

Investor and Analyst Call

11 June 2013



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Chip Card & Security (CCS)



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■ Infineon Chip Card & Security Overview

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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.

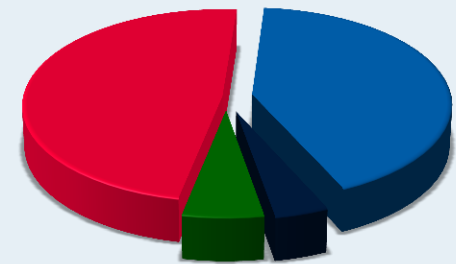
Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Chip Card & Security (CCS) at a Glance

Revenue and Segment Result development



Revenue by region*



- Americas
- APAC
- EMEA
- Japan

* fulfillment, FY 2012

Top customers

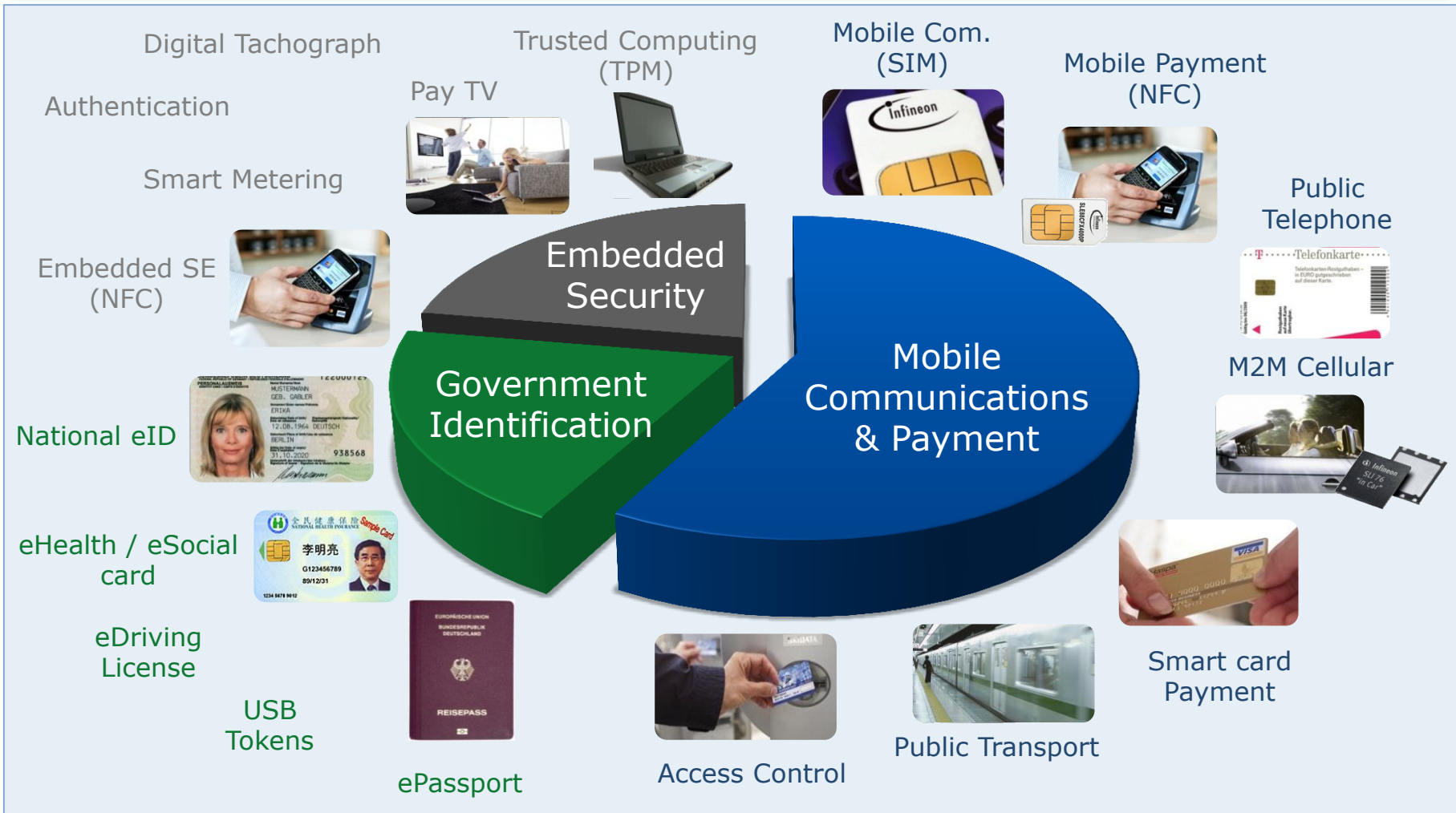


Top distributors



Chip Card & Security Revenue by Application

Revenue split by Application in FY 2012: EUR 457m

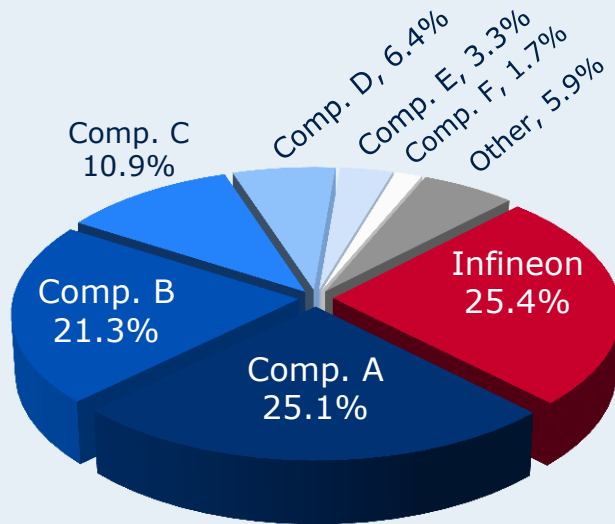


Infineon is Market Leader for Smart Card ICs in CY 2012 According to ABI Research



Smart Card IC market share 2012

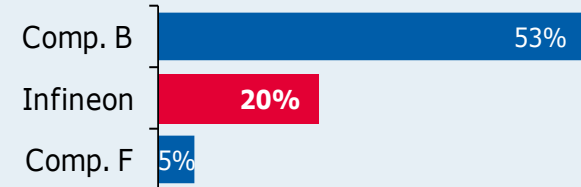
2012 Smart Card IC market
market shares by revenue
TAM: \$2,370m



#2

Mobile Communic.

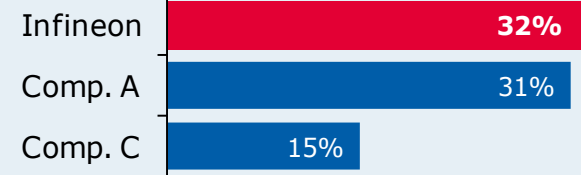
Based on volume
(TAM: 5.5bn pcs in CY12)



#1

Payment

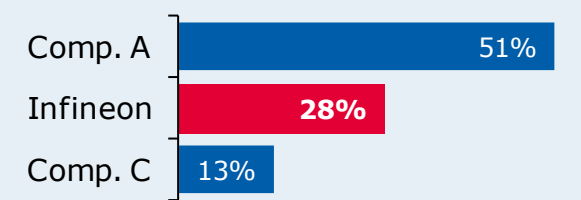
Based on volume
(TAM: 1.4bn pcs in CY12)



#2

Government ID

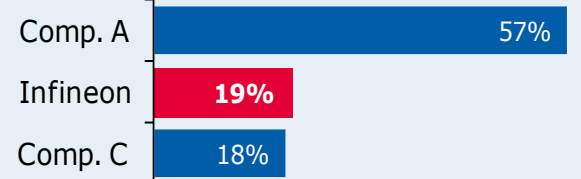
Based on volume
(TAM: 493m pcs in CY12)



#2

NFC

Based on volume
(TAM: 143m pcs in CY12)



Source: ABI Research, "Smart Card & Secure ICs", 29 May 2013.

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Innovations Based On Core Competencies Create Convincing Competitive Advantage

Core competence

Innovation

Competitive advantages

Security



INTEGRITY GUARD

- Digital security
- Protects against various attacks
- Reduces total cost of ownership

Contactless Performance



Coil on Module

- Mechanical robustness and long lifetime
- Simplifies card design and manufacturing

Embedded Control



SOLID FLASH™

- Flexibility across the value chain
- Highest certified Flash in the market
- Outstanding reliability

Shrink and Outsourcing Improve Cost Competitiveness and Lower Capital Intensity

Technology and foundry roadmap

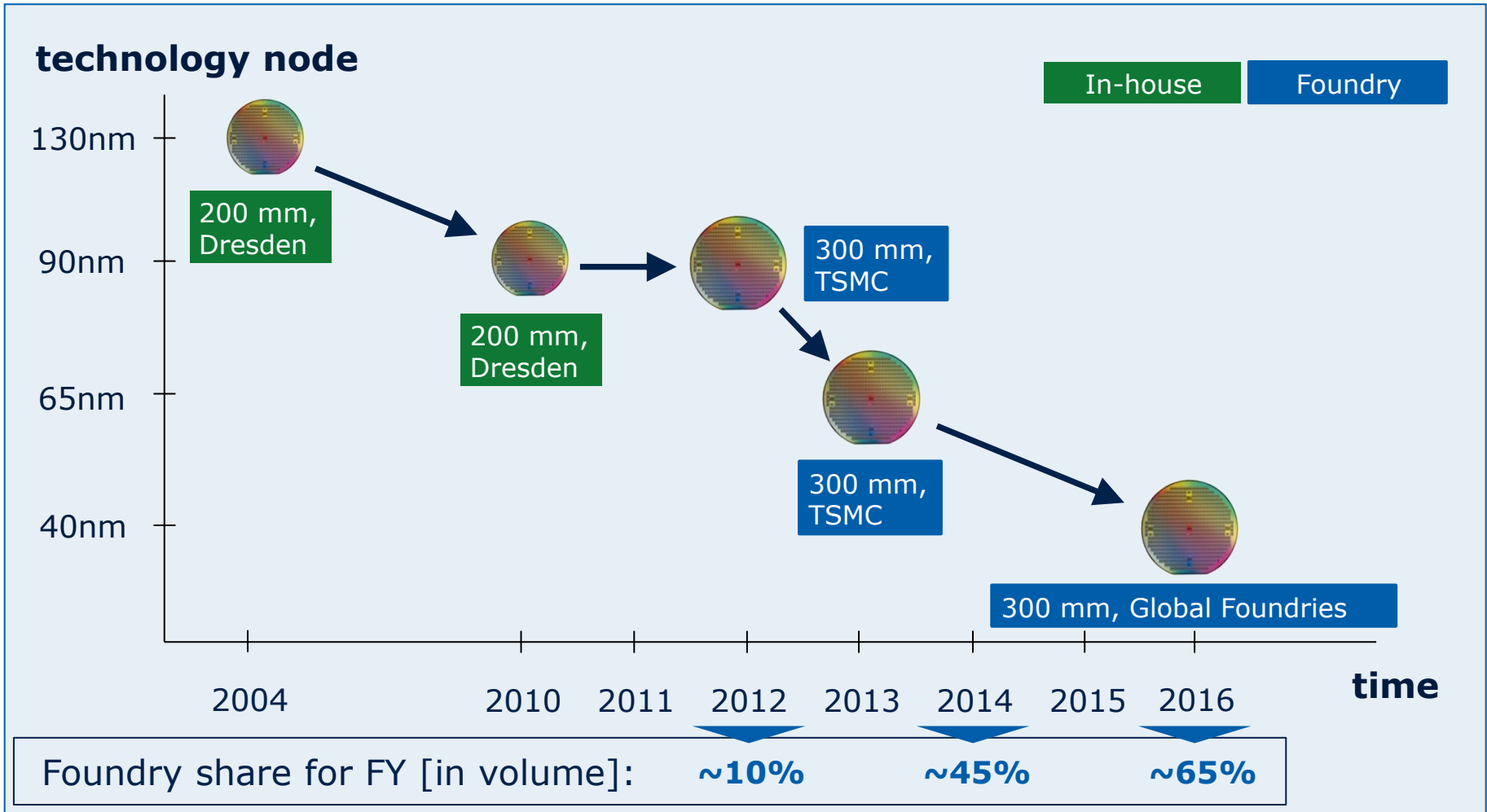


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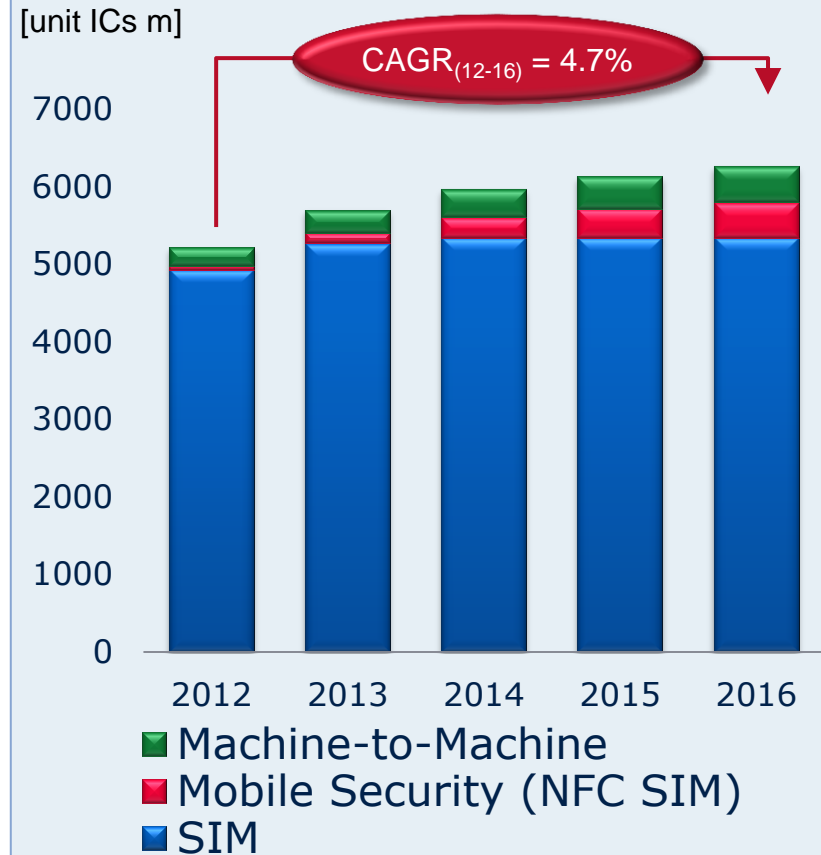
Mobile Communications Growth to Continue with Emerging Applications



Comments

- CCS focuses on mid- and high-end SIM requiring Flash and cost-competitive manufacturing technologies.
- Emerging high-end applications such as NFC SIMs and machine-to-machine provide growth opportunities.

SIM market development



Source: IHS Inc. (IMS Research), "Smart Card and IC Database - World - 1Q13 Update" and "Near Field Communications - World - 2013", March 2013.

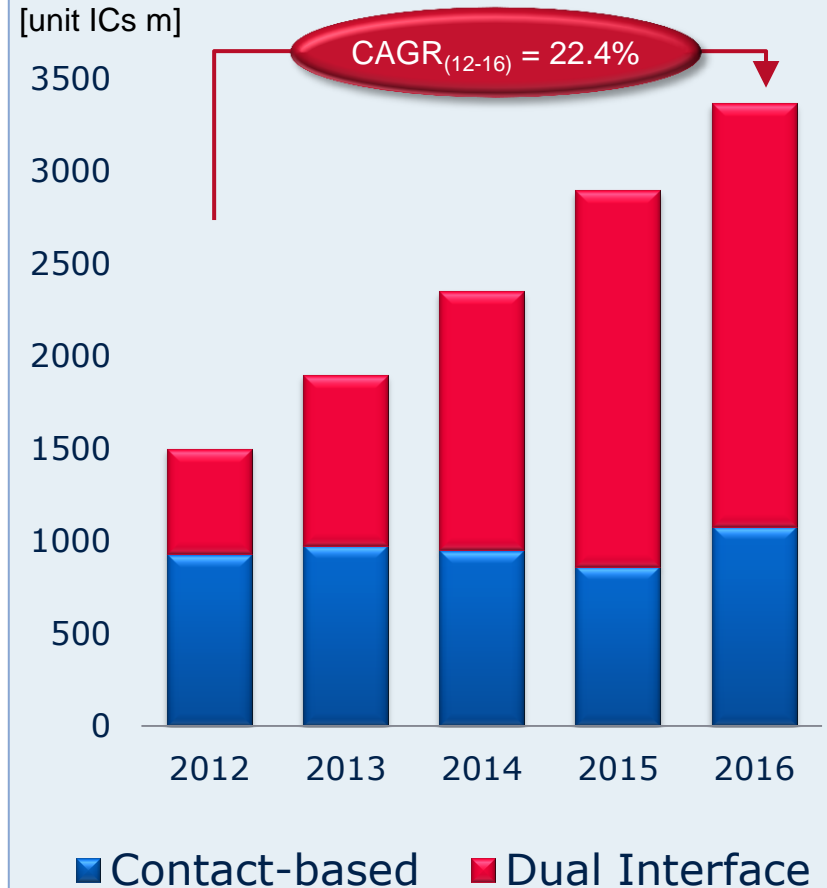
Payment WW Migrating to Chip-based Solutions with Strong Dual I/F Penetration



Comments

- Migration from magnetic stripe to EMV: Latin America, China, USA.
- Penetration in developing countries.
- Dual Interface market growth driven by convenience, mobile payment (infrastructure deployed) and convergence (e.g. transport).

Payment market development



Source: IHS Inc. (IMS Research), "The World Market for Payment and Banking Cards – 2012 Edition", July 2012.

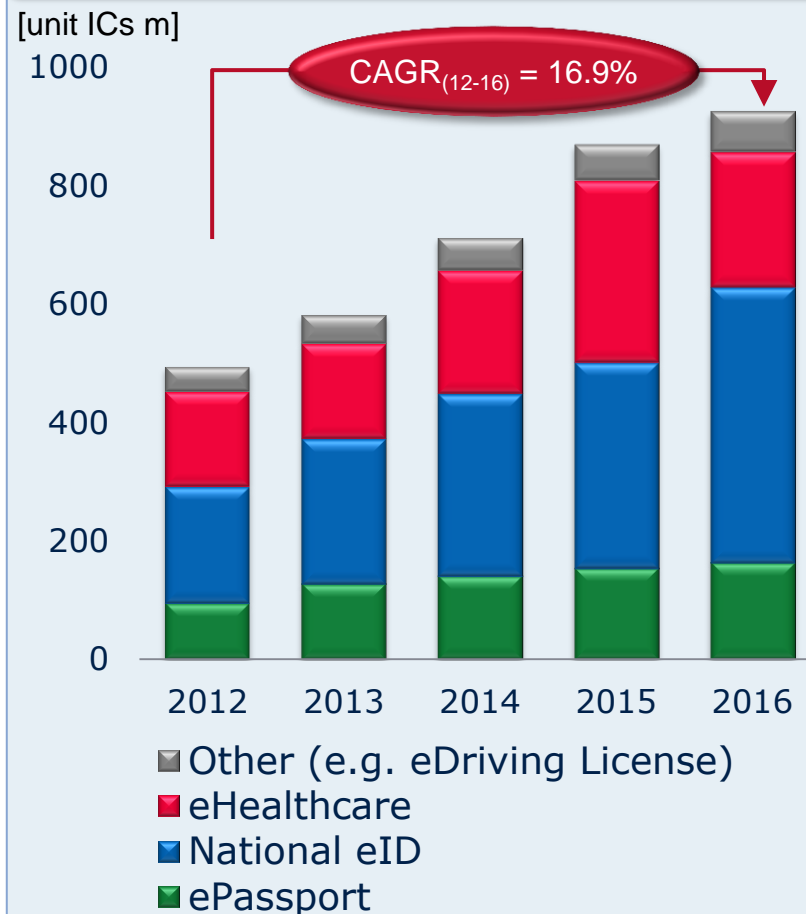
Governments WW Adopt New Electronic Schemes for Nat. eIDs and eHealthcare



Comments

- Further national eID and eHealthcare schemes to roll out: Brazil, India, Japan, Russia, Turkey.
- Multi-application cards and biometrics will require very-high bit rates for fast contactless transaction times.
- Digital security: Integrity Guard.

Gov. ID market development



Source: IHS Inc. (IMS Research), "Electronic Government & Healthcare ID - World - 2012", December 2012.

Embedded Security Know-how Positions Infineon as Leader in New Markets



Trusted Computing (TPM)



Mobile Security (NFC)



Authentication



Critical Infrastructure



Comments

- Cloud Computing, Mobile Payment and Connectivity drive the need for embedded security in the consumer market.
- New applications for security emerging: Smart Grid, Industrial Control, IT infrastructure, Vehicle-to-Vehicle communication etc.
- Infineon has strong embedded security know-how, with >10 years experience in TPM.

Infineon Chip Card & Security is Well Positioned for Continued Growth



Mobile Communication



Payment



Government Identification



Embedded Security



Expected growth [in pieces]

~5%*

~20%*

~15%*

>20%

IFX Position**

#2

#1

#2

not available

CCS expects average revenue growth of 6 - 9% p.a.

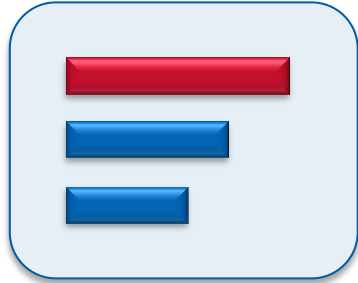
* Source: IMS Research, 2012.

** Source: ABI Researcj, May 2013.

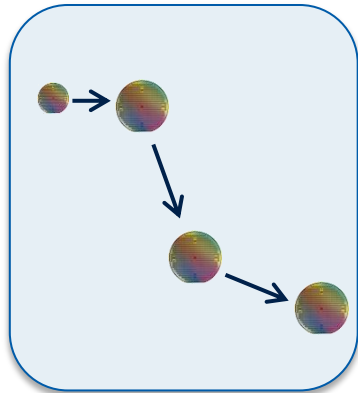
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Summary



- Infineon is leading the Chip Card & Security market.
- We have a track record of sustained profitability.



- Competitive advantage based on technology leadership.
- Increasing foundry share with technologies at 90nm and below will reduce capital intensity.



- We grow in key markets in all regions.
- We are well positioned in emerging security markets.



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