Report of the Management Board concerning Item 9 on the Agenda (creation of a new Authorized Capital 2015/I for general purposes and corresponding amendment to the Articles of Association) of the Annual General Meeting of Infineon Technologies AG on February 12, 2015

The Management Board and Supervisory Board propose to shareholders at the Annual General Meeting that a new Authorized Capital 2015/I totaling up to € 676,000,000.00 – just under 30% of the Company's share capital – be created, which is intended to be available for share capital increases against contributions in cash or kind.

In principle, shareholders will have a right to subscribe to shares issued out of Authorized Capital 2015/I. Under certain conditions, however, the Management Board is to be authorized to exclude this subscription right (for up to a maximum of 20% of the Company's share capital). In all cases, any exclusion of subscription rights also requires the approval of the Supervisory Board.

- In order to simplify the subscription rights process, it is intended that the Management Board will be authorized to exclude fractional amounts arising on cash share capital increases as a result of the subscription ratio. This type of exclusion is common practice and also justified, given that the cost of trading subscription rights involving fractional amounts is in no way commensurate to the benefits accruing to shareholders. The fact that the exclusion is limited to fractional amounts means that the potential dilution effect is negligible.

- It is also intended that the Management Board will be able to exclude subscription rights, insofar as such action is necessary in order to grant holders of option and/or conversion rights attached to bonds with warrants or to convertible bonds (already issued or subsequently issued by the Company or its subordinated group companies) a subscription right to new shares, to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling any conversion obligations. This rule is intended to afford the Company the opportunity to offer compensation to the holders of such bonds (the terms of which usually include a mechanism to protect against dilution in the case of capital measures or dividend payments) without having to adjust the option and/or conversion price or the conversion ratio. Excluding the subscription rights of the shareholders in this instance simplifies the issuance and processing of bonds, preserves any existing conditional capital (usually created to service bonds) and, taking all factors into consideration, is also in the best interests of the Company and its shareholders.

- It is also intended that the exclusion of subscription rights should be allowed if shares are issued at an amount that is not significantly lower than the share market price. This authorization enables the Company to cover any capital requirements (including those arising at very short notice), where it is necessary to make quick and flexible use of market opportunities. The Company is only in a position to act quickly and place shares at a price similar to the share market price (i.e. without the usual discount for issues with subscription rights) if subscription rights are excluded. In accordance with German law, share capital increases for cash with subscription rights excluded pursuant to section 186, paragraph 3, fourth sentence, AktG, are not permitted to exceed 10% of a company's share capital – either at the time of the authorization becoming effective or at the time of its exercise. These legal stipulations provide protection to shareholders against the risk of dilution. Since the new shares are placed at a price similar to their market price, each shareholder is able to maintain his/her shareholding percentage by acquiring shares on the market at terms approximating the Company's issue terms.

- It is also intended that subscription rights may be excluded in the case of share capital increases against contributions in kind. As in the past, we wish to retain the ability to acquire entities, businesses and participations in exchange for shares. As the semiconductor sector continues to consolidate, attractive opportunities arise from time to time that enable us to strengthen our competitiveness, improve our financial position and increase earnings. Notwithstanding the Company's own financial resources and ability to obtain financing on favorable terms, shares issued out of authorized capital for a business acquisition represent an attractive form of consideration (since it can help to preserve liquidity) – and one which is often explicitly requested by sellers. The ability to employ own shares out of authorized capital as an "acquisition currency", gives the Company the necessary maneuvering room to take advantage of acquisition opportunities quickly and flexibly, without having to call on the stock exchange. Since an acquisition opportunity of this kind generally arises at short notice, it is not feasible, as a general rule, to wait for a resolution to be passed at an Annual General Meeting; similarly, due to legal deadlines, there is often insufficient time in such cases to call an exceptional shareholders' meeting. In these circumstances, it makes sense to have an authorized capital in place, which the Management Board can call on rapidly and without complications – subject in all cases, of course, to the approval of the Supervisory Board.

Although the subscription right exclusions described above can be applied in various combinations, the maximum amount for which exclusions can be applied is subject to an upper limit of 20% of the Company's share capital, calculated either at the date when the authorization takes effect or, if the amount is lower, at the date when the authorization is exercised. Moreover, any other shares which the Company issues in a similar vein with subscription rights excluded – including those issued on the basis of another authorization – must also be counted toward the 10% limit for cash share capital increases and the 20% limit overall. This includes any shares which are issued to service option and conversion rights arising from bonds with warrants or convertible bonds (either already issued or which may still be issued), if the bonds are issued after February 12, 2015 with subscription rights excluded in analogous application of section 186, paragraph 3, fourth sentence, AktG. In addition, shares issued after February 12, 2015 in conjunction with an authorization to use own shares with subscription rights excluded in accordance with section 71, paragraph 1 number 8, fifth sentence, AktG and section 186, paragraph 3, fourth sentence, AktG must also be counted toward the relevant limits. The requirement to count the above shares toward the relevant limits provides protection to shareholders against the risk of dilution.

Based on all of the above, the Company will be entitled to utilize the Authorized Capital 2015/I – with subscription rights of existing shareholders excluded – over the 5-year period of the authorization for the following illustrative purposes:

- Share capital increase(s) against cash contributions, applying the simplified exclusion rules for subscription rights pursuant to section 186, paragraph 3, fourth sentence, AktG for an amount of up to 10% of the Company's share capital

- Share capital increase(s) against contributions in kind, for an amount of up to 20% of the Company's share capital or

- A combination of share capital increase(s) against cash contributions or contributions in kind for an amount of up to 20% of the Company's share capital, whereby the amount of share capital increase(s) against cash contributions, applying the simplified exclusion rules for subscription rights pursuant to section 186, paragraph 3, fourth sentence, AktG may not exceed 10% of the share capital.

If the Company has issued bonds with warrants or convertible bonds, or own shares with subscription rights excluded, the upper limits are to be reduced accordingly. The full amount of the Authorized Capital 2015/I can only be utilized if the Company grants shareholders a subscription right at a minimum for the portion exceeding the upper limits for the subscription right exclusion.

There are currently no specific plans to utilize the Authorized Capital 2015/I, particularly with the exclusion of subscription rights. It is common practice, however, in Germany and elsewhere, to have anticipatory resolutions in place. Notwithstanding this fact, the Management Board will in any event diligently consider whether it is in the interests of Infineon and its shareholders to utilize the Authorized Capital; the Supervisory Board too will have to reach its own, independent opinion on the matter. Should the authorization be utilized during the fiscal year, the Management Board will report extensively on the matter at the next Annual General Meeting.

The Management Board of Infineon Technologies AG:

Dr. Reinhard Ploss (CEO)	Dominik Asam	Arunjai Mittal