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- Market and Business Development Fourth Quarter FY 2013
- Business Focus
- Segments, Products and Technology
- General Company Information
Table of Contents

- Market and Business Development Fourth Quarter FY 2013

- Business Focus

- Segments, Products and Technology

- General Company Information
Positive Growth Outlook for Global Semiconductor Market

Global Semiconductor Market w/o Memory, w/o Microprocessor in Billion US-Dollar

2012: $292 bn

- Memory & MPU: 34%
- ToMM: 66%

Table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>84</td>
</tr>
<tr>
<td>1998</td>
<td>78</td>
</tr>
<tr>
<td>1999</td>
<td>90</td>
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<tr>
<td>2000</td>
<td>123</td>
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<tr>
<td>2001</td>
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<td>2002</td>
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<td>2003</td>
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<td>2004</td>
<td>135</td>
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<tr>
<td>2005</td>
<td>144</td>
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<tr>
<td>2006</td>
<td>156</td>
</tr>
<tr>
<td>2007</td>
<td>163</td>
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<tr>
<td>2008</td>
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<td>2009</td>
<td>149</td>
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<tr>
<td>2010</td>
<td>189</td>
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<tr>
<td>2011</td>
<td>194</td>
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<tr>
<td>2012</td>
<td>193</td>
</tr>
<tr>
<td>2013</td>
<td>194</td>
</tr>
<tr>
<td>2014</td>
<td>206</td>
</tr>
</tbody>
</table>

1 ToMM: Global semiconductor market w/o Memory, w/o Microprocessor; 2/3 of the total semiconductor market are relevant for our 4 segments
Source: WSTS for historical data. Forecast: Φ of WSTS, IHS, Gartner, IC Insights; last update November 4, 2013

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Infineon Holds Top Positions in All Target Markets

**Automotive**

- #2
- Renesas: 14%
- Infineon: 9%
- STMicro: 8%
- Freescale: 7%
- NXP: 6%

Automotive semiconductors in calendar year 2012.
Source: Strategy Analytics, April 2013.

**Power**

- #1
- Infineon: 12%
- Toshiba: 7%
- Mitshubishi: 7%
- STMicro: 6%
- Fairchild: 6%

Power semiconductors and modules in calendar year 2012.
Source: IHS, September 2013.

**Chip Card**

- #1
- Infineon: 24.1%
- NXP: 23.8%
- Samsung: 22%
- STMicro: 17%
- SHHIC: 6%

Microcontroller-based smart card ICs in calendar year 2012.
Source: IHS, September 2013.
Infineon at a Glance

The Company

- Infineon provides semiconductor and system solutions, focusing on three central needs of our modern society: **Energy Efficiency, Mobility and Security**
- Revenue in FY 2013: € 3.843 billion
- 26,725 employees worldwide (as of September 2013)
- Strong technology portfolio with more than **18,650 patents and patent applications** (as of September 2013)
- More than **20 R&D locations**
- Germany's largest and Europe's second largest semiconductor company
## Infineon Group
Results for FY 2013 vs FY 2012

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012 (€ Million)</th>
<th>2013 (€ Million)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>3,904</td>
<td>3,843</td>
<td>-2%</td>
</tr>
<tr>
<td>Segment Result (SR)</td>
<td>527</td>
<td>377</td>
<td></td>
</tr>
<tr>
<td>SR Margin</td>
<td>13.5%</td>
<td>9.8%</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>427</td>
<td>272</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-219</td>
<td>235</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>890</td>
<td>378</td>
<td></td>
</tr>
<tr>
<td>Net Cash</td>
<td>1,940</td>
<td>1,983</td>
<td></td>
</tr>
<tr>
<td>Market capitalization</td>
<td>~5,335</td>
<td>~7,995</td>
<td></td>
</tr>
</tbody>
</table>

**Revenues**

3,904 (FY12) vs 3,843 (FY13), a decrease of 2%.

**Net Income**

427 (FY12) vs 272 (FY13), a decrease of 37%.

**Segment Result (SR)**

527 (FY12) vs 377 (FY13), a decrease of 30%.

**SR Margin**

13.5% (FY12) vs 9.8% (FY13), a decrease of 37%.

**Free Cash Flow**

-219 (FY12) vs 235 (FY13), an increase of 15%.

**Investments**

890 (FY12) vs 378 (FY13), a decrease of 58%.

**Net Cash**

1,940 (FY12) vs 1,983 (FY13), a decrease of 2%.

**Market capitalization**

~5,335 (FY12) vs ~7,995 (FY13), an increase of 50%.
### Infineon Group
Results for Q4 FY13 vs Q3 FY13

<table>
<thead>
<tr>
<th></th>
<th>Q3 13</th>
<th>Q4 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>77</td>
<td>142</td>
</tr>
<tr>
<td>Segment Result (SR)</td>
<td>117</td>
<td>148</td>
</tr>
<tr>
<td>SR Margin</td>
<td>11.4%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,022</td>
<td>1,053</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>135</td>
<td>156</td>
</tr>
<tr>
<td>Gross Cash Position</td>
<td>2,137</td>
<td>2,286</td>
</tr>
<tr>
<td>Net Cash</td>
<td>1,835</td>
<td>1,983</td>
</tr>
</tbody>
</table>

**Revenues**
- **Q3 FY13**: 1,022 € Million
- **Q4 FY13**: 1,053 € Million
  - **Relative Change**: +3%

**Net Income**
- **Q3 FY13**: 77 € Million
- **Q4 FY13**: 142 € Million

**Gross Cash Position**
- **Q3 FY13**: 2,137 € Million
- **Q4 FY13**: 2,286 € Million

**Net Cash**
- **Q3 FY13**: 1,835 € Million
- **Q4 FY13**: 1,983 € Million
### Infineon Group
### Results for Q4 FY13 vs Q4 FY12

**Segment Result (SR)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 12</th>
<th>Q4 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>982</td>
<td>1,053</td>
</tr>
<tr>
<td>Segment Result (SR)</td>
<td>116</td>
<td>148</td>
</tr>
<tr>
<td>SR Margin</td>
<td>11.8%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

**Net Income**

<table>
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<th>Q4 12</th>
<th>Q4 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>138</td>
<td>142</td>
</tr>
</tbody>
</table>

**Free Cash Flow**

<table>
<thead>
<tr>
<th></th>
<th>Q4 12</th>
<th>Q4 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow</td>
<td>47</td>
<td>156</td>
</tr>
</tbody>
</table>

**Gross Cash Position**

<table>
<thead>
<tr>
<th></th>
<th>Q4 12</th>
<th>Q4 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Cash Position</td>
<td>2,235</td>
<td>2,286</td>
</tr>
</tbody>
</table>

**Net cash**

<table>
<thead>
<tr>
<th></th>
<th>Q4 12</th>
<th>Q4 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash</td>
<td>1,940</td>
<td>1,983</td>
</tr>
</tbody>
</table>
Infineon Segment Revenues
Q4 FY13 vs Q3 FY13

Revenue* in € Million

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 FY13</th>
<th>Q4 FY13</th>
<th>Change</th>
<th>Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATV</td>
<td></td>
<td></td>
<td>-1%</td>
<td>43%</td>
</tr>
<tr>
<td>IPC</td>
<td></td>
<td></td>
<td>+14%</td>
<td>19%</td>
</tr>
<tr>
<td>PMM</td>
<td></td>
<td></td>
<td>+2%</td>
<td>26%</td>
</tr>
<tr>
<td>CCS</td>
<td></td>
<td></td>
<td>+8%</td>
<td>12%</td>
</tr>
</tbody>
</table>

*Total Revenue (Q3 FY13: 1,022m €; Q4 FY13: 1,053m €) includes Other Operating Segment (Q3 FY13: 6m €, Q4 FY13: 5m €), Corporate & Eliminations (Q3 FY13: -1m €, Q4 FY13: -4m €).

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## Infineon Segment Results
### Q4 FY13 vs Q3 FY13

<table>
<thead>
<tr>
<th>Segment Result* (SR) in € Million</th>
<th>SR Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ATV</strong></td>
<td></td>
</tr>
<tr>
<td>Q3 FY13</td>
<td>52</td>
</tr>
<tr>
<td>Q4 FY13</td>
<td>57</td>
</tr>
<tr>
<td><strong>IPC</strong></td>
<td></td>
</tr>
<tr>
<td>Q3 FY13</td>
<td>13</td>
</tr>
<tr>
<td>Q4 FY13</td>
<td>33</td>
</tr>
<tr>
<td><strong>PMM</strong></td>
<td></td>
</tr>
<tr>
<td>Q3 FY13</td>
<td>46</td>
</tr>
<tr>
<td>Q4 FY13</td>
<td>49</td>
</tr>
<tr>
<td><strong>CCS</strong></td>
<td></td>
</tr>
<tr>
<td>Q3 FY13</td>
<td>10</td>
</tr>
<tr>
<td>Q4 FY13</td>
<td>12</td>
</tr>
</tbody>
</table>

*Total Segment Result (Q3 FY13: 117m €; Q4 FY13: 148m €) includes Other Operating Segment (Q3 FY13: -2m €, Q4 FY13: -1m €), Corporate & Eliminations (Q3 FY13: -2m €, Q4 FY13: -2m €).
Revenue Split by Segments

FY 2013 Revenue: € 3,843m

- **ATV**: € 1,714m
- **CCS**: € 463m
- **OOS+ C&E***: € 28m

- **IPC**: € 651m
- **PMM**: € 987m

*Other Operating Segments; Corporate & Eliminations.*
Proportional Revenue Infineon Group by Regions: FY 2013 and FY 2012

- **Americas**: FY 2012 - 12%, FY 2013 - 13%
- **Europe, Middle East, Africa (EMEA)**: FY 2012 - 44%, FY 2013 - 41%
- **Asia / Pacific**: FY 2012 - 38%, FY 2013 - 40%
- **Japan**: FY 2012 - 6%, FY 2013 - 6%

*FY 2012* is shown in light blue, *FY 2013* is shown in dark blue.
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- Market and Business Development Fourth Quarter FY 2013
- Business Focus
- Segments, Products and Technology
- General Company Information
We Focus on Our Target Markets

Focus Areas
- Energy Efficiency
- Mobility
- Security

Core Competencies
- Analog/Mixed Signal
- Power
- Embedded Control
- Manufacturing Competence

Our Target Markets
- Automotive
- Industrial Electronics
- Information and Communications Technology
- Security
We Focus on Three Areas with Highly Attractive Future Perspectives

- Energy Efficiency
- Mobility
- Security

- Automotive
- Industrial Power Control
- Power Management & Multimarket
- Chip Card & Security
Energy Efficiency

Key Trends

- Soaring total energy demand across the globe amid dwindling fossil energy resources
- Strong CO$_2$ policies to achieve climate goals
- Tapping renewable energies as sustainable energy sources
- Electrification of the drivetrain of commercial and passenger vehicles

Our Contribution

- Infineon delivers semiconductor innovations playing a valuable role in minimizing power loss and maximizing power savings along the entire energy supply chain, extending from generation through distribution to actual consumption.
- Our products are the basis for intelligent and optimal use of energy resources in industrial, computing and consumer applications, and in cars.
Key Trends

- Rigid CO₂ regulations and rising oil price
- Increasing rules on safety, focusing on preventive measures
- Rising new requirements in cars for emerging markets
- Urbanization, globalization and demographic change
- Strong investments in local and long distance public transportation systems

Our Contribution

- Leading semiconductor solutions contributing to a more sustainable mobility in terms of reduced fuel consumption/emissions, improved safety and affordability.
- As an innovation driver and supplier of key components for electric and hybrid vehicles, Infineon will actively help to shape the paradigm shift towards electro mobility on the road.
- Innovative public transportation solutions for traction and electronic tickets.
Key Trends

- Secure communication everywhere utilizing mobile phone and internet
- Move to electronic identification of documents and products
- Contactless cards for payment and electronic tickets
- Increased electronics in cars, calling for secure data handling
- Introduction of smart grids calling for advanced data security

Our Contribution

- Tailored security according to system requirements, enabling the implementation of transparent security in everyday systems.
- Leverage our worldwide leadership in security know-how for smart cards in automotive and industrial applications increasingly demanding security.
- Combining both hardware security and cryptography, our products build the basis for privacy and security while maintaining personal freedom and facilitating extended communication capabilities.
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- Market and Business Development Fourth Quarter FY 2013
- Business Focus
- Segments, Products and Technology
- General Company Information
Tight Customer Relationships are Based on System Know-how and App Understanding

**ATV**
- Autoliv
- HELLA
- Mitsubishi
- Continental
- DELPHI
- DENSO
- LEAR CORPORATION
- MAGNETI MARELLI
- HYUNDAI
- TRW
- Valeo

**IPC**
- ABB
- ALSTOM
- BOMBARDIER
- Danfoss
- Rockwell Automation
- Enercon
- Schneider Electric
- Goldwind
- SMA
- SIEMENS
- SUNGROW
- TOSHIBA
- YASKAWA

**PMM**
- AAC Acoustic Technologies
- Delta
- Goertek
- Emerson
- ERCsson
- LITEON
- LITEC
- LG
- IBM
- OSRAM
- muRata

**CCS**
- G2O
- Gemalto
- GPO
- OBERTHUR TECHNOLOGIES
- SAFRAN
- Watchdata

**Distributors**
- Avnet
- JCT
- RUTRONIK
- SLC
- TOMEN ELECTRONICS
- WPG
### Market-Oriented Business Structure

#### Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Core Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive</strong></td>
<td>Powertrain; Hybrid and electric vehicles; Chassis and comfort electronics; Safety</td>
</tr>
<tr>
<td><strong>Industrial Power Control</strong></td>
<td>Renewable energy generation; Energy transmission; Uninterruptable power supplies; Industrial drives; Industrial vehicles; Traction; Home appliances</td>
</tr>
<tr>
<td><strong>Power Management &amp; Multimarket</strong></td>
<td>Power supplies for IT and telecom, server, PC, notebook, tablet, smart phones, consumer electronics; Mobile devices (smartphones, tablets, navigation devices); Cellular network infrastructure; Light management incl. LED lighting; Inverter for photovoltaic rooftop systems (&lt; 3kW)</td>
</tr>
<tr>
<td><strong>Chip Card &amp; Security</strong></td>
<td>Mobile communication; Payment systems; Near Field Communication (NFC); Electronic passports, ID cards, healthcare cards, driver's licenses; Ticketing, access control; Trusted computing; Authentication</td>
</tr>
</tbody>
</table>
Product Range

Automotive (ATV)
- Microcontrollers (8-bit, 16-bit, 32-bit)
- Software development platform DAVE™
- Discrete power semiconductors (MOSFETs, IGBTs)
- IGBT modules
- Voltage regulators
- Power ICs
- Bus interface devices (CAN, LIN, FlexRay)
- Magnetic sensors
- Barometric pressure sensors
- Wireless transmit and receive ICs (RF, radar)

Industrial Power Control (IPC)
- IGBT module solutions incl. IGBT stacks
- IGBT modules
- Discrete IGBTs
- "Bare die" business
- Driver ICs

Power Management & Multimarket (PMM)
- Discrete high-voltage power transistors
- Discrete low-voltage power transistors
- Driver ICs
- Control ICs
- RF power transistors
- Small-signal components
- CMOS RF switches for antenna modules
- MEMS and ASICs for silicon microphones
- Customized chips (ASICs)

Chip Card & Security (CCS)
- Contact-based security controller
- Contactless security controller
- Dual-interface security controller (contact-based and contactless)
### New Era: Driving Demand for Power Semiconductors

<table>
<thead>
<tr>
<th>'90 – '10</th>
<th>'10 – '30</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="" alt="Car Image" /></td>
<td><img src="" alt="Car Image" /></td>
<td><strong>Electrification in cars with Internal Combustion Engine as well as the trend towards emobility drives the demand for power semiconductors.</strong></td>
</tr>
<tr>
<td><img src="" alt="Power Station Image" /></td>
<td><img src="" alt="Wind Turbine Image" /></td>
<td><strong>Shift towards renewable energies requires significantly more high-power semiconductors per MW of power generated.</strong></td>
</tr>
<tr>
<td><img src="" alt="Power Supply Unit Image" /></td>
<td><img src="" alt="Data Center Image" /></td>
<td><strong>Higher efficiency in power conversion lowers CO₂ and total cost of ownership.</strong></td>
</tr>
<tr>
<td><img src="" alt="Pedestrian Image" /></td>
<td><img src="" alt="Busy Street Image" /></td>
<td><strong>Stronger demand for goods containing power semiconductors due to increasing standard of living in BRIC countries.</strong></td>
</tr>
</tbody>
</table>
Automotive Overview

Product Range

- **Sensors**: pressure, magnetic, wireless control ICs, radar
- **Microcontrollers**: 8-bit, 16-bit, 32-bit
- **Power**: MOSFETs, IGBTs, smart power ICs: voltage regulators, bridges, driver ICs, CAN / LIN / FlexRay™ transceiver*, DC-DC converters, power system ICs, system-on chip, embedded power ICs
- **Hybrid & Electric Vehicle**: HybridPACK™ modules, Automotive Easy modules, gate driver ICs, MOSFETs, IGBTs

Core Competencies/Value Proposition

- **Automotive commitment**: More than 40 years of automotive system and application expertise
- **Complete** automotive system provider
- **Hybrid and Electro mobility**: industry leading expertise and product portfolio
- **Functional Safety (ISO26262)** and **Security** enabling car solutions
- **Worldwide** development, production and support sites for automotive semiconductors
- **Next Level of Zero Defect**: most comprehensive quality program of the industry

Market Positions

- **No. 2** in Automotive semiconductors worldwide
- **No. 1** Europe
- **No. 2** North America
- **No. 1** APAC & Others**
- **No. 5** Japan

Source: Strategy Analytics (April 2013)
We Focus on Future Business
Making Cars Clean

Market Trends

- Dwindling energy resources
- Urbanization
- Stricter CO₂ emission legislations
- Growing environmental awareness

Infineon's Opportunities

- Infineon components are key for CO₂ reduction: total improvement of CO₂ emission ~23 g/km.
- We offer Hybrid and electric drivetrain products (HybridPACK™).
- No electric vehicle without semiconductors: electric drive and control, battery management, on-board battery charging and power grid communication.

Note: Baseline CO₂ reduction in g/km: 170 g/km on Ø EU cars
Target Applications for Electric Drive Train
Product Portfolio

- **Inverter / Generator for Full Hybrids and Electric Vehicles**
- **Inverter / Generator for Mild Hybrids, Battery Charger**
- **Aux Drives, Aux DC&DC, Charger**

### Power Levels

- **10kW**
- **20kW**
- **30kW**
- **40kW**
- **50kW**
- **60kW**
- **70kW**
- **80kW**
- **90kW**
- **100kW**

### Product Solutions

- **HybridPACK™ 2**
- **HybridPACK™ 1 Pin-Fin**
- **HybridPACK™ 1 Light**
- **Easy Modules**
- **Bare Die: IGBTs, Diodes, MosFETs**
- **Driver IC: IGBTs, MosFETs**
- **Discrete solutions: IGBTs, Diodes, MosFETs**
BMW and Infineon: Working together to shape the future of electro mobility

- 75 semiconductors ensure a highly efficient electric drive in the BMW i3, e.g. Microcontroller AUDO Future, IGBT Power Module HybridPACK™ 2, EiceDRIVER™ Products, CoolMOS™ High voltage MOSFETs.

- Further components: airbag control, LED light modules, steering locks, windshield wipers and seatbelt retractors.
Industrial Power Control
Overview

Core Competencies/ Value Proposition
- High quality products and services
- Leading edge technology and IP portfolio
- System expertise with broad application competence
- Strong worldwide presence with local sales and application support
- Dedicated account teams and distributors

Product Range
- IGBT modules and stack assemblies
- IGBT chips and discretes
- Driver ICs and Driver Boards (EiceDRIVER™)

Market Positions
- No.1 in Bipolar High Power Thyristor/Rectifier with 24.8% market share*
- No. 2 in Power Modules with 18.4% market share.
- No.1 in Discrete IGBT Semiconductors with 23.7% market Share

* This business is part of the Infineon Technologies Bipolar GmbH & Co. KG, a Joint Venture with Siemens.

Source: IMS Research, August 2012
Power Components for Drive Control of Train Systems

High-Speed Trains
- Power: 5 to 10MW per train
- 80 to 120 IGBT modules per train
- Semiconductor content: ~EUR 100,000 per train

Metro Trains
- Power: 0.5 to 1MW per train
- 25 to 50 IGBT modules per train
- Semiconductor content: ~EUR 10,000 per train

Infineon Parts
Power Management & Multimarket Overview

Product Range
- Power Discretes and Driver ICs
- Power ICs, Digital Power Management
- LED Drivers
- RF Diodes and Transistors, RF Power
- Chips for Silicon MEMS Microphones, TVS Diodes
- ASIC design solutions for authentication and battery management

Core Competencies/Value Proposition
- Technology Leadership in Power & RF:
  - Energy Efficiency
  - Power Density, system size and weight reduction
  - Connectivity and reliable, clean Data Transmission for 50bn devices in 2020
- Revolutionary Innovation made "easy to use"
  - Application centric Innovation
  - Integration competence: Power/RF, Digital Power, Discretes, chip embedding

Market Positions
- No. 1 in Power Discretes
- No. 2 in Discrete MOSFETs
- No. 2 in Silicon for MEMS Microphones
  (IHS: MEMS Microphones go Mainstream, 2012)
- No. 3 in RF Power Devices
  (ABI Research: RF Power Amplifiers; Dez 2012)
Energy Efficient Server

- Efficiency values of 95% and higher
- Technology leadership in silicium and siliciumcarbide products
- Highest power density enabling best cost-performance ratios
- Unique system solutions with MOSFETs, power ICs and driver products

Cellular Infrastructure

- Applicable for all standard frequencies of 2G, 3G, 4G (450 MHz to 2.7 GHz)
- Industry leading power efficiency for LTE
- Wide range of devices with power levels from 4 – 700 W
- Best-in-class thermal performance

Infineon Components
Social Networks and Cloud Computing Driving Demand for Highest Efficient Power Supplies

Digital Power Management (DPM) Gaining Traction in Server Market

- Globally, we see one new data center per week with up to 100 MW of power consumption.
- Efficiency of power supply (AC/DC, DC/DC) of utmost importance.
- DPM best solution for flexible load dynamics.
- Change in value chain: servers no longer from the shelf but designed by ODMs according to specification of data center operator.

DPM opens the door for bundling with other products.

Recent design win: Infineon offers DPM controllers along with driver ICs and MOSFETs to Taiwanese ODM.
Chip Card & Security Overview

Product range

- Contactless and contact-based security products for Communication, Payment, Government ID, Transport, Access, Object ID, Entertainment and Platform Security
- Extensive packaging and service portfolio
- Innovative solutions from basic security RFID and memories to high-end security controllers (including the award winning SLE 78 family)

Core competencies/Value proposition

- Tailored security: right level of security at the best cost-performance ratio
- Contactless excellence: focus on interoperability and dual interface
- Embedded control: right trade-off between computing power, power consumption, level of security and cost

Market positions

- No. 1 in the Microcontroller Smart Card IC market with 24%\(^1\) market share in 2012 by revenue
- Market leader in Payment\(^2\) with 33% market share in 2012 in terms of volume
- Market leader in Gov ID. Only IC provider shipping to the ePass projects of the world's five biggest countries. Providing chips for more than 70% of National eID projects in Europe
- Market leader in TPM and PayTV

Source: \(^1\)IMS Research, Sept 2013; \(^2\)IMS, Aug 2013; \(^3\)IMS, March 2013
Infineon is the **only supplier** and has started shipping security chips of the SLE78 product family based on the digital security technology "**Integrity Guard**".

Taiwan has been issuing **one million electronic passports (ePassports) per year** to its approximately **23 million citizens** since 2008. The passports have a validity of ten years and comply with latest ICAO (International Civil Aviation Organization) standards for travel documents.

This is the **second major project** driven by the government of Taiwan that relies on security chips from Infineon: **more than 25 million pieces** have already been shipped for the **electronic health cards of the Taiwan Health Care Project**.

ID cards, passports, health cards and driving licenses increasingly are being issued in the form of **electronic documents**, comprising a security chip, in order to protect them more effectively against counterfeiting and falsification while increasing convenience for the ID holder.
Infineon supplies security chips of the SLE 78 product family with "Integrity Guard," which offers the highest level of data security over the long term and are ideally suited for sovereign documents with a long period of validity.

Kosovo's are the world's first electronic passports incorporating the Supplemental Access Control (SAC) protocol, which enhances protection against unauthorized access and possible abuse of personal data.

In contrast to the earlier generation BAC (Basic Access Control) protocol, SAC is based on asymmetric encryption.

As the first European country to comply with the new requirement, the Republic of Kosovo will issue 800,000 electronic passports.

Within the EU, SAC will be mandatory for ePassports issued from December 2014.

According to current estimates from market research firm IHS, roughly 192 million electronic passports are in circulation in Europe. In this region, over 30 million new electronic passports are issued each year.
Infineon introduced a new family of Trusted Platform Modules (TPM) that broaden the application base for trusted computing and mark the first availability of discrete security chips supporting the next generation TPM 2.0 specification.

With extended temperature range versions, support for either serial or parallel device interfaces and ability to run either TPM 1.2 or 2.0, Infineon's OPTIGA™ TPMs support current and anticipated future requirements for hardware-based trusted system applications across industrial, embedded, mobile or tablet and traditional computing environments.

Infineon's TPM security chips have received TCG certification based on the international security standard "Common Criteria" and on TCG's own compliance tests.

"With launch of the new OPTIGA™ TPM family, Infineon supports both the evolution to higher security implementation with TPM 2.0 and the growing demand for Trusted Computing functionality in computing systems," said Juergen Spaenkuch, Vice President and General Manager Platform Security.
## Semiconductor Technology Portfolio

**Technology portfolio fits needs of logic and power applications**

### Power/Analog

| Analog Bipolar | DOPL, Ax, BIPEP, B4C |
| Analog BiCMOS | B6CA, B6CA-CT, B7CA, SPT170 |
| Smart Power | 1200-130nm BIP/CMOS/DMOS |
| Smart | CMOS/DMOS, SMARTx, (SmartMOS) |
| Smart | MSMARTx, SSMARTx, Opto-TRIAC |
| DMOS | Low Voltage Trench MOSFET (OptiMOS™) |
| HV-DMOS | Superjunction MOSFET (CoolMOS™) |
| IGBT | Trench IGBT 600-6500V, rev. cond., fast recov. Diodes |
| SiC | Diode, JFET |

All of them adopted for automotive and industrial requirements

### MEMS/Sensors

| Analog ICs | B6CA, B7CA |
| Magnetic | BxCAS, C9FLRN_GMR |
| Opto | OP-DI, OP-TR, OP-C9N, µ-modules |

### CMOS

| Analog/Mixed Signal | 800nm – 65nm Technology Nodes (Platform <180nm incl. RF, AMS) |
| eNVM | EEPROM: IMEMR, C9FL, OTP: C5OP (Automotive) |
| eFlash/EEPROM | 250nm – 65nm CxFL (Chip Card), CxFLA, CxFLN (Automotive) |
| HV-CMOS | 130nm, C11HV |

### RF/Bipolar

| RF BiCMOS | 25GHz – 100GHz: B6HFC, B9COPT, B10C |
| Bipolar IC | 2GHz...200GHz RF-Bipolar: BxHF |
| HiPAC | Al/Cu Integrated Passives |
| Bipolar/Discretes/MMIC | SiGe: B7HFM, B7HFC, B7HF200 |
| RF Transistors | NF-TR; BxHF(D/M), |
| Power Amplifier | LDMOS, LDxM, LDxIC, LD9AB |
| Diodes | NF-DI, Tuner: DxT, Schottky: DxS |
| SiGe | B7HFC/M, B7HF_SD |
| RFMOS | HFM |
| PIN | DxP |

Incl. Green Robust

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## Package Technology Portfolio

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<thead>
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<th>IC</th>
<th>Power</th>
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<td><strong>Power Modules</strong></td>
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<td><strong>Surface Mount Technology (SMD)</strong></td>
<td><strong>Through Hole</strong></td>
</tr>
<tr>
<td><strong>Wafer Level</strong></td>
<td><strong>SMD Ledged</strong></td>
</tr>
<tr>
<td>w/o redistribution</td>
<td><strong>PSSO</strong></td>
</tr>
<tr>
<td>▪ WLP (fan-in)</td>
<td><strong>SMD Ledged</strong></td>
</tr>
<tr>
<td>w/redistribution</td>
<td><strong>TO, DIP</strong></td>
</tr>
<tr>
<td>▪ WLB (fan-in)</td>
<td><strong>TO</strong></td>
</tr>
<tr>
<td>▪ eWL (fan-out)</td>
<td><strong>DSO</strong></td>
</tr>
<tr>
<td>▪ Blade</td>
<td><strong>SSOP</strong></td>
</tr>
<tr>
<td><strong>Bare Die</strong></td>
<td><strong>Leadless</strong></td>
</tr>
<tr>
<td>▪ Wirebond</td>
<td><strong>TDSON</strong></td>
</tr>
<tr>
<td>▪ Flip chip</td>
<td><strong>TSDSON</strong></td>
</tr>
<tr>
<td><strong>SMD</strong></td>
<td><strong>CanPAK™</strong></td>
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<tr>
<td>▪ OCCN 1,2)</td>
<td><strong>XSON</strong></td>
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<tr>
<td>▪ BGA</td>
<td><strong>USON</strong></td>
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<td>▪ LBGA</td>
<td><strong>WISON</strong></td>
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<td>▪ xFBGA, xFSGA</td>
<td><strong>IQFN</strong></td>
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<tr>
<td><strong>Through Hole</strong></td>
<td><strong>HSOF</strong></td>
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<tr>
<td>▪ DIP 2)</td>
<td><strong>Power</strong></td>
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<tr>
<td>▪ SMD</td>
<td><strong>ICM</strong></td>
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<tr>
<td>▪ PLCC 2)</td>
<td><strong>IHM</strong></td>
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<td>▪ TSSOP</td>
<td><strong>IHV</strong></td>
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<tr>
<td>▪ TQFP</td>
<td><strong>Hybrid-PACK™</strong></td>
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<td>▪ LQFP</td>
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<td>▪ MQFP</td>
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<td><strong>Leadless</strong></td>
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<td>▪ VQFN</td>
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<td>▪ WQFN</td>
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<tr>
<td>▪ O-LQFN 1)</td>
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<tr>
<td>▪ XSON</td>
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<td>▪ USON</td>
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<tr>
<td><strong>Mold on LF</strong></td>
<td><strong>Wafer level</strong></td>
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<tr>
<td>▪ P-MCCx</td>
<td><strong>WLP</strong></td>
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<tr>
<td><strong>Mold</strong></td>
<td><strong>WLL</strong></td>
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<tr>
<td>▪ P-Mx.x</td>
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<td><strong>Chip on Flex</strong></td>
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<td>▪ FTN</td>
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<td><strong>UV Globe top</strong></td>
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<td>▪ T-Mx.x</td>
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<td><strong>PRELAM</strong></td>
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<td>▪ PPxx</td>
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<td><strong>Flip Chip</strong></td>
<td><strong>Open cavity</strong></td>
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<tr>
<td>▪ S-MFCx.x</td>
<td><strong>DSOF</strong></td>
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<td><strong>Wafer</strong></td>
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<td>▪ Bumped</td>
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<td>▪ Diced</td>
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<td><strong>Wafer Level Packages</strong></td>
<td><strong>Discretes</strong></td>
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<td><strong>Sensors</strong></td>
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<tr>
<td><strong>Leadless</strong></td>
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<tr>
<td>▪ TSLP</td>
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<tr>
<td>▪ TSSLP</td>
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<td>▪ TSNP</td>
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<td><strong>Wafer level</strong></td>
<td><strong>High Power</strong></td>
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<tr>
<td>▪ WLP</td>
<td><strong>Prime-PACK™</strong></td>
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<tr>
<td>▪ WLL</td>
<td><strong>IH</strong></td>
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<tr>
<td><strong>Power</strong></td>
<td><strong>Power</strong></td>
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<tr>
<td>▪ Through Hole</td>
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<tr>
<td>▪ PSSO</td>
<td></td>
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<tr>
<td>▪ SMD Ledged</td>
<td></td>
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<tr>
<td>▪ DSOSP</td>
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</tr>
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</table>

1) for specialities only  2) phase-out
<table>
<thead>
<tr>
<th>Award Name</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pinnacle Award for Technology (September 2013)</td>
<td>September 2013</td>
<td>Honoring Infineon for its innovation, which provides &quot;Delphi with significant competitive advantage&quot;, and the &quot;excellent customer service. Infineon is the first non-Japanese component supplier ever to receive the technology award.&quot;</td>
</tr>
<tr>
<td>Innovation Award 2012 (June 2013)</td>
<td>June 2013</td>
<td>&quot;Infineon was honored with the special &quot;Innovation Award&quot;, which was presented by Continental for the first time. This is the fourth time in a row, that Infineon has won a Continental Supplier Performance Award.&quot;</td>
</tr>
<tr>
<td>Technical Development Award 2011 (July 30, 2012)</td>
<td>July 30, 2012</td>
<td>&quot;Denso presents its awards to its best suppliers for quality, pricing, technical development, and global collaboration. Infineon is the first non-Japanese component supplier to receive a Denso Technology Development Award.&quot;</td>
</tr>
</tbody>
</table>
Recent Awards: Industrial Power Control and Power Management & Multimarket

**Preferred Supplier Award 2013 (Nov 11, 2012)**

"On the Global Suppliers Day of Schneider Electric Infineon was selected as "Preferred Supplier" 2013. Infineon fulfills the certain expectation about the Quality, in time delivery and demonstrated as excellent and open minded business partner. This award was evaluated from more than 100 suppliers worldwide."

**Elektronik Product of the year award (March 19, 2013)**

"Infineon's product family JFETs CoolSiC™ was honored with the Product of the year award in the category automatization from Elektronik. The revolutionary CoolSiC™ SiC JFET family represents Infineon's leading edge solution to bring actual designs towards new and so far unattainable efficiency levels."

**Bombardier Sustainability Award (July 9, 2013)**

"Bombardier Transportation has presented Infineon Technologies AG with its Supplier Sustainability Award 2013. Infineon won the prize for reaching the sustainability goals it had set itself. The Jury deemed Infineon's high level of product responsibility as well as the positive environmental effects its assortment has meant for the sustainable mobility of Bombardier Transportation particularly worthy of a prize."
**Recent Awards: Chip Card & Security**

**German Prize for IT Security (November 29, 2012)**
"Infineon's research project "Cryptographic Protocol with Inherent Side-Channel Resistance" was honored with the 1st prize. The innovative encryption scheme offers data security for price-sensitive mass market products e.g. electronic ski passes, library cards or public transport."

**Sesames Award 2012 (November 6, 2012)**
"Infineon has been awarded the chip card industry's Sesames Award 2012 for the most innovative product in the category Transportation. The SOLID FLASH™-based SLS 32TLC security controller from Infineon is the industry's first solution that supports conventional public transportation implementations as well as CIPURSE™, the newly defined open standard for the transport industry."

**Nomination for the Federal President's Award for Innovation and Technology (September 12, 2012)**
""Integrity Guard" digital security technology has been nominated for the "Deutscher Zukunftspreis 2012". Infineon developed this new generation security technology for applications that require the highest level of data security and long time resilience."
Table of Contents

- Market and Business Development Fourth Quarter FY 2013
- Business Focus
- Segments, Products and Technology
- General Company Information
Decisive Competitive Advantage: Quality at Infineon

Our aspiration

- Preferred partner for our customers
- Smooth production and delivery
- We focus on stability and the 100 percent fulfillment of our commitments

Our path

- Integrated approach along the entire value chain
- Proactive Quality Management for products and processes

Our standards

- International Standards, e.g. TS16949, ISO 9001, IEC 17025
- Specific customer requirements
26,725 Employees Worldwide

USA
499 employees

172 East Coast
327 West Coast

Europe
12,587 employees

71 Great Britain
3058 Austria
8520 Germany
90 Portugal
35 France
97 Italy
184 Romania
23 Sweden
502 Hungary
7 Other Europe

Asia/Pacific
13,639 employees

1831 Singapore
1918 Indonesia
234 India
7709 Malaysia
1615 China*
122 Japan
89 Korea
112 Taiwan
9 Australia

*) incl. Hong Kong
R&D Network in Europe

Warstein
Duisburg
Bristol
Augsburg
Munich, Neubiberg
Padua
Regensburg
Dresden
Linz
Graz
Bucharest
Villach
Sales Offices in Europe

- Rotterdam
- Duisburg
- Warstein
- Hanover
- Stockholm, Kista
- Moscow
- Erlangen
- Munich, Neubiberg
- Vienna
- Zurich
- Milan
- Marseille
- Stuttgart, Ditzingen
- Nuremberg
- Großostheim
- Dublin
- Bristol
- Saint Denis
- Madrid
- Toulouse
- Hanover
- Warstein
- Hanover
- Stockholm, Kista
- Moscow
- Erlangen
- Munich, Neubiberg
- Vienna
- Zurich
- Milan
- Marseille
- Stuttgart, Ditzingen
- Nuremberg
- Großostheim
- Dublin
- Bristol
- Saint Denis
- Madrid
- Toulouse
Sales Offices Worldwide (Excluding Europe)

- Lebanon
- Livonia
- Bangalore
- Seoul
- Wuxi
- Hong Kong
- Shenzhen
- Hayward
- Milpitas
- Kokomo
- Singapore
- São Paulo
- Tokyo
- Nagoya
- Osaka
- Taipei
- Melbourne, Blackburn
## United Nations Global Compact
### 10 Principles

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<tr>
<th><strong>Human Rights</strong></th>
<th><strong>Labor</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Principle 1:</strong> support and respect the protection of internationally proclaimed human rights</td>
<td><strong>Principle 3:</strong> uphold the freedom of association and the effective recognition of the right to collective bargaining</td>
</tr>
<tr>
<td><strong>Principle 2:</strong> make sure they are not complicit in human rights abuses</td>
<td><strong>Principle 4:</strong> uphold the elimination of all forms of forced and compulsory labor</td>
</tr>
<tr>
<td><strong>Principle 5:</strong> uphold the effective abolition of child labor</td>
<td><strong>Principle 5:</strong> uphold the elimination of discrimination in respect of employment and occupation</td>
</tr>
<tr>
<td><strong>Principle 6:</strong> uphold the elimination of discrimination in respect of employment and occupation</td>
<td><strong>Environment</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Principle 7:</strong> support a precautionary approach to environmental challenges</td>
</tr>
<tr>
<td></td>
<td><strong>Principle 8:</strong> undertake initiatives to promote greater environmental responsibility</td>
</tr>
<tr>
<td></td>
<td><strong>Principle 9:</strong> encourage the development and diffusion of environmentally friendly technologies</td>
</tr>
</tbody>
</table>

| **Anti-Corruption** | **Principle 10:** work against corruption in all its forms, including extortion and bribery |
CSR at Infineon comprises our voluntary commitment and contributions in the areas:
Corporate Social Responsibility
Successful CSR Approach

Company Foundation
Worldwide certified environmental management system according to
ISO 14001

since 2001
FTSE4Good
FTSE4 Good Index

since 2004
UN Global Compact

since 2005
Infineon IMPRES
(Infineon Integrated Management Program for Environment, Safety & Health)

since 2010
Dow Jones Sustainability Index
since 2011
Sustainability Yearbook

since 2012
Energy Management System, integrated in IMPRES

According to RobecoSAM, Infineon is among the top 15% most sustainable companies worldwide and therefore listed in the Sustainability Yearbook

RobecoSAM „Runners-up” Award (2013)
Based on our efforts for resources management, safety and health standards, Infineon received the EN ISO 14001, OHSAS 18001 and ISO 50001* multi-site certification.

- We consume **33% less** water to manufacture 1sqcm wafer than the global average\(^1\).
- We consume **42% less** energy to manufacture 1sqcm wafer than the global average\(^1\).
- We generate **50% less** waste to manufacture 1sqcm wafer than the global average\(^1\).

* ISO 50001 in major EU sites
\(^1\) According to "World Semiconductor Council"
Our CO₂ Balance: Emission Reduction Enabled by Our Products and Solutions

1.2 million tons

CO₂ burden

Ratio
1:13

More than 15.8 million tons

CO₂ savings

Net ecological benefit:
more than 14.6 million tons of CO₂ emission reduction

1) including manufacturing, transport, material, chemistry, emissions, water, waste and waste water, energy consumption; values are based on internal figures as well as official data for one year.
2) considering only automotive products, lighting, PC power supply, regenerative energy production (photovoltaic, wind) and drives, calculation based on average lifetime and Infineon market-share.
ENERGY EFFICIENCY
MOBILITY
SECURITY

Innovative semiconductor solutions for energy efficiency, mobility and security.