Annual Press Conference 2006

November 16, 2006

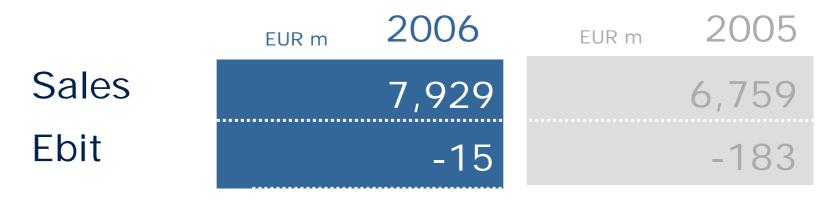
Dr. Wolfgang Ziebart President & CEO Infineon Technologies AG



Results Fiscal Year 2006 Accomplishments "New Infineon" Objectives What's next?

Results

Results fiscal year 2006 and 2005



	AIM	COM	Qimonda	AIM	COM	Qimonda
Sales	2,839	1,205	3,815	2,516	1,391	2,825
Ebit	246	-231	202	134	-295	111

Strategic redirection

TO



Oimonda ■ No. 2 DRAM Manufacturer

Technology Leadership 75nm

Automotive, Industrial & Multimarket

Turn-around Discretes, Sensors

- Break-even Chipcard
- Ramp-up of new power fab in Malaysia in record time

Communication Solutions

- Turn-around Tuner, RF Power
- Access sustained profitability
- New customers added: LG, Samsung, Panasonic (3G)

4 billion € in revenues

more than 29.000employees from 107 nations in 26 countries

some 800 mt for 6.000 R&D employees in over 35 locations

more than **S()(**] granted patents and applications build a strong

technology foundation

Our market

We operate in a Growth market of



Energy Efficiency Mobility & Connectivity Security & Safety

Energy efficiency

Infineon significantly improves the energy efficiency of engines, drives and electronic equipment. We ensure the safe energy-conscious utilization of our resources at all times

 higher fuel efficiency in modern cars
smart solutions for high power applications, drives and transportation
longer battery lifetimes by reduced power consumption in mobile devices

Mobility & Connectivity

Infineon provides a broad variety of products and technology everyone can use to be connected every day and everywhere – at home, in the office or on the way

- mobile communication by cell phones
- wireless connectivity everywhere with radio technologies
- high-speed communication by broadband applications
- stable backbone for world wide communications

Safety & Security

Infineon provides the basis for increased user comfort, safety of life, privacy, and protection of information

- protection and privacy of personal and company data
- secure e-commerce and identification
- secured mobility in automobiles for drivers as well as pedestrians

Ranking in our global targeted markets



Ranking in our global targeted markets

Chipcard

Market Share 29%



Ranking in our global target markets

Wireline Access Market Share 19%



Ranking in our global targeted markets

Wireless, RF Market Share 11%



Ranking in our global targeted markets

Automotive

Market Share 9,3%



Our strategic target is to reach at least a #3 position in each relevant market segment.





Focus on 10.

Our Objectives

> 1 0 0/0 Growth



> 10%

How will we achieve this?

From **Customer-Oriented** to Customer-Fmbedded

How will we achieve this?

Reduce complexity of organisation

How will we achieve this?

New manufacturing and development strategy – Target: Capex 10-12%

What's next?

Priorities 2006/07

Q1 effected by BenQ Mobile insolvency (COM) and seasonal effects at AIM

Finalization of all restructuring measures

All BU's profitable latest in fiscal Q4; Wireless one quarter later