

First Quarter FY 2013

Quarterly Update

Infineon Technologies AG
Investor Relations



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■ Infineon at a Glance

■ Market Update

■ Results and Outlook

Disclaimer:

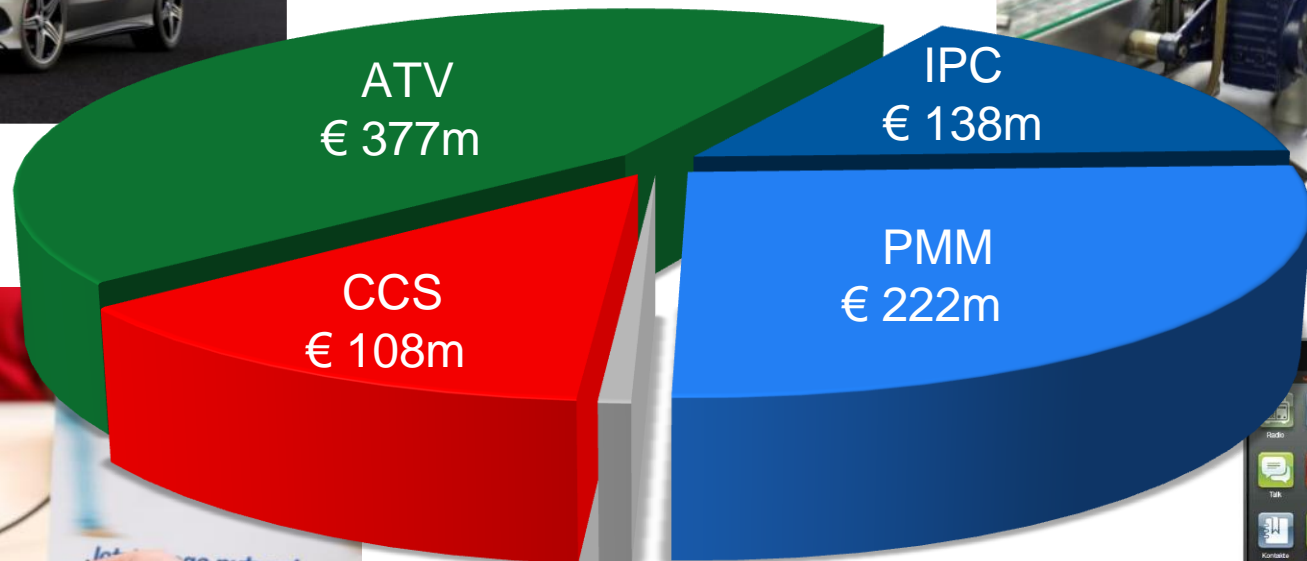
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

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

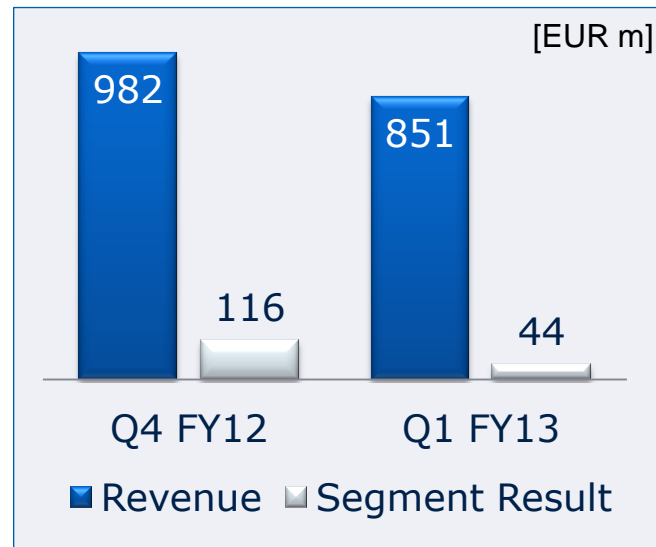
Q1 FY 2013 revenue: EUR 851m



OOS+C&E*
€ 6m

* Other Operating Segments;
Corporate and Eliminations.

Low Revenue And Segment Result Due To Weak Markets



[EUR m]	Q1 FY12	Q4 FY12	Q1 FY13
Revenue	946	982	851
Segment Result	141	116	44
SR Margin	14.9%	11.8%	5.2%
Net Income*	96	138	19
Investment	294	246	88
FCF from cont. operations	-234	47	-128
Gross Cash	2,337	2,235	2,081
Net Cash	2,068	1,940	1,768

* Net Income includes „income from discontinued operations, net of income taxes“ in Q1 FY12 EUR -8m, in Q4 FY12 EUR 9m and in Q1 FY13 EUR -7m.
Net Income in Q4 FY12 includes income tax benefits of EUR 52m.

Tight Customer Relationships are Based on System Know-how and App Understanding

ATV



IPC



PMM



CCS



Distributors

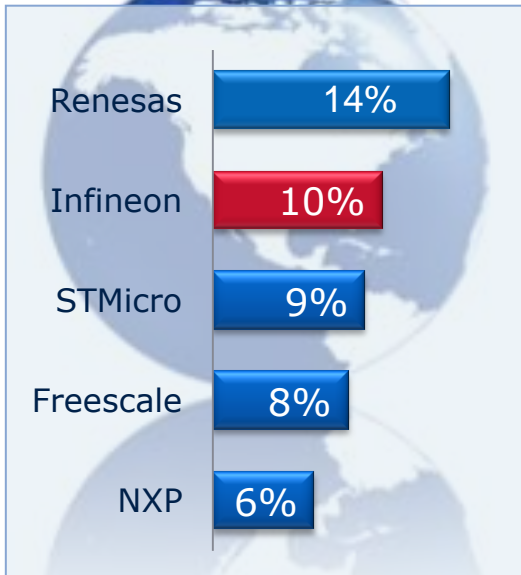


Infineon Holds Top Positions in All Target Markets



Automotive

#2

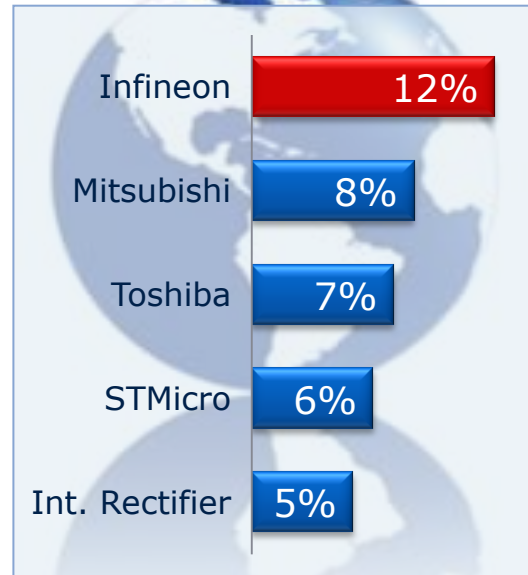


Calendar year 2011.

Source: Strategy Analytics, April 2012.

Power

#1

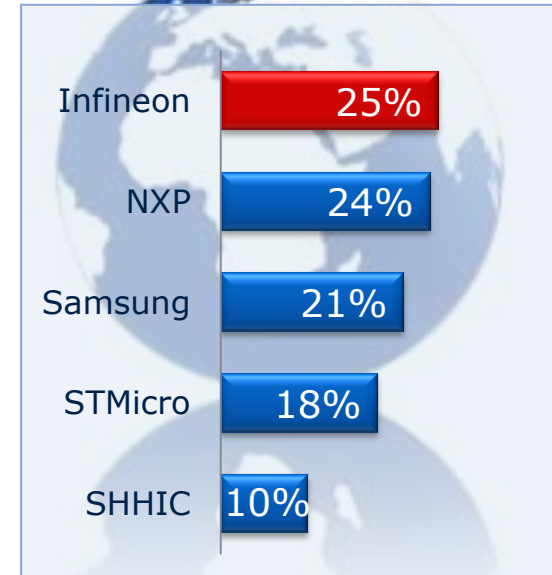


Calendar year 2011.

Source: IMS Research (an IHS company), July 2012.

Chip Card

#1



Calendar year 2011.

Source: IMS Research (an IHS company), August 2012.

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■ Infineon at a Glance

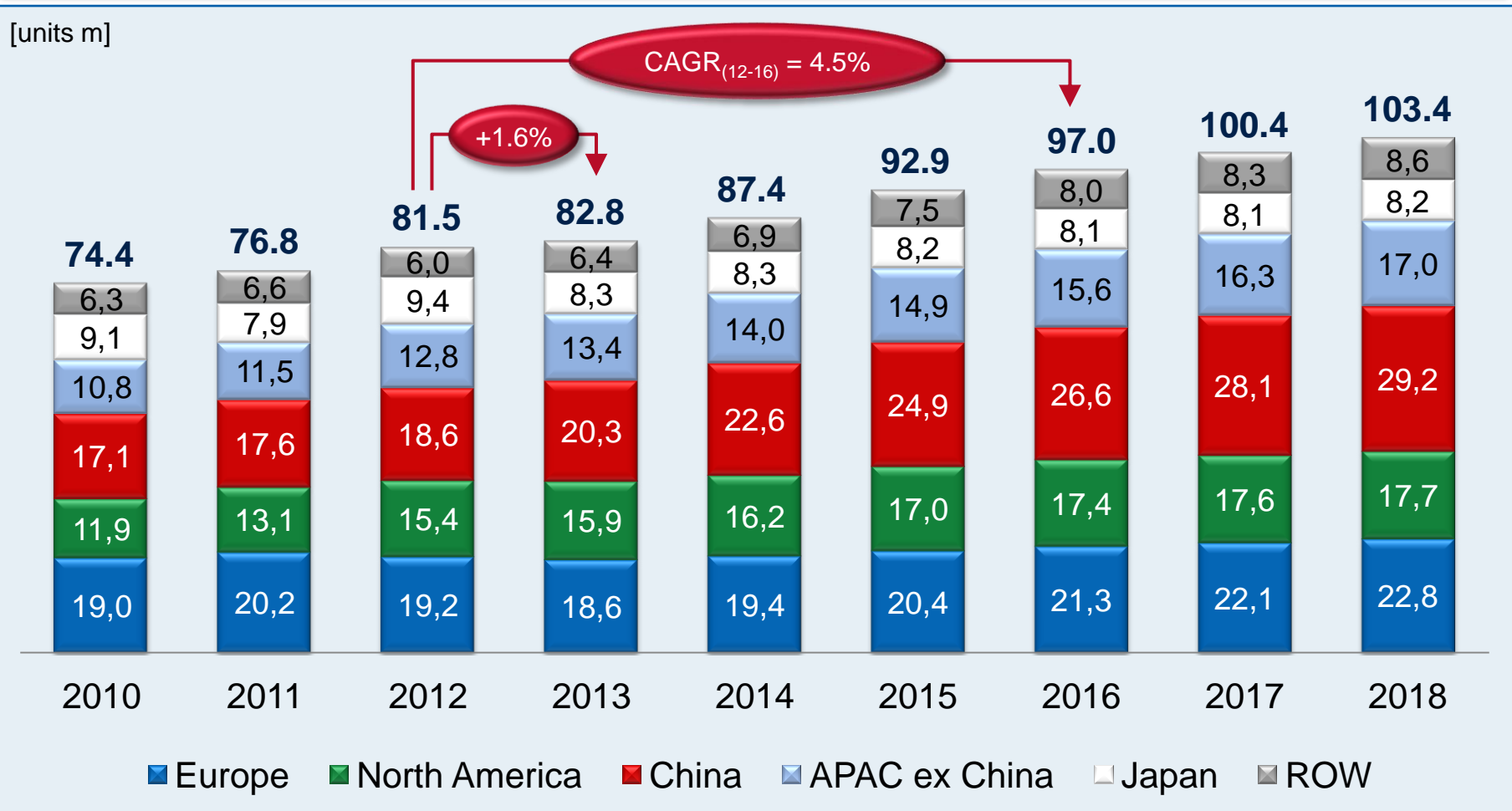
■ Market Update

■ Results and Outlook

Despite Near-Term Outlook Cuts, Long-Term Prospect Still Healthy

Global car production (cars ≤ 6t)

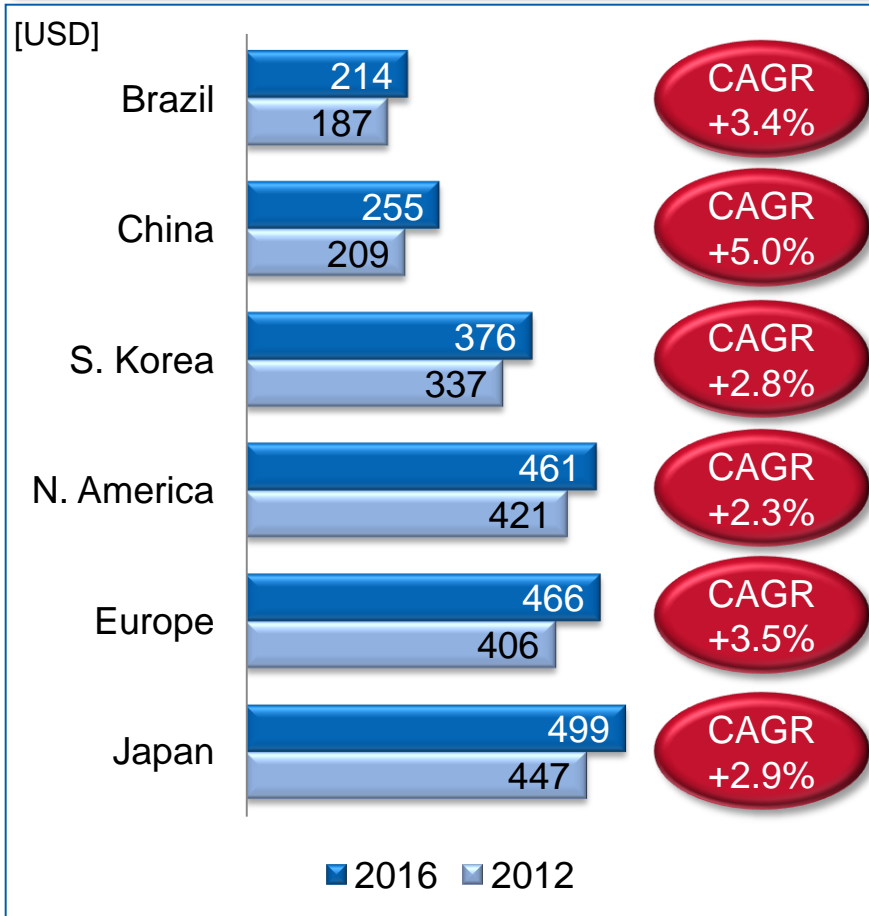
[units m]



Source: IHS, January 2013. www.ihs.com.

Semiconductor Value Per Car Continues to Increase

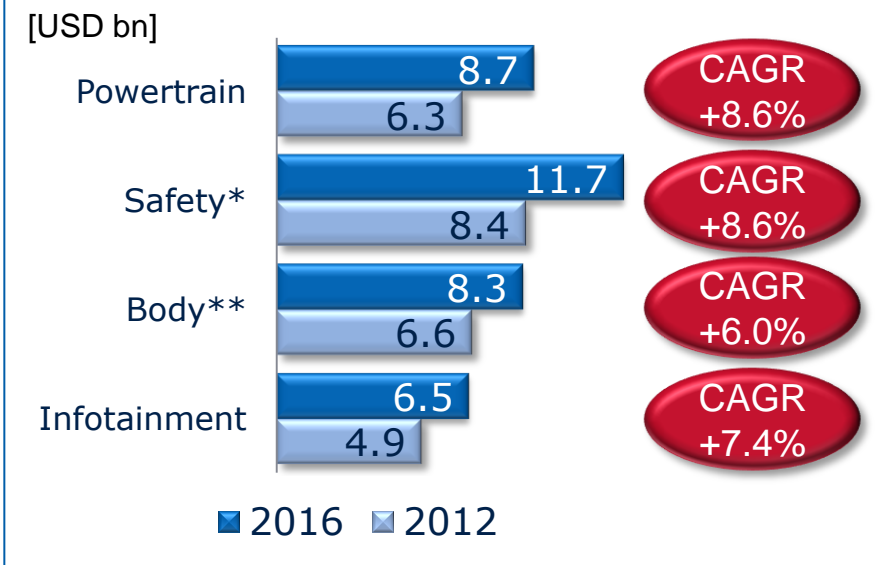
Semiconductor value per car by region



Semiconductor value per car



Semiconductor market by segment



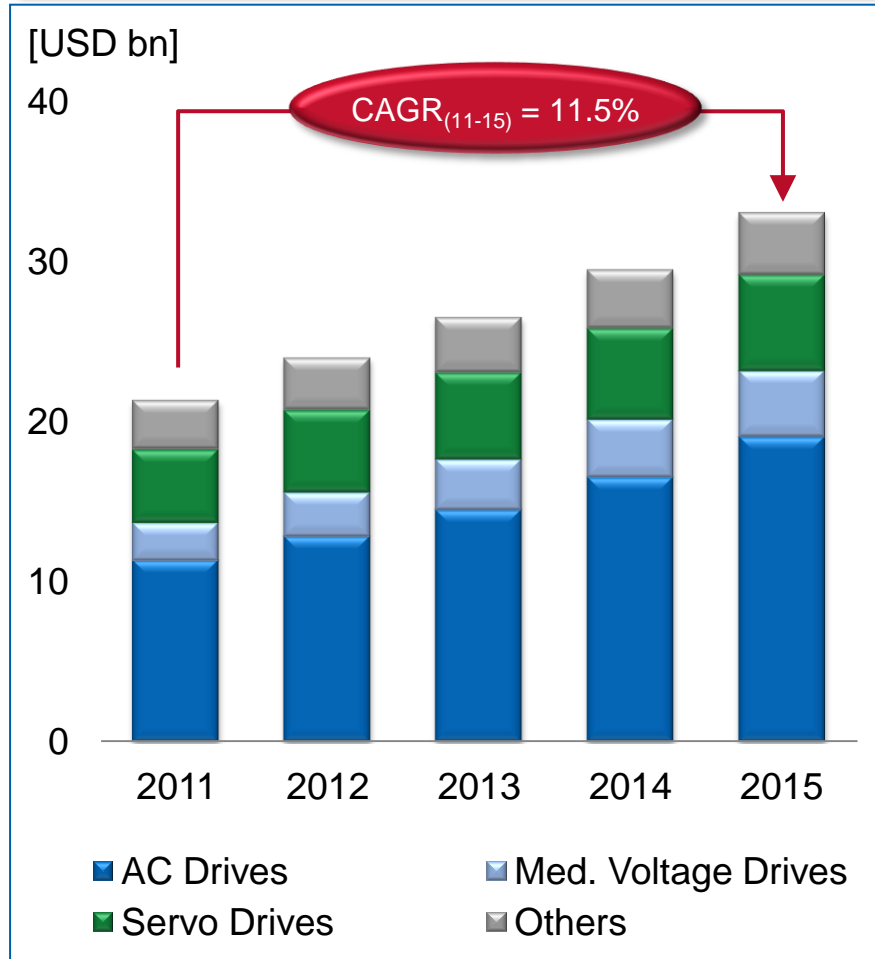
Source: Strategy Analytics (SA): "Automotive Semiconductor Demand Forecast 2010 – 2019", January 2013; including semiconductor sensors.

* Safety = "Safety" + "Chassis" according to SA definition.

** Body = "Body" + "Security" according to SA definition.

Growth in Motor Controls Driven by Energy Saving, Government Initiatives and Legislation

Industrial motor controls



Source: IMS Research (an IHS company): "Industrial Motor Controls Sourcebook – 2012 Edition", March 2012.

Market description

Others

- Food & beverage, medical & scientific, semiconductor machinery, printing sector.
- Comparatively low IGBT content.

Servo Drives

- High precision motors for general motion control and CNC products.
- 600/1200 V IGBT devices.

Medium Voltage Drives

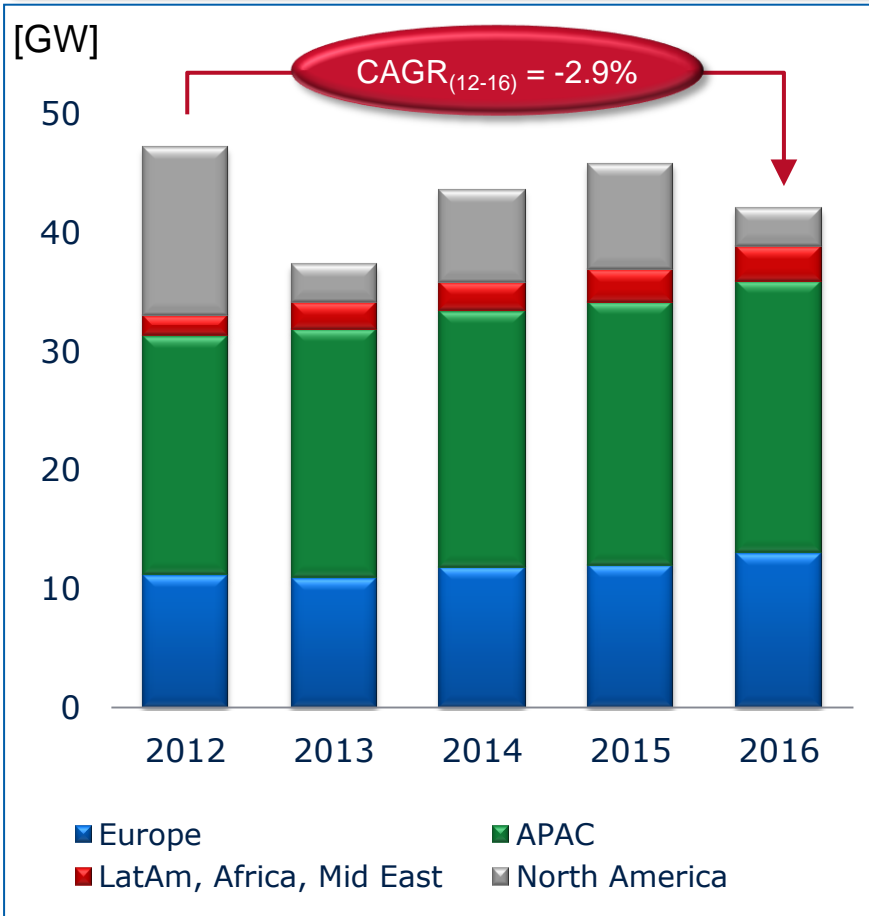
- Heavy industries (oil & gas, metals, power generation).
- High-power drives (up to 10 MW).
- 1.7/3.3/6.5 kV IGBT modules.

AC Drives

- Fans, pumps, material handling, packaging.
- Mainly 600/1200 V IGBT devices used.

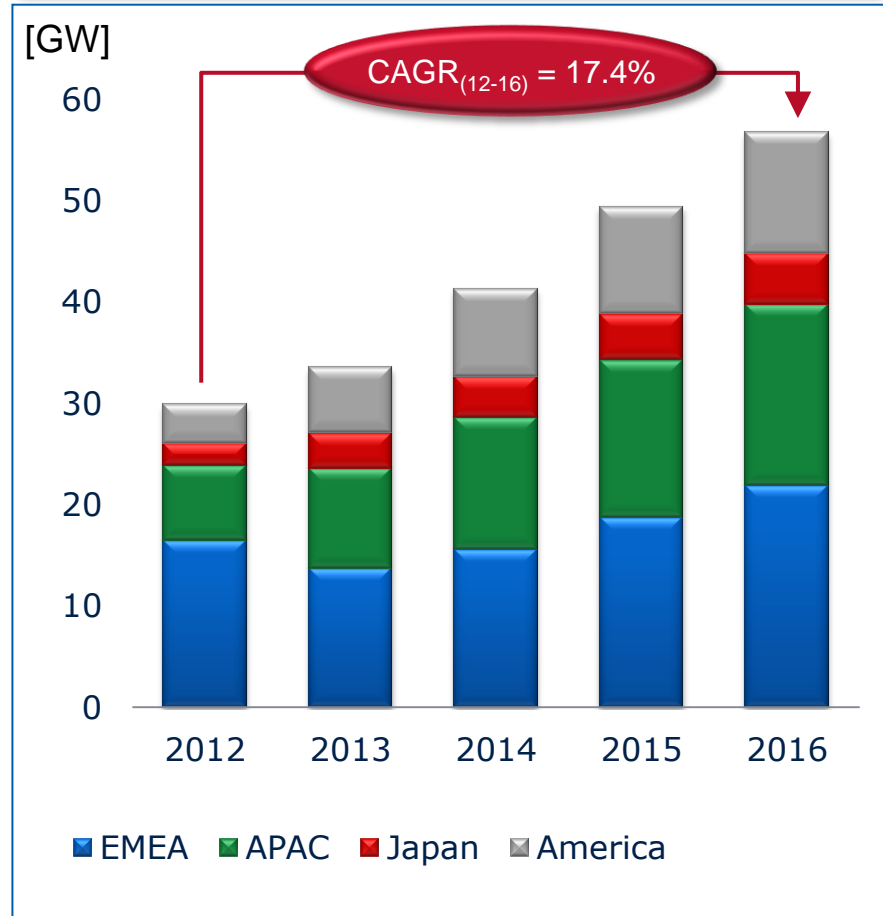
Wind: Drop in the US Due to Uncertainties in PTC; Solar: Growth WW Except of EU

Wind power market



Source: IHS: "Global Wind Energy Market Forecast", June 2012.
www.ih.com.

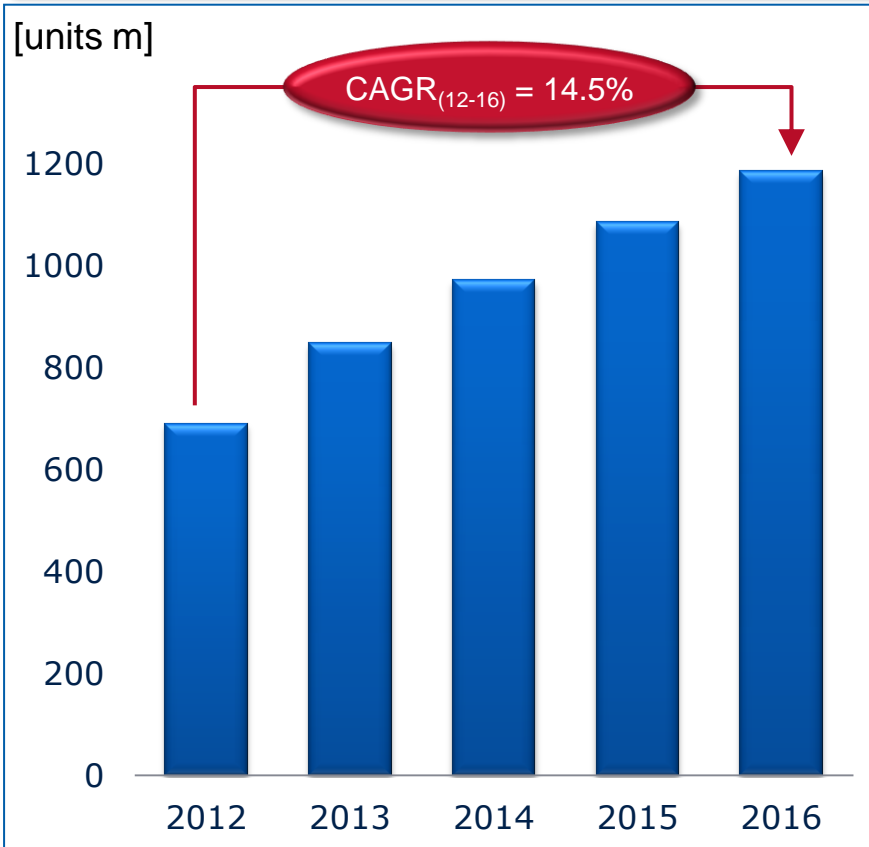
PV inverter market



Source: IMS Reserch (an IHS company): "The World Market for Photovoltaic Inverters 2012", July 2012.

Mobile Devices are High-Growth Markets for Infineon's RPD*, Esp. Si-MEMS-Micros

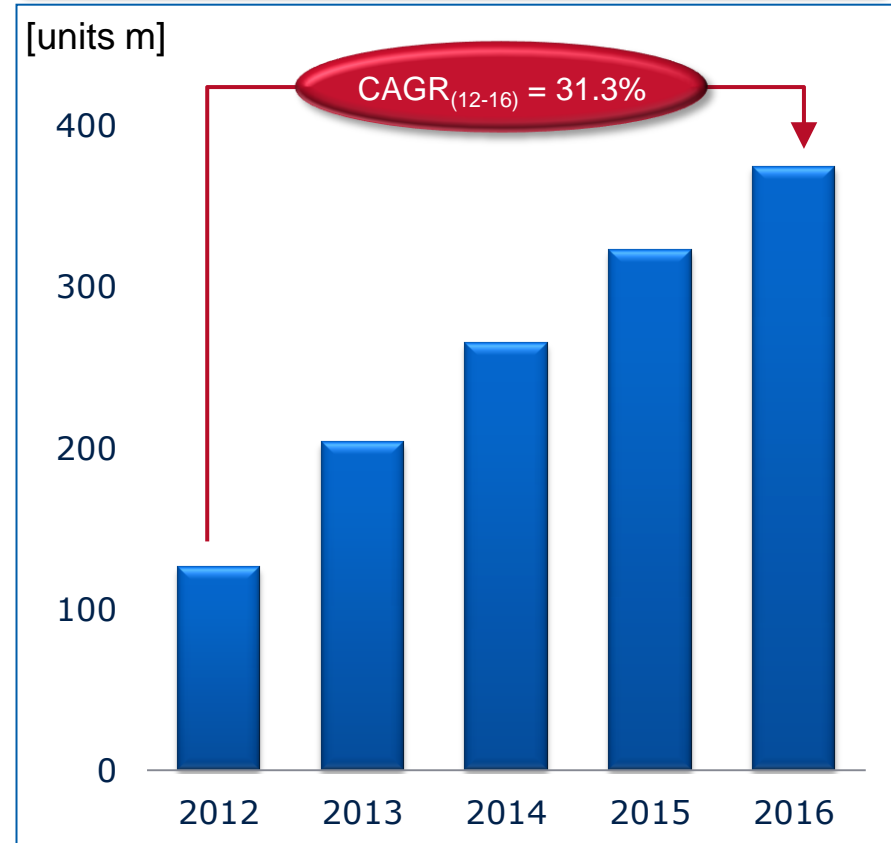
Smartphones



Source: Strategy Analytics: "Smartphone Sales Forecast by Type: Phablets and Superphones", October 2012.

* RPD = Business unit "RF & Protection Devices"; part of PMM.

Tablets**

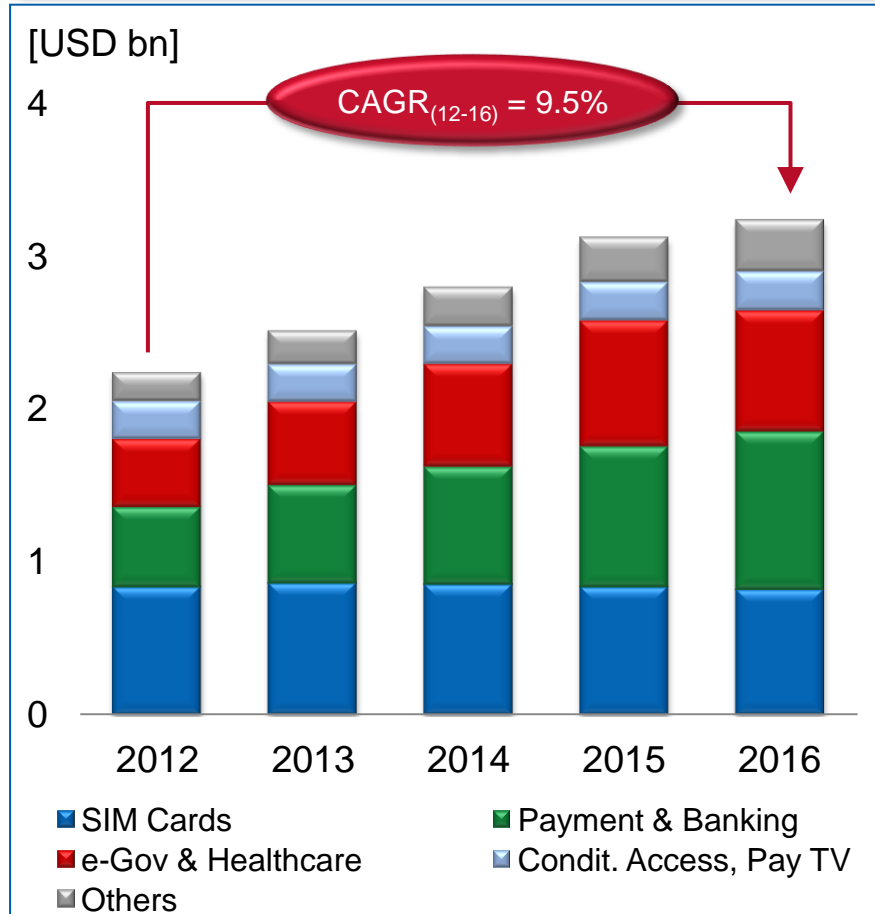


The chart was created by Infineon based on Gartner research.
Source: Gartner: "Forecast: Devices by Operating System and User Type, Worldwide, 2012 – 2016", 4Q12 Update, December 2012.

** Including Utility Tablets, Premium Tablets and Basic Tablets.

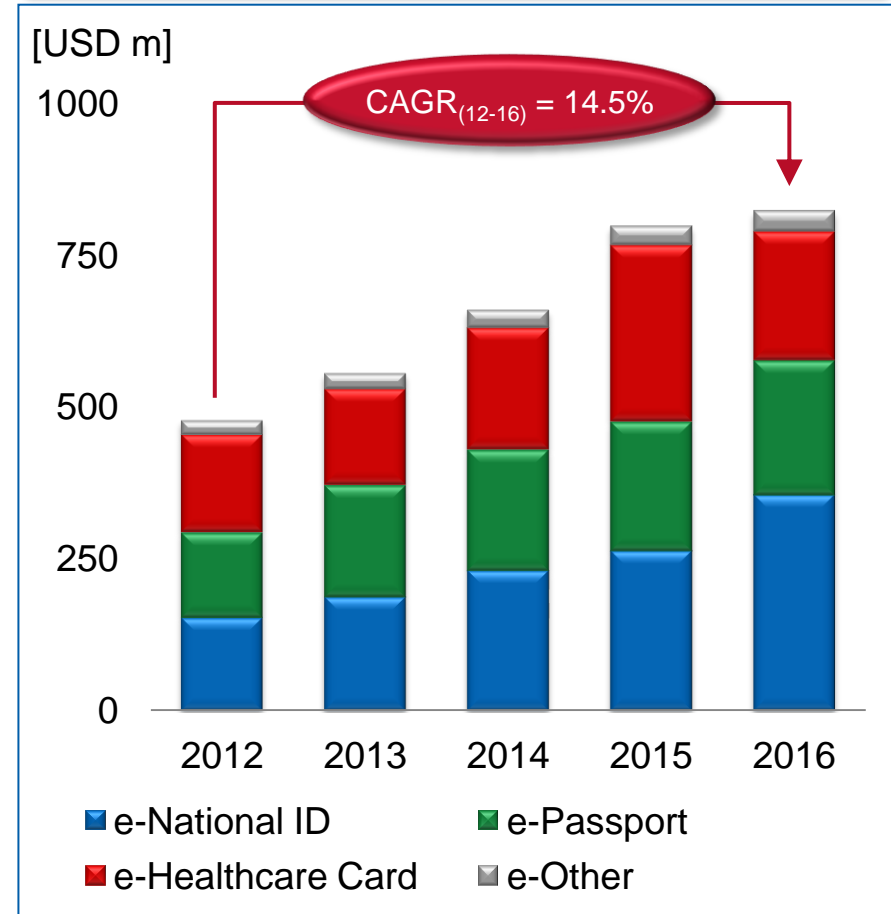
Double-digit Growth in Payment and Government ID; SIM Card Flat

Smart card ICs



Source: IMS Research (an IHS company): "Smart Cards and Smart Card ICs – World – 2012", August 2012. μ Controller only.

Government ID & healthcare



Source: IMS Research (an IHS company): "Electronic Government & Healthcare ID Cards Market – World – 2012", December 2012. μ Controller and memory.

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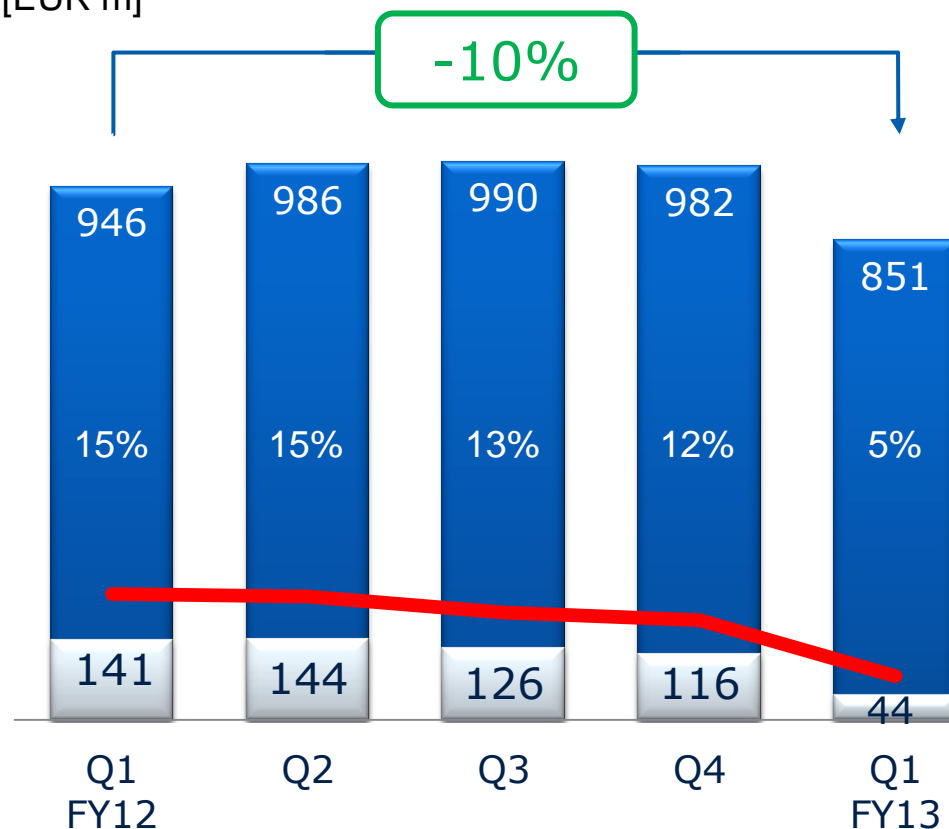
■ Market Update

■ Results and Outlook

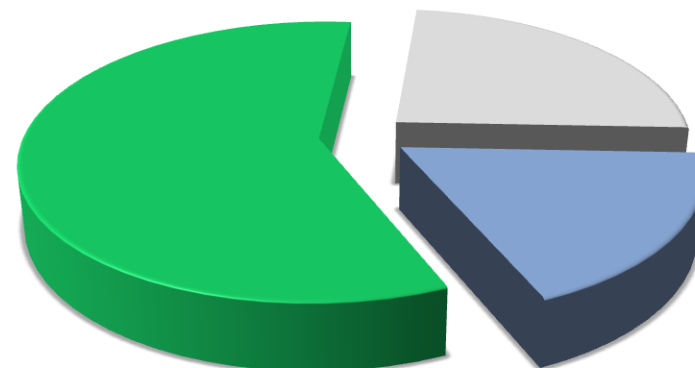
Lower Revenue And Segment Result Due To Market Weakness

Revenue and Segment Result

[EUR m]



FY 2012 revenue split by product category



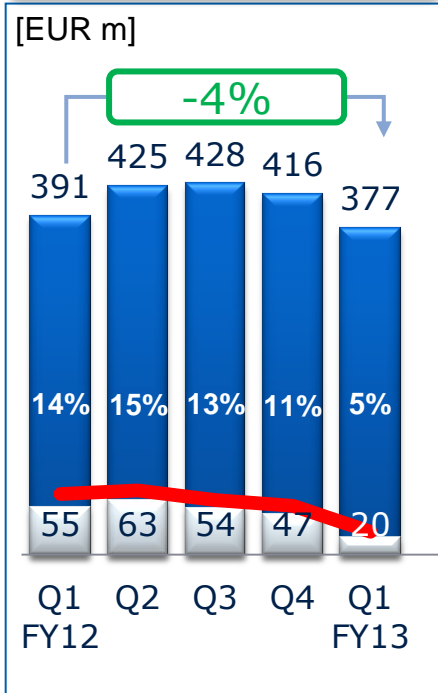
■ Power ■ eControl ■ others

■ Revenue ■ Segment Result — Segment Result margin

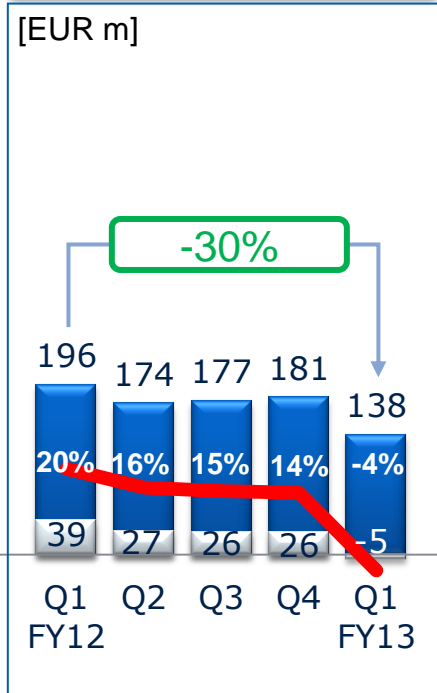
Stable Revenues in PMM, Encouraging Development in CCS



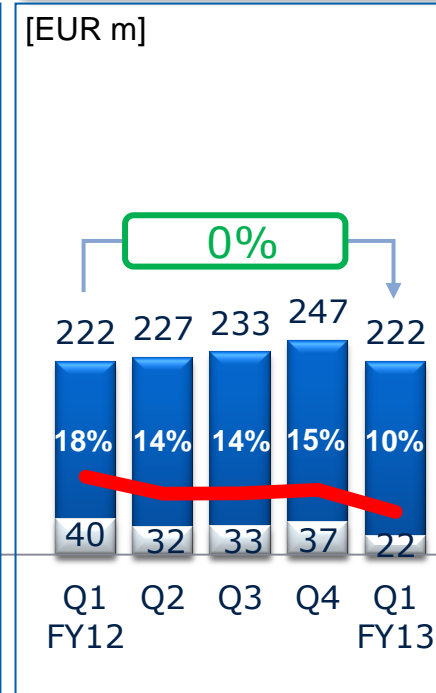
ATV



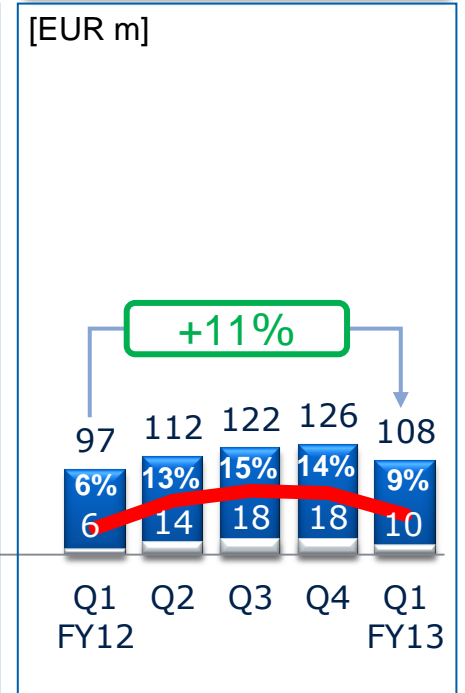
IPC



PMM



CCS



Revenue

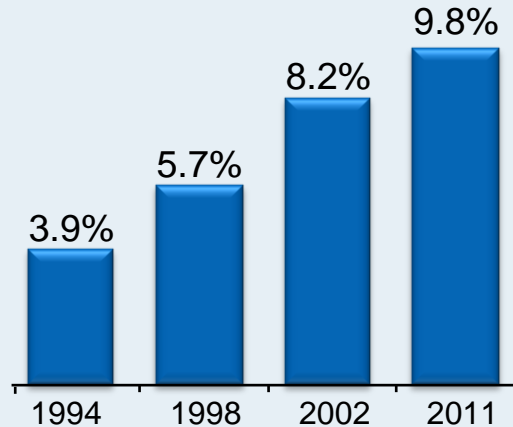
Segment Result

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** position;
■ 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

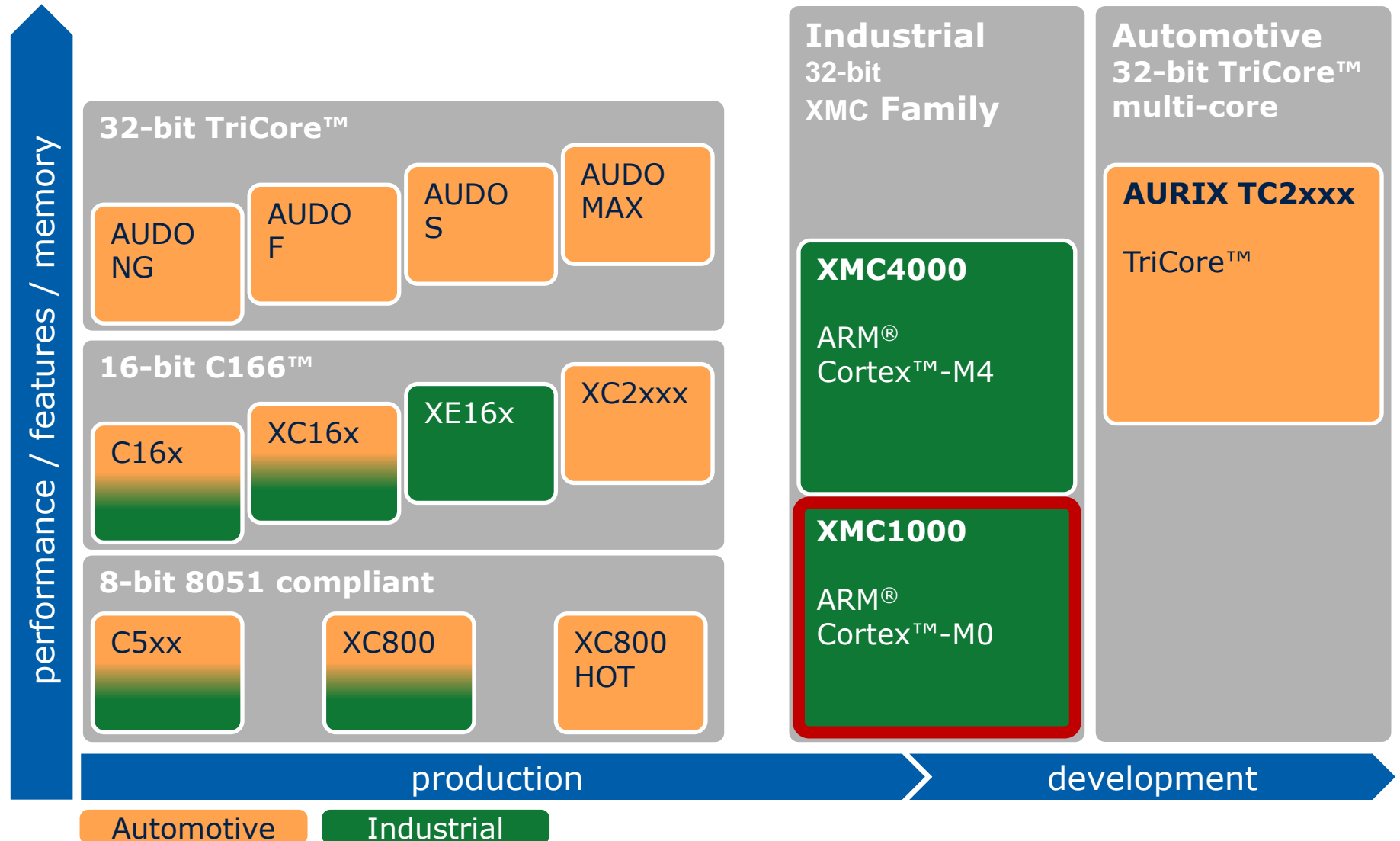
1. Freescale	13.8%
2. Infineon	8.5%
3. STM	8.0%
4. Renesas	7.5%
5. NXP	6.7%
6. TI	6.0%
7. Bosch	3.7%
8. ON	3.3%

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.

XMC1000 Completes Infineon's Portfolio of Industrial Microcontrollers



New Key Application Fields For XMC1000: Focus on Low-end Industrial Control

Sensors, actuators



- general purpose applications

LED lighting



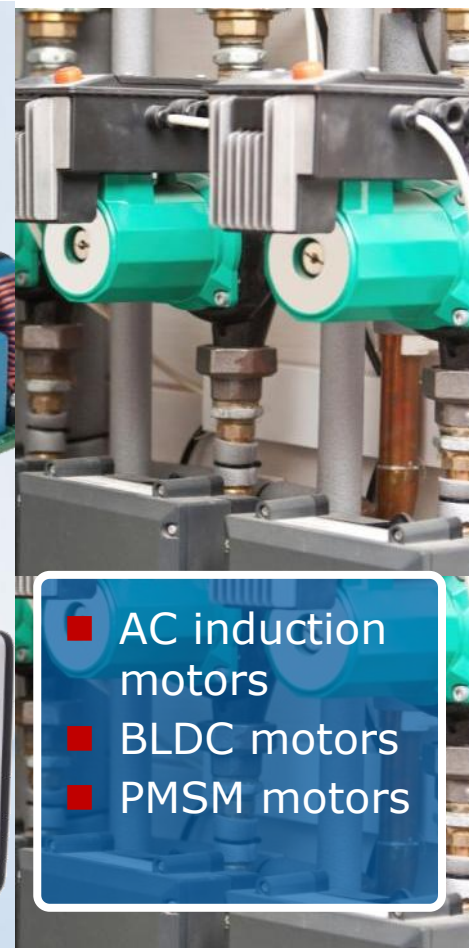
- color control
- brightness control
- connectivity

Power conversion



- power supplies
- chargers
- induction cookers

Motor control



- AC induction motors
- BLDC motors
- PMSM motors

Guidance for Q2 FY13 and FY 2013

Outlook Q2 FY13*
(compared to Q1 FY13)



Outlook FY 2013*
(compared to FY 2012)



Revenue

Mid single digit
percentage increase.

Mid-to-high single digit
percentage decline.

**Segment
Result /
Margin**

Segment Result
slightly up
in absolute terms.

Segment Result Margin
in the mid-to-high
single digits.

Investments in FY 2013

About EUR 400m.

D&A in FY 2013

About EUR 470m.

* This outlook is based on an assumed Euro/US Dollar exchange rate of 1.30.



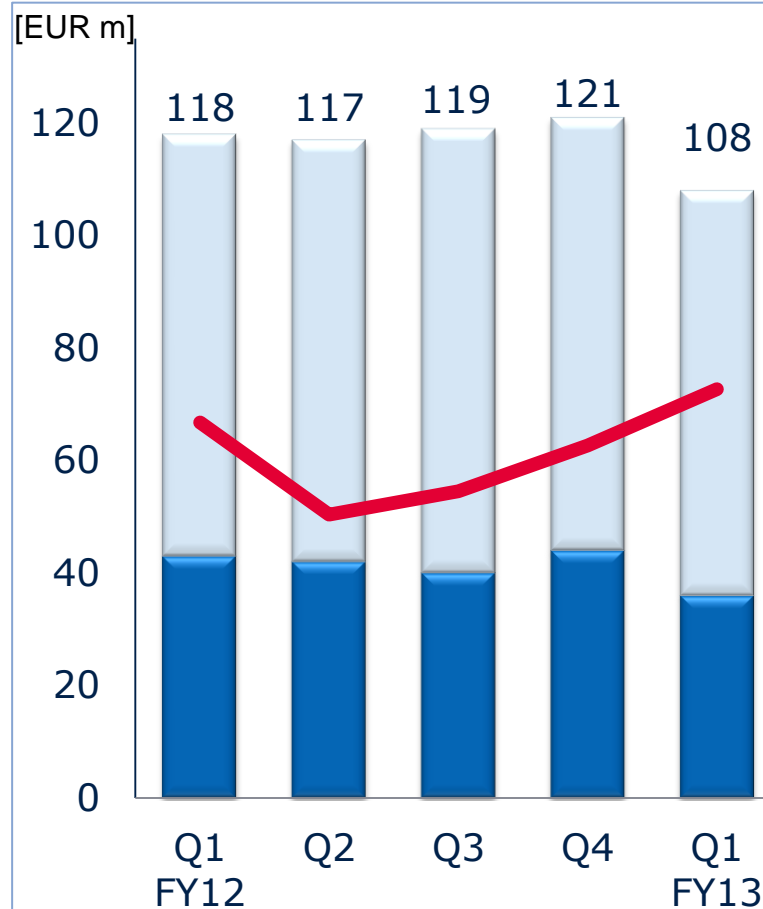
ENERGY EFFICIENCY MOBILITY SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.



Sequential Decline in OpEx as Cost Reduction Measures Were Implemented

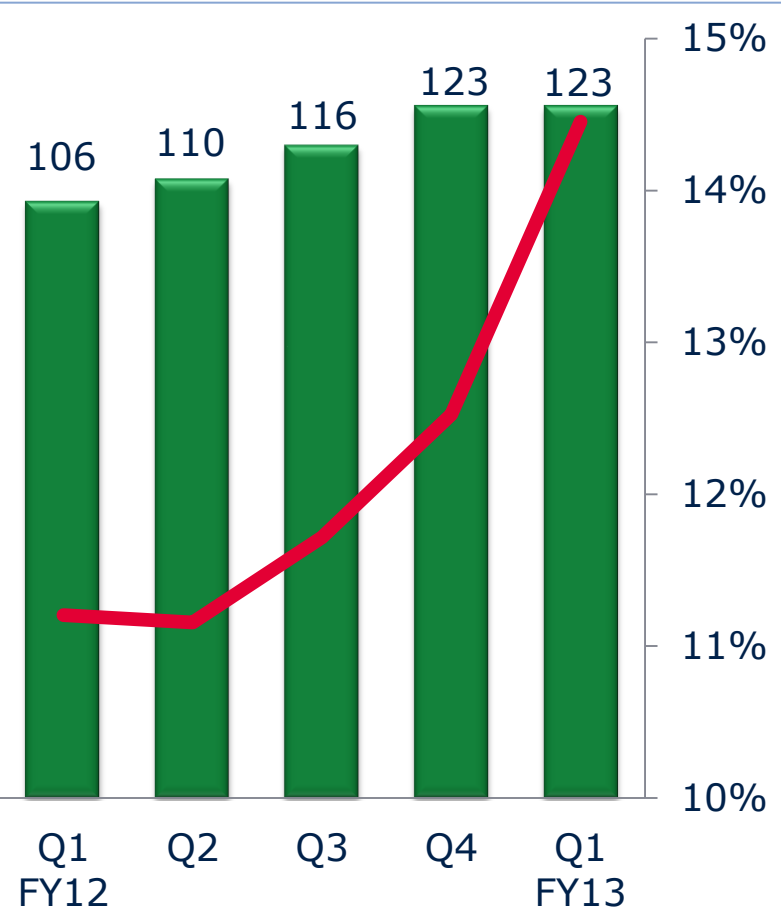
S and G&A



General & Administration

Selling

R&D

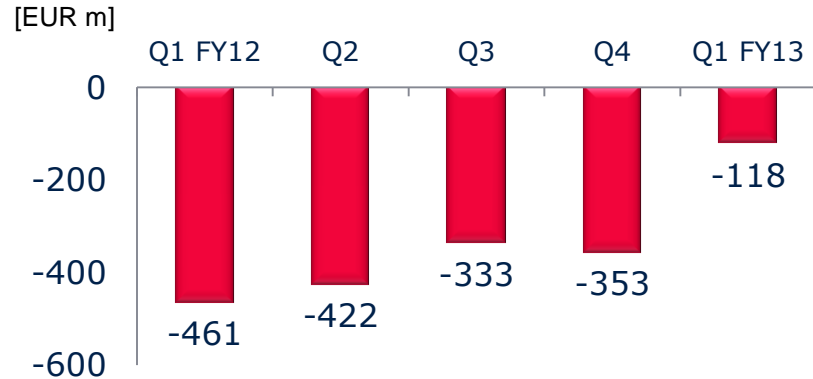


R&D

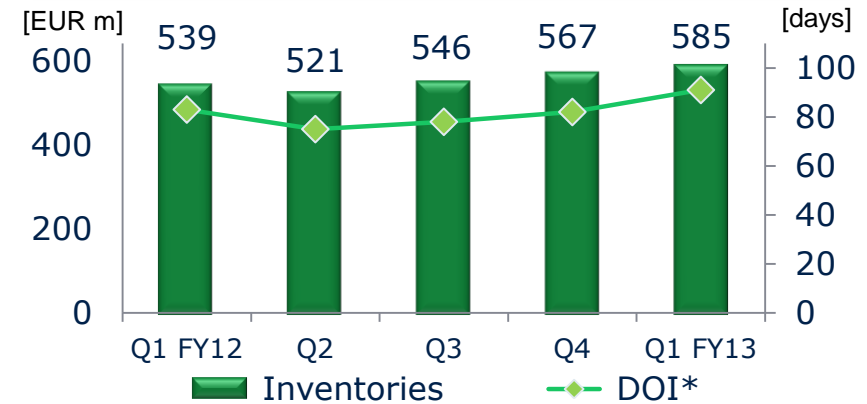
% of sales

Working Capital Increased Mainly Due To Lower Payables

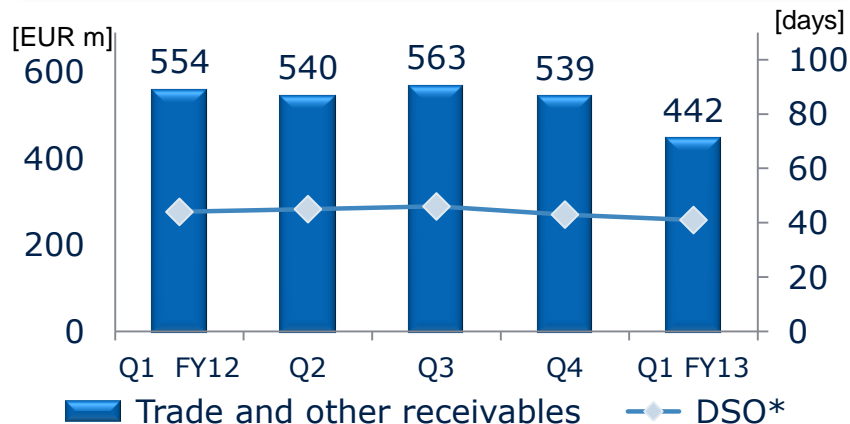
Working capital*



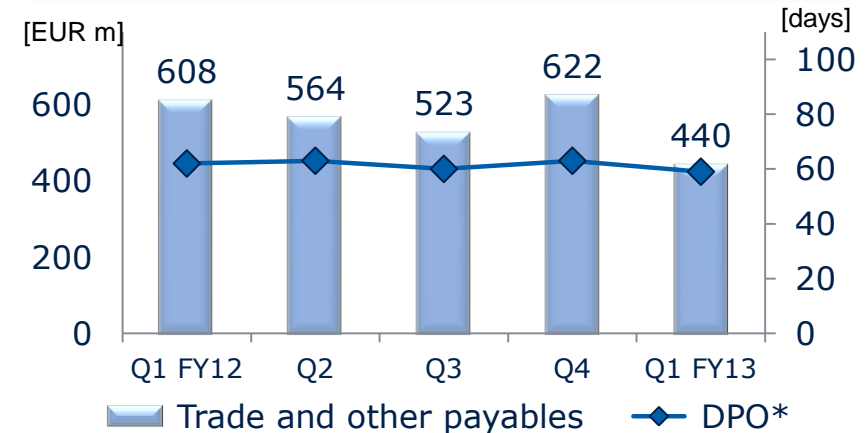
Inventories



Trade and other receivables



Trade and other payables



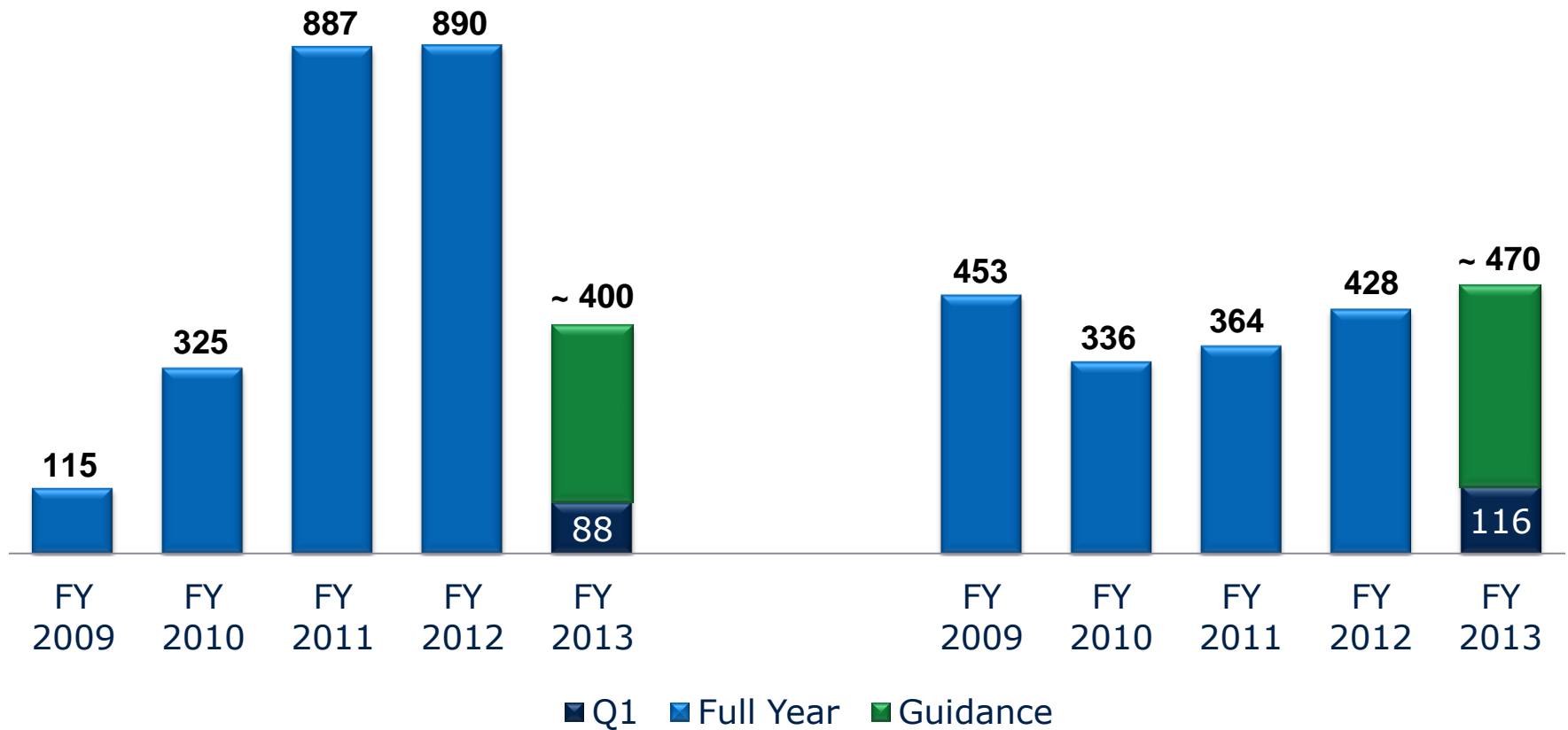
* For definition please see page 29 in appendix.

Investments in FY 2013 to Be Reduced Significantly

Investments*

D&A

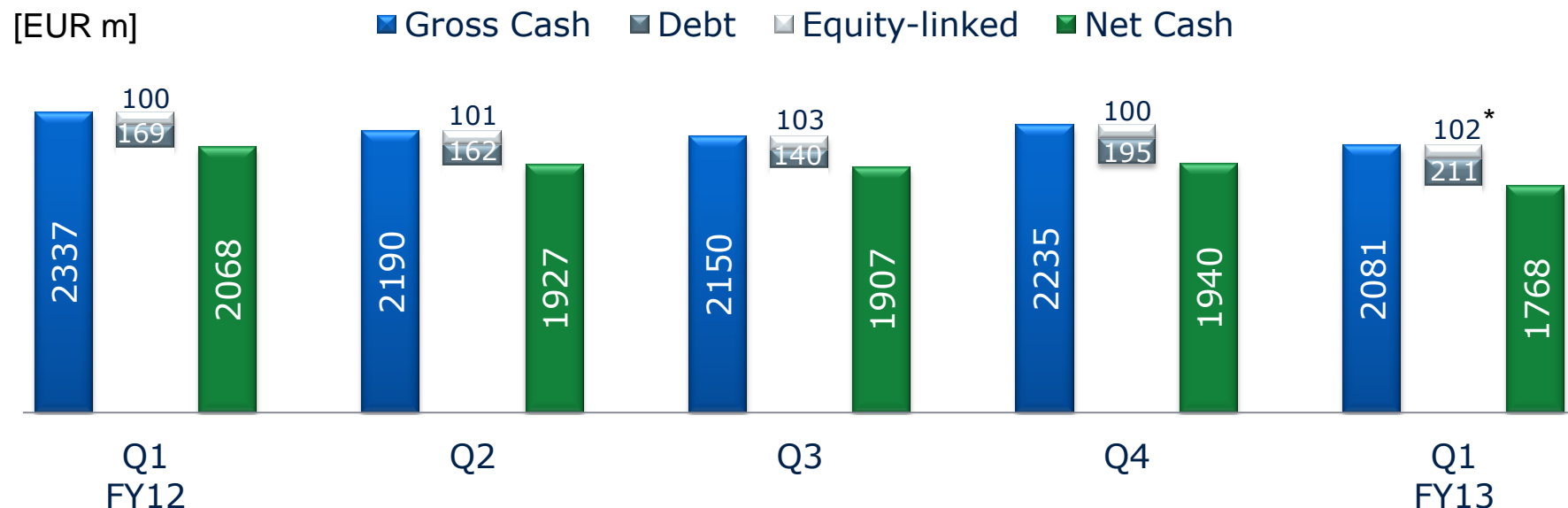
[EUR m]



* For definition please see page 29 in appendix.

Gross Cash and Net Cash Position Lower But Still Comfortable

Liquidity Development

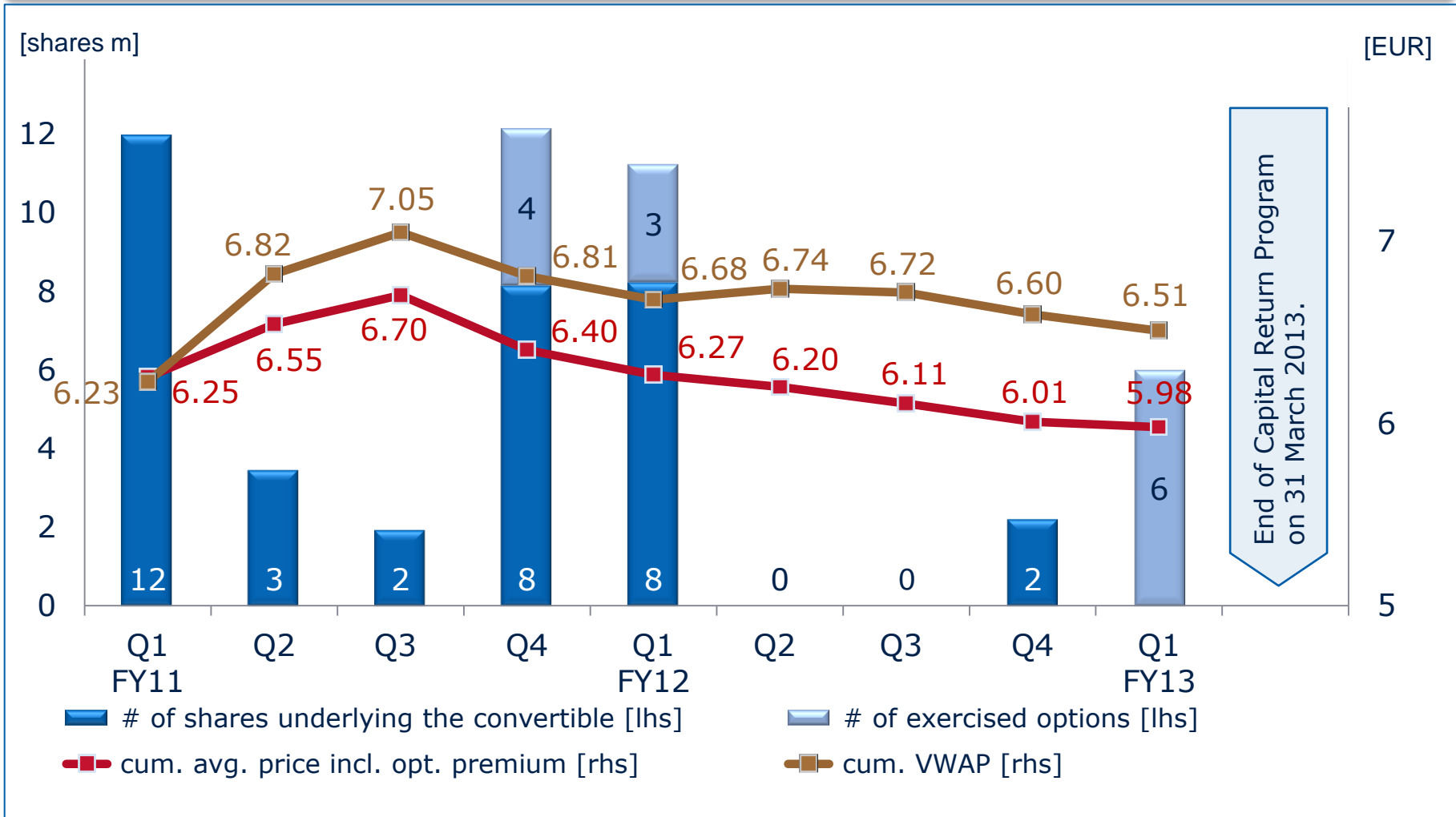


* Consists of convertible bond (nominal value EUR 113m; book value EUR 102m).

- Gross cash decreased due to negative Free Cash Flow and buyback of shares via put options. Net cash impact correspondingly lower.
- Buyback of 6m shares for EUR 38m. In addition put options for 3m shares lapsed with EUR 1m premium received.
- Net increase in short and long-term debt of EUR 18m.

Average Price Per Underlying Share Below Volume Weighted Average Price (VWAP)

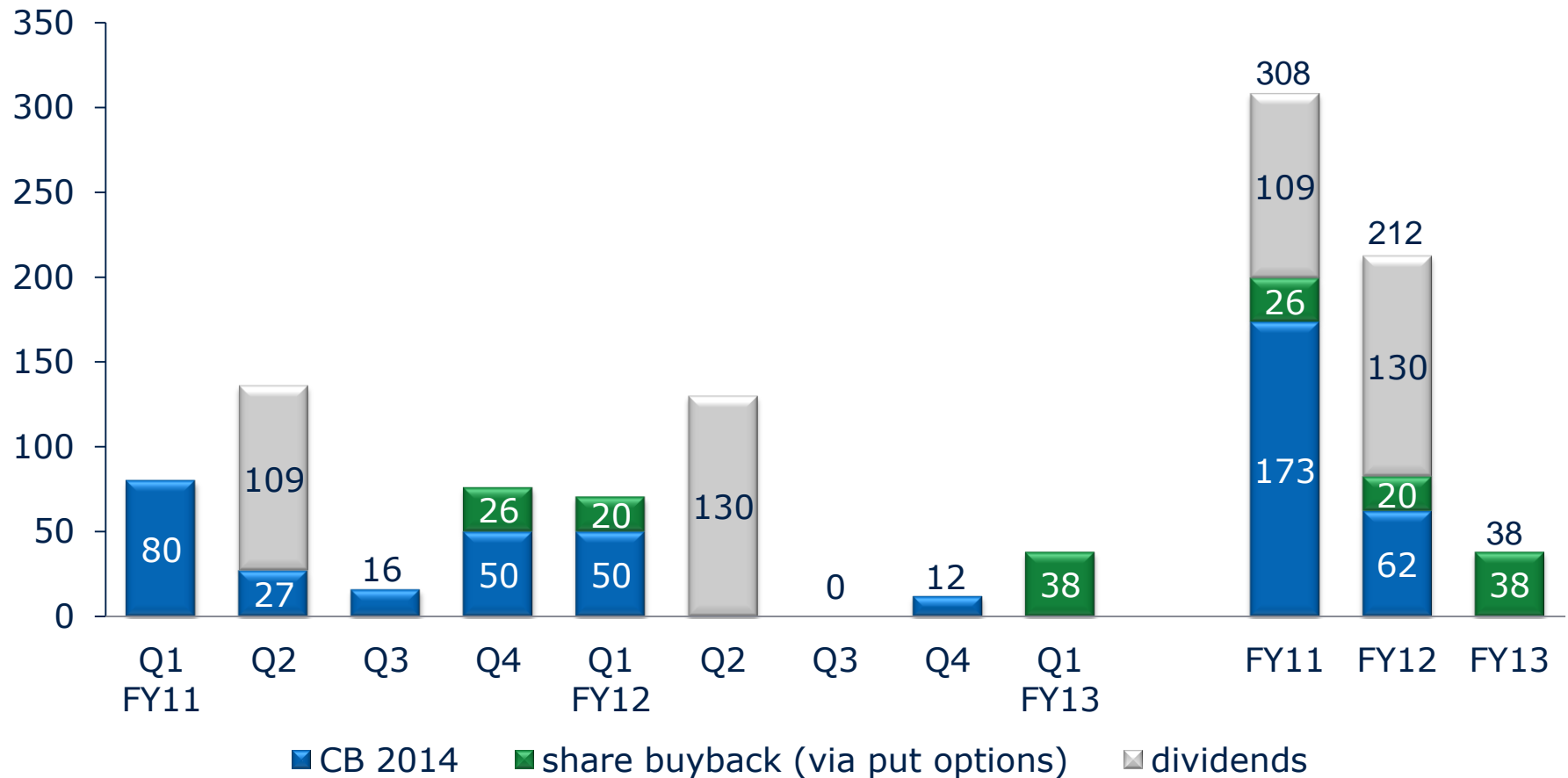
Total share buyback history via convertible bond and put options



Total Gross Capital Returns of EUR 558m Between 2011 And Q1 FY13

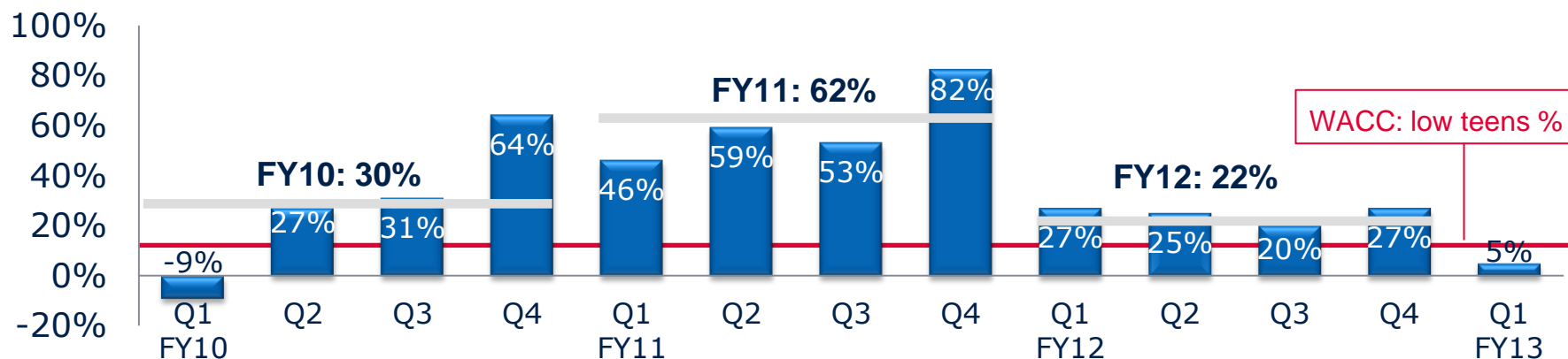
Total gross capital returns history

[EUR m]

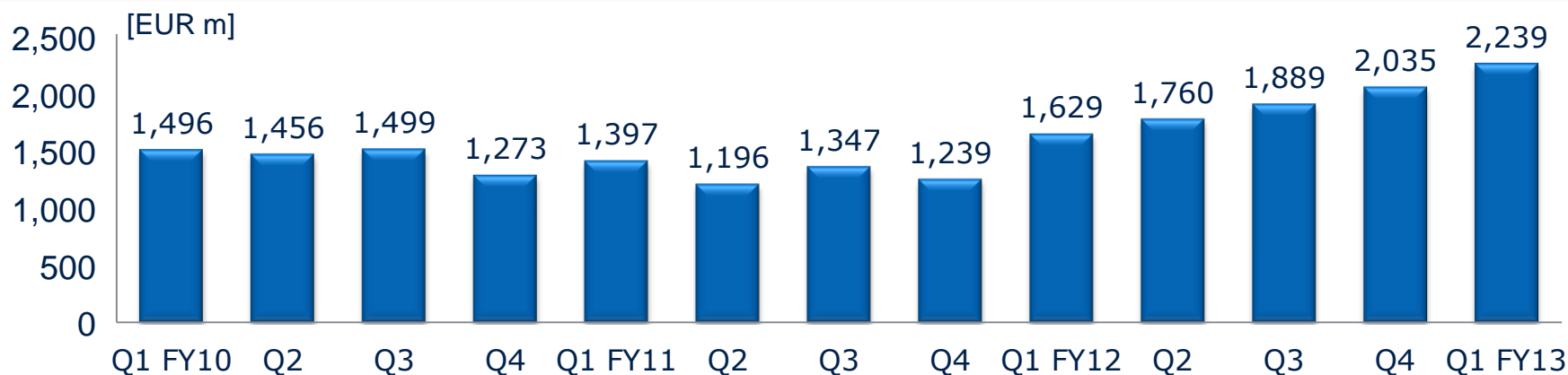


Development of Capital Employed and RoCE

RoCE* history



Capital Employed* history



* For definition please see page 29 in appendix.

Notes

Investments =

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

Capital Employed =

'Total assets'
 – 'Cash and cash equivalents'
 – 'Financial investments'
 – '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']

RoCE =

NOPAT / Capital Employed =
 ('Income from continuing operations'
 – 'financial income'
 – 'financial expense')
 / Capital Employed

Working Capital =

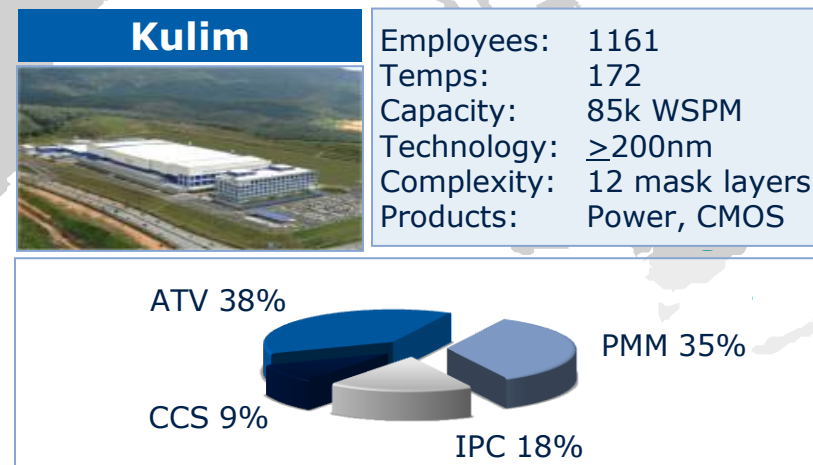
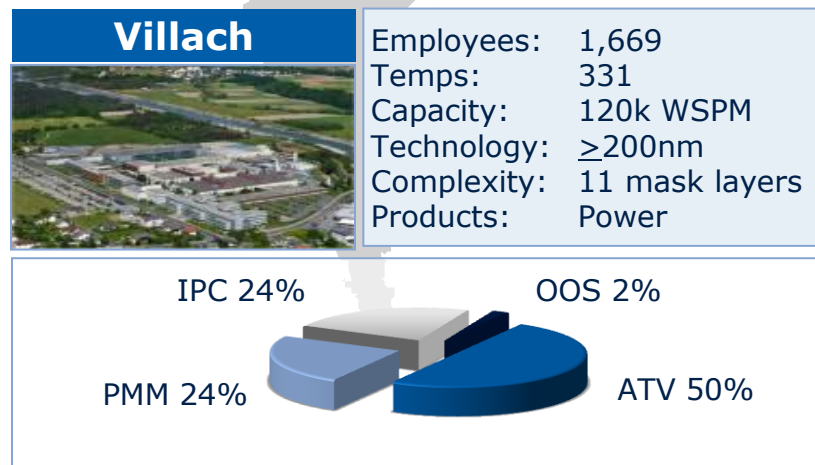
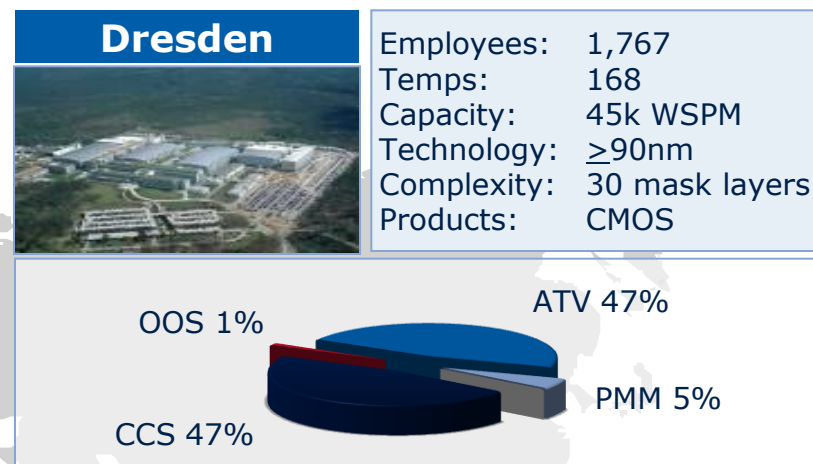
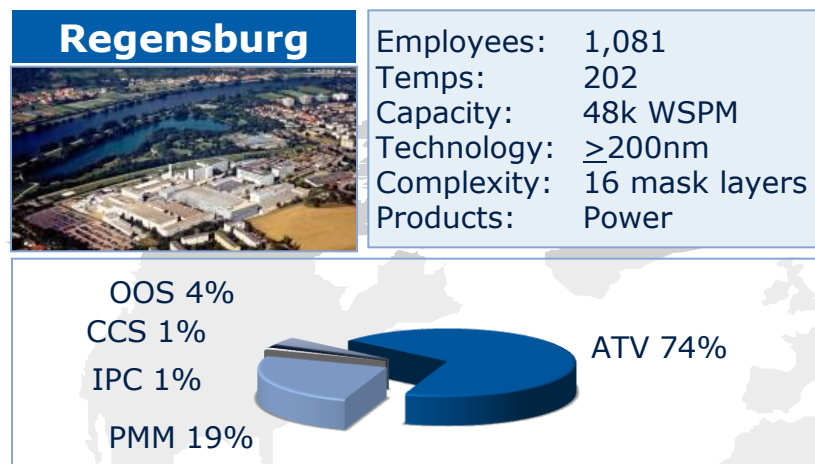
('Total current assets'
 – 'Cash and cash equivalents'
 – 'Financial investment'
 – 'Assets classified as held for sale')
 – ('Total current liabilities'
 – 'Short term debt and current maturities of long-term debt'
 – 'Liabilities classified as held for sale')

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

Worldwide Front-end Manufacturing Sites



Note : As of September 2012.

WSPM = Wafer Starts Per Month (200mm equivalent), typical technology.

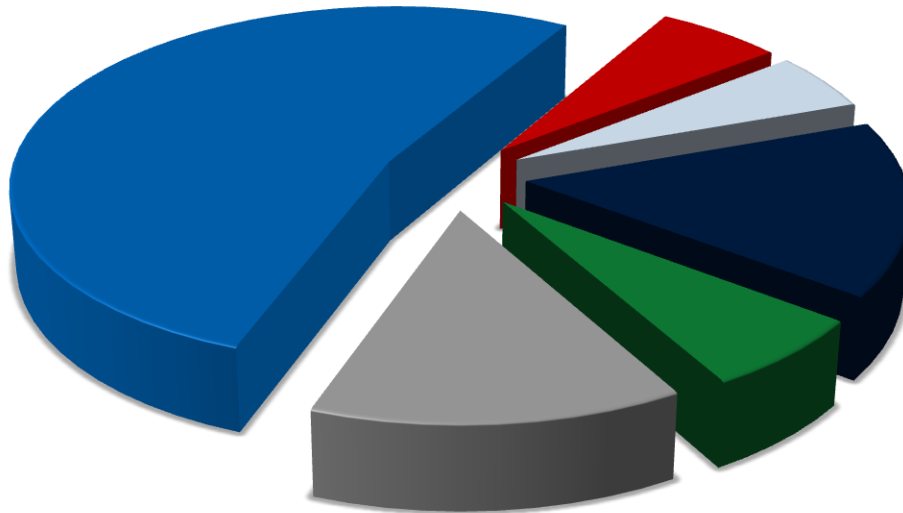
Worldwide Back-end Manufacturing Sites



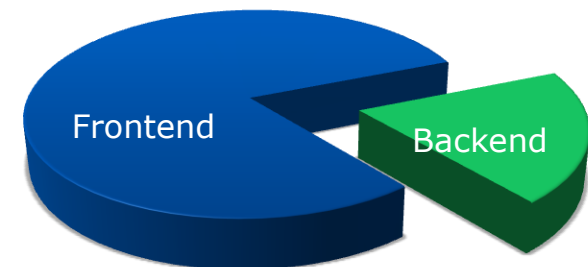
Note : As of September 2012.

Investments Driven by Capacity Additions and Maintenance

Breakdown of total investments in FY12 of EUR 890m



- Capacity
- Innovation
- Quality
- Maintenance / facility
- Intangible assets, capitalized R&D
- Others



Infineon Has a Long Track Record in Responsibility and Sustainability



Dow Jones Sustainability Index



- Infineon is member of the Dow Jones Sustainability Index since 2010.
 - Infineon is currently Europe's one and only semiconductor company member in the Dow Jones Sustainability Indexes.
 - Infineon is semiconductor's sector leader worldwide in two environmental criteria:
 - Product stewardship,
 - Operational eco-efficiency.
-
- According to RobecoSAM, Infineon is among the top 15% most sustainable companies worldwide and therefore listed in the Sustainable Yearbook for the third consecutive year.



Certifications



- Based on our efforts for resources management, safety and health standards, Infineon received the EN ISO 14001, OHSAS 18001 and ISO 50001* multi-site certification.

* ISO 50001 in EU sites.

Financial Calendar

Date	Location	Event
28 Feb 2013	Munich	Annual General Meeting
12 – 13 Mar 2013	London	UBS European Technology Conference
02 May 2013*		Q2 FY13 Results
30 Jul 2013*		Q3 FY13 Results
28 Aug 2013	Frankfurt	Commerzbank Sector Conference Week
03 Sep 2013	London	Deutsche Bank European TMT Conference
25 Sep 2013	Munich	Baader Investment Conference
12 Nov 2013*		Q4 FY13 and FY 2013 Results
18 – 19 Nov 2013	London	Company Roadshow including presentation by Andreas Urschitz Division President, Power Management & Multimarket
20 – 22 Nov 2013	Barcelona	Morgan Stanley TMT Conference

* provisional

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