INFINEON TECHNOLOGIES AG
Form 6-K
February 10, 2009

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
February 10, 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 þ Form 40-F o

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 o No þ

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

This Report on Form 6-K contains a press release of Infineon Technologies AG dated February 6, 2009, announcing the Company s results for the first quarter of the 2009 fiscal year.

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: February 10, 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 Financial Officer

N e w s R e l e a s e / P r e s s e i n f o r m a t i o n

KEY FIGURES FOR THE FIRST QUARTER OF THE 2009 FISCAL YEAR

For the first quarter of the 2009 fiscal year, Infineon reported revenues of Euro 830 million, down from Euro 1,153 million in the prior quarter, due to overall weakness in demand as a result of the global economic slow-down, as well as inventory corrections throughout the electronics supply chain.

Infineon s combined Segment Result* was negative Euro 102 million in the first quarter, compared to positive Euro 59 million in the fourth quarter of the 2008 fiscal year. For the first quarter, net loss from continuing operations was Euro 116 million, or Euro 0.16 per share (basic and diluted).

On January 23, 2009, Qimonda AG and its wholly owned subsidiary Qimonda Dresden oHG filed an application at the Munich Local Court to open insolvency proceedings. As a result, Infineon increased its provisions and allowances by Euro 195 million in the first quarter. This amount covers those potential liabilities which management believes are likely to occur and can be estimated with reasonable accuracy.

Loss from discontinued operations, net of tax, was Euro 288 million for the first quarter. This loss consisted of Euro 93 million of currency translation effects primarily related to Qimonda s sale of its interest in Inotera to Micron and of Euro 195 million for the provisions and allowances described above. Basic and diluted loss per share from discontinued operations was Euro 0.34.

For the first quarter, Infineon reported group net loss of Euro 404 million, and basic and diluted loss per share of Euro 0.50.

in Euro million	**3 months ended Dec 31, 07**	**year-on-year +/- in %**	**3 months ended Sep 30, 08**	**sequential +/- in %**	**3 months ended Dec 31, 08**
Revenue	1,090	(24)	1,153	(28)	830
Organic growth on constant currency (in%)		(26)		(32)	
Segment Result	80		59		(102)
Income (loss) from continuing operations	48		(297)	61	(116)
Loss from discontinued operations, net of tax	(577)	50	(587)	51	(288)
Net loss	**(529)**	**24**	**(884)**	**54**	**(404)**
Basic and diluted earnings (loss) per share from continuing operations (in Euro)	0.05		(0.45)	64	(0.16)
Basic and diluted loss per share from discontinued operations	(0.60)	43	(0.50)	32	(0.34)
	(0.55)	9	(0.95)	47	(0.50)

Basic and diluted loss per share (in Euro)

OUTLOOK FOR THE SECOND QUARTER OF THE 2009 FISCAL YEAR

Due to the continued market slow-down, Infineon has relatively limited visibility with respect to its revenue development. The company currently expects sales for the second quarter to decrease by approximately 10 percent from the first quarter due to ongoing weak demand and inventory corrections at customers.

Infineon has implemented additional cost and cash savings measures over the course of the first quarter and will continue to do so in the second quarter. Through the savings from such measures, the company expects to limit to some extent the impact of lower sales and reduced factory loading on the bottom-line. With visibility relatively limited, Infineon expects combined Segment Result margin in the range of a negative mid-to-high teens percentage for the second quarter.

* Please refer to page 1 of this news release for a discussion of the company s use of the financial measure Segment Result.

N e w s R e l e a s e / P r e s s e i n f o r m a t i o n

Infineon reports results for the first quarter of the 2009 fiscal year

Neubiberg, Germany February 6, 2009 Infineon Technologies AG (FSE/NYSE: IFX) today reported results for the first quarter of the 2009 fiscal year ended December 31, 2008. Infineon prepares its result in accordance with International Financial Reporting Standards (IFRS).

Infineon s revenues in the first quarter were Euro 830 million, down 28 percent sequentially and 24 percent year-over-year. The sequential decrease reflects a decline in revenues in all of the company s operating segments due to significantly lower demand as a result of the global economic slow-down and inventory corrections throughout the electronics supply-chain. The company s Automotive and Wireless Solutions segments were most severely affected. Overall, the company s revenues were slightly better than forecasted, largely due to the stronger U.S. dollar against the Euro. Excluding effects of currency fluctuations, primarily between the U.S. dollar and the Euro, and acquisitions and divestitures, revenues decreased 32 percent sequentially and 26 percent year-over-year.

Beginning October 1, 2008, Infineon s Management Board uses Segment Result to assess the operating performance of the company s reportable segments and as a basis for allocating resources among the segments. Infineon s combined Segment Result was negative Euro 102 million in the first quarter, compared to positive Euro 59 million in the fourth quarter of the 2008 fiscal year. First quarter Segment Result was better than expected as a result of higher than forecasted revenues and very good progress with cost reductions under the company s IFX10+ cost-reduction program. For additional details, including a definition and a reconciliation of total Segment Result to Operating Income (Loss) in the condensed consolidated statements of operations, please see the table on page 7 of this release.

Net loss from continuing operations for the first quarter was Euro 116 million, resulting in basic and diluted loss per share from continuing operations of Euro 0.16. For the prior quarter, net loss from continuing operations was Euro 297 million, and basic and diluted loss per share from continuing operations was Euro 0.45.

The loss from discontinued operations, net of tax, was Euro 288 million for the first quarter. This loss consisted of Euro 93 million in connection with the recognition of currency translation effects primarily related to Qimonda s sale of its interest in Inotera to Micron and of Euro 195 million in provisions and allowances following Qimonda s filing of an application to open insolvency proceedings. Basic and diluted loss per share from discontinued operations was Euro 0.34.

For the first quarter, Infineon reported group net loss of Euro 404 million, and basic and diluted loss per share of Euro 0.50.

In line with an overall effort to focus on liquidity management, the company reduced its investment in property, plant and equipment and intangible assets, including capitalized development costs to only Euro 40 million for the quarter. In addition, Infineon reduced net working capital by Euro 79 million. Hence, free cash outflow could be contained to negative Euro 22 million for the quarter despite cash outflow in connection with the IFX10+ program of Euro 25 million. The company also repurchased a total nominal amount of Euro 117 million of its convertible and exchangeable bonds during the quarter.

Infineon s IFX10+ cost-reduction program

In the first quarter of the 2009 fiscal year, Infineon made very good progress with cost reductions under the IFX10+ program, mainly in operating expenses, where the company saved approximately Euro 45 million during the quarter compared to the expense run-rate of the prior quarter. In that context, the company has also made progress with regards to headcount reductions. By the end of December 2008, the company had reached agreements regarding or had already effected separation with respect to approximately 85 percent of the announced workforce reduction.

In response to continuing weak demand worldwide in all of the company s target markets, Infineon has identified additional savings potential from a combination of measures that have already been implemented or will be implemented shortly. Amongst others, the company has introduced reduced work hours in the company s German production sites Regensburg and Dresden, has changed its bonus schemes for the 2009 fiscal year and has issued a new and very stringent travel policy. In addition, Infineon exited the employers union in November 2008 in order to achieve more flexibility in wage adjustments. Infineon does not expect to incur additional expenses or cash outflows in relation to the additional measures mentioned above. Infineon originally announced expected annualized savings of at least Euro 200 million, and then increased this target in December to at least Euro 250 million. As a result of substantial additional cost reductions and cash savings, including those mentioned above, the company now targets total annual savings of Euro 600 million. These savings include approximately Euro 200 million in operating expenses and Euro 400 million savings related to manufacturing operations. Of the savings in manufacturing operations, Euro 300 million have been designed to offset at least in part the cost impact of lower loading of the manufacturing sites caused by the downturn.

In addition to the savings mentioned above, the company is reducing its 2009 fiscal year budget for investment in property, plant and equipment and intangible assets, including capitalized development costs, to approximately Euro 200 million, compared to the Euro 250 million that was originally budgeted.

Infineon s outlook for the second quarter of the 2009 fiscal year

The drastic slow-down in world economic demand that started in the first quarter of the 2009 fiscal year is expected to continue to have a severe impact on overall demand levels in the second quarter. In addition, the company anticipates that inventory reductions throughout the entire electronics supply chain will continue. As such, the company has relatively limited visibility with respect to the revenue development, even in the second quarter. Within the limits of that low visibility, the company currently expects revenues from continuing operations for the second quarter to decrease by approximately 10 percent compared to the first quarter. After the significant decrease in demand in the Automotive and Wireless Solutions segments in the first quarter, the company expects these segments to be more resilient in the second quarter compared to the first quarter. By contrast, the three other segments, Industrial & Multimarket, Chip Card & Security and Wireline Communications, are expected to be more severely affected by the continuing slow-down in the second quarter.

Additional savings measures implemented under the IFX10+ program are expected to result in substantial additional cost and cash savings over and above the savings levels realized in the prior quarter. As a consequence of continued sales declines and an aggressive reduction in factory loading in order to reduce inventory, Infineon expects combined Segment Result margin in the second quarter to be within the range of a negative mid-to-high teens percentage. Without the additional measures described above, the impact of lower sales and factory loading on the bottom-line would have been significantly more severe.

Following Qimonda s insolvency filing, Infineon expects to deconsolidate Qimonda in the second quarter. In this context, the company anticipates that it will recognize accumulated losses related to unrecognized currency translation effects related to Qimonda. As of December 31, 2008, the amount of such accumulated losses totalled approximately Euro 100 million. The recognition of such accumulated losses will not have any impact on Infineon s shareholders equity.

Despite extremely challenging market conditions, our first quarter results held up reasonably well, largely due to very good progress with our IFX10+ program. We successfully focused on liquidity management, contained cash outflows and lowered our debt , said Peter Bauer, CEO of Infineon Technologies AG. In the second quarter, market conditions will unfortunately worsen further. Responding to this challenge, we are reducing our cost and CapEx levels further. We will continue to focus on cash flows by reducing inventory levels and fab loading even further and by managing working capital tightly.

Qimonda

On January 23, 2009, Qimonda AG and its wholly owned subsidiary Qimonda Dresden oHG filed an application at the Munich Local Court to open insolvency proceedings. Infineon s beneficial ownership interest in Qimonda is 77.5 percent. Following Qimonda s insolvency filing, Infineon may be exposed to a number of significant liabilities relating to the Qimonda business, including pending antitrust and securities law claims, potential claims for repayment of governmental subsidies received, and employee-related contingencies. In the first quarter of the 2009 fiscal year, Infineon has increased its provisions and allowances by Euro 195 million. This amount covers those contingencies that management believes are likely to occur and can be estimated with reasonable accuracy at this 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. Infineon anticipates that the majority of any potential cash obligations the company may have in connection with these matters would be payable, if at all, in periods after the 2009 fiscal year.
Effective March 31, 2008, Infineon reclassified the assets and liabilities of Qimonda as held for disposal in its condensed consolidated balance sheets. As a consequence, the individual line items in the condensed consolidated statements of operations on page 7 of this release reflect Infineon s continuing operations without Qimonda. All results relating to Qimonda are reported in the line item Income (loss) from Discontinued Operations, net of tax . The net book value of Infineon s interest in Qimonda in Infineon s condensed consolidated balance sheet as of December 31, 2008 has been recorded at the estimated fair value less costs to sell.

Segments performance for the first quarter of the 2009 fiscal year

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Revenue and Segment Result in Euro million	**3 months ended Dec 31, 2007**	**year-on-year +/- in %**	**3 months ended Sep 30, 2008**	**sequential +/- in %**	**3 months ended Dec 31, 2008**	**in % of revenue**
Revenue	1,090	(24)	1,153	(28)	830	100
Organic growth on constant currency basis		(26)		(32)		
Total Segment Result	80		59		(102)	
Automotive (ATV)	310	(34)	312	(34)	206	25
Organic growth on constant currency basis		(36)		(36)		
ATV Segment Result	23		21		(56)	
Industrial & Multimarket (IMM)	291	(20)	325	(28)	234	28
Organic growth on constant currency basis		(16)		(30)		
IMM Segment Result	26	(92)	56	(96)	2	
Chip Card & Security (CCS)	116	(22)	115	(21)	91	11
Organic growth on constant currency basis		(27)		(27)		
CCS Segment Result	17		6		(1)	
Wireless Solutions (WLS)	253	(22)	286	(31)	197	24
Organic growth on constant currency basis		(27)		(37)		
WLS Segment Result	18		3		(44)	
Wireline Communications (WLC)	103	(15)	104	(15)	88	11
Organic growth on constant currency basis		(20)		(22)		
WLC Segment Result	4	(50)		+++	2	
Other Operating Segments (OOS)	64	(88)	21	(62)	8	1
OOS Segment Result	2		(6)	83	(1)	
Corporate and Eliminations (C&E)	(47)	+++	(10)	+++	6	
C&E Segment Result	(10)	60	(21)	81	(4)	

In the first quarter, revenues in the **Automotive** segment decreased significantly compared to the prior quarter due to the worsening global recession, significant production cuts in the automotive markets worldwide and resulting inventory corrections at customers. Automotive Segment Result swung to a loss, mainly due to the significant decline in revenues and the drop in factory loading, which could only be partially offset by savings realized under the IFX10+ program.

Industrial & Multimarket segment s revenues in the first quarter also decreased significantly sequentially due to the worsening global recession, a significant slow-down in worldwide demand in the consumer, computing and telecom markets and resulting inventory corrections in the supply-chain. Industrial & Multimarket Segment Result remained positive, but decreased significantly compared to the prior quarter, mainly due to the decline in revenues and lower production levels, which could only be partially offset by savings the segment has realized under the IFX10+

cost-reduction program.

Revenues of the **Chip Card & Security** segment decreased quarter-over-quarter, mostly due to inventory corrections at major customers and seasonal weakness amidst an overall weak demand environment. Chip Card & Security recorded a slightly negative Segment Result compared to positive Segment Result in the prior quarter, mainly due to the decline in revenues which could only be partially offset by the IFX10+ measures.

In the first quarter, revenues in the **Wireless Solutions** segment decreased significantly on a sequential basis, mainly due to the drastic market slow-down and inventory corrections at customers. In particular, one HSDPA customer reduced demand after its high level of demand in the fourth quarter of the 2008 fiscal year. Wireless Solutions recorded a negative Segment Result, mainly due the significant decline in revenues and an increase in idle cost which could only be partially offset by the measures the segment has implemented under the IFX10+ cost-reduction program.

The **Wireline Communications** segment s revenues in the first quarter decreased compared to the prior quarter, mostly due to the decrease in demand reflecting the economic slow-down and inventory corrections in the supply chain. Wireline Communications Segment Result was positive. Compared to the prior quarter, Segment Result increased despite lower revenues, mainly driven by the IFX10+ measures.

Major business highlights of Infineon s segments in the first quarter of the 2009 fiscal year can be found in this document after the financial tables.

All figures are preliminary and unaudited.

Analyst and press telephone conferences

Infineon Technologies AG will conduct a telephone conference (in English only) with analysts and investors on February 6, 2009, at 10:00 a.m. Central European Time (CET), 4:00 a.m. Eastern Standard Time (U.S. EST), to discuss operating performance during the first quarter of the 2009 fiscal year. In addition, the Infineon Management Board will host a press telephone conference with the media at 11:30 a.m. (CET), 5:30 a.m. (U.S. EST). 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.

IFX financial and trade fair calendar (*preliminary date)

Ø Feb 12, 2009 2009 Annual General Meeting of Shareholders
Ø Feb 17, 2009 Analyst Presentation at the Mobile World Congress in Barcelona
Ø Apr 30, 2009* Earnings Release for the Second Quarter of the 2009 Fiscal Year
Ø Jul 29, 2009* Earnings Release for the Third Quarter of the 2009 Fiscal Year
Ø Nov 19, 2009* Earnings Release for the Fourth Quarter and Full 2009 Fiscal Year

New in the IFX pod cast section at www.infineon.com/podcast

Ø IP multimedia subsystem (IMS)
Ø One chip 100 million mobile phones

FINANCIAL INFORMATION

According to IFRS Preliminary and Unaudited
Condensed Consolidated Statements of Operations

		3 months ended	
in Euro million	**Dec 31, 07**	**Sep 30, 08**	**Dec 31, 08**
Revenue	1,090	1,153	830
Cost of goods sold	(705)	(780)	(678)
Gross profit	**385**	**373**	**152**
Research and development expenses	(181)	(174)	(149)
Selling, general and administrative expenses	(136)	(150)	(112)
Other operating income	33	17	3
Other operating expense	(19)	(315)	(11)
Operating income (loss)	**82**	**(249)**	**(117)**
Financial income	18	21	60
Financial expense	(40)	(57)	(56)
Income from investments accounted for using the equity method, net		1	1
Income (loss) from continuing operations before income taxes	**60**	**(284)**	**(112)**
Income tax expense	(12)	(13)	(4)
Income (loss) from continuing operations	**48**	**(297)**	**(116)**
Loss from discontinued operations, net of income taxes	(577)	(587)	(288)
Net loss	**(529)**	**(884)**	**(404)**
Attributable to:			
Minority interests	(120)	(173)	(30)
Shareholders of Infineon Technologies AG	(409)	(711)	(374)

Basic and diluted earnings (loss) per share attributable to shareholders of Infineon Technologies AG (in Euro)*:

Weighted average shares outstanding (in million) basic and diluted	750	750	750
Basic and diluted earnings (loss) per share from continuing operations	0.05	(0.45)	(0.16)
Basic and diluted loss per share from discontinued operations	(0.60)	(0.50)	(0.34)
Basic and diluted loss per share	**(0.55)**	**(0.95)**	**(0.50)**

* Quarterly earnings (loss) per share may not add up to year-to-date earnings (loss) per share due to rounding.

Segment Result

We define Segment Result as operating income (loss) excluding asset impairments, restructuring and other related closure costs, share-based compensation expense, acquisition-related amortization and gains (losses), gains (losses) on sales of assets, businesses, or interests in subsidiaries, and other income (expense), including litigation settlement costs. Gains (losses) on sales of assets, businesses, or interests in subsidiaries, include, among others, gains or losses that may be realized from potential sales of Qimonda shares or other investments and activities.

		3 months ended	
in Euro million	**Dec 31, 07**	**Sep 30, 08**	**Dec 31, 08**
Operating Income (Loss)	**82**	**(249)**	**(117)**
Asset impairments		132	
Restructuring and other related closure costs	3	176	3
Share-based compensation expense	1	1	
Acquisition-related amortization and losses	9	6	6
(Gains) losses on sales of assets, businesses or interests in subsidiaries	(15)	(11)	1
Other expense (income), net		4	5
Total Segment Result	**80**	**59**	**(102)**

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Segment Results

Revenue in Euro million	3 months ended Dec 31, 07	Dec 31, 08	+/- in %	3 months ended Sep 30, 08	Dec 31, 08	+/- in %
Automotive	310	206	(34)	312	206	(34)
Industrial & Multimarket	291	234	(20)	325	234	(28)
Chip Card & Security	116	91	(22)	115	91	(21)
Wireless Solutions[(1)]	253	197	(22)	286	197	(31)
Wireline Communications	103	88	(15)	104	88	(15)
Other Operating Segments[(2)]	64	8	(88)	21	8	(62)
Corporate and Eliminations[(3)]	(47)	6	+++	(10)	6	+++
Total	**1,090**	**830**	**(24)**	**1,153**	**830**	**(28)**

Segment Result in Euro million	3 months ended Dec 31, 07	Dec 31, 08	+/- in %	3 months ended Sep 30, 08	Dec 31, 08	+/- in %
Automotive	23	(56)		21	(56)	
Industrial & Multimarket	26	2	(92)	56	2	(96)
Chip Card & Security	17	(1)		6	(1)	
Wireless Solutions	18	(44)		3	(44)	
Wireline Communications	4	2	(50)	-	2	+++
Other Operating Segments	2	(1)		(6)	(1)	83
Corporate and Eliminations	(10)	(4)	60	(21)	(4)	81
Total Segment Result	**80**	**(102)**		**59**	**(102)**	

(1) Includes revenue of 7 million for the three months ended December 31, 2007, 1 million for the three months September 30, 2008 and 1 million for the

three months ended December 31, 2008, from sales of wireless communication applications to Qimonda.

(2) Includes revenue of 36 million for the three months ended December 31, 2007 and 1 million for the three months ended September 30, 2008, from sales of wafers from Infineon s 200-millimeter facility in Dresden to Qimonda under a foundry agreement.

(3) Includes the elimination of revenue of 43 million for the three months ended December 31, 2007, 2 million for the three months ended September 30, 2008, and 1 million for the three months ended December 31, 2008, since these revenue are not expected to be part of the Qimonda

disposal plan.

Infineon Regional Sales Development

	3 months ended		
Regional sales in %	**Dec 31, 07**	**Sep 30, 08**	**Dec 31, 08**
Germany	20%	21%	20%
Other Europe	18%	18%	17%
North America	13%	9%	12%
Asia/Pacific	42%	46%	44%
Japan	5%	4%	6%
Other	2%	2%	1%
Total	**100%**	**100%**	**100%**
Europe	**38%**	**39%**	**37%**
Outside Europe	**62%**	**61%**	**63%**

Employees

	Dec 31, 07	**Sep 30, 08**	**Dec 31, 08**
Infineon (1)	29,840	29,119	28,025
Qimonda (2)	13,630	12,224	11,079
Total	**43,470**	**41,343**	**39,104**

(1) As of December 31, 2007, September 30, 2008 and December 31, 2008, 6,426, 6,273, and 6,165 employees, respectively, were engaged in research and development.

(2) As of December 31, 2007, September 30, 2008 and December 31, 2008, 2,563,

2,091 and 1,707 Qimonda employees, respectively, were engaged in research and development.

Condensed Consolidated Balance Sheets

in Euro million	**Sep 30, 08**	**Dec 31, 08**
Assets		
Current assets:		
Cash and cash equivalents	749	647
Available-for-sale financial assets	134	132
Trade and other receivables	799	521
Inventories	665	661
Income tax receivable	29	19
Other current financial assets	19	49
Other current assets	124	127
Assets classified as held for disposal	2,129	1,933
Total current assets	**4,648**	**4,089**
Property, plant and equipment	1,310	1,208
Goodwill and other intangible assets	443	428
Investments accounted for using the equity method	20	21
Deferred tax assets	400	411
Other financial assets	133	111
Other assets	28	21
Total assets	**6,982**	**6,289**

in Euro million	**Sep 30, 08**	**Dec 31, 08**
Liabilities and shareholders equity		
Current liabilities:		
Short-term debt and current maturities of long-term debt	207	212
Trade and other payables	506	317
Current provisions	424	439
Income tax payable	87	99
Other current financial liabilities	63	77
Other current liabilities	263	231
Liabilities associated with assets classified as held for disposal	2,123	1,927
Total current liabilities	**3,673**	**3,302**
Long-term debt	963	860
Pension plans and similar commitments	43	42
Deferred tax liabilities		