

INFINEON TECHNOLOGIES AG
Form 6-K
April 30, 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
April 30, 2009

INFINEON TECHNOLOGIES AG

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(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 Form 40-F

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 No

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 April 30, 2009, announcing the Company's results for the second quarter and the first half 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: April 30, 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

News Release / Presseinformation

Second quarter of the 2009 fiscal year with good progress on cost reductions**Strong improvement for third quarter revenues and combined Segment Result expected**

Neubiberg, Germany April 30, 2009 Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) today reported results for the second quarter of the 2009 fiscal year, ended March 31, 2009.

Infineon's revenues in the second quarter were Euro 747 million, down 10 percent sequentially and 29 percent year-over-year. Infineon's combined Segment Result was negative Euro 110 million, compared to negative Euro 102 million in the first quarter. Included in combined Segment Result was non-recurring Euro 33 million from the reduction of accruals for bonuses and incentives.

in Euro million	3 months ended Mar 31, 08	year-on-year +/- in %	3 months ended Dec 31, 08	sequential +/- in %	3 months ended Mar 31, 09
Revenue	1,049	(29)	830	(10)	747
Organic growth on constant currency basis (in%)		(32)		(11)	
Segment Result	67		(102)	(8)	(110)
Income (loss) from continuing operations	11		(116)	(29)	(150)
Loss from discontinued operations, net of income taxes	(1,966)	95	(288)	63	(108)
Net loss	(1,955)	87	(404)	36	(258)
Basic and diluted earnings (loss) per share from continuing operations (in Euro)	0.01		(0.16)	(25)	(0.20)
Basic and diluted loss per share from discontinued operations (in Euro)	(2.04)	94	(0.34)	65	(0.12)
Basic and diluted loss per share (in Euro)	(2.03)	84	(0.50)	36	(0.32)

Our progress with cost reduction measures was very good and revenues were as forecast despite a challenging operating environment. During the first half of the 2009 fiscal year, we reduced capital expenditures and working capital aggressively in order to contain free cash outflows. Finally, we successfully implemented the most effective cost-reduction program Infineon has ever had, said Peter Bauer, CEO of Infineon Technologies AG.

¹ For a definition of Segment Result and a reconciliation to operating

income (loss),
please see page
6 of this release.

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The sequential decrease in revenues reflects a decline in four of the company's five operating segments. The segments Industrial & Multimarket (IMM), Chip Card & Security (CCS) and Wireline Communications (WLC) saw the strongest percentage declines in revenues. Revenues of the Automotive (ATV) segment also decreased, whereas revenues of the Wireless Solutions (WLS) segment were driven by market share gains and increased compared to the first quarter, despite of the shrinking market. Excluding the effects of currency fluctuations and acquisitions and divestitures, revenues decreased 11 percent sequentially and 32 percent year-over-year.

Net loss from continuing operations for the second quarter was Euro 150 million, resulting in basic and diluted loss per share from continuing operations of Euro 0.20. For the prior quarter, net loss from continuing operations was Euro 116 million, and basic and diluted loss per share from continuing operations was Euro 0.16.

The loss from discontinued operations, net of tax, was Euro 108 million for the second quarter. Basic and diluted loss per share from discontinued operations was Euro 0.12. On January 23, 2009, Qimonda AG and its wholly owned subsidiary Qimonda Dresden GmbH & Co. oHG filed an application at the Munich Local Court to open insolvency proceedings. As a result of this application, Infineon deconsolidated Qimonda during the second quarter. In this context, the company recognized a loss of Euro 100 million primarily resulting from the recognition of accumulated currency translation effects, previously recognized in equity. The recognition of such accumulated losses did not have any impact on Infineon's shareholders' equity.

For the second quarter, Infineon reported group net loss of Euro 258 million, and basic and diluted loss per share of Euro 0.32.

In the second quarter, Infineon reduced inventories aggressively compared to the prior quarter, including by lowering production levels again from the already low levels in the first quarter. As a consequence, inventories declined 18 percent sequentially and net working capital was reduced by Euro 72 million during the second quarter. This decrease included cash inflow of Euro 95 million from the German bank deposit protection fund following the insolvency of Lehman Brothers and cash outflows of Euro 56 million in connection with the IFX10+ cost-reduction program. All in all, Infineon was able to contain free cash outflow to negative Euro 22 million in a quarter that may have marked the low-point for revenue and production levels.

During the quarter, the company repurchased a total nominal amount of Euro 35 million of its exchangeable bonds for about 20 million Euro in cash.

Savings of about Euro 60 million realized in operating expenses under IFX10+

In the second quarter, Infineon made continued progress with cost reductions under the IFX10+ program. The fast implementation of the IFX10+ measures was supported by the organizational structure introduced at the beginning of the 2009 fiscal year. In operating expenses, the company saved approximately Euro 60 million compared to the fourth quarter of the 2008 fiscal year, equating to annualized savings of about Euro 240 million in operating expenses alone. In the second quarter, the company has made very good progress with respect to the planned workforce reductions. Total headcount stood at fewer than 26,400 employees at the end of March 2009 as compared to 29,100 at the end of September 2008.

In order to reduce costs further going forward, Infineon announced reduced working hours and implemented unpaid leave at all German operations. Infineon does not expect to incur expenses or cash outflows in relation to these measures.

Outlook for the third quarter

Revenues to increase, Segment Result to narrow significantly

Although visibility still remains limited, Infineon expects group revenues for the third quarter to increase by approximately 10 percent compared to the second quarter. The increase in revenues will be within all segments, but driven in particular by the WLS segment.

Infineon reduced inventories aggressively during the quarter. Given this reduction and given some signs of stabilization in the demand environment, the company can carefully adjust production back to levels more commensurate with current shipments and customer forecasts. Together with the benefits of higher sales levels and further cost reductions, Infineon therefore expects combined Segment Result to improve significantly in the third quarter, with negative mid-to-high single-digit combined Segment Result margin.

Update outlook for the 2009 fiscal year

Considerable uncertainties regarding the developments in the fourth quarter remain. However, given results for the first six months and the outlook for the third quarter, Infineon expects revenues for the 2009 fiscal year to decrease by more than 20 percent

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compared to the 2008 fiscal year. The company continues to expect Infineon's combined Segment Result to decrease significantly and to be negative.

Infineon has reduced further its CapEx budget, including capitalized intangible assets, for the 2009 fiscal year, which is now expected to be in the range of Euro 170 million to Euro 190 million, down from an already reduced budget of Euro 250 million at the start of the fiscal year and compared to Euro 370 million in the prior fiscal year. Depreciation and amortization is expected to be around Euro 500 million, up from the planned level of about Euro 450 million at the beginning of the 2009 fiscal year.

In this challenging environment, we further need to have a tight grip on expenses. Strategically, Infineon is positioned well. We address the future growth markets which will gain even more in importance in the future with our three core topics energy efficiency, communications, and security. The recent customer endorsements from Bosch and Toyota in automotive power products and from Nokia in single-chip platforms for GSM/GPRS and EDGE illustrate the competitiveness of our product offering and our customers' faith in our operations, Peter Bauer said.

WLS segment records highest revenues at Infineon in the second quarter combined Segment Result consistent with expectations

in Euro million	3 months ended Mar 31, 2008	year-on-year +/- in %	3 months ended Dec 31, 2008	sequential +/- in %	3 months ended Mar 31, 2009	in % of revenue
Revenue	1,049	(29)	830	(10)	747	100
Organic growth on constant currency basis		(32)		(11)		
Total Segment Result	67		(102)	(8)	(110)	
Automotive (ATV)	324	(42)	206	(8)	189	25
Organic growth on constant currency basis		(44)		(9)		
ATV Segment Result	25		(56)	(16)	(65)	
Industrial & Multimarket (IMM)	276	(30)	234	(18)	193	26
Organic growth on constant currency basis		(29)		(18)		
IMM Segment Result	23		2		(7)	
Chip Card & Security (CCS)	121	(34)	91	(12)	80	11
Organic growth on constant currency basis		(38)		(12)		
CCS Segment Result	19		(1)		(8)	
Wireless Solutions (WLS)	197	4	197	4	204	27
Organic growth on constant currency basis		(6)		2		
WLS Segment Result	(16)	(81)	(44)	34	(29)	
Wireline Communications (WLC)	105	(25)	88	(10)	79	11
Organic growth on constant currency basis		(31)		(12)		
WLC Segment Result	3	(67)	2	(50)	1	
Other Operating Segments (OOS)	59	(97)	8	(75)	2	0

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OOS Segment Result	5		(1)		(3)	
Corporate and Eliminations (C&E)	(33)	+++	6			0
C&E Segment Result	8	(88)	(4)	+++	1	

In the second quarter, revenues in the **ATV** segment decreased compared to the prior quarter due to the continued decline in demand in the worldwide automotive market. ATV Segment Result decreased due to the earnings impact of lower revenues and the negative effects of lower production levels that were implemented in order to reduce inventories. Savings from IFX10+ partially prevented from a more negative result.

The **IMM** segment's revenues decreased quarter-over-quarter, driven by continued inventory corrections in the supply chain as well as low demand in the seasonally weak quarter. IMM Segment Result turned negative in the second quarter given the decline in revenues and due to lower fab loading that the company implemented to reduce inventory levels. Negative earnings effects were partially offset by IFX10+ savings and a positive impact from currency hedging.

Revenues of the **CCS** segment decreased compared to the first quarter, as overall soft demand in most CCS businesses due to a weak market environment was only partially offset by higher revenues in the payment business. CCS Segment Result decreased in-line with the revenue decrease and due to a further decrease in fab utilization. Savings from the IFX10+ program only partially offset these effects.

In the second quarter, revenues in the **WLS** segment increased on a sequential basis, mainly due to increased demand of some major mobile phone platform customers for both HSDPA and Ultra Low Cost. WLS Segment Result improved significantly, reflecting the increase in revenues, the positive impact of IFX10+ measures and improved hedging results.

The **WLC** segment's revenues in the second quarter decreased compared to the prior quarter, mostly driven by the continued weak market environment and ongoing inventory corrections in the supply chain. The decline was partly compensated by a positive impact from 3G infrastructure and Next Generation Network deployments in China. WLC Segment Result remained positive as the cost reduction efforts under IFX10+ and the currency development almost offset the impact from the decline in revenues.

All amounts are preliminary and unaudited.

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FINANCIAL INFORMATIONAccording to IFRS Preliminary and Unaudited
Condensed Consolidated Statements of Operations

in Euro million	3 months ended			6 months ended	
	Mar 31, 08	Dec 31, 08	Mar 31, 09	Mar 31, 08	Mar 31, 09
Revenue	1,049	830	747	2,139	1,577
Cost of goods sold	(685)	(678)	(634)	(1,390)	(1,312)
Gross profit	364	152	113	749	265
Research and development expenses	(170)	(149)	(122)	(351)	(271)
Selling, general and administrative expenses	(134)	(112)	(110)	(270)	(222)
Other operating income	15	3	15	48	18
Other operating expense	(20)	(11)	(39)	(39)	(50)
Operating income (loss)	55	(117)	(143)	137	(260)
Financial income	13	60	21	31	81
Financial expense	(48)	(56)	(32)	(88)	(88)
Income from investments accounted for using the equity method, net	2	1	2	2	3
Income (loss) from continuing operations before income taxes	22	(112)	(152)	82	(264)
Income tax benefit (expense)	(11)	(4)	2	(23)	(2)
Income (loss) from continuing operations	11	(116)	(150)	59	(266)
Loss from discontinued operations, net of income taxes	(1,966)	(288)	(108)	(2,543)	(396)
Net loss	(1,955)	(404)	(258)	(2,484)	(662)
Attributable to:					
Minority interests	(432)	(30)	(19)	(552)	(49)
Shareholders of Infineon Technologies AG	(1,523)	(374)	(239)	(1,932)	(613)

**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	750	750
Basic and diluted earnings (loss) per share from continuing operations	0.01	(0.16)	(0.20)	0.06	(0.36)
Basic and diluted loss per share from discontinued operations	(2.04)	(0.34)	(0.12)	(2.64)	(0.46)
Basic and diluted loss per share	(2.03)	(0.50)	(0.32)	(2.58)	(0.82)

* 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, net of reversals, 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 investments and activities.

in Euro million	3 months ended			6 months ended	
	Mar 31, 08	Dec 31, 08	Mar 31, 09	Mar 31, 08	Mar 31, 09
Operating income (loss)	55	(117)	(143)	137	(260)
Asset impairments, net of reversals	(2)		1	(2)	1
Restructuring and other related closure costs	6	3	3	9	6
Share-based compensation expense	2		1	3	1
Acquisition-related amortization and losses	5	6	6	14	12
(Gains) losses on sales of assets, businesses or interests in subsidiaries	1	1	16	(14)	17
Other expense (income), net		5	6		11

Total Segment Result	67	(102)	(110)	147	(212)
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Segment Results

Revenue in Euro million	3 months ended			6 months ended		
	Mar 31, 08	Mar 31, 09	+/- in %	Mar 31, 08	Mar 31, 09	+/- in %
Automotive	324	189	(42)	634	395	(38)
Industrial & Multimarket	276	193	(30)	567	427	(25)
Chip Card & Security	121	80	(34)	237	171	(28)
Wireless Solutions ⁽¹⁾	197	204	4	450	401	(11)
Wireline Communications	105	79	(25)	208	167	(20)
Other Operating Segments ⁽²⁾	59	2	(97)	123	10	(92)
Corporate and Eliminations ⁽³⁾	(33)		+++	(80)	6	+++
Total	1,049	747	(29)	2,139	1,577	(26)

Segment Result in Euro million	3 months ended			6 months ended		
	Mar 31, 08	Mar 31, 09	+/- in %	Mar 31, 08	Mar 31, 09	+/- in %
Automotive	25	(65)		48	(121)	
Industrial & Multimarket	23	(7)		49	(5)	
Chip Card & Security	19	(8)		36	(9)	
Wireless Solutions	(16)	(29)	(81)	2	(73)	
Wireline Communications	3	1	(67)	7	3	(57)
Other Operating Segments	5	(3)		7	(4)	
Corporate and Eliminations	8	1	(88)	(2)	(3)	(50)
Total Segment Result	67	(110)		147	(212)	

(1) Includes revenue of 1 million for the three months ended March 31, 2008, and 8 million and 1 million for the six months ended March 31, 2008 and 2009,

respectively,
from sales of
wireless
communication
applications to
Qimonda.

- (2) Includes revenue of 34 million for the three months ended March 31, 2008, and 70 million for the six months ended March 31, 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 35 million for the three months ended March 31, 2008, and 78 million and 1 million for the six months ended March 31, 2008 and 2009, respectively, since these revenues were not part of the Qimonda disposal plan.

	Dec 31, 08	3 months ended Mar 31, 09	+/- in %
Revenue in Euro million			

Automotive	206	189	(8)
Industrial & Multimarket	234	193	(18)
Chip Card & Security	91	80	(12)
Wireless Solutions ⁽¹⁾	197	204	4
Wireline Communications	88	79	(10)
Other Operating Segments	8	2	(75)
Corporate and Eliminations ⁽²⁾	6		
Total	830	747	(10)

Segment Result in Euro million	3 months ended		+/- in %
	Dec 31, 08	Mar 31, 09	
Automotive	(56)	(65)	(16)
Industrial & Multimarket	2	(7)	
Chip Card & Security	(1)	(8)	
Wireless Solutions	(44)	(29)	34
Wireline Communications	2	1	(50)
Other Operating Segments	(1)	(3)	
Corporate and Eliminations	(4)	1	+++
Total Segment Result	(102)	(110)	(8)

(1) Includes revenue of 1 million for the three months ended December 31, 2008, from sales of wireless communication applications to Qimonda.

(2) Includes the elimination of revenue of 1 million for the three months ended December 31, 2008 since these revenues were not part of the Qimonda disposal plan.

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Condensed Consolidated Balance Sheets

in Euro million	Sep 30, 08	Mar 31, 09
Assets		
Current assets:		
Cash and cash equivalents	749	532
Available-for-sale financial assets	134	133
Trade and other receivables	799	518
Inventories	665	543
Income tax receivable	29	12
Other current financial assets	19	38
Other current assets	124	101
Assets classified as held for disposal	2,129	6
Total current assets	4,648	1,883
Property, plant and equipment	1,310	1,115
Goodwill and other intangible assets	443	425
Investments accounted for using the equity method	20	23
Deferred tax assets	400	403
Other financial assets	133	108
Other assets	28	20
Total assets	6,982	3,977
Liabilities and equity		
Current liabilities:		
Short-term debt and current maturities of long-term debt	207	170
Trade and other payables	506	302
Current provisions	424	418
Income tax payable	87	94
Other current financial liabilities	63	73
Other current liabilities	263	183
Liabilities associated with assets classified as held for disposal	2,123	
Total current liabilities	3,673	1,240
Long-term debt	963	816
Pension plans and similar commitments	43	37
Deferred tax liabilities	19	15
Long-term provisions	27	90
Other financial liabilities	20	3
Other liabilities	76	73

Total liabilities	4,821	2,274
Shareholders' equity:		
Ordinary share capital	1,499	1,499
Additional paid-in capital	6,008	6,009
Accumulated deficit	(5,252)	(5,865)
Other components of equity	(164)	5
Total equity attributable to shareholders of Infineon Technologies AG	2,091	1,648
Minority interests	70	55
Total equity	2,161	1,703
Total liabilities and equity	6,982	3,977
