IFX Day 2010

Campeon – June 24, 2010

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Member of the Management Board

Chief Financial Officer, Labor Director

Infineon – Your Investment Is in Good Hands

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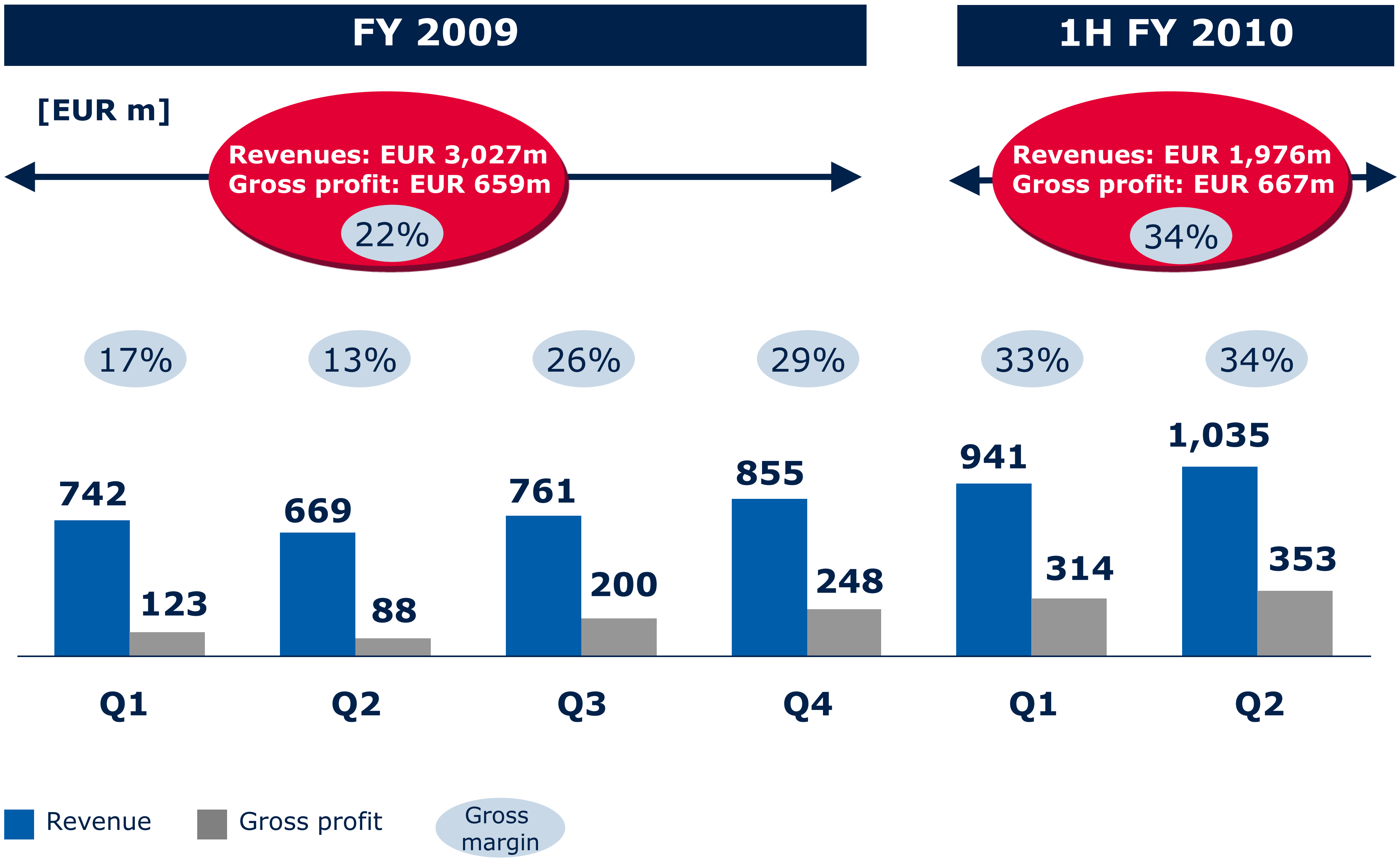
Substantial Improvement in RoCE Compared to Pre-Crisis Level

	1H FY 2008	1H FY 2010
Revenues	EUR 1.933bn	EUR 1.976bn
Segment Result	EUR 137m	EUR 198m
Capital Employed	EUR 3,007m	EUR 1,620m
RoCE	7%*	20%*

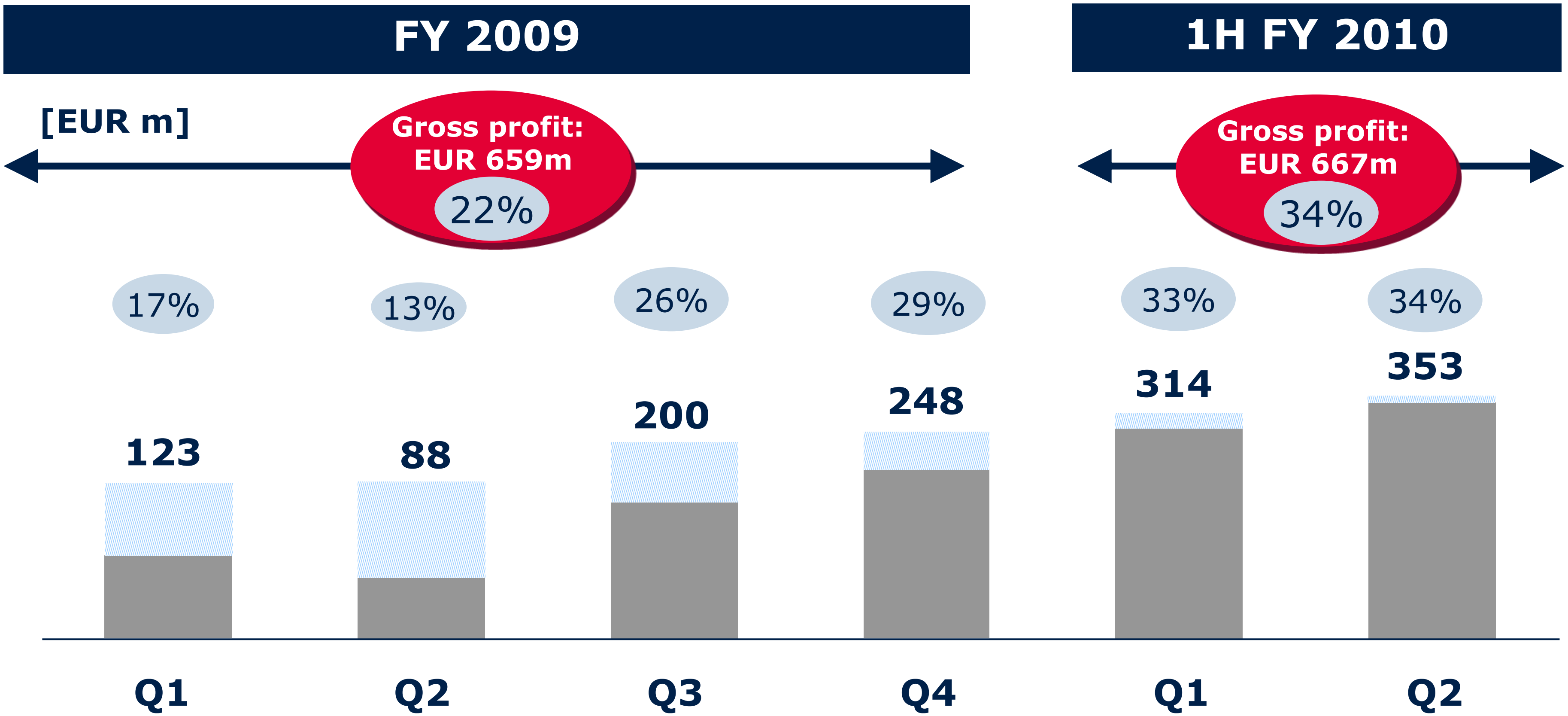
* Capital Employed = 'Total assets' – 'Cash and cash equivalents' – 'Available-for-sale financial assets' – 'Restricted cash' – ('Current liabilities' – 'Short-term debt').

* RoCE (Return on Capital Employed) has been annualized from 1H FY figures.
RoCE = 'NOPAT (Net Operating Profit After Tax)' x 2 divided by 'Capital Employed'.
NOPAT = 'EBIT' adjusted by 'Taxes'; NOPAT for 1H FY 2010 excludes the impact of the ALTIS deconsolidation.

Strong Improvement in Gross Margins to Mid-30ies level



Gross Profit Leverage w/o Decline of Cost of Unabsorbed Capacity

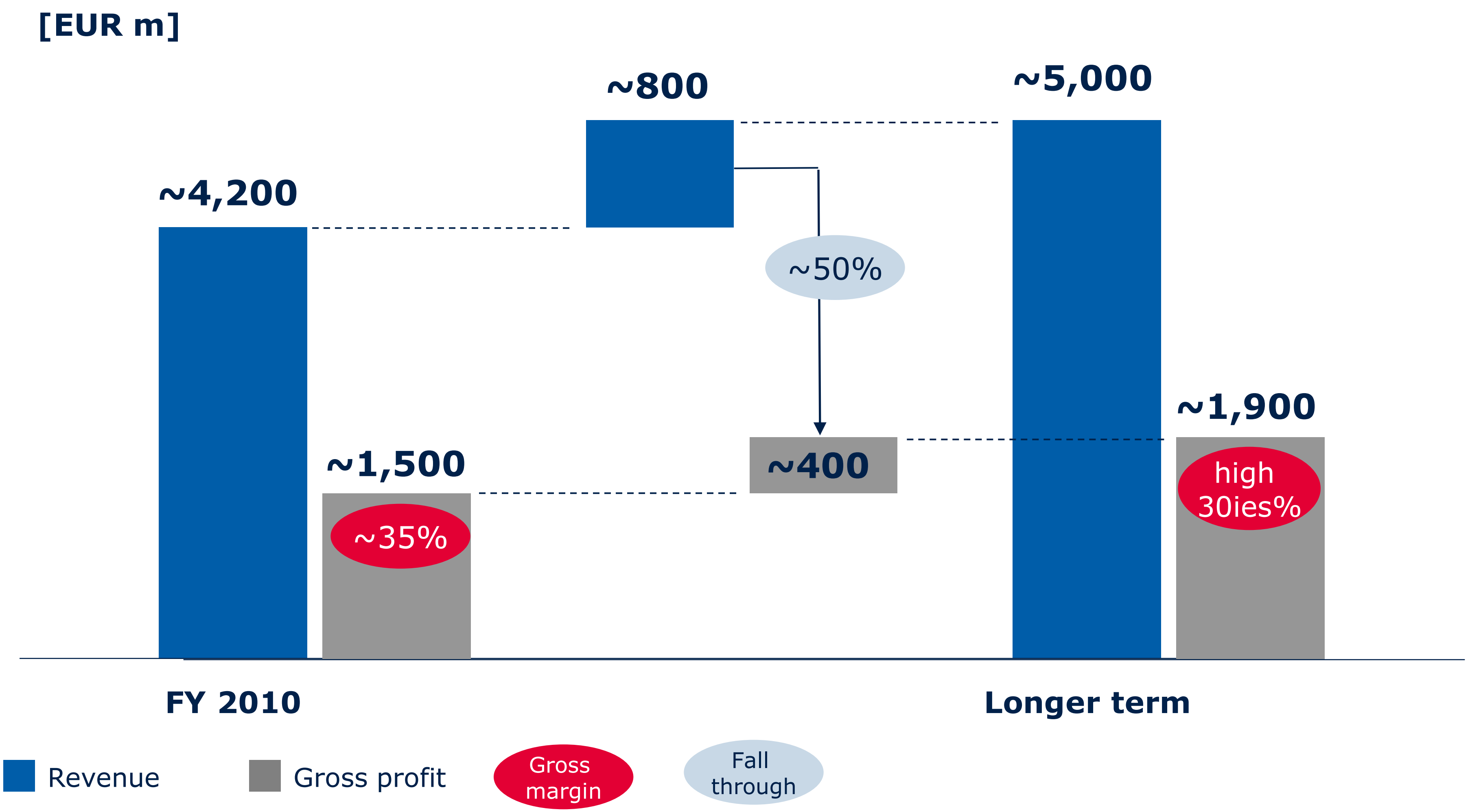


Outside cost of unabsorbed capacity, gross profit improved by ~50 percent from every additional EUR of revenue.

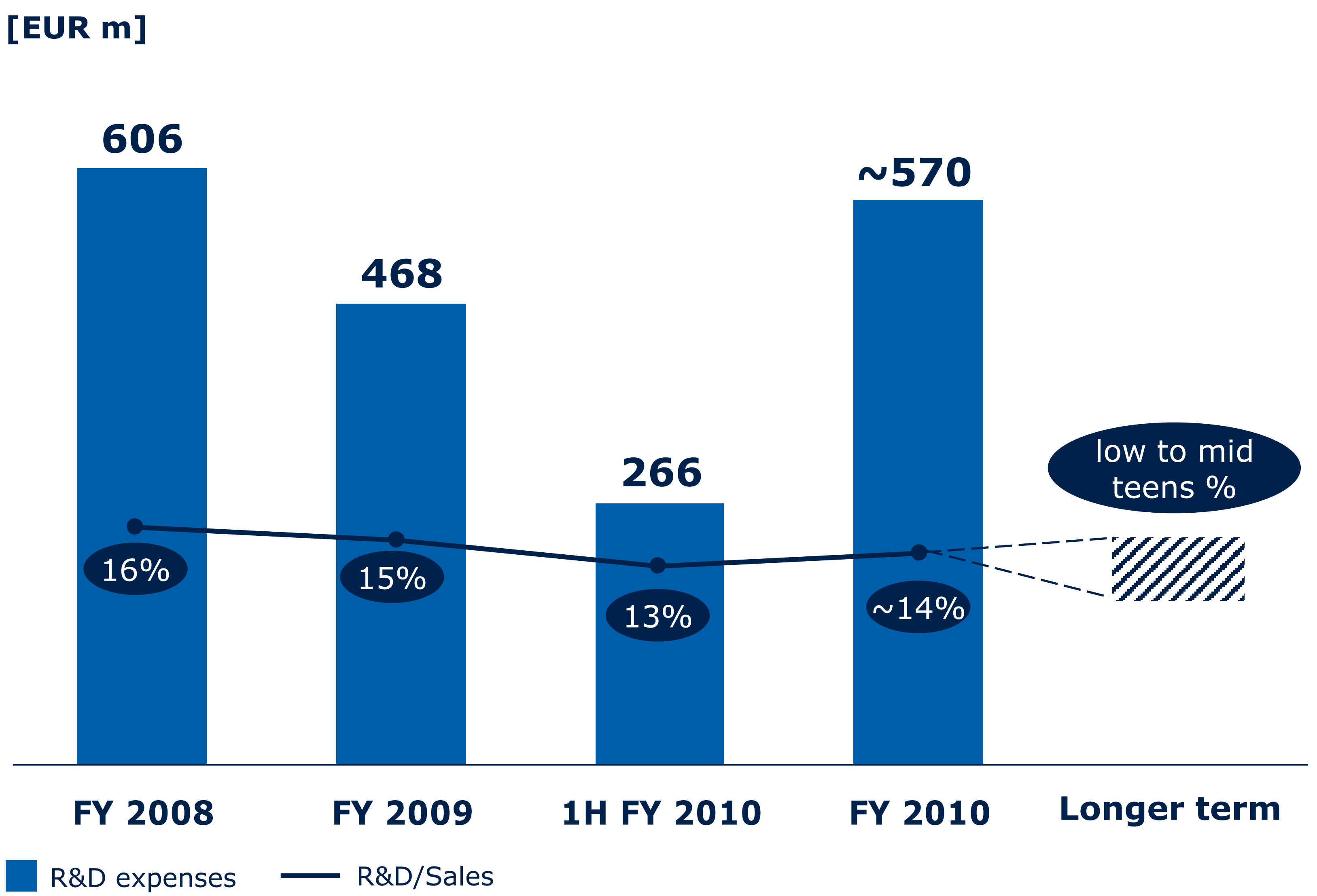
Gross profit | Cost of unabsorbed capacity | Gross margin

Gross Margin Target: High 30ies Gross Margin at ~EUR 5 Billion of Sales

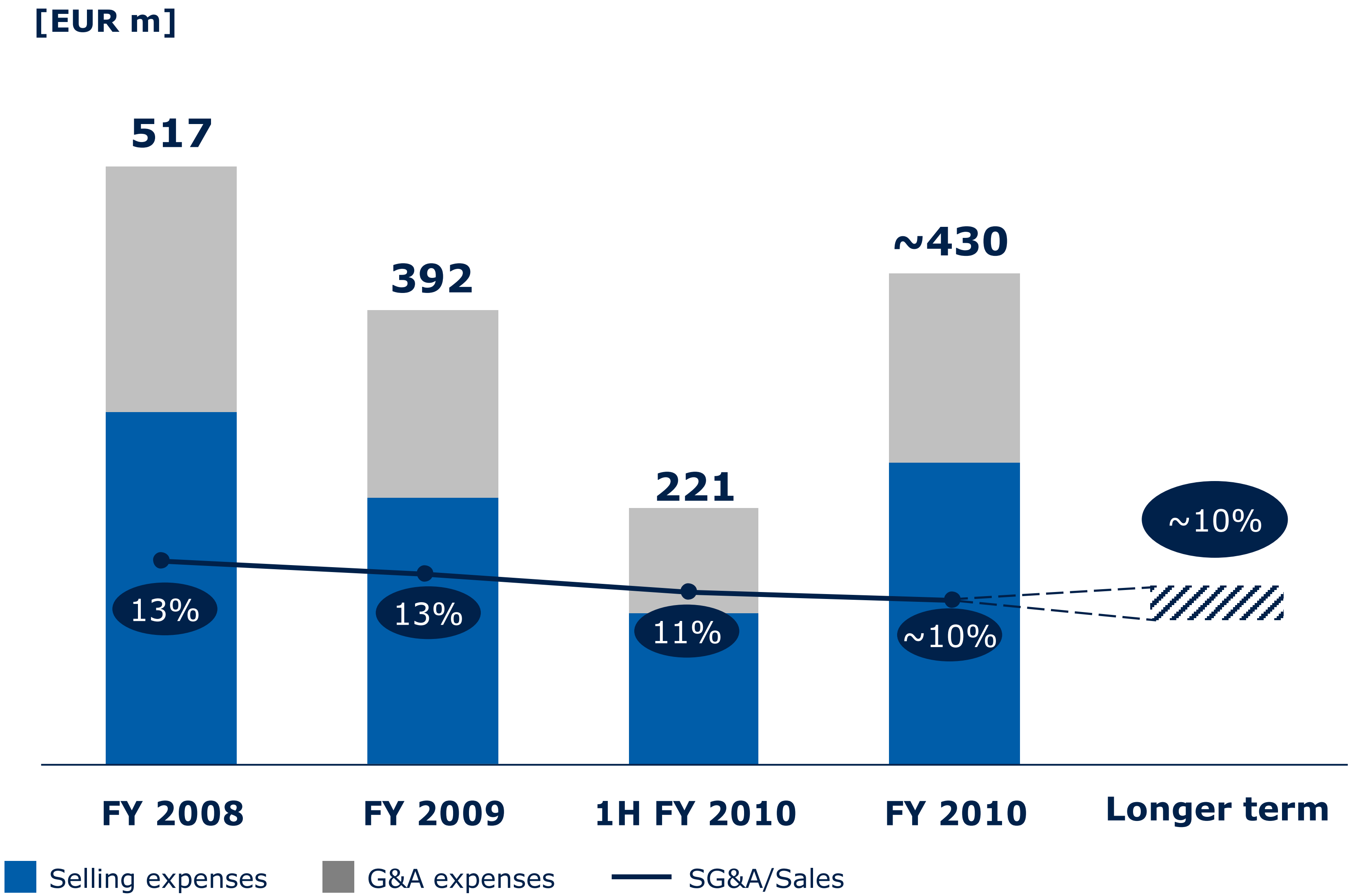
Gross margin



R&D Spending
Low-to-Mid Teens R&D-to-Sales Going Forward



Selling and G&A Expenses
Target of About 10% SG&A-to-Sales



Target Operating Model
Mid Teens Segment Result Margin

	FY 2009	FY 2010e	Longer term
Revenues	EUR 3.03bn	High 30ies % growth yoy	At ~EUR 5bn
Gross Margin	21.8%	Mid 30ies %	High 30ies %
R&D-to-sales	15.5%	~14%	Low-to-mid teens %
SG&A-to-sales	13.0%	~10%	~10%
Segment Result margin	-5.5%	>10%	Mid teens %

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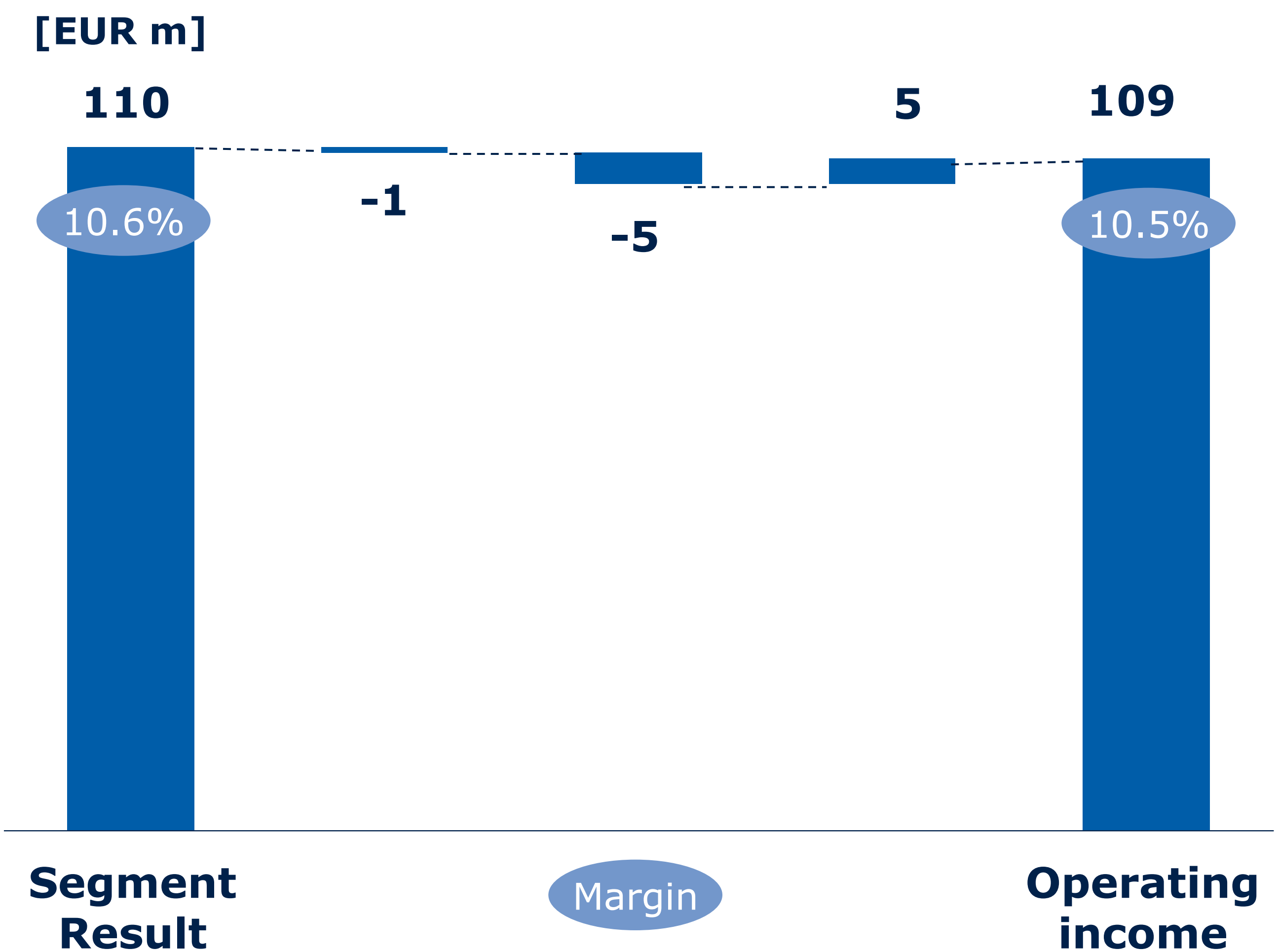
Bridge from Segment Result to Operating Income

Q2 FY 2010



Reconciliation of Segment Result …

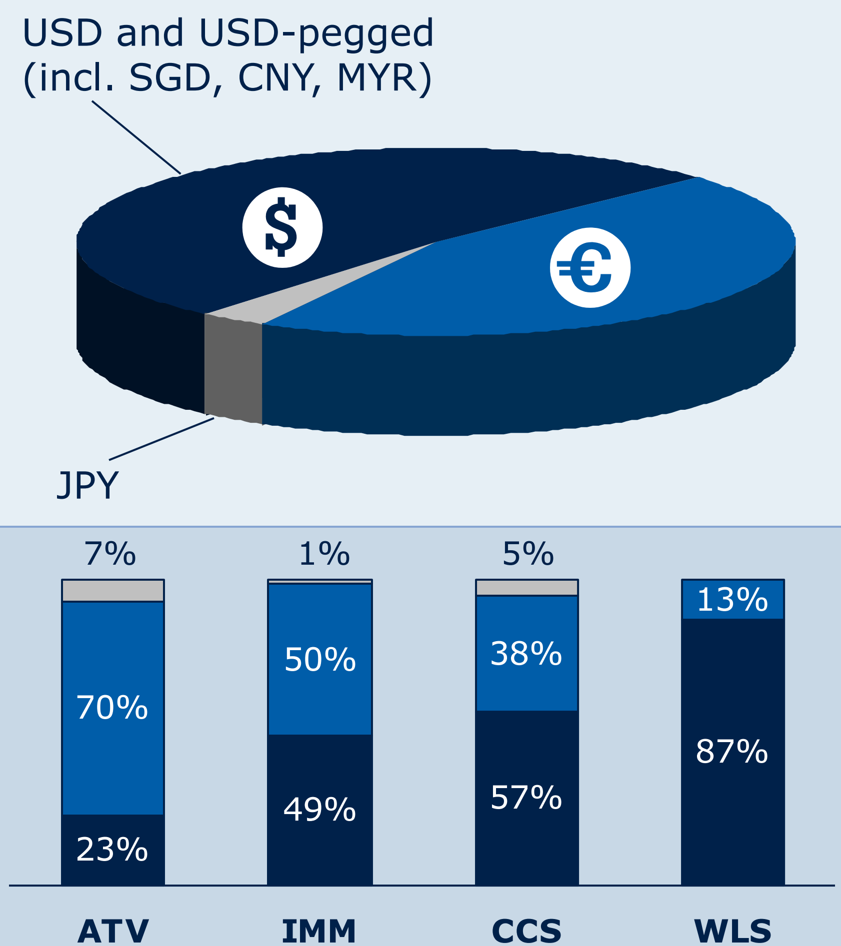
- Gains (losses) on disposal of assets, businesses or interests in subsidiaries, net -1
- Acquisition-related amortization and gains (losses) -5
- Other items, net +5

… to Operating income.

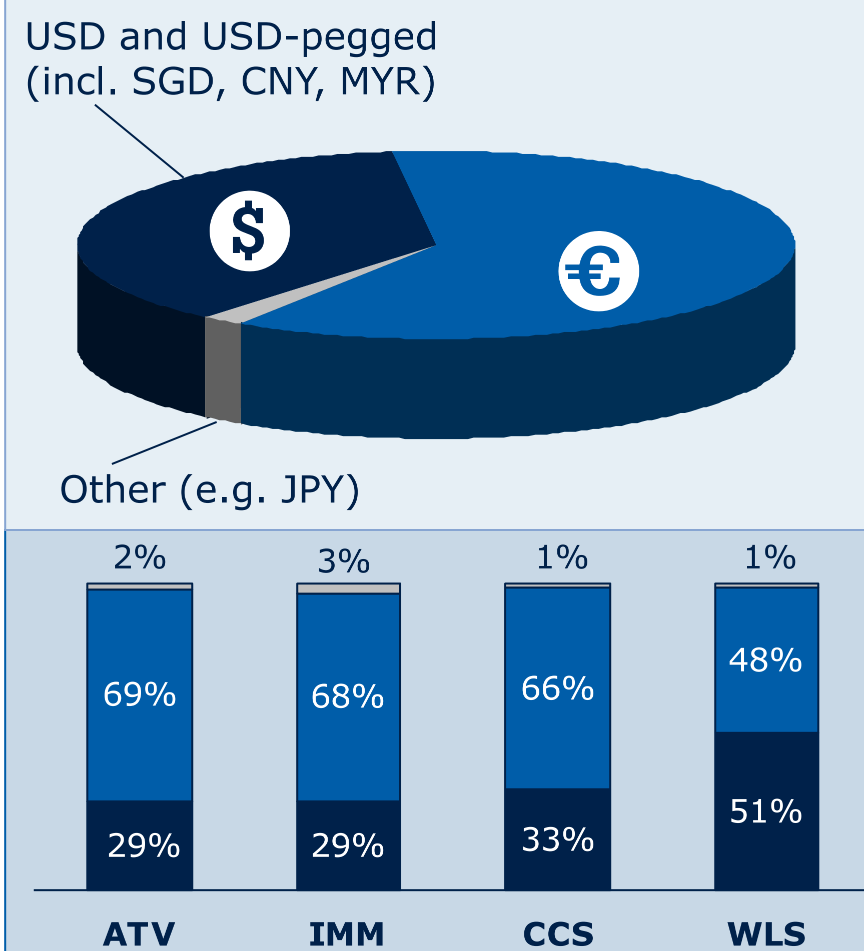
Operating income marginally below Segment Result

Revenue and Cost Split per Currency

Revenue split 1H FY 2010



Cost split 1H FY 2010



Euro USD and USD-pegged Other

Foreign Exchange Rate and Cash Flow Hedging at Infineon

Impact on Segment Result before hedging

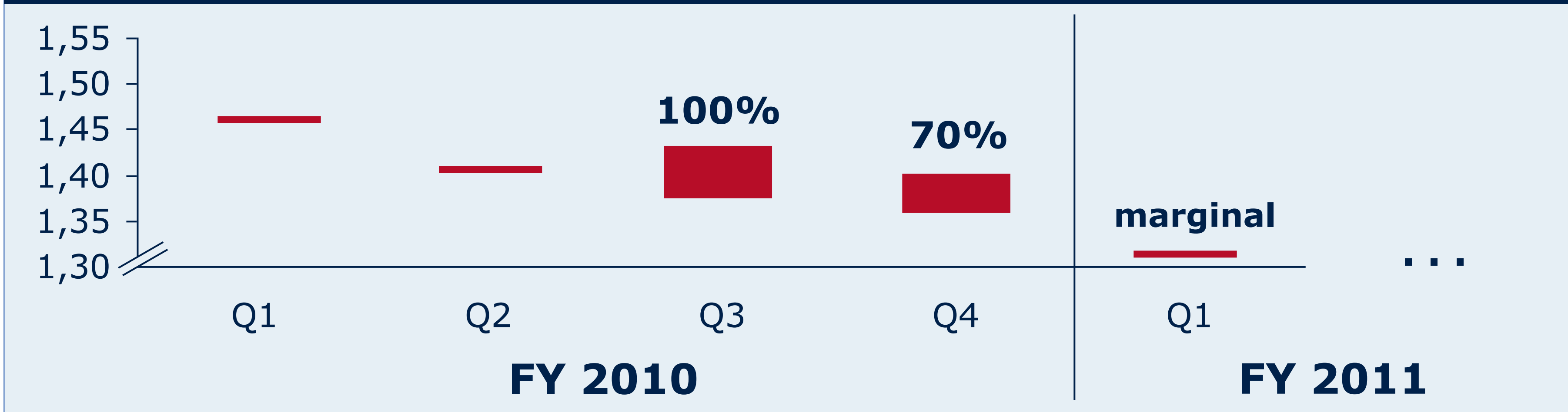
+1 Cent EUR/USD → - EUR 1.3 - 1.5m / quarter

-1 Cent EUR/USD → +EUR 1.3 - 1.5m / quarter

Each U.S. Dollar Cent difference in the FX rate has an impact of EUR 1.3 - 1.5 million* on Segment Result per quarter.

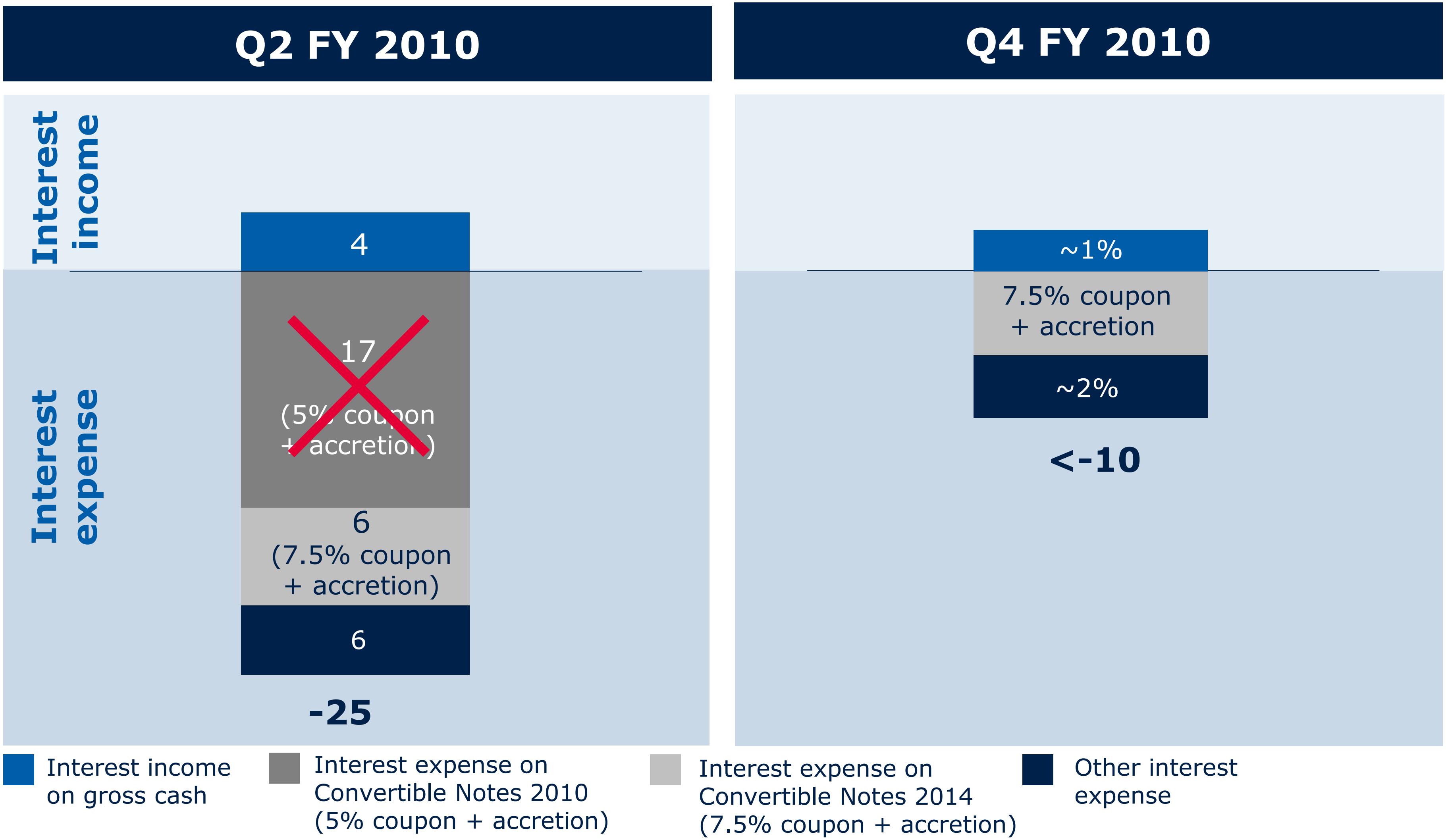
* All non-USD currencies assumed to replicate exactly the change against the Euro that USD took.

Infineon's current hedging activities



Development of Interest Expense After Repayment of 2010 Convertible Notes

[m EUR]



Tax Rate
Sustained Low Tax Rate Given High NOLs*

	Abroad		Germany		IFX Group
Group EBT per quarter ≤ EUR 50m	**Foreign tax rate:** ~10% - 15%			▶	**Basic tax charge:** ~EUR 5 - 10m/q
Group EBT per quarter > EUR 50m	**Foreign tax rate:** ~10% - 15%	+	**Domestic tax rate:** ~11% (after usage of Net Operating Losses (NOL)) **NOLs** **Corporate tax** ~EUR 3.5bn **Trade tax** ~EUR 4.5bn	▶	**Group tax rate:** ~10% - 15%

* Excluding changes in valuation allowances and special effects.

Basic and Diluted EPS

Basic EPS =

net income (loss) attributable to shareholders of Infineon Technologies AG
―――
weighted-average number of basic shares outstanding

1,087m

Dilutive EPS =

net income attributable to shareholders of Infineon Technologies AG
+ savings in after-tax interest expense
―――
weighted-average number of basic shares outstanding
+ shares issued upon assumed conversion of
- convertible notes
- stock options (in the money)

1,171m

Shares outstanding Q2 FY 2010

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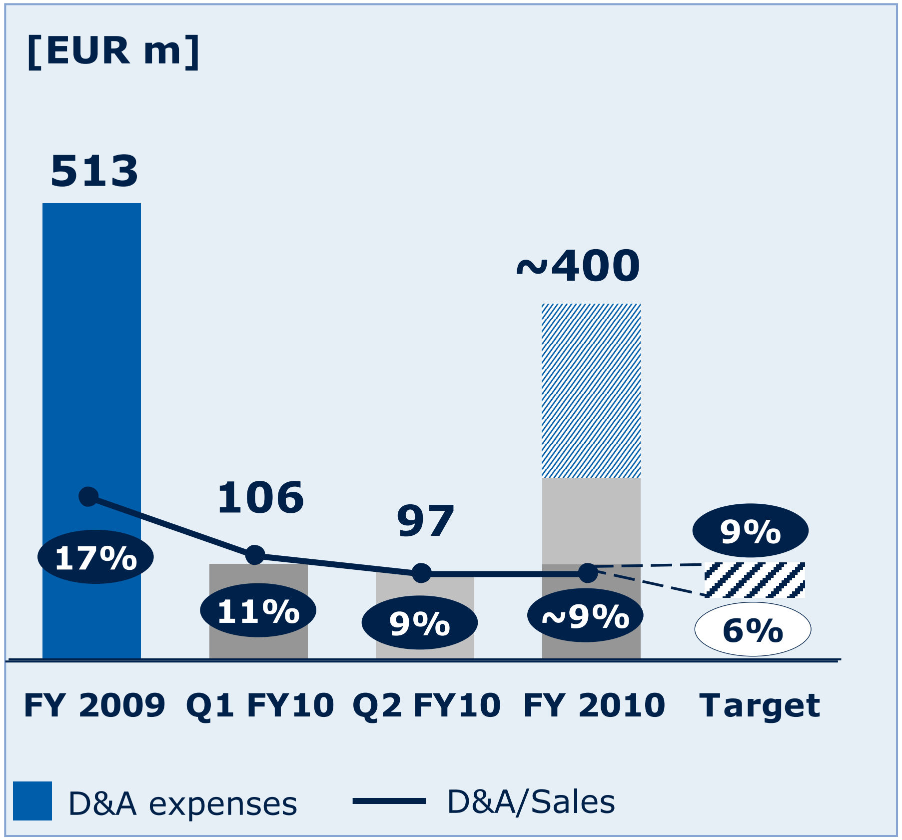
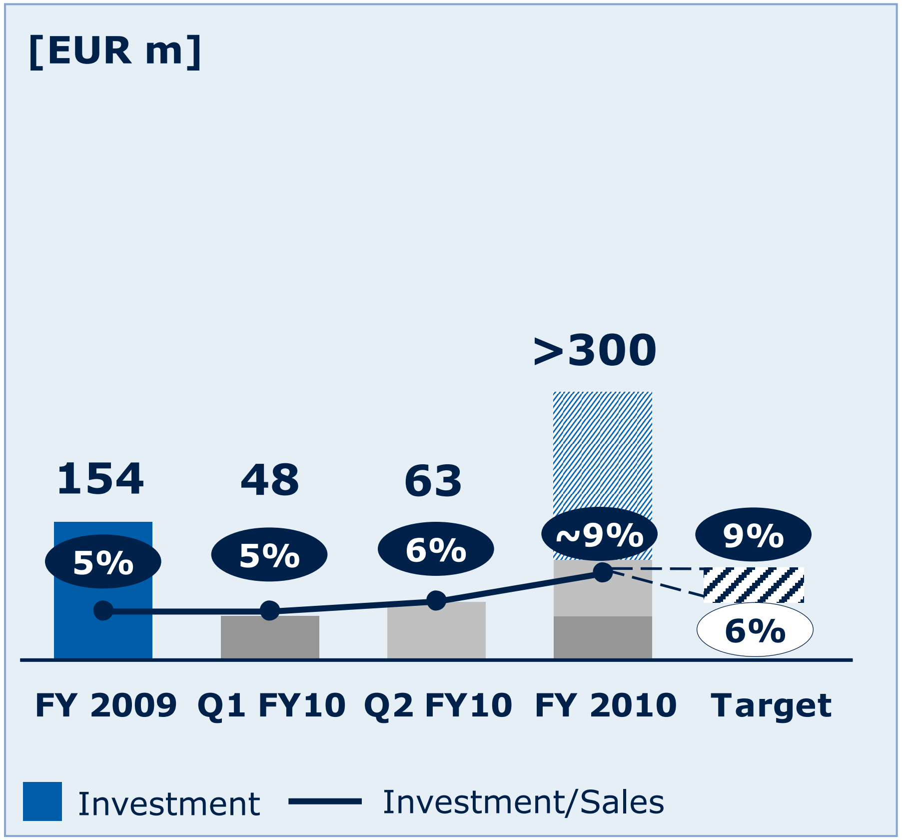
D&A to Move Broadly In-line with Investment Going Forward

D&A



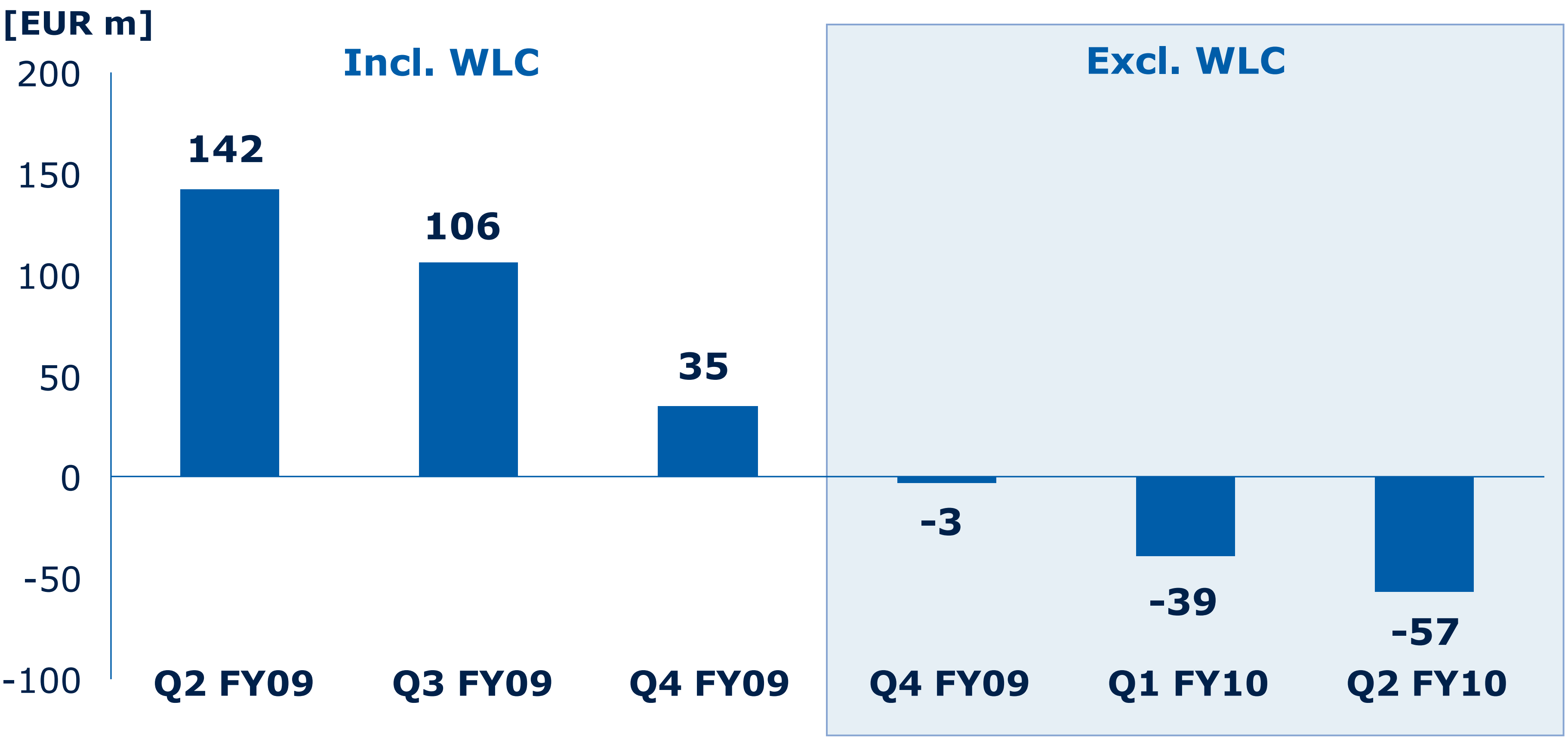
Investment*



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

Active Working Capital Management Paid Off

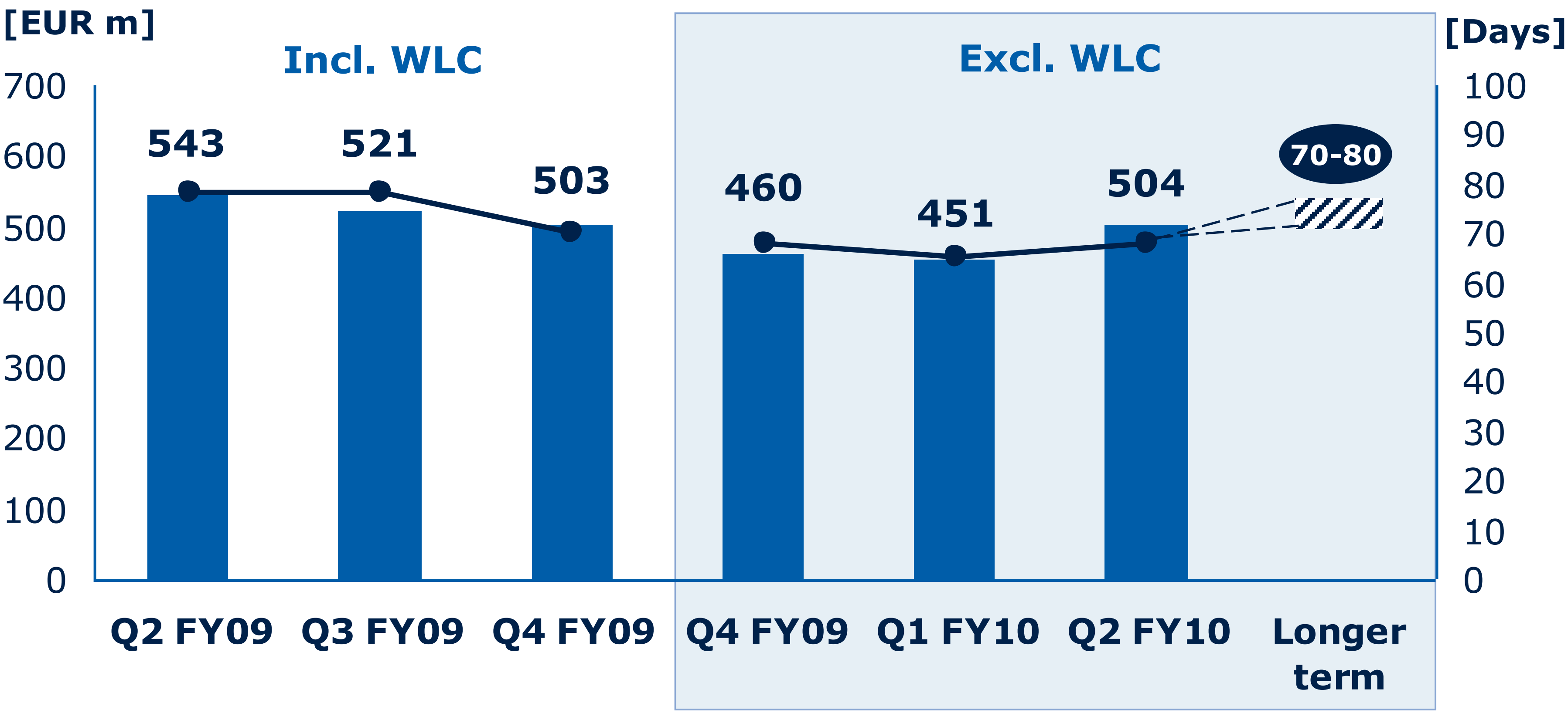
Working Capital



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

Inventory Reach to Be Between 70 and 80

Inventories

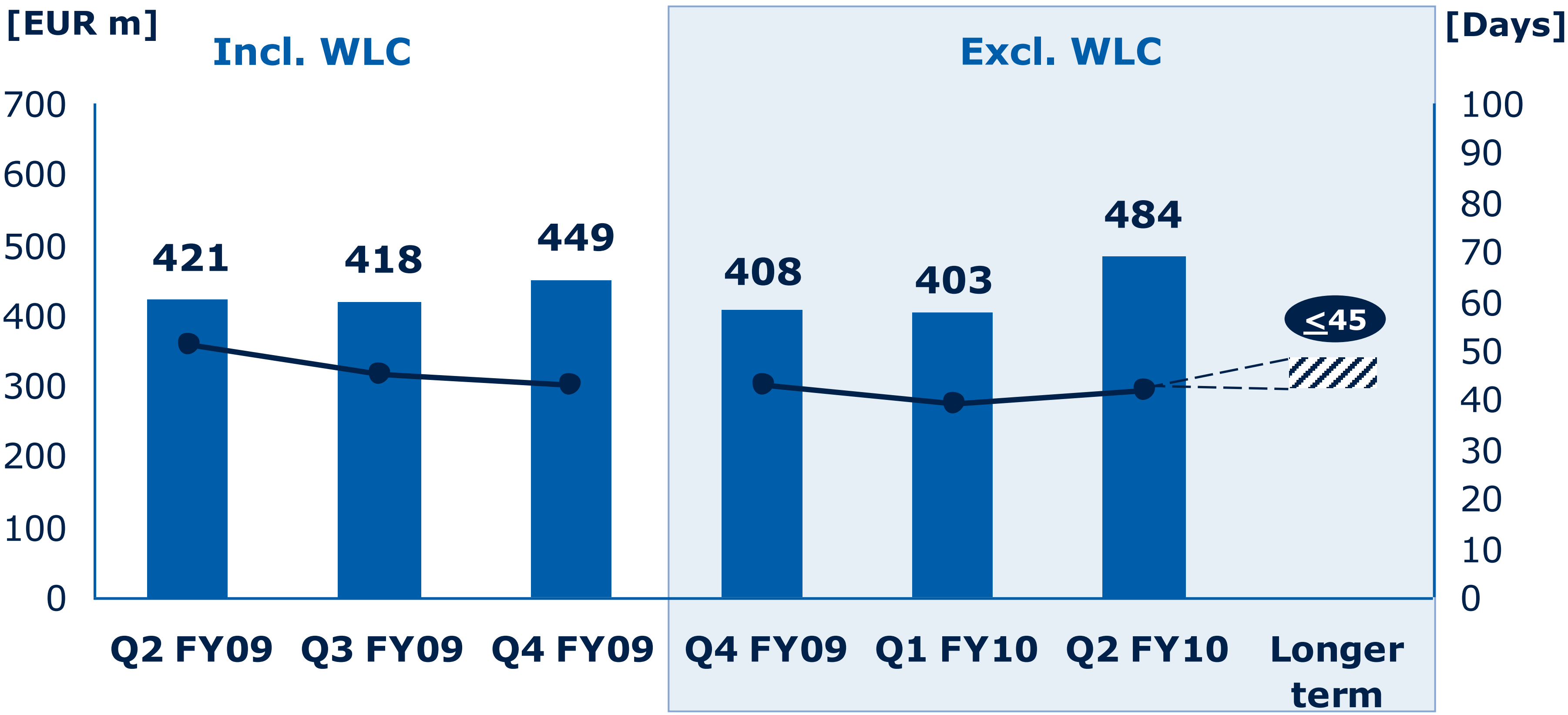


- Standardized procedure for slow mover management.
- Early indicator based stock management.

Inventories, net — Inventory reach, net (days, quarter-to-date) = ('Net inventories' / 'Cost of goods sold') * 90

Days Sales Outstanding Should Stay on Second Quarter Level …

Trade receivables

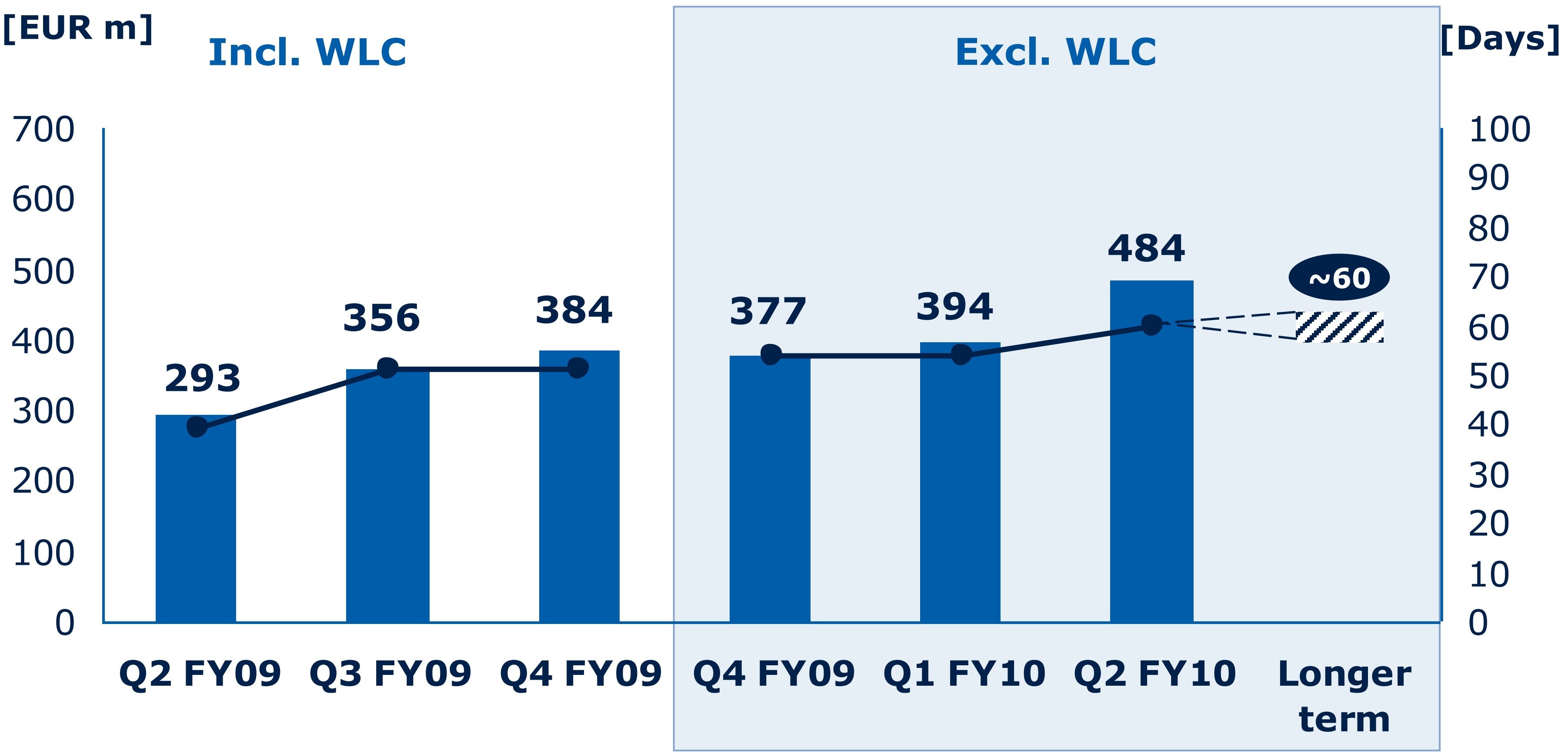


- Revised approval process for contractual agreements.
- Adjusted payment terms where feasible.
- Tightened overdues management.

Trade receivables, net — Days sales outstanding (days, quarter-to-date) = ('Trade accounts receivables (net)' / 'Revenue') * 90

… So Should Days Payables Outstanding

Trade payables



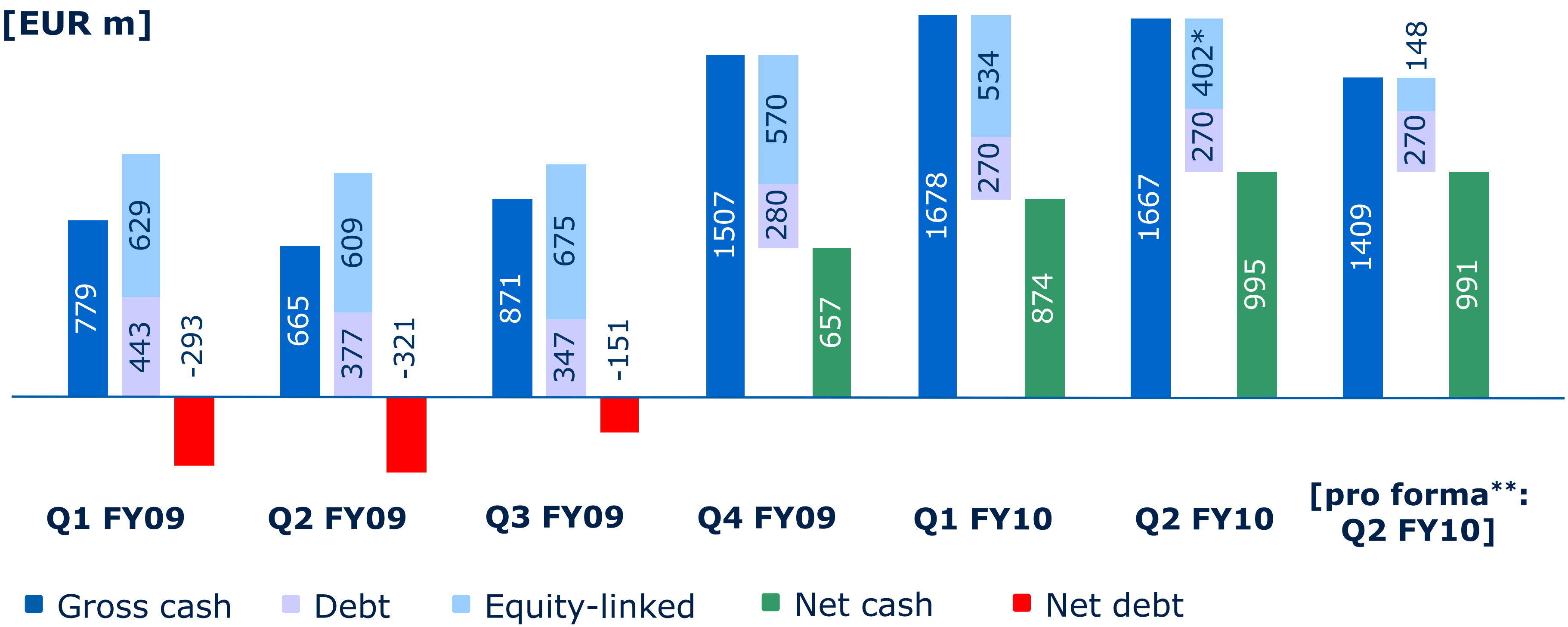
- Increased sourcing from silicon foundries.
- Adjusted payment terms where feasible.

Trade payables, net

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

Net Cash Position Close to EUR 1 Billion

Liquidity development and targets



* Consists of CB 2010 (nominal EUR 258m; book EUR 254m) and CB 2014 (nominal EUR 196m; book EUR 148m).

** Pro forma financial position after repayment of 2010 Convertible Notes.
Further scheduled debt repayments in FY2010: EUR 23 million; in FY 2011: EUR 129 million.

- Be always net cash positive.
- Gross cash > 25% of last twelve months sales.
- Gross debt < 2 times of last twelve months EBITDA.

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What Free Cash Flow Margin would a Mid-teens Segment Result Margin Translate into?

	FY 2009	FY 2010e	Longer term
Revenues	EUR 3.03bn	High 30% growth yoy	At ~EUR 5bn
Segment Result margin	-5.5%	>10%	Mid teens %
Net interest expense-to-sales	1.4%	~2%	<1%
Tax-to-sales	0.2%	~1%	<2%
Investment- and D&A-to-sales	5% / 17%	~9%	6-9%
Invest in WC-to-sales	0.1%	~-2%	≤2%
Free cash flow margin	7%	~9%	~ 10%

Infineon Going Forward
Highly Cash Generative with Strong RoCE

	1H FY 2008	1H FY 2010	Longer term
Revenues	EUR 1.933bn	EUR 1.976bn	At ~EUR 5bn (for the full year)
Segment Result	EUR 137m	EUR 198m	Mid teens %
Free cash flow margin	0%*	8%*	~10%
Capital Employed	EUR 3,007m	EUR 1,620m	~EUR 1,900m
RoCE	7%	20%	>30%

* Free cash flow (FCF) margin for 1H FY 2008 excludes the purchase of the wireless business from LSI.
FCF margin for 1H FY 2008 includes the Wireline Communications business, whereas figures for 1H FY 2010 exclude this business.

Thank You for Your Attention

ENERGY EFFICIENCY
COMMUNICATIONS
SECURITY

Innovative semiconductor solutions for energy efficiency, communications and security.



Disclaimer

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This presentation includes forward-looking statements about the future of Infineon's business and the industry in which we operate. These include statements relating to general economic conditions, future developments in the world semiconductor market, our ability to manage our costs and to achieve our growth targets, the resolution of Qimonda's insolvency proceedings and the liabilities we may face as a result of Qimonda's insolvency, the potential disposition or closure of our ALTIS joint venture, the benefits of research and development alliances and activities, our planned levels of future investment, the introduction of new technology at our facilities, our continuing ability to offer commercially viable products, and our expected or projected future results.

These forward-looking statements are subject to a number of uncertainties, such as broader economic developments, including the sustainability of recent improvements in the market environment; trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products, such as automobiles and consumer electronics, that incorporate our products; the success of our development efforts, both alone and with partners; the success of our efforts to introduce new production processes at our facilities; the actions of competitors; the availability of funds; the outcome of antitrust investigations and litigation matters; and the resolution of Qimonda's insolvency proceedings; as well as the other factors mentioned in this presentation and those described in the "Risk Factors" section of our most recent annual report on Form 20-F on file with the U.S. Securities and Exchange Commission. As a result, Infineon's actual results could differ materially from those contained in or suggested by these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements.

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