



News Release/Presseinformation

1Q 2011 results: Success story continues with record 19.2 percent Total Segment Result margin on Revenue from Continuing Operations of Euro 922 million

- Quarterly revenue down 2 percent sequentially largely due to currency effects
- Total Segment Result¹ of Euro 177 million, a 4 percent increase from prior quarter
- 2Q 2011 outlook: Revenue expected to be up slightly, Total Segment Result margin between 18 and 20 percent
- FY 2011 outlook raised: Mid-teens revenue growth with high teens Total Segment Result margin

Neubiberg, Germany – February 1, 2011 – Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) today reported results for the first quarter of the 2011 fiscal year, ended December 31, 2010.

in Euro million	3 months ended Dec 31, 10	sequential +/- in %	3 months ended Sep 30, 10	year-on-year +/- in %	3 months ended Dec 31, 09
Revenue	922	(2)	942	34	687
Total Segment Result	177	4	171	+++	70
Total Segment Result Margin [in %]	19.2%		18.2%		10.2%
Income (loss) from continuing operations	149	(23)	193	+++	(59)
Income from discontinued operations, net of income taxes	83	(58)	197	(33)	124
Net income	232	(41)	390	+++	65

Basic earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):

Basic earnings per share from continuing operations	0.14	(22)	0.18	+++	(0.06)
Basic earnings per share from discontinued operations	0.07	(61)	0.18	(42)	0.12
Basic earnings per share	0.21	(42)	0.36	+++	0.06

Diluted earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):

Diluted earnings per share from continuing operations	0.13	(19)	0.16	+++	(0.06)
Diluted earnings per share from discontinued operations	0.07	(59)	0.17	(42)	0.12
Diluted earnings per share	0.20	(39)	0.33	+++	0.06

“In the first fiscal quarter, we continued with the excellent performance of the 2010 fiscal year. Going forward, we expect to grow faster than the market and see another quarter

¹ For a definition of Total Segment Result and reconciliation to operating income (loss), please see page 9. Wireless mobile phone business is reported within discontinued operations. For detailed explanation, please see first paragraph on page 8.

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of revenue growth with consistently high margins. This confirms once again, that targeting less volatile, high-margin markets, driven by the worldwide trends towards more energy efficiency, mobility, and security is the right strategy for Infineon”, says Peter Bauer, CEO of Infineon Technologies AG.

Fiscal first quarter 2011 review: Record Total Segment Result margin with sales declining, largely due to foreign exchange impact

Infineon’s revenues in the first quarter of the 2011 fiscal year were Euro 922 million, down two percent compared to the fourth quarter of the 2010 fiscal year. On a constant currency basis, total sales for the first quarter were flat with the fourth quarter of the previous fiscal year.

First quarter Total Segment Result was Euro 177 million, an increase of four percent compared to Euro 171 million in the prior quarter. Total Segment Result margin in the first quarter reached 19.2 percent, up from 18.2 percent in the fourth quarter. Total Segment Result margin marked an all-time-high on a comparable basis.

Infineon reported income from continuing operations of Euro 149 million, down from Euro 193 million in the fourth quarter. The decline occurred mainly because income taxes in the fourth quarter of the 2010 fiscal year contained a non-recurring benefit of Euro 69 million from recording a deferred tax asset. Basic earnings per share from continuing operations were Euro 0.14, down from Euro 0.18 in the previous quarter. Diluted earnings per share from continuing operations were Euro 0.13 versus Euro 0.16 in the preceding quarter.

Income from discontinued operations, net of income taxes, was Euro 83 million for the first quarter, down from Euro 197 million in the preceding quarter. Net income from discontinued operations decreased as income from discontinued operations in the fourth quarter of the 2010 fiscal year contained a non-recurring benefit from recording a Euro 82 million deferred tax asset related to the expected gain on the sale of the Wireless mobile phone business and as the first quarter result of the 2011 fiscal year contained a negative valuation impact of foreign exchange options used to hedge the proceeds from the divestiture of Infineon’s Wireless mobile phone business of Euro 32 million.

Net income for the group was Euro 232 million in the first quarter, a decrease from Euro 390 million in the previous quarter. First quarter basic earnings per share were Euro

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0.21 and diluted earnings per share were Euro 0.20, down from Euro 0.36 and Euro 0.33, respectively, for basic and diluted EPS in the fourth quarter of 2010 fiscal year.

Working capital² amounted to negative Euro 71 million at the end of the first quarter, but deteriorated from negative Euro 130 million at the end of the prior quarter, mainly due to lower provisions and higher inventories. Of the increase in inventories from Euro 514 million at the end of the prior quarter to Euro 573 million at the end of the first quarter of the 2011 fiscal year, an amount of approximately Euro 20 million is related to the closing of the divestiture of the Wireless mobile phone business. The company also recorded an increase in work-in-progress in anticipation of higher revenues going forward.

Investments from continuing operations, which the company defines as the sum of purchases of property, plant, and equipment, purchases of intangible assets and capitalized research & development (R&D) assets, were Euro 131 million in the first quarter of the 2011 fiscal year, compared to Euro 163 million in the prior quarter. Depreciation and amortization was Euro 83 million, down from Euro 85 million in the fourth quarter of the 2010 fiscal year. Free cash flow³ from continuing operations for the first quarter was Euro 4 million, down from Euro 236 million in the fourth quarter of the 2010 fiscal year.

Fully diluted share count down by a full percentage point as Infineon buys-back its 2014 convertible

As of December 31, 2010, the company's gross cash position³ stood at Euro 1,669 million with a net cash position³ of Euro 1,293 million, down from Euro 1,727 million and Euro 1,331 million, respectively, as of September 30, 2010. Both decreased primarily due to the repurchase of a nominal Euro 28 million of the company's 2014 convertible bond for cash of Euro 80 million. Through the repurchase, Infineon reduced the fully diluted share count by a full percentage point.

Infineon is taking legal action against Qimonda's insolvency administrator

Infineon Technologies AG has brought a declaratory action in District Court Munich I against Dr. Michael Jaffé, the insolvency administrator dealing with the bankruptcy estate of Qimonda AG.

When Infineon's memory business was carved out to form Qimonda AG in 2006, Infineon transferred, among other things, patents and other intellectual property rights to

² Working Capital consists of current assets less cash and cash equivalents, available-for-sale financial assets and assets held for sale less short-term liabilities excluding short term debt and current maturities of long-term debt classified as held for sale.

³ For definitions and the calculation of free cash flow and of gross and net cash position, please see pages 11 and 12.

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the Qimonda Group. At the same time, Infineon retained rights of use to these patents and other intellectual property rights, secured the same for its licensees, and reached agreements with the Qimonda Group on licenses to future intellectual property rights. Qimonda's insolvency administrator, however, asserts that, as a result of the insolvency of Qimonda AG, these rights of use no longer apply.

The purpose of the legal action is for the court to determine that Infineon's and its licensees' rights to the aforementioned intellectual property rights of the Qimonda Group remain valid. Prior to bringing this action, Infineon negotiated intensively with the insolvency administrator with a view to resolving the differences of opinion out of court. However, as these efforts have failed to produce an amicable settlement, it is now in the interests of Infineon and its licensees that the legal issues in dispute are settled in court through the legal action brought today.

Besides claiming that the aforementioned rights of use no longer apply, the insolvency administrator, as noted in Infineon's Annual Report for the 2010 fiscal year, has also sought to assert various claims against Infineon: In connection with (i) Infineon's earlier position as a shareholder of Qimonda Dresden GmbH & Co. ohG, (ii) Qimonda's sale of its interest in Inotera to Micron, and (iii) the allegation that Infineon utilized a previously formed shell company and "economically reestablished" that company through the transfer of the memory business; regarding the topic the administrator has, as reported, brought declaratory action against Infineon. A detailed account of the issues, risks and liabilities involved in Qimonda AG's insolvency is given in the Notes to the Consolidated Financial Statements in Infineon's Annual Report 2010 (Note 6 – *Disposals and Discontinued Operations*, and Note 38 – *Litigation and Government Inquiries*).

Provisions formed by Infineon at December 31, 2010, in connection with the Qimonda insolvency total Euro 104 million. This figure includes a sum set aside by the company based on the positions taken in the settlement negotiations – a sum which the company will continue to increase in forthcoming quarters and which, from today's perspective, is estimated to amount to a total future charge against earnings of Euro 80 million.

Infineon will continue to defend itself resolutely against the claims being made and will draw, as necessary, on all legal remedies available. Nonetheless, the company remains open to finding a settlement with the insolvency administrator in respect of all of the claims he has advanced so that a conclusive solution can be found to all of the issues at stake.

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Outlook for the second quarter of the 2011 fiscal year: A quarter of revenue growth with consistently high margins

Infineon expects revenues for the second quarter of the 2011 fiscal year to be up slightly compared to the first quarter, with Total Segment Result margin of 18 to 20 percent.

Within the expected sequential revenue increase, Automotive (ATV) revenues are expected to grow markedly, Chip Card & Security (CCS) turnover should show some growth, and Industrial & Multimarket (IMM) sales are expected to increase only slightly.

Outlook for the fiscal year 2011: Raising anticipated growth and margin

Even at an assumed Euro/U.S. Dollar exchange rate of 1.40, Infineon now expects full-year revenue growth to be a mid-teens percentage, compared to a rate of close to 10 percent guided for so far. Within this outlook, the company anticipates greater than group average growth for both ATV and IMM and below group average growth for CCS revenues.

Total Segment Result margin for the 2011 fiscal year is expected to be a high teens percentage of sales, compared to a mid to high teens percentage guided for thus far.

In response to continued high levels of order intake and sustained allocation across multiple product lines, Infineon now anticipates that investments will total around Euro 700 million in the 2011 fiscal year, compared to the previous guidance of Euro 550 million and compared to Euro 325 million in the 2010 fiscal year.

Depreciation and Amortization is now expected to slightly exceed Euro 400 million for the 2011 fiscal year, compared to Euro 336 million in the 2010 fiscal year and compared to the previous guidance of about Euro 400 million.

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Detailed review of segment performance in the fiscal first quarter 2011: Slight revenue decrease with very strong Total Segment Result margin

Revenue and Segment Result in Euro million	in % of total revenue	3 months ended Dec 31, 10	sequential +/- in %	3 months ended Sep 30, 10	year-on- year +/- in %	3 months ended Dec 31, 09
Infineon						
Revenue	100	922	(2)	942	34	687
Total Segment Result		177	4	171	+++	70
Total Segment Result Margin [in %]		19.2%		18.2%		10.2%
Automotive (ATV)						
Segment Revenues	38	354	4	340	27	279
Segment Result		59	2	58	59	37
Segment Result Margin [in %]		16.7%		17.1%		13.3%
Industrial & Multimarket (IMM)						
Segment Revenues	46	423	(3)	436	51	280
Segment Result		107	1	106	+++	44
Segment Result Margin [in %]		25.3%		24.3%		15.7%
Chip Card & Security (CCS)						
Segment Revenues	11	98	(15)	115	18	83
Segment Result		10	(17)	12	+++	1
Segment Result Margin [in %]		10.2%		10.4%		1.2%
Other Operating Segments (OOS)						
Segment Revenues	4	41	(27)	56	(2)	42
Segment Result		2	(60)	5	+++	(1)
Corporate and Eliminations (C&E)						
Segment Revenues	1	6	+++	(5)	+++	3
Segment Result		(1)	90	(10)	91	(11)

ATV segment revenue rose to Euro 354 million, up four percent from the previous quarter and in line with guidance. Demand remained strong across the entire product range. ATV Segment Result was Euro 59 million, a two percent increase compared to the prior quarter.

In the first quarter of the 2011 fiscal year, the IMM segment posted all time high profitability for the second quarter in a row. IMM segment revenue, including sales from the RF Power business⁴, decreased by three percent from the fourth quarter of the 2010 fiscal year, due to seasonally lower demand for non-power products. IMM Segment Result, including the RF power business, was Euro 107 million, up from Euro 106 million in the prior quarter, despite the revenue decline. A favourable cost development drove the Segment Result margin to 25.3 percent.

Driven by typical seasonal trends as well as due to a normalized level of demand in

⁴ The RF Power business which includes radio frequency power transistors for cellular base stations is a part of the IMM segment starting with the first quarter of 2011 fiscal year. Prior quarter figures were adjusted accordingly.

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Government ID projects, CCS revenues were Euro 98 million, down from Euro 115 million in the prior quarter. CCS Segment Result decreased slightly to Euro 10 million, from Euro 12 million in the fourth quarter. Despite the anticipated seasonal revenue decline, CCS Segment Result margin remained on the high level of 10.2 percent, mainly due to a product mix shift towards higher margin businesses and the further ramp up of 90nm products.

Analyst and press telephone conferences

Infineon Technologies AG will conduct a telephone conference (in English only) with analysts and investors on February 1, 2011, at 10:00 a.m. Central European Time (CET), 4:00 a.m. Eastern Standard Time (U.S. EST), to discuss operating performance during the first quarter of the 2011 fiscal year. In addition, the Infineon Management Board will host a telephone conference with the media at 11:30 a.m. (CET), 5:30 a.m. (U.S. EST). It can be followed in German and English over the Internet. Both conferences will be available live and for download on the Infineon web site at <http://corporate.infineon.com>.

IFX financial calendar (*preliminary date)

- Feb 17, 2011 2011 Annual General Meeting of Shareholders
- May 3, 2011* Earnings Release for the Second Quarter of the 2011 Fiscal Year
- Jun 7, 2011* IFX Day 2011: Analyst and Investor Day
- Jul 28, 2011* Earnings Release for the Third Quarter of the 2011 Fiscal Year
- Nov 17, 2011* Earnings Release for the Fourth Quarter and Full 2011 Fiscal Year

About Infineon

Infineon Technologies AG, Neubiberg, Germany, offers semiconductor and system solutions addressing three central challenges to modern society: energy efficiency, mobility, and security. In the 2010 fiscal year (ending September 30), the company reported sales of Euro 3.295 billion with approximately 26,650 employees worldwide. With a global presence, Infineon operates through its subsidiaries in the U.S. 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 USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).

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FINANCIAL INFORMATION

According to IFRS – Preliminary and Unaudited

Due to the divestiture of the Wireless mobile phone business to Intel Corporation announced on August 30, 2010, Infineon reports the results of the Wireless mobile phone business as discontinued operations in the consolidated statements of operations. Likewise, the consolidated statement of cash flows shows the cash inflows and outflows of the Wireless mobile phone business as discontinued operations. The prior period amounts of the consolidated statement of operations and the consolidated statement of cash flows have been adjusted accordingly. In accordance with internal segment reporting during the three months ended December 31, 2010, Wireless Solutions is no longer reported as a segment. The business remaining with Infineon with radio frequency power transistors for amplifiers in cellular base stations was dedicated to the segment Industrial & Multimarket, the business remaining with the analog and digital TV tuner and satellite radio receiver was dedicated to other operating segments. Expenses that had previously been allocated to the Wireless mobile phone business, but continued to be incurred after the sale were allocated to Corporate and Eliminations. The prior periods amounts have been adjusted accordingly.

Consolidated Statements of Operations

in Euro million	3 months ended		
	Dec 31, 10	Sep 30, 10	Dec 31, 09
Revenue	922	942	687
Cost of goods sold	(538)	(563)	(446)
Gross profit	384	379	241
Research and development expenses	(108)	(114)	(89)
Selling, general and administrative expenses	(103)	(103)	(88)
Other operating income	2	7	6
Other operating expense	(6)	(15)	(96)
Operating income (loss)	169	154	(26)
Financial income	6	5	11
Financial expense	(18)	(16)	(38)
Income from investments accounted for using the equity method	-	1	1
Income (loss) from continuing operations before income taxes	157	144	(52)
Income tax benefit (expense)	(8)	49	(7)
Income (loss) from continuing operations	149	193	(59)
Income from discontinued operations, net of income taxes	83	197	124
Net income	232	390	65
Attributable to:			
Non-controlling interests	-	-	1
Shareholders of Infineon Technologies AG	232	390	64

Basic and diluted earnings (loss) per share attributable to shareholders of Infineon Technologies AG (in Euro):

Weighted average shares outstanding (in million) – basic	1,087	1,087	1,087
Weighted average shares outstanding – diluted	1,167	1,172	1,087
Basic earnings (loss) per share from continuing operations	0.14	0.18	(0.06)
Basic earnings (loss) per share from discontinued operations	0.07	0.18	0.12
Basic earnings (loss) per share	0.21	0.36	0.06
Diluted earnings (loss) per share from continuing operations	0.13	0.16	(0.06)
Diluted earnings (loss) per share from discontinued operations	0.07	0.17	0.12
Diluted earnings (loss) per share	0.20	0.33	0.06

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Segment Revenues and Segment Result

We define Segment Result as operating income (loss) excluding asset impairments, net, restructuring charges and other related closure costs, net, share-based compensation expense, acquisition-related amortization and gains (losses), gains (losses) on disposal of assets, businesses, or interests in subsidiaries, and other income (expense), including litigation settlement costs.

Reconciliation of Total Segment Result to Operating Income (loss)

in Euro million	3 months ended		
	Dec 31, 10	Sep 30, 10	Dec 31, 09
Total Segment Result	177	171	70
Asset impairments, net	2	(3)	(4)
Restructuring charges and other related closure costs, net	–	4	–
Share-based compensation expense	–	–	–
Acquisition-related amortization and gains (losses)	(1)	(1)	(1)
Gains (losses) on disposal of assets, businesses or interests in subsidiaries, net	–	–	3
Gains (losses) in connection with the deconsolidation of ALTIS	–	–	(81)
Other expense, net	(9)	(17)	(13)
Operating income (loss)	169	154	(26)

Revenues and Segment Result

for the three months ended December 31, 2010 and 2009 and September 30, 2010

Revenue in Euro million	3 months ended			3 months ended		
	Dec 31, 10	Dec 31, 09	+/- in %	Dec 31, 10	Sep 30, 10	+/- in %
Automotive	354	279	27	354	340	4
Industrial & Multimarket	423	280	51	423	436	(3)
Chip Card & Security	98	83	18	98	115	(15)
Other Operating Segments	41	42	(2)	41	56	(27)
Corporate and Eliminations	6	3	100	6	(5)	+++
Total	922	687	34	922	942	(2)

Segment Result in Euro million	3 months ended			3 months ended		
	Dec 31, 10	Dec 31, 09	+/- in %	Dec 31, 10	Sep 30, 10	+/- in %
Automotive	59	37	59	59	58	2
Industrial & Multimarket	107	44	+++	107	106	1
Chip Card & Security	10	1	+++	10	12	(17)
Other Operating Segments	2	(1)	+++	2	5	(60)
Corporate and Eliminations	(1)	(11)	91	(1)	(10)	90
Total	177	70	+++	177	171	4

Employees

	Dec 31, 10	Sep 30, 10	Dec 31, 09
Infineon ⁽¹⁾	27,315	26,654	25,009

⁽¹⁾ Including employees of our Wireless Solutions business for the three months ended December 31, 2010. As of December 31, 2010, September 30, 2010, and December 31, 2009, 6,015, 5,771 and 5,429 Infineon employees, respectively, were engaged in research and development.

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Consolidated Statement of Financial Position

The Statement of Financial Position as of December 31, 2010 and September 30, 2010, presents the assets and liabilities to be transferred in connection with the divestiture of the Wireless mobile phone business as assets and liabilities "classified as held for sale". The Statement of Financial Position as of December 31, 2009, presents the assets and liabilities to be sold in connection with the Wireline Communications business as assets and liabilities "classified as held for sale".

in Euro million	Dec 31, 10	Sep 30, 10	Dec 31, 09
Assets			
Current assets:			
Cash and cash equivalents	1,610	1,667	1,589
Available-for-sale financial assets	59	60	89
Trade and other receivables	685	687	529
therein: Trade accounts receivables	630	622	403
Inventories	573	514	451
Income tax receivable	12	7	19
Other current financial assets	22	72	23
Other current assets	109	88	111
Assets classified as held for sale	567	495	17
Total current assets	3,637	3,590	2,828
Property, plant and equipment	890	838	841
Goodwill and other intangible assets	91	87	369
Investments accounted for using the equity method	35	35	35
Deferred tax assets	308	308	150
Other financial assets	120	119	122
Other assets	23	16	18
Total assets	5,104	4,993	4,363

in Euro million	Dec 31, 10	Sep 30, 10	Dec 31, 09
Liabilities and equity			
Current liabilities:			
Short-term debt and current maturities of long-term debt	129	133	496
Trade and other payables	716	665	404
therein: Trade accounts payables	706	659	394
Current provisions	489	553	480
Income tax payable	101	111	114
Other current financial liabilities	12	16	25
Other current liabilities	154	153	149
Liabilities classified as held for sale	152	177	19
Total current liabilities	1,753	1,808	1,687
Long-term debt	247	263	308
Pension plans and similar commitments	154	146	97
Deferred tax liabilities	10	11	6
Long-term provisions	54	55	64
Other financial liabilities	5	6	4
Other liabilities	73	79	99
Total liabilities	2,296	2,368	2,265
Shareholders' equity:			
Ordinary share capital	2,173	2,173	2,173
Additional paid-in capital	6,004	6,048	6,048
Accumulated deficit	(5,381)	(5,613)	(6,117)
Other reserves	12	17	(6)
Total equity attributable to shareholders of Infineon Technologies AG	2,808	2,625	2,098
Non-controlling interests	-	-	-
Total equity	2,808	2,625	2,098
Total liabilities and equity	5,104	4,993	4,363

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Infineon Regional Sales Development

Revenue by Region in %	3 months ended		
	Dec 31, 10	Sep 30, 10	Dec 31, 09
Europe, Middle East, Africa	46%	45%	46%
therin: Germany	26%	26%	26%
Asia-Pacific (w/o Japan)	38%	38%	35%
therin: China	19%	19%	16%
Japan	5%	5%	5%
America	11%	12%	14%
Total	100%	100%	100%

Consolidated Statements of Cash Flows

Gross and Net Cash Position*

Infineon defines gross cash position as cash and cash equivalents and available-for-sale financial assets, and net cash position as gross cash position less short-term debt and current maturities of long-term debt, and long-term debt. Since Infineon holds a portion of its available monetary resources in the form of readily available-for-sale financial assets, which for IFRS purposes are not considered to be "cash", it reports its gross and net cash positions to provide investors with an understanding of the Company's overall liquidity. The gross and net cash position is determined as follows from the condensed consolidated balance sheets, without adjustment to the IFRS amounts presented:

* Includes only amounts from continuing operations.

in Euro million	Dec 31, 10	Sep 30, 10	Dec 31, 09
Cash and cash equivalents	1,610	1,667	1,589
Available-for-sale financial assets	59	60	89
Gross Cash Position	1,669	1,727	1,678
Less:			
Short-term debt and current maturities of long-term debt	129	133	496
Long-term debt	247	263	308
Net Cash Position	1,293	1,331	874

Free Cash Flow*

Infineon defines free cash flow as net cash from operating and investing activities excluding purchases or sales of available-for-sale financial assets. Since Infineon holds a portion of its available monetary resources in the form of readily available-for-sale financial assets and operates in a capital intensive industry, it reports free cash flow to provide investors with a measure that can be used to evaluate changes in liquidity after taking capital expenditures into account. Free cash flow is not intended to represent the residual cash flow available for discretionary expenditures, since debt service requirements or other non-discretionary expenditures are not deducted. The free cash flow is determined as follows from the consolidated cash flow statements:

* Includes only amounts from continuing operations.

in Euro million	3 months ended		
	Dec 31, 10	Sep 30, 10	Dec 31, 09
Net cash provided by operating activities from continuing operations	134	399	101
Net cash used in investing activities from continuing operations	(130)	(161)	(120)
Adjusted for:			
Net purchases (net proceeds from sales) of available-for-sale financial assets	-	(2)	(2)
Free Cash Flow from continuing operations	4	236	(21)

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Consolidated Statements of Cash Flows

in Euro Million

	3 months ended		
	Dec 31, 10	Sep 30, 10	Dec 31, 09
Net income	232	390	65
Less: net loss from discontinued operations	(83)	(197)	(124)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	83	85	90
Provision for (recovery of) doubtful accounts	-	-	1
Losses (gains) on sales of available-for-sale financial assets	-	-	(2)
Losses (gains) on sales of businesses and interests in subsidiaries	-	-	(3)
Losses in connection with the deconsolidation of ALTIS	-	(14)	81
Income from investments accounted for using the equity method	-	(1)	(1)
Dividends received from associated companies	-	4	-
Impairment charges	(2)	-	6
Deferred income taxes	1	(55)	(1)
Changes in operating assets and liabilities:			
Trade and other receivables	(9)	6	(15)
Inventories	(50)	(8)	(2)
Other current assets	(20)	34	4
Trade and other payables	44	92	17
Provisions	(52)	114	(4)
Other current liabilities	33	(70)	(19)
Other assets and liabilities	(9)	25	25
Interest received	4	3	1
Interest paid	(10)	(1)	(10)
Income tax received (paid)	(28)	(8)	(8)
Net cash provided by operating activities from continuing operations	134	399	101
Net cash provided by (used in) operating activities from discontinued operations	76	(12)	46
Net cash provided by operating activities	210	387	147
Cash flows from investing activities:			
Proceeds from sales of available-for-sale financial assets	-	2	2
Proceeds from sales of businesses and interests in subsidiaries	-	1	1
Cash decrease from the deconsolidation of ALTIS	-	-	(88)
Purchases of intangible assets, and other assets	(9)	(8)	(6)
Purchases of property, plant and equipment	(122)	(155)	(29)
Proceeds from sales of property, plant and equipment, and other assets	1	(1)	-
Net cash used in investing activities from continuing operations	(130)	(161)	(120)
Net cash provided by (used in) investing activities from discontinued operations	(55)	(8)	207
Net cash provided by (used in) investing activities	(185)	(169)	87
Cash flows from financing activities:			
Net change in related party financial receivables and payables	-	2	(2)
Proceeds from issuance of long-term debt	27	2	-
Principal repayments of long-term debt	(27)	(13)	(10)
Repurchase of convertible subordinated notes	(80)	-	(48)
Change in restricted cash	-	1	-
Net cash used in financing activities from continuing operations	(80)	(8)	(60)
Net cash used in financing activities from discontinued operations	(4)	-	-
Net cash used in financing activities	(84)	(8)	(60)
Net increase (decrease) in cash and cash equivalents	(59)	210	174
Effect of foreign exchange rate changes on cash and cash equivalents	2	5	1
Cash and cash equivalents at beginning of period	1,667	1,452	1,414
Cash and cash equivalents at end of period	1,610	1,667	1,589

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DISCLAIMER

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

These forward-looking statements are subject to a number of uncertainties, including broader economic developments, trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products 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 continued availability of adequate funds, the outcome of antitrust investigations and litigation matters, and the outcome of Qimonda's insolvency proceedings, as well as the other factors mentioned in this press release.

As a result, Infineon's actual results could differ materially from those contained in these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. Infineon does not undertake any obligation to publicly update or revise any forward-looking statements in light of developments which differ from those anticipated.

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