

Neubiberg, January 2010

Dear Shareholders,

New elections to fill the shareholder representative positions on the Infineon Supervisory Board will be held at the upcoming Annual General Meeting. The Company announced the candidates put forward by the Supervisory Board's Nomination Committee for the shareholder representative elections in its press release dated October 27, 2009. It was also announced that the Committee was proposing Prof. Dr. Klaus Wucherer as the candidate for the position of Chairman of the new Supervisory Board. Unfortunately several misleading reports concerning this nomination have subsequently appeared in the press and questions have been asked about the reasoning behind the Committee's proposals. I would therefore like to take this opportunity to outline our reasons for selecting the candidates.

The Nomination Committee's decision had three objectives: streamlining, renewal and continuity. This year brought the Company its first opportunity to reduce the number of members of the Supervisory Board from 16 to 12; in taking this opportunity we are addressing criticism from both within and outside Germany about the size of the country's supervisory boards.

It was also important to find a good compromise between bringing in new blood to introduce fresh and different ideas and perspectives into the work of the Supervisory Board on the one hand and maintaining continuity on the other. Two candidates, Mr. Holdenried and Dr. Puffer, are standing for election for the first time (Dr. Puffer is actually already serving on the Supervisory Board having been appointed by the courts, but has only held the post for a few months). A third of the candidates put forward for the leaner Supervisory Board are therefore new.

The four members who are standing again have performed a very valuable service over the course of the past year. The Supervisory Board provided ideas and detailed advice in respect of the successful refinancing, the definition and determined implementation of cost-cutting measures and the sale of the Wireline Communications Division at an attractive price, for example, and was also involved in making the final decisions on these matters. I attach particular importance to the continuity to be ensured by re-electing these four established members given the fact that Infineon is finally moving into calmer waters after a spell of great turbulence and – we all hope – can now look forward to a prolonged period of positive developments.

We believe, moreover, that the candidate proposals also take into account many other concerns of relevance to the Infineon Supervisory Board. First of all, very few major companies can match us in having two female shareholder representatives on the Supervisory Board. The German Corporate Governance Code calls for diversity and we have it. The candidates proposed cover the most important areas of expertise for Infineon very well too: we have the financial expertise so essential for our demanding and intensely competitive business in the form of Dr. Sünner (most notably thanks to his many years of service on the audit committee at Kali + Salz AG), Dr. Puffer and Mr. Holdenried; Prof. Schmitt-Landsiedel and Prof. Dr. Wucherer provide the substantial – above all sector-specific – technical knowledge our business needs; Prof. Schmitt-Landsiedel additionally gives us vital access to universities and research institutions; and Prof. Köcher brings to the table not only the enormous breadth of experience gained through her many years as Managing Director of the Allensbach Institute (Institut für Demoskopie Allensbach GmbH) and her position on the supervisory board of other large companies, but also her outstanding contacts with leading lights in the German business and politics communities, which Infineon has already found to be extremely useful.

MAX DIETRICH KLEY  
Chairman of the Supervisory Board of Infineon Technologies AG

Let me conclude by addressing Prof. Dr. Wucherer's candidacy for the position of Chairman of the Supervisory Board. Prof. Dr. Wucherer offers Infineon a wealth of valuable experience as a veteran international industry manager with substantial technical know-how, a successful, cost-aware rescuer of troubled businesses and, not least, thanks to his completely independent and profound knowledge of the Company. He is very familiar with Asia too, especially China, a market of considerable and increasing importance for Infineon.

Following his nomination, Prof. Dr. Wucherer's name featured repeatedly in the press in connection with the corruption affair at Siemens. Let me state quite categorically that no individual transgressions have been identified either in his own conduct or in the areas for which he was responsible and that all investigations and the administrative proceedings against him have been dropped. The compensation claims lodged by Siemens against Prof. Dr. Wucherer are founded solely on the principle of collective responsibility laid down in German stock corporation law, under which each member of a management board is deemed to be jointly responsible for the actions of every other management board member throughout the company, and do not in any way relate to allegations about his personal conduct or issues in the area of the business under his jurisdiction. It was only in order to avoid lengthy and expensive legal proceedings that Prof. Dr. Wucherer accepted the settlement offered to him by Siemens and he did so only on the express understanding that his acceptance entailed no admission of wrongdoing. I am quite certain that Prof. Dr. Wucherer can and will make a significant contribution to the future development of Infineon, especially in connection with the ongoing consistent implementation of the restructuring program agreed with the Management Board.

I intend to step down from the Supervisory Board after the 2010 Annual General Meeting. My time at the Company has been eventful and not infrequently rather turbulent; I have grown to be very fond of Infineon – perhaps even precisely because of this. With this and the foregoing remarks concerning the selection of the candidates in mind, I would like to ask you wholeheartedly to honor all the candidates nominated by the Supervisory Board with your vote at the Annual General Meeting.

I wish you, the Company and its employees every success in the future!

Best regards,



Max Dietrich Kley