Annual General Meeting
Infineon Technologies AG

Peter Bauer, Chief Executive Officer
Infineon Technologies AG

Munich, February 17, 2011
Infineon is in a better shape than ever before

- Restructuring
- Refinancing
- Portfolio measures
- Focus on energy efficiency, mobility and security
Turnaround – Infineon on firm foundations

- Ambitious aims
- We created the change ourselves
- We brought the company into shape
Optimization of business portfolio

Focus on markets with sustainable profitable growth

Success thanks to quick and determined action

Cost reduction

Refinancing

Financially strong player

Wide managerial scope

Focus on markets with sustainable profitable growth
Sale of WLS: Portfolio optimization successfully completed

- Investments necessary for becoming No. 1 in the market too high
- Attractive purchasing price of 1.4 billion U.S. dollars
- We created enormous value for all stakeholder
Asia most important market, especially China

- Two-digit growth rates
- Worldwide biggest automotive sales market in 2010
- Chinese solar industry today bigger than the German one
- Worldwide leading wind power companies from China
Revenue share in Asia 42 percent, further expansion of our presence

- With revenue share in Asia front runner among all DAX companies
- New business entity in Beijing
- Customer focus on tight cooperation with partners on the spot
- „Local Citizen“: Even stronger integration in local structures
Fiscal year 2010 – one of the most successful for Infineon

- Revenue increased by more than 50 percent year-on-year to 3.3 billion euros
- Net income of 660 million euros
- Ambitious target of 15 to 20 percent return rate almost achieved
- Dividend-paying ability established

Profitable, growing and solid company
Share price doubled

Infineon share in EUR

Feb. 11, 2010 to Feb. 16, 2011
Application of funds

Organic growth – mainly expansion of manufacturing capacities

Allowing our shareholders to benefit

Considering options for acquisitions
Three strategic topics for the future

Energy efficiency

Mobility

Security

Automotive

Industrial & Multimarket

Chip Card & Security
Three strategic topics for the future

Energy efficiency  
Mobility  
Security
CoolMOS – Contribution to preserve the resources

- Increasing the energy efficiency in many different applications, for example:
  - PC power supplies
  - Server
  - Solar power inverters
  - Lighting systems
Smart grids enabled by innovative semiconductors

1. Integration of renewable energy
2. Advanced transmission
3. Grid monitoring and control
4. Energy storage and EV-charging
5. Smart Metering and appliances
6. Efficient consumption
Three strategic topics for the future

Energy efficiency

Mobility

Security
Railroad renaissance – growth in high-speed trains

- Enormous investments in modern fleet of trains in China, but also in Europe
- 10 new Siemens Velaro trains for Eurostar
- Each train with 130 Infineon IGBTs totaling up to 100,000 euros in value
Electric mobility – environmentally friendly, only realizable with semiconductors

- Realistic alternative to cars with combustion engine
- Electric bikes already a mass market today – with chips from Infineon
- Infineon is party to almost every electric car project outside Japan
Three strategic topics for the future

- Energy efficiency
- Mobility
- Security
New German ID card with security technology Integrity Guard

Innovative approach: Not only data is encrypted, but also computing operations

Previously unheard-of level of security

Nominated for Innovation Award of German Industry
Balance sheet is healthy

Costs are under control

Business runs profitably

Key technologies and products for energy efficiency, mobility and security

Conclusion – attractive company with the right future strategy
Infineon supplies the innovation components for the world of tomorrow