



News Release/Presseinformation

3Q 2011 revenues above expectations at Euro 1,043 million. Total Segment Result margin maintained at high level of 20.3 percent

- Sales up 5 percent sequentially driven by strength in ATV and IMM
- Increase of Total Segment Result¹ by 5 percent to Euro 212 million
- 4Q 2011 outlook: Broadly flat Segment Result, sales expected to be at least flat

Neubiberg, Germany – July 28, 2011 – Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) today reported results for the third quarter of the 2011 fiscal year, ended June 30, 2011.

in Euro million	3 months ended	sequential	3 months ended	year-on-year	3 months ended
	Jun 30, 11	+/- in %	Mar 31, 11	+/- in %	Jun 30, 10
Revenue	1,043	5	994	18	885
Total Segment Result	212	5	202	54	138
Total Segment Result margin [in %]	20.3%		20.3%		15.6%
Income from continuing operations	175	1	173	70	103
Income from discontinued operations, net of income taxes	15	(96)	399	(35)	23
Net income	190	(67)	572	51	126
Basic earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):					
Basic earnings per share from continuing operations	0.16	–	0.16	60	0.10
Basic earnings per share from discontinued operations	0.01	(97)	0.37	(50)	0.02
Basic earnings per share	0.17	(68)	0.53	42	0.12
Diluted earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):					
Diluted earnings per share from continuing operations	0.16	7	0.15	78	0.09
Diluted earnings per share from discontinued operations	0.01	(97)	0.35	(50)	0.02
Diluted earnings per share	0.17	(66)	0.50	55	0.11

In the third quarter of the fiscal year Infineon again grew faster than the market and its direct competitors. Total Segment Result margin remained at last quarter's high levels. "Our excellent results continue to prove that Infineon's focus on energy efficiency, mobility and security is the right strategy", says Peter Bauer, CEO of Infineon Technologies. Infineon will further extend its technology leadership by driving 300mm thin wafer manufacturing of power semiconductors out of the newly-acquired facility in Dresden. "With this leading innovation Infineon will expand its competitive advantage,"

¹ For a definition of Segment Result and a reconciliation to operating income (loss), please see page 7.

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

says Peter Bauer. In order to fully exploit Infineon's growth potential, the Company will also expand the cost efficient 200mm manufacturing site in Kulim, Malaysia.

Fiscal third quarter 2011: Growth in IMM and ATV drives sales and Total Segment Result

Infineon booked fiscal third quarter sales of Euro 1,043 million in the 2011 fiscal year, an increase of 5 percent from the previous quarter. At a constant exchange rate for the U.S. Dollar against the Euro, Infineon's quarter-over-quarter growth rate would have been approximately two percentage points higher. The original guidance called for flat revenues. Sales growth was driven by strong demand in Industrial & Multimarket (IMM) as well as revenue growth in Automotive (ATV). Counter to original expectations, the ATV division did not experience any significant negative impact neither on revenue nor on Segment Result from disruptions within the automotive supply chain after the Japan earthquake.

Third quarter Total Segment Result was Euro 212 million, an increase of 5 percent compared to Euro 202 million in the prior quarter. Total Segment Result margin in the third quarter remained at an all-time-high level of 20.3 percent.

Infineon reported net income from continuing operations of Euro 175 million, up from Euro 173 million in the second quarter. Basic earnings per share from continuing operations stayed unchanged compared to the preceding quarter at Euro 0.16 and diluted earnings per share from continuing operations increased from Euro 0.15 to Euro 0.16.

Income from discontinued operations, after income taxes, was Euro 15 million for the third quarter, down from Euro 399 million in the second quarter. Net income from discontinued operations decreased mainly as the second quarter of the 2011 fiscal year contained a non-recurring after tax gain of Euro 378 million relating to the closing of the sale of the Wireless mobile phone business to Intel on January 31, 2011.

Net income for the group was Euro 190 million in the third quarter, a decrease from Euro 572 million in the previous quarter. Third quarter basic and diluted earnings per share were Euro 0.17, down from Euro 0.53 and Euro 0.50, respectively, for basic and diluted earnings per share in the second quarter of 2011 fiscal year.

Operating cash flow from continuing operations amounted to Euro 311 million for the third quarter of the 2011 fiscal year, up from Euro 177 million in the prior quarter.

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

Investments from continuing operations, which the Company defines as the sum of purchases of property, plant and equipment, purchases of intangible assets and capitalized research & development (R&D) expenses, were Euro 319 million in the third quarter of the 2011 fiscal year, compared to Euro 164 million in the second quarter. The increase was primarily due to the purchase of real estate and manufacturing assets from the insolvency administrator of Qimonda Dresden GmbH & Co. OHG for Euro 101 million in May, Euro 91 million of which were paid in the third quarter. Depreciation and amortization was Euro 94 million, up from Euro 89 million in the preceding quarter. Despite the significant increase in investments versus the last quarter, Free cash flow² from continuing operations for the third quarter turned only marginally negative at Euro -8 million versus Euro 13 million in the prior quarter of the 2011 fiscal year.

Cash position remains comfortable; repurchase of the 2014 convertible bond continued; put options for share buy-back issued

As of June 30, 2011, the Company's gross cash position² stood at Euro 2,585 million with a net cash position² of Euro 2,246 million. Compared to the end of the prior quarter, both positions decreased versus values of Euro 2,691 million and Euro 2,335 million for gross and net cash, respectively. Under its announced capital returns program, Infineon continued the repurchase of its 2014 convertible bond during the quarter and spent Euro 16 million of cash to acquire bonds with a nominal value of Euro 4 million, effectively reducing the amount of shares underlying the convertible bond by roughly 2 million shares. The aggregate amount spent on bond repurchases during the first nine months of the 2011 fiscal year now comes to Euro 123 million. In the third quarter of the current fiscal year Infineon also began to write put options under its capital returns program. A total of 18 million put options with expiry dates between August 2011 and March 2012 have been sold. The maximum buy-back value, should all put options be exercised, equates to Euro 114 million. Infineon collected premiums worth Euro 4 million with these transactions.

Expansion of production capacity

In order to secure further growth, Infineon decided to begin building a shell for a second 200mm clean room at its existing, highly cost-competitive frontend site in Kulim, Malaysia. Capitalizing on its competitive lead in the manufacturing of power semiconductors on 300mm wafers, Infineon furthermore resolved that it will use the clean room that was purchased in May 2011 for about Euro 101 million from the insolvency administrator of Qimonda Dresden GmbH & Co. OHG for the mass manufacturing of power devices on 300mm wafers. Until 2014 Infineon will invest around Euro 250 million and create approximately 250 jobs in Dresden. If the market,

² For definitions and the calculation of free cash flow and of gross and net cash position, please see pages 10 and 11.

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

revenue and underlying conditions develop in line with forecasts, further expansion would be possible.

Outlook for fourth quarter of the 2011 fiscal year: Sales expected to be at least flat; Total Segment Result to be about flat in absolute terms

Infineon expects sales for the fourth quarter of the 2011 fiscal year to be at least flat compared to the third quarter of the current fiscal year. Within this outlook, the Company expects a further increase in revenues in Industrial & Multimarket (IMM), broadly flat turnover in Chip Card & Security (CCS) and a seasonal sales decline in Automotive (ATV). Total Segment Result is expected to remain broadly flat in absolute terms from the levels reached in the third quarter of the 2011 fiscal year.

Detailed review of segment performance in the fiscal third quarter 2011: further revenue growth with Total Segment Result margin maintained at high level of 20.3 percent

in Euro million	in % of total revenue	3 months ended Jun 30, 11	sequential +/- in %	3 months ended Mar 31, 11	year-on-year +/- in %	3 months ended Jun 30, 10
Infineon						
Revenue	100	1,043	5	994	18	885
Total Segment Result		212	5	202	54	138
Total Segment Result Margin [in %]		20.3%		20.3%		15.6%
Automotive (ATV)						
Segment Revenues	40	410	5	392	23	333
Segment Result		80	8	74	54	52
Segment Result Margin [in %]		19.5%		18.9%		15.6%
Industrial & Multimarket (IMM)						
Segment Revenues	45	472	9	433	21	389
Segment Result		116	7	108	36	85
Segment Result Margin [in %]		24.6%		24.9%		21.9%
Chip Card & Security (CCS)						
Segment Revenues	10	107	-	107	(3)	110
Segment Result		14	-	14	133	6
Segment Result Margin [in %]		13.1%		13.1%		5.5%
Other Operating Segments (OOS)						
Segment Revenues	5	54	(11)	61	4	52
Segment Result		3	(57)	7	-	-
Corporate and Eliminations (C&E)						
Segment Revenues	0	-	(100)	1	(100)	1
Segment Result		(1)	-	(1)	80	(5)

Demand in ATV during the quarter was healthy. Counter to fears at the beginning of the quarter, there was no major negative impact on revenue and results from the Japan earthquake during the quarter. Therefore, ATV sales in the third quarter of the 2011 fiscal year surprised positively and increased by 5 percent to Euro 410 million. Driven by the revenue growth, Segment Result margin increased from 19 to 20 percent and ATV Segment Result rose Euro 6 million to Euro 80 million.

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

In the last quarter, the IMM segment experienced again strong demand for both power and non-power products. Hence, revenues increased 9 percent quarter-over-quarter to an all-time high of Euro 472 million. IMM Segment Result was Euro 116 million, up from 108 million in the prior quarter. Segment Result margin remained on the high level of the first and second quarter of the 2011 financial year of 25 percent.

Segment revenue in CCS was unchanged at Euro 107 million. Segment Result was flat as well at Euro 14 million and Segment Result margin remained unchanged at 13 percent compared to the last quarter.

Analyst and press telephone conferences

Infineon Technologies AG will conduct a telephone conference (in English only) with analysts and investors on July 28, 2011, at 10:00 a.m. Central European Summer Time (CEST), 4:00 a.m. Eastern Daylight Time (U.S. EDT), to discuss operating performance during the third quarter of the 2011 fiscal year. In addition, the Infineon Management Board will host a telephone conference with the media at 11:30 a.m. (CEST), 5:30 a.m. (U.S. EDT). It can be followed in German and English over the Internet. Both conferences will be available live and for download on the Infineon web site at <http://corporate.infineon.com>.

Please find the **Q3 Investor Presentation** on our web site at

<http://www.infineon.com/cms/en/corporate/investor/reporting/index.html>

IFX financial calendar (*preliminary date)

- Nov 16, 2011* Earnings Release for the Fourth Quarter and Full 2011 Fiscal Year
- Mar 8, 2012* Annual General Meeting 2012 in Munich, Germany
(Start: 10.00 a.m. CET)

About Infineon

Infineon Technologies AG, Neubiberg, Germany, offers semiconductor and system solutions addressing three central challenges to modern society: energy efficiency, mobility, and security. In the 2010 fiscal year (ending September 30), the Company reported sales of Euro 3,295 million with approximately 26,650³ employees worldwide. Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).

³ Mentioned number of employees contains about 3,075 employees of the Wireless mobile phone business (Wireless Solutions), which was sold to Intel Corporation.

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

FINANCIAL INFORMATION

According to IFRS – Preliminary and Unaudited

Due to the divestiture of the Wireless mobile phone business to Intel Corporation, Infineon has reported the results of the Wireless mobile phone business as discontinued operations in the consolidated statements of operations below. Likewise, the consolidated statement of cash flows shows the cash inflows and outflows of the Wireless mobile phone business as discontinued operations. The prior period amounts of the consolidated statement of operations and the consolidated statement of cash flows have been adjusted accordingly. The business remaining with Infineon with radio frequency power transistors for amplifiers in cellular base stations was dedicated to the segment Industrial & Multimarket, the business remaining with the analog and digital TV tuner and satellite radio receiver was dedicated to other operating segments. The prior periods' amounts have been adjusted accordingly.

Consolidated Statements of Operations

in Euro million; except for the per share data	3 months ended			9 months ended	
	Jun 30, 11	Mar 31, 11	Jun 30, 10	Jun 30, 11	Jun 30, 10
Revenue	1,043	994	885	2,959	2,353
Cost of goods sold	(613)	(573)	(553)	(1,724)	(1,495)
Gross profit	430	421	332	1,235	858
Research and development expenses	(109)	(112)	(100)	(329)	(285)
Selling, general and administrative expenses	(114)	(113)	(100)	(330)	(283)
Other operating income	2	9	2	13	11
Other operating expense	(8)	(18)	(15)	(32)	(107)
Operating income	201	187	119	557	194
Financial income	13	8	5	27	24
Financial expense	(14)	(11)	(11)	(43)	(79)
Income from investments accounted for using the equity method	(1)	2	4	1	7
Income from continuing operations before income taxes	199	186	117	542	146
Income tax expense	(24)	(13)	(14)	(45)	(27)
Income from continuing operations	175	173	103	497	119
Income from discontinued operations, net of income taxes	15	399	23	497	151
Net income	190	572	126	994	270
Attributable to:					
Non-controlling interests	-	-	-	-	1
Shareholders of Infineon Technologies AG	190	572	126	994	269
Basic earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):					
Weighted average shares outstanding (in million) – basic	1,087	1,087	1,087	1,087	1,087
Basic earnings per share (in Euro) from continuing operations	0.16	0.16	0.10	0.46	0.11
Basic earnings per share (in Euro) from discontinued operations	0.01	0.37	0.02	0.45	0.14
Basic earnings per share (in Euro)	0.17	0.53	0.12	0.91	0.25
Diluted earnings per share attributable to shareholders of Infineon Technologies AG (in Euro):					
Weighted average shares outstanding (in million) – diluted	1,157	1,160	1,172	1,161	1,087
Diluted earnings per share (in Euro) from continuing operations	0.16	0.15	0.09	0.44	0.11
Diluted earnings per share (in Euro) from discontinued operations	0.01	0.35	0.02	0.43	0.14
Diluted earnings per share (in Euro)	0.17	0.50	0.11	0.87	0.25

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

Segment Revenues and Segment Result

We define Segment Result as operating income (loss) excluding asset impairments, net, restructuring charges and other related closure costs, net, share-based compensation expense, acquisition-related amortization and gains (losses), gains (losses) on disposal of assets, businesses, or interests in subsidiaries, and other income (expense), including litigation settlement costs.

Reconciliation of Total Segment Result to Operating Income

in Euro million	3 months ended			9 months ended	
	Jun 30, 11	Mar 31, 11	Jun 30, 10	Jun 30, 11	Jun 30, 10
Total Segment Result	212	202	138	591	304
Adjusted:					
Asset impairments, net	-	3	(5)	5	(9)
Share-based compensation expense	-	(1)	-	(1)	-
Acquisition-related amortization and losses	(1)	(1)	(1)	(3)	(3)
Losses in connection with the deconsolidation of ALTIS	-	-	4	-	(69)
Gains (losses) on sales of assets, businesses, or interests in subsidiaries	(1)	-	2	(1)	4
Other expense, net	(9)	(16)	(19)	(34)	(33)
Operating income	201	187	119	557	194

Revenues and Segment Result for the three and nine months ended June 30, 2011 and 2010

Revenue in Euro million	3 months ended			9 months ended		
	Jun 30, 11	Jun 30, 10	+/- in %	Jun 30, 11	Jun 30, 10	+/- in %
Automotive	410	333	23	1,156	928	25
Industrial & Multimarket	472	389	21	1,328	993	34
Chip Card & Security	107	110	(3)	312	292	7
Other Operating Segments	54	52	4	156	138	13
Corporate and Eliminations	-	1	(100)	7	2	250
Total	1,043	885	18	2,959	2,353	26

Segment Result in Euro million	3 months ended			9 months ended		
	Jun 30, 11	Jun 30, 10	+/- in %	Jun 30, 11	Jun 30, 10	+/- in %
Automotive	80	52	54	213	140	52
Industrial & Multimarket	116	85	36	331	188	76
Chip Card & Security	14	6	133	38	10	280
Other Operating Segments	3	-	-	12	(9)	233
Corporate and Eliminations	(1)	(5)	80	(3)	(25)	88
Total	212	138	54	591	304	94

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

Revenues and Segment Result for the three months ended June 30, 2011 and March 31, 2011

Revenue in Euro million	3 months ended		
	Jun 30, 11	Mar 31, 11	+/- in %
Automotive	410	392	5
Industrial & Multimarket	472	433	9
Chip Card & Security	107	107	-
Other Operating Segments	54	61	(11)
Corporate and Eliminations	-	1	(100)
Total	1,043	994	5

Segment Result in Euro million	3 months ended		
	Jun 30, 11	Mar 31, 11	+/- in %
Automotive	80	74	8
Industrial & Multimarket	116	108	7
Chip Card & Security	14	14	-
Other Operating Segments	3	7	(57)
Corporate and Eliminations	(1)	(1)	-
Total	212	202	5

Employees

	Jun 30, 11	Mar 31, 11	Jun 30, 10
Infineon ⁽¹⁾	25,149	25,119	25,978

⁽¹⁾ As of June 30, 2011, March 31, 2011 and June 30, 2010, 3,711, 4,045 and 5,599 Infineon employees, respectively, were engaged in research and development.

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

Consolidated Statement of Financial Position

The Statement of Financial Position as of September 30, 2010, presents the assets and liabilities to be transferred in connection with the divestiture of the Wireless mobile phone business as assets and liabilities "classified as held for sale".

in Euro million	Jun 30, 11	Mar 31, 11	Sep 30, 10
Assets:			
Current assets:			
Cash and cash equivalents	822	1,162	1,667
Financial investments	1,763	1,529	60
Trade and other receivables	828	829	687
therein: Trade accounts receivables	584	593	622
Inventories	631	615	514
Income tax receivable	15	13	7
Other current financial assets	4	9	72
Other current assets	101	97	88
Assets classified as held for sale	4	-	495
Total current assets	4,168	4,254	3,590
Property, plant and equipment	1,185	962	838
Goodwill and other intangible assets	103	97	87
Investments accounted for using the equity method	31	37	35
Deferred tax assets	221	223	308
Other financial assets	124	126	119
Other assets	31	25	16
Total assets	5,863	5,724	4,993
Liabilities and equity:			
Current liabilities:			
Short-term debt and current maturities of long-term debt	83	130	133
Trade and other payables	760	779	665
therein: Trade accounts payables	718	685	659
Current provisions	619	582	553
Income tax payable	113	142	111
Other current financial liabilities	121	11	16
Other current liabilities	315	323	153
Liabilities classified as held for sale	-	-	177
Total current liabilities	2,011	1,967	1,808
Long-term debt	256	226	263
Pension plans and similar commitments	147	147	146
Deferred tax liabilities	9	11	11
Long-term provisions	45	42	55
Other financial liabilities	6	5	6
Other liabilities	69	77	79
Total liabilities	2,543	2,475	2,368
Shareholders' equity:			
Ordinary share capital	2,173	2,173	2,173
Additional paid-in capital	5,875	5,880	6,048
Accumulated deficit	(4,619)	(4,809)	(5,613)
Other reserves	4	5	17
Put options on treasury shares	(113)	-	-
Total equity	3,320	3,249	2,625
Total liabilities and equity	5,863	5,724	4,993

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

Infineon Regional Sales Development

in %	3 months ended			9 months ended	
	Jun 30, 11	Mar 31, 11	Jun 30, 10	Jun 30, 11	Jun 30, 10
Revenue:					
Europe, Middle East, Africa	49%	49%	47%	48%	47%
therein: Germany	28%	27%	26%	27%	26%
Asia-Pacific (w/o Japan)	36%	35%	37%	36%	36%
therein: China	15%	17%	19%	17%	18%
Japan	5%	5%	5%	5%	6%
Americas	10%	11%	11%	11%	11%
Total	100%	100%	100%	100%	100%

Consolidated Statements of Cash Flows

Gross and Net Cash Position*

Infineon defines gross cash position as cash and cash equivalents and financial investments, and net cash position as gross cash position less short-term debt and current maturities of long-term debt, and long-term debt. Since Infineon holds a portion of its available monetary resources in the form of readily financial investments, which for IFRS purposes are not considered to be "cash", it reports its gross and net cash positions to provide investors with an understanding of the Company's overall liquidity. The gross and net cash position is determined as follows from the condensed consolidated balance sheets, without adjustment to the IFRS amounts presented:

* Includes only amounts from continuing operations.

in Euro million	Jun 30, 11	Mar 31, 11	Jun 30, 10
Cash and cash equivalents	822	1,162	1,452
Financial investments	1,763	1,529	62
Gross Cash Position	2,585	2,691	1,514
Less:			
Short-term debt and current maturities of long-term debt	83	130	127
Long-term debt	256	226	279
Net Cash Position	2,246	2,335	1,108

Free Cash Flow

Infineon defines free cash flow as cash flow from operating and investing activities from continuing operations excluding purchases or sales of financial investments. The presentation of free cash flow provides useful information to investors because this measure gives an indication of the cash-generating ability of Infineon. Free cash flow is an additional measure, since Infineon holds a portion of its liquid resources in form of financial investments and it eliminates changes of financial investments from the cash generated from Infineon's business. Free cash flow is not intended to represent the residual cash flow available for discretionary expenditures, since dividends, debt service requirements or other non-discretionary expenditures are not deducted. Free cash flow includes only amounts from continuing operations, and is determined as follows from the consolidated statement of cash flows:

in Euro million	3 months ended			9 months ended	
	Jun 30, 11	Mar 31, 11	Jun 30, 10	Jun 30, 11	Jun 30, 10
Net cash provided by operating activities from continuing operations	311	177	251	622	559
Net cash used in investing activities from continuing operations	(548)	(1,632)	298	(2,310)	(194)
Adjusted for: Net purchases (net proceeds from sales) of financial investments	229	1,468	(376)	1,697	(28)
Free Cash Flow from continuing operations	(8)	13	173	9	337

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

Consolidated Statements of Cash Flows

in Euro million	3 months ended		
	Jun 30, 11	Mar 31, 11	Jun 30, 10
Net income	190	572	126
Less: net income from discontinued operations, net of income taxes	(15)	(399)	(23)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	94	89	80
Income tax	24	13	14
Interest result	4	3	12
Provision for (recovery of) doubtful accounts	(2)	3	1
Losses (gains) on sales of businesses and interests in subsidiaries	(2)	-	-
Losses in connection with the deconsolidation of ALTIS	-	-	(4)
Losses (gains) on disposals of property, plant and equipment	-	-	(1)
Income from investments accounted for using the equity method	1	(2)	(4)
Dividends received from associated companies	5	-	3
Impairment charges	-	(3)	5
Share-based compensation	-	1	-
Changes in operating assets and liabilities:			
Trade and other receivables	(5)	(72)	(82)
Inventories	(20)	13	(18)
Other current assets	1	2	(3)
Trade and other payables	31	13	83
Provisions	50	20	(46)
Other current liabilities	(10)	(39)	142
Other assets and liabilities	(13)	(21)	(6)
Interest received	6	6	5
Interest paid	(12)	-	(25)
Income tax paid	(16)	(22)	(8)
Net cash provided by operating activities from continuing operations	311	177	251
Net cash provided by (used in) operating activities from discontinued	(32)	84	(11)
Net cash provided by operating activities	279	261	240
Cash flows from investing activities:			
Purchases of financial investments	(550)	(1,468)	-
Proceeds from sales of financial investments	321	-	376
Purchases of intangible assets and other assets	(11)	(9)	(9)
Purchases of property, plant and equipment	(308)	(155)	(72)
Proceeds from sales of property, plant and equipment and other assets	-	-	3
Net cash provided by (used in) investing activities from continuing operations	(548)	(1,632)	298
Net cash provided by (used in) investing activities from discontinued	(43)	1,077	(35)
Net cash provided by (used in) investing activities	(591)	(555)	263
Cash flows from financing activities:			
Net change in short-term debt	-	-	(8)
Proceeds from issuance of long-term debt	2	-	2
Repayments of long-term debt	(17)	(16)	(264)
Repurchase of convertible subordinated notes	(16)	(27)	(3)
Change in restricted cash	(1)	-	(1)
Proceeds from the issuance of put options for own shares	4	-	-
Dividend payments	-	(109)	-
Net cash used in financing activities from continuing operations	(28)	(152)	(274)
Net cash provided by financing activities from discontinued operations	-	1	-
Net cash used in financing activities	(28)	(151)	(274)
Net increase (decrease) in cash and cash equivalents	(340)	(445)	229
Effect of foreign exchange rate changes on cash and cash equivalents	-	(3)	(5)
Cash and cash equivalents at beginning of period	1,162	1,610	1,228
Cash and cash equivalents at end of period	822	1,162	1,452

For the Finance and Business Press: INFXX201107-53e

Worldwide Headquarters:
Media Relations
Investor Relations

Name:
Kay Laudien
EU/APAC/USA/CAN

Phone:
+49 89 234 28481
+49 89 234 26655

Email:
kay.laudien@infineon.com
investor.relations@infineon.com

DISCLAIMER

This press release includes forward-looking statements and assumptions about the future of Infineon's business and the industry in which we operate as well as our expected future results. These include statements and assumptions relating to general economic conditions, future developments in the world semiconductor market, our ability to manage our costs and to achieve our savings and growth targets, the resolution of Qimonda's insolvency proceedings and the liabilities we may face as a result of Qimonda's insolvency, the benefits of research and development alliances and activities, our planned levels of future investment, the introduction of new technology at our facilities, our ability to continue to offer commercially viable products.

These forward-looking statements are subject to a number of uncertainties, including broader economic developments, trends in demand and prices for semiconductors generally and for our products in particular, as well as for the end-products that incorporate our products, the success of our development efforts, both alone and with partners; the success of our efforts to introduce new production processes at our facilities, the actions of competitors; the continued availability of adequate funds, the outcome of antitrust investigations and litigation matters, and the outcome of Qimonda's insolvency proceedings, as well as the other factors mentioned in this press release and our quarterly and annual reports.

As a result, Infineon's actual results could differ materially from those contained in these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. Infineon does not undertake any obligation to publicly update or revise any forward-looking statements in light of developments which differ from those anticipated.

For the Finance and Business Press: INFXX201107-53e

**Worldwide Headquarters:
Media Relations
Investor Relations**

**Name:
Kay Laudien
EU/APAC/USA/CAN**

**Phone:
+49 89 234 28481
+49 89 234 26655**

**Email:
kay.laudien@infineon.com
investor.relations@infineon.com**