

## Press Release

### International Rectifier successfully integrated with strong contribution to earnings

- **Q4 FY 2015: Revenue of €1,598 million; Segment Result €286 million; Segment Result Margin 17.9 percent**
- **International Rectifier's fourth-quarter margin already meets 15 percent target for Segment Result Margin over economic cycle**
- **Outlook for Q1 FY 2016: Quarter-on-quarter revenue decrease of 6 percent (plus or minus 2 percentage points) due to seasonal factors, with Segment Result Margin of 14 percent at mid-point of revenue range**
- **Outlook for FY 2016: Based on an assumed average exchange rate of US\$1.10 to the euro, year-on-year revenue growth of 13 percent (plus or minus 2 percentage points) and Segment Result Margin of 16 percent expected**

Neubiberg, Germany, November 26, 2015 – Infineon Technologies AG today reported its results for the fourth quarter and the 2015 fiscal year, ended September 30, 2015.

€in millions	3 months ended	sequential	3 months ended	year-on-year	3 months ended
	Sep 30, 15	+/- in %	Jun 30, 15	+/- in %	Sep 30, 14
Revenue	1,598	1	1,586	36	1,175
Segment Result	286	17	245	52	188
Segment Result Margin [in %]	17.9%		15.4%		16.0%
Income from continuing operations	322	+++	105	+++	148
Income from discontinued operations, net of income taxes	3	(25)	4	(91)	33
<b>Net income</b>	<b>325</b>	<b>+++</b>	<b>109</b>	<b>80</b>	<b>181</b>
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG <sup>1</sup> :					
Basic earnings per share (in euro) from continuing operations	0.29	+++	0.10	+++	0.13
Basic earnings per share (in euro) from discontinued operations	–	–	–	---	0.03
<b>Basic earnings per share (in euro)</b>	<b>0.29</b>	<b>+++</b>	<b>0.10</b>	<b>81</b>	<b>0.16</b>
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG <sup>1</sup> :					
Diluted earnings per share (in euro) from continuing operations	0.29	+++	0.10	+++	0.13
Diluted earnings per share (in euro) from discontinued operations	–	–	–	---	0.03
<b>Diluted earnings per share (in euro)</b>	<b>0.29</b>	<b>+++</b>	<b>0.10</b>	<b>81</b>	<b>0.16</b>
<b>Adjusted earnings per share (in euro) – diluted<sup>2</sup></b>	<b>0.16</b>	<b>(11)</b>	<b>0.18</b>	<b>-</b>	<b>0.16</b>

<sup>1</sup> The calculation for earnings per share is based on unrounded figures.

<sup>2</sup> The reconciliation of net income to adjusted net income and adjusted earnings per share is presented on page 9.

"The integration of International Rectifier has been a success. The fourth-quarter margin generated by the acquired business was already 15 percent and hence in line with

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Infineon's target for Segment Result Margin over the economic cycle. With that we have achieved our aim more than one year ahead of schedule," stated Dr. Reinhard Ploss, CEO of Infineon Technologies AG. "We will achieve further growth in revenue, earnings and margin in the course of the current 2016 fiscal year."

### **Review of Group financials for the fourth quarter of the 2015 fiscal year**

The Infineon Group's revenue edged up by €12 million or 1 percent to €1,598 million in the fourth quarter of the 2015 fiscal year, compared with €1,586 million in the previous quarter. The Industrial Power Control (IPC), Power Management & Multimarket (PMM), and Chip Card & Security (CCS) segments all contributed to revenue growth, whereas the Automotive (ATV) segment recorded a 1 percent decrease.

The gross margin, which included depreciation and amortization related to the purchase price allocation of €17 million rose to 39.0 percent quarter-on-quarter. Gross margin in the preceding quarter was 34.8 percent.

Segment Result improved by 17 percent quarter-on-quarter from €245 million to €286 million in the fourth quarter. The fourth-quarter Segment Result Margin came in at 17.9 percent, compared to 15.4 percent in the preceding three-month period. The margin contributed by the businesses acquired in conjunction with the purchase of International Rectifier, including realized synergy benefits, has improved further since the transaction closed in January, reaching a level of 15 percent by the final quarter of the 2015 fiscal year. The fourth-quarter Segment Result Margin also benefited from a favorable product mix and positive currency factors on the cost side.

The non-segment result improved quarter-on-quarter from minus €126 million to minus €83 million in the fourth quarter of the 2015 fiscal year. The fourth-quarter figure includes €62 million recognized for depreciation and amortization related to the purchase price allocation and other acquisition related expenses. The total amount of €83 million comprises cost of goods sold (€28 million), research and development expenses (€5 million), selling, general and administrative expenses (€39 million) and other operating expenses (€11 million).

Operating income rose from €119 million in the third quarter of the 2015 fiscal year to €203 million in the fourth quarter. Income from continuing operations improved from €105 million to €322 million, while income from discontinued operations decreased from €4 million to €3 million. Net income increased from €109 million in the third quarter to

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€325 million in the three-month period under report. Besides the significantly improved operating income figure, a net income tax benefit of €131 million recognized in the fourth quarter had a positive impact on net income. The tax benefit comprises income of €209 million resulting from the reversal of a valuation allowance on deferred tax assets, recognized in light of higher earnings expectations. Current tax for the 2015 fiscal year and tax effects related to prior fiscal years worked in the opposite direction.

Earnings per share (basic and diluted) increased from €0.10 in the third quarter 2015 to €0.29 in the fourth.

Adjusted earnings per share<sup>1</sup> (diluted) decreased quarter-on-quarter from €0.18 to €0.16 in the fourth quarter of the 2015 fiscal year. For the purposes of calculating adjusted earnings per share (diluted), a number of items were eliminated, most notably acquisition-related depreciation/amortization and other expenses (net of tax) as well as reversals of valuation allowances on deferred tax assets.

Investments – which Infineon defines as the sum of purchases of property, plant and equipment, purchases of intangible assets and capitalized development assets – increased to €279 million in the fourth quarter, compared to €215 million in the preceding three-month period. Depreciation and amortization increased from €205 million to €211 million quarter-on-quarter.

Free cash flow<sup>2</sup> from continuing operations amounted to €177 million in the fourth quarter, compared to the third-quarter figure of €220 million. At €429 million, net cash provided by operating activities from continuing operations was more or less unchanged from the previous quarter's figure of €432 million.

The gross cash position went up from €1,842 million at the end of the third quarter to €2,013 million at September 30, 2015. The net cash position improved over the same period from €49 million to €220 million.

### **Dividend for the 2015 fiscal year: €0.20 per share**

Infineon's Management Board and Supervisory Board will propose at the Annual General Meeting, which will be held in Munich on February 18, 2016, that the dividend

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<sup>1</sup> Adjusted net income and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information over and above the net income and earnings per share (diluted) determined in accordance with IFRS. The detailed calculation of adjusted earnings per share is presented on page 9.

<sup>2</sup> For definitions and the calculation of free cash flow and of the gross and net cash position, please see page 13.

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for the 2015 fiscal year be raised by €0.02 to €0.20. This proposed dividend increase follows the previous increase of €0.06 from €0.12 to €0.18.

Infineon's stated objective is to pursue a dividend policy that enables shareholders to participate appropriately in growing earnings or, in times of flat or declining earnings and/or of negative free cash flows, to keep the dividend at least at a constant level.

### **Outlook for the first quarter of 2016 fiscal year**

In the first quarter of the 2016 fiscal year, Infineon expects a quarter-on-quarter revenue decrease of 6 percent (plus or minus 2 percentage points) due to seasonal factors. This forecast is based on an assumed average exchange rate of US\$1.10 to the euro. At the mid-point of the revenue range, the Segment Result Margin is expected to come in at approximately 14 percent.

### **Outlook for the 2016 fiscal year**

Based on an assumed average exchange rate of US\$1.10 to the euro, Infineon expects year-on-year revenue growth of around 13 percent (plus or minus 2 percentage points) and a Segment Result Margin of 16 percent at the mid-point of the range for the forecast revenue growth.

The Power Management & Multimarket segment is expected to grow faster than the Group average. Revenue growth in the Industrial Power Control segment is forecast to be roughly in line with the Group average. The Automotive and Chip Card & Security segments are both expected to report growth below the Group average. The forecast includes the financial figures of International Rectifier for the full fiscal year. The results of operations for the 2015 fiscal year included figures for International Rectifier with effect from the closing of the acquisition on January 13, 2015.

Investments in property, plant and equipment, intangible assets and capitalized development costs in the region of €850 million are planned for the 2016 fiscal year. The ratio for investments as a percentage of revenue (at the mid-point of the forecast range) is forecast at 13 percent. Depreciation and amortization are also expected to be in the region of €850 million.

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## Segment earnings in the fourth quarter of the 2015 fiscal year

€ in millions	in % of total revenue	3 months ended Sep 30, 15	sequential +/- in %	3 months ended Jun 30, 15	year-on- year +/- in %	3 months ended Sep 30, 14
<b>Infineon</b>						
Revenue	100	1,598	1	1,586	36	1,175
Segment Result		286	17	245	52	188
Segment Result Margin [in %]		17.9%		15.4%		16.0%
<b>Automotive (ATV)</b>						
Segment Revenue	39	614	(1)	621	19	518
Segment Result		93	31	71	35	69
Segment Result Margin [in %]		15.1%		11.4%		13.3%
<b>Industrial Power Control (IPC)</b>						
Segment Revenue	17	271	1	269	24	219
Segment Result		41	28	32	(7)	44
Segment Result Margin [in %]		15.1%		11.9%		20.1%
<b>Power Management &amp; Multimarket (PMM)</b>						
Segment Revenue	33	534	3	517	78	300
Segment Result		118	12	105	97	60
Segment Result Margin [in %]		22.1%		20.3%		20.0%
<b>Chip Card &amp; Security (CCS)</b>						
Segment Revenue	11	181	5	172	27	142
Segment Result		37	9	34	85	20
Segment Result Margin [in %]		20.4%		19.8%		14.1%
<b>Other Operating Segments (OOS)</b>						
Segment Revenue	0	2	(33)	3	(60)	5
Segment Result		1	-	1	+++	-
<b>Corporate and Eliminations (C&amp;E)</b>						
Segment Revenue	0	(4)	---	4	56	(9)
Segment Result		(4)	---	2	20	(5)

The ATV segment recorded revenue of €614 million in the fourth quarter of the 2015 fiscal year, whereby the marginal 1 percent decrease against the previous quarter's figure of €621 million reflects the fact that strong demand for new vehicles in Europe and North America was not quite sufficient to fully offset the slightly weaker demand recorded in China early in the final quarter of the 2015 fiscal year. Segment Result rose from €71 million to €93 million, while the Segment Result Margin improved from 11.4 percent to 15.1 percent.

IPC segment revenue edged up by 1 percent to €271 million in the fourth quarter, compared to €269 million in the previous quarter, with demand growing for electrical drives and renewable energy business and falling for major home appliances. Segment Result improved from €32 million to €41 million, with the Segment Result Margin rising from 11.9 percent to 15.1 percent.

PMM segment revenue grew quarter-on-quarter by 3 percent from €517 million in the third quarter to €534 million in the fourth quarter in the 2015 fiscal year. The rise was primarily driven by good sales for mobile devices, with smaller increases also recorded

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in the field of power supplies and DC-DC conversion solutions for servers. Segment Result improved from €105 million in the previous quarter to €118 million in the fourth quarter, while the Segment Result Margin rose from 20.3 percent to 22.1 percent in the last quarter of the 2015 fiscal year.

CCS segment revenue grew by 5 percent to €181 million in the fourth quarter of the 2015 fiscal year, up from €172 million in the preceding quarter. However, fourth-quarter revenue was 27 percent up on the previous year's figure of €142 million. The payment, government ID and authentication businesses all showed an upward trend in the fourth quarter, with demand rising sharply in some of these areas. Segment Result improved from €34 million to €37 million. The fourth-quarter Segment Result Margin of 20.4 percent compared favorably with the previous quarter's 19.8 percent.

### **Analyst telephone conference and press conference**

Infineon will host a telephone conference call for analysts and investors (in English only) on November 26, 2015 at 9:30 am (CET), 3:30 am (EST). During the call, the Infineon Management Board will present the Company's results for the fourth quarter and the 2015 fiscal year. In addition, the Management Board will host a live press conference with the media at 11:00 am (CET), 5:00 am (EST). It can be followed over the internet in both English and German. Both conferences will also be available live and for download on Infineon's website at [www.infineon.com/investor](http://www.infineon.com/investor) .

The **Q4 Investor Presentation** is available (in English only) at:

[www.infineon.com/cms/en/about-infineon/investor/reporting/](http://www.infineon.com/cms/en/about-infineon/investor/reporting/)

The **2015 annual report** will be published on Thursday, November 26, 2015 at about 10.00 am (CET) on Infineon's website as well the website of Deutsche Börse.

[www.infineon.com/annualreport](http://www.infineon.com/annualreport)

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### **Infineon Financial Calendar** (\*preliminary)

- Dec 1 – 2, 2015 Credit Suisse TMT Conference, Phoenix/Arizona
- Feb 2, 2016\* Earnings Release for the First Quarter of the 2016 Fiscal Year
- Feb 18, 2016 Annual General Meeting 2016, Munich
- May 3, 2016\* Earnings Release for the Second Quarter of the 2016 Fiscal Year
- Aug 2, 2016\* Earnings Release for the Third Quarter of the 2016 Fiscal Year
- Nov 30, 2016\* Earnings Release for the Fourth Quarter and 2016 Fiscal Year

### **About Infineon**

Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon is the key to a better future. In the 2015 fiscal year (ending September 30), the company reported sales of about Euro 5.8 billion with some 35,400 employees worldwide. 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)

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## FINANCIAL INFORMATION

According to IFRS

### Consolidated Statement of Operations

€ in millions; except for the per share data	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
Revenue	1,598	1,586	1,175	5,795	4,320
Cost of goods sold	(974)	(1,034)	(716)	(3,715)	(2,673)
<b>Gross profit</b>	<b>624</b>	<b>552</b>	<b>459</b>	<b>2,080</b>	<b>1,647</b>
Research and development expenses	(197)	(201)	(140)	(717)	(550)
Selling, general and administrative expenses	(215)	(210)	(138)	(778)	(496)
Other operating income	14	3	8	28	26
Other operating expenses	(23)	(25)	(71)	(58)	(102)
<b>Operating income</b>	<b>203</b>	<b>119</b>	<b>118</b>	<b>555</b>	<b>525</b>
Financial income	2	2	3	10	10
Financial expenses	(15)	(12)	(4)	(49)	(19)
Gain from investments accounted for using the equity method	1	1	2	4	3
<b>Income from continuing operations before income taxes</b>	<b>191</b>	<b>110</b>	<b>119</b>	<b>520</b>	<b>519</b>
Income tax	131	(5)	29	102	(31)
<b>Income from continuing operations</b>	<b>322</b>	<b>105</b>	<b>148</b>	<b>622</b>	<b>488</b>
Income from discontinued operations, net of income taxes	3	4	33	12	47
<b>Net income</b>	<b>325</b>	<b>109</b>	<b>181</b>	<b>634</b>	<b>535</b>
Attributable to:					
Non-controlling interests	-	-	-	2	-
Shareholders of Infineon Technologies AG	325	109	181	632	535
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG <sup>1</sup> :					
Weighted average shares outstanding (in million) – basic	1,123	1,123	1,122	1,123	1,111
Basic earnings per share (in euro) from continuing operations	0.29	0.10	0.13	0.55	0.44
Basic earnings per share (in euro) from discontinued operations	-	-	0.03	0.01	0.04
<b>Basic earnings per share (in euro)</b>	<b>0.29</b>	<b>0.10</b>	<b>0.16</b>	<b>0.56</b>	<b>0.48</b>
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG <sup>1</sup> :					
Weighted average shares outstanding (in million) – diluted	1,126	1,126	1,122	1,125	1,123
Diluted earnings per share (in euro) from continuing operations	0.29	0.10	0.13	0.55	0.44
Diluted earnings per share (in euro) from discontinued operations	-	-	0.03	0.01	0.04
<b>Diluted earnings per share (in euro)</b>	<b>0.29</b>	<b>0.10</b>	<b>0.16</b>	<b>0.56</b>	<b>0.48</b>

<sup>1</sup> The calculation for earnings per share is based on unrounded figures.

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## Segment Revenues and Segment Results

Infineon defines Segment Result as operating income (loss) excluding the following: the net amount of asset impairments and reversals thereof; impact on earnings of restructuring and closures; share-based compensation expense; acquisition-related depreciation/amortization and other expenses; gains (losses) on sales of assets, businesses, or interests in subsidiaries, as well as other income (expense), including litigation costs.

## Reconciliation of Total Segment Result to Operating Income

€ in millions	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
Segment Result	286	245	188	897	620
Plus/minus:					
Impairment on assets including assets classified as held for sale, net of reversals	(17)	(13)	(1)	(31)	(3)
Impact on earnings of restructuring and closures, net	(1)	(10)	-	(13)	(8)
Share-based compensation expenses	(2)	(2)	(2)	(6)	(6)
Acquisition-related depreciation/amortization and other expenses	(62)	(97)	(8)	(274)	(8)
Gains (losses) on sales of assets, businesses, or interests in subsidiaries, net	(2)	-	-	(2)	2
Other income and expenses, net <sup>1</sup>	1	(4)	(59)	(16)	(72)
<b>Operating income</b>	<b>203</b>	<b>119</b>	<b>118</b>	<b>555</b>	<b>525</b>

<sup>1</sup> The €83 million fine imposed upon Infineon by the EU-Commission in their antitrust investigations against chip card manufacturers is included in the 3 and 12 months to 30 September 2014.

## Reconciliation to adjusted earnings and adjusted earnings per share – diluted

Earnings per share in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular International Rectifier) as well as by other exceptional items. To enable better comparability of operating performance over time, Infineon computes adjusted earnings per share (diluted) as follows:

€ in millions (unless otherwise stated)	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
<b>Earnings from continuing operations attributable to shareholders of Infineon Technologies AG – diluted</b>	322	105	148	620	491
Plus/minus:					
Impairments on assets including assets classified as held for sale, net of reversals	17	13	1	31	3
Impact on earnings of restructuring and closures, net	1	10	-	13	8
Share-based compensation expense	2	2	2	6	6
Acquisition-related depreciation/amortization and other expenses	62	97	8	274	8
Gains (losses) on sales of assets, businesses, or interests in subsidiaries, net	2	-	-	2	(2)
Other income and expenses, net	(1)	4	59	16	72
Tax effects on adjustments	(11)	(28)	4	(73)	1
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	(209)	-	(48)	(209)	(48)
<b>Adjusted earnings from continuing operations attributable to shareholders of Infineon Technologies AG – diluted</b>	<b>185</b>	<b>203</b>	<b>174</b>	<b>680</b>	<b>539</b>
Weighted-average number of shares outstanding – diluted	1,126	1,126	1,122	1,125	1,123
<b>Adjusted earnings per share (in euro) – diluted<sup>1</sup></b>	<b>0.16</b>	<b>0.18</b>	<b>0.16</b>	<b>0.60</b>	<b>0.48</b>

<sup>1</sup> The calculation of the adjusted earnings per share is based on unrounded figures.

Adjusted net income and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information to the net income and earnings per share (diluted) determined in accordance with IFRS.

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## Revenues and Segment Result for the three and twelve months ended September 30, 2015 and 2014

Revenue € in millions	3 months ended			12 months ended		
	Sep 30, 15	Sep 30, 14	+/- in %	Sep 30, 15	Sep 30, 14	+/- in %
	(unaudited)	(unaudited)				
Automotive	614	518	19	2,351	1,965	20
Industrial Power Control	271	219	24	971	783	24
Power Management & Multimarket	534	300	78	1,794	1,061	69
Chip Card & Security	181	142	27	666	494	35
Other Operating Segments	2	5	(60)	14	22	(36)
Corporate and Eliminations	(4)	(9)	56	(1)	(5)	80
<b>Total</b>	<b>1,598</b>	<b>1,175</b>	<b>36</b>	<b>5,795</b>	<b>4,320</b>	<b>34</b>

Segment Result € in millions	3 months ended			12 months ended		
	Sep 30, 15	Sep 30, 14	+/- in %	Sep 30, 15	Sep 30, 14	+/- in %
	(unaudited)	(unaudited)				
Automotive	93	69	35	300	259	16
Industrial Power Control	41	44	(7)	122	144	(15)
Power Management & Multimarket	118	60	97	352	172	+++
Chip Card & Security	37	20	85	121	43	+++
Other Operating Segments	1	-	+++	5	6	(17)
Corporate and Eliminations	(4)	(5)	20	(3)	(4)	25
<b>Total</b>	<b>286</b>	<b>188</b>	<b>52</b>	<b>897</b>	<b>620</b>	<b>45</b>

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## Revenues and Segment Result for the three months ended September 30, 2015 and June 30, 2015

Revenue € in millions	3 months ended		
	Sep 30, 15	Jun 30, 15	+/- in %
	(unaudited)	(unaudited)	
Automotive	614	621	(1)
Industrial Power Control	271	269	1
Power Management & Multimarket	534	517	3
Chip Card & Security	181	172	5
Other Operating Segments	2	3	(33)
Corporate and Eliminations	(4)	4	---
<b>Total</b>	<b>1,598</b>	<b>1,586</b>	<b>1</b>

Segment Result € in millions	3 months ended		
	Sep 30, 15	Jun 30, 15	+/- in %
	(unaudited)	(unaudited)	
Automotive	93	71	31
Industrial Power Control	41	32	28
Power Management & Multimarket	118	105	12
Chip Card & Security	37	34	9
Other Operating Segments	1	1	-
Corporate and Eliminations	(4)	2	---
<b>Total</b>	<b>286</b>	<b>245</b>	<b>17</b>

## Employees

	Sep 30, 15	Jun 30, 15	Sep 30, 14
		(unaudited)	
Infineon	35,424	35,039	29,807
Thereof: Research and development	5,778	5,670	4,822

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## Consolidated Statement of Financial Position

€ in millions	Sep 30, 15	Jun 30, 15 (unaudited)	Sep 30, 14
<b>Assets:</b>			
Cash and cash equivalents	673	700	1,058
Financial investments	1,340	1,142	1,360
Trade receivables	742	729	581
Inventories	1,129	1,040	707
Income tax receivable	2	9	7
Other current assets	229	267	221
Assets classified as held for sale	-	21	-
<b>Total current assets</b>	<b>4,115</b>	<b>3,908</b>	<b>3,934</b>
Property, plant and equipment	2,093	2,025	1,700
Goodwill and other intangible assets	1,738	1,761	250
Investments accounted for using the equity method	33	33	35
Non-current income tax receivable	3	-	-
Deferred tax assets	604	397	378
Other non-current assets	155	162	141
<b>Total non-current assets</b>	<b>4,626</b>	<b>4,378</b>	<b>2,504</b>
<b>Total assets</b>	<b>8,741</b>	<b>8,286</b>	<b>6,438</b>
<b>Liabilities and equity:</b>			
Short-term debt and current maturities of long-term debt	33	26	35
Trade payables	802	747	648
Short-term provisions	402	381	590
Income tax payable	123	76	69
Other current liabilities	225	210	261
<b>Total current liabilities</b>	<b>1,585</b>	<b>1,440</b>	<b>1,603</b>
Long-term debt	1,760	1,767	151
Pension plans and similar commitments	426	362	379
Deferred tax liabilities	147	150	5
Long-term provisions	72	74	70
Other non-current liabilities	86	86	72
<b>Total non-current liabilities</b>	<b>2,491</b>	<b>2,439</b>	<b>677</b>
<b>Total liabilities</b>	<b>4,076</b>	<b>3,879</b>	<b>2,280</b>
Shareholders' equity:			
Ordinary share capital	2,259	2,259	2,255
Additional paid-in capital	5,213	5,216	5,414
Accumulated deficit	(2,897)	(3,166)	(3,502)
Other reserves	126	134	64
Own shares	(37)	(37)	(37)
Put options on own shares	-	-	(40)
<b>Equity attributable to shareholders of Infineon Technologies AG</b>	<b>4,664</b>	<b>4,406</b>	<b>4,154</b>
Non-controlling interests	1	1	4
<b>Total equity</b>	<b>4,665</b>	<b>4,407</b>	<b>4,158</b>
<b>Total liabilities and equity</b>	<b>8,741</b>	<b>8,286</b>	<b>6,438</b>

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## Regional Sales Development

in %	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
<b>Revenue:</b>					
Europe, Middle East, Africa	33%	34%	39%	35%	39%
Therein: Germany	16%	16%	20%	16%	20%
Asia-Pacific (w/o Japan)	47%	47%	44%	46%	43%
Therein: China	24%	24%	21%	23%	20%
Japan	8%	7%	6%	7%	7%
Americas	12%	12%	11%	12%	11%
Therein: USA	10%	10%	8%	10%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Consolidated Statement of Cash Flows

### Gross and Net Cash Position

The following table reconciles the gross cash position and net cash position (i.e. after deduction of debt). Since some liquid funds are held in the form of financial investments, which for IFRS purposes are not considered to be "cash and cash equivalents", Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of Infineon's overall liquidity. The gross and net cash position is determined as follows from the Consolidated Statement of Financial Position:

€ in millions	Sep 30, 15	Jun 30, 15	Sep 30, 14
		(unaudited)	
Cash and cash equivalents	673	700	1,058
Financial investments	1,340	1,142	1,360
<b>Gross cash position</b>	<b>2,013</b>	<b>1,842</b>	<b>2,418</b>
Less:			
Short-term debt and current maturities of long-term debt	33	26	35
Long-term debt	1,760	1,767	151
<b>Net cash position</b>	<b>220</b>	<b>49</b>	<b>2,232</b>

### Free Cash Flow

Infineon reports the free cash flow figure defined as net cash provided by and/or used in operating activities and net cash provided by and/or used in investing activities, both from continuing operations, after adjusting for cash flows related to the purchase and sale of financial investments. Free cash flow serves as an additional performance indicator, since Infineon holds part of its liquidity in the form of financial investments. This does not mean that the free cash flow calculated in this way is available to cover other disbursements, since dividend, debt-servicing obligations and other fixed disbursements are not deducted. Free cash flow should not be seen as a replacement or superior performance indicator, but rather as an additional useful piece of information over and above the disclosure of the cash flow reported in the Consolidated Statement of Cash Flows, and as a supplementary disclosure to other liquidity performance indicators and other performance indicators derived from the IFRS figures. Free cash flow includes only amounts from continuing operations, and is derived as follows from the Consolidated Statement of Cash Flows:

€ in millions	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
Net cash provided by operating activities from continuing operations	429	432	399	957	988
Net cash provided by (used in) investing activities from continuing operations	(450)	(437)	370	(2,593)	(272)
Purchases of (proceeds from sales of) financial investments, net	198	225	(611)	(18)	(399)
<b>Free Cash Flow from continuing operations</b>	<b>177</b>	<b>220</b>	<b>158</b>	<b>(1,654)</b>	<b>317</b>

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## Consolidated Statement of Cash Flows

€ in millions	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
<b>Net income</b>	<b>325</b>	<b>109</b>	<b>181</b>	<b>634</b>	<b>535</b>
Minus: net loss (income) from discontinued operations, net of income taxes	(3)	(4)	(33)	(12)	(47)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	211	205	137	760	514
Income tax	(131)	5	(29)	(102)	31
Net interest result	13	10	1	42	9
Gains on disposals of property, plant and equipment	(7)	-	-	(7)	(2)
Dividends received from associated companies	-	-	-	1	1
Impairment charges	17	13	2	31	3
Other non-cash result	1	1	(1)	-	(2)
Change in trade receivables	(11)	2	(24)	(65)	(58)
Change in inventories	(88)	(37)	(22)	(133)	(89)
Change in trade payables	55	73	115	50	74
Change in provisions	35	72	(22)	(48)	(29)
Change in other assets and liabilities	36	(2)	108	(95)	99
Interest received	2	1	3	8	10
Interest paid	(6)	(5)	(1)	(14)	(9)
Income tax paid	(20)	(11)	(16)	(93)	(52)
<b>Net cash provided by operating activities from continuing operations</b>	<b>429</b>	<b>432</b>	<b>399</b>	<b>957</b>	<b>988</b>
<b>Net cash used in operating activities from discontinued operations</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(140)</b>	<b>(7)</b>
<b>Net cash provided by operating activities</b>	<b>427</b>	<b>430</b>	<b>397</b>	<b>817</b>	<b>981</b>
Purchases of financial investments	(298)	(550)	(90)	(1,478)	(1,238)
Proceeds from sales of financial investments	100	325	701	1,496	1,637
Purchases of other equity investments	-	-	-	(14)	-
Acquisitions of businesses, net of cash acquired	(3)	(2)	-	(1,869)	(7)
Purchases of intangible assets and other assets	(23)	(32)	(31)	(139)	(101)
Purchases of property, plant and equipment	(256)	(183)	(211)	(646)	(567)
Proceeds from sales of property, plant and equipment and other assets	30	5	1	57	4
<b>Net cash provided by (used in) investing activities from continuing operations</b>	<b>(450)</b>	<b>(437)</b>	<b>370</b>	<b>(2,593)</b>	<b>(272)</b>
<b>Net cash used in investing activities from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Net cash provided by (used in) investing activities</b>	<b>(450)</b>	<b>(437)</b>	<b>370</b>	<b>(2,593)</b>	<b>(273)</b>

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€ in millions	3 months ended			12 months ended	
	Sep 30, 15	Jun 30, 15	Sep 30, 14	Sep 30, 15	Sep 30, 14
	(unaudited)	(unaudited)	(unaudited)		
Net change in short-term debt	1	-	-	2	-
Net change in related party financial receivables and payables	-	-	-	-	(1)
Proceeds from issuance of long-term debt	3	1	1	2,398	4
Repayments of long-term debt	(7)	(13)	(6)	(831)	(29)
Repurchase of subordinated convertible bonds	-	-	-	-	(35)
Change in cash deposited as collateral	1	-	-	-	7
Proceeds from issuance of ordinary shares	-	3	-	11	1
Cash outflows due to changes of non-controlling interests	-	(15)	-	(15)	-
Proceeds from the issuance of put options on own shares	-	-	-	-	3
Dividend payments	-	-	-	(202)	(129)
<b>Net cash provided by (used in) financing activities from continuing operations</b>	<b>(2)</b>	<b>(24)</b>	<b>(5)</b>	<b>1,363</b>	<b>(179)</b>
<b>Net cash used in financing activities from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(2)</b>	<b>(24)</b>	<b>(5)</b>	<b>1,363</b>	<b>(179)</b>
Net change in cash and cash equivalents	(25)	(31)	762	(413)	529
Effect of foreign exchange rate changes on cash and cash equivalents	(2)	(7)	5	28	2
Cash and cash equivalents at beginning of period	700	738	291	1,058	527
<b>Cash and cash equivalents at end of period</b>	<b>673</b>	<b>700</b>	<b>1,058</b>	<b>673</b>	<b>1,058</b>

## DISCLAIMER

This press release contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected.

Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Due to rounding, numbers presented throughout this press release and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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