

Annual Press Conference 2006

November 16, 2006

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Agenda

- Results Fiscal Year 2006
- Accomplishments
- “New Infineon”
- Objectives
- What’s next?

Results

Results fiscal year 2006 and 2005

	EUR m	2006	EUR m	2005
Sales		7,929		6,759
Ebit		-15		-183

	AIM	COM	Qimonda	AIM	COM	Qimonda
Sales	2,839	1,205	3,815	2,516	1,391	2,825
Ebit	246	-231	202	134	-295	111

Accomplishments

Strategic
redirection

3 to 2

Qimonda

- No. 2 DRAM Manufacturer
- Technology Leadership 75nm

Automotive, Industrial & Multimarket

- Turn-around Discretes, Sensors
- Break-even Chipcard
- Ramp-up of new power fab in Malaysia in record time

Communication Solutions

- Turn-around Tuner, RF Power
- Access sustained profitability
- New customers added:
LG, Samsung, Panasonic (3G)

„New Infineon“

New Infineon

more than

4 billion €

in revenues

New Infineon

more than
29.000
employees
from 107 nations
in 26 countries

some
800 m€ for
6.000 R&D employees
in over 35
locations

New Infineon

more than

22.8000

granted patents and applications

build a strong
technology foundation

Our market

We operate in a
Growth market
of
10%

Strengthen our strengths

- Energy Efficiency
- Mobility & Connectivity
- Security & Safety

Strengthen our strengths

Energy efficiency

Infineon significantly improves the energy efficiency of engines, drives and electronic equipment. We ensure the safe energy-conscious utilization of our resources at all times

- higher fuel efficiency in modern cars
- smart solutions for high power applications, drives and transportation
- longer battery lifetimes by reduced power consumption in mobile devices

Strengthen our strengths

Mobility & Connectivity

Infineon provides a broad variety of products and technology everyone can use to be connected every day and everywhere – at home, in the office or on the way

- mobile communication by cell phones
- wireless connectivity everywhere with radio technologies
- high-speed communication by broadband applications
- stable backbone for world wide communications

Strengthen our strengths

Safety & Security

Infineon provides the basis for increased user comfort, safety of life, privacy, and protection of information

- protection and privacy of personal and company data
- secure e-commerce and identification
- secured mobility in automobiles for drivers as well as pedestrians

Ranking in our global targeted markets

Power

Market Share 9,4%

#

1

Ranking in our global targeted markets

Chipcard

Market Share 29%

#

1

Ranking in our global target markets

Wireline Access

Market Share 19%

#

1

Ranking in our global targeted markets

Wireless, RF

Market Share 11%

#

1

Ranking in our global targeted markets

Automotive

Market Share 9,3%

#

2

Strengthen our strengths

Our strategic target
is to reach at least a

#3 position

in each relevant
market segment.

Objectives

Our Objectives

Focus on 10.

Our Objectives

> 10% Growth

Our Objectives

> 10% EBIT

How will we achieve this?

From
Customer-Oriented
to
Customer-
Embedded

How will we achieve this?

Reduce
complexity of
organisation

How will we achieve this?

New manufacturing
and development
strategy –

Target: Capex 10-12%

What's next ?

Priorities 2006/07

- Q1 effected by BenQ Mobile insolvency (COM) and seasonal effects at AIM
- Finalization of all restructuring measures
- All BU's profitable latest in fiscal Q4; Wireless one quarter later