

Press

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Osram supports public takeover offer from Bain Capital and The Carlyle Group

- Voluntary public takeover offer for the price of 35 euros per share
- Investor agreement supports strategy and growth
- Extensive commitments to employees and locations
- Corporate headquarters to remain in Munich; patents and brand safeguarded

After detailed discussions, a bidding consortium composed of Bain Capital and The Carlyle Group, has presented to the Managing Board and Supervisory Board of OSRAM Licht AG a legally binding transaction offer for the public takeover of all the shares of Osram. Following a diligent process with the best interests for the company, the shareholders and other stakeholders in the center of consideration the Managing Board and Supervisory Board have decided to support this offer. Osram and the consortium have also concluded an investor agreement that includes comprehensive commitments. “Bain and Carlyle are the right partners for Osram at the right time”, said Olaf Berlien, CEO of Osram. “They support our strategy and facilitate growth. Both are committed to our employees and offer shareholders an attractive premium.”

As part of the public takeover offer, shareholders are to be offered 35 euros per share in cash. This represents a premium of roughly 21 percent above the last closing price of Osram shares before the publication of Osram’s ad-hoc announcement with regards to the evaluation of a legally binding transaction offer by Bain and Carlyle, 2019 and a premium of 22.6 percent on the volume-weighted average price of Osram shares in the past three months. In both cases, it should be noted that talks with Bain and Carlyle have been public knowledge for some time and therefore had an effect on the share price.

The offer values Osram at an equity value of 3.4 billion euros and an enterprise value of roughly 4 billion euros. Bain and Carlyle have announced a minimum acceptance threshold of 70 percent. This threshold does not include the shares owned by Osram

Licht AG itself. The offer period is expected to end at the beginning of September. Subject to a further detailed review of the offer documentation to be published, the Managing Board and Supervisory Board of Osram have a positive view on the offer. As of today, both governance bodies assume that they will recommend in their reasoned response that shareholders should accept the offer. The Managing Board intends to sell its own Osram shares to the bidders as part of the takeover.

The ongoing transformation of Osram to a high-tech photonics company is the response to a profound change in the lighting industry. In the case of a successful takeover offer, Osram will have an ownership structure with which the company will be able to continue its necessary transformation even more consequently in these economically and geopolitically uncertain times. Both private equity firms have extensive experience in supporting companies through transformation processes, have access to an international network and have successfully developed several companies in the past. Peter Bauer, Chairman of the Supervisory Board of Osram, said: "We welcome the offer from Bain and Carlyle and are convinced that it represents both a fair value for the shareholders and strategic added value for our company."

In connection with the signed investor agreement, Bain and Carlyle will support the current growth path and, among other things, are making extensive commitments with regard to employees and locations. For example, the investors are committed to the current management plan and the existing strategy with its focus on optical semiconductors, the automotive sector and digital applications. Bain and Carlyle have given assurance that they will fully support the management team and will collaborate closely with the current Managing Board to further the transformation of Osram. Osram will continue to operate under the existing name after the takeover. The corporate headquarters will remain in Munich, and the rights to all patents will remain with Osram. Bain, Carlyle and Osram also acknowledged in the investor agreement that Osram operates in a challenging and volatile market environment, that requires flexible action.

It was agreed that both investors will support all ongoing growth projects, possible acquisitions as well as investments in new product developments. Bain and Carlyle also confirm that existing labor agreements, collective bargaining agreements and similar agreements as well as existing pension plans will remain unchanged. The existing

steering committee dealing with labor issues with equal representation between the Managing Board and the workforce representatives will also remain in its present form. The investors are explicitly committed to the cornerstones laid out in the document “[Future Concept Germany](#)” which was agreed in July 2017 with the trade union IG Metall and the workforce. In addition, the locations of the essential business units will remain unchanged.

The offer document will be published at a later point in time in accordance with the requirements of the German Securities Acquisition and Takeover Law by Luz (C-BC) Bidco GmbH, a holding company jointly controlled by investment funds, which are advised and/or connected with Bain Capital Private Equity and The Carlyle Group, following approval by the German Federal Financial Supervisory Authority. After publication, the Managing Board and Supervisory Board will carefully review the document in accordance with their legal obligations and submit a reasoned response.

Perella Weinberg Partners acted as Financial Advisors and Freshfields Bruckhaus Deringer as legal advisors for Osram.

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ABOUT OSRAM

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OSRAM, based in Munich, is a leading global high-tech company with a history dating back more than 110 years. Primarily focused on semiconductor-based technologies, our products are used in highly diverse applications ranging from virtual reality to autonomous driving and from smartphones to smart and connected lighting solutions in buildings and cities. OSRAM uses the endless possibilities of light to improve the quality of life for individuals and communities. OSRAM's innovations enable people all over the world not only to see better, but also to communicate, travel, work and live better. OSRAM has approximately 26,200 employees worldwide as of end of fiscal 2018 (September 30) and generated revenue of more than 3.8 billion euros from continuing activities. The company is listed on the stock exchanges in Frankfurt and Munich (ISIN: DE000LED4000; WKN: LED 400; trading symbol: OSR). Additional information can be found at www.osram.com.

Disclaimer

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