

Second Quarter FY 2013 Quarterly Update

Infineon Technologies AG
Investor Relations



Table of Contents

■ Infineon at a Glance

■ Market Update

■ Results and Outlook

Disclaimer:

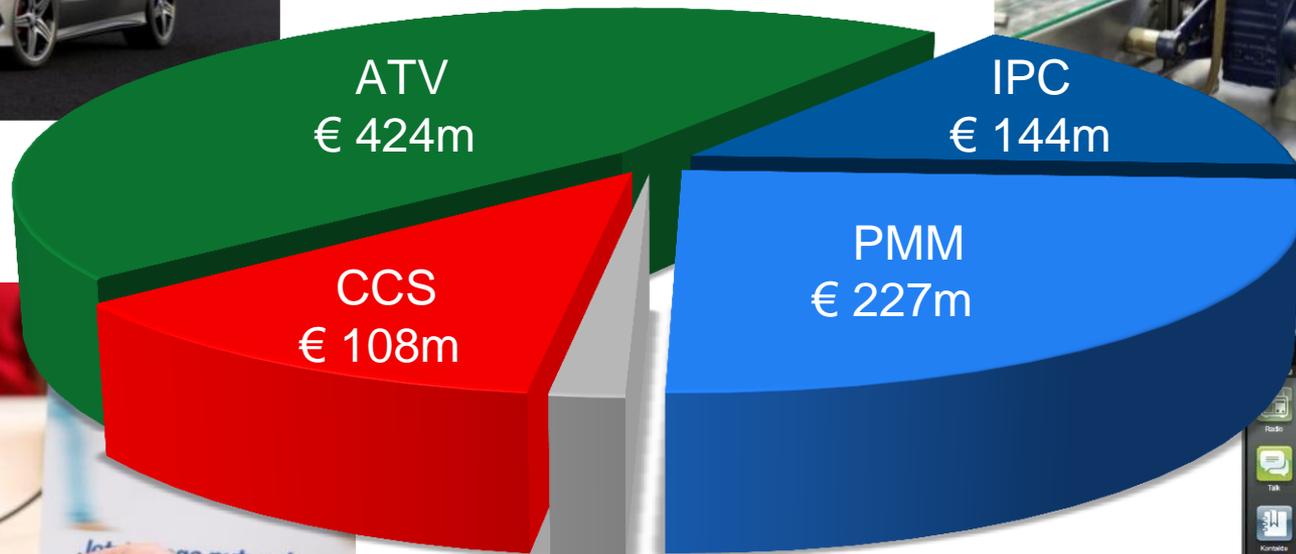
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

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

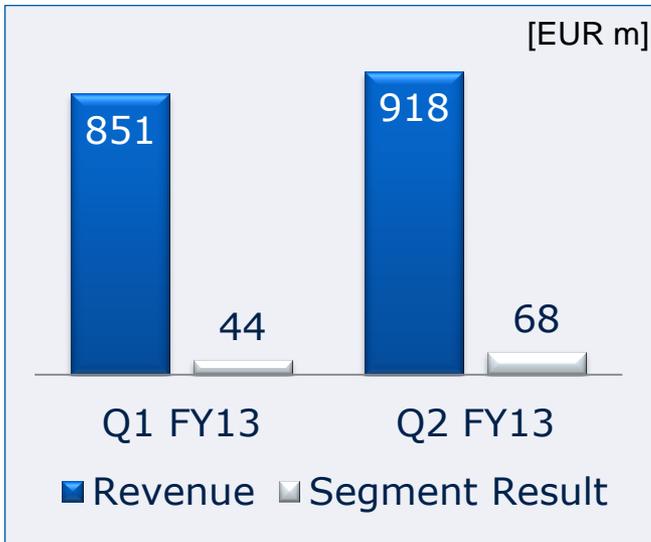
Q2 FY 2013 revenue: EUR 918m



OOS+C&E*
€ 15m

* Other Operating Segments;
Corporate and Eliminations.

Revenue and Segment Result are Recovering



[EUR m]	Q2 FY12	Q1 FY13	Q2 FY13
Revenue	986	851	918
Segment Result	144	44	68
SR Margin	14.6%	5.2%	7.4%
Net Income*	111	19	33
Investment	192	88	65
FCF from cont. operations	-10	-128	73
Gross Cash	2,190	2,081	2,016
Net Cash	1,927	1,768	1,705

* Net Income includes „income/loss from discount. operations, net of income taxes“ in Q2 FY12 EUR 2m, in Q1 FY13 EUR -7m and in Q2 FY13 EUR -3m.

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



ATV



IPC



PMM



CCS



Distributors

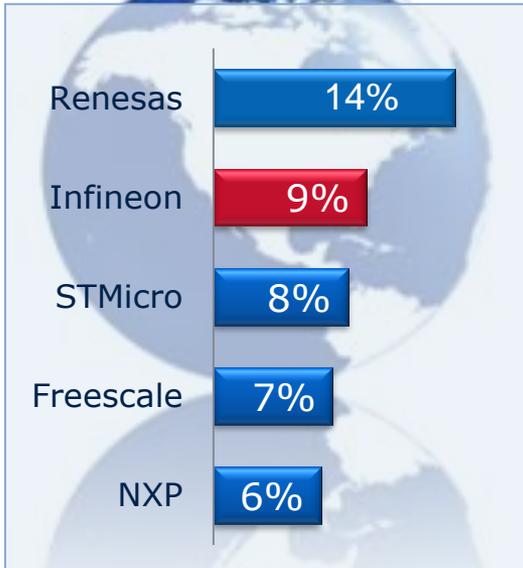


Infineon Holds Top Positions in All Target Markets



Automotive

#2

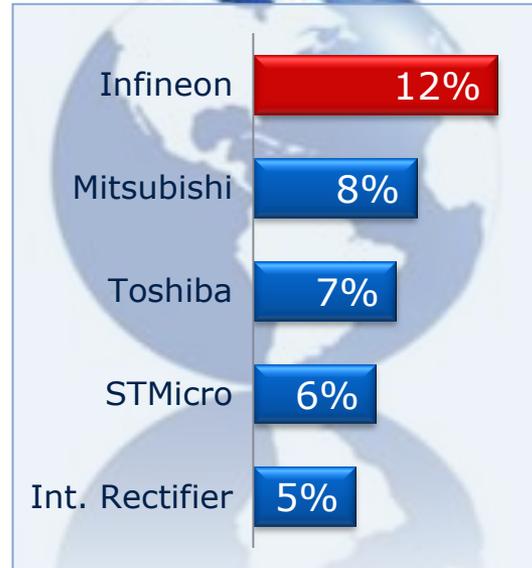


Calendar year 2012.

Source: Strategy Analytics, April 2013.

Power

#1

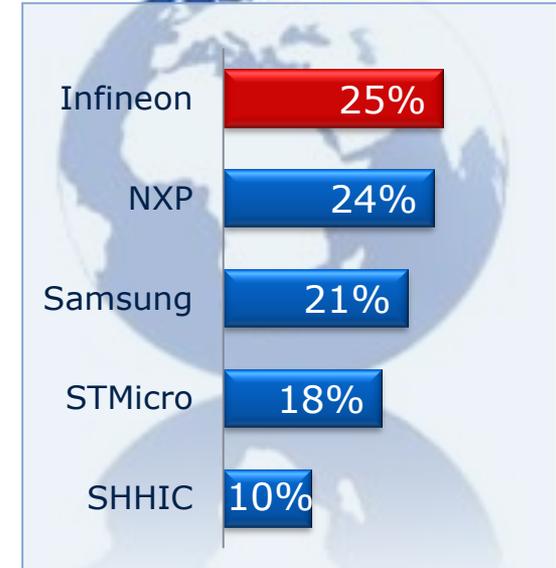


Calendar year 2011.

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

Chip Card

#1



Calendar year 2011.

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

Table of Contents

■ Infineon at a Glance

■ **Market Update**

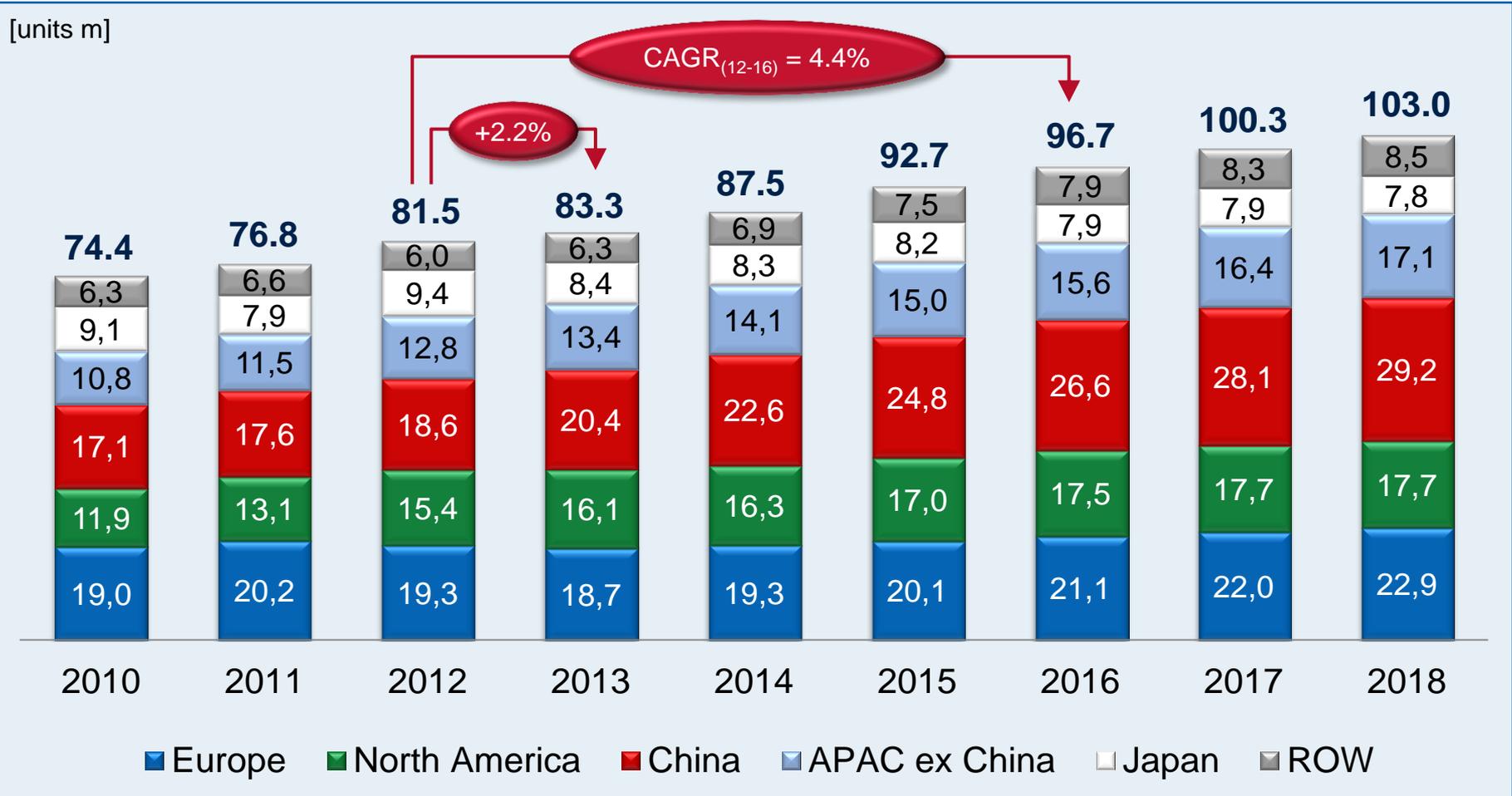
■ Results and Outlook

Despite Europe, Near-Term Outlook Raised; Long-Term Prospects Still Healthy



Global car production (cars ≤ 6t)

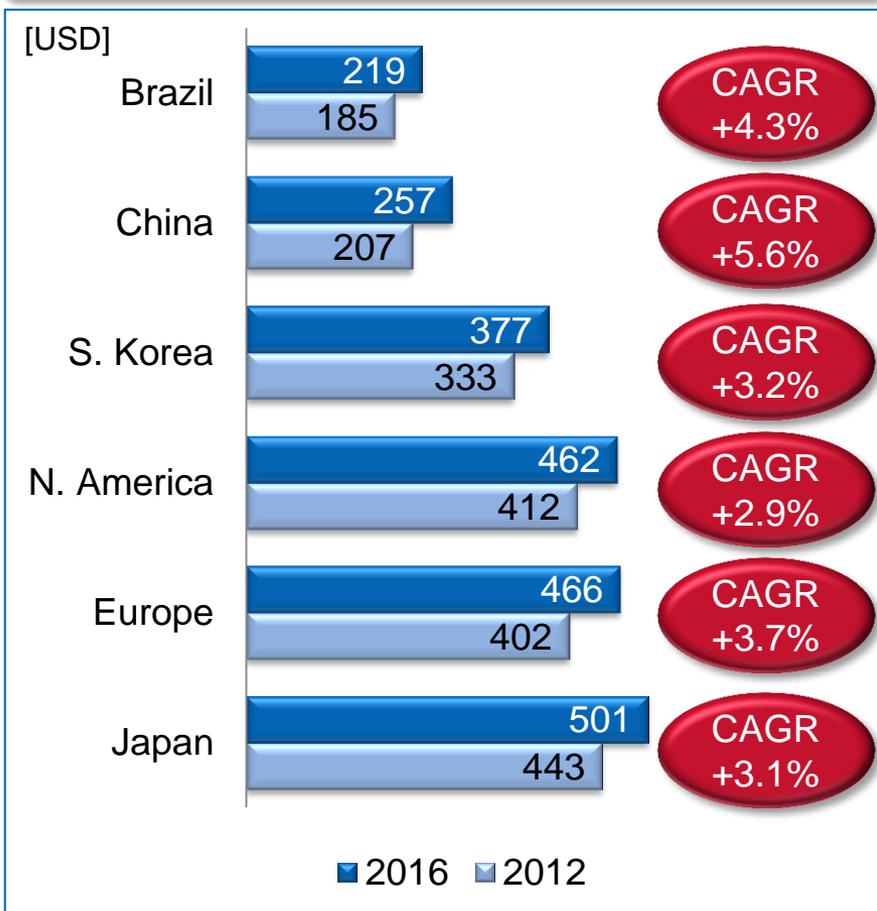
[units m]



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

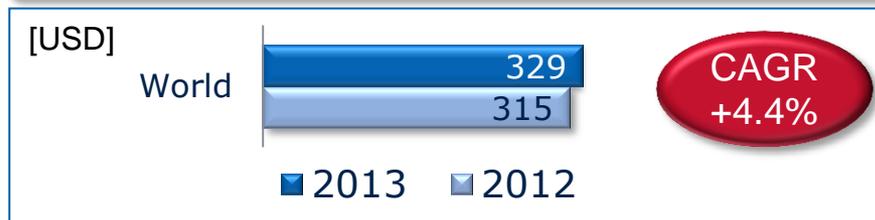
Semiconductor Value-Per-Car Continues to Increase

Semiconductor value per car by region

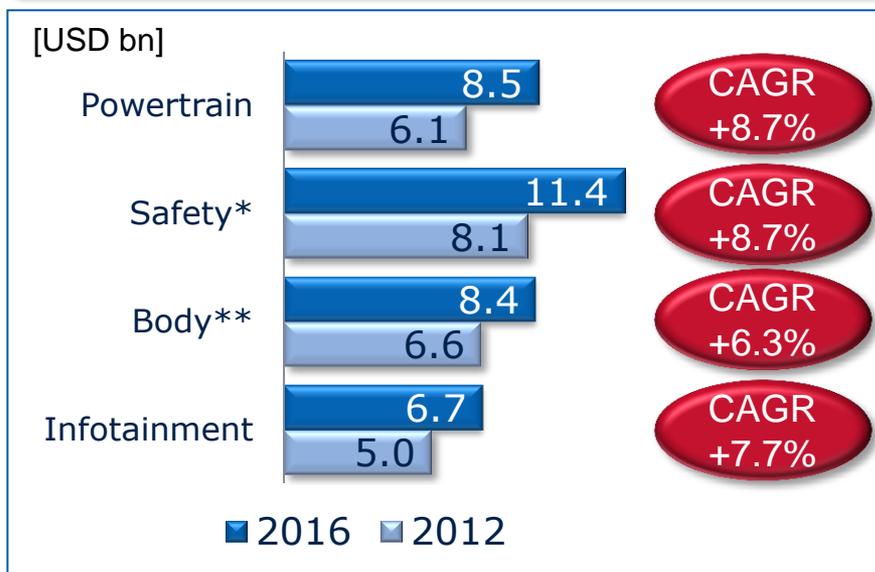


Source: Strategy Analytics (SA): "Automotive Semiconductor Demand Forecast 2011 – 2020", April 2013; including semiconductor sensors.

Semiconductor value per car



Semiconductor market by segment



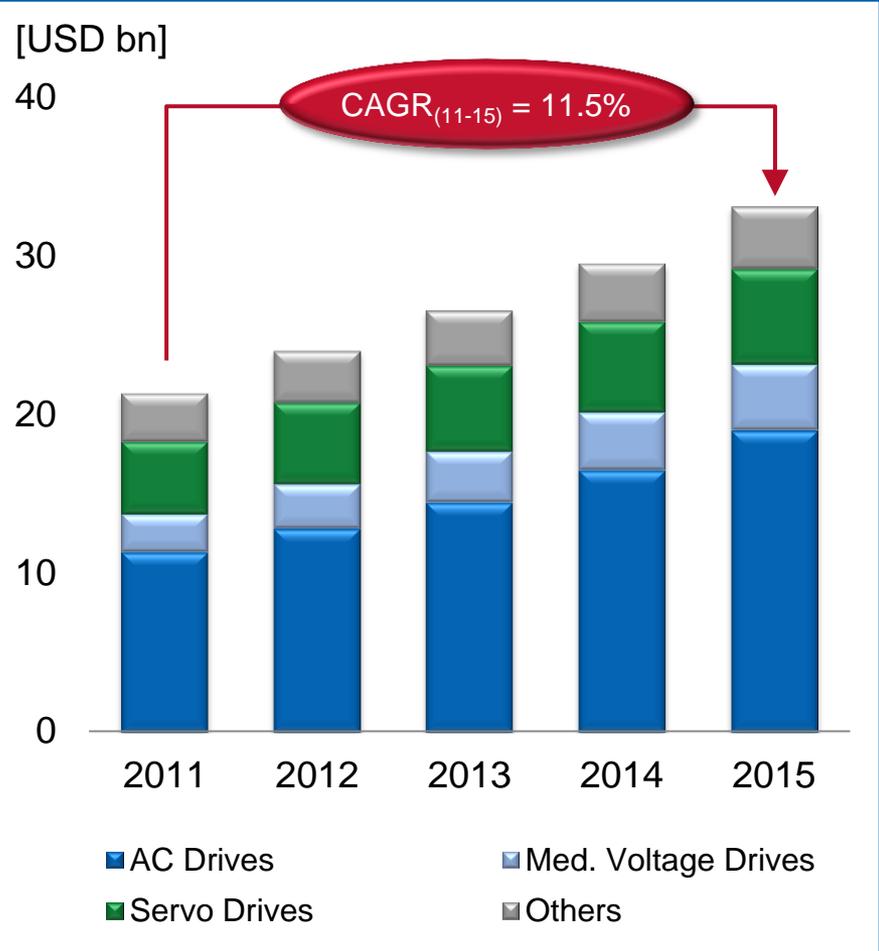
* Safety = "Safety" + "Chassis" according to SA definition.

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

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



Industrial motor controls



Market description

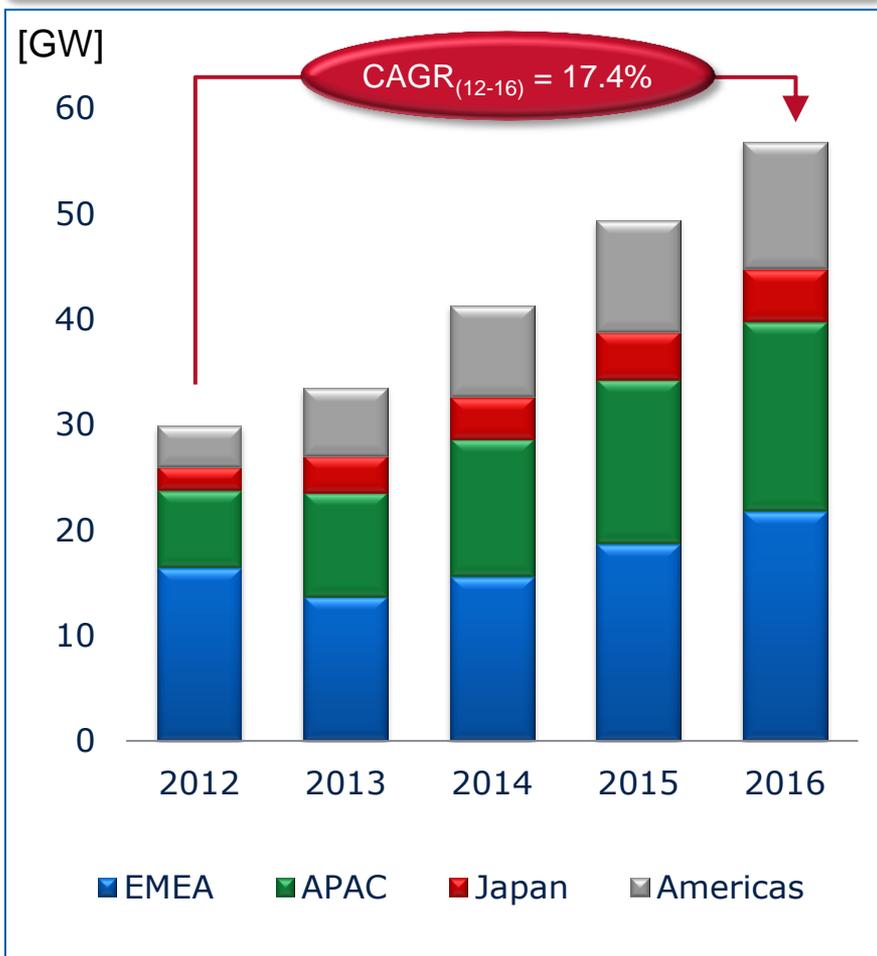
- Others**
 - Food & beverage, medical & scientific, semiconductor machinery, printing sector.
 - Comparatively low IGBT content.
- Servo Drives**
 - High precision motors for general motion control and CNC products.
 - 600/1200 V IGBT devices.
- Medium Voltage Drives**
 - Heavy industries (oil & gas, 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.

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

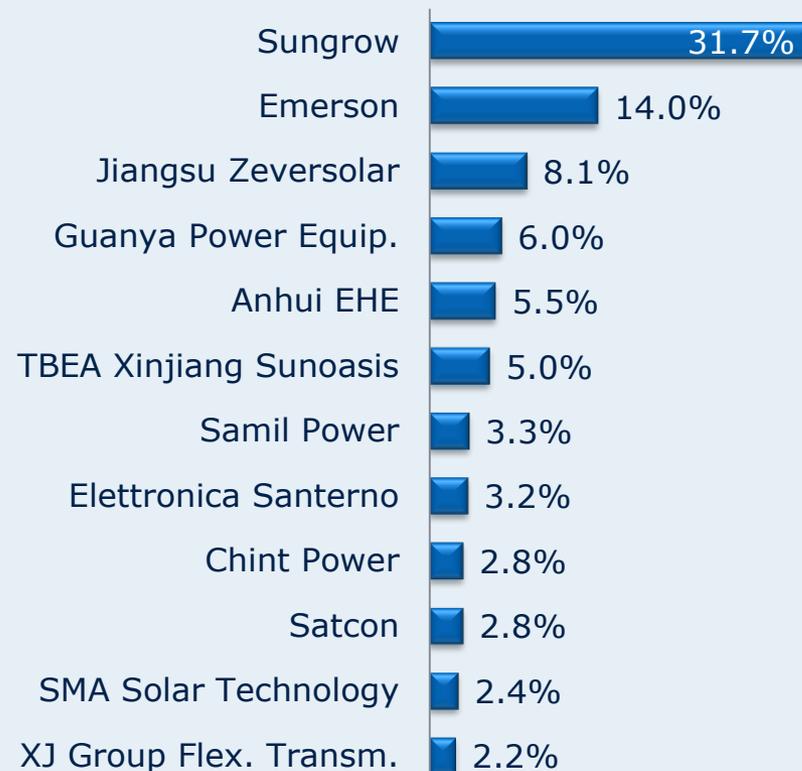
Growth in PV Inverter WW Except of EU; Infineon Well Positioned in Chinese Market



PV inverter market



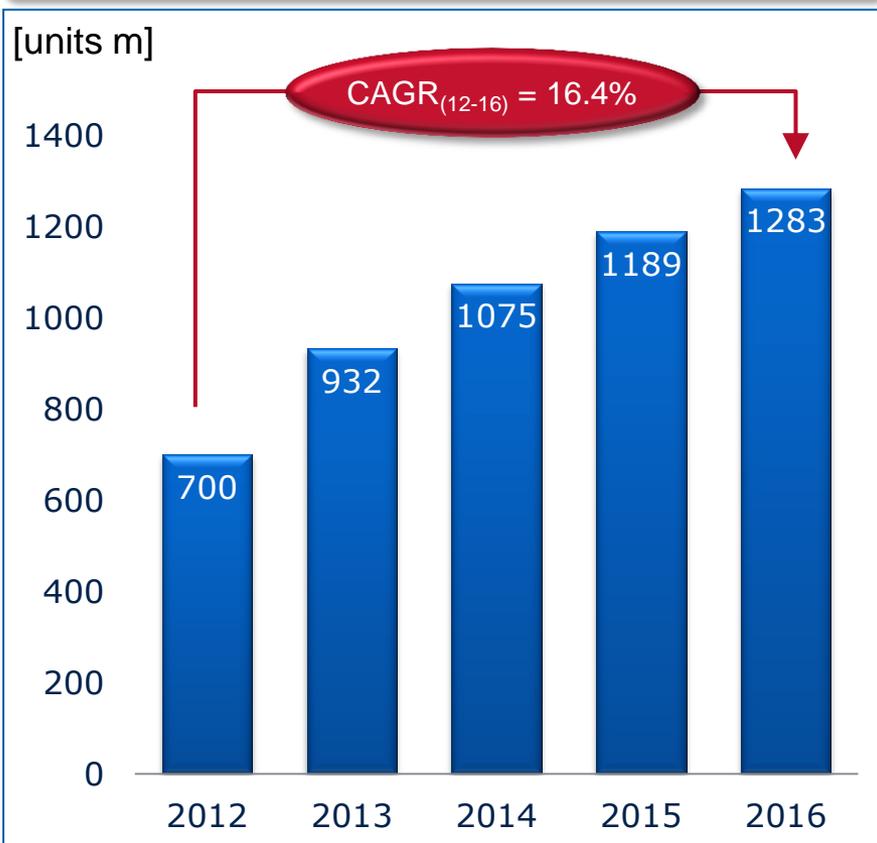
China PV Inverter Supplier Market Shares 2011 (\$346m)



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

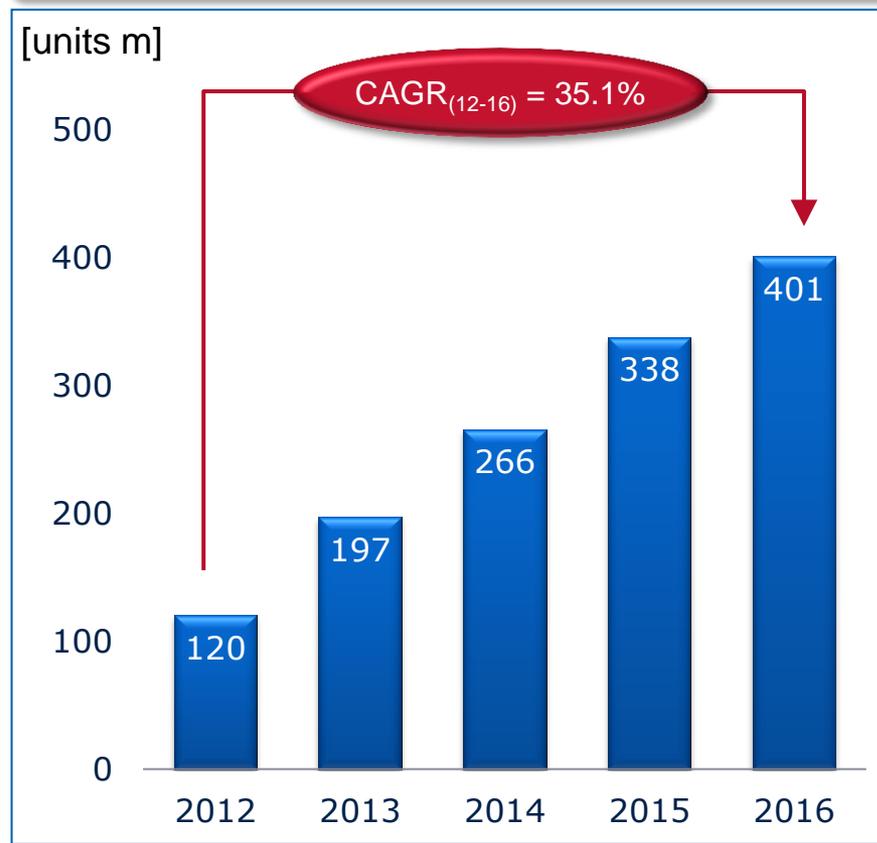
Growth in Mobile Devices Compensates Slowdown in PCs and Notebooks

Smartphones



Source: Strategy Analytics: "Global Smartphone Sales Forecast for 88 Countries: 2007 to 2017", April 2013.

Tablets**

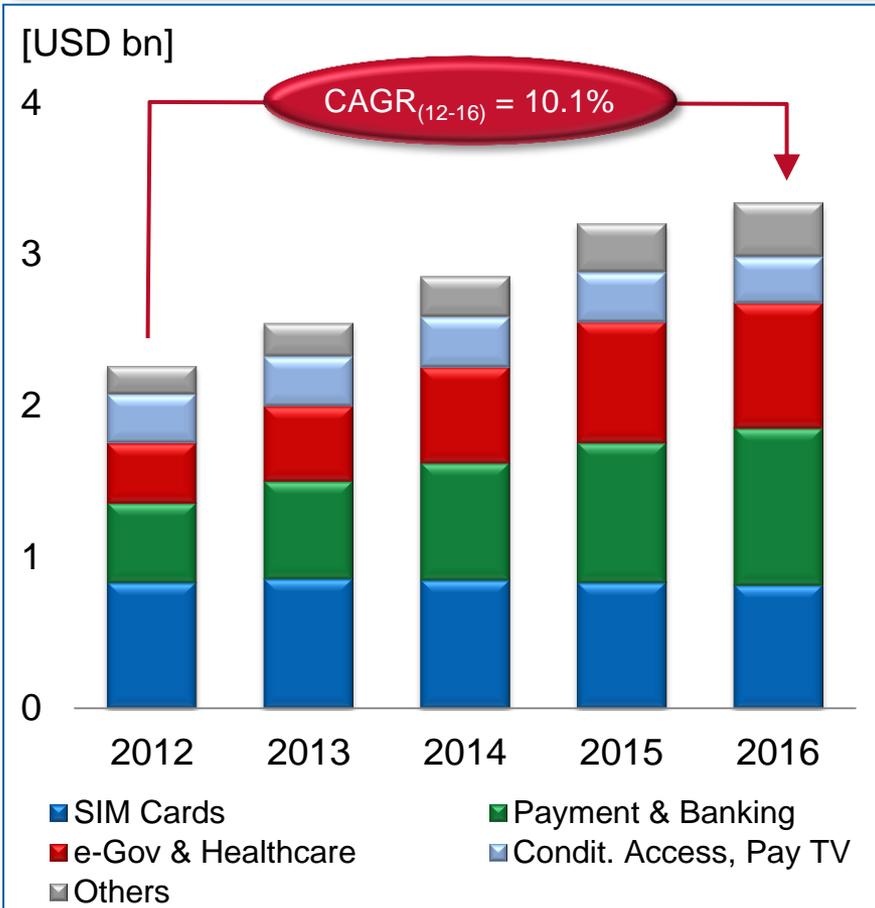


The chart was created by Infineon based on Gartner research.
Source: Gartner: "Forecast: Desk-based PCs, Notebooks, Ultramobiles, and Tablets, Worldwide, 2011 – 2017", 1Q13 Update, April 2013.

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

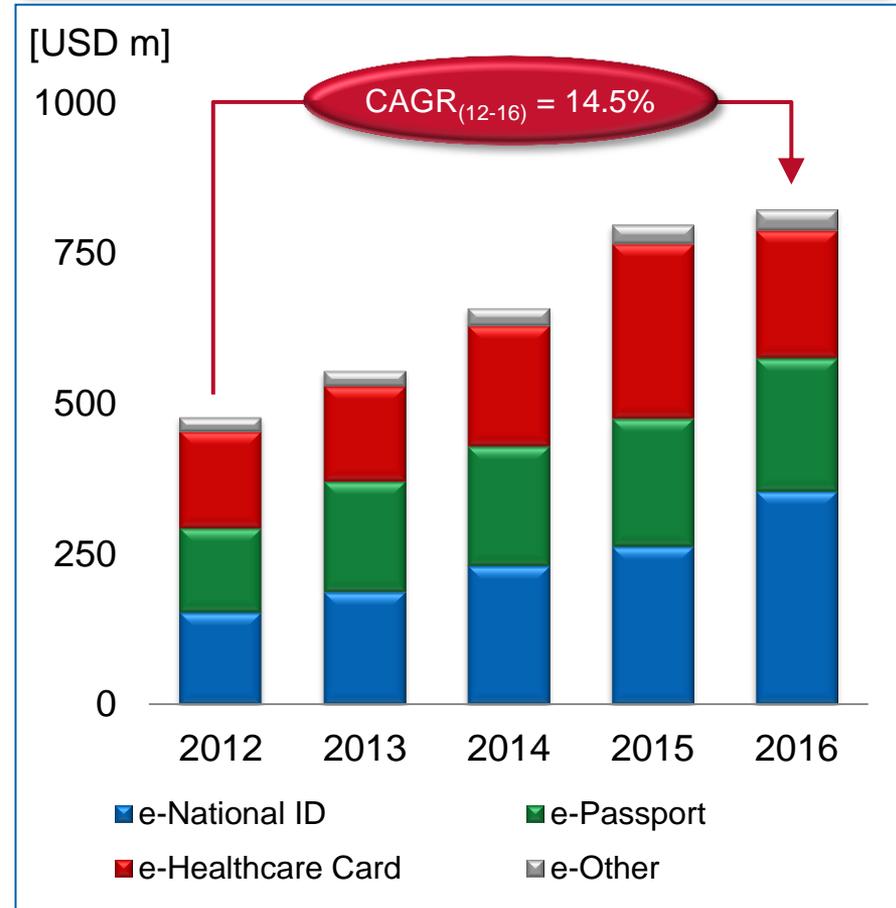
Double-digit Growth in Payment and Government ID; SIM Cards Flat

Smart card ICs



Source: IMS Research (an IHS company): "Smart Card and IC Database – World – 1Q13 Update", March 2013. 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.

Table of Contents

■ Infineon at a Glance

■ Market Update

■ **Results and Outlook**

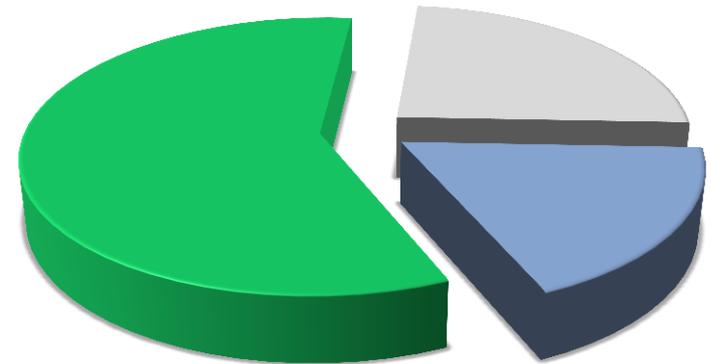
Q2 FY13: Sound Recovery After Weak Q1

Revenue and Segment Result

[EUR m]



FY 2012 revenue split by product category



■ Power ■ eControl ■ others

■ Revenue ■ Segment Result — Segment Result Margin

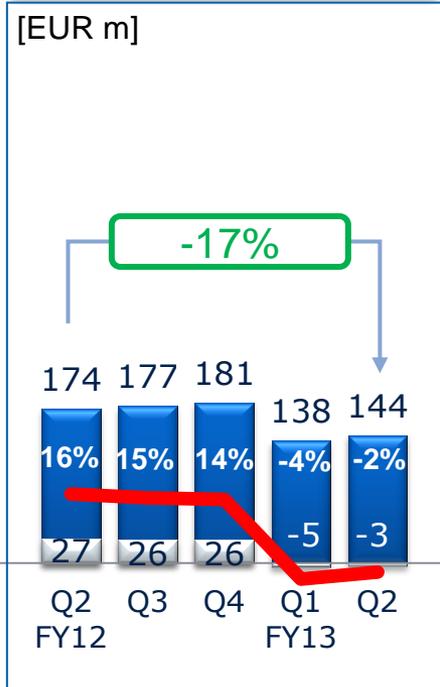
ATV Has Returned to Normal Levels; Turn Around in IPC; Stable Revenues in PMM



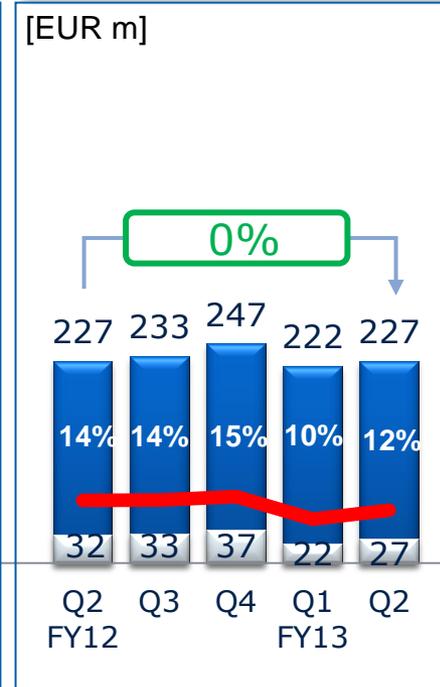
ATV



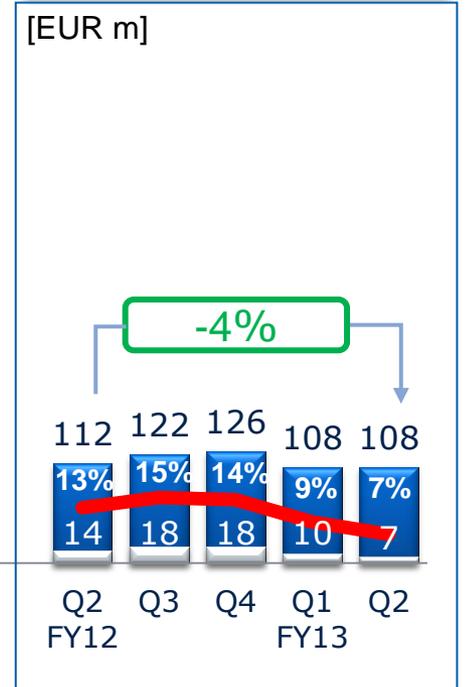
IPC



PMM



CCS



Revenue

Segment Result

Segment Result Margin

Automotive: Infineon New Number 1 in Fastest-Growing Region APAC



World (\$23.90bn)

1. Renesas	14.2%
2. Infineon	9.1%
3. STMicro	7.9%
4. Freescale	7.0%
5. NXP	6.3%
6. Bosch	5.7%
7. TI	5.7%

Europe (\$8.04bn)

1. Infineon	13.0%
2. Bosch	11.3%
3. STMicro	10.0%
4. TI	8.4%
5. Renesas	7.8%
6. NXP	7.6%
7. Freescale	7.4%

APAC & others* (\$5.70bn)

1. Infineon	9.4%
2. STMicro	9.4%
3. Renesas	9.0%
4. NXP	8.4%
5. Freescale	7.4%
6. TI	3.1%
7. Toshiba	3.0%

North America (\$4.49bn)

1. Freescale	12.5%
2. Infineon	8.4%
3. Renesas	8.2%
4. STMicro	8.1%
5. TI	7.4%

Japan (\$5.66bn)

1. Renesas	33.3%
2. Toshiba	13.0%
3. Fujitsu	4.5%
4. Sanken	3.9%
5. Infineon	3.7%

China (\$2.82bn)

1. NXP	10.5%
2. STMicro	10.0%
3. Renesas	9.5%
4. Freescale	9.2%
5. Infineon	7.0%

Korea (\$1.81bn)

1. Infineon	13.7%
2. STMicro	6.8%
3. Freescale	6.7%
4. NXP	5.6%
5. Bosch	3.9%

Source: Strategy Analytics, April 2013. * According to Strategy Analytics this ranking also includes Russia, India, South America and further countries.

Infineon Strengthens Foothold in the Growing Chinese Renewables Market



Cooperation with Sungrow



- In April, Infineon signed a strategic cooperation with Sungrow.
- Sungrow ranked as largest China-based photovoltaic (PV) inverter manufacturer with #1 position in its home market.
(Source: IMS Research)
- Infineon strengthens its position in the rapidly-growing Chinese PV inverter market; 8-10 GW of new installation expected for CY13.

Orders for PrimePACK™

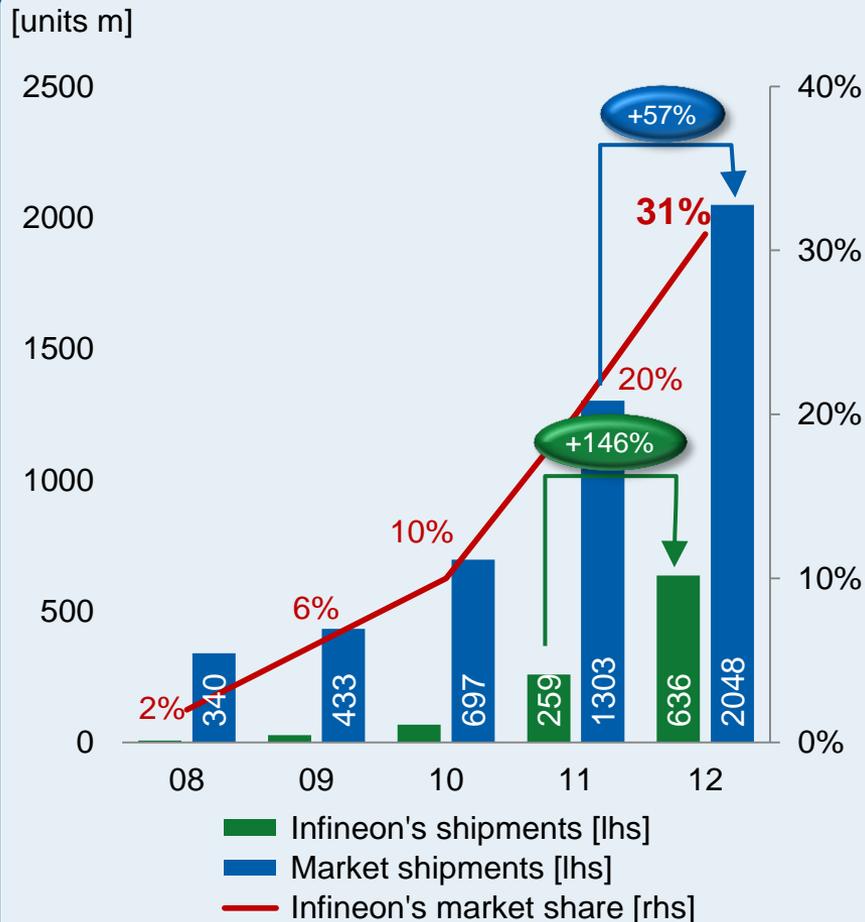


- Separately, as part of the rapid buildup of solar and wind power generation in China, we received sizable orders during the quarter for our PrimePACK™ IGBT modules.
- Shipments of these products will provide a revenue contribution in the double-digit millions of Euros in Q3 and Q4 FY13.

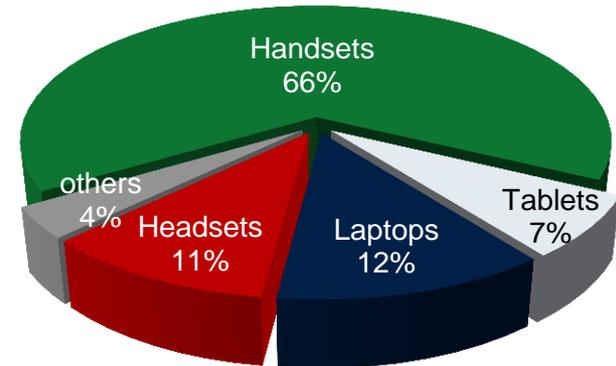
Infineon is Gaining Market Share in the Fast Growing Si-MEMS-Microphone Market



Market development



Target applications



Ranking 2012



Source: IHS iSuppli: "MEMS Microphones H2 2012 Special Report", January 2013.

Guidance for Q3 FY13 and FY 2013

Outlook Q3 FY13*



Outlook FY 2013*
(compared to FY 2012)



Revenue

About 1 billion Euro.

Upper end of guidance range:
Mid-to-high single digit
percentage decline.

Segment
Result
Margin

Approximately
10 Percent.

Upper end of guidance range:
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

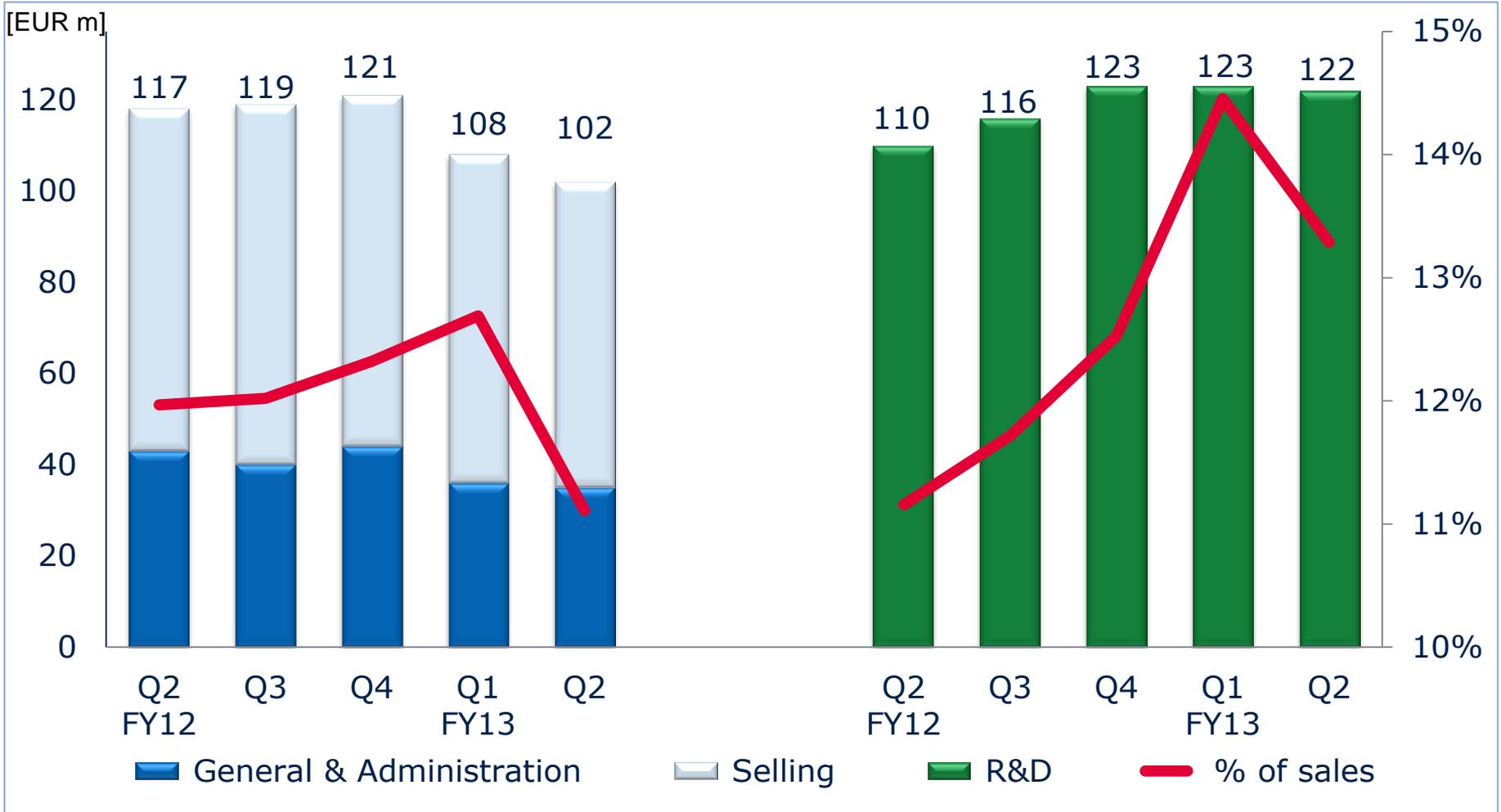
Innovative semiconductor solutions for energy efficiency, mobility and security.



Revenue Increase Brought Opex-to-Sales-Ratio Back to Normal Levels

S and G&A

R&D

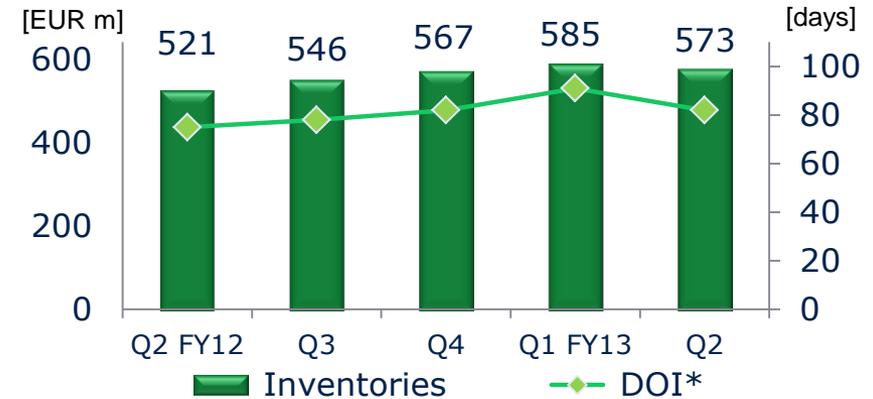


DOI, DSO And DPO In Line With Our Targets

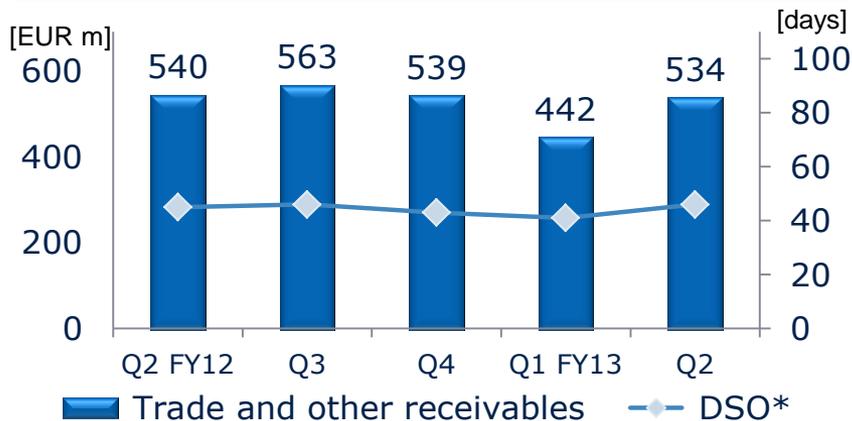
Working capital*



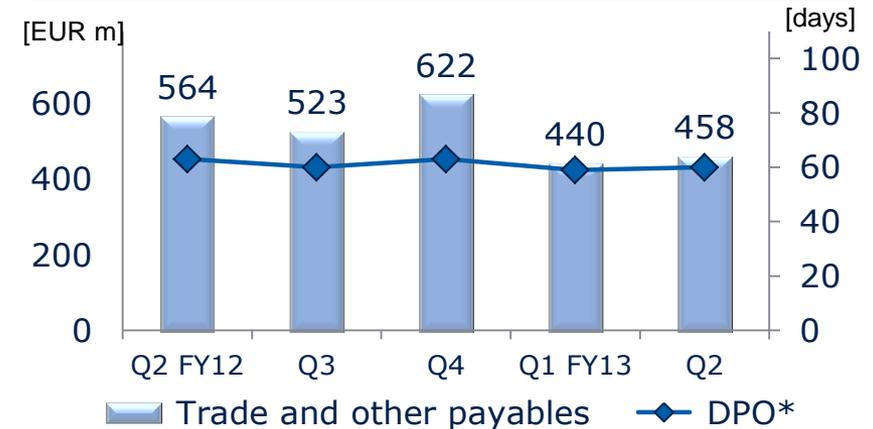
Inventories



Trade and other receivables



Trade and other payables



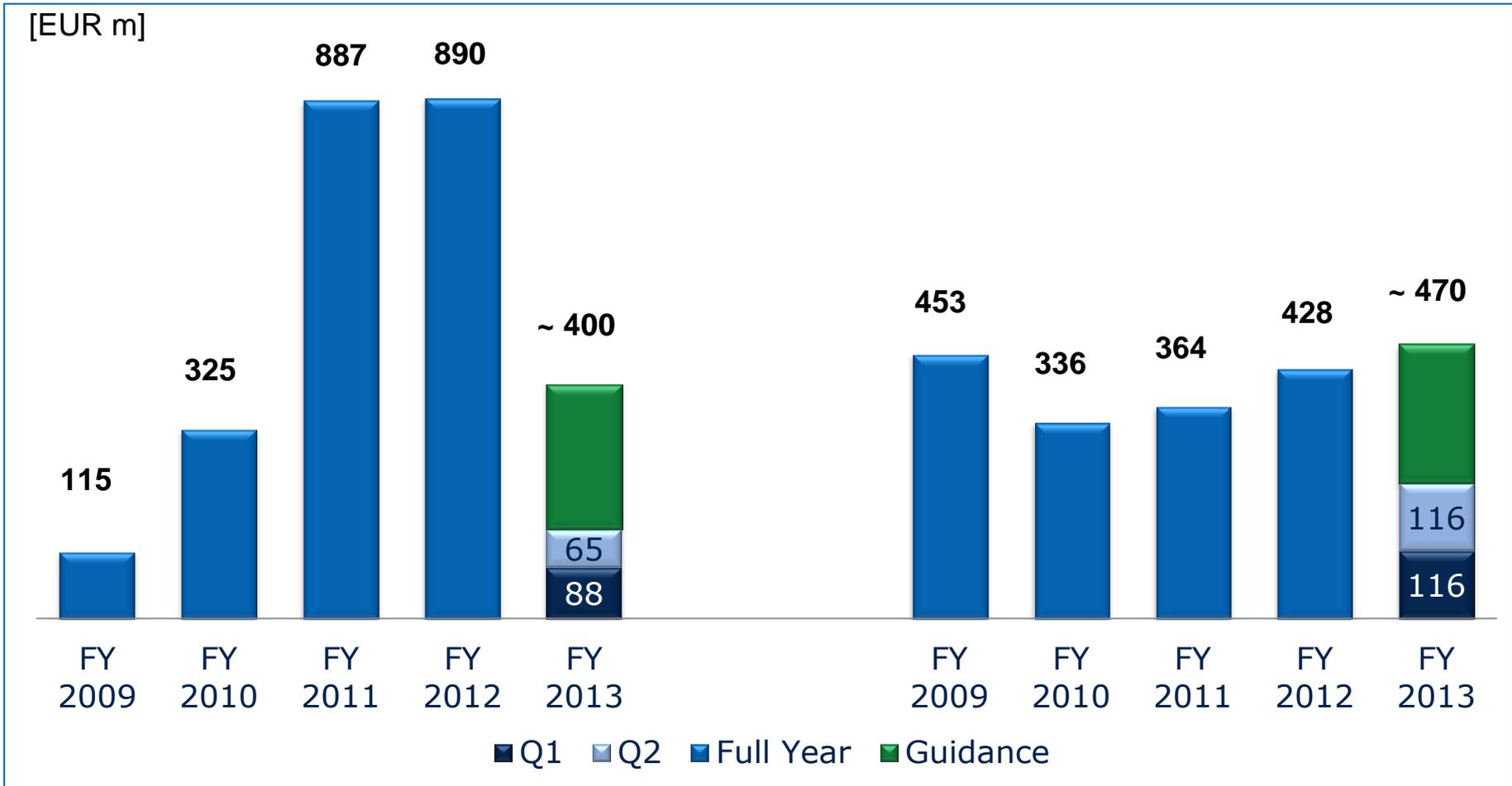
* For definition please see page 31.

Investments in FY 2013 to be Reduced Significantly



Investments*

D&A



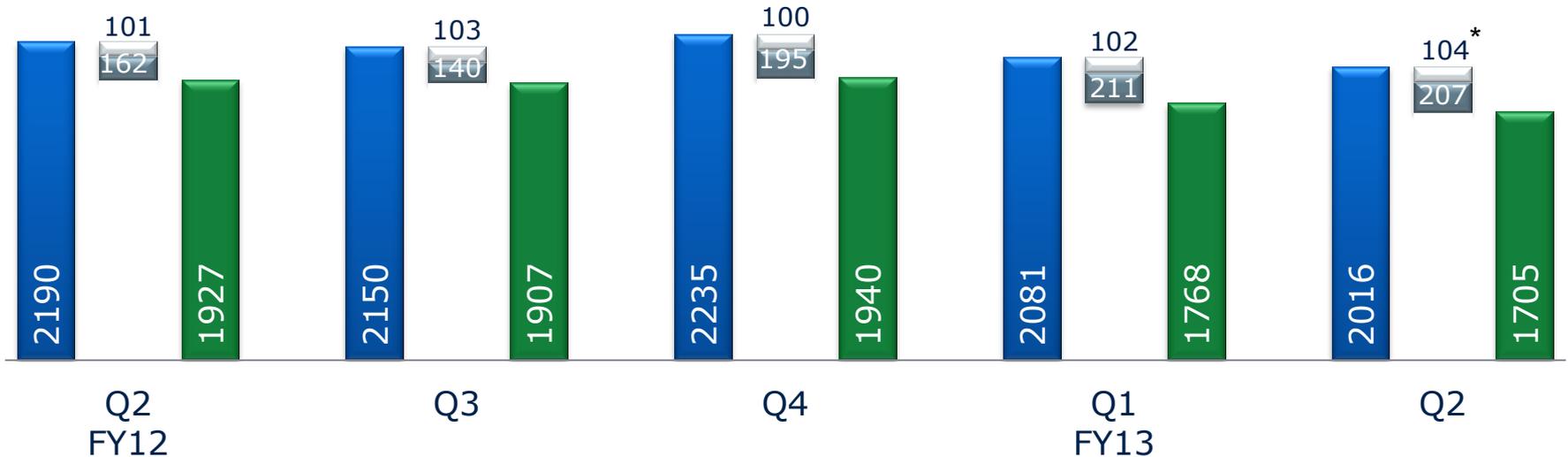
* For definition please see page 31.

Gross Cash and Net Cash Position Lower in Q2 FY13 Due to Dividend

Liquidity Development

[EUR m]

■ Gross Cash ■ Debt ■ Equity-linked ■ Net Cash



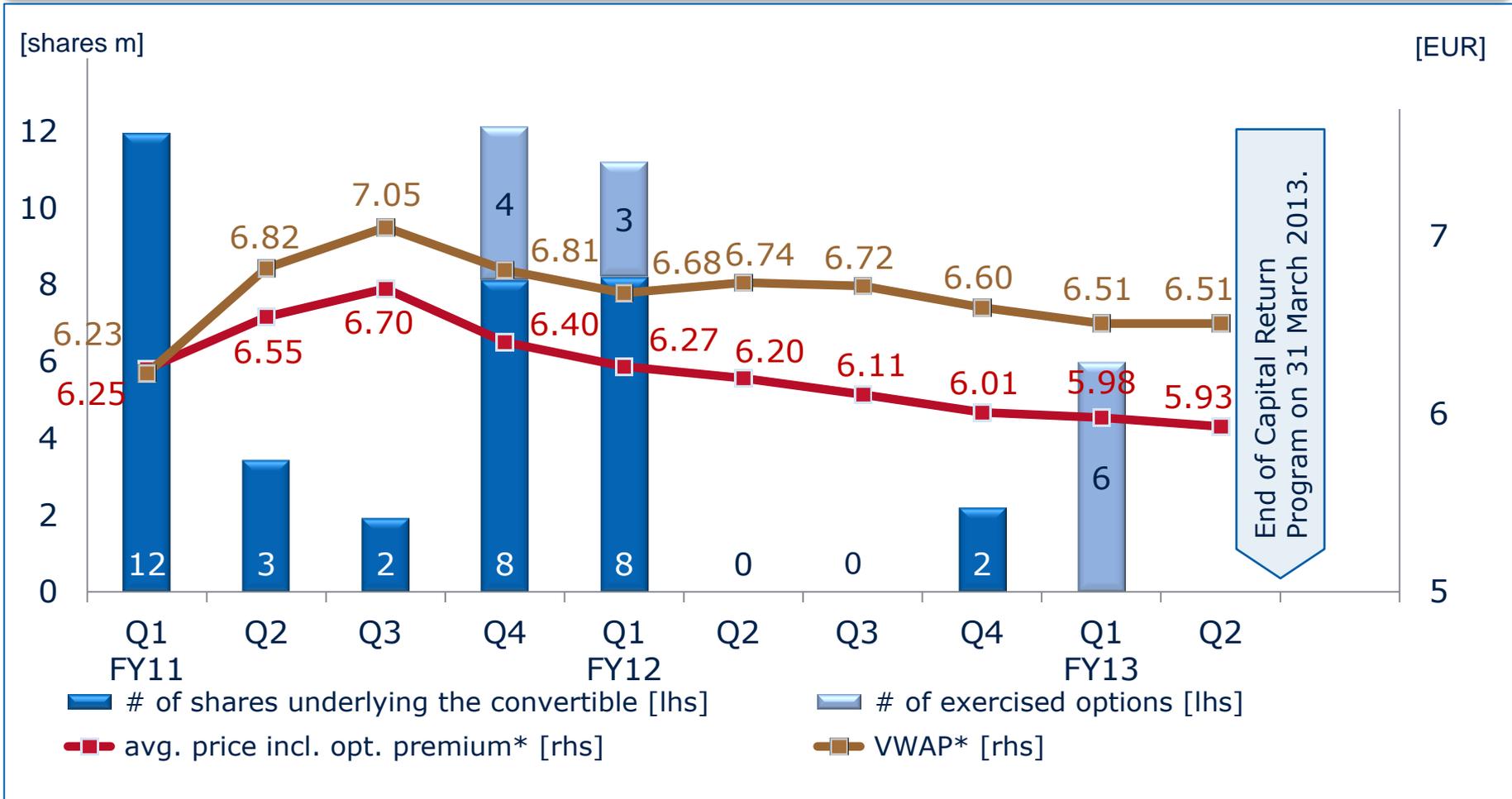
* Consists of convertible bond (nominal value EUR 113m; book value EUR 104m).

- Gross cash decrease mirrors positive Free Cash Flow of EUR 73m more than offset by dividend payment of EUR 129m. Net cash impact correspondingly lower.
- Convertible bond due in May 2014.

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



Total share buyback history via convertible bond and put options



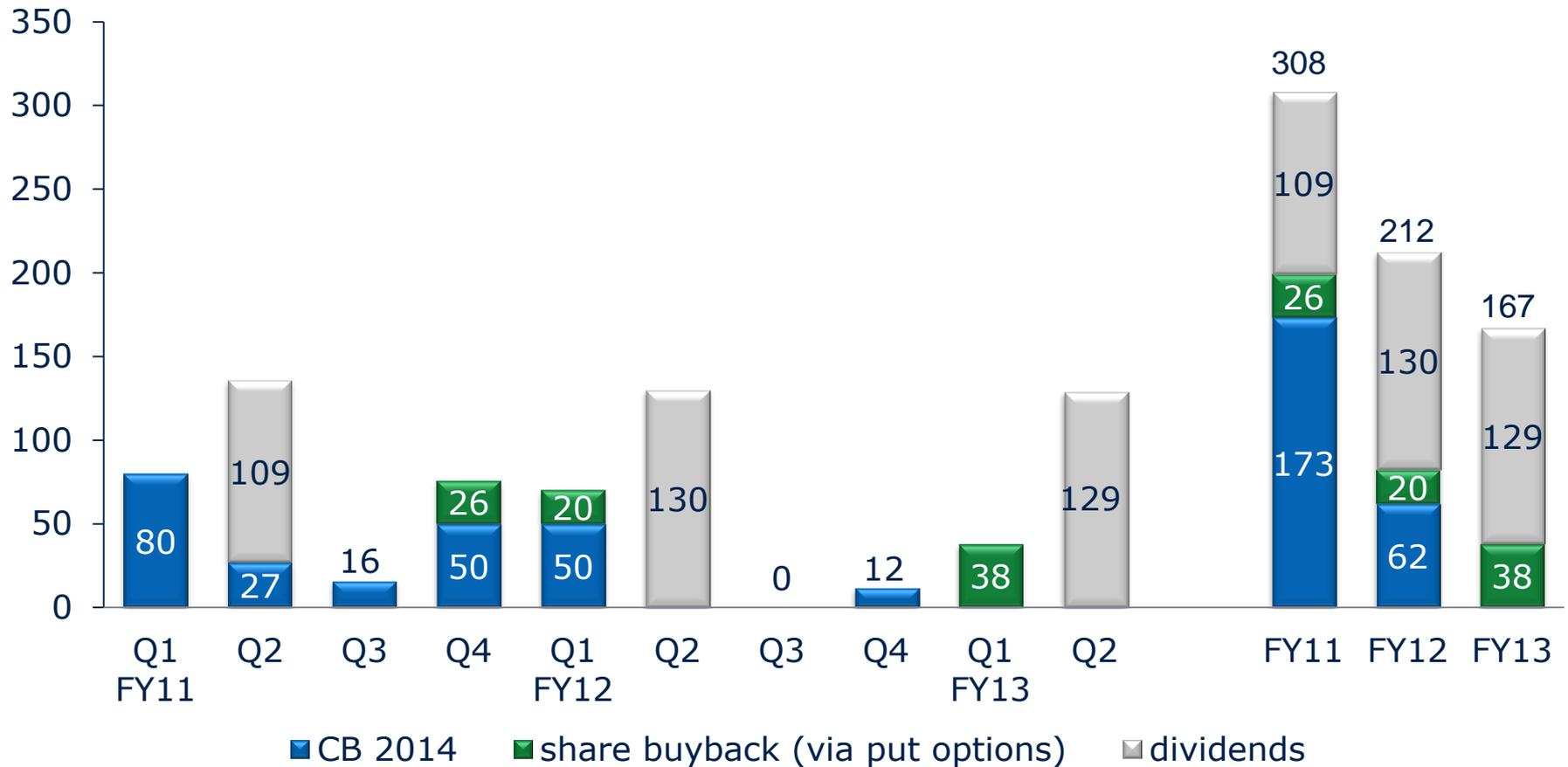
* Average price for the period from Q1 FY11 to the respective quarter.

Total Gross Capital Returns of EUR 687m Between 2011 and Q2 FY13



Total gross capital returns history

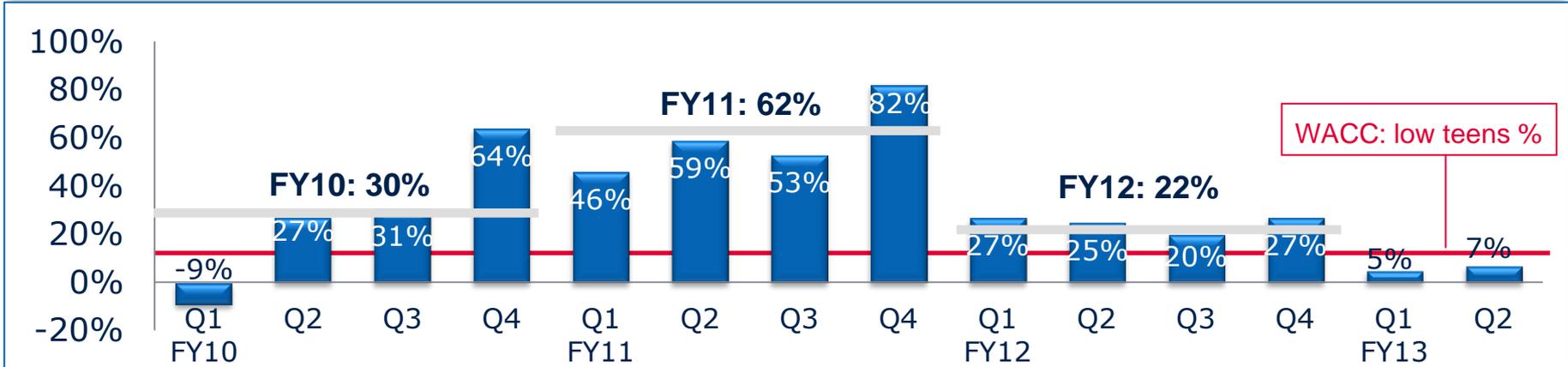
[EUR m]



Target: 'RoCE Above WACC' Over the Cycle



RoCE* history



Capital Employed* history



* For definition please see page 31.

Infineon is a Long-Standing Member of Europe's Leading Sustainability Indices



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.



FTSE4Good Index



FTSE4Good

- Infineon was added to the FTSE4Good Index Series on 24 September 2001. It was confirmed by the FTSE4Good Policy Committee in its March 2013 review that Infineon continues to be a member of the FTSE4Good Index.

Infineon Has a Long Track Record in Responsibility and Sustainability



UN Global Compact Initiative

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

Non-financial reporting

- Infineon implemented a new approach for non-financial reporting.
- In addition to the statutory audit regarding the Group Management Report, selected qualitative information and indicators relating to sustainability activities at Infineon - which were published in the Annual Report 2012, "Corp. Social Responsibility Chapter" - were subject to an independent "limited assurance" engagement by KPMG AG.

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.

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

Financial Calendar

Date	Location	Event
04 – 05 Jun 2013	San Francisco	Bank of America Merrill Lynch Global Tech Conference
11 Jun 2013		Conference Call by Stefan Hofschien Division President, Chip Card & Security
18 Jun 2013	London	JPMorgan CEO Conference
30 Jul 2013*		Q3 FY13 Results
28 Aug 2013	Frankfurt	Commerzbank Sector Conference Week
03 – 04 Sep 2013	London	Deutsche Bank European TMT Conference
18 Sep 2013		Conference Call by Jochen Hanebeck Division President, Automotive
24 Sep 2013	Munich	Berenberg Bank and Goldman Sachs German Corporate 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

Institutional Investor Relations Contact



Ulrich Pelzer

Corporate Vice President
Finance, Treasury & Investor Relations

☎ +49 89 234-26153

✉ ulrich.pelzer@infineon.com



Joachim Binder

Senior Director
Investor Relations

☎ +49 89 234-25649

✉ joachim.binder@infineon.com



Holger Schmidt

Manager
Investor Relations

☎ +49 89 234-22332

✉ holger.schmidt@infineon.com



Bernard Wang

Manager
Investor Relations

☎ +49 89 234-22669

✉ bernard.wang@infineon.com