

Infineon

Half-Year Press Conference

Munich, April 21st, 2004

Max Dietrich Kley
President and CEO
Infineon Technologies AG



Never stop thinking.

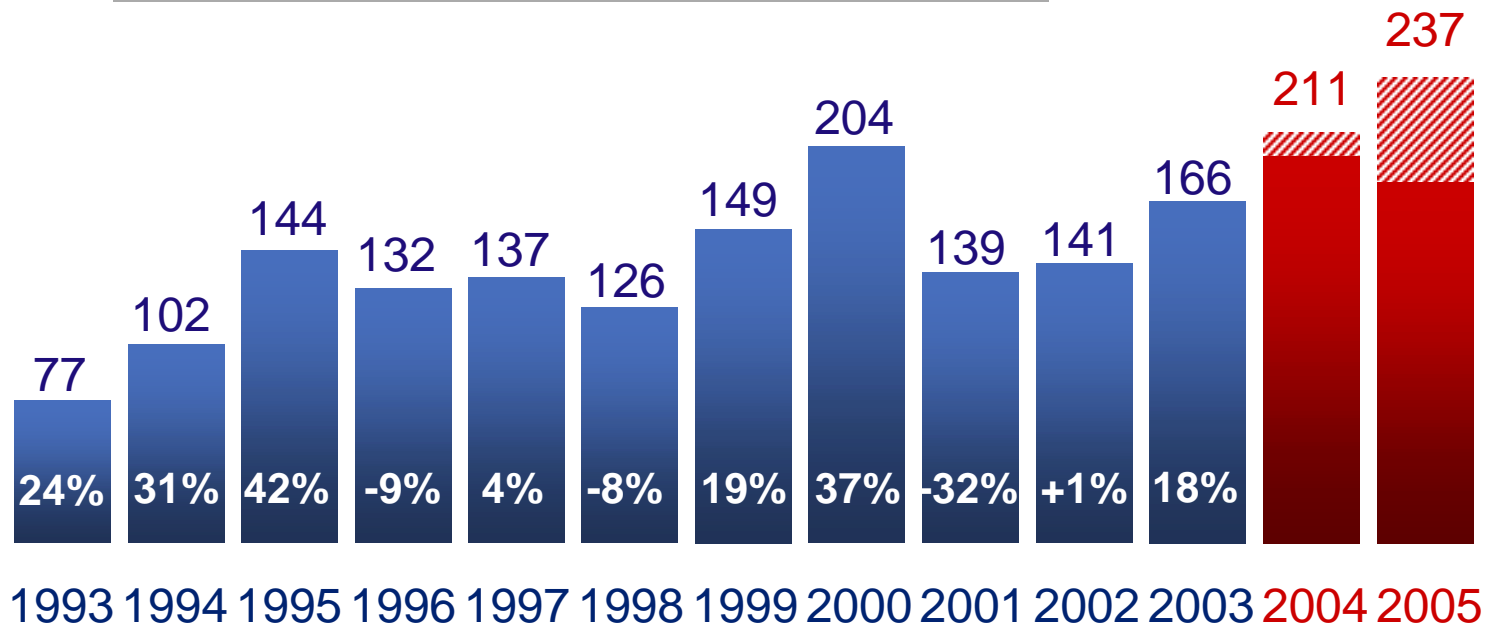
Growth in 2004 and 2005



Forecasts 2004 2005

(in US \$ bn)

IC Insights	+27.1%	- 5.7%
Dataquest	+20.1%	+17.7%
SIA	+19.4%	+ 5.8%
WSTS	+19.4%	+12.6%
In-Stat	+25.9%	+13.5%



Source: WSTS



Continuing Positive Developments in 2nd Quarter FY 2004

- Increased revenues in 2nd quarter.
- Significant improvement of net income year-over-year.
- Positive 2nd quarter results despite ongoing price pressure, including currency effects in some product segments and an overall weak market for wireline communications.
- Record sales in Automotive & Industrial Business Group.
- Strongly improved EBIT for Secure Mobile Solutions.
- Increased revenues for Access products and continued progress in China.

Strategic Objectives

- Infineon is a stable and well positioned enterprise.
- Future oriented strategy will be implemented as planned.
- Strengthening of application know-how, software competencies, applications efficiencies, and optimizing marketing structures.
- Market aligned restructuring of Wireline Communication Group:
 - Fiber Optics carve out by April 1st, 2004
 - Optical Networking activities re-focused, many Design Wins at new customers achieved.
- Headquarters remain in Germany, expansion of Dresden site
- Site „Campeon“ near Munich will be realized as planned.
- Technological excellence
 - first 90nm functioning chip
 - Infineon's first Multimedia Phone Platform introduced.

Outlook for Fiscal Year 2004

- Expectations for continued stable growth in revenues and overall profitability.
- Growing confidence for automotive electronics due to introduction of new car models; positive development for Power Management & Supply expected.
- Overall modest growth in revenues over the next two quarters for Wireline Communications, driven mainly by access business, but potentially reduced due to slower development of other segments.
- Continued solid growth expected for Secure Mobile Solutions, driven mainly by its mobile communication segment; wireless infrastructure is expected to recover; also growing demand for security controllers over the next months.
- Improved demand-supply-ratio for Memory Products anticipated with a positive effect on the development of average prices in the second half of our fiscal year.