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Ad-hoc-Announcement according to § 15 WpHG

## **Infineon launches Guaranteed Subordinated Convertible Bonds due 2014 convertible into up to 74,950,000 shares of Infineon**

*Neubiberg – 18 May 2009*

The Management Board of Infineon Technologies AG ("Infineon") resolved today, with the consent of the Supervisory Board, to approve the issuance of guaranteed subordinated convertible bonds (the "Bonds"). The Bonds will be issued by Infineon Technologies Holding B.V., a wholly-owned subsidiary of Infineon, and will be guaranteed by Infineon. The Bonds will be marketed to institutional investors by way of an accelerated bookbuilding. The Management Board resolved, with the consent of the Supervisory Board, to exclude the pre-emptive rights of shareholders of Infineon to subscribe for the Bonds.

The contemplated transaction is a further step in Infineon's refinancing strategy. The Bonds will strengthen Infineon's liquidity position and extend the debt maturity profile.

The conversion price will be set at a premium of 25% above the volume-weighted average XETRA price of Infineon's ordinary shares from launch until the time of pricing. The number of shares underlying the Bonds will be up to 74,950,000 registered ordinary shares, with a notional par value of EUR 2.00 per share each. On that basis the aggregate principal amount will be approximately EUR 203.1 million (calculated based on the XETRA closing price of Infineon shares on 15 May 2009).

The maturity of the Bonds will be 5 years. The Bonds are expected to be issued at 86.40% - 92.80% of the principal amount on the settlement date, resulting in issue proceeds for Infineon of EUR 175.5 – 188.5 million (calculated based on the XETRA closing price of Infineon shares on 15 May 2009). The fixed coupon is expected to be set between 7% to 8% per annum, payable semi-annually in arrear. Unless the Bonds are previously converted they will be redeemed at maturity at 100% of their principal amount.

Closing and settlement of the Bonds is expected to take place on 26 May 2009. It is intended to include the Bonds to be traded on the open market (*Freiverkehr*) of the Frankfurt Stock Exchange; however issuance of the Bonds will not be conditional upon obtaining such inclusion to trading.

Credit Suisse Securities (Europe) Limited is acting as Sole Bookrunner for the transaction. Credit Suisse Securities (Europe) Limited and quirin bank AG are acting as Joint Lead Managers.

### **About Infineon**

Infineon Technologies AG, Neubiberg, Germany, offers semiconductor and system solutions addressing three central challenges to modern society: energy efficiency, communications, and security. In the 2008 fiscal year (ending 30 September), the company reported sales of EUR 4.3 billion with approximately 29,100 employees worldwide in continuing operations. With a global presence, Infineon operates through its

subsidiaries in the United States from Milpitas, CA, in the Asia-Pacific region from Singapore, and in Japan from Tokyo. Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the United States on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).

Further information is available at [www.infineon.com](http://www.infineon.com).

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