

The Infineon Share

> Infineon Share Stronger than the Semiconductor Market.

The price of the Infineon share increased by 14 percent during the last financial year. In contrast, the Dow Jones US Semiconductor Index decreased by 5 percent and the Philadelphia Semiconductor Stock Index by 4 percent. The Dow Jones Stoxx 50 European index rose 13 percent and was slightly outperformed. The only stronger performer in the reporting year was the Dax with growth of 19 percent. The main impetus for the Infineon share's price trend was the carve-out and IPO of the Memory Products business under the name Qimonda, which was accompanied by a favorable movement towards stronger prices for DRAM memory chips, a distinctly higher margin in the Automotive, Industrial & Multimarket (AIM) segment and the acquisition of new customers in the Communications Solutions (COM) segment, notably LG and Samsung. Increased takeover activity and consolidation in the semiconductor industry also assisted the price trend of the Infineon share.

The Infineon share started the financial year in a corridor between €7.50 and €8.50 where it remained until February 2006, restrained by factors including a strong decrease in the average selling prices in the Memory Products segment. The Infineon share price recovered when the average selling prices in the Memory Products business took a turn at the beginning of the 2006 calendar year and a double-digit margin before interest and taxes in the AIM segment was reported for the second financial quarter. The acquisition of Samsung as a new major cus-

tommer for radio-frequency chips in the third financial quarter also had a positive impact. The Infineon share price hit an annual high of €9.95 on May 8, 2006. After peaking, the price stayed at approximately this level assisted by the IPO of Qimonda on August 9, 2006, compounded by the persisting positive trend in memory prices and the acquisition of LG as a customer for baseband processors. News of the insolvency of Infineon's main customer for mobile phone processors, BenQ Mobile's German subsidiary, depressed the share price trend at the end of the financial year, however. It was also the decisive factor for the share price trend being slightly inferior to the Dax. The Infineon share ended the 2006 financial year at €9.35, compared with €8.18 a year earlier.

Following the carve-out of the Memory Products segment, the valuation of Infineon is increasingly focused on the remaining businesses. In order to determine the estimated fair value of the Infineon share, market participants are increasingly adding the market value of Infineon's residual interest in Qimonda to the estimated fair value of these activities. We anticipate that this trend will persist at least as long as the block of Qimonda shares we hold remains significant in size.

The trading volume also reflects the positive share trend, increasing 4 percent in the 2006 financial year over the previous year. On average, 10.1 million Infineon shares a day were traded on Xetra, the Frankfurt trading floor and

RELATIVE PERFORMANCE OF INFINEON SHARES AS COMPARED TO THE DOW JONES U.S. SEMICONDUCTOR AND DAX INDICES SINCE THE BEGINNING OF THE 2006 FINANCIAL YEAR (CLOSING PRICES)



INFINEON SHARE STATISTICS

| Financial year (to September 30) | 2004 | 2005 | 2006 |
|--|------------|-----------|-------------------|
| Europe Xetra close in € | | | |
| Year high | 13.65 | 9.00 | 9.95 |
| Year low | 7.80 | 6.43 | 7.60 |
| Financial year close | 8.22 | 8.18 | 9.35 |
| Average daily trading volume individual shares | 11,743,938 | 9,666,303 | 10,064,022 |
| of which Xetra trading in % | 96 | 97 | 98 |
| USA NYSE close in U.S. \$ | | | |
| Year high | 15.87 | 11.74 | 12.68 |
| Year low | 9.39 | 8.40 | 8.95 |
| Financial year close | 10.22 | 9.92 | 11.83 |
| Average daily trading volume | 896,317 | 583,101 | 818,559 |

LONG-TERM PERFORMANCE OF INFINEON SHARES WITH INDICES IN %

| Period to September 30, 2006 | Since October 2003 | Since October 2004 | Since October 2005 |
|--|--------------------|--------------------|--------------------|
| Europe | | | |
| Infineon (Xetra) | (16.67) | 13.75 | 14.30 |
| DJ U.S. Semiconductors Index | n.a. | n.a. | (4.48) |
| DJ Stoxx 50 | 62.76 | 43.02 | 13.73 |
| Dax | 84.36 | 54.24 | 19.04 |
| USA | | | |
| Infineon (NYSE) | (8.22) | 15.75 | 19.25 |
| Philadelphia Semiconductor Index (SOX) | 8.32 | 18.35 | (4.34) |

Issue price of €35/\$33.92 on March 13, 2000

SHARE CAPITAL, SHARES OUTSTANDING AND MARKET CAPITALIZATION OF INFINEON TECHNOLOGIES AG

| As of September 30 | 2005 | 2006 | Change |
|--------------------------------------|-------|--------------|--------|
| Share capital € in millions | 1,495 | 1,495 | 0 % |
| Outstanding shares in millions | 748 | 748 | 0 % |
| Yearly average € in millions | 748 | 748 | 0 % |
| Market capitalization € in millions | 6,115 | 6,990 | + 14 % |
| Market capitalization \$ in millions | 7,416 | 8,844 | + 19 % |

regional stock exchanges in Germany. The trading volume of the Infineon share constituted approximately 1.8 percent of total Dax 30 trading volume during the 2006 financial year, thereby occupying a mid-table position (position 19) among the Dax 30 companies. A point meriting particular mention is the increase in the average daily trading volume at the New York Stock Exchange. Approximately 818,000 American Depositary Shares (ADS) were traded there daily, equivalent to a 40 percent increase over the previous year. This trend is also backed by the increased number of American shareholders.

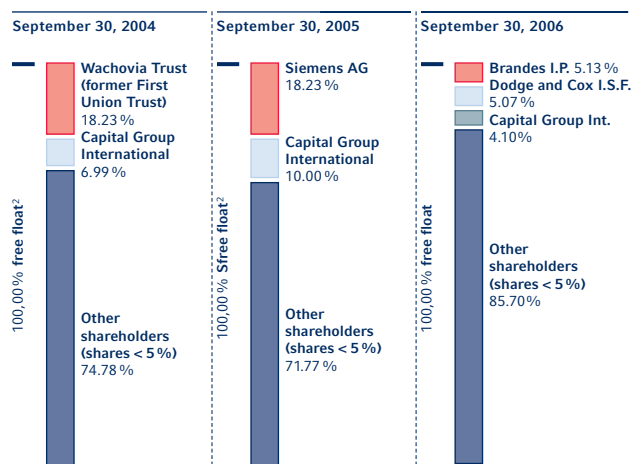
Since the 2006 financial year, Infineon maintains its worldwide relations with investors and analysts exclusively from Germany and will continue to do this with full commitment in 2007 as well.

Infineon Pays No Dividend

The Management Board and Supervisory Board will not be able to propose a dividend to 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 2006 financial year came to €2,103 million (previous year: €1,546 million).

Shareholder Structure

There were substantial changes and movements in the shareholder structure in the reporting year. Siemens AG divested its 18.23 percent shareholding in Infineon on March 23, 2006. As of the end of the financial year, the company knows of three investors from the USA holding an approximately 5 percent equity stake in the free float: Brandes Investment Partners with 5.13 percent, Dodge and Cox International Stock Fund with 5.07 percent and Capital Group International with 4.10 percent.

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 the Wachovia Trust shares in Infineon free float.

Please feel free to direct your questions to the Infineon Investor Relations Team in Munich, Germany.

Tel. +49 (0)89 234-26 655

Fax +49 (0)89 234-955 2987

E-mail: investor.relations@infineon.com