Fourth Quarter FY 2015 Quarterly Update
Infineon Technologies AG
Investor Relations
Disclaimer:

This presentation 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.

The opening balance sheet values, and with them the comparative information for the previous period have been adjusted as a result of the continuing analysis and valuation of the assets and liabilities acquired as part of the preliminary purchase price allocation for International Rectifier.
Leadership in system understanding will foster future growth and profitability

**Competitive advantages**

- System leader in Automotive
- #1 and technology leader in Power
- Leader in Security Solutions

**Average-cycle financial targets**

- Revenue Growth: \(~8\%\)
- Segment Result Margin: \(~15\%\)
- Investment-to-Sales: \(~13\%\)
Automotive and power are the two major pillars of Infineon’s businesses

Q4 FY15 revenue: EUR 1,598m

Revenue split by Segment

- ATV ~39%
- PMM ~33%
- IPC ~17%
- CCS ~11%
- OOS + C&E ~0%

Power represents ~60% of revenue

[EUR m]

- ATV: 614
- IPC: 271
- PMM: 534
- CCS: 181

Power
Non-Power
Infineon is growing faster than the market in automotive and is clear leader in power Discrete power semiconductors and power modules.

**Automotive semiconductors**

Total market in 2014: $27.5bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renesas</td>
<td>12.0%</td>
</tr>
<tr>
<td>Infineon (incl. IRF)</td>
<td>10.5%</td>
</tr>
<tr>
<td>STMicro</td>
<td>7.8%</td>
</tr>
<tr>
<td>Freescale</td>
<td>7.5%</td>
</tr>
<tr>
<td>NXP</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Source: Strategy Analytics, April 2015

**Power semiconductors**

Total market in 2014: $16.2bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon (incl. IRF)</td>
<td>19.2%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>7.0%</td>
</tr>
<tr>
<td>STMicro</td>
<td>5.9%</td>
</tr>
<tr>
<td>Fairchild</td>
<td>5.7%</td>
</tr>
<tr>
<td>Toshiba</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

**Smart Card ICs**

Total market in 2014: $2.63bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NXP</td>
<td>30.5%</td>
</tr>
<tr>
<td>Infineon</td>
<td>23.9%</td>
</tr>
<tr>
<td>Samsung</td>
<td>16.0%</td>
</tr>
<tr>
<td>STMicro</td>
<td>15.2%</td>
</tr>
<tr>
<td>SHHIC</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Automotive semiconductors incl. semiconductor sensors.

Discrete power semiconductors and power modules.

Microcontroller-based smart card ICs.

Source: IHS Inc., September 2015

Source: IHS Inc., July 2015

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Strategic rationale of the International Rectifier deal has proven true

Adding to scope

› Rounding out the product portfolio
› Increasing breadth and depth of application understanding

Adding to scale

›Exploiting overhead synergies
› Selling breadth
› Operational synergies
› Capability to drive R&D

Adding technology

› GaN product and IP portfolio
› Multi-chip packages and IPMs/µIPM™s
› HiRel capability

Adding market presence

› Improved regional footprint in particular in the US and APAC
› Increased presence in distribution channel

In Q4 FY15, International Rectifier’s businesses already met the 15% target for the Group’s Segment Result margin over the economic cycle
Tight customer relationships are based on system know-how and app understanding.

<table>
<thead>
<tr>
<th>ATV</th>
<th>IPC</th>
<th>PMM</th>
<th>CCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autoliv</td>
<td>ABB</td>
<td>CSEM</td>
<td>gemalto</td>
</tr>
<tr>
<td>Bosch</td>
<td>ALSTOM</td>
<td>ARTESYN</td>
<td>GPO</td>
</tr>
<tr>
<td>Continental</td>
<td>Bombardier</td>
<td>BOEING</td>
<td>HP</td>
</tr>
<tr>
<td>BYD</td>
<td>CSR</td>
<td>CISCO</td>
<td>Lenovo</td>
</tr>
<tr>
<td>Delphi</td>
<td>Eaton</td>
<td>DELL</td>
<td>LG</td>
</tr>
<tr>
<td>HELLA</td>
<td>Emerson</td>
<td>Delta</td>
<td>Microsoft</td>
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<tr>
<td>Hitachi</td>
<td>Fronius</td>
<td>Ericsson</td>
<td>Lenovo</td>
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<tr>
<td>Hyundai</td>
<td>Goldwind</td>
<td>Hewlett Packard</td>
<td>oberthur</td>
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<tr>
<td>KEIHIN</td>
<td>Automation</td>
<td>Enterprise</td>
<td>TECHNOLOGIES</td>
</tr>
<tr>
<td>Lear</td>
<td>Schneider Electric</td>
<td>LiteOn</td>
<td>THE M COMPANY</td>
</tr>
<tr>
<td>Mitsubishi Electric</td>
<td>Siemen</td>
<td>Nokia</td>
<td>Obertthur</td>
</tr>
<tr>
<td>Mando</td>
<td>SUNGROW</td>
<td>OSRAM</td>
<td>SAGA</td>
</tr>
<tr>
<td>Valeo</td>
<td>Siemens</td>
<td>Panasonic</td>
<td>SAMSUNG</td>
</tr>
<tr>
<td>ZF</td>
<td>Toshiba</td>
<td>Samsung</td>
<td>SAMSUNG</td>
</tr>
<tr>
<td>OMron</td>
<td>Vestas</td>
<td>ZTE</td>
<td>SAMSUNG</td>
</tr>
</tbody>
</table>

**EMS partners**

- Flextronics
- Foxconn

**Distribution partners**

- Avnet
- JCT
- Macnica
- Rutronik
- S-C Electronics
- Tomen Electronics

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Table of Contents

1. Infineon at a Glance
2. Growth Drivers
3. Results and Outlook
Infineon benefits from auto, industrial and security, the by far fastest growing segments

CAGR 2014 – 2019 by Semiconductor Industry Segment

- Industrial: 9.6% growth, $41bn*
- Automotive: 5.6% growth, $29bn*
- Chip Card ICs**: 5.4% growth, $2.6bn*
- Total Semi Market: 2.3% growth, $355bn*
- Communications: 1.2% growth, $122bn*
- Data Processing: 0.5% growth, $114bn*
- Consumer: -0.2% growth, $49bn*

Source: IHS, Worldwide Semiconductor Shipment Forecast, September 2015
* In calendar year 2014
** Source: IHS, “Smart Cards Semiconductors”, August 2015
Infineon is system leader in automotive; making cars clean, safe and smart

#2 with strongest market share gains in 2014:
› #1 in power semiconductors*
› #2 in sensors*
› #3 in microcontrollers* (#1 in powertrain**)

Most balanced portfolio with sensors, microcontrollers and power for system approach

Leader in electric drivetrain and CO₂ reduction
- making cars clean

Leader in ADAS
- making autonomous driving safe and reliable

Leading product portfolio of sensors and security ICs for individual convenience and connectivity
- making cars smart

Focus on sustainable high-bill-of-material areas: powertrain, safety/ADAS/autonomous cars, body

Infineon is ideally positioned to benefit from megatrends and gain further market share in Automotive

* Source: Strategy Analytics, April 2015. ** own estimate.
Infineon holds leading positions in system-crucial automotive product categories

Infineon covers the entire control loop

Infineon’s position 2014

Sensors (#2) 11.5%
μC (#3) 8.7%
Power (#1) 24.8%

2014 automotive semiconductor market by product category ($27.5bn)

› “Power” and “Sensors” are among the fastest growing product categories with 11% growth y-y each.

› Infineon increased market share in “Power” by 3.5%-points resulting in market share of 24.8%.

› Infineon’s share in “Sensors” driven by pressure and magnetic sensors.

Source: Strategy Analytics, April 2015.
* “others” include: opto, small-signal discretes, logic ICs, non-power analog, memory, and other components.
Four megatrends are shaping the automotive market, significantly increasing the semi content per vehicle.

**ADAS/Autonomous driving**

- From ADAS to semi-automated and finally autonomous driving
- Every world region is striving for “0-accident”

- Advanced connectivity is driven by making the car part of the Internet
- The car will be fully connected (V2I, V2V, in-vehicle)

**xEV/eMobility**

- Mandated CO₂ reductions make electrification of powertrain inevitable

- Increased connectivity and software content increase risk exposure to hackers
- Internal/external connectivity must be secured

**Connectivity**

**Advanced security**
Infineon is the market leader in Radar, 10 millions chips shipped already

Vision Zero + Autonomous Driving

Innovations for driver, road and pedestrian safety

"ATLAS" IC
1st SiGe 77 GHz Transceiver

Mid-Range Radar
1st 77 GHz product in eWLB package

Dual-Chip Radar Solution
1st complete System solution: 400 GHz RF, µC, power supply

Next Generation Dual-Chip Radar Solution
600 GHz RF, AURIX™ 3rd Gen, power supply

Single-Chip Radar Solution (CMOS)

2009

Today

> 2022

Most robust detection of head position, head orientation and eye closure

Observe the state of the driver and passengers

Optimize head-up displays and augmented reality to driver’s head position

The position of the 49 reference points is determined using the image recognition software of Kostal.

Kostal camera system

REAL3™ sensor

Courtesy: Kostal
Redundancy in safety-critical applications drives semiconductor demand

- ADAS/semi-autonomous driving is forcing requirements for safety-critical applications (e.g. electric power steering):
  - safety, availability, reliability, security
- A common solution is redundancy, e.g. multiple sensors
- Infineon provides a smart solution to implement redundancy, e.g. the new dual Hall sensor

Dual Hall sensor – two sensor chips are placed on top of each other
Semiconductor content itemized to automation levels

Average ADAS semiconductor content per level of automation

- **Level 2**
  - Camera: 40%
  - Radar: 60%
  - Lidar:  $100
  - Sensor Fusion: 45%
  - Total BOM: 40%

- **Level 3**
  - Camera: 35%
  - Radar: 12%
  - Lidar: 8%
  - Sensor Fusion: 45%
  - Actuators: 12%
  - Total BOM: 40%

- **Level 4**
  - Camera: 25%
  - Radar: 5%
  - Lidar: 20%
  - Sensor Fusion: 10%
  - Actuators: 25%
  - Total BOM: 550
Semiconductor content of EV/HEV vehicles falls right into Infineon's core competence

Average semiconductor content

<table>
<thead>
<tr>
<th>Internal Combustion Engine Vehicle</th>
<th>Power</th>
<th>μC</th>
<th>Sensors</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>23%</td>
<td>43%</td>
<td>76%</td>
<td>$338</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Add-on for Plug-In-Hybrid Electric Vehicle (PHEV)</th>
<th>Power</th>
<th>μC</th>
<th>Sensors</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>4%</td>
<td>16%</td>
<td>76%</td>
<td>$372</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electric Vehicle</th>
<th>Power</th>
<th>μC</th>
<th>Sensors</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>11%</td>
<td>7%</td>
<td>55%</td>
<td>$704</td>
</tr>
</tbody>
</table>

Infineon is best positioned to benefit from EV/HEV car ramp

- **1 Mass Market OEM**
  - Focus
  - LaCrosse, Regal, Malibu
  - 1 Mass Market
  - 2 Mass Market
  - 1 Premium OEM
- **1 Premium OEM**
  - A3 e-tron
  - Q5 A6
  - 1 Premium OEM
  - 1 Mass Market
  - 1 Premium OEM
- **HEV in Production**
  - Passat, Golf, Jetta
  - V60, S60, XC90
  - Zoe
  - E-Class
  - S-Class
  - B-Class
  - 335i - 535i 2 series - x3
  - Panamera
  - Cayenne
  - 508RHX 3008
  - i3, i8
- **HEV Future SOP**
  - Ray EV
  - ix35
  - Soul EV
  - Optima/Sonata
  - Grandeur
  - Tong Yue
  - Hybrid Bus
- **EV in Production**
  - V50
  - EJ02
  - M1
  - 1 Mass Market
  - 1 Premium
- **EV Future SOP**
  - Ray EV
  - ix35
  - Soul EV
  - Optima/Sonata
  - Grandeur
  - Tong Yue
  - Hybrid Bus
- **Fuel Cell in Production**
  - 1 Premium
  - 2 Mass Market

**SOP = Start of Production**

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ADAS, CO₂ reduction and adoption of premium features drive Infineon growth

Vehicle production

Drivers for semiconductor content per car

<table>
<thead>
<tr>
<th>CO₂ reduction</th>
<th>Advanced safety</th>
<th>Comfort, premium</th>
</tr>
</thead>
</table>

› ~2% growth per annum
› Highest growth in emerging markets
› Western Europe recovering, the US on high level

› Driven by legislation
› Improvements of ICE (e.g. electric steering, electric pumps and motors)
› Adoption of EV/HEV

› Current: crash avoidance
› Next: assisted Driving
› Future: autonomous driving

› Premium cars are early adopters of high-end comfort and safety features
› Trickling down to mid-range

~8% p.a. through-cycle growth
Infineon is #1 and technology leader in power semiconductors

#1 in the market*

Broadest product and technology portfolio

Addressing broadest range of applications

300mm thin-wafer manufacturing for power semiconductors

System leader with digitalization of the control loop and functional integration

Leader in next-generation power semiconductor materials GaN and SiC

As system leader in power Infineon offers solutions to a wide spectrum of applications covering the entire power chain.

### Main IPC markets

- Generation
- Transmission
- Consumption

### Main PMM power markets

- Generation
- Transmission
- Consumption

### System competence for highest reliability and highest efficiency

**Controllers**
- Primarion, CHiL .dp
- Power ICs
- XMC™ µC family

**Drivers**
- MOSFET driver
- IGBT driver
- galvanic isolation

**MOSFETs/IGBTs**
- low-voltage MOSFETs
- med-voltage MOSFETs
- high-voltage MOSFETs
- discrete IGBTs

**Modules**
- low-power
- mid-power
- high-power

**Stacks**
- IGBT stacks

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Infineon continuously improved market share in power while competitors remained flat

Development on Infineon’s market share and relative market share* in the total power semiconductor market

* The relative market share is defined as the proportion of the market share held by the market leader (in all years presented for Infineon) compared to the market share of the second largest competitor in the relevant year.

** Including International Rectifier.

Source: IHS Inc., several reports from 2004 through 2015
IRF and LSPS lift Infineon to top-5 position in fast-growing IPM market for the first time

IGBT components* (discretes and modules)
- total market in 2014: $4.45bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon (incl. IRF)</td>
<td>26.5%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>21.6%</td>
</tr>
<tr>
<td>Fuji Electric</td>
<td>12.8%</td>
</tr>
<tr>
<td>Semikron</td>
<td>7.3%</td>
</tr>
<tr>
<td>Fairchild</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

therein: IPMs
- total market in 2014: $1.26bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi</td>
<td>46.1%</td>
</tr>
<tr>
<td>Fuji Electric</td>
<td>11.9%</td>
</tr>
<tr>
<td>Semikron</td>
<td>9.5%</td>
</tr>
<tr>
<td>On Semi</td>
<td>8.6%</td>
</tr>
<tr>
<td>Infineon (incl. IRF)</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

Discrete standard MOSFETs
- total market in 2014: $5.83bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon (incl. IRF)</td>
<td>27.8%</td>
</tr>
<tr>
<td>Renesas</td>
<td>10.5%</td>
</tr>
<tr>
<td>Fairchild</td>
<td>9.2%</td>
</tr>
<tr>
<td>STMicro</td>
<td>8.6%</td>
</tr>
<tr>
<td>Toshiba</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

* The market for IGBT components ($4,448m) includes discrete IGBTs ($947m), Standard IGBT modules ($1,908m), CIB/PIM ($333m), and IPMs ($1,260m).

### Efficiency and digitalization are main market drivers for power applications

<table>
<thead>
<tr>
<th>IPC</th>
<th>PMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drives</td>
<td>AC/DC</td>
</tr>
<tr>
<td>Renewables</td>
<td>DC/DC</td>
</tr>
<tr>
<td>Traction</td>
<td>MHA</td>
</tr>
</tbody>
</table>

- **Energy efficiency**
- **Automation**
- **Productivity increase**
- **Legislation**
- **Growing share of renewable energies as part of the energy generation mix**
- **Growing population in metropolitan areas**
- **Fast and efficient mass transport system**
- **Energy efficiency**
- **Growing VSD penetration**
- **Energy efficiency**
- **Charging time**
- **Compactness (power density)**
- **DPM**

DPM = Digital Power Management.
MHA = Major Home Appliances.
VSD = Variable Speed Drive.
IPC: Increasing Inverterization Drives Power Semiconductors in Home Appliances

- Biggest home appliances market for IGBT modules is room air conditioning
- Efficiency programs led and still lead to higher variable speed drive (VSD) penetration rate
- Increasing VSD penetration is the key driver for semi growth in MHA

### IGBT modules in home appliances

<table>
<thead>
<tr>
<th>Year</th>
<th>[US$ m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>748</td>
</tr>
<tr>
<td>2017</td>
<td>1,315</td>
</tr>
</tbody>
</table>

CAGR<sub>(13-17)</sub> = 15.1%

### Penetration of VSD

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2016</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>electric motor-based home appliances</td>
<td>420</td>
<td>514</td>
<td>4.1%</td>
</tr>
<tr>
<td>VSD penetration</td>
<td>~20%</td>
<td>~40%</td>
<td></td>
</tr>
<tr>
<td>total VSD appliances</td>
<td>86</td>
<td>205</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

To reduce air pollution Chinese government announced to increase number of electric busses in use by factor of 20: from today’s 10k to 200k in 2020

Infineon EconoDual IGBT modules are qualified for CAV* applications

Several EconoDual IGBT modules are used per electric bus resulting in a semiconductor content of about €600 per vehicle

* CAV = Construction and agricultural vehicles
PMM: Silicon microphone: strong market success due to outstanding characteristics

Continued market share gains

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3.5%</td>
</tr>
<tr>
<td>2008</td>
<td>1.5%</td>
</tr>
<tr>
<td>2010</td>
<td>5.2%</td>
</tr>
<tr>
<td>2012</td>
<td>7.3%</td>
</tr>
<tr>
<td>2014</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

2014 market share

- Knowles: 47.4%
- Infineon: 34.3%
- Omron: 8.4%
- NRJC: 4.1%
- NeoMEMS: 1.5%


Highly sophisticated MEMS-based manufacturing process

Silicon microphone

0.9 mm
Infineon is the leader in security solutions for the connected world

- #2 in microcontroller-based smart card ICs*
- Complete portfolio of hardware, software, services and turn-key solutions
- Infineon Security Partner Network (ISPN)
  - easy implementation of proven semiconductor-based security for manufacturers of connected devices and systems
- Leading in growth segments payment, government ID, connected car, and IoT

*Source: IHS Inc., July 2015
Infineon supplies embedded Secure Element for all Samsung Gear S2 smart watch models

- Infineon embedded Secure Element (eSE) safeguards users’ sensitive data and supports secured contactless payment transactions based on Near Field Communications (NFC) technology
- Infineon eSE chips are easy to integrate and a perfect match for convenient, secure transactions with wearable devices
- Infineon eSE securely stores encryption keys, users’ payment credentials and biometric information for convenient fingerprint authentication and other applications
Infineon confirms its leading role in Internet of Things (IoT) security

Smart home devices will fuel demand for hardware-based security

OPTIGA™ TPM (based on latest TPM 2.0 standard) is first to comply with internationally recognized computer security requirements
CCS is well positioned to grow faster than the market as leader in security solutions

<table>
<thead>
<tr>
<th>Payment</th>
<th>Government Identification</th>
<th>IoT Security</th>
<th>High-end Mobile Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition to chip-based payment cards in China and the US</td>
<td>Adoption of electronic governmental documents (national ID cards, passports, health cards, etc.)</td>
<td>Rise of smart homes, connected cars, automated industries etc.</td>
<td>Greater adoption of NFC technologies for mobile payment and other applications</td>
</tr>
<tr>
<td>Growth of mobile payment</td>
<td>Emergence of multi-application cards</td>
<td>Increasing need for IT security</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growth of M2M communication</td>
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</tbody>
</table>
Infineon’s long-term growth is based on sustainable growth drivers

<table>
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<th>PMM</th>
<th>CCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ reduction</td>
<td>Energy efficiency</td>
<td>Energy efficiency</td>
<td>Security as a function</td>
</tr>
<tr>
<td>Advanced Driver Assistance Systems</td>
<td>Automation</td>
<td>Power density</td>
<td>Mobile payments</td>
</tr>
<tr>
<td></td>
<td>Productivity increase</td>
<td>Mobile device and LTE growth</td>
<td>Authentication</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Internet of Things</td>
</tr>
</tbody>
</table>

~8% p.a. through-cycle growth
Strong y-y growth due to organic growth and integration of International Rectifier

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue [EUR m]</th>
<th>Segment Result [EUR m]</th>
<th>Segment Result Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY14</td>
<td>1,175</td>
<td>188</td>
<td>16%</td>
</tr>
<tr>
<td>Q1 FY15</td>
<td>1,128</td>
<td>169</td>
<td>15%</td>
</tr>
<tr>
<td>Q2 FY15</td>
<td>1,483</td>
<td>198</td>
<td>13%</td>
</tr>
<tr>
<td>Q3 FY15</td>
<td>1,586</td>
<td>245</td>
<td>15%</td>
</tr>
<tr>
<td>Q4 FY15</td>
<td>1,598</td>
<td>286</td>
<td>18%</td>
</tr>
<tr>
<td>Year-to-date</td>
<td>1,359</td>
<td>239</td>
<td>+36%</td>
</tr>
</tbody>
</table>

* Including International Rectifier from 13 January 2015.
ATV, IPC, PMM boosted by Int. Rectifier business; CCS growth solely organically

<table>
<thead>
<tr>
<th></th>
<th>ATV*</th>
<th>IPC*</th>
<th>PMM*</th>
<th>CCS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[EUR m]</td>
<td>[EUR m]</td>
<td>[EUR m]</td>
<td>[EUR m]</td>
</tr>
<tr>
<td>Q4 FY14</td>
<td>518</td>
<td>219</td>
<td>300</td>
<td>142</td>
</tr>
<tr>
<td>Q1 FY15</td>
<td>518</td>
<td>190</td>
<td>280</td>
<td>132</td>
</tr>
<tr>
<td>Q2 FY15</td>
<td>598</td>
<td>241</td>
<td>464</td>
<td>182</td>
</tr>
<tr>
<td>Q3 FY15</td>
<td>621</td>
<td>269</td>
<td>517</td>
<td>172</td>
</tr>
<tr>
<td>Q4 FY15</td>
<td>614</td>
<td>271</td>
<td>534</td>
<td>181</td>
</tr>
</tbody>
</table>

* Including International Rectifier from 13 January 2015.

- ATV: +19%
- IPC: +24%
- PMM: +78%
- CCS: +27%
## Guidance for Q1 FY16 and total FY16

<table>
<thead>
<tr>
<th>Segment</th>
<th>Result</th>
<th>Margin</th>
<th>Revenue</th>
<th>Outlook FY16* (compared to FY15)</th>
<th>Outlook Q1 FY16* (compared to Q4 FY15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in FY16</td>
<td>About €850m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D&amp;A in FY16</td>
<td>About €850m**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Revenue**
- **Outlook Q1 FY16*** (compared to Q4 FY15): Decrease of 6% +/- 2%-points
- **Outlook FY16*** (compared to FY15): Increase of 13% +/- 2%-points

**Segment Result Margin**
- At the mid-point of the revenue guidance: 14%
- At the mid-point of the revenue guidance: 16%

* Based on an assumed average exchange rate of $1.10 for €1.00.
** Including D&A on tangible and intangible assets from purchase price allocation of International Rectifier.
Part of your life. Part of tomorrow.
Infineon’s Revenue Development (excl. IRF) Outperformed Total Semi Market

CAGR\(_{(99-15)}\): ~9%

CAGR\(_{(99-15)}\): +5.4%

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Infineon* [lhs]</th>
<th>Semiconductor World Market (adjusted for the Infineon fiscal year ending Sep 30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>1,200**</td>
<td>126,895***</td>
</tr>
<tr>
<td>2001</td>
<td>1,681</td>
<td>2045</td>
</tr>
<tr>
<td>2003</td>
<td>1,821</td>
<td>1,995</td>
</tr>
<tr>
<td>2005</td>
<td>2,289</td>
<td>2,366</td>
</tr>
<tr>
<td>2007</td>
<td>2,701</td>
<td>2,906</td>
</tr>
<tr>
<td>2009</td>
<td>2,128</td>
<td>3,103</td>
</tr>
<tr>
<td>2011</td>
<td>3,780</td>
<td>3,774</td>
</tr>
<tr>
<td>2013</td>
<td>3,815</td>
<td>3,815</td>
</tr>
<tr>
<td>2015</td>
<td>4,303</td>
<td>5,100 (excl. IRF)</td>
</tr>
</tbody>
</table>

* Based on Infineon’s portfolio (excl. Other Operating Segments and Corporate & Eliminations) per end of 2015 fiscal year.

** Based on market development assumptions FY99’s revenue figures for some smaller product categories have been derived from the FY00’s revenue figures.

*** Scale indexed to the Infineon FY99 revenue.

Source: Infineon; WSTS (World Semiconductor Trade Statistics), November 2015
Integration of International Rectifier digested; R&D and SG&A stable in target range

S and G&A*,**

R&D*,***

* Including International Rectifier from 13 January 2015.
** Target range for SG&A: “Low teens percentage of sales”.
*** Target range for R&D: “Low to mid teens percentage of sales”.

*EUR m*
Increase in inventories in light of expected growth in Q2 FY16

* Including International Rectifier from 13 January 2015.
** For definition please see page 45.
Investments on target of 13% of sales; D&A stable at 13% of sales

* Including International Rectifier from 13 January 2015.
** Including €54m for Kulim 2, and €21m for Qimonda IP.
*** For definition please see page 45.
Dividend increase of €0.02 expected in February 2016 after increase of €0.06 in 2015

Total gross capital returns history

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR m</td>
<td>308</td>
<td>109</td>
<td>212</td>
<td>167</td>
<td>164</td>
<td>202</td>
</tr>
</tbody>
</table>

- Increase of dividend from €0.18 to €0.20 will be proposed to AGM on 18 February 2016.
- Payout of ~€225m will follow on 19 February 2016.
Acquisition of International Rectifier completed; growing net cash position

In Q4 FY15, gross cash and net cash increased due to:
- positive Free Cash Flow of €177m
Strong increase in RoCE in Q4 FY15 exceeding target: 'RoCE above WACC' over the cycle

RoCE* history

FY13: 14%
FY14: 20%
FY15: 13%

Capital Employed* history

* Including International Rectifier from 13 January 2015. For definition please see page 45.
**Notes**

**Investments** =

- 'Purchase of property, plant and equipment'
- 'Purchase of intangible assets and other assets' incl. capitalization of R&D expenses

**Capital Employed** =

- 'Total assets'
- 'Cash and cash equivalents'
- 'Financial investments'
- 'Assets classified as held for sale'
- ('Total Current liabilities'
  - 'Short-term debt and current maturities of long-term debt'
  - 'Liabilities classified as held for sale')

**RoCE** =

\[
\text{NOPAT / Capital Employed} = \frac{\text{('Income from continuing operations' - 'financial income' - 'financial expense')}}{\text{Capital Employed}}
\]

**Working Capital** =

- ('Total current assets' - 'Cash and cash equivalents' - 'Financial investment' - 'Assets classified as held for sale')
- ('Total current liabilities' - 'Short term debt and current maturities of long-term debt' - 'Liabilities classified as held for sale')

**DOI (days of inventory; quarter-to-date)** =

\[
\frac{\text{('Net Inventories' / 'Cost of goods sold')}}{90}
\]

**DPO (days payables outstanding; quarter-to-date)** =

\[
\frac{\text{('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment'])}}{90}
\]

**Please note:**
All positions in ' ' refer to the respective accounting position and therefore should be applied with the positive or negative sign used in the relevant accounting table.

**DSO (days sales outstanding; quarter-to-date)** =

\[
\frac{\text{('Trade receivables' / 'revenue')}}{90}
\]

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2015-11-26
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Infineon is a long-standing member of Europe's leading sustainability indices

<table>
<thead>
<tr>
<th>Infineon’s most recent achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dow Jones Sustainability Indices</strong></td>
</tr>
<tr>
<td>In Collaboration with RobecoSAM</td>
</tr>
<tr>
<td>▶ January 2015: Infineon is listed in the Sustainability Yearbook for the fifth consecutive year and, according to RobecoSAM, among the top 15% most sustainable companies worldwide.</td>
</tr>
<tr>
<td>▶ 10 September 2015: Infineon was listed in the Dow Jones Sustainability Index for the sixth consecutive year.</td>
</tr>
<tr>
<td>▶ September 2014: Infineon was listed in the STOXX® Global ESG Leaders Indices, which serves as an indicator of the quality of Infineon’s performance in the governance, social and environmental areas (ESG).</td>
</tr>
<tr>
<td>▶ Infineon was added to the FTSE4Good Index Series in 2001 and has been confirmed as a member since then (most recent review: June 2015).</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>01 – 02 Dec 2015</td>
</tr>
<tr>
<td>02 Feb 2016*</td>
</tr>
<tr>
<td>18 Feb 2016</td>
</tr>
<tr>
<td>03 May 2016*</td>
</tr>
<tr>
<td>02 Aug 2016*</td>
</tr>
<tr>
<td>30 Nov 2016*</td>
</tr>
</tbody>
</table>

* preliminary
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