



## News Release / Presseinformation

### **Infineon announces the planned launch of a rights issue for up to Euro 725 million in gross proceeds, backstopped by investment firm Apollo**

Neubiberg, Germany – July 10, 2009 – Today Infineon Technologies AG announced plans to launch a rights issue of up to 337 million shares with a subscription price of Euro 2.15 per share. Subject to the required prospectus approval by the German federal Financial Supervisory Authority (BaFin), the new shares will be offered to Infineon's shareholders for subscription. Funds managed by an affiliate of Apollo Global Management LLC, have agreed to acquire at the subscription price up to approximately 326 million new shares not subscribed for, subject to certain conditions. Infineon expects to announce details of the offering, including the dates of the subscription period, in the near future.

If fully placed, the offering would raise new equity in a gross amount of Euro 725 million in cash. Infineon intends to use the proceeds to repay debt and strengthen its liquidity position. In particular, the company plans to repay its convertible bonds maturing in June 2010, of which a nominal amount of Euro 522 million are outstanding, and its exchangeable bonds maturing in August 2010, of which a nominal amount of Euro 48 million are outstanding.

„The intended capital increase represents an important part of Infineon's comprehensive refinancing plan. It should make a significant contribution to increase the economic value and sustainability of Infineon for the benefit of both the employees and the stakeholders”, says Peter Bauer, CEO of Infineon Technologies AG.

„This capital increase adds to the consistent sequence for the reduction of our liabilities: The buy-back of bonds, the placement of a convertible bond and the proceeds from the sale of the Wireline Communications segment. By not taking up further debt capital, Infineon's accounting ratios strongly improve”, says Dr. Marco Schröter, CFO of Infineon Technologies AG.

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Founded in 1990, Apollo is a leading global alternative asset manager and today ranks among the world's largest and most renowned private equity investors. Apollo acts as a long-term strategic investor with a range of both financial and operational expertise. An investment by Apollo would signify a clear mark of confidence in the management, work force and product portfolio of Infineon.

Apollo has agreed to provide a backstop for the rights offering relating to new shares not subscribed for. Apollo has committed to acquire at the subscription price up to approximately 326 million new shares not subscribed for, up to a maximum shareholding of 30% minus one share of Infineon's share capital after implementation of the rights issue. This commitment is subject to the condition that Apollo, after implementation of the rights offering, would have a minimum shareholding of 15% of Infineon's share capital. If this minimum shareholding is not achieved, Apollo may, but is not obligated to, acquire all new shares not subscribed for. Apollo's investment is also subject to regulatory approvals.

Upon completion of a successful investment representing a shareholding of 15% or more of Infineon's share capital, Apollo will have designated, with the support of Infineon, the chairman of the supervisory board and will obtain a second seat on Infineon's supervisory board thereafter.

Shareholders of Infineon will be entitled to exercise subscription rights with respect to the new shares offered at a subscription ratio of four new shares for every nine existing shares held, and Infineon's depositary will make such subscription rights also available for the holders of Infineon's American Depositary Shares. The subscription period for the shares will commence following prospectus approval which is expected next week or the week thereafter. Settlement for the subscribed shares will take place approximately two weeks after the commencement of the subscription period, with settlement of Apollo's investment expected to occur following receipt of the necessary regulatory approvals.

The subscription rights for the new shares will not be traded on the regulated market of the Frankfurt Stock Exchange.

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## About Infineon

Infineon Technologies AG, Neubiberg, Germany, offers semiconductor and system solutions addressing three central challenges to modern society: energy efficiency, communications, and security. In the 2008 fiscal year (ending September), the company reported sales of Euro 4.3 billion with approximately 29,100 employees worldwide in continuing operations. With a global presence, Infineon operates through its subsidiaries in the U.S. from Milpitas, CA, in the Asia-Pacific region from Singapore, and in Japan from Tokyo. Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).

Further information is available at [www.infineon.com](http://www.infineon.com).

This news release is available online at [www.infineon.com/press/](http://www.infineon.com/press/)

## About Apollo

Apollo is a leading global alternative asset manager with in excess of \$41 billion under management. Apollo invests across a core group of industries where Apollo has considerable knowledge and resources. Apollo has offices in New York, London, Los Angeles, Frankfurt, Luxembourg, Singapore and Mumbai.

## DISCLAIMER

Infineon Technologies AG may file a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission ("SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents Infineon has filed with the SEC for more complete information about Infineon and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov) or on Infineon's website at [www.infineon.com](http://www.infineon.com) by clicking "Investor". Alternatively, Infineon will arrange to send you the prospectus after filing if you request it by calling +49-89-234-26655 or emailing [investor.relations@infineon.com](mailto:investor.relations@infineon.com).

This press release constitutes neither a prospectus, nor an offer to sell nor a solicitation to buy securities of Infineon and it is not a substitute for the prospectus. The offer of shares of Infineon in Germany will be made solely by means of, and on the basis of, a securities prospectus which is to be published. An investment decision regarding the publicly offered securities of Infineon in Germany should only be made on the basis of the securities prospectus. Subject to approval by the German Federal Financial Supervisory Authority, a securities prospectus will be published and will be available free of charge on Infineon's website ([www.infineon.com](http://www.infineon.com)).

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This press release includes forward-looking statements about the future of our business, including statements relating to our financing plans and developments regarding the planned rights offering. These forward-looking statements are subject to a number of uncertainties, including market conditions and general economic developments, as well as developments in our own business and the other factors described in the "Risk Factors" section of the annual report of Infineon on Form 20-F filed with the U.S. Securities and Exchange Commission on December 29, 2008. As a result, future developments could differ materially from those indicated in the forward-looking statements. Infineon does not intend or assume any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated.



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