

Concentration:



KEEP IN SHAPE FOR THE UPSWING.

It is a simple truism: no market in the world develops equally in a positive and negative way. Fluctuations in both directions are natural. Every single company has the responsibility to be optimally prepared for fluctuations, and to react quickly should the need arise. Infineon takes this responsibility very seriously. Nevertheless: what to do in the face of an unexpected market collapse? And one which took place more abruptly than ever before! No company in the world can prepare for such a situation on a long-term basis – unless it accepts the inability to profit from sudden, positive developments on the marketplace.

In any case, one thing is sure: lamenting never got anyone anywhere. “When the going gets tough, the tough get going.” Infineon has acted. With “Impact”, we have initiated a process of concentration not only as a measure taken to cut costs, but also intentionally as a future-oriented program, enabling Infineon to emerge as strong as possible from the current crisis. It must be said that every comparable semiconductor company in the world is facing a similar challenge. It is not only a question of surviving crises, but above all, to be optimally prepared for the following upturn.

Within a short time, Infineon reduced its IT expenditures, pruned investments to a minimum level, restructured its overhead, concentrated its research and development activities on promising fields, limited its purchasing, and also improved and accelerated operational processes in specific departments such as logistics, distribution and marketing. When it comes to Impact, one aspect is particularly crucial: our innovative strength must not be endangered at all. Infineon will remain the technological leader in many market segments and aims to assume even greater cost leadership – goals in which Infineon is continuously investing. A perfect example is our memory chip production: our first 300mm facility in Dresden is ramped up, facilitating a 30 percent decrease in production costs for state-of-the-art DRAMs.

This is precisely what concentration means: even in difficult times, to position the company in such a way, that it can gain momentum without any delay when the market recovers again. Infineon is doing everything in its power to be prepared.