

**Last updated: February 05, 2007**

Please find attached all shareholder proposals to be made available in relation to the agenda of the Annual General Meeting on February 15, 2007, together with the response of the administration.

**Herr Dietrich-E. Kutz, Biberach, submits the following proposals:**

**From:** Dietrich-E. Kutz [mailto:Dietrich-E.\_Kutz@web.de]

**Sent:** Thursday, January 18, 2007 4:35 PM

**To:** Annual General Meeting of Shareholders

**Subject:** Counterproposals to the 2007 Annual General Meeting of Shareholders of Infineon Technologies AG

Dietrich-E. Kutz

Gymnasiumstr.10

88400 Biberach, Germany

January 18, 2007

Infineon Technologies AG

IR (Investor Relations)

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85579 Neubiberg

Germany

**WKN 623 100, shareholder no: 020 004 366 00**

**Counter proposals to the Annual General Meeting of Infineon to be held on February 15, 2005 in Munich**

**Regarding agenda item 2: Approval of the acts of the members of the Management Board**

**Regarding agenda item 3: Approval of the acts of the members of the Supervisory Board**

- Proposals, to carry out the formal approval of the acts of the members of the Management Board (agenda item 2) and Supervisory Board (agenda item 3) by means of individual voting and possibly to reject formal approval

### **Regarding agenda item 5: Creation of a new Authorized Capital 2007**

### **Regarding agenda item 6: Authorization to issue bonds with warrants and/or convertible bonds**

- Proposals, not to approve the resolutions for the creation of a new Authorized Capital 2007 (agenda item 5) and for the authorization to issue of bonds with warrants and/or convertible bonds... (agenda item 6), because of the sale of company assets/Qimonda initial public offering and the intention not to include shareholders in the distribution of proceeds

### **Regarding agenda item 9: Amendment of Section 15 Paragraph (2) of the Articles of Association (chairing of meetings; shareholders' right to speak and ask questions)**

- Proposal, not to approve the changes to the articles of incorporation (agenda item 9) because of the deprivation of statutory protection for shareholders

#### **Reasons:**

+ The Management Board and the Supervisory Board have again failed to live up to prospects and visions. They are remunerated for success. The current share price (around EUR 11.00) is way below the issue price of EUR 35.00 six years ago. The employee profit-sharing program is diluting share value and its main purpose is just to enrich the Management Board and the Supervisory Board. Since, according to the company's dividend policy (see website), there are also no plans for dividend distributions in the future, the shareholder value achieved is poor - it is therefore not capable of approval. What has become of the claims against Mr. Schumacher and others? Cognizant that this terrible situation must not be repeated, although we can't understand/accept how and why it happened. The unsatisfactory performance of management, as can be seen in the results of the company, is not acceptable and they should be held responsible. There is still a yawning gap between the requirements and reality. Sympathy is unenforceable. Where has the supervision been and what has the Supervisory Board achieved in the last few years?

+ Why do you not let us shareholders take part in the proceeds of the sale/ initial public offering of Qimonda? Have you copied this from your ex-parent company led by one Heinrich von Pierer? This is, and will be seen as, an affront to shareholders! Why no capital increase without waiver of subscription rights to generate funds? The proverbial drop in the ocean!

+ Your attempt to water down investor protection, the German Stock Corporation Act (AktG), the German Securities Trading Act (WpHG) and the German Civil Code (BGB) and deprive shareholders of their rights is arrogant and requires no further comment. There has never been such an outrage.

+ Does Infineon Technologies AG employ any politicians and/or what remuneration do they receive?

My urgent appeal to **all shareholders** is to recognize the long-term impact of the self-promotion in these plans and **to end** the presumptuous self-presentation, arrogance, highhandedness and complacency. **Please vote in favor of these counterproposals.**

Please put these proposals on record, make them, including the reasons, accessible pursuant to sections 125, 126 and 127 AktG, confirm that they have been received by the appropriate deadline and send me the detailed Annual Report to my postal address promptly and in good time.

**Best regards**

Dietrich-E. Kutz

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**Response of the administration to the proposals pursuant to sections 126 et seq. German Stock Corporation Act (AktG)**

We consider that the proposals are unjustified and therefore propose that they be rejected.

**Proposals from Mr. Dietrich-E. Kutz, Biberach**

**Re. agenda item 2 – Formal approval of the acts of the Management Board  
and agenda item 3 – Formal approval of the acts of the Supervisory Board**

In the last fiscal year, Infineon has taken considerable steps towards profitable growth. It has achieved this despite the insolvency of BenQ, one of its important customers. We have significantly improved the consolidated earnings before interest and tax. Share price movement has been positive and in clear contrast to the general trend in the sector. Infineon shares have outperformed the SOX semiconductor index.

**Re. agenda item 5 – Authorized Capital 2007  
and agenda item 6 – Bonds with warrants and convertible bonds**

Authorized capital and authorization to issue bonds broaden the financial flexibility of the company. The authorization to issue bonds replaces the previous authorization which expired on January 21, 2007. The reduction in authorized capital to just under 15% of the share capital takes into account shareholder requirements for protection against dilution.

**Re. agenda item 9 – Change to the articles of association (Management of shareholder meetings; right to speak and ask questions)**

Like almost all DAX 30 listed companies, and many other companies before them, Infineon would like to use the possibility expressly permitted under the AktG to ensure that the Annual General Meeting runs in an orderly and timely fashion. Our proposal is in line with this legal framework.

Neubiberg, February 2007  
Infineon Technologies AG  
Supervisory Board and Management Board