



Press Release

Revenue and earnings in line with increased outlook for fiscal year. Another dividend hike planned. Continuing strong growth in FY 2018 expected: accelerating growth momentum dampened by weaker dollar

- **Q4 FY 2017: Revenue of €1,820 million; Segment Result €328 million; Segment Result Margin 18.0 percent; earnings per share €0.16 (basic and diluted); adjusted earnings per share €0.22 (diluted); gross margin 37.5 percent, adjusted gross margin 38.6 percent**
- **Lower revenue in Q4 compared to Q3 FY 2017 as consequence of significantly weaker US dollar**
- **Outlook for Q1 FY 2018: Quarter-on-quarter revenue decrease of 2 percent (plus or minus 2 percentage points) due to seasonality, and Segment Result Margin of 15 percent at mid-point of revenue guidance**
- **Outlook for FY 2018: Based on an assumed exchange rate of US\$ 1.15 to the euro (compared to an average EUR/USD exchange rate of US\$ 1.11 in FY 2017), year-on-year revenue growth of about 9 percent (plus or minus 2 percentage points) and Segment Result Margin of 17 percent at mid-point of revenue guidance**

Neubiberg, Germany, 14 November 2017 – Infineon Technologies AG today reported preliminary results for the fourth quarter and the 2017 fiscal year, both ended 30 September 2017.

“Infineon continues to grow. We raised the outlook for the full fiscal year in March 2017 and achieved the higher targets, despite stronger headwinds caused by the weaker US dollar,” stated Dr. Reinhard Ploss, CEO of Infineon. “Our growth is very broadly based. Alongside electro-mobility, driver assistance systems and renewable energy, a further pillar of growth is our industrial business – including drives for increasingly automated production machinery and robotics. Demand is also strong for our highly efficient chips, by example for fast chargers for tablets. With future technologies such as silicon carbide and gallium nitride, we are paving the way for tomorrow's success. Adjusted for exchange rate effects, our growth rate in the 2018 fiscal year could even reach the double-digit mark.”

For the Business and Trade Press: INFXX201711.008e

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€ in millions	3 months ended	sequential	3 months ended	year-on-year	3 months ended
	30 Sep 17	+/- in %	30 Jun 17	+/- in %	30 Sep 16
Revenue	1,820	(1)	1,831	9	1,675
Segment Result	328	(3)	338	17	280
Segment Result Margin [in %]	18.0%		18.5%		16.7%
Income from continuing operations	177	(29)	250	(22)	228
Income from discontinued operations, net of income taxes	(1)	---	3	+++	(3)
Net income	176	(30)	253	(22)	225
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Basic earnings per share (in euro) from continuing operations	0.16	(27)	0.22	(20)	0.20
Basic earnings per share (in euro) from discontinued operations	–	–	–	–	–
Basic earnings per share (in euro)	0.16	(27)	0.22	(20)	0.20
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Diluted earnings per share (in euro) from continuing operations	0.16	(27)	0.22	(20)	0.20
Diluted earnings per share (in euro) from discontinued operations	–	–	–	–	–
Diluted earnings per share (in euro)	0.16	(27)	0.22	(20)	0.20
Adjusted earnings per share (in euro) – diluted²	0.22	(8)	0.24	5	0.21
Gross margin [in %]	37.5%		38.2%		36.3%
Adjusted gross margin³ [in %]	38.6%		39.4%		37.7%

¹ The calculation for earnings per share and adjusted earnings per share is based on unrounded figures.

² The reconciliation of net income to adjusted net income and adjusted earnings per share is presented on page 10.

³ The reconciliation of cost of goods sold to adjusted cost of goods sold and adjusted gross margin is presented on page 11.

Review of Group financials for the fourth quarter of 2017 fiscal year

Compared to the preceding quarter, fourth-quarter revenue fell by 1 percent to €1,820 million. Revenue in the third quarter had amounted to €1,831 million. This seasonally atypical decrease was attributable to the significantly weaker US dollar in the period from July to September 2017. Demand remained vibrant for products used in the automotive and industrial sectors as well as for power supplies and power semiconductors in general. Revenue grew slightly for the Industrial Power Control (IPC) and Power Management & Multimarket (PMM) segments despite the weaker US dollar, but declined slightly for the Automotive (ATV) and Chip Card & Security (CCS) segments.

The gross margin in the fourth quarter was 37.5 percent, compared to 38.2 percent in the preceding three-month period. These figures include acquisition-related depreciation and amortization as well as other expenses attributable to the International Rectifier acquisition totaling €19 million. The adjusted gross margin came in at 38.6 percent, compared to 39.4 percent one quarter earlier.

Fourth-quarter Segment Result amounted to €328 million, compared to the previous quarter's €338 million. The Segment Result Margin declined from 18.5 percent to 18.0 percent.

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The non-segment result in the final quarter of the 2017 fiscal year corresponded to a net loss of €56 million, compared to one of €40 million in the previous three-month period. Of the fourth-quarter figure, €20 million related to the cost of goods sold, €17 million to selling, general and administrative expenses and €1 million to research and development expenses. In addition, other operating income and other operating expenses were minus €18 million, including a loss of €13 million arising from the deconsolidation of Infineon's manufacturing entity in Newport (Wales, United Kingdom). The loss arose primarily as a result of cumulative foreign currency translation differences caused by the drop in the value of the British pound in the wake of the Brexit announcement.

The non-segment result for the fourth quarter includes €33 million of depreciation and amortization arising in conjunction with the purchase price allocation and other expenses for post-merger integration measures relating to the acquisition of International Rectifier.

Operating income for the fourth quarter of the 2017 fiscal year amounted to €272 million, compared to €298 million in the preceding quarter. Income from continuing operations totaled €177 million, down from corresponding third-quarter figure of €250 million. Loss from discontinued operations was €1 million, compared to an income of €3 million in the preceding quarter. Net income decreased from €253 million to €176 million quarter-on-quarter, with the expense for income taxes increasing from €37 million to €84 million. The figure for the fourth quarter of the 2017 fiscal year includes a deferred tax expense of €52 million, resulting from the utilization and revaluation of tax loss-carry-forwards and tax credits.

Earnings per share for the fourth quarter fell to €0.16, down from €0.22 in the preceding quarter (basic and diluted). Adjusted earnings per share¹ (diluted) amounted to €0.22, compared to €0.24 one quarter earlier. For the purpose of calculating adjusted earnings per share (diluted), a number of items are eliminated, most notably acquisition-related depreciation/amortization and other expenses (net of tax) as well as 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 costs – totaled

¹ 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. The detailed calculation of adjusted earnings per share is presented on page 10.

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€370 million in the fourth quarter, well up on the preceding quarter's figure of €231 million. Depreciation and amortization increased slightly from €202 million to €205 million.

Free cash flow² from continuing operations totaled €249 million in the fourth quarter, down from €301 million in the preceding three-month period. Net cash provided by operating activities from continuing operations improved from €531 million to €616 million.

The gross cash position stood at €2,452 million at 30 September 2017, up on the figure of €2,217 million reported at 30 June 2017. The net cash position improved over the same period from €358 million to €618 million.

Provisions relating to Qimonda increased from €24 million to €33 million during the three-month reporting period. These provisions are recognized for legal costs in conjunction with the defense against claims made by the Qimonda insolvency administrator and for residual liabilities relating to Qimonda Dresden GmbH & Co. OHG.

Proposed dividend for 2017 fiscal year: €0.25 per share

In recent years, Infineon has increased the dividend several times, from €0.10 for the 2010 fiscal year to €0.22 per share for the 2016 fiscal year. In light of favorable business developments in the last financial year and the positive outlook for the 2018 fiscal year, a proposal shall be made to shareholders at the Annual General Meeting 2018 to increase the dividend for the 2017 fiscal year by a further 3 cents to €0.25 per share. Infineon's dividend policy is to allow shareholders to participate appropriately in growing earnings and, in times of flat or declining earnings, to at least keep the dividend at a constant level.

Outlook for first quarter of 2018 fiscal year

In the first three months of the 2018 fiscal year, Infineon expects a seasonally typical quarter-on-quarter revenue decrease of 2 percent, plus or minus 2 percentage points. The forecast is based on an assumed exchange rate of US\$ 1.15 to the euro. At the mid-point of revenue guidance, the Segment Result Margin is expected to come in at 15 percent.

² For definitions and the calculation of free cash flow and of the gross and net cash position, please see page 14.

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Outlook for 2018 fiscal year

For the 2018 fiscal year, based on an assumed exchange rate of US dollar 1.15 to the euro, Infineon expects year-on-year revenue growth of about 9 percent, plus or minus 2 percentage points. The average EUR/USD exchange rate during the 2017 fiscal year was 1.11 and thus more favorable for Infineon's revenue and earnings performance than the exchange rate of 1.15 now assumed for the coming fiscal year. If the exchange rate were to remain unchanged, the pace of growth compared to the 2017 fiscal year would be even higher. The Segment Result Margin is expected to come in at about 17 percent at the mid-point of revenue guidance. The ATV segment is predicted to grow at a meaningfully faster rate than the Group average. The IPC and PMM segments are both likely to report growth rates below the Group average. Due to the difficult market situation, revenue for the CCS segment is expected to remain broadly unchanged compared to the last fiscal year.

Investments in property, plant and equipment, intangible assets and capitalized development costs totaling between €1.1 and €1.2 billion are planned for the 2018 fiscal year. The ratio of investments to revenue at the mid-point of revenue guidance for the 2018 fiscal year should therefore be about 15 percent and hence above the target level of 13 percent of revenue. This development reflects high investments in additional manufacturing capacities, especially for electro-mobility products, which, along with other lines of business, are expected to see rising demand.

Depreciation and amortization is expected to be in the region of €880 million.

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Segment earnings in the fourth quarter of the 2017 fiscal year

€in millions	in % of total revenue	3 months ended 30 Sep 17	sequential +/- in %	3 months ended 30 Jun 17	year-on- year +/- in %	3 months ended 30 Sep 16
Infineon						
Revenue	100	1,820	(1)	1,831	9	1,675
Segment Result		328	(3)	338	17	280
Segment Result Margin [in %]		18.0%		18.5%		16.7%
Automotive (ATV)¹						
Segment Revenues	40	736	(4)	766	7	691
Segment Result		109	(9)	120	(3)	112
Segment Result Margin [in %]		14.8%		15.7%		16.2%
Industrial Power Control (IPC)¹						
Segment Revenues	18	328	2	321	18	279
Segment Result		60	9	55	62	37
Segment Result Margin [in %]		18.3%		17.1%		13.3%
Power Management & Multimarket (PMM)¹						
Segment Revenues	32	573	3	557	8	533
Segment Result		126	(2)	129	26	100
Segment Result Margin [in %]		22.0%		23.2%		18.8%
Chip Card & Security (CCS)¹						
Segment Revenues	10	181	(2)	185	4	174
Segment Result		33	(3)	34	-	33
Segment Result Margin [in %]		18.2%		18.4%		19.0%
Other Operating Segments (OOS)						
Segment Revenue	0	2	-	2	+++	1
Segment Result		1	+++	-	+++	-
Corporate and Eliminations (C&E)						
Segment Revenue	0	-	-	-	+++	(3)
Segment Result		(1)	---	-	50	(2)

¹ Individual small product groups were transferred to other segments with effect from 1 October 2016. The previous year's figures have been adjusted accordingly.

ATV segment revenue amounted to €736 million in the fourth quarter of the 2017 fiscal year, down by 4 percent on the previous quarter's figure of €766 million. The slight quarter-on-quarter reduction in revenue was mainly attributable to the weaker US dollar. Demand remained stable, with products for driver assistance systems and electric drivetrain in particular still selling well. The Segment Result declined from €120 million to €109 million quarter-on-quarter. The Segment Result Margin came in at 14.8 percent, compared with 15.7 percent for the preceding three-month period.

IPC segment revenue increased by 2 percent from €321 million in the third quarter to €328 million in the fourth. Business with power modules for renewable energies continued to grow, driven in particular by good demand in wind. Traditional industrial business with electric drives, alongside products for home appliances and traction, also contributed well to revenue growth. Segment Result improved from €55 million in the third quarter to €60 million in the fourth quarter of the 2017 fiscal year. The Segment Result Margin climbed from 17.1 percent to 18.3 percent.

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PMM segment revenue grew by 3 percent from €557 million to €573 million quarter-on-quarter, mostly due to the seasonal rise in demand for mobile devices. Demand in AC-DC and DC-DC power supply remained high. Revenue growth, however, was dampened by the weaker US dollar. The fourth-quarter Segment Result amounted to €126 million, compared to the previous quarter's €129 million. The Segment Result Margin decreased 23.2 percent to 22.0 percent.

CCS segment revenue declined by 2 percent from €185 million to €181 million. This slight quarter-on-quarter decrease in revenue mainly reflected the development of the value of the US dollar. Slightly higher revenue from business in Government ID, Trusted Platform Modules and in Authentication contrasted with lower demand in Payment. The fourth-quarter Segment Result came in at €33 million after €34 million in the third quarter, with a Segment Result Margin at 18.2 percent, down from 18.4 percent one quarter earlier.

Analyst and press telephone conference

Infineon will host a telephone conference call for analysts and investors (in English only) on 14 November 2017 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 of the 2017 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.

The **Q4 Investor Presentation** is available (in English only) at:
<http://www.infineon.com/cms/en/corporate/investor/reporting/>

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Infineon Financial Calendar (* preliminary)

- 15 – 16 Nov 2017 Morgan Stanley TMT Conference, Barcelona
- 28 – 29 Nov 2017 Credit Suisse TMT Conference, Scottsdale, Arizona
- 9 – 10 Jan 2018 Commerzbank German Investment Seminar, New York
- 31 Jan 2018* Earnings Release for the First Quarter of the 2018 Fiscal Year

- 22 Feb 2018 Annual General Meeting 2018, Munich
- 26 – 28 Feb 2018 Mobile World Congress, Barcelona
- 3 May 2018* Earnings Release for the Second Quarter of the 2018 Fiscal Year

- 12 June 2018 Capital Markets Day “IFX Day 2018”, London
- Aug 1, 2018* Earnings Release for the Third Quarter of the 2018 Fiscal Year

- Nov 12, 2018* Earnings Release for the Fourth Quarter and the 2018 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 2017 fiscal year (ending 30 September), the Company reported sales of around €7.1 billion with about 37,500 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

This press release is available online at www.infineon.com/press

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FINANCIAL INFORMATION

According to IFRS – preliminary and unaudited

Consolidated Statement of Operations

	3 months ended			12 months ended	
	30 Sep 17	30 Jun 17	30 Sep 16	30 Sep 17	30 Sep 16
Revenue	1,820	1,831	1,675	7,063	6,473
Cost of goods sold	(1,137)	(1,131)	(1,067)	(4,442)	(4,143)
Gross profit	683	700	608	2,621	2,330
Research and development expenses	(189)	(195)	(180)	(776)	(770)
Selling, general and administrative expenses	(206)	(209)	(196)	(819)	(791)
Other operating income	5	4	7	14	17
Other operating expenses	(21)	(2)	(10)	(57)	(23)
Operating income	272	298	229	983	763
Financial income	3	3	2	10	6
Financial expenses	(15)	(15)	(19)	(63)	(67)
Gain from investments accounted for using the equity method	1	1	1	3	3
Income from continuing operations before income taxes	261	287	213	933	705
Income tax	(84)	(37)	15	(142)	36
Income from continuing operations	177	250	228	791	741
Income (loss) from discontinued operations, net of income taxes	(1)	3	(3)	(1)	2
Net income	176	253	225	790	743
Attributable to:					
Non-controlling interests	-	-	-	-	(1)
Shareholders of Infineon Technologies AG	176	253	225	790	744
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Weighted average shares outstanding (in million) – basic	1,130	1,129	1,126	1,129	1,125
Basic earnings per share (in euro) from continuing operations	0.16	0.22	0.20	0.70	0.66
Basic earnings per share (in euro) from discontinued operations	-	-	-	-	-
Basic earnings per share (in euro)	0.16	0.22	0.20	0.70	0.66
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Weighted average shares outstanding (in million) – diluted	1,134	1,134	1,131	1,134	1,129
Diluted earnings per share (in euro) from continuing operations	0.16	0.22	0.20	0.70	0.66
Diluted earnings per share (in euro) from discontinued operations	-	-	-	-	-
Diluted earnings per share (in euro)	0.16	0.22	0.20	0.70	0.66

¹ The calculation of earnings per share is based on unrounded figures.

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Segment Revenues and Segment Results

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

Reconciliation of Segment Result to Operating Income

€ in millions	3 months ended			12 months ended	
	30 Sep 17	30 Jun 17	30 Sep 16	30 Sep 17	30 Sep 16
Segment Result	328	338	280	1,208	982
Plus/minus:					
Impairment on assets including assets classified as held for sale, net of reversals	(2)	-	(2)	(5)	(16)
Impact on earnings of restructuring and closures, net	-	(1)	(1)	(3)	7
Share-based compensation expenses	(5)	(3)	(2)	(13)	(9)
Acquisition-related depreciation/amortization and other expenses	(33)	(36)	(41)	(153)	(191)
Gains (losses) on sales of assets, businesses, or interests in subsidiaries, net	(14)	-	(1)	(15)	(4)
Other income and expenses, net	(2)	-	(4)	(36)	(6)
Operating income	272	298	229	983	763

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	
	30 Sep 17	30 Jun 17	30 Sep 16	30 Sep 17	30 Sep 16
Earnings from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	177	250	228	791	742
Plus/minus:					
Impairments on assets including assets classified as held for sale, net of reversals	2	-	2	5	16
Impact on earnings of restructuring and closures, net	-	1	1	3	(7)
Share-based compensation expense	5	3	2	13	9
Acquisition-related depreciation/amortization and other expenses	33	36	41	153	191
Losses (gains) on sales of assets, businesses, or interests in subsidiaries, net	14	-	1	15	4
Other income and expense, net	2	-	4	36	6
Tax effects on adjustments	(10)	(10)	(14)	(49)	(49)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	32	(4)	(26)	-	(59)
Adjusted earnings from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	255	276	239	967	853
Weighted-average number of shares outstanding (in million) – diluted	1,134	1,134	1,131	1,134	1,129
Adjusted earnings per share (in euro) – diluted ¹	0.22	0.24	0.21	0.85	0.76

¹ 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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Reconciliation to adjusted cost of goods sold and gross margin

The cost of goods sold and the gross margin 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 the adjusted gross margin as follows:

€ in millions	3 months ended			12 months ended	
	30 Sep 17	30 Jun 17	30 Sep 16	30 Sep 17	30 Sep 16
Cost of goods sold	1,137	1,131	1,067	4,442	4,143
Plus/minus:					
Share-based compensation expense	(1)	(1)	-	(2)	(2)
Acquisition-related depreciation/amortization and other expenses	(19)	(20)	(23)	(89)	(96)
Other income and expense, net	-	-	-	-	(2)
Adjusted cost of goods sold	1,117	1,110	1,044	4,351	4,043
Adjusted gross margin	38.6%	39.4%	37.7%	38.4%	37.5%

Adjusted cost of goods sold and the adjusted gross margin should not be seen as a replacement or superior performance indicator, but rather as additional information to cost of goods sold and the gross margin determined in accordance with IFRS.

Revenues and Segment Result for the three and twelve months ended 30 September 2017 and 2016

Individual small product groups were transferred to other segments with effect from 1 October 2016. The previous year's figures have been adjusted accordingly.

Revenue € in millions	3 months ended			12 months ended		
	30 Sep 17	30 Sep 16	+/- in %	30 Sep 17	30 Sep 16	+/- in %
Automotive	736	691	7	2,989	2,656	13
Industrial Power Control	328	279	18	1,206	1,072	13
Power Management & Multimarket	573	533	8	2,148	2,041	5
Chip Card & Security	181	174	4	708	703	1
Other Operating Segments	2	1	+++	9	8	13
Corporate and Eliminations	-	(3)	+++	3	(7)	+++
Total	1,820	1,675	9	7,063	6,473	9

Segment Result € in millions	3 months ended			12 months ended		
	30 Sep 17	30 Sep 16	+/- in %	30 Sep 17	30 Sep 16	+/- in %
Automotive	109	112	(3)	474	363	31
Industrial Power Control	60	37	62	183	133	38
Power Management & Multimarket	126	100	26	427	354	21
Chip Card & Security	33	33	-	124	135	(8)
Other Operating Segments	1	-	+++	1	1	-
Corporate and Eliminations	(1)	(2)	50	(1)	(4)	75
Total	328	280	17	1,208	982	23
Segment Result Margin [in %]	18.0%	16.7%		17.1%	15.2%	

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Revenues and Segment Result for the three months ended 30 September 2017 and 30 June 2017

Revenue € in millions	3 months ended		
	30 Sep 17	30 Jun 17	+/- in %
Automotive	736	766	(4)
Industrial Power Control	328	321	2
Power Management & Multimarket	573	557	3
Chip Card & Security	181	185	(2)
Other Operating Segments	2	2	-
Corporate and Eliminations	-	-	-
Total	1,820	1,831	(1)

Segment Result € in millions	3 months ended		
	30 Sep 17	30 Jun 17	+/- in %
Automotive	109	120	(9)
Industrial Power Control	60	55	9
Power Management & Multimarket	126	129	(2)
Chip Card & Security	33	34	(3)
Other Operating Segments	1	-	+++
Corporate and Eliminations	(1)	-	---
Total	328	338	(3)
Segment Result Margin [in %]	18.0%	18.5%	

Employees

	30 Sep 17	30 Jun 17	30 Sep 16
Infiniteon	37,479	37,129	36,299
Thereof: Research and development	6,362	6,205	6,057

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Consolidated Statement of Financial Position

€ in millions	30 Sep 17	30 Jun 17	30 Sep 16
ASSETS:			
Cash and cash equivalents	860	726	625
Financial investments	1,592	1,491	1,615
Trade receivables	851	847	774
Inventories	1,240	1,245	1,191
Income tax receivable	5	7	6
Other current assets	300	318	281
Assets classified as held for sale	23	-	-
Total current assets	4,871	4,634	4,492
Property, plant and equipment	2,659	2,541	2,119
Goodwill and other intangible assets	1,586	1,622	1,656
Investments accounted for using the equity method	28	32	32
Non-current income tax receivable	-	2	3
Deferred tax assets	612	654	623
Other non-current assets	189	160	162
Total non-current assets	5,074	5,011	4,595
Total assets	9,945	9,645	9,087
LIABILITIES AND EQUITY:			
Short-term debt and current maturities of long-term debt	323	20	17
Trade payables	1,020	880	857
Short-term provisions	422	364	327
Income tax payable	103	131	120
Other current liabilities	230	220	209
Total current liabilities	2,098	1,615	1,530
Long-term debt	1,511	1,839	1,752
Pension plans and similar commitments	503	502	604
Deferred tax liabilities	18	8	10
Long-term provisions	67	63	76
Other non-current liabilities	112	120	92
Total non-current liabilities	2,211	2,532	2,534
Total liabilities	4,309	4,147	4,064
Shareholders' equity:			
Ordinary share capital	2,272	2,271	2,265
Additional paid-in capital	4,774	4,791	5,016
Accumulated deficit	(1,404)	(1,586)	(2,312)
Other reserves	31	59	91
Own shares	(37)	(37)	(37)
Total equity	5,636	5,498	5,023
Total liabilities and equity	9,945	9,645	9,087

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Regional Revenue Development

€in millions	3 months ended						12 months ended			
	30 Sep 17		30 Jun 17		30 Sep 16		30 Sep 17		30 Sep 16	
Revenue:										
Europe, Middle East, Africa	579	32%	596	33%	539	32%	2,272	32%	2,147	33%
Therein: Germany	280	15%	292	16%	244	15%	1,094	15%	1,000	15%
Asia-Pacific (w/o Japan)	906	50%	882	48%	814	49%	3,447	49%	3,083	48%
Therein: China	478	26%	445	24%	423	25%	1,735	25%	1,574	24%
Japan	121	6%	122	7%	110	7%	463	7%	424	6%
Americas	214	12%	231	12%	212	12%	881	12%	819	13%
Therein: USA	173	10%	189	10%	170	10%	714	10%	661	10%
Total	1,820	100%	1,831	100%	1,675	100%	7,063	100%	6,473	100%

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	30 Sep 17	30 Jun 17	30 Sep 16
Cash and cash equivalents	860	726	625
Financial investments	1,592	1,491	1,615
Gross cash position	2,452	2,217	2,240
Less:			
Short-term debt and current maturities of long-term debt	323	20	17
Long-term debt	1,511	1,839	1,752
Total debt	1,834	1,859	1,769
Net cash position	618	358	471

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, 17	Jun 30, 17	Sep 30, 16	Sep 30, 17	Sep 30, 16
Net cash provided by operating activities from continuing operations	616	531	447	1,728	1,313
Net cash used in investing activities from continuing operations	(479)	(409)	(422)	(1,131)	(1,098)
Purchases of (proceeds from sales of) financial investments, net	112	179	144	(3)	275
Free Cash Flow	249	301	169	594	490

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Consolidated Statement of Cash Flows

€ in millions	3 months ended			12 months ended	
	30 Sep 17	30 Jun 17	30 Sep 16	Sep 30, 17	Sep 30, 16
Net income	176	253	225	790	743
Plus/Minus: loss (income) from discontinued operations, net of income taxes	1	(3)	3	1	(2)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	205	202	203	812	833
Income tax	84	37	(15)	142	(36)
Net interest result	12	12	15	56	58
Losses on disposals of property, plant and equipment	1	-	1	2	5
Dividends received from joint ventures	-	2	-	2	2
Impairment charges	2	-	2	5	16
Other non-cash result	15	17	2	28	6
Change in trade receivables	(11)	(34)	(33)	(91)	(25)
Change in inventories	(12)	(32)	4	(73)	(66)
Change in trade payables	152	59	43	177	57
Change in provisions	51	78	10	91	(72)
Change in other assets and liabilities	4	(11)	24	(23)	(60)
Interest received	3	2	1	9	6
Interest paid	(12)	(19)	(2)	(58)	(26)
Income tax paid	(55)	(32)	(36)	(142)	(126)
Net cash provided by operating activities from continuing operations	616	531	447	1,728	1,313
Net cash used in operating activities from discontinued operations	(2)	(2)	(4)	(5)	(22)
Net cash provided by operating activities	614	529	443	1,723	1,291
Purchases of financial investments	(896)	(935)	(1,291)	(3,300)	(4,130)
Proceeds from sales of financial investments	784	756	1,147	3,303	3,855
Purchases of other equity investments	(9)	-	-	(9)	-
Acquisitions of businesses, net of cash acquired	-	-	(3)	(5)	(11)
Acquisition of shares in MoTo ¹ , net of cash acquired	-	-	-	(112)	-
Proceeds from sales of businesses and interests in subsidiaries net of cash disbursed	10	-	-	10	-
Purchases of intangible assets and other assets	(46)	(44)	(25)	(148)	(110)
Purchases of property, plant and equipment	(324)	(187)	(252)	(874)	(716)
Proceeds from sales of property, plant and equipment and other assets	2	1	2	4	14
Net cash used in investing activities from continuing operations	(479)	(409)	(422)	(1,131)	(1,098)
Net cash used in investing activities from discontinued operations	-	-	-	-	-
Net cash used in investing activities	(479)	(409)	(422)	(1,131)	(1,098)

¹ As of December 30, 2016 Infineon acquired 93 percent of the shares in MoTo Objekt Campeon GmbH & Co. KG (MoTo).

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€ in millions	3 months ended			12 months ended	
	30 Sep 17	30 Jun 17	30 Sep 16	Sep 30, 17	Sep 30, 16
Net change in short-term debt	-	-	-	(1)	(8)
Net change in related party financial receivables and payables	-	-	-	-	(1)
Proceeds from issuance of long-term debt	-	1	-	2	824
Repayments of long-term debt	-	(108)	(5)	(119)	(846)
Change in cash deposited as collateral	-	-	-	-	1
Proceeds from the issuance of ordinary shares	5	3	4	26	26
Dividend payments	-	-	-	(248)	(225)
Net cash provided by (used in) financing activities from continuing operations	5	(104)	(1)	(340)	(229)
Net cash used in financing activities from discontinued operations	-	-	-	-	-
Net cash provided by (used in) financing activities	5	(104)	(1)	(340)	(229)
Net change in cash and cash equivalents	140	16	20	252	(36)
Effect of foreign exchange rate changes on cash and cash equivalents	(6)	(11)	(5)	(17)	(12)
Cash and cash equivalents at beginning of period	726	721	610	625	673
Cash and cash equivalents at end of period	860	726	625	860	625

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.

All figures mentioned in this press release are preliminary and unaudited.

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