

IFX Day 2010

Campeon – June 24, 2010

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Division President

Automotive (ATV)



The Automotive Division Focuses on Products for Three Major Growth Drivers



Infineon Automotive - We make cars ...



Cleaner

- Best-in-class **powertrain** solutions for reduced emissions.
- Leading **hybrid** and **electric drivetrain** products.
- Energy saving **electrification** of relais & mechanical functions.



Safer

- **Innovative sensors:** Magnetics, MEMS and Radar.
- **Multicore** architectures.
- **SOC** solutions.
- Highest safety standard compliance (**SIL3 / ASIL-D**).



Affordable

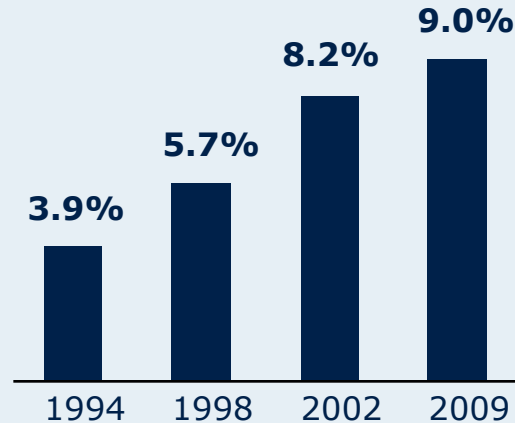
- **Optimized chipsets** for low cost cars and E-bikes.
- **Easy to integrate** software and reference kits.
- **Local expert teams** for emerging players.

Infineon Automotive Market Share Development



Worldwide automotive semiconductor ranking

1. **Infineon** 9.0%
2. Freescale 8.0%
3. STM 7.7%
4. NEC 7.3%
5. Renesas 7.0%
6. NXP 6.4%
7. Toshiba 5.6%
8. Bosch 4.9%



Infineon is now the **world's #1** in Automotive!

Europe

1. **Infineon** 13.6%
2. STM 10.5%
3. Bosch 10.4%
4. Freescale 8.5%
5. NXP 8.2%
6. TI 5.9%
7. NEC 5.3%
8. ON Semi 2.9%

China, India, Brazil, Russia, ROW

1. STM 9.2%
2. **Infineon** 8.8%
3. Freescale 7.6%
4. NXP 7.0%
5. NEC 4.5%
6. Renesas 3.9%
7. Toshiba 2.8%
8. ROHM 2.7%

NAFTA

1. Freescale 16.1%
2. **Infineon** 7.8%
3. NXP 7.1%
4. STM 6.6%
5. ON 4.3%
6. TI 3.7%
7. Renesas 3.3%
8. NEC 3.1%

Japan

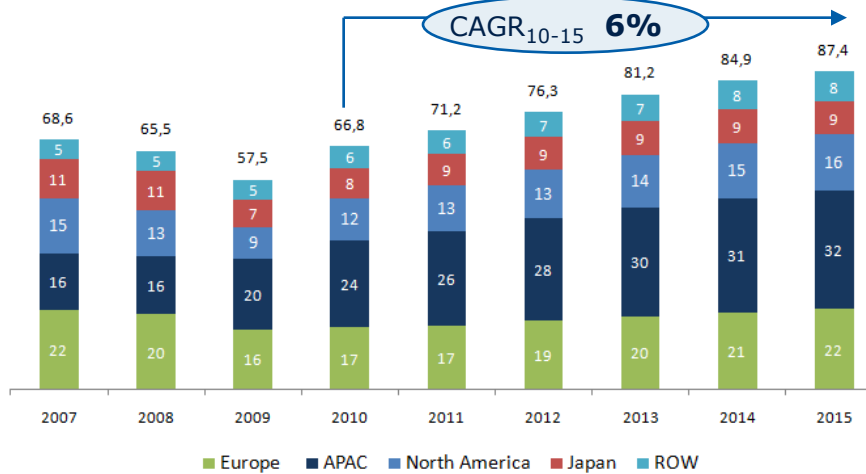
1. Renesas 19.8%
2. Toshiba 18.0%
3. NEC 15.6%
4. ROHM 3.8%
5. Fujitsu 3.6%
6. TI 3.2%
7. Sanken 3.1%
8. **Infineon** 2.8%

Source: Strategy Analytics, April 2010

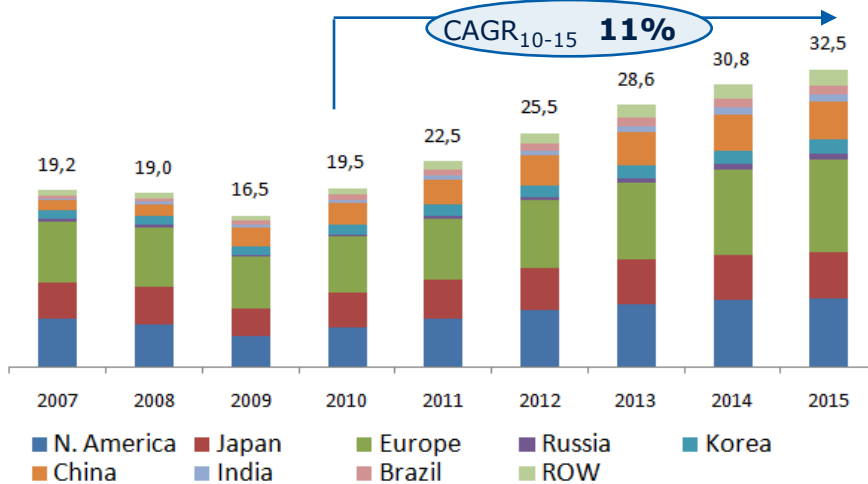
Recovery of Global Car Production 2011 Projected to Become a New Record Year



Global car production [Mu]

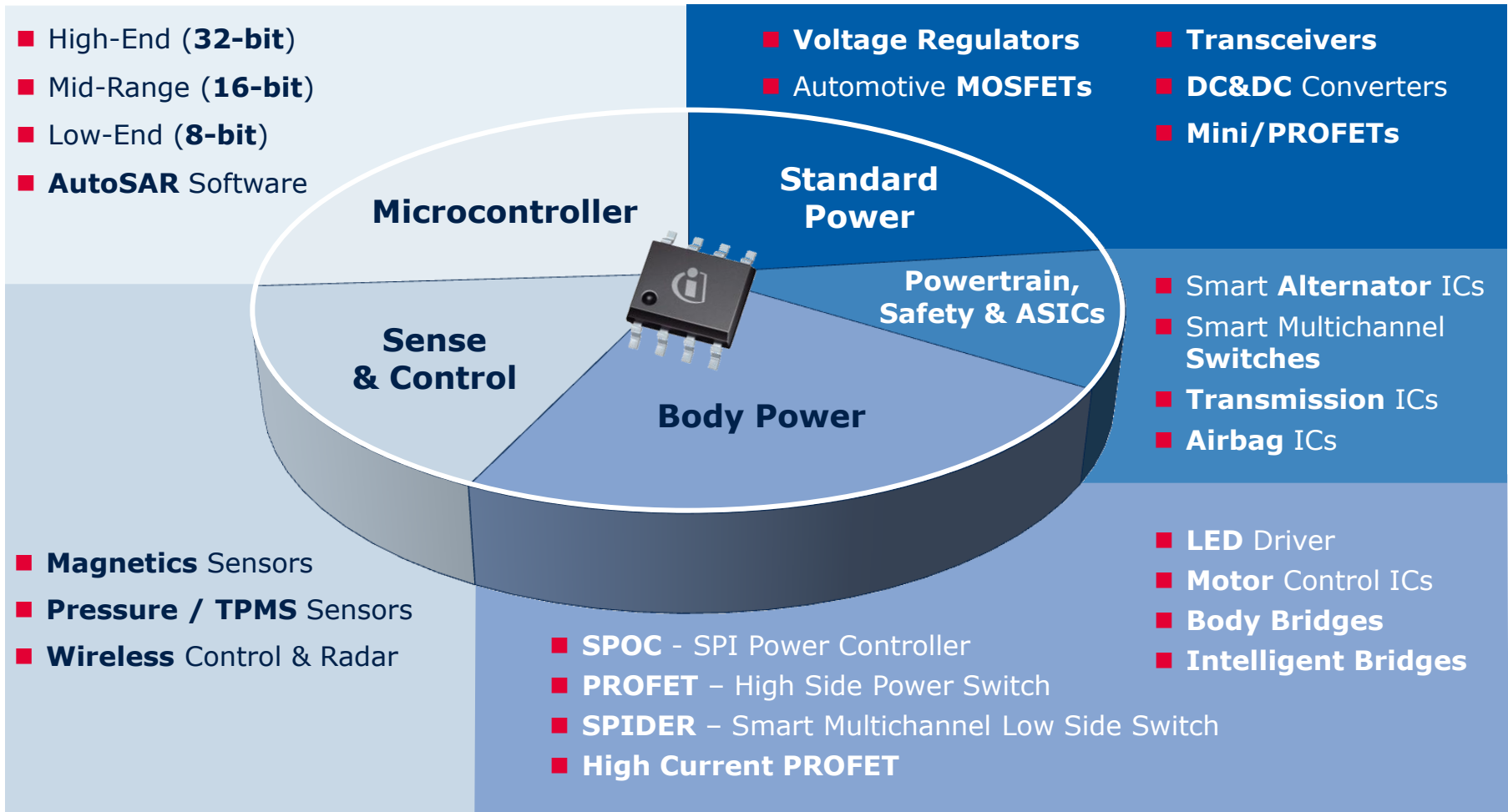


Auto SC market



- Global car production **recovery** now projected to be **much faster**.
- **2007** record **levels** to be exceeded **already next year**.
- **China** is major absolute **growth** driver.
- **Major shift** in **regional split** and **vehicle classes**.
- **Auto SC Market** to **double** until **2016** driven by Powertrain and safety applications.

Automotive Business Lines & portfolio



Infiniteon Automotive Semiconductor Solutions Combine Sense, Compute and Actuate



Our target markets

Powertrain



- Diesel Engine Mgmt.
- Gasoline Engine Mgmt.
- Transmission Control
- Starter / Alternator

Hybrid Electrical Drives



- Hybrid motor drive
- Regenerative braking
- Battery management

Safety



- ABS/ESP/Traction Control
- Suspension
- Airbag/Restraint Systems
- Side-airbag
- Power Steering
- Tire Pressure Monitoring

Body & Convenience



- Light Control
- Heating, Ventilation, Air Condition
- Door & Seat
- Smart Battery Terminal

Sense

- Pressure Sensors
 - Magnetic (Hall) Sensors
- #1

- Magnetic Sensors

- Pressure #1
- TPMS #1
- Magnetic (Hall) Sensors #1
- RF ICs #1

- Magnetic Sensors #2
- RF ICs #1

Compute

- 16/32 bit μ C
 - 32 bit TriCore® (μ C + DSP)
- #2

- 8 bit μ Cs
- 16/32 bit μ Cs
- 32 bit TriCore® (μ C + DSP)

- 8 bit μ Cs
- 16/32 bit μ Cs
- 32 bit TriCore® (μ C + DSP)

- 8 bit μ Cs
- 16/32 bit μ Cs

Actuate

- MOSFETs #2
- IGBTs
- Regulators
- Transceivers #2
- Smart Power
- System ICs

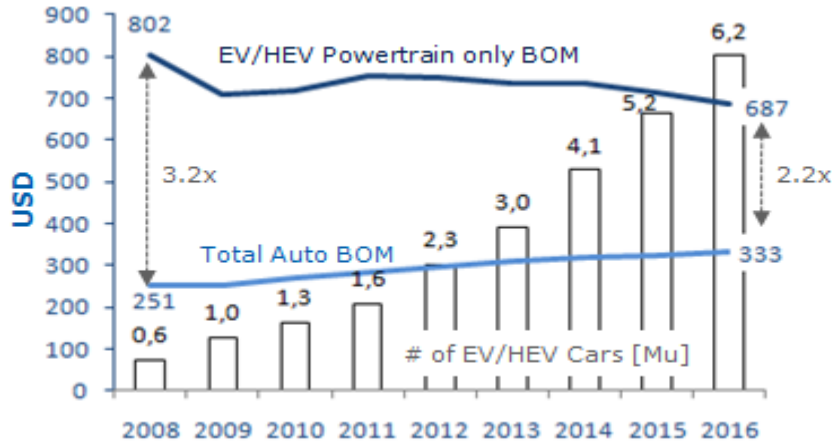
- HybridPack #2
- IGBTs #1
- Regulators #1
- Transceivers #2
- Smart Power
- MOSFETs

- Diodes
- Transistors
- MOSFETs #2
- Regulators
- Transceivers #2
- Smart Power
- System ICs

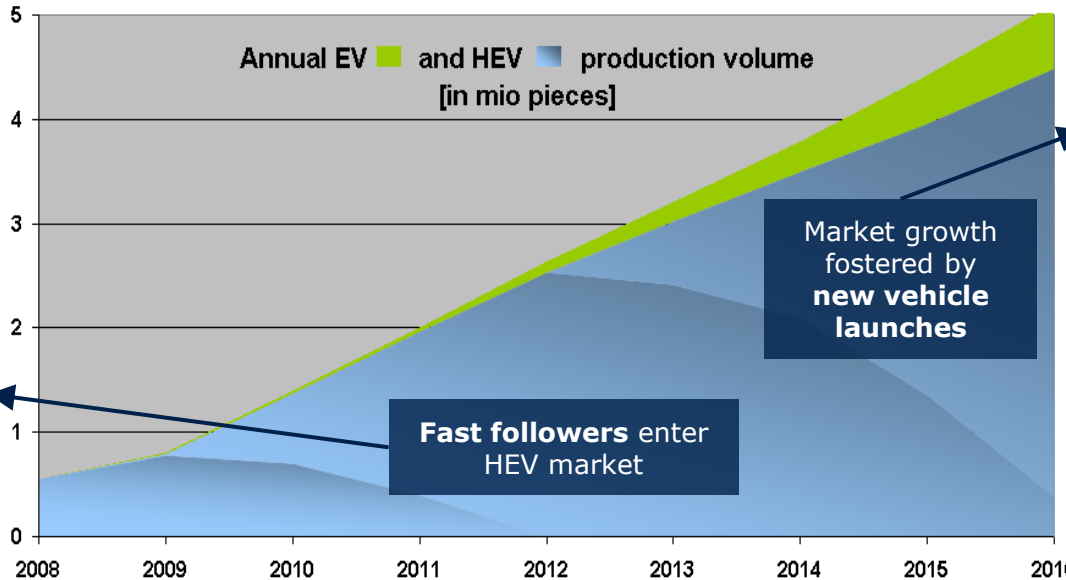
- Transceivers #2
- Diodes
- MOSFETs #2
- Transistors
- Regulators #1
- E-Power
- Smart Power #1

Electric Vehicles (EV) and Hybrid EVs (HEV) Drive Semiconductor Demand

Auto(ICE) vs. EV/HEV Semiconductor BOM



- Fuel cost, CO₂ reduction and price are **main drivers** for EVs and HEVs.
- Powertrain semiconductor (**SC**) bill-of-material (**BOM**) of an **EV/HEV** is 2 to 3 times higher than total Auto (ICE) Semiconductor Bill-of-Materials.
- 50-80% related to IGBT and diode chips in state-of-the-art **module packages**.



Infineon Established the Automotive Excellence Program in 2003



Infineon's Automotive Excellence Program

Goals:

- Sustainable quality improvement
- Zero defect culture

Measurables:

- Decrease of number of customer returns and quality spills
- Increase of customer satisfaction

Toyota's "Honor quality award"

First time ever that a non-Japanese company was honored with this award

Class	2004	2005	2006	2007	2008	2009	2010
★★★★★ Honor quality award							IFX
★★★★☆ Best quality award						IFX	
★★★☆☆ Excellent quality award	IFX			IFX	IFX		
★★☆☆☆ Superior quality award			IFX				
★☆☆☆☆ Grateful diploma							

Product: CAN transceiver TLE6250G



Improvement examples



Our target of zero defect is your competitive advantage

- No quality events
- Defect-free product launches
- Low non-conformance costs
- Highest quality image in your market
- More business due to satisfied customers

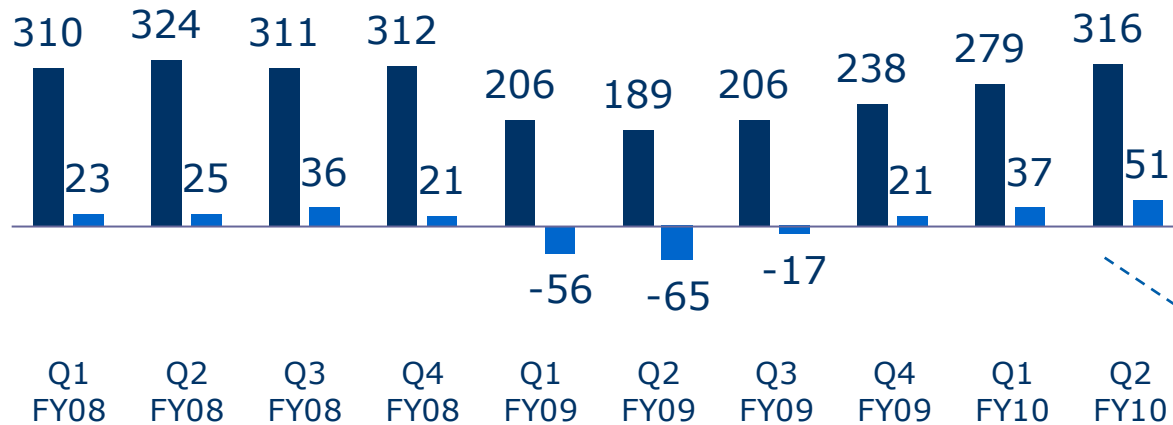
Our quality is clearly seen as **industry benchmark** by almost all of our customers.

Return to Pre-Crisis Sales Levels with Higher Profitability

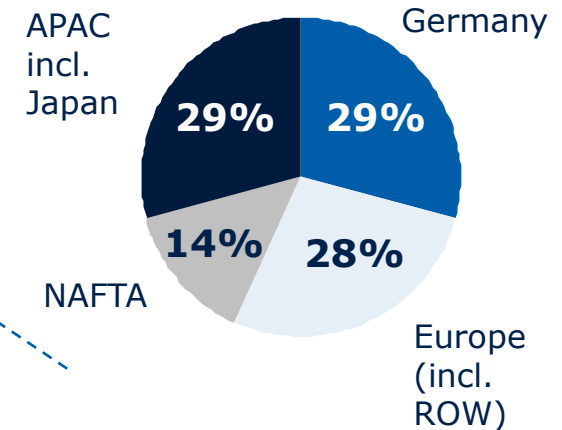


Revenue and Segment Result from Q1 FY08 to Q2 FY10

[EUR m]



Breakdown by regions



■ Revenue ■ Segment Result

Highlights

- IFX is No. 1 in automotive semiconductors.
- Pre-crisis sales levels with high segment result reached again in Q2.
- Above average market growth for focus segments powertrain, safety and body.

Infineon Automotive – Your Trusted Partner for Automotive Applications



Global No. 1 for automotive semiconductors.



Broad innovative product portfolio, leading edge technologies and system expertise.



Growing global customer base.



Strategic partnerships on all levels of the value chain (e.g. BMW, Hyundai, Bosch, TSMC).



Automotive Excellence™:
Most comprehensive quality program in the industry.



Strong growth perspective driven by **Low cost cars** and **HEV/EV.**



ENERGY EFFICIENCY COMMUNICATIONS SECURITY

Innovative semiconductor solutions for energy efficiency, communications and security.



Disclaimer

This presentation was prepared as of June 24, 2010 and is current only as of that date.

This presentation includes forward-looking statements about the future of Infineon's business and the industry in which we operate. These include statements relating to general economic conditions, future developments in the world semiconductor market, our ability to manage our costs and to achieve our growth targets, the resolution of Qimonda's insolvency proceedings and the liabilities we may face as a result of Qimonda's insolvency, the potential disposition or closure of our ALTIS joint venture, the benefits of research and development alliances and activities, our planned levels of future investment, the introduction of new technology at our facilities, our continuing ability to offer commercially viable products, and our expected or projected future results.

These forward-looking statements are subject to a number of uncertainties, such as broader economic developments, including the sustainability of recent improvements in the market environment; trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products, such as automobiles and consumer electronics, that incorporate our products; the success of our development efforts, both alone and with partners; the success of our efforts to introduce new production processes at our facilities; the actions of competitors; the availability of funds; the outcome of antitrust investigations and litigation matters; and the resolution of Qimonda's insolvency proceedings; as well as the other factors mentioned in this presentation and those described in the "Risk Factors" section of our most recent annual report on Form 20-F on file with the U.S. Securities and Exchange Commission. As a result, Infineon's actual results could differ materially from those contained in or suggested by these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements.

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