

Press Release

Infineon prepares for long-term growth and invests €1.6 billion in new 300-millimeter chip factory in Austria

Munich, Germany, and Vienna, Austria, May 18, 2018 – Infineon Technologies AG is to build a new factory for power semiconductors. The market and technology leader in this segment will thereby create the foundation for long-term, profitable growth. A fully automated chip factory for manufacturing 300-millimeter thin wafers will be constructed at the Villach location in Austria alongside the existing production facility. Austria's Chancellor Sebastian Kurz, Dr. Reinhard Ploss, Chief Executive Officer of Infineon, and Dr. Sabine Herlitschka, Chief Executive Officer of Infineon Austria, presented the project in Vienna. Investments totaling around €1.6 billion are planned over six years. Some 400 new jobs, especially highly qualified ones, will be created by the new, highly efficient factory. Construction is scheduled to start in the first half of 2019 and production is expected to commence at the start of 2021. The additional sales potential of the new factory, given full capacity utilization, is put at around €1.8 billion a year.

“Global demand for power semiconductors is soaring. As the market and technology leader, Infineon is particularly sought-after by customers and is even growing more strongly than the market,” said Dr. Reinhard Ploss, Chief Executive Officer of Infineon. “Growth is underpinned by global megatrends such as climate change, demographic change and increasing digitization. Electric vehicles, connected and battery-powered devices, data centers or power generation from renewable sources require efficient and reliable power semiconductors. We recognized that trend early on and so are rapidly expanding production capacities for 300-millimeter technology at our Dresden location. The new facility at Villach will help us cater for the growing demand that our customers anticipate, and continue on our path to success in the coming decade. Backed by the unique expertise we have built at our locations in Europe, we as a global company can strengthen our position on the world market long term.”

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“The investment that Infineon has decided to make in Villach is unique in terms of its magnitude, and thus a real success for Austria as a location and the technology sector in Europe”, said the Chancellor of Austria, Sebastian Kurz. “We are aware that high-tech companies need the right framework conditions for research, development and high-quality manufacturing. And we also want to further improve these conditions – industry can rely on Austria here. In this way we will secure the jobs of the future together.”

“This major investment is also a milestone for Infineon Austria economically, technologically and socially and an important step in securing the future of our high-tech site in Villach,” said Dr. Sabine Herlitschka, Chief Executive Officer of Infineon Technologies Austria. “In the fiercely competitive semiconductor industry, the new production facility sends an important signal: with the excellent know-how of our employees and our leading technologies, we are leveraging the opportunities offered by digitization and are globally competitive as a high-wage region – now and moving ahead.”

Villach is the group’s competence center for power semiconductors and has long been an important site for innovation in Infineon’s production network.

Manufacturing of power semiconductors on 300-millimeter thin wafers was developed here and then expanded into fully automated high-volume production at the Dresden location over the past years. Thanks to the larger diameter of the wafers, this technology delivers significant gains in productivity and reduces working capital. Dresden is Infineon’s largest site for wafer processing (frontend) and 300-millimeter production capacities there are expected to be fully utilized by 2021. Infineon will apply the automation and digitization concepts from Dresden at the new Villach factory and develop them together with the two locations in order to increase productivity and ensure synergies in relation to systems and processes at both.

According to market researchers from IHS Markit, Infineon is by far the world’s largest provider of power semiconductors and has a market share of 18.5 percent.* These power-saving chips control the flow of electricity in a wide range of applications, such as electric vehicles, trains, wind and solar farms, and power supply units for mobile phones, notebooks and data centers. The factors driving growing demand for power-saving chips are robust and sustained. With its planned investments in additional production capacities, Infineon is helping to make life easier, safer and greener.

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Facts about the new chip factory in Villach

Start of construction	First half of 2019
Scheduled start of production	Beginning of 2021
Total building area	~60,000 m ²
Volume of investment (building, clean room technology, production plant and equipment)	~ €1.6 billion
Investment period	6 years
Employees	~400 highly qualified jobs

*Information based on IHS Markit, Technology Group, "Power Semiconductor Annual Market Share Report, August 2017". Information is not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk. Please visit <https://technology.ihs.com> for more details.

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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