Infineon

2006 Financial Year Roadshow

December 6th, 2006

Lehman Brothers Global Technology Conference
San Francisco

Dr. Wolfgang Ziebart
President and CEO

infineon

Never stop thinking

Disclaimer

Please note that while you are reviewing this information, this presentation was created as of the date listed, and reflected management views as of that date.

This presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

Such risks and uncertainties include, but are not limited to the Risk Factors noted in the Company's Earnings Releases and the Company's filings with the Securities and Exchange Commission.

Financials and Outlook

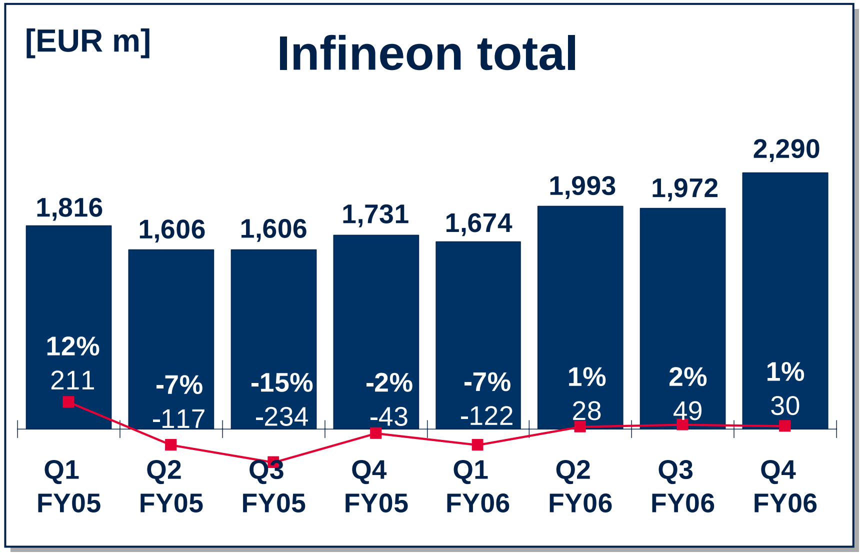
Infineon: Competencies & Drivers

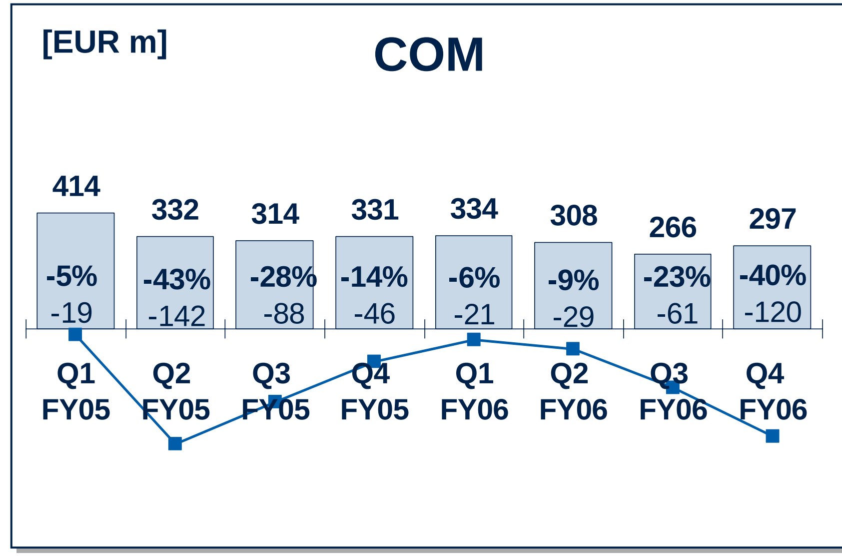
Communication Solutions

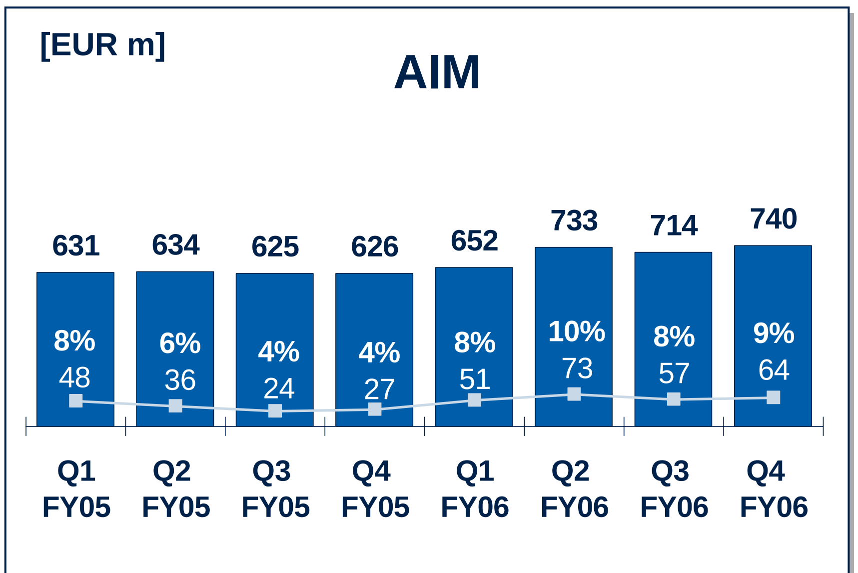
Automotive, Industrial & Multimarket

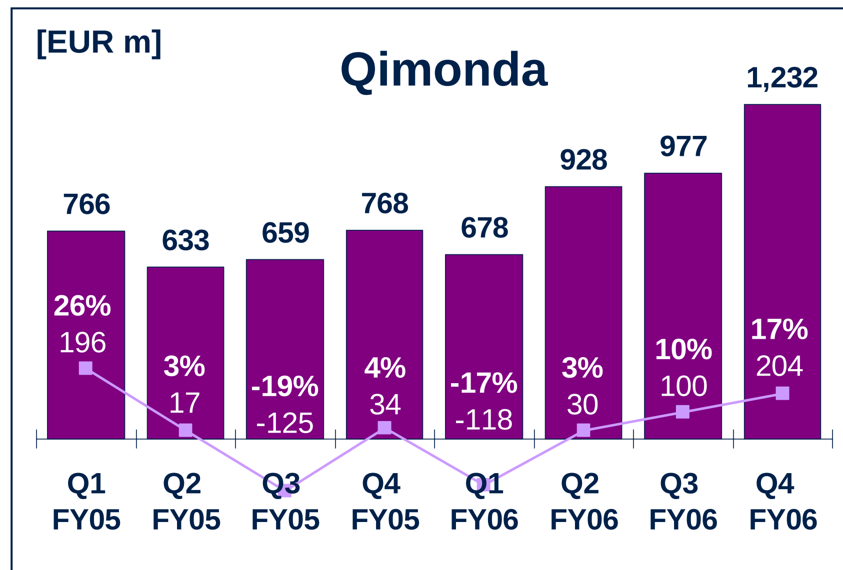
Appendix (Key Financials, Ratios, Financial Calendar)

Q4 FY 06 Results:
Revenues of EUR 2.29 bn and EBIT of EUR 30 m









Q1 F07 Outlook as per 16-Nov-06

IFX Logic	Q1 F07 sales and EBIT excluding Qimonda and before charges to decrease. Main driver: impact of insolvency of BenQ Mobile's German subsidiary.
COM	■ Sales decline of around EUR 50 m q-o-q, loss of BenQ revenue. ■ EBIT to decline given lower sales.
AIM	■ Revenues flat or down slightly q-o-q ■ EBIT to decrease q-o-q. Reasons: seasonality, temporary weakness in US automotive demand, annual auto price breaks, Kulim ramp.
C & E	■ EBIT before charges to improve q-o-q. ■ Charges of c. EUR 30 m expected relating to baseband re-org.

F2007 Outlook for Select Financial Parameters as per 16-Nov-06

COM

- EUR 40 m annualized cost savings to take effect likely from Jun Q 2007 onwards.
- Target: wireless break-even in Dec quarter 2007.

AIM

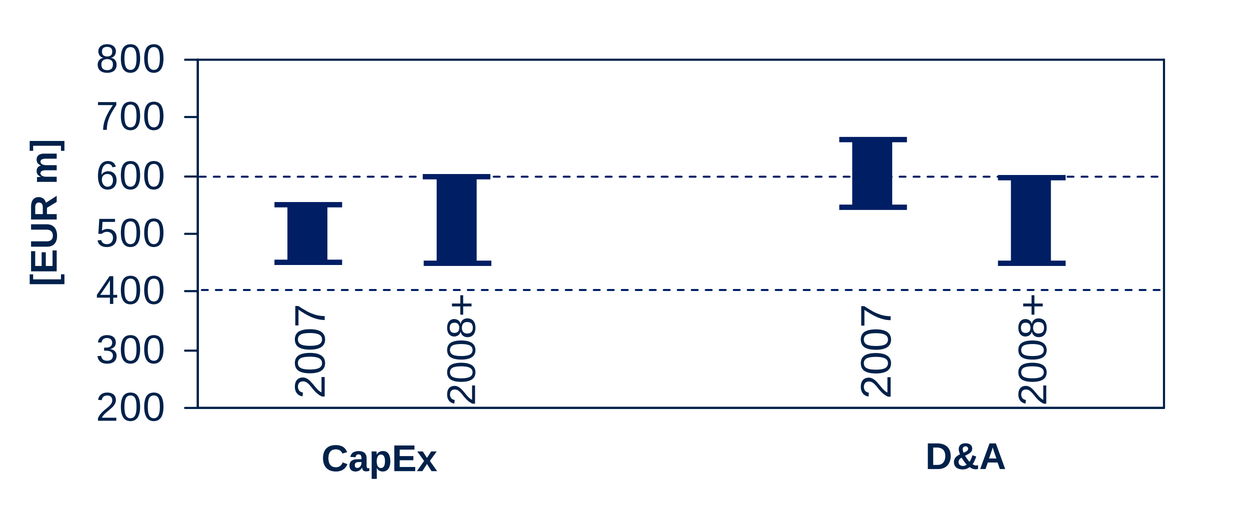
- Expect cost for Perlach fab closure to disappear Sep Q 2007.
- Kulim fab to break-even mid-2007 calendar year.
- Chipcard to remain around break-even until new products introduced middle of 2007 calendar year.

C & E

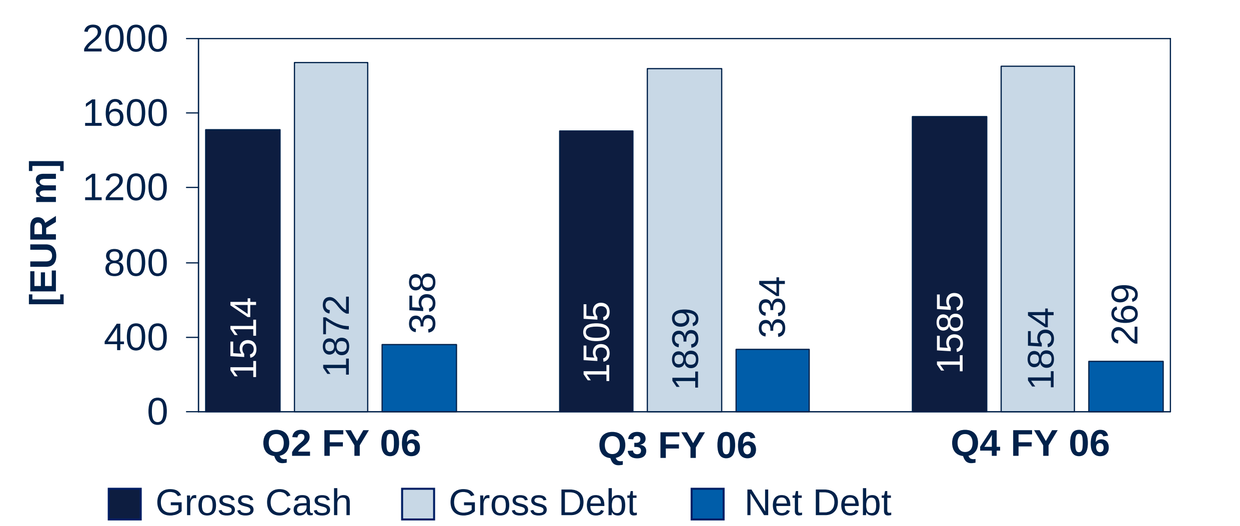
- Before charges, expect continued moderate q-o-q decline in C&E loss beyond Dec. quarter 2006.
- Total F2007 C&E expense before restructuring to be less than EUR -100 m.

Logic CapEx to equal D&A; solid Financing

Outlook for CapEx and D&A



Financial structure Logic-business for the past quarters



Never stop thinking

Financials and Outlook

Infineon: Competencies & Drivers

Communication Solutions

Automotive, Industrial & Multimarket

Appendix (Key Financials, Ratios, Financial Calendar)

Key Growth Drivers / Focus Areas

Energy Efficiency (fuel / electricity)

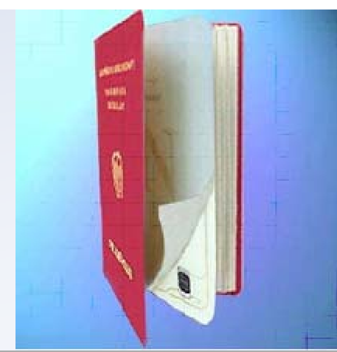
- Improve fuel efficiency in cars
- Efficient power generation, transport, consumption
- Higher efficiency in electrical drives

Mobility & Connectivity

- Mobile phones
- Broadband access
- Wireless connectivity

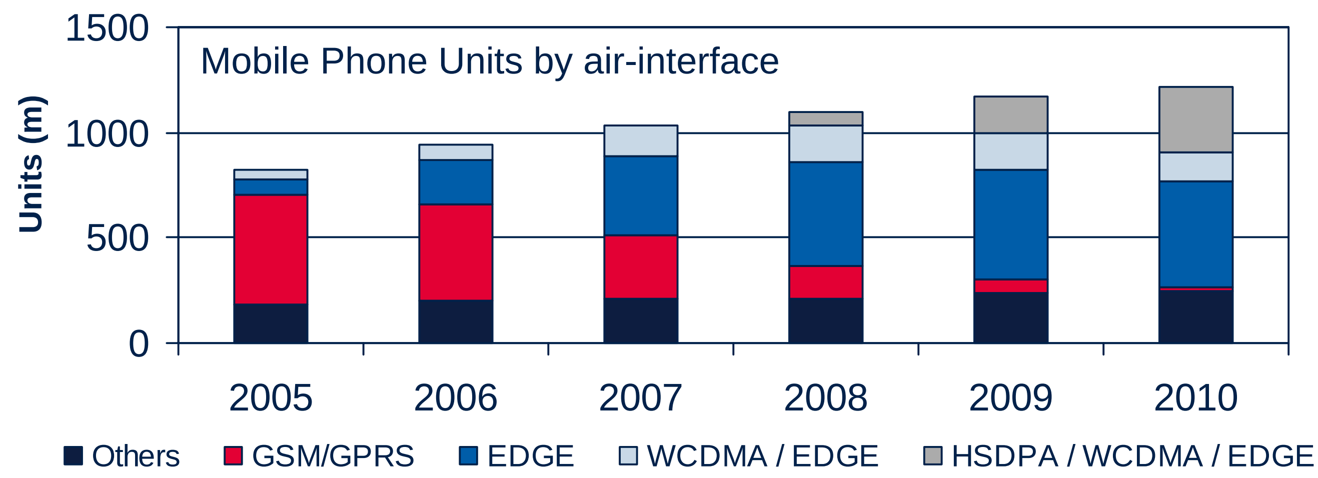
Security & Safety

- Protection and privacy of personal and company data
- Secure e-commerce and identification
- Automotive safety



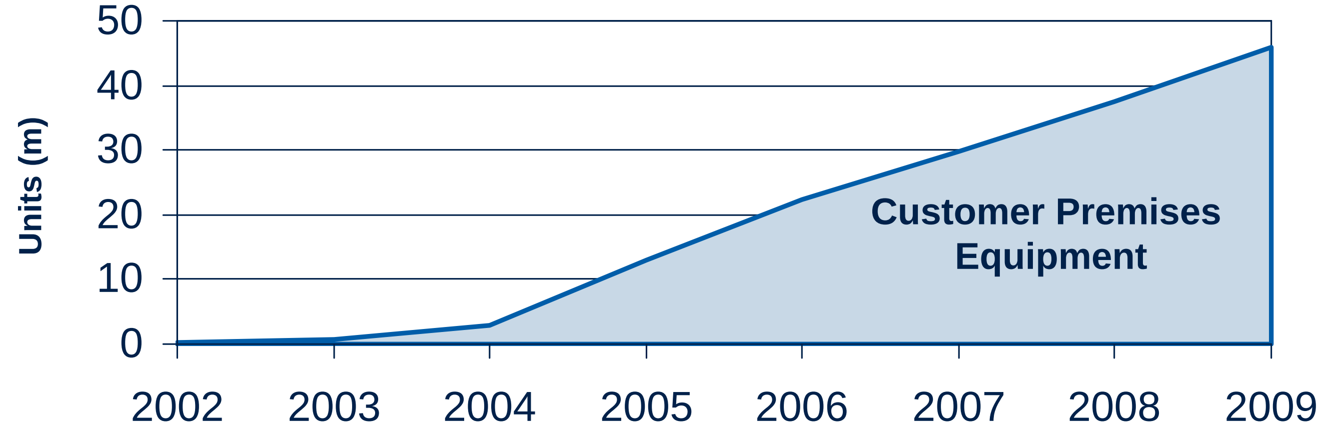
COM Growth Drivers

Mobility



Source: Gartner 2006

Connectivity



Source: Infonetics Research 2006

AIM Growth Drivers

Energy Efficiency

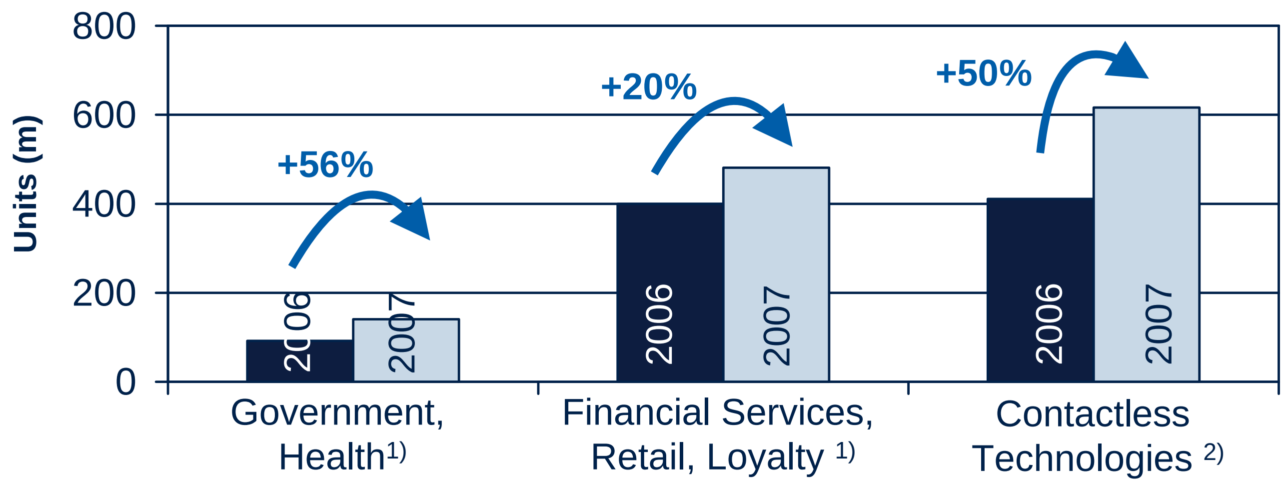
Different governmental requirements:

Europe: Euro 5 norm coming 2009

USA: Energy Star, July 2007, will require PC's to be 65% more power efficient than current models.

Japan: already highest regulatory standards

Security & Safety



Source: 1) EuroSmart 2006 2) Frost&Sullivan 2006

Infineon Competencies

Growth driver	**Energy Efficiency, Mobility & Connectivity, Security & Safety**
IFX target markets	Automotive / Industrial Electronics / Chipcard & Security / Mobile Phone Platforms / RF Solutions / Broadband Access
IFX Key competencies	**Analog / Mixed Signal** / **RF** / **Power** / **Embedded Control**

Infineon Businesses

Never stop thinking

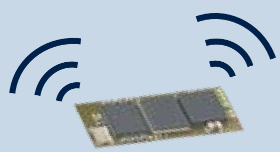
Communication Solutions

Mobile Phone Platforms

- Feature Phones
- Entry Phones
- Mobile Software

RF Solutions

- RF Engine
- Tuner Systems
- Connectivity



Broadband

- Access

Automotive, Industrial & Multimarket

Automotive

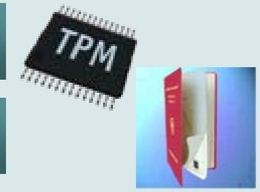
- Microcontroller
- Automotive Power
- Sense & Control

Industrial & Multimarket

- Power Management & Drive
- Discrete Semiconductors

Security & ASICs

- ASIC, Design & Security
- Chip Card & Security ICs



Financials and Outlook

Infineon: Competencies & Drivers

Communication Solutions

Automotive, Industrial & Multimarket

Appendix (Key Financials, Ratios, Financial Calendar)

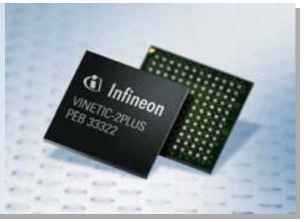
Infineon Drives the Entire Broadband Access Chain

IFX products:
Geminax, Socrates, etc.

IFX product:
VINAX etc.

IFX products:
Danube, Amazon, Vinetic, SLIC-DC, Samurai, etc.

Broadband Access Design-Win Momentum Continues

VDSL2 „VINAX“	■ Design-Win at major Korean customers ■ Top European customer	
ADSL2+ „Geminax-MAX“	■ Design-Win at two customers based in APAC ■ Major European customer	
ADSL & VoIP „Amazon, Danube“	■ 4 Design-Wins for ADSL & VoIP ■ 2 of the top 5 world wide ADSL-CPE Manufacturer	
VoIP „Vinetic“	■ Design-Wins at two Japanese customers ■ Major global customer	
SHDSL.bis „Socrates-4e“	■ Leading Chinese DSLAM customer ■ Major global customer, based in EU	

Never stop thinking

Never stop thinking

RF Transceiver: CMOS Leadership Turns Into Design-Wins

2 / 2.5 G GSM / GPRS	2.75 G EDGE	3 G WCDMA
SMARTi SD SMARTi SD2 Technology: 130nm CMOS	SMARTi PM SMARTi PM2 130nm CMOS	SMARTi 3G SMARTi 3GE 130nm CMOS

Customer	Air Interface
Samsung	EDGE
Customer	EDGE
Customer	WCDMA
Customer	WCDMA / EDGE
LG (on platform)	EDGE
Panasonic (on platform)	WCDMA / EDGE

Selection of major design-wins

Nr.1 worldwide in RF-Transceivers

World's first EDGE CMOS RF-Transceiver in volume

World's first WCDMA CMOS RF-Transceiver in volume

Infineon

RF/Baseband Integration, HSDPA and More

	2G / 2.5G GSM / GPRS		2.75G EDGE		3G UMTS	3.5G HSDPA
Platform	**ULC1**	**ULC2**		**MP-E**	**MP-EU**	**MP-EH**
Baseband	E-GOLDradio	E-GOLDvoice (incl. SRAM)	S-GOLDradio	S-GOLD2	S-GOLD2 + co-processor	S-GOLD3H
RF Transceiver	E-GOLDradio	E-GOLDvoice (incl. SRAM)	S-GOLDradio	SMARTi PM	SMARTi PM/3G	SMARTi 3GE
Power Management	E-Powerlite	E-GOLDvoice (incl. SRAM)	S-GOLDradio	SM-Power	SM-Power1.6	SM-Power3
Protocol Stack	✓	✓		✓	✓	✓
Ramp up	✓	1H CY07		✓	✓	CY 2007+

Shaded dotted box: integrated in one chip

Successful Ramp of Shipments to New Wireless Customers

LG Life's Good

- LG KE820
- Based on IFX EDGE platform (MP-E)
- First model KG99 has been shipped to shops in China in early Oct. 2006
- More models to be launched

Panasonic

- Softbank 705P
- Based on IFX EDGE/3G platform (MP-EU)
- Available in Japan since early October 2006

SAMSUNG

- Samsung D900
- Based on IFX EDGE RF CMOS transceiver (SMARTi PM)
- Launched during Q4 FY06

Financials and Outlook

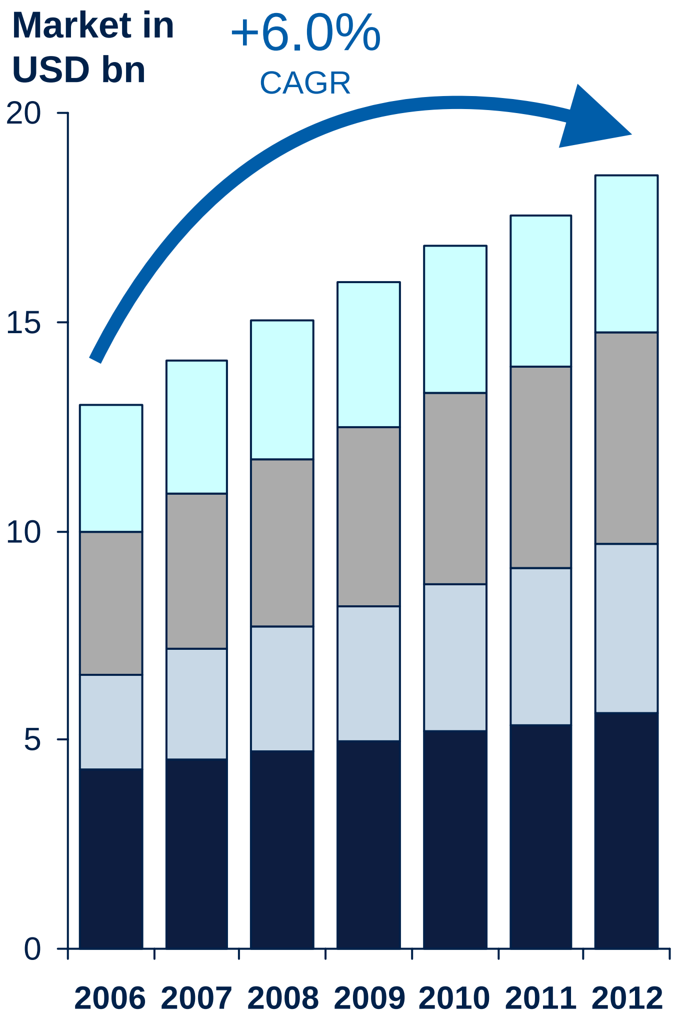
Infineon: Competencies & Drivers

Communication Solutions

Automotive, Industrial & Multimarket

Appendix (Key Financials, Ratios, Financial Calendar)

Worldwide Automotive Semiconductor Market Continues to Grow; Safety is the Fastest Growing Segment



CAGR 2006-2012

Infotainment — **4.0%**
- navigation
- car radio

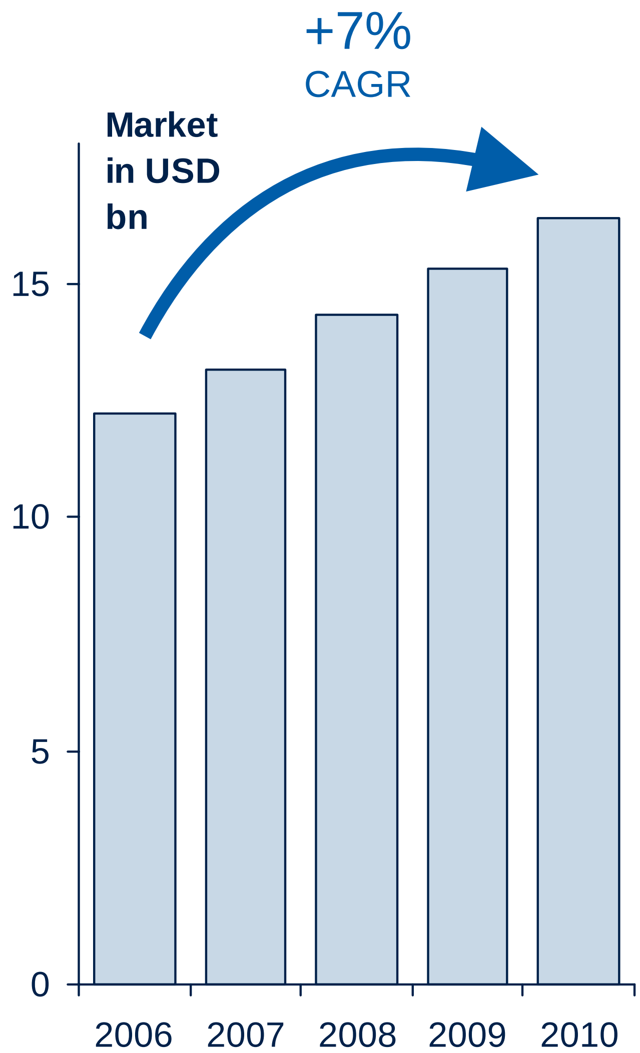
Body — **7.0%**
- air-conditioning
- window lifter
- dashboard
- light & illumination

Safety — **9.7%**
- ABS
- airbag
- tire pressure sensor

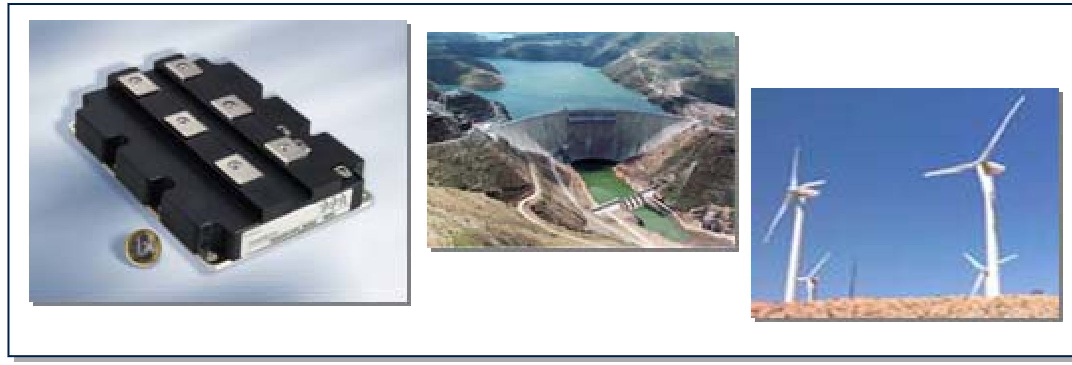
Powertrain — **4.5%**
- engine management
- transmission
- vehicle network

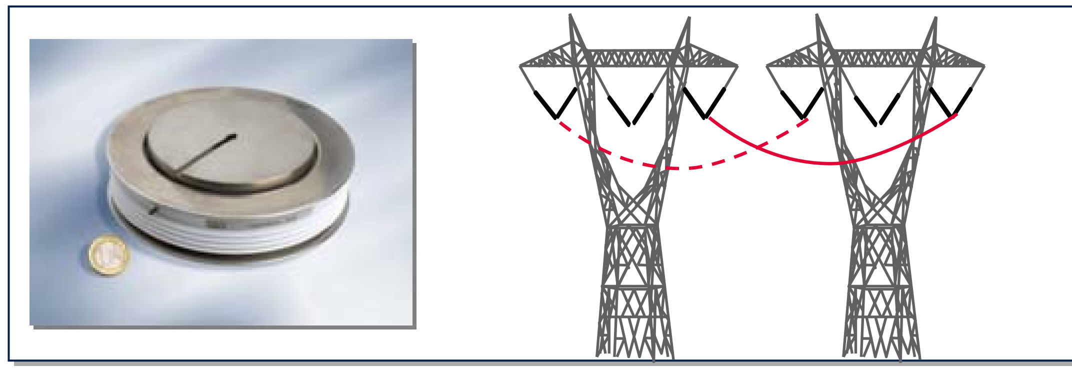
Source: Strategy Analytics 9/2005
(Infotainment = Driver Information + Audio)

Worldwide Power Semiconductor Market Growth Forecast

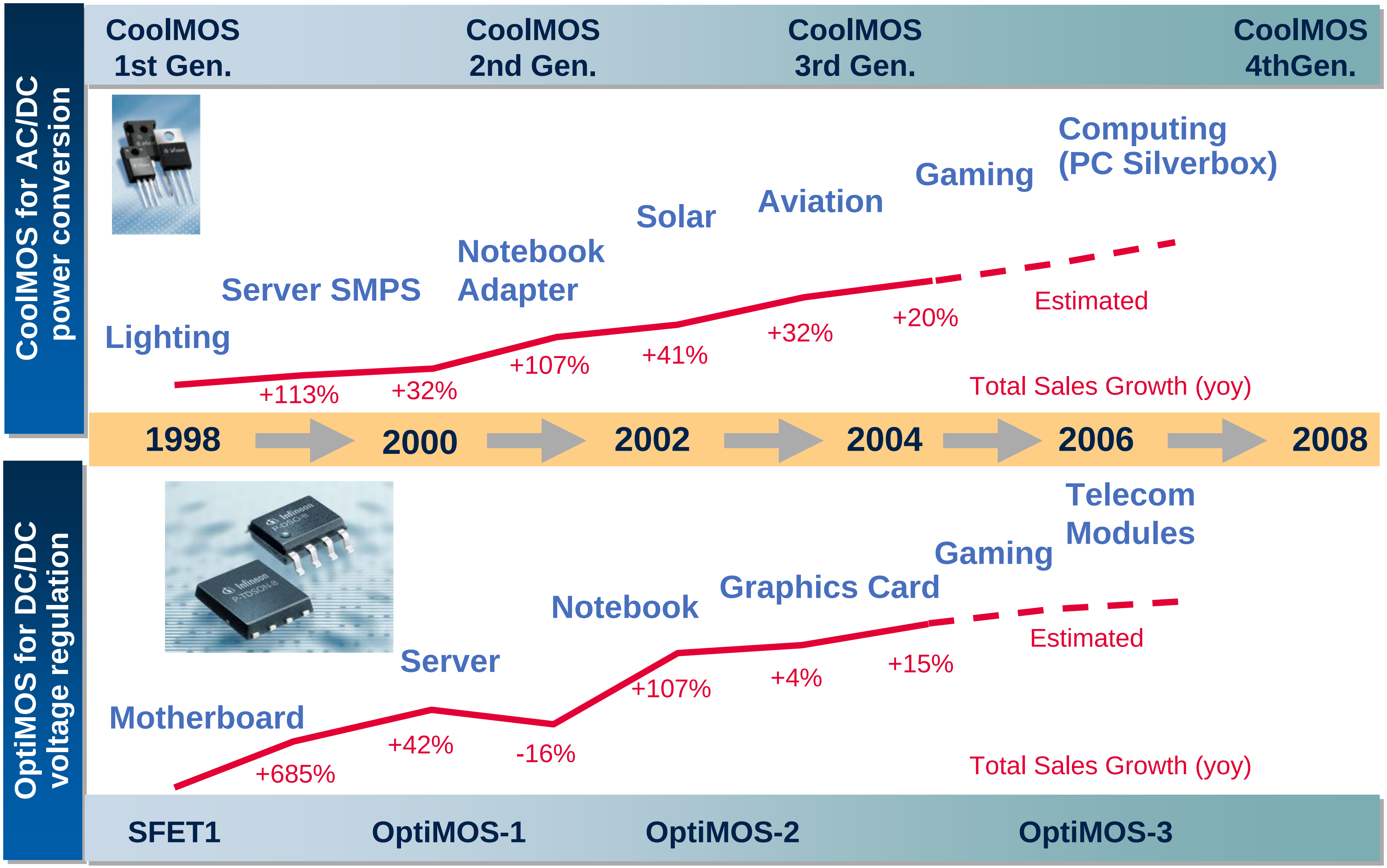


Source:IMS 9/2006



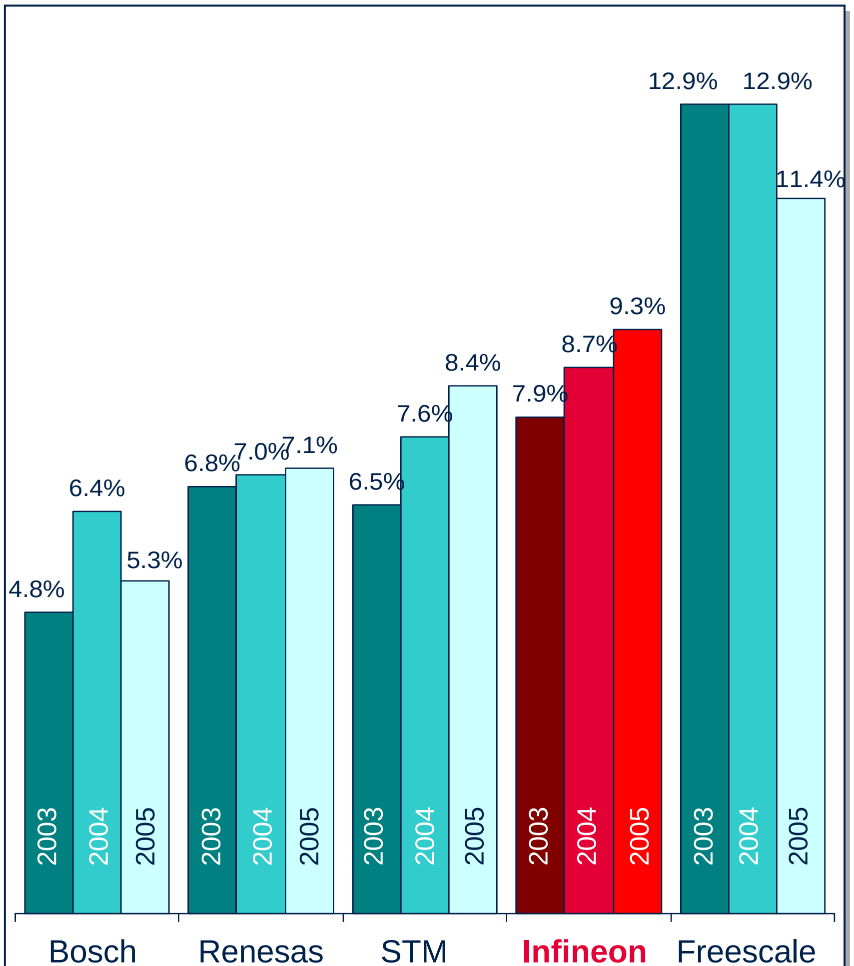


Growth Driver for CoolMOS / OptiMOS: More and More Applications Require Power Efficiency



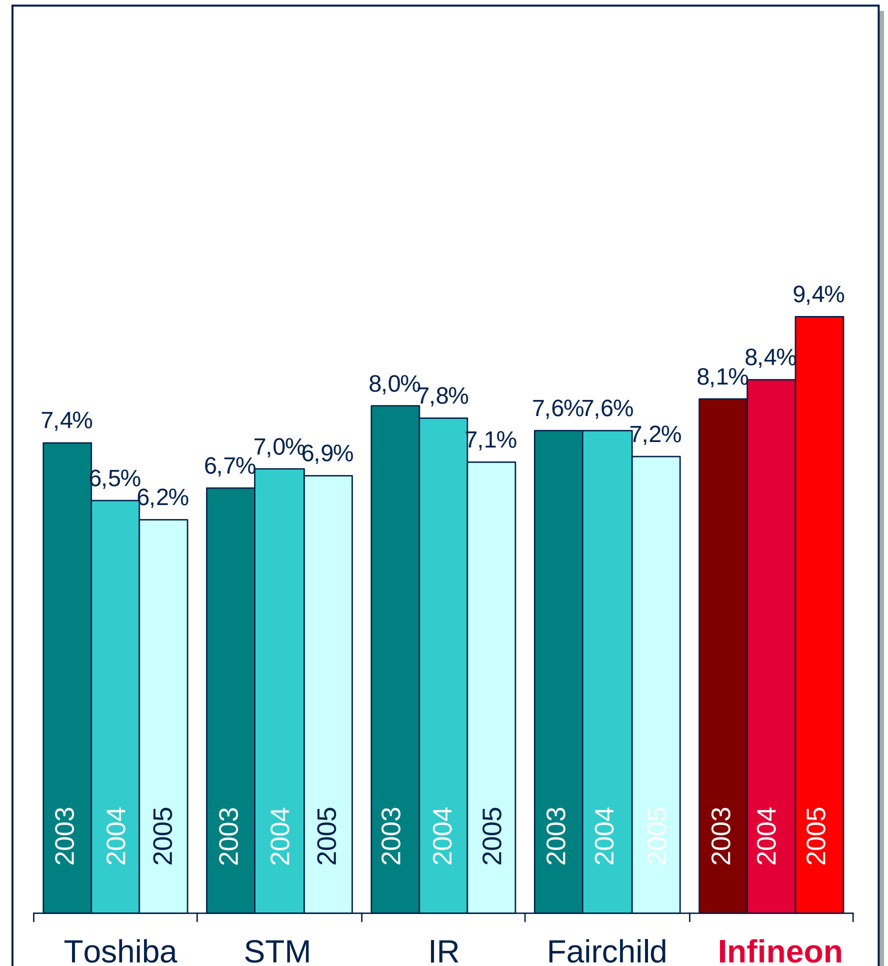
Infineon's Track Record in Automotive and Power Semiconductor Market Shares

Worldwide Automotive Semiconductor



Source: Strategy Analytics 2006

Worldwide Power Semiconductor



Source: IMS 2006

Never stop thinking.

Never stop thinking

Financials and Outlook

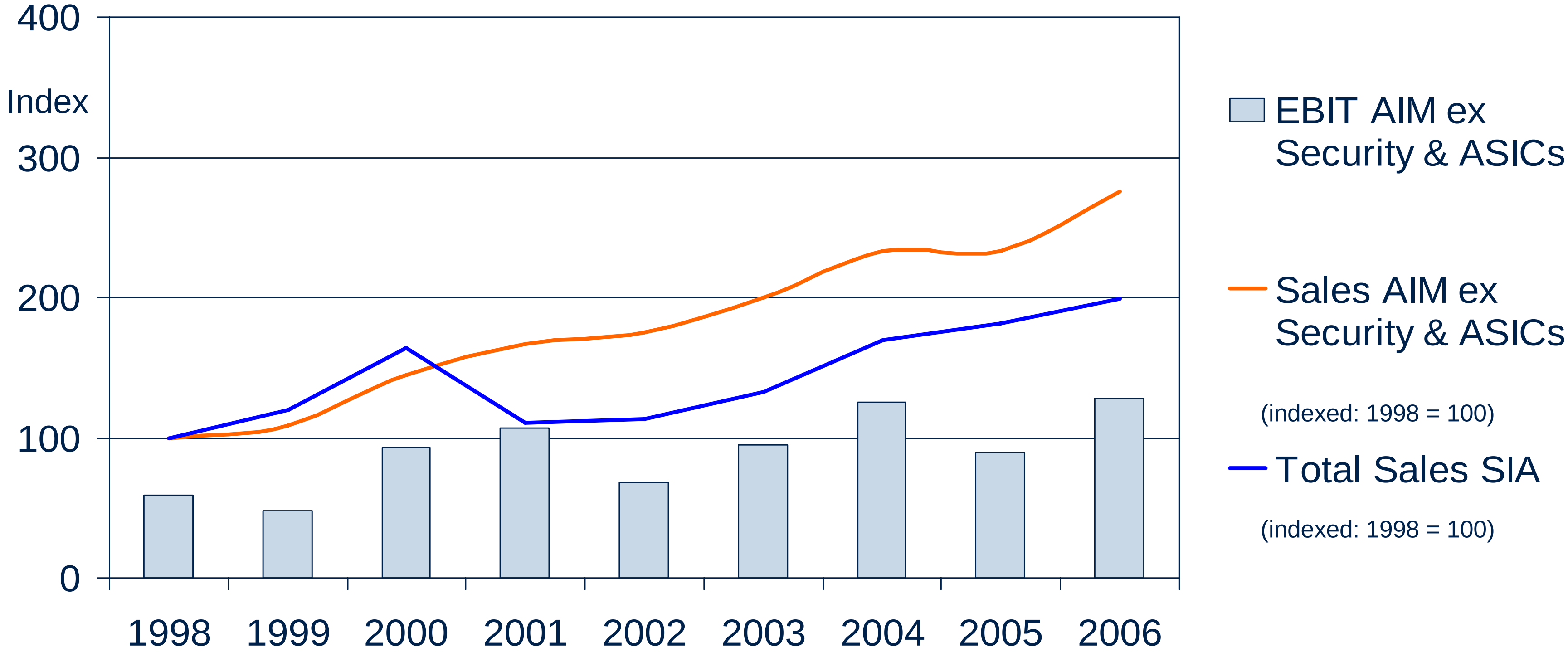
Infineon: Competencies & Drivers

Communication Solutions

Automotive, Industrial & Multimarket

Appendix (Key Financials, Ratios, Financial Calendar)

Profitable Growth:
Infineon‘s AIM ex Security & ASICs*






*) Minimal inconsistencies possible due to changes in segment reporting

Key Financials

	Q3 F05	Q4 F05	Q1 F06	Q2 F06	Q3 F06	Q4 F06
Sales (EUR m)	947	964			995	1,058
EBIT (EUR m)	-98	-81			-51	-174
EBIT margin	*-10.3%*	*-8.4%*			*-5.1%*	*-16.4%*
EBIT ex charges (EUR m)	-27	-8			-22	-11
EBIT margin ex charges	*-2.9%*	*-0.8%*			*-2.2%*	*-1.0%*
D&A (EUR m)	168				174	172
D&A / Sales (%)	*17.7%*				*17.5%*	*16.3%*
CapEx (EUR m)	NM				158	173
CapEx / Sales (%)	*NA*				*15.9%*	*16.4%*
PP&E (EUR m)		1,535		1,663	1,660	1,684
Working Capital (EUR m)		463		323	241	454
Gross Cash (EUR m)		1,462		1,514	1,505	1,585
Gross Debt (EUR m)		1,557		1,872	1,839	1,854
Net debt (EUR m)		95		358	334	269
Employees		26,834			29,446	29,849

Financial Calendar

Jan 29, 2007*	Interim Report FQ1 2007	Munich
Feb 13, 2007	Presentation at 3GSM	Barcelona
Feb 15, 2007	Annual General Meeting	Munich
Mar 12/13, 2007*	IFX Day	Campeon Munich
Apr 27, 2007*	Interim Report FQ2 2007	Munich
Jul 27, 2007*	Interim Report FQ3 2007	Munich
Nov 14, 2007*	Interim Report FQ4 2007	Munich

* = Preliminary Date