Second Quarter FY 2012
Quarterly Update

Infineon Technologies AG
Investor Relations

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Disclaimer:

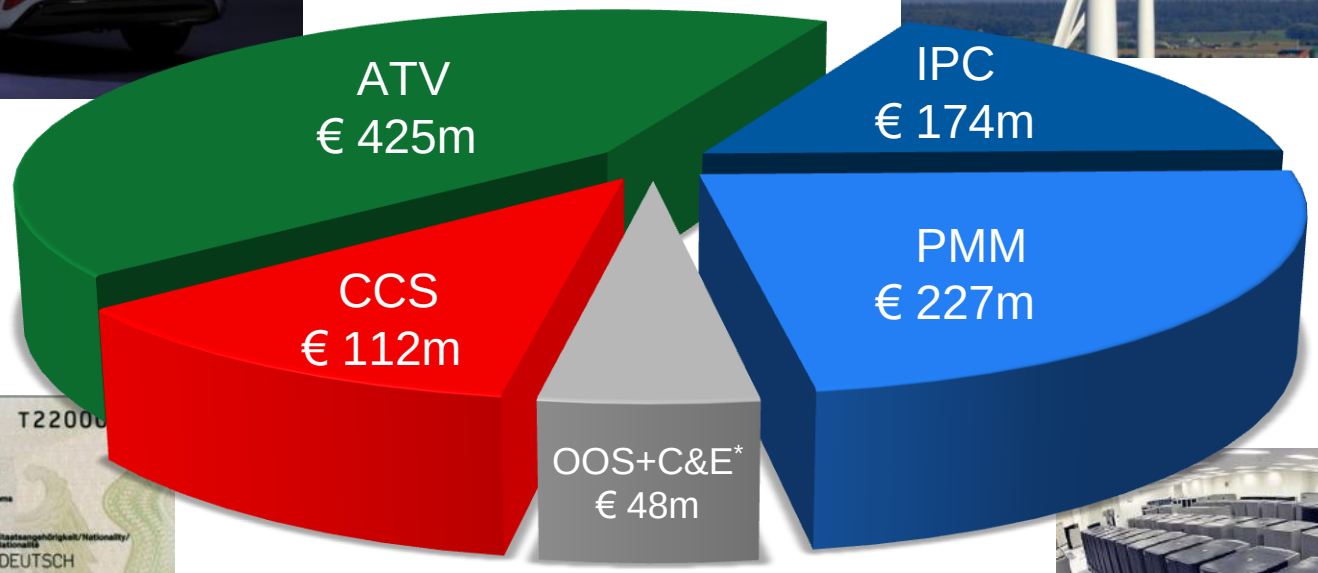
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

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.

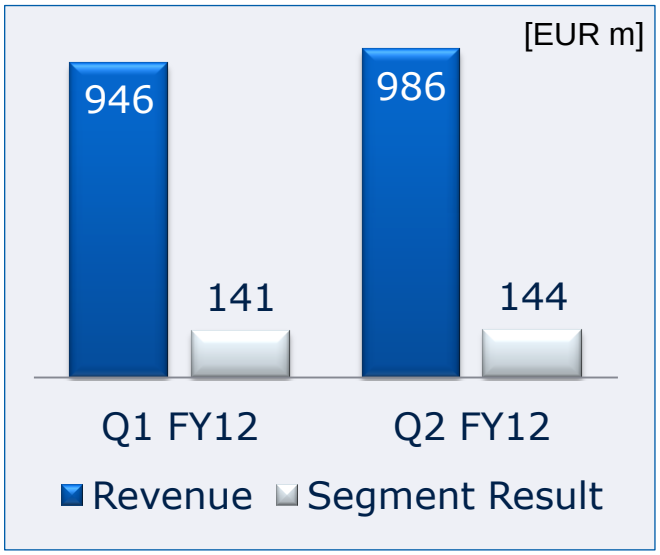
Revenue Split by Division

Q2 FY 2012 revenue: EUR 986m



* Other Operating Segments; Corporate & Eliminations.

+4% Revenue Growth; Stable Segment Result Margin



[EUR m]	Q2 FY11	Q1 FY12	Q2 FY12
Revenue	994	946	986
Segment Result	202	141	144
SR Margin	20.3%	14.9%	14.6%
Net Income*	572	96	111
Investment	164	294	192
FCF from cont. operations	13	-234	-10
Gross Cash	2,691	2,337	2,190
Net Cash	2,335	2,068	1,927

- Net Income includes „income from discontinued operations, net of income taxes“ in Q2 FY11 EUR 399m, in Q1 FY12 EUR -8m and in Q2 FY12 EUR 2m.

Tight Customer Relationships are Based on System Knowhow and App Understanding

ATV

Autoliv
HELLA
BOSCH
Continental
DELPHI
DENSO
LEAR CORPORATION
HYUNDAI
TRW
Valeo

IPC

ABB
ALSTOM
BOMBARDIER
ENERCON ENERGY FOR THE WORLD
Rockwell Automation
Schneider Electric
SIEMENS
SMA
SEMIKRON innovation+service

PMM

DELL
DELTA
EMERSON
ERICSSON TAKING YOU FORWARD
hp invent
LG Life's Good
Microsoft
power-one Changing the Shape of Power
SAMSUNG

CCS

gemalto security to be free
hp invent
Oberthur Card Systems
SAFRAN Morpho
Watchdata

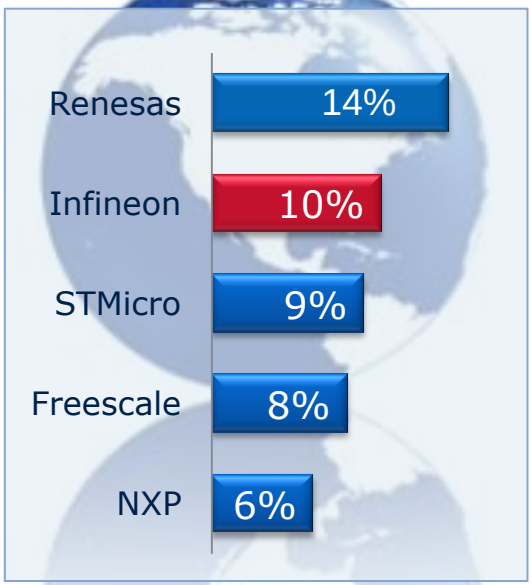
Distributors

ARROW
AVNET
北京晶川电子技术发展有限责任公司 Beijing Jingchuan Electronic Technology Development Co.,Ltd
RUTRONIK EUROPE

Infineon Holds Top Positions in All Target Markets

Automotive

#2

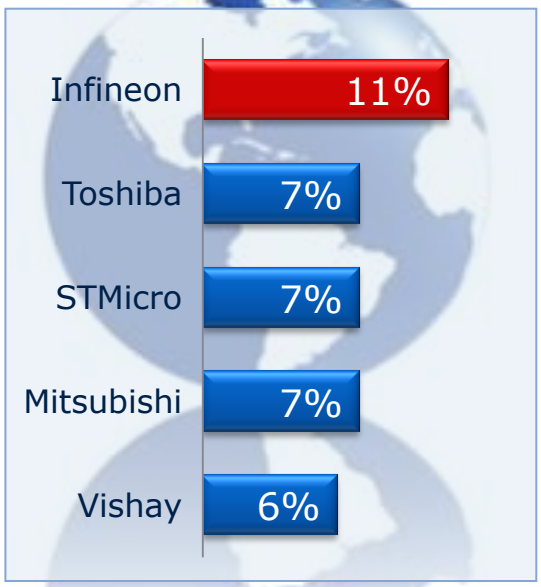


Calendar Year 2011.

Source: Strategy Analytics, April 2012.

Power

#1

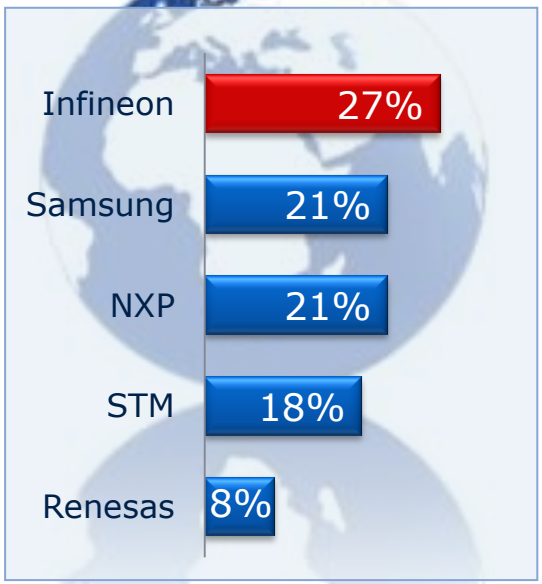


Calendar Year 2010.

Source: IMS Research, August 2011.

Chip Card

#1



Calendar Year 2010.

Source: IMS Research, August 2011.

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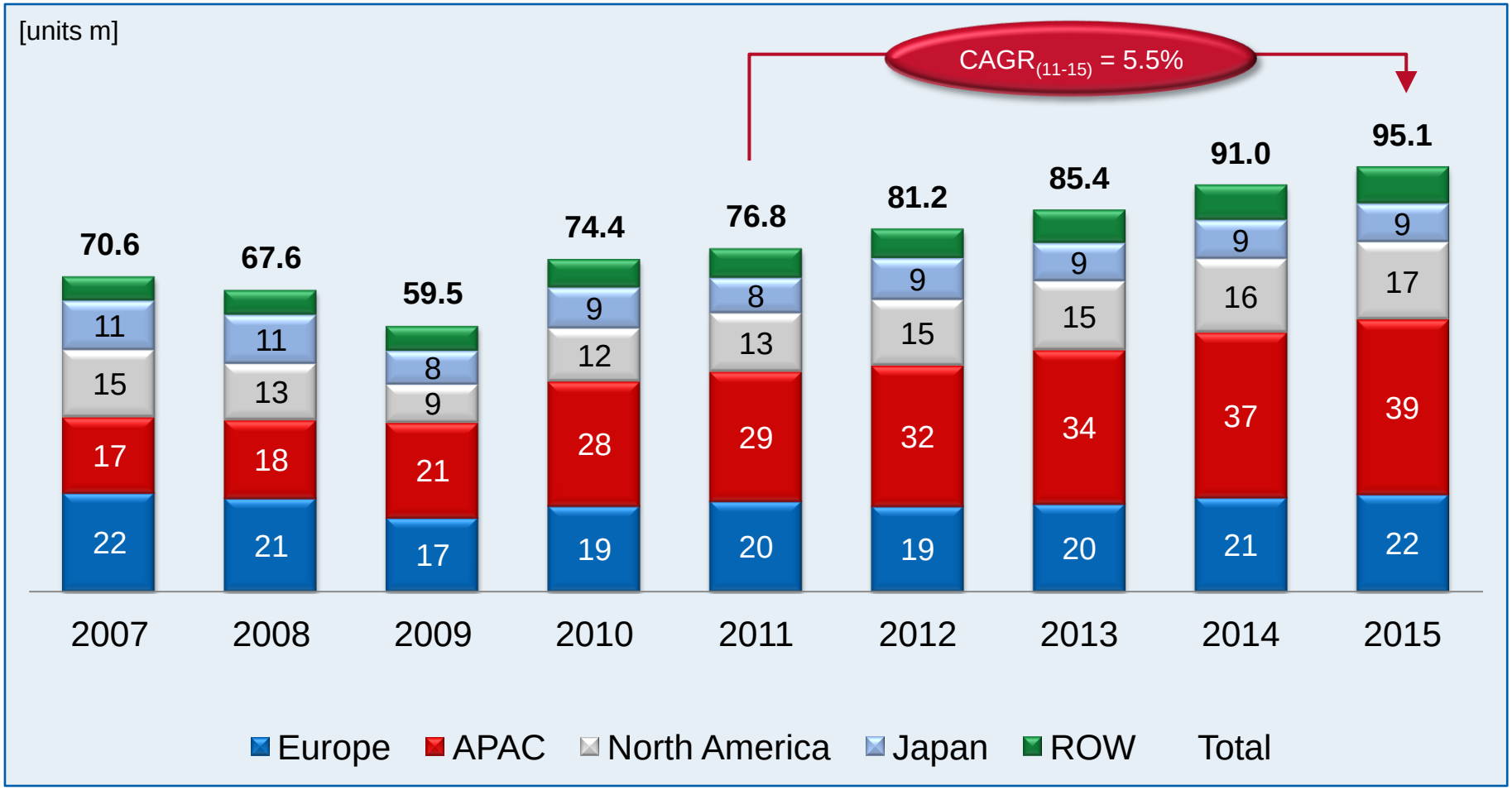
New Era: Multiple Factors Driving Demand for Power Semiconductors

'90 – '10	'10 – '30	Changes
	 Courtesy: Tesla	■ Electrification of powertrain fuels demand for high-power semis in cars and doubles silicon content.
		■ Shift towards renewable energies requires orders of magnitude more high-power semis per MW of power generated.
		■ Higher efficiency in power conversion lowers CO_2, material and electricity costs.
		■ Stronger demand for goods containing power semis due to faster increase in standard of living in BRIC countries.

Healthy Growth in Global Car Production Expected

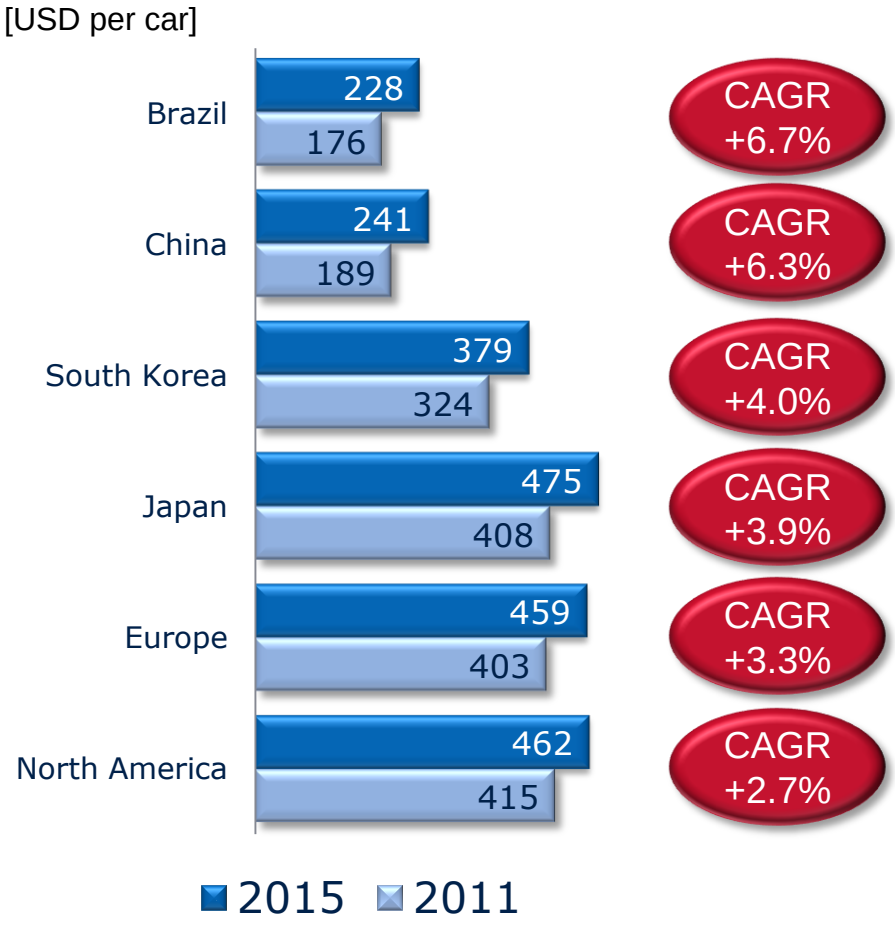
Global car production (cars ≤ 6t)



Source: IHS, April 2012.

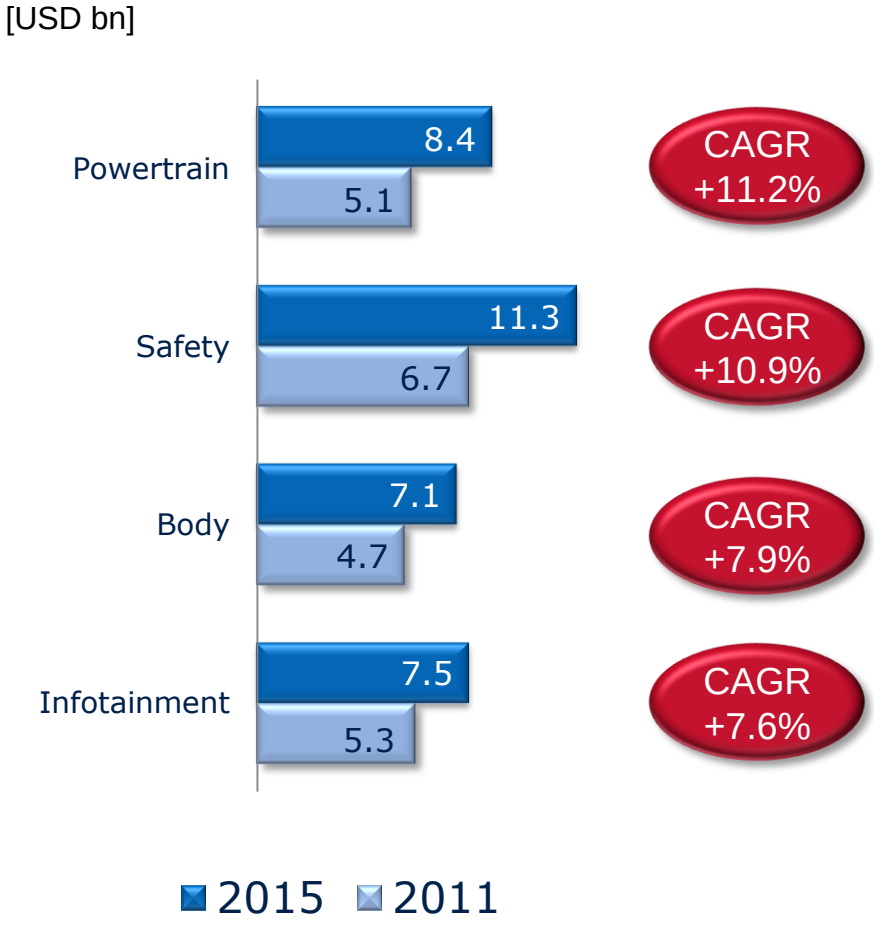
Rising Semiconductor Value Per Car Drives Market

Semiconductor value per car



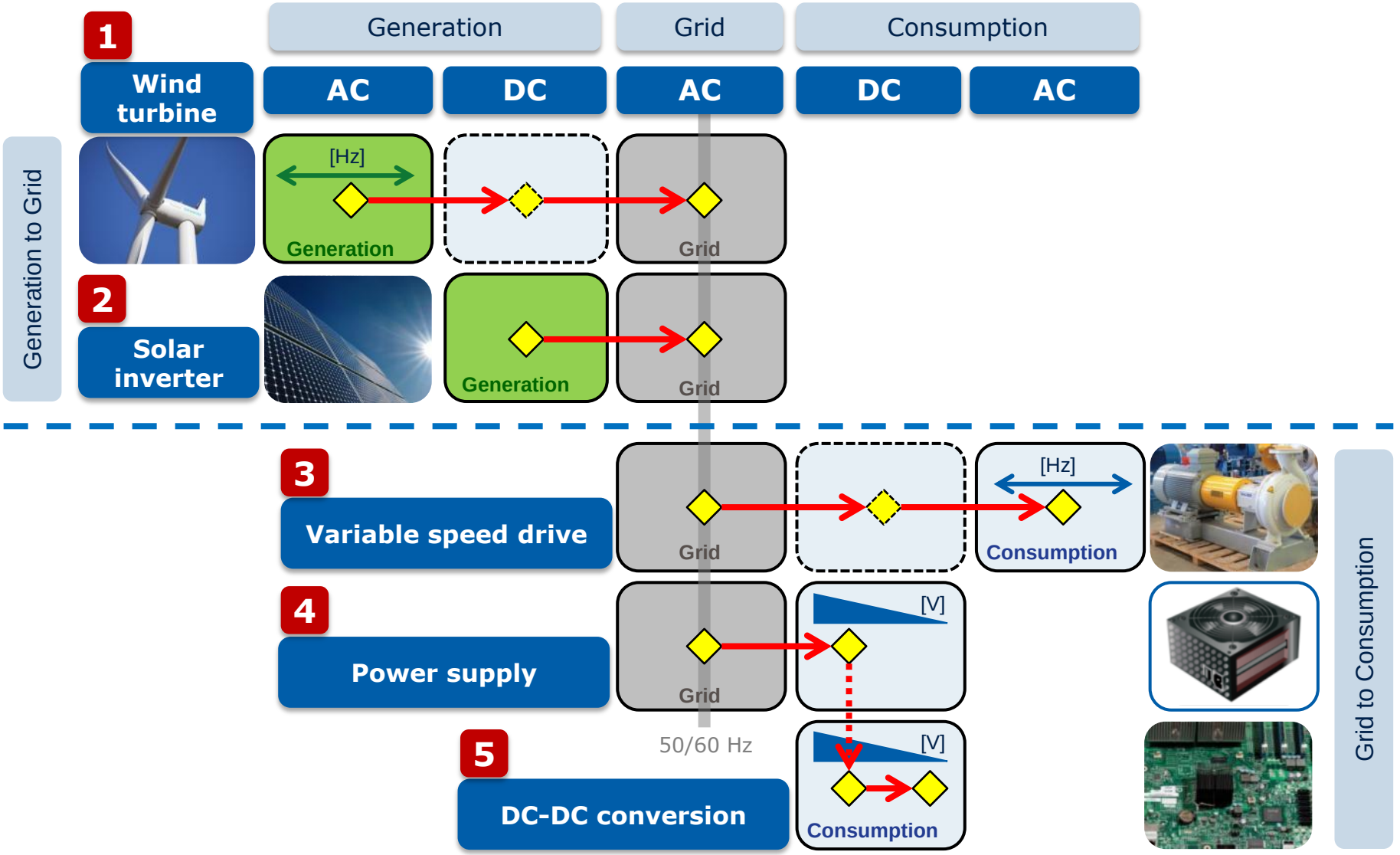
Source: Strategy Analytics, Oct. 2011; including semiconductor sensors.

Semiconductor market by segment



Source: Strategy Analytics, January 2012.

Every Electricity Conversion Step Requires Infineon Components



About 10% Growth p.a. for Cycle Average Expected for Infineon

ATV	IPC + PMM	CCS
	 	
ATV growth: **~10% p.a.**	**IPC + PMM growth:** **> 10% p.a.**	**CCS growth:** **~5-7% p.a.**

Growth target

Infineon: ~10% growth p.a. cycle average

Target to Sustain 15% Cycle-Average Segment Result Margin

#1	#2	#3	#4
High barriers to entry	Semiconductors enable high functionality	Value of semis small relative to end product	Infineon's core competencies: Power and eControl

ATV	IPC	PMM	CCS

Total profitability target

Infineon: ~15% operating margin cycle-average

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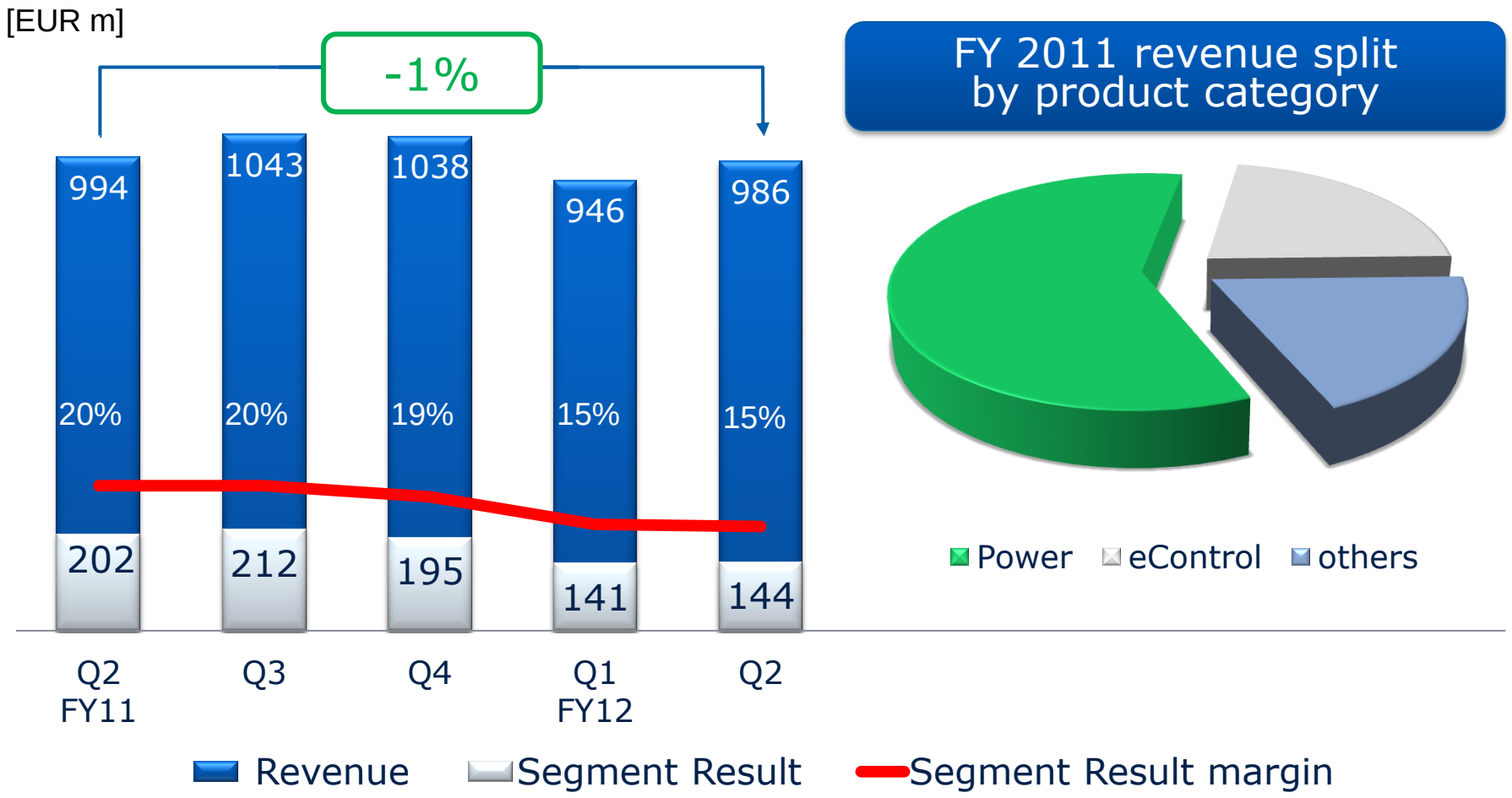
Q2 FY12: Maintained Solid Segment Result Margin

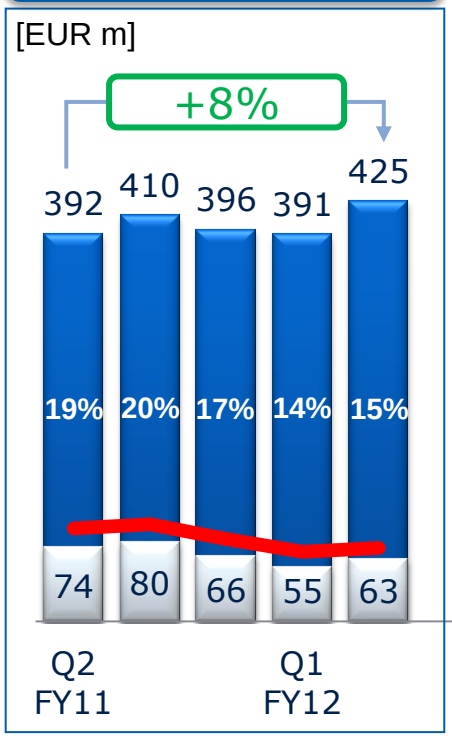
Revenue and Segment Result



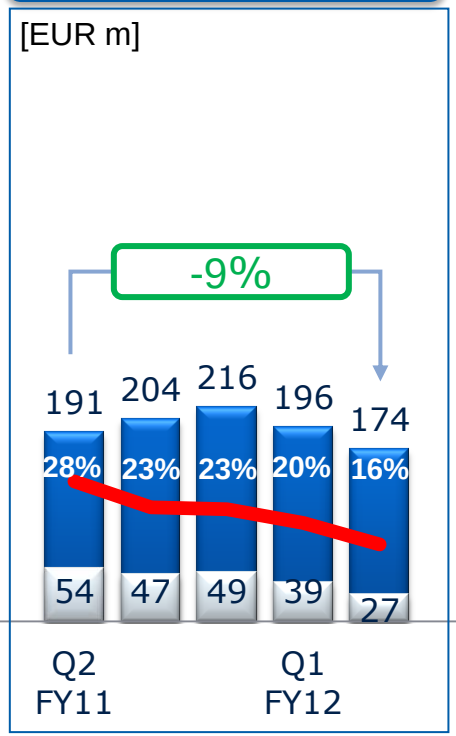
FY 2011 revenue split by product category

All-Time-High in Revenues in ATV; Strong Recovery in CCS

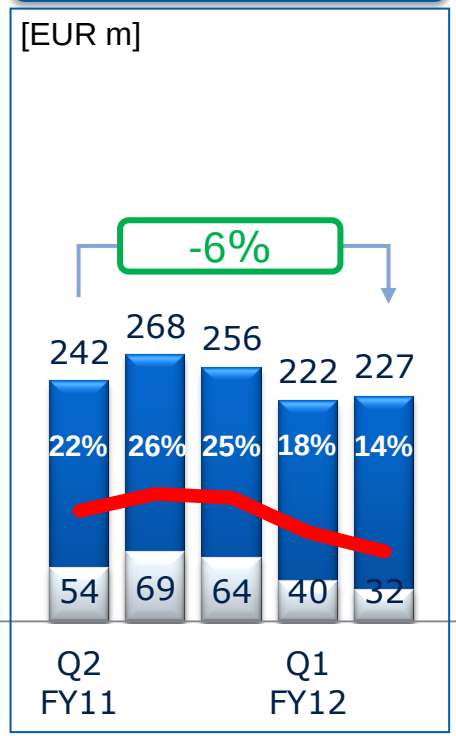
ATV



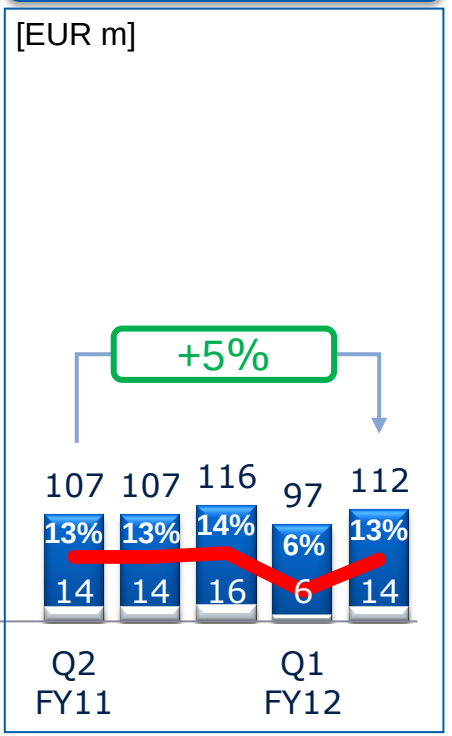
IPC



PMM



CCS

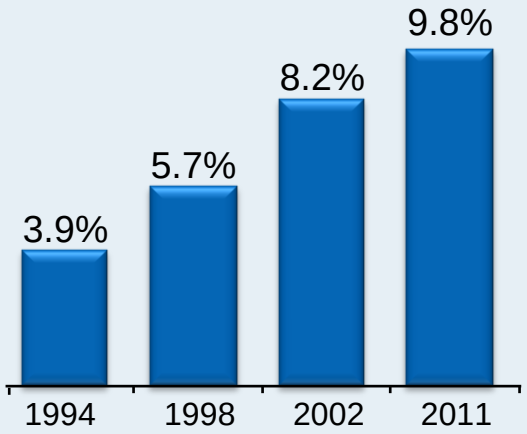


Revenue Segment Result Segment Result margin

Automotive: Infineon Biggest Market Share Gainer Amongst All Players in 2011

Worldwide Automotive Semiconductor Ranking for 2011

1.	Renesas	13.8%	-0.3%-pt
2.	**Infineon**	**9.8%**	**+1.0%-pt**
3.	STM	8.7%	+0.4%-pt
4.	Freescale	7.9%	-0.5%-pt
5.	NXP	6.4%	-0.4%-pt
6.	Bosch	5.8%	+0.2%-pt
7.	TI (incl. NSM)	4.7%	0%-pt



Infineon
- strengthened **world's #2** postion;
- rose from #8 to #4 position in Japan.

Europe

1.	**Infineon**	**14.7%**
2.	STM	11.3%
3.	Bosch	9.4%
4.	Freescale	8.7%
5.	NXP	8.2%
6.	Renesas	8.0%
7.	TI	6.8%
8.	ON Semi	3.0%

APAC & others*

1.	STM	10.1%
2.	**Infineon**	**9.0%**
3.	Renesas	7.5%
4.	Freescale	7.4%
5.	NXP	7.3%
6.	Bosch	5.7%
7.	Toshiba	2.9%
8.	TI	2.6%

North America

1.	Freescale	13.8%
2.	**Infineon**	**8.5%**
3.	STM	8.0%
4.	Renesas	7.5%
5.	NXP	6.7%
6.	TI	6.0%
7.	Bosch	3.7%
8.	ON	3.3%

Japan

1.	Renesas	35.1%
2.	Toshiba	13.0%
3.	Fujitsu	3.9%
4.	**Infineon**	**3.8%**
5.	Rohm	3.6%
6.	STM	3.6%
7.	ON	3.1%
8.	Sanken	2.9%

Source: Strategy Analytics, April 2012 * According to Strategy Analytics this ranking also includes Russia, South America, Australia and further countries.

Mild-Hybrid Vehicles: New Level of Efficiency Reached by 40µm / 400V IGBT Module

battery voltage

Today:

100 – 400V

Next generation:

150V

breakdown voltage

Today:

650V

Next generation:

400V

wafer thickness

Today:

70µm

Next generation:

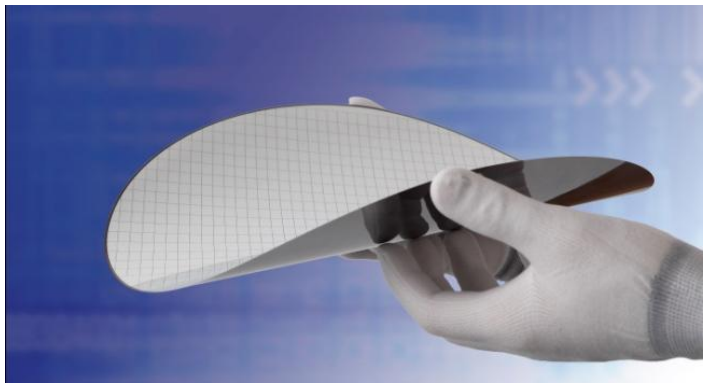
40µm

HybridPACK™1 400V

- $P_{dissipation} \sim thickness_{wafer}^{2}$

  i.e. power dissipation dwindles quadratically by reduction of wafer thickness.

- Ramp-up of “HybridPACK™1 400V” scheduled for 2014.



Infineon Security Chips for Europe's Biggest Contactless Banking Card Project "girogo"

girogo key facts

- 17 April 2012: the German Banking Industry Committee (Deutsche Kreditwirtschaft) launched a new banking card with "girogo" functionality.
- This banking card allows contactless payment without PIN or signing. In addition, it also supports the well-established contact-based payment methods.
- Infineon is the world's first chip manufacturer to meet both the high German Banking Industry Committee security guidelines and the contactless performance requirements of the new banking cards in Germany.
- The German Banking Industry Committee decided for Infineon's 78 family of security microcontrollers using the "Integrity Guard" digital security technology.
- Within the next three to four years, 45m girogo banking cards will be issued.

girogo

INTEGRITY GUARD

Guidance for Q3 and FY 2012

	Outlook Q3 FY12* (compared to Q2 FY12)	Outlook FY 2012* (compared to FY 2011)
Revenue	Revenue to be broadly flat quarter-on-quarter.	Low single-digit percentage decline. previously: Mid single-digit percentage decline.
Segment Result Margin	Broadly flat.	Mid-teens percentage. previously: Low-to-mid teens percentage.

* This outlook is based on an assumed US-dollar-to-Euro exchange rate for the remainder of the year in line with the average of the first half of the year.

Superior Growth and Profitability Allow Sustained Investments Over the Cycle

Superior growth and profitability

- Focus on secular growth drivers, e.g. renewables, e-mobility, energy efficiency.
- Leading market share and competitive strengths.
- Financial targets (on average over the cycle):
  - 10% growth p. a. and
  - 15% Segment Result margin.

Sustained investments for future success

- Counter-cyclical investments, selling and R&D to enable further share gains.
- Investments secure capacity for future growth and competitive advantage.
- 300mm power discretes; 200mm, quality, innovation, automation etc.

Strong returns

- Value creation:
  RoCE well in excess of our capital cost with 27% in Q1 FY12 and 25% in Q2 FY12.
- Capital returns through dividend payments, share buyback, and CB 2014 buyback.
- Aggregate capital returns since Q1 FY11 amount to more than EUR 500m.

ENERGY EFFICIENCY
MOBILITY
SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.

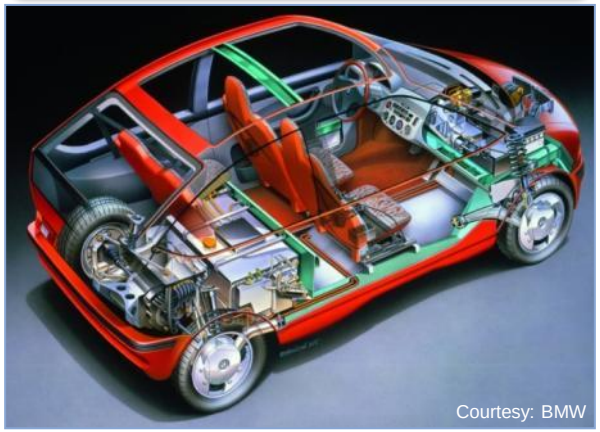


4 Reasons for Sustainable Profitability – #1 High Barriers to Entry

Long product life cycles

- For many markets we address, deliveries of semis need to be ensured for very long periods of time:
  - for car industry: 7 to 24 years;
  - for train industry: about 15 years.

System knowhow and understanding



- Both deep and wide know-how and understanding of our customers' applications needed for making best in class solutions:
  - e.g. HEV/EV needs both automotive and industrial expertise.

Strong quality and reliability req's

- Products need to reliably perform well in the field over longer periods of time:
  - airbag reliability required as long as the car is in use;
  - wind turbines should function 30 years.

#2 Semiconductors – Core Enablers of Innovation and Higher Functionality

Energy Efficiency

- **Power supplies**
  More advanced power semiconductors allow smaller, denser, lighter and more efficient power supplies.
- **VSD**
  More precise and efficient RPM-control versus mechanical transmission.

Mobility

- **Recuperation**
  Implemented in trains for years; brought to cars by the advent of HEV/EVs.
- **Power steering**
  EPS is replacing hydraulic-mechanical power steering allowing more flexibility in car design and less power consumption.

Security

- **Identification**
  Chip-based passports and national ID cards allow much higher level of security compared with paper-only ID cards.
- **Brand protection**
  Chip-based authentication of accessories, e.g. batteries, cartridges.

#3 Semis Represent a Negligible Part of the Value of the End Product

Example 1: mid-range car

Courtesy: Volkswagen

€25,000

Semi BoM:

€250

1.0% of product value

Example 2: high-speed train

Courtesy: Siemens

€10,000,000

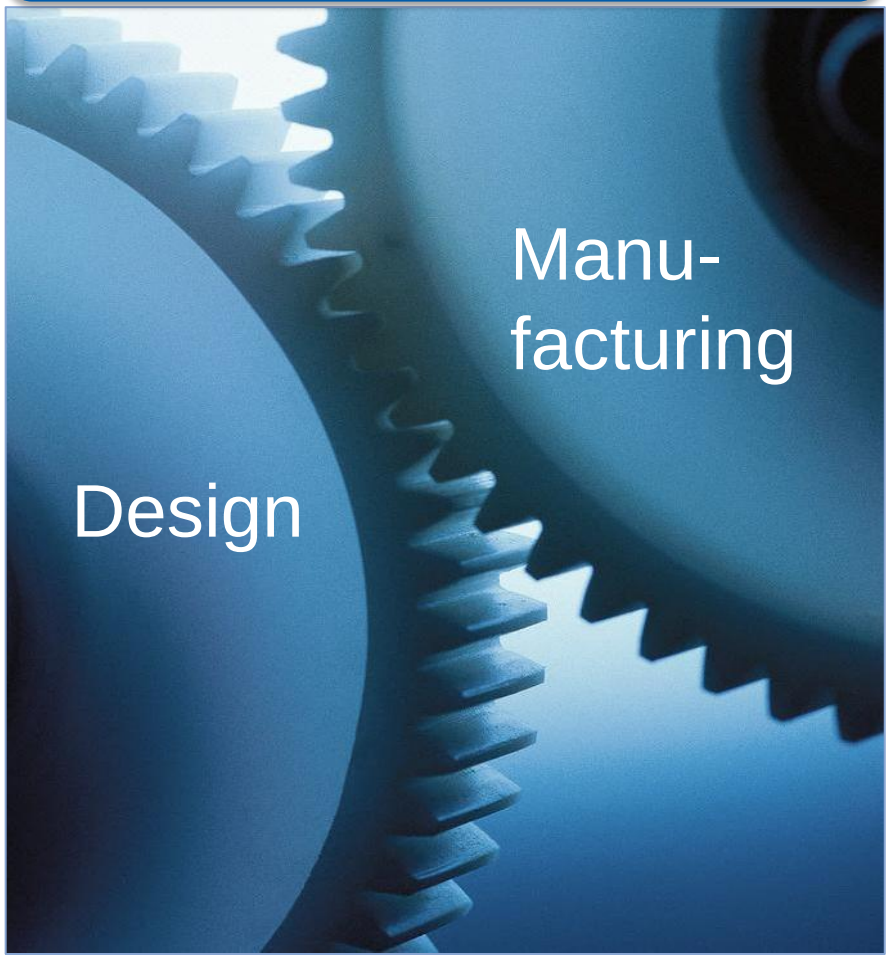
Semi BoM:

€100,000

1.0% of product value

#4 Infineon's Core Competencies — Power Semiconductors and eControl

Design and manufacturing of power semis tightly coupled



Core competence power

- Thin-wafer technology
- Super-junction MOSFETs
- Silicon-Carbide (SiC)
- IGBT module packaging

Core competence eControl

- Automotive real-time 32-bit microcontroller (TriCore™) and multi-core design (AURIX™).
- Industry microcontroller with premium peripheral functions (XMC4000 family).
- Low-power security controller.

IMM Split Into Two New Divisions as of 1 January 2012

Industrial & Multimarket (IMM)

Industrial Power Control (IPC)

Applications

- Industry-oriented applications
- Drives and traction
- Home appliances
- Renewable energies (wind, solar)




Products

- IGBT modules
- Module solutions (stacks)
- Discrete IGBTs
- Driver ICs

Power Management & Multimarket (PMM)

Applications

- Power conversion and RF applications
- Power supplies computer and server
- Lighting
- Cellular infrastructure

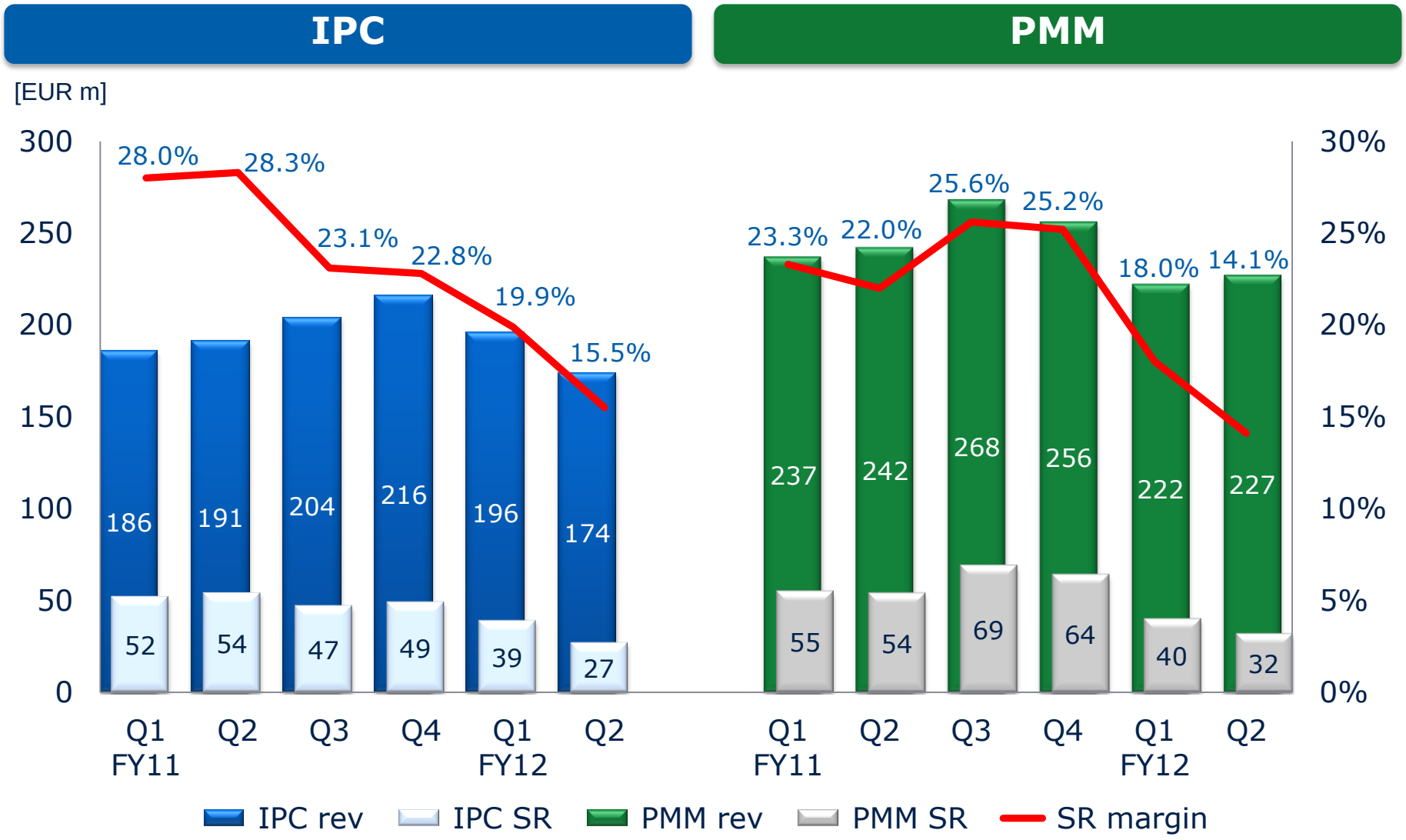



Products

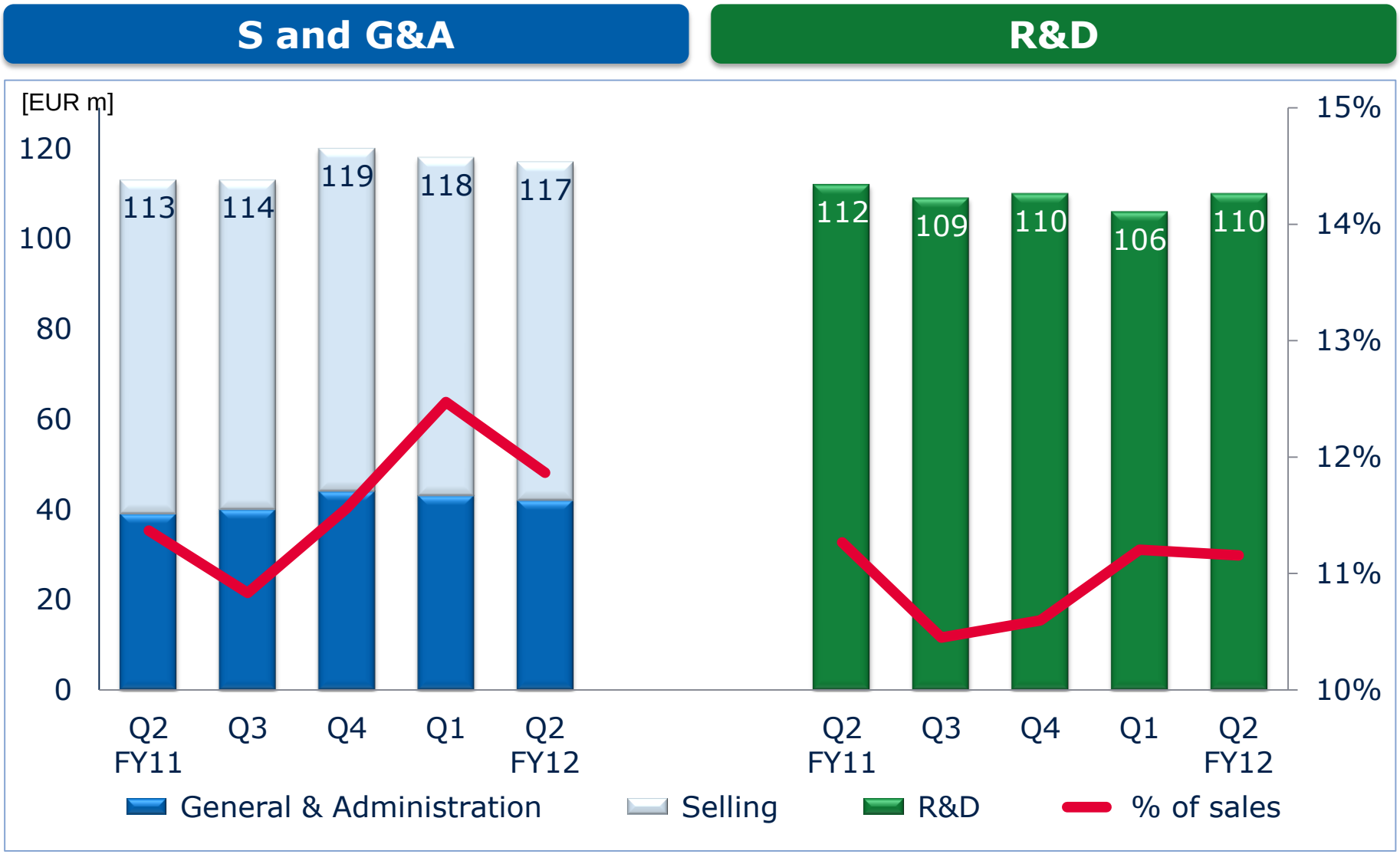
- Power MOSFETs, Power ICs, DPM*
- RF power devices
- LED drivers
- Small signal components
- ASICs

* DPM = digital power management

Pro-Forma Historical Figures for IPC and PMM

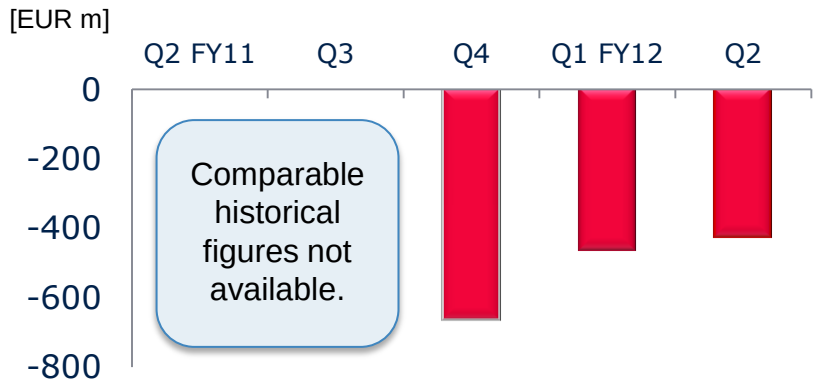


OpEx In-line With Target Operating Model

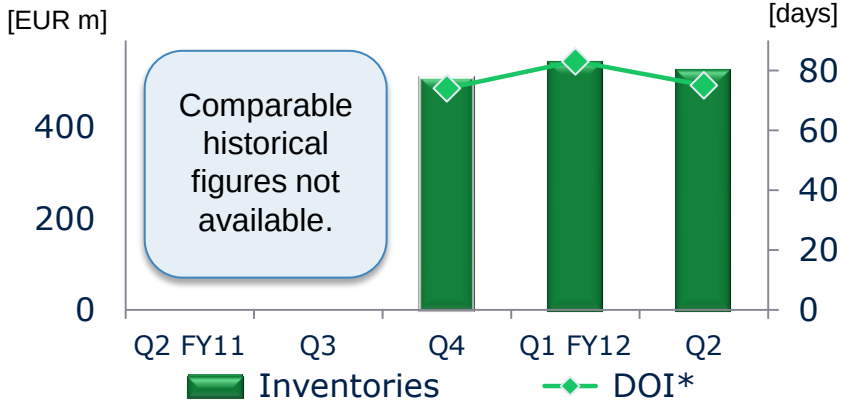


Working Capital

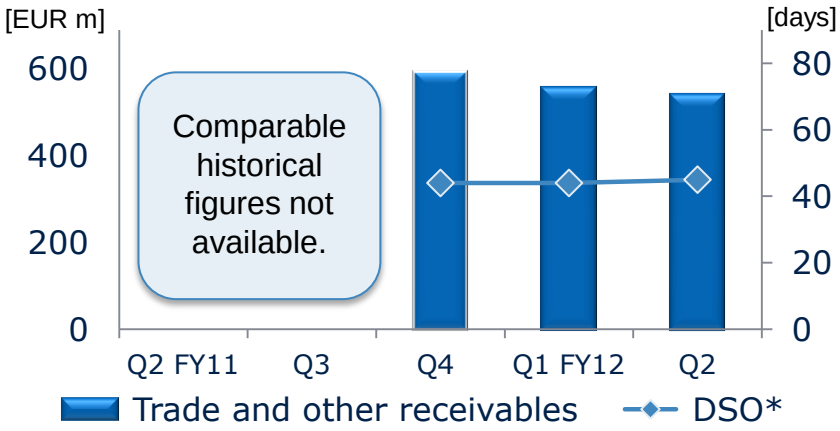
Working capital*



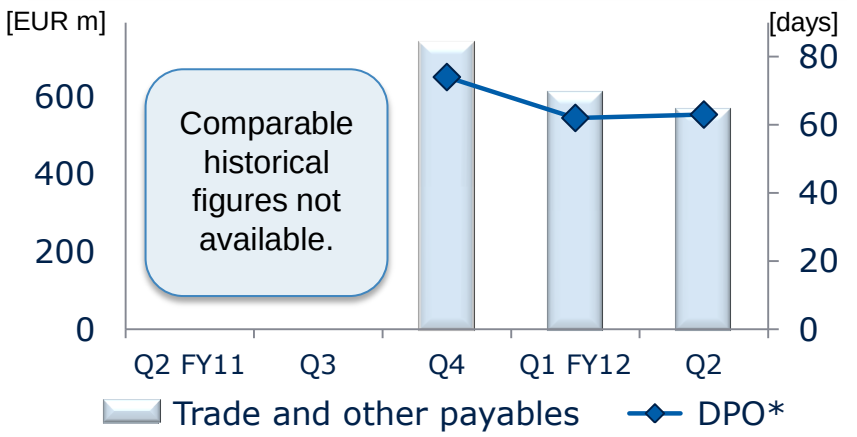
Inventories



Trade and other receivables



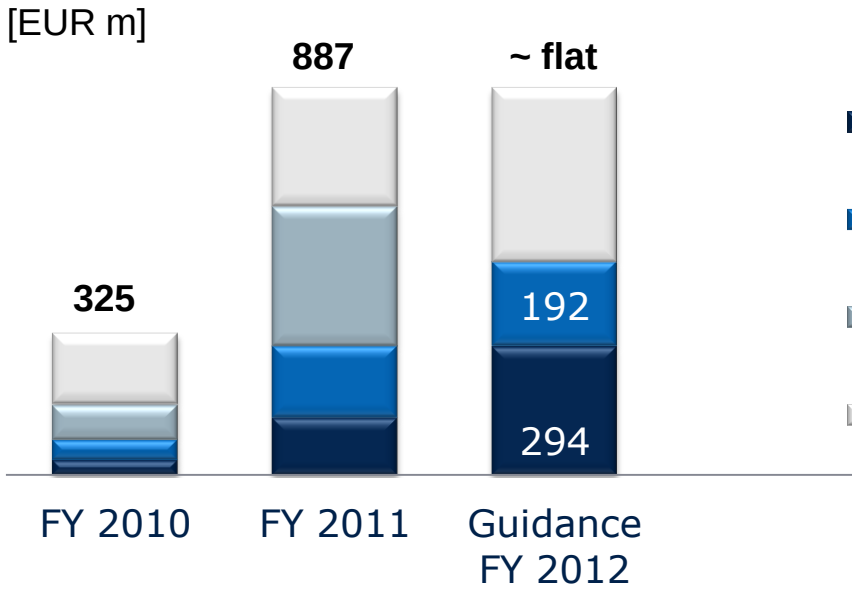
Trade and other payables



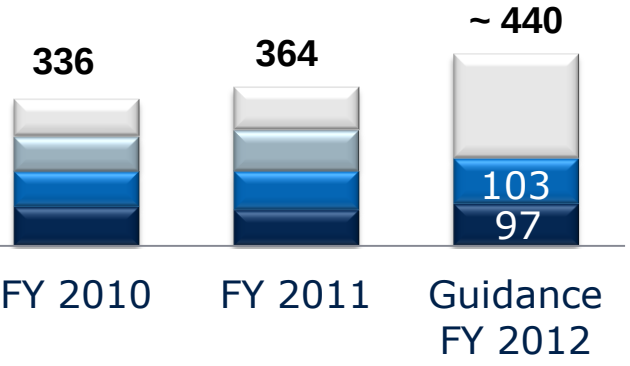
* For definition please see page 36 in appendix.

Investments Remain High to Exploit Growth Potential

Investments*



D&A



Guidance for investments:

- FY13: below investments in FY12
- beyond FY13: 10 – 15% of sales

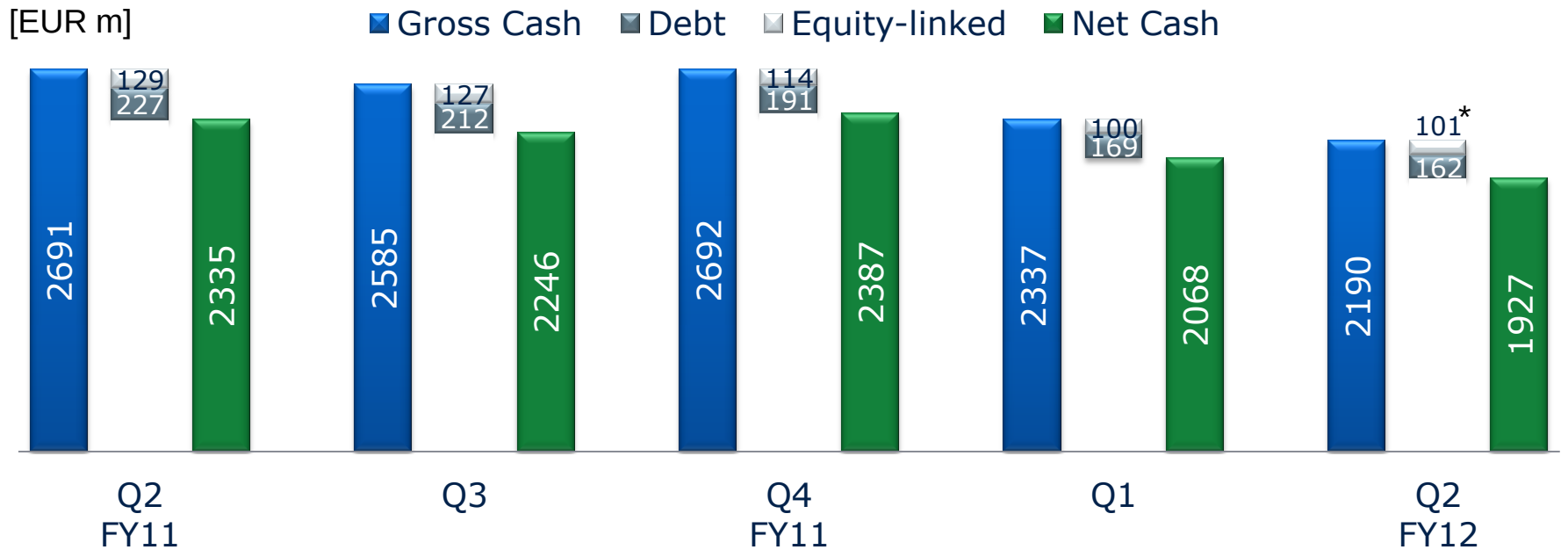
Guidance for D&A:

- FY13: increase compared to FY12
- beyond FY13: 10 – 15% of sales

* For definition please see page 36 in appendix.

High Gross and Net Cash Position Maintained

Liquidity Development

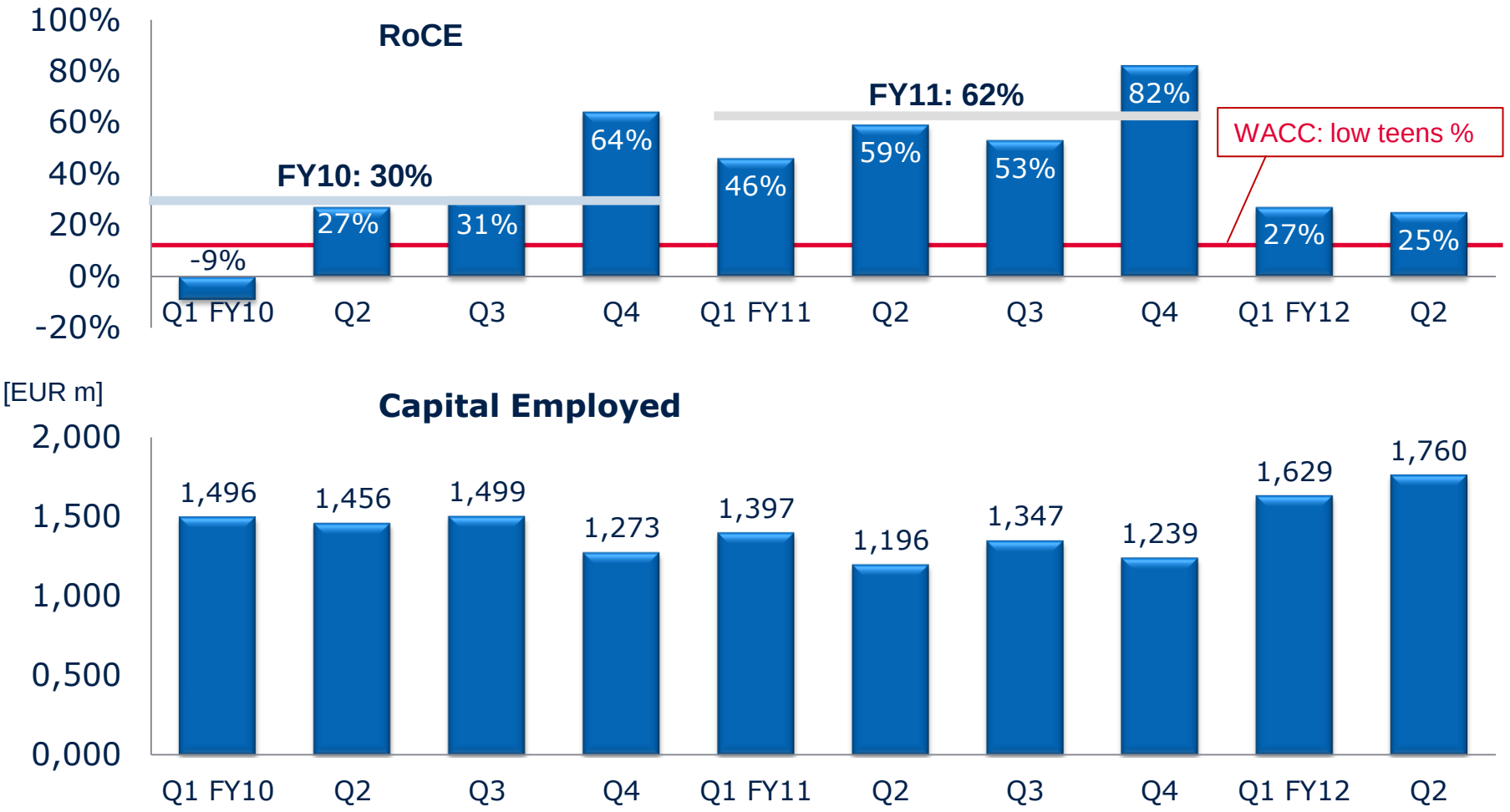


* Consists of convertible bond (nominal value EUR 118m; book value EUR 101m).

- Gross cash decreased due to dividend payments of EUR 130m, negative Free Cash Flow and debt reduction of EUR 7m. Net cash impact therefore lower.
- No buyback of convertible bond or shares during the quarter.
  But put options over 9m shares lapsed with EUR 2.7m premium received.

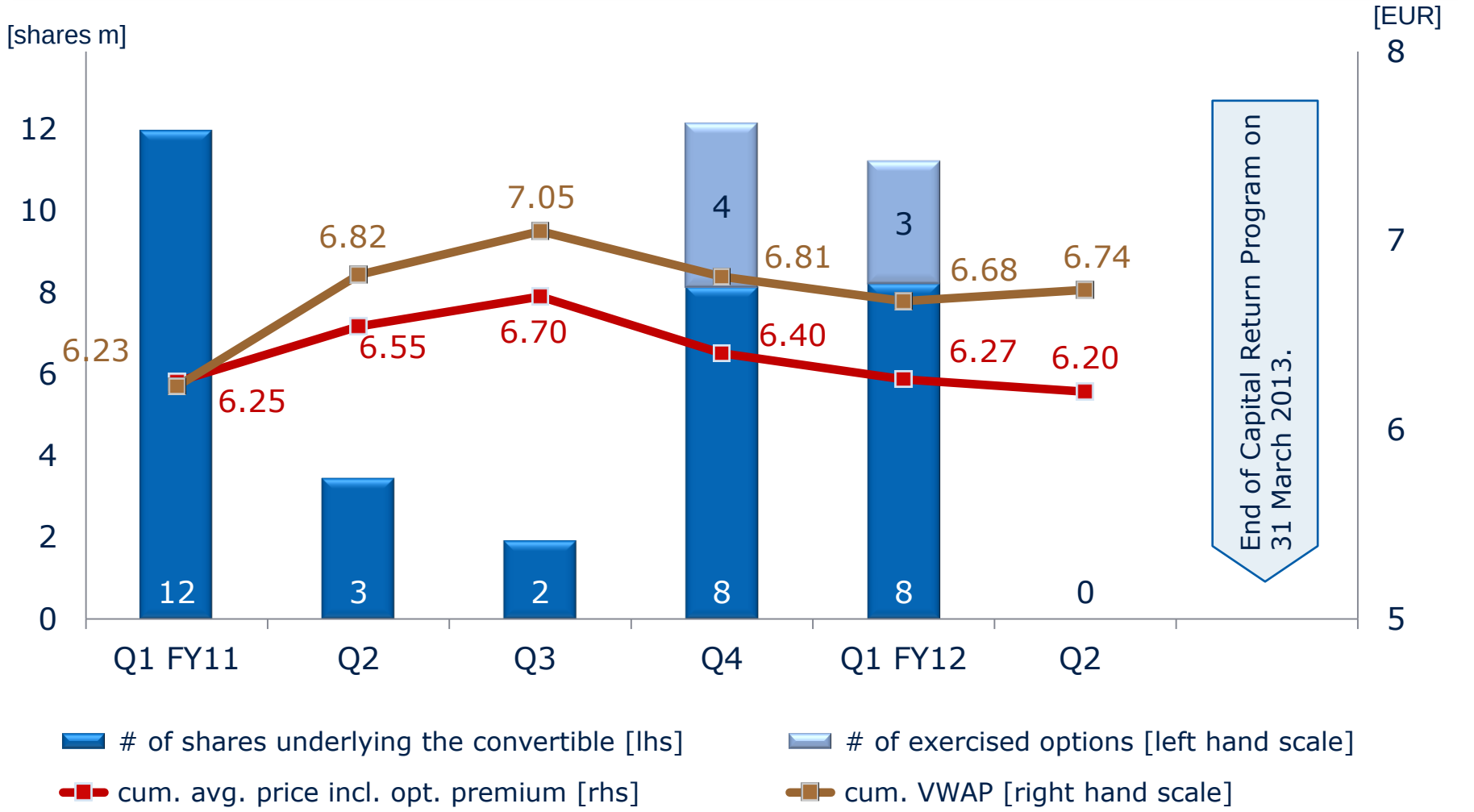
Value Creation of Infineon by Sustainably High RoCE Above WACC

RoCE history and capex



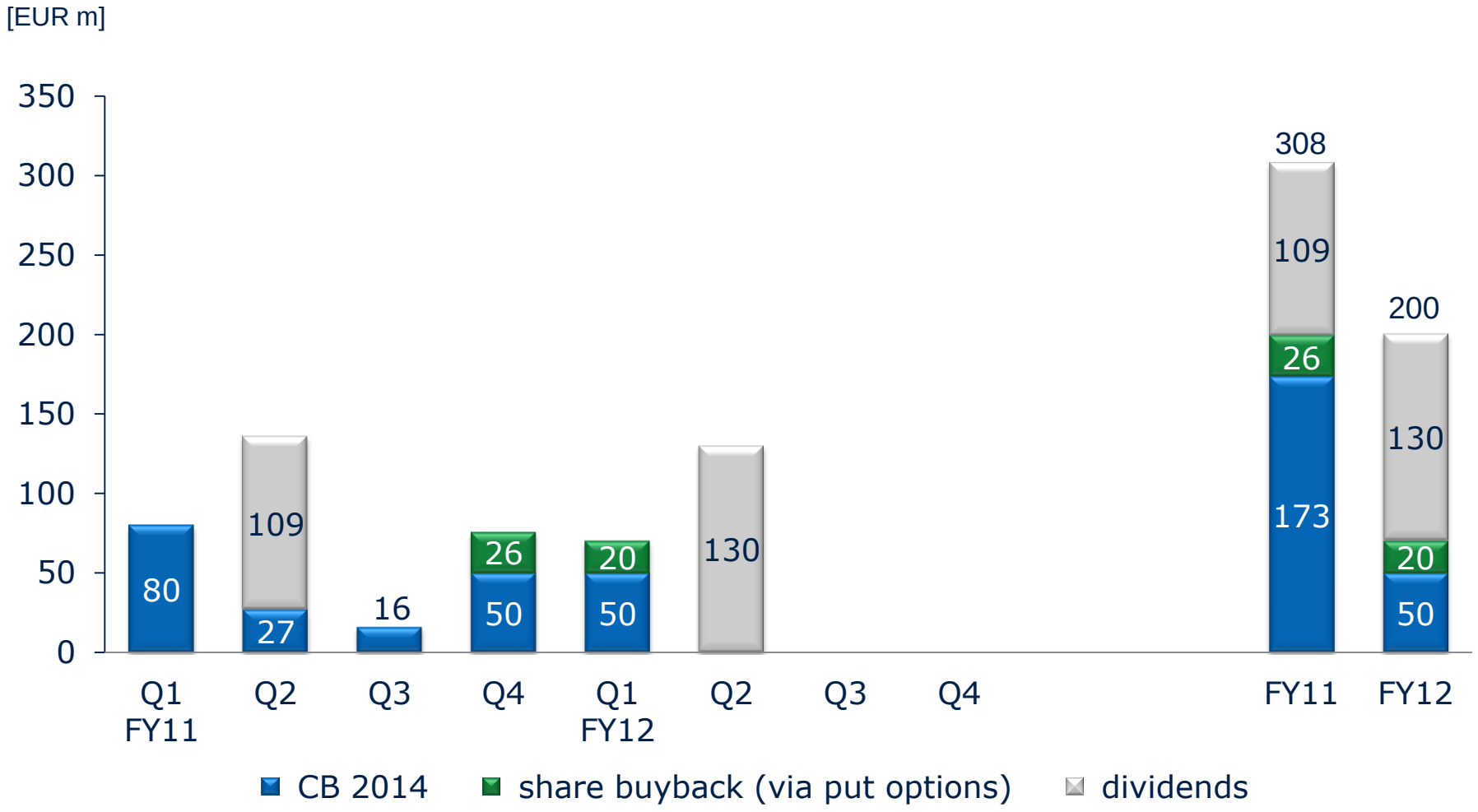
Average Price Per Underlying Share Below Volume Weighted Average Share Price

Total share buyback history via convertible bond and put options



Total Gross Capital Returns

Total gross capital returns history



Notes

Investments =
'Purchase of property, plant and equipment‘
+ 'Purchase of intangible assets and other assets' *incl. capitalization of R&D expenses*

Working Capital =
('Total current assets‘
– 'Cash and cash equivalents‘
– ‘Financial investment‘
– 'Assets classified as held for sale')
– ('Total current liabilities‘
– 'Short term debt and current maturities of long-term debt‘
– 'Liabilities classified as held for sale')

DOI (inventory days; quarter-to-date) =
('Net Inventories' / 'Cost of goods sold') * 90

DSO (days sales outstanding; quarter-to-date) =
('Trade accounts receivables (net)' / 'revenue') * 90

DPO (days payables outstanding; quarter-to-date) =
('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment']) * 90

Infineon Has a Long Track Record in Responsibility and Sustainability

UN Global Compact Initiative

- As one of the first semiconductor companies worldwide, Infineon joined the Global Compact Initiative of the United Nations in 2004.

Dow Jones Sustainability Index

Dow Jones Sustainability Indexes
Member 2011/12

- Infineon is currently Europe's one and only semiconductor company member in the Dow Jones Sustainability Indexes.

Certifications

DET NORSKE VERITAS
MANAGEMENT SYSTEM CERTIFICATE

Certificate No.: 46456-2009-HSO-GER-DNV

This is to certify that

Infineon Technologies AG
Am Campeon 1-12
85579 Neubiberg, Germany

as well as the sites and remote locations listed on the following page
have been found to conform to the
Environmental as well as Occupational Health and Safety Management System Standards
ISO 14001:2004
and
OHSAS 18001:2007

This certificate is valid for the following product or service ranges:

Development, production and sales
of semiconductor components

This certificate is valid until: 31.01.2012

Place and date: Essen, 01.02.2009

Volkmar Rüedler
Lead Auditor

Nikolaus Kim
Management Representative

- Based on our efforts for resources management, safety and health standards, Infineon received the EN ISO 14001 and OHSAS 18001 multi-site certification.

Financial Calendar

Date	Location	Event
5 Jun 2012	Zurich	DZ Bank Sustainability Technologies Conference
31 Jul 2012*		Q3 FY12 Results
29-30 Aug 2012	Frankfurt	Commerzbank Sector Conference Week
13 Sep 2012	London	JPMorgan Pan Euro Tech Conference
26 Sep 2012	Munich	Baader Investment Conference
14 Nov 2012*		Q4 FY12 Results
15-16 Nov 2012	Barcelona	Morgan Stanley TMT Conference
27-28 Nov 2012	Scottsdale	Credit Suisse Technology Conference

* preliminary date

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