Strong Q2 – Outlook increased

Q2 FY15 Management Presentation

(preliminary figures)

OSRAM Licht AG | April 29, 2015

Light is OSRAM

Safe Harbor Statement

This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. OSRAM Licht AG has based these forward-looking Statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking Statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and OSRAM Licht AG does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Spotlights
OSRAM Q2-15

OSRAM Licht AG

Revenue/-growth (comp.): € 1,399m / -1.5%

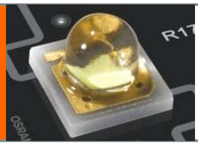
EBITA/-margin (before spec. items): € 151m / 10.8%

Outlook for adjusted EBITA-margin increased

SP

SP continued growth with high profitability

OS



OS with increased growth

LS

LS in process of transformation

LLS

LLS comparable growth slightly above previous year level

CLB

CLB able to maintain good profit level

Rationale of carve-out of Lamps
Technology market vs. volume market

Two different business models emerging in the rapidly changing lighting market

Technology market	Volume market
– Customized solutions	– Standard products
– High-Tech / Innovation / Software	– Less technological differentiation
– Access to OEM customers & lighting designers	– Access to important global distribution partners
– Application and system understanding	– Product design
– Design-in competence	– Price sensitive markets, cost efficiency
– Time to market	– Supply chain efficiency

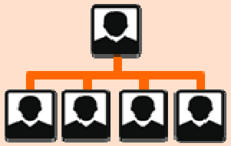
➡ The fully integrated player, covering the entire value chain, loses its advantages

OSRAM addresses business transformation with 3 strategic directions

1 **Separation of business according to technology / volume market**

Technology market Semiconductor, specialty lighting, lighting solutions	**Volume market** Socket based lamps, glass, metal
	

2 **Strategic management holding: OSRAM**



Strategic: **centralized**

Operative: **decentralized**

Targets

- Closer to customers
- Clear organization
- Faster to market

3 **Business Units are world entrepreneurs**

➡ Distinct opportunities, mindset and capabilities

Perspective after carve-out of Lamps – accelerating OSRAMs transformation

Carve-out of Lamps

Perspective OSRAM

- Undisputed #1 position in automotive lighting
- Strong #2 position in semiconductor optics components
- Among top European lighting fixture players
- Stringent focus on technology and innovation driven businesses
- Clear design-in and customizing products and solutions focus

➔ Digital, networked, intelligent lighting

➔ Focus on growing and highly profitable businesses

Perspective Lamps

- Leading #2 position in lamps worldwide
- Balance of shrinking but profitable traditional and growing LED business
- Broad customer base and strong retail/trade sales channels
- High brand recognition of OSRAM and Sylvania
- Global production network close to our customers
- Strong cash flow
- Increased flexibility for partnering in production, sales and portfolio
- Autonomous funding capability and higher independency of capital allocation

➔ Future perspective – higher independency and options for strategic partnering

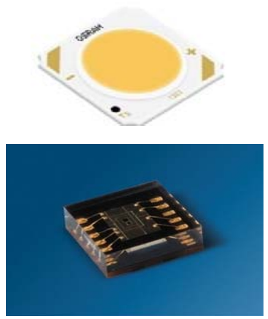
OSRAM Licht AG – Future Setup

OSRAM Licht AG

FY14

Revenue: € 5,142m | EBITA-margin (adj.): 8.7% | FCF: € 216m | Employees: 33,843

Specialty Lighting	Opto Semiconductors	New Segment	Lamps
Automotive Display / Optics	LED Infrared Laser	Luminaires Solutions Services Light Engines Light Mgmt. Systems	LED Retrofit Lamps Traditional Lamps



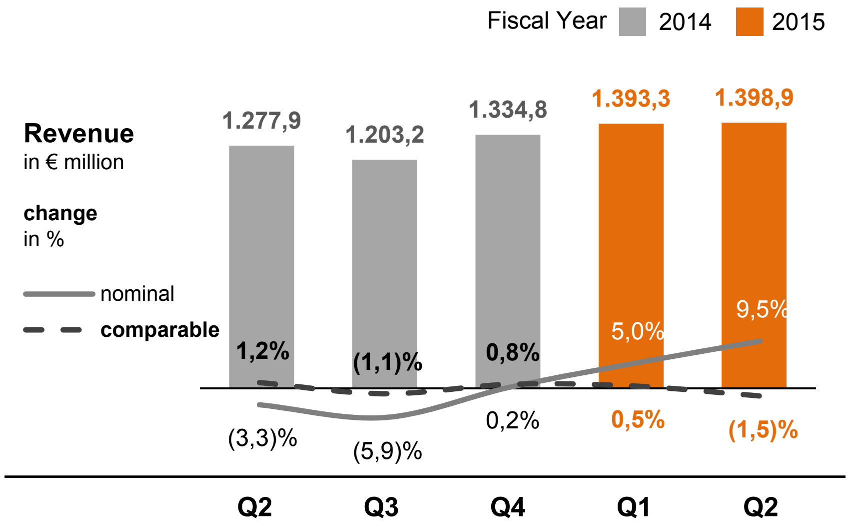
	Specialty Lighting	Opto Semiconductors	New Segment	Lamps
Revenue	€ 1.6bn	€ 1.2bn	~ € 0.9bn[1)]	~ € 2.0bn[1)]

[1)] Preliminary pro-forma estimates based on FY14

Strong growth – revenue up 9.5%

Group (€m)

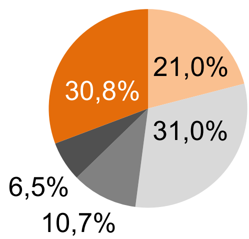
Revenue development



Comments Q2 FY15 y-o-y

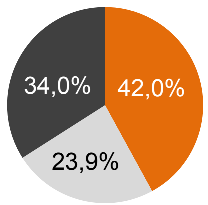
- FX effects support revenue by 9.6%
- Portfolio effect of 1.4% on Clay Paky
- Revenue decline on comp. basis mainly due to CLB after strong Q1 FY15
- 41% LED share, LED business growing with roughly 20% comp.

Revenue by segment Q2 FY15 [1)]



	nom. /	comp. [2)]
Opto Semiconductors	19.1% /	**8.2%**
Specialty Lighting	21.0% /	**5.2%**
LED Lamps & Systems	56.1% /	**42.6%**
Luminaires & Solutions	(1.0)% /	**(7.8)%**
Classic Lamps & Ballasts	(8.5)% /	**(16.3)%**

Revenue by region Q2 FY15



	nom. /	comp. [2)]
EMEA	0.9% /	**(1.3)%**
APAC	13.8% /	**(2.7)%**
Americas	18.7% /	**(1.0)%**

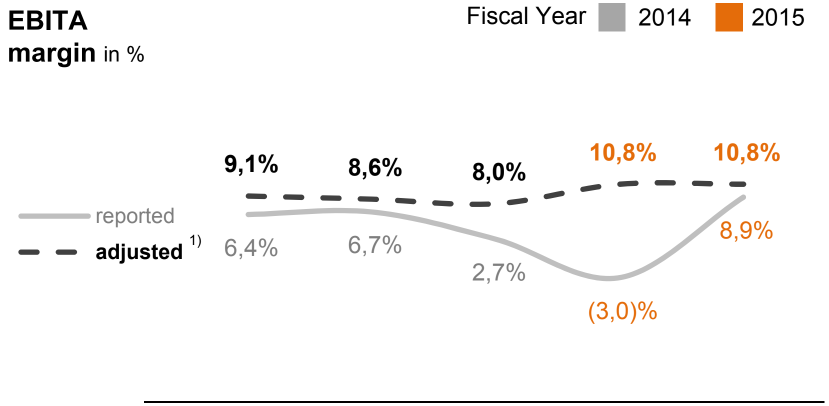
[1)] Based on sum of segments' revenue, w/o considering corp. items & consolidation

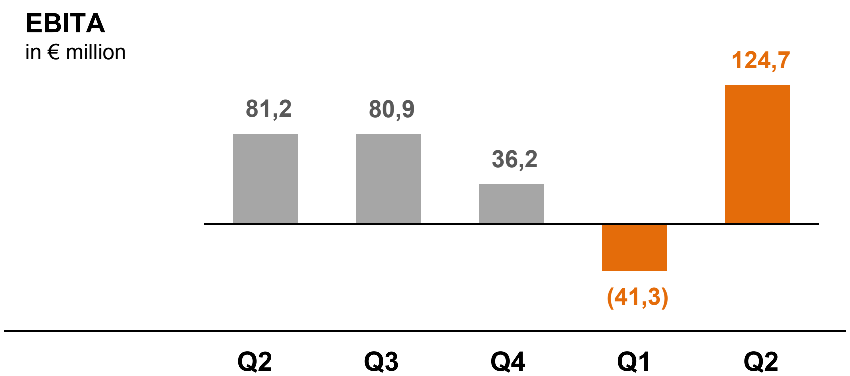
[2)] Nom. (nominal growth) – comp. (comparable growth), adjusted for FX and portfolio effects

Margin development remained strong

Group (€m)

EBITA development





Comments Q2 FY15 y-o-y

- Continued exceptional adjusted EBITA margin led to higher FY15 outlook
- Significant positive currency effect on EBITA
- Profitability benefits from OSRAM Push savings and lower SG&A costs
- Special items down to €26.8m after €192.2m in Q1 FY15
- Net income and EPS in Q2 FY15 at €77.7m and €0.73

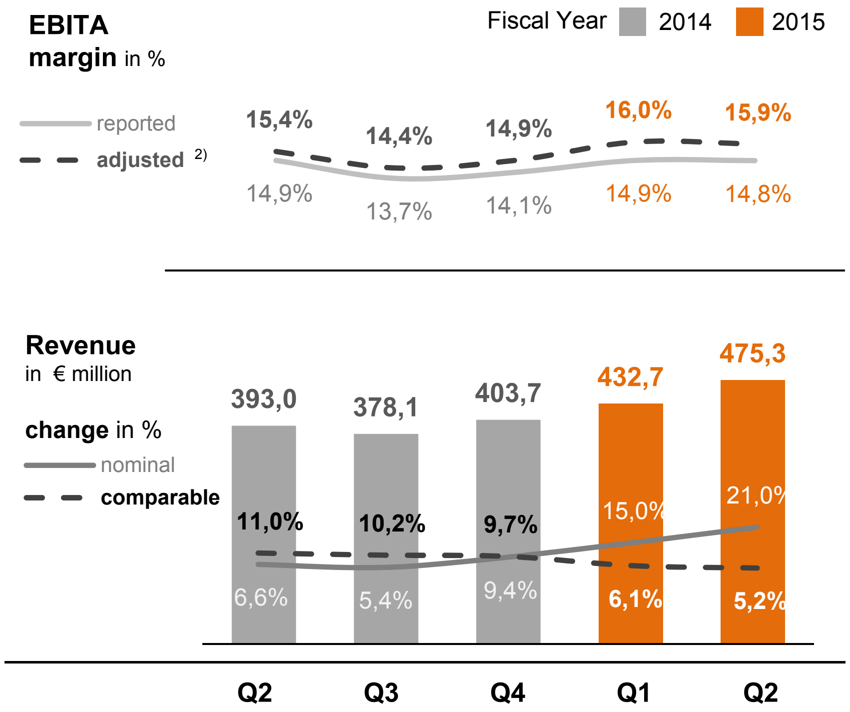
Special items[1)]

	2014				2015	
	Q2	Q3	Q4	FY	Q1	Q2
EBITA reported	**81.2**	**80.9**	**36.2**	**310.4**	**(41.3)**	**124.7**
therein:						
OSRAM Push transformation costs incl. personnel restructuring	(33.9)	(20.2)	(66.0)	(129.9)	(184.0)	(25.9)
Total special items	**(34.9)**	**(22.9)**	**(70.0)**	**(138.5)**	**(192.2)**	**(26.8)**

1) Adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board

Specialty Lighting: Again strong performance

EBITA Revenue and EBITA margin development



Comments Q2 FY15 y-o-y

- Comp. revenue growth in all regions mainly driven by automotive LED component business in APAC
- Nom. growth with FX effects of 11.1% and Clay Paky with 4.6%
- Adjusted EBITA margin above prior-year level, benefiting from currency tailwinds and productivity gains

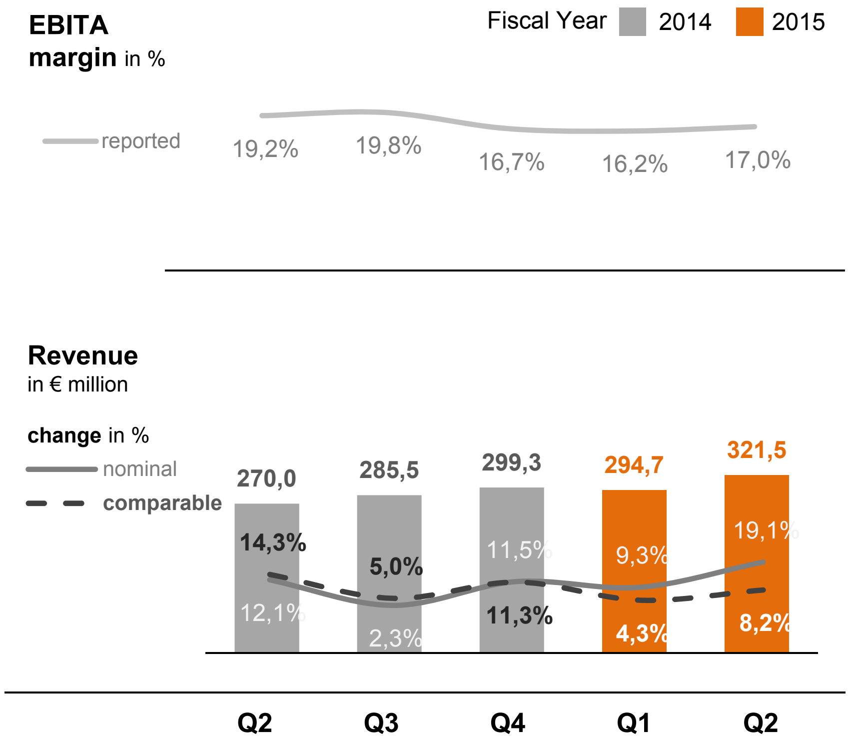
Special items [1,2]

	Q2 FY14[2]	Q2 FY15
EBITA reported	58.4	70.6
therein: Total special items	(2.3)	(5.1)

[1] Prior year figures are adjusted for effects from OLED integration into SP
[2] adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board

Opto Semiconductors:
Sustained high level of profitability

EBITA Revenue and EBITA margin development

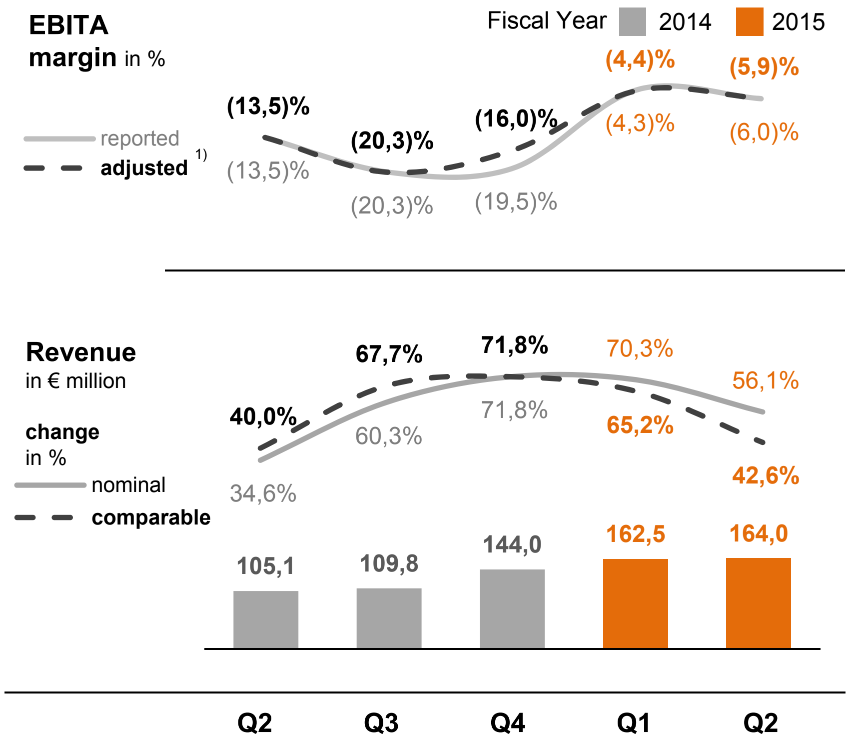


Comments Q2 FY15 y-o-y

- Comparable revenue growth in all segments and regions, primarily driven by EMEA and Americas
- Main growth driver being automotive, industry and infrared business
- Positive currency translation effect on revenue by 10.8%
- Prior-year EBITA included a gain of €7.5m related to an insurance reimbursement

LED Lamps & Systems: Substantial EBITA improvement y-o-y

EBITA Revenue and EBITA margin development



Comments Q2 FY15 y-o-y

- Continued sharp revenue growth driven by Americas
- Base effect of strong prior year slowed down growth rate of LED Lamps
- Lighting Components grew about 80% comp.
- Negative currency effects due to major sourcing in USD held back structural EBITA margin improvements y-o-y
- Reduced price decline

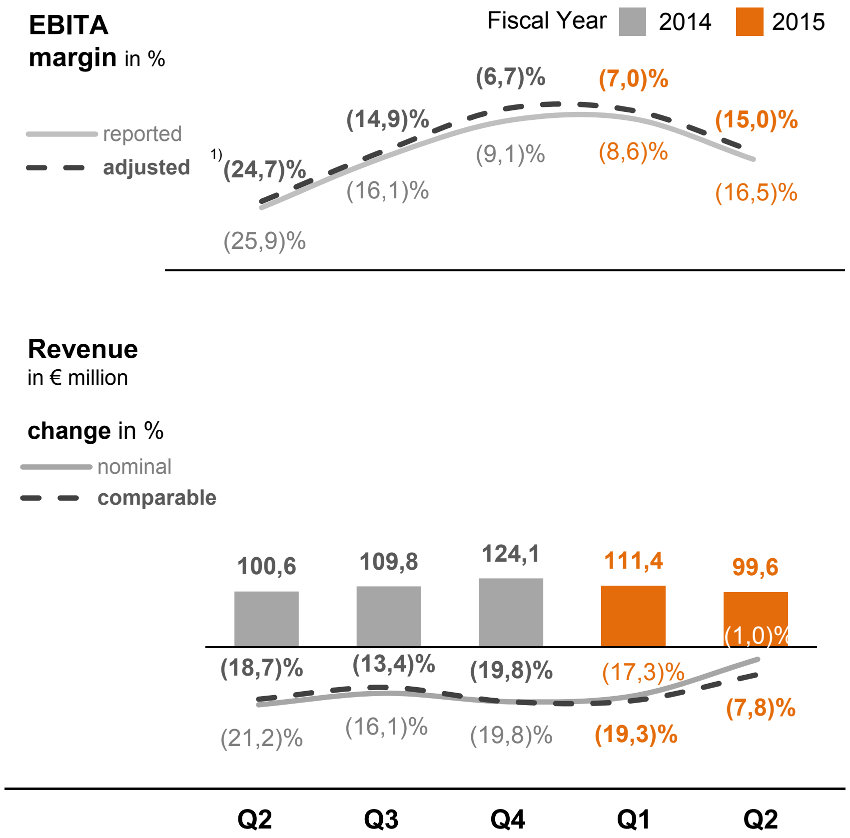
Special items[1)]

	Q2 FY14	Q2 FY15
EBITA reported	**(14.2)**	**(9.8)**
therein: **Total special items**	**(0.0)**	**(0.2)**

[1)] Adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board

Luminaires & Solutions: Improved profitability, but impacted by focus strategy

EBITA Revenue and EBITA margin development



Comments Q2 FY15 y-o-y

- Focus measures continue to show effect in top line
- Further y-o-y increase of LED share to 56% up from 44%
- Higher margin LED business and lower functional costs, both improved EBITA margin
- EBITA margin expected to improve in 2nd half of FY15 on increasing LED share and higher revenue

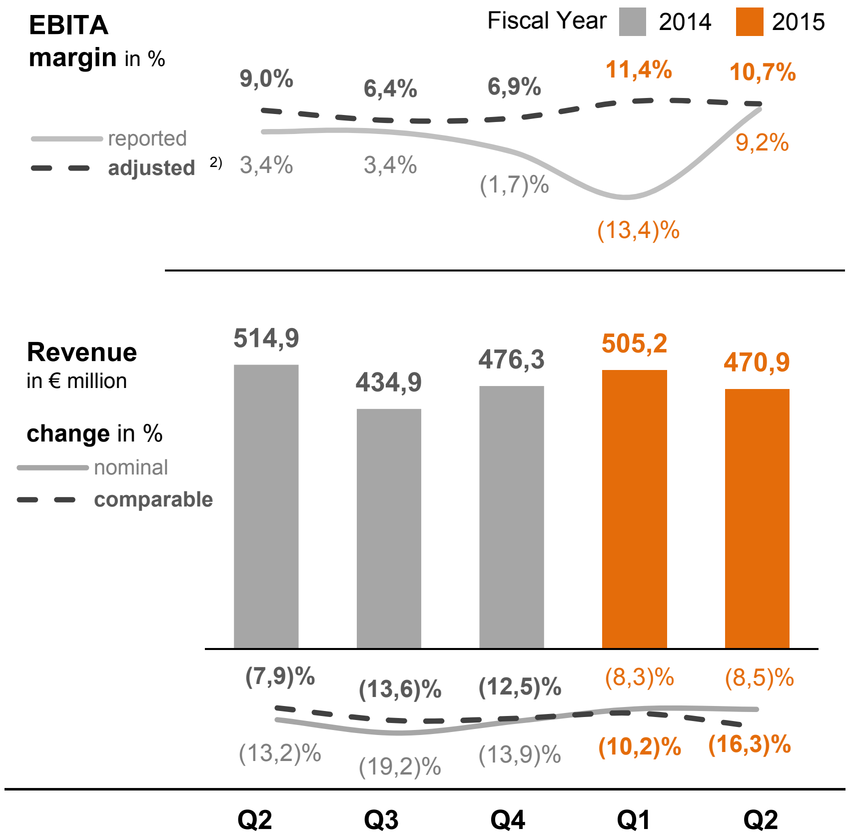
Special items[1)]

	Q2 FY14	Q2 FY15
EBITA reported	**(26.1)**	**(16.5)**
therein: **Total special items**	**(1.2)**	**(1.6)**

1) Adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board

Classic Lamps & Ballasts: Good profitability and strong FCF on declining sales

EBITA Revenue and EBITA margin development



Comments Q2 FY15 y-o-y

- Higher decrease of comp revenue after seasonally strong Q1 FY15
- HAL Classic in NAFTA with continued strong increase
- EU postponed phase out of certain types of Halogen Lamps for 2 years till 2018
- Adjusted EBITA margin increased y-o-y on functional cost discipline and OSRAM Push measures
- Positive FCF of €41.4m even though burdened by transformation cash out

Special items[2)]

	Q2 FY14[1,2)]	Q2 FY15
EBITA reported	**17.6**	**43.5**
therein: **Total special items**	**(27.8)**	**(6.8)**

[1)] Prior year figures are adjusted for effects from prematerials integration into CLB [2)] adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board

OSRAM Push continued

Project progress OSRAM Push

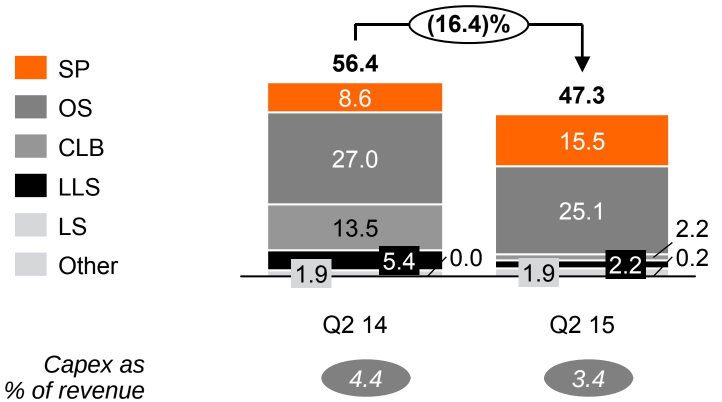
	Status Mar 31, 2015	Target (FY15-17)	Progress
Transformation costs, cumulated (€m)	239	~450	53%
Job reduction, cumulated (in 1,000 FTE)	1.2	7.8	15%
OSRAM Push cost reduction (gross), cumulated (€m)	181	1,300	14%

Ø 100%

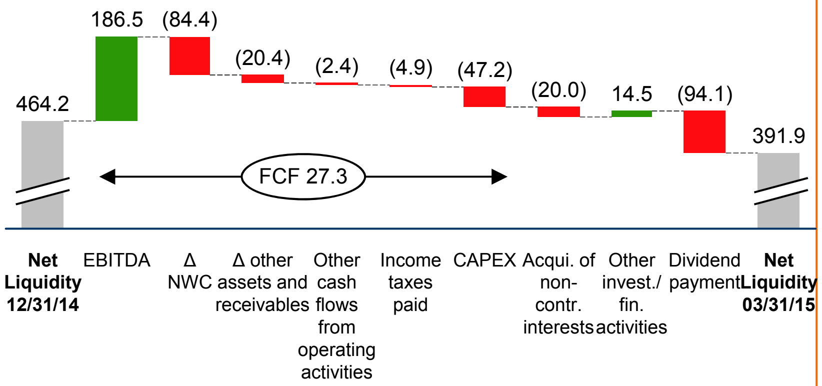
Free cash flow up operationally

Group (€m)

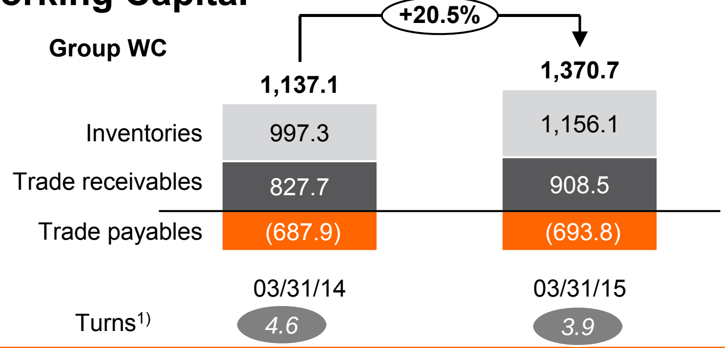
Capital Expenditure



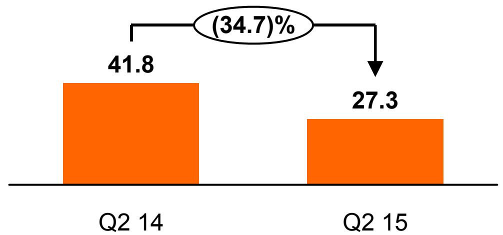
Net Debt bridge



Working Capital



Free cash flow



1) Defined as revenue (last twelve months) divided by working capital

Key financial metrics

Group (€m)

	Q2 FY14	Q2 FY15	Change (y-o-y)
Revenue	1,277.9	1,398.9	Nom: 9.5% Comp: (1.5)%
Gross margin	31.8%	32,2%	40 bps
R&D	(81.2)	(83.5)	2.8%
SG&A	(246.0)	(255.2)	3.7%
EBITA	81.2	124,7	53.6%
EBITA margin	6.4%	8.9%	250 bps
Adj. EBITA	116.1	151.5	30.5%
Adj. EBITA margin[1)]	9.1%	10.8%	170 bps
EBITDA	139.8	186.5	33.4%
Financial result including at-equity results	23.0	(6.5)	n/a
Income (loss) before Taxes	98.1	110.2	12.3%
Taxes	(29.5)	(32.5)	10.2%
Net Income (loss)	68.6	77.7	13.3%
Basic EPS in €	0.65	0.73	12.3%
Free Cash Flow	41.8	27.3	(34.7)%
CAPEX	(56.4)	(47.2)	(16.4)%
Net Liquidity	365.8	391.9	7.1%
Adj. Net Debt / EBITDA[2)]	(0.0)	(0.4)	n/a
Equity Ratio	51.2%	50.2%	(100) bps
Employees In thousands	33.4	32.6	(2.4)%

[1)] Adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board.

[2)] EBITDA for the six months ended March 31, 2015, was annualized for calculation purposes.

Outlook for adj. EBITA margin increased

1. For FY15 we expect revenue on FY14 level on a comparable basis
2. We expect the adjusted[1)] EBITA margin to be above 9.0% for FY15.
3. OSRAM Push Phase II in FY15 with gross savings of roughly €400m
4. Biggest yearly share of transformation costs in FY15 will lead to a sharp decrease in net income and ROCE
5. Free Cash Flow for FY15 expected to come in with a positive triple digit €m amount, but below FY14 level

→ Based on 2015 outlook and OSRAM's midterm prospects we intend dividend continuity with €0.90 per share also for FY15

[1)] Adjustment for special items includes e.g. transformation costs, spin-off-related costs, substantial legal and regulatory matters, acquisition related costs and costs related to changes in the managing board

Financial Calendar and Investor Contacts

Upcoming events

- **April 30, 2015**
  Roadshow, London
- **May 6, 2015**
  Wells Fargo - Wells Fargo Securities Industrial and Construction Conference, New York
- **May 29, 2015**
  Societe Generale - Annual Nice Conference, Nice
- **June 2, 2015**
  DZ Bank - Sustainable Conference, Zurich

Investor Relations contact

Boris Tramm	+ 49 89 6213 4686
Munich Office	+ 49 89 6213 4875
Internet	http://www.osram.com/ir
Email:	ir@osram.com

Backup

OSRAM

Segment overview

Q2 FY15

	SP	OS	LLS	LS	CLB	CIE [1]	OSRAM Licht Group
Revenue	475.3	321.5	164.0	99.6	470.9	(132.3)	1,398.9
Change % vs. PY reported	21.0	19.1	56.1	(1.0)	(8.5)	25.1	9.5
Change % vs. PY comparable	5.2	8.2	42.6	(7.8)	(16.3)	14.5	(1.5)
EBITA	70.6	54.8	(9.8)	(16.5)	43.5	(17.9)	124.7
EBITA margin	14.8%	17.0%	(6.0)%	(16.5)%	9.2%		8.9%
Special items EBITA	(5.1)	—	(0.2)	(1.6)	(6.8)	(13.3)	(26.8)
therein transformation costs	(4.7)	—	(0.2)	(1.5)	(6.8)	(12.8)	(25.9)
EBITA before special items	75.6	54.8	(9.7)	(14.9)	50.3	(4.7)	151.5
EBITA margin before special items	15.9%	17.0%	(5.9)%	(15.0)%	10.7%		10.8%
Free cash flow [2]	35.4	56.5	(7.3)	(20.3)	41.4	(78.4)	27.3
Additions to intangible assets and property, plant and equipment	15.5	25.1	2.2	1.9	2.2	0.2	47.2
Amortization [3]	3.3	0.2	1.0	1.4	1.2	0.9	8.0
Depreciation [4]	10.7	28.3	2.9	2.7	16.9	0.3	61.9

Minor differences may occur due to rounding.

1) Contains corporate items, pensions, eliminations, corporate treasury and other reconciling items.
2) Free Cash Flow constitutes net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment. For the Segments, it primarily excludes income tax related and financing interest payments and proceeds.
3) Amortization and impairments represents amortization and impairments of goodwill and intangible assets, net of reversals of impairments.
4) Depreciation represents depreciation and impairments of property, plant and equipment, net of reversals of impairments.

Disclaimer

This presentation contains certain non-IFRS measures. FCF, EBITDA, EBITA, EBIT, EBITA margin, capital expenditure, capital expenditure as percentage of revenue and other operating income, net financial debt, net working capital and certain other items included herein are not recognized measures in accordance with IFRS and should not be considered as an alternative to the applicable IFRS measures. We have provided these measures and other information in this presentation because we believe they provide investors with additional information to measure our performance. Our use of the terms FCF, EBITDA, EBITA, EBIT, EBITA margin, capital expenditure, capital expenditure as percentage of revenue and other operating income, net financial debt, net working capital varies from others in our industry and should not be considered as an alternative to net income (loss), cash flows from operating activities, revenue or any other performance measures derived in accordance with IFRS as measures of operating performance or to cash flows as measures of liquidity. FCF, EBITDA, EBITA, EBIT, EBITA margin, capital expenditure, capital expenditure as percentage of revenue and other operating income, net financial debt and net working capital have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS.

Certain numerical data, financial information and market data (including percentages) in this presentation have been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or interim totals or differences or if numbers are put in relation) in this presentation may not correspond in all cases to the amounts contained in the underlying (unrounded) figures appearing in the consolidated financial statements. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.