

The Infineon share

Infineon shares did not benefit from positive stock market trends

Infineon share price virtually unchanged over reporting year.

DJ Stoxx Semiconductor index up 13 percent in the 2005 financial year.

On average, 9.7 million Infineon shares traded daily in the past financial year.

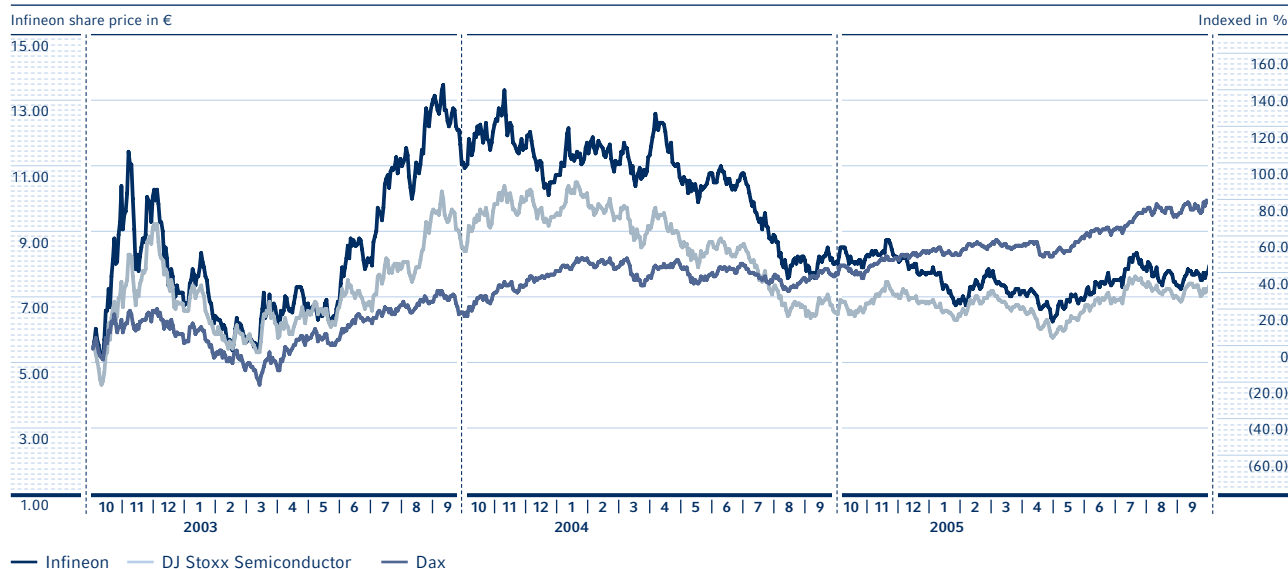
Last year, chip stocks were not able to benefit fully from the positive mood on the stock market. While the DJ Stoxx semiconductor index gained only 13 percent, the DJ Stoxx 50 and Dax indices rose 22 and 30 percent respectively. This discrepancy was due in part to reductions in earnings estimates for many semiconductor companies facing underutilized capacity as overstocked inventories were run down at their customers.

Infineon was affected by this trend, but also faced considerable price pressure in the DRAM and chip card business, as well as a significant loss of market share by one of its most important customers in the mobile phone market. These factors contributed to make Infineon shares lag the semiconductor sector over the year. Infineon shares began the financial year in line with the market, reaching an annual high of €9.00 on November 18, 2004; then the share price began to decline, hitting a year low of €6.43 on April 29, 2005. In this period in particular, Infineon lost

ground in comparison with other semiconductor shares. Thereafter, Infineon shares recovered along with the market and ended the reporting year at €8.18, compared with €8.22 a year before. The virtually unchanged share price did not improve the disappointing long-term trend; Infineon stock remained 77 percent lower than its IPO price on March 13, 2000. Relative to the DJ Stoxx Semiconductor index, however, Infineon stock declined by somewhat less over the period.

Last financial year, Infineon stock trading volumes fell for the first time, after rising continually since the IPO. Over the period, an average of 9.7 million Infineon shares were traded on Xetra, in Frankfurt and on regional stock markets, representing a decline of 18 percent from the previous year. This, however, constituted 9.5 percent of total Dax 30 trading, with only one Dax 30 company achieving higher trading volumes.

Relative performance of Infineon shares as compared to the Dax and DJ Stoxx Semiconductor indices since the beginning of the 2003 financial year (closing prices)



Infineon share statistics

Financial year (to September 30)	2004	2005
Europe Xetra close in €		
Year high	13.65	9.00
Year low	7.80	6.43
Financial year close	8.22	8.18
Average daily trading volume individual shares	11,743,938	9,666,303
of which Xetra trading in %	96	97
USA NYSE close in U.S. \$		
Year high	15.87	11.47
Year low	9.39	8.40
Financial year close	10.22	9.92
Average daily trading volume	896,317	583,101

Long-term performance of Infineon shares with indices in %

Period to September 30, 2005	Since IPO on March 13, 2000	Since October 2003	Since October 2004
Europe			
Infineon (Xetra)	(77) ¹	(27)	0
DJ Stoxx Semiconductor	(84)	(13)	13
DJ Stoxx Technology	(75)	29	21
DJ Stoxx 50	(35)	37	22
Dax	(34)	55	30
USA			
Infineon (NYSE)	(71) ¹	(23)	(3)
Philadelphia Semiconductor Index (SOX)	(64)	13	24

¹ Based on issue price of €35/\$33.92.

Share capital, shares outstanding, and market capitalization of Infineon Technologies AG

As of September 30	2004	2005	Change
Share capital € in millions	1,495	1,495	0 %
Shares outstanding € in millions ¹	748	748	0 %
yearly average in millions ¹	735	748	+2 %
Market capitalization € in millions	6,149	6,119	0 %
Market capitalization U.S. \$ in millions	7,645	7,420	(3 %)

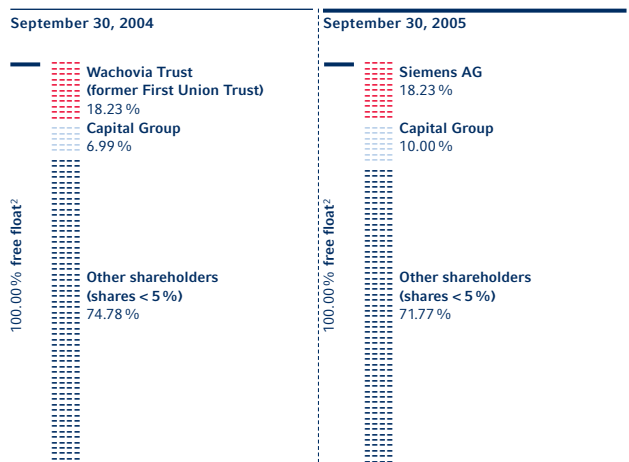
¹ Undiluted.

Infineon pays no dividend

The Infineon Management Board and Supervisory Board will not be able to propose a dividend at the Shareholders' General Meeting, since Infineon Technologies AG, the parent company of the Group, did not achieve an accumulated profit for the year. The accumulated loss for the 2005 financial year came to €1,546 million compared to an accumulated loss of €1,209 million in the previous year.

Shareholder structure

Infineon is aware of two changes in its shareholder structure that were subject to disclosure requirements over the past year. As of May 12, 2005, Capital Group increased its share in the Company to 10.00 percent, while the shares held by the Wachovia Trust Company National Association were transferred back to Siemens on November 28, 2004. Siemens has thereby regained the voting rights connected to the shares in question.

Shareholder structure¹

¹ In accordance with companies' mandatory reporting, as known to Infineon.

² Free float according to FTSE definition. Deutsche Börse and Stoxx do not include Siemens AG or Wachovia Trust shares in Infineon free float.

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