Third Quarter FY 2016
Quarterly Update
Infineon Technologies AG
Investor Relations
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1. Infineon at a Glance
2. Planned acquisition of Wolfspeed
3. Growth Drivers
4. Results and Outlook
Infineon at a glance

Business Segments

- Automotive (ATV): 41%
- Industrial Power Control (IPC): 17%
- Power Management & Multi-market (PMM): 31%
- Chip Card & Security (CCS): 11%

Revenue in Q3 FY16: €1,632m incl. OOS & C&E of -€5m

Power represents ~60% of revenue

- ATV: 676 [EUR m]
- IPC: 280 [EUR m]
- PMM: 509 [EUR m]
- CCS: 172 [EUR m]

*embedded control, sensors, RF

Financials

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,904</td>
<td>3,843</td>
<td>4,320</td>
<td>5,795</td>
</tr>
<tr>
<td>Segment Result</td>
<td>527</td>
<td>377</td>
<td>620</td>
<td>897</td>
</tr>
<tr>
<td>Margin</td>
<td>13.5%</td>
<td>9.8%</td>
<td>14.4%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

Market Position

- Automotive #2: Strategy Analytics, April 2016
- Power #1: IHS Markit, July 2016
- Smart card ICs #2: IHS Markit, July 2016

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Technology leadership and system understanding fosters growth and profitability

<table>
<thead>
<tr>
<th>Competitive advantages</th>
<th>Average-cycle financial targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>Revenue Growth: ~8%</td>
</tr>
<tr>
<td>System leader in</td>
<td>Segment Result Margin: ~15%</td>
</tr>
<tr>
<td>automotive</td>
<td>Investment-to-Sales: ~13%</td>
</tr>
<tr>
<td>Power</td>
<td>(Capex*: ~11%; capital. R&amp;D*: ~2%)</td>
</tr>
<tr>
<td>#1, system and technology leader</td>
<td></td>
</tr>
<tr>
<td>RF</td>
<td></td>
</tr>
<tr>
<td>Broadest technology</td>
<td></td>
</tr>
<tr>
<td>portfolio; #1 in SiGe;</td>
<td></td>
</tr>
<tr>
<td>become #1 in base</td>
<td></td>
</tr>
<tr>
<td>stations by 2020</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
</tr>
<tr>
<td>Leader in security</td>
<td></td>
</tr>
<tr>
<td>solutions</td>
<td></td>
</tr>
</tbody>
</table>

* Infineon reports under IRFS
Infineon’s Revenue Development (excl. IRF) Outperformed Total Semi Market

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
Our promise to investors: Continued value creation through growth (I)

Q3 FY16 revenue y-y growth ~3%, despite shrinking market

Earnings-per-share growth

* Source: WSTS Monthly Bluebook, June 2016
Our promise to investors: Continued value creation through growth (II)

RoCE as key value metric

RoCE impacted by acquisition of International Rectifier

WACC: low teens %

Total cash return to shareholders

- Policy of sustainable dividend payout.
- Increase of dividend from €0.18 to €0.20.
- Payout of €225m on 19 Feb 2016.
Infineon increased relative market share in power and outperformed chip card market

### Automotive Semiconductors

**Total market in 2015: $27.4bn**

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NXP</td>
<td>14.2%</td>
</tr>
<tr>
<td>Infineon</td>
<td>10.4%</td>
</tr>
<tr>
<td>Renesas</td>
<td>10.3%</td>
</tr>
<tr>
<td>STMicro</td>
<td>7.7%</td>
</tr>
<tr>
<td>Texas Instr.</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Source: Strategy Analytics, April 2016

### Power Discretes and Modules

**Total market in 2015: $14.8bn**

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon</td>
<td>18.6%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>6.2%</td>
</tr>
<tr>
<td>Fairchild</td>
<td>6.1%</td>
</tr>
<tr>
<td>STMicro</td>
<td>5.7%</td>
</tr>
<tr>
<td>Vishay</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Source: IHS Markit, July 2016

### Smart Card ICs

**Total market in 2015: $2.72bn**

<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>24.8%</td>
</tr>
<tr>
<td>Samsung</td>
<td>16.2%</td>
</tr>
<tr>
<td>STMicro</td>
<td>15.1%</td>
</tr>
<tr>
<td>CEC Huada*</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

Source: IHS Markit, July 2016

* including SHHIC (in 2015, SHHIC was acquired by CEC Huada.)
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>[List of brands]</td>
<td>[List of brands]</td>
<td>[List of brands]</td>
<td>[List of brands]</td>
</tr>
</tbody>
</table>

**EMS partners**

**Distribution partners**
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Key facts of the deal

› Transaction perimeter:

  › **CREE’s SiC wafer substrate business (excluding LED)**

› Revenues of US$173m in LTM* ending 27 March 2016

› Purchase price: US$ 850m

› Transaction type: cash and debt free

› Financing: US$ 720m bank loans

  US$ 130m cash-on-hand

› Expected closing date: ~ end of calendar year 2016

* LTM = last twelve months
Deal rationale at a glance

› Become #1 in RF power amplifier market by ~2020 with most complete technology portfolio by capitalizing on technology disruption in cellular infrastructure

› #1 in silicon carbide for power, strengthen automotive and industrial and accelerate market introduction with cutting-edge products as cost-performance leader and create thereby a higher addressable market for Infineon

› Deal is margin and adjusted EPS accretive from day 1 with expected 55% incremental gross margin* and 20% incremental revenue growth of the acquired businesses

GM 55%*
CAGR 20%

› For detailed information on the deal rational please refer to the web call and the corresponding investor presentation at http://www.infineon.com/poweringthefuture

* According to US GAAP, excluding effects from purchase price accounting
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Infineon benefits from industrial, auto and security, the by far fastest growing segments

CAGR 2015 – 2020 by Semiconductor Industry Segment

- Industrial: 7.8% growth, $42bn*
- Automotive: 5.7% growth, $29bn*
- Chip Card ICs**: 4.8% growth, $3.7bn*
- Total Semi Market: 1.9% growth, $347bn*
- Data Processing: 1.1% growth, $45bn*
- Consumer: 0.7% growth, $108bn*
- Communications: -0.2% growth, $123bn*

Source: IHS Markit, Worldwide Semiconductor Shipment Forecast, June 2016
* In calendar year 2015
** source: ABI Research, “Secure Smart Card & Embedded Security IC Technologies”, January 2016; microcontroller ICs
Infineon is system leader in automotive; making cars clean, safe and smart

#2 with market share gains in power and sensors:
› #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 to gain further market share in Automotive

for more information see presentation at: www.infineon.com/auto-slides

* Source: Strategy Analytics, April 2016  ** own estimate.
Infineon is system leader with most balanced portfolio in the market

Infineon covers the entire control loop in powertrain, safety/ADAS, and comfort/body

- **sensors**
  - Total market in 2015: $4.2bn
  - Bosch: 18.1%
  - Infineon: 11.9%
  - NXP: 8.9%
  - Allegro: 7.6%
  - Melexis: 7.0%

- **microcontrollers**
  - Total market in 2015: $6.5bn
  - Renesas: 32.7%
  - NXP: 26.6%
  - Infineon: 8.6%
  - Toshiba: 8.5%
  - Microchip: 5.4%

- **power**
  - Total market in 2015: $7.1bn
  - Infineon: 25.2%
  - STMicro: 14.5%
  - NXP: 9.1%
  - Bosch: 8.6%
  - Texas Instr.: 7.4%

Four megatrends are shaping the automotive market, significantly increasing the semi content per vehicle

<table>
<thead>
<tr>
<th>ADAS/Autonomous driving</th>
<th>xEV/eMobility</th>
</tr>
</thead>
<tbody>
<tr>
<td>› From ADAS to semi-automated and finally autonomous driving</td>
<td>› Mandated CO$_2$ reductions make electrification of powertrain inevitable</td>
</tr>
<tr>
<td>› Every world region is striving for “0-accident”</td>
<td></td>
</tr>
<tr>
<td>› Advanced connectivity is driven by making the car part of the Internet</td>
<td>› Increased connectivity and software content increase risk exposure to hackers</td>
</tr>
<tr>
<td>› The car will be fully connected (V2I, V2V, in-vehicle)</td>
<td>› Internal/external connectivity must be secured</td>
</tr>
</tbody>
</table>

Connectivity

Advanced security
ADAS system chipset coverage by Infineon
Infineon market leader in radar; 20m sensor chips sold; ~50% CAGR\textsubscript{16-21} based on design wins*

2015 radar sensor market share**

- NXP: 21%
- Infineon: 43%
- STM: 36%

Vision Zero
+ Autonomous Driving

- next gen. of mid- and long-range radar
  AURIX™ 3\textsuperscript{rd} gen., power supply
- short- to mid-range radar
  CMOS solution

ACC radar
1\textsuperscript{st} SiGe 77 GHz transceiver

mid-range radar
1\textsuperscript{st} radar product eWLB package

Blind Spot Detection
(24 GHz)

mid- & long-range radar
Dual Chip System solution + power supply

2009
2016-08-02

* Refers to 77 GHz radar sensor chip market

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ADAS semi growth driven by radar and camera sensor modules

Average ADAS semiconductor content per level of automation

**Level 2**
- **Market take-off:** 2015-2020 (up to 30m vehicles p.a.)
- **Key market driver:** NCAP, Automatic Emergency Brake, Blindspot Detection

**Level 3**
- **Market take-off:** 2020-2025 (up to 10m vehicles p.a.)
- **Key market driver:** Automated Driving in specific situations (e.g. parking, highway)

**Level 4**
- **Market take-off:** 2025-2030 (up to 5m vehicles p.a.)
- **Key market driver:** Autonomous Driving

Legend:
- **Camera**
- **Radar**
- **Lidar**
- **Sensor Fusion**
- **Actuators**

**Total BoM**
- **Level 2:** $100
- **Level 3:** $400
- **Level 4:** $550

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### Average xEV semiconductor content by degree of electrification

#### 48 V
- **ICE** total: $338 (Power $47, Other $29, Others $76)
- **Adder for DC-DC and starter/generator** $414

#### HEV / PHEV
- **ICE** total: $338 (Power $282, Sensors $15, Others $60)
- **Adder for DC-DC, inverter, onboard charger** $709

#### EV
- **Power** total: $704
- **Others** $190

*2020: 1.6m*

- high growth for 48 V (not even including 48 V auxiliaries nor mild hybrid)

*2020: 3.5m HEVs*

- **1.9m PEHs**

- PHEV to overtake HEV after 2020, especially in Europe

*2020: 1.4m EVs*

- strong growth driven by Chinese OEMs

---

*Source: IHS Markit, “Alternative Propulsion Forecast”, January 2016, expected number of vehicles*
Infineon is well positioned globally to benefit disproportionally from xEV boom

SOP = Start of production
Infineon is ideally positioned to benefit most from megatrends ADAS, xEV, and security.

ADAS/autonomous driving semi market

- 2015: $1,801 (30%)
- 2020: $3,827 (40%)
- 2025: $6,700 (45%)

[x$m]

Higher market coverage driven by radar penetration, AURIX™ penetration and actuators.

Source: IHSMarkit, Strategy Analytics, Infineon estimations

xEV/e-mobility semi market

- 2015: $1,380 (~80%)
- 2020: $3,050 (~80%)
- 2025: $4,740 (~80%)

[x$m]

High market coverage already in 2015 will be kept with ramp-up of new power products.

Security semi market

- 2015: $15
- 2020: $200
- 2025: $700 (100%)

[x$m]

Key enabler for secure connectivity.

Addressed by Infineon

Not addressed by Infineon
ADAS, CO₂ reduction and adoption of premium features drive Infineon growth

<table>
<thead>
<tr>
<th>Vehicle production</th>
<th>Drivers for semiconductor content per car</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CO₂ reduction</td>
</tr>
<tr>
<td>~2% growth p.a.</td>
<td>Driven by legislation</td>
</tr>
<tr>
<td>Further growth in</td>
<td>Improvements of ICE (e.g. electric</td>
</tr>
<tr>
<td>Western Europe, US,</td>
<td>steering, electric pumps and motors)</td>
</tr>
<tr>
<td>Korea and China</td>
<td>Adoption of EV/HEV</td>
</tr>
<tr>
<td>Electro-mobility</td>
<td></td>
</tr>
<tr>
<td>gaining momentum,</td>
<td></td>
</tr>
<tr>
<td>especially in China</td>
<td></td>
</tr>
</tbody>
</table>

~8% p.a. through-cycle growth

2016-08-02

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Infineon is #1 and technology leader in power semiconductors

#1 in the market*

Broadest product and technology portfolio

Addressing broadest range of applications

300 mm 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 has broadest application and technology reach.

Covering the entire power chain

Generation  Transmission  Consumption

Main IPC markets

System competence for highest reliability and highest efficiency

Stacks  Modules  MOSFETs/IGBTs  Drivers  Controllers

Main PMM power markets

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Infineon further strengthened its market positions

**IGBT components*** (discretes and modules)
- Total market in 2015: $3.94bn

<table>
<thead>
<tr>
<th></th>
<th>Market Share</th>
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<tbody>
<tr>
<td>Infineon</td>
<td>27.6%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>20.2%</td>
</tr>
<tr>
<td>Fuji Electric</td>
<td>12.5%</td>
</tr>
<tr>
<td>Semikron</td>
<td>7.6%</td>
</tr>
<tr>
<td>Fairchild</td>
<td>4.9%</td>
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</table>

**therein: IPMs**
- Total market in 2015: $1.10bn

<table>
<thead>
<tr>
<th></th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi</td>
<td>44.9%</td>
</tr>
<tr>
<td>Semikron</td>
<td>11.2%</td>
</tr>
<tr>
<td>Fuji Electric</td>
<td>10.1%</td>
</tr>
<tr>
<td>Infineon</td>
<td>9.1%</td>
</tr>
<tr>
<td>On Semi</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

**Discrete standard MOSFETs**
- Total market in 2015: $5.48bn

<table>
<thead>
<tr>
<th></th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon</td>
<td>26.4%</td>
</tr>
<tr>
<td>Fairchild</td>
<td>9.5%</td>
</tr>
<tr>
<td>Renesas</td>
<td>8.9%</td>
</tr>
<tr>
<td>STMicro</td>
<td>8.0%</td>
</tr>
<tr>
<td>Toshiba</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

* The market for IGBT components ($3,944m) includes discrete IGBTs ($853m), Standard IGBT modules ($1,692m), CIB/PIM ($299m), and IPMs ($1,101m).

** relative market share

Infineon continuously improved relative market share in power

Relative market share* of 3 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.

Source: IHS Markit, several reports from 2004 through 2016
Strong #1 position in power allows driving of key areas of differentiation and innovation

- Unique 300 mm thin wafer power semiconductor manufacturing
- Compound semiconductors GaN and SiC
- Digitalization of the power control loop
- Functional integration of IGBT modules
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></td>
</tr>
<tr>
<td>MHA</td>
<td></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
- Energy efficiency
- Compactness (power density)
- DPM
- Brushless DC motors

DPM = Digital Power Management
MHA = Major Home Appliances
VSD = Variable Speed Drive
Sensors drive multimarket segment in PMM: 60 GHz radar transceiver for gesture sensing

- 4 receive antennas
- RF frontend, baseband, ADC, state machine, memory
- 2 transmit antennas

1.8 V for the complete chip set
54 mW power consumption in sensing mode
supports > 1,000 frames per second

Presented at “Google I/O 2016”*

* See YouTube: [https://www.youtube.com/watch?v=8LO59eN9om4](https://www.youtube.com/watch?v=8LO59eN9om4)
Infineon REAL3™ image sensor is first to meet Google Tango specification

REAL3™ will drive multiple new applications

› automotive: driver monitoring
› consumer: indoor navigation, education
› gaming: Pokémon Go is a remarkable AR technology demonstrator; leading game developers will incorporate AR technology in new games
› AR seems to have scored over VR by ease of accessibility: AR games can be used on mobile phones, whereas VR needs rather expensive headsets and tremendous computing power
Infineon is the leader in security solutions for the connected world

#2 in microcontroller-based smart card ICs*

#1 in embedded digital security**

Complete portfolio of hardware, software, services and turn-key solutions

Leading in growth segments payment, government ID, connected car security, IoT, and Information and Communications Technology security

Infineon is ideally positioned to benefit from the growth trends in the security controller market

* Source: IHS Markit, July 2016
** Source: IHS Markit, December 2015
CCS is enabling security for the connected world

Smart card applications
- Smart card payment
- Electronic passports and ID documents
- Mobile communication
- Transport ticketing

Embedded security applications
- Mobile device security and payment
- Information and Communications Technology security
- Industrial and automotive security
- IoT connected device security

Infineon holds leading positions in security solutions markets

#2
- microcontroller-based smart card ICs
  - market size: $2.72bn

#1*
- Embedded secure microcontrollers
  - market size: $698m

Source: IHS Markit, Dec 2015, July 2016; * based on units; USD-ranking not provided
Recent design-wins underline Infineon’s #1 position* in embedded digital security

Recent design-wins for OPTIGA™ family products

› Servers and gateways

› Notebooks, e.g. Lenovo ThinkPad

› Industry PCs

› Tablets, e.g. Microsoft Surface Pro 4

› Smart home hub, e.g. Google OnHub

* Infineon is market leader in embedded secure microcontrollers with 31% market share (ranking based on units). Source: IHS Markit, „Embedded Digital Security Report“, January 2016
Infineon’s long-term growth is based on sustainable growth drivers

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<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>Energy efficiency</td>
<td>BLDC motors</td>
<td>Authentication</td>
</tr>
<tr>
<td></td>
<td>Productivity increase</td>
<td>Mobile device and LTE growth</td>
<td>Internet of Things</td>
</tr>
</tbody>
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~8% p.a. through-cycle growth
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Strong growth in ATV due to ADAS and electro-mobility

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<th>PMM*</th>
<th>CCS*</th>
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<tbody>
<tr>
<td>[EUR m]</td>
<td>[EUR m]</td>
<td>[EUR m]</td>
<td>[EUR m]</td>
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<tr>
<td>Q3 FY15</td>
<td>Q3 FY15</td>
<td>Q3 FY15</td>
<td>Q3 FY15</td>
</tr>
<tr>
<td>621</td>
<td>626</td>
<td>517</td>
<td>172</td>
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<tr>
<td>613</td>
<td>614</td>
<td>535</td>
<td>181</td>
</tr>
<tr>
<td>670</td>
<td>676</td>
<td>510</td>
<td>173</td>
</tr>
<tr>
<td>13%</td>
<td>17%</td>
<td>19%</td>
<td>20%</td>
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<td>14%</td>
<td>15%</td>
<td>21%</td>
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<td>15%</td>
<td>17%</td>
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<td>20%</td>
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<tr>
<td>+9%</td>
<td>+4%</td>
<td>-2%</td>
<td>0%</td>
</tr>
<tr>
<td>79</td>
<td>30</td>
<td>98</td>
<td>35</td>
</tr>
<tr>
<td>102</td>
<td>39</td>
<td>110</td>
<td>38</td>
</tr>
<tr>
<td>81</td>
<td>23</td>
<td>79</td>
<td>35</td>
</tr>
<tr>
<td>94</td>
<td>26</td>
<td>74</td>
<td>36</td>
</tr>
<tr>
<td>104</td>
<td>42</td>
<td>79</td>
<td>32</td>
</tr>
<tr>
<td>Revenue</td>
<td>Segment Result</td>
<td>Segment Result</td>
<td>Revenue</td>
</tr>
</tbody>
</table>
| *The business with XMC industrial microcontrollers developed by ATV and CCS was transferred to PMM and IPC with effect from 1 October 2015. The previous year’s figures have been adjusted accordingly.*
Guidance for Q4 FY16 and total FY16

<table>
<thead>
<tr>
<th>Outlook Q4 FY16* (compared to Q3 FY16)</th>
<th>Outlook FY16 (compared to FY15)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>Based on the outlook for Q4 FY16, revenue growth and Segment Result Margin for FY16 are expected to finish within the range forecast in the preceding quarters**.</td>
</tr>
<tr>
<td>Increase of 3% +/- 2%-points</td>
<td></td>
</tr>
<tr>
<td><strong>Segment Result Margin</strong></td>
<td></td>
</tr>
<tr>
<td>At the mid-point of the revenue guidance:</td>
<td></td>
</tr>
<tr>
<td>17%</td>
<td></td>
</tr>
<tr>
<td><strong>Investments in FY16</strong></td>
<td></td>
</tr>
<tr>
<td><strong>D&amp;A in FY16</strong></td>
<td></td>
</tr>
<tr>
<td><strong>About €850m</strong></td>
<td><strong>About €850m</strong>*</td>
</tr>
</tbody>
</table>

* Based on an assumed average exchange rate of $1.10 for €1.00.
** On 02 February 2016 based on an exchange rate of $1.10 for €1.00: “Revenue to increase by 13% +/- 2%-points; SR margin to come in at 16% at the mid-point of the revenue guidance”.
On 03 May 2016 based on an exchange rate of $1.15 for €1.00: “Revenue to increase by 12% +/- 2%-points; SR margin to come in between 15% and 16% at the mid-point of the revenue guidance”.
*** Including D&A on tangible and intangible assets from purchase price allocation of International Rectifier.
Part of your life. Part of tomorrow.
Solid Investment Grade rating assigned by S&P in connection with revised capital structure targets

<table>
<thead>
<tr>
<th>Revised capital structure targets announced by Infineon in February 2016:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.) Gross Cash</td>
</tr>
<tr>
<td>› “€1bn plus 10% to 20% of revenue”</td>
</tr>
</tbody>
</table>

Infineon’s revised capital structure targets are reflected in the Corporate Credit Rating of **BBB** (outlook: „stable“) assigned by S&P in February 2016.

› Rating not changed after announcement of planned Wolfspeed acquisition
Infineon has a well balanced maturity profile

Note: Other debt with maturities between 2017 and 2023 totaling €149m.
SG&A still includes noticeable acquisition-related costs that are incrementally declining.

<table>
<thead>
<tr>
<th>S and G&amp;A*</th>
<th>R&amp;D**</th>
</tr>
</thead>
<tbody>
<tr>
<td>[EUR m]</td>
<td></td>
</tr>
<tr>
<td>Q3 FY15</td>
<td>210</td>
</tr>
<tr>
<td>Q4 FY16</td>
<td>215</td>
</tr>
<tr>
<td>Q1 FY16</td>
<td>200</td>
</tr>
<tr>
<td>Q2</td>
<td>195</td>
</tr>
<tr>
<td>Q3</td>
<td>200</td>
</tr>
</tbody>
</table>

* Target range for SG&A: „Low teens percentage of sales“.
** Target range for R&D: „Low to mid teens percentage of sales“.
Improved working capital due to increased payables

For definition please see page 48.
Investments on target of ~13% of sales; D&A stable at ~13% of sales

* For definition please see page 48.
Free Cash Flow from continuing operations was €277m, significantly up from €45m in Q2. This is basically a timing effect in terms of certain trade payables.
RoCE expected to increase in FY16 vs FY15

RoCE* history

RoCE impacted by acquisition of International Rectifier

WACC: low teens %

Capital Employed* history

* For definition please see page 48.
**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** =
NOPAT / Capital Employed =
('Income from continuing operations'
  - 'financial income'
  - 'financial expense')
/ Capital Employed

**DOI** (days of inventory; quarter-to-date) =
('Net Inventories' / 'Cost of goods sold') * 90

**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')

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

**DSO** (days sales outstanding; quarter-to-date) =
('Trade receivables' / 'revenue') * 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.
Infineon is a long-standing member of Europe's leading sustainability indices

Infineon’s most recent achievements

› Sep 2015: 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).

› Sep 2015: Infineon was listed in the Dow Jones Sustainability Index for the sixth consecutive year. Additionally, Infineon was accepted into the World Index for the first time and as the only European semiconductor company.

› Infineon was added to the FTSE4Good Index Series in 2001 and has been confirmed as a member since then.

› Dec 2015: In the Carbon Disclosure Project (CDP) climate change report, Infineon achieved a placing among the best companies in the Information Technology sector.
## Financial calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Sep 2016</td>
<td>Frankfurt</td>
<td>Commerzbank Sector Week</td>
</tr>
<tr>
<td>06 – 07 Sep 2016</td>
<td>New York</td>
<td>Citi Global Technology Conference</td>
</tr>
<tr>
<td>08 – 09 Sep 2016</td>
<td>London</td>
<td>Deutsche Bank European TMT Conference</td>
</tr>
<tr>
<td>19 Sep 2016</td>
<td>Munich</td>
<td>Berenberg Bank and Goldman Sachs German</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corporate Conference</td>
</tr>
<tr>
<td>21 Sep 2016</td>
<td>Munich</td>
<td>Baader Investment Conference</td>
</tr>
<tr>
<td>16 – 17 Nov 2016</td>
<td>Barcelona</td>
<td>Morgan Stanley TMT Conference</td>
</tr>
<tr>
<td>23 Nov 2016*</td>
<td>Barcelona</td>
<td>Q4 FY16 and FY 2016 Results</td>
</tr>
<tr>
<td>29 – 30 Nov 2016</td>
<td>Scottsdale, AZ</td>
<td>Credit Suisse TMT Conference</td>
</tr>
<tr>
<td>02 Feb 2017*</td>
<td>Scottsdale, AZ</td>
<td>Q1 FY17 Results</td>
</tr>
<tr>
<td>16 Feb 2017</td>
<td>Munich</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>04 May 2017*</td>
<td>Munich</td>
<td>Q2 FY17 Results</td>
</tr>
<tr>
<td>01 Aug 2017*</td>
<td>Munich</td>
<td>Q3 FY17 Results</td>
</tr>
<tr>
<td>30 Nov 2017*</td>
<td>Scottsdale, AZ</td>
<td>Q4 FY17 and FY 2017 Results</td>
</tr>
</tbody>
</table>

* preliminary
## Institutional Investor Relations contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Jürgen Rebel</td>
<td>Corporate Vice President</td>
<td>+49 89 234-21626</td>
<td><a href="mailto:juergen.rebel@infineon.com">juergen.rebel@infineon.com</a></td>
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<tr>
<td></td>
<td>Investor Relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joachim Binder</td>
<td>Senior Director</td>
<td>+49 89 234-25649</td>
<td><a href="mailto:joachim.binder@infineon.com">joachim.binder@infineon.com</a></td>
</tr>
<tr>
<td></td>
<td>Investor Relations</td>
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</tr>
<tr>
<td>Holger Schmidt</td>
<td>Manager</td>
<td>+49 89 234-22332</td>
<td><a href="mailto:holger.schmidt@infineon.com">holger.schmidt@infineon.com</a></td>
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<tr>
<td></td>
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</tr>
<tr>
<td>Tillmann Geneuuss</td>
<td>Manager</td>
<td>+49 89 234-83346</td>
<td><a href="mailto:tillmann.geneuuss@infineon.com">tillmann.geneuuss@infineon.com</a></td>
</tr>
</tbody>
</table>