



## Press release

### **Infineon Austria: Innovative Solutions for Global Challenges Provide for Considerable Growth in 2015**

*Economy and prospects positive in all material respects*

- Sales rose to a record level and the result of ordinary business activity increased by 2% from last year, all thanks to strong demand for energy saving chips
- Expenses for R&D were €363 million; still at a high research quota of 25%
- Workforce extended by 5.7% to 3,493 employees
- Industry 4.0 activities reinforce competitiveness in Villach
- 15.5 billion chips produced in Villach; high utilization of production facilities
- Offering energy efficient solutions, security and sustainable mobility will provide further growth

Vienna, December 9, 2015 – The Infineon Technologies Austria Group (Infineon Austria) continued generating considerable growth in the preceding period. The result for the fiscal year 2015 (October 2014 until September 2015) was announced today at the annual press conference.

In 2015, Infineon Austria produced a **turnover of €1,427.1 million**, thereby improving on its figure for the previous year (turnover 2014: €1,300.5 million) by €126.6 million or around 10%. With this revenue Infineon is reaching an all-time high in the history of the company. The **result of ordinary business activity** was at **€152.1 million**, an increase from the previous year by €3 million or around 2% (result of ordinary business activity 2014: €149.1 million).

The gratifying market trend in the business segments contributed to the increase in revenues, for which Infineon Austria is globally responsible. In addition, the development of the dollar exchange rate had a positive impact in the past year. The result is primarily attributable to the increase in productivity at the production site in Villach with simultaneous high capacity utilization of the production lines.

“Our broad expertise in power electronics benefited from the worldwide strong demand for chips enhancing energy efficiency in industrial, automotive as well as consumer applications”, says Sabine Herlitschka, CEO of Infineon Technologies Austria AG.

“In focusing on crucial future issues such as energy efficient technologies, sustainable mobility and security based on hardware, Infineon offers innovative solutions for current global challenges. Therefore, we benefit from worldwide megatrends such as the energy transition, autonomous vehicle operation and digitalization.”

The acquisition of International Rectifier completed in January 2015 further strengthens Infineon’s worldwide leading position for energy efficient chips. The integration of Infineon’s former competitor is already well advanced and also holds vast opportunities for Infineon Austria which will be specified in the 2016 fiscal year.

### **Investments: Kept at a high level**

The **investments** amounted to **€111.6 million**, 1% above the previous year’s figure (2014: €110.2 million). This was used, above all, for the construction of a new building ensemble dedicated to research, development and production as well as infrastructure projects in Villach. Furthermore, ongoing investments in the form of new machinery and systems for the production of energy saving semiconductors in 300 millimeter thin-wafer technology were made.

### **Pioneering role for intelligent industrialization in Austria**

With the opening of the building complex in Villach, where Industry 4.0 is being tested and put into practice, Infineon positioned itself at the forefront in Austria dealing with this matter. The expansion is being boosted by further investments and research expenses in the amount of €290 million until 2017. With this development Infineon strengthens its own competitiveness and creates new key employment opportunities in Austria. At the balance sheet date, 130 out of 200 high-tech positions planned for the time period from 2014 until 2017 have been filled.

“With the new expansion we have now created a situation in which we can considerably speed up the innovation cycles and improve productivity and quality by strengthening the links between development and production”, explains Sabine Herlitschka. “By focusing on knowledge-intensive production, we can be more effective as a location for innovation within the global competition.”

The Industry 4.0 solutions developed in Villach contribute to the success of the Infineon Group and can be used in future along the entire value chain, from customer to supplier. At the same time, specific examples for jobs of the future are being created. Infineon has put in place targeted measures for providing qualifications for their employees and has already developed first new job profiles.

### **R&D: 25% research quota**

Infineon Austria has spent the total amount of **€363 million for research, development and innovation** in the 2015 fiscal year. That is about €43 million or 13.4% more than in the previous fiscal year. This represents a research quota of 25% of the total turnover. Since the 2013 fiscal year, Infineon has been the leading industrial company in research in Austria according to TOP 500 ranking of the business magazine *trend*.

With the strategic approach “Product to System”, the focus is on system solutions that will enhance Infineon’s customers in their markets. The areas of expertise are power semiconductors and related thin-wafer technologies on the one hand, as well as the exploration of new materials for particularly energy saving chips. Furthermore, Infineon is developing sensor and micro-electromechanical components as well as security chips for credit card and ID-card applications.

### **Further increase of employment numbers**

As of the balance sheet day, Infineon Austria employs a total of **3,493 people** at the Villach, Klagenfurt, Graz, Linz and Vienna locations. This means 188 more employees compared to this time last year (plus 5.7%). With that the company exceeded its record level set in the fiscal year 2014 once again. The increase in personnel happened in the technology development for manufacturing, the R&D department and quality management as well as in the departments’ headquarter office, whereby global responsibility in Austria could be reinforced. In addition, around 1,900 employees are working for the company through business partners.

Around 48% of the employees have an academic degree. 1,269 staff members are working in research and development. This means an increase of 5% in comparison with the previous year (1,205 employees). Thus, Infineon Austria employs a fifth of the R&D workforce in the Infineon Group.

### **Most efficient plant in Austria in 2015**

**15.5 billion chips were produced** in Villach during the 2015 fiscal year. Manufacturing in Villach is the competence center for the production of power electronics within the Infineon Group. Innovative manufacturing methods such as the 300mm thin-wafer technology were developed here consistently to be ready for the market. In mid 2015 the volume production of this new generation of power semiconductors for automotive applications was started. The new chips belong to the thinnest of their kind in the world and contribute considerably to higher energy efficiency and thus decrease of the CO<sub>2</sub> emissions of vehicles.

The plant in Villach was awarded for being Austria’s most efficient production company in the “Corporate Group” category by Fraunhofer Austria Research and

the “Industriemagazin” (industrial magazine). It also received the special award for maintenance.

### **Purchasing volume: Regional added value**

Infineon Austria placed a total value of **€417 million in purchases** during the 2015 fiscal year (previous year: €394 million). Of that, 39% or €161 million represent purchases within Austria.

### **Success in the market with Austrian know-how**

#### **Chip technology from Graz for public transport in Barcelona**

Graz is the location of the worldwide Infineon competence center for contactless and security technologies. This expertise is used for further developments of ticketing systems within local public transport. The contactless security standard CIPURSE™ is developed and led in Graz and has meanwhile been implemented in cities such as Sao Paolo (BRA), Perm (RUS), Budapest (HUN) and Medellin (COL). This contactless technology provides the possibility of secure electronic transactions via a chip card or mobile device.

Since this year Barcelona has adopted and is relying on contactless security chips in the new electronic payment system “T-Mobilitat”. Single fare or tickets valid for 10 rides are being replaced with chip-based tickets. This has provided about five million residents the access to all means of transport available within the city, such as “Metro Barcelona”, buses and other means. In the long term the entire region of Catalonia is going to switch to contactless ticketing.

#### **Growth of the internet drives use of energy efficient semiconductors**

Energy efficiency is the main focus of the activities at Infineon Austria. For example, in 45% of all servers worldwide, chips from the global Infineon competence center for power electronics in Villach are in control of the power conversion.

If the internet was a country, it would be sixth in place worldwide for its power consumption. According to a [study by Greenpeace\\*](#), power consumption for internet activities will triple by 2020. Infineon benefits from this development along the entire value chain with flexible solutions for a low-loss and reliable power supply; from the worldwide introduction of the fourth mobile telephony generation LTE to the massive expansion of server capacities to mobile, web-enabled devices. Infineon in Villach is currently developing energy saving chips of the next generation with which energy loss can be halved in future.

\* Clicking Clean: How Companies are Creating the Green Internet, April 2014

### **Excellence in research and education cooperation**

As the largest research unit for micro-electronics in Austria, Infineon Austria again continued the intensive cooperation with local and foreign research partners during

the past year. During the 2015 fiscal year a total of 120 cooperative research ventures were implemented.

#### European project PowerBase




The European research project PowerBase (enhanced substrates and GaN pilot lines enabling compact power applications) is a good example. This project started in May of 2015 and is developing the next generation of energy saving chips made from new materials such as gallium nitride and is preparing for industrial mass application. Under the leadership of Infineon Austria, it is the largest Austrian-coordinated micro-electronic research project in Europe with 39 partners from nine different countries and a volume of €87 million. Project PowerBase is currently cooperatively financed with funds from industry as well as European and national investments.

#### Endowed professorships

In 2014 Infineon issued an endowed professorship for power electronics for the first time ever in Austria. €1.5 million will be invested into research and teaching at the Faculty of Technical Sciences at the University of Innsbruck over five years. Univ.-Prof. Dr. Martin Pfof was appointed in November 2015 to the professorship. First lectures started with the winter semester 2015/16.

Furthermore, Infineon is engaged in the endowed professorships for Industry 4.0 at the Technical University Vienna as well for Data Science at the Technical University Graz supported by the Ministry of Infrastructure.

### **Economic Key Data Infineon Technologies Austria – FY 2015**

	Infineon Technologies Austria	FY 2014	FY 2015	Growth
 Sales in mill. €		1.300,5	1.427,1	+ 10 %
	Profit on ordinary activities in mill. €	149,1	152,1	+ 2 %
 Employees		3.305	3.493	+ 5,7 %
	Investments in mill. €	110,2	111,6	+ 1 %
 R&D expenditures in % of sales		25	25	

#### **About Infineon Austria**

Infineon Technologies Austria AG is a group company of Infineon Technologies AG, a worldwide leading supplier of semiconductor solutions to make life more

simple, secure and more environmentally friendly. Micro-electronics by Infineon reduces the energy consumption of consumer electronics, household devices and industrial installations. It contributes considerably to the comfort, safety and sustainability of vehicles and provides secure transactions in a connected world.

Besides Germany, Infineon Austria is the only site capable of meeting competencies for research & development, production as well as global business responsibility. Its headquarters is based in Villach, further branches are located in Graz, Klagenfurt, Linz and Vienna. With about 3,500 employees (1,300 of whom are in research & development) from around 60 nations, the company achieved a turnover of €1.4 billion in the 2015 fiscal year (ending in September). Infineon Austria is the most research oriented company in Austria with a research quota of 25% of the total turnover.

For more information, visit [www.infineon.com/austria](http://www.infineon.com/austria)

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