

Annual Press Conference 2007

Dr. Wolfgang Ziebart
President & CEO
Infineon Technologies AG

November 14, 2007



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Content

- Results fiscal year 2007
- New success factors in the semiconductor industry
- Milestones
- Outlook

Infineon excluding Qimonda

Results for fiscal years 2006 and 2007



[EUR m]	FY 2006	FY 2007	Change
Net Sales Growth (%)	4,114	4,074	(40) (1)
EBIT in % of sales	(217) (5)	(49) (1)	168
therein net charges	(199)	(128)	

AIM and COM

Results for fiscal years 2006 and 2007



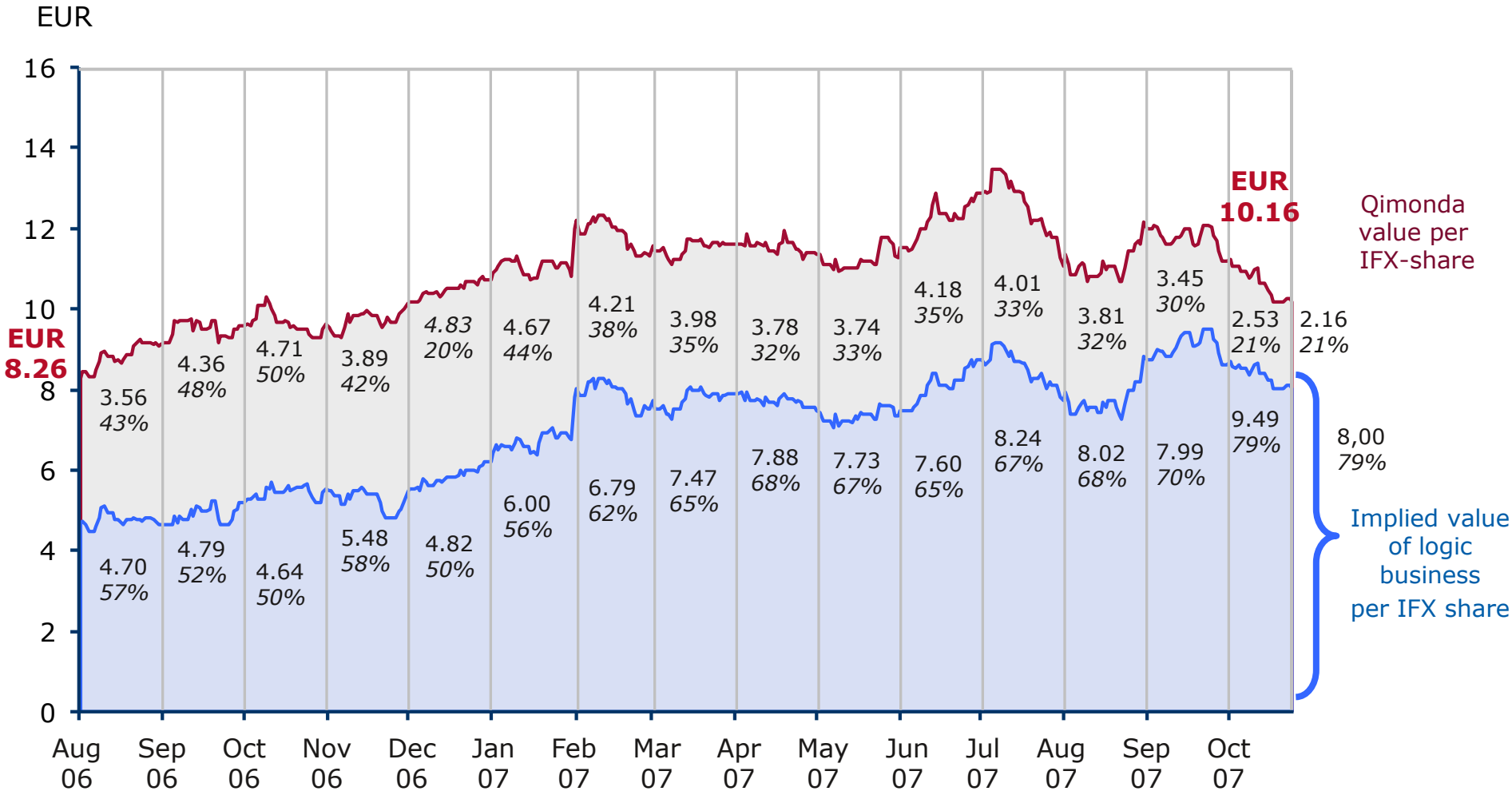
Automotive, Industrial & Multimarket

[EUR m]	FY 2006	FY 2007	Change in %
Net sales	2,839	3,017	6
EBIT	246	300	22

Communication Solutions

[EUR m]	FY 2006	FY 2007	Change in %
Net sales	1,205	1,051	(13)
EBIT	(231)	(160)	31

Reduced impact of Qimonda on Infineon shares



Strategic redirection in two phases

Phase 1

Phase 2

Closure and divestiture of unprofitable businesses ✓

Focus on logic business ✓

Restructuring ✓

**Profitable
Growth**

Today

- Focus

- Relative market position

- Optical networks
- Optical fiber communications
- Polymer Optical Fiber
- Controller for wireless infrastructure
- SciWorx

- Carve-out and IPO Qimonda
- Time frame and measures defined to divest Qimonda stake
- Stake reduced to 77,5 %
- Minority interest <50 % until 2009

- Discrete semiconductors
- Wireline Access
- Chip Card

Overall Euro 700 million in revenues

Wireless business on track to break-even

- Extension of customer base
- Ramp-up of products for new customers
- Sizeable new business with Nokia
- Extension of supply share e.g. with LG

Organic growth and selective acquisitions

- Extension of market position, e.g. Chip Card, Wireline Access, automotive electronics
- Acquisition of DSL-CPE business from Texas Instruments
- Acquisition of baseband business from LSI Logic

Our goals – Focus on 10

10% **EBIT**

- 2008: Well on track
- 2009: Achieve goal

Focus on three major growth areas

- Energy Efficiency
- Communications
- Security

Realization of strategic options

- Active role in consolidation
- Further selective acquisitions
- Enabled by solid financial basis and liquidity through divestiture of further Qimonda shares

Reduction of capital intensity

- Consistent realization of fab-light model
- Reduction of capital intensity by at least 1-2% to 10% in 2009
- Divestiture of stake in Altis

Summary

- Positive results for Infineon excluding Qimonda excluding charges
- At least break-even result before interest and taxes in almost all relevant business areas
- Strengthening of market position in specific segments through organic growth and selective acquisitions
- Extension of customer base
- Further reduction of stake in Qimonda

Outlook

- 2009: 10% EBIT margin
- 2008: Significant increase of revenues and EBIT
- 1. quarter 2008:
 - Break-even for wireless business excluding charges
 - Revenues about flat compared to last quarter
 - EBIT slightly decreasing

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Peter J. Fischl
Chief Financial Officer
Infineon Technologies AG

November 14, 2007



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Infineon group

Results for FY 2006 and FY 2007



[EUR m]	FY 2006	FY 2007	Change
Net sales Growth (%)	7,929	7,682	(247) (3)
EBIT in % of sales	(15) 0	(256) (3)	(241)
therein net charges	(199)	(128)	
Net income /loss	(268)	(368)	(100)
Net income /loss per share (EUR)	(0.36)	(0.49)	(0.13)

Infineon segment revenues and results for FY 2007



[EUR m]	Q1 FY 07	Q2 FY 07	Q3 FY 07	Q4 FY 07
Automotive, Industrial & Multimarket				
Revenues	710	741	752	814
EBIT	55	66	81	98
Communication Solutions				
Revenues	236	238	259	318
EBIT	(57)	(53)	(34)	(16)
Other Operating Segments				
Revenues	70	50	54	45
EBIT	(3)	(5)	(2)	(2)
Corporate and Eliminations				
Revenues	(58)	(51)	(54)	(50)
EBIT	(4)	(36)	(32)	(105)
Total Infineon excl. Qimonda				
Revenues	958	978	1,011	1,127
EBIT	(9)	(28)	13	(25)

Infineon segment revenues and results for FY 2007



[EUR m]	Q1 FY 07	Q2 FY 07	Q3 FY 07	Q4 FY 07
Qimonda				
Revenues	1,173	984	740	711
EBIT*	225	77	(293)	(216)
Infineon Group				
Revenues	2,131	1,962	1,751	1,838
EBIT	216	49	(280)	(241)
Net income/ loss	120	(11)	(197)	(280)
Net income/ loss per share (EUR)	0.16	(0.01)	(0.26)	(0.37)

* Reported net of minority interest results

Infineon excluding Qimonda Results for FY 2006 and FY 2007



[EUR m]	FY 2006	FY 2007	Change
Net sales Growth (%)	4,114	4,074	(40) (1)
EBIT in % of sales	(217) (5)	(49) (1)	168
therein net charges	(199)	(128)	
Net income /loss	(331)	(158)	173

Net charges for Infineon excluding Qimonda Fiscal year 2007

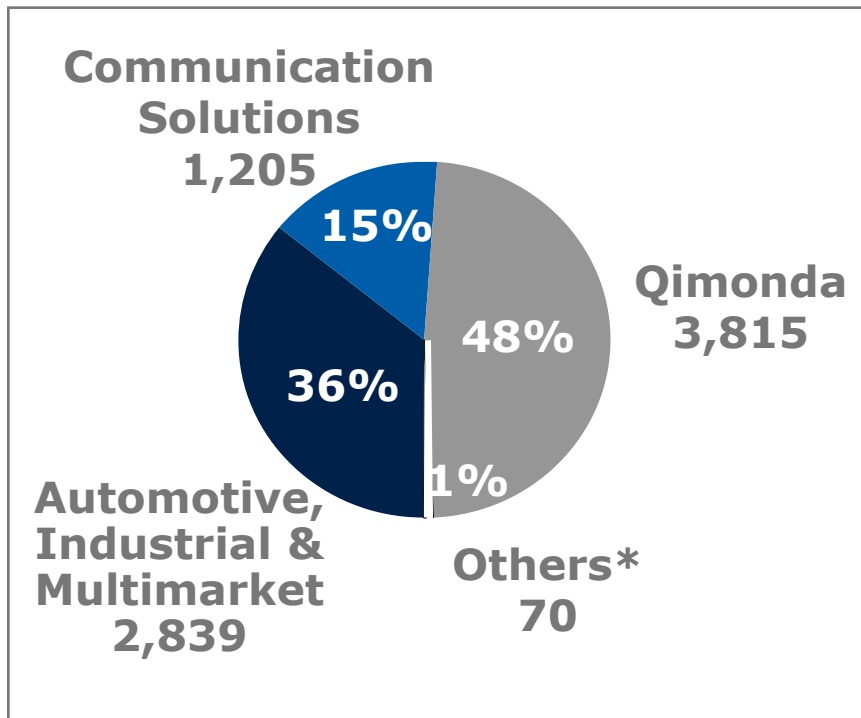


Total		(128)
thereof	Sale of Qimonda shares	(84)
	Restructuring and impairments (ALTIS, BenQ)	(44)
	Divestiture of businesses	17
	Others	(17)

Sales Infineon group by segment, FY 2006 and FY 2007

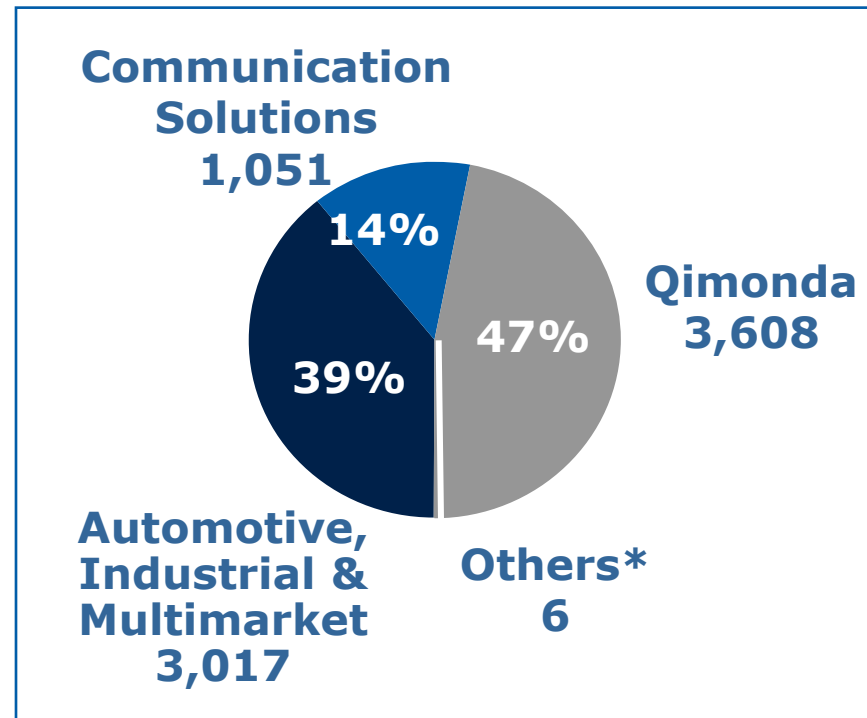


FY 2006



Total: EUR 7,929 m

FY 2007



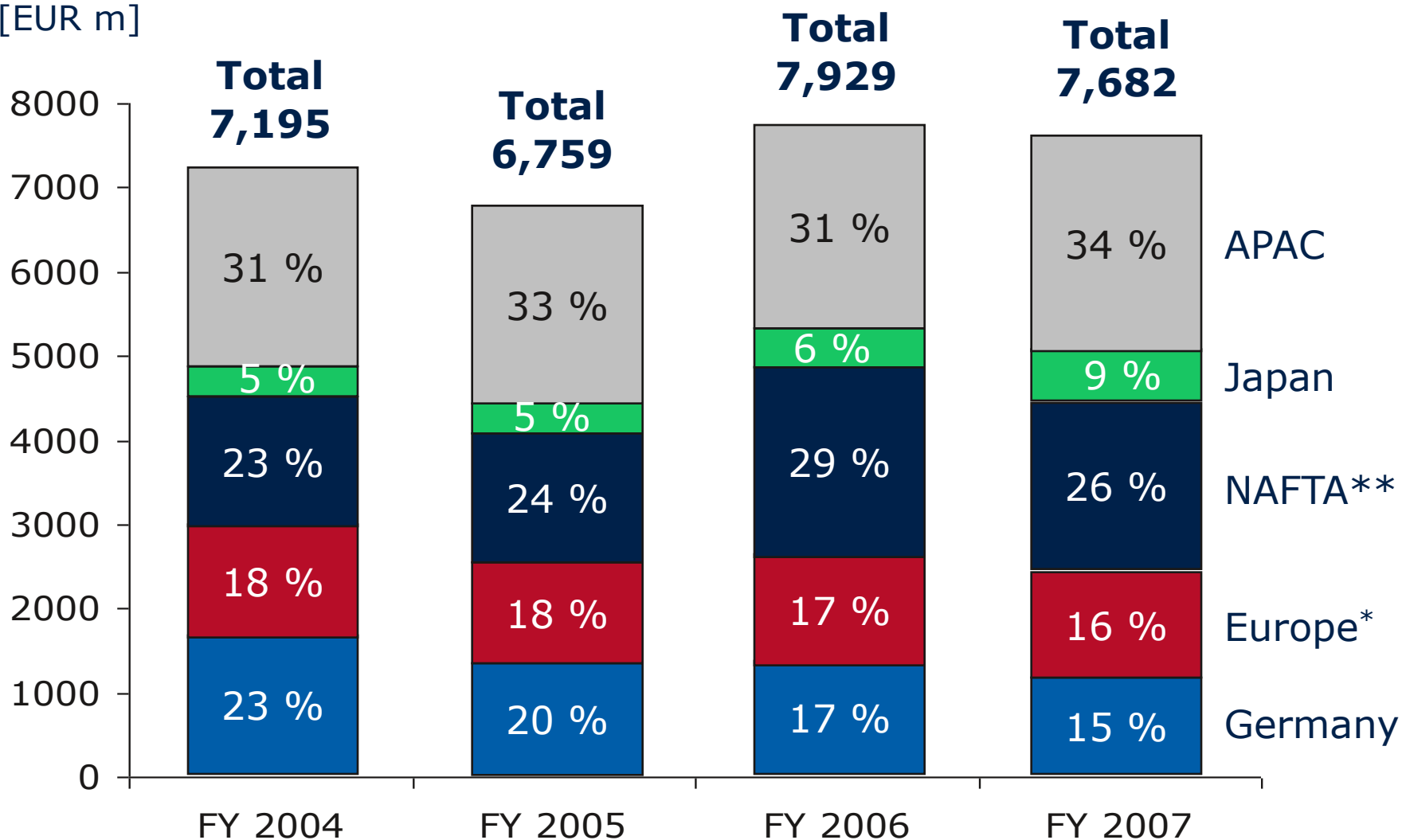
Total: EUR 7,682 m

* Includes Corporate & Elimination and Other Operating Segments

Sales Infineon group by region, Fiscal years 2004-2007

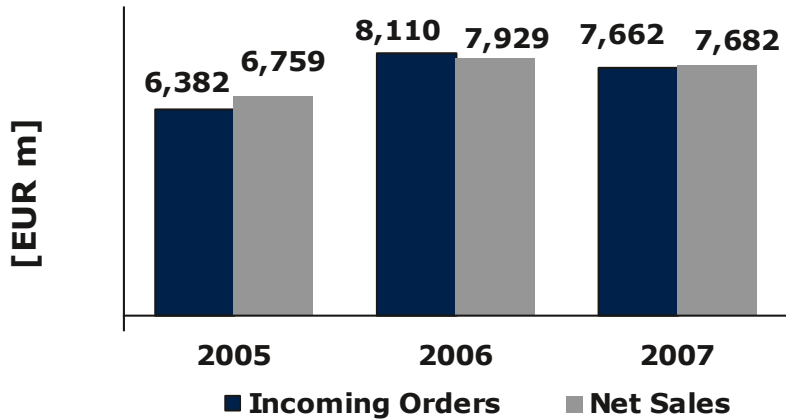


[EUR m]

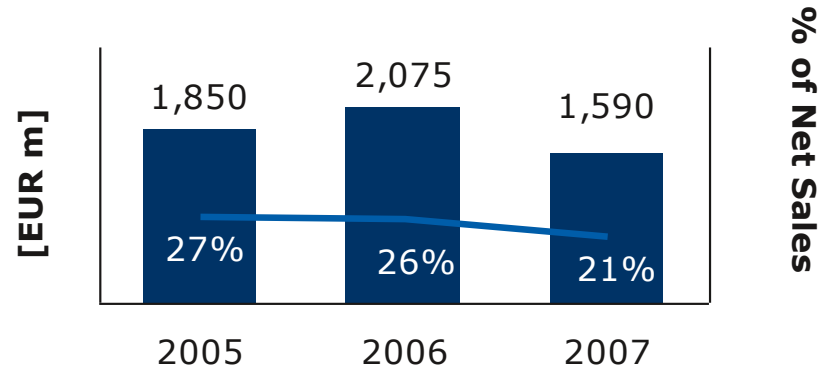


* Excluding Germany ** and others

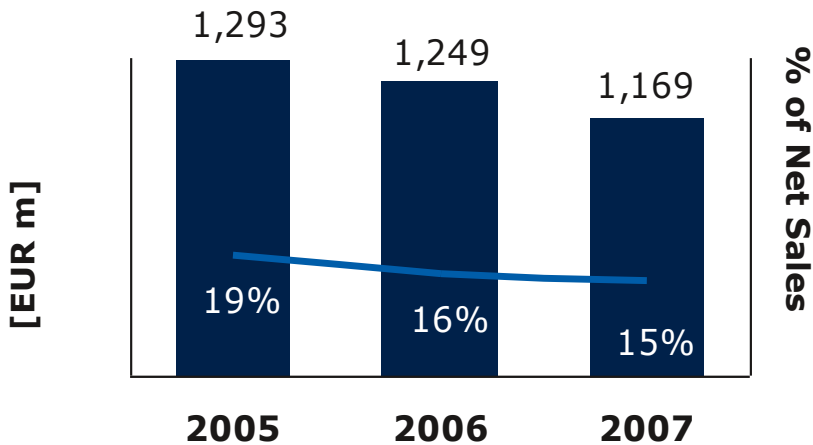
Incoming Orders and Net Sales



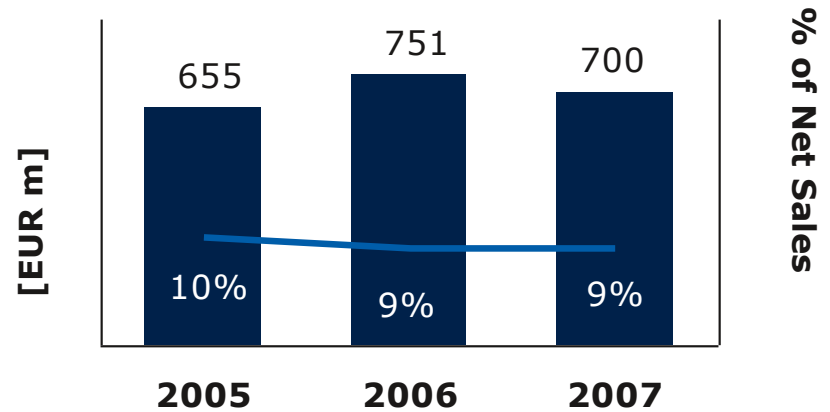
Gross Margin



Research and Development Expenses



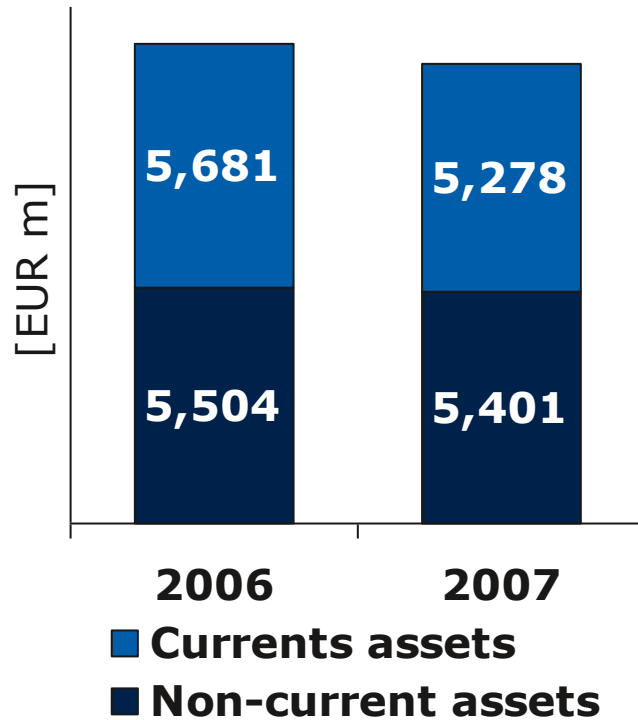
Selling, General and Administrative Expenses



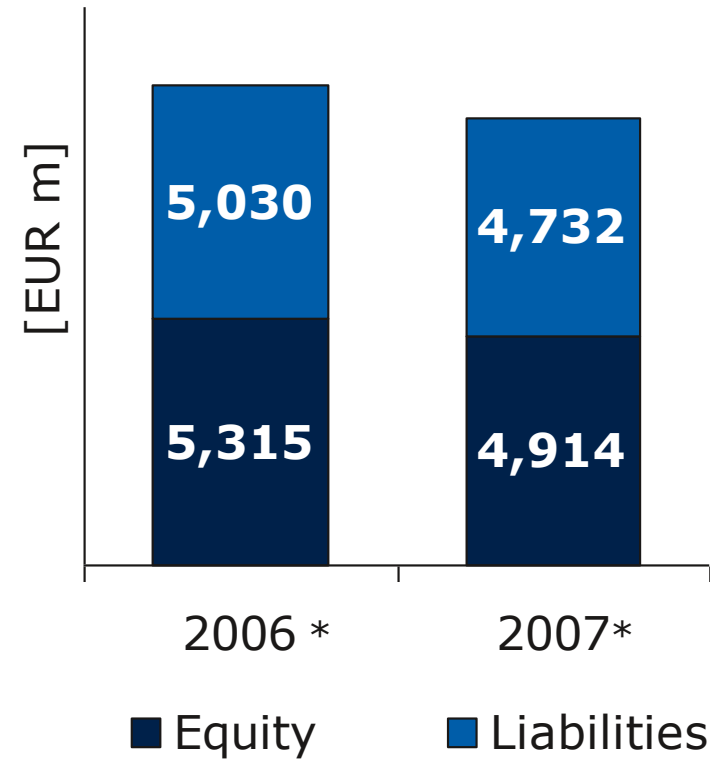
Infineon group Consolidated Balance Sheets (US GAAP)



Current Assets and Non-current Assets



Liabilities and Equity



Fiscal year ended September 30, 2007

* Excluding minority interests in an amount of EURO 840 million and EURO 1,033 million for the fiscal years 2006 and 2007

Liquidity Ratios

Infineon group



[EUR m]	FY 2006	FY 2007
Operating cash flow	1,003	1,207
thereof depreciation	1,405	1,276
Capex (Property, plant, equipment)	(1,253)	(1,375)
Free cash flow	(88)	207
Gross cash	2,655	2,294
Net cash (debt)	650	582

Liquidity Ratios

Infineon excluding Qimonda



[EUR m]	FY 2006	FY 2007
Operating cash flow	677	227
thereof depreciation	702	610
Capex (Property, plant equipment)	(640)	(498)
Free cash flow	249	(59)
Gross cash	1,585	1,283
Net cash (debt)	(269)	(125)

Liquidity Ratios Qimonda



[EUR m]	FY 2006	FY 2007
Operating cash flow	326	980
thereof depreciation	703	666
Capex (Property, plant, equipment)	(686)	(879)
Free cash flow	(337)	266
Gross cash	1,070	1,011
Net cash (debt)	575	707



We commit.
We innovate.
We partner.
We create value.



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