

**Infineon**

# Half-Year Press Conference

Munich, April 21st, 2004

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CFO  
Infineon Technologies AG



Never stop thinking.

## Highlights of 2nd Quarter FY 2004

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- Increased revenues, greater productivity, and cost reductions leading to positive quarterly results.
- Record sales in Automotive & Industrial Business Group, recovery at power supply segment.
- Increased revenues for Wireline Communications at Access segment and continued progress in China.
- Previous quarter sales at Secure Mobile Solution in an usually weaker 2nd quarter almost maintained, growing demand for security controllers.
- Continued positive results for Memory Produces, but DRAM price decline and currency effects put pressure on revenues and EBIT.



## Sales and Results: First and Second Quarter 2004

(according to US GAAP in EUR m)	Q1 2004	Q2 2004	Change
<b>Net sales</b>	<b>1,623</b>	<b>1,671</b>	<b>48</b>
Growth %		3	
<b>EBIT</b>	<b>70</b>	<b>71</b>	<b>1</b>
<b>Net profit (loss)</b>	<b>34</b>	<b>39</b>	<b>5</b>
<b>Income per share</b>	<b>0.05</b>	<b>0.05</b>	<b>0.00</b>



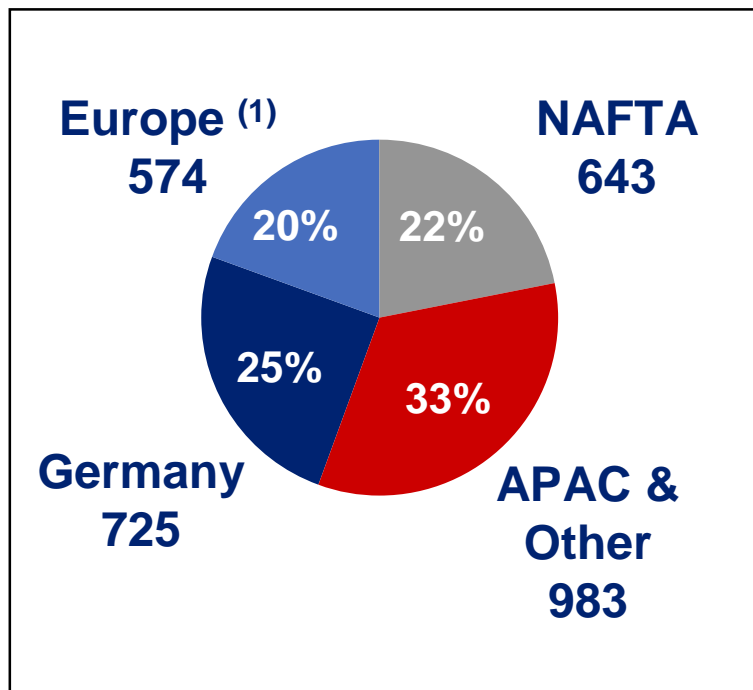
## Sales and Results: First Half Year 2004

(according to US GAAP in EUR m)	1st HY 2003	1st HY 2004	Change
<b>Net sales</b>	<b>2,925</b>	<b>3,294</b>	<b>369</b>
Growth (%)		13	
<b>EBIT</b>	<b>(250)</b>	<b>141</b>	<b>391</b>
<b>Net profit (loss)</b>	<b>(368)</b>	<b>73</b>	<b>441</b>
<b>Loss/Income per share</b>	<b>(0.51)</b>	<b>0.10</b>	<b>0.61</b>

# Sales by Region, first half year 2003 and first half year 2004

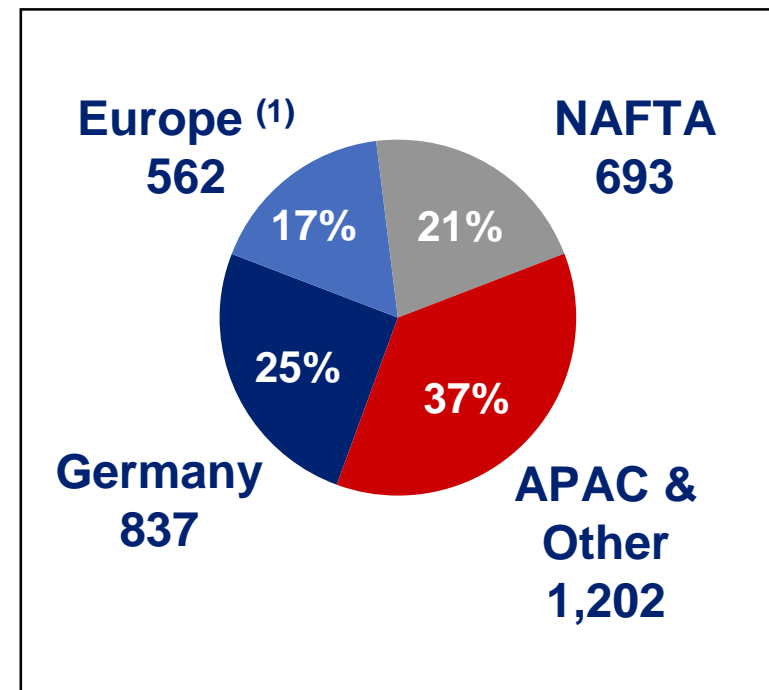
## Sales by Region in EUR m

### 1st HY 2003



**Total: 2,925 EUR m**

### 1st HY 2004



**Total: 3,294 EUR m**

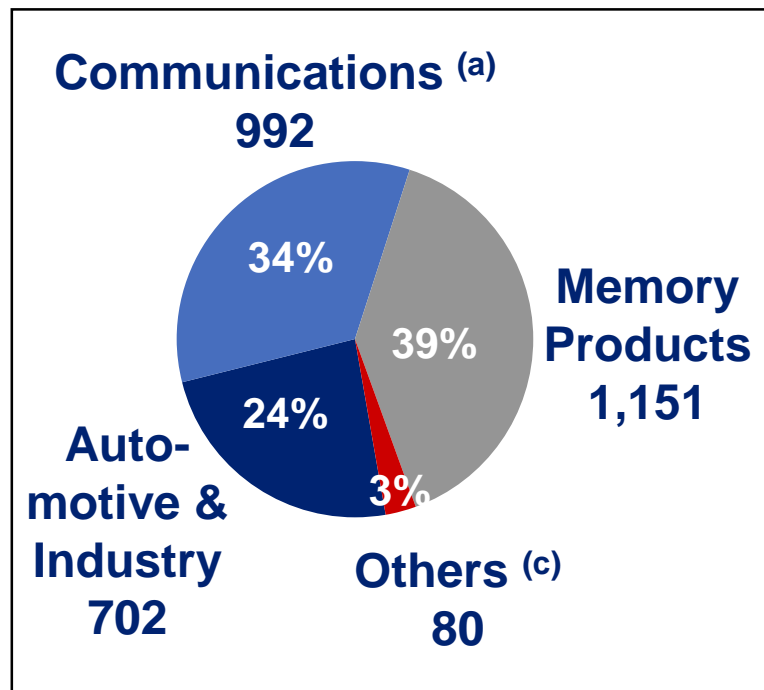
(1) Excluding Germany

(according to US GAAP)

# Sales by Segments, 1st half year 2003 and 1st half year 2004

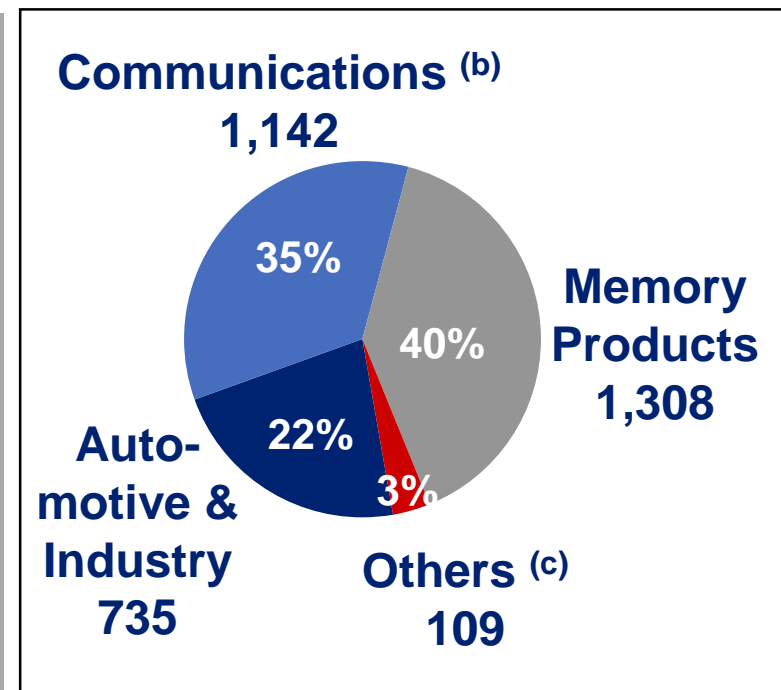
## Sales by Segments in EUR m

### 1st HY 2003



**Total: 2,925 EUR m**

### 1st HY 2004



**Total: 3,294 EUR m**

(a) Includes COM 218 EUR m; SMS 774 EUR m

(b) Includes COM 216 EUR m; SMS 926 EUR m

(c) Includes Corporate & Reconciliation and Other Operating Segments

(according to US GAAP)

# Revenue Performance and EBIT Development (1 of 2)

(according to US GAAP in EUR m)	Revenues and EBIT				
	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004
<b>Wireline Communications</b>					
<b>Revenues</b>	112	119	122	107	109
<b>EBIT</b>	(39)	(99)	(8)	(15)	(19)
<b>Secure Mobile Solutions</b>					
<b>Revenues</b>	369	381	464	465	461
<b>EBIT</b>	(24)	(18)	4	14	27
<b>Automotive &amp; Industry</b>					
<b>Revenues</b>	361	357	359	356	379
<b>EBIT</b>	50	50	44	48	51

Prior period segment results are reclassified to be consistent with the current period presentation and organizational structure.

## Revenue Performance and EBIT Development (2 of 2)

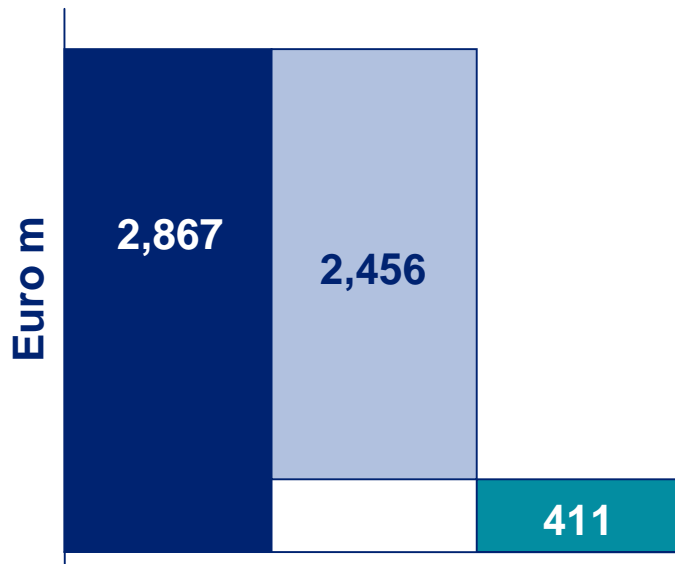
	Revenues and EBIT				
(according to US GAAP in EUR m)	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004
<b>Memory Products</b>					
<b>Revenues</b>	609	569	765	643	665
<b>EBIT</b>	(137)	3	134	57	13
<b>Others</b>					
<b>Revenues</b>	26	36	40	47	50
<b>EBIT</b>	(14)	(15)	(26)	(5)	(17)
<b>Corporate &amp; Reconciliation</b>					
<b>Revenues</b>	7	9	6	5	7
<b>EBIT</b>	(57)	(37)	(81)	(29)	16

Prior period segment results are reclassified to be consistent with the current period presentation and organizational structure.



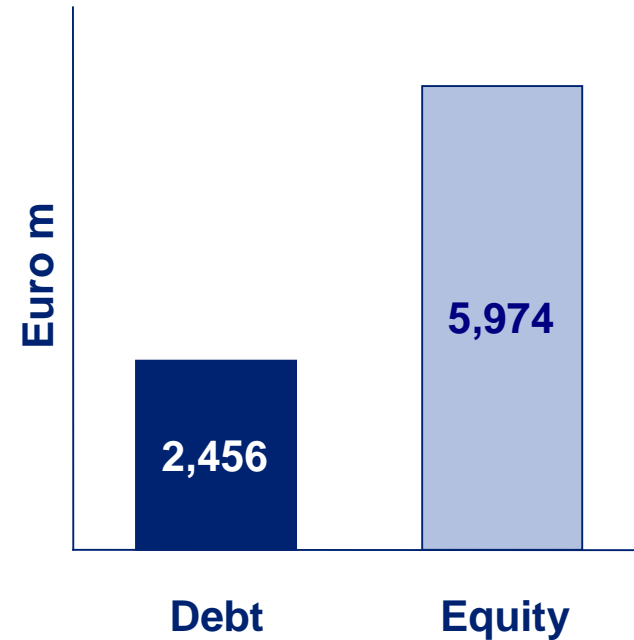
# Net cash position, financial liabilities and equity as of March 31, 2004 \*

## Net Cash Position



- Net Cash
- Debt
- Gross Cash Position

## Debt and Equity





# Consolidated Statements of Cash Flows (US GAAP)

in Euro m

**1st HY  
2003**

**1st HY  
2004**

<b>Net cash provided by operating activities</b>	<b>105</b>	<b>783</b>
<b>Net cash used in investing activities</b>	<b>(663)</b>	<b>(875)</b>
<b>Net cash provided by financing activities</b>	<b>(8)</b>	<b>79</b>
<b>Net change in cash and cash equivalents</b>	<b>(566)</b>	<b>(13)</b>

<b>Net cash provided by operating activities</b>	<b>105</b>	<b>783</b>
<b>Net cash used in investing activities</b>	<b>(663)</b>	<b>(875)</b>
<b>Purchase of marketable securities, net</b>	<u><b>106</b></u>	<u><b>82</b></u>
<b>Free cash flow</b>	<u><b>(452)</b></u>	<u><b>(10)</b></u>



## Infineon Vision

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**We create  
Semiconductor Solutions,  
enabling the Technology  
Lifestyle of the Individual  
in the 21st Century.**

