

INFINEON TECHNOLOGIES AG
Form 6-K
July 16, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
July 16, 2009**

INFINEON TECHNOLOGIES AG
Am Campeon 1-12
D-85579 Neubiberg/Munich
Federal Republic of Germany
Tel: +49-89-234-0

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____.

On July 16, 2009, Infineon Technologies AG (the Company) filed a Registration Statement on Form F-3 (F-3 Registration Statement) in connection with a rights offering of up to 337,000,000 ordinary shares, including ordinary shares represented by American depositary shares. Also on July 16, 2009, the Company s German prospectus (the German Prospectus) in connection with the rights offering was approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

This Report on Form 6-K contains a complete copy of the German Prospectus. The German Prospectus submitted on this Report on Form 6-K is being furnished for informational purposes only and is not incorporated by reference into, and does not form a part of, the F-3 Registration Statement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INFINEON TECHNOLOGIES AG

Date: July 16, 2009

By: /s/ Peter Bauer
Peter Bauer
Member of the Management Board
and Chief Executive Officer

By: /s/ Dr. Marco Schröter
Dr. Marco Schröter
Member of the Management Board
and Chief Executive Officer

PROSPECTUS DATED
JULY 16, 2009

NOT FOR DISTRIBUTION
IN THE UNITED STATES

Offering of up to 337,000,000 Registered Shares
(with no par value) of

Infineon Technologies AG

(a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany)

This prospectus (the **Prospectus**) relates to a share capital increase against cash contributions and an offering of up to 337,000,000 registered shares of Infineon Technologies AG (**Infineon Technologies AG** or the **Company** and, together with its consolidated subsidiaries, the **Group** or **Infineon**) with no par value, each representing a notional amount of the Company's issued share capital of 2.00 (each, a **New Share** and together, the **New Shares**) and with full dividend entitlement for the fiscal year ending September 30, 2009 and admission of up to 337,000,000 New Shares and 74,942,528 registered shares of Infineon Technologies AG with no par value, each representing a notional amount of the Company's share capital of 2.00, from the conditional capital to service the conversion rights from the 195,600,000 7.5% guaranteed subordinated convertible note due 2014 (each, a **Conversion Share** , together, the **Conversion Shares** ; together with the New Shares, the **Admission Shares**) to the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and to the sub-segment of the regulated market segment with further post admission obligations of the Frankfurt Stock Exchange (Prime Standard). The Admission Shares will rank *pari passu* in all respects with each other and with all other issued shares of Infineon Technologies AG (the **Existing Shares**).

The offering (the **Offering**) comprises: (i) a rights offering (the **Rights Offering**) in which the existing shareholders of the Company will receive rights to subscribe for New Shares (the **Subscription Rights**) at the Subscription Price (as defined below), by way of public offerings in the Federal Republic of Germany (**Germany**), The Grand Duchy of Luxembourg (**Luxembourg**) and the United States of America (**United States** or **U.S.**), and (ii) a private placement of any New Shares not subscribed for by the Company's shareholders (the **Investment Shares**) that will under certain circumstances be subscribed for by Admiral Participations (Luxembourg) S.à r.l. (the **Backstop Investor**) at the Subscription Price (the **Investment Share Placement**), up to a number of Investment Shares that does not lead to a shareholding in the Company exceeding 30 percent minus one share in the Company's share capital and voting rights post execution of the Offering, and subject to the Backstop Investor being able to establish a participation in the equity capital and voting rights in the Company of at least 15 percent post execution of the Offering, unless such requirement is waived by the Backstop Investor. See *The Offering Backstop Arrangement*.

Subject to the terms and conditions set out in this Prospectus, holders of Existing Shares after close of business on July 17, 2009 (the **Record Date**) will be allotted one Subscription Right for each Existing Share held. The exercise of 9 Subscription Rights entitles the exercising holder to subscribe for 4 New Shares against payment of a subscription price of 2.15 per New Share (the **Subscription Price**). On July 14, 2009, the closing price of the Infineon Technologies AG shares was 2.90 per share on the Frankfurt Stock Exchange.

The Subscription Rights will not be traded on the regulated market of the Frankfurt Stock Exchange or any other German stock exchange. Holders of Subscription Rights held through the clearing facilities of Clearstream Banking AG (**Clearstream**) wishing to subscribe for New Shares must exercise their Subscription Rights during the period from July 20, 2009 through August 3, 2009 (the **Subscription Period**). Subscription Rights may be exercised only in integral multiples of the subscription ratio. Subscription Rights held through Clearstream and not validly exercised

during the Subscription Period, including Subscription Rights in excess of the nearest integral multiple of the subscription ratio, will expire without compensation and become worthless.

Exercising the Subscription Rights or investing in the New Shares involves risks. For a discussion of material risks which the investors should consider before exercising their Subscription Rights or investing in the New Shares, see Risk Factors beginning on page 48.

Subscription Price: 2.15 per New Share

Subject to the satisfaction of certain conditions set forth in the Underwriting Agreement (as defined below), the New Shares have been underwritten by an underwriting syndicate consisting of Credit Suisse Securities (Europe) Limited, Deutsche Bank Aktiengesellschaft and Merrill Lynch International, (the **Joint Bookrunners**) and Citigroup Global Markets Limited (together with the Joint Bookrunners, the **Joint Lead Managers** , and alternatively, the **Underwriters**).

The Existing Shares are listed on the Frankfurt Stock Exchange (where they are traded on the regulated market segment (*regulierter Markt*)) (Prime Standard) under the symbol **IFX** . Beginning on July 20, 2009, the Existing Shares are expected to be traded on the Frankfurt Stock Exchange **ex rights** . Applications will be made for listing of the Admission Shares on the regulated market segment of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market segment with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. The decision on admission of the Conversion Shares is anticipated for August 6, 2009. The decision on admission of the New Shares subscribed for under the Rights Offering is anticipated for August 6, 2009. The decision on admission of the New Shares under the Investment Share Placement is anticipated without undue delay following applicable regulatory clearances. Trading of the New Shares subscribed for under the Rights Offering is expected to commence on or about August 7, 2009 and, with respect to New Shares subscribed for under the Investment Share Placement, without undue delay following applicable regulatory clearances.

Application has been or will be made for the Subscription Rights and the New Shares to be accepted for clearance through Clearstream. The New Shares subscribed for under the Rights Offering are expected to be delivered through the facilities of Clearstream on or about August 7, 2009. Delivery of the New Shares subscribed for under the Investment Share Placement is expected without undue delay following applicable regulatory clearances.

This Prospectus is intended for use only in connection with the Offering outside the United States in accordance with Regulation S (**Regulation S**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and should not be sent into the United States.

This document constitutes a prospectus for the purposes of Article 3 of the prospectus directive 2003/71/EC (the **Prospectus Directive**) and has been filed with and approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the **BaFin**). The BaFin approved the Prospectus after completing a review of the Prospectus for completeness, including a review of the coherence and comprehensibility of the information provided. The approved Prospectus will be notified by the BaFin to the competent authorities in Luxembourg for passporting in accordance with Article 18 of the Prospectus Directive.

Joint Bookrunners and Joint Lead Managers

Credit Suisse

Deutsche Bank

Merrill Lynch International

Joint Lead Manager

Citi

Selling Agent
Erste Bank

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Subscription Rights and the New Shares (the **Securities**) offered hereby, and does not constitute an offer to sell or a solicitation of an offer to buy any Securities offered hereby to any person in any jurisdiction in which it is unlawful to make any such offer or solicitation to such person. Neither the delivery of this Prospectus nor any sale made hereby shall under any circumstances imply that there has been no change in the affairs of Infineon Technologies AG or its subsidiaries or that the information contained herein is correct as of any date subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

The distribution of this Prospectus and the offer of the Securities may be restricted by law in certain jurisdictions. Infineon Technologies AG and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase the Securities in any jurisdiction in which such offer or invitation would be unlawful. For a description of certain restrictions on the offer and sale of the Securities, see the notices below. Neither Infineon Technologies AG nor any of the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective investor in the Securities, of any such restrictions. Neither Infineon Technologies AG nor any of the Underwriters nor any of their respective representatives are making any representation to any offeree or purchaser of the Securities offered hereby regarding the legality of an investment by such offeree or purchaser under applicable legal investment or similar laws. Each investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of the subscription and the purchase of the securities.

This Prospectus has been prepared by Infineon Technologies AG in connection with the Offering solely for the purpose of enabling a prospective investor to consider the subscription or the purchase of the New Shares or the purchase of the Subscription Rights. Reproduction and distribution of this Prospectus or disclosure or use of the information contained herein for any purpose other than considering an investment in the New Shares is prohibited. The information contained in this Prospectus has been provided by Infineon Technologies AG and other sources identified herein. No representation or warranty, expressed or implied, is made by any of the Underwriters as to the accuracy or completeness of the information set forth herein and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation, whether as to the past or the future. No person has been authorized to give any information or to make any representation not contained in this Prospectus in connection with the Offering and, if given or made, any such information or representation should not be relied upon as having been authorized by Infineon Technologies AG or the Underwriters.

The Joint Lead Managers are acting for the Company and for no one else in connection with the Offering and will not regard any other person as the respective clients of each of the Joint Lead Managers in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to the respective clients of each of the Joint Lead Managers nor for providing advice in relation to the Offering or any transaction or arrangement referred to in this Prospectus. In making an investment decision, investors must rely on their own examination of Infineon Technologies AG and the terms of the Offering, including the merits and risks involved. Any decision to subscribe for or purchase New Shares or to purchase Subscription Rights should be based solely on this Prospectus.

There shall be no stabilization in connection with the Offering.

Notice to investors in the European Economic Area

This Prospectus has been prepared on the basis that all offers of New Shares (other than the offers in Germany and Luxembourg contemplated in this Prospectus) will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the European Economic Area (**EEA**), from the requirement to produce a

prospectus for offers of shares. Accordingly, any person making or intending to make any offer within any such EEA member state of the New Shares should only do so in circumstances in which no obligation arises for Infineon Technologies AG or any of the Underwriters to produce a prospectus for such offer. Neither Infineon Technologies AG nor the Underwriters have authorized, nor do they authorize, the making of any offer of New Shares through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of the New Shares contemplated in this Prospectus.

In relation to each EEA member state which has implemented the Prospectus Directive (each, a **Relevant Member State**), an offer of any New Shares may not be made in that Relevant Member State (other than the offers in Germany and Luxembourg contemplated in this Prospectus), except that an offer

in that Relevant Member State of any of the New Shares may be made at any time under the following exemptions from the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
2. to any legal entity which has two or more of (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than 43,000,000 and (C) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or
3. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the New Shares shall result in a requirement for the publication by Infineon Technologies AG or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

This Prospectus is directed at and for distribution in the United Kingdom only to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons being together referred to as **relevant persons**). This Prospectus is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Furthermore, the Underwriters have warranted that they

1. have only invited or will only invite participation in investment activities in connection with the Offering or the sale of the New Shares within the meaning of Section 21 of the Financial Services and Markets Act 2000 (**FSMA**) and have only initiated or will only initiate such investment activities to the extent that Section 21(1) of the FSMA does not apply to the Company; and
2. have complied and will comply with all applicable provisions of the FSMA with respect to all activities already undertaken by each of them or will undertake in the future in relation to the New Shares in, from, or otherwise involving the United Kingdom.

CONTENTS

	Page
<u>SUMMARY</u>	1
<u>Summary of the Company's Business</u>	1
<u>Reasons for the Offering and Use of Proceeds</u>	4
<u>Summary of the Offering</u>	6
<u>Summary of Share Capital and Management of the Company</u>	13
<u>Summary Selected Consolidated Financial and Operating Information Prepared in Accordance with IFRS</u>	14
<u>Summary Selected Consolidated Financial and Operating Information Prepared in Accordance with U.S. GAAP</u>	18
<u>Summary of Risk Factors</u>	21
<u>GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS ZUSAMMENFASSUNG DES PROSPEKTS</u>	24
<u>ZUSAMMENFASSUNG DER GESCHÄFTSTÄTIGKEIT DER GESELLSCHAFT</u>	24
<u>GRÜNDE FÜR DAS ANGEBOT UND Verwendung DES Emissionserlöses</u>	28
<u>Zusammenfassung des Angebots</u>	30
<u>Zusammenfassung betreffend das Grundkapital und den Vorstand</u>	37
<u>Zusammengefasste AUSGEWÄHLTE Konzernfinanzangaben und GESCHÄFTSINFORMATIONEN nach IFRS</u>	38
<u>Zusammengefasste AUSGEWÄHLTE Konzern Finanzangaben und GESCHÄFTSINFORMATIONEN nach U.S. GAAP</u>	42
<u>Zusammenfassung der Risikofaktoren</u>	45
<u>RISK FACTORS</u>	48
<u>Risks Relating to the Company and the Market</u>	48
<u>Risks Related to the New Shares and Risks Related to the Offering</u>	63
<u>GENERAL INFORMATION</u>	66
<u>Responsibility for the Contents of this Prospectus</u>	66
<u>Documents Available for Inspection</u>	66
<u>Subject Matter of this Prospectus</u>	66
<u>Presentation of Financial Information</u>	67
<u>Forward-Looking Statements</u>	68
<u>Currency Presentation</u>	68
<u>Presentation of Sources of Market Data; Accounting Regulations; Additional Financial and Numerical Data</u>	68
<u>REASONS FOR THE OFFERING AND USE OF PROCEEDS</u>	70
<u>THE OFFERING</u>	72
<u>General</u>	72
<u>Timetable</u>	73
<u>The Rights Offering</u>	74
<u>Subscription Price</u>	75
<u>No Trading of Subscription Rights on the Regulated Market</u>	75
<u>Termination of Rights Offering</u>	75
<u>Form and Certification of the New Shares</u>	75
<u>Backstop Arrangement</u>	76
<u>Delivery and Settlement of the New Shares</u>	76
<u>Commissions</u>	76

<u>Stock Exchange Admission and Commencement of Trading of the New Shares</u>	77
<u>Placement of Unsubscribed New Shares/Private Placement to the Backstop Investor</u>	77
<u>Announcement</u>	77
<u>Right to Withdraw in case a Supplement to a Prospectus is Published</u>	77
<u>Offering in the United States</u>	78
<u>Stabilization</u>	78
<u>Lock-up Agreement of the Company</u>	78
<u>Lock-up Agreement of the Backstop Investor</u>	78

	Page
<u>Offering Expenses and Net Proceeds of the Offering</u>	79
<u>Additional Selling Restriction Notices</u>	79
<u>Underwriters: Underwriting Agreement</u>	79
<u>Termination of Rights Offering</u>	80
<u>Right to Withdraw in case a Supplement to the Prospectus is Published</u>	81
<u>Dilution</u>	81
<u>Interests of Participating Parties in the Offering of New Shares</u>	82
<u>INFORMATION ON THE OFFERED NEW SHARES AND ON THE CONVERSION SHARES</u>	83
<u>Information on the Offered New Shares</u>	83
<u>Information on the Conversion Shares</u>	84
<u>DIVIDEND POLICY AND EARNINGS PER SHARE</u>	87
<u>General Provisions Relating to Profit Allocation and Dividend Payments</u>	87
<u>Dividend Policy and Earnings Per Share</u>	87
<u>CAPITALIZATION</u>	88
<u>SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION PREPARED IN ACCORDANCE WITH IFRS</u>	89
<u>SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION PREPARED IN ACCORDANCE WITH U.S. GAAP</u>	93
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	96
<u>Infineon's Business</u>	96
<u>Measures Taken to Date to Improve Infineon's Financial Condition</u>	97
<u>The Semiconductor Industry and Factors that Impact Infineon's Business</u>	99
<u>Results of Operations</u>	102
<u>Liquidity</u>	129
<u>Capital Requirements</u>	134
<u>Employees</u>	138
<u>Critical Accounting Policies</u>	139
<u>Risk and Opportunity Management System</u>	142
<u>Quantitative and Qualitative Disclosures about Market Risks</u>	143
<u>Derivative Financial Instruments</u>	144
<u>BUSINESS</u>	146
<u>Business</u>	146
<u>Industry Background</u>	146
<u>Strategy</u>	149
<u>Products and Applications</u>	150
<u>Customers, Sales and Marketing</u>	155
<u>Competition</u>	158
<u>Manufacturing</u>	159
<u>Strategic Alliances and Other Collaborations</u>	160
<u>Research and Development</u>	163
<u>Intellectual Property</u>	165
<u>Acquisitions, Dispositions and Discontinued Operations</u>	166
<u>Employees</u>	168
<u>Legal Matters</u>	169
<u>Real Estate</u>	175

<u>Material Contracts</u>	175
<u>REGULATION, ENVIRONMENTAL PROTECTION AND SUSTAINABLE MANAGEMENT</u>	182
<u>PRINCIPAL SHAREHOLDERS</u>	184
<u>MANAGEMENT</u>	185
<u>Overview</u>	185
<u>Management Board</u>	185
<u>Supervisory Board</u>	192

	Page
<u>Specific Information on the Members of the Management Board and Supervisory Board</u>	198
<u>Other Conflicts of Interest</u>	198
<u>General Shareholders Meeting</u>	198
<u>Corporate Governance</u>	199
<u>GENERAL INFORMATION ON THE COMPANY</u>	201
<u>Company Formation, Name, Registered Office and Fiscal Year</u>	201
<u>Duration and Dissolution</u>	201
<u>Corporate Purpose</u>	201
<u>Primary Affiliated Companies</u>	201
<u>Independent Auditors</u>	204
<u>Disclosure Requirements for Shareholders, Mandatory Offer</u>	204
<u>Directors Dealings</u>	206
<u>DESCRIPTION OF SHARE CAPITAL AND APPLICABLE LEGAL PROVISIONS</u>	207
<u>Issued Share Capital</u>	207
<u>Voting Rights</u>	207
<u>Certification and Transferability of Shares</u>	207
<u>Development of the Share Capital</u>	207
<u>General Information on Capital Measures</u>	207
<u>General Provisions Governing Statutory Subscription Rights</u>	208
<u>General Provisions Governing the Liquidation of the Company</u>	208
<u>Exclusion of Minority Shareholders</u>	208
<u>Capital Increase for the New Shares</u>	209
<u>Authorized Capital</u>	209
<u>Conditional Capital</u>	210
<u>Repurchase of Own Shares; Treasury Shares</u>	212
<u>Management and Employee Participation Plans</u>	212
<u>Listing</u>	213
<u>RELATED PARTY TRANSACTIONS</u>	214
<u>TAXATION IN THE FEDERAL REPUBLIC OF GERMANY</u>	217
<u>Taxation of the Company</u>	217
<u>Taxation of Shareholders</u>	218
<u>Inheritance and Gift Tax</u>	223
<u>Other Taxes</u>	223
<u>TAXATION IN LUXEMBOURG</u>	224
<u>Luxembourg Taxation of Shares of a Non Resident Company</u>	224
<u>Income Tax</u>	224
<u>Net Wealth Tax</u>	226
<u>Other Taxes</u>	226
<u>GLOSSARY</u>	227
<u>FINANCIAL INFORMATION</u>	F-1
<u>RECENT DEVELOPMENTS AND OUTLOOK</u>	G-1
<u>SIGNATURE PAGE</u>	U-1

SUMMARY

The following summary (the **Summary**) is intended to be read as an introduction of this prospectus (the **Prospectus**) and summarizes only selected information from the Prospectus. Because of the more detailed information contained elsewhere in this Prospectus, including the Financial Information section, investors are strongly recommended to carefully read the entire Prospectus, and base their decision on whether to invest in the shares of the Company on a review of the entire Prospectus.

Infineon Technologies AG, Neubiberg, Germany (**Infineon Technologies AG** or the **Company** and, together with its subsidiaries, the **Group** or **Infineon**) along with Credit Suisse Securities (Europe) Limited, London, United Kingdom (**Credit Suisse**), Deutsche Bank Aktiengesellschaft, Frankfurt, Germany (**Deutsche Bank**) and Merrill Lynch International, London, United Kingdom (**Merrill Lynch** and, together with Credit Suisse and Deutsche Bank, the **Joint Bookrunners**) as well as Citigroup Global Markets Limited, London, United Kingdom (**Citi** and, together with the Joint Bookrunners, the **Joint Lead Managers** or the **Underwriters**) assume responsibility for the content of the Summary pursuant to Section 5(2) Sentence 3 No. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). However, the Company and the Underwriters can be held liable for such content only if the Summary is misleading, inaccurate or contradictory when read in conjunction with the other portions of the Prospectus. If an investor files claims in court on the basis of the information contained in this Prospectus, the plaintiff investor may be required by the laws of the individual member states of the European Economic Area (**EEA**) to bear the cost of translating the Prospectus before the proceedings begin.

Summary of the Company's Business

Business

Infineon is one of the world's leading semiconductor suppliers by revenue. Infineon has been at the forefront of the development, manufacture and marketing of semiconductors for more than 50 years, first as the Siemens Semiconductor Group and then, from 1999, as an independent group. Infineon Technologies AG has been a publicly traded company since March 2000. According to the market research company iSuppli (June 2009), Infineon (excluding Qimonda) was ranked the number 10 semiconductor company in the world by revenue in the 2008 calendar year.

Infineon designs, develops, manufactures and markets a broad range of semiconductors and complete system solutions used in a wide variety of applications for energy efficiency, security and communications. Infineon's main business is currently conducted through its five operating segments: Automotive, Industrial & Multimarket, Chip Card & Security, Wireless Solutions and Wireline Communications. On July 7, 2009, the Company entered into an asset purchase agreement to sell the Wireline Communications business, and such sale is expected to close in the fall of 2009.

In the 2009 fiscal year, Infineon is taking significant measures, in particular through its cost-reduction program IFX10+, with the aim of cutting costs, reducing debt, preserving cash and otherwise improving its financial condition. The efforts continue at present. Infineon believes that due to the positive impact of its overall cost reduction and cash preservation measures to retain liquidity it will be able to finance its normal business operations out of cash flows from continuing operations despite the sharp decline in revenue levels.

Core Strengths

Infineon believes that its core strengths are based on a variety of factors, including its technical competencies, its strong position in a broad set of markets, its deep customer relationships and its capabilities in semiconductor design and manufacturing.

Infineon believes it has deep technical core competencies in the design and manufacturing of semiconductors. These competencies are based in part on over 50 years of industry experience by the Company and its predecessors. Four core competencies are of particular importance, namely: Radio Frequency (**RF**), embedded control, analog/mixed signal, and high power.

Radio frequency competency: The ability to produce best-in-class RF transceivers (and integrate RF transceivers with standard logic circuitry) is a key differentiator of cellular modem solutions. The increasing complexity of transceiver products has forced most competitors out of this market and led to the current (2008) situation with four suppliers generating almost 85 percent of revenues; Infineon ranked second with over 22 percent market share (Strategy Analytics, May

2009). Infineon believes that its RF competency was the main facilitator of recent years' remarkable recovery of its Wireless business and that it will help it gain further market share in the overall Wireless market in the future.

Embedded control competency: In contrast to general purpose computing platforms, embedded systems are designed for particular applications. Today, embedded systems designers demand microcontrollers that are specifically tailored to their needs. Infineon's 32-bit Tricore microcontroller family is a typical example. It combines the real-time capability of a microcontroller, the computational power of a DSP, and high performance features of RISC architectures. In automotive applications, these microcontrollers enable outstanding engine performance at lower fuel consumption, meeting the highest emission standards, including EURO5 and US-LEV2. Infineon believes that due to its exceptional embedded control competency, it could further extend its current leading market position in the automotive semiconductor market, and that it will benefit from significant growth rates in market segments like engine control/power train. According to Strategy Analytics (January 2009), worldwide revenues with semiconductors for automotive power train applications are expected to grow at a compound annual growth rate of over 14 percent from 2009 to 2012, the fastest growth of all automotive applications.

Analog/Mixed signal competency: According to iSuppli (June 2009), Infineon ranks among the top three analog/mixed signal semiconductor companies worldwide measured by revenues generated with analog ICs, discretely and sensors. Infineon believes that analog and mixed signal markets generally offer particularly attractive revenue growth opportunities. For example, iSuppli (May 2009) views semiconductor sensors, typically Analog semiconductors, as one of the fastest growing semiconductor categories, with a compound annual growth rate of 13 percent from 2009 through 2012. Another example is on-chip integration of RF transceivers and cellular baseband processors. Infineon believes that it is the largest supplier by units shipped of such single chip RF / baseband products for cellular phones. Strategy Analytics (December 2008) expects revenues with single chip products to grow at a compound annual growth rate of over 70 percent from 2009 to 2013 and that the share of single chip products will rise from 6 percent of all baseband units in 2009 to 22 percent in 2013.

High power competency: Only a few semiconductor suppliers offer high power semiconductor devices and modules. According to IMS Research (August 2008), the top 5 power module suppliers generate over 80 percent of the worldwide revenues, with Infineon the worldwide market leader in power semiconductors with particularly strong positions in high power semiconductors and modules. Infineon believes that the market outlook for high power semiconductor modules is particularly promising. According to IMS Research (February 2009), the expected compound annual growth rate for power modules is 10 percent in the period from 2009 to 2012. Infineon believes that its high power competency will enable it to participate in this growing market.

Infineon has a large and diversified business that covers a broad range of endmarkets and spans multiple product categories. With the exception of memory ICs and microprocessors, Infineon provides products of all major product categories such as Discretely, Sensors, Analog & Logic ICs and ICs in Chip Card applications. After the closing of the sale of the Wireline Communications business, Infineon will focus on the target markets automotive, industrial and multimarket, chip card & security and wireless communications. According to the external market research cited below, Infineon holds a leading position by revenue in the four target markets.

A leader in the automotive chip industry. According to Strategy Analytics (May 2009), Infineon has been the number two chip manufacturer for the automotive industry worldwide by revenue for the past five years. In the 2008 calendar year, Infineon's total revenue from the automotive industry amounted to

USD 1,742 million, which according to the same Strategy Analytics report was USD 2 million behind the number one chip manufacturer. Infineon is the number one chip manufacturer for the automotive industry by revenue in Europe and holds the following market positions based on total revenue: number two in Rest of World (excluding Japan), number three in North America and number six in Japan. Infineon has increased its market share continuously over the course of the past fourteen years from 3.9 percent in 1994 to 9.5 percent in 2008. The main core competencies that helped drive such growth are embedded control and power semiconductors. In addition, Infineon attributes this growth to its goal of delivering zero-defect products. Infineon believes that in-house manufacturing capabilities are a competitive advantage due to the high quality standards demanded by automotive customers.

Leader in design and production of control electronics for energy efficiency and the miniaturization of such electronics in industrial and multimarket applications. Efficient generation and transmission and reliable distribution of electrical energy are vital for an environmental-friendly electricity supply. Infineon believes that it is the only company to offer power semiconductors and power modules for the entire electricity generation, transmission and consumption chain. According to IMS Research (November 2002, August 2008), Infineon's revenues with Power Discretes and Power Modules grew by more than 145 percent from 2001 to 2007. With such growth, Infineon outperformed the competition and improved its market revenue ranking position from fourth place to number one in that period, with Infineon's share of the global power semiconductor market increasing from 6.6 percent to 9.7 percent in such period. In the industrial market, according to the market research firm Semicast (June 2008), Infineon has outperformed competing semiconductor suppliers. Infineon ranked second in 2006 by revenue with a global market share of 6.4 percent. Within one year, Infineon increased revenues by more than 30 percent and rose to the number one position in 2007. While there is no external market research data available yet for 2008, Infineon believes it has solidified its market leading position in 2008. Infineon's extensive know-how in its core competency of power semiconductors was the main driver for this growth.

Market leader in chips for card applications. Each year from 1997 to 2008, Infineon was the global market leader in chips for card applications according to iSuppli (2009) and Frost & Sullivan (1998-2008). In addition, Infineon is the world's leading supplier of Smart Cards ICs, according to Frost & Sullivan (September 2008). These chips are mainly used for credit cards, debit cards, access cards, government identification applications, personal and object identification, and platform security applications. Infineon's strategic focus is on these security-critical fields where it can make the most of its experience in high-security applications. Infineon believes that it has the industry's largest portfolio of chips and interfaces to meet the relevant security requirements in these areas. Due to Infineon's strategic shift from high-volume markets to security-driven applications, Infineon was able to significantly improve its profitability. The main core competencies driving Infineon's success in this market are embedded control and RF (the latter for contactless cards only).

A market leader in wireless solutions. Infineon not only manufactures traditional components such as baseband processors, RF transceivers and power management chips, but also offers complete platforms including software solutions, customized modifications and interoperability tests. Many mobile phone manufacturers rely increasingly on these third-party complete platforms and reduce their in-house chipset production accordingly. Infineon has become the fourth-largest supplier for these platforms (iSuppli, March 2009). A key component of mobile phone platforms is the RF transceiver where Infineon has built on the success of its CMOS technology based products. The insolvency of BenQ in September 2006 had a negative effect on Infineon. BenQ generated approximately 80 percent of Infineon's wireless platform business. As a result of restructuring efforts and new customer design wins, Infineon believes that it will be able to successfully turn around this business, which is underscored by the positive Segment Result generated by Infineon's Wireless business in the three months ended June 30, 2009. The main core competencies employed in Infineon's wireless business are RF, analog/mixed-signal and embedded control technologies.

Infineon believes it has strong and longlasting customer relationships:

Infineon believes it has strong customer relationships. For example, Infineon is often the sole supplier to a customer due to a high specific development investment on the part of the customer to integrate Infineon's products into the customer's application.

Infineon believes many of its customer relationships are longlasting. In many cases, the customer s development may take one to three years, with development input requiring up to 100 person years for one product. In addition, tests, validation, and if appropriate certification of the customer product with the integrated Infineon product may take six months to three years. For some applications, such as automotive, contract terms of up to 15 years are common.

Infineon believes that its manufacturing competences and assets for specialty manufacturing processes are an important competitive advantage, including among others:

Infineon's proprietary process technologies, which allow it to manufacture ultrathin wafers for power semiconductors, enable great advances in energy efficiency;

Infineon developed an embedded Wafer-Level Ball Grid Array (**eWLB**) technology for semiconductor packages which achieves a 30 percent reduction of dimension compared to conventional (lead-frame laminate) packages, offers improved electrical performance and better cost; and

Infineon's new power-logic plant in Kulim, Malaysia, which will allow Infineon to further expand its presence in the growing Asian market, as well as to strengthen its cost and competitive positions.

Strategy

Infineon strives to achieve profitable growth by maintaining and expanding its leadership position in semiconductor solutions in the four target markets automotive, industrial and multimarket, chip card & security, and wireless solutions. Infineon will exit the wireline communications market upon the sale of its Wireline Communications business and focus on these four target markets. Infineon is leveraging key market trends towards energy efficiency, security, and communications and seeks to:

Build on its leadership position in key markets, in particular by helping to improve energy efficiency. Infineon believes that its success to date has been based on a deep understanding of a wide range of applications for the automotive and industrial sectors as well as for personal computers and other consumer devices. Infineon's leading position in these areas is built on high-performance products, superior process technologies and optimized in-house manufacturing capabilities. Infineon sees significant growth potential for its power business, in particular, driven by high energy costs, a shift towards renewable energy generation, and the need for ever longer battery life in mobile devices.

Strengthen Infineon's leadership position in security solutions. Infineon seeks to benefit from growth in electronic and mobile communication and the growing desire to access data anywhere and at any time, which drives demand for data protection and data integrity such as secure authentication and identification of users. Infineon intends to leverage its know-how to address applications in new areas, and believes it is well positioned to benefit from future trends, such as the transition to e-Passports, e-Health cards and RFID ICs in logistics.

Provide the technology to be connected every day and everywhere. Infineon seeks to continue to profit from its key strengths in areas such as RF and mixed signal technologies employed, in particular, in its wireless business. In order to benefit from the ever-increasing need for mobility and communication in all aspects of day-to-day life, Infineon intends to grow its broad customer base and to focus on the most promising solutions for future profitable growth. In the wireless market, these include, in particular, highly integrated, cost efficient single-chip solutions and highly integrated cellular phone platforms for wireless high speed data transfer in HSPA-enabled phones and smart phones.

In addition, it is part of Infineon's manufacturing strategy to carefully manage the mix of in-house versus outsourced manufacturing capacity and process technology development. Infineon intends to continue to invest in those process technologies that provide it with a competitive advantage. This is the case in particular for Infineon's power process technologies and in manufacturing capacity that can meet the very strict quality requirements of automotive customers. At the same time, in standard CMOS below the 90-nanometer node, Infineon will continue to share risks and expand its access to leading-edge technology through long-term strategic partnerships with other leading industry participants. Infineon does not intend to invest in in-house capacity for standard CMOS processes below the 90-nanometer node, and will make use of outsourced manufacturing capacity at silicon foundries instead.

Infineon believes that ongoing cost control and projects to continually improve productivity are important elements to support the successful implementation of Infineon's profitable growth strategy.

Reasons for the Offering and Use of Proceeds

The entire semiconductor industry, including Infineon, has been adversely affected by the global economic downturn and financial crisis. Infineon's revenues declined from 1,153 million in the fourth quarter of the 2008 fiscal year to 845 million in the third quarter of the 2009 fiscal year. Infineon's gross cash position decreased during the first nine months of the 2009 fiscal year by 12 million, from 883 million

as of September 30, 2008 to 871 million as of June 30, 2009. Included in this decline in the gross cash position were:

approximately 106 million of cash outflows in connection with Infineon's IFX10+ cost reduction program,

scheduled debt repayments of approximately 101 million, which included 41 million for Infineon's syndicated loan facility, and

voluntary repurchases of an aggregate nominal amount of 246 million of guaranteed subordinated convertible notes due 2010 that were issued by the Company's subsidiary Infineon Technologies Holding B.V.

(**Convertible Notes due 2010**) and guaranteed subordinated exchangeable notes due 2010 that were issued by the Company's subsidiary Infineon Technologies Investment B.V. (**Exchangeable Notes due 2010**) for an aggregate of 161 million in cash.

These outflows were partly offset by a reimbursement of 112 million by the Deposit Protection Fund of the German Private Commercial Banks (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.*) in relation to the insolvency of Lehman Brothers Bankhaus AG and gross proceeds of 182 million from the issuance of a new guaranteed subordinated convertible note by Infineon Technologies Holding B.V. (the **New Convertible Note due 2014**). Despite the very significant revenue decline, Infineon generated sufficient free cash flow from operations to fund the majority of the cash outflows relating to its IFX 10+ cost reduction program.

Infineon's management believes that it should seek to maintain a gross cash position of at least 250 to 300 million to operate the Company's business effectively. As a result, Infineon has acted vigorously to reduce operating expenses, conserve cash and improve its balance sheet. The steps that Infineon has taken to this end include, among other things, the IFX10+ cost reduction program, debt repurchases, the issuance of the New Convertible Note due 2014 and the divestiture of the Wireline Communications business. Through its IFX 10+ cost reduction program, the Company has achieved significant cost reductions. The Company's operating expenses for the three months ended June 30, 2009 decreased by 88 million when compared to the three months ended September 30, 2008. Company management believes that these savings are mainly due to its IFX 10+ cost reduction program. In aggregate, Infineon is targeting total cost reductions from this program of 600 million for the 2009 fiscal year when compared to Infineon's total costs in the 2008 fiscal year, some of which are temporary in nature.

In addition, on July 7, 2009, the Company entered into an asset purchase agreement with an entity affiliated with Golden Gate Private Equity, Inc. to sell its Wireline Communications business for a cash consideration of 250 million. The majority of the purchase price is payable at closing, which is expected to occur in the fall of 2009, with 20 million of the purchase price being payable 9 months after the closing date. Infineon is selling its Wireline Communications business in order to focus on the further development of its main business, its strategy and strong position in the key areas of energy efficiency, security and communications, while further improving the Company's balance sheet and strengthening its liquidity position.

Infineon's management believes that the positive impact of its cost reduction and cash preservation measures will enable it to finance its ordinary business operations out of cash flows from continuing operations, despite the sharp decline in revenue levels. However, its ability to refinance certain liabilities while maintaining its target level of liquidity is a concern. The current outstanding nominal amount as of June 30, 2009 of 522 million of Convertible Notes due 2010 will become due for repayment on June 5, 2010, and the current nominal amount as of June 30, 2009 of 48 million of Exchangeable Notes due 2010 will become due for repayment on August 31, 2010. Also, Infineon is expecting other scheduled debt repayments of an aggregate of approximately 110 million through the end of September 2010, including its multi-currency revolving facility. Infineon will also incur further cash outflows in connection with its IFX10+ cost reduction program, and may incur additional expenses in connection with the insolvency of Qimonda and the resolution of its ongoing negotiations regarding ALTIS, the manufacturing joint

venture between Infineon and IBM in France. Infineon is taking a number of measures, including the Offering, its cost reduction program and the sale of the Wireline Communications business, in order to meet these obligations and maintain the desired level of liquidity.

Infineon's management believes that prior to the announcement of the Offering on July 10, 2009, the market perception factored in a degree of uncertainty as to the Company's liquidity position, its ability to repay the Convertible Notes due 2010 and the Exchangeable Notes due 2010 as they come due and its contingent liabilities relating to Qimonda and ALTIS. Infineon's management also believes that the

successful completion of the Offering will further improve the capital markets' confidence in Infineon's ability to repay these notes and satisfy these contingent liabilities while maintaining a sufficient amount of liquidity, and will help market participants perceive Infineon as well placed to achieve sustainable and, ultimately improved, profitability.

The net proceeds of the Offering are expected to be up to approximately 700 million, assuming the maximum of 337 million New Shares are subscribed for and deducting estimated fees and expenses relating to the Offering of approximately 25 million. At a minimum, the net proceeds of the Offering are expected to be approximately 335 million assuming holders of Subscription Rights exercise 52 percent (which represents the minimum number of Subscription Rights which would need to be exercised so that the Backstop Investor would have no obligation to purchase New Shares) of such Subscription Rights, the Backstop Investor does not purchase any New Shares and the fees and expenses relating to the Offering amount to approximately 40 million.

Infineon believes that the successful completion of the Offering, resulting in net proceeds of between 335 to 700 million, will strengthen the Company's capital structure. In particular, assuming Infineon is able to place all of the 337 million New Shares, it plans to use approximately 570 million to repay the Convertible Notes due 2010 and the Exchangeable Notes due 2010, of which as of June 30, 2009, 570 million were outstanding.

Infineon intends to use any net proceeds, together with available cash reserves and the proceeds of the sale of the Wireline Communications business, that exceed the amount needed to repay these notes, to strengthen its liquidity position, satisfy any contingent liabilities, and repay other indebtedness as well as to continue to invest in a very innovation driven industry and to pursue strategic opportunities in an increasingly consolidating industry.

Summary of the Offering

Rights Offering

This Offering relates to up to 337,000,000 new registered no par value shares, each such share with a notional par value of 2.00 and full dividend rights for the fiscal year ending September 30, 2009 (the **New Shares**).

The New Shares originate from the capital increase against cash contributions with indirect subscription rights resolved by the Management Board on July 9, 2009, approved by the Company's supervisory board (the **Supervisory Board**) on July 9, 2009, by recourse to the Company's statutory Authorized Capitals 2007 and 2009/I. The New Shares, with the exception of a fractional amount of up to 7,562,592, amounting to up to 3,781,296 New Shares, are to be offered to the existing shareholders for subscription by way of indirect subscription rights through public offerings in Germany and Luxembourg at the Subscription Ratio and at the Subscription Price (the **Rights Offering**). The completion of the capital increase has not yet been registered in the commercial register of the Local Court of Munich; the Company expects the capital increase relating to the New Shares subscribed for under the Rights Offering to be registered on August 6, 2009.

Publication of the Rights Offering (as defined herein) in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) and in the *Börsen-Zeitung* is expected on July 17, 2009.

Investment Share Placement

Any New Shares that are not subscribed for in the Rights Offering (the **Investment Shares**) will be offered to the Backstop Investor by way of a private placement for subscription at the Subscription Price (the **Investment Share Placement** and, together with the Rights Offering, the **Offering**). The Backstop Investor has agreed to subscribe for all New Shares not subscribed for by the Company's Shareholders subject to the terms and conditions of the Backstop Arrangement. However, the maximum number of New Shares to be acquired by the Backstop Investor together with

any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, must not lead to a shareholding that would represent more than 30 percent minus one share in the Company's equity capital and voting rights post execution of the Offering.

The completion of the capital increase has not yet been registered in the commercial register of the Local Court of Munich. In the event that any New Shares not subscribed for by the current shareholders of the Company are allotted to the Backstop Investor under the Backstop Arrangement, the registration of the

capital increase relating to those New Shares is anticipated without undue delay following applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*).

Admission to Trading

Application is expected to be made on July 17, 2009 for admission of the New Shares to the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. The decision on admission of the New Shares subscribed for under the Rights Offering is anticipated for August 6, 2009.

The decision on admission of New Shares subscribed for under the Investment Share Placement is expected to be made without undue delay following the subscription and payment of the Subscription Price with regard to the Investment Shares, subject to applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) having been obtained, which clearances, if applicable, are expected to be received during the course of August 2009 at the latest.

Commencement of Trading

Trading of the New Shares subscribed for under the Rights Offering is expected to begin on August 7, 2009. On this same day, those New Shares will be included in the existing quotation of the Company's shares.

In the event any New Shares not subscribed for by the current shareholders of the Company are allotted to the Backstop Investor under the Backstop Arrangement, trading of such New Shares is expected to begin without undue delay following the subscription and payment of the Subscription Price with regard to the Investment Shares, subject to applicable merger clearances and clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) having been obtained, which clearances, if applicable, are expected to be received during the course of August 2009 at the latest. The New Shares allotted to the Backstop Investor will be included in the existing quotation of the Company's shares upon commencement of trading of such New Shares, which is expected in the course of August 2009.

Exercise of Subscription Rights

Shareholders of Infineon Technologies AG will be asked through the Rights Offering being published, presumably on July 17, 2009, to exercise their subscription rights (the **Subscription Rights**) during the period from July 20, 2009 up to and including August 3, 2009 (the **Subscription Period**) to avoid being excluded from the capital increase.

Subscription Ratio

The subscription ratio is 9 to 4, that is, 9 Existing Shares entitle its holder to subscribe for 4 New Shares at the Subscription Price.

Subscription Price

The subscription price is 2.15 per New Share subscribed (the **Subscription Price**).

Subscription Agent

The subscription agent is Deutsche Bank.

No Trading of Subscription Rights on the regulated market

Infineon Technologies AG will not initiate trading of the Subscription Rights (ISIN DE000A0Z2227 / German Securities Code (WKN) A0Z222) on the regulated market of the Frankfurt Stock Exchange or any other German stock exchange. Accordingly, Subscription Rights cannot be purchased or sold on the regulated market of such a stock exchange. However, Subscription Rights

are transferable. No compensation will be paid for unexercised Subscription Rights. Upon the expiration of the Subscription Period, unexercised Subscription Rights will lapse and become worthless. Starting July 20, 2009, all of the Company's existing shares (ISIN DE0006231004 / German Securities Code (WKN) 623100) (the **Existing Shares**) will be traded on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange without Subscription Rights (**ex rights**).

Delivery and Settlement of the New Shares

The Subscription Price for each New Share subscribed for under the Rights Offering is payable no later than August 3, 2009. The New Shares subscribed for in the Rights Offering are expected to be credited to a collective securities deposit account and made available to shareholders as from August 7, 2009.

The Subscription Price for each subscribed New Share under the Investment Share Placement is payable no later than on the tenth business day following the business day subsequent to the last day of the Subscription Period, subject to applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) having been obtained, which clearances, if applicable, are expected to be received during the course of August 2009 at the latest. The New Shares allotted to the Backstop Investor will be included in the existing quotation of the Company's shares upon commencement of trading of such New Shares. The New Shares subscribed for under the Investment Share Placement are expected to be credited to a collective securities deposit account and made available to the Backstop Investor as from the business day following such payment of the Subscription Price.

Backstop Arrangement

Admiral Participations (Luxembourg) S.à r.l. (the **Backstop Investor**), a subsidiary of a fund managed by Apollo Global Management LLC has agreed to acquire all New Shares (including the Fractional Amount) not subscribed for by the Company's shareholders (the **Investment Shares**) at the Subscription Price, but not more than the Maximum Investment Amount (as described below), subject to the Minimum Threshold (as described below) being met (the **Backstop Arrangement**). The maximum number of Investment Shares to be acquired by the Backstop Investor together with any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, must not lead to a shareholding that would represent more than 30 percent minus one share in the Company's equity capital and voting rights post execution of the Offering (the **Maximum Investment Amount**). The Backstop Investor may, but is not required to, acquire Investment Shares if the number of the Investment Shares available together with any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, does not allow the Backstop Investor to establish a participation in the Company's equity capital and voting rights of at least 15 percent post execution of the Offering (the **Minimum Threshold**).

The obligation of the Backstop Investor to acquire any Investment Shares is subject to certain conditions precedent being met or waived by the Backstop Investor, including, but not limited to, applicable merger clearances, clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*), and the appointment of one representative of the Backstop Investor, Mr. Manfred Puffer, by the competent court to the Supervisory Board, the resignation of Mr. Max Dietrich Kley, the current chairman of the Supervisory Board, as of September 30, 2009, the election of Mr. Manfred Puffer as chairman of the Supervisory Board as of October 1, 2009, and the nomination of another representative of the Backstop Investor, Mr. Gernot Löhr, as member of the Supervisory Board to be appointed by the competent court subject to the resignation of the current chairman as member of the Supervisory Board taking effect.

The Backstop Investor will have no obligation, but will be entitled, to subscribe for Investment Shares if the number of Investment Shares does not exceed the Minimum Threshold. If the Backstop Investor wishes to subscribe for the Investment Shares despite the Minimum Threshold not being met, the Backstop Investor has to declare a waiver to the Company on the business day following the end of the Subscription Period. The Backstop Investor may declare its unconditional commitment in the waiver notice to acquire other than through the Investment Share Placement, within 30 days following the satisfaction or waiver of the conditions precedent, such amount of the Company's shares that following the acquisition the Backstop Investor's shareholding will equal or exceed 15 percent. In this case, the obligation of the Backstop Investor to acquire Investment Shares is subject to the condition precedent

that (a) Mr. Manfred Puffer has been appointed by the competent court to Supervisory Board, (b) Mr. Max Dietrich Kley, the current chairman of the Supervisory Board, has submitted (i) a letter to the Backstop Investor in which he commits to resign as of September 30, 2009 and (ii) a resignation letter to the Management Board and the co-chairman of the Supervisory Board, resigning as chairman and Supervisory Board member as of September 30, 2009, subject to the Backstop Investor by that date holding a shareholding in the Company of 15 percent or more, or as of October 15, 2009, if only by that date the Investor holds a respective shareholding in the Company, in each case evidenced by a corresponding notice to the Company according to Section 21 (1) German Securities Trading Act (*WpHG*), (c) Mr. Manfred Puffer has been elected as chairman of the Supervisory Board as of October 1, 2009 subject to the resignation of the current chairman having taken effect and (d) the nomination committee of the supervisory board has nominated Mr. Gernot Löhr as member of the Supervisory Board to be appointed by the competent court subject to the resignation of the current chairman as member of the Supervisory Board having taken effect.

As long as the applicable merger clearances and/or clearance by the German Ministry of Economy and Technology pursuant to the German Foreign Trade Act remain outstanding, the Backstop Investor will only be allowed to acquire or subscribe for Investment Shares that lead to a shareholding of the Backstop Investor in the Company of 25 percent minus one share. After the applicable merger clearances and/or clearance by the German Ministry of Economy and Technology pursuant to the German Foreign Trade Act have been obtained, the Backstop Investor may, at its sole discretion, also subscribe for the Investment Shares that are in excess of a shareholding of the Backstop Investor of 25 percent up to the Maximum Investment Amount. The capital increase and the listing with regard to these shares will be implemented as soon as reasonably possible.

Should the Backstop Investor not purchase any New Shares in the Offering for any reason, the Company has to pay the Backstop Investor a lump sum of 21 million. If the Backstop Investor acquires a shareholding in the equity capital and voting rights of the Company of 25 percent or less, the Company has to pay the Backstop Investor an amount equal to the sum of (i) 5.5 million plus (ii) an amount of 0.057 per share by which the shareholding of the Backstop Investor falls short of 25 percent plus one share.

During the Backstop Investor Lock-Up (as defined below), the Company will not, either directly or indirectly, solicit, initiate, encourage or assist any third party in the acquisition of a stake of 10 percent or more of the shares or voting rights in the Company.

For as long as the Backstop Investor holds at least 15 percent of the shares and voting rights in the Company, the Backstop Investor will be entitled to recommend two individuals, and for as long as the Backstop Investor holds at least 10 percent of the shares and voting rights in the Company, one individual, to be elected to the Supervisory Board.

Placement of Unsubscribed New Shares

Any New Shares that are not subscribed for in the Rights Offering will be offered to the Backstop Investor by way of a private placement for acquisition or subscription at the Subscription Price subject to the terms and conditions of the Backstop Arrangement.

Lock-Up Agreements

The Company has committed itself to the Underwriters not to carry out a capital increase or other capital measures, without written consent of the Underwriters, which may only be withheld with good cause, for a period of 6 months following the admission to listing of the New Shares.

Provided that the Backstop Investor acquires a stake of at least 15 percent of the shares and the voting rights in the Company, the Backstop Investor undertakes not to sell, transfer, pledge, encumber or otherwise dispose of (*verfügen über*) (including the granting of any option over or the creation of any form of trust relationship in respect of) any Investment Shares, not to enter into any agreement or transaction in respect of any voting rights or other rights attached to Investment Shares, or enter into any transaction (including derivative transactions) and not to carry out any other action that would be the economic equivalent of any of the above for a period of 12 months following the date of acquisition of the Investment Shares, without the consent of the Company's management board (the **Backstop Investor Lock-up**). This undertaking does not apply to the sale and/or transfer of Investment Shares (i) to an affiliated company of the Backstop Investor pursuant to sections 15 et seq. of the German Stock Corporation Act, (ii) of up to 10 percent of the Investment Shares to co-investors until October 31, 2009, (iii) in connection

with a mandatory public takeover offer (*Pflichtangebot*) of a third party under the German Act on the Acquisition of Securities and on Takeovers (*WpÜG*), (iv) in connection with a voluntary public takeover offer of a third party under the German Act on the Acquisition of Securities and on Takeovers, (v) in connection with a merger or other business combination of the Company with a third party, (vi) in connection with a share buy-back by the Company, and (vii) in such quantity to be able to self-fund (net of transaction fees and expenses) the issuance price resulting from the exercise of subscription rights in connection with a rights offering for shares by the Company. The Backstop Investor will consult with the management board of the Company before transferring any Investment Shares in connection with any public takeover offer. Subject to the condition that the Backstop Investor acquired a stake of at least 15 percent of the shares and voting rights in the Company, the Backstop Investor undertakes that for the entire term of the Backstop Investor Lock-Up its Investment Shares subscribed for will be booked in a blocked security deposit (*Sperrdepot*).

The Backstop Investor's obligation with regard to the Backstop Investor Lock-up will automatically terminate if one of the following occurs: (i) at any time, a person other than a person proposed by the Backstop Investor becomes the chairman of the Supervisory Board, or (ii) Mr. Gernot Löhr is not appointed as member of the Supervisory Board by the competent court within 10 business days after the date on which such filing had to be made, or (iii) at any time, less than two persons proposed by the Backstop Investor are members of the Supervisory Board, provided that, in each case, the situation has not been remedied within 30 days after the later of the occurrence of the relevant event or receipt by the Company from the Backstop Investor of a nomination of alternative eligible Investor's nominee(s).

The Backstop Investor's obligation with regard to the Backstop Investor Lock-up will further automatically terminate if any of the following occurs: (i) the reduction of the maximum number of Supervisory Board members from sixteen to twelve persons has not become effective by the date of the next ordinary shareholders' meeting relating to the 2008/2009 fiscal year in 2010; or (ii) not all governmental or regulatory clearances which are required for an acquisition by the Investor of the Maximum Investment Amount have been granted by October 1, 2009.

Termination of Rights Offering

The Underwriters reserve the right to terminate the Underwriting Agreement or extend the completion of the Rights Offering upon the occurrence of certain circumstances. These circumstances include, but are not limited to, (i) the Company's failure to provide certain legal opinions, (ii) the amendment, withdrawal or termination of the Investment Agreement between the Company and the Backstop Investor, and (iii) the non-occurrence of other conditions precedent. In the event of a termination of the Underwriting Agreement, the Rights Offering will not take place other than in relation to Subscription Rights which have been validly exercised by then. The Underwriters are further relieved of their obligations if the consummation of the capital increase relating to the New Shares subscribed for by the Underwriters under the Rights Offering is not registered in the Commercial Register by August 6, 2009 and the Underwriters and Infineon Technologies AG fail to reach an agreement on a later deadline.

Condition Precedent and Termination of the Backstop Arrangement

The obligation of the Backstop Investor to acquire any Investment Shares is subject to certain conditions precedent being met or waived by the Backstop Investor, including, but not limited to, applicable merger clearances, clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*), and the appointment of one representative of the Backstop Investor, Mr. Manfred Puffer, by the competent court to the Supervisory Board and the resignation of Mr. Max Dietrich Kley, the current chairman of the Supervisory Board, as of September 30, 2009 and the election of Mr. Manfred Puffer as chairman of the Supervisory Board as of October 1, 2009, and the nomination of another representative of the Backstop Investor, Mr. Gernot Löhr, as member of the Supervisory Board to be appointed by the competent court, subject to the resignation of the current chairman as member of the Supervisory Board taking effect.

In case the Backstop Investor wishes to subscribe for the Investment Shares despite the Minimum Threshold not being met, the Backstop Investor has to declare to the Company a waiver on the business day following the end of the Subscription Period. The Backstop Investor may declare to the Company its unconditional commitment in the waiver notice to acquire other than through the Investment Share Placement such amount of the Company's shares that following the acquisition the Backstop Investor's shareholding will equal or exceed 15 percent. In this case, the obligation of the Backstop Investor to

acquire Investment Shares is subject to (a) Mr. Manfred Puffer has been appointed by the competent court to Supervisory Board, (b) Mr. Max Dietrich Kley, the current chairman of the supervisory board, has submitted (i) a letter to the Backstop Investor in which he commits to resignation as of September 30, 2009 and (ii) a resignation letter to the Management Board and the co-chairman of the Supervisory Board, resigning as chairman and Supervisory Board member as of September 30, 2009, subject to the Backstop Investor by that date holding a shareholding in the Company of 15 percent or more, or as of October 15, 2009, if only by that date the Investor holds a respective shareholding in the Company, in each case evidenced by a corresponding notice to the Company according to Section 21 (1) German Securities Trading Act (*WpHG*), (c) Mr. Manfred Puffer has been elected as chairman of the Supervisory Board as of October 1, 2009 subject to the resignation of the current chairman having taken effect and (d) the nomination committee of the supervisory board has nominated Mr. Gernot Löhr as member of the Supervisory Board to be appointed by the competent court, subject to the resignation of the current chairman as member of the Supervisory Board having taken effect.

The Backstop Investor reserves the right to terminate the Backstop Arrangement upon the occurrence of certain circumstances. These circumstances include, but are not limited to, the Company's failure to provide a legal opinion and the non-occurrence of the other conditions precedent. The Backstop Investor can also terminate the Backstop Arrangement if the Capital Increase relating to the Investment Shares has not been registered with the commercial register within twelve business days after application by the Company for such registration. In these cases, the Backstop Investor may, by written notice to the Company, withdraw from the Backstop Arrangement. To the extent that it has not yet been exercised, such right of withdrawal will lapse upon registration of the consummation of the Capital Increase relating to the Investment Shares in the commercial register.

Right to Withdraw in case a supplement to the Prospectus is published

The Company expects its quarterly report for the three and nine months ended June 30, 2009 to be published on or about July 29, 2009. The Company will publish on or about July 29, 2009 a supplement to the Prospectus to reflect the recent developments for the interim period up to and including June 30, 2009 in the Prospectus.

In accordance with Section 16(3) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), investors who have made a declaration of intention regarding the acquisition or the subscription of securities prior to the publication of the supplement may revoke this within two days after publication of the supplement, provided that settlement has not yet occurred.

The revocation does not need to be substantiated and is to be sent in text form to the locations at which the investor concerned has made his declaration of intention regarding the acquisition of the New Shares. In order to meet the deadline, timely dispatch is sufficient.

Offering in the United States

The New Shares and the Subscription Rights will be registered under the provisions of the Securities Act. In this connection, the Company intends to file with the U.S. Securities and Exchange Commission a Form F-3 Registration Statement pursuant to the Securities Act with respect to the New Shares and the Subscription Rights.

Stabilization

There shall be no stabilization in connection with the Offering.

Offering Expenses and Net Proceeds of the Offering

The estimated total Offering expenses, including the commissions payable to the Underwriters, are expected to be potentially as high as 40 million, including approximately 18 million to the Underwriters and up to 21 million to the Backstop Investor relating to the Backstop Arrangement. Should the Backstop Investor fail to purchase any New Shares in the Offering for any reason, the Company will pay the Backstop Investor a lump sum of 21 million. If the Backstop Investor acquires a shareholding in the equity capital and voting rights of the Company of 25 percent or less, the Company will pay the Backstop Investor an amount equal to the sum of (i) 5.5 million plus (ii) an amount of 0.057 per share by which the shareholding quota of the Backstop Investor falls short of 25 percent plus one share. Infineon expects the total net proceeds from the capital increase to be approximately 700 million in case all New Shares will

be subscribed for by or placed with investors. If the Minimum Threshold is not met and the Backstop Investor decides not to waive the Minimum Threshold requirement, Infineon expects the minimum net proceeds from the Offering to be approximately 335 million.

Form and Certification of New Shares/Delivery

The New Shares will be issued as registered no par value shares (ISIN DE0006231004 / German Securities Code (WKN) 623100) in accordance with the Company's current articles of association (**Articles of Association**). The New Shares will be evidenced by one or more global share certificates deposited in collective custody with Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main, Germany.

The right of the Company's shareholders to receive individual share certificates for their shares is, to the extent legally permissible and unless not required under the regulation of a stock exchange, excluded by Section 4(4) of the Articles of Association. The New Shares bear the same rights as all other shares of the Company and do not bear any additional rights or benefits.

ISIN, WKN, Common Code and Trading Symbol

The International Securities Identification Number (**ISIN**) for the New Shares is DE0006231004, the German Securities Code (**WKN**) is 623100 and the Common Code is 010745900. The trading symbol is IFX.

ISIN and WKN of the Subscription Rights

The ISIN for the Subscription Rights is DE000A0Z2227, the WKN is A0Z222.

Paying and Registration Agent

The paying and registration agent is Bayerische Hypo- und Vereinsbank AG, Kardinal-Faulhaber-Strasse 1, 80333 Munich, Germany.

Summary of Share Capital and Management of the Company

Management Board

Peter Bauer (chairman of the Management Board), Dr. Marco Schröter, Prof. Dr. Hermann Eul and Dr. Reinhard Ploss.

Supervisory Board

The Supervisory Board currently consists of 15 members. The chairman of the Supervisory Board is Max Dietrich Kley.

Share capital (prior to completion of the Offering)

The Company's issued share capital as of the date of this Prospectus amounts to 1,499,484,170, divided into 749,742,085 registered shares. The shares are issued as no par value shares. Each of the Company's shares entitles the holder to one vote at the Company's general shareholders meeting. The share capital has been fully paid. All of the Existing Shares have been admitted to the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and to the sub-segment with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

Auditor for the 2006, 2007 and 2008 fiscal years

KPMG AG Wirtschaftsprüfungsgesellschaft (formerly KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft), Ganghoferstrasse 29, 80339 Munich, Germany (**KPMG**).

Employees

Infineon had 26,108 employees as of June 30, 2009.

Registered office, applicable law, duration and fiscal year of the Company

The Company's registered office is in Neubiberg, Germany. The Company's headquarters are located at: Am Campeon 1-12, 85579 Neubiberg, Germany (telephone: +49-89-234-0). As a stock corporation (*Aktiengesellschaft*) organized under German law, the Company is subject to German stock corporation law. The Company's duration is perpetual.

The Company's fiscal year runs from October 1 until September 30 of the following year.

Summary Selected Consolidated Financial and Operating Information Prepared in Accordance with IFRS

For periods beginning October 1, 2008, Infineon has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (**IFRS**). In connection with Infineon's transition to IFRS, Infineon has prepared financial statements for the fiscal year ended September 30, 2008 (with comparative figures as of and for the fiscal year ended September 30, 2007) in accordance with IFRS. Below, Infineon presents its selected consolidated statements of operations data, selected consolidated statement of cash flows data and selected segment data for the 2007 and 2008 fiscal years and the six months ended March 31, 2008 and 2009, and selected consolidated balance sheet data at September 30, 2007 and 2008 and at March 31, 2009, derived from Infineon's consolidated IFRS financial statements. The selected consolidated statements of operations data, and selected consolidated statement of cash flows data for the 2007 and 2008 fiscal years and the selected consolidated balance sheet data at September 30, 2007 and 2008, prepared in accordance with IFRS, have been extracted from the financial statements as of and for the fiscal year ended September 30, 2008, prepared in accordance with IFRS. Infineon also presents selected consolidated statements of operations and statements of cash flows for the six month ended March 31, 2008 and 2009, and selected consolidated balance sheet data at March 31, 2009, derived from Infineon's condensed consolidated IFRS financial statements as of and for the six months ended March 31, 2009.

Infineon also issued consolidated financial statements under accounting principles generally accepted in the United States (**U.S. GAAP**) as of and for the fiscal year ended September 30, 2008 since U.S. GAAP were considered the primary accounting principles for that period. These financial statements are not included in this Prospectus.

Selected Data from the Consolidated Statements of Operations

	For the years ended September 30, ⁽¹⁾		For the six months ended March 31, ⁽¹⁾⁽²⁾	
	2007	2008	2008	2009
	(IFRS) (in millions, except per share data)			
Revenue	4,074	4,321	2,139	1,577
Income (loss) from continuing operations before income taxes	(44)	(147)	82	(264)
Income (loss) from continuing operations	(43)	(188)	59	(266)
Loss from discontinued operations, net of income taxes	(327)	(3,559)	(2,543)	(396)
Net loss	(370)	(3,747)	(2,484)	(662)
Attributable to:				
Minority interests	(23)	(812)	(552)	(49)
Shareholders of Infineon Technologies AG	(347)	(2,935)	(1,932)	(613)
Basic and diluted earnings (loss) per share from continuing operations	(0.08)	(0.33)	0.06	(0.36)
Basic and diluted loss per share from discontinued operations	(0.38)	(3.58)	(2.64)	(0.46)
Basic and diluted loss per share	(0.46)	(3.91)	(2.58)	(0.82)

Notes

- (1) During the 2008 fiscal year, Infineon committed to a plan to dispose of Qimonda. As a consequence, the results of Qimonda are reported as discontinued operations in the Selected Consolidated Statements of Operations data for the fiscal years ended September 30, 2007 and 2008 and for the six months ended March 31, 2008 and 2009. On January 23, 2009, Qimonda and its wholly owned subsidiary Qimonda Dresden GmbH & Co. oHG filed an application at the Munich Local Court to commence insolvency proceedings. As a result of this application, Infineon deconsolidated Qimonda during the second quarter of the 2009 fiscal year. On April 1, 2009, the insolvency proceedings formally opened.
- (2) Unaudited.

Selected Data from the Consolidated Balance Sheet

	As of		As of
	September 30,⁽¹⁾		March
	2007	2008	31,⁽¹⁾⁽²⁾
	(IFRS) (in millions)		
Cash and cash equivalents	1,809	749	532
Available-for-sale financial assets	417	134	133
Working capital ⁽³⁾ (deficit)	(43)	86	(28)
Assets classified as held for disposal	303	2,129	6
Total assets	10,599	6,982	3,977
Short-term debt and current maturities of long-term debt	336	207	170
Liabilities associated with assets held for disposal	129	2,123	
Long-term debt	1,227	963	816
Total equity	6,004	2,161	1,703

Notes

- (1) During the 2008 fiscal year, Infineon committed to a plan to dispose of Qimonda. As a consequence, the assets and liabilities of Qimonda have been reclassified as held for disposal in the Selected Consolidated Balance Sheet data as of March 31, 2009 and as of September 30, 2008. On January 23, 2009, Qimonda and its wholly owned subsidiary Qimonda Dresden GmbH & Co. oHG filed an application at the Munich Local Court to commence insolvency proceedings. As a result of this application, Infineon deconsolidated Qimonda during the second quarter of the 2009 fiscal year. On April 1, 2009, the insolvency proceedings formally opened.
- (2) Unaudited.
- (3) Working capital consists of current assets less short-term liabilities, cash and cash equivalents, available-for-sale financial assets and net assets held for disposal.

Selected Data from the Consolidated Statements of Cash Flows

	For the years		For the six months	
	ended		ended	
	September 30,⁽¹⁾		March 31,⁽¹⁾⁽²⁾	
	2007	2008	2008	2009
	(IFRS) (in millions)			
Net cash provided by (used in) operating activities from continuing operations	256	580	149	(65)
Net cash provided by (used in) operating activities	1,251	(84)	(121)	(463)
Net cash provided by (used in) investing activities from continuing operations	(48)	(665)	(894)	31
Net cash provided by (used in) investing activities	(917)	(662)	(1,021)	52

Net cash used in financing activities from continuing operations	(214)	(230)	(97)	(180)
Net cash (used in) provided by financing activities	(525)	113	103	(220)
Net decrease in cash and cash equivalents from discontinued operations	(185)	(318)	(197)	(417)
Net decrease in cash and cash equivalents	(191)	(633)	(1,039)	(631)

Notes

- (1) During the 2008 fiscal year, Infineon committed to a plan to dispose of Qimonda. As a consequence, the cash flows of Qimonda are reported as net cash provided by (used in) activities from discontinued operations in the separate line below cash flows from continuing operations. On January 23, 2009, Qimonda and its wholly owned subsidiary Qimonda Dresden GmbH & Co. oHG filed an application at the Munich Local Court to commence insolvency proceedings. As a result of this application, Infineon deconsolidated Qimonda during the second quarter of the 2009 fiscal year. On April 1, 2009, the insolvency proceedings formally opened.
- (2) Unaudited.

Selected Segment Data***Selected Operating Segment Data***

Effective October 1, 2008, Infineon reorganized its main business into five operating segments: Automotive, Industrial & Multimarket, Chip Card & Security, Wireless Solutions and Wireline Communications. Segment results for the fiscal years ended September 30, 2007 and 2008 have been reclassified to be consistent with the current reporting structure and presentation, as well as to facilitate analysis of current and future operating segment information. These reclassified segment results are not included in the consolidated financial statements for the 2008 fiscal year prepared in accordance with IFRS. On July 7,

2009, the Company entered into an asset purchase agreement to sell the Wireline Communications business, and such sale is expected to close in the fall of 2009.

Infineon has two additional segments for reporting purposes, its Other Operating Segments, which includes remaining activities for certain product lines that have been disposed of and for other business activities, and its Corporate and Eliminations segment, which contains items not allocated to its operating segments, such as certain corporate headquarters costs and unabsorbed excess capacity.

Effective as of May 1, 2006 through September 30, 2008, Infineon was organized in three major operating segments. Two of these segments were application focused: Automotive, Industrial & Multimarket and Communication Solutions. The other segment was the memory product business of Qimonda. These operating segments are reflected in Infineon's consolidated financial statements for the fiscal years ended September 30, 2006, 2007 and 2008, prepared in accordance with U.S. GAAP.

Beginning October 1, 2008, the Management Board uses the financial measure Segment Result to assess the operating performance of Infineon's reportable segments and as a basis for allocating resources among the segments.

	For the years ended September 30,		For the six months ended March 31, ⁽¹⁾	
	2007	2008 (IFRS) (in millions)	2008	2009
Automotive				
Revenue ⁽²⁾	1,267 ⁽¹⁾	1,257 ⁽¹⁾	634	395
Segment Result	122 ⁽¹⁾	105 ⁽¹⁾	48	(121)
Industrial & Multimarket				
Revenue ⁽²⁾	1,188 ⁽¹⁾	1,171 ⁽¹⁾	567	427
Segment Result	127 ⁽¹⁾	134 ⁽¹⁾	49	(5)
Chip Card & Security				
Revenue ⁽²⁾	438 ⁽¹⁾	465 ⁽¹⁾	237	171
Segment Result	20 ⁽¹⁾	52 ⁽¹⁾	36	(9)
Wireless Solutions				
Revenue ⁽³⁾⁽⁴⁾⁽⁵⁾	637 ⁽¹⁾	941 ⁽¹⁾	450	401
Segment Result	(126) ⁽¹⁾	(18) ⁽¹⁾	2	(73)
Wireline Communications⁽¹⁰⁾				
Revenue ⁽³⁾	414 ⁽¹⁾	420 ⁽¹⁾	208	167
Segment Result	(16) ⁽¹⁾	12 ⁽¹⁾	7	3
Other Operating Segments				
Revenue ⁽²⁾⁽⁶⁾⁽⁷⁾	343 ⁽¹⁾	169 ⁽¹⁾	123	10
Segment Result	2 ⁽¹⁾	(3) ⁽¹⁾	7	(4)
Corporate and Eliminations				
Revenue ⁽⁸⁾⁽⁹⁾	(213)	(102)	(80)	6
Segment Result	7 ⁽¹⁾	(24) ⁽¹⁾	(2)	(3)
Total				
Revenue	4,074	4,321	2,139	1,577

Segment Result	136 ⁽¹⁾	258 ⁽¹⁾	147	(212)
-----------------------	--------------------	--------------------	-----	-------

Notes

- (1) Unaudited.
- (2) In Infineon's IFRS financial statements as of and for the fiscal year ended September 30, 2008, Infineon recorded 3,017 million and 2,963 million in revenue in the former Automotive, Industrial & Multimarket segment for the 2007 and 2008 fiscal year, respectively. Following reclassification to reflect the current segment structure, these amounts are mostly allocated to the Automotive segment, the Industrial & Multimarket segment and the Chip Card & Security segment, while 124 million and 70 million for the 2007 and 2008 fiscal year, respectively, relating to the HDD business, is now recorded under Other Operating Segments.
- (3) In its IFRS financial statements as of and for the fiscal year ended September 30, 2008, Infineon recorded 1,051 million and 1,360 million in revenue for its Communication Solutions segment for the 2007 and 2008 fiscal year, respectively. Following reclassification to reflect the current segment structure, these amounts are mostly allocated to the Wireless Solutions and Wireline Communications segments.
- (4) Includes inter-segment revenues of 30 million and 10 million for the fiscal years ended September 30, 2007 and 2008, respectively, from sales of wireless communication applications to Qimonda.

- (5) Includes revenues of 8 million and 1 million for the six months ended March 31, 2008 and 2009, respectively, from sales of wireless communication applications to Qimonda.
- (6) Includes inter-segment revenues of 189 million and 79 million for the fiscal years ended September 30, 2007 and 2008, respectively, from sales of wafers from Infineon's 200-millimeter facility in Dresden to Qimonda under a foundry agreement.
- (7) Includes revenues of 70 million for the six months ended March 31, 2008 from sales of wafers from Infineon's 200-millimeter facility in Dresden to Qimonda under a foundry agreement.
- (8) Includes the elimination of inter-segment revenues of 219 million and 89 million for the fiscal years ended September 30, 2007 and 2008, respectively, since these sales were not expected to be part of the Qimonda disposal plan.
- (9) Includes the elimination of revenues of 78 million and 1 million for the six months ended March 31, 2008 and 2009, respectively, since these sales were not part of the Qimonda disposal plan.
- (10) On July 7, 2009, the Company entered into an asset purchase agreement to sell the Wireline Communications business, and such sale is expected to close in the fall of 2009.

Selected Geographic Information

	For the years ended September 30, ⁽¹⁾		For the six months ended March 31, ⁽¹⁾⁽²⁾	
	2007	2008	2008	2009
	(IFRS) (in millions)			
Revenue				
Germany	907	924	460	315
Other Europe	888	818	409	286
North America	564	503	282	164
Asia/Pacific	1,450	1,800	848	720
Japan	213	198	104	72
Other	52	78	36	20
Total	4,074	4,321	2,139	1,577

Notes

- (1) During the 2008 fiscal year, Infineon committed to a plan to dispose of Qimonda. As a consequence, the results of Qimonda are reported as discontinued operations in the Selected Consolidated Statements of Operations data for the fiscal years ended September 30, 2007 and 2008 and for the six months ended March 31, 2008 and 2009. On January 23, 2009, Qimonda and its wholly owned subsidiary Qimonda Dresden GmbH & Co. oHG filed an application at the Munich Local Court to commence insolvency proceedings. As a result of this application, Infineon deconsolidated Qimonda during the second quarter of the 2009 fiscal year. On April 1, 2009, the insolvency proceedings formally opened.

(2) Unaudited.

Selected Other Key Financial Data

	For the years ended		For the six months	
	September 30,⁽¹⁾		ended	
	2007	2008	2008	2009
	(IFRS) (in millions, except employee data)			
Capital Expenditures	498	312	170	69
Employees (at end of period)	43,079 ⁽²⁾	41,343 ⁽³⁾	42,837 ⁽⁴⁾	26,362

Notes

- (1) During the 2008 fiscal year, Infineon committed to a plan to dispose of Qimonda. As a consequence, the cash flows of Qimonda are reported as net cash provided by (used in) activities from discontinued operations in the Selected Consolidated Statements of Cash Flow data for all periods presented. On January 23, 2009, Qimonda and its wholly owned subsidiary Qimonda Dresden GmbH & Co. oHG filed an application at the Munich Local Court to commence insolvency proceedings. As a result of this application, Infineon deconsolidated Qimonda during the second quarter of the 2009 fiscal year. Subsequent to the deconsolidation, the employees of Qimonda are no longer reported in the Company's consolidated financial statements. On April 1, 2009, the insolvency proceedings formally opened.
- (2) Including 13,481 employees of Qimonda.
- (3) Including 12,224 employees of Qimonda.
- (4) Including 13,298 employees of Qimonda.

Summary Selected Consolidated Financial and Operating Information Prepared in Accordance with U.S. GAAP

For periods prior to October 1, 2008, Infineon prepared its financial statements in accordance with U.S. GAAP. Below, Infineon presents selected consolidated statements of operations data, selected consolidated statements of cash flows data and selected segment data for the 2006 and 2007 fiscal years and selected consolidated balance sheet data at September 30, 2006 and 2007 derived from its consolidated U.S. GAAP financial statements. The selected consolidated statements of operations data, selected consolidated statements of cash flows data and selected segment data for the 2006 and 2007 fiscal years and the selected consolidated balance sheet data at September 30, 2006 and 2007, prepared in accordance with U.S. GAAP, have been extracted from the consolidated financial statements as of and for the fiscal year ended September 30, 2007 (with comparative figures as of and for the fiscal year ended September 30, 2006).

Selected financial information prepared in accordance with IFRS as of and for the fiscal year ended September 30, 2008 (with comparative figures as of and for the fiscal year ended September 30, 2007) is included in the section headed *Summary Selected Consolidated Financial and Operating Information prepared in accordance with IFRS*.

Selected Data from the Consolidated Statements of Operations

	For the years ended September 30, 2006 2007 (U.S. GAAP) (in millions, except per share data)	
Total net sales	7,929	7,682
Loss before income taxes	(107)	(254)
Net loss	(268)	(368)
Basic and diluted loss per share	(0.36)	(0.49)

Selected Data from the Consolidated Balance Sheets

	As of September 30, 2006 2007 (U.S. GAAP) (in millions)	
Cash and cash equivalents	2,040	1,819
Marketable securities	615	475
Working capital ⁽¹⁾ (deficit)	(279)	(18)
Assets classified as held for disposal		272
Total assets	11,185	10,679
Short-term debt and current maturities	797	336
Liabilities associated with assets held for disposal		117

Long-term debt, excluding current portion	1,208	1,376
Total shareholders equity	5,315	4,914

Notes:

- (1) Working capital consists of current assets less short-term liabilities, cash and cash equivalents, marketable securities and net assets held for disposal.

Selected Data from the Consolidated Statements of Cash Flows

	For the years ended September 30, 2006 2007 (U.S. GAAP) (in millions)	
Net cash provided by operating activities	1,003	1,207
Net cash used in investing activities	(853)	(867)
Net cash (used in) provided by financing activities	762	(521)
Net increase (decrease) in cash and cash equivalents	892	(221)

Selected Segment Data***Selected Operating Segment Data***

Effective as of May 1, 2006 through September 30, 2008, Infineon was organized in three major operating segments. Two of these segments were application focused: Automotive, Industrial & Multimarket and Communication Solutions. The other segment was the memory product business of Qimonda. The Management Board used the financial measure earnings before interest and taxes (**EBIT**) to assess the operating performance of Infineon's reportable segments and as a basis for allocating resources among the segments.

	For the years ended September 30, 2006 2007 (U.S. GAAP) (in millions)	
Automotive, Industrial & Multimarket		
Net sales	2,839	3,017
EBIT	246	300
Communication Solutions⁽⁴⁾		
Net sales ⁽¹⁾	1,205	1,051
EBIT	(231)	(160)
Other Operating Segments		
Net sales ⁽²⁾	310	219
EBIT	4	(12)
Corporate and Eliminations		
Net sales ⁽³⁾	(240)	(213)
EBIT	(236)	(177)
Qimonda		
Net sales	3,815	3,608
EBIT	202	(207)
Total		
Net sales	7,929	7,682
EBIT	(15)	(256)

Notes

- (1) Includes inter-segment sales of 0 and 30 million for the fiscal years ended September 30, 2006 and 2007, respectively, from sales of wireless communication applications to Qimonda.
- (2) Includes inter-segment sales of 256 and 189 million for the fiscal years ended September 30, 2006 and 2007, respectively, from sales of wafers from Infineon's 200-millimeter facility in Dresden to Qimonda under foundry agreements.
- (3) Includes the elimination of inter-segment sales of 256 and 219 million for the fiscal years ended September 30, 2006 and 2007, respectively, since these sales were not expected to be part of the Qimonda disposal plan.

- (4) On July 7, 2009, the Company entered into an asset purchase agreement to sell the Wireline Communications business, which was part of the Communication Solutions segment, and such sale is expected to close in the fall of 2009.

Selected Geographic Information

	For the years ended September 30, 2006 2007 (U.S. GAAP) (in millions)	
Net sales		
Germany	1,327	1,164
Other Europe	1,360	1,218
North America	2,126	1,887
Asia/Pacific	2,498	2,632
Japan	461	661
Other	157	120
Total	7,929	7,682

Selected Other Key Financial Data

	For the years ended September 30,	
	2006	2007
	(U.S. GAAP) (in millions, except employee data)	
Capital Expenditures	1,253	1,375
Employees (at end of period)	41,651 ⁽¹⁾	43,079 ⁽²⁾

Notes

⁽¹⁾ Including 11,802 employees of Qimonda.

⁽²⁾ Including 13,481 employees of Qimonda.

Summary of Risk Factors

Risks Relating to the Company's Business and the Market

The financial resources available to Infineon, including the proceeds of the Offering, may be insufficient to meet Infineon's capital needs.

If Infineon is unsuccessful in implementing its operational restructuring plans, Infineon's revenues and profitability may be adversely affected.

Ongoing financial market volatility and adverse developments in the global economic environment have had and could continue to have a significant adverse impact on Infineon's business, financial condition and operating results.

The semiconductor industry is characterized by intense competition, which could reduce Infineon's sales or put continued pressure on Infineon's sales prices.

Infineon operates in a highly cyclical industry and its business has in the past suffered, is currently suffering and could again suffer from periodic downturns.

Infineon may not be able to match its production capacity to demand.

Infineon's business could suffer as a result of volatility in different parts of the world.

In difficult market conditions, Infineon's high fixed costs adversely affect its results.

The competitive environment of the semiconductor industry has led to industry consolidation, and Infineon may face even more intense competition from newly merged competitors.

Infineon intends to continue to engage in acquisitions, joint ventures and other transactions that may complement or expand its business. Infineon may not be able to complete these transactions, and even if executed, these transactions pose significant risks and could have a negative effect on Infineon's operations.

Infineon may be unable to successfully integrate businesses it acquires and may be required to record charges related to the goodwill or other long-lived assets associated with the acquired businesses.

Infineon may not be able to protect its proprietary intellectual property and may be accused of infringing the intellectual property rights of others.

Infineon's business could suffer due to decreases in customer demand.

The loss of one or more of Infineon's key customers, for example, owing to a decrease in customer confidence in Infineon due to its perceived liquidity position, may adversely affect Infineon's business.

Fluctuations in the mix of products sold may adversely affect Infineon's financial results.

If Infineon fails to successfully implement an optimum make-or-buy strategy, Infineon's business could suffer from higher costs.

Infineon's business could suffer from problems with manufacturing.

If Infineon's outside foundry suppliers fail to meet Infineon's expectations, Infineon's results of operations and its ability to exploit growth opportunities could be adversely affected.

Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with their intended end use could impose significant costs on Infineon.

Infineon may be adversely affected by property loss and business interruption.

Infineon's business could suffer if Infineon is not able to secure the development of new technologies or if Infineon cannot keep pace with the technology development of Infineon's competition.

Infineon relies on strategic partners and other third parties, and Infineon's business could be harmed if they fail to perform as expected or relationships with them were to be terminated.

New business is often subject to a competitive selection process that can be lengthy and uncertain and that requires Infineon to incur significant expenses in advance. Even if Infineon wins and begins a product design, a customer may decide to cancel or change Infineon's product plans, which could cause Infineon to generate no sales from a product and adversely affect Infineon's results of operations.

Infineon relies on a limited number of suppliers of manufacturing equipment and materials and could suffer shortages if these suppliers were to interrupt supply or increase their prices.

Infineon may be adversely affected by rising raw material prices.

Infineon's business could suffer if Infineon is unable to secure dependable power supplies at reasonable cost.

Infineon's operations rely on complex information technology systems and networks, and any disruptions in such systems or networks could have a material adverse impact on Infineon's business and results of operations.

Infineon has recorded significant reorganization and impairment charges in the past and may do so again in the future, which could materially adversely affect Infineon's business.

Infineon's business could suffer if third-party service providers fail to perform as expected.

Infineon's success depends on its ability to recruit and retain sufficient qualified key personnel.

Reductions in government subsidies or demands for repayment of such subsidies could increase Infineon's reported expenses or limit its ability to fund capital expenditures.

Infineon's operating results fluctuate significantly from quarter to quarter, and as a result Infineon may fail to meet the expectations of securities analysts and investors, which could cause the Company's stock price to decline.

Infineon's results of operations and financial condition can be adversely impacted by changes in exchange rates.

If Infineon fails to maintain effective internal controls, Infineon may not be able to report financial results accurately or on a timely basis, or to detect fraud, which could have a material adverse effect on the Company's business or share price.

Infineon is exposed to various tax risks, and several factors could have an adverse effect on the tax burden of Infineon.

Infineon's deferred tax assets are subject to regular reassessment, which may result in additional valuation allowances.

Environmental laws and regulations may expose Infineon to liability and increase Infineon's costs.

Infineon may face significant liabilities as a result of the insolvency of Qimonda.

Infineon might be required to repay any outstanding Exchangeable Notes due 2010 prior to their maturity date, which could materially adversely affect its financial condition.

A sale or closure of the ALTIS facility may result in the Company incurring material additional costs.

The Wireline Communications business could be adversely impacted if the intended sale is not completed.

Infineon may be held liable for damages in connection with the sale of the Wireline Communications business.

Infineon may face increased expenses or charges due to the sale of the Wireline Communications business.

Infineon's business and financial condition could be adversely affected by current or future litigation.

Infineon is a subject of investigations in several jurisdictions in connection with pricing practices in the Dynamic Random Access Memory industry, and is a defendant in civil antitrust claims in connection with these matters.

Purported class action lawsuits have been filed against the Company alleging securities fraud.

Infineon is the subject of an investigation by the European Commission in connection with alleged violations of competition laws in the Chip Card & Security segment.

Infineon might be faced with product liability or warranty claims.

Risks Related to the New Shares and Risks Related to the Offering

The Backstop Investor may influence Infineon's business activities and may be in a position to control the outcome of certain matters submitted to the Company's shareholders.

Sales of a large volume of shares in the Company by major shareholders could cause significant downward pressure on the Company's share price.

The Company's share price is subject to risks associated with market-price fluctuations.

The Company's share price is subject to risks relating to securities transactions engaged by the Backstop Investor and/or its affiliates.

The investments of shareholders who fail to participate in this Offering will be diluted considerably.

Trading in Subscription Rights is expected to not develop and the value of Subscription Rights may decline.

The Underwriters may withdraw from the Underwriting Agreement.

Future corporate actions could result in a further material dilution of shareholders' investments in the Company.

GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS

ZUSAMMENFASSUNG DES PROSPEKTS

Die folgende Zusammenfassung („**Zusammenfassung**“) ist als Einführung zu diesem Wertpapierprospekt („**Prospekt**“) zu verstehen und fasst lediglich ausgewählte Informationen dieses Prospekts zusammen. Anleger sollten wegen der wesentlich detaillierteren Informationen in anderen Teilen des Prospekts (einschließlich des Finanzteils) in jedem Fall den gesamten Prospekt aufmerksam lesen und ihre Entscheidung zur Anlage in Aktien der Gesellschaft auf die Prüfung des gesamten Prospekts stützen.

Die Infineon Technologies AG, Neubiberg, Deutschland („**Infineon Technologies AG**“ oder die „**Gesellschaft**“ und zusammen mit ihren Tochtergesellschaften die „**Gruppe**“ oder „**Infineon**“) sowie Credit Suisse Securities (Europe) Limited, London, Vereinigtes Königreich („**Credit Suisse**“), Deutsche Bank Aktiengesellschaft, Frankfurt, Deutschland („**Deutsche Bank**“) und Merrill Lynch International, London, Vereinigtes Königreich („**Merrill Lynch**“ und zusammen mit Credit Suisse und der Deutschen Bank die „**Joint Bookrunners**“), sowie Citigroup Global Markets Limited, London, Vereinigtes Königreich („**Citi**“ und zusammen mit den Joint Bookrunners die „**Konsortialbanken**“) übernehmen gemäß § 5 Abs. 2 Satz 3 Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung. Die Gesellschaft und die Konsortialbanken können jedoch für den Inhalt der Zusammenfassung nur haftbar gemacht werden, falls die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung einzelstaatlicher Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums („**EWR**“) die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben.

Z USAMMENFASSUNG DER GESCHÄFTSTÄTIGKEIT DER G ESELLSCHAFT

Geschäftstätigkeit

Infineon ist gemessen an den Umsatzerlösen einer der weltweit führenden Hersteller von Halbleitern. Infineon steht seit mehr als 50 Jahren an der Spitze der Entwicklung, der Herstellung und des Vertriebs von Halbleitern, zunächst als Siemens Halbleitergruppe und seit 1999 als unabhängige Gruppe. Die Aktien der Infineon Technologies AG werden seit März 2000 öffentlich gehandelt. Nach Einschätzung des Marktforschungsinstituts iSuppli (Juni 2009) nahm Infineon (ohne Qimonda) im Kalenderjahr 2008 in der Rangfolge der Halbleitergesellschaften gemessen an den Umsatzerlösen die 10. Position ein.

Infineon entwirft, entwickelt, produziert und vertreibt ein breites Spektrum von Halbleitern und kompletten Systemlösungen für den Einsatz in einer Vielzahl von Anwendungen für Energieeffizienz, Sicherheit und Kommunikation. Infineons Hauptgeschäft ist derzeit in fünf operative Segmente aufgeteilt: Automobilelektronik (Automotive), Industrieelektronik (Industrial & Multimarket), Chipkarten & Sicherheitslösungen (Chip Card & Security), drahtlose Kommunikation (Wireless Solutions) und drahtgebundene Kommunikation (Wireline Communications). Am 7. Juli 2009 schloss die Gesellschaft einen Kaufvertrag hinsichtlich des Verkaufs des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications); dieser Verkauf soll voraussichtlich im Herbst 2009 vollzogen werden.

Seit dem Geschäftsjahr 2009 unternimmt Infineon wesentliche Schritte, insbesondere durch das Kostensenkungsprogramm „IFX10+“, um Kosten zu senken, Schulden abzubauen, Liquidität zu erhalten sowie durch weitere Maßnahmen die finanzielle Situation zu verbessern. Diese Bemühungen dauern gegenwärtig noch an. Infineon geht davon aus, dass sie aufgrund der positiven Effekte der umfassenden Kosteneinsparungen und der liquiditätsschonenden Maßnahmen trotz des starken Rückgangs der Umsatzerlöse in der Lage sein wird, die normalen Geschäftsaktivitäten durch Mittelzuflüsse aus der operativen Geschäftstätigkeit finanzieren zu können.

Wettbewerbsstärken

Nach Ansicht von Infineon basieren ihre Hauptstärken auf mehreren Faktoren; hierzu zählen ihre technischen Kompetenzen, ihre starke Position auf zahlreichen Märkten, ihre guten Kundenbeziehungen und ihre Kompetenzen beim Design und der Herstellung von Halbleitern.

Infineon ist der Ansicht, dass das Unternehmen über fundierte technische Kernkompetenzen in der Entwicklung und Herstellung von Halbleitern verfügt. Diese Kompetenzen beruhen zum Teil auf der über 50-jährigen Erfahrung der Gesellschaft und ihrer Vorgängerinnen. Dabei sind vier Kernkompetenzen von besonderer Bedeutung: Hochfrequenz („HF“), eingebettete Steuerung, Analog-/Mixed-Signal und Leistungshalbleiter.

Kompetenz im Bereich HF: Die Fähigkeit zur Herstellung der klassenbesten HF-Transceiver (und integrierter HF-Transceiver mit Standard-Logik-Schaltungen) ist ein Hauptunterscheidungsmerkmal bei Modemlösungen für Mobiltelefone. Die zunehmende Komplexität der Transceiver-Produkte hat die meisten Konkurrenten aus diesem Markt gedrängt und zu der aktuellen (2008) Situation geführt, in der vier Anbieter knapp 85 Prozent der Erlöse generieren; Infineon lag dabei mit einem Marktanteil von 22 Prozent auf dem zweiten Platz (Strategy Analytics, Mai 2009). Infineon ist der Auffassung, dass ihre Kompetenz im Bereich HF einer der wesentlichen Treiber für die bemerkenswerte Erholung ihres Mobilfunk-Geschäfts in den vergangenen Jahren war und helfen wird, den eigenen Marktanteil am Gesamt-Mobilfunk-Chipmarkt auch künftig auszubauen.

Kompetenz im Bereich eingebettete Steuerung: Im Gegensatz zu Computer-Plattformen für allgemeine Zwecke werden eingebettete Systeme für bestimmte Anwendungen entworfen. Entwickler von eingebetteten Systemen verlangen heutzutage nach Microcontrollern, die speziell auf ihre Bedürfnisse zugeschnitten sind. Die 32-bit-Tricore-Microcontroller-Familie von Infineon ist dafür ein typisches Beispiel. Sie vereint in sich die Echtzeit-Fähigkeit eines Microcontrollers, die Rechenleistung eines DSP und die Hochleistungseigenschaften von RISC-Architekturen. Sie ermöglicht in automobilen Anwendungen außergewöhnliche Motorleistungen bei geringerem Kraftstoffverbrauch und somit die Erfüllung der höchsten Emissionsstandards einschließlich EURO5 und US-LEV2. Infineon ist der Auffassung, dass sie aufgrund ihrer außergewöhnlichen Kompetenzen im Bereich eingebettete Steuerung in der Lage sein wird, ihre derzeitige Position als Marktführer im Markt für automobiler Halbleiter weiter auszubauen und von den hohen Wachstumsraten in Bereichen wie Motorsteuerung/Antriebsstrang zu profitieren. Nach Strategy Analytics (Januar 2009) werden die weltweiten Erlöse aus Halbleitern für Antriebsstranganwendungen von 2009 bis 2012 voraussichtlich jährlich um über 14 Prozent wachsen; dies bedeutet das stärkste Wachstum aller Automotive-Anwendungen.

Kompetenz im Bereich Analog-/Mixed Signal: Nach iSuppli (Juni 2009) rangiert Infineon gemessen am Erlös aus Analog-ICs, diskreten Halbleitern und Sensoren weltweit unter den Top-Drei der Unternehmen für Analog-/Mixed-Signal-Halbleiter. Nach Ansicht von Infineon bieten die Märkte für Analog-/Mixed-Signal im Allgemeinen besonders gute Aussichten auf ein Einnahmewachstum. So erachtet zum Beispiel auch iSuppli (Mai 2009) Halbleitersensoren - diese werden üblicherweise als analoge Halbleiter betrachtet - als eine der am stärksten wachsenden Halbleiterkategorien mit einem jährlichen Wachstum von 13 Prozent zwischen 2009 und 2012. Ein weiteres Beispiel ist die Integration von HF-Transceivern und Mobilfunk-Basisband-Prozessoren auf dem Chip. Infineon ist nach eigener Ansicht, gemessen an der Zahl der verschickten Einheiten, der größte Anbieter solcher Ein-Chip-HF-/Basisband-Produkte für Handys. Strategy Analytics (Dezember 2008) erwartet, dass die Erlöse aus Ein-Chip-Produkten von 2009 bis 2013 jährlich mit einer Rate von über 70 Prozent wachsen und der Anteil von Ein-Chip-Produkten von 6 Prozent aller Basisband-Einheiten 2009 auf 22 Prozent im Jahr 2013 wächst.

Kompetenz im Bereich Leistungshalbleiter: Nur wenige Halbleiterhersteller bieten Leistungshalbleiter und -module an. Nach IMS Research (August 2008) generieren die 5 größten Leistungsmodul-Anbieter über 80 Prozent der weltweiten Erlöse, wobei Infineon bei Leistungshalbleitern Weltmarktführer mit einer besonders starken Position bei Halbleitern und Modulen im Bereich Hochleistung ist. Infineon ist der Auffassung, dass der Marktausblick für Halbleitermodule im Bereich Hochleistung besonders vielversprechend ist. Nach IMS

Research (Februar 2009) ist bei Leistungsmodulen von 2009 bis 2012 ein jährliches Wachstum von 10 Prozent zu erwarten. Infineon ist der Ansicht, dass die eigenen Kompetenzen im Bereich Hochleistung es ihr ermöglichen werden, an diesem wachsenden Markt teilzuhaben.

Infineon verfügt über ein umfangreiches und diversifiziertes Geschäft, das eine Vielzahl von Endmärkten abdeckt und zahlreiche Produktkategorien umfasst. Mit Ausnahme von integrierten Speicher-Schaltkreisen und Mikroprozessoren liefert Infineon Produkte aller wichtigen Produktkategorien wie diskrete Kleinsignal-Halbleiter, Sensoren, Logik-ICs sowie ICs in Chipkarten-

Anwendungen. Nach Vollzug des Verkaufs des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) wird sich Infineon auf die Zielmärkte Automobilelektronik (Automotive), Industrieelektronik (Industrial & Multimarket), Chipkarten und Sicherheit (Chip Card & Security) und drahtlose Kommunikation (Wireless Communications) fokussieren. Nach den unten zitierten externen Marktanalysen hat Infineon gemessen an Umsatzerlösen in den vier Zielmärkten eine führende Position inne.

Führendes Unternehmen bei Automotive-Chips. Nach Strategy Analytics (Mai 2009) war Infineon gemessen am Umsatz während der letzten fünf Jahre weltweit die Nummer zwei unter den Chip-Herstellern im Bereich Automotive. Im Kalenderjahr 2008 belief sich der Gesamtumsatz von Infineon mit der Automotive-Branche auf 1.742 Mio. USD und lag somit nach diesem Bericht von Strategy Analytics um 2 Mio. USD niedriger als beim Chip-Hersteller Nummer eins. Gemessen am Umsatz ist Infineon der größte Chip-Hersteller für die Automotive-Branche in Europa und hält gemessen am Gesamtumsatz die folgenden Marktpositionen: Nummer zwei in der Übrigen Welt (ohne Japan), Nummer drei in Nordamerika und Nummer sechs in Japan. Infineon konnte ihren Marktanteil über die letzten vierzehn Jahre nach Strategy Analytics (1995-2009) von 3,9 Prozent im Jahr 1994 kontinuierlich auf 9,5 Prozent im Jahr 2008 steigern. Die wichtigsten Kernkompetenzen hinter diesem Wachstum waren eingebettete Steuerung und Leistungshalbleiter. Außerdem führt Infineon dieses Wachstum auf ihr Ziel der Lieferung absolut fehlerfreier Produkte zurück. Infineon ist der Auffassung, dass ihre eigenen Fertigungskompetenzen aufgrund der von den Kunden im Automotive-Bereich geforderten hohen Qualitätsstandards einen Wettbewerbsvorteil darstellen.

Führende Position bei Design und Produktion von Steuerelektronik für Energieeffizienz sowie Verkleinerung dieser Bausteine für industrielle Anwendungen. Die Effizienz bei Erzeugung und Transport sowie verlässliche Verteilung von elektrischer Energie sind für eine umweltfreundliche Stromversorgung von entscheidender Bedeutung. Infineon ist nach eigener Einschätzung das einzige Unternehmen, das Leistungshalbleiter und Leistungsmodule für die gesamte Kette von der Produktion über die Übertragung bis zum Verbrauch elektrischer Energie liefert. Nach IMS Research (November 2002, August 2008) wuchs der Umsatz von Infineon mit Leistungsbausteinen und Leistungsmodulen von 2001 bis 2007 um mehr als 145 Prozent. Mit dieser Wachstumsrate übertraf Infineon die Wettbewerber und verbesserte ihre Marktposition nach Umsatz in dieser Zeit vom vierten auf den ersten Platz, während der Marktanteil von Infineon bei Leistungshalbleitern im gleichen Zeitraum von 6,6 Prozent auf 9,7 Prozent stieg. Im Industrie-Markt schnitt Infineon nach dem Marktforschungsunternehmen Semicast (Juni 2008) besser ab als konkurrierende Halbleiteranbieter. Gemessen am Erlös belegte Infineon 2006 mit einem Marktanteil von 6,4 Prozent den zweiten Platz. Innerhalb eines Jahres steigerte Infineon ihren Erlös um mehr als 30 Prozent und rückte 2007 auf den ersten Platz vor. Obwohl für 2008 noch keine externen Daten über den Markt verfügbar sind, geht Infineon davon aus, im Jahr 2008 ihre Position als Marktführer gefestigt zu haben. Hauptverantwortlich für dieses Wachstum war das umfangreiche Know-how von Infineon bei ihrer Kernkompetenz Leistungshalbleiter.

Marktführer bei Chips für Karten-Anwendungen. Nach iSuppli (2009) und Frost & Sullivan (1998-2008) war Infineon in jedem Jahr von 1997 bis 2008 Weltmarktführer bei Chips für Kartenanwendungen. Zudem ist Infineon nach Frost & Sullivan (September 2008) der weltweit führende Anbieter von Smart Card ICs. Diese Chips werden hauptsächlich für Kreditkarten, Debitkarten, Zugangskarten, Pässe und Ausweise, Personen- und Objektidentifikation und Sicherheitsplattformen verwendet. Dabei legt Infineon ihren strategischen Schwerpunkt auf diese sicherheitskritische Bereiche, in denen Infineon ihre Erfahrung bei Hochsicherheitsanwendungen bestmöglichst nutzen kann. Infineon verfügt nach eigener Einschätzung innerhalb der Branche über das größte Portfolio an Chips und Schnittstellen, um den relevanten Sicherheitsanforderungen auf diesen Gebieten gerecht zu werden. Aufgrund des von Infineon vollzogenen strategischen Wechsels von Märkten mit hohen Volumen hin zu sicherheitsrelevanten Applikationen konnte

Infineon ihre Profitabilität erheblich steigern. Die wichtigsten Kernkompetenzen hinter dem Erfolg von Infineon auf diesem Markt sind eingebettete Steuerung und HF (letztere nur für kontaktlose Karten).

Marktführer bei drahtlosen Lösungen. Infineon stellt nicht nur traditionelle Komponenten wie Basisband-Prozessoren, HF-Transceiver und Chips für das Energiemanagement her, sondern bietet darüber hinaus komplette Plattformen einschließlich Software-Lösungen, kundenspezifischer Modifikationen und Interoperabilitätstests an. Viele Mobiltelefon-Hersteller verlassen sich zunehmend auf solche vollständigen Plattformen von Drittanbietern und reduzieren ihre interne Chipset-Herstellung entsprechend. Infineon ist zum viertgrößten Anbieter solcher Plattformen

aufgestiegen (iSuppli, März 2009). Eines der wichtigsten Teile von Handy-Plattformen ist der HF-Transceiver, bei dem Infineon auf den Erfolg ihrer auf der CMOS-Technologie basierenden Produkte aufbaut. Die Insolvenz von BenQ im September 2006 wirkte sich negativ auf Infineon aus. Auf BenQ entfielen ungefähr 80 Prozent von Infineons Geschäft im Bereich Mobilfunk-Plattformen. Angesichts der Umstrukturierungsmaßnahmen und erfolgreichen Neukundengewinnung geht Infineon davon aus, die Trendwende bei diesem Geschäft erfolgreich zu gestalten, was durch die positiven Segmentergebnisse aus Infineons drahtlosem Geschäft im Dreimonatszeitraum zum 30. Juni 2009 unterstrichen wird. Die wichtigsten Kernkompetenzen im drahtlosen Geschäft von Infineon sind HF, Analog-/Mixed-Signal und eingebettete Steuerungs-Technologien.

Infineon ist der Ansicht, dass sie enge und langlebige Beziehungen zu ihren Kunden hat:

Infineon hat nach eigener Auffassung enge Kundenbeziehungen. So ist Infineon aufgrund einer hohen spezifischen Entwicklungsinvestition auf Seiten des Kunden häufig der einzige Anbieter.

Nach Auffassung von Infineon sind viele der Kundenbeziehungen langfristiger Natur. In vielen Fällen kann die Entwicklung durch den Kunden ein bis drei Jahre und für ein einziges Produkt bis zu 100 Personenjahre in Anspruch nehmen. Darüber hinaus können Tests, Validierung und ggf. Abnahme des Produkts des Kunden mit dem integrierten Infineon-Produkt zwischen sechs Monaten und drei Jahren dauern. Bei einigen Anwendungen wie etwa im Bereich Automotive sind Vertragslaufzeiten von bis zu 15 Jahren üblich.

Infineon ist der Ansicht, dass die eigenen Fertigungskompetenzen und Anlagen für spezialisierte Herstellungsverfahren einen wichtigen Wettbewerbsvorteil darstellen; hierzu zählen unter anderem folgende:

Die proprietären Verfahrenstechnologien von Infineon, die ihr die Herstellung ultradünner Wafer für Leistungshalbleiter erlauben, ermöglichen große Vorteile bei der Energieeffizienz;

Infineon hat eine Technologie für ein „embedded Wafer-Level Ball Grid Array („eWLB“) für Halbleitergehäuse entwickelt, das gegenüber konventionellen Gehäusen um 30 Prozent geringere Dimensionen aufweist und eine bessere elektrische Leistung bei geringeren Kosten bietet; und

Infineons neues Werk für Leistungshalbleiter und integrierte Schaltkreise in Kulim, Malaysia, wird Infineon in die Lage versetzen, ihre Präsenz im wachsenden asiatischen Markt auszudehnen und die eigene Kosten- und Wettbewerbsposition weiter zu verbessern.

Unternehmensstrategie

Infineon strebt ein profitables Wachstum durch Erhalt und Ausdehnung ihrer führenden Position bei Halbleiterlösungen in den vier Zielmärkten Automobilelektronik (Automotive), Industrieelektronik (Industrial & Multimarket), Chipkarten und Sicherheitslösungen (Chip Card & Security), sowie drahtlose Kommunikation (Wireless Solutions) an. Infineon wird sich aus dem Markt für drahtgebundene Kommunikation (Wireline Communications) mit dem Verkauf ihres Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) zurückziehen und sich auf diese vier Zielmärkte fokussieren. Infineon nutzt Schlüsseltrends zu mehr Energieeffizienz, Sicherheit und Kommunikation als Hebel und strebt Folgendes an:

Ausbau der führenden Position in Zielmärkten, insbesondere durch Unterstützung bei der Verbesserung der Energieeffizienz. Infineon ist davon überzeugt, dass ihr bisheriger Erfolg auf einem tiefen Verständnis einer großen Bandbreite von Anwendungen sowohl für den automobilen und industriellen Sektor als auch für PCs und andere Endverbrauchergeräte basiert. Infineons führende Position auf diesen Gebieten gründet auf

herausragenden Produkten, überlegenen Prozesstechnologien und optimierten eigenen Produktionskapazitäten. Infineon sieht erhebliches Wachstumspotenzial für ihr Geschäft mit Leistungshalbleitern, insbesondere getrieben durch hohe Energiekosten, den Wechsel zu erneuerbaren Energien und die Nachfrage nach immer längeren Batterielaufzeiten in mobilen Endgeräten.

Stärkung von Infineons führender Position bei Sicherheitslösungen. Infineon möchte von der Zunahme elektronischer und mobiler Kommunikation und der wachsenden Nachfrage nach je-derzeitigem und örtlich unbeschränktem Zugang zu Informationen profitieren, die die Nachfrage nach Datenschutz und Datensicherheit wie die sichere Authentifizierung und Identifizierung der

Nutzer steigert. Infineon möchte ihr Know-how dazu nutzen, mögliche Anwendungen auf neuen Gebieten zu identifizieren und sieht sich gut positioniert, um von zukünftigen Trends, wie dem Übergang zu elektronischen Ausweisen (e-Passports), Gesundheitskarten (e-Health cards) und HFID ICs in der Logistikbranche, zu profitieren.

Bereitstellung von Technologie, um jederzeit und überall zu allen Kommunikationsnetzen Zugang zu haben. Infineon möchte weiterhin von ihren Kernkompetenzen bei HF und Mixed-Signal-Technologien profitieren, insbesondere auf dem Gebiet der drahtlosen Kommunikation. Um von der stetig steigenden Nachfrage nach Mobilität und Kommunikation in allen Facetten des täglichen Lebens zu profitieren, beabsichtigt Infineon, ihre breite Kundenbasis zu erweitern und sich auf die aussichtsreichsten Lösungen für zukünftiges profitables Wachstum zu konzentrieren. Insbesondere schließt dies im Markt drahtlose Kommunikation hochintegrierte, kosteneffiziente Ein-Chip-Lösungen und hoch integrierte Mobilfunk-Plattformen für drahtlosen Hochgeschwindigkeits-Datentransfer in HSPA-geeigneten Telefonen und Smartphones.

Darüber hinaus ist es Teil der Produktionsstrategie von Infineon, den Mix aus eigenen und aus-gelagerten Produktionskapazitäten und Prozesstechnologien sorgfältig zu überwachen. Infineon beabsichtigt, weiter in solche Prozesstechnologien zu investieren, die ihr einen Wettbewerbsvorteil verschaffen. Dies ist insbesondere der Fall für Infineons Prozesse zur Fertigung von Leistungshalbleitern und für Produktionskapazitäten, die den sehr strengen Qualitätsanforderungen der Automobilindustrie entsprechen können. Gleichzeitig wird Infineon auf dem Gebiet der Standard-CMOS-Fertigungstechnologien mit Strukturbreiten unterhalb des 90-Nanometern-Knotens weiterhin Risiken teilen und ihren Zugang zu modernsten Technologien durch langfristige strategische Partnerschaften mit anderen führenden Industrieteilnehmern ausbauen. Infineon beabsichtigt nicht, in eigene Produktionsstätten für Standard-CMOS-Prozesse unterhalb des 90-Nanometer-Knotens zu investieren und wird stattdessen durch Outsourcing Produktionskapazitäten von Halbleiter-Fertigungsdienstleistern nutzen.

Infineon ist der Überzeugung, dass die fortgesetzte Kostenkontrolle und weitere Projekte zur Steigerung ihrer Produktivität wesentliche Elemente zur Implementierung ihrer Strategie des profitablen Wachstums sind.

Gründe für das Angebot und Verwendung des Emissionserlöses

Die gesamte Halbleiterindustrie, Infineon eingeschlossen, wurde von der weltweiten Wirtschafts- und Finanzkrise in Mitleidenschaft gezogen. Infineons Umsatzerlöse gingen von 1.153 Mio. im vierten Quartal des Geschäftsjahres 2008 auf 845 Mio. im dritten Quartal des Geschäftsjahres 2009 zurück. Infineons Brutto-Cash-Position ging während der ersten neun Monate des Geschäftsjahres 2009 um 12 Mio. von 883 Mio. zum 30. September 2008 auf 871 Mio. zum 30. Juni 2009 zurück. Dieser Rückgang der Brutto-Cash-Position beinhaltet:

einen Zahlungsmittelabfluss in Höhe von ungefähr 106 Mio. im Zusammenhang mit Infineons Kostensenkungsprogramm IFX10+,

planmäßige Tilgungen von Finanzverbindlichkeiten in Höhe von ungefähr 101 Mio., einschließlich 41 Mio. für den syndizierten Kredit, und

freiwillige Rückkäufe der von der Tochtergesellschaft Infineon Technologies Holding B.V. begebenen garantierten nachrangigen Wandelanleihe mit Endfälligkeit 2010 (die „**Wandelanleihe endfällig 2010**“) und der von der Tochtergesellschaft Infineon Technologies Investment B.V. begebenen garantierten nachrangigen Umtauschanleihe mit Endfälligkeit 2010 (die „**Umtauschanleihe endfällig 2010**“) im Gesamtnennbetrag von insgesamt 246 Mio. gegen Barzahlung von 161 Mio.

Teilweise wurde dieser Zahlungsmittelabfluss durch eine Erstattung von 112 Mio. durch den Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V. im Zusammenhang mit der Insolvenz von Lehman Brothers sowie durch die Ausgabe einer neuen garantierten nachrangigen Wandelanleihe der Infineon Technologies Holding B.V. (die **„Neue Wandelanleihe endfällig 2014“**) mit einem Brutto-Mittelzufluss von rund 182 Mio. ausgeglichen. Trotz des signifikanten Erlösrückganges erwirtschaftete Infineon weitgehend aus dem laufenden Geschäft ausreichend freie Liquidität, um größtenteils die Liquiditätsabflüsse finanzieren zu können, die aus dem Kostensenkungsprogramm IFX10+ resultieren.

Die Geschäftsführung von Infineon ist der Ansicht, dass sie anstreben sollte, eine Brutto-Cash-Position von mindestens 250 to 300 Mio. einzuhalten, um das Geschäft der Gesellschaft effektiv zu

betreiben. Daher hat Infineon drastische Schritte zur Senkung der operativen Kosten, zum Schutz der Liquidität und zur Stärkung der Bilanz eingeleitet. Die Schritte hierzu beinhalten unter anderem das Kostensenkungsprogramm IFX10+, den Rückkauf von Anleihen, die Ausgabe der Neuen Wandelanleihe endfällig 2014 und den Verkauf des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications). Durch das Kostensenkungsprogramm IFX10+ hat die Gesellschaft erhebliche Kostensenkungen erzielt. Die operativen Kosten der Gesellschaft im Dreimonatszeitraum zum 30. Juni 2009 sind um 88 Mio. im Vergleich zum Dreimonatszeitraum zum 30. September 2008 gesunken. Der Vorstand der Gesellschaft geht davon aus, dass diese Einsparungen überwiegend auf das Kostensenkungsprogramm IFX10+ zurückzuführen sind. Insgesamt strebt Infineon eine Kostensenkung von 600 Mio. für das Geschäftsjahr 2009 im Vergleich zu Infineons Gesamtkosten im Geschäftsjahr 2008 an, wobei diese zum Teil von nur vorübergehender Natur ist.

Des weiteren schloss die Gesellschaft am 7. Juli 2009 einen Kaufvertrag mit einer mit Golden Gate Private Equity Inc. verbundenen Gesellschaft, um den Geschäftsbereich drahtlose Kommunikation zu einem Kaufpreis von 250 Mio. zu verkaufen. Der Großteil des Kaufpreises wird mit Vollzug des Verkaufs, der im Herbst 2009 stattfinden soll, fällig; ein Anteil von 20 Mio. des Kaufpreises wird 9 Monate nach Vollzug des Verkaufs fällig. Infineon verkauft den Geschäftsbereich drahtgebundene Kommunikation (Wireline Communications), um sich auf die weitere Entwicklung ihres Kerngeschäftes, auf ihre Strategie und auf ihre starke Position in den Schlüsselbereichen Energieeffizienz, Sicherheit und Kommunikation zu fokussieren und dabei weiter die Bilanz der Gesellschaft und ihre Liquiditätsposition zu verstärken.

Infineons Geschäftsführung ist der Ansicht, dass sie der positive Einfluss der Kostensenkungen und der liquiditätserhaltenden Maßnahmen in die Lage versetzen wird, trotz des starken Rückgangs der Umsatzerlöse die normale operative Geschäftstätigkeit aus den Mittelzuflüssen aus fortgeführten Aktivitäten zu finanzieren. Gleichwohl ist ihre Fähigkeit zur Refinanzierung bestimmter Verbindlichkeiten unter Beibehaltung der angestrebten Liquidität ein Problem. Die Rückzahlung des zum 30. Juni 2009 ausstehenden Nennbetrags von 522 Mio. aus der Wandelanleihe endfällig 2010 wird am 5. Juni 2010 fällig, und die Rückzahlung des zum 30. Juni 2009 ausstehenden Nennbetrags von 48 Mio. aus der Umtauschanleihe endfällig 2010 wird am 31. August 2010 fällig. Infineon erwartet darüber hinaus andere anstehenden Rückzahlungen von Finanzverbindlichkeiten in einem Gesamtvolumen von insgesamt ungefähr 110 Mio. bis Ende September 2010, einschließlich für ihre Multi-currency Revolving Kreditfazilität. Infineon werden ferner weitere Mittelabflüsse im Zusammenhang mit ihrem Kostensenkungsprogramm IFX10+ entstehen und es können zusätzliche Kosten im Zusammenhang mit der Insolvenz von Qimonda und den fortgeführten Verhandlungen über ALTIS, dem Gemeinschaftsunternehmen zwischen Infineon und IBM in Frankreich, entstehen. Infineon unternimmt eine ganze Reihe von Maßnahmen, dieses Angebot, das Kostensenkungsprogramm und der Verkauf des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) eingeschlossen, um ihren Verpflichtungen nachzukommen und das angestrebte Niveau von Liquidität zu erhalten.

Infineons Geschäftsführung ist der Ansicht, dass vor der Ankündigung des Angebots am 10. Juli 2009 im Markt eine gewisse Unsicherheit hinsichtlich der Liquiditätsposition der Gesellschaft, ihrer Fähigkeit, die Wandelanleihe endfällig 2010 und die Umtauschanleihe endfällig 2010 zurückzuzahlen und der bedingten Verbindlichkeiten in Bezug auf Qimonda und ALTIS, herrschte. Infineon geht auch davon aus, dass der erfolgreiche Abschluss des Angebots das Vertrauen des Kapitalmarkts in die Fähigkeit von Infineon zur Rückzahlung der Anleihen und der bedingten Verbindlichkeiten unter Beibehaltung einer ausreichenden Liquidität stärken wird, und es den Marktteilnehmern somit ermöglichen wird, Infineon als ein Unternehmen mit nachhaltiger und letztlich wachsender Profitabilität wahrzunehmen.

Es wird ein Nettoemissionserlös des Angebots von bis zu 700 Mio. erwartet, davon ausgehend, dass die maximale Anzahl der Aktien in Höhe von 337 Mio. gezeichnet werden und unter Abzug der erwarteten Provisionen und Aufwendungen des Angebots in Höhe von etwa 25 Mio. Es wird mindestens ein Nettoemissionserlös von 335 Mio. erwartet, falls die Inhaber der Bezugsrechte 52 Prozent dieser Rechte ausüben (dies entspricht der Mindestanzahl von

ausgeübten Bezugsrechten, bei der keine Verpflichtung des Backstop Investors bestehen würde, Aktien zu zeichnen), der Backstop Investor keine Aktien kauft und die Provisionen und Aufwendungen des Angebots etwa 40 Mio. betragen.

Infineon geht davon aus, dass ein erfolgreicher Abschluss des Angebots, der zu einem Nettoemissionserlös zwischen 335 Mio. und 700 Mio. führt, die Kapitalstruktur der Gesellschaft stärken wird. Davon ausgehend, dass Infineon in der Lage ist alle 337 Mio. Aktien zu platzieren, plant die Gesellschaft insbesondere etwa 570 Mio. zur Rückzahlung der Wandelanleihe endfällig 2010 und der

Umtauschanleihe endfällig 2010 zu verwenden, deren ausstehende Nennbeträge zum 30. Juni 2009 570 Mio. betragen.

Infineon plant den Nettoemissionserlös, zusammen mit verfügbaren Barreserven und den Erlösen aus dem Verkauf des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications), welche den Betrag übersteigen, der zur Rückzahlung der Anleihen benötigt wird, zur Stärkung der Liquiditätsposition, zur Befriedigung der bedingten Verbindlichkeiten, zur Rückzahlung anderer Verbindlichkeiten, zur weiteren Investition in ein sehr innovationsgetriebenes Geschäft und für strategische Optionen in einer sich zunehmend konsolidierenden Industrie zu nutzen.

Zusammenfassung des Angebots

Bezugsangebot

Das Angebot umfasst bis zu 337,000,000 neue, auf den Namen lautende Aktien ohne Nennbetrag (Stückaktien) mit einem anteiligen Betrag am Grundkapital von 2,00 je Stückaktie und mit voller Gewinnanteilberechtigung für das Geschäftsjahr 2009 (die „**Neuen Aktien**“).

Die Neuen Aktien stammen aus der vom Vorstand am 16. Juli 2009 mit Zustimmung des Aufsichtsrats der Gesellschaft (der „**Aufsichtsrat**“) vom 16. Juli 2009 beschlossenen Barkapitalerhöhung aus den Genehmigten Kapitalia 2007 und 2009/I der Gesellschaft mit mittelbarem Bezugsrecht der Aktionäre. Die Neuen Aktien, mit Ausnahme eines Spitzenbetrags von bis zu 7.562.592,00 entsprechend bis zu 3.781.296 Neuen Aktien, werden den Altaktionären im Wege einer indirekten Bezugsrechtsemission durch öffentliche Angebote in Deutschland und Luxemburg zum Bezugsverhältnis und zum Bezugspreis angeboten (das „**Bezugsangebot**“). Die Durchführung der Kapitalerhöhung ist noch nicht im Handelsregister des Amtsgerichts München eingetragen worden; die Gesellschaft erwartet die Eintragung der Kapitalerhöhung hinsichtlich der im Wege des Bezugsangebots gezeichneten Neuen Aktien für den 6. August 2009.

Das Bezugsangebot (wie hier definiert) wird voraussichtlich am 17. Juli 2009 im elektronischen Bundesanzeiger und in der Börsen-Zeitung veröffentlicht.

Investment Aktien Platzierung

Sämtliche Neue Aktien, die nicht im Wege des Bezugsangebots gezeichnet werden (die „**Investment Aktien**“) werden dem Backstop Investor im Wege einer Privatplatzierung zur Zeichnung zum Bezugspreis angeboten (die „**Investment Aktien Platzierung**“ und zusammen mit dem Bezugsangebot das „**Angebot**“). Der Backstop Investor hat sich verpflichtet, sämtliche Aktien, die nicht unter den bestehenden gesetzlichen Bezugsrechten gezeichnet wurden, gemäß den Bedingungen der Backstop Vereinbarung von den Konsortialbanken zu erwerben oder zu zeichnen. Die Maximalzahl der vom Backstop Investor zu erwerbenden Neuen Aktien darf, zusammen mit sämtlichen vom Backstop Investor über vom Backstop Investor erworbene Bezugsrechte etwaig erhaltenen Aktien nicht zu einem Aktienbesitz führen, welcher mehr als 30 Prozent minus einer Aktie am Grundkapital und den Stimmrechten der Gesellschaft nach Durchführung des Angebots entspricht.

Die Durchführung der Kapitalerhöhung ist noch nicht im Handelsregister des Amtsgerichts München eingetragen worden. Sollten sämtliche der Neuen Aktien, die nicht von den Altaktionären der Gesellschaft gezeichnet wurden, dem Backstop Investor gemäß der Backstop Vereinbarung zugeteilt werden, wird die Eintragung der Kapitalerhöhung bezüglich der dem Backstop Investor zugeteilten Neuen Aktien voraussichtlich ohne ungebührliche Verzögerung im Anschluss an die anwendbare Fusionsfreigabe und/oder Freigabe durch das Bundesministerium für Wirtschaft und Technologie nach dem Außenwirtschaftsgesetz erfolgen.

Börsenzulassung

Die Zulassung der Neuen Aktien zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der Frankfurter Wertpapierbörse wird voraussichtlich am 17. Juli 2009 beantragt werden. Der Zulassungsbeschluss bezüglich der im Rahmen des Bezugsangebots gezeichneten Neuen Aktien wird für den 7. August 2009 erwartet.

Der Zulassungsbeschluss bezüglich der Neuen Aktien, die im Rahmen der Investment Aktien Platzierung gezeichnet wurden, wird voraussichtlich ohne ungebührliche Verzögerung nach der Zeichnung und der Zahlung des Bezugspreises für die Investment Aktien erwartet, unter der Voraussetzung, dass u.a. die einschlägigen kartellrechtlichen Fusionsfreigaben und/oder die Freigabe durch das

Bundesministerium für Wirtschaft und Technologie nach dem Außenwirtschaftsgesetz erteilt wurden; die Erteilung dieser Freigaben, sofern einschlägig, wird spätestens im Verlauf des August 2009 erwartet.

Notierungsaufnahme

Der Handel der im Wege des Bezugsangebots gezeichneten Neuen Aktien wird voraussichtlich am 7. August aufgenommen. Diese Neuen Aktien werden an diesem Tag in die bestehende Preisfeststellung der Aktien der Gesellschaft einbezogen.

Für den Fall, dass sämtliche von den Altaktionären nicht gezeichneten Neue Aktien dem Backstop Investor gemäß der Backstop Vereinbarung zugeteilt werden, wird der Beginn des Handels dieser Neuen Aktien voraussichtlich ohne ungebührliche Verzögerung nach der Zeichnung und der Zahlung des Bezugspreises für die Investment Aktien erwartet, unter der Voraussetzung, dass die einschlägigen Fusionsfreigaben und die Freigabe durch das Bundesministerium für Wirtschaft und Technologie nach dem Außenwirtschaftsgesetz erteilt wurden; die Erteilung dieser Freigaben, sofern einschlägig, wird spätestens im Verlauf des August 2009 erwartet. Die dem Backstop Investor zugeteilten Neuen Aktien werden zum Handelsbeginn dieser Neuen Aktien in die bestehende Preisfeststellung der Aktien der Gesellschaft einbezogen, was im Verlauf des August 2009 erwartet wird.

Ausübung der Bezugsrechte

Die Aktionäre der Infineon Technologies AG werden durch Veröffentlichung des Bezugsangebots voraussichtlich am 17. Juli 2009 aufgefordert, ihre Bezugsrechte (die „**Bezugsrechte**“) zur Vermeidung des Ausschlusses in der Zeit vom 20. Juli 2009 bis einschließlich 3. August 2009 (die „**Bezugsfrist**“) auszuüben.

Bezugsverhältnis

Das Bezugsverhältnis ist 9 zu 4, d.h. 9 Alte Aktien berechtigen zum Bezug von 4 Neuen Aktien zum Bezugspreis.

Bezugspreis

Der Bezugspreis je bezogener Neuer Aktie beträgt 2,15 (der „**Bezugspreis**“).

Bezugsstelle

Bezugsstelle ist die Deutsche Bank.

Kein Bezugsrechtshandel auf dem regulierten Markt

Ein Handel der Bezugsrechte (ISIN DE000A0Z2227 / Wertpapier-Kennnummer (WKN) A0Z222) auf dem regulierten Markt der Frankfurter Wertpapierbörse oder einer anderen deutschen Wertpapierbörse wird von der Infineon Technologies AG nicht veranlasst werden. Ein An-oder Verkauf von Bezugsrechten über den regulierten Markt einer Börse ist daher nicht möglich. Die Bezugsrechte sind jedoch übertragbar. Ein Ausgleich für nicht ausgeübte Bezugsrechte findet nicht statt. Bezugsrechte, die bei Ablauf der Bezugsfrist nicht ausgeübt wurden, verfallen wertlos. Vom 20. Juli 2009 an notieren alle von der Gesellschaft bereits ausgegebenen Aktien (ISIN DE0006231004 / German Securities Code (WKN) 623100) (die „**Alten Aktien**“) am regulierten Markt der Frankfurter Wertpapierbörse „ex Bezugsrecht“.

Lieferung und Abrechnung der Neuen Aktien

Der Bezugspreis je Neuer Aktie, die im Rahmen des Bezugsangebots bezogen wird, ist spätestens am 3. August 2009 zu zahlen. Die im Rahmen des Bezugsangebots bezogenen Neuen Aktien werden voraussichtlich am 7. August 2009 durch Girosammeldepotgutschrift zur Verfügung gestellt.

Der Bezugspreis für jede unter der Investment Aktien Platzierung gezeichnete Neue Aktie ist bis spätestens zum zehnten Geschäftstag nach dem auf den letzten Tag der Bezugsfrist folgenden Geschäftstag zu zahlen, unter der Voraussetzung, dass u.a. die einschlägigen kartellrechtlichen Fusionsfreigaben und/oder die Freigabe durch das Bundesministerium für Wirtschaft und Technologie nach dem Außenwirtschaftsgesetz erteilt wurden; die Erteilung dieser Freigaben, sofern einschlägig, wird spätestens im Verlauf des August 2009 erwartet. Die dem Backstop Investor zugeteilten Neuen Aktien werden zum Handelsbeginn in die bestehende Preisfeststellung der Aktien der Gesellschaft einbezogen, was im Verlauf des August 2009 erwartet wird. Die im Rahmen der Investment Aktien Platzierung gezeichneten

Aktien werden voraussichtlich an dem auf die Bezahlung des Bezugspreises folgenden Geschäftstag dem Wertpapiersammeldepot gutgeschrieben und dem Backstop Investor zugänglich gemacht.

Backstop Vereinbarung

Admiral Participations (Luxemburg) S.à r.l. (der „**Backstop Investor**“), eine Tochtergesellschaft eines von Apollo Global Management LLC verwalteten Fonds hat sich unter der Bedingung des Erreichens einer Mindestbeteiligungsschwelle (wie nachfolgend definiert) verpflichtet, sämtliche Neuen Aktien (einschließlich des Spitzenbetrags), die nicht von den Aktionären der Gesellschaft bezogen werden (die „**Investment Aktien**“), bis zu einem bestimmten Maximalbetrag (wie nachfolgend definiert) zum Bezugspreis zu erwerben (die „**Backstop Vereinbarung**“). Die Maximalzahl der vom Backstop Investor zu erwerbenden Investment Aktien darf, zusammen mit sämtlichen vom Backstop Investor über vom Backstop Investor erworbene Bezugsrechte etwaig erhaltenen Aktien nicht zu einem Aktienbesitz führen, welcher mehr als 30 Prozent minus einer Aktie am Grundkapital und den Stimmrechten der Gesellschaft nach Durchführung des Angebots entspricht (der „**Maximale Investitionsbetrag**“). Der Backstop Investor ist berechtigt, jedoch nicht verpflichtet, Investment Aktien zu erwerben, sofern die Anzahl der zur Verfügung stehenden Investment Aktien, zusammen mit sämtlichen vom Backstop Investor über vom Backstop Investor erworbene Bezugsrechte etwaig erhaltenen Aktien, dem Backstop Investor keine Beteiligung von mindestens 15 Prozent (die „**Mindestbeteiligungsschwelle**“) am Grundkapital und den Stimmrechten der Gesellschaft ermöglicht.

Die Verpflichtung des Backstop Investors, Investment Aktien zu erwerben, ist von dem Eintritt bestimmter Bedingungen oder dem Verzicht durch den Backstop Investor auf diese abhängig, insbesondere der einschlägigen Fusionsfreigaben, der Freigabe durch das Bundesministerium für Wirtschaft und Technologie aufgrund des Außenwirtschaftsgesetz, sowie der Bestellung eines Vertreters des Backstop Investors, Manfred Puffer, durch das zuständige Gericht in den Aufsichtsrat der Gesellschaft, dem Rücktritt des derzeitigen Vorsitzenden des Aufsichtsrats der Gesellschaft, Max Dietrich Kley, zum 30. September 2009 sowie der Ernennung von Manfred Puffer zum Vorsitzenden des Aufsichtsrats der Gesellschaft zum 1. Oktober 2009, und der Nominierung eines weiteren Vertreters des Backstop Investors, Gernot Löhr, als Mitglied des Aufsichtsrats, vorbehaltlich des Wirksamwerdens der Amtsniederlegung durch den derzeitigen Aufsichtsratsvorsitzenden, für die Bestellung durch das zuständige Gericht.

Der Backstop Investor wird nicht verpflichtet, aber berechtigt sein, Investment Aktien zu zeichnen, wenn die Zahl der Aktien nicht die Mindestbeteiligungsschwelle übersteigt. Wenn der Backstop Investor Investment Aktien zeichnen möchte, obgleich die Mindestbeteiligungsschwelle nicht erreicht ist, muss der Backstop Investor gegenüber der Gesellschaft an dem auf das Ende der Bezugsfrist folgenden Geschäftstag den Verzicht darauf erklären. Der Backstop Investor kann gegenüber der Gesellschaft die unbedingte Verpflichtung erklären, auf anderem Wege als durch die Investment Aktienplatzierung, innerhalb von 30 Tagen nach der Erfüllung der oder dem Verzicht auf die aufschiebenden Bedingungen, eine solche Anzahl der Aktien der Gesellschaft zu erwerben, die nach dem Erwerb zu einer Beteiligung des Backstop Investors von mindestens 15 Prozent führt. In diesem Fall steht die Verpflichtung des Backstop Investors Investment Aktien zu erwerben, unter dem Vorbehalt, dass (a) Manfred Puffer vom zuständigen Gericht in den Aufsichtsrat bestellt wird, (b) Max Dietrich Kley, der derzeitige Vorsitzende des Aufsichtsrats folgende Schreiben übermittelt hat: (i) einen Brief an den Backstop Investor, in dem er sich zu seinem Rücktritt zum 30. September 2009 verpflichtet, und (ii) ein Rücktrittsschreiben an den Vorstand und den stellvertretenden Aufsichtsratsvorsitzenden, in dem er als Aufsichtsratsvorsitzender und Aufsichtsratsmitglied zum 30. September zurücktritt, sofern der Backstop Investor zu diesem Zeitpunkt eine Beteiligung an der Gesellschaft von mindestens 15 Prozent hält, oder zum 15. Oktober 2009, wenn der Backstop Investor erst zu diesem Zeitpunkt eine entsprechende Beteiligung an der Gesellschaft hält, jeweils belegt durch eine entsprechende Mitteilung an die Gesellschaft nach § 21 Abs. 1 Wertpapierhandelsgesetz (WpHG), (c) Manfred Puffer zum 1. Oktober 2009 zum Aufsichtsratsvorsitzenden gewählt worden ist, vorbehaltlich der Wirksamkeit des Rücktritts des derzeitigen Vorsitzenden und (d) der Nominierungsausschuss des Aufsichtsrats Gernot Löhr als Mitglied des Aufsichtsrats zur Bestimmung durch das zuständige Gericht, vorbehaltlich der Wirksamkeit des Rücktritts des derzeitigen Vorsitzenden, vorgeschlagen hat.

Solange die einschlägigen Fusionsfreigaben und die Freigabe durch das Bundesministeriums für Wirtschaft und Technologie nach dem Außenwirtschaftsgesetz noch nicht erteilt wurden, darf der Backstop Investor lediglich Investment Aktien erwerben oder zeichnen, die zu einer Beteiligung von 25 Prozent minus einer Aktie führen. Nachdem die einschlägigen Kartellfreigaben und die Freigabe durch das Bundesministeriums für Wirtschaft und Technologie nach dem Außenwirtschaftsgesetz erlangt wurde, darf der Backstop Investor, nach freiem Ermessen, auch Investment Aktien zeichnen, die zu einer höheren

Beteiligung als 25 Prozent und bis zum Maximalen Investitionsbetrag führen. Die Kapitalerhöhung und die Zulassung zum Handel in Hinblick auf diese Aktien werden so schnell wie vernünftigerweise möglich durchgeführt.

Sollte der Backstop Investor im Rahmen des Angebots aus irgendeinem Grund keine Neuen Aktien erwerben, muss die Gesellschaft dem Backstop Investor einen Pauschalbetrag von 21 Mio. zahlen. Für den Fall, dass der Backstop Investor nach Vollzug des Angebots lediglich eine Beteiligung von weniger als 25 Prozent am Grundkapital und den Stimmrechten der Gesellschaft erwirbt, muss die Gesellschaft dem Backstop Investor einen Betrag zahlen, welcher der Summe aus (i) 5,5 Mio. und (ii) einem Betrag in Höhe von 0,057 je Aktie, um die der Investor die Erreichung einer Beteiligung in Höhe von 25 Prozent plus eine Aktie am Grundkapital und den Stimmrechten der Gesellschaft verfehlt, entspricht.

Während des Backstop Investor Marktschutzes (wie unten definiert) wird die Gesellschaft, weder direkt noch indirekt, eine dritte Partei weder darum bitten, noch sie veranlassen, ermutigen oder unterstützen, einen Anteil von 10 Prozent oder mehr der Aktien oder der Stimmrechte der Gesellschaft zu erwerben.

Solange der Backstop Investor eine Beteiligung von mindestens 15 Prozent der Aktien und der Stimmrechte der Gesellschaft hält, wird der Backstop Investor berechtigt sein, zwei natürliche Personen, und solange der Backstop Investor eine Beteiligung von mindestens 10 Prozent der Aktien und der Stimmrechte der Gesellschaft hält, eine natürliche Person, zur Wahl in den Aufsichtsrat vorzuschlagen.

Verwertung nicht bezogener Neuer Aktien / Privatplatzierung an den Backstop Investor

Neue Aktien, die nicht im Rahmen des Bezugsangebots bezogen werden, werden im Rahmen einer Privatplatzierung verwertet. Der Backstop Investor hat sich unter der Bedingung des Erreichens der Mindestbeteiligungsschwelle sowie verschiedenen anderen Bedingungen verpflichtet, sämtliche Neuen Aktien, die nicht von den Aktionären der Gesellschaft bezogen werden, bis zum Maximalen Investitionsbetrag zum Bezugspreis zu erwerben oder zu zeichnen.

Marktschutzvereinbarungen

Die Gesellschaft hat sich für die Dauer von sechs Monaten nach der Zulassung der Neuen Aktien zum Handel gegenüber den Konsortialbanken verpflichtet, keine Kapitalerhöhung oder andere Kapitalmaßnahmen ohne die schriftliche Einwilligung der Konsortialbanken, die nur aus guten Grund verweigert werden darf, durchzuführen.

Für den Fall, dass der Backstop Investor eine Beteiligung von mindestens 15 Prozent der Aktien und Stimmrechte der Gesellschaft hält, hat sich der Backstop Investor für die Dauer von 12 Monaten nach dem Tag des Erwerbs der Investment Aktien verpflichtet, ohne die Zustimmung des Vorstands der Gesellschaft weder Investment Aktien zu verkaufen, zu übertragen, zu verpfänden, zu belasten oder anderweitig über sie zu verfügen (einschließlich der Einräumung von Optionen oder der Begründung irgendeiner Art von Treuhandbeziehung in Bezug auf die Investment Aktien), keine Vereinbarung oder Transaktion bezüglich der Stimmrechte oder andere mit den Investment Aktien verbundenen Rechte abzuschließen, und keine Transaktion (einschließlich Derivattransaktionen) abzuschließen bzw. keine andere Maßnahme durchzuführen, die wirtschaftlich einer der zuvor genannten entspricht, noch eine Beteiligung von über 30 Prozent minus einer Aktie am Grundkapital und den Stimmrechten der Gesellschaft zu begründen (der „**Backstop Investor Marktschutz**“). Diese Verpflichtung besteht nicht hinsichtlich des Verkaufs oder der Übertragung von Investment Aktien (i) an eine mit dem Backstop Investor nach §§ 15 ff. Aktiengesetz verbundene Gesellschaft, (ii) von bis zu 10 Prozent der Investment Aktien an einen Co-Investor bis zum 31. Oktober 2009, (iii) im Zusammenhang mit einem Pflichtangebot einer dritten Partei nach dem Wertpapierübernahmegesetz (WpÜG), (iv) im Zusammenhang mit einem freiwilligen Übernahmeangebot nach dem WpÜG, (v) im Zusammenhang mit einer Verschmelzung oder einer Geschäftsverbindung der Gesellschaft mit einer dritten Partei, (vi) im Zusammenhang mit einem Aktienrückkauf durch die Gesellschaft, und (vii) in einer solchen Anzahl, um in der Lage zu sein, den aus der

Ausübung von Bezugsrechten im Zusammenhang mit einem Bezugsrechtsangebot von Aktien der Gesellschaft resultierenden Emissionspreis selbst zu finanzieren (bereinigt um die Transaktionsgebühren und die Kosten). Der Backstop Investor wird sich mit dem Vorstand der Gesellschaft beraten, bevor er Investment Aktien im Zusammenhang mit einem öffentlichen Übernahmeangebot überträgt. Vorbehaltlich der Bedingung, dass der Backstop Investor einen Anteil von mindestens 15 Prozent der Aktien und Stimmrechte an der Gesellschaft erwirbt, verpflichtet sich der Backstop Investor für die gesamte Dauer des Backstop Investor Marktschutzes dazu, dass seine gezeichneten Investment Aktien in ein Sperrdepot gebucht sein werden.

Die Verpflichtung des Backstop Investors in Hinblick auf den Backstop Investor Marktschutz endet automatisch, wenn innerhalb einer Frist von 12 Monaten nach dem Tag des Erwerbs der Investment Aktien eines der folgenden Ereignisse eintritt: (i) jederzeit, wenn eine andere Person als die vom Backstop Investor vorgeschlagene Person Aufsichtsratsvorsitzender wird, oder (ii) Gernot Löhr innerhalb von 10 Geschäftstagen nach dem diese Einreichung vorgenommen werden musste, nicht vom zuständigen Gericht als Mitglied des Aufsichtsrats bestellt worden ist, oder (iii) zu irgendeinem Zeitpunkt weniger als zwei vom Backstop Investor vorgeschlagene Personen Mitglieder des Aufsichtsrats sind und, in jedem dieser Fälle, wenn dieser Zustand nicht innerhalb von 30 Tagen nach dem relevanten Ereignis oder dem Erhalt eines Vorschlags des Backstop Investors bezüglich der Ernennung eines alternativen geeigneten oder mehrerer alternativer geeigneter Kandidaten des Backstop Investors durch die Gesellschaft beseitigt worden ist.

Die Verpflichtung des Backstop Investors in Hinblick auf den Backstop Investor Marktschutz endet zudem automatisch, wenn eines der folgenden Ereignisse eintritt: (i) eine Reduzierung der Höchstzahl der Aufsichtsratsmitglieder von 16 auf 12 ist nicht bis zum Tag der nächsten Hauptversammlung in Bezug auf das Geschäftsjahr 2008/2009 im Jahr 2010 wirksam geworden; oder (ii) nicht alle staatlichen und behördlichen Freigaben, die in Bezug auf einen Erwerb des Maximalen Investitionsbetrages erforderlich sind, sind bis zum 1. Oktober 2009 gewährt worden.

Beendigung des Bezugsangebots

Die Konsortialbanken behalten sich vor, unter bestimmten Umständen vom Übernahmevertrag zurückzutreten oder die Durchführung des Bezugsangebots zu verlängern. Zu diesen Umständen zählen insbesondere, dass (i) die Gesellschaft bestimmte Legal Opinions nicht vorlegt, (ii) die Investment Vereinbarung zwischen der Gesellschaft und dem Backstop Investor geändert, widerrufen oder gekündigt wird und (iii) andere aufschiebende Bedingungen nicht erfüllt sind. Im Falle einer Beendigung des Übernahmevertrages wird das Bezugsangebot außer für die bis dahin wirksam ausgeübten Bezugsrechte nicht stattfinden. Die Verpflichtung der Konsortialbanken endet ferner, wenn die Durchführung der Kapitalerhöhung bezüglich der im Wege des Bezugsangebots durch die Konsortialbanken gezeichneten Aktien nicht bis zum 6. August 2009 in das Handelsregister eingetragen ist und sich die Konsortialbanken und die Infineon Technologies AG nicht auf einen späteren Termin einigen können.

Aufschiebende Bedingung und Kündigung der Backstop Vereinbarung

Die Verpflichtung des Backstop Investors, Investment Aktien zu erwerben, ist von dem Eintritt bestimmter Voraussetzungen oder dem Verzicht auf diese abhängig, unter anderem der einschlägigen kartellrechtlichen Freigaben, der Freigabe durch das Bundesministerium für Wirtschaft und Technologie aufgrund des Außenwirtschaftsgesetz, sowie der Bestellung eines Vertreters des Backstop Investors, Manfred Puffer, durch das zuständige Gericht in den Aufsichtsrat der Gesellschaft und dem Rücktritt des derzeitigen Vorsitzenden des Aufsichtsrats der Gesellschaft, Max Dietrich Kley, bis zum 30. September 2009 sowie der Ernennung von Manfred Puffer zum Vorsitzenden des Aufsichtsrats der Gesellschaft zum 1. Oktober 2009 und der Nominierung eines weiteren Vertreters des Backstop Investors, Gernot Löhr, als Mitglied des Aufsichtsrats für die Bestellung durch das zuständige Gericht vorbehaltlich des Wirksamwerdens der Amtsniederlegung durch den derzeitigen Aufsichtsratsvorsitzenden.

Wenn der Backstop Investor Investment Aktien zeichnen möchte, obgleich die Mindestbeteiligungsschwelle nicht erreicht ist, muss der Backstop Investor gegenüber der Gesellschaft an dem auf das Ende der Bezugsfrist folgenden Geschäftstag, den Verzicht darauf erklären. Der Backstop Investor kann gegenüber der Gesellschaft die unbedingte Verpflichtung erklären auf anderem Wege als durch die Investment Aktienplatzierung, innerhalb von 30 Tagen nach der Erfüllung der oder dem Verzicht auf die aufschiebenden Bedingungen, eine solche Anzahl der Aktien der Gesellschaft zu erwerben, die nach dem Erwerb zu einer Beteiligung des Backstop Investors von mindestens 15 Prozent führt. In diesem Fall steht die Verpflichtung des Backstop Investors, sämtliche Investment Aktien zu

erwerben, unter dem Vorbehalt, dass (a) Manfred Puffer vom zuständigen Gericht in den Aufsichtsrat bestellt wird, (b) Max Dietrich Kley, der derzeitige Vorsitzende des Aufsichtsrats folgende Schreiben übermittelt: (i) einen Brief an den Backstop Investor, in dem er sich zu seinen Rücktritt zum 30. September 2009 verpflichtet, und (ii) ein Rücktrittsschreiben an den Vorstand und den stellvertretenden Aufsichtsratsvorsitzenden, in dem er als Aufsichtsratsvorsitzender und Aufsichtsratsmitglied zum 30. September zurücktritt, sofern der Backstop Investor zu diesem Zeitpunkt eine Beteiligung an der Gesellschaft von mindestens 15 Prozent hält, oder zum 15. Oktober 2009, wenn der Backstop Investor erst zu diesem Zeitpunkt eine entsprechende Beteiligung an der Gesellschaft hält, jeweils belegt durch eine entsprechende Mitteilung an die

Gesellschaft nach § 21 Abs. 1 Wertpapierhandelsgesetz (WpHG), (c) Manfred Puffer zum 1. Oktober 2009 zum Aufsichtsratsvorsitzenden gewählt worden ist, vorbehaltlich der Wirksamkeit des Rücktritts des derzeitigen Vorsitzenden und (d) der Nominierungsausschuss des Aufsichtsrats Gernot Löhr als Mitglied des Aufsichtsrats, vorbehaltlich der Wirksamkeit des Rücktritts des derzeitigen Vorsitzenden, zur Bestimmung durch das zuständige Gericht vorgeschlagen hat.

Der Backstop Investor behält sich das Recht vor, die Backstop Vereinbarung bei Eintritt bestimmter Umstände zu kündigen. Diese Umstände schließen insbesondere das Ausbleiben der Vorlage einer Legal Opinion seitens der Gesellschaft und den Nicht-Eintritt bestimmter anderer aufschiebender Bedingungen ein. Der Backstop Investor kann die Backstop Vereinbarung auch kündigen, wenn die auf die Investment Aktien bezogene Kapitalerhöhung nicht innerhalb von zwölf Tagen nach der Beantragung der Eintragung erfolgt ist. In diesen Fällen darf der Backstop Investor durch schriftliche Erklärung gegenüber der Gesellschaft von der Backstop Vereinbarung zurücktreten. Soweit es noch nicht ausgeübt ist, verfällt dieses Rücktrittsrecht mit Eintragung der Durchführung der auf die Investmentaktien bezogenen Kapitalerhöhung in das Handelsregister.

Widerrufsrecht im Falle der Veröffentlichung eines Nachtrags zum Prospekt

Die Gesellschaft wird voraussichtlich am 29. Juli 2009 ihren Quartalsbericht für die drei und neun Monate der zum 30. Juni 2009 endenden Berichtsperiode veröffentlichen. In diesem Zusammenhang wird voraussichtlich am 29. Juli 2009 ein Nachtrag zum Wertpapierprospekt veröffentlicht, um die jüngsten Entwicklungen des Berichtszeitraums bis einschließlich 30. Juni 2009 im Rahmen des Wertpapierprospekts zu berücksichtigen.

Nach § 16 Abs. 3 Wertpapierprospektgesetz können Anleger, die vor der Veröffentlichung des Nachtrags eine auf den Erwerb oder die Zeichnung der Wertpapiere gerichtete Willenserklärung abgegeben haben, diese innerhalb von zwei Werktagen nach der Veröffentlichung dieses Nachtrags widerrufen, sofern noch keine Erfüllung eingetreten ist.

Der Widerruf muss keine Begründung enthalten und ist in Textform gegenüber derjenigen Stelle zu erklären, bei der der betreffende Anleger seine auf den Erwerb der Neuen Aktien gerichtete Willenserklärung abgegeben hat. Zur Fristwahrung genügt die rechtzeitige Absendung.

Angebot in den Vereinigten Staaten

Die Neuen Aktien und die Bezugsrechte werden nach den Vorschriften des U.S. Securities Act von 1933, in der jeweils gültigen Fassung (der „**Securities Act**“) registriert. In diesem Zusammenhang beabsichtigt die Gesellschaft, für die Neuen Aktien und die Bezugsrechte ein Form F-3 Registration Statement nach dem Securities Act bei der U.S. Securities Exchange Commission einzureichen.

Stabilisierung

Es findet keine Stabilisierung in Zusammenhang mit dem Angebot statt.

Kosten des Angebots und Nettoemissionserlös

Die geschätzten Kosten des Angebots, einschließlich der Gebühren für die Konsortialbanken, werden voraussichtlich bis zu 40 Mio. betragen, einschließlich ungefähr 18 Mio. für die Konsortialbanken und bis zu 21 Mio. für den Backstop Investor im Zusammenhang mit der Backstop Vereinbarung. Sollte sich der Backstop Investor entscheiden, im Rahmen des Angebots aus irgendeinem Grund keine Neuen Aktien zu erwerben, wird die Gesellschaft dem Backstop Investor einen Pauschalbetrag von 21 Mio. zahlen. Für den Fall, dass der Backstop Investor nach Vollzug des

Angebots lediglich eine Beteiligung von weniger als 25 Prozent am Grundkapital und den Stimmrechten der Gesellschaft erwirbt, wird die Gesellschaft dem Backstop Investor einen Betrag zahlen, welcher der Summe aus (i) 5,5 Mio. und (ii) einem Betrag in Höhe von 0,057 je Aktie, um die der Investor die Erreichung einer Beteiligung in Höhe von 25 Prozent plus eine Aktie am Grundkapital und den Stimmrechten der Gesellschaft verfehlt, entspricht. Die Gesellschaft geht davon aus, dass der Nettoemissionserlös voraussichtlich 700 Mio. betragen wird, wenn sämtliche Neuen Aktien gezeichnet oder bei Investoren platziert werden. Sollte die Mindestbeteiligungsschwelle nicht erreicht werden und sich der Backstop Investor entscheiden, nicht auf die Mindestbeteiligungsschwelle zu

verzichten, schätzt die Gesellschaft den Mindestnettoemissionserlös aus dem Angebot auf ungefähr 335 Mio.

Art, Verbriefung und Lieferung der Neuen Aktien

Die Neuen Aktien werden in Übereinstimmung mit der geltenden Satzung der Gesellschaft (die „**Satzung**“) als Namensaktien ohne Nennbetrag (ISIN DE0006231004 / Wertpapier-Kennnummer (WKN) 623100) ausgegeben. Die Neuen Aktien werden in einer oder mehreren Globalurkunde(n) verbrieft, die bei der Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, zur Girosammelverwahrung hinterlegt werden.

Der Anspruch der Aktionäre auf Verbriefung ihres Anteils ist gemäß Artikel 4 Abs. 4 der Satzung ausgeschlossen, soweit dies gesetzlich zulässig und eine Verbriefung nach den Regeln einer Börse nicht erforderlich ist. Die Neuen Aktien verbrieften die gleichen Rechte wie alle anderen Aktien der Gesellschaft und beinhalten keine darüber hinausgehenden Rechte oder Vorteile.

ISIN, WKN, Common Code und Börsenkürzel

Die International Securities Identification Number („**ISIN**“) für die Neuen Aktien lautet DE0006231004, die Wertpapier-Kennnummer („**WKN**“) ist 623100 und der Common Code lautet D10745900. Das Börsenkürzel ist IFX.

ISIN und WKN der Bezugsrechte

Die ISIN für die Bezugsrechte ist DE000A0Z2227, die WKN ist A0Z222.

Zahl- und Anmeldestelle

Zahl- und Anmeldestelle ist Bayerische Hypo- und Vereinsbank AG, Kardinal-Faulhaber-Straße 1, 80333 München.

Zusammenfassung betreffend das Grundkapital und den Vorstand

Vorstand	Peter Bauer (Sprecher des Vorstands), Dr. Marco Schröter, Prof. Dr. Hermann Eul und Dr. Reinhard Ploss.
Aufsichtsrat	Der Aufsichtsrat besteht derzeit aus 15 Mitgliedern. Vorsitzender des Aufsichtsrats ist Max Dietrich Kley.
Grundkapital (vor Vollzug des Angebots)	Das derzeitige Grundkapital der Gesellschaft beträgt 1.499.484.170 eingeteilt in 749.742.085 Namensaktien. Die Aktien sind als Stückaktien ausgegeben. Jede Aktie der Gesellschaft gewährt ihrem Inhaber in der Hauptversammlung der Gesellschaft eine Stimme. Das Grundkapital ist voll eingezahlt. Alle von der Gesellschaft ausgegebenen Alten Aktien sind zum Börsenhandel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Markts mit weiteren Zulassungsfolgepflichten (Prime Standard) zugelassen.
Abschlussprüfer für die Geschäftsjahre 2006, 2007 und 2008	KPMG AG Wirtschaftsprüfungsgesellschaft (vormals KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft), Ganghoferstrasse 29, 80339 München („KPMG“).
Mitarbeiter	Infineon beschäftigte zum 30. Juni 2009 insgesamt 26.108 Mitarbeiter.
Sitz, anwendbares Recht, Dauer und Geschäftsjahr der Gesellschaft	<p>Der Sitz der Gesellschaft ist Neubiberg, Deutschland. Die Geschäftsanschrift der Gesellschaft lautet: Am Campeon 1-12, 85579 Neubiberg, Deutschland (Telefon: +49-89-234-0). Als nach deutschem Recht gegründete Aktiengesellschaft unterliegt die Gesellschaft dem deutschen Aktienrecht. Die Gesellschaft ist auf unbestimmte Zeit errichtet.</p> <p>Das Geschäftsjahr der Gesellschaft läuft vom 1. Oktober bis zum 30. September des Folgejahres.</p>

Z
**USAMMENGEFASSTE
AUSGEWÄHLTE K
ONZERNFINANZANGABEN UND
GESCHÄFTSINFORMATIONEN NACH IFRS**

Seit dem 1. Oktober 2008 erstellt Infineon ihre Konzernabschlüsse in Übereinstimmung mit den International Financial Reporting Standards („**IFRS**“). Im Zusammenhang mit der Überleitung der Rechnungslegung auf IFRS hat Infineon den Konzernjahresabschluss für das zum 30. September 2008 endende Geschäftsjahr (mit Vergleichszahlen bezogen auf das zum 30. September 2007 endende Geschäftsjahr) nach IFRS erstellt. Nachfolgend werden Infineons ausgewählte Angaben aus den Konzern-Gewinn-und-Verlust-Rechnungen, ausgewählte Angaben aus den Konzern-Kapitalflussrechnungen und ausgewählte Segmentdaten für die Geschäftsjahre 2007 und 2008 sowie für die sechs Monate jeweils zum 31. März 2008 und 2009 und ausgewählte Informationen aus der Konzern-Bilanz jeweils zum 30. September 2007 und 2008 sowie zum 31. März 2009 dargestellt, die Infineons IFRS-Konzernabschlüssen entnommen sind. Die nach IFRS erstellten ausgewählten Angaben aus den Konzern-Gewinn-und-Verlust-Rechnungen, ausgewählten Angaben aus den Konzern-Kapitalflussrechnungen und ausgewählten Segmentdaten für die Geschäftsjahre 2007 und 2008 und die ausgewählten Angaben aus den Konzern-Bilanzen jeweils zum 30. September 2007 und 2008 sind den nach IFRS erstellten Konzernjahresschlüssen für das zum 30. September 2008 endende Geschäftsjahr entnommen. Dargestellt werden ferner ausgewählte Angaben aus den Konzern-Gewinn-und-Verlust-Rechnungen und Konzern-Kapitalflussrechnungen für die sechs Monate jeweils zum 31. März 2008 und 2009 und ausgewählte Finanzinformationen aus der Konzern-Bilanz jeweils zum 31. März 2008 und 2009, die aus Infineons ungeprüften IFRS-Konzernabschlüssen für die zum 31. März endenden Monate stammen.

Infineon hat für das zum 30. September 2008 endende Geschäftsjahr auch einen nach den in den USA allgemein anerkannten Rechnungslegungsstandards („**U.S. GAAP**“) erstellten Konzernabschluss erstellt, weil U.S. GAAP die führenden Rechnungslegungsstandards für die Gesellschaft für diesen Zeitraum waren; er ist nicht im diesem Prospekt enthalten.

Ausgewählte Daten aus den Konzern-Gewinn-und-Verlust-Rechnungen

	Für die Geschäftsjahre zum 30. September⁽¹⁾		Für die sechs Monate zum 31. März⁽¹⁾⁽²⁾	
	2007	2008	2008	2009
	(IFRS) (in Mio. \$, mit Ausnahme der Angaben je Aktie)			
Umsatzerlöse	4.074	4.321	2.139	1.577
Ergebnis aus fortgeführten Aktivitäten vor Steuern vom Einkommen und vom Ertrag	(44)	(147)	82	(264)
Ergebnis aus fortgeführten Aktivitäten	(43)	(188)	59	(266)
Ergebnis aus nicht fortgeführten Aktivitäten, abzüglich Steuern	(327)	(3.559)	(2.543)	(396)
Konzernfehlbetrag	(370)	(3.747)	(2.484)	(662)
Davon entfallen auf:				
Minderheitsanteile	(23)	(812)	(552)	(49)
Aktionäre der Infineon Technologies AG	(347)	(2.935)	(1.932)	(613)

Ergebnis je Aktie (in) aus fortgeführten Aktivitäten unverwässert und verwässert	(0,08)	(0,33)	0,06	(0,36)
Ergebnis je Aktie (in) aus nicht fortgeführten Aktivitäten unverwässert und verwässert	(0,38)	(3,58)	(2,64)	(0,46)
Konzernfehlbetrag je Aktie (in) unverwässert und verwässert	(0,46)	(3,91)	(2,58)	(0,82)

Anmerkungen:

(1) Im Geschäftsjahr 2008 legte Infineon einen Plan zur Veräußerung von Qimonda fest. Demzufolge werden die Ergebnisse von Qimonda als nicht fortgeführte Aktivitäten in den ausgewählten Daten aus den Konzern-Gewinn-und-Verlust-Rechnungen für die Geschäftsjahre zum 30. September 2007 und 2008 sowie für die sechs Monate zum 31. März 2008 und 2009 ausgewiesen. Am 23. Januar 2009 haben Qimonda und ihre 100%ige Tochtergesellschaft Qimonda Dresden GmbH & Co. oHG beim Amtsgericht München Antrag auf Eröffnung des Insolvenzverfahrens gestellt. Als Folge dieser Antragstellung hat Infineon Qimonda im zweiten Quartal des Geschäftsjahres 2009 entkonsolidiert. Am 1. April 2009 wurde das Insolvenzverfahren eröffnet.

(2) Ungeprüft.

Ausgewählte Daten aus der Konzern-Bilanz

	Zum 30. September⁽¹⁾		Zum 31.
	2007	2008	März⁽²⁾
	(IFRS) (in Mio.)		
Zahlungsmittel und Zahlungsmitteläquivalente	1.809	749	532
Zur Veräußerung verfügbare finanzielle Vermögenswerte	417	134	133
Geschäftskapital (Defizit) ⁽³⁾	(43)	86	(28)
Zur Veräußerung stehende Vermögenswerte	303	2.129	6
Summe Aktiva	10.599	6.982	3.977
Kurzfristige Finanzverbindlichkeiten sowie kurzfristig fällige Bestandteile langfristiger Finanzverbindlichkeiten	336	207	170
Verbindlichkeiten, verbunden mit den zur Veräußerung stehenden Vermögenswerten	129	2.123	
Langfristige Finanzverbindlichkeiten	1.227	963	816
Summe Eigenkapital	6.004	2.161	1.703

Anmerkungen:

(1) Im Geschäftsjahr 2008 legte Infineon einen Plan zur Veräußerung von Qimonda fest. Demzufolge wurden die Vermögenswerte und Verbindlichkeiten in den ausgewählten Daten aus der Konzern-Bilanz zum 31. März 2009 und zum 30. September 2008 in zur Veräußerung stehende Vermögenswerte und Verbindlichkeiten umgegliedert. Am 23. Januar 2009 haben Qimonda und ihre 100%ige Tochtergesellschaft Qimonda Dresden GmbH & Co. oHG beim Amtsgericht München Antrag auf Eröffnung des Insolvenzverfahrens gestellt. Als Folge dieser Antragstellung hat Infineon Qimonda im zweiten Quartal des Geschäftsjahres 2009 entkonsolidiert. Am 1. April 2009 wurde das Insolvenzverfahren eröffnet.

(2) Ungeprüft.

(3) Geschäftskapital besteht aus Umlaufvermögen minus kurzfristige Verbindlichkeiten, Zahlungsmittel und Zahlungsmitteläquivalente, zur Veräußerung verfügbare finanzielle Vermögenswerte und netto zur Veräußerung stehende Vermögenswerte.

Ausgewählte Daten aus den Konzern-Kapitalflussrechnungen

	Für die		Für die sechs Monate	
	Geschäftsjahre		zum 31. März⁽¹⁾⁽²⁾	
	zum 30. September⁽¹⁾		zum 31. März⁽¹⁾⁽²⁾	
	2007	2008	2008	2009
	(IFRS) (in Mio.)			
Mittelzufluss (-abfluss) aus laufender Geschäftstätigkeit aus fortgeführten Aktivitäten	256	580	149	(65)
Mittelzufluss (-abfluss) aus laufender Geschäftstätigkeit	1.251	(84)	(121)	(463)

Mittelzufluss (-abfluss) aus Investitionstätigkeit aus fortgeführten Aktivitäten	(48)	(665)	(894)	31
Mittelzufluss (-abfluss) aus Investitionstätigkeit	(917)	(662)	(1.021)	52
Mittelabfluss aus der Finanzierungstätigkeit aus fortgeführten Aktivitäten	(214)	(230)	(97)	(180)
Mittelzufluss (-abfluss) aus der Finanzierungstätigkeit	(525)	113	103	(220)
Rückgang der Zahlungsmittel und Zahlungsmitteläquivalente aus nicht fortgeführten Aktivitäten	(185)	(318)	(197)	(417)
Rückgang der Zahlungsmittel und Zahlungsmitteläquivalente	(191)	(633)	(1.039)	(631)

Anmerkungen:

(1) Im Geschäftsjahr 2008 legte Infineon einen Plan zur Veräußerung von Qimonda fest. Demzufolge werden die Mittelzuflüsse (-abflüsse) aus nicht fortgeführten Aktivitäten gesondert unterhalb der Mittelzuflüsse (-abflüsse) aus fortgeführten Aktivitäten ausgewiesen. Am 23. Januar 2009 haben Qimonda und ihre 100%ige Tochtergesellschaft Qimonda Dresden GmbH & Co. oHG beim Amtsgericht München Antrag auf Eröffnung des Insolvenzverfahrens gestellt. Als Folge dieser Antragstellung hat Infineon Qimonda im zweiten Quartal des Geschäftsjahres 2009 entkonsolidiert. Am 1. April 2009 wurde das Insolvenzverfahren eröffnet.

(2) Ungeprüft.

Ausgewählte Daten aus den Segmenten**Ausgewählte Geschäftsinformationen aus den Segmenten**

Mit Wirkung ab dem 1. Oktober 2008 hat Infineon ihr Geschäft in fünf operative Segmente aufgegliedert: Automotive, Industrial & Multimarket, Chip Card & Security, Wireless Solutions und Wireline Communications. Die Segmentergebnisse für die Geschäftsjahre zum 30. September 2007 und 2008 wurden zur Herstellung der Vergleichbarkeit mit der aktuellen Segmentberichterstattung und zur erleichterten Analyse der gegenwärtigen und zukünftigen operativen Segmentergebnisse umgegliedert. Diese umgegliederten Segmentergebnisse sind nicht in dem nach IFRS erstellten Konzernjahresabschluss für das Geschäftsjahr 2008 enthalten. Am 7. Juli 2009 schloss die Gesellschaft einen Kaufvertrag hinsichtlich des Verkaufs des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) ab; dieser Verkauf soll voraussichtlich im Herbst 2009 vollzogen werden.

Für Berichtszwecke hat Infineon zwei zusätzliche Segmente, nämlich Sonstige Geschäftsbereiche, die die verbleibenden Aktivitäten für bestimmte zur Veräußerung stehende Produktlinien und für andere Geschäftsaktivitäten umfassen, und Konzernfunktionen und Eliminierungen, die sonstige Tätigkeiten umfassen, die nicht den operativen Segmenten zugeordnet sind, wie zum Beispiel bestimmte Verwaltungskosten und nicht aufgenommene Überkapazitäten.

Zwischen dem 1. Mai 2006 und dem 30. September 2008 war Infineon in drei operativen Hauptsegmenten organisiert. Zwei dieser Segmente waren anwendungsbezogen: Automobil- und Industrieelektronik (Automotive, Industrial & Multimarket) und Kommunikationslösungen (Communication Solutions). Das andere Segment war das Speichergeschäft von Qimonda. Diese operativen Segmente werden in Infineons jeweils nach U.S. GAAP erstellten Konzernjahresabschlüssen für die Geschäftsjahre zum 30. September 2006, 2007 und 2008 dargestellt.

Seit dem 1. Oktober 2008 verwendet der Vorstand die Finanz-Kennzahl Segmentergebnisse, um den operativen Erfolg von Infineons Segmenten zu messen, und als Grundlage für die Allokation von Betriebsmitteln innerhalb der Segmente.

	Für die Geschäftsjahre zum 30. September		Für die sechs Monate zum 31. März ⁽¹⁾	
	2007	2008	2008	2009
	(in Mio.)			
Automotive				
Umsatzerlöse ⁽²⁾	1.267 ⁽¹⁾	1.257 ⁽¹⁾	634	395
Segmentergebnis	122 ⁽¹⁾	105 ⁽¹⁾	48	(121)
Industrial & Multimarket				
Umsatzerlöse ⁽²⁾	1.188 ⁽¹⁾	1.171 ⁽¹⁾	567	427
Segmentergebnis	127 ⁽¹⁾	134 ⁽¹⁾	49	(5)
Chip Card & Security				
Umsatzerlöse ⁽²⁾	438 ⁽¹⁾	465 ⁽¹⁾	237	171
Segmentergebnis	20 ⁽¹⁾	52 ⁽¹⁾	36	(9)
Wireless Solutions				
Umsatzerlöse ⁽³⁾⁽⁴⁾⁽⁵⁾	637 ⁽¹⁾	941 ⁽¹⁾	450	401
Segmentergebnis	(126) ⁽¹⁾	(18) ⁽¹⁾	2	(73)
Wireline Communications⁽¹⁰⁾				

Edgar Filing: INFINEON TECHNOLOGIES AG - Form 6-K

Umsatzerlöse ⁽³⁾	414 ⁽¹⁾	420 ⁽¹⁾	208	167
Segmentergebnis	(16) ⁽¹⁾	12 ⁽¹⁾	7	3
Sonstige Geschäftsbereiche				
Umsatzerlöse ⁽²⁾⁽⁶⁾⁽⁷⁾	343 ⁽¹⁾	169 ⁽¹⁾	123	10
Segmentergebnis	2 ⁽¹⁾	(3) ⁽¹⁾	7	(4)
Konzernfunktionen und Eliminierungen				
Umsatzerlöse ⁽⁸⁾⁽⁹⁾	(213)	(102)	(80)	6
Segmentergebnis	7 ⁽¹⁾	(24) ⁽¹⁾	(2)	(3)
Gesamt				
Umsatzerlöse	4.074	4.321	2.139	1.577
Segmentergebnis	136 ⁽¹⁾	258 ⁽¹⁾	147	(212)

Anmerkungen:

⁽¹⁾ Ungeprüft.

⁽²⁾ In Infineons Konzernjahresabschluss nach IFRS für das Geschäftsjahr zum 30. September 2008 hat Infineon 3.017 Mio. und 2.963 Mio. Umsatzerlöse aus dem früheren Segment Automobil- und Industrieelektronik (Automotive, Industrial & Multimarket) für die Geschäftsjahre 2007 bzw. 2008 berichtet. Nach Umgliederung in Anpassung an die aktuelle Segmentstruktur werden diese Beträge

überwiegend den Umsatzerlösen Automobilelektronik (Automotive), Industrieelektronik (Industrial & Multimarket) und Chipkarten & Sicherheitslösungen (Chip Card & Security) zugewiesen während ein Betrag von 124 Mio. und ein Betrag von 70 Mio. bezogen auf das HDD Geschäft für die Geschäftsjahre 2007 bzw. 2008 jetzt den Umsatzerlösen Sonstige Geschäftsbereiche zugeteilt werden.

- (3) In ihrem Konzernjahresabschluss nach IFRS für das Geschäftsjahr zum 30. September 2008 hat Infineon 1.051 Mio. und 1.360 Mio. Umsatzerlöse aus ihrem Segment Kommunikationslösungen (Communication Solutions) für die Geschäftsjahre 2007 bzw. 2008 berichtet. Nach Umgliederung in Anpassung an die aktuelle Segmentstruktur werden diese Beträge überwiegend den Umsatzerlösen für drahtlose Kommunikationslösungen (Wireless Solutions) und drahtgebundene Kommunikation (Wireline Communications) zugewiesen.
- (4) Beinhaltet konzerninterne Umsätze zwischen den Segmenten in Höhe von 30 Mio. und 10 Mio. in den Geschäftsjahren zum 30. September 2007 und 2008 aus dem Verkauf von drahtlosen Kommunikationsanwendungen an Qimonda.
- (5) Beinhaltet Umsätze von 8 Mio. und 1 Mio. für die sechs Monate zum 31. März 2008 und 2009 aus dem Verkauf von drahtlosen Kommunikationsanwendungen an Qimonda.
- (6) Beinhaltet konzerninterne Umsätze zwischen den Segmenten in Höhe von 189 Mio. und 79 Mio. in den Geschäftsjahren zum 30. September 2007 und 2008 aus dem Verkauf von Wafern von Infineons 200-Millimeter-Fertigungsstätte in Dresden an Qimonda auf Grund einer Produktionsvereinbarung.
- (7) Beinhaltet Umsätze in Höhe von 70 Mio. für die sechs Monate zum 31. März 2008 aus dem Verkauf von Wafern von Infineons 200-Millimeter-Fertigungsstätte in Dresden an Qimonda aufgrund einer Produktionsvereinbarung.
- (8) Beinhaltet die Eliminierung der Umsätze zwischen den Segmenten in Höhe von 219 Mio. und 89 Mio. in den Geschäftsjahren zum 30. September 2007 und 2008, da diese Umsätze nicht Teil des Plans zur Veräußerung von Qimonda waren.
- (9) Beinhaltet die Eliminierung der Umsätze in Höhe von 78 Mio. und 1 Mio. für die sechs Monate zum 31. März 2008 und 2009, da diese Umsätze nicht Teil des Plans zur Veräußerung von Qimonda waren.
- (10) Am 7. Juli 2009 schloss die Gesellschaft einen Kaufvertrag hinsichtlich des Verkaufs des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) ab; dieser Verkauf soll voraussichtlich im Herbst 2009 vollzogen werden.

Ausgewählte Informationen nach Regionen

	Für die Geschäftsjahre zum 30. September ⁽¹⁾		Für die sechs Monate zum 31. März ⁽¹⁾⁽²⁾	
	2007	2008	2008	2009
	(in Mio.)			
Umsatzerlöse				
Deutschland	907	924	460	315
Übriges Europa	888	818	409	286
Nordamerika	564	503	282	164

Asien-Pazifik	1.450	1.800	848	720
Japan	213	198	104	72
Andere	52	78	36	20
Gesamt	4.074	4.321	2.139	1.577

Anmerkungen:

(1) Im Geschäftsjahr 2008 legte Infineon einen Plan zur Veräußerung von Qimonda fest. Demzufolge werden die Ergebnisse von Qimonda in den ausgewählten Angaben aus den Konzern-Gewinn-und-Verlust-Rechnungen für die Geschäftsjahre zum 30. September 2007 und 2008 und für die sechs Monate zum 31. März 2008 und 2009 als nicht fortgeführte Aktivitäten ausgewiesen. Am 23. Januar 2009 haben Qimonda und ihre 100%ige Tochtergesellschaft Qimonda Dresden GmbH & Co. oHG beim Amtsgericht München Antrag auf Eröffnung des Insolvenzverfahrens gestellt. Als Folge dieser Antragstellung hat Infineon Qimonda im zweiten Quartal des Geschäftsjahres 2009 entkonsolidiert. Am 1. April 2009 wurde das Insolvenzverfahren eröffnet.

(2) Ungeprüft.

Ausgewählte weitere Konzern-Kennzahlen

	Für die Geschäftsjahre zum 30.		Für die sechs Monate zum 31.	
	September ⁽¹⁾		März ⁽¹⁾	
	2007	2008	2008	2009
	(in Mio. , mit Ausnahme der Mitarbeiterzahlen)			
Investitionen	498	312	170	69
Mitarbeiter (zum Ende der Berichtsperiode)	43.079 ⁽²⁾	41.343 ⁽³⁾	42.837 ⁽⁴⁾	26.362

Anmerkungen:

(1) Im Geschäftsjahr 2008 legte Infineon einen Plan zur Veräußerung von Qimonda fest. Demzufolge werden die Mittelzuflüsse (-abflüsse) aus nicht fortgeführten Aktivitäten in den ausgewählten Daten aus der Konzern-Kapitalflussrechnung gesondert unterhalb der Zahlungsmittelzuflüsse (-abflüsse) aus fortgeführten Aktivitäten ausgewiesen. Am 23. Januar 2009 haben Qimonda und ihre 100%ige Tochtergesellschaft Qimonda Dresden GmbH & Co. oHG beim Amtsgericht München Antrag auf Eröffnung des Insolvenzverfahrens gestellt. Als Folge dieser Antragstellung hat Infineon Qimonda im zweiten Quartal des Geschäftsjahres 2009 entkonsolidiert. Nach der Entkonsolidierung werden die Mitarbeiterzahlen von Qimonda nicht länger in den Konzernabschlüssen der Gesellschaft berichtet. Am 1. April 2009 wurde das Insolvenzverfahren eröffnet.

(2) Beinhaltet 13.481 Mitarbeiter von Qimonda.

(3) Beinhaltet 12.224 Mitarbeiter von Qimonda.

(4) Beinhaltet 13.298 Mitarbeiter von Qimonda.

**Z
USAMMENGEFASSTE
AUSGEWÄHLTE K
ONZERN
F
INANZANGABEN UND
GESCHÄFTSINFORMATIONEN NACH U.S. GAAP**

Für die Berichtszeiträume vor dem 1. Oktober 2008 hat Infineon ihre Konzernabschlüsse nach U.S. GAAP erstellt. Nachfolgend werden ausgewählte Angaben aus den Konzern-Gewinn-und-Verlust-Rechnungen, ausgewählte Angaben aus den Konzern-Kapitalflussrechnungen und ausgewählte Segmentdaten für die Geschäftsjahre 2006 und 2007 und ausgewählte Informationen aus der Konzern-Bilanz jeweils zum 30. September 2006 und 2007 dargestellt, die aus den nach U.S. GAAP erstellten Konzernabschlüssen entnommen wurden. Die ausgewählten Angaben aus den Konzern-Gewinn-und-Verlust-Rechnungen, die ausgewählten Angaben aus den Konzern-Kapitalflussrechnungen und ausgewählten Segmentdaten für die Geschäftsjahre 2006 und 2007 und die ausgewählten Angaben aus der Konzern-Bilanz zum 30. September 2006 und 2007, die jeweils nach U.S. GAAP erstellt wurden, wurden dem Konzernabschluss für das zum 30. September 2007 endende Geschäftsjahr entnommen (mit Vergleichszahlen für das zum 30. September 2006 endende Geschäftsjahr).

Nach IFRS erstellte ausgewählte Konzern-Finanzangaben für das zum 30. September 2008 endende Geschäftsjahr (mit Vergleichszahlen für das Geschäftsjahr zum 30. September 2007) sind im Abschnitt „Zusammengefasste ausgewählte Konzern-Finanzangaben und Geschäftsinformationen nach IFRS“ enthalten.

Ausgewählte Informationen aus den Konzern-Gewinn-und-Verlust-Rechnungen

	Für die Geschäftsjahre zum 30. September	
	2006	2007
	(U.S. GAAP) (in Mio. \$, außer bei Angaben je Aktie)	
Umsatzerlöse	7.929	7.682
Ergebnis vor Steuern vom Einkommen und vom Ertrag	(107)	(254)
Konzernjahresfehlbetrag	(268)	(368)
Konzernjahresfehlbetrag je Aktie unverwässert und verwässert in	(0,36)	(0,49)

Ausgewählte Informationen aus der Konzern-Bilanz

	Für die Geschäftsjahre zum 30. September	
	2006	2007
	(U.S. GAAP) (in Mio. \$)	
Zahlungsmittel und Zahlungsmitteläquivalente	2.040	1.819
Wertpapiere des Umlaufvermögens	615	475

Nettoumlaufvermögen ⁽¹⁾	(279)	(18)
Zur Veräußerung gehaltene Vermögenswerte		272
Summe Aktiva	11.185	10.679
Kurzfristige Finanzverbindlichkeiten sowie kurzfristig fällige Bestandteile langfristiger Finanzverbindlichkeiten	797	336
Verbindlichkeiten im Zusammenhang mit zur Veräußerung gehaltenen Vermögenswerten		117
Langfristige Finanzverbindlichkeiten ohne kurzfristig fällige Bestandteile	1.208	1.376
Summe Eigenkapital	5.315	4.914

Anmerkungen:

- ⁽¹⁾ Nettoumlaufvermögen besteht aus Umlaufvermögen minus kurzfristige Verbindlichkeiten, Zahlungsmittel und Zahlungsmitteläquivalente, Wertpapiere des Umlaufvermögens und zur Veräußerung stehende Vermögenswerte und Verbindlichkeiten.

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

	Für die Geschäftsjahre zum 30. September	
	2006	2007
	(U.S. GAAP) (in Mio.)	
Mittelzufluss aus laufender Geschäftstätigkeit	1.003	1.207
Mittelabfluss aus Investitionstätigkeit	(853)	(867)
Mittelzufluss (-abfluss) aus der Finanzierungstätigkeit	762	(521)
Zunahme (Abnahme) der Zahlungsmittel und Zahlungsmitteläquivalente	892	(221)

Ausgewählte Daten aus den Segmenten**Ausgewählte Geschäftsinformationen aus den Segmenten**

Vom 1. Mai 2006 bis zum 30. September 2008 war Infineon schwerpunktmäßig in drei operativen Segmenten tätig. Zwei von ihnen waren anwendungsorientiert: Automotive, Industrial & Multimarket und Communication Solutions. Das andere Segment war das Speichergeschäft von Qimonda. Der Vorstand hat die Finanz-Kennzahl Ergebnis vor Zinsen und Steuern („**EBIT**“) verwendet, um die operative Leistungsfähigkeit von Infineons berichts-fähigen Segmenten zu messen, und als Basis für die Allokation von Betriebsmitteln zwischen diesen Segmenten.

	Für das Geschäftsjahr zum 30. September	
	2006	2007
	(U.S. GAAP) (in Mio.)	
Automotive, Industrial & Multimarket		
Umsatzerlöse	2.839	3.017
EBIT	246	300
Communication Solutions⁽⁴⁾		
Umsatzerlöse ⁽¹⁾	1.205	1.051
EBIT	(231)	(160)
Sonstige Geschäftsbereiche		
Umsatzerlöse ⁽²⁾	310	219
EBIT	4	(12)
Konzernfunktionen und Eliminierungen		
Umsatzerlöse ⁽³⁾	(240)	(213)
EBIT	(236)	(177)
Qimonda		
Umsatzerlöse	3.815	3.608
EBIT	202	(207)
Total		
Net Sales	7.929	7.682
EBIT	(15)	(256)

Anmerkungen:

- (1) Beinhaltet konzerninterne Umsätze zwischen den Segmenten von 0 und 30 Mio. für das zum 30. September 2006 bzw. 2007 endende Geschäftsjahr, die aus dem Verkauf von drahtlosen Kommunikationsanwendungen an Qimonda resultieren.
- (2) Beinhaltet konzerninterne Umsätze zwischen den Segmenten in Höhe von 256 Mio. und 189 Mio. für das zum 30. September 2006 bzw. 2007 endende Geschäftsjahr aus dem Verkauf von Wafern von Infineon 200-Millimeter-Fertigungsstätte in Dresden an Qimonda auf Grund der Produktionsvereinbarung.
- (3) Beinhaltet die Eliminierung der konzerninternen Umsätze zwischen den Segmenten in Höhe von 256 Mio. und 219 Mio. für das zum 30. September 2006 bzw. 2007 endende Geschäftsjahr, da diese Umsätze nicht Teil des Plans zur Veräußerung von Qimonda waren.
- (4) Am 7. Juli 2009 schloss die Gesellschaft einen Kaufvertrag hinsichtlich des Verkaufs des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) ab; dieser Verkauf soll voraussichtlich im Herbst 2009 vollzogen werden.

Ausgewählte Segmentdaten nach Regionen

	Für die Geschäftsjahre zum 30. September	
	2006	2007
	(U.S. GAAP) (in Mio.)	
Umsatzerlöse		
Deutschland	1.327	1.164
Übriges Europa	1.360	1.218
Nordamerika	2.126	1.887
Asien-Pazifik	2.498	2.632
Japan	461	661
Andere	157	120
Summe Umsatzerlöse	7.929	7.682

Ausgewählte weitere Konzern-Kennzahlen

	Für die Geschäftsjahre zum 30. September	
	2006	2007
	(U.S. GAAP) (in Mio. , mit Ausnahme der Mitarbeiterzahlen)	
Investitionen	1.253	1.375
Mitarbeiter (zum Ende der Berichtsperiode)	41.651 ⁽¹⁾	43.079 ⁽²⁾

Anmerkungen:

⁽¹⁾ Einschließlich 11.802 Mitarbeitern von Qimonda.

⁽²⁾ Einschließlich 13.481 Mitarbeitern von Qimonda.

Zusammenfassung der Risikofaktoren

Risiken im Zusammenhang mit der Gesellschaft und dem Markt

Die Infineon zur Verfügung stehenden finanziellen Mittel, inklusive des Erlöses aus dem Angebot, könnten nicht ausreichen, um dem Kapitalbedarf von Infineon zu genügen.

Wenn Infineon bei der Implementierung ihrer betrieblichen Restrukturierungspläne nicht erfolgreich ist, könnten Infineons Einnahmen und Rentabilität darunter leiden.

Die anhaltende Volatilität der Finanzmärkte und die ungünstigen Entwicklungen der globalen wirtschaftlichen Rahmenbedingungen hatten einen erheblichen nachteiligen Einfluss auf Infineons Geschäftstätigkeit, die finanzielle Situation und die betriebliche Ertragslage und könnten dies weiter haben.

Die Halbleiterindustrie ist durch intensiven Wettbewerb gekennzeichnet, der Infineons Absatz reduzieren oder Druck auf Infineons Verkaufspreise ausüben könnte.

Infineon agiert in einem stark zyklischen Industriebereich und ihr Geschäft hat in der Vergangenheit unter regelmäßig wiederkehrenden Geschäftsrückgängen gelitten, leidet derzeit darunter und könnte auch zukünftig wieder darunter leiden.

Infineon könnte nicht in der Lage sein, ihre Produktionskapazität an die Nachfrage anzupassen.

Infineons Geschäftstätigkeit könnte als Folge der Volatilität in verschiedenen Teilen der Welt leiden.

In schwierigen Marktbedingungen wirken sich Infineons hohe Fixkosten negativ auf ihr Ergebnis aus.

Das umkämpfte Umfeld in der Halbleiterindustrie hat zu einer Konsolidierung der Industrie geführt und Infineon könnte sich noch stärkerem Wettbewerb durch neu verschmolzene Wettbewerber ausgesetzt sehen.

Infineon beabsichtigt, sich weiterhin um Akquisitionen, Joint Ventures und andere Transaktionen zu bemühen, die ihre Geschäftstätigkeit ergänzen oder erweitern. Infineon kann diese Transaktionen möglicherweise nicht zum Abschluss bringen und diese Transaktionen bringen, selbst wenn sie ausgeführt wurden, signifikante Risiken mit sich und könnten negative Auswirkungen auf das operative Geschäft von Infineon haben.

Infineon könnte außerstande sein, erworbene Unternehmen erfolgreich zu integrieren und könnte verpflichtet sein, im Zusammenhang mit den erworbenen Unternehmen Abschreibungen hinsichtlich des Goodwill oder anderer langlebiger Vermögensgegenstände vorzunehmen.

Infineon ist möglicherweise nicht in der Lage, ihr patentrechtlich geschütztes geistiges Eigentum zu schützen und könnte beschuldigt werden, geistige Eigentumsrechte anderer zu verletzen.

Infineons Geschäft könnte wegen nachlassender Kundennachfrage leiden.

Der Verlust eines oder mehrerer zentraler Kunden von Infineon, zum Beispiel wegen eines Rückganges des Vertrauens der Kunden in Infineon auf Grund der wahrgenommenen Liquiditätsslage, könnte sich negativ auf die Geschäftstätigkeit von Infineon auswirken.

Schwankungen in der Zusammensetzung der verkauften Produkte könnten sich negativ auf Infineons finanzielles Ergebnis auswirken.

Wenn Infineon es nicht erfolgreich schafft, eine optimale Make-or-Buy-Strategie zu implementieren, könnte Infineons Geschäftstätigkeit unter höheren Kosten leiden.

Infineons Geschäftstätigkeit könnte unter Problemen bei der Herstellung leiden.

Sollten Infineons externe Lieferanten Infineons Erwartungen nicht entsprechen, so könnten Infineons Betriebsergebnis und ihre Fähigkeit, Wachstumschancen auszunutzen, negativ beeinflusst werden.

Produkte, welche die Kundenvorgaben nicht einhalten oder die Defekte oder Störungen haben oder die als fehlerhaft wahrgenommen werden oder auf sonstige Weise nicht für die beabsichtigte Verwendung geeignet sind, könnten zu signifikanten Kosten für Infineon führen.

Infineon ist Risiken im Zusammenhang mit Betriebsschäden und Betriebsunterbrechungen ausgesetzt.

Infineons Geschäftstätigkeit könnte beeinträchtigt werden, wenn es Infineon nicht gelingt, neue Technologien zu entwickeln oder mit den technologischen Entwicklungen der Mitbewerber Schritt zu halten.

Infineon ist abhängig von strategischen Partnerschaften und anderen Dritten und Infineons Geschäft könnte beeinträchtigt werden, wenn sich die Erwartungen in die strategischen Partner nicht erfüllen oder Kooperationen beendet werden müssen.

Neue Aufträge sind häufig von kompetitiven Selektionsprozessen begleitet, die langwierig und deren Ausgang ungewiss sein können und die bei Infineon zu erheblichen Auslagen führen. Selbst wenn Infineon einen Prozess gewinnt und mit der Produktentwicklung beginnt, könnte ein Kunde sich zur Beendigung oder Änderung von Infineons Produktionsplänen entscheiden, was zu Umsatzausfällen und Beeinträchtigungen von Infineons Betriebsergebnis führen könnte.

Infineon ist von einer begrenzten Anzahl von Maschinenherstellern abhängig und könnte unter Ausfällen leiden, sofern diese Zulieferer ihre Lieferungen einstellen oder ihre Preise erhöhen.

Infineon könnte von steigenden Rohstoffpreisen betroffen sein.

Infineons Geschäftstätigkeit könnte beeinträchtigt werden, sofern Infineon nicht in der Lage ist, eine zuverlässige Stromversorgung zu angemessenen Kosten zu sichern.

Infineons Geschäft ist abhängig von komplexen Datenverarbeitungssystemen und jede Unterbrechung dieser Systeme oder Netzwerke könnte Infineons Geschäftstätigkeit und Betriebsergebnis wesentlich beeinträchtigen.

Infineon hatte in der Vergangenheit erhebliche Restrukturierungs- und Wertberichtigungskosten zu verzeichnen; es ist nicht ausgeschlossen, dass dies auch in der Zukunft der Fall ist, was die Geschäftstätigkeit von Infineon wesentlich beeinträchtigen könnte.

Infineons Geschäft könnte beeinträchtigt sein, wenn dritte Dienstleister ihre Leistungen nicht wie erwartet erbringen.

Infineons Erfolg hängt von ihrer Fähigkeit ab, zukünftig eine ausreichende Anzahl qualifizierter Schlüsselmitarbeiter zu gewinnen und zu halten.

Der Rückgang staatlicher Fördermaßnahmen oder die Rückzahlung von in der Vergangenheit gewährten Fördermitteln könnten Infineons Aufwendungen erhöhen und ihre Investitionsfähigkeit beeinträchtigen.

Infineons Quartalsergebnisse unterliegen starken Schwankungen; infolgedessen könnte Infineon die Erwartungen von Wertpapieranalysten und Investoren verfehlen, was einen Kursrückgang der Aktien der Gesellschaft auslösen könnte.

Infineons Betriebsergebnis und Finanzlage können durch Wechselkursschwankungen beeinträchtigt werden.

Sollte Infineon nicht in der Lage sein, effiziente interne Kontrollen aufrechtzuerhalten, könnte in Zukunft Infineons Fähigkeit, Finanzergebnisse akkurat und rechtzeitig zu berichten oder betrügerische Handlungen aufzudecken, eingeschränkt sein, was die Geschäftstätigkeit der Gesellschaft und ihren Aktienkurs erheblich beeinträchtigen könnte.

Infineon ist verschiedenen steuerlichen Risiken ausgesetzt und die Steuerlast der Gesellschaft könnte aufgrund verschiedener Faktoren zukünftig steigen.

Infineons Steuerabgrenzungsposten sind Gegenstand von regelmäßigen Überprüfungen, die zu zusätzlichen Wertberichtigungen führen könnten.

Umweltrechtliche Anforderungen könnten zu einer Haftung von Infineon und zu Kostensteigerungen führen.

Infineon könnte sich im Zusammenhang mit der Insolvenz von Qimonda erheblichen Verbindlichkeiten ausgesetzt sehen.

Infineon könnte zur Rückzahlung der ausstehenden Umtauschanleihe endfällig 2010 vor ihrem Fälligkeitsdatum verpflichtet sein, was die Finanzlage der Gesellschaft erheblich beeinträchtigen könnte.

Der Verkauf oder die Schließung des ALTIS-Werks könnte dazu führen, dass Infineon erhebliche zusätzliche Kosten übernimmt.

Der Geschäftsbereich drahtgebundene Kommunikation (Wireline Communications) könnte vom geplanten Verkauf negativ belastet werden, wenn dieser nicht vollzogen wird.

Infineon könnte Schadensersatzverpflichtungen im Zusammenhang mit dem Verkauf des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) ausgesetzt sein.

Infineon könnte mit steigenden Ausgaben oder Kosten infolge des Verkaufs des Geschäftsbereichs drahtgebundene Kommunikation (Wireline Communications) konfrontiert sein.

Infineons Geschäfts- und Finanzlage könnten durch aktuelle oder zukünftige Rechtsstreitigkeiten beeinträchtigt werden.

Gegen Infineon wird in mehreren Jurisdiktionen im Zusammenhang mit Preisabsprachen in der Dynamic Random Access Memory-Industrie ermittelt und Infineon ist Beklagte in mehreren zivilen Kartellklagen, die hiermit im Zusammenhang stehen.

Gegen die Gesellschaft wurden mehrere Gruppenklagen mit der Behauptung von betrügerischem Wertpapierhandel erhoben.

Die Europäische Kommission ermittelt im Zusammenhang mit vermeintlichen Wettbewerbsverletzungen in den Geschäftsbereichen Chipkarten und Sicherheitslösungen gegen die Gesellschaft.

Infineon könnte Produkthaftungs- oder Gewährleistungsansprüchen ausgesetzt sein.

Risikofaktoren im Zusammenhang mit den Neuen Aktien und angebotsbezogene Risiken

Der Backstop Investor könnte Einfluss auf die Geschäftstätigkeit der Gesellschaft nehmen und Abstimmungen über bestimmte, der Hauptversammlung der Gesellschaft unterbreitete Beschlussgegenstände kontrollieren.

Wenn Großaktionäre der Gesellschaft in größerem Umfang Aktien der Gesellschaft verkaufen, kann dies einen erheblichen Kursdruck bewirken.

Der Kurs der Aktien der Gesellschaft unterliegt Kursschwankungen.

Der Kurs der Aktien der Gesellschaft unterliegt Risiken bezüglich vom Backstop Investor und/oder dessen Tochtergesellschaften eingegangener Wertpapiertransaktionen.

Die Beteiligung von Aktionären, die nicht an dem Angebot teilnehmen, wird erheblich verwässert werden.

Es wird nicht erwartet, dass sich ein Bezugsrechtshandel entwickelt und der Wert der Bezugsrechte könnte sich vermindern.

Die Konsortialbanken könnten vom Übernahmevertrag zurücktreten.

Zukünftige gesellschaftsrechtliche Maßnahmen könnten zu einer weiteren erheblichen Verwässerung der Beteiligung der Aktionäre an der Gesellschaft führen.

RISK FACTORS

*In considering whether to invest in the Company's shares, investors should consider carefully the following risks and investment considerations related to Infineon and this offering (the **Offering**), in addition to the other information in this prospectus (the **Prospectus**). Investors should also be aware of and consider the risks described below related to Infineon's business and related to the securities markets and ownership of the Company's shares.*

The risks and uncertainties described below may not be the only ones facing Infineon. Additional risks and uncertainties not currently known to Infineon or that Infineon currently deems immaterial could also adversely affect Infineon's business. If any of the following risks actually occurs, Infineon's business could be adversely affected. In such cases, the trading price of the Company's shares could decline, and investors could lose all or part of their investment.

The order of the risk factors below does not indicate the likelihood of these risks actually occurring or the scope of any potential impairment these risks might cause to Infineon's business. The risks mentioned may materialize individually or cumulatively.

Risks Relating to the Company and the Market

The financial resources available to Infineon, including the proceeds of the Offering, may be insufficient to meet Infineon's capital needs.

Infineon faces considerable liquidity risks arising from the current economic downturn, tight credit markets, and Infineon's existing financial liabilities, as well as the relatively low recent trading price of Infineon's shares. Infineon's net losses have increased over the past two years, primarily due to the losses of Qimonda and the generally poor performance of the economy in general, and the semiconductor industry in particular, throughout that period. While Infineon continues to bear relatively high levels of debt amounting to 986 million as of March 31, 2009, the Company's lower share price and the tighter credit markets have made it more difficult for Infineon to obtain financing. Infineon's cash from operating activities, current cash resources, existing sources of external financing and the proceeds from the Offering may be insufficient to meet Infineon's further capital needs.

Furthermore, Infineon may be unable to successfully place the shares that are the subject of the Offering, since the capital increase has not been guaranteed by the underwriters (the **Underwriters**), and the Backstop Arrangement entered into on July 10, 2009, among the Company and Admiral Participations (Luxembourg) S.à r.l. (the **Backstop Investor**), a subsidiary of a fund managed by Apollo Global Management LLC (**Apollo**) is subject to certain conditions precedent being met or waived by the Backstop Investor and may be terminated under certain circumstances. The Backstop Investor has agreed to acquire all New Shares including the Fractional Amount not subscribed for by the Company's shareholders (the **Investment Shares**) at the Subscription Price, but not more than the Maximum Investment Amount (as described below), subject to the Minimum Threshold (as described below) being met (the **Backstop Arrangement**). The maximum number of Investment Shares to be acquired by the Backstop Investor together with any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, must not lead to a shareholding that would represent more than 30 percent minus one share in the Company's equity capital and voting rights post execution of the Offering (the **Maximum Investment Amount**). The obligation of the Backstop Investor to acquire any Investment Shares is subject to certain conditions precedent being met or waived by the Backstop Investor, including, but not limited to, applicable merger clearances, clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*), and the appointment of one representative of the

Backstop Investor, Mr. Manfred Puffer, by the competent court to the Supervisory Board and the election as chairman of the Supervisory Board as of October 1, 2009, the resignation of Mr. Max Dietrich Kley, the current chairman of the Supervisory Board as of September 30, 2009, and the nomination of another representative, Mr. Gernot Löhr, of the Backstop as member of the Supervisory Board to be appointed by the competent court, subject to the resignation of the current chairman as member of the Supervisory Board taking effect. Furthermore, the Backstop Investor may, but is not required to, acquire Investment Shares if the number of the Investment Shares available together with any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, does not allow the Backstop Investor to establish a participation in the Company's equity capital and voting rights of at least 15 percent post execution of the Offering (the **Minimum Threshold**). The Backstop Investor may declare to the

Company in a waiver of the Minimum Threshold requirement an unconditional commitment to acquire other than through the Investment Share Placement such amount of the Company's shares that following the acquisition the Backstop Investor's shareholding will equal or exceed 15 percent. The obligation of the Backstop Investor to acquire Investment Shares is subject to (a) Mr. Manfred Puffer having been appointed by the competent court to Supervisory Board, (b) Mr. Max Dietrich Kley, the current chairman of the Supervisory Board, having committed to the Backstop Investor and the co-chairman of the Supervisory Board his resignation as of September 30, 2009, subject to the Backstop Investor by that date holding a shareholding in the Company of 15 percent or more, or as of October 15, 2009, if only by that date the Investor holds a respective shareholding in the Company, in each case evidenced by a corresponding notice to the Company according to Section 21 (1) German Securities Trading Act (WpHG), (c) Mr. Manfred Puffer having been elected as chairman of the Supervisory Board as of October 1, 2009 subject to the resignation of the current chairman having taken effect, and (d) the nomination committee of the supervisory board having nominated Mr. Gernot Löhr as member of the Supervisory Board to be appointed by the competent court subject to the resignation of the current chairman as member of the Supervisory Board having taken effect. The Backstop Investor reserves the right to terminate the Backstop Arrangement upon the occurrence of certain circumstances, including, but not limited to, the Company's failure to provide a legal opinion and the non-occurrence of the other conditions precedent, or if the Capital Increase relating to the Investment Shares has not been registered with the commercial register within twelve business days after application by the Company for such registration. AIF VII Euro Holdings, L.P., a company which currently directly owns the Backstop Investor, has issued a binding and irrevocable commitment letter in favor of the Backstop Investor and the Company to fund the full Subscription Price with regard to the subscribed Investment Shares by the Backstop Investor up to the Maximum Investment Amount when due, conditional only upon (i) satisfaction or waiver of the conditions precedent as set forth in the Backstop Arrangement and (ii) the Minimum Threshold being met unless waived by the Backstop Investor. There can be no assurance, however, that the Backstop Arrangement will be fulfilled and, as a result, the proceeds from the Offering may be less than the minimum gross proceeds anticipated by the Company.

The purchaser of the Wireline Communications business may terminate the asset purchase agreement. Pursuant to the asset purchase agreement dated July 7, 2009 (the **Asset Purchase Agreement**) between the Company and Wireline Holdings S.à r.l. (**Wireline Holdings**), an entity affiliated with Golden Gate Private Equity, Inc. (**Golden Gate Private Equity**), Wireline Holdings has agreed to purchase the Wireline Communications business for 250 million. The majority of the purchase price is payable at closing, which is expected to occur in the fall of 2009, with 20 million of the purchase price being payable 9 months after the closing date. Wireline Holdings is able to terminate the Asset Purchase Agreement in certain circumstances, including if the closing has not occurred by December 31, 2009. The closing is subject to the receipt of the required antitrust approvals. Furthermore, under German labor law, the separation of the Wireline Communications business qualifies as a measure requiring the prior conclusion of the negotiations with the Company's competent works councils (*Betriebsräte*) with respect to the balancing of interest (*Interessenausgleich*) procedures. Successful termination of the negotiations is a condition precedent for the closing of the transaction. Negotiations will commence in July and the Company expects them to last for several weeks.

If the Offering fails to raise the anticipated amount of capital or if Infineon is unable to obtain financing from other sources on commercially reasonable terms, or at all, then Infineon may face difficulties in repaying or be unable to repay its debts as they come due, in particular its guaranteed subordinated convertible notes due 2010 that were issued by the Company's subsidiary Infineon Technologies Holding B.V.'s (**Convertible Notes due 2010**) and guaranteed subordinated exchangeable notes due 2010 that were issued by the Company's subsidiary Infineon Technologies Investment B.V. (**Exchangeable Notes due 2010**). As of June 30, 2009, Infineon has Convertible Notes due 2010 outstanding in the nominal amount of 522 million and Exchangeable Notes due 2010 outstanding in the nominal amount of 48 million. If for these or other reasons Infineon is unable to meet its repayment obligations in respect of its outstanding notes or other debts, the Company's share price could decline further or experience increased volatility, and investors could lose all or part of their investment.

If Infineon is unsuccessful in implementing its operational restructuring plans, Infineon's revenues and profitability may be adversely affected.

Infineon's future success and financial performance are largely dependent on its ability to successfully implement its business strategy and achieve sustained profitability. In furtherance of its overall strategy,

Infineon has restructured and is continuing to restructure its operations to improve its focus on its main business. These operational restructuring plans include the implementation of Infineon's cost-reduction program IFX10+, which includes the following primary measures:

product portfolio management to eliminate unprofitable or insufficiently profitable product families and to increase efficiency in research and development (**R&D**);

reduction of manufacturing costs and optimization of the value chain;

improved efficiency of processes and tasks in the fields of general and administrative expenses, R&D, and marketing and sales;

re-organization of Infineon's structure along its target markets; effective October 1, 2008, Infineon is divided into five segments: Automotive, Industrial & Multimarket, Chip Card & Security, Wireless Solutions and Wireline Communications; and

reductions in workforce.

Any failure to continue to execute Infineon's strategy successfully, including the execution of Infineon's cost reduction program IFX10+, could have a material adverse effect on Infineon's operations or financial performance.

Ongoing financial market volatility and adverse developments in the global economic environment have had and could continue to have a significant adverse impact on Infineon's business, financial condition and operating results.

Infineon's business, financial condition and results of operations have been and could continue to be significantly negatively impacted by general economic conditions and the related downturn in the semiconductor market. The global economy has recently experienced a significant downturn, reflecting the effects of the credit market crisis, slower economic activity, a generally negative economic outlook, and a decrease in consumer and business confidence. A prolonged economic downturn would pose a number of significant risks for Infineon, including:

significant declines in revenue;

significant reductions in selling prices;

increased volatility and/or declines in the Company's share price;

increased volatility or adverse movements in foreign currency exchange rates;

delays in, or curtailment of, purchasing decisions by Infineon's customers or potential customers either as a result of overall economic uncertainty or as a result of their inability to access the liquidity necessary to engage in purchasing initiatives or new product development;

increased credit risk associated with Infineon's customers or potential customers, particularly those that may operate in industries most affected by the economic downturn, such as automotives;

unprofitable operations;

impairment of goodwill or other long-lived assets; and

negative cash flows.

To the extent that the current economic downturn worsens or is prolonged, Infineon's business, financial condition and results of operations could continue to be significantly and adversely affected.

The semiconductor industry is characterized by intense competition, which could reduce Infineon's sales or put continued pressure on Infineon's sales prices.

The semiconductor industry is highly competitive, and has been characterized by rapid technological change, short product lifecycles, high capital expenditures, intense pricing pressure from major customers, periods of oversupply and continuous advancements in process technologies and manufacturing facilities. Increased competitive pressure or the relative weakening of Infineon's competitive position could materially and adversely affect Infineon's business, financial condition and results of operations.

Infineon operates in a highly cyclical industry and its business has in the past suffered, is currently suffering and could again suffer from periodic downturns.

The semiconductor industry is highly cyclical and has suffered from significant economic downturns at various times. These downturns have involved periods of production overcapacity, oversupply, lower prices and lower revenues. In addition, average selling prices for Infineon's products can fluctuate significantly from quarter to quarter or month to month.

There can be no assurance that the markets in which Infineon operates will resume growth in the near term, that the growth rates experienced in past periods will be attainable again in future years, or that Infineon will be successful in managing any future downturn or substantial decline in average selling prices, any of which could have a material adverse effect on Infineon's results of operations and financial condition.

Infineon may not be able to match its production capacity to demand.

It is difficult to predict future developments in the markets Infineon serves, making it hard to estimate requirements for production capacity. If markets do not grow or shrink faster than Infineon has anticipated, Infineon risks underutilization of its facilities or having insufficient capacity to meet customer demand.

Market developments and industry overcapacity may lead to underutilization of Infineon's facilities, which may result in idle capacity costs, write-offs of inventories and losses on products due to falling average selling prices. Such a development could potentially require Infineon to undertake restructuring activities that may involve significant charges to Infineon's results of operations. In particular, semiconductor companies have added significant capacity from time to time, also prior to the economic downturn. In the past, the net increases of supply sometimes exceeded demand requirements, leading to oversupply situations and downturns in the industry. Downturns, such as the current downturn, have had a severe negative effect on the profitability of the industry. Given the volatility and competition in the semiconductor industry, Infineon is likely to face downturns again in the future, which would likely have similar effects. Fluctuations in the rate at which industry capacity grows relative to the growth rate in demand for semiconductor products may in the future put pressure on Infineon's average selling prices and negatively affect Infineon's results of operations.

In addition, during periods of increased demand, Infineon may not have sufficient capacity to meet customer orders. In the past, Infineon has responded to increased demand by opening new production facilities or entering into strategic alliances, which in many cases resulted in significant expenditures. Infineon has also purchased an increasing number of processed wafers and packages from semiconductor foundries and subcontractors to meet higher levels of demand and has incurred higher costs of goods sold as a result. To expand Infineon's production capacity in the future, Infineon may have to spend substantial amounts, which could negatively affect Infineon's results of operations.

Infineon's business could suffer as a result of volatility in different parts of the world.

Infineon operates globally, with numerous manufacturing, assembly and testing facilities on three continents, including facilities that Infineon operates jointly with a partner. In the 2008 fiscal year and for the six months ended March 31, 2009, 78.6 percent and 80.0 percent of Infineon's revenues, respectively, were generated outside Germany and 59.7 percent and 61.9 percent, respectively, were generated outside Europe. Infineon's business is therefore subject to risks involved in international business, including:

negative economic developments in foreign economies and instability of foreign governments, including the threat of war, terrorist attacks, epidemic, pandemic or civil unrest;

changes in laws and policies affecting trade and investment; and

varying practices of the regulatory, tax, judicial and administrative bodies in the jurisdictions where Infineon operates.

Substantial changes in any of these conditions could have an adverse effect on Infineon's business and results of operations. Infineon's results of operations could also be hurt if demand for the products made by Infineon's customers decreases due to adverse economic conditions in any of the regions where they sell their own products.

In difficult market conditions, Infineon's high fixed costs adversely affect its results.

In less favorable industry conditions, in addition to price pressure, Infineon is faced with a decline in the utilization rates of its manufacturing facilities due to decreases in product demand. Since the semiconductor industry is characterized by high fixed costs, Infineon's ability to reduce its total costs in line with revenue declines is limited. The costs associated with the excess capacity, particularly for Infineon's front-end fabrication facilities (**fabs**), are charged directly to cost of sales as idle capacity charges. Infineon cannot guarantee that difficult market conditions will not adversely affect the capacity utilization of Infineon's fabs and, consequently, Infineon's future gross margins.

The competitive environment of the semiconductor industry has led to industry consolidation, and Infineon may face even more intense competition from newly merged competitors.

The highly competitive environment of the semiconductor industry and the high costs associated with manufacturing technologies and developing marketable products have resulted in significant consolidation in the industry and are likely to lead to further consolidation in the future. Such consolidation can allow competitors of Infineon to further benefit from economies of scale, enjoy improved or more comprehensive product portfolios and increase the size of their serviceable markets. In addition, Infineon may become a target for a company looking to improve its competitive position. Any such corporate event could result in unpredictable consequences, which could have a material adverse effect on Infineon's results of operations and financial condition. Consequently, Infineon's competitive position may be adversely impacted by consolidation among other industry participants, who may leverage increased market share and economies of scale to improve their competitive position.

Infineon intends to continue to engage in acquisitions, joint ventures and other transactions that may complement or expand its business. Infineon may not be able to complete these transactions, and even if executed, these transactions pose significant risks and could have a negative effect on Infineon's operations.

Infineon's future success may be dependent on opportunities to enter into joint ventures and to buy other businesses or technologies that could complement, enhance or expand Infineon's current business or products or that might otherwise offer Infineon growth opportunities or gains in productivity. If Infineon is unable to identify suitable targets, its growth prospects may suffer, and Infineon may not be able to realize sufficient scale advantages to compete effectively in all relevant markets. Infineon may also face competition for desirable targets from other companies in the semiconductor industry. Infineon's ability to acquire targets may also be limited by applicable antitrust laws and other regulations in the United States, the European Union and other jurisdictions in which Infineon does business. Infineon may not be able to complete such transactions, for reasons including, but not limited to, a failure to secure financing or as a result of restrictive covenants in Infineon's debt instruments. Any transactions that Infineon is able to identify and complete may involve a number of risks, including:

the diversion of Infineon's management's attention from Infineon's existing business to integrate the operations and personnel of the acquired or combined business or joint venture;

possible negative impacts on Infineon's operating results during the integration process; and

Infineon's possible inability to achieve the intended objectives of the transaction.

Infineon may be unable to successfully integrate businesses it acquires and may be required to record charges related to the goodwill or other long-lived assets associated with the acquired businesses.

Infineon has acquired other companies, businesses and technologies from time to time. Infineon intends to continue to make acquisitions of, and investments in, other companies. Infineon faces risks resulting from the expansion of its

operations through acquisitions, including the risk that Infineon might be unable to successfully integrate new businesses or teams with Infineon's culture and strategies on a timely basis or at all. Infineon also cannot be certain that it will be able to achieve the full scope of the benefits it expects from a particular acquisition or investment. Infineon's business, financial condition and results of operations may suffer if Infineon fails to coordinate its resources effectively to manage both its existing businesses and any businesses it acquires.

Infineon reviews the goodwill associated with its acquisitions for impairment at least once a year. Changes in Infineon's expectations due to changes in market developments which Infineon cannot foresee

have in the past resulted in Infineon writing off amounts associated with the goodwill of acquired companies, and future changes may require additional write-offs in future periods, which could have a material adverse effect on its financial results.

Infineon may not be able to protect its proprietary intellectual property and may be accused of infringing the intellectual property rights of others.

Infineon's success depends on its ability to obtain patents, licenses and other intellectual property rights covering Infineon's products and its design and manufacturing processes. The process of seeking patent protection can be long and expensive. Patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide Infineon with meaningful protection or commercial advantage. In addition, effective copyright, trademark and trade secret protection may be unavailable or limited in some countries, and Infineon's trade secrets may be vulnerable to disclosure or misappropriation by employees, contractors and other persons.

Competitors may also develop technologies that are protected by patents and other intellectual property rights. These technologies may therefore either be unavailable to Infineon or be made available to Infineon only on unfavorable terms and conditions. Litigation, which could require significant financial and management resources, may be necessary to enforce Infineon's patents or other intellectual property rights or to defend against claims of infringement of intellectual property rights brought against Infineon by others. Lawsuits may have a material adverse effect on Infineon's business. Infineon may be forced to stop producing substantially all or some of its products or to license the underlying technology upon economically unfavorable terms and conditions or Infineon may be required to pay damages for the prior use of third-party intellectual property.

Infineon's business could suffer due to decreases in customer demand.

Infineon's sales volume depends significantly on the market success of Infineon's customers in developing and selling end-products that incorporate Infineon's products. The fast pace of technological change, difficulties in the execution of individual projects, general economic conditions and other factors may limit the market success of Infineon's customers, resulting in a decrease in the volume of demand for Infineon's products and adversely affecting Infineon's results of operations.

Due to the time needed to develop the final product for end customers and the time until such products are ultimately introduced to the market, Infineon may face significant and sometimes unpredictable delays between the implementation of Infineon's products and volume ramp up. This may cause significant idle capacity costs.

The loss of one or more of Infineon's key customers, for example, owing to a decrease in customer confidence in Infineon due to its perceived liquidity position, may adversely affect Infineon's business.

Historically, a significant portion of Infineon's revenue has come from a relatively small number of customers and distributors. The loss or financial failure of any significant customer or distributor, or any reduction in orders by any of Infineon's key customers or distributors, for example, owing to a loss of customer confidence in Infineon due to its perceived liquidity position, could materially and adversely affect Infineon's business.

Fluctuations in the mix of products sold may adversely affect Infineon's financial results.

Infineon achieves differing gross margins across its wide range of products. Infineon's financial results therefore depend in part on the structure of its product portfolio. Fluctuations in the mix and types of Infineon's products may also affect the extent to which Infineon is able to recover its fixed costs and investments that are associated with a particular product, and as a result can negatively impact Infineon's financial results.

If Infineon fails to successfully implement an optimum make-or-buy strategy, Infineon's business could suffer from higher costs.

Infineon intends to continue to invest in leading-edge process technologies such as power, embedded flash and radio-frequency technologies. At the same time, for complementary metal-oxide-semiconductors, or CMOS, below 90-nanometers, Infineon plans to continue to share risks and expand its access to

leading-edge technology through long-term strategic partnerships with other leading industry participants and by making more extensive use of manufacturing at silicon foundries. However, the decision to develop its own solutions or to cooperate with third-party suppliers could adversely affect Infineon's results of operations if Infineon fails to achieve sufficient volume production, if market conditions for the services Infineon obtains from foundries become more expensive due to increases in worldwide demand for foundry services, or if strategic partners fail to perform properly.

Infineon's business could suffer from problems with manufacturing.

The semiconductor industry is characterized by the introduction of new or enhanced products with short life cycles in a rapidly changing technological environment. Infineon manufactures its products using processes that are highly complex, require advanced and costly equipment and must continuously be modified to improve yields and performance. Difficulties in the manufacturing process can reduce yields or interrupt production, especially during rapid ramp up periods, and as a result of such problems Infineon may on occasion not be able to deliver products on time or in a cost-effective, competitive manner.

Infineon cannot foresee and prepare for every contingency. If production at a fabrication facility is interrupted, Infineon may not be able to shift production to other facilities on a timely basis or customers may purchase products from other suppliers. In either case, the loss of revenues and damage to the relationship with Infineon's customers could be significant. Increasing production capacity to reduce exposure to potential production interruptions would increase Infineon's fixed costs. If demand for Infineon's products does not increase proportionally to the increase in production capacity, Infineon's operating results could be harmed.

If Infineon's outside foundry suppliers fail to meet Infineon's expectations, Infineon's results of operations and its ability to exploit growth opportunities could be adversely affected.

Infineon outsources production of some of its products to third-party suppliers, including semiconductor foundry manufacturers and assembly and test facilities, and expects that its reliance on outsourcing will increase. If Infineon's outside suppliers are unable to satisfy Infineon's demand, or experience manufacturing difficulties, delays or reduced yields, Infineon's results of operations and ability to satisfy customer demand could suffer. In addition, purchasing rather than manufacturing these products may adversely affect Infineon's gross profit margin if the purchase costs of these products are higher than Infineon's own manufacturing costs. Infineon's internal manufacturing costs include depreciation and other fixed costs, while costs for products outsourced are based in large part on market conditions. Prices for foundry products also vary depending on capacity utilization rates at Infineon's suppliers, quantities demanded, product technology and geometry. Furthermore, these outsourcing costs can vary materially from quarter to quarter and, in cases of industry shortages, they can increase significantly, negatively impacting Infineon's results of operations.

Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with their intended end use could impose significant costs on Infineon.

The design and production processes for Infineon's products are highly complex. It is possible that Infineon may produce products that do not meet customer specifications, contain or are perceived to contain defects or errors, or are otherwise incompatible with their intended uses. Infineon may incur substantial costs in remedying such defects or errors, which could include material inventory write-downs. Moreover, if actual or perceived problems with nonconforming, defective or incompatible products occur after Infineon has shipped the products, Infineon might not only bear direct liability for providing replacements or otherwise compensating customers, but could also suffer from long-term damage to Infineon's relationship with important customers or to Infineon's reputation in the industry generally. This could have a material adverse effect on Infineon's business, financial condition and results of

operations.

Infineon may be adversely affected by property loss and business interruption.

Damage and loss caused by fire, natural hazards, supply shortage, or other disturbance at semiconductor facilities or within Infineon's supply chain at customers as well as at suppliers can be severe. Thus, even though Infineon has constructed and operates its facilities in ways that minimize the specific risks and that enable a quick response if such event should occur, damages from such events could nonetheless be severe. Furthermore, despite Infineon's continued expectations to invest in

prevention and response measures at its facilities and to maintain property loss and business interruption insurance, any loss may exceed the amounts recoverable under Infineon's insurance policies. As a result, any such events could have a material adverse effect on Infineon's business, financial condition and results of operations, and any such loss may exceed the amounts recoverable under Infineon's insurance policies.

Infineon's business could suffer if Infineon is not able to secure the development of new technologies or if Infineon cannot keep pace with the technology development of Infineon's competitors.

The semiconductor industry is characterized by rapid technological changes. New process technologies using smaller feature sizes and offering better performance characteristics are introduced every one to two years. The introduction of new technologies allows Infineon to increase the functions per chip while at the same time improving performance parameters, such as decreasing power consumption or increasing processing speed. In addition, the reduction of feature sizes allows Infineon to produce smaller chips offering the same functionality and thereby considerably reduce the costs per function. In order to remain competitive, it is essential that Infineon secures the capabilities to develop and qualify new technologies for the manufacturing of new products. If Infineon is unable to develop and qualify new technologies and products, or if Infineon devotes resources to the pursuit of technologies or products that fail to be accepted in the marketplace or that fail to be commercially viable, Infineon's business may suffer.

Infineon relies on strategic partners and other third parties, and Infineon's business could be harmed if they fail to perform as expected or relationships with them were to be terminated.

As part of Infineon's strategy, Infineon has entered into a number of long-term strategic alliances with leading industry participants, both to manufacture semiconductors and to develop new manufacturing process technologies and products. If Infineon's strategic partners encounter financial difficulty or change their business strategies, they may no longer be able or willing to participate in these alliances. Some of the agreements governing Infineon's strategic alliances allow Infineon's partners to terminate the agreement if the Company's equity ownership changes so that a third party gains control of the Company or of a significant portion of the Company's shares. Infineon's business could be harmed if any of Infineon's strategic partners were to discontinue Infineon's participation in a strategic alliance or if the alliance were otherwise terminated. To the extent Infineon relies on alliances and third-party design and/or manufacturing relationships, Infineon faces the risks of:

reduced control over delivery schedules and product costs;

manufacturing costs that are higher than anticipated;

the inability of Infineon's manufacturing partners to develop manufacturing methods appropriate for Infineon's products and their unwillingness to devote adequate capacity to produce Infineon's products;

a decline in product reliability;

an inability to maintain continuing relationships with Infineon's suppliers; and

limited ability to meet customer demand when faced with product shortages.

If any of these risks materialize, Infineon could experience an interruption in its supply chain or an increase in costs, which could delay or decrease Infineon's revenues or adversely affect Infineon's business, financial condition and results of operations.

New business is often subject to a competitive selection process that can be lengthy and uncertain and that requires Infineon to incur significant expenses in advance. Even if Infineon wins and begins a product design, a customer may decide to cancel or change Infineon's product plans, which could cause Infineon to generate no sales from a product and adversely affect Infineon's results of operations.

In several of Infineon's business areas, Infineon focuses on winning competitive bid selection processes, known as design wins, to develop products for use in Infineon's customers' products. These selection processes can be lengthy and can require Infineon to incur significant design and development expenditures. Infineon may not win the competitive selection process and may never generate any revenues despite incurring significant design and development expenditures.

If Infineon wins a product design and receives corresponding orders from its customers, Infineon may experience delays in generating revenues from its products as a result of the lengthy development and design cycle. In addition, a delay or cancellation of a customer's plans could significantly adversely affect Infineon's financial results, as Infineon may have incurred significant expenses and generated no revenues. Finally, if Infineon's customers fail to successfully market and sell their products, Infineon's results of operations could be materially adversely affected as the demand for Infineon's products falls.

Infineon relies on a limited number of suppliers of manufacturing equipment and materials and could suffer shortages if these suppliers were to interrupt supply or increase their prices.

Infineon's manufacturing operations depend upon obtaining deliveries of equipment and adequate supplies of materials on a timely basis. Infineon purchases equipment and materials from a number of suppliers on a just-in-time basis. From time to time, suppliers may extend lead times, limit supply to Infineon or increase prices due to capacity constraints or other factors. Because the equipment that Infineon purchases is complex, it is difficult for Infineon to substitute one supplier for another or one piece of equipment for another. Some materials are only available from a limited number of suppliers. Although Infineon believes that supplies of the materials Infineon uses are currently adequate, shortages could occur in critical materials, such as silicon wafers or specialized chemicals used in production, due to interruption of supply or increased industry demand. Infineon's results of operations would be hurt if Infineon were not able to obtain adequate supplies of quality equipment or materials in a timely manner or if there were significant increases in the costs of equipment or materials.

Infineon may be adversely affected by rising raw material prices.

Infineon is exposed to fluctuations in raw material prices. In the recent past, gold, copper and petroleum-based organic polymer prices in particular have fluctuated on a worldwide basis. If Infineon is not able to compensate for or pass on its increased costs to customers, such price increases could have a material adverse impact on Infineon's financial results.

Infineon's business could suffer if Infineon is unable to secure dependable power supplies at reasonable cost.

Infineon's business requires reliable electrical power at reasonable cost and may be adversely affected by power shortages due to disruptions in supply, as well as by increases in market prices for fuel or electricity.

Infineon's operations rely on complex information technology systems and networks, and any disruptions in such systems or networks could have a material adverse impact on Infineon's business and results of operations.

Infineon relies heavily on information technology systems and networks to support business processes as well as internal and external communications. These systems and networks are potentially vulnerable to damage or interruption from a variety of sources. However, despite precautions taken by Infineon to manage its risks related to system and network disruptions, including the use of multiple suppliers, an extended outage in a telecommunications network utilized by Infineon's systems or a similar event could lead to an extended unanticipated interruption of Infineon's systems or networks, which could have an adverse effect on Infineon's business. Furthermore, any data leaks resulting from information technology security breaches despite use of sophisticated information technology security to protect its highly confidential information could adversely affect Infineon's business operations or reputation.

Infineon has recorded significant reorganization and impairment charges in the past and may do so again in the future, which could materially adversely affect Infineon's business.

In the past, Infineon has recorded restructuring and asset impairment charges relating to Infineon's efforts to consolidate and refocus its business. For example, for the 2008 fiscal year and the six months ended March 31, 2009, Infineon recorded \$325 million and \$7 million, respectively, in such charges. As Infineon responds to continuing rapid change in the semiconductor industry in order to remain competitive, Infineon may incur additional employee termination, restructuring and asset impairment charges in the future.

In addition, Infineon tests its long-lived assets, including intangible assets, for impairment when events or changes in circumstances indicate that its carrying value may not be recoverable. Given the fact

that Infineon's market capitalization has in recent periods occasionally been less than its book value, Infineon conducted such an impairment analysis as of March 31, 2009. Infineon believes that the substantial decrease in its market value in recent periods was largely due to factors which do not impact the fair value of its cash generating units to the same extent, and therefore concluded that long-lived assets were not impaired as of such date. Infineon will continue to review its long-lived assets for potential impairment, and may in the future be required to record charges in that regard.

Charges related to employee termination, restructuring and asset impairments may have a material adverse effect on Infineon's business, financial condition and results of operations, especially in the periods in which such charges are recorded.

Infineon's business could suffer if third-party service providers fail to perform as expected.

The Company has outsourced a number of business functions and processes, including some of its IT-services, which may comprise the usual risks of such outsourcing in case a service provider encounters difficulties providing the required services. For example, if a service provider is not able to provide the agreed services, the Company may not be able to replace such service provider on short notice, which may have an adverse effect on the Company's business.

Infineon's success depends on its ability to recruit and retain sufficient qualified key personnel.

Infineon's success depends significantly on the recruitment and retention of highly skilled personnel, particularly in the areas of R&D, marketing, production management and general management. The competition for such highly skilled employees is intense and the loss of the services of key personnel without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on Infineon. Infineon can provide no assurance that it will be able to successfully retain and/or recruit the key personnel Infineon requires.

Reductions in government subsidies or demands for repayment of such subsidies could increase Infineon's reported expenses or limit its ability to fund capital expenditures.

Infineon's reported expenses have been reduced in recent years by various subsidies received from governmental entities. In particular, Infineon has received, and expects to continue to receive, subsidies for investment projects as well as for R&D projects. Infineon recognized governmental subsidies as a reduction of R&D expenses and cost of sales in an aggregate amount of 110 million in the 2007 fiscal year, 84 million in the 2008 fiscal year and 36 million in the six months ended March 31, 2009.

As the general availability of government funding is outside Infineon's control, Infineon can provide no assurance that it will continue to benefit from such support, that sufficient alternative funding would be available if necessary or that any such alternative funding would be provided on terms as favorable to Infineon as those Infineon currently receives. In addition, if certain conditions are not met or certain events occur, Infineon may have to repay the government subsidies that it has already received.

The application for and implementation of such subsidies often involves compliance with extensive regulatory requirements, including, in the case of subsidies to be granted within the European Union, notification to the European Commission of the contemplated grant prior to disbursement. In particular, establishment of compliance with project-related ceilings on aggregate subsidies defined under European Union law often involves highly complex economic evaluations. If Infineon fails to meet applicable requirements, Infineon may not be able to receive the relevant subsidies or may be obliged to repay current or future subsidies, which could have a material adverse effect on Infineon's business.

The terms of certain of the subsidies Infineon has received impose conditions that may limit Infineon's flexibility to utilize subsidized facilities as Infineon deems appropriate, to divert equipment to other facilities, to reduce employment at the site, or to use related intellectual property outside the European Union. This could impair Infineon's ability to operate its business in the manner Infineon believes to be most cost effective.

Infineon's operating results fluctuate significantly from quarter to quarter, and as a result Infineon may fail to meet the expectations of securities analysts and investors, which could cause the Company's stock price to decline.

Infineon's operating results have fluctuated significantly from quarter to quarter in the past and are likely to continue to do so due to a number of factors, many of which are not within Infineon's control. If Infineon's operating results do not meet the expectations of securities analysts or investors, the market price of the Company's shares will likely decline. Infineon's reported results can be affected by numerous factors, including:

the overall cyclical nature of, and changing economic and market conditions in, the semiconductor industry, as well as seasonality in sales of consumer products in which Infineon's products are incorporated;

Infineon's ability to scale its operations in response to changes in demand for Infineon's existing products and services or demand for new products requested by Infineon's customers;

intellectual property disputes, customer indemnification claims and other types of litigation risks;

the gain or loss of a key customer, design win or order;

the timing, rescheduling or cancellation of significant customer orders and Infineon's ability, as well as the ability of Infineon's customers, to manage inventory;

changes in accounting rules;

Infineon's success in implementing cost reductions measures;

the length of particular product development cycles; and

liabilities arising as a result of Qimonda's insolvency.

Due to the foregoing factors and the other risks discussed in this Prospectus, investors should not rely on quarter-to-quarter comparisons of Infineon's operating results as an indicator of future performance.

Infineon's results of operations and financial condition can be adversely impacted by changes in exchange rates.

Infineon's results of operations can be negatively affected by changes in exchange rates, particularly between the euro and the U.S. dollar or the Japanese yen. In addition, the balance sheet impact of currency translation adjustments has been, and may continue to be, material. Furthermore, while Infineon operates in an industry with prices primarily denominated in U.S. dollars and therefore receives a large proportion of its revenues in U.S. dollars, a large proportion of its expenses are in euro and it also reports its financial results in euro, which is its operational currency. As a result, Infineon's financial results can be significantly negatively affected by exchange rate fluctuations of the U.S. dollar against the euro.

If Infineon fails to maintain effective internal controls, Infineon may not be able to report financial results accurately or on a timely basis, or to detect fraud, which could have a material adverse effect on the Company's business or share price.

Effective internal controls are necessary for Infineon to provide reasonable assurance with respect to Infineon's financial reports and to effectively prevent financial fraud. Pursuant to the Sarbanes Oxley Act, Infineon is required to periodically evaluate the effectiveness of the design and operation of Infineon's internal controls. Internal controls over

financial reporting may not prevent or detect misstatements because of inherent limitations, including the possibility of human error or collusion, the circumvention or overriding of controls, or fraud. If Infineon fails to maintain an effective system of internal controls, Infineon's business and operating results could be harmed, and Infineon could fail to meet its reporting obligations, which could have a material adverse effect on the Company's business and the Company's share price.

Infineon is exposed to various tax risks, and several factors could have an adverse effect on the tax burden of Infineon.

Infineon's German and foreign tax returns are periodically examined by tax authorities, and several entities of the consolidated group are currently subject to such an examination. The most recent finalized corporate income, trade and sales tax audit of Infineon Technologies AG and its German subsidiaries covered the 1999 through 2001 fiscal years; for the 2002 through 2005 fiscal years a tax audit has started.

Given the considerable amount of available tax losses incurred by the Company, additional tax assessments at Company level should not trigger substantial tax charges, if any. Infineon regularly assesses the adequacy of its domestic and foreign tax provisions in light of new evidence and makes adjustments to the extent necessary. Due to the complexities in tax laws and their interpretation by the tax authorities there can be no assurance that the outcome of German and foreign tax audits will not differ from these estimates, that is, additional tax charges imposed by the tax authorities may exceed taxes accrued for as liabilities or provisions and may require additional liquidity.

In case of changes in the shareholders' structure of the Company there is a risk that its tax losses, tax loss carry-forwards and interest carry-forwards may be eliminated entirely or in part. Such elimination in whole or in part may, in particular, result from a direct or indirect acquisition of shares (e.g. straight acquisition, capital increase) of more than 50 percent or of more than 25 percent up to 50 percent respectively, by an individual shareholder, a related party, or a defined group of shareholders within a five-year period (see Section 8c of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*)). If, therefore, under the Backstop Arrangement the Backstop Investor acquired Investment Shares representing more than 25 percent of the shares in the Company, an according amount of tax losses, tax loss carry-forwards and interest carry-forwards may be eliminated. The elimination of the tax loss carry-forwards would have a non-cash effect in the consolidated financial statements of Infineon Technologies AG as a consequence of the derecognition of deferred tax assets relating to those tax loss carry-forwards. In addition, the tax burden in Germany for future tax assessment periods could increase as respective tax losses, tax loss carry-forwards or interest carry-forwards would no longer be available to offset future taxable income.

Furthermore, future changes of the tax laws in Germany or other jurisdictions relevant for Infineon could increase the tax burden of Infineon. This as well as the above mentioned risks could have a material adverse effect on cash flows, financial condition and results of operations of Infineon.

Infineon's deferred tax assets are subject to regular reassessment, which may result in additional valuation allowances.

Infineon recognized deferred tax assets in a total amount of 400 million as of September 30, 2008. The realization of deferred tax assets is dependent upon the Company's ability to generate the appropriate character of future taxable income sufficient to utilize loss carry-forwards or tax credits before their expiration. A change of the estimated amounts and character of future income may require additional valuation allowances.

Environmental laws and regulations may expose Infineon to liability and increase Infineon's costs.

Infineon's operations are subject to many environmental laws and regulations wherever Infineon operates, governing, among other things, air and noise emissions, wastewater discharges, the use and handling of hazardous substances, waste disposal and the investigation and remediation of soil and ground water contamination.

An EU Directive imposes a "take-back" obligation on manufacturers to finance the collection, recovery and disposal of electrical and electronic equipment. Because of unclear statutory definitions and interpretations in individual member states, as well as ongoing discussions on national implementing measures, Infineon is unable at this time to determine in detail the consequences of this directive for Infineon. Additional European legislation restricts the use of lead and other hazardous substances in electrical and electronic equipment from July 2006. Both Directives are under revision and their possible impacts currently cannot be determined in detail. A further EU Directive restricts the use of hazardous substances in automotive vehicles. Because the Directive has been changed and further revision is foreseen, the future impact on Infineon cannot currently be determined in detail.

Another Directive describes eco-design requirements for energy-using products, including information requirements for components and sub-assemblies. Furthermore the European regulatory framework for chemicals, called REACH,

deals with the registration, evaluation, authorization and restriction of chemicals. This legislation may complicate Infineon's research and development activities and may require Infineon to change certain of its manufacturing processes to utilize more costly materials or to incur substantial additional costs. In addition, pursuant to the EU Directive on environmental liability with regard to the prevention and remedying of environmental damage, Infineon could face increased environmental liability, which may result in higher costs and potential damage claims.

In addition, the Chinese government restricts the use of lead and other hazardous substances in electronic products. Because neither all implementing measures nor the key product catalogue are in place, the consequences for Infineon cannot currently be determined in detail. Similar regulations or substance bans are being proposed or implemented in various countries of the world. Infineon is not able at this time to estimate the amount of additional costs that Infineon may incur in connection with these regulations.

There is a risk that Infineon may become the subject of environmental, health or safety liabilities or litigation. Environmental, health, and safety claims or the failure to comply with current or future regulations could result in the assessment of damages or imposition of fines against Infineon, suspension of production or a cessation of operations. Significant financial reserves or additional compliance expenditures could be required in the future due to changes in law or new information regarding environmental conditions or other events, and those expenditures could adversely affect Infineon's business or financial condition. As with other companies engaged in similar activities, Infineon faces inherent risks of environmental liability in its current and historical manufacturing locations. Costs associated with future additional environmental compliance or remediation obligations could adversely affect Infineon's business.

Infineon may face significant liabilities as a result of the insolvency of Qimonda.

As a result of the commencement of insolvency proceedings by Qimonda, Infineon is exposed to potential liabilities arising in connection with the Qimonda business. Such potential liabilities include, among others, pending antitrust and securities law claims, potential claims for repayment of governmental subsidies, employee-related contingencies and purported unfair dismissal claims by employees of Qimonda North America. Infineon recorded aggregate provisions and allowances of 203 million as of March 31, 2009 relating to such of those liabilities which management believes are probable and can be estimated with reasonable accuracy at that time. There can be no assurance that such provisions and allowances recorded will be sufficient to cover all liabilities that may ultimately be incurred in relation to these matters. In preparing its financial statements for the current and subsequent quarters, the Company will review the provisions and allowances with respect to these and any new potential liabilities to determine whether any adjustments should be made.

In addition, Infineon may be subject to claims by the insolvency administrator under German insolvency laws for repayment of certain amounts received by Infineon from Qimonda, for example, payments for intra-group services and supplies, during defined periods prior to the commencement of insolvency proceedings.

Furthermore, Infineon may lose the right to use Qimonda's intellectual property rights under the contribution agreement between Infineon and Qimonda if and to the extent this agreement was successfully challenged by the insolvency administrator under German insolvency laws.

The insolvency of Qimonda may also subject Infineon to other claims arising in connection with certain liabilities, contracts, offers, uncompleted transactions, continuing obligations, risks, encumbrances and other liabilities contributed to Qimonda in connection with the carve-out of the Qimonda business, as it is unlikely that Qimonda will be able to fulfill its obligation to indemnify Infineon against any such liabilities due to its insolvency.

Finally, there can be no assurance that the insolvency administrator or creditors of Qimonda will not seek to recover money from Infineon by asserting claims that Infineon cannot currently foresee. Even if a court were to dismiss or otherwise rule against such claims, defending against them could require Infineon to expend significant time, money and management attention.

Infineon might be required to repay any outstanding Exchangeable Notes due 2010 prior to their maturity date, which could materially adversely affect its financial condition.

Infineon's outstanding Exchangeable Notes due 2010 might become repayable prior to their maturity date upon the occurrence of stated events, for example, a change of control or liquidation of all or substantially all of the assets of Qimonda or the termination of the deposit agreement relating to Qimonda's ADR facility without a replacement agreement. In the event that the Qimonda insolvency administrator is successful in consummating a sale of all or a material portion of the business of Qimonda or its assets, or the deposit agreement is terminated without a replacement agreement, or if any part of the reorganization is deemed to trigger a repayment obligation as to the Exchangeable Notes due 2010,

Infineon could become obligated to repay such Exchangeable Notes due 2010 at par. The outstanding nominal amount of Exchangeable Notes was 48 million as of June 30, 2009. Any early repayment of the Exchangeable Notes due 2010 would require a substantial expenditure of cash and could have a material adverse effect on Infineon's financial condition and results of operations.

A sale or closure of the ALTIS facility may result in the Company incurring material additional costs and charges.

Infineon and its joint venture partner IBM are currently involved in ongoing negotiations with strategic and financial partners regarding a divestiture of their respective shares in ALTIS, a manufacturing joint venture in France. The outcome of these negotiations cannot be predicted at this stage. In the event of a failure to reach an agreement with the potential buyers, Infineon and IBM may well have to resort to the closure of the ALTIS manufacturing facility. Either the sale or the closure of the facility may result in the Company incurring material additional costs and charges. In the event of a sale, Infineon may incur, amongst others, expenses under a wafer supply agreement that is to be concluded between the joint venture partners and the potential buyer. In the event of a closure, Infineon and IBM may incur material expenses relating to the closing. Although the exact amount of any such expenses cannot be reliably assessed as yet, such expenses could have a material adverse effect on Infineon's results of operations and financial position.

The Wireline Communications business could be adversely impacted if the intended sale is not completed.

If the sale of the Wireline Communications business is not completed, the Wireline Communications business could be adversely impacted because of lower demand for its products due to customer uncertainty, decreased efficiency and employee attrition as a result of employee uncertainty.

Infineon may be held liable for damages in connection with the sale of the Wireline Communications business.

Under the Asset Purchase Agreement, Infineon made certain representations and warranties to Wireline Holdings and may be required to pay damages if these representations and warranties turn out to have been incorrect or if Infineon breaches its obligations under the Asset Purchase Agreement. Infineon could therefore become involved in disputes and litigation with regard to these representations and warranties and be forced to pay damages. If Infineon does not have sufficient cash to cover damages, Infineon may be forced to borrow money or to sell assets in order to procure these funds, which would reduce Infineon's revenue or operating results. If these risks should materialize, this could have an adverse effect on Infineon's business, operating results, or financial condition.

Infineon may face increased expenses due to the sale of the Wireline Communications business.

Certain fixed costs that are associated with the Wireline Communications business will not be transferred in connection with the Asset Purchase Agreement. If such fixed costs are not transferred to Wireline Holdings, Infineon will continue to be responsible for such expenses. Infineon will participate in certain set-up costs of Wireline Holdings that will arise in connection with the transfer of the Wireline Communications business. Furthermore, should the sale of the Wireline Communications business be completed and should Infineon not be able to either transfer, reduce or eliminate the fixed costs associated with the Wireline Communications business or should Infineon incur substantial restructuring costs associated with the sale of the Wireline Communications business, this could have a material adverse effect on Infineon's operations or financial performance.

Infineon's business and financial condition could be adversely affected by current or future litigation.

Infineon is a party to lawsuits in the normal course of Infineon's business, including suits involving allegations of intellectual property infringement, product liability and breaches of contract. The results of complex legal proceedings are difficult to predict. There can be no assurance that the results of current or future legal proceedings will not

materially harm Infineon's business, reputation or brand.

Infineon records a provision for litigation risks when it is probable that a liability has been incurred and the associated amount can be reasonably estimated. Infineon maintains liability insurance for certain legal

risks at levels Infineon's management believes are appropriate and consistent with industry practice. Infineon may incur losses relating to litigation beyond the limits, or outside the coverage, of such insurance and such losses may have a material adverse effect on the results of Infineon's operations or financial condition, and Infineon's provisions for litigation-related losses may not be sufficient to cover its ultimate loss or expenditure. An unfavorable resolution of a particular lawsuit could have a material adverse effect on Infineon's business, operating results, or financial condition.

Infineon is a subject of investigations in several jurisdictions in connection with pricing practices in the Dynamic Random Access Memory (DRAM) industry, and is a defendant in civil antitrust claims in connection with these matters.

In September 2004, the Company entered into a plea agreement with the Antitrust Division of the U.S. Department of Justice (the **DOJ**) in connection with its investigation of alleged antitrust violations in the DRAM industry. Pursuant to this plea agreement, the Company agreed to plead guilty to a single count relating to the price fixing of DRAM products and to pay a fine of \$160 million, payable in equal annual installments through 2009.

Subsequent to the commencement of the DOJ investigation, a number of purported class action lawsuits were filed against the Company and other DRAM suppliers in U.S. federal courts and in state courts in various U.S. states and Canadian provinces. The complaints allege violations of U.S. federal and state or Canadian antitrust and competition laws and seek treble damages in unspecified amounts, costs, attorneys' fees and an injunction against the allegedly unlawful conduct on behalf of the plaintiffs. In July 2006, the state attorney generals of a number of U.S. states filed actions against the Company and other DRAM suppliers in U.S. federal courts. The claims involve allegations of DRAM price fixing and artificial price inflation and seek to recover three times actual damages and other relief.

In April 2003, the Company received a request for information regarding DRAM industry practices from the European Commission and in May 2004 the Company received a notice of a formal inquiry into alleged DRAM industry competition law violations from the Canadian Competition Bureau. The Company is cooperating with the European Commission and the Canadian Competition Bureau in their inquiries.

An adverse final resolution of the matters described above could result in significant financial liability to, and other adverse effects upon, the Company which would have a material adverse effect on Infineon's business, results of operations and financial condition. Irrespective of the validity or the successful assertion of the above-referenced claims, Infineon could incur significant costs with respect to defending against or settling such claims, which could have a material adverse effect on Infineon's results of operations, financial condition and cash flow.

Purported class action lawsuits have been filed against Infineon alleging securities fraud.

Following the Company's announcement in September 2004 of its agreement to plead guilty in connection with the DOJ's antitrust investigation and to pay a fine of \$160 million, several purported securities class action lawsuits have been brought against the Company in U.S. district courts. The lawsuits were consolidated into one complaint that is pending at the U.S. District Court for the Northern District of California. Plaintiffs allege violations of the U.S. securities laws and assert among other things that the Company made materially false and misleading public statements about its historical and projected financial results as well as competitive position and manipulated the price of its securities, thereby injuring its shareholders. Although the Company is defending against these suits vigorously, a significant settlement or negative outcome at trial could have a material adverse effect on Infineon's financial results.

Infineon is the subject of an investigation by the European Commission in connection with alleged violations of competition laws in the Chip Card & Security segment.

In October 2008, the Company learned that the European Commission had commenced an investigation involving the Company's Chip Card & Security segment for alleged violations of competition laws. This investigation is in the very early stages. The Company is assessing this situation and will continue to monitor the investigation carefully. If the European Commission were to find that the Company's Chip Card & Security segment violated European Union competition laws, the fines and penalties that would likely be imposed on the Company could be substantial and would be expected to have a material adverse effect on Infineon's business, operations and financial condition.

Infineon might be faced with product liability or warranty claims.

Despite Infineon's current efforts, defects may occur in Infineon's products. The occurrence of defects, particularly in consumer areas and areas in which personal injury could result, such as Infineon's automotive division, could give rise to warranty claims or to liability for damages caused by such defects. Infineon could also incur consequential damages and experience limited acceptance of Infineon's products in the market. In addition, customers have from time to time notified Infineon of potential contractual warranty claims in respect of products that Infineon supplied, and are likely to do so in the future. These matters could have a material adverse effect on Infineon's business and financial condition.

Risks Related to the New Shares and Risks Related to the Offering

The Backstop Investor may influence Infineon's business activities and may be in a position to control the outcome of certain matters submitted to the Company's shareholders.

The Backstop Investor has agreed to acquire the Investment Shares at the Subscription Price, but not more than the Maximum Investment Amount, representing 30 percent minus one share in the Company's share capital and voting rights post execution of the Offering, subject to the terms and conditions of the investment agreement entered into between the Company and the Backstop Investor. Based on the historical numbers of votes present at the Company's general meetings during 2006 through 2009, a shareholding interest of 30 percent minus one share in the Company's share capital and voting rights may provide the Backstop Investor with a blocking minority with respect to important decisions of the Company, that is, those requiring a qualified majority. Such decisions include, but are not limited to, certain corporate actions (such as capital increases excluding shareholders' subscription rights) and certain reorganization measures. Moreover, this interest may provide the Backstop Investor, either alone or in cooperation with other major shareholders, with a majority of those votes present at the Company's general meeting. In that case, the Backstop Investor would be in a position to have resolutions passed by a simple majority. This would enable the Backstop Investor to exert considerable influence in the Company's general meeting and therefore also on decisions submitted for the vote of the general meeting (for example, regarding the composition of the Supervisory Board or the amount of dividends).

Through a blocking minority or any majority presence, the Backstop Investor may also be able to exert influence on the corporate policies of Infineon Technologies AG and such influence could conflict with the Company's interests and/or those of the Company's other shareholders.

Sales of a large volume of shares in the Company by major shareholders could cause significant downward pressure on the Company's share price.

The price of the Company's shares could decline significantly if one or more of the Company's major shareholders, including Dodge & Cox International Stock Fund, Merrill Lynch International, Capital Group International Inc., Templeton Investment Counsel LLC, FMR LLC, Platinum International Fund, Odey Asset Management LLP, Platinum Investment Management Limited, Brandes Investment Partners L.P., and the Backstop Investor or other holders of a significant percentage of the Company's shares were to sell a large volume of their shares. Provided that the Backstop Investor acquires a stake of at least 15 percent of the shares and the voting rights in the Company, the Backstop Investor may become a major shareholder and undertakes not to sell, transfer, pledge, encumber or otherwise dispose of (*verfügen über*) (including the granting of any option over or the creation of any form of trust relationship in respect of) any Investment Shares, not to enter into any agreement or transaction in respect of any voting rights or other rights attached to Investment Shares, not to enter into any transaction (including derivative transactions) and not to carry out any other action that would be the economic equivalent of any of the above for a period of 12 months following the date of acquisition of the Investment Shares, without the consent of the Company's

management board (the **Backstop Investor Lock-up**). This undertaking does not apply to the sale and/or transfer of Investment Shares (i) to an affiliated company of the Backstop Investor pursuant to sections 15 et seq. of the German Stock Corporation Act, (ii) of up to 10 percent of the Investment Shares to co-investors until October 31, 2009, (iii) in connection with a mandatory public takeover offer (*Pflichtangebot*) of a third party under the German Act on the Acquisition of Securities and on Takeovers (*WpÜG*), (iv) in connection with a voluntary public takeover offer of a third party under the German Act on the Acquisition of Securities and on Takeovers, (v) in connection with a merger or other business combination of the Company with a third party, (vi) in connection with a share buy-back by the Company, and (vii) in such quantity to be able to self-fund (net of transaction fees and expenses) the issuance price resulting from the exercise of subscription rights in connection with a rights offering for shares by the

Company. The Backstop Investor will consult with the management board of the Company before transferring any Investment Shares in connection with any public takeover offer.

However, the Backstop Investor's obligation with regard to the Backstop Investor Lock-up will automatically terminate if during the period of 12 months following the date of acquisition of the Investment Shares one of the following occurs: (i) at any time, a person other than a person proposed by the Backstop Investor becomes the chairman of the Supervisory Board, or (ii) Mr. Gernot Löhr is not appointed as member of the Supervisory Board by the competent court within 10 business days after the date on which such filing had to be made, or (iii) at any time, less than two persons proposed by the Backstop Investor are members of the Supervisory Board, provided that in each case, the situation has not been remedied within 30 days after the later of the occurrence of the relevant event or receipt by the Company from the Backstop Investor of a nomination of alternative eligible Investor's nominee(s). The Backstop Investor's obligation with regard to the Backstop Investor Lock-up will further automatically terminate if any of the following occurs: (i) the reduction of the maximum number of Supervisory Board members from sixteen to twelve persons has not become effective by the date of the next ordinary shareholders' meeting relating to the 2008/2009 fiscal year in 2010; or (ii) not all governmental or regulatory clearances which are required for an acquisition by the Investor of the Maximum Investment Amount have been granted by October 1, 2009. There is no assurance that the major shareholders will continue to hold their shares in the Company. Moreover, a decline in the price of the Company's shares resulting from sales by one or more major shareholders could make it more difficult for the Company to issue new shares at a time and price the Company's management board (the **Management Board**) deems reasonable.

The Company's share price is subject to risks associated with market-price fluctuations.

Regardless of a potential sale of shares by major shareholders of the Company, the price of the Company's shares could vary considerably, especially because of fluctuations in actual or forecast results of operations, changes in profit forecasts or the non-fulfillment of securities analysts' profit expectations, changes in general economic conditions, or other factors. The general volatility of share prices, which has increased considerably over the course of the worsening credit crisis in the financial market in 2008 and 2009, could also put pressure on the price of the Company's shares without this being directly related to Infineon's business activities, cash flow, financial condition, results of operations, or business outlook. Furthermore, the possibility exists that hedge funds having short-term investment goals have already acquired, or will acquire, large blocks of shares, which would enable such funds to deliberately affect the Company's share price.

The Company's share price is subject to risks relating to securities transactions engaged by the Backstop Investor and/or its affiliates.

The Backstop Investor may from time to time purchase or sell shares, options, subscription rights or enter into and withdraw from various derivative transactions with respect to the shares of the Company, provided that the Backstop Investor may not, until the end of the Subscription Period, buy shares of the Company or other instruments that lead to an attribution of voting rights pursuant to the rules of the German Securities Trading Act. In addition, after expiry of the Subscription Period until the settlement of the Investment Shares, if any, the Backstop Investor may not establish a participation in the equity capital or voting rights of the Company if such acquisition, together with the Investment Shares finally subscribed for by the Investor, would, pursuant to the rules of the German Securities Trading Act, result in the Investor's participation exceeding the Maximum Investment Amount. Any purchase or sale by the Backstop Investor and/or its affiliates could have an increasing or decreasing effect on the value of any such rights or the shares before, during or after the Subscription Period.

The investments of shareholders who fail to participate in this Offering may be diluted considerably.

Subscription Rights that have not been exercised by August 3, 2009 will become void and worthless. If a shareholder fails to exercise his Subscription Rights during the Subscription Period, his proportional investment in the Company may decrease, with the exact amount of such dilution depending on the total amount of subscribed New Shares. If a shareholder fails to sell any unexercised Subscription Rights during the Rights Trading Period, the shareholder will receive no economic value for the unexercised and unsold Subscription Rights.

Trading in Subscription Rights is expected to not develop and the value of Subscription Rights may decline.

Infineon and the Underwriters will not initiate trading of the Subscription Rights (ISIN DE000A0Z2227 / German Securities Code (WKN) A0Z222) on the regulated market of the Frankfurt Stock Exchange or any other German stock exchange. Accordingly, Subscription Rights cannot be purchased or sold on the regulated market of such a stock exchange. However, Subscription Rights are transferable and may be traded over the counter. There is no guarantee that shareholders will be able to trade in Subscription Rights. As a consequence, there can be no assurance that shareholders will be able to realize the inherent value of their Subscription Rights by selling their Subscription Rights and, thus, might suffer a significant loss upon expiration of the Subscription Period.

Furthermore, the value of the Subscription Rights depends largely on the price of the Company's shares. Therefore, a significant decline in the price of the Company's shares could also adversely affect the value of the Subscription Rights.

The Underwriters may withdraw from the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriters have agreed to the following: (i) to offer the New Shares to the shareholders of Infineon, (ii) to subscribe for the New Shares and (iii) to allot to the shareholders the shares subscribed in accordance with the exercise of their Subscription Rights after the registration of the capital increase in the Commercial Register. The Underwriters plan to subscribe for the New Shares pursuant to the Underwriting Agreement. The Underwriters can, under certain conditions, terminate the Underwriting Agreement until such time as the New Shares have been delivered. If the Underwriting Agreement is terminated, the Offering expires and the Subscription Rights become void or worthless. Even investors who have acquired Subscription Rights in the secondary market will then suffer a corresponding loss since transactions involving Subscription Rights in connection with a termination of the Offering will not be reversed.

Future corporate actions could result in a further material dilution of shareholders' investments in the Company.

To finance the Company's business activities and growth, as well as its continuing and future obligations, the Company may require additional capital in the future. The issuance of additional new shares or convertible notes or notes with warrants would cause further dilution of the proportionate holdings of the Company's existing shareholders. Moreover, the acquisition of other enterprises or equity investments in companies in exchange for new shares to be issued by the Company and the exercise of stock options by the Company's employees could result in further dilution.

GENERAL INFORMATION

Responsibility for the Contents of this Prospectus

Infineon Technologies AG (**Infineon Technologies AG** or the **Company** and, together with its subsidiaries, the **Group** or **Infineon**), with its registered office in Neubiberg, Germany, Credit Suisse, Deutsche Bank, Merrill Lynch, and Citi, assume responsibility for the content of this Prospectus, pursuant to Section 5(4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare that the information contained in this Prospectus is, to their knowledge, in accordance with the facts and contains no omission likely to affect its import, and that they have taken all reasonable care to ensure that the information contained in this Prospectus is, to their knowledge, in accordance with the facts and contains no omission likely to affect its import. Notwithstanding Section 16 of the German Securities Prospectus Act, neither the Company, nor the Underwriters, are required by law to update this Prospectus.

Documents Available for Inspection

For as long as this Prospectus is valid, the following documents, or copies thereof, may be inspected during regular business hours at Infineon's offices at Am Campeon 1-12, 85579 Neubiberg, Germany:

Infineon's articles of association (**Articles of Association**), as amended to date;

the unaudited condensed consolidated financial statements (prepared in accordance with International Financial Reporting Standards (**IFRS**)) of Infineon Technologies AG as of and for the three and six months ended March 31, 2009 (with comparative figures as of and for the six months ended March 31, 2008);

the audited consolidated financial statements (prepared in accordance with IFRS) of Infineon Technologies AG as of and for the fiscal year ended September 30, 2008 (with comparative figures as of and for the fiscal year ended September 30, 2007);

the audited consolidated financial statements (prepared in accordance with generally accepted accounting principles in the United States (**U.S. GAAP**)) of Infineon Technologies AG as of and for the fiscal year ended September 30, 2007 (with comparative figures as of and for the fiscal years ended September 30, 2005 and 2006);

the audited consolidated financial statements (prepared in accordance with U.S. GAAP) of Infineon Technologies AG as of and for the fiscal year ended September 30, 2006 (with comparative figures as of and for the fiscal years ended September 30, 2004 and 2005); and

the audited stand-alone financial statements (prepared in accordance with HGB) of Infineon Technologies AG as of and for the fiscal year ended September 30, 2008 (with comparative figures as of and for the fiscal year ended September 30, 2007).

The aforementioned documents will also be available in electronic form for 12 months after publication of the Prospectus at www.infineon.com.

Future annual reports and interim reports of the Company will also be available at the Company as well as in electronic form on the aforementioned website.

Subject Matter of this Prospectus

For purposes of the Offering, the subject matter of this Prospectus are up to 337,000,000 new ordinary registered shares with no par value, each representing a notional amount of 2.00 of the Company's issued share capital, with full dividend entitlement for the full fiscal year ending September 30, 2009, from the capital increase against cash contributions from authorized capital with subscription rights resolved by the Management Board on July 9 with the approval of the Supervisory Board on July 9 (the **New Shares**).

For purposes of the admission to the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and to the sub-segment of the regulated market segment with further post-admission obligations of the Frankfurt Stock Exchange (*Prime Standard*), the subject matter of this Prospectus are the New Shares and 74,942,528 ordinary registered shares with no par value, each representing a notional amount of 2.00 of the Company's issued share capital, with full dividend entitlement as of the beginning of the fiscal year in which the conversion right is exercised, from the conditional capital to service the

conversion rights of the 195,600,000 7.5% guaranteed subordinated convertible note due 2014 issued by Infineon Technologies Holding B.V. (the **New Convertible Note due 2014**) (the **Conversion Shares**), and, together with the New Shares, the **Admission Shares**). The Admission Shares are subject to German law.

Presentation of Financial Information

For periods beginning October 1, 2008, Infineon has prepared its financial statements in accordance with IFRS issued by the International Accounting Standards Board (**IASB**), as adopted by the European Union (**EU**) and additionally with the requirements set forth in Section 315a(1) of the German Commercial Code (*Handelsgesetzbuch*). In connection with Infineon's transition to IFRS, Infineon has prepared financial statements for the fiscal year ended September 30, 2008 (with comparative figures as of and for the fiscal year ended September 30, 2007) in accordance with IFRS.

For periods prior to October 1, 2008, Infineon prepared its financial statements in accordance with U.S. GAAP. In addition to the IFRS consolidated financial statements for the fiscal year ended September 30, 2008, Infineon issued consolidated financial statements in accordance with U.S. GAAP as of and for the fiscal year ended as of September 30, 2008 since U.S. GAAP were considered the primary accounting principles for that period. The consolidated financial statements in accordance with U.S. GAAP for the fiscal year ended September 30, 2008, have not been included in this Prospectus. The consolidated financial statements in accordance with U.S. GAAP for the fiscal year ended September 30, 2007 (with comparative figures as of and for the fiscal years ended September 30, 2005 and 2006) appear in this Prospectus beginning on page F-88. The consolidated financial statements in accordance with U.S. GAAP for the fiscal year ended September 30, 2006 (with comparative figures as of and for the fiscal years ended September 30, 2004 and 2005) appear in this Prospectus beginning on page F-161.

Beginning with the first quarter of the 2009 fiscal year, IFRS serves as the Company's primary accounting principles. Commencing in the 2009 fiscal year, the Company prepares its consolidated financial statements exclusively on the basis of IFRS. Note 4 to Infineon's consolidated financial statements for the fiscal year ended September 30, 2008 prepared in accordance with IFRS, describes the decisions made for the retrospective application of IFRS (reproduced starting on page F-4); it also explains the impact of the adjustments made in changing over the accounting from U.S. GAAP to IFRS, the reconciliation of Infineon's equity as of October 1, 2006, September 30, 2007 and September 30, 2008, respectively, and the conversion of Infineon's net loss for the fiscal years ended September 30, 2007 and 2008 from U.S. GAAP to IFRS.

Information on Infineon's Operating Segments

Effective October 1, 2008, Infineon reorganized its main business into five operating segments, Automotive, Industrial & Multimarket, Chip Card & Security, Wireless Solutions and Wireline Communications. On July 7, 2009, the Company entered into an asset purchase agreement to sell the Wireline Communications business, and such sale is expected to close in the fall of 2009. Beginning October 1, 2008, the Management Board uses the financial measure Segment Result to assess the operating performance of Infineon's reportable segments and as a basis for allocating resources among the segments. In the *Selected Consolidated Financial and Operating Information prepared in accordance with IFRS* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* sections of this Prospectus, the data relating to the segments' results of operations for the fiscal years ended September 30, 2007 and 2008, prepared in accordance with IFRS, have been reclassified to be consistent with the revised reporting structure and presentation.

In Infineon's consolidated financial statements for the 2008 fiscal year prepared in accordance with IFRS, the results of Qimonda were reported as discontinued operations in Infineon's consolidated statements of operations and as of September 30, 2008, the assets and liabilities of Qimonda were classified as held for disposal in the consolidated

balance sheet.

Effective as of May 1, 2006 through September 30, 2008, Infineon was organized in three major operating segments, two of which were application focused: Automotive, Industrial & Multimarket and Communication Solutions; and one of which was product focused: Qimonda. These operating segments are reflected in Infineon's consolidated financial statements for the fiscal year ended September 30, 2006 and 2007, prepared in accordance with U.S. GAAP.

Forward-Looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Infineon's business and management, Infineon's growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that Infineon makes to the best of the Company's present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Infineon's financial condition and results of operations, to differ materially from and be worse than the results that Infineon has expressly or implicitly assumed or described in these forward-looking statements. Infineon's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: *Summary*, *Risk Factors*, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, *Business* and *Recent Developments and Outlook*. These sections include more detailed descriptions of factors that might have an impact on Infineon's business and the markets in which Infineon operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur, and forward-looking estimates and forecasts derived from third-party studies that have been reproduced in this Prospectus may prove to be inaccurate. See *Presentation of Sources of Market Data; Accounting Regulations; Additional Financial and Numerical Data*. In addition, neither the Company nor the Underwriters assume any obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

Currency Presentation

The amounts in this Prospectus in EUR, or euro refer to the legal currency of Germany since January 1, 1999.

The amounts in this Prospectus in \$, U.S. dollars or USD refer to the legal currency of the United States of America, in JPY or Japanese yen refer to the legal currency of Japan, in CNY refer to the legal currency of People's Republic of China, and in MYR refer to the legal currency of Malaysia.

The following table contains information regarding the exchange rates between the U.S. dollar and the euro, between the Japanese yen and the euro, between CNY and the euro and between MYR and the euro for the periods and dates listed. These exchange rates are based on the public exchange rates fixed daily by the European Central Bank as of the relevant period end dates and the average exchange rates calculated for the relevant periods.

Exchange Rate	October 1, 2008 to March 31, 2009	October 1, 2007 to September 30, 2008	October 1, 2006 to September 30, 2007	October 1, 2005 to September 30, 2006
Period end (\$ to EUR)	1.3308	1.4303	1.4179	1.2660
Average (\$ to EUR)	1.3096	1.5037	1.3350	1.2325

Period end (JPY to EUR)	127.6500	153.2000	159.8200	148.9900
Average (JPY to EUR)	123.3477	161.6716	157.7185	142.9495
Period end (CNY to EUR)	8.9210	9.8252	10.4533	10.0971
Average (CNY to EUR)	8.9556	10.6653	10.2619	9.8750
Period end (MYR to EUR)	4.7949	4.9461	4.8249	4.6724
Average (MYR to EUR)	4.7006	4.9401	4.6607	4.5567

Presentation of Sources of Market Data; Accounting Regulations; Additional Financial and Numerical Data

This Prospectus contains or refers to numerical data, market data, analyst reports, and other publicly available information about Infineon's industry and estimates that Infineon has made based largely on

published market data or on numerical data derived from publicly available sources including data prepared or reported by Gartner Inc. and its unit Dataquest Inc. (together **Gartner Dataquest**), Frost & Sullivan, IMS Research, Strategy Analytics, Inc. (**Strategy Analytics**), and World Semiconductor Trade Statistics (**WSTS**). To the extent Infineon's estimates are based on information that is not available from publicly available sources, Infineon has prepared these estimates with due care and has taken into consideration the relevant information in a neutral manner. Any information in this Prospectus that Infineon has derived from publicly available sources or that it has otherwise derived from third-party sources has been accurately reproduced with reference to the respective source. To the best of Infineon's knowledge, and to the extent that Infineon was able to determine from publicly available sources or information otherwise obtained from third parties, no facts have been omitted that would render the statements in this Prospectus false or misleading. However, investors should be aware that market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is often inherently predictive and speculative.

Investors should also be aware that Infineon has not verified numerical data, market data, and other information from publicly available sources and assumes no liability for the correctness of numerical data, market data, and other information from publicly available sources.

Unless otherwise indicated, the financial information in this Prospectus has been prepared in accordance with IFRS that are applicable as of the relevant reporting date of the respective annual or interim financial statements.

Certain numerical data, financial information and market data in this Prospectus are subject to rounding adjustments that were carried out according to established commercial standards. As a result, the aggregate amounts in this Prospectus may not correspond in all cases to the amounts contained in the underlying sources.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The entire semiconductor industry, including Infineon, has been adversely affected by the global economic downturn and financial crisis. Infineon's revenues declined from 1,153 million in the fourth quarter of the 2008 fiscal year to 845 million in the third quarter of the 2009 fiscal year. Infineon's gross cash position decreased during the first nine months of the 2009 fiscal year by 12 million, from 883 million as of September 30, 2008 to 871 million as of June 30, 2009. Included in this decline in the gross cash position were:

approximately 106 million of cash outflows in connection with Infineon's IFX10+ cost reduction program,

scheduled debt repayments of approximately 101 million, which included 41 million for Infineon's syndicated loan facility, and

voluntary repurchases of an aggregate nominal amount of 246 million of guaranteed subordinated convertible notes due 2010 that were issued by the Company's subsidiary Infineon Technologies Holding B.V.

(**Convertible Notes due 2010**) and guaranteed subordinated exchangeable notes due 2010 that were issued by the Company's subsidiary Infineon Technologies Investment B.V. (**Exchangeable Notes due 2010**) for an aggregate of 161 million in cash.

These outflows were partly offset by a reimbursement of 112 million by the Deposit Protection Fund of the German Private Commercial Banks (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.*) in relation to the insolvency of Lehman Brothers Bankhaus AG and gross proceeds of 182 million from the issuance of the New Convertible Note due 2014. Despite the very significant revenue decline, Infineon generated sufficient free cash flow from operations to fund the majority of the cash outflows relating to its IFX 10+ cost reduction program.

Infineon's management believes that it should seek to maintain a gross cash position of at least 250 to 300 million to operate the Company's business effectively. As a result, Infineon has acted vigorously to reduce operating expenses, conserve cash and improve its balance sheet. The steps that Infineon has taken to this end include, among other things, the IFX10+ cost reduction program, debt repurchases, the issuance of the New Convertible Note due 2014 and the divestiture of the Wireline Communications business. Through its IFX 10+ cost reduction program, the Company has achieved significant cost reductions. The Company's operating expenses for the three months ended June 30, 2009 decreased by 88 million when compared to the three months ended September 30, 2008. Company management believes that these savings are mainly due to its IFX 10+ cost reduction program. In aggregate, Infineon is targeting total cost reductions from this program of 600 million for the 2009 fiscal year when compared to Infineon's total costs in the 2008 fiscal year, some of which are temporary in nature.

In addition, on July 7, 2009, the Company entered into an asset purchase agreement with an entity affiliated with Golden Gate Private Equity, Inc. to sell its Wireline Communications business for a cash consideration of 250 million. The majority of the purchase price is payable at closing, which is expected to occur in the fall of 2009, with 20 million of the purchase price being payable 9 months after the closing date. Infineon is selling its Wireline Communications business in order to focus on the further development of its main business, its strategy and strong position in the key areas of energy efficiency, security and communications, while further improving the Company's balance sheet and strengthening its liquidity position. See *Business Acquisitions, Dispositions and Discontinued Operations Sale of Wireline Communications business*.

Infineon's management believes that the positive impact of its cost reduction and cash preservation measures will enable it to finance its ordinary business operations out of cash flows from continuing operations, despite the sharp

decline in revenue levels. However, its ability to refinance certain liabilities while maintaining its target level of liquidity is a concern. The current outstanding nominal amount as of June 30, 2009 of 522 million of Convertible Notes due 2010 will become due for repayment on June 5, 2010, and the current nominal amount as of June 30, 2009 of 48 million of Exchangeable Notes due 2010 will become due for repayment on August 31, 2010. Also, Infineon is expecting other scheduled debt repayments of an aggregate of approximately 110 million through the end of September 2010, including its multi-currency revolving facility. Infineon will also incur further cash outflows in connection with its IFX10+ cost reduction program, and may incur additional expenses in connection with the insolvency of Qimonda and the resolution of its ongoing negotiations regarding ALTIS, the manufacturing joint venture between Infineon and IBM in France. Infineon is taking a number of measures, including the Offering, its

cost reduction program and the sale of the Wireline Communications business, in order to meet these obligations and maintain the desired level of liquidity.

Infineon's management believes that prior to the announcement of the Offering on July 10, 2009, the market perception factored in a degree of uncertainty as to the Company's liquidity position, its ability to repay the Convertible Notes due 2010 and the Exchangeable Notes due 2010 as they come due and its contingent liabilities relating to Qimonda and ALTIS. Infineon's management also believes that the successful completion of the Offering will further improve the capital markets' confidence in Infineon's ability to repay these notes and satisfy these contingent liabilities while maintaining a sufficient amount of liquidity, and will help market participants perceive Infineon as well placed to achieve sustainable and, ultimately improved, profitability.

The net proceeds of the Offering are expected to be up to approximately 700 million, assuming the maximum of 337 million New Shares are subscribed for and deducting estimated fees and expenses relating to the Offering of approximately 25 million. At a minimum, the net proceeds of the Offering are expected to be approximately 335 million assuming holders of Subscription Rights exercise 52 percent (which represents the minimum number of Subscription Rights which would need to be exercised so that the Backstop Investor would have no obligation to purchase New Shares) of such Subscription Rights, the Backstop Investor does not purchase any New Shares and the fees and expenses relating to the Offering amount to approximately 40 million.

Infineon believes that the successful completion of the Offering, resulting in net proceeds of between 335 to 700 million, will strengthen the Company's capital structure. In particular, assuming Infineon is able to place all of the 337 million New Shares, it plans to use approximately 570 million to repay the Convertible Notes due 2010 and the Exchangeable Notes due 2010, of which as of June 30, 2009, 570 million were outstanding.

Infineon intends to use any net proceeds, together with available cash reserves and the proceeds of the sale of the Wireline Communications business, that exceed the amount needed to repay these notes, to strengthen its liquidity position, satisfy any contingent liabilities, and repay other indebtedness as well as to continue to invest in a very innovation driven industry and to pursue strategic opportunities in an increasingly consolidating industry.

THE OFFERING

General

The Offering relates to up to 337,000,000 new registered no par value shares of the Company. Up to 112,000,000 New Shares originate from the statutory authorized capital as stipulated in Section 4(2) of the Articles of Association (the **Authorized Capital 2007**). The establishment of the Authorized Capital 2007 was resolved upon by the general shareholders meeting of the Company on February 15, 2007 and registered in the commercial register of the Local Court in Munich (the **Commercial Register**) on March 28, 2007, authorizing the Management Board, with the consent of the Supervisory Board, to increase the share capital until February 14, 2012 in one or more steps, through the issue of new registered no par value shares by up to 224,000,000 against contributions in cash or in kind. Up to 225,000,000 New Shares originate from the statutory authorized capital as stipulated in Section 4(10) of the Articles of Association (the **Authorized Capital 2009/I**), authorizing the Management Board, with the consent of the Supervisory Board, to increase the share capital until February 11, 2014 in one or more steps, through the issue of new registered no par value shares by up to 450,000,000 against contributions in cash or in kind. The Authorized Capital 2009/I was initially resolved upon by the general shareholders meeting of the Company on February 12, 2009 as Authorized Capital 2009/II to be introduced as Section 4(11) of the Articles of Association. After the general shareholders meeting of the Company on February 12, 2009 rejected, inter alia, the establishment of the initial authorized capital 2009/I, the executive committee of the Supervisory Board resolved to amend the Articles of Association pursuant to Section 10(4) of the Articles of Association to reflect the rejection of the former authorized capital 2009/I by the Company's general shareholders meeting by renumbering Authorized Capital 2009/II to the Authorized Capital 2009/I. The resolution regarding the establishment of the Authorized Capital 2009/I, as amended, was registered in the Commercial Register on April 28, 2009.

On July 9, 2009 the Management Board resolved to increase the share capital by way of recourse to the authorized capital by issuing up to 337,000,000 New Shares, against contributions in cash. Further, the Management Board resolved to set the subscription price per New Share at 2.15 (the **Subscription Price**). The Supervisory Board approved the Management Board's resolution on July 9, 2009. The New Shares, with the exception of a fractional amount of up to 7,562,592, amounting to up to 3,781,296 New Shares, are to be offered to the existing shareholders for subscription by way of indirect subscription rights through public offerings in Germany and Luxembourg at a ratio of 9:4 (that is, 9 Existing Shares will have the right to subscribe to 4 New Shares) (the **Rights Offering**). Pursuant to Section 4(2)(a) and (10) of the Articles of Association, the shareholders' subscription rights were excluded for the fractional amount of up to 7,562,592, which amounts to up to 3,781,296 New Shares.

Any New Shares that are not subscribed for in the Rights Offering (the **Investment Shares**) and the Fractional Amount will be offered to the Backstop Investor by way of a private placement for acquisition or subscription at the Subscription Price (the **Investment Share Placement** and, together with the Rights Offering, the **Offering**). The Backstop Investor has agreed to acquire from the Underwriters, or subscribe for, all New Shares not subscribed by the Company's existing shareholders subject to the terms and conditions of the Backstop Arrangement (See *The Offering Backstop Arrangement*). The completion of the capital increase has not yet been registered in the Commercial Register. The Company expects the implementation of the capital increase relating to the New Shares subscribed for in the Rights Offering to be registered on August 6, 2009. In the event any New Shares not subscribed for by the current shareholders of the Company (including the Fractional Amount) are allotted to the Backstop Investor under the Backstop Arrangement, the registration of the capital increase relating thereto is anticipated without undue delay following applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*). After the registration of the capital increase in the amount of up to 674,000,000 in the

Commercial Register, the Company's share capital will amount to up to 2,173,484,170.

The Rights Offering is based on an Underwriting Agreement between the Company and Credit Suisse, Deutsche Bank, Merrill Lynch, and Citi which was entered into on July 16, 2009. The Rights Offering is subject to the condition, among others, that the implementation of the capital increase be registered in the Commercial Register. The Rights Offering may be cancelled under certain circumstances. See *The Rights Offering*.

Timetable

Projected timetable for the Rights Offering:

July 16, 2009	Approval of the Prospectus by the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>) (the BaFin) and notification to other relevant European securities regulatory agencies
July 17, 2009	Publication of the Prospectus on the Company's website at www.infineon.com Publication of the Rights Offering, including the Subscription Price, in the electronic version of the German Federal Gazette (<i>elektronischer Bundesanzeiger</i>) Publication of the Rights Offering in the <i>Börsen-Zeitung</i>
July 20, 2009	Listing application at the Frankfurt Stock Exchange Booking (<i>Einbuchung</i>) of Subscription Rights as of July 17, 2009 (evening) into the shareholders' securities deposit account Commencement of the Subscription Period
July 29, 2009	Trading of Company's shares ex rights Approval of supplement no. 1 to the Prospectus, including the Company's quarterly report for the three and nine months period ended June 30, 2009, by BaFin and notification of supplement no. 1 to other relevant European securities regulatory agencies
August 3, 2009	Publication of supplement no. 1 to the Prospectus on the Company's website at www.infineon.com
August 4, 2009	End of Subscription Period; deadline for payment of the Subscription Price
August 6, 2009	Placement of Investment Shares with Backstop Investor, if any Registration of the capital increase relating to the New Shares subscribed for under the Rights Offering in the Commercial Register Decision on admission by the Frankfurt Stock Exchange and publication of the decision on admission on the Frankfurt Stock Exchange's Website at http://www.deutsche-boerse.com
August 7, 2009	Inclusion of the New Shares subscribed for under the Rights Offering in the existing stock quotation of the Company's shares Delivery of the New Shares subscribed for under the Rights Offering by book-entry via the collective securities depository

The Prospectus will be published on the Company's website at <http://www.infineon.com> starting on July 16, 2009 and the supplemented Prospectus starting on July 29, 2009. In accordance with Section 16(3) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), investors who have made a declaration of intention regarding the

acquisition or the subscription of securities prior to the publication of the supplemented Prospectus may revoke this within two days after publication of the supplement, provided that settlement has not yet occurred. Printed copies of the Prospectus and the supplemented Prospectus are also available free of charge during regular business hours in the Company's offices at Am Campeon 1-12, 85579 Neubiberg, Germany, at the offices of Credit Suisse Securities (Europe) Limited at Junghofstrasse 16, 60311 Frankfurt am Main, Germany, Deutsche Bank AG at Große Gallusstr. 10-14, 60311 Frankfurt am Main, Germany, Merrill Lynch International at Neue Mainzer Strasse 52, 60311 Frankfurt am Main, Germany, and Citigroup Global Markets Limited at Reuterweg 16, 60323 Frankfurt am Main, Germany and at the paying and registration agent listed in this Prospectus. See *Information on the Offered New Shares Announcements, Paying and Registration Agent*.

The Rights Offering

The following is an English-language translation of the Rights Offering. The German language Rights Offering is expected to be published on July 17, 2009 in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) and in the *Börsen-Zeitung*:

Infineon Technologies AG
Neubiberg, Germany
(ISIN DE0006231004 / German Securities Code (WKN) 623100)

Rights Offering

On February 15, 2007, the general shareholders' meeting of Infineon Technologies AG, Neubiberg, Germany (the **Company**) resolved on the establishment of an authorized capital, authorizing the Management Board, with the consent of the Supervisory Board, to increase the share capital until February 14, 2012 in one or more steps, through the issue of new registered no par value shares by up to 224,000,000 against contributions in cash or in kind (the **Authorized Capital 2007**, registered in the commercial register of the Local Court of Munich (the **Commercial Register**) as Authorized Capital 2007/I). The resolution regarding the establishment of the Authorized Capital 2007 was registered in the Commercial Register on March 28, 2007. On February 12, 2009, the general shareholders' meeting of the Company resolved on the establishment of an additional authorized capital, authorizing the Management Board, with the consent of the Supervisory Board, to increase the share capital until February 11, 2014 in one or more steps, through the issue of new registered no par value shares by up to 450,000,000 against contributions in cash and/or in kind (the **Authorized Capital 2009/I**). The Authorized Capital 2009/I was originally resolved on by the Company's shareholders' meeting as Authorized Capital 2009/II. After the general shareholders' meeting of the Company on February 12, 2009 rejected, inter alia, the establishment of the original authorized capital 2009/I, the Executive Committee of the Supervisory Board resolved to amend the wording of the Company's articles of association (the **Articles of Association**) pursuant to Section 10(4) of the Articles of Association to reflect the rejection of the original authorized capital 2009/I by means of renaming the Authorized Capital 2009/II as Authorized Capital 2009/I. The resolution regarding the establishment of the Authorized Capital 2009/I, as amended by resolution of the executive committee of the Supervisory Board on April 2, 2009 was registered in the Commercial Register on April 28, 2009.

On July 9, 2009 the Management Board resolved, with approval of the Supervisory Board, to increase the share capital of the Company by way of complete recourse to the Authorized Capital 2007 and the Authorized Capital 2009/I from 1,499,484,170 by up to 674,000,000 to up to 2,173,484,170, by issuing up to 337,000,000 new registered no par value shares, each representing a notional amount of 2.00 in the share capital, against contributions in cash (the **New Shares**). The New Shares are issued at the minimum issue value of 2.00 per share and carry full dividend rights for the fiscal year 2008/2009. Pursuant to Section 4(2)(a) and (10) of the Articles of Association, the shareholders' subscription rights were excluded for the fractional amount of up to 7,562,592 which amounts to up to 3,781,296 New Shares (the **Fractional Amount**).

Credit Suisse Securities (Europe) Limited, London, United Kingdom (**Credit Suisse**), Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany (**Deutsche Bank**) and Merrill Lynch International, London, United Kingdom (**Merrill Lynch**) and together with Credit Suisse and Deutsche Bank the **Joint Bookrunners**) and Citigroup Global Markets Ltd., London, United Kingdom (**Citi**) and together with the Joint Bookrunners, the **Underwriters**) have agreed, pursuant to an underwriting agreement dated July 16, 2009 (the **Underwriting Agreement**), to (i) offer the New Shares to the shareholders of Infineon Technologies AG, with the exception of the Fractional Amount,

subject to the conditions stated below under *Termination of Rights Offering*, at a ratio of 9:4 by way of indirect subscription rights, (ii) subscribe for the New Shares for which subscription rights have been exercised and (iii) allot to the shareholders the shares subscribed in accordance with the exercise of their subscription rights after the registration of the consummation of the capital increase in the Commercial Register.

The New Shares, excluding the Fractional Amount, are being offered to the shareholders at a ratio of 9:4 at the Subscription Price of 2.15 per New Share. The registration of the consummation of the capital increase from the Authorized Capitals 2007 and 2009/I has not been effected yet. The consummation of the capital increase relating to the New Shares subscribed for under the Rights Offering is expected to be registered in the Commercial Register on August 6, 2009.

The subscription rights under the Company's existing shares, which are all held in collective custody, will be automatically credited to the depository banks on basis of the state as of the evening of July 17, 2009 by Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main (**Clearstream**).

To avoid exclusion of the exercise of their subscription rights, we request that our shareholders exercise their subscription rights in the New Shares during the period

from July 20, 2009 up to and including August 3, 2009

(the **Subscription Period**) through their respective depository bank at the German branches of Deutsche Bank AG as subscription agent during regular banking hours. Subscription rights that are not exercised in a timely manner will lapse and become worthless.

In accordance with the subscription ratio of 9 : 4 shareholders can subscribe for 4 New Shares per 9 existing shares of the Company at the Subscription Price of 2.15 per New Share.

Subscription Price

The subscription price per subscribed New Share amounts to 2.15 (the **Subscription Price**). The Subscription Price is payable no later than August 3, 2009.

No Trading of Subscription Rights on the Regulated Market

Infineon Technologies AG and the Underwriters will not initiate trading of the subscription rights (ISIN DE000A0Z2227 / German Securities Code (WKN) A0Z222) on the regulated market of the Frankfurt Stock Exchange or any other German stock exchange. Accordingly, subscription rights cannot be purchased or sold on the regulated market of a stock exchange. However, subscription rights are transferable. No compensation will be paid for unexercised subscription rights. Upon the expiration of the Subscription Period, unexercised subscription rights will lapse and become worthless. Starting July 20, 2009, the Company's existing shares (ISIN DE0006231004/ German Securities Code (WKN) 623100) will be traded on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange without subscription rights (ex rights).

Termination of Rights Offering

The Underwriters reserve the right to terminate the Underwriting Agreement or extend the completion of the Rights Offering upon the occurrence of certain circumstances. These circumstances include, but are not limited to, (i) the Company's failure to provide certain legal opinions, (ii) amendment, withdrawal or termination of the Investment Agreement between the Company and the Backstop Investor (See *Backstop Arrangement*), and (iii) the non-occurrence of other conditions precedent. The Underwriters are further relieved of their obligations if the consummation of the capital increase relating to the New Shares subscribed for under the Rights Offering is not registered in the Commercial Register by August 6, 2009 and the Underwriters and Infineon Technologies AG fail to reach an agreement on a later deadline.

In the event of a termination of the Underwriting Agreement prior to the registration of the consummation of the capital increase in the Commercial Register, the subscription rights will lapse and become worthless. Any investors who purchased Subscription Rights would suffer a loss in this case. To the extent the Underwriters terminate the Underwriting Agreement after the consummation of the capital increase is registered in the Commercial Register, any shareholders who exercised their subscription rights will be able to purchase the New Shares at the subscription price.

If the Underwriters terminate the Underwriting Agreement after the Rights Offering is completed, which they can do even after delivery and settlement of the subscribed New Shares and commencement of trading, the termination would apply only to unsubscribed New Shares.

Form and Certification of the New Shares

The New Shares will be issued as registered no par value shares (ISIN DE0006231004 / German Securities Code (WKN) 623100) in accordance with the current Articles of Association. The New Shares will be evidenced by one or more global share certificates deposited in collective custody with Clearstream.

The right of shareholders to receive individual share certificates for their shares is, to the extent legally permissible and unless not required under the regulations of a stock exchange, excluded by Section 4(4) of

the Articles of Association. The New Shares bear the same rights as all other shares of the Company and do not bear any additional rights or benefits.

Backstop Arrangement

Admiral Participations (Luxembourg) S.à r.l., (the **Backstop Investor**), a subsidiary of a fund managed by Apollo Global Management LLC. has agreed to acquire all New Shares (including the Fractional Amount) not subscribed for by the Company's shareholders (the **Investment Shares**) at the Subscription Price, but not more than the Maximum Investment Amount (as described below), subject to the Minimum Threshold (as described below) being met (the **Backstop Arrangement**). The maximum number of Investment Shares to be acquired by the Backstop Investor together with any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, must not lead to a shareholding that would represent more than 30 percent minus one share in the Company's share capital and voting rights post execution of the Offering (the **Maximum Investment Amount**). The Backstop Investor may, but is not required to, acquire Investment Shares if the number of the Investment Shares available together with any shares to be acquired by the Backstop Investor through Subscription Rights purchased by the Backstop Investor, if any, does not enable the Backstop Investor to establish a participation in the Company's share capital and voting rights of at least 15 percent post execution of the Offering (the **Minimum Threshold**).

The obligation of the Backstop Investor to acquire any Investment Shares is subject to certain conditions precedent being met or waived by the Backstop Investor, including, but not limited to, applicable merger clearances, clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*), and the appointment of one representative of the Backstop Investor, Mr. Manfred Puffer, by the competent court to the Supervisory Board, the resignation of Mr. Max Dietrich Kley, the current chairman of the Supervisory Board, as of September 30, 2009, the election of Mr. Manfred Puffer as chairman of the Supervisory Board as of October 1, 2009, and the nomination of another representative of the Backstop Investor, Mr. Gernot Löhr, as member of the Supervisory Board to be appointed by the competent court, subject to the resignation of the current chairman as member of the Supervisory Board taking effect.

As long as the applicable merger clearances and/or clearance by the German Ministry of Economy and Technology pursuant to the German Foreign Trade Act remain outstanding, the Backstop Investor will only be allowed to acquire or subscribe for Investment Shares that lead to a shareholding of the Backstop Investor in the Company of 25 percent minus one share. Once the clearances have been obtained, the Backstop Investor may, at its sole discretion, also subscribe for Investment Shares up to the Maximum Investment Amount.

For as long as the Backstop Investor holds at least 15 percent of the shares and voting rights in the Company, the Backstop Investor will be entitled to propose two individuals, and for as long as the Backstop Investor holds at least 10 percent of the shares and voting rights in the Company, one individual, to be elected to the Supervisory Board.

Delivery and Settlement of the New Shares

Delivery of the New Shares subscribed for under the Rights Offering is expected to occur on or about August 7, 2009 unless the Subscription Period has been extended. Delivery of the unsubscribed New Shares to be sold in the private placement is expected to occur without undue delay following the subscription and payment of the Subscription Price with regard to the Investment Shares, inter alia, subject to applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) having been obtained; the relevant clearances are expected to be received during the course of August 2009 at the latest. The New Shares will be made available to shareholders as co-ownership interest in the respective global share certificate.

Commissions

The subscription of New Shares in the Rights Offering is subject to customary banking commissions from the depository banks.

Stock Exchange Admission and Commencement of Trading of the New Shares

The application for admission of the New Shares to the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange is expected to be filed on July 17, 2009. The decision on admission of the New Shares subscribed for under the Rights Offering is anticipated for August 6, 2009. In the event that any New Shares not subscribed for by the current shareholders of the Company will be allotted to the Backstop Investor under the Backstop Arrangement, the decision on admission of such New Shares is anticipated without undue delay following the subscription and payment of the Subscription Price with regard to the Investment Shares, inter alia subject to relevant applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) having been obtained; the relevant clearances are expected to be received during the course of August 2009 at the latest.

Commencement of trading and inclusion of the New Shares subscribed for under the Rights Offering in the existing stock quotation of the Company's shares is expected on August 7, 2009. In the event that any New Shares not subscribed for by the current shareholders of the Company will be allotted to the Backstop Investor under the Backstop Arrangement, such New Shares will be included in the existing stock quotation without undue delay following admission.

Placement of Unsubscribed New Shares / Private Placement to the Backstop Investor

Any New Shares that are not subscribed for in the Rights Offering (including the Fractional Amount) will be utilized by way of a private placement. The Backstop Investor has agreed to acquire any New Shares not subscribed for by the Company's shareholders up to the Maximum Investment Amount at the subscription price subject to the terms and conditions of the Backstop Arrangement.

Announcement

In connection with the Rights Offering, a prospectus (the **Prospectus**) has been published on Infineon Technologies AG's website (<http://www.infineon.com>) on July 16, 2009. On July 29, 2009, together with the publication of the Company's quarterly report for the three and nine months ended June 30, 2009, a supplement to the Prospectus is expected to be published on the Company's website with the respective information (See *Right to Withdraw in case a Supplement to the Prospectus is Published*). Printed copies of the Prospectus and the supplemented Prospectus will be available free of charge during regular business hours at the Company's offices at Am Campeon 1-12, 85579 Neubiberg, Germany, at the offices of Credit Suisse Securities (Europe) Limited at Junghofstrasse 16, 60311 Frankfurt am Main, Germany, Deutsche Bank AG at Große Gallusstr. 10-14, 60311 Frankfurt am Main, Germany, Merrill Lynch International at Neue Mainzer Strasse 52, 60311 Frankfurt am Main, Germany, and Citigroup Global Markets Limited at Reuterweg 16, 60323 Frankfurt am Main, Germany, and at the aforementioned subscription agents.

Right to Withdraw in case a Supplement to the Prospectus is Published

The Company expects its quarterly report for the three and nine months ended June 30, 2009 to be published on or about July 29, 2009. Presumably on July 29, 2009, the Company will publish a supplement to the Prospectus to reflect the recent developments for the interim period up to and including June 30, 2009 in the Prospectus.

In accordance with Section 16(3) of the German Securities Prospectus Act (Wertpapierprospektgesetz), investors who have made a declaration of intention regarding the acquisition or the subscription of securities prior to the publication of the supplement may revoke this within two days after publication of the supplement, provided that settlement has not yet occurred.

The revocation does not need to be substantiated and is to be sent in text form to the locations at which the investor concerned has made his declaration of intention regarding the acquisition of the New Shares. In order to meet the deadline, timely dispatch is sufficient.

Offering in the United States

The New Shares and the subscription rights will be registered under the provisions of the Securities Act. On this account, the Company intends to file with the U.S. Securities and Exchange Commission a Form F-3 Registration Statement pursuant to the Securities Act 1933 as amended from time to time with respect to the New Shares and the Subscription Rights.

Stabilization

There will be no stabilization in connection with the Rights Offering.

Lock-up Agreement of the Company

The Company has committed itself to the Underwriters not to carry out a capital increase or other capital measures, without written consent of the Underwriters, which may only be withheld with good cause, for a period to 6 months following the admission to trading of the New Shares.

Lock-up Agreement of the Backstop Investor

Provided that the Minimum Threshold is met, the Backstop Investor undertakes, for a period of 12 months following the date of acquisition of the Investment Shares, neither to dispose of any Investment Shares or to carry out similar measures without the consent of the Company's Management Board (the **Backstop Investor Lock-up**) nor to establish a shareholding above 30 percent minus one share of the share capital and voting rights of the Company (the **Standstill Agreement**). Exempted from the Backstop Investor Lock-up are the sale and transfer of any Investment Shares under certain conditions, e.g. in connection with a voluntary or statutory takeover offer of a third party under the German Act on the Acquisition of Securities and on Takeovers (*WpÜG*).

The Backstop Investor's obligations with regard to the Backstop Investor Lock-up and the Standstill Agreement will automatically terminate if, during the period of 12 months following the date of acquisition of the Investment Shares, certain circumstances occur. These include, but are not limited to: (i) a person other than a person proposed by the Backstop Investor becomes the chairman of the Supervisory Board, or (ii) Mr. Gernot Löhr is not appointed as member of the Supervisory Board by the competent court within 10 business days after the date on which such filing had to be made, or (iii) not at least two persons proposed by the Investor are members of the Supervisory Board.

Important Notice to Shareholders

Infineon believes that the positive impact of its overall cost reduction and cash preservation measures will enable it to finance its ordinary business operations out of cash flows from continuing operations, despite the sharp decline in revenue levels. However, its ability to refinance certain liabilities is a concern. The current outstanding nominal amount as of June 30, 2009 of \$522 million under Infineon's convertible notes will become due for repayment on June 5, 2010, and the current nominal amount as of June 30, 2009 of \$48 million under Infineon's exchangeable notes will become due for repayment on August 31, 2010. Infineon will also incur further cash outflows in connection with its IFX10+ cost reduction program, and may incur additional expenses in connection with the insolvency of Qimonda and the resolution of its ongoing negotiations regarding ALTIS, the manufacturing joint venture between Infineon and IBM in France. Infineon is taking a number of measures, including the Offering and the sale of its Wireline

Communications business, in order to meet these obligations. If such measures, including the capital, increase fail, the Company may need to find alternative sources of funds to repay these obligations. In addition, further stabilization of the Infineon Technologies Group depends on the execution of restructuring measures, the success of which cannot be guaranteed. Overall, subscribing for the New Shares entails considerable risks.

Neubiberg, July 2009

Infineon Technologies AG

The Management Board

Offering Expenses and Net Proceeds of the Offering

The estimated total Offering expenses, including the commissions payable to the Underwriters, are expected to be approximately 50 million, including approximately 18 million to the Underwriters and up to 21 million to the Backstop Investor relating to the Backstop Arrangement. Should the Backstop Investor fail to purchase any New Shares in the Offering for any reason, the Company will pay the Backstop Investor a lump sum of 21 million. If the Backstop Investor acquires a shareholding in the equity capital and voting rights of the Company of 25 percent or less, the Company will pay the Backstop Investor an amount equal to the sum of (i) 5.5 million plus (ii) an amount of 0.057 per share by which the shareholding quota of the Backstop Investor falls short of 25 percent plus one share. See *Backstop Arrangement*. Infineon expects the total net proceeds from the capital increase to be approximately 700 million in case all New Shares will be subscribed for by or placed with investors. If the Minimum Threshold is not met and the Backstop Investor decides not to waive the Minimum Threshold requirement, Infineon expects the minimum net proceeds from the Offering to be approximately 335 million.

Additional Selling Restriction Notices

Sales in the United Kingdom will likewise be subject to restrictions. The Underwriters have warranted that they

1. have only invited or will only invite participation in investment activities in connection with the Offering or the sale of the New Shares within the meaning of Section 21 of the Financial Services and Markets Act 2000 (**FSMA**) and have only initiated or will only initiate such investment activities to the extent that Section 21(1) of the FSMA does not apply to the Company; and
2. have complied and will comply with all applicable provisions of the FSMA with respect to all activities already undertaken by each of them or will undertake in the future in relation to the New Shares in, from, or otherwise involving the United Kingdom.

Moreover, the Underwriters represent and warrant that they have not publicly offered and will not publicly offer the New Shares in any member state of the European Economic Area (**EEA**) that has implemented Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (the **Prospectus Directive**) from the date of implementation of the Prospectus Directive, unless

1. a prospectus for the New Shares has been published in advance that has been approved by the competent authorities in the relevant member state or in another member state of the EEA that has implemented the Prospectus Directive, and the competent authorities in the member state in which the Offering is taking place have been notified of this fact in compliance with the Prospectus Directive;
2. the Offering is directed to legal entities that are licensed to authorized or regulated to operate in the financial market or, if not so licensed or regulated, whose sole corporate purpose is to invest in securities;
3. the Offering is directed at companies that meet at least two of the following three criteria according to their most recent annual or consolidated financial statements: (x) an average of more than 250 employees during

the most recent fiscal year; (y) total assets of more than 43,000,000 and (z) annual net revenue of more than 50,000,000; or

4. the Offering takes place under other circumstances in which the publication of a prospectus by the issuer is not required pursuant to Article 3(2) of the Prospectus Directive.

Underwriters; Underwriting Agreement

The Company and the Underwriters signed an Underwriting Agreement on July 16, 2009. In the Underwriting Agreement, the Underwriters agreed to underwrite up to 333,218,704 New Shares, and the Company has undertaken to issue up to 333,218,704 New Shares to the Underwriters. In the Underwriting

Agreement dated July 16, 2009, the Company has agreed to indemnify the Underwriters from specific liabilities.

Termination of Rights Offering

The Underwriters reserve the right to terminate the Underwriting Agreement or extend the completion of the Rights Offering upon the occurrence of certain circumstances. These circumstances include, but are not limited to, (i) the Company's failure to provide certain legal opinions, (ii) amendment, withdrawal or termination of the Investment Agreement between the Company and the Backstop Investor, and (iii) the non-occurrence of other conditions precedent. In the event of a termination of the Underwriting Agreement, the Rights Offering will not take place other than in relation to Subscription Rights which have been validly exercised by then. The Underwriters are further relieved of their obligations if the consummation of the capital increase relating to the New Shares subscribed for by the Underwriters under the Rights Offering is not registered in the Commercial Register by August 6, 2009 and the Underwriters and Infineon Technologies AG fail to reach an agreement on a later deadline.

In the event of a termination of the Underwriting Agreement prior to the registration of the consummation of the capital increase in the Commercial Register, the Subscription Rights will lapse. In the event of a withdrawal from the Underwriting Agreement after the registration of the consummation of the capital increase in the Commercial Register, Infineon Technologies AG and the Underwriters shall decide on a course of action with respect to offering the New Shares that takes the then-prevailing market conditions into account. Any investors who purchased their Subscription Rights via the stock exchange would suffer a loss in this case. To the extent the Underwriter terminates the Underwriting Agreement after the consummation of the capital increase is registered in the Commercial Register, any shareholders who exercised their Subscription Rights will be able to purchase the New Shares at the subscription price.

If the Underwriters terminate the Underwriting Agreement after the Rights Offering is completed, which they can do even after delivery and settlement of the subscribed New Shares and commencement of trading, the termination would apply only to unsubscribed New Shares. Therefore, stock exchange purchases relating to unsubscribed New Shares are conditional. Short sellers bear the risk of not being able to cover their short positions with New Shares if they have already made short sales prior to the cancellation of book transfers of the New Shares.

Condition Precedent and Termination of the Backstop Arrangement

The obligation of the Backstop Investor to acquire any Investment Shares is subject to certain conditions precedent being met or waived by the Backstop Investor, including, but not limited to, applicable merger clearances, clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*), and the appointment of one representative of the Backstop Investor, Mr. Manfred Puffer, by the competent court to the Supervisory Board and the resignation of Mr. Max Dietrich Kley, the current chairman of the Supervisory Board, as of September 30, 2009 and the election of Mr. Manfred Puffer of as chairman of the Supervisory Board as of October 1, 2009, and the nomination of another representative of the Backstop Investor, Mr. Gernot Löhr, as member of the Supervisory Board to be appointed by the competent court subject to the resignation of the current chairman as member of the Supervisory Board taking effect. In case the Backstop Investor wishes to subscribe for the Investment Shares despite the Minimum Threshold not being met, the Backstop Investor has to declare a waiver to the Company on the business day following the end of the Subscription Period. The Backstop Investor may declare to the Company its unconditional commitment in the waiver notice to acquire other than through the Investment Share Placement such amount of the Company's shares that following the acquisition the Backstop Investor's shareholding will equal or exceed 15 percent. The obligation of the Backstop Investor to acquire Investment Shares is subject to (a) Mr. Manfred Puffer having been appointed by the competent court to Supervisory Board, (b) Mr. Max Dietrich Kley, the current chairman of the supervisory board, having submitted (i) a letter to the Backstop Investor in which he commits to resign as of September 30, 2009 and

(ii) a resignation letter to the Management Board and the co-chairman of the Supervisory Board, resigning as chairman and Supervisory Board member as of September 30, 2009, subject to the Backstop Investor by that date holding a shareholding in the Company of 15 percent or more, or as of October 15, 2009, if only by that date the Investor holds a respective shareholding in the Company, in each case evidenced by a corresponding notice to the Company according to Section 21 (1) German Securities Trading Act (*WpHG*), (c) Mr. Manfred Puffer having been elected as chairman of the Supervisory Board as of October 1, 2009 subject to the resignation of the current chairman having taken effect, and (d) the nomination committee of the supervisory board

having nominated Mr. Gernot Löhr as member of the Supervisory Board to be appointed by the competent court subject to the resignation of the current chairman as member of the Supervisory Board having taken effect.

The Backstop Investor reserves the right to terminate the Backstop Arrangement upon the occurrence of certain circumstances. These circumstances include, but are not limited to, Infineon's failure to provide a legal opinion and the non-occurrence of the other conditions precedent. The Backstop Investor can also terminate the Backstop Arrangement if the Capital Increase relating to the Investment Shares has not been registered with the commercial register within twelve business days after application by the Company for such registration. In these cases, the Backstop Investor may, by written notice to the Company, withdraw from the Backstop Arrangement. To the extent that it has not yet been exercised, such right of withdrawal will lapse upon registration of the consummation of the Capital Increase relating to the Investment Shares in the commercial register.

Right to Withdraw in case a Supplement to the Prospectus is Published

The Company expects its quarterly report for the three and nine months ended June 30, 2009 to be published on or about July 29, 2009. The Company will publish on or about July 29, 2009 a supplement to the Prospectus to reflect the recent developments for the interim period up to and including June 30, 2009 in the Prospectus.

In accordance with Section 16(3) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), investors who have made a declaration of intention regarding the acquisition or the subscription of securities prior to the publication of the supplement may revoke this within two days after publication of the supplement, provided that settlement has not yet occurred.

The revocation needs not be substantiated and is to be sent in text form to the locations at which the investor concerned has made his declaration of intention regarding the acquisition of the offered shares. In order to meet the deadline, timely dispatch is sufficient.

Dilution

The net book value of the Company (total assets less total liabilities and minority interests) amounted to 1,648 million as of June 30, 2009 (based on the unaudited financial statements prepared in accordance with IFRS as of and for the nine months ended June 30, 2009, or 2.20 per share (calculated on the basis of 749,742,085 shares of the Company outstanding as of June 30, 2009).

After the implementation of the capital increase by recourse to the Authorized Capital 2007 and the Authorized Capital 2009/I resolved by the Management Board on July 9, 2009 and approved by the Supervisory Board on July 9, 2009, the ordinary share capital increases by up to 674 million from 1,499 million to up to 2,173 million through the issue of up to 337,000,000 New Shares against cash contributions as part of this Offering, and at a subscription price of 2.15 per New Share and after deduction of the estimated issuance expenses of approximately 50 million and without having regard to the effects of the conversion of the New Convertible Bond due 2014, the net book value of the Company had it received the proceeds on June 30, 2009 would amount to 2,322 million, or 2.14 per share (calculated on the basis of 1,086,742,085 shares of the Company outstanding after implementation of the capital increase in connection with the Offering). This would correspond to a direct decrease in the net book value of the Company by 0.06 (3 percent) per share for the existing shareholders not participating in the Rights Offering, and a direct dilution of 0.01 (less than 1 percent) per share of the purchasers of the shares offered.

After the implementation of the above mentioned capital increase as part of this Offering and considering the effects of full conversion of the New Convertible Bond due 2014, the net book value of the Company had it received the proceeds on June 30, 2009 would amount to 2,465 million, or 2.12 per share (calculated on the basis of

1,161,684,614 shares of the Company outstanding after implementation of the capital increase in connection with the Offering). This would correspond to a direct decrease in the net book value of the Company by 0.08 (4 percent) per share for the existing shareholders not participating in the Rights Offering, and a direct dilution of approximately 0.03 (1 percent) per share for the purchasers of the shares offered.

Interests of Participating Parties in the Offering of New Shares

Infineon believes that the positive impact of its cost reduction and cash preservation measures will enable it to finance its ordinary business operations out of cash flows from continuing operations, despite the sharp decline in revenue levels. However, its ability to refinance certain liabilities is a concern. The current outstanding nominal amount as of June 30, 2009 of \$522 million of Convertible Notes due 2010 will become due for repayment on June 5, 2010, and the current nominal amount as of June 30, 2009 of \$48 million of Exchangeable Notes due 2010 will become due for repayment on August 31, 2010. Infineon will also incur further cash outflows in connection with its IFX10+ cost reduction program, and may incur additional expenses in connection with the insolvency of Qimonda and the resolution of its ongoing negotiations regarding ALTIS, the manufacturing joint venture between Infineon and IBM in France. See the risk factor which describes the risks to Infineon arising out of the insolvency of Qimonda and in connection with a sale or closure of ALTIS. Infineon is taking a number of measures, including the Offering, in order to meet these obligations. See *Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Requirements*.

The Underwriters have entered into a contractual relationship with Infineon Technologies AG in connection with the Offering and the stock exchange admission of the New Shares. Credit Suisse Securities (London) Ltd. has been mandated by the Company to act as advisory bank with respect to the restructuring of Infineon, the repurchase of certain nominal amounts of the Convertible Notes due 2010 and the Exchangeable Notes due 2010, and the issuance of the New Convertible Notes due 2014.

Credit Suisse, Deutsche Bank and Merrill Lynch have advised the Company on the execution of the Rights Offering and on the stock exchange admission of the New Shares, as well as on the structuring and coordinate the implementation of the Offering. If the Offering is completed successfully and the shares are admitted to exchange trading, the Underwriters will receive a customary commission.

Since the capital increase mainly serves the purpose of restructuring the Company's balance sheet, remedying a strain on liquidity and strengthening the Company's balance sheet, the existing shareholders of the Company, particularly major shareholders, as well as the holders of the exchangeable and convertible notes for which the Company has issued guarantees in the aggregate nominal amount of \$915 million, have an interest in the implementation of the capital increase.

Credit Suisse, Deutsche Bank, Merrill Lynch and Citi maintain other legal and financial relationships with Infineon that are customary for the industry. In particular, Credit Suisse acts as lender to Infineon pursuant to a \$100 million revolving credit facility. See *Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Requirements - Credit Facilities*.

The Backstop Investor has agreed to acquire the Investment Shares at the Subscription Price, but not more than the Maximum Investment Amount, subject to the terms and conditions of the Backstop Arrangement. Should the Backstop Investor fail to purchase any New Shares in the Offering for any reason, the Company will pay the Backstop Investor a lump sum of \$21 million. If the Backstop Investor acquires a shareholding in the equity capital and voting rights of the Company of 25 percent or less, the Company will pay the Backstop Investor an amount equal to the sum of (i) \$5.5 million plus (ii) an amount of \$0.057 per share by which the shareholding quota of the Backstop Investor falls short of 25 percent plus one share. See also *Business Material Contracts - Backstop Arrangement*.

Ultimately, all parties doing business with the Company have a direct or indirect interest in the capital increase.

**INFORMATION ON THE OFFERED NEW SHARES
AND ON THE CONVERSION SHARES**

Information on the Offered New Shares

Statutory Basis for the Issue of the New Shares

The provisions of the German Stock Corporation Act (*Aktiengesetz*) on capital increases against cash contributions by recourse to statutory authorized capital (*Barkapitalerhöhung aus genehmigtem Kapital*), Sections 202 et seq. of the German Stock Corporation Act, form the statutory basis for the issuance of the New Shares. The Company's general shareholders' meeting resolved on February 15, 2007 to amend the Articles of Association and authorize the Management Board, with the consent of the Supervisory Board, to increase the share capital of the Company until February 14, 2012, in one or more steps, through the issuance of new registered no par value shares by up to 224,000,000 against contributions in cash or in kind (Authorized Capital 2007). The resolution for the establishment of the Authorized Capital 2007 was registered in the Commercial Register on March 28, 2007 as Section 4(2) of the Articles of Association. In addition, the Company's general shareholders' meeting resolved on February 12, 2009 to authorize the Management Board, with the consent of the Supervisory Board, to increase the share capital until February 11, 2014, in one or more steps, through the issuance of new registered no par value shares by up to 450,000,000 against contributions in cash or in kind (Authorized Capital 2009/I). The Authorized Capital 2009/I was initially resolved upon by the general shareholders' meeting of the Company on February 12, 2009 as Authorized Capital 2009/II, but subsequently renumbered from Authorized Capital 2009/II into 2009/I by resolution of the Supervisory Board to reflect that the Company's general shareholders' meeting rejected to approve, inter alia, the initial Authorized Capital 2009/I. The resolution regarding the establishment of the Authorized Capital 2009/I, as amended, was registered in the Commercial Register on April 28, 2009 as Section 4(10) of the Articles of Association.

On July 9, 2009, the Management Board resolved to increase the share capital by way of recourse to the aforementioned authorized capitals by issuing up to 337,000,000 New Shares. The Investment, Finance and Audit Committee duly authorized by the Supervisory Board approved the Management Board's resolution on July 9, 2009. The New Shares are issued at the minimum issue value of 2.00 per share and carry full dividend rights for the fiscal year ending on September 30, 2009. Pursuant to Section 4(2)(a) and (10) of the Articles of Association, the shareholders' subscription rights were excluded for the fractional amount of up to 7,562,592, which amounts to up to 3,781,296 New Shares.

ISIN/German Securities Code (WKN)/Common Code /Trading Symbol

International Securities Identification Number (ISIN)	
for the New Shares	DE0006231004
for the subscription rights to the New Shares	DE000A0Z2227
German Securities Code (<i>Wertpapierkennnummer</i> - WKN)	
for the New Shares	623100
for the subscription rights to the New Shares	A0Z222
Common Code	010745900
Trading Symbol	IFX.ETR

Voting Rights

Each New Share as well as each Existing Share carries one vote at the Company's general shareholders' meeting. There are no voting right restrictions.

Dividend Rights; Share of Liquidation Proceeds

According to Section 4(2) of the Articles of Association, the New Shares created through the statutory authorized capital have full dividend rights as of the beginning of the fiscal year in which they are issued and for all subsequent fiscal years. Dividend payment claims are subject to the three-year standard limitation period as per Section 195 of the German Civil Code (*Bürgerliches Gesetzbuch*).

According to Section 19(3) of the Articles of Association, dividend rights of new shares issued as part of a capital increase can be different from the rule of Section 60(2) of the German Stock Corporation Act.

The New Shares that will be admitted to trading shall participate in any liquidation proceeds according to their proportionate amount of the share capital.

Transferability of the New Shares

The New Shares of the Company are freely transferable in accordance with the applicable legal requirements for registered shares. Except for the restrictions set forth in *The Offering Lock-up Agreement of the Company* and *The Offering Lock-up Agreement of the Backstop Investor*, there are no prohibitions on disposal or restrictions with respect to the transferability of the New Shares of the Company.

Delivery of the New Shares; Settlement

The New Shares subscribed under the Rights Offering are expected to be made available in the collective custody account on August 7, 2009 and included in the existing stock quotation of Infineon Technologies AG shares on August 7, 2009, unless the Subscription Period is extended. The New Shares from the fractional amount and any unsubscribed New Shares that are sold in the private placement to the Private Equity Investor are expected to be made available in the collective custody account on August 21, 2009, unless the Subscription Period is extended or applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) have not been obtained by the Backstop Investor on the business day following the last day of the Subscription Period. In such case, the New Shares allotted under the private placement are expected to be made available in the collective custody account without undue delay following applicable merger clearances and/or clearance by the German Ministry of Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*). The New Shares are represented by one or more global certificates. Physical or individual certificates will not be issued.

Announcements, Paying and Registration Agent

The Company's announcements are published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*), as provided by Section 1(4) of the Articles of Association. Any announcements related to the shares of the Company will also be published in the electronic version of the Federal Gazette and in at least one national newspaper designated for stock exchange notices by the Frankfurt Stock Exchange. All announcements required under German securities laws will be published in a national newspaper designated for stock exchange notices by the Frankfurt Stock Exchange and, if required, in the printed version of the German Federal Gazette (*elektronischer Bundesanzeiger*).

Announcements related to the approval of the Prospectus or any supplements thereto will be published in accordance with the German Securities Prospectus Act, and according to the form of publication required for the prospectus, that is, through publication on the website of Infineon Technologies AG, Am Campeon 1-12, 85579 Neubiberg (<http://www.infineon.com>) and by making printed copies available at Infineon Technologies AG and at the offices of Credit Suisse Securities (Europe) Limited at Junghofstrasse 16, 60311 Frankfurt am Main, Germany, Deutsche Bank AG at Große Gallusstr. 10-14, 60311 Frankfurt am Main, Germany, Merrill Lynch International at Neue Mainzer Strasse 52, 60311 Frankfurt am Main, Germany, and Citigroup Global Markets Limited at Reuterweg 16, 60323 Frankfurt am Main, Germany.

The paying and registration agent is Bayerische Hypo- und Vereinsbank AG, Kardinal-Faulhaber-Strasse 1, 80333, Munich.

Information on the Conversion Shares

Statutory Basis for the Issue of Conversion Shares

The provisions of the German Stock Corporation Act (*Aktiengesetz*) on capital increases by recourse to conditional capital (*Bedingte Kapitalerhöhung*), Sections 192 et seq. of the German Stock Corporation Act, form the statutory basis for the issuance of the Conversion Shares. The Company's general shareholders' meeting resolved on February 12, 2009 to amend the Articles of Association and to conditionally increase the capital by up to 149,900,000 by issuing up to 74,950,000 new no par value registered shares with full dividend rights as of the beginning of the fiscal year in which they are issued (see *Description of the Share Capital and Applicable Provisions - Conditional Capital - Conditional Capital 2009/I*). The Conditional Capital 2009/I was initially resolved upon by the general shareholders' meeting of the Company on February 12, 2009 as Conditional Capital 2009/II, but subsequently renumbered from Conditional Capital

2009/II into 2009/I by resolution of the Supervisory Board to reflect that the Company's general shareholders' meeting rejected to approve, inter alia, the initial Conditional Capital 2009/I. The resolution regarding the creation of the Conditional Capital 2009/I, as amended, was registered in the Commercial Register on April 28, 2009 as Section 4(11) of the Articles of Association. The Conversion Shares from the Conditional Capital 2009/I are reserved for any conversions made of the New Convertible Notes due 2014.

On May 18, 2009, the Management Board resolved to issue the New Convertible Notes due 2014. The Investment, Finance and Audit Committee, duly authorized by the Supervisory Board, approved the Management Board's resolution on May 18, 2009. (For details regarding the New Convertible Notes due 2014 see *Description of the Share Capital and Applicable Provisions - Conditional Capital - Conditional Capital 2009/I*).

ISIN/German Securities Code (WKN)/Common Code /Trading Symbol

International Securities Identification Number (ISIN) for the Conversion Shares	DE0006231004
German Securities Code (<i>Wertpapierkennnummer</i> - WKN) for the Conversion Shares	623100
Common Code	010745900
Trading Symbol	IFX.ETR

Voting Rights

Each Conversion Share, and each Existing Share carries one vote at the Company's general shareholders' meeting. There are no voting right restrictions.

Dividend Rights; Share of Liquidation Proceeds

According to Section 4(11) of the Articles of Association, the Conversion Shares created through the conditional capital have full dividend rights as of the beginning of the fiscal year in which they are issued and for all subsequent fiscal years. Dividend payment claims are subject to the three-year standard limitation period pursuant to Section 195 of the German Civil Code (*Bürgerliches Gesetzbuch*). According to Section 19(3) of the Articles of Association, dividend rights of new shares issued as part of a capital increase can be different from the rule of Section 60(2) of the German Stock Corporation Act. The Conversion Shares to be admitted to trading shall participate in any liquidation proceeds in proportion to their share in of the share capital.

Transferability of the Conversion Shares

The Conversion Shares of the Company are freely transferable in accordance with the applicable legal requirements for registered shares. There are no prohibitions on disposal or restrictions with respect to the transferability of the Conversion Shares of the Company.

Admission to Trading

Application is expected to be made on July 17, 2009 for admission of the Conversion Shares to the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. The decision on admission is anticipated on August 6, 2009.

Delivery of the Conversion Shares; Settlement

Upon any exercise of the conversion right, only full shares will be delivered in accordance with the Articles of Association of Infineon Technologies AG in effect at the time of such delivery. Fractional shares will not be issued. To the extent that any conversion of one or several note(s) results in fractions of shares, the fractions of shares resulting from the conversion of a note shall be aggregated and full shares resulting from such aggregation of fractions of shares shall be delivered to the extent Citibank, N.A. London Branch as conversion agent has ascertained that several notes have been converted at the same time for the same noteholder. The shares to be delivered shall be transferred as soon as practicable after the conversion date to a securities account of the noteholder designated in the conversion notice. Until transfer of the shares has been made no claims arising from the shares shall exist. The Conversion Shares are represented by one or more global certificates. Physical or individual certificates will not be issued.

Announcements

The Company's announcements are published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*), as provided by Section 1(4) of the Articles of Association. Any announcements related to the shares of the Company will also be published in the electronic version of the Federal Gazette and in at least one national newspaper designated for stock exchange notices by the Frankfurt Stock Exchange. All announcements required under German securities laws will be published in a national newspaper designated for stock exchange notices by the Frankfurt Stock Exchange and, if required, in the printed version of the German Federal Gazette (*elektronischer Bundesanzeiger*).

Announcements related to the approval of the Prospectus or any supplements thereto will be published in accordance with the German Securities Prospectus Act, and according to the form of publication required for the prospectus, that is, through publication on the website of Infineon Technologies AG, Am Campeon 1-12, 85579 Neubiberg (<http://www.infineon.com>) and by making printed copies available at Infineon Technologies AG and at the offices of Credit Suisse Securities (Europe) Limited at Junghofstrasse 16, 60311 Frankfurt am Main, Germany, Deutsche Bank AG at Große Gallusstr. 10-14, 60311 Frankfurt am Main, Germany, Merrill Lynch International at Neue Mainzer Strasse 52, 60311 Frankfurt am Main, Germany, and Citigroup Global Markets Limited at Reuterweg 16, 60323 Frankfurt am Main, Germany.

DIVIDEND POLICY AND EARNINGS PER SHARE

General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of profits is determined based on their respective interests in the Company's share capital. In a German stock corporation (*Aktiengesellschaft*), resolutions concerning the distribution of dividends for a given fiscal year, and the amount and payment date thereof, are adopted by the general shareholders' meeting of the subsequent fiscal year upon a joint proposal by the Management Board and the Supervisory Board. Dividends may only be distributed from the distributable profit of the Company. The distributable profit is calculated based on the Company's stand-alone annual financial statements prepared in accordance with the accounting principles of the German Commercial Code (*Handelsgesetzbuch*). Accounting regulations under the German Commercial Code differ from IFRSs in material respects. When determining the amount available for distribution, net income for the year must be adjusted for profit/loss carryforwards from the prior year and release of or allocations to reserves. Certain reserves are required to be set up by law and must be deducted when calculating the profit available for distribution. The Management Board must prepare the financial statements (balance sheet, income statement and notes to the financial statements) and the management report for the previous fiscal year by the statutory deadline, and present these to the Supervisory Board and the auditors immediately after preparation. At the same time, the Management Board and Supervisory Board must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 of the German Stock Corporation Act. According to Section 171 of the German Stock Corporation Act, the Supervisory Board must review the financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month after the documents were received. If the Supervisory Board approves the financial statements after its review, these are deemed adopted unless the Management Board and Supervisory Board resolve to assign adoption of the financial statements to the general shareholders' meeting. If the Management Board and Supervisory Board choose to allow the general shareholders' meeting to adopt the financial statements, or if the Supervisory Board does not approve the financial statements, the Management Board must convene a general shareholders' meeting without delay. The general shareholders' meeting's resolution on the allocation of the distributable profit must be passed with a simple majority of votes. If the Management Board and Supervisory Board adopt the financial statements, they can allocate an amount of up to half of the Company's net income for the year to other surplus reserves. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net income for the year to be allocated to other surplus reserves.

Dividends resolved by the general shareholders' meeting are paid annually shortly after the general shareholders' meeting, as provided in the dividend resolution, in compliance with the rules of the respective clearing system. Generally, withholding tax (*Kapitalertragsteuer*) of 25 percent plus a 5.5 percent solidarity surcharge thereon is withheld from the dividends paid. For more information on the taxation of dividends, see *Taxation in the Federal Republic of Germany - Taxation of Shareholders*. Dividend payment claims are subject to a three-year standard limitation period. If dividend payment claims expire, then the Company becomes the beneficiary of the dividends. Details concerning any dividends resolved by the general shareholders' meeting and the paying agents named by the Company in each case will be published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) and in at least one national newspaper designated for exchange notices by the Frankfurt Stock Exchange.

Dividend Policy and Earnings Per Share

No earnings were available for distribution as a dividend for the 2008 fiscal year, since Infineon Technologies AG on a stand-alone basis as the ultimate parent incurred a cumulative loss (*Bilanzverlust*) as of September 30, 2008. Subject to market conditions, the Company intends to retain future earnings, if any, for investment in the development and expansion of its business and not pay any dividends.

Infineon has not declared or paid any dividend during the 2006, 2007 and 2008 fiscal years.

Basic and diluted loss per share for the 2006 and 2007 fiscal years based on the Company's consolidated financial statements prepared in accordance with U.S. GAAP amounted to losses of 0.36 and 0.49, respectively. Basic and diluted loss per share attributable to shareholders of Infineon Technologies AG for the 2007 and 2008 fiscal years based on the Company's consolidated financial statements prepared in accordance with IFRS amounted to losses of 0.46 and 3.91, respectively. Basic and diluted loss per share attributable to shareholders of Infineon Technologies AG for the six months ended March 31, 2008 and 2009 amounted to losses of 2.58 and 0.82, respectively.

CAPITALIZATION

The following table shows Infineon's capitalization (including financial debt) and net indebtedness as of May 31, 2009 and following completion of the Offering (assuming the successful placement of all of the New Shares at the Subscription Price).

	As of May 31, 2009⁽²⁾⁽⁵⁾	After completion of the Offering⁽¹⁾⁽²⁾⁽³⁾
	(in	millions)
Current liabilities	1,250	1,250
Guaranteed		
Secured		
Unguaranteed/Unsecured	1,250	1,250
Non-current liabilities	1,119	1,099
Guaranteed ⁽⁴⁾	691	671
Secured	1	1
Unguaranteed/Unsecured	427	427
Total equity attributable to shareholders of Infineon Technologies AG	1,663	2,340
Ordinary share capital	1,499	2,173
Additional paid-in capital	6,041	6,042
Accumulated deficit	(5,875)	(5,873)
Other components of equity	(2)	(2)
Number of shares in the Company	749,742,085	1,086,742,085
Cash and cash equivalents	742	1,399
Available-for-sale financial assets	159	159
Gross Cash Position	901	1,558
Trade and other receivables	471	471
Other current financial assets	46	46
Short-term debt	113	113
Current maturities of long-term debt	53	53
Trade and other payables	325	325
Other current financial liabilities	80	80
Current financial liabilities	571	571
Net current financial assets	847	1,504
Other non-current financial assets	115	115
Long-term debt	898	878
Other non-current financial liabilities	3	3
Net non-current financial liabilities	(786)	(766)
Net financial assets	61	738
Minority interests	56	56

Notes

- (1) Figures reflect an assumption of the placement of all of the 337,000,000 New Shares and issue proceeds in the amount of 675 million after deduction of Offering Expenses of approximately 50 million, see *Reasons for the Offering and Use of Proceeds*.
- (2) Unaudited.
- (3) Figures refle