

2001

SUMMARY CONSOLIDATED FINANCIAL DATA INFINEON TECHNOLOGIES AG AND SUBSIDIARIES		1996	1997	1998	1999	2000	2001
		AS OF AND FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30 ¹ (FIGURES IN EUR MILLIONS, EXCEPT WHERE OTHERWISE STATED)					
Summary consolidated statements of operations data							
Net sales		2,350	2,885	3,175	4,237	7,283	5,671
By Region:							
Germany		n/a ¹	1,005	1,078	1,241	1,612	1,745
Other Europe		n/a	740	783	1,203	1,647	1,260
USA		n/a	561	626	827	1,814	1,262
Asia/Pacific		n/a	551	649	899	2,100	1,309
Others		n/a	27	39	67	110	95
By Business Group:							
Wireline Communications		n/a	n/a	n/a	499	665	768
Wireless Solutions		n/a	n/a	n/a	865	1,221	997
Security and Chip Card ICs ²		n/a	n/a	n/a	276	375	588
Memory Products		n/a	n/a	n/a	1,406	3,473	1,588
Automotive and Industrial Electronics		n/a	n/a	n/a	665	880	1,099
Others ³		n/a	n/a	n/a	526	669	631
Cost of goods sold		-1,743	-2,220	-2,728	-3,011	-4,110	-4,904
Gross profit		607	665	448	1,227	3,172	767
Research and development expenses		-370	-457	-637	-739	-1,025	-1,189
Selling, general and administrative expenses		-223	-367	-481	-551	-670	-786
Restructuring charge ⁴		-	-	-816	-	-	-117
Other operating income (expense), net		40	-21	-9	-2	2	199
Operating income (loss)		53	-180	-1,496	-64	1,479	-1,125
Interest income (expense), net, inclusive of subsidies		49	45	-35	43	75	-1
Equity in earnings (losses) of associated companies		3	-56	-151	34	101	25
Gain on associated company share issuance ⁵		-	-	-	-	53	11
Other income, net		1	1	2	18	36	65
Minority interests		-1	-1	-1	-	-6	5
Income (loss) before income taxes		105	-192	-1,682	31	1,738	-1,019
Income tax benefit (expense)		12	96	907	30	-612	429
Net income (loss)		117	-95	-775	61	1,126	-591
Basic earnings (loss) per share ⁶		0.19	-0.16	-1.29	0.10	1.83	-0.92
Diluted earnings (loss) per share ⁶		0.19	-0.16	-1.29	0.10	1.83	-0.92
EBIT ⁷		57	-235	-1,645	-13	1,670	-1,024
By Business Group:							
Wireline Communications		n/a	n/a	n/a	22	47	-95
Wireless Solutions		n/a	n/a	n/a	182	261	-178
Security and Chip Card ICs ²		n/a	n/a	n/a	24	49	27
Memory Products		n/a	n/a	n/a	-238	1,337	-931
Automotive and Industrial Electronics		n/a	n/a	n/a	23	69	145
Others ^{3, 8}		n/a	n/a	n/a	-26	-93	8

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Summary consolidated balance sheets data							
Cash and cash equivalents		10	15	12	30	511	757
Marketable securities		n/a	–	–	–	498	93
Inventories		n/a	647	583	677	841	882
Total current assets		n/a	1,617	2,117	2,523	3,835	2,876
Property, plant and equipment, net		n/a	2,669	2,198	3,014	4,034	5,233
Long-term investments, net		n/a	33	28	130	432	655
Restricted cash		n/a	–	–	64	132	86
Total assets		3,562	4,595	4,760	6,445	8,853	9,743
Short-term debt, including current portion of long-term debt		139	176	106	495	138	119
Long-term debt, excluding current portion		688	889	893	135	128	249
Shareholders' equity		1,870	2,228	2,096	3,655	5,806	6,900
Summary consolidated statements of cash flows data							
Net cash provided by operating activities		–	496	–185	469	2,080	211
Net cash used in investing activities		–	–1,655	–959	–918	–2,327	–1,813
Depreciation and amortization		478	597	578	573	834	1,122
Purchases of property, plant and equipment		n/a	–1,409	–763	–653	–1,571	–2,282
The IFX Share (as of September 30)⁹							
Dividend per share (EUR) ¹⁰		n/a	n/a	n/a	–	0.65	–
Closing price Xetra Trading System (EUR)		n/a	n/a	n/a	n/a	54.88	13.50
Closing price New York Stock Exchange (USD)		n/a	n/a	n/a	n/a	47.50	12.39
Shares outstanding (in million)		n/a	n/a	n/a	n/a	625.5	693.0
Market capitalization (EUR m)		n/a	n/a	n/a	n/a	34,327	9,356
Market capitalization (USD m)		n/a	n/a	n/a	n/a	29,711	8,586
Key Figures							
Equity ratio		53%	49%	44%	57%	66%	71%
Debt-equity ratio ¹¹		44%	48%	48%	17%	5%	5%
Net Cash (as of September 30) ¹²		n/a	–1,050	–987	–537	874	568
Employees (period end in total figures)							
Total		n/a	n/a	n/a	25,779	29,166	33,813
By Region:							
Germany		n/a	n/a	n/a	12,853	14,247	16,814
Other Europe		n/a	n/a	n/a	2,842	3,409	5,007
USA		n/a	n/a	n/a	2,563	2,838	3,023
Asia/Pacific		n/a	n/a	n/a	7,521	8,672	8,949
Others		n/a	n/a	n/a	–	–	20
By Function: ¹³							
Production		n/a	n/a	n/a	n/a	20,371	23,416
Research and Development		n/a	n/a	n/a	n/a	4,733	5,510
Sales and Marketing		n/a	n/a	n/a	n/a	2,043	2,259
Administrative		n/a	n/a	n/a	n/a	2,019	2,628

- ¹ Columns may not add up due to rounding; figures according to U.S. GAAP (United States Generally Accepted Accounting Principles); n/a = not applicable.
- ² Prior to the 2001 financial year, the Security and Chip Card ICs segment did not meet the requirements of a reportable segment and was reported as part of the Other Operating segment. For the 2001 financial year, the Security and Chip Card ICs segment is identified as a reportable segment and due to its continuing significance, is reported separately, with prior period segment information restated for comparative purposes.
- ³ Consisting of “Other Operating Segments” and “Corporate and Reconciliation”. Effective October 1, 2000, our Other Operating segment includes the results of certain activities previously reported under Corporate and Reconciliation, the Image and Video and Infrared Components businesses (previously reported under Wireline Communications) as well as the gains on their disposals. The segment results for the 1999 and 2000 financial years have been reclassified to be consistent with the reporting structure and presentation of the 2001 financial year and to facilitate analysis of our current and future operating segment information. The Other Operating segment also includes our opto components business that is conducted through a joint venture with Osram, a Siemens subsidiary. We sold our interest in the joint venture to Osram in August 2001.
- ⁴ Consists of amounts attributable to the Impact cost saving project in 2001 and to the fabrication facility located in the North Tyneside area of northern England, which was shut down in 1998.
- ⁵ In the years 2000 and 2001, ProMOS shareholders approved the distribution of employee bonuses in the form of shares. As a result of this distribution, our proportional share of ProMOS’ shareholders’ equity increased by 53 million Euro in 2000 fiscal year and by 11 million Euro in 2001 fiscal year. The increase is reflected as non-operating income in the 2000 and 2001 financial year.
- ⁶ Earnings per-share data for the 1996 to 1999 financial years assume that 600 million shares, the number of shares outstanding immediately prior to our initial public offering in March 2000, were outstanding for all periods presented. For the 2000 financial year, the weighted average number of our company’s shares outstanding was 613,862,876, or 615,121,186 on a fully diluted basis. For the 2001 financial year, the weighted average number of our company’s shares outstanding was 640,566,801 on a basic and fully diluted basis.
- ⁷ We define EBIT (earnings before interest and tax) as earnings before interests and minority interests and taxes.
- ⁸ In the 2001 financial year, we revised our method of reporting excess capacity costs for segment reporting purposes. Previously, all excess capacity costs, if any, were allocated to the segments based on the variance between originally forecasted purchases and actual purchases. We have revised the method to allocate excess capacity costs to a foundry model, whereby such allocations are reduced based upon the lead time of order cancellations. Any unabsorbed excess capacity costs will be included in Corporate and Reconciliation. This change did not affect prior periods. We believe that this method better reflects the responsibilities of the segment management and is consistent with the practices of independent foundries and more appropriately reflects the segment operating results. Certain items are included in Corporate and Reconciliation and are not allocated to the segments. These include corporate headquarters’ cost, certain incubator and early stage technology investment costs, non-recurring gains and specific strategic technology initiatives. Additionally, legal costs associated with intellectual property are recognized by the segments when paid, which can differ from the period originally recognized by Corporate and Reconciliation. For the year ended September 30, 2001, Corporate and Reconciliation includes unallocated excess capacity costs of 27 million Euro, restructuring charges of 117 million Euro and corporate information technology development costs and charges of 71 million Euro.
- ⁹ Initial Public Offering (IPO) on March 13, 2000, in Frankfurt and New York.
- ¹⁰ As the Company did not exist as a separate legal entity prior to March 30, 1999, we can present dividend information only subsequent to that date.
- ¹¹ Equivalent to short-term and long-term debt divided by total shareholders’ equity.
- ¹² Equivalent to cash and cash equivalents plus marketable securities plus restricted cash less short-term and long-term debt.
- ¹³ Employee numbers by function tracked since Infineon’s formation as an independent company.