

Annual General Meeting Infineon Technologies AG

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Content

- Fiscal year 2009 – decisive response to the crisis
- Refinancing resolved
- Optimistic outlook for fiscal year 2010
- Measures for higher profitability
- Shaping the future with innovative technologies

Fiscal year 2009 affected by economic crisis, decisive response



- Revenue decrease of 22 percent year-on-year
- Segment result was negative Euro 167 million
- Cost program tightened early, slight economic pick-up in second half-year
- Positive segment result of Euro 52 million in fourth quarter

Refinancing successfully resolved, thanks to cost reduction and improved operative performance



- Buy-back of bonds

A table of financial data with multiple columns of numbers and company names. The names include "SON MEDIC", "ST FRANCIS", "ST SYDNEY", "STRABER", "STROTT", "STRUMBERG", "STRUPHORN", "STERNBERG", "STERNSHIP", "STERNUNG", "STERN EQUIT", "STERN FRA", "STERN SIM", "STERNUNG", "STROPHITE", "STROCK", "STROCKLAND", "STROCKP", "STROCKS", and "STROCK".

- Issue of convertible bonds



- Capital increase



Further focusing

- Concentration on mobile communications
- Putting R&D investments to more focused and targeted use
- Expansion of leading position in growth markets Smart Phones and Ultra-Low-Cost Phones



Focusing

Refinancing

Cost discipline

Target

- Further increasing profitability
- Segment result margin of more than 10 percent

1. quarter fiscal year 2010

- Forecast significantly exceeded
- Revenues increased by 10 percent sequential, as much as 27 percent year-on-year
- Significantly improved segment result margin of 9.4 percent compared to 6.1 percent in previous quarter
- Stronger demand particularly in Automotive and Industrial & Multimarket

Fiscal year 2010

- Ongoing recovery of world economy
- Double-digit growth expected for semiconductor market
- Growth forecast for revenues doubled to more than 20 percent
- Segment result margin in high single-digit range

The objective: Sustainable profitability

- Earning cost of capital
- Reasonable return on investment
- Generating profit also during downturn
- Securing long-term competitiveness



Target: 10 percent segment result margin in fiscal year 2011

Continuation of IFX10+ with focus on improving the gross margin



- Increasing manufacturing productivity
- Focus on higher margin products
- Better exploitation of our strong IP position
- Higher development efficiency

Securing of leading market position despite economic crisis



Power	Industrial	Chip Card	Auto-motive	Wireless ASSP
1	1	1	1/2**	4
Market share 10%	Market share 8%	Market share 26%	Market share 9.5%	Market share 6%
IMS Sept. 2009*	Semicast May 2009*	Frost & Sullivan July 2009*	Strategy Analytics May 2009*	iSuppli Oct. 2009*

*Calendar Year 2008

**Acc. to Strategy Analytics in market share almost head-to-head with Freescale, acc. to iSuppli sole #1.

Growth through potential of markets in Asia



- China is setting the pace for the global upswing
- Strongly growing domestic market
- Expansion of manufacturing capacities
- New development center planned



Shaping the future with innovative technologies for three growth fields



Energy Efficiency

Communications

Security

2009 World Games Kaohsiung Stadium in Taiwan

- First stadium worldwide operated using solar power only
- 1 million kilowatt hours clean solar power thanks to Infineon power transistors
- Avoiding 660 metric tons CO₂ emission a year



Higher efficiency thanks to power semiconductors

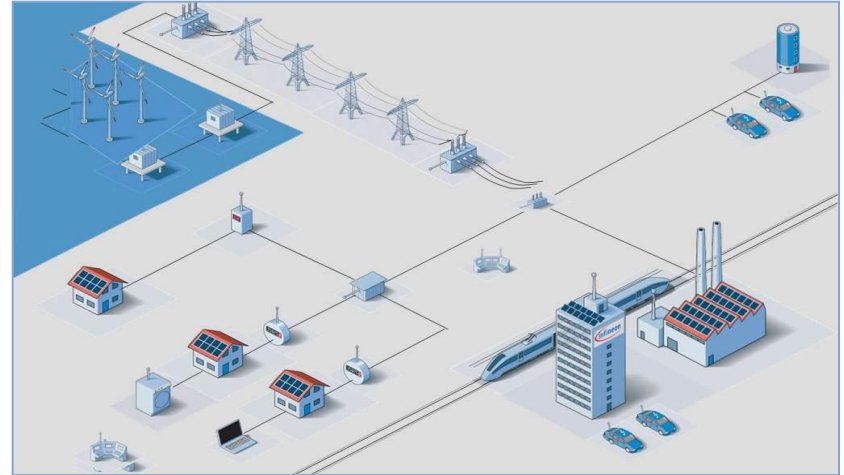
BARD Offshore I

- Germany's first commercial offshore wind park 90 km north-west of Borkum
- Electricity for approximately 400,000 households
- Energy efficient feed of electrical energy into the grids with Infineon high power modules



Energy supply in transition: Intelligent grids

- Large-scale deployment of regenerative energy sources
- Systematic control of power consumption
- Only semiconductor provider to offer a complete portfolio for the implementation of smart grids



Trend towards eco-friendly hybrid and electric vehicles

- Infineon solutions for the entire infrastructure
 - Drive train and control
 - Battery management
 - Charging stations
 - Energy and network technology



Killer application „Mobile Internet“

Smart Phones – small computers with multifaceted applications

- High-performance semiconductor solutions to surf the internet faster and longer
- Infineon is serving the industry trendsetters with its chips
- New sales opportunities through Netbooks, E-Readers, Tablet PCs, ...



Fast 3G transmission rates for low-cost handsets

- Mobile internet in emerging countries thanks to highly integrated single-chip solutions
- Complete handset on a single chip
- So far sold more than 200 million chips in the ultra-low-cost segment



Fast and secure payment

- Privacy and integrity of data thanks to chip-based security technologies
- Infineon is largest supplier of contact-based and contactless chip cards for payment
- High growth potential – about 750 million payment cards a year are issued worldwide



Transition to electronic ID documents

- Over 60 countries rely on Infineon chips
- Growth opportunities through electronic ID cards in check card format
- Thanks to „Integrity Guard“ innovation leader for extremely demanding security requirements

