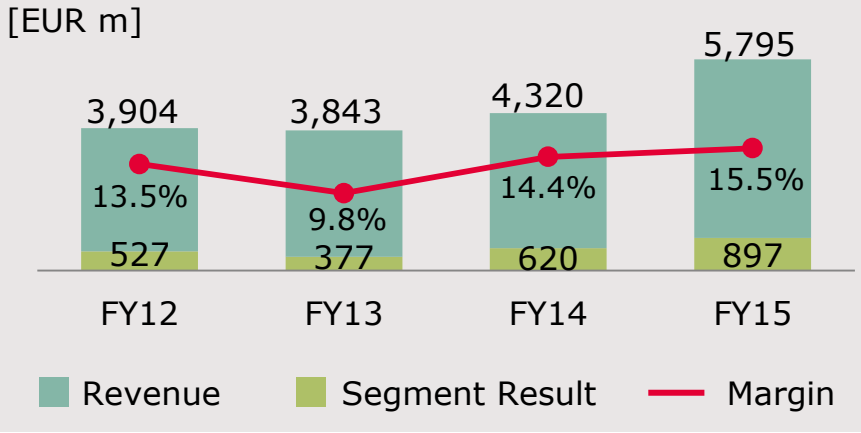
revenue in Q3 FY16:
€1,632m incl. OOS & C&E of -€5m

Power represents ~60% of revenue



*embedded control, sensors, RF

Financials



Market Position

Automotive	Power	Smart card ICs
		
# 2	**# 1**	**# 2**
Strategy Analytics, April 2016	IHS Markit, July 2016	IHS Markit, July 2016

Technology leadership and system understanding fosters growth and profitability

Competitive advantages	
Auto	system leader in automotive
Power	#1, system and technology leader
RF	broadest technology portfolio;#1 in SiGe; become #1 in base stations by 2020
Security	Leader in security solutions

Average-cycle financial targets

Revenue Growth:

~8%

Segment Result Margin:

~15%

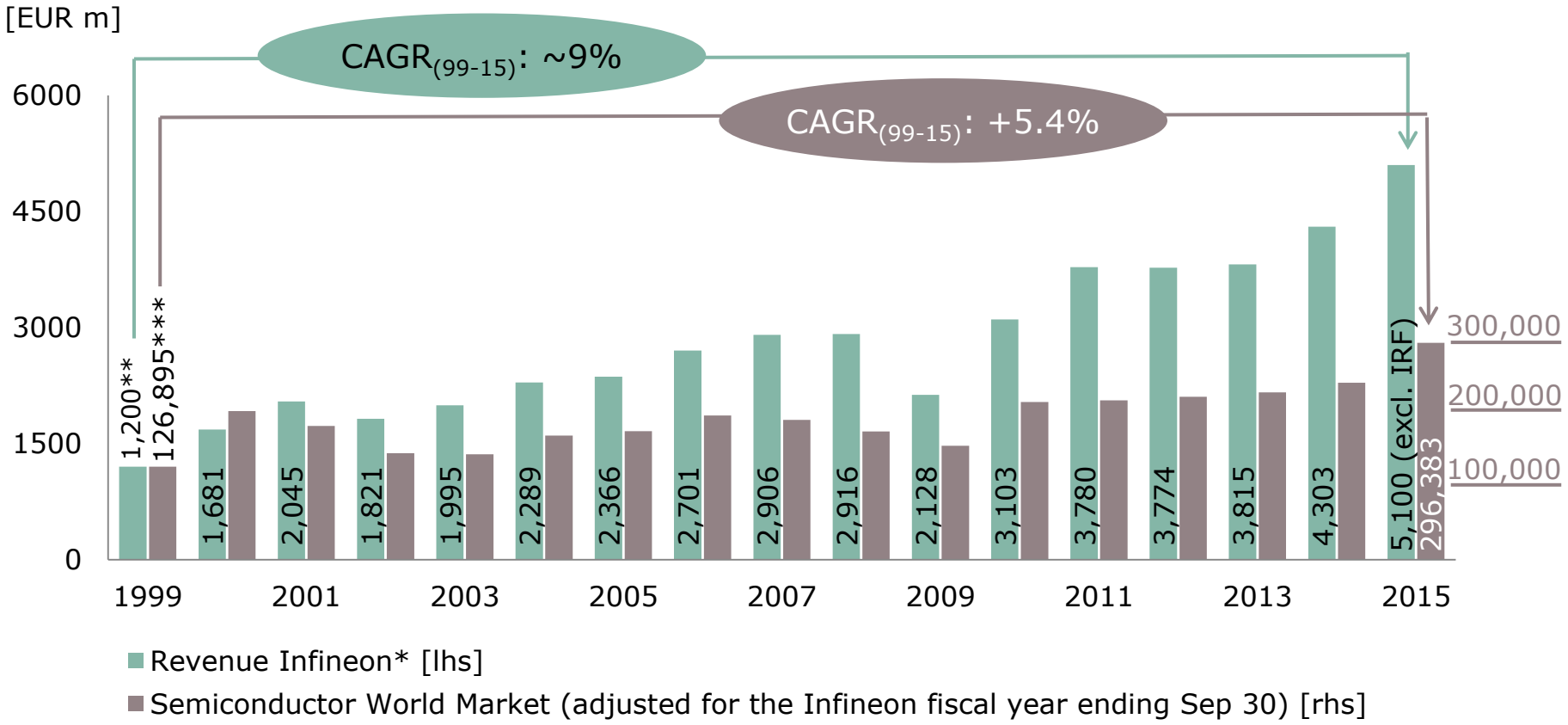
Investment-to-Sales:

~13%

(Capex*: ~11%; capital. R&D*: ~2%)

* Infineon reports under IRFS

Infineon's Revenue Development (excl. IRF) Outperformed Total Semi Market



* Based on Infineon's portfolio (excl. Other Operating Segments and Corporate & Eliminations) per end of 2015 fiscal year.

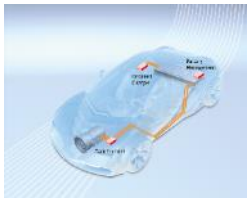
** Based on market development assumptions FY99's revenue figures for some smaller product categories have been derived from the FY00's revenue figures.

*** Scale indexed to the Infineon FY99 revenue.

Source: Infineon; WSTS (World Semiconductor Trade Statistics), November 2015

Table of Contents

Deal rationale at a glance



GM 55%*

CAGR 20%

- Become #1 in RF power amplifier market by ~2020 with most complete technology portfolio by capitalizing on technology disruption in cellular infrastructure
- #1 in silicon carbide for power, strengthen automotive and industrial and accelerate market introduction with cutting-edge products as cost-performance leader and create thereby a higher addressable market for Infineon
- Deal is margin and adjusted EPS accretive from day 1 with expected 55% incremental gross margin* and 20% incremental revenue growth of the acquired businesses

- For detailed information on the deal rational please refer to the web call and the corresponding investor presentation at http://www.infineon.com/poweringthefuture

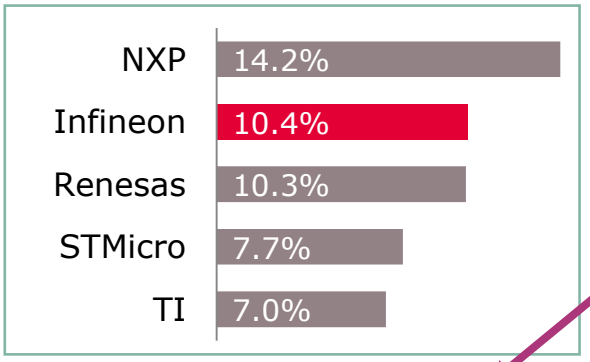
Wolfspeed™
A CREE COMPANY

* According to US GAAP, excluding effects from purchase price accounting

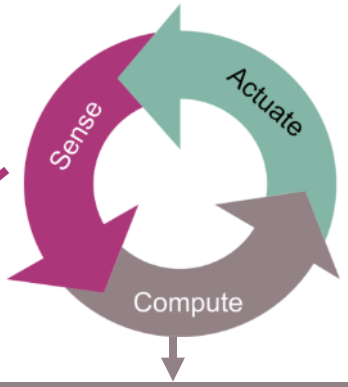
Table of Contents

Infineon is system leader in auto semis with most balanced portfolio in the market

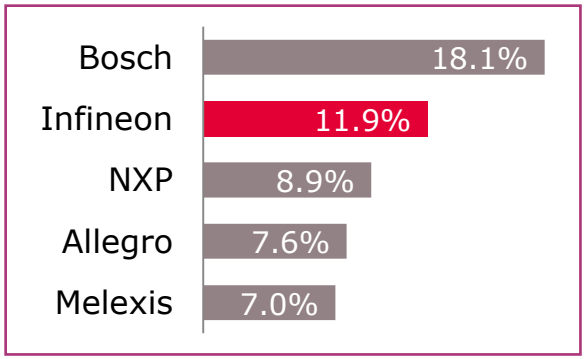
Automotive semis
total market in 2015: $27.4bn



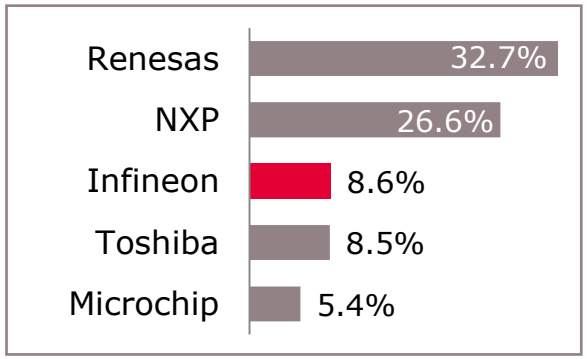
Infineon covers the entire control loop in powertrain, safety/ADAS, and comfort/body



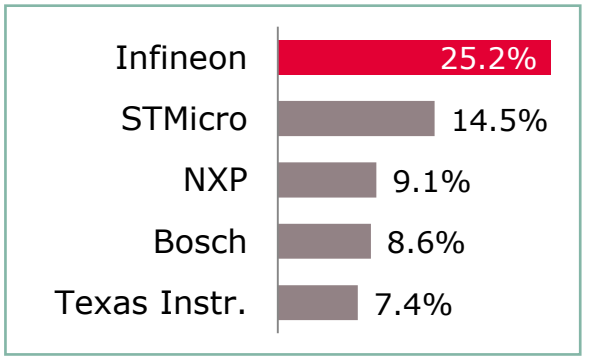
sensors
total market in 2015: $4.2bn



microcontrollers
total market in 2015: $6.5bn



power
total market in 2015: $7.1bn



Source: Strategy Analytics, "Automotive Semiconductor Vendor Market Shares", April 2016

Four megatrends are shaping the automotive market, significantly increasing the semi content per vehicle

ADAS/Autonomous driving

- From ADAS to semi-automated and finally autonomous driving
- Every world region is striving for "0-accident"

xEV/eMobility

- Mandated CO_2 reductions make electrification of powertrain inevitable

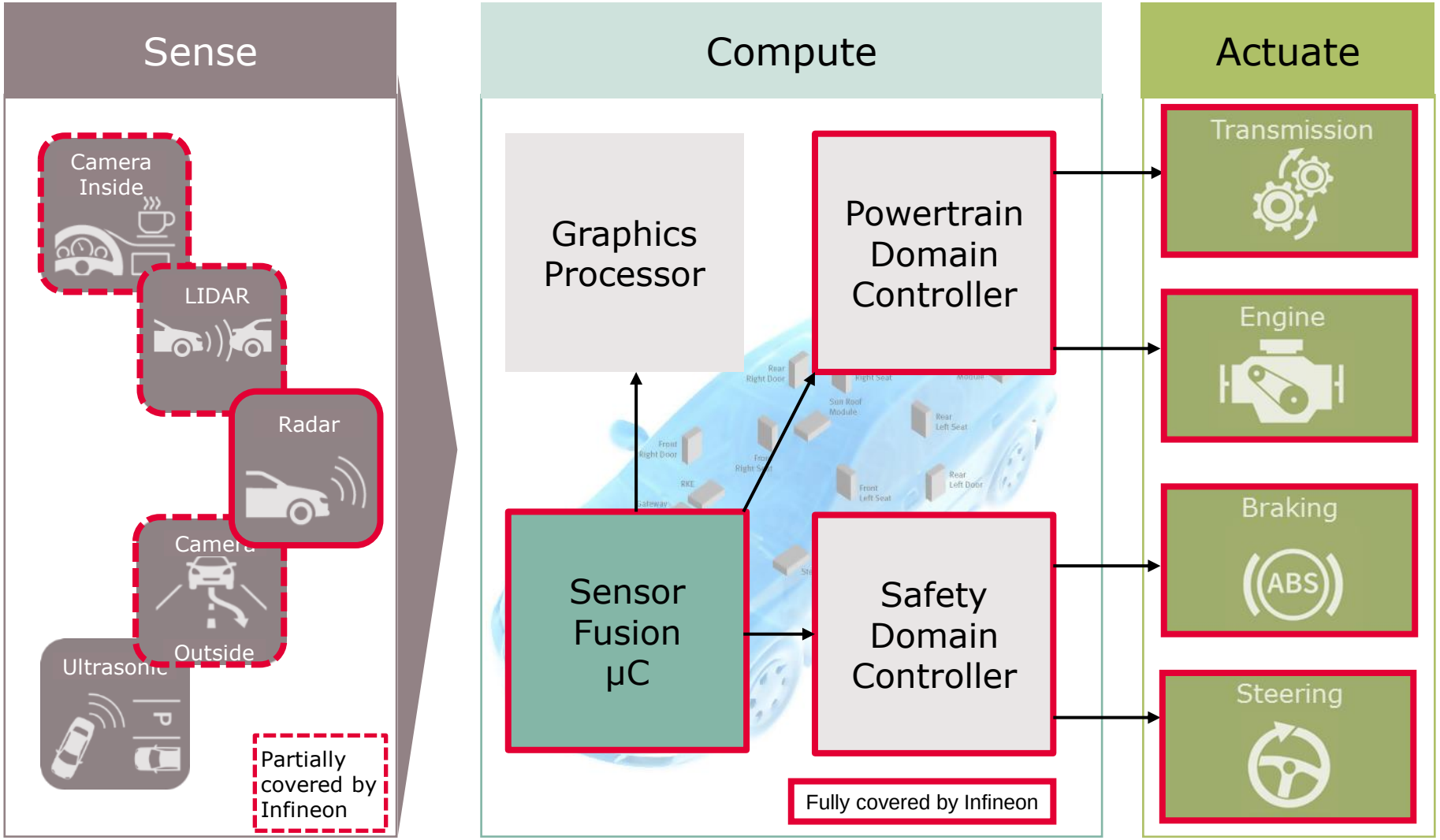
- Advanced connectivity is driven by making the car part of the Internet
- The car will be fully connected (V2I, V2V, in-vehicle)

Connectivity

- Increased connectivity and software content increase risk exposure to hackers
- Internal/external connectivity must be secured

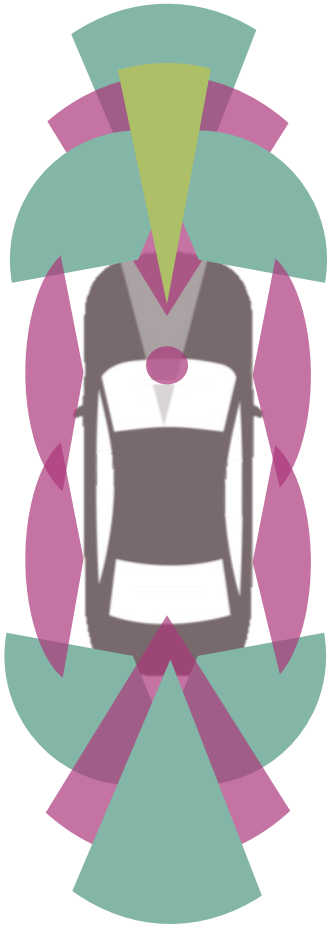
Advanced security

ADAS system overview and chipset coverage by Infineon



More sensors required for each automation level – sensor "cocoon" in level 4/5

Sense



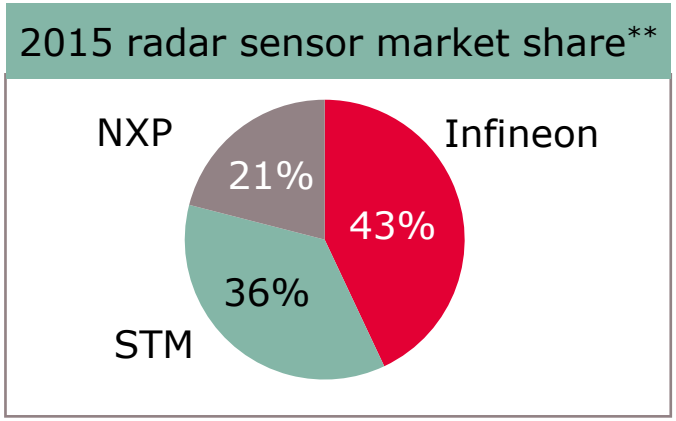
Radar Camera Lidar

Sensor technologies	2015 Euro-NCAP*	2018 Euro-NCAP*	Level 2	Level 3	Level 4/5
Front looking camera	0.5	1	1	1	1
Front looking radar	0.5	1	1	1	1
Front looking lidar	–	–	–	–	1
Surround camera	–	–	–	–	4
Corner radar	–	2	2	4	4
Surround radar	–	–	–	–	6
Rear looking camera	–	–	–	1	1
Rear looking radar	–	–	–	–	1
Driver monitoring Camera	–	–	–	1	1
V2X sensor	–	–	–	–	1
Parking aid	Up to 12 ultrasonic sensors per car				
Automated parking	Potential future replacement by RF CMOS radar				

Up to 12 SiGe radars per vehicle (24/77 GHz)

* Euro-NCAP is focusing on collision avoidance, requirements are increasing over time

Infineon market leader in radar; 20m sensor chips sold; ~50% $CAGR_{16-21}$ based on design wins*



Innovation for performance

Innovation for cost

Vision Zero
+ Autonomous Driving

ACC radar
1st SiGe 77 GHz transceiver

mid-range radar
1st radar product
eWLB package

Blind Spot Detection
(24 GHz)

mid- & long-range radar
Dual Chip System solution +
power supply

next gen. of mid- and long-range radar
AURIX™ 3rd gen., power supply
SiGe

short- to mid-range radar
CMOS solution
CMOS

2009 | Today | Tomorrow

* Refers to 77 GHz radar sensor chip market
** Source: IHS Markit, "Advanced Driver Assistance Applications Sensor Market Database – H2 2015", February 2016

Infineon‘s automotive offering in ADAS camera systems

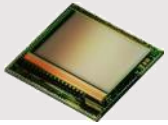
Sense | Compute

Driver monitoring

- Most robust detection of head position, head orientation and eye closure
- Observe the state of the driver and passengers
- Optimize head-up displays and augmented reality to driver’s head position

Kostal camera system

REAL3™ sensor



Front camera

- AURIX™ microcontroller is today the reference for safety allowing ASIL-D systems
- The safe & secure microcontroller is represented in most of today’s camera systems
- OEMs prefer software on AURIX™

Image processor e.g.

MOBILEYE

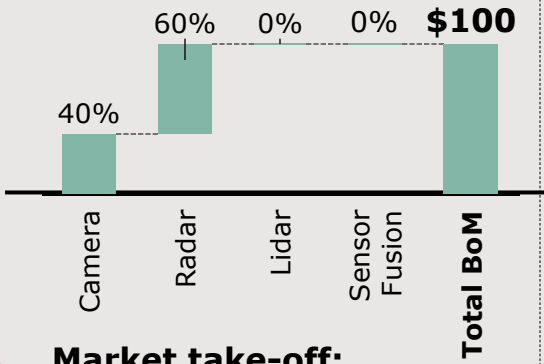
+

Infineon safe & secure µC

ADAS semi growth driven by radar and camera sensor modules

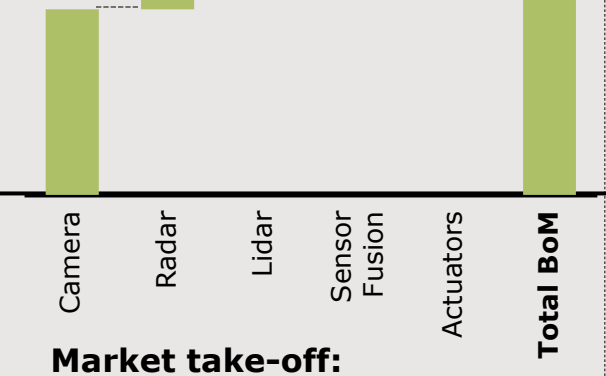
Average ADAS semiconductor content per level of automation

Level 2



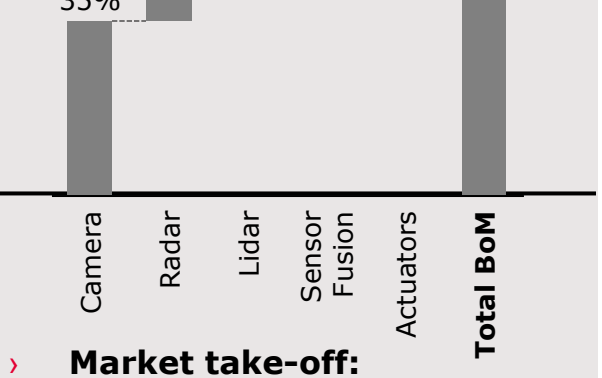
- **Market take-off:** 2015-2020 (up to 30m vehicles p.a.)
- **Key market driver:** NCAP, Automatic Emergency Brake, Blindspot Detection

Level 3



- **Market take-off:** 2020-2025 (up to 10m vehicles p.a.)
- **Key market driver:** Automated Driving in specific situations (e.g. parking, highway)

Level 4



- **Market take-off:** 2025-2030 (up to 5m vehicles p.a.)
- **Key market driver:** Autonomous Driving

Four megatrends are shaping the automotive market, significantly increasing the semi content per vehicle

ADAS/Autonomous driving

- From ADAS to semi-automated and finally autonomous driving
- Every world region is striving for "0-accident"

xEV/eMobility

- Mandated CO_2 reductions make electrification of powertrain inevitable

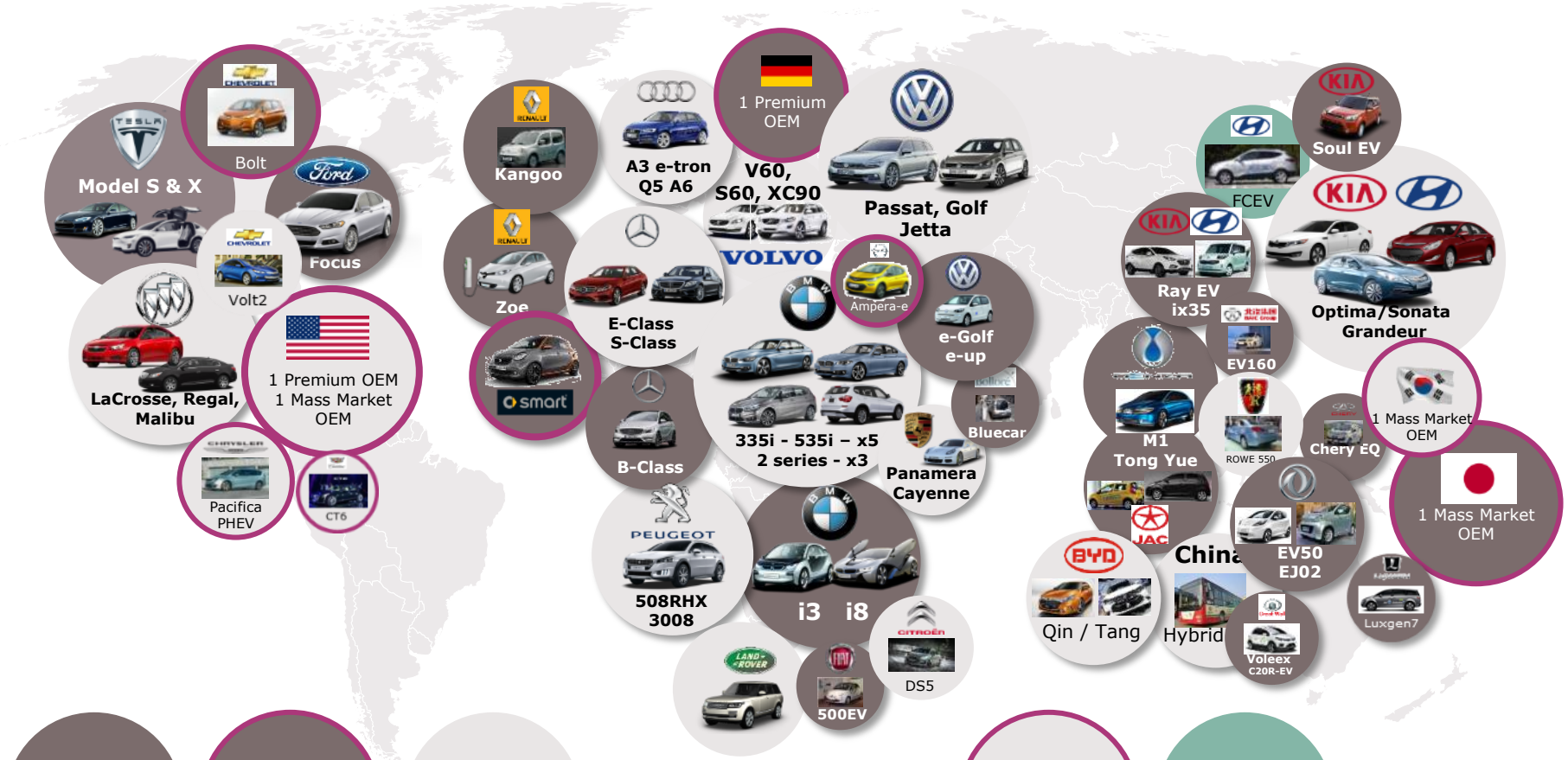
- Advanced connectivity is driven by making the car part of the Internet
- The car will be fully connected (V2I, V2V, in-vehicle)

Connectivity

- Increased connectivity and software content increase risk exposure to hackers
- Internal/external connectivity must be secured

Advanced security

Infineon is well positioned globally to benefit disproportionally from xEV boom



EV in production

EV future SOP

HEV in production

HEV future SOP

Fuel Cell in production

SOP = Start of production

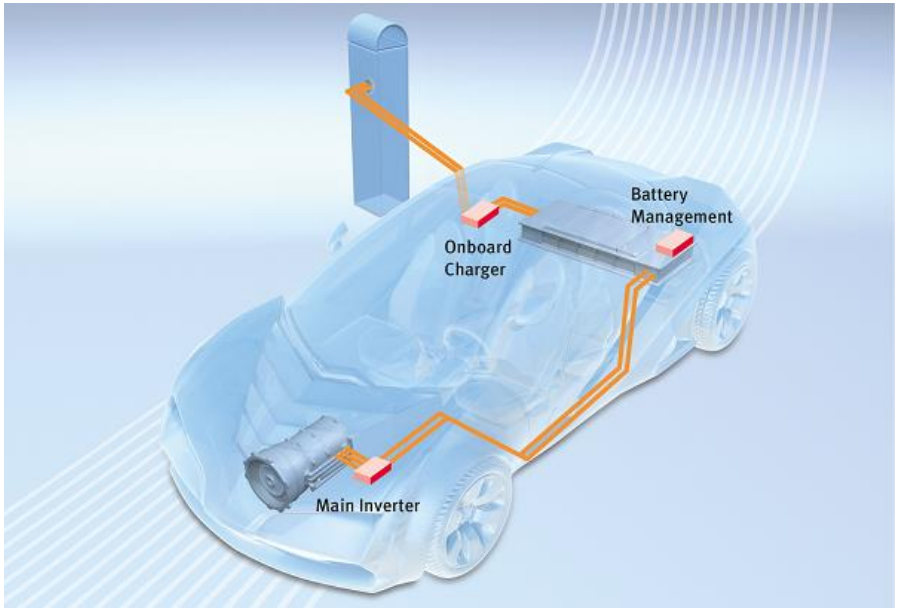
Silicon carbide can help accelerate the adoption of plug-in (hybrid) electric vehicles

SiC onboard charger

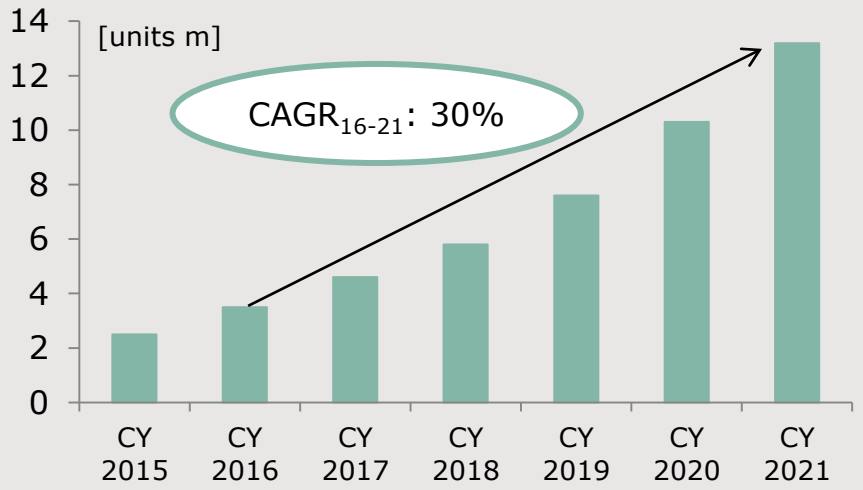
- Smaller form factor
- Lower cooling effort

SiC main inverter

- Higher efficiency – higher reach
- Smaller form factor
- Lower cooling effort



Total xEV market*



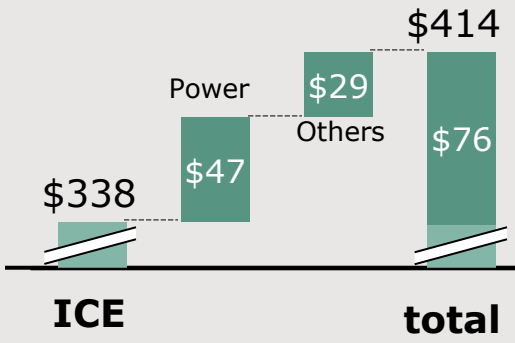
* Source: IHS Markit, „Alternative Propulsion Forecast", Jan 2016 (includes BEV, PHEV, HEV, mild-hybrids)

xEV growth driven by power semis

Average xEV semiconductor content by degree of electrification

48 V

Adder for DC-DC and starter/generator

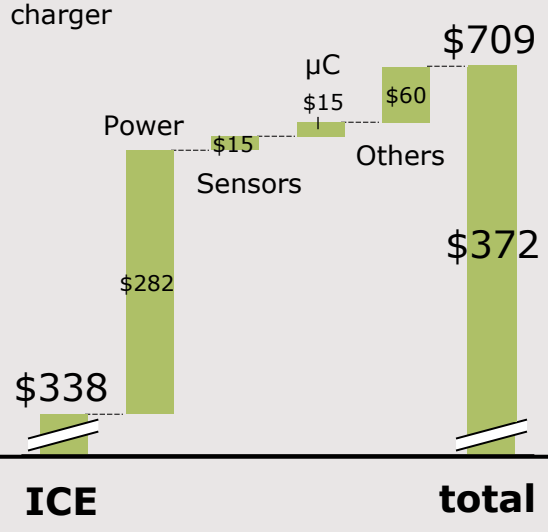


2020: 1.6m*

› high growth for 48 V (not even including 48 V auxiliaries nor mild hybrid)

HEV / PHEV

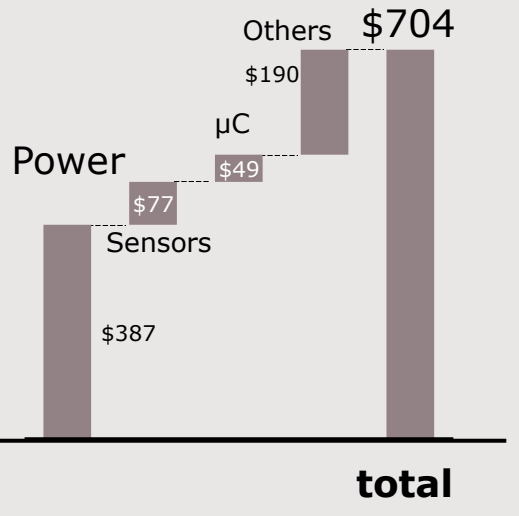
Adder for DC-DC, inverter, onboard charger



2020: 3.5m HEVs* 1.9m PEHs*

› PHEV to overtake HEV after 2020, especially in Europe

EV



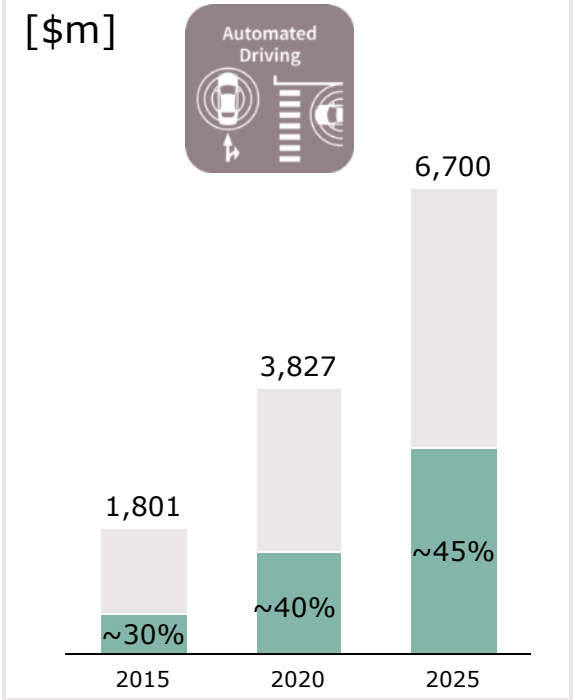
2020: 1.4m EVs*

› strong growth driven by Chinese OEMs and Tesla

*Source: IHS Markit, "Alternative Propulsion Forecast", January 2016, expected number of vehicles

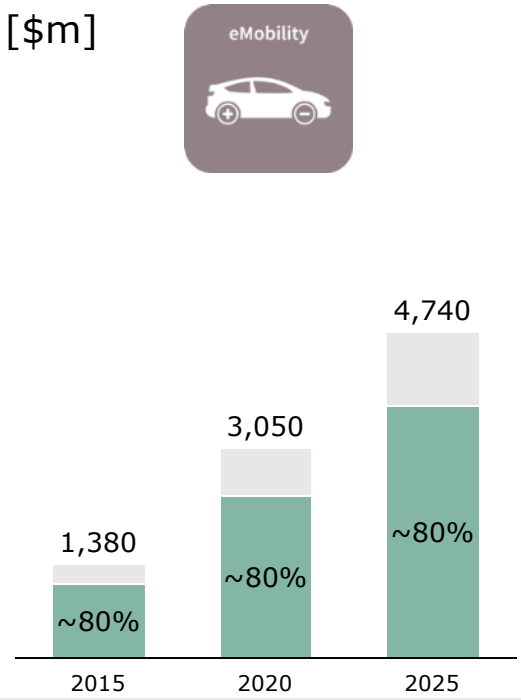
Infineon is ideally positioned to benefit most from megatrends ADAS, xEV, and security

ADAS/autonomous driving semi market



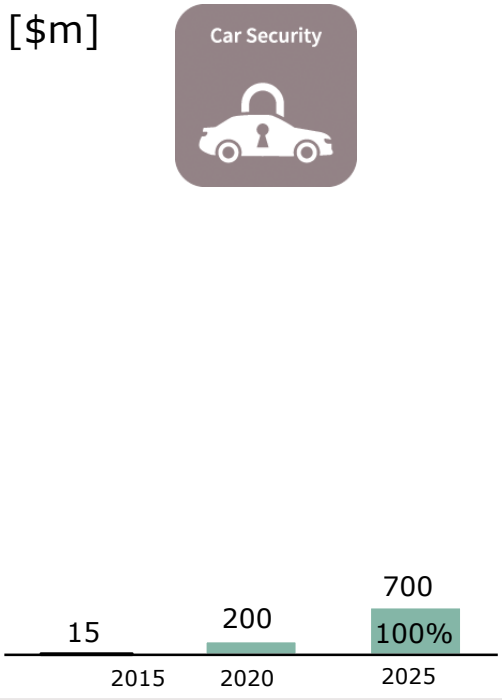
Higher market coverage driven by radar penetration, AURIX™ penetration and actuators

xEV/e-mobility semi market



High market coverage already in 2015 will be kept with ramp-up of new power products

Security semi market



Key enabler for secure connectivity

Source: IHS Markit, Strategy Analytics, Infineon estimations

Addressed by Infineon | Not addressed by Infineon

ADAS, CO_2 reduction and adoption of premium features drive Infineon growth

Vehicle production	Drivers for semiconductor content per car		
	CO_2 reduction	Advanced safety	Comfort, premium
	 Courtesy: BMW	 Courtesy: Audi	
› ~2% growth p.a. › Further growth in Western Europe, US, Korea and China › Electro-mobility gaining momentum, especially in China	› Driven by legislation › Improvements of ICE (e.g. electric steering, electric pumps and motors) › Adoption of EV/HEV	› Current: crash avoidance › Next: assisted Driving › Future: autonomous driving	› Premium cars are early adopters of high-end comfort and safety features › Trickling down to mid-range

~8% p.a. through-cycle growth

Infineon is #1 and technology leader in power semiconductors

- #1 in the market*
- Broadest product and technology portfolio
- Addressing broadest range of applications
- 300 mm 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

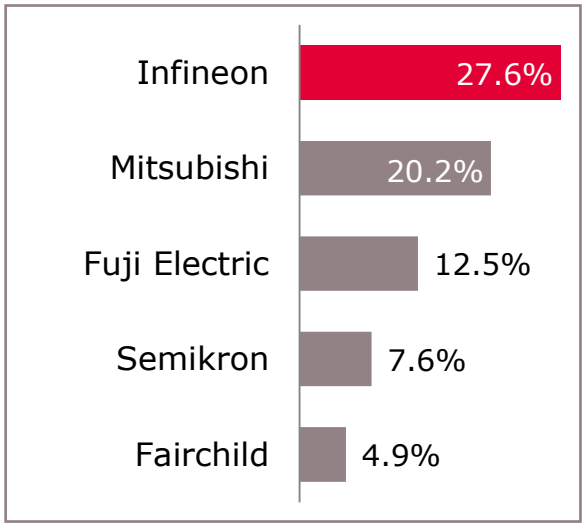
* Source: IHS Markit, "Power Semiconductor Discretes & Modules Report – 2016", July 2016

Infineon further strengthened its market positions

IGBT components* (discretes and modules)

total market in 2015: $3.94bn

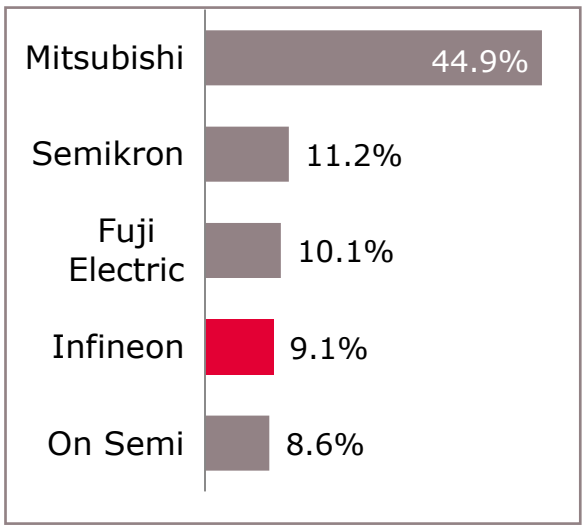
Stronger #1 position



therein: IPMs

total market in 2015: $1.10bn

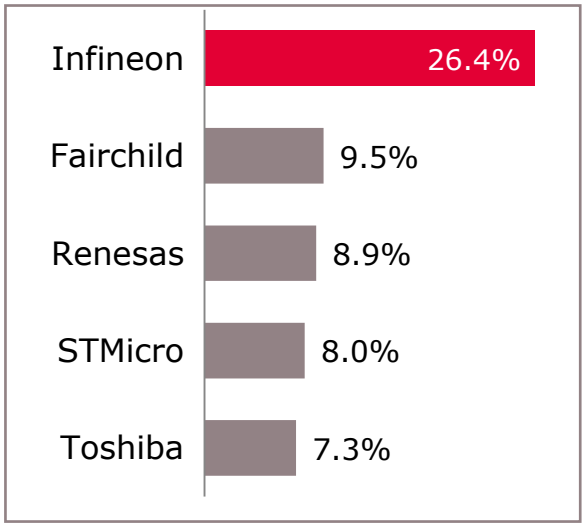
New #4 position



Discrete standard MOSFETs

total market in 2015: $5.48bn

rms** unchanged



* The market for IGBT components ($3,944m) includes discrete IGBTs ($853m), Standard IGBT modules ($1,692m), CIB/PIM ($299m), and IPMs ($1,101m).
** relative market share
Source: IHS Markit, "Power Semiconductor Discretes & Modules Report", July 2016

Strong #1 position in power allows driving of key areas of differentiation and innovation

Unique 300 mm thin wafer power semiconductor manufacturing

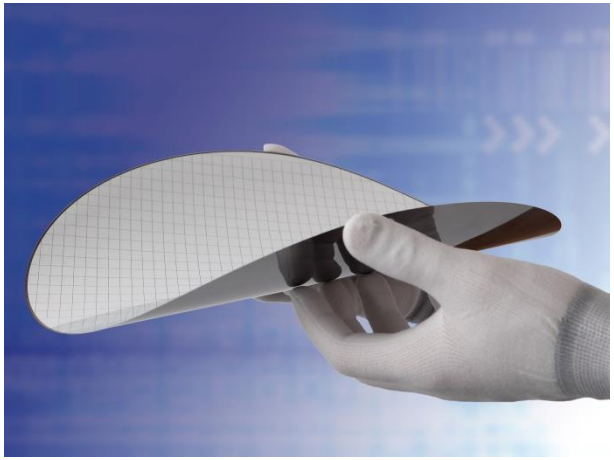
Compound semiconductors GaN and SiC

Digitalization of the power control loop

Functional integration of IGBT modules

Table of Contents

Progress on 300 mm manufacturing technology on track



Advantages of 300 mm manufacturing of power semiconductors

- When fully loaded, frontend manufacturing cost per unit will be 20 – 30% lower than on 200 mm.
- Capital intensity is 30% lower than on 200 mm.

Current status of Dresden 300 mm fab

- Less than 1%-pt margin headwind from 300 mm-related expenses (process development, product qualification and manufacturing infrastructure) already digested in today‘s P&L.
- Cost break even versus 200 mm expected by end of CY17 when reaching 25 – 30% utilization.

Table of Contents

Infineon's long-term growth is based on sustainable growth drivers

ATV	IPC	PMM	CCS
 Courtesy: BMW Group			
› CO_2 reduction › Advanced Driver Assistance Systems	› Energy efficiency › Automation › Productivity increase	› Energy efficiency › Power density › BLDC motors › Mobile device and LTE growth	› Security as a function › Mobile payments › Authentication › Internet of Things

~8% p.a. through-cycle growth

Part of your life. Part of tomorrow.

Infineon

Financial calendar

Date	Location	Event
21 Sep 2016	Munich	Baader Investment Conference
11 Oct 2016		ATV Conference Call by Peter Schiefer, Division President
16 – 17 Nov 2016	Barcelona	Morgan Stanley TMT Conference
23 Nov 2016*		Q4 FY16 and FY 2016 Results
29 – 30 Nov 2016	Scottsdale, AZ	Credit Suisse TMT Conference
02 Feb 2017*		Q1 FY17 Results
16 Feb 2017	Munich	Annual General Meeting
04 May 2017*		Q2 FY17 Results
01 Aug 2017*		Q3 FY17 Results
14 Nov 2017*		Q4 FY17 and FY 2017 Results

* preliminary

Institutional Investor Relations contacts

Dr. Jürgen Rebel

Corporate Vice President
Investor Relations

+49 89 234-21626
juergen.rebel@infineon.com

Joachim Binder

Senior Director
Investor Relations

+49 89 234-25649
joachim.binder@infineon.com

Holger Schmidt

Manager
Investor Relations

+49 89 234-22332
holger.schmidt@infineon.com

Tillmann Geneuss

Manager
Investor Relations

+49 89 234-83346
tillmann.geneuss@infineon.com