

INFINEON FINANCIAL INFORMATION

for periods ended on March 31, 2001

(According to US GAAP – Unaudited)

Consolidated statements of income

in Mio. Euro	3 months ended		6 months ended	
	3/31/00	3/31/01	3/31/00	3/31/01
Net sales	1,533	1,650	3,073	3,309
Cost of goods sold	(939)	(1,189)	(1,903)	(2,192)
Gross profit	594	461	1,170	1,117
Research and development expenses	(243)	(269)	(441)	(527)
Selling, general and administrative expenses	(153)	(212)	(303)	(399)
Other operating income, net	2	3	-	202
Operating income	200	(17)	426	393
Interest income, net	6	6	10	15
Equity in earnings of associated companies	47	28	60	58
Other income (expense), net	6	(1)	11	5
Minority interests	(4)	-	(6)	-
Income before income taxes	255	16	501	471
Income tax (expense) benefit	(109)	7	(222)	(168)
Net income	146	23	279	303
Weighted average of outstanding shares	605	626	602	626
Earnings per share - basic and diluted	0.24	0.04	0.46	0.48
EBIT	253	10	497	456

Segment results

Net sales in Mio. Euro	3 months ended			6 months ended		
	3/31/00	3/31/01	+/- in %	3/31/00	3/31/01	+/- in %
Wireline Communications	151	227	50	290	438	51
Wireless Communications	265	275	4	570	633	11
Automotive & Industrial	213	287	35	395	541	37
Memory Products	665	516	(22)	1,333	1,013	(24)
Other Operating Segments	217	345	59	443	656	48
Consisting of: Security and Chip Card Ics	78	190	144	170	345	103
Other	139	155	12	273	311	14
Corporate and reconciliation	22	-	(100)	42	28	(33)
Infineon consolidated	1,533	1,650	8	3,073	3,309	8

EBIT in Mio. Euro	3 months ended			6 months ended		
	3/31/00	3/31/01	+/- in %	3/31/00	3/31/01	+/- in %
Wireline Communications *	20	37	85	35	70	100
Wireless Communications	54	4	(93)	126	77	(39)
Automotive & Industrial	11	40	264	19	75	295
Memory Products	193	(134)	---	324	(69)	---
Other Operating Segments	18	46	156	39	280	618
Consisting of: Security and Chip Card Ics	10	36	260	19	64	237
Other	8	10	25	20	216	980
Corporate and reconciliation	(43)	17	+++	(46)	23	+++
Infineon consolidated	253	10	(96)	497	456	(8)

* Includes acquisition related amortisation of 10 Mio. Euro for the 3 months ended 31.03.2001 and acquisition related amortisation of 20 Mio. Euro for the six months ended 31.03.2001

Consolidated balance sheets

in Mio. Euro	9/30/00	3/31/01
Assets		
Current assets:		
Cash and cash equivalents	511	124
Marketable securities	498	242
Accounts receivable, net	1,386	1,058
Related party receivables	439	323
Inventories	841	1,086
Deferred income taxes	100	144
Other current assets	60	102
Total current assets	3,835	3,079
Property, plant and equipment, net	4,034	4,607
Long-term investments, net	432	554
Restricted cash	132	166
Deferred income taxes	166	101
Other assets	254	274
Total assets	8,853	8,781
Liabilities and shareholders' equity		
Current liabilities:		
Short-term debt and current maturities	138	319
Accounts payable	849	764
Related party payables	373	210
Accrued liabilities	719	522
Deferred income taxes	75	19
Other current liabilities	300	250
Total current liabilities	2,454	2,084
Long-term debt	128	163
Deferred income taxes	178	123
Other liabilities	287	300
Total liabilities	3,047	2,670
Total shareholders' equity	5,806	6,111
Total liabilities and shareholders' equity	8,853	8,781

Condensed consolidated cash flow information

in Mio. Euro	3 months ended		6 months ended	
	31.03.00	31.03.01	31.03.00	31.03.01
Net cash provided by (used in) operating activities	462	(14)	680	(8)
Net cash used in investing activities	(534)	(437)	(783)	(568)
Net cash provided by financing activities	382	262	761	189
Changes in cash and cash equivalents	310	(189)	658	(387)

Free Cash Flow

Net cash provided (used in) by operating activities	462	(14)	680	(8)
Net cash used in investing activities	(534)	(437)	(783)	(568)
Purchase (sale) of floating rate marketable securities	301	(144)	301	(246)
Free Cash Flow	229	(595)	198	(822)