Infineon Technologies AG

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Infineon to acquire Cypress, strengthening and accelerating its path of profitable growth

Munich, 3 June 2019 – Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) and Cypress Semiconductors Corporation (NASDAQ: CY) today announced that the companies have signed a definitive agreement under which Infineon will acquire Cypress for US$23.85 per share in cash, corresponding to an enterprise value of EUR9.0 billion. The offer price represents a 46 percent premium to Cypress' unaffected 30-day volume-weighted average price during the period from 15 April to 28 May 2019, the last trading day prior to media reports regarding a potential sale of Cypress.

With the addition of Cypress, Infineon will consequently strengthen its focus on structural growth drivers and serve a broader range of applications. This will accelerate the company's path of profitable growth of recent years.

The acquisition will also improve Infineon's financial strength and Infineon shareholders are expected to benefit from earnings accretion beginning in the first full fiscal year after closing. The capital intensity will decrease, resulting in an increasing free cash flow margin. Infineon has validated sales and cost synergies assumptions as part of due diligence. Expected economies of scale will create cost synergies of EUR180 million per annum by 2022. The complementary portfolios will enable the offering of further chip solutions with a revenue synergies potential of more than EUR1.5 billion per annum in the long term.

Upon successful integration, Infineon will adapt its target operating model accordingly. Then, the company targets through-cycle revenue growth of 9+ percent and a segment result margin of 19 percent. The investment-to-sales ratio is targeted to decrease to 13 percent.

The funding of the acquisition is fully underwritten by a consortium of banks. Infineon is committed to retaining a solid investment grade rating and, consequently, Infineon intends to ultimately finance approximately 30 percent of the total transaction value with equity and the remainder with debt as well as cash on hand. The financial policy to preserve a strategic cash reserve remains in place.

The Board of Directors of Cypress and the Infineon Supervisory Board have already consented to the acquisition. The acquisition is subject to approval by the relevant regulatory bodies and Cypress' shareholders as well as other customary conditions. The closing is expected by the end of calendar year 2019 or early 2020.

About Infineon

Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon is the key to a better future. In the 2018 fiscal year (ending 30 September), the Company reported sales of EUR7.6 billion with about 40,100 employees worldwide. 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).

Further information is available at www.infineon.com

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This announcement does not constitute or form part of, and should not be construed as, an offer of, a solicitation of an offer to buy, or an invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company, Cypress or the securities of any existing or future member of the Cypress group (the "Cypress Group") or the Company (the "Company Group"). Neither this announcement nor any part of it form the basis of, nor should any of them be relied on in connection with, any voting decisions to be taken by shareholders of either Cypress or the Company, any offer to purchase or sell, or contract to purchase or sell, any securities of Cypress or the Company, any member of the Cypress Group or Company Group, or with any other offer, contract or commitment whatsoever. This announcement does not constitute shareholder voting or proxy information, a proxy, an offer to purchase, or prospectus, in whole or in part, and any decision with respect to the manner in which to vote on any corporate or shareholder action or sell or purchase any securities should not be made on the basis of the information contained in this announcement, and should be made solely on the basis of the information to be

contained in the relevant document and on an independent analysis of the information contained therein.

The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act.

The Financial Advisors are acting exclusively for the Company and for no-one else in connection with or in respect of the transactions referred to in this announcement and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to these transactions and will not be responsible to any other person for providing the protections afforded to their respective clients, or for advising any such person on the contents of this announcement or in connection with any transaction referred to in this announcement. The contents of this announcement have not been verified by any of the Financial Advisors or any of their affiliates.

This announcement includes "forward-looking statements". These statements contain the words "anticipate", "believe", "intend", "estimate", "expect", "expected", "target", "aims", "will" and words of similar meaning. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, expected financial impact of the acquisition (including cost and revenue synergies), plans and objectives of management for future operations (including cost savings and productivity improvement plans) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the market environment in which the Company will operate in the future. The factors that could cause actual results to differ materially include the following: the risk that the Company may be unable to achieve the expected synergies, benefits or financial impact from the acquisition within the expected time-frames (or at all); the risk that the Company will not be able to successfully integrate Cypress' operations into those of the Company, such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including difficulties in maintaining relationships with employees, customers or suppliers) may be greater or more significant than expected following the transaction; the impact of higher levels of debt incurred by the Company in connection with the transaction and the potential impact on the rating of indebtedness of the Company and the risk that deleveraging may take longer than expected; the risk that the acquisition is subject to conditions and that there is no assurance that the Company will be able to complete the acquisition on a timely basis or all; currency risk in respect of the consideration payable by the Company in connection with the acquisition; These

forward-looking statements speak only as of the date of this presentation. Each of the Company, the relevant Company Group entities, Financial Advisors and their respective affiliates, agents, directors, officers, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein. You are urged to consider these factors carefully in evaluating the forward-looking statements in this announcement and not to place undue reliance on such statements.

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