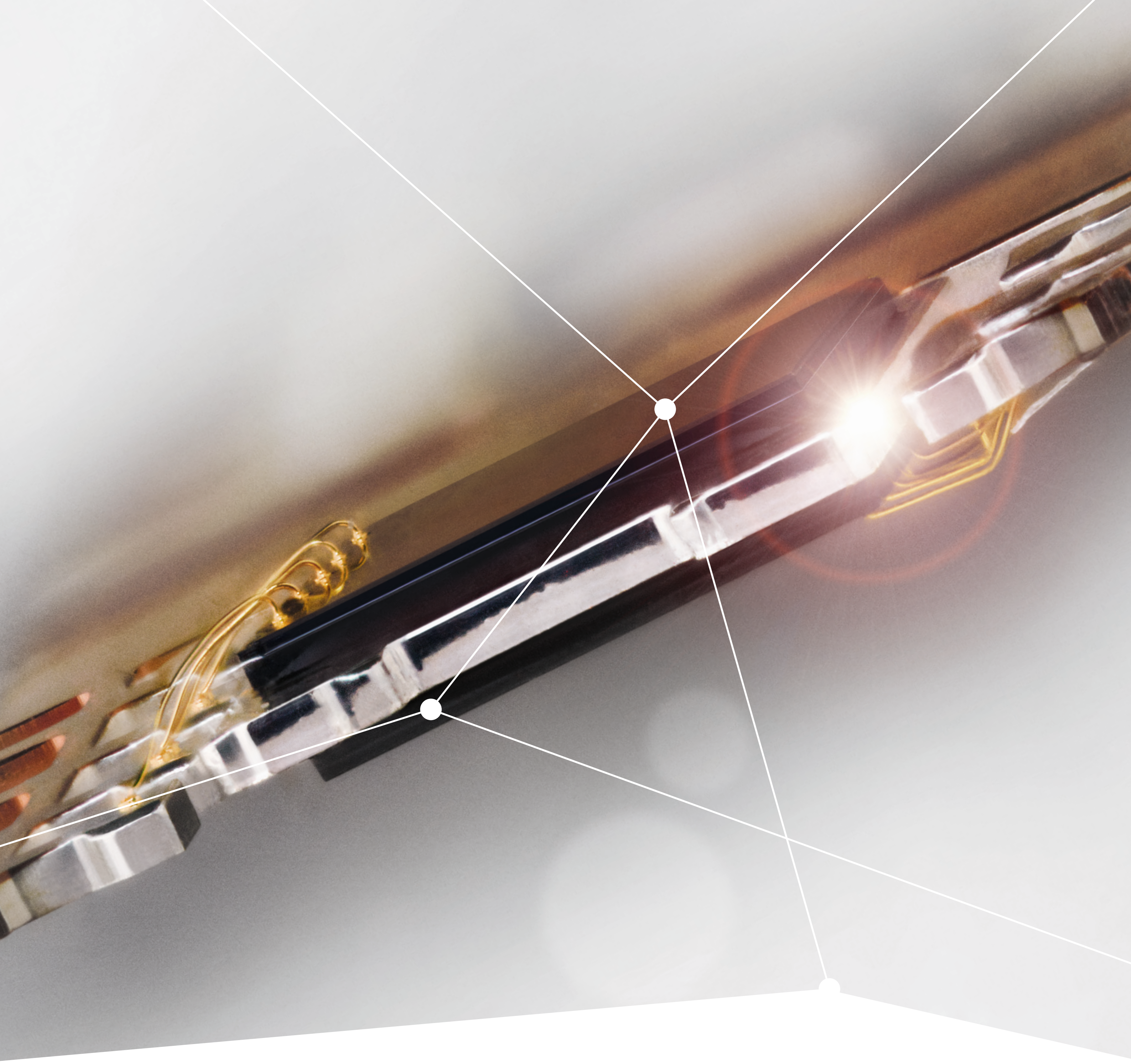

Q3

Quarterly Financial Report June 30, 2016

Infineon Technologies AG

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Selected Consolidated Financial Data

€ in millions, except earnings per share, Segment Result Margin and Gross margin	Three months ended June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Selected Results of Operations Data				
Revenue	1,632	1,586	4,798	4,197
Gross margin	36.6%	34.8%	35.9%	34.7%
Segment Result	254	245	702	611
Segment Result Margin	15.6%	15.4%	14.6%	14.6%
Research and development expenses	197	201	590	520
Capital expenditure[1]	220	215	549	506
Depreciation and amortization	206	205	630	549
Income from continuing operations	184	105	513	300
Income from discontinued operations, net of income taxes	2	4	5	9
Net income	186	109	518	309
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG	0.16	0.10	0.46	0.27
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG	0.16	0.10	0.46	0.27
Adjusted earnings per share (in euro) - diluted	0.19	0.18	0.54	0.44
Selected Liquidity Data				
Net cash provided by operating activities from continuing operations	496	432	866	528
Net cash used in investing activities from continuing operations	(493)	(437)	(676)	(2,143)
Therein: Purchases (-)/proceeds from sales (+) of financial investments, net	(274)	(225)	(132)	216
Net cash provided by (used in) financing activities from continuing operations	5	(24)	(228)	1,364
Free Cash Flow from continuing operations[2]	277	220	322	(1,831)

€ in millions, except number of employees	As of June 30, 2016	As of September 30, 2015
Selected Financial Condition Data		
Total assets	8,855	8,741
Total equity	4,840	4,665
Equity ratio	54.7%	53.4%
Gross cash position[3]	2,083	2,013
Total debt	1,784	1,793
Net cash position[3]	299	220
Market capitalization[4]	14,612	11,294
Employees	36,141	35,424

[1] Capital expenditure: the total amount invested in property, plant and equipment and intangible assets, including capitalized research and development expenses.
[2] Free Cash Flow is defined as net cash provided by/used in operating activities from continuing operations and net cash provided by/used in investing activities from continuing operations after adjusting for cash flows related to the purchase and sale of financial investments.
[3] 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.
[4] The calculation is based on unrounded figures. Own shares were not taken into consideration for calculation of market capitalization.

Interim Group Management Report (unaudited)

Infineon`s performance in the first nine months of the 2016 fiscal year:

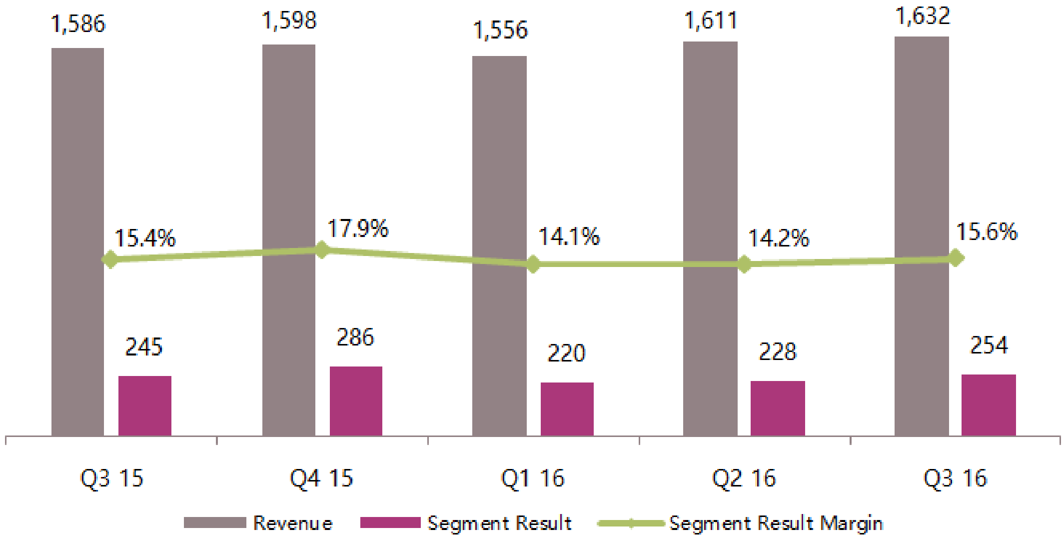
- Revenue and Segment Result for nine-month period increased
- Net income and earnings per share well up on previous year, adjusted earnings per share improved
- Despite difficult market conditions, growth forecast for full year reaffirmed within revenue guidance range forecast in preceding quarters

"Revenue, earnings and margin all increased in line with expectations in the third quarter. Demand was particularly strong for our automotive electronics, renewables and power supply solutions. Despite the current contraction of the semiconductor market and contrary to many of our competitors, Infineon has grown once again compared to the prior year's corresponding quarter, reflecting its focus on sub-markets with structural growth. We therefore continue to forecast a long-term compound annual growth rate of 8 percent," stated Dr. Reinhard Ploss, CEO of Infineon. "We are enabling cleaner and safer cars, greener energy and even faster mobile communication. The planned acquisition of Wolfspeed will secure us a decisive technological advantage in the long term and help us grow our system understanding. We are thereby focusing on promising growth areas such as electromobility and the Internet of Things."

Operating segment performance in third quarter of the 2016 fiscal year[1]

In the third quarter of the 2016 fiscal year, revenue grew from €1,611 million to €1,632 million compared to the preceding quarter. Contributions to this 1 percent revenue growth came from the Automotive, Industrial Power Control and Power Management & Multimarket segments. As expected, revenue reported by the Chip Card & Security segment decreased slightly.

Compared to the previous year the Automotive and Industrial Power Control segments recorded third-quarter revenue growth, while Chip Card & Security segment revenue was unchanged. The Power Management & Multimarket segment posted lower revenue than one year earlier.

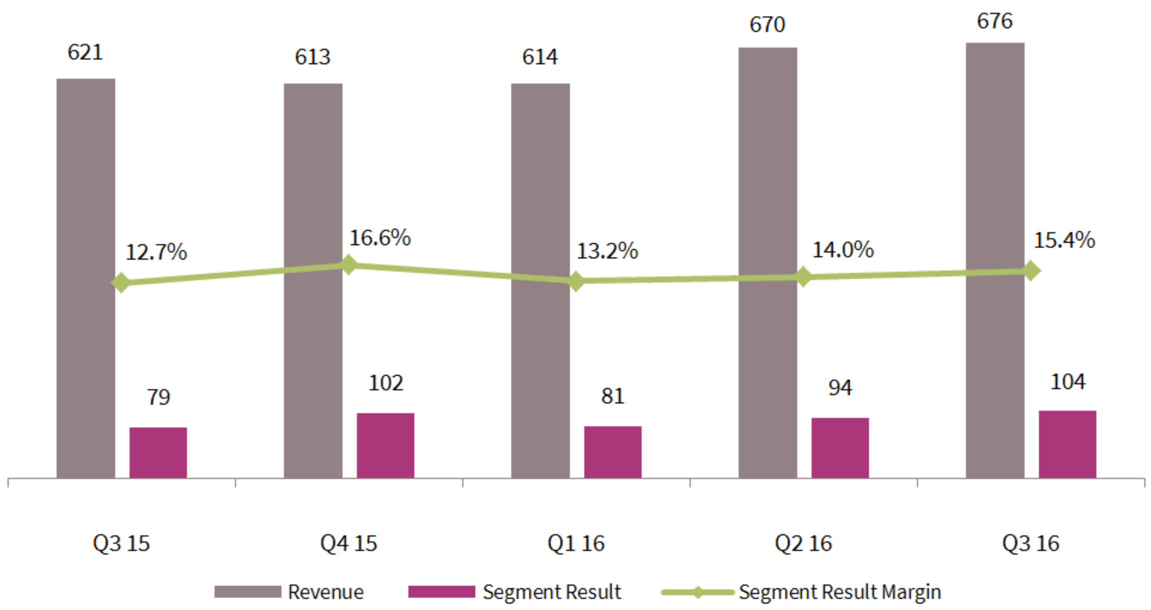


Effective October 1, 2015, business with XMC industrial microcontrollers – jointly developed by Automotive and Chip Card & Security – was transferred to Power Management & Multimarket and Industrial Power Control. The previous year's figures have been adjusted accordingly.

[1] With effect from the quarterly financial report as of December 31, 2015, Infineon Technologies AG has adjusted its reporting on operating segments in order to provide uniform external reporting and improve the comparability and clarity of presentation.

Automotive

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2016**	2015	**2016**	2015
Revenue	676	621	1,961	1,736
Share of Total Revenue	41%	39%	41%	41%
Segment Result	104	79	279	230
Share of Segment Result of Infineon	41%	32%	40%	38%
Segment Result Margin	15.4%	12.7%	14.2%	13.2%

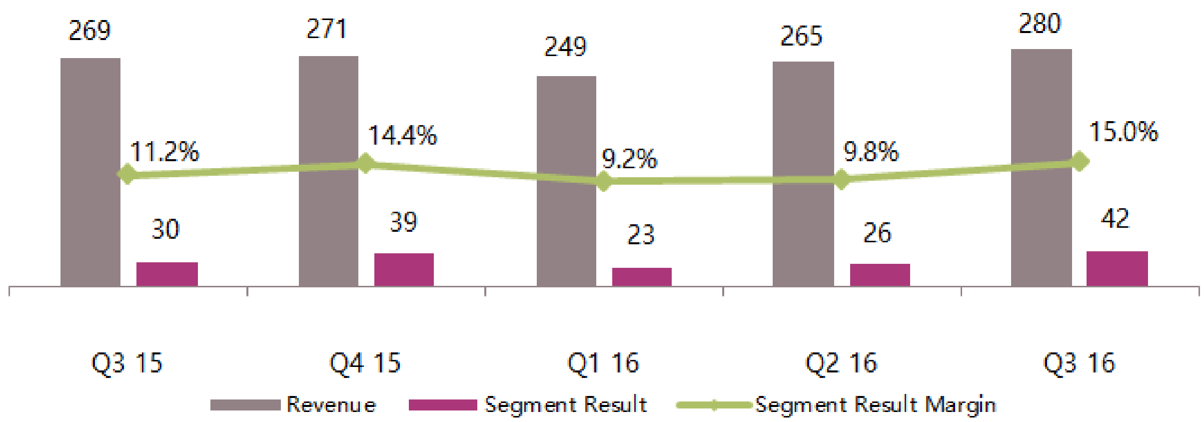


Revenue for the Automotive segment in the third quarter of the 2016 fiscal year totaled €676 million, compared with €670 million in the second quarter. Radar-based solutions for driver assistance systems were particularly sought after. Demand remained high for solutions for hybrid and electric vehicles. Globally, premium vehicles remained in high demand. Segment Result improved from €94 million in the second quarter to €104 million in the third quarter of the current fiscal year, with the Segment Result Margin rising from 14.0 percent to 15.4 percent.

Revenue generated by the Automotive segment increased by 9 percent to €676 million, compared with €621 million in the third quarter of the previous fiscal year. Segment Result also improved year-on-year, rising from €79 million to €104 million. The Segment Result Margin finished at 15.4 percent, compared with 12.7 percent one year earlier.

Industrial Power Control

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2016**	2015	**2016**	2015
Revenue	280	269	794	701
Share of Total Revenue	17%	17%	17%	17%
Segment Result	42	30	90	75
Share of Segment Result of Infineon	17%	12%	13%	12%
Segment Result Margin	15.0%	11.2%	11.3%	10.7%

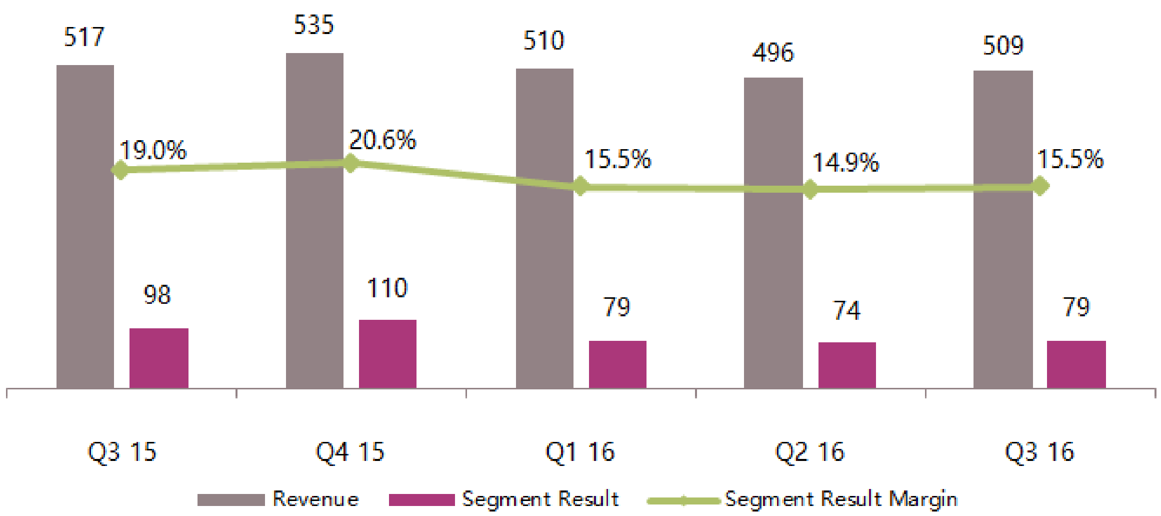


Industrial Power Control segment revenue increased by 6 percent from €265 million in the second quarter to €280 million in the third quarter of the 2016 fiscal year. Demand was particularly strong for renewables-related products. Revenue from products for electric drives and home appliances remained flat and declined slightly for traction. Segment Result improved from €26 million in the second quarter to €42 million in the third quarter, with the Segment Result Margin rising from 9.8 percent to 15.0 percent.

The Industrial Power Control segment recorded year-on-year growth in the third quarter, with revenue up by 4 percent from €269 million to €280 million. Segment Result also improved, rising to €42 million for the three-month period, compared to €30 million one year earlier. The Segment Result Margin came in at 15.0 percent, well up on the previous year's 11.2 percent.

Power Management & Multimarket

€ in millions, except percentages	Three months ended June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Revenue	509	517	1,515	1,261
Share of Total Revenue	31%	33%	32%	30%
Segment Result	79	98	232	213
Share of Segment Result of Infineon	31%	40%	33%	35%
Segment Result Margin	15.5%	19.0%	15.3%	16.9%

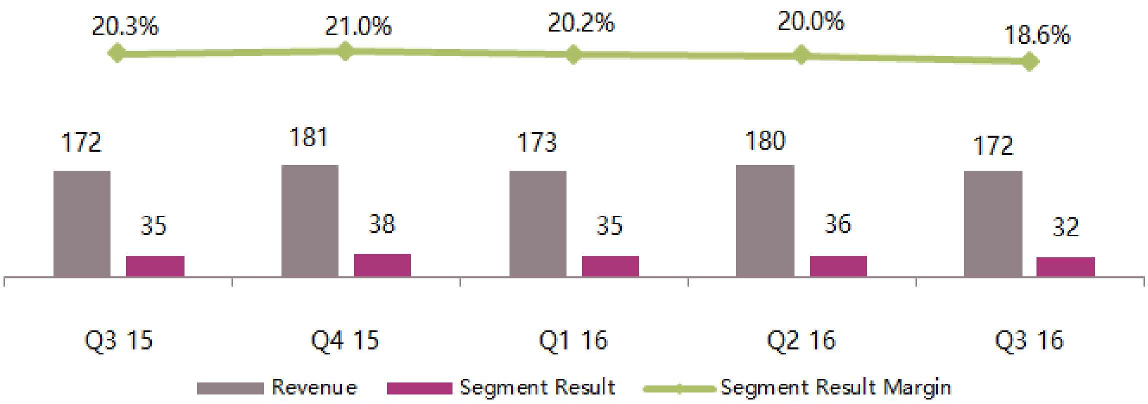


Power Management & Multimarket segment revenue grew by 3 percent to €509 million in the third quarter of the 2016 fiscal year, compared with €496 million in the second quarter. Business with products for AC-DC and DC-DC conversion grew due to seasonal factors. Contrary to the normal seasonal trend, revenue generated with components for mobile communications remained flat. The Segment Result improved quarter-on-quarter from €74 million to €79 million. The Segment Result Margin was 15.5 percent, compared with 14.9 percent one quarter earlier.

Year-on-year Power Management & Multimarket segment revenue decreased by 2 percent to €509 million in the third quarter. In the third quarter one year earlier, revenue had totaled €517 million. Segment Result fell from €98 million to €79 million. The Segment Result Margin finished at 15.5 percent for the three-month period, compared with 19.0 percent one year earlier.

Chip Card & Security

€ in millions, except percentages	Three months ended June 30,		Nine months ended June 30,	
	2016	2015	**2016**	2015
Revenue	172	172	525	486
Share of Total Revenue	11%	11%	11%	12%
Segment Result	32	35	103	88
Share of Segment Result of Infineon	13%	14%	15%	14%
Segment Result Margin	18.6%	20.3%	19.6%	18.1%



Chip Card & Security segment revenue decreased by 4 percent from €180 million in the second quarter to €172 million in the third. Demand declined for payment cards reflecting softer market conditions. On the other hand, demand increased for chips required for authentication solutions in line with seasonality. Segment Result fell by €4 million from €36 million in the second quarter to €32 million in the third quarter of the current fiscal year, while the Segment Result Margin came in at 18.6 percent, compared with 20.0 percent in the preceding quarter.

Compared to the previous fiscal year Chip Card & Security segment revenue for the three-month period was unchanged at €172 million. Segment Result decreased by €3 million from €35 million one year earlier to €32 million, while the Segment Result Margin slipped from 20.3 percent to 18.6 percent.

Notable events during the first nine months of the 2016 fiscal year

January 2016

Infineon rated among the most sustainable companies in the world for sixth consecutive time

Infineon has been included in the Sustainability Year book of the Swiss investment company RobecoSAM for the sixth time running. Infineon therefore continues to be ranked among the top 15 percent of companies with the best corporate sustainability record worldwide and among the top ten companies in the semiconductor sector.

April 2016

Infineon successfully completes $935 million US Private Placement of notes in the USA

In April 2016, Infineon successfully completed a US Private Placement (USPP) of notes with a nominal volume of US$935 million and subsequently repaid the US$934 million loan, previously raised to finance the acquisition of International Rectifier.

The notes issued in conjunction with the USPP comprise three tranches with eight-, ten- and twelve-year maturities. The transaction enhances Infineon's debt profile and results in a further diversification of the financing sources available to it.

May 2016

Start of volume production at Kulim 2

After starting the process of equipping Kulim 2 – Infineon's second manufacturing building in Kulim (Malaysia) – with cleanroom machinery in January 2016, volume production officially commenced on May 13, 2016. The Kulim location was initially opened in 2006 and remains Infineon's only frontend site in Asia. The opening of the second manufacturing facility doubles Infineon's capacity in Kulim. Once the two plants are working at full capacity, they will provide jobs for some 3,000 employees. The chips produced there on wafers are destined for use in components for automotive applications and power supplies. The new manufacturing facility has been equipped in accordance with "Industrie 4.0" standards, with intelligent manufacturing and racking systems enhancing work process efficiency.

May 2016

Changes in Infineon's Management Board

Infineon is enlarging its Management Board from three to four members. Following the strong growth seen in recent years and the successful integration of International Rectifier, the management team is being reinforced with a view to continuing the company's success story. Jochen Hanebeck, previously Division President Automotive, has been appointed Member of the Board for the newly created "Operations" function, effective July 1, 2016. Moreover, also with effect from July 1, 2016, Dr. Helmut Gassel, previously Division President Industrial Power Control, has been appointed Member of the Board for Strategy Development, Sales & Marketing and Regions. Arunjai Mittal, previously responsible for these areas, will leave Infineon for family reasons effective September 30, 2016.

June 2016

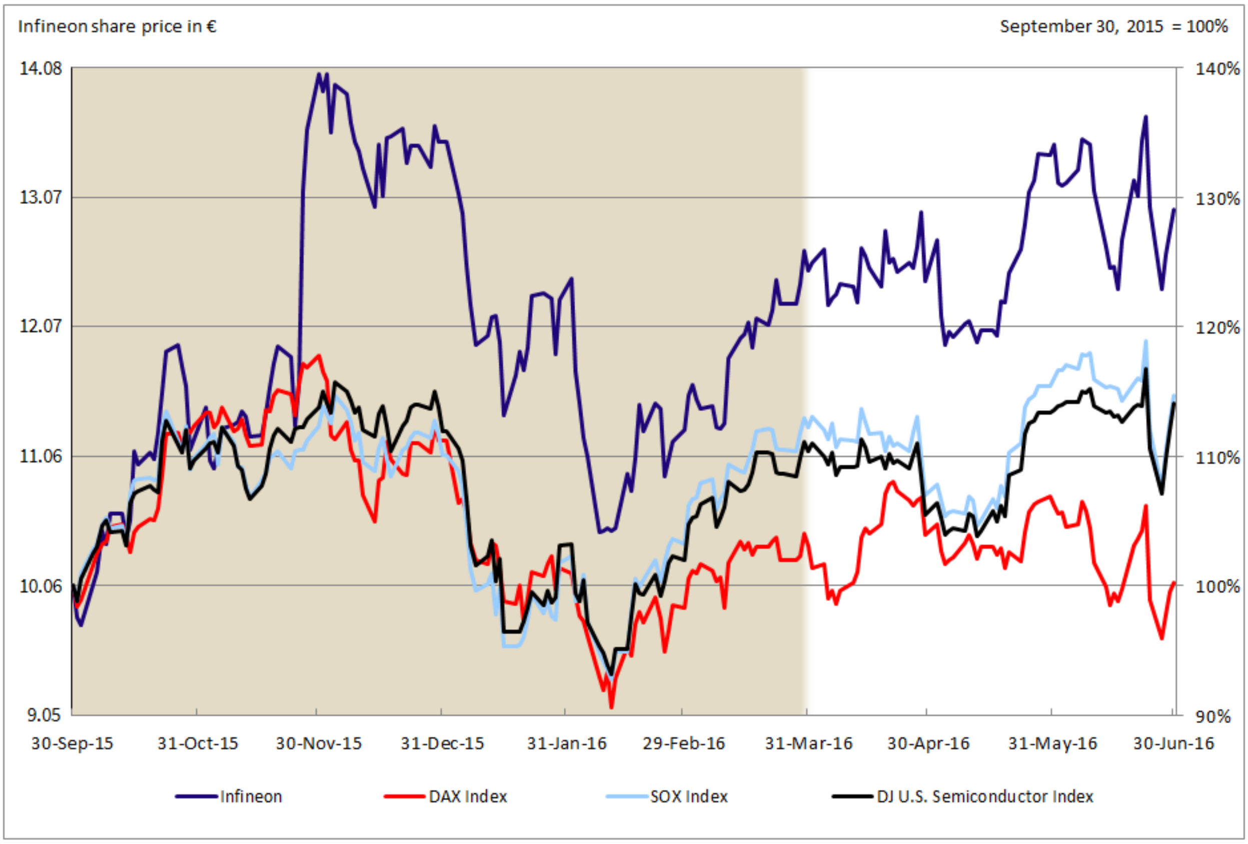
Infineon's 3D image sensor is bringing Augmented Reality to the smartphone

Infineon's 3D image sensor chip REAL3™ enables a three-dimensional perception of the surroundings in real-time. The first smartphone to be equipped with this sensor is the PHAB2 Pro from Lenovo. The sensor allows the smartphone instant access to Augmented Reality, benefiting from the phone's motion tracking feature, which responds to physical movements, depth perception that measures the distance between objects and area learning capability which enables the device to recall the data recorded from previously visited locations. The ability of devices to see in 3D is expected to lead to a variety of new applications, in both the consumer and the automotive worlds, including monitoring or gesture detection inside the car.

The Infineon Share

The Infineon share finished the first nine months of the 2016 fiscal year at €12.98, thus 29 percent up on the Xetra closing price of €10.06 recorded on September 30, 2015.

Performance of the Infineon share, the DAX, the SOX and the Dow Jones U.S. Semiconductor Index during the first nine months of the 2016 fiscal year (daily closing prices)



Following the dividend increase from €0.12 to €0.18 for the 2014 fiscal year, at the Annual General Meeting for the 2015 fiscal year held on February 18, 2016, Infineon's Management Board and Supervisory Board decided to propose that the dividend be raised again to €0.20. The shareholders voted in favor of the proposal, as a result of which a total amount of €225 million was disbursed to shareholders on February 19, 2016. At June 30, 2016, a total of 1,132,136,071 shares were in issue. This figure includes 6 million own shares (unchanged since the end of the previous reporting period) that do not qualify for the payment of a dividend.

Review of Business Environment

In its latest outlook for the global economy, the International Monetary Fund (IMF) left its growth forecast of 2.5 percent for the 2016 calendar year largely unchanged (IMF, July 2016). Based on the IMF's assessment, risks for the global economy have continued to rise. Despite this trend, however, financial and oil markets continued to recover during the first six months of the 2016 calendar year. For the 2017 calendar year, the IMF currently predicts further year-on-year growth of 2.8 percent, down from the 2.9 percent it had still forecast in April 2016 for the 2017 calendar year.

The semiconductor market as a whole has continued to slow down in recent months, primarily due to the downward pressure on prices for memory products and the sluggish smartphone market. Although this market is still forecast to grow, the double-digit growth rates observed in the past seem to be over. Renewable energy (wind and solar), electric mobility and driver assistance systems remain growth drivers.

According to the market research company IHS Markit, the industrial semiconductor market will be the growing application segment in the 2016 calendar year with a growth rate of 6.0 percent. IHS Markit also forecasts above-average growth (4.5 percent) for the automotive semiconductor market in the 2016 calendar year. Growth rates of 7.6 percent and 6.3 percent respectively are forecast for the industrial and automotive semiconductor markets in the 2017 calendar year. For the semiconductor market as a whole, IHS Markit is currently forecasting negative growth of 4.5 percent for the 2016 calendar year (downgraded from the negative growth rate of 2.9 percent forecast in April), followed by growth of 2.5 percent for the 2017 calendar year.

Review of Results of Operations for the first nine months of the 2016 fiscal year

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except earnings per share	**2016**	2015	**2016**	2015
Revenue	1,632	1,586	4,798	4,197
Gross profit	**598**	**552**	**1,722**	**1,456**
Research and development expenses	(197)	(201)	(590)	(520)
Selling, general and administrative expenses	(200)	(210)	(595)	(563)
Other operating income and expenses, net	(8)	(22)	(4)	(21)
Operating income	**193**	**119**	**533**	**352**
Net financial result (financial income and expenses, net)	(13)	(10)	(44)	(26)
Income from investments accounted for using the equity method	1	1	2	3
Income tax	3	(5)	22	(29)
Income from continuing operations	**184**	**105**	**513**	**300**
Income from discontinued operations, net of income taxes	2	4	5	9
Net income	**186**	**109**	**518**	**309**
Basic earnings per share (in euro)	0.16	0.10	0.46	0.27
Diluted earnings per share (in euro)	0.16	0.10	0.46	0.27
Adjusted earnings per share (in euro) – diluted	0.19	0.18	0.54	0.44

Net income improved

Net income for the nine-month period under report improved by €209 million to €518 million year-on-year. The contribution to revenue from International Rectifier, the generally positive trend in Infineon's business and the strong US dollar brought about a 14 percent increase in revenue to €4,798 million. The earnings contribution from higher revenue and lower income tax expense (see note 5 to the Condensed Consolidated Interim Financial Statements) resulted in a 68 percent jump in net income compared to the previous year, with depreciation, amortization and other expenses relating to the acquisition of International Rectifier – in particular the earnings impact arising from the purchase price allocation – totaling €149 million (October 2014 - June 2015: €213 million).

In the previous fiscal year, International Rectifier was included with effect from January 13, 2015, whereas the figures for the first nine months of the 2016 fiscal year include International Rectifier for the full reporting period.

International Rectifier, positive business trend and strength of US dollar result in higher revenue

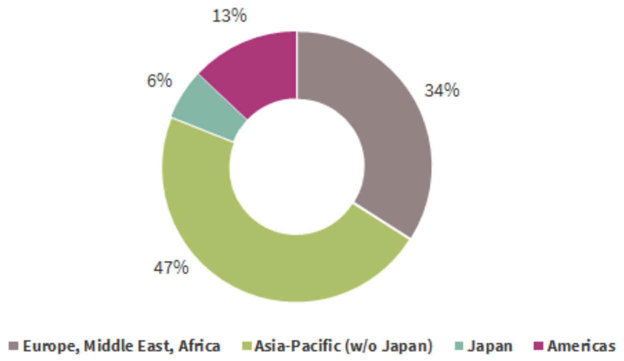
Revenue for the nine-month period increased by €601 million to €4,798 million (October 2014 - June 2015: €4,197 million). Thanks to the acquisition of International Rectifier (closed on January 13, 2015), market share gains through organic growth and the appreciation of the US dollar (exchange rate of US$ 1.11 to the euro compared to US$ 1.16 to the euro in the same period one year earlier), all four operating segments were able to increase nine-month revenue compared to the same period in the previous year.

Importance of Asia-Pacific and China continues to grow

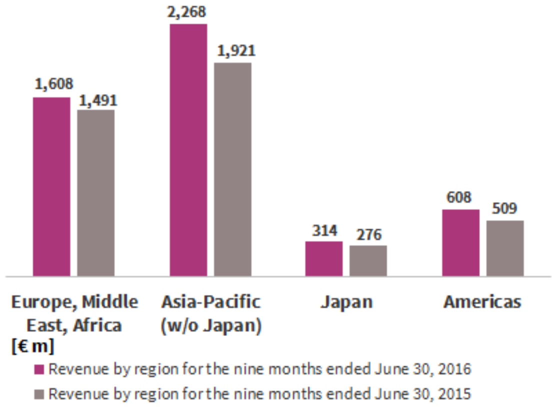
The acquisition of International Rectifier further improved the access to the Chinese and US markets, a fact reflected in above-average revenue growth in these regions. Infineon also grew in all other regions.

At €347 million, more than one half (58 percent) of the revenue increase related to the Asia-Pacific region (excluding Japan), followed by the Europe, Middle East and Africa region, where revenue rose by €117 million (19 percent of the total increase).

The Asia-Pacific region (excluding Japan) had already taken the lead as the strongest region during the previous fiscal year, when it accounted for 46 percent of revenue, ahead of the Europe, Middle East and Africa region with 36 percent. The importance of the Asia-Pacific region (excluding Japan) continued to grow during the third quarter, accounting for 47 percent and therefore nearly one half of Infineon’s worldwide revenue during the first nine months of the 2016 fiscal year, compared to the 34 percent generated in the Europe, Middle East and Africa region. Within the Asia-Pacific region (excluding Japan), China accounted for the largest share of worldwide revenue at individual country level, with revenue of €1,152 million or 24 percent.



Revenue by region for the nine months ended June 30, 2016



€ in millions, except percentages	Three months ended June 30, 2016		2015		Nine months ended June 30, 2016		2015	
Europe, Middle East, Africa	557	34%	541	34%	1,608	34%	1,491	36%
Therein: Germany	262	16%	249	16%	756	16%	692	16%
Asia-Pacific (w/o Japan)	758	46%	736	47%	2,268	47%	1,921	46%
Therein: China	379	23%	373	24%	1,152	24%	957	23%
Japan	107	7%	116	7%	314	6%	276	6%
Americas	210	13%	193	12%	608	13%	509	12%
Therein: USA	171	10%	155	10%	491	10%	405	10%
Total	**1,632**	**100%**	**1,586**	**100%**	**4,798**	**100%**	**4,197**	**100%**

Increase in gross margin

Gross profit (revenue less cost of goods sold) for the nine-month period amounted to €1,722 million, an 18 percent improvement on the €1,456 million recorded one year earlier. The percentage increase in gross profit was therefore more pronounced than the 14 percent growth rate posted for revenue.

The gross margin improved accordingly from 34.7 percent to 35.9 percent for the comparable nine-month periods. The increase compared to the same period of the previous fiscal year is primarily due to a lower earnings effect from the International Rectifier purchase price allocation and other acquisition-related expenses which totaled €73 million compared to €117 million in the same period of the previous fiscal year (in particular higher depreciation/amortization on intangible assets and property, plant and equipment, which were revalued to their fair value as part of the purchase price allocation, as well as additional expense included in the previous fiscal year arising from the consumption of inventories revalued to their fair value).

€ in millions, except percentages	Three months ended June 30, 2016	2015	Nine months ended June 30, 2016	2015
Cost of goods sold	1,034	1,034	3,076	2,741
Change year-on-year	0%		12%	
Percentage of revenue	63.4%	65.2%	64.1%	65.3%
Gross profit	598	552	1,722	1,456
Percentage of revenue (gross margin)	36.6%	34.8%	35.9%	34.7%

Slight decrease in ratio of operating expenses to revenue

Nine-month operating expenses (research and development expenses as well as selling, general and administrative expenses) increased by €102 million or 9 percent to €1,185 million (October 2014 - June 2015: €1,083 million). In percentage terms, operating expenses corresponded to 24.7 percent of nine-month revenue, compared with 25.8 percent one year earlier.

Research and development expenses amounted to €590 million and were therefore €70 million or 13 percent higher than the €520 million reported for the first nine months of the previous fiscal year. The main reasons for the increase were firstly the inclusion of International Rectifier for the full nine-month period of the current fiscal year compared to the 2015 fiscal year, and secondly increased research and development activities, including the recruitment of additional employees, aimed at broadening the basis for further growth. A total of 5,994 employees were working in research and development functions at the end of the reporting period (June 30, 2015: 5,670 employees). Expressed as a percentage of revenue, research and development expenses decreased slightly from 12.4 percent to 12.3 percent compared with the same nine-month period one year earlier.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2016**	2015	**2016**	2015
Research and development expenses	197	201	590	520
Change year-on-year	(2%)		13%	
Percentage of revenue	12.1%	12.7%	12.3%	12.4%

Selling, general and administrative expenses corresponded to 12.4 percent of revenue in the first nine months of the 2016 fiscal year (October 2014 - June 2015: 13.4 percent). The previous year's figures also include one-time transaction-related costs (legal services and bank fees) in connection with the acquisition of International Rectifier.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions, except percentages	**2016**	2015	**2016**	2015
Selling, general and administrative expenses	200	210	595	563
Change year-on-year	(5%)		6%	
Percentage of revenue	12.3%	13.2%	12.4%	13.4%

Earnings per share improved

The improvement in net income resulted in a corresponding increase in earnings per share. Compared to earnings per share of €0.27 (basic and diluted) for the first nine months of the 2015 fiscal year, the corresponding figures for the current year to date both amounted to €0.46.

Adjusted earnings per share improved

Earnings per share in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular International Rectifier) as well as by other exceptional items. To enable better comparability of operating performance over time, Infineon computes adjusted earnings per share (diluted) as follows:

€ in millions (unless otherwise stated)	Three months ended June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	184	105	514	298
Plus/minus:				
Impairments on assets including assets classified as held for sale, net of reversals	6	13	14	14
Impact on earnings of restructuring and closures, net	-	10	(8)	12
Share-based compensation expense	2	2	6	5
Acquisition-related depreciation/amortization and other expenses	47	97	149	213
Losses (gains) on sales of assets, businesses, or interests in subsidiaries, net	3	-	4	-
Other income and expense, net	3	4	4	15
Tax effects on adjustments	(16)	(28)	(36)	(63)
Revaluation of deferred tax assets resulting from the earnings forecast	(15)	-	(32)	-
Adjusted earnings from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**214**	**203**	**615**	**494**
Weighted-average number of shares outstanding – diluted	1,131	1,126	1,129	1,125
Adjusted earnings per share (in euro) – diluted[1]	0.19	0.18	0.54	0.44

[1] The calculation of the adjusted earnings per share is based on unrounded figures.

Adjusted net income and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information to the net income and earnings per share (diluted) determined in accordance with IFRS.

Review of Financial Condition

€ in millions, except percentages	June 30, 2016	September 30, 2015	Change year-on-year
Current assets	4,323	4,115	5%
Non-current assets	4,532	4,626	(2%)
Total assets	**8,855**	**8,741**	**1%**
Current liabilities	1,466	1,585	(8%)
Non-current liabilities	2,549	2,491	2%
Total liabilities	**4,015**	**4,076**	**(1%)**
Total equity	**4,840**	**4,665**	**4%**

Increase in current assets

Current assets increased by €208 million to stand at €4,323 million as of June 30, 2016, compared to €4,115 million as of September 30, 2015. Within these figures, Infineon's gross cash position (sum total of cash and cash equivalents and financial investments) increased by €70 million (see “Gross cash position and net cash position” in the "Review of liquidity” section). Inventories and other current assets also increased in total by €137 million.

Slight decrease in non-current assets

Non-current assets went down slightly from €4,626 million as of September 30, 2015 to €4,532 million as of June 30, 2016. Investments in property, plant and equipment during the nine-month period totaling €464 million were lower than the depreciation expense of €504 million. Investments related primarily to the manufacturing sites in Kulim and Malacca (both Malaysia), Regensburg (Germany) and Villach (Austria). Investments in intangible assets amounting to €85 million were also lower than the amortization expense of €126 million for the period.

Payments for variable salary components reduce current liabilities

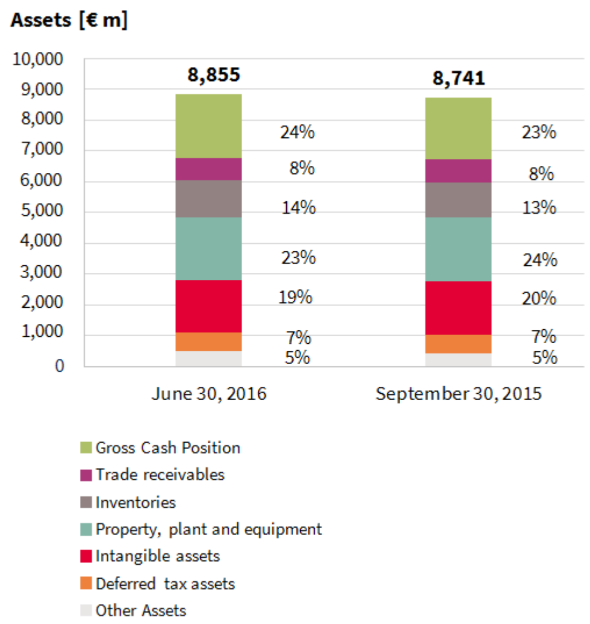
Current liabilities stood at €1,466 million as of June 30, 2016 and were therefore €119 million or 8 percent lower than at September 30, 2015 (€1,585 million). The decrease was attributable to the €68 million reduction in provisions and liabilities to employees, brought about by the fact that bonus payments for prior-year performance-related remuneration exceeded the amount allocated to the provision during the nine-month period under report. In addition, other current liabilities decreased by €24 million.

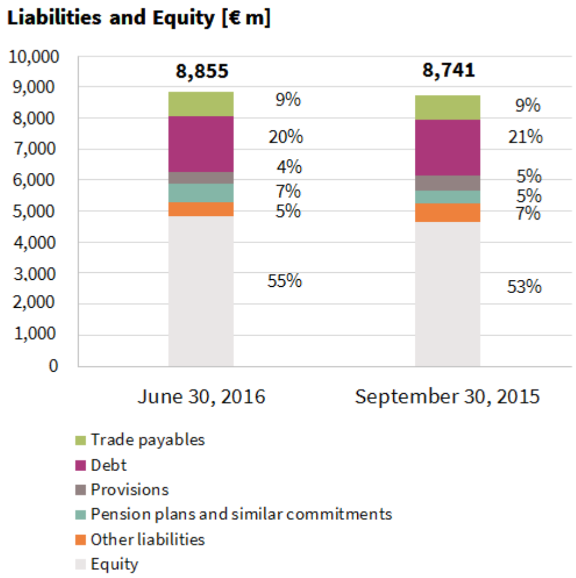
Non-current liabilities increased slightly from €2,491 million as of September 30, 2015 to €2,549 million as of June 30, 2016. Liabilities for pension plans and similar commitments went up by €153 million, primarily as a result of actuarial losses. By contrast, deferred tax liabilities decreased by €100 million, mainly reflecting the reduction of deferred tax liabilities relating to the acquisition of International Rectifier and the reversal of allowances on deferred tax assets relating to German and foreign entities. The loan of US$934 million, which Infineon had raised with various international banks in conjunction with the acquisition of International Rectifier, was fully repaid on April 13, 2016 out of proceeds from the issue of USPP notes.

Increase in equity primarily due to net income

Equity increased by €175 million (4 percent) to €4,840 million at the end of the reporting period (September 30, 2015: €4,665 million), mainly as a result of the net profit generated in the first nine months of the 2016 fiscal year amounting to €518 million. Working in the opposite direction, equity was reduced during the reporting period primarily by the dividend of €225 million paid for the 2015 fiscal year and by actuarial losses amounting to €140 million (net of tax) – recognized in other comprehensive income – arising in conjunction with pension plans and similar commitments (see note 2 to the Condensed Consolidated Interim Financial Statements).

The equity ratio improved to 54.7 percent as of the end of the reporting period (September 30, 2015: 53.4 percent).





Review of Liquidity

Cash Flow

€ in millions	Nine months ended June 30, 2016	2015
Net cash provided by operating activities from continuing operations	866	528
Net cash used in investing activities from continuing operations	(676)	(2,143)
Net cash provided by (used in) financing activities from continuing operations	(228)	1,364
Net change in cash and cash equivalents from discontinued operations	(17)	(138)
Net change in cash and cash equivalents	**(55)**	**(389)**
Effect of foreign exchange rate changes on cash and cash equivalents	(8)	31
Change in cash and cash equivalents	**(63)**	**(358)**

Net cash provided by operating activities from continuing operations up significantly

Net cash provided by operating activities from continuing operations in the first nine months of the 2016 fiscal year amounted to €866 million, an improvement of €338 million on the €528 million reported for the corresponding period in the previous fiscal year. The main reason for the improvement was the €256 million increase in income from continuing operations before depreciation, amortization, interest and taxes totaling €1,164 million (October 2014 - June 2015: €908 million). In addition, the figure reported for the previous fiscal year includes a payment of €104 million to settle disputes relating to the continuation of the right to use Qimonda patents as well as a payment of €83 million to the EU Commission relating to a fine imposed in conjunction with chip card anti-trust proceedings.

Net cash used in investing activities from continuing operations mainly reflects investments in property, plant and equipment

Net cash used in investing activities from continuing operations in the first nine months of the 2016 fiscal year amounted to €676 million, resulting primarily from investments in property, plant and equipment (€464 million) and in intangible and other assets (€85 million). Net purchases of financial investments resulted in a cash outflow of €132 million.

Net cash used in investing activities from continuing operations in the first nine months of the 2015 fiscal year had totaled €2,143 million, including €1,866 million (after deduction of cash acquired) for the acquisition of International Rectifier. Investments in property, plant and equipment and in intangible and other assets totaled €506 million. Net proceeds from sales of financial investments resulted in a cash inflow of €216 million.

Dividend payment results in net cash used in financing activities from continuing operations

Net cash used in financing activities from continuing operations during the nine-month period resulted primarily from the payment of the dividend for the 2015 fiscal year amounting to €225 million. Overall, the net cash outflow for financing activities totaled €228 million. In April 2016, Infineon also successfully completed a US Private Placement (USPP) of notes with a volume of US$935 million, which provided net proceeds amounting to €819 million. The US dollar loan of US$934 million raised in conjunction with the acquisition of International Rectifier was subsequently repaid, resulting in a cash outflow of €820 million.

Net cash provided by financing activities from continuing operations in the first nine months of the 2015 fiscal year totaled €1,364 million, comprising mainly a net cash inflow of €1,584 million in conjunction with the financing of the acquisition of International Rectifier and a cash outflow for the dividend paid for the 2014 fiscal year amounting to €202 million.

Decrease in cash and cash equivalents from discontinued operations

Net cash used for discontinued operations during the first nine months of the 2016 fiscal year totaled €17 million, mainly due to payments to the Qimonda insolvency administrator (€14 million) relating to settlement agreements reached for residual liability claims pertaining to Qimonda Dresden employees.

Net cash used for discontinued operations during the corresponding period of the previous fiscal year totaled €138 million, of which €125 million (net of value added tax) related to payments in conjunction with the partial settlement reached with the Qimonda insolvency administrator.

Free cash flow

Infineon reports the free cash flow figure, defined as net cash provided by and/or used in operating activities and net cash provided by and/or used in investing activities, both from continuing operations, 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 superior performance indicator, but rather as an additional useful item 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	**2016**	2015
Net cash provided by operating activities from continuing operations	866	528
Net cash used in investing activities from continuing operations	(676)	(2,143)
Purchases of (proceeds from sales of) financial investments, net	132	(216)
Free cash flow	**322**	**(1,831)**

Net cash provided by operating activities exceeds investments

Free cash flow from continuing operations in the first nine months of the 2016 fiscal year was a positive amount of €322 million.

The equivalent figure for the previous fiscal year was a negative amount of €1,831 million, which included €1,866 million (after deduction of cash acquired) relating to the acquisition of International Rectifier. The payments to the Qimonda insolvency administrator and the EU Commission had an overall negative impact of €208 million on free cash flow from continuing operations.

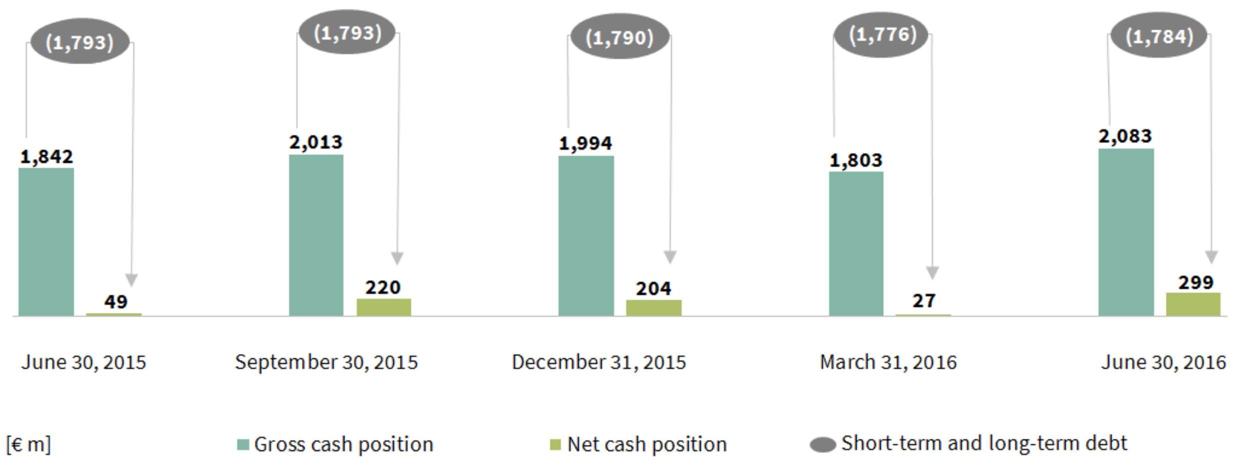
Gross cash position and net cash position

The following table reconciles the gross cash position and the 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 its overall liquidity. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	**June 30, 2016**	September 30, 2015
Cash and cash equivalents	610	673
Financial investments	1,473	1,340
Gross cash position	**2,083**	**2,013**
Less:		
Short-term debt and current maturities of long-term debt	17	33
Long-term debt	1,767	1,760
Total debt	**1,784**	**1,793**
Net cash position	**299**	**220**

The gross cash position, comprising cash and cash equivalents and financial investments, amounted to €2,083 million at June 30, 2016 and was thus €70 million higher than the €2,013 million reported at September 30, 2015. Free cash flow of €322 million exceeded the dividend payment for the 2015 fiscal year amounting to €225 million.

The net cash position, which is defined as the gross cash position less short-term and long-term debt, increased by €79 million to €299 million at the end of the reporting period (September 30, 2015: €220 million).



Employees

The headcount of the Infineon workforce increased slightly during the first nine months of the 2016 fiscal year. The following table shows the composition of the Infineon workforce by region at the relevant reporting dates:

	As of		
	June 30, 2016	September 30, 2015	Change
Region:			
Europe	15,065	14,533	4%
Therein: Germany	9,786	9,426	4%
Asia-Pacific (w/o Japan)	17,181	17,035	1%
Therein: China	1,992	1,986	0%
Japan	170	174	(2%)
Americas	3,725	3,682	1%
Therein: USA	2,066	2,136	(3%)
Total	**36,141**	**35,424**	**2%**

Events after the end of the Reporting Period

Infineon plans acquisition of Wolfspeed for US$850 million

On July 14, 2016 the Company and Cree Inc. USA ("Cree") signed a contract for the acquisition of Cree's Wolfspeed business. Infineon intends to buy Wolfspeed (including the related wafer substrate business) for a purchase price of US$850 million.

Cree's Board of Directors and Infineon's Supervisory Board have already approved the acquisition. The approval of the responsible regulatory authorities is required to conclude the transaction. Completion and execution of the transaction is expected around the end of the 2016 calendar year (see note 3 to the Condensed Consolidated Interim Financial Statements).

Outlook

Outlook for the fourth quarter of the 2016 fiscal year

In the fourth quarter of the 2016 fiscal year, Infineon expects quarter-on-quarter revenue growth of 3 percent (plus or minus 2 percentage points). This forecast is based on an assumed exchange rate of US$1.10 to the euro. At the mid-point of the forecast revenue range, the Segment Result Margin is expected to come in at 17 percent.

Outlook for the 2016 fiscal year

Based on the outlook for the fourth quarter, revenue growth and Segment Result Margin for the full 2016 fiscal year are expected to end up within the range forecast in the preceding quarters.

Investments in property, plant and equipment, intangible assets and capitalized development costs are planned in the region of an unchanged €850 million for the 2016 fiscal year. Based on expected full-year revenue, the ratio for investments as a percentage of forecast revenue is expected to be approximately 13 percent. Depreciation and amortization are forecast to be in the region of €850 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 relevant risks and opportunities 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 materially 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 2015 fiscal year (pages 149 to 160).

During the first nine months of the 2016 fiscal year, Infineon did not identify any material changes to the risks and opportunities described in the 2015 Annual Report and in note 11 to the Condensed Consolidated Interim Financial Statements for the nine-month period to June 30, 2016.

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 which could jeopardize its going-concern status.

Consolidated Statement of Operations

(unaudited) for the three and nine months ended June 30, 2016 and 2015

		Three months ended June 30,		Nine months ended June 30,	
€ in millions	Note:	**2016**	2015	**2016**	2015
Revenue		1,632	1,586	4,798	4,197
Cost of goods sold		(1,034)	(1,034)	(3,076)	(2,741)
Gross profit		**598**	**552**	**1,722**	**1,456**
Research and development expenses		(197)	(201)	(590)	(520)
Selling, general and administrative expenses		(200)	(210)	(595)	(563)
Other operating income		2	3	10	13
Other operating expenses		(10)	(25)	(14)	(34)
Operating income		**193**	**119**	**533**	**352**
Financial income		2	2	4	8
Financial expenses		(15)	(12)	(48)	(34)
Gain from investments accounted for using the equity method		1	1	2	3
Income from continuing operations before income taxes		**181**	**110**	**491**	**329**
Income tax	5	3	(5)	22	(29)
Income from continuing operations		**184**	**105**	**513**	**300**
Income from discontinued operations, net of income taxes	4	2	4	5	9
Net income		**186**	**109**	**518**	**309**
Attributable to:					
Non-controlling interests		-	-	(1)	2
Shareholders of Infineon Technologies AG		186	109	519	307
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Basic earnings per share (in euro) from continuing operations		0.16	0.10	0.46	0.26
Basic earnings per share (in euro) from discontinued operations		-	-	-	0.01
Basic earnings per share (in euro)		**0.16**	**0.10**	**0.46**	**0.27**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Diluted earnings per share (in euro) from continuing operations		0.16	0.10	0.46	0.26
Diluted earnings per share (in euro) from discontinued operations		-	-	-	0.01
Diluted earnings per share (in euro)		**0.16**	**0.10**	**0.46**	**0.27**

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

Consolidated Statement of Comprehensive Income

(unaudited) for the three and nine months ended June 30, 2016 and 2015

€ in millions	Three months ended June 30,		Nine months ended June 30,	
	2016	2015	**2016**	2015
Net income	**186**	**109**	**518**	**309**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Actuarial gains (losses) on pension plans and similar commitments	(141)	178	(140)	29
Total items that will not be reclassified to profit or loss	**(141)**	**178**	**(140)**	**29**
Items that may be reclassified subsequently to profit or loss:				
Currency translation effects	6	(48)	(9)	109
Net change in fair value of hedging instruments	1	1	4	(37)
Net change in fair value of available-for-sale financial assets	(1)	(1)	(1)	(2)
Total items that may be reclassified subsequently to profit or loss	**6**	**(48)**	**(6)**	**70**
Other comprehensive income (loss) for the period, net of tax	**(135)**	**130**	**(146)**	**99**
Total comprehensive income for the period, net of tax	**51**	**239**	**372**	**408**
Attributable to:				
Non-controlling interests	-	2	(1)	2
Shareholders of Infineon Technologies AG	51	237	373	406

Consolidated Statement of Financial Position

as of June 30, 2016 and 2015 (unaudited) and September 30, 2015

€ in millions	Note:	**June 30, 2016**	June 30, 2015	September 30, 2015
ASSETS:				
Cash and cash equivalents		610	700	673
Financial investments		1,473	1,142	1,340
Trade receivables		741	729	742
Inventories		1,198	1,040	1,129
Income tax receivable		4	9	2
Other current assets		297	267	229
Assets classified as held for sale		-	21	-
Total current assets		**4,323**	**3,908**	**4,115**
Property, plant and equipment		2,033	2,025	2,093
Goodwill and other intangible assets		1,693	1,761	1,738
Investments accounted for using the equity method		33	33	33
Non-current income tax receivable		3	-	3
Deferred tax assets		613	397	604
Other non-current assets		157	162	155
Total non-current assets		**4,532**	**4,378**	**4,626**
Total assets		**8,855**	**8,286**	**8,741**
LIABILITIES AND EQUITY:				
Short-term debt and current maturities of long-term debt	6	17	26	33
Trade payables		815	747	802
Short-term provisions		311	381	402
Income tax payable		122	76	123
Other current liabilities		201	210	225
Total current liabilities		**1,466**	**1,440**	**1,585**
Long-term debt	6	1,767	1,767	1,760
Pension plans and similar commitments		579	362	426
Deferred tax liabilities		47	150	147
Long-term provisions		73	74	72
Other non-current liabilities		83	86	86
Total non-current liabilities		**2,549**	**2,439**	**2,491**
Total liabilities		**4,015**	**3,879**	**4,076**
Shareholders' equity:	7			
Ordinary share capital		2,264	2,259	2,259
Additional paid-in capital		5,011	5,216	5,213
Accumulated deficit		(2,518)	(3,166)	(2,897)
Other reserves		120	134	126
Own shares		(37)	(37)	(37)
Equity attributable to shareholders of Infineon Technologies AG		**4,840**	**4,406**	**4,664**
Non-controlling interests		-	1	1
Total equity		**4,840**	**4,407**	**4,665**
Total liabilities and equity		**8,855**	**8,286**	**8,741**

Consolidated Statement of Cash Flows

(unaudited) for the three and nine months ended June 30, 2016 and 2015

€ in millions	Three months ended June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Net income	**186**	**109**	**518**	**309**
Minus: income from discontinued operations, net of income taxes	(2)	(4)	(5)	(9)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	206	205	630	549
Income tax	(3)	5	(22)	29
Net interest result	13	10	43	30
Losses on disposals of property, plant and equipment	3	-	4	-
Dividends received from associated companies	2	-	2	1
Impairment charges	6	13	14	14
Other non-cash result	1	1	4	(2)
Change in trade receivables	22	2	8	(54)
Change in inventories	(31)	(37)	(70)	(45)
Change in trade payables	126	73	14	(5)
Change in provisions	46	72	(82)	(83)
Change in other assets and liabilities	(33)	(2)	(82)	(131)
Interest received	2	1	4	6
Interest paid	(6)	(5)	(24)	(8)
Income tax received (paid)	(42)	(11)	(90)	(73)
Net cash provided by operating activities from continuing operations	**496**	**432**	**866**	**528**
Net cash used in operating activities from discontinued operations	**(1)**	**(2)**	**(17)**	**(138)**
Net cash provided by operating activities	**495**	**430**	**849**	**390**

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2016**	2015	**2016**	2015
Purchases of financial investments	(935)	(550)	(2,839)	(1,180)
Proceeds from sales of financial investments	661	325	2,707	1,396
Purchases of other equity investments	-	-	-	(14)
Acquisitions of businesses, net of cash acquired	-	(2)	(9)	(1,866)
Purchases of intangible assets and other assets	(28)	(32)	(85)	(116)
Purchases of property, plant and equipment	(192)	(183)	(464)	(390)
Proceeds from sales of property, plant and equipment and other assets	1	5	14	27
Net cash used in investing activities from continuing operations	**(493)**	**(437)**	**(676)**	**(2,143)**
Net cash used in investing activities from discontinued operations	**-**	**-**	**-**	**-**
Net cash used in investing activities	**(493)**	**(437)**	**(676)**	**(2,143)**
Net change in short-term debt	-	-	(8)	1
Proceeds from the issuance of long-term debt	819	1	823	2,395
Repayments of long-term debt	(820)	(13)	(841)	(825)
Change in cash deposited as collateral	-	-	1	(1)
Proceeds from the issuance of ordinary shares	6	3	22	11
Cash outflows due to changes of non-controlling interests	-	(15)	-	(15)
Dividend payments	-	-	(225)	(202)
Net cash provided by (used in) financing activities from continuing operations	**5**	**(24)**	**(228)**	**1,364**
Net cash used in financing activities from discontinued operations	**-**	**-**	**-**	**-**
Net cash provided by (used in) financing activities	**5**	**(24)**	**(228)**	**1,364**
Net change in cash and cash equivalents	7	(31)	(55)	(389)
Effect of foreign exchange rate changes on cash and cash equivalents	(3)	(7)	(8)	31
Cash and cash equivalents at beginning of period	606	738	673	1,058
Cash and cash equivalents at end of period	**610**	**700**	**610**	**700**

Consolidated Statement of Changes in Equity

(unaudited) for the three and nine months ended June 30, 2016 and 2015

€ in millions, except for number of shares	Note	Ordinary shares issued				Other
		Shares	Amount	Additional paid-in capital	Accumulated deficit	Foreign currency translation adjustment
Balance as of October 1, 2014	7	**1,127,739,230**	**2,255**	**5,414**	**(3,502)**	**26**
Net income		-	-	-	307	-
Other comprehensive income (loss) for the period, net of tax		-	-	-	29	109
Total comprehensive income (loss) for the period, net of tax		-	-	-	336	109
Dividends		-	-	(202)	-	-
Issuance of ordinary shares:						
Exercise of stock options		1,520,501	4	9	-	-
Share based compensation		-	-	5	-	-
Put options on own shares		-	-	-	-	-
Other changes in equity		-	-	(10)	-	-
Balance as of June 30, 2015		**1,129,259,731**	**2,259**	**5,216**	**(3,166)**	**135**
Balance as of October 1, 2015		**1,129,271,481**	**2,259**	**5,213**	**(2,897)**	**126**
Net income		-	-	-	519	-
Other comprehensive income (loss) for the period, net of tax		-	-	-	(140)	(9)
Total comprehensive income (loss) for the period, net of tax		-	-	-	379	(9)
Dividends		-	-	(225)	-	-
Issuance of ordinary shares:						
Exercise of stock options		2,864,590	5	16	-	-
Share based compensation		-	-	6	-	-
Other changes in equity		-	-	1	-	-
Balance as of June 30, 2016		**1,132,136,071**	**2,264**	**5,011**	**(2,518)**	**117**

reserves

Securities	Hedges	Own shares	Put options on own shares	Total equity attributable to shareholders of Infineon Technologies AG	Non-controlling interests	Total equity
3	**35**	**(37)**	**(40)**	**4,154**	**4**	**4,158**
-	-	-	-	307	2	309
(2)	(37)	-	-	99	-	99
(2)	(37)	-	-	406	2	408
-	-	-	-	(202)	-	(202)
-	-	-	-	13	-	13
-	-	-	-	5	-	5
-	-	-	40	40	-	40
-	-	-	-	(10)	(5)	(15)
1	**(2)**	**(37)**	**-**	**4,406**	**1**	**4,407**
(1)	**1**	**(37)**	**-**	**4,664**	**1**	**4,665**
-	-	-	-	519	(1)	518
(1)	4	-	-	(146)	-	(146)
(1)	4	-	-	373	(1)	372
-	-	-	-	(225)	-	(225)
-	-	-	-	21	-	21
-	-	-	-	6	-	6
-	-	-	-	1	-	1
(2)	**5**	**(37)**	**-**	**4,840**	**-**	**4,840**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

1 BASIS OF PRESENTATION

The condensed Consolidated Interim Financial Statements of the Infineon Group ("Infineon") comprising Infineon Technologies AG (hereafter also "the Company") and its subsidiaries for the three and nine months ended June 30, 2016 and 2015, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The condensed Consolidated Interim Financial Statements have been prepared in compliance with IAS 34, "Interim Financial Reporting". Accordingly, certain information and footnote disclosures normally included in consolidated financial statements have been condensed or omitted. Although the Consolidated Statement of Financial Position as of September 30, 2015 presented herein was derived from audited consolidated financial statements, not all related disclosures required by IFRS for these are included. The condensed Consolidated Interim 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 2015 fiscal year.

The accounting policies applied preparing the accompanying condensed Consolidated Interim Financial Statements are consistent with those used for the consolidated financial statements for the 2015 fiscal year. An exemption to this principle is the application of new or revised standards and interpretations which are effective for fiscal years starting from January 1, 2015. The application of these new or revised standards does not have any material impact on Infineon`s financial position, results of operations and cash flows.

In the opinion of management, these condensed Consolidated Interim Financial Statements contain all necessary adjustments and present a true and fair view of the financial position, results of operations and cash flows. All adjustments recorded are of a normal recurring nature. The results of operations for any condensed interim period are not necessarily indicative of results for the full fiscal year.

The preparation of the condensed Consolidated Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 condensed Consolidated Interim Financial Statements are shown in euro (€) unless stated otherwise. Negative amounts are presented in parentheses.

Deviations in amounts presented may occur due to rounding.

2 ACCOUNTING POLICIES

Pension plans and similar commitments

IAS 34, "Interim Financial Reporting" requires a mid-year adjustment to the valuation of pension plans and similar commitments if market conditions have changed unexpectedly and significantly. Financial market interest rate developments in the nine months ended June 30, 2016 have resulted in a significant reduction in the discount rates used in the valuation of defined benefit plans resulting in a considerable effect on the defined benefit obligation of the defined plans. The discount rate for domestic defined benefit plans decreased to 1.2 percent at June 30, 2016 (September 30, 2015: 2.4 percent). A counter effect arose from the increase in the fair value of plan assets so that the total adjustment to pension plan commitments as of June 30, 2016 amounted to €141 million which was recorded as an actuarial loss on pension plans and similar commitments in Other Comprehensive Income.

3 ACQUISITIONS

International Rectifier Corporation

The acquisition of 100 percent of the shares and associated voting rights of International Rectifier Corporation ("International Rectifier") based in El Segundo, California (USA) announced on August 20, 2014 was closed by Infineon on January 13, 2015.

The purchase price allocation for International Rectifier was finalized in January 2016; there were no adjustments in the 2016 fiscal year.

Wolfspeed

On July 14, 2016 the Company and Cree Inc. USA ("Cree") signed a contract for the acquisition of Cree's Wolfspeed business. Infineon intends to buy Wolfspeed (including the related wafer substrate business) for a purchase price of US$850 million. With the acquisition Infineon broadens its strategic portfolio of compound semiconductors.

Cree's Board of Directors and Infineon's Supervisory Board have already approved the acquisition. The approval of the responsible regulatory authorities is required to conclude the transaction. Completion and execution of the transaction is expected around the end of the 2016 calendar year.

Infineon is financing the purchase with a bank loan of US$720 million as well as cash on hand of US$130 million.

4 DIVESTITURES AND 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 opened. Insolvency proceedings were also opened for further domestic and foreign subsidiaries of Qimonda. Some of these insolvency proceedings have already been completed. The impacts 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.

As a result of recent developments, adjustments to individual provisions in connection with the insolvency of Qimonda or other discontinued operations were required in the three and nine months to June 30, 2016 and 2015 which resulted in a gain after tax shown in the table below.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2016**	2015	**2016**	2015
Qimonda's share of discontinued operations, net of income taxes	-	4	3	9
Others business' share of discontinued operations, net of income taxes	2	-	2	-
Income from discontinued operations, net of income taxes	**2**	**4**	**5**	**9**

The risks and provisions relating to Qimonda's insolvency are described in detail in note 11 "Legal risks – Proceedings in relation to Qimonda".

5 INCOME TAX

In comparison to the three and nine months to June 30, 2015, in the three and nine months to June 30, 2016 the effective tax rate was primarily affected by income from deferred tax from the write-up of domestic and foreign deferred tax assets, as well as the release of deferred tax liabilities arising in connection with the acquisition of International Rectifier.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2016**	2015	**2016**	2015
Income from continuing operations before income taxes	181	110	491	329
Income tax	3	(5)	22	(29)
Effective tax rate	(2%)	5%	(4%)	9%

6 DEBT

Debt consists of the following:

€ in millions	**June 30, 2016**	September 30, 2015
Current maturities of long-term debt, weighted average interest rate 1.84% (September 30, 2015: 3.48%)	17	25
Loans payable to banks (weighted average interest rate September 30, 2015: 4.35%)	-	8
Short-term debt and current maturities of long-term debt	**17**	**33**
Loans payable to banks:		
Unsecured loans, weighted average interest rate 0.52% (September 30, 2015: 1.76%), due 2017–2023	132	968
Bond €300 million, coupon 1.00%, due 2018	298	298
Bond €500 million, coupon 1.50%, due 2022	495	494
USPP notes US$935 million, weighted average interest rate 4.09%, due 2024–2028	842	-
Long-term debt	**1,767**	**1,760**
Total	**1,784**	**1,793**

Infineon successfully completed a US private placement of notes (USPP) with a nominal value of US$935 million in April 2016. The senior, unsecured USPP notes, which bear average annual interest of 4.09 percent, consist of the following:

- Notes with a nominal value of US$350 million due in 2024,
- Notes with a nominal value of US$350 million due in 2026, and
- Notes with a nominal value of US$235 million due in 2028.

The term loan in the amount of US$934 million, which Infineon had raised from several international banks in connection with the acquisition of International Rectifier, was repaid in full out of the USPP proceeds on April 13, 2016.

7 EQUITY

The ordinary share capital of Infineon Technologies AG stood at €2,264,272,142 as of June 30, 2016 divided into 1,132,136,071 no par value registered shares, each representing €2 of the Company's ordinary share capital. As of September 30, 2015 the ordinary share capital stood at €2,258,542,962 divided into 1,129,271,481 no par value registered shares. 2,864,590 new shares were issued in the first nine month of the 2016 fiscal year (thereof 786,201 in the third quarter) as a result of the exercise of stock options by employees as well as current and past members of the Management Board.

At the Annual General Meeting on February 18, 2016, it was resolved that a dividend of €0.20 be paid for each eligible share out of the unappropriated profit of Infineon Technologies AG for the 2015 fiscal year. Taking into account the non-entitlement to a dividend of own shares as well as new shares issued following the exercise of stock options by employees as well as by current and past members of the Management Board, this resulted in a distribution of €225 million.

8 CAPITAL MANAGEMENT

Infineon's main capital management objective is to ensure financial flexibility on the basis of a solid capital structure. As with comparable companies in the semiconductor industry, it is of prime importance that sufficient cash funds are available to finance operating activities and planned investments throughout all phases of the business cycle. On the other hand, debt should only constitute a modest portion of the financing mix. Based on these principles Infineon has defined key objectives for capital management. These capital structure targets were adjusted in February 2016 to reflect the strong revenue growth and the positive development of Infineon's profitability.

Infineon plans to maintain a liquidity level (gross cash position) of at least €1 billion and additionally 10 to 20 percent of revenue. The previous target range for the gross cash position amounted to 30 to 40 percent of revenue. The upper limit for gross debt of no more than two times EBITDA continues to apply. The balance of these two capital structure targets is no longer subject to its own target (previously: positive net cash position).

Infineon is not subject to any statutory capital requirements, nor are such defined in the Articles of Association.

In February 2016, for the first time, Infineon was assigned a long-term credit rating (BBB with stable outlook) by the international rating agency Standard & Poor's (S&P). The solid investment grade rating reflects among other things Infineon's adjusted capital structure targets.

9 TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

Infineon has transactions in the normal course of business with associated and other related companies (collectively, "related companies"). Related persons are persons in key management positions, in particular members of the Management and Supervisory Board and their close relatives (collectively, "related persons").

Infineon purchases certain raw materials and services from, and sells certain products and services to related companies. These purchases from and sales to related companies are generally effected at arm's length.

Related companies receivables and payables consist exclusively of trade and other receivables and payables from and to associated and other related companies.

Related companies receivables and payables as of June 30, 2016 and September 30, 2015 consist of the following:

	June 30, 2016		September 30, 2015	
€ in millions	Associates	Other related companies	Associates	Other related companies
Trade and other receivables	2	1	1	1
Trade and other payables	7	1	8	1
Financial payables	-	1	-	1

Sales and service charges to and products and services received from related companies for the three and nine months ended June 30, 2016 and 2015 consist of the following:

	Three months ended June 30,			
	2016		2015	
€ in millions	Associates	Other related companies	Associates	Other related companies
Sales and service charges	1	-	-	-
Products and services received	19	5	21	5

	Nine months ended June 30,			
	2016		2015	
€ in millions	Associates	Other related companies	Associates	Other related companies
Sales and service charges	3	1	3	1
Products and services received	56	17	56	16

80,964 (virtual) performance shares each with a fair value of €7.07 were allocated to the Management Board on October 1, 2015.

With the agreement of the Supervisory Board, Arjun Mittal resigned from his position as member of the Management Board of Infineon Technologies AG as of June 30, 2016 for family reasons. A provision of less than €1 million was recorded at June 30, 2016, in particular with respect to benefits Mr. Mittal is entitled to under his contract of employment which expires on September 30, 2016.

Furthermore, in the three and nine months to June 30, 2016 and 2015 there were no transactions between Infineon and related persons which fall outside the scope of the existing employment, service or appointment terms, or of the contractual arrangements for their remuneration.

10 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are allocated to the following measurement levels in accordance with IFRS 13. The allocation to the different levels is based on the market proximity of the valuation parameters used in the determination of the fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities,
- Level 2: valuation parameters whose prices are not the ones considered in Level 1, but which can be observed either directly or indirectly for the assets or liabilities,
- Level 3: valuation parameters for assets and liabilities which are not based on observable market data.

The following table shows the allocation of financial instruments measured at fair value to each measurement level as of June 30, 2016 and September 30, 2015:

€ in millions	Fair Value	Fair value by category		
June 30, 2016		Level 1	Level 2	Level 3
Current assets:				
Financial investments	**451**	391	60	-
Other current assets	**9**	-	9	-
Non-current assets:				
Other non-current assets	**32**	18	-	14
Total	**492**	**409**	**69**	**14**
Current liabilities:				
Other current liabilities	**3**	-	3	-
Total	**3**	**-**	**3**	**-**
September 30, 2015				
Current assets:				
Financial investments	**184**	122	62	-
Other current assets	**1**	-	1	-
Non-current assets:				
Other non-current assets	**32**	19	-	13
Total	**217**	**141**	**63**	**13**
Current liabilities:				
Other current liabilities	**9**	-	9	-
Total	**9**	**-**	**9**	**-**

For the securities included in financial investments no active market exists. The fair values are calculated as the present value of future expected cash flows, taking into account valuation parameters which can be observed in the market (Level 2).

Other current assets or liabilities include derivative financial instruments (including cash flow hedges). Their fair value is determined according to the discounted cash flow method. Where possible valuation parameters are based on market data (such as currency rates or commodity prices) observable on the reporting date and taken from reliable external sources (Level 2).

Other non-current assets include financial investments. Insofar as the holdings are traded on an active market, the fair value is determined based on the actual quoted price (Level 1). For financial investments which are not quoted on an active market, the fair value is determined by considering existing contractual arrangements based on the externally observable dividend policy (Level 3).

In addition, other non-current assets include an option to sell shares in an equity holding for a fixed price. The option is recognized as a derivative financial instrument and is not designated as a hedging instrument. The fair value is determined using the Black-Scholes option pricing model (Level 3).

No reclassification within the fair value hierarchy was carried out.

The allocation to classes of financial instruments, the valuation methods, and major assumptions are unchanged compared to September 30, 2015 and are described in detail in the notes to the 2015 consolidated financial statements in note 2. A detailed overview of Infineon's financial instruments, the financial risk factors, and the management of financial risks is included in the notes to the 2015 consolidated financial statements in notes 30 and 31.

11 LEGAL RISKS

Litigation and government inquiries

Smartcard antitrust litigation

In October 2008 the EU Commission initiated an investigation into the Company and other manufacturers of chips for smartcards for alleged violations of antitrust laws. On September 3, 2014 the EU Commission imposed a fine of €83 million on Infineon which was paid in October 2014. Infineon rejects the allegations as unfounded. Moreover Infineon believes its procedural rights to have been violated by the EU Commission and brought an action against the decision to fine before the European Court of Justice in Luxembourg in mid-November 2014. An oral hearing took place on April 28, 2016.

Two class actions for damages in connection with the EU Commission investigative proceedings have been filed in Canada: the first action was filed in the state of British Columbia in July 2013, and the second in the state of Quebec in September 2014. The actions followed the press reports on the investigation and subsequent decision of the EU Commission. No dates have been set for court proceedings.

In December 2014 an indirect customer filed a lawsuit against Infineon and Renesas in London (Great Britain) which was served upon the Company on April 20, 2015. In this lawsuit the plaintiff claims for damages in an amount still to be determined in connection with the allegations of the EU Commission.

Any further statements about these matters by the Company could therefore seriously compromise the Company's position in these proceedings.

Proceedings in relation to Qimonda

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 economic effect from May 1, 2006. 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. The insolvency of Qimonda has given rise to various disputes between the insolvency administrator and Infineon.

On September 11, 2014 the Company and the insolvency administrator reached a partial settlement including the acquisition by Infineon of Qimonda's patent business which was closed on 9 October, 2014. On the closing day the Company paid €260 million to the insolvency administrator. With the partial settlement all claims made by the insolvency administrator have been settled, apart from those relating to the proceedings in connection with the alleged activation of a shell company and liability for impairment of capital as well as the residual liability of Qimonda Dresden.

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

The insolvency 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, i.e., 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 insolvency 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. On March 6, 2012, with respect to another matter, 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 insolvency 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 insolvency 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 insolvency 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, from the very beginning, the carved-out memory products business had a negative billion euro value. The insolvency 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. Additionally the insolvency administrator has asserted a claim for repayment of allegedly unjustly charged consultancy fees in an amount of €10 million in connection with the flotation of Qimonda.

The alleged impairment of capital 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 – as legally required – by the value of the non-cash contributions. Additionally, in the course of its defense against the claims asserted by the insolvency administrator, Infineon has commissioned several expert opinions all of which arrive at the same conclusion, that the objections raised by the insolvency administrator against the valuation of the non-cash contribution are not valid.

The legal dispute has, in the meantime, focused on the claims asserted for alleged lack of value. On August 29, 2013 the court appointed an independent expert to clarify the valuation issues raised by the insolvency administrator and to address technical matters.

The legal dispute is being pursued with great effort by both parties, and many extensive written submissions have already been exchanged between the parties. Both sides have engaged numerous specialists and experts who are supporting the respective parties with assessments and opinions.

Due to the highly complex nature of the issues to be decided and the level of the claims asserted, it is not clear at this stage if this legal dispute can be resolved with an out of court settlement, and, if this is not the case, when a first-instance court decision would be reached.

Residual liability of Infineon as former shareholder of Qimonda Dresden GmbH & Co. OHG

Infineon was a shareholder with personal liability of Qimonda Dresden until the carve-out of the memory business; as a result certain long-standing creditors have residual liability claims against Infineon. These claims can only be exercised by the insolvency administrator acting in the name of the creditors concerned. In the meantime settlements have been concluded with most of the major liability creditors.

Liabilities, provisions and contingent liabilities relating to Qimonda

Infineon recognizes provisions and liabilities for such obligations and risks which it assesses at the end of each reporting period are more likely than not to be incurred (that is 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 of not having 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. As a result, Infineon recorded provisions and liabilities in connection with some of the above mentioned matters totaling €32 million and €55 million as of June 30, 2016 and September 30, 2015, respectively. Of the provisions and liabilities recorded as of June 30, 2016, €15 million has been provided in connection with the residual liability as former shareholder of Qimonda Dresden. For the defense of the proceedings still pending for the alleged activation of a shell company and liability for impairment of capital, the Company has recorded a provision of €15 million as of June 30, 2016. Remaining provisions in connection with the Qimonda insolvency total €2 million as of June 30, 2016.

There can be no certainty that the provisions recorded for Qimonda 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 represent contingent liabilities that are not included in provisions. This applies in particular to the legal dispute for alleged activation of a shell company and liability for impairment of capital described above. Should the alleged claims prove to be valid, substantial financial obligations could arise for Infineon which could have a material adverse effect on its business and its financial condition, liquidity position and results of operations. Any further statements about these matters by the Company could seriously compromise the Company's position in these proceedings.

Other

Infineon is also involved in various other legal disputes and proceedings in connection with its existing or previous business activities. These can relate to products, services, patents, environmental 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 Infineon's financial condition, liquidity position and results of operations. However future revisions to this assessment cannot be ruled out and any reassessment of the miscellaneous legal disputes and proceedings could have a material adverse effect on the financial condition, liquidity position and results of operations, particularly in the period in which reassessment is made.

Furthermore, in connection with its existing or previous business operations, Infineon is also exposed to numerous legal risks which have until now not resulted in legal disputes. These include 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 connection with these matters in the event of breaches of law committed by individual employees or third parties.

Provisions and contingent liabilities for legal proceedings and other uncertain legal issues

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. To the extent that liabilities arising from legal disputes and other uncertain legal positions are not probable or cannot be reliably estimated, then they qualify as contingent liabilities.

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.

A settlement or adverse judicial decision in 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. Irrespective of the validity of the allegations and the success of the aforementioned claims and other matters described above, Infineon could incur significant costs in the defense of these matters.

12 SEGMENT INFORMATION

Identification of Segments

Infineon's business is structured into the four operating segments Automotive, Industrial Power Control, Power Management & Multimarket and Chip Card & Security.

Other Operating Segments comprises the remaining activities of divested businesses and other business activities. Since the sale of the wireline communications and the wireless mobile phone businesses, sales of products to IMC under the corresponding production agreements, other than those assigned to discontinued operations, are included in this segment.

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

Segment data

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2016**	2015	**2016**	2015
Revenue:				
Automotive	676	621	1,961	1,736
Industrial Power Control	280	269	794	701
Power Management & Multimarket	509	517	1,515	1,261
Chip Card & Security	172	172	525	486
Other Operating Segments	2	3	6	12
Corporate and Eliminations	(7)	4	(3)	1
Total	**1,632**	**1,586**	**4,798**	**4,197**

The business with XMC industrial microcontrollers developed by Automotive and Chip Card & Security was transferred to Power Management & Multimarket and Industrial Power Control with effect from October 1, 2015. The previous year's figures have been adjusted accordingly.

Revenue for the three and nine month periods ended June 30, 2016 and 2015 does not contain any inter-segmental revenue.

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2016**	2015	**2016**	2015
Segment Result:				
Automotive	104	79	279	230
Industrial Power Control	42	30	90	75
Power Management & Multimarket	79	98	232	213
Chip Card & Security	32	35	103	88
Other Operating Segments	-	1	1	4
Corporate and Eliminations	(3)	2	(3)	1
Total	**254**	**245**	**702**	**611**

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

	Three months ended June 30,		Nine months ended June 30,	
€ in millions	**2016**	2015	**2016**	2015
Segment Result	254	245	702	611
Plus/minus:				
Impairments on assets including assets classified as held for sale, net of reversals	(6)	(13)	(14)	(14)
Impact on earnings of restructuring and closures, net	-	(10)	8	(12)
Share-based compensation expense	(2)	(2)	(6)	(5)
Acquisition-related depreciation/amortization and other expenses	(47)	(97)	(149)	(213)
Gains (losses) on sales of assets, businesses, or interests in subsidiaries, net	(3)	-	(4)	-
Other income and expense, net	(3)	(4)	(4)	(15)
Operating income	**193**	**119**	**533**	**352**
Financial income	2	2	4	8
Financial expenses	(15)	(12)	(48)	(34)
Gain from investments accounted for using the equity method, net	1	1	2	3
Income from continuing operations before income taxes	**181**	**110**	**491**	**329**

Of the €47 million “acquisition-related depreciation/amortization and other expenses ” incurred in the three months ended June 30, 2016, €24 million are attributable to cost of goods sold, €2 million to research and development expenses and €21 million to selling, general and administrative expenses.

Of the €149 million “acquisition-related depreciation/amortization and other expenses ” incurred in the nine months ended June 30, 2016, €73 million are attributable to cost of goods sold, €8 million to research and development expenses and €68 million to selling, general and administrative expenses.

Neubiberg, August 4, 2016

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 Condensed Consolidated Interim 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 4, 2016

Dr. Reinhard Ploss   Dominik Asam   Dr. Helmut Gassel   Jochen Hanebeck

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 selected explanatory notes - together with the interim group management report of the Infineon Technologies AG, Neubiberg, for the period from October 1, 2015 to June 30, 2016 that are part of the quarterly financial report according to § 37 w 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 4, 2016

KPMG AG

Wirtschaftsprüfungsgesellschaft

Braun	Wolper
Wirtschaftsprüfer	Wirtschaftsprüfer

Supplementary Information (unaudited)

Forward-looking Statements

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.

Financial Calendar

Fiscal Period	Period end date	Results press release (preliminary)
Fourth Quarter and Fiscal Year 2016	September 30, 2016	November 23, 2016
First Quarter Fiscal Year 2017	December 31, 2016	February 2, 2017
Second Quarter Fiscal Year 2017	March 31, 2017	May 4, 2017
Third Quarter Fiscal Year 2017	June 30, 2017	August 1, 2017

Publication date of the third quarterly financial report for the 2016 fiscal year: August 5, 2016

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