The world is facing big challenges

**Population Growth**

2050: More than 9 billion people living on earth

2030: 5 billion people living in cities

**Climate Change**

2100: Limitation of increase in temperature to 2 degrees

**Ageing Society**

2050: More than 2 billion people are over 60 years old

2020: More than 30 billion devices are connected to the internet

**Growing Megacities**

**Real and Digital World merge**

Semiconductors enable solutions for these challenges
Semiconductors are levers for Innovation, productivity and economic growth

About 45% of the OECD Economic growth since 1985 comes from increased productivity; electronics is a key driver for this growth.

Source: DECISION, ESIA, Future Horizons, IMF, WSTS 2016, AUDI, OECD Factbook 2013
Continuous Reduction of Innovation cycle times
Speed is differentiator and collaboration a must – especially in Microelectronics

complex manufacturing process: 600 – 1,200 process steps for each wafer

Furnace  Implantation  Defect Density  Etch  PVD / MCVD

WET  Metrology  Lithography  Chemical Vapor Deposition (CVD)
Challenge of managing highest complexity

- The European ecosystem viewpoint
- The innovation culture viewpoint
- The company internal viewpoint
Pilot Line Projects in Europe
Building Networks and Ecosystems

23 participations, 4 countries
32 participations, 6 countries
26 participations, 6 countries
39 participations, 9 countries
34 participations, 6 countries
37 participations, 5 countries

TOTAL: 191 participations, 12 countries

More than 300 Million Investment in a PPP model for ECS in Europe
Collaborative innovation between European partners: Example MOTORBRAIN

Nanoelectronics for Electric Vehicles
Intelligent Failsafe PowerTrain

Successful demonstration of fully integrated solution
Challenge of managing highest complexity

The European ecosystem viewpoint

The innovation culture viewpoint

The company internal viewpoint
“Protected Space” for selected top experts, who work together on a defined topic in a self-organized manner, sharing the goal to develop breakthrough innovations for the future of Infineon.
All innovation activities are bundled in the Infineon Innovation Net
Collaborative innovation: Gesture Control as an example, both intra- and cross-company

- **Infineon**: Cross-site technology development, production and design

- **Google Tango**: technology platform for Time-of-Flight principle

- **Lenovo**: first manufacturer to bring technology into a smartphone
Human brain is the source of innovation, not a process – Individuality is what it takes

Innovation is all about people! – the rest is technology
Challenge of managing highest complexity

The European ecosystem viewpoint

The innovation culture viewpoint

The company internal viewpoint
Worldwide connected manufacturing sites of the Infineon frontend and backend

Morgan Hill | San Jose | Leominster | Newport | Dresden | Kulim | Beijing
---|---|---|---|---|---|---
Wuxi | Cheonan | Singapore

Mesa | Temecula | Warstein | Regensburg | Villach | Cegléd | Malacca | Batam

Frontend | Backend
World-class automation in Infineon Dresden factory: Industry 4.0 at leading edge level
New demands such as availability of resources or additional customer requirements are automatically taken into consideration.

Production optimizes itself automatically and in real-time.

Production data generated at one manufacturing site are immediately available to the entire manufacturing network.
The future with Industry 4.0 is already beginning at Infineon

Sites around the world form a virtual intelligent factory

High automation meets high flexibility

Optimum connectivity and products that think ahead

Efficient manufacturing thanks to continuous self-optimization
Collaborative Technology Development to establish an agile development grid
Managing highest complexity – Industry 4.0 offers immense potentials

However: Several challenges need to be solved

- Smart Factories need to be stable and beneficial.
- Know-how needs to be secured successfully.
- Manufacturing tools are linked together internally and externally. Therefore they need to be protected from manipulation.
- The Smart Factory needs to be able to control complexity and to be robust against dysfunctions.
- Deployment of Industry 4.0 will only be successful within collaboration networks: e.g. Politics, Institutions, Research, SMEs
Industry 4.0 also brings challenges for employees and organization: “Workplaces 4.0”

The new working environment

Changes in education, training, functions, career options, ...

› more project work
› more networking
› more flexibility
› more diversification
› more controlling and planning
› more qualification
› more transparency
› more exchange
› ...

› Understand the changes of jobs in the course of Industry 4.0
› Ensure qualification roadmaps
› Create an understanding of I4.0 among the affected employees for the new requirements
› Display development opportunities
› Ensure communication, create transparency, reduce insecurities and clarify opportunities

Human being remains decisive element in the future smart factory

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Collaborative globally acting networks

› Education is key: best talents

› Development of the jobs of the future is needed

› Definition of security standards for hard- and software is needed

› Europe: reinforce critical mass and efforts instead of single national interests
Part of your life. Part of tomorrow.
Infineon at a glance

Business Segments

- Automotive (ATV): 41%
- Industrial Power Control (IPC): 17%
- Power Management & Multimarket (PMM): 31%
- Chip Card & Security (CCS): 11%

Revenue FY 2015

Financials

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<th>[EUR m]</th>
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Employees

- About 35,400 employees worldwide (as of Sep. 2015)
  - Europe: 14,533 employees
  - Americas: 3,682 employees
  - Asia/Pacific: 17,209 employees

- 34 R&D locations
- 19 manufacturing locations

Market Position*

- Automotive
  - Strategy Analytics, April 2016: #2

- Power
  - IHS Markit, July 2016: #1

- Smart card ICs
  - IHS Markit, July 2016: #2