Q3 QUARTERLY FINANCIAL REPORT
JUNE 30, 2013

Infineon Technologies AG

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CONTENT

SELECTED CONSOLIDATED FINANCIAL DATA

€ in millions; except earnings per share, Segment Result Margin and Gross margin	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Selected Results of Operations Data				
Revenue	1,022	990	2,790	2,922
Gross margin	35.8%	36.1%	33.2%	37.1%
Segment Result	117	126	229	411
Segment Result Margin	11.4%	12.7%	8.2%	14.1%
Research and development expenses	139	116	385	332
Capital expenditure	71	158	224	644
Depreciation and amortization	115	113	347	313
Income from continuing operations	82	90	145	303
Income from discontinued operations, net of income taxes	(5)	(8)	(15)	(14)
Net income	77	82	130	289
Basic earnings per share (in euro) from continuing operations	0.08	0.08	0.13	0.28
Basic earnings per share attributable to shareholders of Infineon Technologies AG (in euro)	0.07	0.08	0.12	0.27
Diluted earnings per share (in euro) from continuing operations	0.08	0.08	0.13	0.27
Diluted earnings per share attributable to shareholders of Infineon Technologies AG (in euro)	0.07	0.08	0.12	0.26
Selected Liquidity Data				
Net cash provided by operating activities from continuing operations	205	136	301	376
Net cash provided by operating activities	199	136	292	349
Net cash used in investing activities from continuing operations[1]	(165)	(258)	(115)	(669)
Net cash used in investing activities[1]	(165)	(258)	(116)	(679)
Net cash used in financing activities from continuing operations	(6)	(18)	(161)	(242)
Net cash used in financing activities	(6)	(18)	(161)	(242)
Changes in cash and cash equivalents	27	(136)	12	(567)
Free Cash Flow from continuing operations	135	(22)	79	(266)

€ in millions, except number of employees	As of June 30, 2013	As of September 30, 2012
Selected Financial Condition Data		
Total assets	5,699	5,898
Total equity	3,612	3,575
Gross cash position[2]	2,137	2,235
Debt (short-term and long-term)	305	295
Net cash position[2]	1,832	1,940
Employees	26,210	26,658

[1] Thereof €107 million net proceeds and €27 million net purchases of financial investments in the nine months ended June 30, 2013 and 2012, respectively (three months ended June 30, 2013 and 2012: net purchases €95 million and €100 million, respectively).
[2] Gross cash position is defined as cash and cash equivalents and financial investments. Net cash position is defined as gross cash position less short-term and long-term debt.

INTERIM GROUP MANAGEMENT REPORT (UNAUDITED)

THIRD-QUARTER REVENUE UP ON PREVIOUS QUARTER AND ON SAME QUARTER LAST YEAR

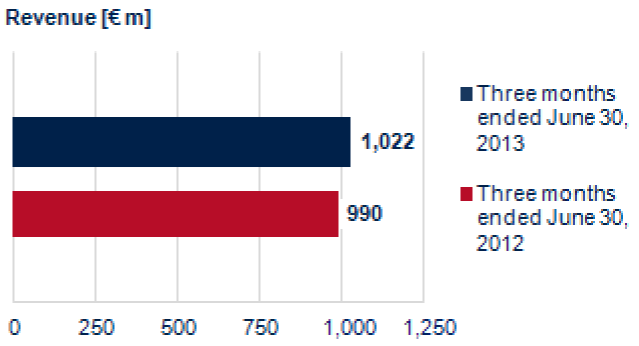
SEGMENT RESULT SIGNIFICANTLY HIGHER QUARTER-ON-QUARTER BUT DOWN YEAR-ON-YEAR

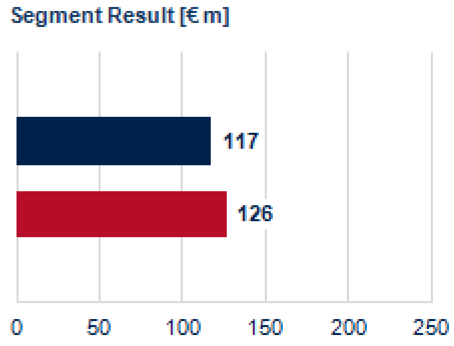
WEAK FIRST HALF-YEAR IS PRIMARY REASON FOR DECREASE IN REVENUE AND SEGMENT RESULT FOR NINE-MONTH PERIOD COMPARED TO PRIOR YEAR

POSITIVE FREE CASH FLOW IN THIRD QUARTER RESULTS IN POSITIVE FREE CASH FLOW FOR NINE-MONTH PERIOD

THIRD QUARTER OF 2013 FISCAL YEAR (APRIL 1, 2013 TO JUNE 30, 2013):

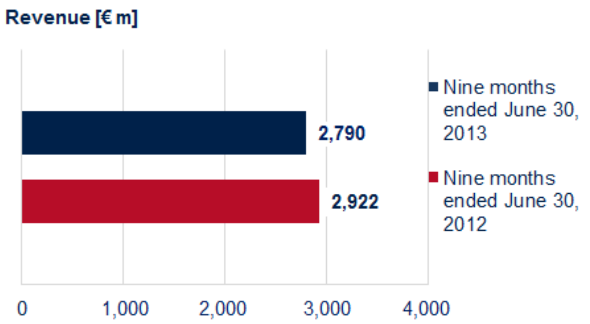
- Revenue up 3 percent to €1,022 million on same quarter last year; sharp quarter-on-quarter rise of 11 percent
- Segment Result of €117 million – a decline of 7 percent on same quarter last year, but a strong improvement of 72 percent on preceding quarter
- Segment Result Margin of 11.4 percent (April - June 2012: 12.7 percent; January - March 2013: 7.4 percent)
- Net income of €77 million compared with €82 million one year earlier and €33 million in previous quarter

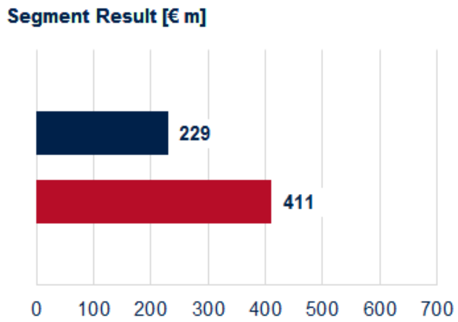




FIRST NINE MONTHS OF 2013 FISCAL YEAR (OCTOBER 1, 2012 TO JUNE 30, 2013):

- Revenue 5 percent lower at €2,790 million (October 2011 - June 2012: €2,922 million)
- Segment Result amounting to €229 million – a decrease of 44 percent on the €411 million reported for the same nine-month period last year
- Segment Result Margin of 8.2 percent compared to 14.1 percent one year earlier
- Net income of €130 million compared to €289 million in corresponding nine-month period of 2012





- Net cash position fell by €108 million to €1,832 million at June 30, 2013 (September 30, 2012: €1,940 million); gross cash position totaled €2,137 million at June 30, 2013 (September 30, 2012: €2,235 million)
- Equity ratio of 63.4 percent at June 30, 2013 compared to 60.6 percent at September 30, 2012

SIGNIFICANT EVENTS DURING FIRST NINE MONTHS OF 2013 FISCAL YEAR

NEW INFINEON 3D IMAGE SENSOR CHIPS ENABLE TOUCHLESS GESTURE CONTROL FOR COMPUTERS AND CONSUMER DEVICES

In cooperation with PMDTechnologies GmbH – based in Siegen (Germany) and worldwide leading supplier of technologies for 3D "Time-of-Flight" imaging sensors – Infineon has developed 3D imaging sensor chips for touchless gesture recognition. The new chips are the first to combine a 3D image-sensing pixel array with digital conversion and control functionality, ideal for the production of highly compact and extremely precise 3D camera systems. Besides applications in vehicle interiors, systems of this type can also be used for gesture recognition applications in computers and consumer devices.

3D cameras based on the Infineon 3D image sensor chips can achieve unmatched levels of miniaturization. In fact, the smallest 3D camera currently available with gesture recognition capability is based on a reference design realized on the Infineon chip.

INFINEON RECEIVES CONTINENTAL'S "INNOVATION AWARD"

In June 2013 the Continental Automotive Group has once again presented its annual "Supplier of the Year" award to its best suppliers. Infineon won the special "Innovation Award", a new accolade presented by the automotive supplier for the first time. Each year, on the basis of a systematic assessment of its more than 900 strategic suppliers, the Continental Automotive Group honors those companies that have shown outstanding performance.

The ideas presented by Infineon at the "Continental Supplier Innovation Day" on March 11, 2013 came across in a highly convincing manner. The key factor for the win was Infineon's presentation of a 3D imaging sensor.

INFINEON RECEIVES ROBECOSAM "SUSTAINABILITY AWARD"

On June 20, 2013 the international investment company, the RobecoSAM Group, presented Infineon with its "Sustainability Award" (runners-up category) for the progress it has made in sustainability management. The award is presented to companies listed among the 15 percent of most sustainable companies worldwide that have achieved the greatest improvements in this area.

In order to be considered for the award, a company first has to be listed in the "Sustainability Yearbook" published by the RobecoSAM Group, achieved by Infineon in February 2013, when it was listed for the third consecutive year. The RobecoSAM Group annually evaluates the economic, ecological and social performance of approximately 3,000 of the world's larger companies, including 29 semiconductor companies. Infineon was ranked among the best eight companies in the semiconductor sector. Only companies that have applied for the Dow Jones Sustainability Index can be admitted in the Sustainability Yearbook. In September 2012, Infineon was listed in the Dow Jones Sustainability Index for the third consecutive year. General sustainability criteria, sector-specific challenges and characteristics such as stakeholder engagement or product quality management are some of the aspects considered in this assessment. Infineon is sector leader worldwide in the fields of "product stewardship" and "operational eco-efficiency".

The inclusion in the Dow Jones Sustainability Index and in the Sustainability Yearbook and the receipt of the Sustainability Award are clear signs that Infineon is successfully addressing the demands of modern society in the spirit of sustainable development.

INFINEON'S 300-MILLIMETER THIN-WAFER PRODUCTION COMPLETES QUALIFICATION; FIRST COOLMOS™ CHIPS NOW BEING SHIPPED WORLDWIDE

In February 2013, Infineon received the first customer approvals for products of the CoolMOS™ family manufactured on the 300-millimeter thin wafer production line at the Villach (Austria) site. The production process has now completed qualification from start to finish and also been approved by customers. The next step is for the present manufacturing concept for CoolMOS™ products – qualified from start to finish with the front-end site in Villach (Austria) and with assembly of the thin chips at the back-end site in Malacca (Malaysia) – to be expanded to include the front-end site in Dresden (Germany). The two front-end sites in Villach (Austria) and Dresden (Germany) form Infineon's 300-millimeter production cluster.

Infineon is the first and only company worldwide to produce power semiconductors on 300-millimeter thin wafers. Thanks to their larger diameter compared to standard 200-millimeter wafers, about two-and-a-half times as many chips can be made from each one. Although not much thicker than a sheet of paper, the chips have electrically active structures on the front and back. The principal steps in thin-wafer production are thinning and subsequent backside processing.

The full productivity benefits of 300-millimeter technology will not be realized in full until it accounts for a significant percentage of total production volume. However, it is already now possible to achieve capacity increases with 300-millimeter technology at a lower incremental investment per chip.

INFINEON AUSTRIA IS AWARDED NATIONAL INNOVATION AWARD

In March 2013 Infineon was honored with the 2013 National Innovation Award in Austria. The accolade was received for the 300-millimeter thin-wafer technology developed at the Infineon site in Villach (Austria). Infineon prevailed this year in the "large companies" category as one of six finalists among a total of 592 submissions from within Austria. Infineon was quick to adopt this new manufacturing technology at an early stage, committing the necessary investments for the project even in economically difficult times. Furthermore, the coordination of two EU research projects has enabled the network for the targeted development and production of this key technology in Europe to be expanded. With the resulting innovative performance, Infineon is setting new global standards in terms of base materials, machinery, processes and procedures for the manufacture of power semiconductors, which act as pacemakers for driving the future development of energy-efficient products worldwide.

NEW TYPE OF PASTE WITH ENHANCED THERMAL CONDUCTIVITY FOR IGBT MODULES

With TIM (Thermal Interface Material) Infineon now utilizes an innovative silicone-free solution to meet growing demands in the thermal management of power semiconductors. The paste facilitates the link between the IGBT module and the heat sink, which reduces contact resistance by 20 percent, optimizes heat transfer and so extends both the service life and the reliability of the module. The high filler content and improved properties of thermal contact resistance means that the thermal conductive paste functions reliably from the first moment the module is switched on. TIM has been developed for use on Infineon modules and is now available for the IGBT EconoPACK™+ module series. The new thermal material was developed by Henkel Electronic Materials in the USA to meet Infineon's stringent requirements.

THE INFINEON SHARE

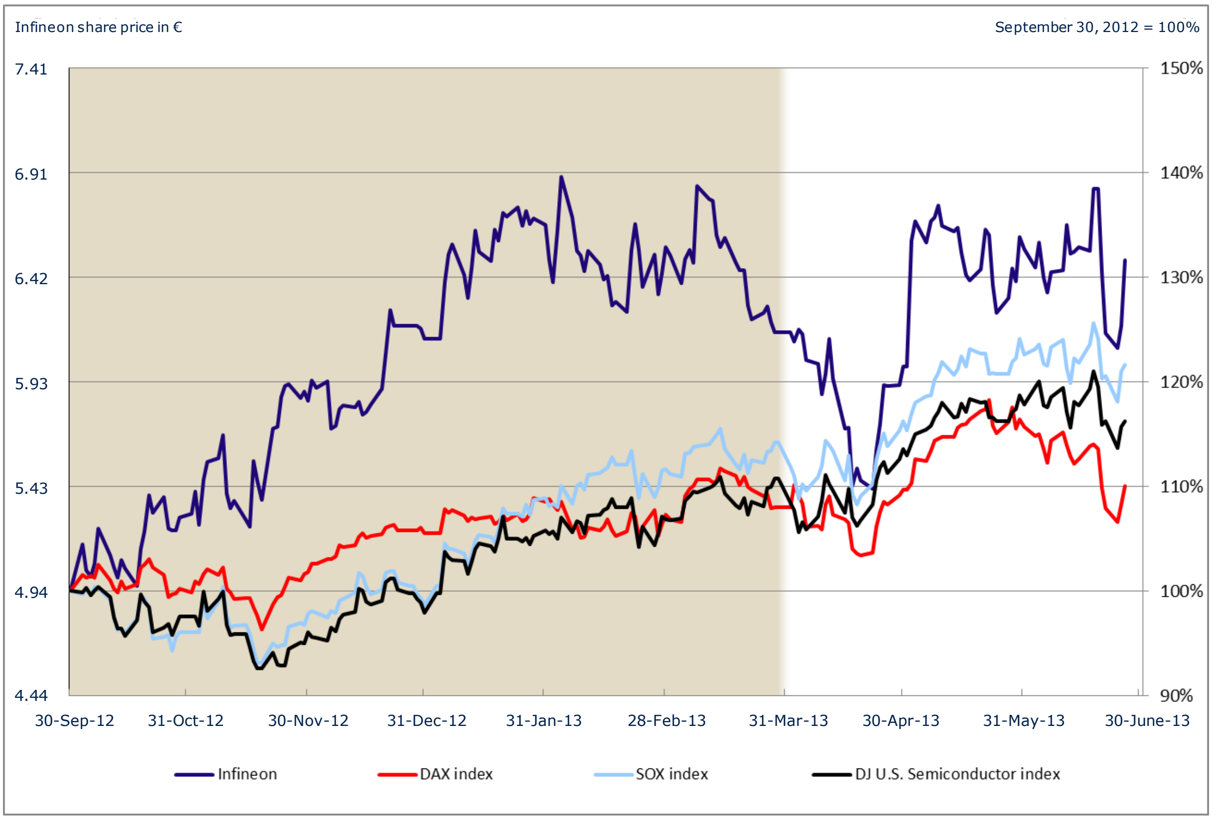
On the final day of trading in the third quarter of the 2013 fiscal year the Infineon share closed at €6.43, 4 percent up on its closing Xetra price of €6.16 at the end of the preceding quarter.

The low for the third quarter (€5.42) was recorded towards the end of April. The price of the Infineon share then rose sharply from the end of April/beginning of May. Thereafter and through to the end of the quarter, it moved sideways with fluctuations along the way. The high for the quarter (€6.84) was recorded in mid-June. The German stock index (DAX) also gained ground in the three-month period ended June 30, 2013, picking up 2 percent in value. The US sector indices fared better, with the Dow Jones US Semiconductor Index and the Philadelphia Semiconductor Index (SOX) up by 6 percent and 7 percent respectively.

The Infineon share gained significantly in value during the first nine months of the 2013 fiscal year, rising from €4.94 at the end of the 2012 fiscal year to €6.43 at June 30, 2013. The low for the nine-month period was recorded in mid-October 2012, when the price dipped to €4.96. The share price subsequently rose steadily through to the beginning of February, when it reached €6.89, its high for the fiscal year to date. Thereafter a phase of volatile sideway movements followed. The 30 percent rise recorded by the Infineon share in the first nine months of the 2013 fiscal year was well ahead of the gains made by the relevant sector indices. During this period, the SOX was up by 23 percent and the Dow Jones US Semiconductor Index by 17 percent. Also the DAX gain of 10 percent was significantly lower.

Due to the exercising of employee stock options, the number of outstanding shares increased by 620,302 shares during the nine-month period to stand at 1,080,926,634 shares at June 30, 2013. The 6 million own shares reported at June 30, 2013 result from the repurchase of Infineon shares in the current fiscal year in conjunction with the capital return program, which ended on March 31, 2013.

Performance of the Infineon share, the DAX Index, the Philadelphia Semiconductor Index (SOX) and the Dow Jones US Semiconductor Index during the first nine months of the 2013 fiscal year (daily closing prices)



	Three months ended June 30,			Nine months ended June 30,		
	2013	2012	+/- in %	**2013**	2012	+/- in %
Infineon closing prices in euro (Xetra)						
End of the previous period	6.16	7.67	(20%)	4.94	5.59	(12%)
High	6.84	7.88	(13%)	6.89	7.88	(13%)
Low	5.42	5.10	6%	4.96	5.10	(3%)
End of the period	6.43	5.33	21%	6.43	5.33	21%
Weighted-average number of shares traded per day	8,485,157	9,719,090	(13%)	7,937,128	9,457,656	(16%)
Infineon closing prices in U.S. dollars (OTCQX)						
End of the previous period	7.96	10.22	(22%)	6.44	7.39	(13%)
High	9.09	10.49	(13%)	9.41	10.49	(10%)
Low	7.12	6.34	12%	6.47	6.34	2%
End of the period	8.34	6.71	24%	8.34	6.71	24%
Weighted-average number of ADSs traded per day	121,451	63,895	90%	86,382	105,321	(18%)
shares outstanding (as of June 30)	1,080,926,634	1,087,056,332				
Therein: own shares[1]	6,000,000	7,000,000				

[1] The own shares as of June, 2012, were cancelled on September 19, 2012. The share capital was reduced accordingly.

DIVIDENDS AND CAPITAL RETURN PROGRAM

At the Annual General Meeting held in Munich on February 28, 2013 the shareholders approved the dividend proposal jointly put forward by Infineon's Management Board and Supervisory Board. As a consequence, a dividend of €0.12 per share, unchanged from the previous year, was resolved and a total disbursement of €129 million was made to shareholders.

During the course of the capital return program, which ran from May 9, 2011 to March 31, 2013, Infineon repurchased a nominal amount of €47 million of the subordinated convertible bond due May 2014 for €128 million and 13 million of its own shares for €84 million via put options (including 6 million shares repurchased for €38 million in the current 2013 fiscal year). Premiums received for the put options in conjunction with the program amounted to €16 million. Separately from the capital return program, Infineon had also repurchased a further nominal amount of €36 million of the convertible bond for €107 million during the period from October 2010 to March 2011.

Overall, the total volume of share repurchases, convertible bond repurchases and dividend payments over the two-and-a-half years amounted to €686 million.

WORLD ECONOMY AND SEMICONDUCTOR INDUSTRY

Global economic growth picked up slightly again during the third quarter of the 2013 fiscal year. The pace of growth nevertheless remains modest and below expectations. The International Monetary Fund (IMF) has therefore scaled down the forecast it made in April 2013 and now predicts global economic growth of 2.4 percent for the 2013 calendar year, followed by 3.2 percent in the 2014 calendar year (IMF, July 2013).

The mild recovery of the global economy has also helped to boost demand for semiconductor products. The latest market data for the third quarter of the 2013 fiscal year, compared to the preceding quarter, indicate that semiconductor market revenues (excluding microprocessors and memory chips) will be up by approximately 5 percent (World Semiconductor Trade Statistics (WSTS), June 2013). IHS Electronics & Media predicts 3 percent growth for the 2013 calendar year, followed by 9 percent in the 2014 calendar year (IHS Electronics & Media, July 2013).

REVIEW OF RESULTS OF OPERATIONS

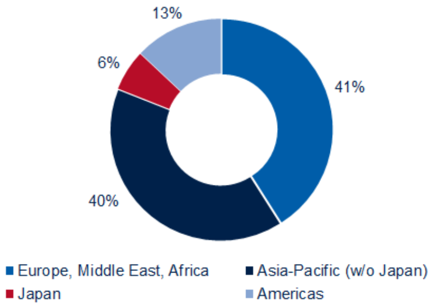
€ in millions	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	**2013**	2012
Revenue	1,022	990	2,790	2,922
Gross profit	**366**	**357**	**926**	**1,083**
Research and development expenses	(139)	(116)	(385)	(332)
Selling, general and administrative expenses	(115)	(119)	(325)	(354)
Other operating income and expense, net	(18)	(12)	(38)	(29)
Operating income	**94**	**110**	**178**	**368**
Financial income and expense, net	(7)	(6)	(15)	(14)
Loss from investments accounted for using the equity method	-	(1)	-	-
Income tax expense	(5)	(13)	(18)	(51)
Income from continuing operations	**82**	**90**	**145**	**303**
Loss from discontinued operations, net of income taxes	(5)	(8)	(15)	(14)
Net income	**77**	**82**	**130**	**289**
Basic earnings per share (in euro)	0.07	0.08	0.12	0.27
Diluted earnings per share (in euro)	0.07	0.08	0.12	0.26

NET INCOME DOWN

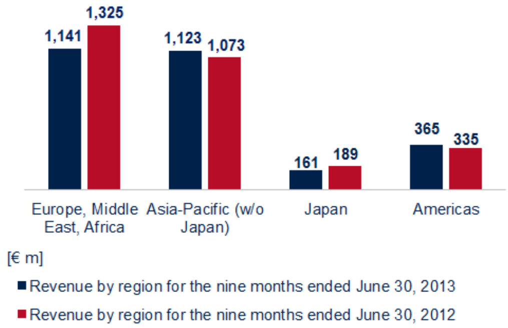
Due to the weaker first half of the 2013 fiscal year, nine-month revenue fell by 5 percent to €2,790 million (October 2011 - June 2012: €2,922 million), despite the increase recorded in the three months to June 30, 2013 (up by €32 million or 3 percent compared to the same quarter last year). Within the first nine months of the 2013 fiscal year, further signs of economic recovery became visible in the third quarter in the form of an 11 percent quarter-on-quarter rise in revenue. Net income fell from €289 million in the first nine months of the 2012 fiscal year to €130 million in the first nine months of the current fiscal year, reflecting the combined effect of lower revenue due to a general slowdown in economic growth and the build-up of production capacities, which were not fully utilized during the nine-month period under report. The result was also influenced by changes in the segment mix. Earnings per share decreased accordingly.

INCREASING IMPORTANCE OF ASIA-PACIFIC

Nine-month revenue in the Europe/Middle East/Africa region fell by €184 million compared to the previous year, whereas an increase of €50 million was recorded for Asia-Pacific. The importance of this region for Infineon thus continued to grow. In the first nine months of the 2013 fiscal year, revenue generated in the Europe/Middle East/Africa region (€1,141 million) was only €18 million higher than that of the Asia-Pacific region (€1,123 million).



Revenue by region for the nine months ended June 30, 2013



	Three months ended June 30,				Nine months ended June 30,			
€ in millions, except percentages	**2013**		2012		**2013**		2012	
Europe, Middle East, Africa	413	40%	427	43%	1,141	41%	1,325	46%
Therein: Germany	209	20%	217	22%	569	20%	702	24%
Asia-Pacific (w/o Japan)	405	40%	378	38%	1,123	40%	1,073	37%
Therein: China	182	18%	162	16%	499	18%	453	16%
Japan	63	6%	67	7%	161	6%	189	6%
Americas	141	14%	118	12%	365	13%	335	11%
Total	**1,022**	**100%**	**990**	**100%**	**2,790**	**100%**	**2,922**	**100%**

MORE PRONOUNCED DROP IN GROSS MARGIN AS COST OF GOODS SOLD REMAINED PRACTICALLY UNCHANGED

Gross profit (revenue less cost of goods sold) for the first nine months of the 2013 fiscal year amounted to €926 million and was thus 14 percent down on the €1,083 million recorded in the corresponding period one year earlier. Although variable costs of goods sold decreased due to lower production volumes, increased costs (in particular depreciation and amortization and personnel expense) arose as a result of the measures taken to expand production capacities, which were not fully utilized during the period under report. Shifts in the segment mix also had an impact, with the overall consequence that gross profit decreased at a faster rate than the 5 percent drop in revenue. The gross margin came in at 33.2 percent in the nine-month period, down from the 37.1 percent recorded in the same period one year earlier.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2013**	2012	**2013**	2012
Cost of goods sold	656	633	1,864	1,839
Changes year-on-year	4%		1%	
Percentage of revenue	64%	64%	67%	63%
Gross profit	366	357	926	1,083
Percentage of revenue (gross margin)	35.8%	36.1%	33.2%	37.1%

HIGHER RESEARCH AND DEVELOPMENT EXPENSES PUSH UP OPERATING EXPENSES

Nine-month operating expenses (research and development expenses and selling, general and administrative expenses) increased by €24 million to €710 million (October 2011 - June 2012: €686 million). In percentage terms, operating expenses corresponded to 25.4 percent of nine-month revenue, compared to 23.5 percent one year earlier.

Research and development expenses increased by €53 million from €332 million to €385 million for the nine-month periods ended June 30, 2012 and 2013. The number of employees engaged in research and development was higher than in the corresponding period last year, in order to prepare the ground for further growth.

€ in millions, except percentages	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Research and development expenses	139	116	385	332
Change year-on-year	20%		16%	
Percentage of revenue	13.6%	11.7%	13.8%	11.4%

Selling, general and administrative expenses corresponded to 11.6 percent of revenue in the first nine months of the 2013 fiscal year (October 2011 – June 2012: 12.1 percent).

€ in millions, except percentages	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Selling, general and administrative expenses	115	119	325	354
Change year-on-year	(3%)		(8%)	
Percentage of revenue	11.3%	12.0%	11.6%	12.1%

NET EXPENSE FROM OTHER OPERATING INCOME AND EXPENSES OF €38 MILLION

Net other operating income and expenses gave rise to a net expense of €38 million for the nine-month period, compared to a net expense of €29 million in the previous year. Restructuring expenses amounting to €6 million were the main reason for the deterioration.

NET FINANCIAL RESULT UNCHANGED

Net financial result (financial income less financial expense) for the first nine months of the 2013 fiscal year was a net expense of €15 million, compared with a net expense of €14 million one year earlier. In the first nine months of the previous fiscal year, repurchases of subordinated convertible bonds due 2014 executed in conjunction with the capital return program gave rise to losses of €5 million. No further repurchases were made during the nine-month period under report and hence no losses are included in financial expenses. However, nine-month financial income decreased as a result of lower interest rates and the reduced gross cash position.

EFFECTIVE TAX RATE OF 11 PERCENT

As in the same period one year earlier, tax expense for the first nine months of the 2013 fiscal year was affected by lower foreign tax rates, tax credits and changes in valuation allowances on deferred tax assets.

Based on income from continuing operations of €163 million and tax expense of €18 million, the effective tax rate for the nine-month period ended June 30, 2013 was 11 percent. The rate in the corresponding period one year earlier was 14 percent, when a tax expense of €51 million arose on income from continuing operations of €354 million.

EXPENSES IN CONNECTION WITH QIMONDA HAVE NEGATIVE IMPACT ON RESULT FROM DISCONTINUED OPERATIONS

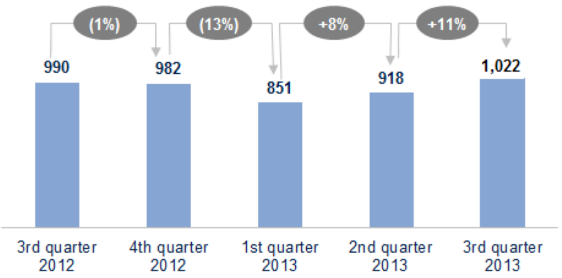
The result from discontinued operations, net of income taxes, amounted to a negative €15 million for the first nine months of the 2013 fiscal year (October 2011 – June 2012: negative €14 million). Of this amount, €14 million was recognized for risks related to the Qimonda insolvency (see note 16 “Commitments and contingencies”).

EARNINGS DETERIORATION REFLECTED IN EARNINGS PER SHARE

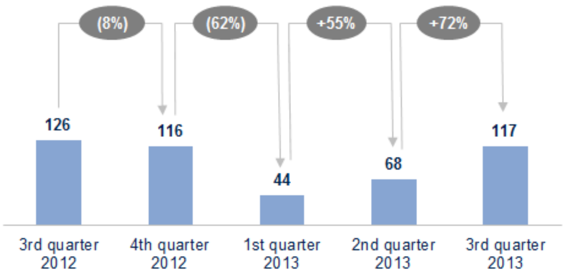
Net income for the nine months ended June 30, 2013 totaled €130 million, significantly down from the €289 million recorded in the previous year's corresponding period.

The lower earnings resulted in a similarly sharp reduction in earnings per share. Compared to earnings per share of €0.27 and €0.26 (basic and diluted) for the first nine months of the 2012 fiscal year, the corresponding figures for the first three quarters of the 2013 fiscal year both amounted to €0.12.

SEGMENT PERFORMANCE



Comparison of the revenue of the last 5 quarters [€ m]



Comparison of the Segment Result of the last 5 quarters [€ m]

SEGMENT RESULT MARGIN OF 8.2 PERCENT RECORDED FOR FIRST NINE MONTHS OF 2013 FISCAL YEAR

The revenue decreases recorded by the Industrial Power Control segment (€93 million) and by Other Operating Segments (€91 million) could not be entirely compensated by revenue increases recorded by the Automotive, Power Management & Multimarket and Chip Card & Security segments. Segment Result for the nine-month period fell by €182 million to €229 million (October 2011 - June 2012: €411 million) on 5 percent lower revenue. The sharp deterioration in Segment Result was mainly attributable to higher fixed costs driven by expanded production capacities – particularly depreciation on property, plant and equipment and personnel costs – during a phase of less-than-full capacity utilization. Operating expenses (in particular personnel expenses) were also higher than in the corresponding nine-month period last year.

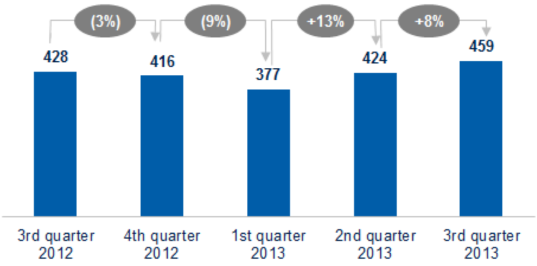
The nine-month Segment Result Margin was 8.2 percent, compared to 14.1 percent one year earlier.

AUTOMOTIVE

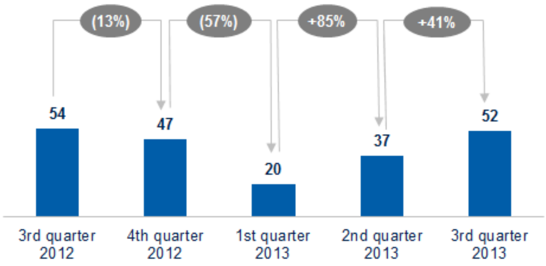
€ in millions, except percentages	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Revenue	459	428	1,260	1,244
Share of Total Revenue	45%	43%	45%	43%
Segment Result	52	54	110	172
Share Segment Result of Infineon	44%	43%	48%	42%
Segment Result Margin	11.3%	12.6%	8.7%	13.8%

The Automotive segment recorded revenue totaling €459 million in the third quarter of the 2013 fiscal year. The figure includes an exceptional factor arising in conjunction with license fees. However, even excluding this factor, revenue for the quarter was still well up on the previous year's figure of €428 million. The continuing weakness of markets in Europe was offset by strong vehicle sales elsewhere, particularly in China and North America. Automotive contributed a Segment Result of €52 million, down by €2 million on the €54 million reported for the third quarter of the 2012 fiscal year. The Segment Result Margin for the quarter was 11.3 percent, compared to 12.6 percent one year earlier. Increased fixed costs connected with continued efforts to develop and expand Infineon's manufacturing landscape meant that increased revenue did not result in improved earnings. At the same time, research and development expenses were greater than those of the previous year.

Revenue in the first nine months of the 2013 fiscal year amounted to €1,260 million and, excluding the exceptional factor arising in conjunction with license fees in the third quarter of the 2013 fiscal year, was at a similar level to the previous year's figure of €1,244 million. This flat revenue performance reflects the weak state of the markets – a phenomenon which started in Southern Europe and has spread to other countries in the region. The ensuing adjustments to customer inventory levels had a negative impact during the first half of the fiscal year, causing a significant decrease in revenue in the first quarter. In the third quarter, however, revenue picked up again. The Segment Result for the nine-month period fell from €172 million in the previous year to €110 million, a drop of €62 million attributable to the factors described above. The Segment Result Margin for the nine-month period was 8.7 percent compared to 13.8 percent in the previous fiscal year.



Comparison of the revenue of Automotive of the last 5 quarters [€ m]



Comparison of the Segment Result of Automotiveof the last 5 quarters [€ m]

Major events and developments in the Automotive segment in the first nine months of the 2013 fiscal year:

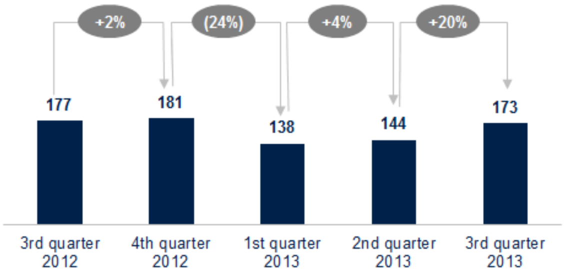
- Infineon received the "Innovation Award" presented for the first time by Continental in 2013. The key factor for Infineon's win was the new 3D imaging sensor chip which can measure distances using “Time-of-Flight” technology, enabling commands to be executed within the vehicle by means of touchless gesture recognition.
- A major new contract was gained in the field of vehicle security and powertrain, which will generate several hundred million euros in revenue from 2015 onwards:
  - One of the world's leading manufacturers of electronic safety equipment for airbags, brakes and electronic power steering systems selected Infineon to supply products from the new AURIX™-32-bit range of microcontrollers based on multi-core architecture, components for power supplies, and bridge drivers used to control electric motors.
  - Two major suppliers from Europe and Asia opted to use AURIX™ in their radar-based driver assistance systems. Infineon’s radar for 24-77-gigahertz applications also were designed into the systems of these two customers.
  - Thanks to the outstanding quality of its MEMS (Micro-Electro-Mechanical System) products, Infineon was awarded the sensor component business used for side-impact protection purposes by a European automotive supplier. These sensors provide the necessary information to trigger the side airbag.
- Infineon launched the new family of XMC-1000 microcontrollers, whose 32-bit architecture is based on an ARM® Cortex-M0 core, which has been optimized for industrial applications. The new architecture is intended to replace the previous 8-bit microcontrollers. As with all other microcontrollers, Infineon now also offers a modified version of the software development platform DAVE™ (Digital Application Virtual Engineer) for the XMC1000.

INDUSTRIAL POWER CONTROL

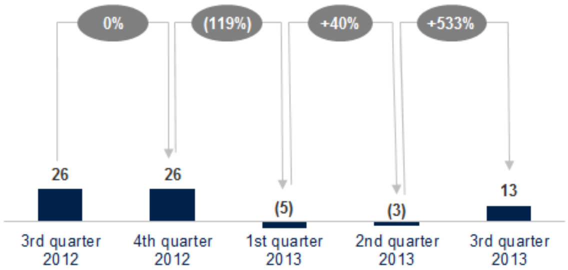
	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2013**	2012	**2013**	2012
Revenue	173	177	454	547
Share of Total Revenue	17%	18%	16%	19%
Segment Result	13	26	5	92
Share Segment Result of Infineon	11%	21%	2%	22%
Segment Result Margin	7.5%	14.7%	1.1%	16.8%

Revenue in the third quarter of the 2013 fiscal year amounted to €173 million and was marginally lower than in the previous year (€177 million). Whereas business with components for household appliances and wind power was expanded, sharp drops in revenue were registered for industrial drives and solar power-related applications. Compared with the same quarter one year earlier, when a Segment Result of €26 million and a Segment Result Margin of 14.7 percent were posted, the equivalent figures for the third quarter of the current fiscal year were €13 million and 7.5 percent respectively. The deterioration was primarily due to higher research and development expenses, continued improvement in quality assurance processes for production and the further expansion of Infineon's manufacturing landscape.

The nine-month revenue of €454 million was €93 million down on the previous year (€547 million). The decrease in this case related mainly to the fields of solar power and industrial drives. In addition to the general contraction of the market, business was also negatively impacted by inventory destocking by major direct customers in Europe and also by Asian distributors. Nine-month Segment Result was a positive amount of €5 million, down from €92 million one year earlier. The Segment Result Margin for the nine-month period was 1.1 percent compared to 16.8 percent in the previous year.



Comparison of the revenue of Industrial Power Control of the last 5 quarters [€ m]



Comparison of the Segment Result of Industrial Power Control of the last 5 quarters [€ m]

Major events and developments in the Industrial Power Control segment in the first nine months of the 2013 fiscal year:

- Infineon presented a new family of EconoDual™3 IGBT modules, which are also fully qualified to meet particularly exacting automotive standards. The new modules are aimed at applications in commercial, construction or agricultural vehicles, in which extended reliability is an important criterion. Commercial, mining and agricultural vehicles are being increasingly electrified, functioning as hybrid vehicles with electric motors attached to the drive axle or in the wheel hub. Infineon's EconoDual™3 IGBT modules are capable of controlling these extremely powerful electric motors. The new components have been specifically developed for robust vehicles operating in harsh environments, they are optimally designed to cope with vibrations and meet all thermal demands. They help reduce highly expensive maintenance and downtimes and also decrease fuel consumption.
- Infineon expands its range of EiceDRIVER™ controllers for IGBT and CoolMOS™, enabling high efficiency for these products with a highly compact design. The new EiceDRIVER™ compact products are ideal for space-saving installations in household appliances as well as consumer electronics. They can also be used in fans, pumps, engines and forklifts. Along with the Compact class, the EiceDRIVER™ family also includes the EiceDRIVER™ Safe, designed to meet security and reliability requirements in the industrial market. In

addition, the EiceDRIVER™ Enhanced class offers improved functionality for industrial, solar and consumer applications.

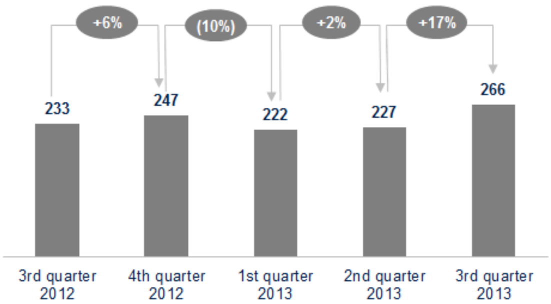
- Infineon is benefitting from the growing Chinese market for solar applications. China has set itself the target of more than doubling installed capacities for the generation of solar power in 2013. The first orders from leading Chinese manufacturers of inverters are already being fulfilled with PrimePACK™ and EconoDUAL™ modules. These IGBT modules are suitable for higher power ranges and are in line with the worldwide trend towards the use of central inverters in photovoltaic installations in the plus-250 kilowatt range.

POWER MANAGEMENT & MULTIMARKET

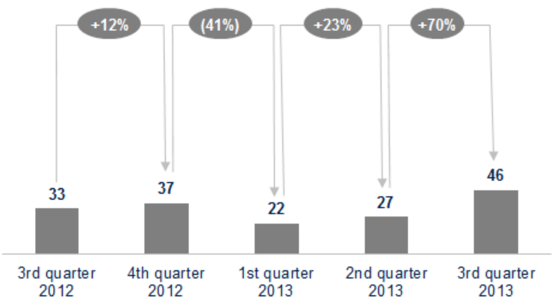
€ in millions, except percentages	Three months ended June 30, 2013	2012	Nine months ended June 30, 2013	2012
Revenue	266	233	716	682
Share of Total Revenue	26%	24%	26%	23%
Segment Result	46	33	95	105
Share Segment Result of Infineon	39%	26%	41%	26%
Segment Result Margin	17.3%	14.2%	13.3%	15.4%

The Power Management & Multimarket segment recorded revenue of €266 million in the third quarter of the 2013 fiscal year, €33 million up on the same quarter last year (€233 million) and with the whole product range contributing to the increase. Business with components for smartphone and mobile telephone infrastructure-related products grew particularly sharply compared with the previous year. The Segment Result for the third quarter amounted to €46 million, €13 million higher than the previous year's contribution of €33 million. The figure is equivalent to a Segment Result Margin of 17.3 percent, an improvement of 3.1 percentage points on the same quarter last year, achieved on the back of higher revenue. Higher operating expenses, primarily for research and development activities, worked in the opposite direction.

Revenue in the first nine months of the 2013 fiscal year amounted to €716 million and was thus €34 million higher than in the corresponding period last year (€682 million). Segment Result fell by €10 million from €105 million to €95 million. The Segment Result Margin dropped from 15.4 percent in the previous year to 13.3 percent for the first nine months of the 2013 fiscal year. The positive impact of the revenue growth achieved in the first nine months of the 2013 fiscal year was not sufficient to fully cover higher idle costs on the one hand and higher operating expenses on the other, particularly for research and development activities.



Comparison of the revenue of Power Management & Multimarket of the last 5 quarters [€ m]



Comparison of the Segment Result of Power Management & Multimarket of the last 5 quarters [€ m]

Major events and developments in the Power Management & Multimarket segment in the first nine months of the 2013 fiscal year:

- In June 2013 Infineon opened a joint research and development laboratory with Huawei Technologies Co. Ltd. tasked with developing highly efficient power supplies for telecommunications and data center infrastructures. Within this cooperation arrangement, Huawei's system integration know-how on the one hand and Infineon's semiconductor expertise on the other will be combined to develop and optimize system architectures, along with the related semiconductors.

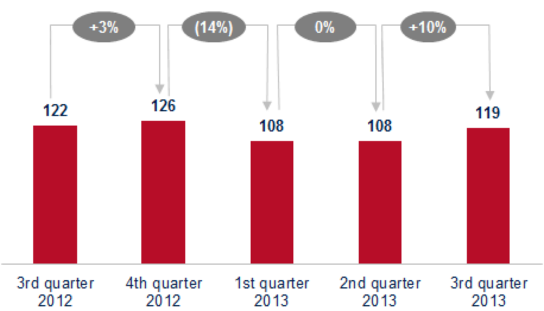
- Infineon introduced Blade, a new packaging technology for products requiring a DC power supply, such as processors in servers, telecommunication facilities and on graphic cards. This new technology was developed in Regensburg (Germany) and enables several power semiconductor components to be integrated in an extremely compact way. The package measures only 5x5 millimeters on the circuit board and has a low profile of only 0.6 millimeters, thus fulfilling the need for greater power density and space saving in computing systems. The first product in the Blade family, DrBlade, integrates two low-voltage MOSFET power transistors from the OptiMOS™family and a driver IC. Infineon achieved a design win from one of the world's leading manufacturers of servers for the use of these components in its coming server platform.

CHIP CARD & SECURITY

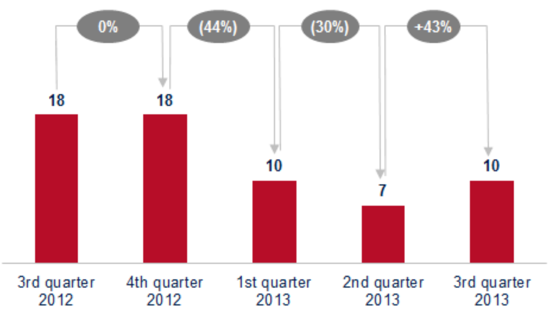
	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2013**	2012	**2013**	2012
Revenue	119	122	335	331
Share of Total Revenue	12%	12%	12%	11%
Segment Result	10	18	27	38
Share Segment Result of Infineon	9%	14%	12%	9%
Segment Result Margin	8.4%	14.8%	8.1%	11.5%

Revenue in the third quarter of the 2013 fiscal year totaled €119 million compared to €122 million one year earlier. Revenue generated with security chips for payment cards, governmental ID applications and authentication increased compared to the previous year, while business with security controllers for SIM cards was weaker. Project driven business with security chips for pay TV was also down. The third-quarter Segment Result amounted to €10 million, compared to €18 million in the previous year. Overall, Chip Card & Security recorded a Segment Result Margin of 8.4 percent (April - June 2012: 14.8 percent). Gross profit fell, due to revenue decline and product mix factors. Expenses incurred for research and development activities as well as for selling and administrative functions rose moderately compared to the previous year.

Revenue in the first nine months of the 2013 fiscal year totaled €335 million, an increase of €4 million or 1 percent on the previous year (€331 million). Revenue from security chips for governmental ID applications, pay cards and authentication solutions rose sharply, while business with security controllers for SIM cards grew at a more moderate pace. This contrasted with decreases in revenues generated with solutions for mobile security-related products and security chips for pay TV. Segment Result for the nine-month period amounted to €27 million, down from the €38 million reported for the corresponding period one year earlier. The Segment Result Margin dropped to 8.1 percent, mostly due to the slightly lower gross profit resulting from a change in the product mix. Technology-related activities and measures aimed at improving productivity resulted in higher research and development expenses compared to the previous year, while selling and administrative expenses were practically unchanged.



Comparison of the revenue of Chip Card & Security of the last 5 quarters [€ m]



Comparison of the Segment Result of Chip Card & Security of the last 5 quarters [€ m]

Major events and developments in the Chip Card & Security segment in the first nine months of the fiscal year 2013:

- Infineon entered into a joint development and production collaboration for 40-nanometer embedded flash process technology with Globalfoundries Inc. The agreement relates to the joint development of this technology on the basis of Infineon's embedded flash cell and to the manufacturing of microcontrollers with 40-nanometer structures for automobile, chip card and security applications. Globalfoundries will initially manufacture Infineon's products at its site in Singapore and subsequently also in Dresden (Germany), based on 40-nanometer process technology. This move will enable Infineon to even further increase its competitiveness in the field of chip card and security applications. The collaboration with Globalfoundries is consistent with Infineon's strategy of co-developing CMOS-based process technologies based on 65-nanometer and smaller structures together with foundries and having these products made by them.
- After the successful introduction of Infineon's 90-nanometer security controllers for mobile communications devices, these are now also being shipped for payment cards and governmental ID applications. By the end of the third quarter of the 2013 fiscal year, approximately 150 million of these chips had already been supplied to payment card customers. SOLID FLASH™-based security controllers are gaining ground in key payment application projects worldwide and feature, for example, in "Deutsche Sparkassen Verlag" bank cards, "Maestro" debit cards in Switzerland and "Carte Bancaire" cards in France. In the course of further market introduction, the product will also be supplied to numerous projects in other European countries, North and South America, Africa and Asia (Japan, China, South Korea, Indonesia).
- Infineon presents its new "Coil on Module" chip package for dual interface bank and credit cards, which can be used for both contact-based and contactless applications and is relevant for a fast-growing market. The new "Coil on Module" chip package with an integrated antenna uses radio technology (rather than the commonly used electro-mechanical approach) to connect antenna and module, thus significantly improving the robustness of the payment card and making the manufacturing process more efficient.

OTHER OPERATING SEGMENTS

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2013**	2012	**2013**	2012
Revenue	6	29	20	111
Share of Total Revenue	1%	3%	1%	4%
Segment Result	(2)	-	(8)	11
Share Segment Result of Infineon	(2%)	0%	(3%)	3%

Other Operating Segments mainly comprises activities that remain with Infineon after the sale or exit of a business operation. These include post-sale activities arising from the fact that the businesses sold still rely on goods sold or services rendered by Infineon or remaining activities that cannot be allocated to another segment and which will be ultimately phased out. Product supplies to Lantiq following the sale of the Wireline Communications business fall under this category. Similarly, goods and services sold to Intel Mobile Communications (IMC) during a defined transition period following the sale of the Wireless mobile phone business are also allocated to Other Operating Segments. The same applies to business with analog and digital TV tuners.

In both the third quarter and the nine-month period of the 2013 fiscal year, revenue generated with IMC and Lantiq continued to decrease as the remaining activities are being phased out, resulting in a drop in Segment Result compared to the corresponding periods in the previous fiscal year.

CORPORATE AND ELIMINATIONS

The Segment Result for the third quarter of the 2013 fiscal year improved from a loss of €5 million in the previous fiscal year to a loss of €2 million in the current fiscal year. The Segment Result for the first nine months of the 2013 fiscal year was break-even, compared with a loss of €7 million one year earlier.

REVIEW OF FINANCIAL CONDITION

	As of		
€ in millions, except percentages	**June 30, 2013**	September 30, 2012	Change year-on-year
Current assets	3,458	3,510	(1%)
Non-current assets	2,241	2,388	(6%)
Total assets	**5,699**	**5,898**	**(3%)**
Current liabilities	1,484	1,678	(12%)
Non-current liabilities	603	645	(7%)
Total liabilities	**2,087**	**2,323**	**(10%)**
Equity	**3,612**	**3,575**	**1%**

DECREASE IN CURRENT ASSETS RESULTING FROM LOWER GROSS CASH POSITION

Current assets decreased by 1 percent to stand at €3,458 million as of June 30, 2013 (September 30, 2012: €3,510 million). The main reason for the drop was the lower gross cash position (sum of cash and cash equivalents and financial investments), which was, in turn, mainly attributable to disbursements for the capital return program and the dividend payment exceeding free cash flow for the nine-month period.

NON-CURRENT ASSETS DOWN DUE TO LOWER INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT

Non-current assets decreased by €147 million (6 percent) from €2,388 million as of September 30, 2012 to €2,241 million as of June 30, 2013, mainly due to the lower level of investment in property, plant and equipment. The depreciation expense for the nine-month period amounting to €330 million exceeded additions totaling €177 million. Capital expenditure related primarily to the production sites in Regensburg (Germany), Dresden (Germany) and Villach (Austria).

LIABILITIES REDUCED BY SETTLEMENT OF PAYABLES, BONUS PAYMENTS AND EXPIRY OF CAPITAL RETURN PROGRAM

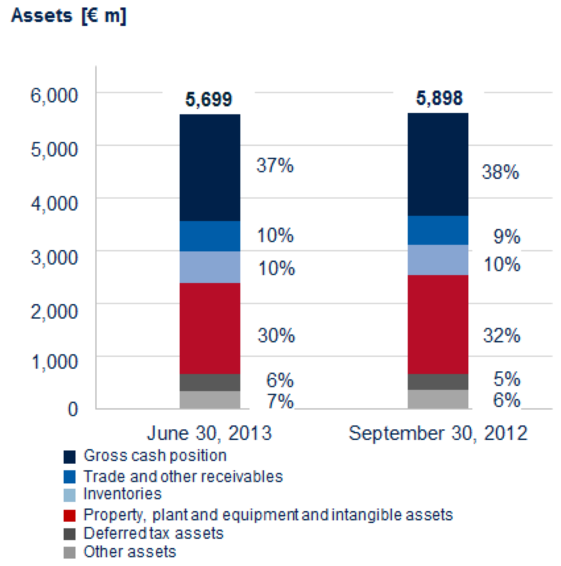
Current liabilities at June 30, 2013 stood at €1,484 million, €194 million (12 percent) lower than at September 30, 2012 (€1,678 million). The principal factor for the reduction was the €162 million decrease in trade and other payables. Current provisions went down by €49 million, primarily due to bonus payments to employees, which exceeded new accruals and allocations to the provision for bonuses for the current fiscal year. Furthermore, in the 2013 fiscal year up to the date of expiry of the capital return program, put options with a value of €38 million were exercised and put options with a value of €51 million expired, which were not replaced by newly issued put options. These transactions had the effect of reducing other current financial liabilities from €100 million at September 30, 2012 to €20 million at June 30, 2013. At the same time, current financial liabilities increased by €84 million, mainly due to the reclassification of the convertible bond due May 2014 (carrying amount at June 30, 2013: €105 million) from long-term debt.

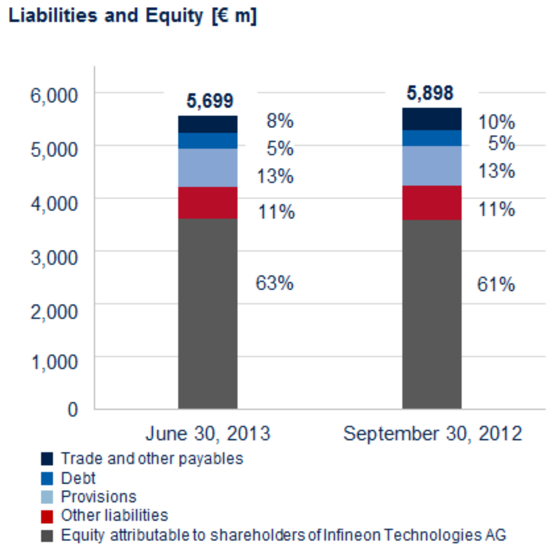
Compared to September 30, 2012 (€645 million), non-current liabilities decreased by €42 million or 7 percent to stand at €603 million as of June 30, 2013. The greater part of the decrease related to long-term debt, which went down by €74 million, mostly as a result of the reclassification of the convertible bond due May 2014 described above. Non-current provisions increased by €33 million during the same period.

EQUITY INCREASED SLIGHTLY DUE TO EXPIRY OF PUT OPTIONS

Equity rose by €37 million (1 percent) to reach €3,612 million at June 30, 2013 (September 30, 2012: €3,575 million). The increase was largely attributable to the expiry of put options, which had the effect of increasing equity by €51 million. The change in other reserves reduced equity by €20 million. Net income generated to date in the 2013 fiscal year (€130 million) corresponds almost exactly to the dividend (€129 million) paid for the 2012 fiscal year.

The equity ratio improved to 63.4 percent as of June 30, 2013 (September 30, 2012: 60.6 percent).





REVIEW OF LIQUIDITY

CASH FLOW

€ in millions	Nine months ended June 30, 2013	2012
Net cash provided by operating activities from continuing operations	301	376
Net cash used in investing activities from continuing operations	(115)	(669)
Net cash used in financing activities from continuing operations	(161)	(242)
Net change in cash and cash equivalents from discontinued operations	(10)	(37)
Net change in cash and cash equivalents	**15**	**(572)**
Effect of foreign exchange rate changes on cash and cash equivalents	(3)	5
Change in cash and cash equivalents	**12**	**(567)**

Lower income from continuing operations causes decrease in net cash provided by operating activities from continuing operations

During the first nine months of the 2013 fiscal year net cash provided by operating activities from continuing operations amounted to €301 million (October 2011 - June 2012: €376 million). Taking income from continuing operations before depreciation and amortization, interest and taxes (€524 million) as the starting point, the principal items affecting cash flows from continuing operations during the nine-month period under report were reductions in trade and other payables and provisions and increases in trade and other receivables (altogether totaling €214 million) and taxes paid (€45 million). The increase in other current payables (€44 million) had an offsetting effect. Despite the fact that net income from continuing operations for the nine-month period was €159 million lower, net cash provided by operating activities from continuing operations decreased by only €75 million, mainly due to the lower reduction in provisions (€77 million) than in the previous year.

In the corresponding nine-month period one year earlier, taking income from continuing operations before depreciation and amortization, interest and taxes (€679 million) as the starting point, the principal items affecting cash flows from operating activities from continuing operations were reductions in trade and other payables and provisions totaling €298 million.

Net cash used in investing activities from continuing operations mainly driven by the sale of financial investments and lower level of investment in property, plant and equipment

Net cash used in investing activities from continuing operations in the first nine months of the 2013 fiscal year amounted to €115 million. The sale of financial investments (primarily money deposits with a maximum term of three to six months) gave rise to a net inflow of €107 million. This did not impact the gross cash position, however, since the latter includes cash and cash equivalents as well as financial investments. Purchases of property, plant and equipment in the first three quarters of the current fiscal year totaled €177 million. A total of €47 million was invested in intangible assets, mostly for internal development projects.

In the first nine months of the previous fiscal year, net cash used in investing activities from continuing operations amounted to €669 million. Purchases of property, plant and equipment and of intangible assets totaled €644 million in the first nine months of the 2012 fiscal year. Net cash used to purchase financial investments amounted to €27 million.

Dividend payment and repurchases of shares via put options resulted in net cash used in financing activities from continuing operations

Net cash used in financing activities from continuing operations in the first nine months of the 2013 fiscal year amounted to €161 million, the most significant element of which was €129 million used to pay the dividend for the 2012 fiscal year. The repurchase of 6 million of Infineon's own shares via put options accounted for a cash outflow of €38 million. A net inflow of €5 million arose in the nine-month period due to new loans raised.

In the corresponding nine-month period of the previous fiscal year, net cash used in financing activities from continuing operations amounted to €242 million. In that period, €130 million was used to pay the dividend for the 2011 fiscal year, €70 million to repurchase subordinated convertible bonds due 2014 in conjunction with the capital return program and shares resulting from the exercise of put options on own shares by investors and other financial liabilities were reduced by a net amount of €51 million. Option premiums amounting to €8 million were received for new put options issued on own shares.

FREE CASH FLOW

Infineon reports the free cash flow figure (defined as net cash provided by/used in operating activities and net cash provided by/used in investing activities) after adjusting for cash flows related to the purchase and sale of financial investments. Free cash flow serves as an additional performance indicator, since Infineon holds part of its liquidity in the form of financial investments. This does not mean that the free cash flow calculated in this way is available to cover other disbursements, since dividend, debt-servicing obligations and other fixed disbursements are not deducted. Free cash flow should not be seen as a replacement or "more valuable" performance indicator, but rather as an additional useful piece of information over and above the disclosure of the cash flow reported in the Consolidated Statement of Cash Flows, and as a supplementary disclosure to other liquidity performance indicators and other performance indicators derived from the IFRS figures. Free cash flow includes only amounts from continuing operations, and is derived as follows from the Consolidated Statement of Cash Flows:

	Nine months ended June 30,	
€ in millions	**2013**	2012
Net cash provided by operating activities from continuing operations	301	376
Net cash used in investing activities from continuing operations	(115)	(669)
Purchase of and proceeds from sale of financial investments, net	(107)	27
Free cash flow	**79**	**(266)**

POSITIVE FREE CASH FLOW DUE TO LOWER INVESTMENTS

Free cash flow for the first nine months of the 2013 fiscal year was a positive amount of €79 million, compared to a negative amount of €266 million in the corresponding period last year. Net cash provided by operating activities from continuing operations for the nine-month period totaling €301 million exceeded net cash used for investing activities totaling €224 million.

In the previous fiscal year, free cash flow after nine months was a negative amount of €266 million, which came about since net cash provided by operating activities from continuing operations only covered just over half of the €644 million invested in intangible assets and in property, plant and equipment.

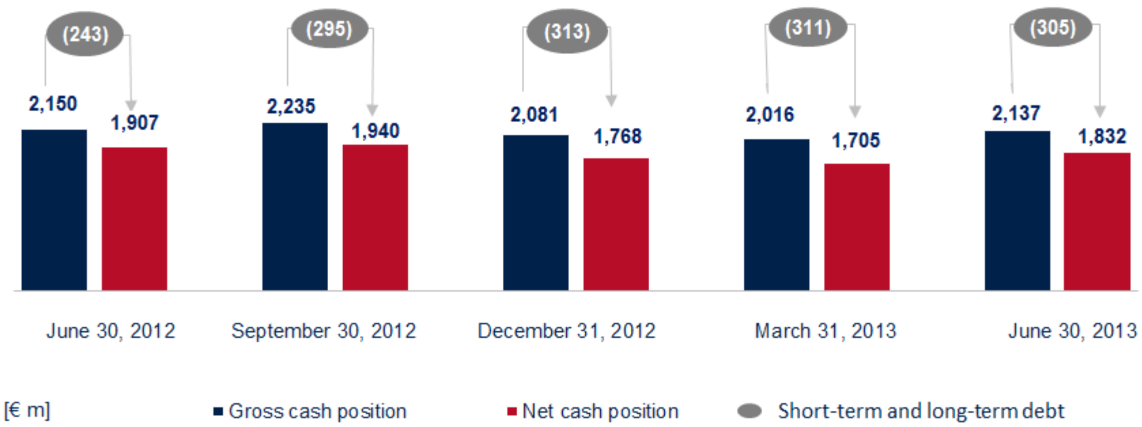
GROSS CASH POSITION AND NET CASH POSITION

The following table reconciles the gross cash position and net cash position (i.e. after deduction of debt). Since some liquid funds are held in the form of financial investments, which for IFRS purposes are not considered to be "cash and cash equivalents", Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of the overall liquidity. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	**June 30, 2013**	September 30, 2012
Cash and cash equivalents	437	425
Financial investments	1,700	1,810
Gross cash position	**2,137**	**2,235**
Less:		
Short-term debt and current maturities of long-term debt	139	55
Long-term debt	166	240
Total financial debt	**305**	**295**
Net cash position	**1,832**	**1,940**

The gross cash position, comprising cash and cash equivalents and financial investments, amounted to €2,137 million at June 30, 2013, a decrease of €98 million on €2,235 million recorded at September 30, 2012. The decrease in the gross cash position reflects on the one hand the dividend payment and disbursements in conjunction with the capital return program. Positive free cash flow of €79 million worked in the opposite direction on the other hand.

The net cash position, defined as the gross cash position less short-term and long-term debt, decreased accordingly by €108 million from €1,940 million at September 30, 2012 to €1,832 million at June 30, 2013.



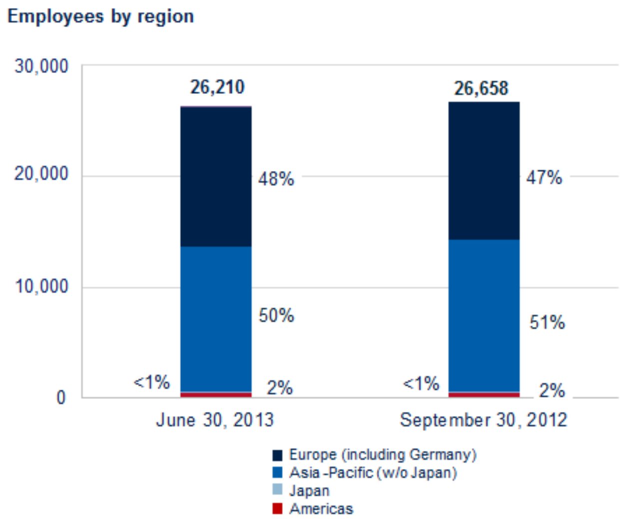
EMPLOYEES

The following table shows the composition of the workforce by region, at the relevant reporting dates of fully consolidated companies of the Infineon Group:

	As of		
	June 30, 2013	September 30, 2012	Change
Region:			
Europe	12,532	12,427	1%
Therein: Germany	8,475	8,408	1%
Asia-Pacific (w/o Japan)	13,057	13,624	(4%)
Therein: China	1,380	1,423	(3%)
Japan	123	116	6%
Americas	498	491	1%
Total	**26,210**	**26,658**	**(2%)**

The number of Infineon employees decreased by 2 percent during the first nine months of the 2013 fiscal year. The reduction of the workforce in the Asia-Pacific region (particularly Malaysia) was partially offset by increases in other regions. Research and development functions were strengthened as the foundation for future growth, which was more than offset by staff reductions in other areas.

Approximately 32 percent of the Infineon workforce was employed at sites in Germany at June 30, 2013 (September 30, 2012: 32 percent).



EVENTS AFTER THE END OF THE REPORTING PERIOD

In its ruling of July 25, 2013, apart from a small number of immaterial restrictions, the Munich Regional Appeal Court upheld the first instance decision in the legal dispute surrounding the continuation of the right of use of Infineon and its licensees over the Qimonda patents (see note 16 “Commitments and Contingencies”).

OUTLOOK

OUTLOOK FOR THE FOURTH QUARTER OF THE 2013 FISCAL YEAR

Infineon forecasts that fourth quarter revenue will increase to approximately €1.05 billion. In the Automotive segment, sales should remain roughly flat with the preceding quarter. The other three operating segments are all expected to see quarter-on-quarter revenue growth. Rising turnover and improved capacity utilization will help to push up the Segment Result Margin in the fourth quarter to about 13 percent.

OUTLOOK FOR THE 2013 FISCAL YEAR

Given the results for the first nine months and the outlook for the fourth quarter, revenue for the full year should be approximately 1.5 percent lower than in the previous fiscal year, with a Segment Result Margin of just under 10 percent.

Investments in the 2013 fiscal year will be at a level of just under €400 million. Depreciation and amortization should total about €470 million.

RISKS AND OPPORTUNITIES

Infineon's international structure and the broad range of its products offer a multitude of opportunities, whilst also exposing it to numerous risks. Coordinated risk management and control systems are in place to identify material opportunities and risks at an early stage and manage them to Infineon's advantage. Risk management at Infineon is embedded in the Group's planning systems, playing an important role in all entrepreneurial decisions and business processes. As such, it is a vital aspect of securing lasting success for the business.

Specific risks which could have a material adverse effect on Infineon's financial condition, liquidity position and results of operations, specific opportunities and the concept behind Infineon's risk management system are described in the Group Management Report for the 2012 fiscal year (pages 155 to 164).

During the first nine months of the 2013 fiscal year, Infineon did not identify any material changes to the opportunities and risks described in the 2012 Annual Report and in note 16 to the Interim Consolidated Financial Statements.

Further risks – of which Infineon is not currently aware or which are not at present considered material – could also impair business activities in the future. At the date of this report, Infineon is not aware of any substantial risks capable of jeopardizing its going-concern status.

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED) FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2013 AND 2012

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Revenue	1,022	990	2,790	2,922
Cost of goods sold	(656)	(633)	(1,864)	(1,839)
Gross profit	366	**357**	**926**	**1,083**
Research and development expenses	(139)	(116)	(385)	(332)
Selling, general and administrative expenses	(115)	(119)	(325)	(354)
Other operating income	4	5	12	20
Other operating expense	(22)	(17)	(50)	(49)
Operating income	**94**	**110**	**178**	**368**
Financial income	6	8	23	31
Financial expense	(13)	(14)	(38)	(45)
Loss from investments accounted for using the equity method	-	(1)	-	-
Income from continuing operations before income taxes	**87**	**103**	**163**	**354**
Income tax expense	(5)	(13)	(18)	(51)
Income from continuing operations	**82**	**90**	**145**	**303**
Loss from discontinued operations, net of income taxes	(5)	(8)	(15)	(14)
Net income	**77**	**82**	**130**	**289**
Attributable to:				
Non-controlling interests	-	-	-	-
Shareholders of Infineon Technologies AG	77	82	130	289
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:				
Basic earnings per share (in euro) from continuing operations	0.08	0.08	0.13	0.28
Basic earnings per share (in euro) from discontinued operations	(0.01)	-	(0.01)	(0.01)
Basic earnings per share (in euro)	**0.07**	**0.08**	**0.12**	**0.27**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:				
Diluted earnings per share (in euro) from continuing operations	0.08	0.08	0.13	0.27
Diluted earnings per share (in euro) from discontinued operations	(0.01)	-	(0.01)	(0.01)
Diluted earnings per share (in euro)	**0.07**	**0.08**	**0.12**	**0.26**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2013 AND 2012

€ in millions	Three months ended June 30,		Nine months ended June 30,	
	2013	2012	**2013**	2012
Net income	**77**	**82**	**130**	**289**
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Currency translation effects	(4)	9	(5)	14
Net change in fair value of hedging instruments	(8)	1	(14)	2
Net change in fair value of available-for-sale financial assets	(1)	-	(1)	(1)
Total items that may be reclassified subsequently to profit or loss	(13)	10	(20)	15
Other comprehensive income (loss), net of tax	**(13)**	**10**	**(20)**	**15**
Total comprehensive income, net of tax	**64**	**92**	**110**	**304**
Attributable to:				
Non-controlling interests	-	-	-	-
Shareholders of Infineon Technologies AG	64	92	110	304

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2013 AND 2012 (UNAUDITED) AND SEPTEMBER 30, 2012

€ in millions	**June 30, 2013**	June 30, 2012	September 30, 2012
ASSETS:			
Current assets:			
Cash and cash equivalents	437	440	425
Financial investments	1,700	1,710	1,810
Trade and other receivables	568	563	539
Inventories	589	546	567
Income tax receivable	12	7	6
Other current financial assets	3	4	9
Other current assets	148	144	149
Assets classified as held for sale	1	9	5
Total current assets	**3,458**	**3,423**	**3,510**
Property, plant and equipment	1,574	1,615	1,731
Goodwill and other intangible assets	162	138	146
Investments accounted for using the equity method	32	34	32
Deferred tax assets	314	261	315
Other financial assets	122	132	124
Other assets	37	41	40
Total non-current assets	**2,241**	**2,221**	**2,388**
Total assets	**5,699**	**5,644**	**5,898**

€ in millions	**June 30, 2013**	June 30, 2012	September 30, 2012
LIABILITIES AND EQUITY:			
Current liabilities:			
Short-term debt and current maturities of long-term debt	139	51	55
Trade and other payables	460	523	622
Current provisions	661	696	710
Income tax payable	47	74	69
Other current financial liabilities	20	126	100
Other current liabilities	157	178	122
Total current liabilities	**1,484**	**1,648**	**1,678**
Long-term debt	166	192	240
Pension plans and similar commitments	294	172	293
Deferred tax liabilities	4	6	4
Long-term provisions	63	31	30
Other financial liabilities	9	7	8
Other liabilities	67	61	70
Total non-current liabilities	**603**	**469**	**645**
Total liabilities	**2,087**	**2,117**	**2,323**
Shareholders' equity:			
Ordinary share capital	2,162	2,174	2,160
Additional paid-in capital	5,548	5,710	5,674
Accumulated deficit	(4,069)	(4,225)	(4,199)
Other reserves	8	25	28
Own shares	(37)	(46)	-
Put options on own shares	-	(111)	(88)
Equity attributable to shareholders of Infineon Technologies AG	**3,612**	**3,527**	**3,575**
Total liabilities and equity	**5,699**	**5,644**	**5,898**

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2013 AND 2012

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Net income	**77**	**82**	**130**	**289**
Plus: loss from discontinued operations, net of income taxes	5	8	15	14
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	115	113	347	313
Income tax expense	5	13	18	51
Net interest result	7	4	14	12
Provision for doubtful accounts	3	5	(7)	5
Losses on disposals of property, plant and equipment	-	1	-	-
Loss from investments accounted for using the equity method	-	1	-	-
Impairment charges	10	4	18	18
Share-based compensation	1	1	3	2
Change in trade and other receivables	(40)	(24)	(29)	12
Change in inventories	(16)	(22)	(22)	(39)
Change in other current assets	(13)	(23)	9	(6)
Change in trade and other payables	7	(41)	(158)	(194)
Change in provisions	32	-	(27)	(104)
Change in other current liabilities	29	30	44	41
Change in other assets and liabilities	(7)	(4)	(9)	(43)
Interest received	2	13	11	30
Interest paid	(5)	(6)	(11)	(13)
Income tax received (paid)	(7)	(19)	(45)	(12)
Net cash provided by operating activities from continuing operations	**205**	**136**	**301**	**376**
Net cash used in operating activities from discontinued operations	**(6)**	**-**	**(9)**	**(27)**
Net cash provided by operating activities	**199**	**136**	**292**	**349**

€ in millions	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Purchases of financial investments	(285)	(850)	(1,155)	(1,869)
Proceeds from sales of financial investments	190	750	1,262	1,842
Purchases of intangible assets and other assets	(18)	(14)	(47)	(46)
Purchases of property, plant and equipment	(53)	(144)	(177)	(598)
Proceeds from sales of property, plant and equipment and other assets	1	-	2	2
Net cash used in investing activities from continuing operations	**(165)**	**(258)**	**(115)**	**(669)**
Net cash used in investing activities from discontinued operations	**-**	**-**	**(1)**	**(10)**
Net cash used in investing activities	**(165)**	**(258)**	**(116)**	**(679)**
Net change in related party financial receivables and payables	-	-	(1)	-
Proceeds from issuance of long-term debt	2	-	44	10
Repayments of long-term debt	(9)	(21)	(39)	(61)
Repurchase of convertible subordinated bonds	-	-	-	(50)
Proceeds from issuance of ordinary shares	1	1	2	1
Purchase of own shares	-	-	(38)	(20)
Proceeds from the issuance of put options on own shares	-	2	-	8
Dividend payments	-	-	(129)	(130)
Net cash used in financing activities from continuing operations	**(6)**	**(18)**	**(161)**	**(242)**
Net cash used in financing activities from discontinued operations	**-**	**-**	**-**	**-**
Net cash used in financing activities	**(6)**	**(18)**	**(161)**	**(242)**
Net increase (decrease) in cash and cash equivalents	28	(140)	15	(572)
Effect of foreign exchange rate changes on cash and cash equivalents	(1)	4	(3)	5
Cash and cash equivalents at beginning of period	410	576	425	1,007
Cash and cash equivalents at end of period	**437**	**440**	**437**	**440**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED JUNE 30, 2013 AND 2012

€ in millions, except for number of shares	Ordinary shares issued				Other
	Shares	Amount	Additional paid-in capital	Accumulated deficit	Foreign currency translation adjustment
Balance as of October 1, 2011	**1,086,745,835**	**2,173**	**5,854**	**(4,514)**	**16**
Net income	-	-	-	289	-
Other comprehensive income for the period, net of tax	-	-	-	-	14
Total comprehensive income for the period, net of tax	-	-	-	289	14
Dividends	-	-	(130)	-	-
Issuance of ordinary shares:					
Exercise of stock options	310,497	1	-	-	-
Share based compensation	-	-	2	-	-
Purchase of own shares	-	-	-	-	-
Put options on own shares	-	-	10	-	-
Other changes in equity	-	-	(26)	-	-
Balance as of June 30, 2012	**1,087,056,332**	**2,174**	**5,710**	**(4,225)**	**30**
Balance as of October 1, 2012	**1,080,306,332**	**2,160**	**5,674**	**(4,199)**	**26**
Net income	-	-	-	130	-
Other comprehensive income for the period, net of tax	-	-	-	-	(5)
Total comprehensive income for the period, net of tax	-	-	-	130	(5)
Dividends	-	-	(129)	-	-
Issuance of ordinary shares:					
Exercise of stock options	620,302	2	-	-	-
Share based compensation	-	-	3	-	-
Purchase of own shares	-	-	-	-	-
Put options on own shares	-	-	-	-	-
Balance as of June 30, 2013	**1,080,926,634**	**2,162**	**5,548**	**(4,069)**	**21**

reserves						
Unrealized gains (losses) on securities	Unrealized gains (losses) on cash flow hedges	Own shares	Put options on own shares	Total equity attributable to shareholders of Infineon Technologies AG	Non-controlling interests	Total equity
3	**(9)**	**(26)**	**(142)**	**3,355**	**-**	**3,355**
-	-	-	-	289	-	289
(1)	2	-	-	15	-	15
(1)	2	-	-	304	-	304
-	-	-	-	(130)	-	(130)
-	-	-	-	1	-	1
-	-	-	-	2	-	2
-	-	(20)	-	(20)	-	(20)
-	-	-	31	41	-	41
-	-	-	-	(26)	-	(26)
2	**(7)**	**(46)**	**(111)**	**3,527**	**-**	**3,527**
3	**(1)**	**-**	**(88)**	**3,575**	**-**	**3,575**
-	-	-	-	130	-	130
(1)	(14)	-	-	(20)	-	(20)
(1)	(14)	-	-	110	-	110
-	-	-	-	(129)	-	(129)
-	-	-	-	2	-	2
-	-	-	-	3	-	3
-	-	(37)	-	(37)	-	(37)
-	-	-	88	88	-	88
2	**(15)**	**(37)**	**-**	**3,612**	**-**	**3,612**

CONDENSED NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Infineon Group ("Infineon") comprising Infineon Technologies AG ("the Company") and its subsidiaries design, develop, manufacture and market a broad range of semiconductors and system solutions. The focus of activities is on automotive electronics, industrial electronics and chip-card-based security. Infineon products are also used in a wide variety of microelectronic applications, for example in computer systems, telecommunications systems and consumer goods. The product range comprises standard components, customer-specific solutions for devices and systems, specific components for digital, analog, and mixed-signal applications as well as embedded, non-volatile memories. Most of Infineon's revenue is generated by power semiconductors, the remainder by embedded control products (microcontroller designs adapted to the specific requirements of the application) and other product categories. Infineon's operations, investments and customers are located mainly in Europe, Asia and North America.

Infineon Technologies AG is a listed company under German law and ultimate parent company of the Infineon Group. The principal office of the Company is Am Campeon 1-12, 85579 Neubiberg (Germany). The Company is registered in the Commercial Register of the District Court of Munich under the number HRB 126492.

1 / BASIS OF PRESENTATION

The condensed Interim Consolidated Financial Statements of Infineon for the three and nine months ended June 30, 2013 and 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". Accordingly, certain information and footnote disclosures normally included in annual financial statements have been condensed or omitted. Although the Consolidated Statement of Financial Position as of September 30, 2012 presented herein was derived from audited financial statements, it does not include all disclosures required by IFRS. The condensed Interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements prepared in accordance with IFRS, as adopted by the EU, for the 2012 fiscal year. The accounting policies applied preparing the accompanying Interim Consolidated Financial Statements are consistent with those used for the 2012 fiscal year.

In the opinion of management, the Interim Consolidated Financial Statements contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. The results of operations for any interim period are not necessarily indicative of results for the full fiscal year.

The preparation of the Interim Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and also influence the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from management's estimates.

All amounts presented in the Interim Consolidated Financial Statements are shown in euro (€) except where stated otherwise. Negative amounts are presented in parentheses.

Deviations in amounts presented may occur due to rounding.

2 / ACCOUNTING POLICIES

FINANCIAL REPORTING RULES APPLIED FOR THE FIRST TIME

The following standard has been applied for the first time in the first nine months of the 2013 fiscal year:

Amendment to IAS 1 "Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income". The amendment requires that a distinction is made in the Statement of Comprehensive Income between items that will be recognized in future periods in the Statement of Operations and those which will not. The amendment does not have a significant impact on Infineon's Consolidated Financial Statements.

3 / DIVESTITURES AND DISCONTINUED OPERATIONS

QIMONDA — DISCONTINUED OPERATIONS

On January 23, 2009, Qimonda AG ("Qimonda"), a majority-owned company filed an application at the Munich Local Court to commence insolvency proceedings. On April 1, 2009, the insolvency proceedings were formally opened. Insolvency proceedings were also opened for further domestic and foreign subsidiaries of Qimonda. Some of these insolvency proceedings have already been completed. The results of these proceedings are reported as discontinued operations in Infineon's Consolidated Statement of Operations and Consolidated Statement of Cash Flows, to the extent that the underlying events occurred before the commencement of insolvency proceedings. To the extent that the events occurred after the commencement of insolvency proceedings, their results are reported as part of continuing operations

Certain provisions relating to Qimonda's insolvency were required to be adjusted in the first three and nine months ended June 30, 2013 and 2012, respectively, as a result of new developments.

A detailed description of the Qimonda-related risks is provided in note 16 ("Commitments and Contingencies - Qimonda matters").

SALE OF THE WIRELESS MOBILE PHONE BUSINESS — DISCONTINUED OPERATIONS

On August 30, 2010, Infineon entered into a purchase agreement with Intel Corporation ("Intel"), pursuant to which it agreed to sell the mobile phone business of the Wireless Solutions segment ("Wireless mobile phone business") for a consideration of US$ 1.4 billion. Businesses with analog and digital TV tuners and satellite radio receivers and with radio frequency power transistors for amplifiers in cellular base stations are the only areas of the Wireless Solutions segment that remained with Infineon. The sale was completed on January 31, 2011. All assets, patents, other intellectual property and selected liabilities allocated to the Wireless mobile phone business were transferred separately. This business is being continued by the purchaser under the name "Intel Mobile Communications" ("IMC").

Subsequent expenses totaled €1 million and €5 million in the nine-month periods ended June 30, 2013 and 2012, respectively.

Following the sale, Infineon continues to sell products and to render services to IMC. These activities are reported as continuing operations, and within "Other Operating Segments" for segment reporting purposes.

ASSETS CLASSIFIED AS HELD FOR SALE

Assets reported as held for sale at June 30, 2013 and September 30, 2012 amounting to €1 million and €5 million respectively, relate to items of property, plant and equipment acquired from Qimonda Dresden GmbH & Co. OHG ("Qimonda Dresden") which Infineon intends to sell.

INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF INCOME TAXES

The results of Qimonda and the Wireless mobile phone business presented in the Consolidated Statement of Operations as discontinued operations, net of income taxes in the three and nine months ended June 30, 2013 and 2012, consist of the following:

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Qimonda's share of discontinued operations, net of income taxes	(5)	(7)	(14)	(9)
Wireless mobile phone business' share of discontinued operations, net of income taxes	-	(1)	(1)	(5)
Loss from discontinued operations, net of income taxes	**(5)**	**(8)**	**(15)**	**(14)**

4 / FINANCIAL INCOME

Financial income for the three months ended June 30, 2013 and 2012 relates to interest income of €6 million and €8 million respectively and for the nine months ended June 30, 2013 and 2012 to interest income of €23 million and €31 million, respectively.

5 / FINANCIAL EXPENSE

Financial expense for the three and nine months ended June 30, 2013 and 2012 were as follows:

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Interest expense	13	12	37	43
Valuation changes and losses on sales of financial investments	-	1	-	1
Other financial expense	-	1	1	1
Total	**13**	**14**	**38**	**45**

6 / INCOME TAX

Income from continuing operations before income taxes and income tax expense for the three and nine months ended June 30, 2013 and 2012, respectively are as follows:

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Income from continuing operations before income taxes	87	103	163	354
Income tax expense	(5)	(13)	(18)	(51)
Effective tax rate	6%	13%	11%	14%

In the three and nine months ended June 30, 2013 and 2012 Infineon's tax expense is affected by lower foreign tax rates, tax credits and changes in the valuation allowance on deferred tax assets. The tax rate for the three months ending June 30, 2013 is affected by a tax rate incentive becoming available in a certain jurisdiction.

7 / EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing net income by the weighted-average number of ordinary shares outstanding during the reporting period. The number of shares outstanding is increased when stock options are exercised and decreased by share repurchases and the acquisition of shares following the exercise of put options on own shares.

Basic earnings per share are calculated as follows:

	Three months ended June 30,		Nine months ended June 30,	
€ in millions (unless otherwise stated)	**2013**	2012	**2013**	2012
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG	82	90	145	303
Loss from discontinued operations, net of income taxes attributable to shareholders of Infineon Technologies AG	(5)	(8)	(15)	(14)
Earnings attributable to shareholders of Infineon Technologies AG	**77**	**82**	**130**	**289**
Weighted-average number of shares outstanding (in millions):				
- Ordinary share capital	1,080.8	1,086.8	1,080.6	1,086.8
- Adjustment for own shares	(6.0)	(7.0)	(5.2)	(6.4)
Weighted-average number of shares outstanding — basic	1,074.8	1,079.8	1,075.4	1,080.4
Basic earnings per share[1] (in €):				
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG	0.08	0.08	0.13	0.28
Loss from discontinued operations, net of income taxes attributable to shareholders of Infineon Technologies AG	(0.01)	-	(0.01)	(0.01)
Earnings per share attributable to shareholders of Infineon Technologies AG — basic	**0.07**	**0.08**	**0.12**	**0.27**

[1] The calculation for earnings per share is based on unrounded figures.

The calculation of diluted EPS is based on the assumption that all potentially dilutive instruments are converted into ordinary shares – with the consequence of a corresponding increase in the number of shares on the one hand and a corresponding reduction in the charge on earnings for these instruments, such as interest expense, on the other. The convertible bond due 2014 is a potentially dilutive instrument. Stock options and outstanding put options issued on own shares are also potentially dilutive instruments if the exercise price is lower than the average share price for the period (for the stock options) or higher than the average share price for the period (for the put options on own shares).

Diluted earnings per share are calculated as follows:

	Three months ended June 30,		Nine months ended June 30,	
€ in millions (unless otherwise stated)	**2013**	2012	**2013**	2012
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG	82	90	145	303
Adjustment for interest expense on convertible bond	4	4	-	11
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG — diluted	86	94	145	314
Loss from discontinued operations, net of income taxes attributable to shareholders of Infineon Technologies AG	(5)	(8)	(15)	(14)
Earnings attributable to shareholders of Infineon Technologies AG — diluted	**81**	**86**	**130**	**300**
Weighted-average number of shares outstanding — basic (in millions):	1,074.8	1,079.8	1,075.4	1,080.4
Adjustments for:				
- Effect of potential conversion of convertible bond	50.9	52.3	-	53.6
- Effect of stock options	0.7	1.2	0.7	1.3
Weighted-average number of shares outstanding — diluted	1,126.4	1,133.3	1,076.1	1,135.3
Diluted earnings per share[1] (in €):				
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG	0.08	0.08	0.13	0.27
Loss from discontinued operations, net of income taxes attributable to shareholders of Infineon Technologies AG	(0.01)	-	(0.01)	(0.01)
Earnings per share attributable to shareholders of Infineon Technologies AG — diluted	**0.07**	**0.08**	**0.12**	**0.26**

[1] The calculation for earnings per share is based on unrounded figures.

The weighted-average number of potentially dilutive instruments which did not have a dilutive impact during the reporting period and were not taken into account in the calculation of diluted earnings per share are as follows:

- During the nine months ended June 30, 2013 50.9 million ordinary shares issuable upon conversion of the outstanding **convertible subordinated bond** were not taken into account, as their impact would have been antidilutive on earnings per share. On the other hand these shares were taken into account during the three months ended June 30, 2013 as their impact on earnings per share was dilutive.
- For the three months ended June 30, 2013 and 2012 11.7 million and 12.2 million, respectively, and in the nine months ended June 30, 2013 and 2012 12.2 million and 12.1 million, respectively, of the **stock options** issued to members of the management board and employees were not taken into acount, since their exercise price was higher than the average share price during the relevant periods.
- As the capital return program ended at March 31, 2013, no effects from the **put options** written on own shares are included at June 30, 2013. During the three and nine months ended June 30, 2012 14.5 million and 7.7 million, respectively, of the put options written on own shares were not taken into account since their exercise price was lower than the average share price during the reporting period.

8 / TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

€ in millions	June 30, 2013	September 30, 2012
Third party – trade	514	485
Related parties – trade	4	5
Trade accounts receivable, gross	**518**	**490**
Allowance for doubtful accounts	(9)	(16)
Trade accounts receivable, net	**509**	**474**
Grants receivable	47	53
Third party – financial and other receivables	10	11
Related parties – financial and other receivables	1	-
Employee receivables	1	1
Total	**568**	**539**

9 / INVENTORIES

Inventories consist of the following:

€ in millions	June 30, 2013	September 30, 2012
Raw materials and supplies	85	77
Work in progress	345	309
Finished and purchased goods	159	181
Total	**589**	**567**

Inventories at June 30, 2013 and September 30, 2012 are stated net of write-downs of €100 million and €85 million, respectively.

10 / TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

€ in millions	June 30, 2013	September 30, 2012
Third party – trade	445	603
Related parties – trade	10	12
Trade payables	**455**	**615**
Related parties – other payables	1	2
Other	4	5
Total	**460**	**622**

11 / PROVISIONS

Provisions consist of the following:

€ in millions	**June 30, 2013**	September 30, 2012
Personnel costs	163	188
Warranties	107	109
Provisions related to Qimonda	351	326
Other	103	117
Total	**724**	**740**

Provisions for personnel costs include, among others, costs of variable compensation, severance payments, service anniversary awards, other personnel costs and related social security costs.

Provisions for warranties mainly represent the estimated future cost of fulfilling contractual requirements associated with products sold.

Provisions relating to Qimonda are described in detail in note 16.

Other provisions comprise provisions for penalties for default or delay on contracts, asset retirement obligations, litigation (other than provisions relating to Qimonda) and miscellaneous other obligations.

The total amounts of provisions are reflected in the Consolidated Statement of Financial Position as of June 30, 2013 and September 30, 2012 respectively, as follows:

€ in millions	**June 30, 2013**	September 30, 2012
Current	661	710
Non-current	63	30
Total	**724**	**740**

12 / DEBT

Debt consists of the following:

€ in millions	**June 30, 2013**	September 30, 2012
Current portion of long-term debt	34	55
Convertible subordinated bonds, 7.5%, due 2014	105	-
Total short-term debt and current maturities of long-term debt	**139**	**55**
Convertible subordinated bonds, 7.5%, due 2014	-	100
Loans payable to banks:		
Unsecured term loans, weighted average rate 1.38% (prior year 1.87%), due 2014-2022	166	140
Total long-term debt	**166**	**240**
Total	**305**	**295**

The subordinated convertible bonds due 2014 have a nominal value at June 30, 2013 of €113 million and can be converted into up to 50.9 million shares. As of June 30, 2013 the subordinated convertible bonds are disclosed as short-term debt.

Loans payable to banks, including the current portion thereof, relate primarily to project financing at Infineon Technologies Austria AG and Infineon Technologies (Kulim) Sdn. Bhd.

Furthermore, Infineon has established several bilateral financing arrangements, in the form of both short- and long-term credit facilities.

13 / EQUITY

The ordinary share capital of Infineon Technologies AG stood at €2,161,853,268 as of June 30, 2013 sub-divided into 1,080,926,634 no par value registered shares. As of September 30, 2012 it stood at €2,160,612,664 sub-divided into 1,080,306,332 no par value registered shares, each representing €2 of the Company's ordinary share capital. 620,302 new shares were issued in the first nine months of the 2013 fiscal year as a result of the exercise of employee stock options.

It was resolved at the Annual General Meeting held on February 28, 2013, that a dividend of €0.12 for each share entitled to receive a dividend be paid out of the unappropriated profit reported by Infineon Technologies AG for the 2012 fiscal year. Taking into account the fact that own shares are not entitled to receive a dividend, this resulted in a distribution of €129 million.

On May 9, 2011 Infineon Technologies AG resolved to repurchase shares on the basis of the authorization given by shareholders at the Annual General Meeting on February 17, 2011. From the original sum of up to €300 million allocated to measures aimed at returning capital to shareholders, €212 million were spent by the end of the program at March 31, 2013. The capital return has in particular been effected through writing put options on Infineon shares, and additionally through repurchases of outstanding convertible bonds. According to applicable law, the repurchased shares may only be used to cancel shares and thereby reduce share capital or for covering conversion rights of convertible bonds or for servicing employee options, because the share buyback was carried out in accordance with sections 14 (2) and 20a (3) of the German Securities Trading Act in connection with the provisions of Commission Regulation (EC) No. 2273/2003 of December 22, 2003. Thus, the Company cancelled all shares repurchased in the 2012 and 2011 fiscal years, reducing the ordinary share capital accordingly.

During the course of the share buyback program the Company issued put options on its own shares with a maximum term of nine months for an exercise value of €302 million, thereby earning a premium of €16 million. During the fiscal year 2013 up to the end of the program at March 31, 2013, put options for 6 million shares were exercised for which the Company paid €38 million to the owners of the options, leaving a total of 6 million own shares on hand as of June 30, 2013. Since the completion of the program at March 31, 2013 no put options remain outstanding.

14 / SHARE-BASED COMPENSATION

On December 14, 2012, the Company granted 3,848,140 options to eligible employees and 547,619 options to the Management Board under the "Infineon Technologies AG Aktienoptionsplan 2010" ("Stock Option Plan 2010"). The contractual term of the options is seven years. The expenses of this tranche granted on December 14, 2012, have been deferred and are being recognized proportionately over the expected vesting period of approximately five years.

In compliance with the requirements of Section 87, Paragraph 1 sentence 3 of the German Stock Corporation Act (AktG), service contracts with Management Board members include multi-year assessment criteria and allow a cap to be set in the event of exceptional developments. The exercise of all stock options of each individual tranche may not give rise to a gain greater than 250 percent of the part of the target annual income relevant for the tranche. Any remaining options above this cap are forfeited.

Otherwise, there have been no significant changes to the disclosures provided in the Annual Report for the year ended September 30, 2012. A total of 0.1 million and 4.7 million options respectively expired during the three and nine months ended June 30, 2013 and 0.2 million and 0.6 million options respectively were exercised during each of these periods. Expenses for share-based compensation were not significant for the three and nine months ended June 30, 2013 and 2012.

15 / RELATED PARTIES

Infineon transacts in the normal course of business with equity method investees and other related companies (collectively, “related parties”). Related parties also include members of key management personnel, in particular Management and Supervisory Board members.

Infineon purchases certain raw materials and services from, and sells certain products and services to, related parties. These purchases from and sales to related parties are generally effected at manufacturing cost plus a mark-up.

Related party receivables consist primarily of trade, financial, and other receivables from equity method investees and other related companies, and totaled €5 million as of both June 30, 2013 and September 30, 2012.

Related party payables consist primarily of trade, financial, and other payables to equity method investees and other related companies, and totaled €11 million and €14 million as of June 30, 2013 and September 30, 2012, respectively.

Sales and service charges to related parties totaled €7 million and €5 million in the three-month periods ended June 30, 2013 and 2012, respectively, while purchases from related parties totaled €27 million and €30 million in the three-month periods ended June 30, 2013 and 2012, respectively. Sales and service charges to related parties totaled €17 million and €16 million in the nine-month periods ended June 30, 2013 and 2012, respectively, while purchases from related parties totaled €81 million and €92 million in the nine-month periods ended June 30, 2013 and 2012, respectively.

16 / COMMITMENTS AND CONTINGENCIES

LITIGATION AND GOVERNMENT INQUIRIES

ANTITRUST LITIGATION

In September 2004, the Company entered into a plea agreement with the Antitrust Division of the U.S. Department of Justice in connection with its investigation into alleged antitrust violations in the Dynamic Random Access Memory (DRAM) industry. A number of putative price fixing class action lawsuits have been filed in U.S. state and federal courts against the Company, its U.S. subsidiary Infineon Technologies North America Corp. (“IF North America”) and other DRAM suppliers by indirect purchasers, state attorneys general of various U.S. states and territories, and California school districts, political subdivisions and public agencies. The lawsuits allege, among other things, violations of federal and state antitrust laws and violations of state unfair competition laws relating to the sale and pricing of DRAM products during specified time periods commencing in or after 1998 through at the latest to June 2002. The lawsuits seek actual and treble damages in unspecified amounts, penalties, costs, attorneys’ fees, and injunctive and other equitable relief.

The Company has executed a settlement agreement resolving these various lawsuits, subject to certain conditions. As part of the settlement, the Company agreed to pay approximately US$29 million, which the Company has deposited into an escrow fund. After final court approval, the Company will be released from claims by the state attorneys general and by any class members who do not elect to opt out of this settlement. Prior to the time of final court approval of the settlement, there is a risk that class members may decide to opt out.

Between December 2004 and February 2005, two putative class proceedings were filed in the Canadian province of Quebec, and one was filed in each of Ontario and British Columbia against the Company, IF North America and other DRAM manufacturers on behalf of all direct and indirect purchasers resident in Canada who purchased DRAM or products containing DRAM between July 1999 and June 2002, seeking damages, investigation and administration costs, as well as interest and legal costs. Plaintiffs primarily allege conspiracy to unduly restrain competition and to illegally fix the price of DRAM.

In October 2008 the European Commission (“EU Commission”) initiated an investigation into the Company and other manufacturers of smart card chips for alleged violations of antitrust laws. In 2009, 2012 and in the first quarter of the 2013 calendar year, the Company received and responded to written requests for information from the EU Commission. On April 22, 2013 the Company received the Statement of Objections in which it was, for the first time, informed of the basis of the European Commission’s antitrust allegations. It is not possible to reliably estimate the future course of the proceedings. The Company will defend itself against all allegations of anticompetitive conduct. For this purpose, the Company submitted its reply on the Statement of Objections to the EU Commission on July 22, 2013.

In June 2010, the Brazilian Secretariat of Economic Law of the Ministry of Justice ("SDE") announced that it had initiated an investigation related to alleged anticompetitive activities within the DRAM industry. The SDE's Notice of Investigation names the Company, various DRAM manufacturers and certain executives as parties to the proceedings, and focuses on the period from July 1998 to June 2002. The SDE's Notice of Investigation is based on the antitrust proceedings carried out in the United States and in Europe.

Insofar as there are liabilities and risks associated with the antitrust matters described herein that the Company believes are likely to materialize and that can be estimated with reasonable accuracy at this time, provisions have been recorded, also for legal expenses. Any disclosure of the Company's estimate of potential outcomes could seriously prejudice the position of the Company in these proceedings.

PATENT LITIGATION

In November 2008, Volterra Semiconductor Corporation ("Volterra") filed suit against the Company, IF North America, and Primarion, Inc., a former affiliate of the Company that is now part of IF North America, (jointly the "Defendants") in the United States District Court for the Northern District of California, alleging infringement of five U.S. patents by certain products that were offered by Primarion and claimed relief for damages, enhanced damages for willful infringement and injunctive relief. Volterra later withdrew one patent; four patents remain in the case. In May 2011, the court decided that two of the patents were infringed. This decision was anticipated by the Company. It has accordingly made preparations to appeal this outcome and recorded provisions for legal expenses and those liabilities and risks that the Company believes are likely to materialize and that can be estimated with reasonable accuracy at the present time. The case is now in the damages phase. However, fact discovery showed that the damages theory originally set forth by Volterra of profits lost through price erosion by the U.S. entity and owner of the patents-in-suit turned out to be legally flawed, as the entity that made most sales used as a basis for this claim is its Asian subsidiary, and the profits do not "inexorably" flow back to the U.S. entity. Volterra has since provided a different damages theory, which alleges loss of value of its subsidiary. The jury trial to determine damages is set to begin on November 4, 2013. The suit will not commence with respect to the two remaining patents before damages have been adjudicated with respect to the former two patents. In January 2010, the Company also filed suit against Volterra in the United States District Court for the District of Delaware for infringement of four U.S. patents. The case was initially stayed. In December 2011, the stay was lifted and the case transferred to California, where it is in the discovery stage. Any disclosure of the Company's estimate of potential outcomes could seriously prejudice the position of the Company in these suits. There can be no assurance that the provisions recorded will be sufficient to cover all of the liabilities that could ultimately be incurred in relation to this litigation.

In April 2011 the Company sued Atmel Corporation for infringement of eleven of its patents in the United States District Court for the District of Delaware. Atmel then brought a countersuit alleging, among other things, infringement of ten of its patents. In June 2013, the parties settled their dispute with a broad cross license including payments to Infineon, the amount of which the parties have agreed shall remain confidential. The lawsuit has been dismissed.

QIMONDA MATTERS

All significant assets, liabilities and business activities attributable to the memory business (Memory Products) were carved out from Infineon and transferred to Qimonda in the form of a non-cash contribution with financial effect from May 1, 2006. A number of different service agreements were concluded with Qimonda in addition to the demerger and contribution agreement of April/May, 2006 as part of the establishment of Qimonda as a separate legal entity. Qimonda filed an application at the Munich Local Court to commence insolvency proceedings on January 23, 2009. On April 1, 2009, the insolvency proceedings formally opened. Qimonda was joined in declaring insolvency by a number of German and international subsidiaries of Qimonda, notably including Qimonda Dresden and Qimonda Flash GmbH ("Qimonda Flash").

The insolvency of Qimonda, Qimonda Dresden and Qimonda Flash has given rise to various disputes between the administrator of these companies and Infineon, some of which are already before the courts. Infineon is continuing its discussions with the insolvency administrator in the joint effort to find an amicable solution acceptable to both parties.

LEGAL DISPUTES

Alleged activation of a shell company and liability for impairment of capital

The administrator filed a request for declaratory judgment in an unspecified amount against Infineon Technologies AG and, by way of third party notice, Infineon Technologies Holding B.V. and Infineon Technologies Investment B.V., at Regional Court Munich I in November 2010. This requested that Infineon be deemed liable to make good the deficit balance of Qimonda as it stood when the insolvency proceedings in respect of the assets of Qimonda began, that is to say to refund to Qimonda the difference between the latter's actual business assets when the insolvency proceedings began and its share capital (in German: "Unterbilanzhaftung"). The administrator contended that the commencement of operating activities by Qimonda amounted to what is considered in case law to be the activation of a shell company (in German: "Wirtschaftliche Neugründung"), and that this activation of a shell company was not disclosed in the correct manner. A first oral hearing took place on January 19, 2012, a second oral hearing was held on November 15, 2012. On March 6, 2012, the German Federal High Court issued a ruling on principle that any liability resulting from the activation of a shell company only depends on the situation at the date of the activation of a shell company and not – as asserted by the administrator – on the situation at the date on which insolvency proceedings are opened.

In addition to the request for declaratory judgment against Infineon in an unspecified amount, on February 14, 2012 the administrator also lodged a request for payment based on an alternative claim (in German: "Hilfsantrag"), as well as making other additional claims. In conjunction with this alternative claim, the administrator has requested the payment of at least €1.71 billion plus interest in connection with the alleged activation of a shell company. On June 15, 2012 the insolvency administrator increased his request for payment of February 14, 2012 on the grounds of activation of a shell company to at least approximately €3.35 billion plus interest. Furthermore, the insolvency administrator continues to base a substantial part of his alleged payment claims – as already asserted out of court against Infineon in August 2011 for an unspecified amount – on so-called liability for impairment of capital (in German "Differenzhaftung"). This claim is based on the allegation that the carved-out memory products business had a negative billion euro value from the beginning. The administrator therefore asserts that Infineon is obliged to make good the difference between this negative value and the lowest issue price (in German: "geringster Ausgabebetrag") of the subscribed stock.

The allegation of an overvaluation of Qimonda's business runs contrary to two valuations prepared as part of the preparatory documentation for the capital increase by independent auditing companies, one of which had been engaged by Infineon and the other of which was acting in the capacity of a court-appointed auditor of non-cash contributions and post-formation acquisitions. The auditing company engaged by Infineon concluded in its valuation that the business area contributed had a value of several times the lowest issue price of the shares issued, while the court-appointed auditor of non-cash contributions and post-formation acquisitions confirmed to the court that the lowest issue price of the shares issued was covered by the value of the non-cash contributions.

Continuation of the rights of use of Infineon and its licensees in respect of Qimonda patents

Infineon transferred numerous patents to Qimonda in the course of its contribution of the memory business. It retained rights of use in respect of these patents in the contribution agreement, which also contains provisions concerning cross licensing. The administrator has declared non-performance of this agreement. If the administrator's decision were found to be legal, the Company and its subsidiaries would no longer be licensed to use patents transferred by it to Qimonda in the form of contributions or patents applied for by Qimonda itself subsequent to the carve-out. Moreover, this could leave the Company unable to sublicense such patents in full to third parties. This could also affect contract partners of the Company with which the Company has concluded cross patent license agreements, possibly leading to compensation claims against the Company.

The Company filed an action for declaratory judgment against the administrator regarding this matter with Regional Court Munich I in January 2011. This action was intended to produce a decision by the court confirming that the rights of use of Infineon and its licensees with respect to the aforementioned intellectual property of the Qimonda Group still exist. On February 9, 2012 the Regional Court Munich I upheld Infineon's action almost completely, only dismissing the action with respect to the patents transferred to third parties or expired prior to the opening of insolvency proceedings on the one hand and with respect to rights to receive information on the other. The administrator's counteraction was dismissed. Both parties lodged appeals with the Munich Regional Appeal Court. Confirming the Company's legal opinion, in its ruling of July 25, 2013, the court upheld the first instance judgment, apart from a small number of immaterial restrictions. The administrator and the Company both lodged appeals with the German Federal High Court.

The administrator applied to the US Bankruptcy Court for the Eastern District of Virginia in October 2009 for an order stating that rights of use under US patents of Qimonda do not fall under a protective provision of US insolvency law, according to which such rights of use continue to exist despite the insolvency of the licensor. The administrator bases its argument here on the view that the legal protection afforded to licenses in insolvency pursuant to section 365(n) of the US Bankruptcy Code applies only to US insolvency proceedings and not to insolvency proceedings in other countries (in this case Germany). Infineon and other semiconductor manufacturers have filed objections to this application.

After the US Bankruptcy Court upheld the administrator's claim in November 2009, the US District Court for the Eastern District of Virginia then sent the case back to the US Bankruptcy Court in July 2010 instructing that the legitimate interests of the licensees and the creditors in the insolvency should be carefully weighed up against the background of the purpose of the statutory regulation. In October 2011, the US Bankruptcy Court decided, after having diligently balanced the interests of the parties, that the legal protection offered by section 365(n) of the US Bankruptcy Code applies with respect to Qimonda's US patents, thus the patents' rights of use remain valid. The administrator appealed against the decision of the U.S. Bankruptcy Court directly to the Court of Appeals for the Fourth Circuit. An oral hearing by the Court of Appeals for the Fourth Circuit is scheduled for September 17, 2013.

Contestation of intercompany payments under insolvency law

On March 22, 2013, the administrator filed suit against Infineon at Regional Court Munich I that was served on April 17, 2013. In this suit, the administrator asserts insolvency-law-related claims amounting to €105.9 million and USD 28 million plus interest at five per-cent points over the base rate of the German Federal Bank for the period since the opening of the insolvency proceedings. The appeal relates to Intercompany Payments from Qimonda to Infineon ("IC-Payments") since April 2008 as well as a payment made directly to the US Department of Justice ("DoJ-Payment") in October 2008. Some of these IC-Payments had already been contested in writing by the administrator on September 2, 2011.

The suit is mainly based on insolvency law and partly supplemented by an alleged breach of the prohibition of return of contributions under stock corporation law. The administrator asserts in particular that payments were postponed by Infineon, that Infineon was already aware Qimonda was insolvent at the time of the payment or that there was an imbalance between activity and payment. Furthermore, the administrator asserts that certain legal transactions between Qimonda and Infineon would breach provisions under stock corporation law banning the return of contributions on the grounds that the transactions concerned were of an unconventional nature and disadvantageous for Qimonda. The Company filed its response to the suit with the Regional Court Munich I on July 31, 2013.

EXTRAJUDICIAL CLAIMS

Inotera

Qimonda sold a stake in the joint venture Inotera Memories, Inc. ("Inotera") to Micron Technology, Inc. ("Micron") for US$400 million in October 2008. The administrator subsequently challenged Micron over the sale under insolvency law and filed suit against Micron with Regional Court Munich I. The administrator suggested in short letters sent in April and August 2010 that he may also pursue corporate liability claims against Infineon in connection with the sale of the Inotera stake. The administrator has yet to substantiate the claims against Infineon purported in these letters.

Other claims made by the administrator

The administrator brought forward further claims against the Company in writing in the final quarter of the 2011 fiscal year. The administrator asserts some of these claims judicially in the suit filed at Regional Court Munich I on March 22, 2013 (see contestation of intercompany payments under insolvency law above).

The other claims brought forward by the administrator have not been asserted judicially so far. He asserts that certain further legal transactions between Qimonda and Infineon would breach provisions under stock corporation law banning the return of contributions on the grounds that the transactions concerned were of an unconventional nature and disadvantageous for Qimonda. He also asserts that Infineon, in its capacity as the controlling company, caused Qimonda to enter into disadvantageous legal transactions without compensating it accordingly.

Further, the administrator asserts that the provisions of stock corporation law pertaining to post-formation acquisitions were breached in connection with numerous contracts concluded between Qimonda and Infineon at the same time as the memory business was being contributed to Qimonda.

Finally, the administrator also asserts that it is entitled to claim against Infineon because the latter did not provide Qimonda with a financing structure and liquidity resources adequate to enable its survival.

Assessment of these claims by Infineon

The claims purported in writing by the administrator in 2011 omit in most cases to mention any specific figures and often amount to no more than general assertions without any supporting detail. The Company has rejected in writing these claims made to date on the basis of its understanding of the matters involved. The Company has good arguments with which to mount a successful defense against a large number of these purported claims should they come before the court. Risks and uncertainties of a not inconsiderable magnitude remain, however, not least because several of the combinations of factors involved are not covered by case law from the highest instance.

Claims asserted orally by the administrator

Infineon and Qimonda concluded contracts concerning the separation of IT systems as part of the carve-out of the memory business. The administrator asserted in a meeting held in the 2011 fiscal year that the provisions of stock corporation law pertaining to post-formation acquisitions were breached in the conclusion of these contracts and that the contracts were of an unconventional nature. The administrator also maintained that it was entitled to claim against Infineon in relation to the (sub)letting agreements concluded between Qimonda and Infineon in connection with the carve-out of the memory business. Most of these claims have now also been asserted judicially in the suit filed on March 22, 2013.

Insolvency of Qimonda Dresden

Infineon was a shareholder with personal liability in Qimonda Dresden until the carve-out of the memory business, meaning that certain long-standing creditors have residual liability claims against Infineon. These claims, which include the potential repayment of public subsidies, trade tax demands, receivables of service providers and suppliers and employee-related claims such as salaries and social security contributions, can only be exercised by the administrator acting in the name of the creditors concerned. Infineon and the administrator concluded a framework agreement covering the organized processing of residual liability issues on July 7, 2011. Infineon and the administrator also agreed in this connection that Infineon may recover 70 percent of the residual liability payments from the insolvent assets as an ordinary rather than a secondary creditor. Settlements have subsequently been concluded with some of the residual liability creditors.

Other claims

The Company may still be exposed to other claims arising in connection with contracts, offers, uncompleted transactions, continuing obligations, liabilities, risks and other obligations transferred to Qimonda in connection with the carve-out of the memory business.

PROVISIONS

Infineon recognizes provisions and payables for obligations and risks which it assesses at the end of each reporting period are more likely than not to be incurred (i.e. where, from Infineon's perspective at the end of each reporting period, the probability of having to settle an obligation or risk is greater than the probability that it will not have to) and the obligation or risk can be estimated with reasonable accuracy at this time.

As described above, Infineon faces certain risks in connection with the insolvency proceedings relating to the assets of Qimonda and that entity's subsidiaries. Certain of these matters led Infineon to record provisions of €351 million and €326 million as of June 30, 2013 and September 30, 2012, respectively. Presenting details of the actual amounts included in provisions for specific liabilities and risks associated with the insolvency of Qimonda could seriously prejudice Infineon's legal or negotiating position, so no such disclosures are made.

There can be no certainty that the provisions recorded will be sufficient to cover all of the liabilities that could ultimately be incurred in relation to the insolvency of Qimonda and, in particular, the matters discussed above. In addition, it is possible that liabilities and risks materialize that are currently considered to be unlikely to do so, and accordingly such matters are not included in provisions.

Infineon evaluates the merits of the various claims in each of these matters continuously, defends itself vigorously and seeks to find alternative solutions in the best interest of Infineon as it deems appropriate. Should the alleged claims prove to be valid, substantial financial obligations could arise for Infineon which could have an adverse effect on its business and its financial condition, liquidity position and results of operations.

OTHER

Infineon is also involved in various other legal disputes and proceedings in connection with its existing or previous business activities. These relate to products, services, patents, environmental protection issues and other matters. Based on its current knowledge, Infineon does not believe that the ultimate resolution of these other pending legal disputes and proceedings will have a material adverse effect on its financial condition, liquidity position and results of operations. It remains entirely possible, however, that this assessment may have to be revised in future and that any re-assessments of the miscellaneous legal disputes and proceedings could have a material adverse effect on Infineon's financial condition, liquidity position and results of operations, particularly in the period in which re-assessment is made. Furthermore, in conjunction with its existing or previous business operations, Infineon is also exposed to numerous legal risks which have until now not resulted in legal disputes and proceedings. This includes risks related to product liability, environment, capital market, anti-corruption, competition and antitrust legislation as well as other compliance regulations. Claims could also be made against Infineon in the event of breaches of law committed by individual employees or third parties.

PROVISIONS AND THE POTENTIAL EFFECT OF THESE MATTERS

Provisions relating to legal proceedings and other uncertain legal issues are recorded when it is probable that a liability has been incurred and the associated amount can be reasonably estimated. If the estimated amount of the liabilities is within a range of amounts and all amounts within the range are essentially equally probable, the provision recorded is equal to the mid-point of the range.

Any potential liability is reviewed again as soon as additional information becomes available and the estimates are revised if necessary. Provisions with respect to these matters are subject to future developments or changes in circumstances in each of the matters, which could have a material adverse effect on Infineon's financial condition, liquidity position and results of operations.

An adverse final resolution of any of the matters described above could result in significant financial liabilities for Infineon and other adverse effects and these in turn could have a material adverse effect on its business and financial condition, liquidity position and results of operations. Infineon evaluates the merits of the various claims in each of these matters continuously, defends itself vigorously and seeks to find alternative solutions in the best interest of Infineon as it deems appropriate. Irrespective of the validity of the allegations and the success of the aforementioned claims and other matters described above, Infineon could incur significant costs defending against or settling such allegations and this too could have a material adverse effect on its financial condition, liquidity position and results of operations.

OTHER CONTINGENCIES

In total, Infineon has guarantees outstanding to external parties as of June 30, 2013 amounting to €112 million.

In the course of its investing activities, Infineon receives government grants and subsidies related to the construction and financing of certain of its production facilities. Grants are also received for selected research and development projects. These amounts are recognized upon the achievement of specified criteria. Certain of these grants have been received contingent upon Infineon complying with certain project-related requirements, such as creating a specified number of jobs over a defined period of time. Infineon is committed to maintaining these requirements. Nevertheless, should such requirements not be met, as of June 30, 2013, a maximum of €35 million of these subsidies could be refundable. Infineon expects to be able to comply with the conditions attached to the grants. This amount does not include any potential liabilities for Qimonda-related subsidies.

Infineon through certain of its sales and other agreements may, in the normal course of business, be obligated to indemnify its counterparties under certain conditions for warranties, patent infringement or other matters. The maximum amount of potential future payments under these types of agreements is not predictable with any degree of certainty, since the potential obligation is contingent on conditions that may or may not occur in future, and depends on specific facts and circumstances related to each agreement. Historically, payments made by Infineon under these types of agreements have not had a material adverse effect on Infineon's financial condition, liquidity position and results of operations.

17 / SEGMENT INFORMATION

IDENTIFICATION OF SEGMENTS

Infineon's business is structured on the basis of its four operating segments, namely Automotive, Industrial Power Control, Power Management & Multimarket and Chip Card & Security.

The remaining activities of operations that have been sold are aggregated within Other Operating Segments. Since the transition period following the sale of the Wireless mobile phone business, this also includes the supply of products and services to IMC.

Corporate and Eliminations comprises the elimination of intragroup revenue and profits/losses as well as specific group functions that are not allocated to the operating segments.

SEGMENT DATA

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Revenue:				
Automotive	459	428	1,260	1,244
Industrial Power Control	173	177	454	547
Power Management & Multimarket	266	233	716	682
Chip Card & Security	119	122	335	331
Other Operating Segments	6	29	20	111
Corporate and Eliminations	(1)	1	5	7
Total	**1,022**	**990**	**2,790**	**2,922**

Revenue for the three and nine-months ended June 30, 2013 and 2012 does not contain any inter-segmental revenue.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Segment Result:				
Automotive	52	54	110	172
Industrial Power Control	13	26	5	92
Power Management & Multimarket	46	33	95	105
Chip Card & Security	10	18	27	38
Other Operating Segments	(2)	-	(8)	11
Corporate and Eliminations	(2)	(5)	-	(7)
Total	**117**	**126**	**229**	**411**

The following table provides the reconciliation of Segment Result to Infineon's income from continuing operations before income taxes:

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2013**	2012	**2013**	2012
Segment Result	117	126	229	411
Plus/Minus:				
Impairment on assets including assets held for sale, net of reversals	(10)	(4)	(18)	(18)
Impact on earnings of restructuring measures and closures, net	(4)	-	(6)	-
Share-based compensation expense	(1)	(1)	(3)	(2)
Acquisition-related depreciation/amortization and losses	-	(1)	(2)	(3)
Other expenses	(8)	(10)	(22)	(20)
Operating income	**94**	**110**	**178**	**368**
Financial income	6	8	23	31
Financial expense	(13)	(14)	(38)	(45)
Loss from investments accounted for using the equity method	-	(1)	-	-
Income from continuing operations before income taxes	**87**	**103**	**163**	**354**

Neubiberg, August 6, 2013

RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the fiscal year.

Neubiberg, August 6, 2013

Dr. Reinhard Ploss Dominik Asam Arunjai Mittal

REVIEW REPORT

To the Supervisory Board of Infineon Technologies AG, Neubiberg:

We have reviewed the condensed interim consolidated financial statements of the Infineon Technologies AG, Neubiberg – comprising statement of operations, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and condensed notes to the interim consolidated financial statements - together with the interim group management report of the Infineon Technologies AG, Neubiberg, for the period from October 1, 2012 to June 30, 2013 that are part of the quarterly financial report according to § 37x Abs. 3 WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the European Union (EU), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, August 6, 2013

KPMG AG

Wirtschaftsprüfungsgesellschaft

Braun Wirtschaftsprüfer	Wolper Wirtschaftsprüfer

SUPPLEMENTARY INFORMATION (UNAUDITED)

OUTLOOK

This Quarterly Report 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.

Due to rounding, numbers presented throughout this and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

FINANCIAL CALENDAR

Fiscal Period	Period end date	Results press release (preliminary)
Fourth Quarter and Fiscal Year 2013	September 30, 2013	November 12, 2013
First Quarter Fiscal Year 2014	December 31, 2013	January 30, 2014
Second Quarter Fiscal Year 2014	March 31, 2014	April 29, 2014
Third Quarter Fiscal Year 2014	June 30, 2014	July 30, 2014

Publication date of the third quarterly financial report for the 2013 fiscal year: **August 6, 2013**

CONTACT INFORMATION

Infineon Technologies AG

Investor Relations

Am Campeon 1-12

85579 Neubiberg/Munich, Germany

Phone: +49 89 234-26655

Fax: +49 89 234-9552987

E-Mail: investor.relations@infineon.com

Visit http://www.infineon.com/investor for an electronic version of this report and other information.

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