

Press release

A milestone in the history of European industry: Infineon starts construction of Austria's biggest investment project

Villach, Austria, 10 November 2018 – Construction on the major expansion of the Infineon site in Villach started today. Reinhard Ploss, CEO of Infineon Technologies AG, and the Infineon Austria Board members Sabine Herlitschka, Oliver Heinrich and Thomas Reisinger welcomed distinguished guests at the official celebration marking the start of construction of a chip factory for power electronics and additional research & development areas. Guests included Mariya Gabriel, EU Commissioner for Digital Economy and Society, Austrian Chancellor Sebastian Kurz, Margarete Schramböck, Austrian Federal Minister for Digital and Economic Affairs, Norbert Hofer, Austrian Federal Minister for Transport, Innovation and Technology, Peter Kaiser, Governor of Carinthia and Günther Albel, the Mayor of the City of Villach.

The high-tech company is investing over 1.6 billion euros in the fully automated production of power semiconductors on 300 mm thin wafers and a complex of R&D buildings at the headquarters of Infineon in Austria. 750 new jobs will be created by 2021. Sabine Herlitschka, CEO of Infineon Technologies Austria AG: "Today we are celebrating the official kick-off for the biggest private investment project Austria has seen in decades. This investment in the key enabling technologies of micro-electronics that are of great strategic importance is a milestone for Infineon, but also a milestone in the history of European industry. Drawing on the know-how of our employees we are significantly strengthening high-tech production and our research and development. This investment demonstrates how future-oriented jobs are created and how the investment can be a turbo for an entire region."

Mariya Gabriel, EU Commissioner for Digital Economy and Society, travelled from Brussels to attend the ground-breaking ceremony: "The importance of this major investment in the Carinthia region cannot be overemphasized against the background of the global digitization race for technology leadership. It contributes to putting Europe back on the fast lane in technologies that are important for our digital future such as micro- and nano-electronics. I am confident that other companies in Europe will follow the example of this investment. This will help us together regain leadership and effectively deliver on commitments."

Addressing the 140 guests, Austrian Chancellor Sebastian Kurz said: "It is not policy makers who create jobs – jobs are created by bold companies and their hard-working employees. We are proud that Austria as a location for business and technology is able to offer the framework conditions for an investment of this magnitude. With today's start of construction, the ground is being prepared for securing new jobs. The investment enables Austria to position itself at top place in the global competition for central key skills. Austria is clearly showing how business and industry trust in our country as a place to work and prosper and moreover that we have made all the right decisions on location development and research promotion."

Reinhard Ploss, CEO of Infineon Technologies AG: "The future will be digital and electric; these modern trends offer many opportunities for Infineon. The construction of the new 300 mm fab is a clear message to our customers: Infineon is the right partner for joint growth. Our Villach facility offers the best conditions: our staff here has a track record of achieving success with innovative technologies."

Ground-breaking with a view to the future; with Audi Elaine and robot "Panda"

At the official ceremony, Infineon Austria demonstrated that the investment in Villach is geared to cater for the trends of our times that have a high demand for power electronics. Products for mobility solutions of the future play a major role in this. Audi, for example, presented one of its concept cars, the Audi Elaine, for the first time at an external event, with Chancellor Sebastian Kurz, EU Commissioner Mariya Gabriel and Infineon CEO Reinhard Ploss arriving in the e-driven fully automated SUV coupe. The Audi Elaine was developed for highly autonomous driving at level 4 (of a total of 5 levels of automated driving). With this car, the company shows the direction they will take with autonomous driving in future (www.audi-mediacenter.com/de/audi-aicon-2017-9299).

The actual ground-breaking symbolized man-machine interaction in the era of digitization: it was performed by robot "Panda" from company Franka Emika. The start-up company from Munich won the German Future Prize 2017 and develops flexible and favorably priced robots that learn activities by imitating them (www.franka.de).

Positive value creation chain

The over 1.6 billion euro investment project also has positive effects on national economy: According to a study of Industriewissenschaftliches Institut (IWI)* conducted in February of this year, Infineon has an above-average positive effect on value

creation in Austria. As a leading enterprise, Infineon secures an Austrian-wide gross value creation of 1.97 billion euros, of which approx. 1.3 billion in Carinthia. Every job at Infineon indirectly secures another three new jobs – this now means over 12,100 jobs in Austria. The aggregate turnover generated is 4.57 billion euros.

Construction is progressing

Work on the research buildings will begin in early December 2018; construction of the fully automated chip factory for the production on 300 mm thin wafers will start in the first half of 2019. Preparation for the factory and the construction of a multistory car park began in September 2018. A task force with representatives from the federal, provincial and municipal levels is in charge of other areas related to the investment project, such as transport, reliability of supplies, housing provision, childcare and training.

Facts - Villach expansion by 2025:

Fully automated 300 mm chip fab:

Start of construction	First half of 2019
Production start scheduled for	Early 2021
Total space	~60,000 m ²
Investment (buildings, clean room technology, production plants)	~1.6 billion euros
Investment period	6 years
Employees	400 highly qualified jobs

Research & Development buildings:

Start of construction	December 2018
Completion	Spring 2020
Total space	~20,000 m ²
Investment volume	50 million euros
Employees	600 R&D jobs, of which 350 additional R&D jobs

Press photos: download on November 10, from 8 pm:

<http://www.hwp.dphoto.com/#/album/b08e1p/photo/57364896>

Press Release, 18 May 2018 [Infineon prepares for long-term growth and invests €1.6 billion in new 300-millimeter chip factory in Austria](#)

* Value generation study February 2018 on the basis of the 2017 business year, Industriewissenschaftliches Institut-IWI

About Infineon Austria

Infineon Technologies Austria AG is a group subsidiary of Infineon Technologies AG, a world-leading provider of semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon reduce the energy consumption of consumer electronics, domestic appliances and industrial facilities. They make a major contribution to the convenience, security and sustainability of vehicles, and enable secure transactions in a connected world.

Besides Germany, Infineon Austria is the only subsidiary within the group that pools competencies for research and development, production as well as global business responsibility. The head office is in Villach, with further branches in Graz, Klagenfurt, Linz and Vienna. With 3,785 employees from around 60 countries (including 1,547 in research and development), in the financial year 2017 (ending in September) the company achieved a turnover of € 2.5 billion. An R&D expense rate of €428 million makes Infineon Austria one of the strongest industrial research companies' in Austria.

Further information at www.infineon.com/austria

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