

Press Release

Infineon Austria Fiscal Year 2017: Record revenue and expansion at all R&D sites

- Revenue up 38 percent, annual revenue tops € 2,500 m for the first time
- R&D sites in Graz, Linz and Villach are extended
- Earnings before tax up 11 percent compared to previous year
- Headcount increased by 4 percent to 3,785 employees
- Global competence center for new semiconductor materials

Vienna, 5 December 2017 – The Infineon Technologies Austria Group (Infineon Austria) grew dynamically in the fiscal year 2017 ending on 30 September (accounting reference date). The Austrian subsidiary of the German semiconductor group achieved a new record **revenue** of € **2,539.6 m**, thus exceeding the previous year's figure (revenue 2016: € 1,839.5 m) by € 700.1 m or 38 percent. This substantial increase in turnover resulted firstly from the strong worldwide demand for power electronics for automotive, industrial and consumer applications. In addition, in August 2016 the Infineon Group comprehensively extended Infineon Austria's business responsibility for these product lines. In the fiscal year 2017 all of this additional product business had a positive impact on revenue. The **earnings before tax** were € **176.5 m**, an increase of € 18 m or around 11 percent compared to the previous year (profit from ordinary activities 2016: € 158.5 m).

"This exceptional annual result confirms our strategy over the recent years. Infineon Austria has positioned itself excellently in major growth markets with world-leading expertise in electromobility, automated vehicles, renewable energy and digital security", says Sabine Herlitschka, CEO of Infineon Technologies Austria AG. "We are now actively preparing our Austrian research and development sites for the future. We are creating space for new ideas and innovations so that we can continue to grow with our customers."

R&D premises in Graz, Linz and Villach extended

This positive market development is also driving Infineon Austria's R&D activities. The Austrian R&D sites are being expanded to resolve the shortage of research and development premises and provide the infrastructure for the forecast growth over the coming years. The useable space in Graz, Linz and Villach will be extended to include an additional 860 R&D workplaces by 2020. 290 additional

workplaces are being created in the development center for contactless security technologies in Graz, and 220 at the DICE development center for high frequency technologies in Linz. At the headquarters in Villach, a € 40.1 million investment in a new building with a total capacity of 600 R&D workplaces will provide sufficient space for existing R&D departments to move into, plus 350 additional R&D workplaces and an extended canteen.

Additional global business responsibility

In October 2017 Infineon Austria assumed entrepreneurial status for the Korean Infineon Technologies Power Semitech Co. Ltd. This Group company with revenue of around € 60 m develops and produces intelligent power modules that enable higher energy efficiency in domestic appliances such as refrigerators and freezers, washing machines, dryers and air conditioners. Infineon Austria will coordinate the global marketing and product business for this product line.

“With this transaction, Infineon is once again strengthening the global business activities of the headquarters departments in Villach”, says Oliver Heinrich, Chief Financial Officer of Infineon Technologies Austria AG. “In the past five years the product business for energy-saving chips was successively expanded in Austria. As a result, Infineon Austria’s revenue doubled in this period.”

Overall **investments of € 150.2 m** were made, € 113.1 m of this in new production infrastructure. These investments in plant and equipment are thus 16 percent below the previous year’s value on a comparable basis (investments in 2016: € 133.9 m). The remaining € 37.1 m served to finance intangible assets on the basis of the extended business responsibility.

R&D expenditure at a high level

In the fiscal year 2017 Infineon Austria spent **€ 428 m on research, development and innovation**. This was € 16 m or 4 percent more than in the previous fiscal year, corresponding to a research quota of 17 percent of total revenue, making Infineon one of the strongest companies in Austria in terms of expenditure on research.

Personnel: all-time peak once again

As per the accounting reference date, Infineon Austria employed **3,785 people** in total at the sites in Villach, Klagenfurt, Graz, Linz and Vienna, around 160 employees more than the previous year (up by four percent). This means that the company once again surpassed the all-time peak from the 2016 fiscal year. Personnel numbers were increased in research and development in particular. Around 51 percent of employees have an academic background.

1,547 people work in research and development, which once again represents an increase of over 8.5 percent compared to the previous year (1,426 people). Infineon Austria thus employs just under a quarter of the R&D workforce in the entire Group.

“Due to the strong customer demand for our development services, we currently have around 200 jobs advertised”, explains Sabine Herlitschka. “In particular we are looking for specialists in technology and natural sciences, as well as information and communication technologies.”

Development-oriented production

In the fiscal year 2017 **14.3 billion chips were produced** in Villach (2016: 16.3 billion chips). In the summer the Infineon Group announced that it was to invest € 35 m in expanding the research and development activities in Villach for the new semiconductor material silicon carbide. This will include the further development of semiconductor process technologies, state-of-the-art production facilities and the expansion of the existing production infrastructure. The Villach site is thus the global competence center in the Infineon Group for silicon carbide and gallium nitride.

“This investment underscores our position as the innovation factory within the Group”, says Thomas Reisinger, member of the Board of Infineon Technologies Austria AG responsible for operations. “We continue to push ahead with our technological focuses on new semiconductor materials, ultrathin silicon wafers and future-oriented automation and digitization concepts in close collaboration with the development activities at the site.”

With the completion of the Industry 4.0 pilot area in 2017, the next stage of digitization began at the production site in Villach. Development and production are becoming more closely linked together, data generated in operations is being used more intensively and the world of work is being actively further developed. Other new job profiles were created, such as Data Scientist and Robot Coordinator. The training of foremen and apprentices (“Apprenticeship 4.0”) was aligned with the requirements for the digital change.

Key figures Full Year 2017 (accounting reference date: Sept. 30th)

Infineon Technologies Austria Group incl. Austrian affiliates	FY 2016	FY 2017	Change
Revenue in € m	1,839.5	2,539.6	+ 38 %
Earnings before tax in € m	158.5	176.5	+ 11 %
Employees	3,625	3,785	+ 4 %
Total investments in € m	357	150.2	
in intangible assets	223.1	37.1	
in property, plant and equipment	133.9	113.1	- 16 %
R&D expenditure in € m (in % of Revenue)	411.8 (22%)	428 (17%)	+ 4 %
Overall purchasing volume in € m	446	452	
thereof in Austria and thereof in Carinthia	157 98	159 98	+ 1 %

About Infineon Austria

Infineon Technologies Austria AG is a group subsidiary of Infineon Technologies AG, a world-leading provider of semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon reduce the energy consumption of consumer electronics, domestic appliances and industrial facilities. They make a major contribution to the convenience, security and sustainability of vehicles, and enable secure transactions in a connected world.

Besides Germany, Infineon Austria is the only subsidiary within the group that pools competencies for research and development, production as well as global business responsibility. The head office is in Villach, with further branches in Graz, Klagenfurt, Linz and Vienna. With 3,785 employees from around 60 countries (including 1,547 in research and development), in the financial year 2017 (ending in September) the company achieved a turnover of € 2.5 billion. An R&D expense rate of €428 million makes Infineon Austria one of the strongest industrial research companies' in Austria.

Further information at www.infineon.com/austria

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