Infineon Roadshow

April 2007

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Never stop thinking

Disclaimer

This presentation was prepared as of March 23, 2007 and is current only as of that date.

This presentation includes forward-looking statements about the future of Infineon's business and the industry in which it operates. These include statements relating to future developments in the world semiconductor market, including the market for memory products, Infineon's future growth, the benefits of research and development alliances and activities, Infineon's planned levels of future investment in the expansion and modernization of its production capacity, the introduction of new technology at its facilities, the continuing transitioning of its production processes to smaller structure sizes, cost savings related to such transitioning and other initiatives, Infineon's successful development of technology based on industry standards, Infineon's ability to offer commercially viable products based on its technology, Infineon's ability to achieve its cost savings and growth targets, and the impact of the carve-out of Qimonda, the group's memory products business, its initial public offering, and any further sales of Qimonda shares or other corporate financing measures in that regard.

These forward-looking statements are subject to a number of uncertainties, including trends in demand and prices for semiconductors generally and for Infineon's products in particular, the success of Infineon's development efforts, both alone and with partners, the success of Infineon's efforts to introduce new production processes, the actions of competitors, the availability of funds for planned expansion efforts, and the outcome of antitrust investigations and litigation matters, as well as the other factors mentioned in this presentation and those described in the "Risk Factors" section of the annual report of Infineon on Form 20-F filed with the U.S. Securities and Exchange Commission on November 30, 2006 or contained in the company's quarterly reports. As a result, Infineon's actual results could differ materially from those contained in these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements.

Infineon does not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

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  - ☐ Security & ASICs

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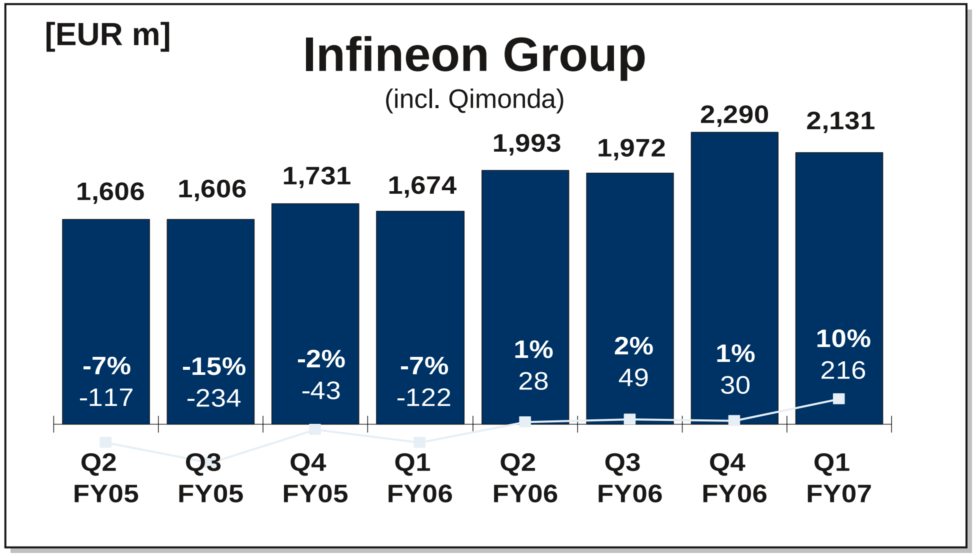
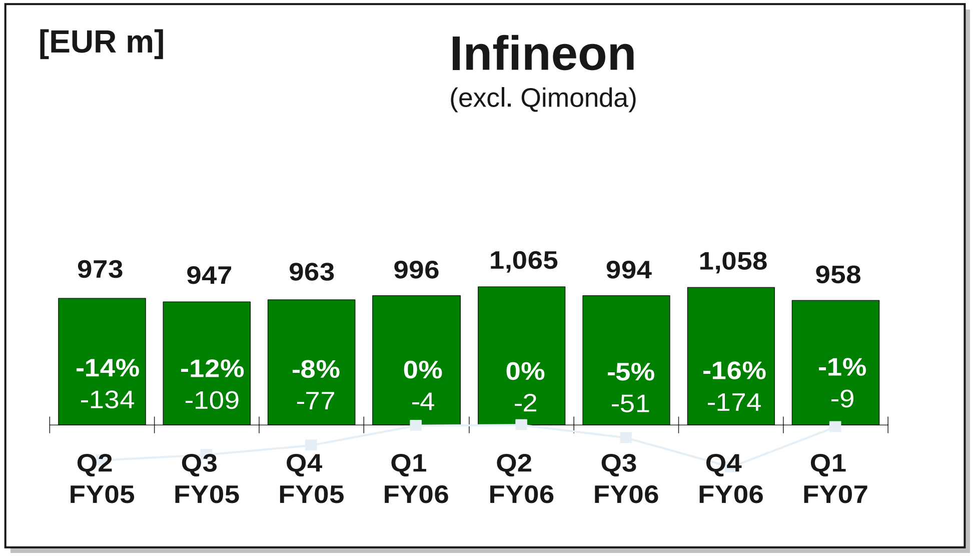
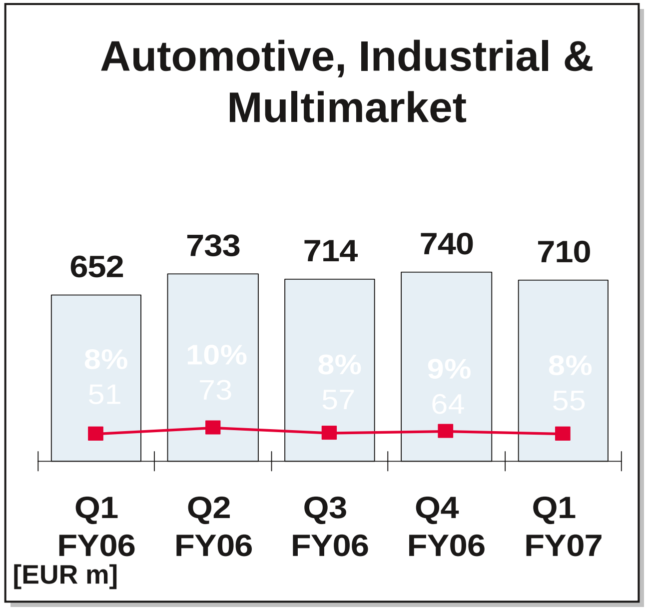
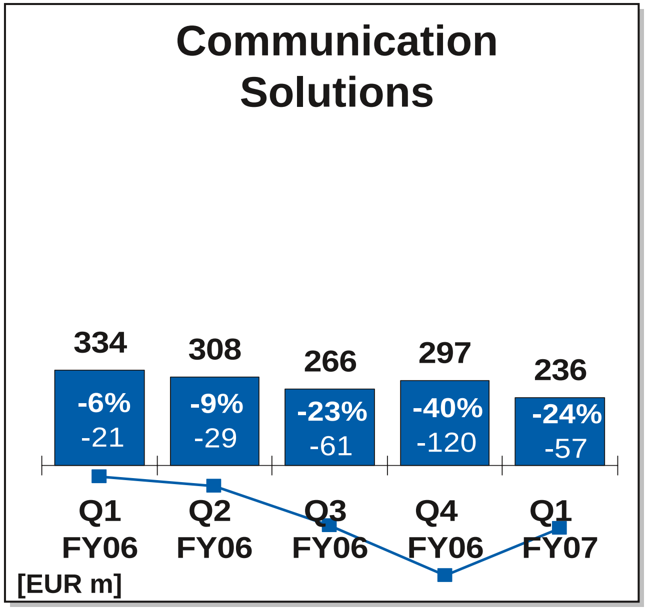
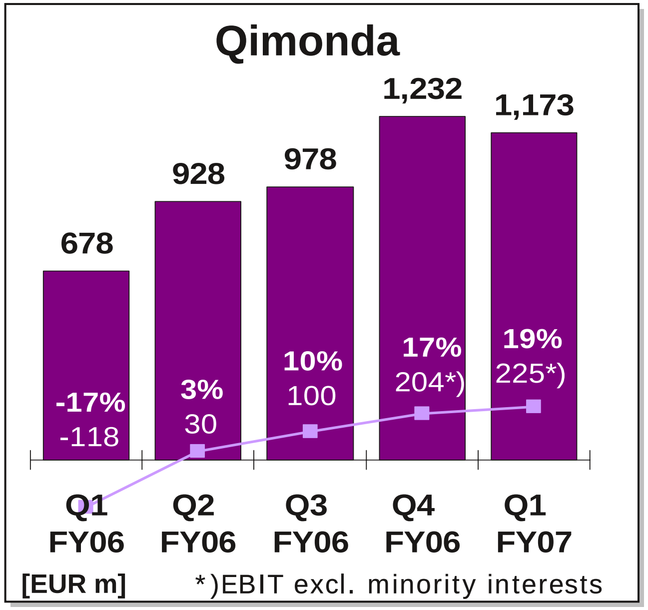
First Quarter FY 2007 Results:
Rev. of EUR 2.13 bn; EBIT of EUR 216 m


Infineon Group
(incl. Qimonda)


Infineon
(excl. Qimonda)


Automotive, Industrial & Multimarket


Communication Solutions


Qimonda

*)EBIT excl. minority interests

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Second Quarter FY 2007 Outlook

IFX Logic	Revenues and EBIT excluding Qimonda and before charges are expected to remain at least flat
COM	■ Revenues and EBIT flat q-o-q ■ Customer ramp-ups mitigate typical seasonal decline in the wireless business; wireline business to be about flat
AIM	■ Revenues to increase slightly q-o-q; EBIT margin to improve ■ Auto to grow on ramp-ups and seasonality despite continued U.S. auto weakness. Industrial & Multimarket and Security & ASIC to remain broadly flat
C & E	■ EBIT loss before charges basically unchanged q-o-q ■ Charges: significantly less than the EUR 30 m expected originally mainly for baseband restructuring

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Group Results and FY 2007, FY 2008 Outlook (excluding Qimonda)

in EUR m	FY 2005	FY 2006 *)	FY 2007	FY 2008
Sales	3,933	4,114	→	↑
Gross Profit *(Gross margin)*	1,187 *(30%)*	1,308 *(32%)*	→	
R&D	902	816	760-800	
SG&A	449	536	500-540	
EBIT *(EBIT margin)*	-305 *(-8%)*	-217 *(-5%)*	↗	↑

Infineon defines EBIT as Earnings (loss) Before Interest and Taxes.

*) FY2006: Includes net charges of € 199 million relating primarily to various impairments and restructuring measures as well as expenses incurred in connection with the insolvency of BenQ Mobile Germany and the IPO of Qimonda.

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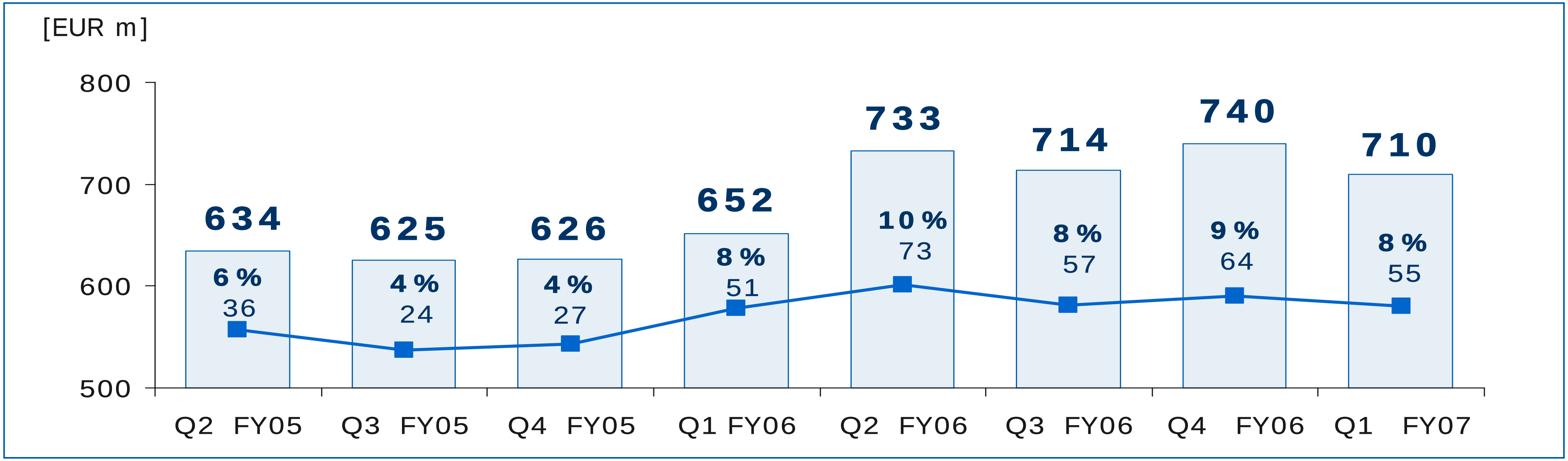
Automotive, Industrial & Multimarket Results and Outlook



- FY 2006: more than € 70m expenses from Perlach/Kulim fabs; losses in Chipcard.
- FY 2007: expect sales growth y-o-y; EBIT likely to rise y-o-y; close to 10% EBIT margin for Q4 FY 2007.
- FY 2007: Expenses for Perlach closure and Kulim ramp similar to FY 2006 levels
  → Perlach closed, Kulim start-up expense to run out Q4 FY 2007.
- Beyond FY 2007: continued sales growth, >10% EBIT margin.

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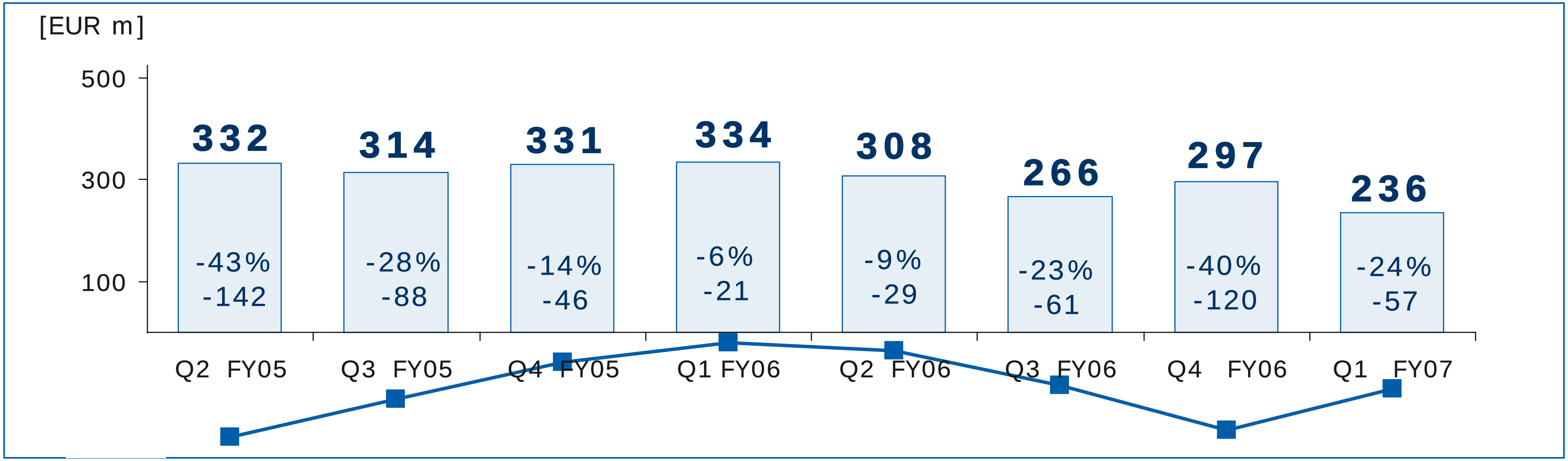
Communication Solutions Results and Outlook



- FY 2006: € 92m in charges included in results, mainly relating to BenQ insolvency; clean EBIT € -139m.
- FY 2007: expect sales decline y-o-y; expect annualized c. € 40 m cost reduction from Jun Q onwards; EBIT before special effects to remain broadly flat y-o-y.
- Beyond FY 2007: Wireless business to break-even in Dec Q 2007; expect strong sales growth vs FY 2007 and positive EBIT.

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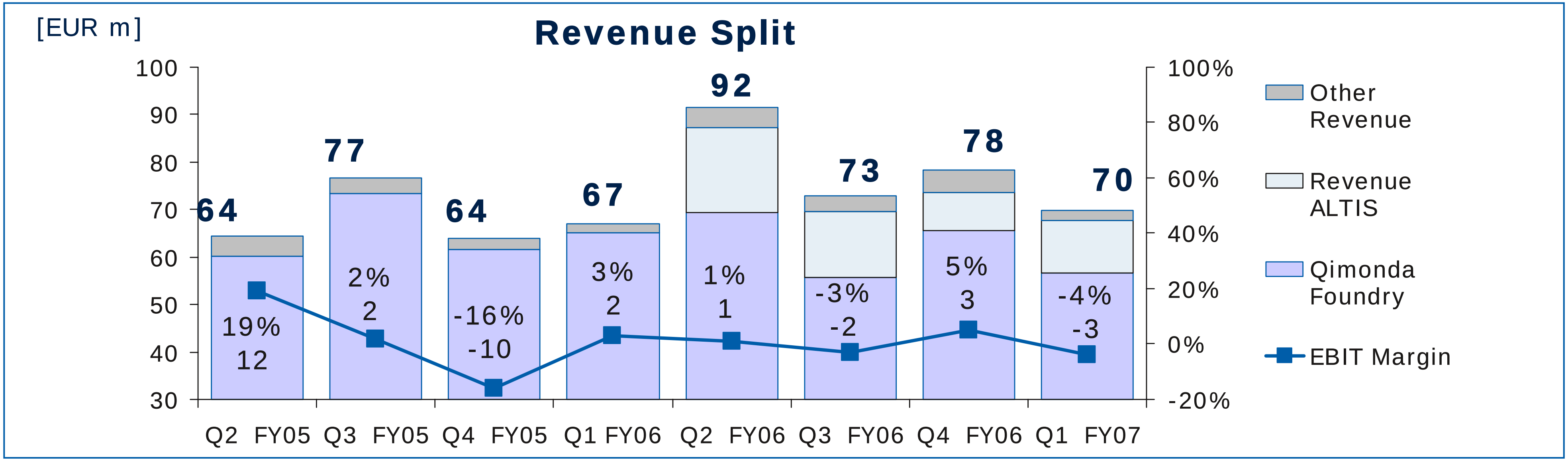
Other Operating Segments Results and Outlook



- FY 2007: share of loading of ALTIS fab 100% since 1-Jan-07; agreement with Qimonda over Dresden 200mm fab extended to 30-Sep-2009; sales to trend lower.
- FY 2007: EBIT around break-even.
- Beyond FY 2007: Sales to decline gradually as revenues with Qimonda move lower; EBIT around break-even.

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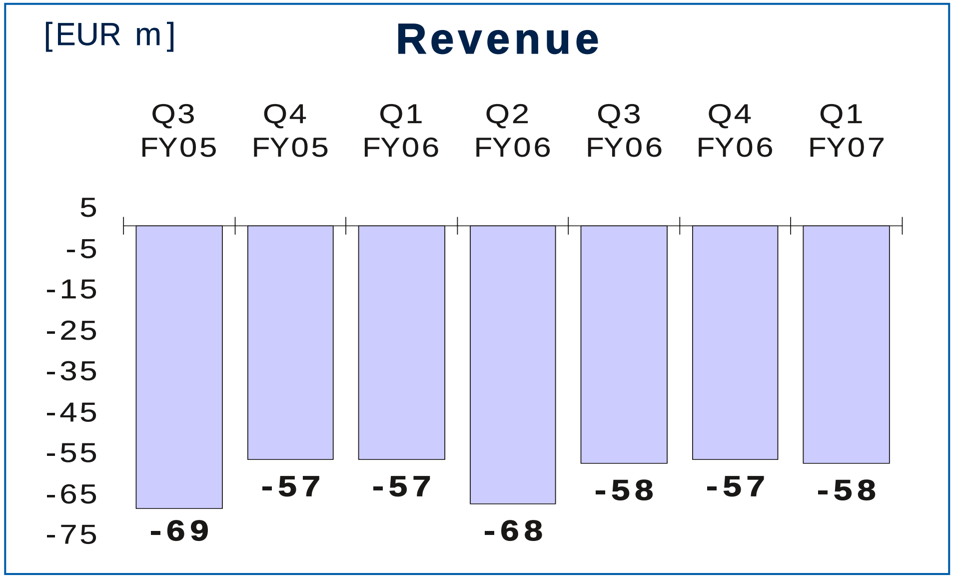
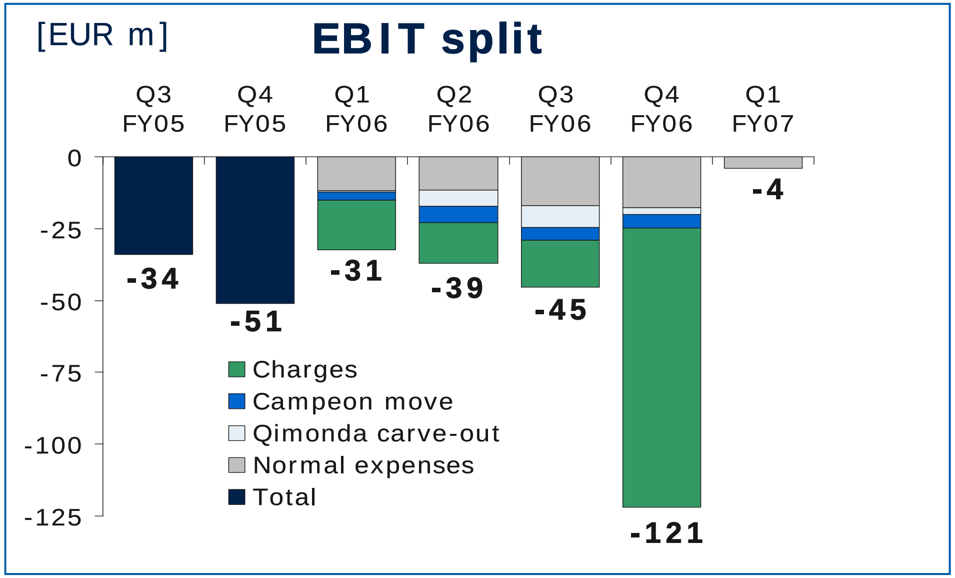
Corporate & Eliminations
Results and Outlook





- FY 2006: Sales are negative as intra-group wafer deliveries to Qimonda are being eliminated; EBIT contains net charges of EUR 105 m relating mainly to Qimonda IPO (EUR 65 m) and to restructuring measures (EUR 25 m). Ongoing expenses in C&E: e.g. stock options, idle capacity cost, elimination of intra-group profits on wafers sold to Qimonda.
- FY 2007: negative sales to persist due to inter-company elimination; amount driven by sales to Qimonda in OOS. EBIT before charges to improve significantly from FY 2006 level to c. EUR -60 m. Expect charges around EUR 30 m for baseband and ALTIS combined.
- Beyond FY 2007: Expect to contain EBIT loss excluding charges at approximately FY 2007 levels.

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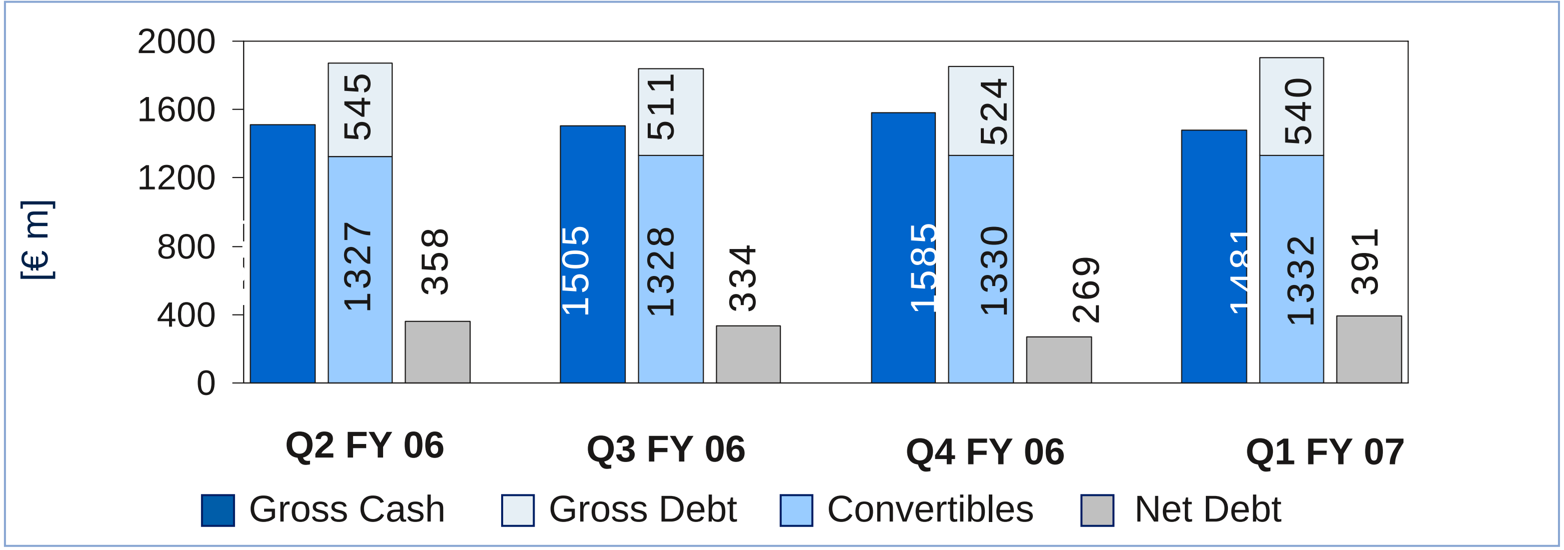
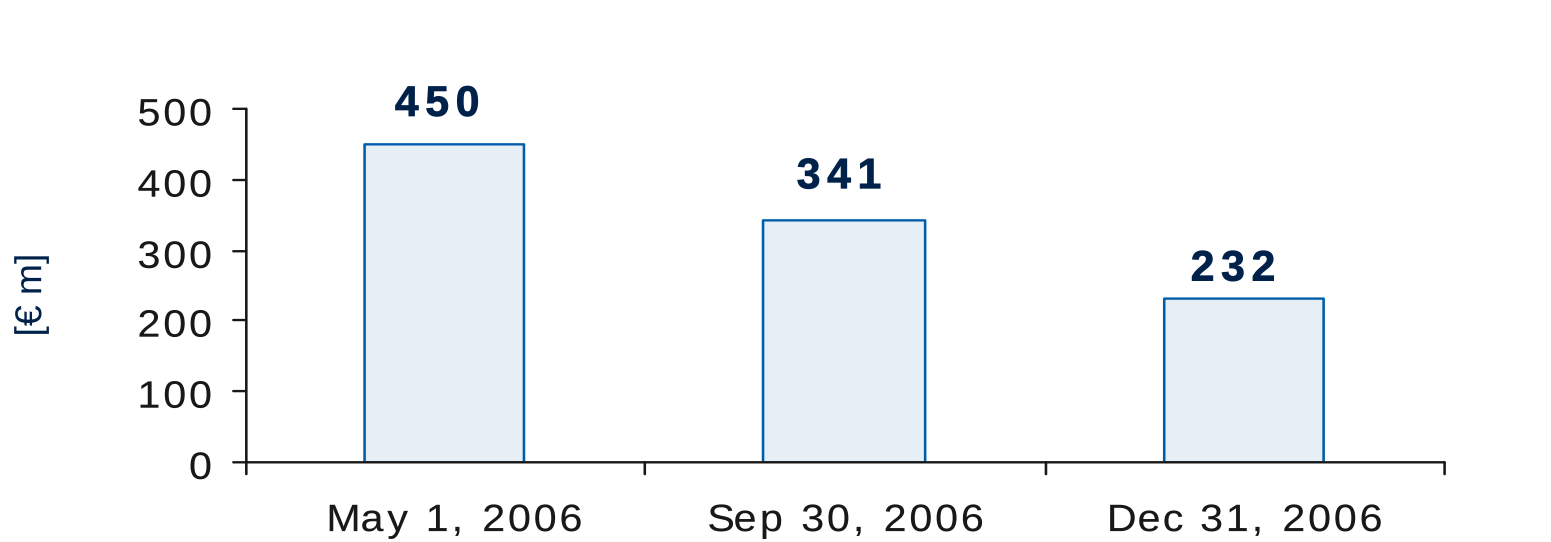
Gross Cash, Gross Debt and Net Debt

Financial structure of the Logic business for the past quarters



Develop-ment of the inter-company loan to Qimonda



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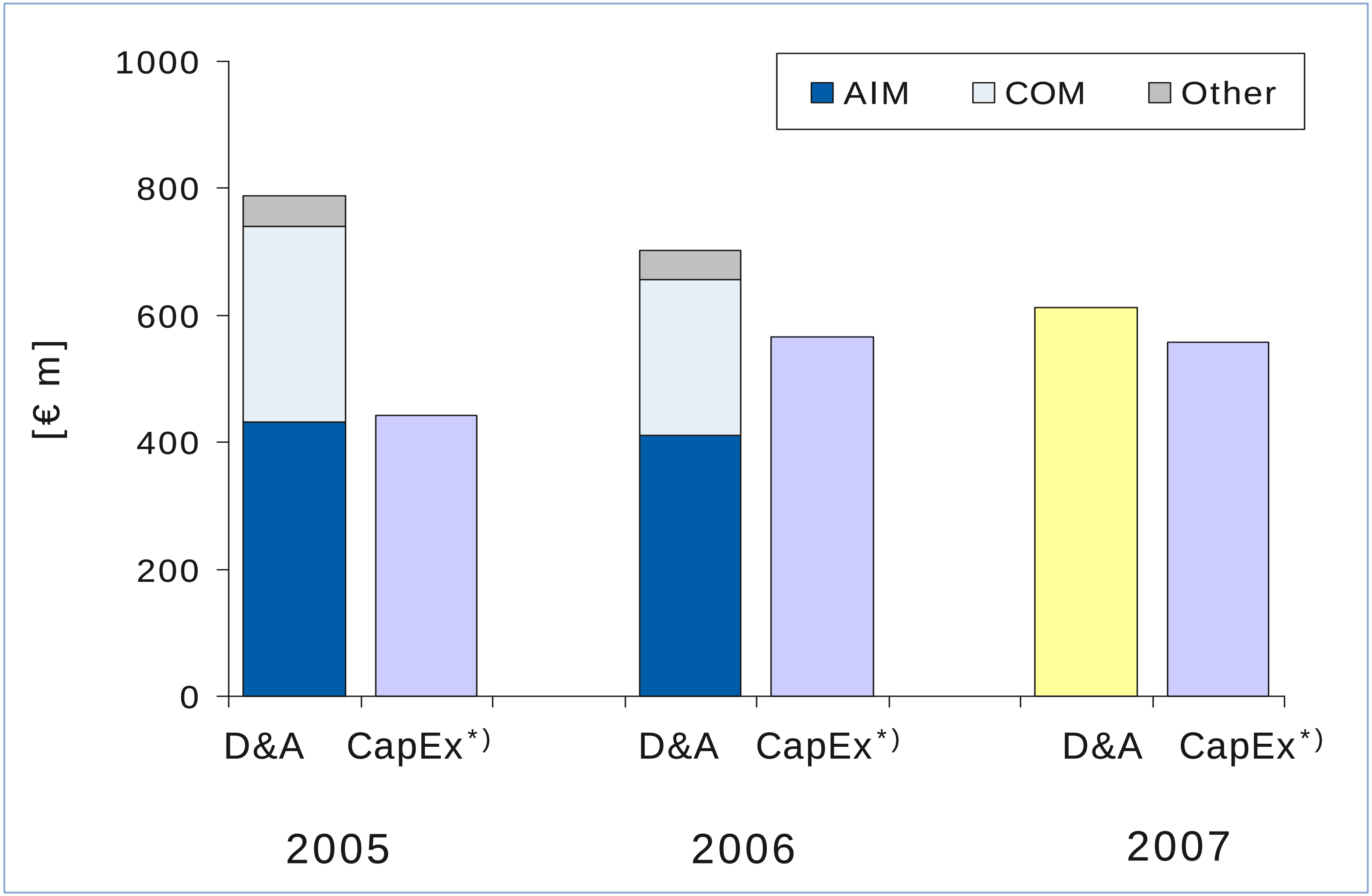
Target CapEx/Sales 10-12% beyond FY 2007

Capital intensity

Logic business



*) w/o intangibles

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Infineon Businesses

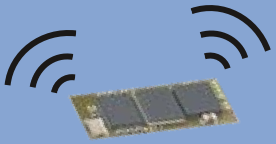
Communication Solutions

Mobile Phone Platforms

- Feature Phones
- Entry Phones
- Mobile Software

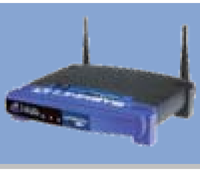
RF Solutions

- RF Engine
- Tuner Systems
- Connectivity



Broadband

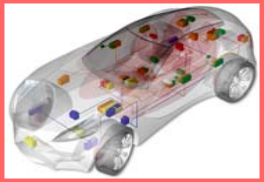
- Access



Automotive, Industrial & Multimarket

Automotive

- Microcontroller
- Automotive Power
- Sense & Control



Industrial & Multimarket

- Power Management & Drives
- Discrete Semiconductors

Security & ASICs

- ASIC Design & Security
- Chip Card & Security ICs

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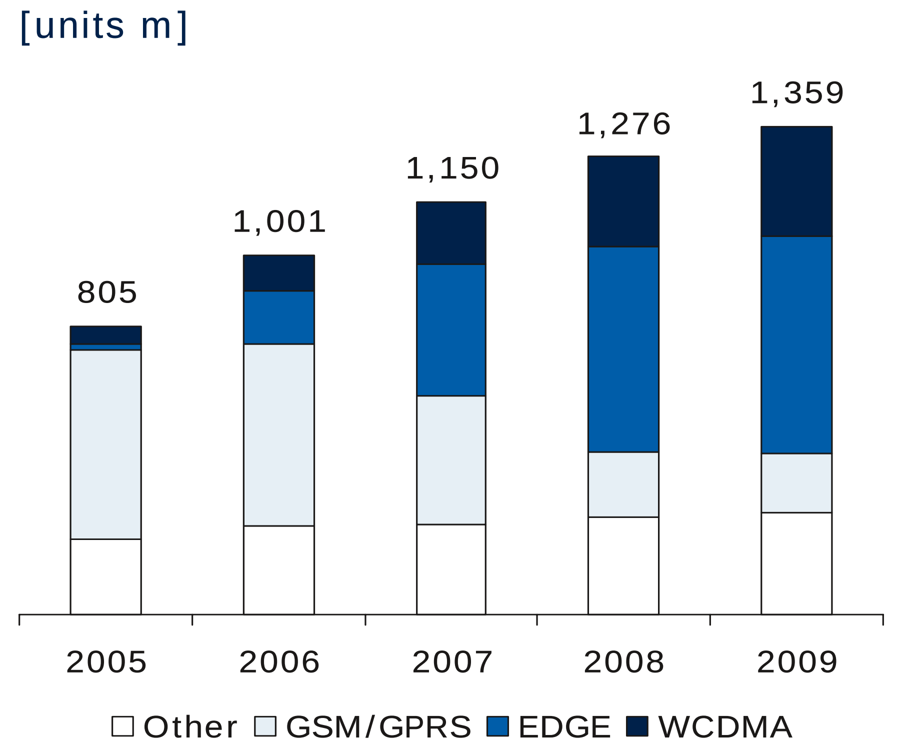
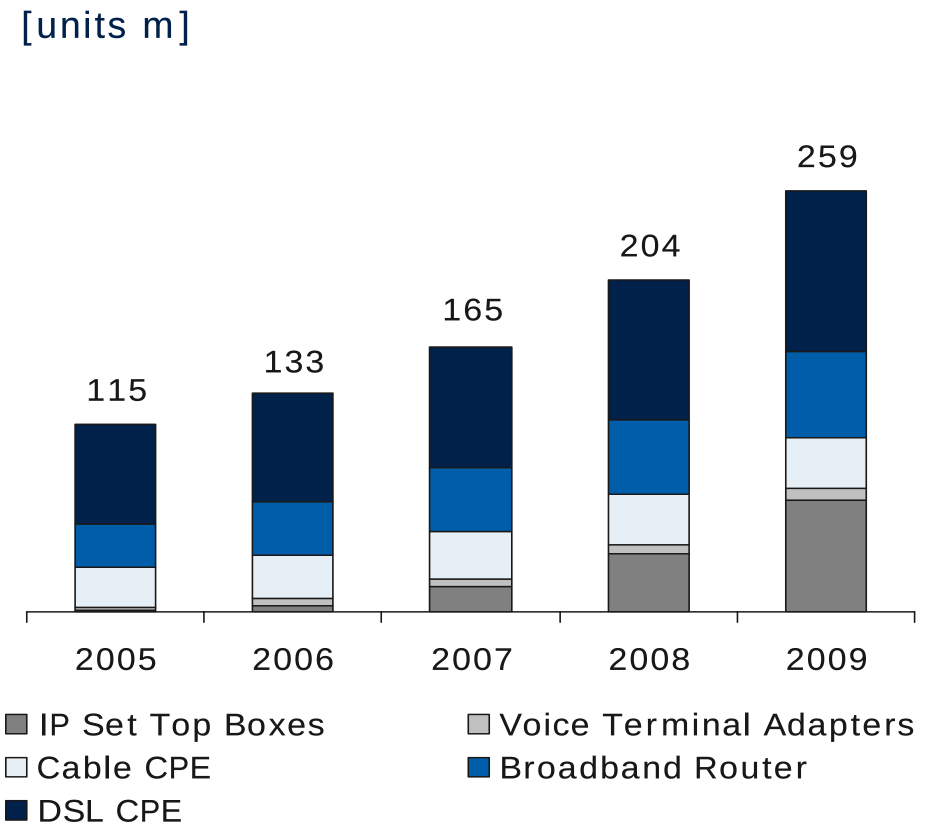
Major COM Growth Opportunities

Mobile Phones



Source: ABI Research, Mobile Device Market Data, Q4 2006

Broadband CPE



Source: Infonetics, Broadband CPE, Q3 2006

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Infineon Engineers Develop World-Class Products

Single-chip
EDGE mobile phone
solution

"S-GOLDradio"

Single-chip
GSM mobile phone
solution

"E-GOLDvoice"

Single-chip
7.2 Mb/s HSDPA
baseband

"S-GOLD3H"

World's first
3G/EDGE DigRF
CMOS transceiver

"SMARTI UE"

World's smallest EDGE
CMOS transceiver

"SMARTi PM+"

Single-chip
Mobile TV
front-end

"OmniVia"

World's smallest
GPS single-chip receiver

"Hammerhead II"

World's first standard compliant
VDSL2 solution

"VINAX"

World's first single-chip ADSL2+
broadband IAD

"Danube"

World's first
5+2G switch

"Tantos"

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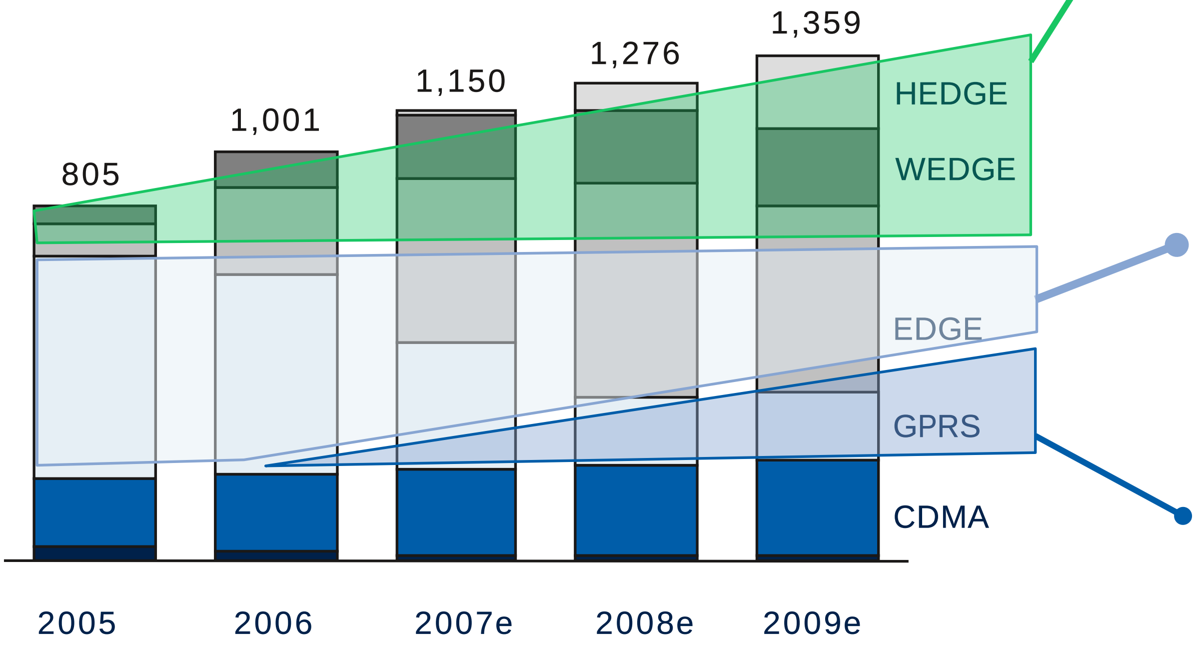
Stand-alone RF Transceivers and Platform Solutions

Market Segmentation

Worldwide mobile phone shipments by air interface [m units]



Innovative RF Engines

- Stand alone transceiver solutions
- Multi-bands, multi-mode
- Size and power consumption critical
- Growing volume
- High innovation
- High ASP (x3-x5 of GSM/GPRS)

Commoditized RF Engines

- Stand-alone transceiver solutions
- High volume
- Cost competitive market

Integrated RF+BB Solutions

- Baseband + RF Integration
- Handsets with fixed feature set
- Commodity
- Ultra-low cost

Source: ABI Research, 2006; IFX

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Complete Mobile Phone Platform Solutions for Major Growth Markets

Target markets	2G / 2.5G GSM / GPRS		2.75G EDGE		3G UMTS	3.5G HSDPA
Platform	**ULC1**	**ULC2**	**MP-E**	**MP-Elite**	**MP-EU**	**MP-EH**
Baseband	▨ E-GOLDradio ✓	▨ E-GOLDvoice ✓	✓	▨ S-GOLDradio ✓	✓	✓
RF CMOS transceiver	▨ ✓	▨ ✓	✓	▨ ✓	✓	✓
Power management	✓	▨ ✓	✓	▨ ✓	✓	✓
Protocol stack	✓	✓	✓	✓	✓	✓
Ramp-up	✓	✓	✓	2H CY07	✓	CY 2007+

▨ Integrated in one chip

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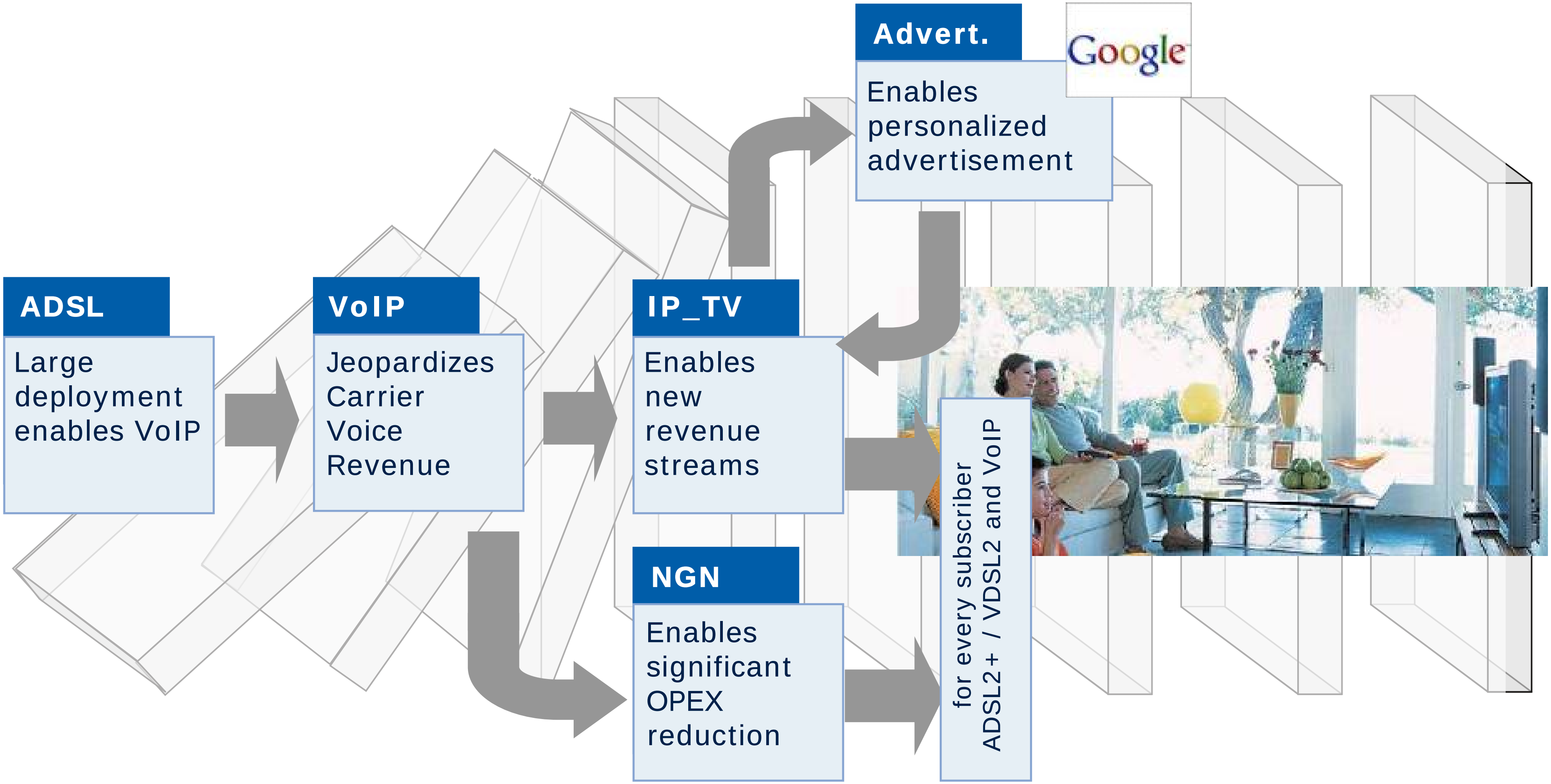
The “Domino Effect”
Market Trends



ADSL

Large deployment enables VoIP

VoIP

Jeopardizes Carrier Voice Revenue

IP_TV

Enables new revenue streams

NGN

Enables significant OPEX reduction

Advert.

Enables personalized advertisement

for every subscriber
ADSL2+ / VDSL2 and VoIP

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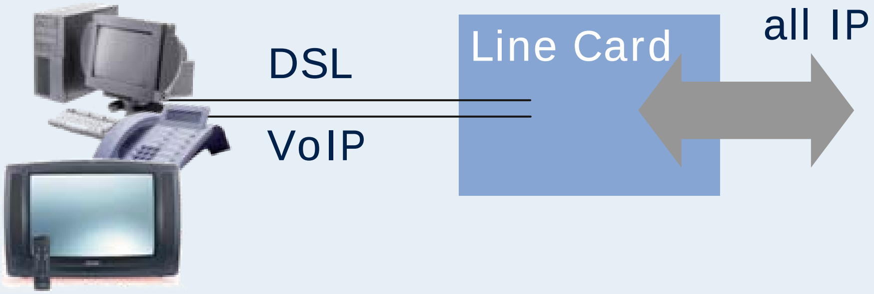
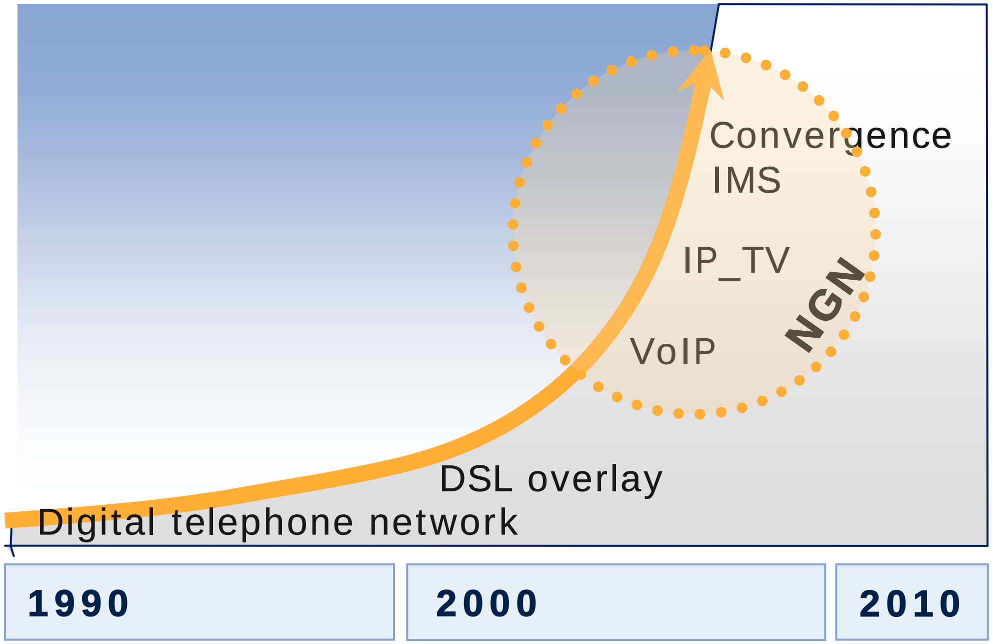
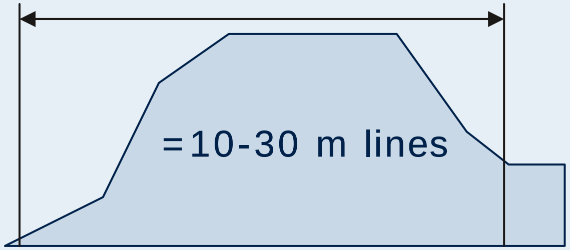
Network Replacement Market Trends

NGN Basis Structure



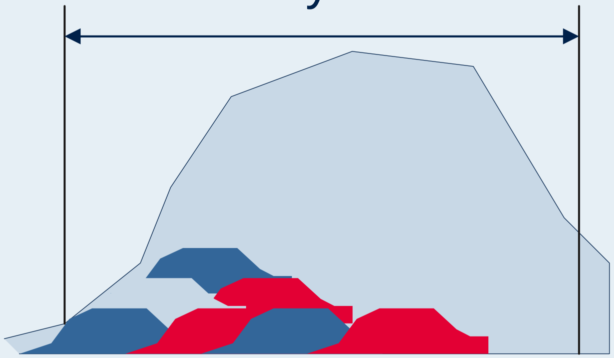


3-4 years



Network replacement
profile per carrier

~10 years



Cumulated worldwide demand

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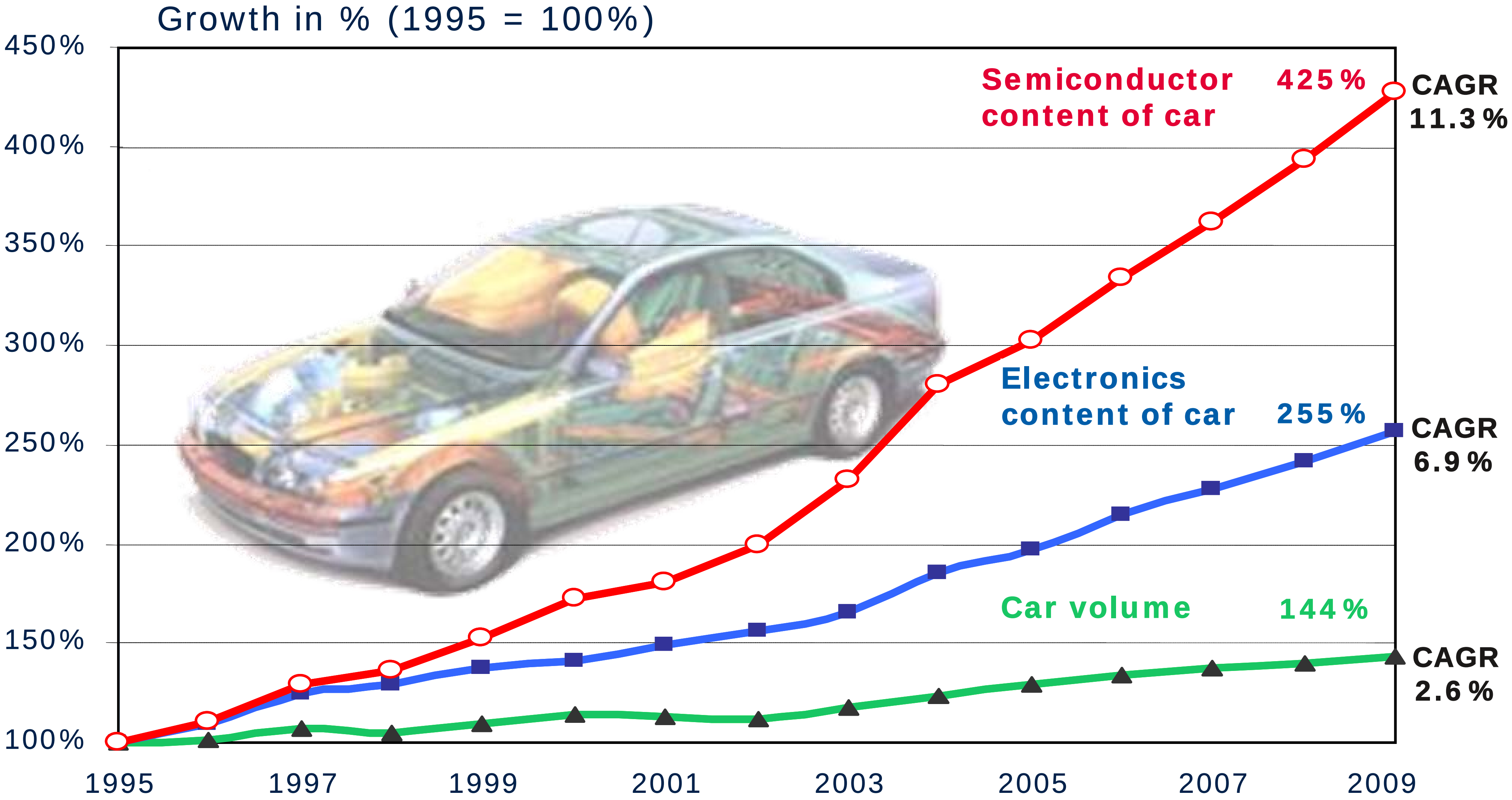
Automotive Microelectronics Trends – More Than 50% of $-value of Electronics is Semiconductors



Source: ZVEI

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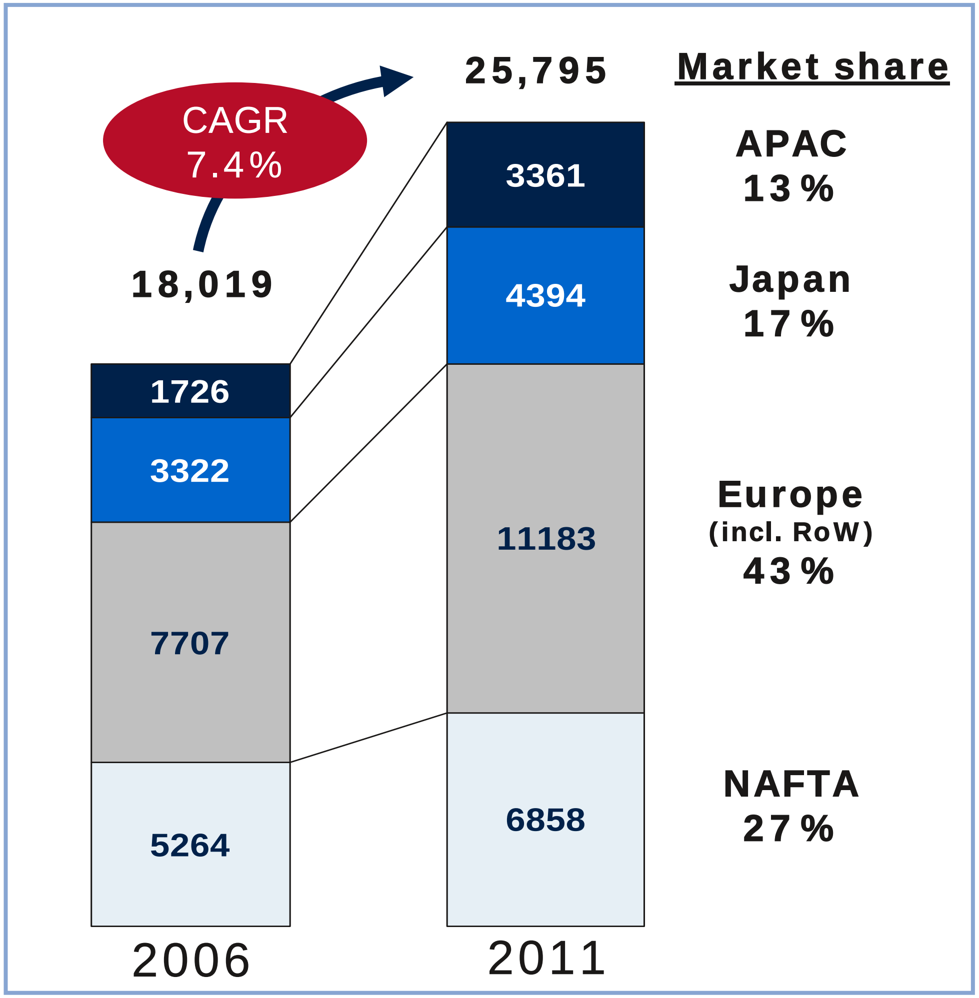
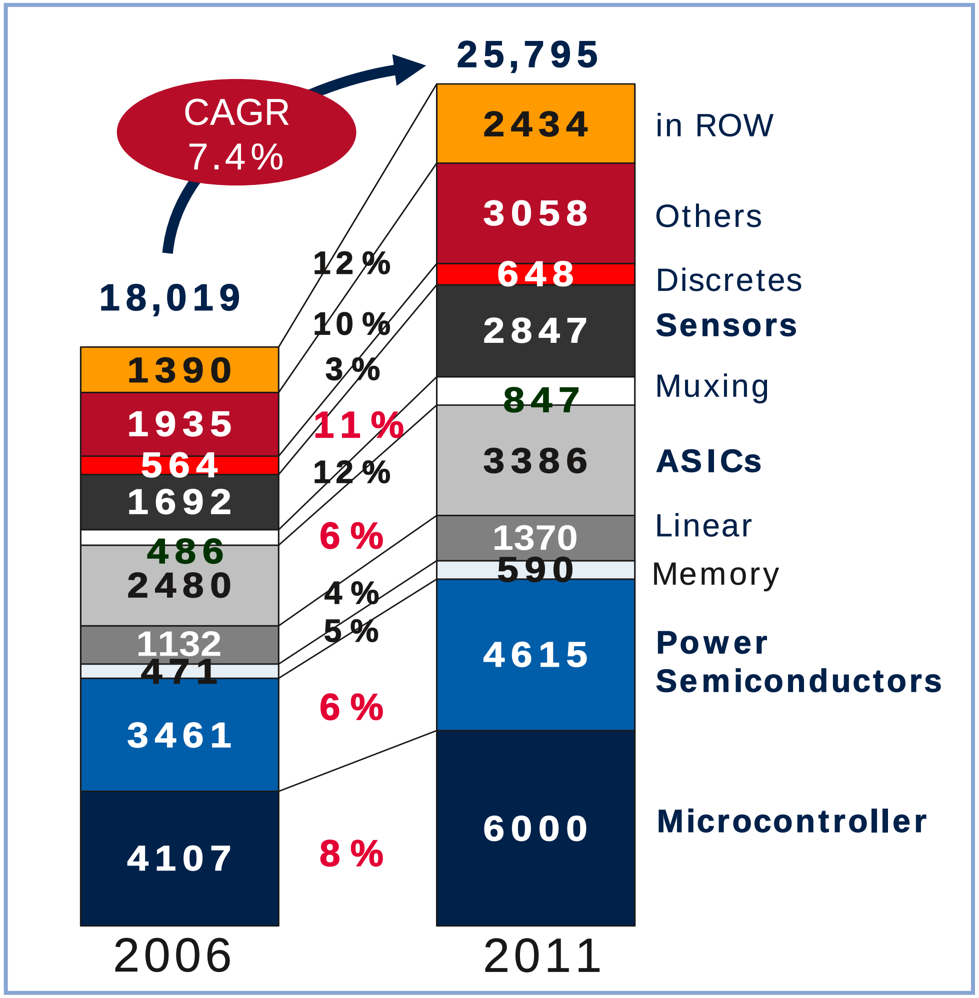
CAGR of 7.4% for the Automotive Semiconductor Market

Regional Automotive SC Market [USD m]



Automotive SC Product Market [USD m]



Source: Strategy Analytics, August 2006

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Areas of Growth in Automotive

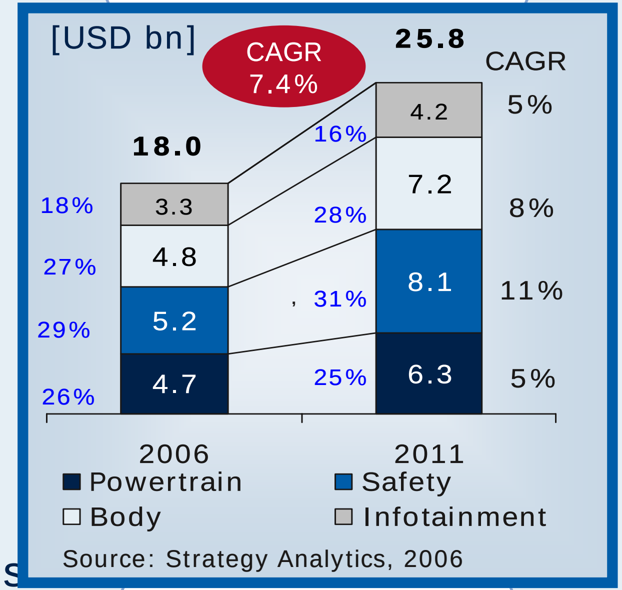
Market

Energy Efficiency
- Fuel consumption
- Energy recovery

Regulation
- Emission limits
- Safety (TPMS, emergency call, VSC)
- Toll collection

Driving Experience
- Comfort features
- Safety
- Proactive warning, assis and intervention

Emerging Markets
- China and India



Source: Strategy Analytics, 2006

Powertrain
- 32-bit motor control
- Hybrid drivetrain

Safety
- Airbag, ABS & VSC
- Driver assistance systems

Body
- Electrical motor control
- LEDs for lighting

Infotainment
- Integration of consumer devices into vehicle

Applications

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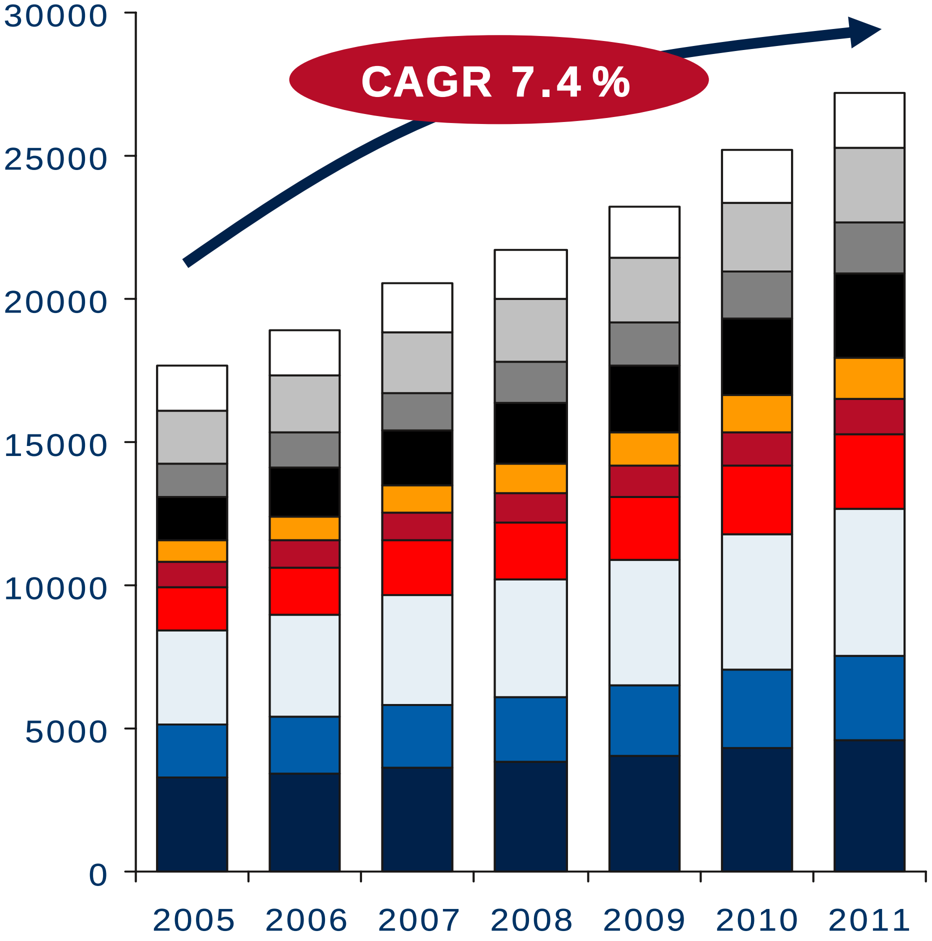
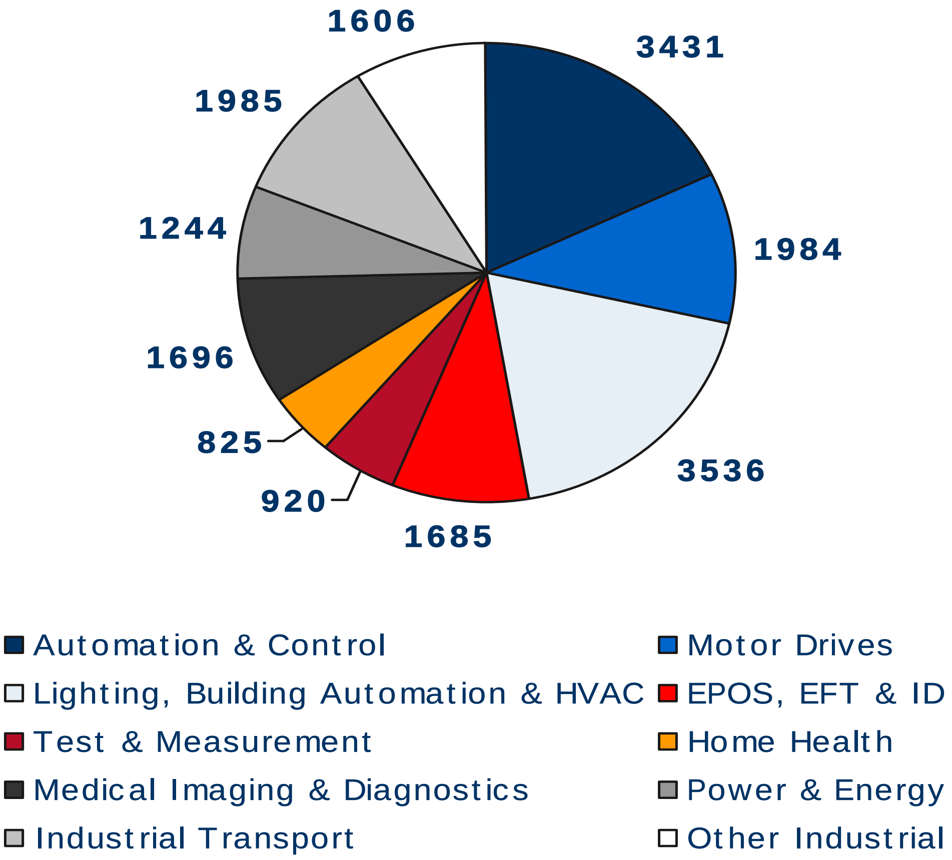
The Very Fragmented Industrial Market Represents 7.6% or USD 18.9 bn of the Total Semiconductor Market in 2006

Industrial Semiconductor Market Revenues [USD m]



Source: Semicast Estimates, October 2006

Industrial semiconductor market per Application [USD m]



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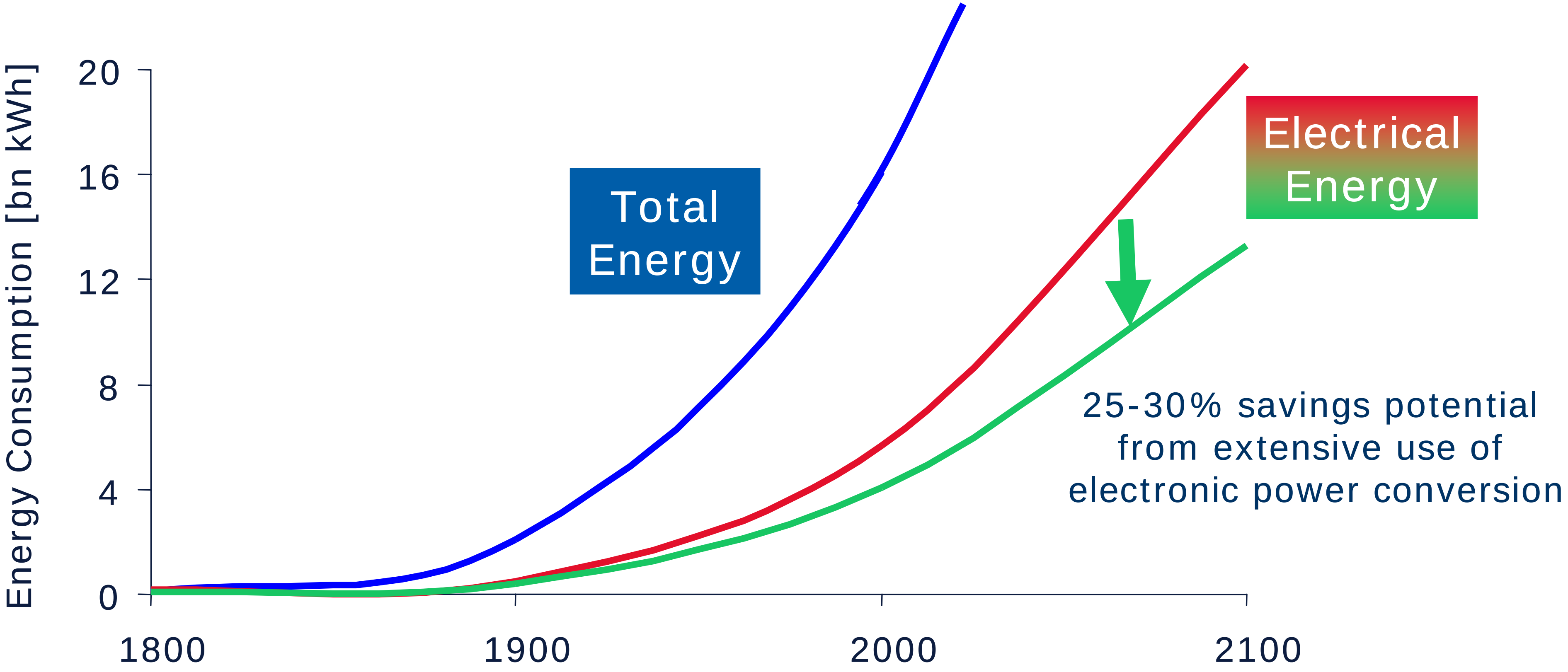
Energy Demand and Electricity Consumption are on the Rise – We Can Help to "Do More With Less"



25-30% savings potential from extensive use of electronic power conversion

Savings of 25% are possible in current electrical energy consumption which equals the demand of the USA.

Source: Fraunhofer Institute, IISP, LES-Flyer, 2004

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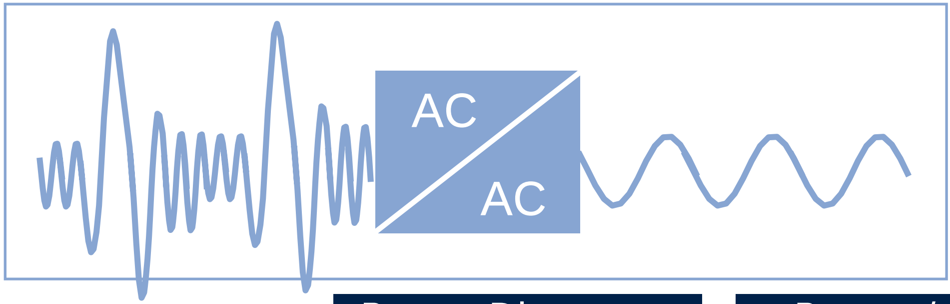
Energy Generation and Distribution
Grid Coupling and Long Range Energy Transport

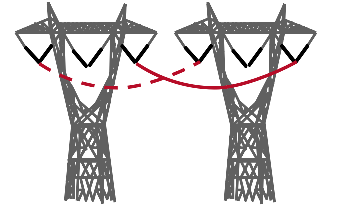
Energy Generation

- Hydro Power
- Wind power
- Solar power
- Fuel cells

E.g. Wind Power : High efficiency coupling to grid



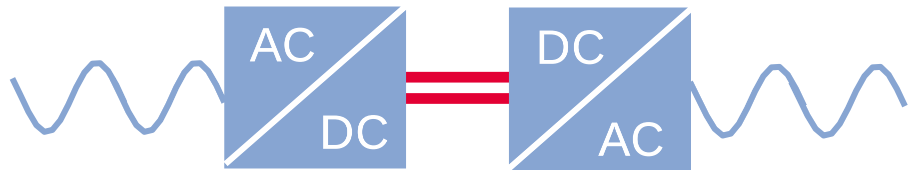
Energy Distribution



- FACTS and SVC
- HVDC Transmission

E.g. HVDC Transmission : Grid coupling, low loss energy transport

100-500kV DC (in future 800kV)



	Power Discretes Bipolar Products	Power / IGBT Modules	Power ICs	Micro-controllers
IFX products for energy generation and distribution	Thyristor and Diodes PressPACK CoolMOS IGBT	EasyPIM EasyPACK EconoPACK IHM modules BIP modules Stacks PrimePACK	EiceDRIVER	8-bit µCs 16-bit µCs 32-bit TriCore (µC + DSP)

FACTS = Flexible Alternating Current Transmission Systems; SVC = Static Variable Compensator; HVDC = High Voltage Direct Currect

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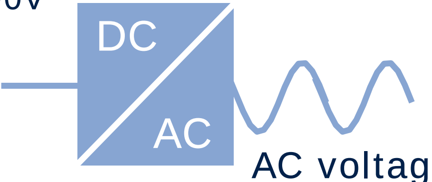
Energy Consumption
Focus is on Efficient Power Conversion

Drives Applications Frequency Conversion

- Traction (trains)
- Speed controlled motors in
  - industrial
  - home
  - Pumps
- Automotive (Hybrids)

DC voltage:
300-3000V

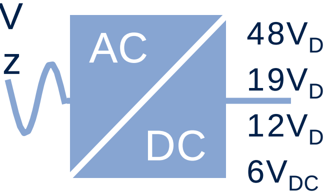


AC voltage:
2000V
0–100Hz

AC / DC Power Supplies

- Computer & server
- Adapter
- Charger
- TV, DVD, etc.
- Lighting
- Game console

AC:
230V
50Hz

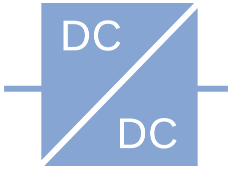


DC:

$48V_{DC}$	Telecom
$19V_{DC}$	Notebook
$12V_{DC}$	Desktop
$6V_{DC}$	Mobile charger

DC / DC Power Conversion

- Motherboard
- Graphics card
- Notebook
- Telecom
- VRMs
- Server



$3.3V_{DC}$	Logic
$2.5V_{DC}$	DSP
$1.8V_{DC}$	Memory
$1.2V_{DC}$	CPU

	Power Discretes Bipolar Products	Power / IGBT Modules	Power ICs	Micro-controllers
IFX products for energy consumption	CoolMOS thinQ! family (SiC Diode) Highspeed IGBTs OptiMOS	EasyPIM EasyPACK IsoPACK EconoPACK Thyristor / Diode modules	PWM & PFC ICs CoolSET Integrated switches Gate drivers Smart ballast EiceDRIVER	8-bit µCs 16-bit µCs 32-bit TriCore (µC + DSP)

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Today's Savings Potential from Using Electronic Power Conversion and Control

Stand-by power (TV)

~ **90%** savings potential

Power supply in a server

~ **12%** savings potential

Lighting

~ **25%** savings potential
(electronic ballast)

Motor control

30-40% savings potential
(rpm control)

Traction drives

20-30% savings potential
(energy recuperation)

Climate control

30-40% savings potential
(improved control)

Source: Infineon, 2005; BVG – Berlin, 2005; Siemens/ECPE, 10/2005

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Infineon –
Never stop thinking

Never stop thinking