Press Release

Infineon reports strong Q2 FY14 sales and Segment Result

- **Q2 FY 2014: revenue €1,051 million, Segment Result €146 million, Segment Result Margin 13.9 percent**
- **Outlook Q3 FY2014: revenue expected to increase between 4 and 8 percent sequentially with Segment Result Margin between 14 and 16 percent**
- **Both revenue and Segment Result for the 2014 fiscal year are expected to be at least at the upper end of the guidance ranges of 7 to 11 percent year-on-year sales growth and Segment Result Margin between 11 and 14 percent**
- **Revenue growth in 2014 fiscal year mainly driven by Automotive and Industrial Power Control**

Neubiberg, Germany – April 29, 2014. Infineon Technologies AG today reports results for the second quarter of the 2014 fiscal year, ended March 31, 2014.

€ in millions	3 months ended Mar 31, 14	sequential +/- in %	3 months ended Dec 31, 13	year-on-year +/- in %	3 months ended Mar 31, 13
Revenue	1,051	7	984	14	918
Segment Result	146	26	116	+++	68
Segment Result Margin [in %]	13.9%		11.8%		7.4%
Income from continuing operations	114	34	85	+++	36
Income from discontinued operations, net of income taxes	10	+++	2	+++	(3)
Net income	**124**	**43**	**87**	**+++**	**33**
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG[1]:					
Basic earnings per share (in euro) from continuing operations	0.10	25	0.08	+++	0.03
Basic earnings per share (in euro) from discontinued operations	0.01	+++	–	+++	–
Basic earnings per share (in euro)	**0.11**	**38**	**0.08**	**+++**	**0.03**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG[1]:					
Diluted earnings per share (in euro) from continuing operations	0.10	25	0.08	+++	0.03
Diluted earnings per share (in euro) from discontinued operations	0.01	+++	–	+++	–
Diluted earnings per share (in euro)	**0.11**	**38**	**0.08**	**+++**	**0.03**

[1] The calculation for earnings per share is based on unrounded figures.

“Sales grew in the second quarter. Growth is in line with our expectations”, stated Dr. Reinhard Ploss, CEO of Infineon Technologies AG. “By capitalizing on our market opportunities, we have been able to markedly improve our profitability.” The positive development should continue in the second half of the year. “Demand for our products is strengthening and our order books are filling up nicely. Thanks to our prior investments,

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

we are in a favorable position to outgrow the market in this fiscal year", says Dr. Reinhard Ploss.

Review of Group financials for the second quarter of the 2014 fiscal year

Second-quarter Group revenue increased 7 percent from €984 million to €1,051 million, with all four operating segments contributing to growth.

Segment Result improved by 26 percent from €116 million in the preceding quarter to €146 million in the second quarter of the current fiscal year. The Segment Result Margin increased to 13.9 percent, compared with the first quarter's margin of 11.8 percent. The improvement in Segment Result was influenced partly by higher revenue and partly by multiple nonrecurring effects. Starting in the second quarter of the 2014 fiscal year, centralized production-related overhead costs are allocated on a more differentiated basis with reference to front-end and back-end added value for inventory valuation purposes. This results in a positive one-time effect on earnings of €25 million related to work in progress inventories. A number of other factors, however, worked in the opposite direction. Excluding all these effects, Segment Result Margin would have been approximately 13 percent.

Income from continuing operations rose to €114 million in the second quarter, compared with €85 million in the previous quarter. Second-quarter income from discontinued operations increased from €2 million to €10 million.

Net income for the second quarter of the 2014 fiscal year improved to €124 million, compared with €87 million in the preceding quarter. Earnings per share (basic and diluted) increased from €0.08 to €0.11.

Investments – which the Company defines as the sum of purchases of property, plant and equipment, purchases of intangible assets and capitalized development costs – increased quarter-on-quarter from €129 million to €154 million. Depreciation and amortization rose from €120 million in the first quarter to €126 million in the second.

Free cash flow[1] from continuing operations improved quarter-on-quarter from €30 million to €51 million, reflecting the fact that the significantly higher level of net cash provided by operating activities was only partly offset by increased cash used in investing activities.

The gross cash position at March 31, 2014 decreased to €2,198 million, mainly as a result of the dividend of €129 million paid during the second quarter. At the end of December 2013, the gross cash position had been €2,279 million. The net cash position declined from €2,048 million at December 31, 2013 to €2,010 million at March 31, 2014. The decrease was less pronounced than that of the gross cash position, as Infineon had

[1] For definitions and the calculation of free cash flow and of the gross and net cash position, please see page 10.

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

announced the redemption of all outstanding convertible bonds on February 7, 2014 causing all bondholders to exercise their conversion rights, thus reducing short-term debt by €38 million.

In February 2014 Infineon paid a dividend of €0.12 per share (€129 million in total) for the previous fiscal year. The capital returns program also continued in the second quarter with the sale of put options for 4.5 million shares. At March 31, 2014, put options for 10.5 million shares were outstanding. Details of put options and the current status of the capital returns program can be found on Infineon's website at "About Infineon/ Investor/Capital Returns/Program 2013".

Outlook for the third quarter of the 2014 fiscal year

Based on the positive order backlog across all operating segments, Infineon expects continued growth in the third quarter of the 2014 fiscal year with an increase in revenue of between 4 and 8 percent compared to the previous quarter. The third-quarter Segment Result Margin is expected to come in between 14 and 16 percent.

Outlook for 2014 fiscal year

Infineon now expects the increase in revenue and the Segment Result Margin for the 2014 fiscal year to be at least at the upper end of the ranges previously indicated (year-on-year increase in revenue of between 7 and 11 percent, Segment Result Margin of between 11 and 14 percent). The assumed exchange rate of the US dollar against the euro remains unchanged at 1.35.

The expected increase in revenue for the Industrial Power Control (IPC) segment should be well above the average for the Group. The Automotive (ATV) segment is expected to grow roughly in line with the Group average. The growth rates forecast for the Power Management & Multimarket (PMM) and Chip Card & Security (CCS) segments are slightly lower than the Group average.

Planned investments for the 2014 fiscal year are in the region of €650 million, with depreciation and amortization expected at €500 million or slightly higher.

Segment earnings in the second quarter of the 2014 fiscal year

ATV segment revenue increased to €484 million in the second quarter of the current fiscal year, compared with €452 million in the preceding quarter. This 7 percent increase reflected strong demand for vehicles worldwide, with above average demand from German premium manufacturers. Segment Result improved from €55 million in the first

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

quarter to €66 million in the second quarter, while the Segment Result Margin rose quarter-on-quarter from 12.2 percent to 13.6 percent.

€ in millions	in % of total revenue	3 months ended Mar 31, 14	sequential +/- in %	3 months ended Dec 31, 13	year-on-year +/- in %	3 months ended Mar 31, 13
Infineon						
Revenue	100	1,051	7	984	14	918
Segment Result		146	26	116	+++	68
Segment Result Margin [in %]		13.9%		11.8%		7.4%
Automotive (ATV)						
Segment Revenues	46	484	7	452	14	424
Segment Result		66	20	55	78	37
Segment Result Margin [in %]		13.6%		12.2%		8.7%
Industrial Power Control (IPC)						
Segment Revenues	18	185	3	179	28	144
Segment Result		33	22	27	+++	(3)
Segment Result Margin [in %]		17.8%		15.1%		(2.1%)
Power Management & Multimarket (PMM)						
Segment Revenues	24	252	6	238	11	227
Segment Result		37	28	29	37	27
Segment Result Margin [in %]		14.7%		12.2%		11.9%
Chip Card & Security (CCS)						
Segment Revenues	12	121	12	108	12	108
Segment Result		8	33	6	14	7
Segment Result Margin [in %]		6.6%		5.6%		6.5%
Other Operating Segments (OOS)						
Segment Revenues	0	6	-	6	20	5
Segment Result		2	+++	-	+++	(3)
Corporate and Eliminations (C&E)						
Segment Revenues	0	3	+++	1	(70)	10
Segment Result		-	+++	(1)	---	3

IPC segment revenue climbed by 3 percent from €179 million in the first quarter to €185 million in the second, due to healthy demand at industrial drives and traction. Segment Result amounted to €33 million, compared to €27 million in the preceding quarter, while the Segment Result Margin rose from 15.1 percent to 17.8 percent.

The PMM segment recorded second-quarter revenue of €252 million, 6 percent up on the previous quarter's €238 million, due to increased demand for power transistors and from cellular network infrastructure applications. Segment Result rose quarter-on-quarter from €29 million to €37 million, and the Segment Result Margin improved to 14.7 percent, compared to 12.2 percent in the previous three-month period.

CCS segment revenue increased by 12 percent from €108 million in the first quarter to €121 million in the second quarter of the 2014 fiscal year. Revenue from Security ICs for Payment applications was significantly higher compared to the previous quarter, and slightly up in Government ID. Segment Result amounted to €8 million, compared to €6 million in the preceding quarter, with the Segment Result Margin improving quarter-on-quarter from 5.6 percent to 6.6 percent.

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

Analyst and press telephone conference

Infineon will host a telephone conference call for analysts and investors (in English only) on April 29, 2014 at 10:00 am (CET), 4:00 am (EST). During the call, the Infineon Management Board will present the Company's results from the second quarter of the 2014 fiscal year. In addition, the Management Board will host a live telephone conference with the media at 11:30 am (CET), 5:30 am (EST). It can be followed over the Internet in both English and German. Both conferences will also be available live and for download on Infineon's website at www.infineon.com/investor .

The **Q2 Investor Presentation** is available (in English only) at:
http://www.infineon.com/cms/en/corporate/investor/reporting/index.html

Infineon Financial Calendar (*preliminary)

- Jun 5, 2014 — DZ Bank Sustainable Technologies Conference, Zurich
- Jun 11, 2014 — Deutsche Bank German, Swiss & Austrian Conference, Berlin
- Jun 17, 2014 — JPMorgan Technology CEO Conference, London
- Jul 30, 2014* — Earnings Release for the Third Quarter of the 2014 Fiscal Year
- Sep 9, 2014 — Commerzbank Sector Week, Frankfurt
- Sep 17, 2014* — Conference Call by Jochen Hanebeck, Division President Automotive
- Sep 23, 2014 — Baader Investment Conference, Munich
- Sep 24, 2014 — Berenberg Bank and Goldman Sachs German Corporate Conference, Munich
- Nov 19-20, 2014 — Morgan Stanley TMT Conference, Barcelona
- Nov 27, 2014* — Earnings Release for the Fourth Quarter and Full 2014 Fiscal Year
- Dec 2-3, 2014 — Credit Suisse TMT Conference, Scottsdale/Arizona

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 2013 fiscal year (ending September 30), the Company reported sales of €3.84 billion with around 26,700 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).

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

FINANCIAL INFORMATION

According to IFRS – Preliminary and Unaudited

Reference: With effect from October 1st, 2013, in order to improve clarity, some individual items of the Consolidated Statement of Financial Position and the Consolidated Statements of Cash Flows have been reassigned.

Consolidated Statements of Operations

	3 months ended			6 months ended	
€ in millions; except for the per share data	Mar 31, 14	Dec 31, 13	Mar 31, 13	Mar 31, 14	Mar 31, 13
Revenue	1,051	984	918	2,035	1,769
Cost of goods sold	(653)	(623)	(630)	(1,276)	(1,209)
Gross profit	**398**	**361**	**288**	**759**	**560**
Research and development expenses	(136)	(133)	(122)	(268)	(245)
Selling, general and administrative expenses	(121)	(114)	(102)	(236)	(211)
Other operating income	6	5	3	11	8
Other operating expense	(12)	(11)	(19)	(23)	(28)
Operating income	**135**	**108**	**48**	**243**	**84**
Financial income	2	2	8	4	17
Financial expense	(4)	(9)	(12)	(13)	(25)
Gain (loss) from investments accounted for using the equity method	-	1	-	-	-
Income from continuing operations before income taxes	**133**	**102**	**44**	**234**	**76**
Income tax	(19)	(17)	(8)	(36)	(13)
Income from continuing operations	**114**	**85**	**36**	**198**	**63**
Income (loss) from discontinued operations, net of income taxes	10	2	(3)	13	(10)
Net income	**124**	**87**	**33**	**211**	**53**
Attributable to:					
Non-controlling interests	-	-	-	-	-
Shareholders of Infineon Technologies AG	124	87	33	211	53
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG[1]:					
Weighted average shares outstanding (in million) – basic	1,117	1,083	1,075	1,100	1,076
Basic earnings per share (in euro) from continuing operations	0.10	0.08	0.03	0.18	0.06
Basic loss per share (in euro) from discontinued operations	0.01	-	-	0.01	(0.01)
Basic earnings per share (in euro)	**0.11**	**0.08**	**0.03**	**0.19**	**0.05**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG[1]:					
Weighted average shares outstanding (in million) – diluted	1,123	1,126	1,075	1,124	1,077
Diluted earnings per share (in euro) from continuing operations	0.10	0.08	0.03	0.18	0.06
Diluted loss per share (in euro) from discontinued operations	0.01	-	-	0.01	(0.01)
Diluted earnings per share (in euro)	**0.11**	**0.08**	**0.03**	**0.19**	**0.05**

[1] The calculation for earnings per share is based on unrounded figures.

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

Segment Revenues and Segment Results

Infineon defines Segment Result as operating income (loss) excluding asset impairments (net of reversals); impact on earnings of restructuring measures and closures (net); share-based compensation expense; acquisition-related depreciation/amortization and gains (losses); gains (losses) on sales of assets, businesses, or interests in subsidiaries, and other income (expense), including litigation settlement costs.

Reconciliation of Total Segment Result to Operating Income

	3 months ended			6 months ended	
€ in millions	Mar 31, 14	Dec 31, 13	Mar 31, 13	Mar 31, 14	Mar 31, 13
Segment Result	146	116	68	262	112
Plus/Minus:					
Impairment on assets including assets classified as held for sale, net of reversals	-	-	(8)	-	(8)
Impact on earnings of restructuring measures and closures, net	(3)	(4)	(1)	(7)	(3)
Share-based compensation expense	(1)	(2)	(1)	(3)	(2)
Acquisition-related depreciation / amortization and losses	-	-	(1)	-	(1)
Gains on sales of assets, businesses, or interests in subsidiaries, net	2	-	-	2	-
Other expenses	(9)	(2)	(9)	(11)	(14)
Operating income	**135**	**108**	**48**	**243**	**84**

Revenues and Segment Result
for the three and six months ended March 31, 2014 and 2013

	3 months ended			6 months ended		
Revenue € in millions	Mar 31, 14	Mar 31, 13	+/- in %	Mar 31, 14	Mar 31, 13	+/- in %
Automotive	484	424	14	936	801	17
Industrial Power Control	185	144	28	364	282	29
Power Management & Multimarket	252	227	11	490	449	9
Chip Card & Security	121	108	12	229	216	6
Other Operating Segments	6	5	20	11	14	(21)
Corporate and Eliminations	3	10	(70)	5	7	(29)
Total	**1,051**	**918**	**14**	**2,035**	**1,769**	**15**

	3 months ended			6 months ended		
Segment Result € in millions	Mar 31, 14	Mar 31, 13	+/- in %	Mar 31, 14	Mar 31, 13	+/- in %
Automotive	66	37	78	121	57	+++
Industrial Power Control	33	(3)	+++	60	(8)	+++
Power Management & Multimarket	37	27	37	66	49	35
Chip Card & Security	8	7	14	14	17	(18)
Other Operating Segments	2	(3)	+++	3	(5)	+++
Corporate and Eliminations	-	3	---	(2)	2	---
Total	**146**	**68**	**+++**	**262**	**112**	**+++**

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

Revenues and Segment Result
for the three months ended March 31, 2014 and December 31, 2013

	3 months ended		
Revenue € in millions	Mar 31, 14	Dec 31, 13	+/- in %
Automotive	484	452	7
Industrial Power Control	185	179	3
Power Management & Multimarket	252	238	6
Chip Card & Security	121	108	12
Other Operating Segments	6	6	-
Corporate and Eliminations	3	1	+++
Total	**1,051**	**984**	**7**

	3 months ended		
Segment Result € in millions	Mar 31, 14	Dec 31, 13	+/- in %
Automotive	66	55	20
Industrial Power Control	33	27	22
Power Management & Multimarket	37	29	28
Chip Card & Security	8	6	33
Other Operating Segments	2	-	+++
Corporate and Eliminations	-	(1)	+++
Total	**146**	**116**	**26**

Employees

	Mar 31, 14	Dec 31, 13	Mar 31, 13
Infineon[1]	28,096	27,583	26,104

[1] As of March 31, 2014, December 31, 2013, and March 31, 2013, 4,653, 4,543 and 4,397 Infineon employees, respectively, were engaged in research and development.

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

Consolidated Statement of Financial Position

€ in millions	Mar 31, 14	Dec 31, 13	Sep 30, 13
ASSETS:			-
Cash and cash equivalents	327	472	527
Financial investments	1,871	1,807	1,759
Trade accounts receivable	529	452	518
Inventories	674	654	609
Income tax receivable	7	5	12
Other current assets	184	183	198
Total current assets	**3,592**	**3,573**	**3,623**
Property, plant and equipment	1,605	1,596	1,600
Goodwill and other intangible assets	198	182	170
Investments accounted for using the equity method	34	34	34
Deferred tax assets	322	323	325
Other non-current assets	148	151	153
Total non-current assets	**2,307**	**2,286**	**2,282**
Total assets	**5,899**	**5,859**	**5,905**
LIABILITIES AND EQUITY:			
Short-term debt and current maturities of long-term debt	21	64	134
Trade payables	560	515	569
Current provisions	644	603	675
Income tax payable	55	57	62
Other current liabilities	210	211	154
Total current liabilities	**1,490**	**1,450**	**1,594**
Long-term debt	167	167	169
Pension plans and similar commitments	244	248	246
Deferred tax liabilities	3	4	4
Long-term provisions	51	56	46
Other non-current liabilities	67	67	70
Total non-current liabilities	**532**	**542**	**535**
Total liabilities	**2,022**	**1,992**	**2,129**
Shareholders' equity:			
Ordinary share capital	2,255	2,220	2,162
Additional paid-in capital	5,411	5,534	5,549
Accumulated deficit	(3,696)	(3,820)	(3,907)
Other reserves	6	6	9
Own shares	(37)	(37)	(37)
Put options on own shares	(62)	(36)	-
Equity attributable to shareholders of Infineon Technologies AG	**3,877**	**3,867**	**3,776**
Total liabilities and equity	**5,899**	**5,859**	**5,905**

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

Regional Sales Development

in %	3 months ended			6 months ended	
	Mar 31, 14	Dec 31, 13	Mar 31, 13	Mar 31, 14	Mar 31, 13
Revenue:					
Europe, Middle East, Africa	42%	37%	43%	40%	41%
Therein: Germany	21%	19%	21%	20%	20%
Asia-Pacific (w/o Japan)	40%	44%	39%	42%	40%
Therein: China	19%	22%	17%	20%	18%
Japan	7%	7%	5%	6%	6%
Americas	11%	12%	13%	12%	13%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Consolidated Statements of Cash Flows

Gross and Net Cash Position

Infineon defines gross cash position as cash and cash equivalents and financial investments, and net cash position as gross cash position less short-term debt and long-term debt. Since Infineon holds some of its liquid funds in the form of financial investments, 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 liquidity. The gross and net cash position is derived as follows from the corresponding amounts in the consolidated statement of financial position:

€ in millions	Mar 31, 14	Dec 31, 13	Mar 31, 13
Cash and cash equivalents	327	472	410
Financial investments	1,871	1,807	1,606
Gross cash position	**2,198**	**2,279**	**2,016**
Less:			
Short-term debt and current maturities of long-term debt	21	64	38
Long-term debt	167	167	273
Net cash position	**2,010**	**2,048**	**1,705**

Free Cash Flow

Infineon defines free cash flow as cash flow from operating and investing activities from continuing operations excluding purchases or sales of financial investments. The presentation of free cash flow provides useful information to investors because this measure gives an indication of the cash-generating ability of Infineon. Free cash flow is an additional measure, since Infineon holds a portion of its liquid resources in form of financial investments and it eliminates changes of financial investments from the cash generated from Infineon’s business. Free cash flow is not intended to represent the residual cash flow available for discretionary expenditures, since dividends, debt service requirements or other non-discretionary expenditures are not deducted. Free cash flow includes only amounts from continuing operations, and is determined as follows from the consolidated statement of cash flows:

€ in millions	3 months ended			6 months ended	
	Mar 31, 14	Dec 31, 13	Mar 31, 13	Mar 31, 14	Mar 31, 13
Net cash provided by (used in) operating activities from continuing operations	203	158	137	361	96
Net cash provided by (used in) investing activities from continuing operations	(216)	(176)	21	(392)	50
Purchases (proceeds from sales) of financial investments, net	64	48	(85)	112	(201)
Free Cash Flow from continuing operations	**51**	**30**	**73**	**81**	**(55)**

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

Consolidated Statements of Cash Flows

	3 months ended		
€ in millions	Mar 31, 14	Dec 31, 13	Mar 31, 13
Net income	**124**	**87**	**33**
Plus/Minus: loss (income) from discontinued operations, net of income taxes	(10)	(2)	3
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	126	120	116
Income tax benefit (expense)	19	18	8
Net interest result	2	6	4
Losses (gains) on disposals of property, plant and equipment	(2)	-	-
Impairment charges	-	-	8
Other non-cash result	2	-	(6)
Change in trade receivables	(78)	64	(85)
Change in inventories	(21)	(45)	13
Change in trade payables	46	(54)	21
Change in provisions	43	(67)	20
Change in other assets and liabilities	(39)	47	(6)
Interest received	2	2	4
Interest paid	(1)	(5)	-
Income tax paid	(10)	(13)	4
Net cash provided by (used in) operating activities from continuing operations	**203**	**158**	**137**
Net cash provided by (used in) in operating activities from discontinued operations	**(6)**	**2**	**(3)**
Net cash provided by (used in) operating activities	**197**	**160**	**134**
Purchases of financial investments	(535)	(273)	(385)
Proceeds from sales of financial investments	471	225	470
Purchases of intangible assets and other assets	(24)	(19)	(16)
Purchases of property, plant and equipment	(130)	(110)	(49)
Proceeds from sales of property, plant and equipment and other assets	2	1	1
Net cash provided by (used in) investing activities from continuing operations	**(216)**	**(176)**	**21**
Net cash used in investing activities from discontinued operations	**-**	**(1)**	**-**
Net cash provided by (used in) investing activities	**(216)**	**(177)**	**21**
Net change in related party financial receivables and payables	(1)	-	-
Proceeds from issuance of long-term debt	1	1	-
Repayments of long-term debt	(6)	(3)	(5)
Repurchase of convertible subordinated bonds	-	(35)	-
Change in cash deposited as collateral	7	-	-
Proceeds from issuance of ordinary shares	1	-	1
Proceeds from the issuance of put options on own shares	1	1	-
Dividend payments	(129)	-	(129)
Net cash used in financing activities from continuing operations	**(126)**	**(36)**	**(133)**
Net cash used in financing activities from discontinued operations	**-**	**-**	**-**
Net cash used in financing activities	**(126)**	**(36)**	**(133)**
Net decrease in cash and cash equivalents	(145)	(53)	22
Effect of foreign exchange rate changes on cash and cash equivalents	-	(2)	1
Cash and cash equivalents at beginning of period	472	527	387
Cash and cash equivalents at end of period	**327**	**472**	**410**

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com

D I S C L A I M E R

This press release 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.

Due to rounding, numbers presented throughout this press release and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

For the Finance and Business Press: INFXX201404-035e

Worldwide Headquarters:	**Name:**	**Phone:**	**Email:**
Media Relations	**Kay Laudien**	+49 89 234 28481	kay.laudien@infineon.com
Investor Relations	**EU/APAC/USA/CAN**	+49 89 234 26655	investor.relations@infineon.com