

# Annual General Meeting Infineon Technologies AG

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Infineon Technologies AG

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Never stop thinking

# Confidence in Infineon



First-class technology and product portfolio



Highly qualified employees



Leading in important future markets:  
energy efficiency, communication, security

## Rescue package for Qimonda failed



- Filed for insolvency
- Short-term risks moderate
- Allowances for possible longer-term liabilities

# Stock market has not rewarded progress in core business



Infineon share in EUR



# Share price put under pressure due to financial and economic crisis



**Qimonda**



**Financial crisis**



**Recession**

- Impact from Qimonda interest
- Refinancing
- Weak outlook resulting from market downturn

# Work against the crisis – IFX 10+

- Portfolio management
- Reduction of production costs
- Reduction of operating expenses
- Focus of organization on customer segments



# First successes in all measure packages

## Portfolio management



- Sale of BAW filter business
- Discontinuation of unprofitable development projects

## Production costs



- Reducing material costs
- Productivity increase

## Operational costs



- More efficient processes
- Cost base already significantly reduced

# Savings target once again increased in course of the aggravated market conditions



**July 2008**



200 EUR m

**Dec. 2008**



250 EUR m

**Today**

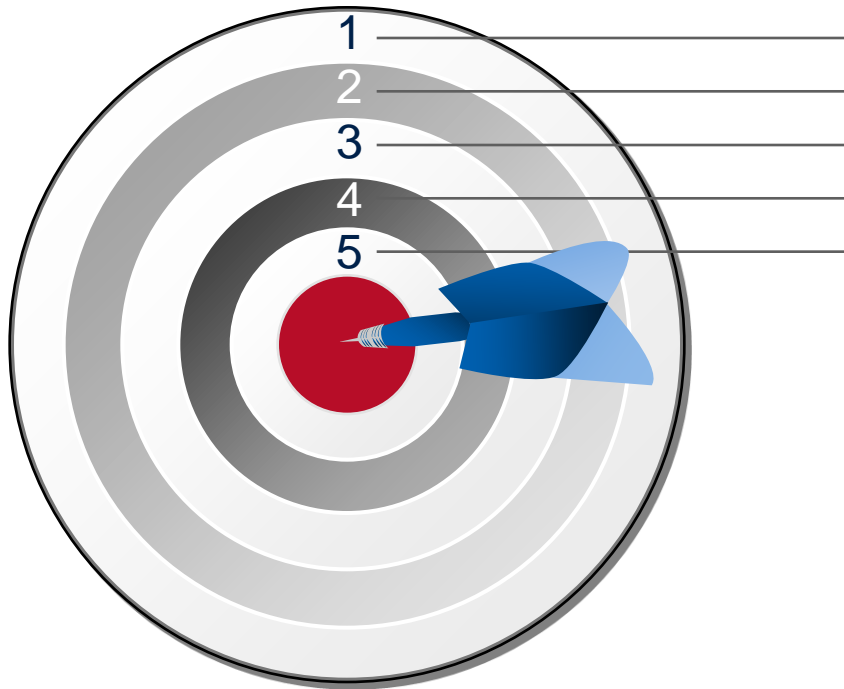


600 EUR m

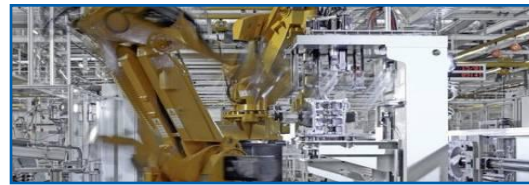
- Short-time work
- Measures for reducing idle costs
- Restrictive travel policies
- Adaption of bonus scheme
- Exit of Employers' Association
- Unpaid leave



# New organization– clear focus on target markets



- Automotive electronics
- Industrial electronics and multimarket
- Chipcard and security solutions
- Mobile communications
- Broadband access



# Financial crisis and refinancing

- Good liquidity control secures operative business
- High priority on refinancing
- Comprehensive cash management
  - Low capital tie-up
  - Restrictive investment regime

# Market and product strategy exactly hit the mark



## Core Competencies

- Analog/Mixed Signal
- RF
- Power
- Embedded Control

## Key Trends:

- Energy efficiency
- Communications
- Security



# Energy efficiency – conserving environment and resources with semiconductor products



Climate change,  
environment protection

Rising  
energy costs

Legal  
requirements

Power  
conversion



Drives



Renewable  
energy



Transport



Hybrid



CO<sub>2</sub>  
reduction



# Communications – transmission of voice and data, everytime and everywhere



Mobile Internet

Emerging markets

IP networks

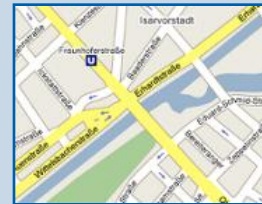
Mobile broadband

IPTV, VoIP, CATiQ

Internet access



Location based services



ULC Phones



Smart Phones



Broadband devices with IPTV support



IP-based networks



# Security – better protection of data, information and goods



Chip-based documents

Payment features

Embedded Security

ePassport



Bank cards



Trusted Computing



Pay-TV



eCom-  
merce



Secure commu-  
nications



## Final remarks

- IFX 10+ - comprehensive measures taken in time
- Lowest possible cash usage currently most important objective
- Consistent cost and liquidity management
- Focus on refinancing
- Securing leading position in central future markets:  
Energie efficiency, communications, security



**We commit.**  
**We innovate.**  
**We partner.**  
**We create value.**



Never stop thinking