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Joint Spin-off Report

of the Managing Boards

of

Siemens Aktiengesellschaft, Berlin and Munich,

and

OSRAM Licht AG, Munich,

on the Spin-off of a Majority Participation in OSRAM

pursuant to Section 127 sentence 1 German Transformation Act
(*Umwandlungsgesetz*)

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I. Introduction

The managing board of Siemens Aktiengesellschaft with its registered offices in Berlin and Munich ("**Siemens AG**") has resolved with the approval of the supervisory board to make the former OSRAM division of the Siemens Group independent and place it on the stock exchange by way of a spin-off under the German Transformation Act ("**Spin-off**").

The former OSRAM Division, which was independent in terms of technology and sales, is combined legally and organizationally under the roof of OSRAM GmbH with its registered office in Munich ("**OSRAM GmbH**"). OSRAM GmbH, together with its direct and indirect subsidiaries as well as participations ("**OSRAM Division**" or "**OSRAM**", and its business, the "**OSRAM Division Activities**") is the most important integrated, globally active pure lighting business and represented in all levels of the light value creation chain. The company has worldwide around 39,000 employees (as of 30 September 2012) and business relationships to customers in more than 120 countries and generates more than two thirds of its sales with energy efficient products. As a result of going independent, the company is especially supposed to be given the possibility to further develop its business in a more flexible manner. At the same time, Siemens AG intends to concentrate its own business on core areas with the highest potential for synergy in end markets and technologies.

Siemens AG intends to not completely separate itself from OSRAM in connection with the Spin-off and instead to remain participated as a shareholder in the future listed company. The Siemens shareholders are supposed to receive the majority of shares in the new company.

In order to implement the transformation, the OSRAM Division is supposed to be transferred to OSRAM Licht AG with its registered office in Munich ("**OSRAM Licht AG**") which, in turn, is supposed to become the listed parent company of the future OSRAM Group. All shares in OSRAM Licht AG currently belong to Siemens AG.

The transfer of the OSRAM Division to OSRAM Licht AG is supposed to take place in two related steps. In a first step, Siemens AG will contribute 19.5 % of the company shares in OSRAM GmbH to OSRAM Licht AG as a contribution in kind. As consideration, Siemens AG will receive shares in OSRAM Licht AG ("**OSRAM Licht Shares**") which OSRAM Licht AG will create by means of a capital increase in exchange for a contribution in kind as well as a cash payment ("**Capital Increase in Kind**").

In a second step, the other 80.5 % of the shares in OSRAM GmbH are supposed to be transferred to OSRAM Licht AG by way of a Spin-off under the German Transformation Act (*Umwandlungsgesetz*, "**UmwG**"). This 80.5 % participation is currently held by

OSRAM Beteiligungen GmbH, a 100 % subsidiary of Siemens AG with its registered office in Munich ("**OSRAM Beteiligungen GmbH**"). Siemens AG as the transferring entity is accordingly supposed to spin-off all shares in OSRAM Beteiligungen GmbH to OSRAM Licht AG as the receiving entity, as a result of which the remaining 80.5 % of the subscribed capital in OSRAM GmbH will indirectly pass to OSRAM Licht AG. As consideration for the Spin-off, the Siemens shareholders will be allocated shares in OSRAM Licht AG. The allocation ratio is 10:1, i.e. one OSRAM Licht AG share will be granted for ten shares of Siemens AG (hereinafter also the "**Siemens Shares**"). The shares to be granted to the Siemens shareholders will be created by OSRAM Licht AG by means of a capital increase for the purpose of implementing the Spin-off ("**Spin-off Capital Increase**").

When the Spin-off takes effect, the capital stock of OSRAM Licht AG will be held 80.5 % by the shareholders of Siemens AG and 19.5 % by Siemens AG. All shares in OSRAM Licht AG are supposed to be directly admitted in the Regulated Market of the Frankfurt Stock Exchange as well as the Munich Stock Exchange and also in the part of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) immediately after the spin-off takes effect.

The basis of the Spin-off is the Spin-off and Transfer Agreement (the "**Spin-off and Transfer Agreement**") between Siemens AG and OSRAM Licht AG which was notarized before the notary Dr. Tilmann Götte with offices in Munich on 28 November 2012. The Spin-off and Transfer Agreement, together with its annexes including the Contribution Agreement forming the basis of the Capital Increase in Kind ("**Contribution Agreement**") is attached as **Annex 1** to this Spin-off Report.

The Spin-off is supposed to take place with retroactive economic effect as of 1 October 2012, 0:00 hours ("**Spin-off Effective Date**"). It will take effect upon registration in both registers of companies of Siemens AG. Upon registration, the shares in OSRAM Beteiligungen GmbH will pass in their entirety to OSRAM Licht AG by force of law. As a result, OSRAM Licht AG will indirectly acquire, in addition to the 19.5 % it already holds, the remaining 80.5 % of the subscribed capital of OSRAM GmbH and will accordingly become the parent company of the newly established OSRAM Group (OSRAM Licht AG with its participations existing after the Spin-off in OSRAM Beteiligungen GmbH and the OSRAM Division, hereinafter the "**OSRAM Group**").

Siemens AG will contribute 2.5 % of its remaining 19.5 % of the capital stock in OSRAM Licht AG as a funding to Siemens Pension-Trust e.V. shortly after the Spin-off takes effect so that the portion of the capital stock of OSRAM Licht AG remaining directly with Siemens AG will be 17 % after the funding.

The Spin-off and Transfer Agreement requires the approval of the shareholders' meeting of Siemens AG and OSRAM Licht AG in order to be valid and is supposed to be submitted to the annual shareholders' meeting of Siemens AG for the adoption of the resolution on 23 January 2013. The approval of the general shareholder meeting of OSRAM Licht AG will be resolved by Siemens AG as its sole shareholder beforehand.

The managing boards of the two companies involved in the Spin-off, Siemens AG and OSRAM Licht AG, explain and provide the reasons in this report for the planned spin-off of a majority participation in OSRAM and the Spin-off and Transfer Agreement in detail with regard to the legal and economic aspects in accordance with Section 127 sentence 1 UmwG ("**Spin-off Report**"). The managing board of Siemens AG and OSRAM Licht AG are making use of the possibility of jointly issuing the Spin-off Report under Section 127 sentence 1 last half sentence UmwG.

This Spin-off Report serves as information for the shareholders of Siemens AG in preparation of the reaching of the decision required under the law on transformation of corporate form and does not serve as a specific investment decision. This Spin-off Report is especially no document comparable to a document for purposes of Section 21 (4) German Securities Prospectus Act (*Wertpapierprospektgesetz*). The listing of the shares of OSRAM Licht AG for trading on the stock exchange will take place on the basis of a separate securities prospectus.

II. Starting situation – The legal entities involved in the Spin-off and the Siemens Group prior to the Spin-off

1. Overview of the Siemens Group

The present Siemens AG with its two registered offices in Berlin and Munich traces its history back to Siemens & Halske AG which was created by way of a transformation of corporate form in 1897. Siemens AG is the parent company of the Siemens Group. The Siemens AG shares have been traded since 8 March 1899 on the exchanges and are listed today on all German stock exchanges in the Regulated Market and are represented in the DAX stock index at the Frankfurt Stock Exchange. In addition, the shares are also traded on the Swiss Stock Exchange as well as the stock exchanges in London and New York, at the latter in the form of so-called ADRs (American Depositary Receipts – stock certificates under US American law).

Siemens is an integrated technology group in which business is organized in the sectors Energy, Healthcare, Industry and, since October 2011, Infrastructure & Cities. The individual sectors are divided, in turn, into various fields of business so that the structure of the Siemens Group is as follows:

Siemens					
Sectors				Sector overlapping Activities	Separate Business
Energy	Healthcare	Industry	I&C		
• Energy Service	• Clinical Products	• Customer Services	• Building Technologies	• Financial Services	OSRAM
• Fossil Power Generation	• Customer Solutions	• Drive Technologies	• Low and Medium Voltage	• Global Shared Services	Equity Investments
• Oil & Gas	• Diagnostics	• Industry Automation	• Mobility and Logistics	• Siemens Real Estate	
• Power Transmission	• Imaging & Therapy Systems		• Rail Systems		
• Solar&Hydro*			• Smart Grid		
• Wind Power					

* In October 2012, Siemens has announced to disperse the Division Solar&Hydro due to the planned disposition of the solar business which has been disclosed as of 30 September 2012 as discontinued operations.

The Siemens portfolio also includes businesses which cannot be allocated to the four sectors. Those include, amongst others, Financial Services, the area of Equity Investments, in which especially major participations held by Siemens involving BSH Bosch und Siemens Hausgeräte GmbH as well as Nokia Siemens Networks B.V. are bundled, and Siemens Real Estate. In addition, businesses which are accounted for as discontinued operations, especially OSRAM, also belong to Siemens.

The order book for the Siemens Group resulting from continuing operations, i.e. the Siemens Group without the OSRAM Division and other operations which are being discontinued, was 76.913 billion € in the previous fiscal year 2012. The total group revenues from ongoing operations were 78.292 billion €. The after-tax profit in the group financial statements from continuing and discontinued operations was 4.590 billion € in the fiscal year 2012. As of 30 September 2012, there were a total of 410,000 employees in the Siemens Group, of which around 370,000 employees were involved in the continuing operations.

2. Siemens AG as the transferring entity

a) Registered office and fiscal year

The transferring entity Siemens AG is a stock corporation under German law with registered offices in Berlin and Munich. Since 1949, the headquarters of the Group have been located at Wittelsbacherplatz in Munich. Siemens AG is registered with the register of companies at the district court (*Amtsgericht*) of Charlottenburg under registration number HRB 12300 B and with the register of companies at the district court of Munich under registration number HRB 6684. The Siemens fiscal year begins on 1 October of each year and ends on 30 September of the subsequent year.

b) Capital stock and shares

The capital stock of Siemens AG at the signing of this Spin-off Report amounts to 2,643,000,000 €, divided into 881,000,000 shares of no par value (registered shares) with a notional share in the capital stock of 3 € each. Each share grants one vote.

In § 4 para. 4-7 and 9, the articles of association of Siemens AG additionally contain various classes of authorized capital and contingent capital for different purposes.

c) Warrant bonds

In § 4 para. 8. and para. 10, the articles of association of Siemens AG also contain two conditional capital authorizations (Conditional Capital 2010 and Conditional Capital 2011) in order to service convertible bonds or warrants under warrant bonds issued on the basis of the respective authorization of the annual shareholders' meetings 2010 and 2011.

Siemens issued warrant bonds in a volume of 3 billion US\$ in February 2012 under the authorization of January 2010. The warrant bonds were offered exclusively to institutional investors outside of the USA in minimum amounts of 250,000 US\$. The subscription rights of the shareholders were excluded. The bonds issued by Siemens Financieringsmaatschappij N.V. and guaranteed by Siemens AG included warrants issued by Siemens AG. The warrants give a right to subscribe to multiple Siemens shares in exchange for payment of an exercise price in Euro. Overall, options for around 21.7 million Siemens shares resulted when issuing the warrant bonds. The terms and conditions of warrants permit Siemens to also service options using treasury shares and to redeem warrants. The warrant bonds were placed in two tranches with terms of five and a half and seven and a half years. The respective term applies to the bonds and the corresponding warrants. The warrants can be separated from the bonds after issuance and can be exercised starting on 28 March 2012; no options have been exercised up to the present time. The holder of a warrant currently receives a total of 1,806.1496 Siemens shares at an exercise price of 104.0018 € per Siemens share in exchange for payment of 187,842.81 €. The warrant bonds, bonds separated from warrants and separated warrants

were included by Deutsche Bank AG in the over-the-counter trading on the Frankfurt Stock Exchange.

d) Stock-based compensation programs and employee participation programs – authorization to purchase treasury shares

In order to promote the equity culture at the company and to grant an opportunity to members of corporate bodies and employees of the Siemens group to participate as responsible shareholders in the long-term success of the company, Siemens AG and further group companies offer to the managing board members and employees of Siemens AG as well as to members of corporate bodies and employees of further group companies a participation in various stock-based compensation programs or employee participation programs.

In light of the duties to service these programs, the Authorized Capital 2011 which has not been used so far as well as the possibility to purchase and use treasury shares pursuant to the resolution of the annual shareholders' meeting of Siemens AG on 25 January 2011 are available. Accordingly, Siemens AG is authorized pursuant to Section 71 (1) no. 8 Stock Corporation Act (*Aktiengesetz* "**AktG**") to purchase treasury shares until 24 January 2016 up to a total of 10 % of the existing capital stock at the time the resolution is adopted or – if the value is lower – of the existing capital stock at the time of the exercise of the option through the stock exchange, also using derivatives, or by means of a public purchase offer. The possibilities for use resolved by the shareholders' meeting for these shares and shares that were previously acquired include the cancellation of these shares, the purchase by members of corporate bodies and employees in group companies of the Siemens Group, use as consideration when purchasing benefits in kind, sale to third parties as well as servicing duties and rights to purchase Siemens shares in connection with convertible bonds and warrant bonds that have been issued.

The managing board of Siemens AG on 2 August 2012 resolved to redeem shares under the above authorization, and this was completed by 7 November 2012. Under this resolution, Siemens AG acquired 37,949,286 treasury shares and spent 2,918,341,586.27 € (without ancillary costs for the purchases). The redeemed shares can be used for issuance to employees, members of corporate bodies in affiliated companies and members of the managing board and to service convertible bonds and warrant bonds, or they can be cancelled. Also, on the basis of the resolution of the managing board dated 2 August 2012, 33,203,421 treasury shares were cancelled. The capital stock of Siemens AG was accordingly reduced to the current status.

e) Shareholder structure and trading on the stock exchange

The following statements can be made about the shareholder structure of Siemens AG after the voting right notifications pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz*, "**WpHG**") received by Siemens AG on the basis of the capital stock of 2,742,610,263 € existing up to the reduction of the share capital: BlackRock Inc., New York, USA, its subsidiary BlackRock Holdco 2, Inc., Wilmington, USA as well as other subsidiaries as defined in the German Securities Trading Act have informed Siemens AG about their shareholdings pursuant to the provisions of the German Securities Trading Act; as a consequence of the attribution of the respectively held shares by subsidiaries, the maximum shareholding notified pursuant to the provisions of the German Securities Trading Act was 5.02 %. The country of Qatar, acting by and through DIC Company Limited, George Town, Grand Cayman, Cayman Islands has notified Siemens AG that its portion of the voting rights in Siemens AG is 3.04 %. The Werner Siemens-Stiftung, Zug, Switzerland, has a participation of 3.03 % in the capital stock of Siemens AG according to its notification. Aside from this, the capital stock of Siemens AG is widely spread among institutional and private investors in Germany and foreign countries. Since the capital stock of Siemens AG has been reduced in the meantime to 2,643,000,000 € as a result of the cancellation of shares, the relative shareholdings existing at the time of the reduction have increased accordingly.

The shares in Siemens AG are admitted to trading on the Frankfurt Stock Exchange in the sub-segment Prime Standard of the Regulated Market as well as on all other German stock exchanges. In addition, Siemens shares are also listed on the Swiss Stock Exchange as well as the stock exchanges in London and New York, there only in the form of so-called ADRs (American Depositary Receipts – stock certificates under US American law). They are traded under the International Securities Identification Number (ISIN) DE0007236101.

Siemens AG currently holds 38,250,330 treasury shares corresponding to 4.3 % of the capital stock.

f) Managing board

Pursuant to § 8 para. 1 of the articles of association of Siemens AG, the managing board consists of several persons. Aside from this, the number of members in the managing board is determined by the supervisory board

The managing board of Siemens AG includes currently ten members:

- Peter Löscher, chairman of the managing board
- Dr. Roland Busch,

- Brigitte Ederer,
- Klaus Helmrich,
- Joe Kaeser,
- Barbara Kux,
- Prof. Dr. Hermann Requardt,
- Prof. Dr. Siegfried Russwurm,
- Peter Y. Solmssen and
- Dr. Michael Süß.

Pursuant to § 8 para. 3 of the articles of association, Siemens AG is legally represented under law by two members of the managing board or by one member of the managing board acting jointly with a holder of registered signing authority (*Prokurist*). Otherwise, Siemens AG is represented by holders of registered signing authority or other persons authorized to sign in accordance with the more detailed provisions established by the managing board.

g) Supervisory board

The supervisory board of Siemens AG has 20 members. It consists of an equal number of ten members each from the shareholders and the employees pursuant to the provisions of the German Act on Co-determination of the Employees (*Gesetz über die Mitbestimmung der Arbeitnehmer*, "**MitbestG**") dated 4 May 1976.

The ten members of the supervisory board for the shareholders are currently:

- Dr. Gerhard Cromme, chairman of the supervisory board,
- Dr. Josef Ackermann, 2nd vice-chairman,
- Jean-Louis Beffa,
- Gerd von Brandenstein,
- Michael Diekmann,
- Dr. Hans Michael Gaul,
- Prof. Dr. Peter Gruss,
- Dr. Nicola Leibinger-Kammüller,
- Håkan Samuelsson, and
- Lord Iain Vallance of Tummel.

The ten members of the supervisory board from the shareholders were elected at the shareholders' meeting of Siemens AG on 24 January 2008. Their terms of office end upon the end of the annual shareholders meeting on 23 January 2013. The present members of the supervisory board Håkan Samuelsson, Jean-Louis Beffa and Lord Iain Vallance of Tummel are no longer available to be reelected during the shareholders' meeting. Instead, the nominating committee of the Siemens supervisory board has nominated Güler Sabancı, Gérard Mestrallet and Werner Wenning as candidates for the supervisory board of Siemens AG.

The ten members of the supervisory board for the employees are currently:

- Berthold Huber, 1st vice-chairman,
- Lothar Adler,
- Bettina Haller,
- Hans-Jürgen Hartung,
- Harald Kern,
- Jürgen Kerner,
- Werner Mönius,
- Dr. Rainer Sieg,
- Birgit Steinborn, and
- Sibylle Wankel.

The regular terms of office of all members of the supervisory board for the employees will end at the end of the shareholders' meeting of Siemens AG on 23 January 2013. In the election on 25 September 2012, which was conducted in accordance with the provisions of the German Act on Co-determination, all employee representatives in office except for Werner Mönius were elected for a further term of five years with effect as of the end of the annual shareholders' meeting 2013. Robert Kensbock was elected to the supervisory board to take the place of Werner Mönius.

3. Sectors of the Siemens Group

The business of the Siemens Group is divided into the four sectors Energy, Healthcare, Industries and Infrastructure & Cities as well as cross-sectoral operations and separate businesses.

The overall operations of Siemens can be described with the following key data (for further key numbers see the detailed description in chapter X.2.):

Key numbers (in million €)	Fiscal year 2012	Fiscal year 2011
Revenue	78,296	73,275
Income from continuing operations	5,184	7,376
Income/loss from discontinued operations	-595	-1,055
Net income	4,590	6,321
Employees (continued and discontinued operations as of 30 September 2012)	around 410,000	around 402,000

a) Energy

The sector Energy offers a wide spectrum of products, services and solutions for the generation and transmission of power as well as the extraction, conversion and transport of oil and gas. The sector services above all the needs of energy providers. Industrial companies, particularly in the oil and gas industry, are also among the sector's customers.

Key numbers (in million €)	Fiscal year 2012	Fiscal year 2011
New orders	26,881	31,407
Revenue	27,537	24,645
Profit	2,159	4,230
Employees (as of 30 September)	around 86,000	around 82,000

b) Healthcare

The sector Healthcare offers its customers a comprehensive portfolio of medical solutions across the therapeutic chain ranging from medical imaging to in-vitro diagnostics to interventional systems and clinical information technology systems. In addition, the sector provides technical maintenance, professional services and consulting as well as financing services for its customers in cooperation with Financial Services.

Key numbers (in million €)	Fiscal year 2012	Fiscal year 2011
New orders	13,806	13,116
Revenue	13,642	12,517
Profit	1,815	1,334
Employees (as of 30 September)	around 51,000	around 51,000

c) Industry

The sector Industry offers a broad spectrum of products, services and solutions with which resources and energy can be used efficiently and the productivity and flexibility in industry can be increased. With its integrated technologies and integrated solutions, the sector focuses primarily on industrial customers, for example in the processing and manufacturing industry. The sector supplies above all products and services for industry automation, industry software, and motor technology and provides systems integration and solutions for the industrial plant business. After the end of the fiscal year 2012, the sector decided to dispose its water purification business.

Key numbers (in million €)	Fiscal year 2012	Fiscal year 2011
New orders	19,985	20,184
Revenue	20,508	19,590
Profit	2,467	2,752
Employees (as of 30 September)	around 105,000	around 103,000

d) Infrastructure & Cities

Siemens provides through its sector Infrastructure & Cities, which was newly established in 2011, worldwide a broad spectrum of sustainable technologies for metropolitan centers and their infrastructures. Examples are mobility solutions, building and security technology, power distribution, smart grid applications as well as low voltage and mid-voltage products. The Sector consists of businesses which were previously organized under the Industry and Energy sectors and bundles already existing competencies in the Siemens Group.

Key numbers (in million €)	Fiscal year 2012	Fiscal year 2011
New orders	17,150	21,348
Revenue	17,585	16,976
Profit	1,102	1,126
Employees (as of 30 September 2012)	around 89,000	around 87,000

4. Additional business activities of the Siemens Group

a) Financial Services

Financial Services offers a large number of financial services and products both for external customers as well as for other Siemens units and its customers. The strategic focus of Financial Services is based on three columns: support of the Siemens sectors with financing solutions for their customers, management of financial risks within the Siemens Group and provision of financial services and products to third party customers.

Key numbers (in million €)	Fiscal year 2012	Fiscal year 2011
Earnings before income taxes	479	428
Total assets	17,405	14,602

b) Equity Investments

Equity Investments comprises in general equity interests held by Siemens that are either accounted for by the equity method, at costs of purchase or as current available-for-sale financial assets and which are not allocated to any sector or to Financial Services, centrally managed portfolio activities, Siemens Real Estate, corporate items or Group treasury for strategic reasons. Equity Investments includes especially a participation of 50 % in BSH Bosch und Siemens Hausgeräte GmbH (BSH) as well as of approximately 50 % in Nokia Siemens Networks B.V. (NSN).

BSH is one of the largest manufacturers of household appliances with a comprehensive range of innovative products.

NSN unites Nokia's Networks Portfolio Group and the operator related business of Siemens Communications. NSN is among the worldwide largest suppliers of hardware and software products as well as services for the telecommunications industry.

The area of Equity Investments obtained a result of -549 million € in the fiscal year 2012 (2011: - 26 million €).

c) Siemens Real Estate

Siemens Real Estate is the owner of the real estate and buildings of the Siemens Group and responsible for managing them. The services cover the development of real estate projects, the sale of real estate, real estate management as well as lease and services management. The earnings before income taxes for Siemens Real Estate were 115 million € in the fiscal year 2012 (2011: 150 million €). The real estate inventory in the OSRAM Division does not belong to the responsibilities of Siemens Real Estate and is instead managed by OSRAM itself.

5. OSRAM as discontinued operations

The activities of the former OSRAM Division are legally and organizationally concentrated under OSRAM GmbH. OSRAM is represented in the consolidated financial statements of Siemens AG as discontinued operations and, therefore, is not part of any of the sectors described in Section 3.

The product portfolio in OSRAM includes lights and light sources of various kinds, including opto-electronic semi-conductor light sources such as light emitting diodes (LED), the corresponding ballast (EBU) and light management systems. OSRAM also offers innovative, integrated and tailor-made lighting solutions for large projects, value added services, such as energy audits, lighting design and lighting development as well as maintenance.

The following table shows the profits of OSRAM which were reflected as discontinued activities in the consolidated financial statements of the Siemens Group.

Key Numbers (in million €)	Fiscal Year 2012	Fiscal Year 2011
Revenue ⁽¹⁾	5,400	5,032
Expenses	-5,454	-4,521
Costs to sell (carve-out costs)	-33	-25
Pretax gain (loss) from discontinued operations	-87	486
Income taxes on ordinary activities	-8	- 185
Income taxes on costs to sell (carve-out costs)	-26	8
Gain (loss) from discontinued operations, net of income taxes	-121	309

⁽¹⁾ The disclosed revenue for OSRAM as discontinued operation comprises to a small extent revenues of Siemens regional units which are not part of the OSRAM group and are therefore not part of the Combined Financial Statements (see Chapter IX.2.a)).

The following table shows the carrying amounts of the major classes of assets and liabilities of OSRAM which are shown as available for sale in the consolidated accounts of Siemens.

Assets and Liabilities (in million €)	30 September 2012	30 September 2011
Trade and other receivables	827	858
Inventories	1,044	1,118
Good will	277	238
Other intangible assets	161	174
Property, plant and equipment	1,416	1,645
Deferred tax assets	377	269
Financial assets	138	174
Other assets	212	176
Assets classified as held for disposal	4,452	4,652
Trade payables	609	586
Current provisions	92	84
Other current liabilities	380	381
Pension plans and similar commitments	490	410
Other liabilities	307	279
Liabilities associated with assets classified as held for disposal	1,877	1,740

Further details about the operations of the OSRAM Division and the future OSRAM Group as well as other key numbers are explained in Chapters IV.3., IX.1. and IX.2.

6. OSRAM Licht AG as the receiving entity

The receiving entity in the Spin-off of the operations of the OSRAM Division from Siemens AG is OSRAM Licht AG. Upon the closing of the Spin-off, this company will be the parent company of the then legally and economically independent OSRAM Group.

a) General corporate information

OSRAM Licht AG was established with a notarial deed dated 1 June 2012 as a stock corporation under German law with the company name Kyros A AG with its registered office in Munich, and it was registered on 6 July 2012 with the register of companies at the district court of Munich under registration number HRB 199675. Siemens AG is the founder of the company and holds all shares in the company. The fiscal year of the company begins on 1 October of each year and ends on 30 September of the subsequent year. The first fiscal year was a short fiscal year and ended on 30 September 2012.

The company has no business operations of its own to date and does not yet have any employees. On 8 November 2012, the company name was changed to "OSRAM Licht AG", and the corporate purpose of the company was restated in light of its future position as the parent company of the OSRAM Group. The corporate purpose is the management of a group of companies which are active in the areas of development, design, production and distribution of light, lighting products and photonic products, especially light conversion products, systems and solutions, including illuminants, luminaires, operating and production equipment and machinery, control systems, upstream products, parts and accessories of such products, systems and solutions and the rendering of consulting and services for the above mentioned fields. The company can operate in the aforementioned areas itself.

b) Capital stock and shares: shareholder structure

The capital stock of OSRAM Licht AG amounts to currently still 50,000 €, divided into 50,000 shares of no par value (registered shares). The shares are not listed on the stock exchange. All shares are currently held by Siemens AG (see with regard to the pending corporate actions, the description in point e) in this section as well as Chapters VI.3. and VI.10.).

c) Managing board

OSRAM Licht AG currently has a managing board consisting of two people which were appointed for the period from 8 November 2012 until 31 March 2016. The members are:

- Wolfgang Dehen and
- Dr. Klaus Patzak.

Pursuant to § 6 para. 2 of the current version of the articles of association, OSRAM Licht AG is legally represented by two members of the managing board or by a member of the managing board together with a holder of registered signing authority (*Prokurist*). If only one member of the managing board has been appointed, that member alone represents the company (for a future expansion of the managing board see Chapter IX.3.d)).

d) Supervisory board

The supervisory board of OSRAM Licht AG currently consists of three members. Since OSRAM Licht AG does not have any employees to date, the supervisory board is currently not subject to co-determination of the employees.

The supervisory board of OSRAM Licht AG currently consists of the following employees of Siemens AG:

- Georg Bernwieser, chairman of the supervisory board,
- Peter Kastenmeier, vice-chairman of the supervisory board, and
- Walter Richter.

e) Resolutions of the shareholders' meeting to date

The shareholders' meeting of OSRAM Licht AG on 8 November 2012, in addition to ratifying the actions of the managing board and the supervisory board for the short fiscal year 2012, newly elected the members of the supervisory board for the time up to the end of the shareholders' meeting resolving on the ratification of actions of the boards for the fiscal year ending on 30 September 2013. The corporate purpose and the company name were also changed, and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as auditor for the annual financial statements, for the consolidated financial statements and for the review of interim consolidated financial statements for the fiscal year 2013.

On 28 November 2012, the shareholders' meeting of OSRAM Licht AG adopted the resolution to increase its capital stock in exchange for contributions in kind (Capital Increase in Kind, on this point see Chapter VI.3.) with which the participation in OSRAM Licht AG remaining with Siemens AG when the Spin-off takes effect is created. Siemens AG must contribute as a contribution in kind 19.5 % of the company shares in OSRAM GmbH to OSRAM Licht AG. The contribution takes place in exchange for the granting of shares in OSRAM Licht AG as well as a cash payment to Siemens AG (contribution in kind with mixed consideration – so-called mixed contribution in kind).

Since the Contribution Agreement which was previously concluded also represents a post-formation agreement for purposes of Section 52 (1) sentence 1 AktG, the shareholders' meeting of OSRAM Licht AG approved the Contribution Agreement as a post-formation agreement in the same shareholders' meeting. The Capital Increase in Kind and the Contribution Agreement as a post-formation agreement are supposed to be filed for registration with the register of companies at the beginning of December 2012.

III. Decision to separate OSRAM by way of the Spin-off

1. Reasons for the decision to make OSRAM independent

Upon the Spin-off of the OSRAM Division Activities to OSRAM Licht AG and the grant of shares in OSRAM Licht AG in exchange to the shareholders of Siemens AG, the Siemens Group, with its remaining activities, and the OSRAM Group, with the activities allocated to it which to date belong to the OSRAM Division within the Siemens Group, will constitute two corporate groups which are independent of each other.

However, Siemens AG will continue to have a participation in the capital stock of OSRAM Licht AG of 19.5 % when the Spin-off takes effect (see on this point, also Section III. in this Chapter). Of this 19.5%, Siemens will contribute 2.5 % shortly after the spin-off takes effect by way of funding (*Dotierung*) to Siemens Pension-Trust e.V. ("**Siemens Pension Trust**") so that the portion of the capital stock in OSRAM Licht AG remaining with Siemens AG will be 17 %. The 2.5 % of the shares of OSRAM Licht AG which the Siemens Pension Trust will acquire as assets with a restricted purpose held in trust, will be qualified as plan assets pursuant to IAS 19, benefits to employees, in the consolidated financial statements of Siemens AG. The further 80.5 % of the capital stock in OSRAM Licht AG will be allocated to the shareholders holding shares of Siemens AG at the time the spin-off takes effect proportionately according to their participations in Siemens AG.

The decision of the managing board of Siemens AG to submit the Spin-off and Transfer Agreement for approval to the shareholders' meeting of the company is a result of a comprehensive analysis of the current business activities and structures of the Siemens Group and the OSRAM Division as well as, on the basis of this analysis, an assessment of the strategic options for action. The managing board of Siemens AG is of the opinion after weighing all circumstances that it is in the best interest of Siemens AG and its shareholders and also the OSRAM Division to make the OSRAM Division independent by way of a spin-off and subsequent listing. The determinative reasons which, in the view of the managing board of Siemens AG, support the independence in the context of the strategic further development of the Siemens Group and the OSRAM Division and, thus, which speak against the OSRAM Division remaining part of the Siemens Group, are discussed below. There is also an explanation about why the managing board of Siemens AG has decided in favor of a spin-off under the German Transformation Act. Finally, the main reasons which form the basis of the decision by the managing board of Siemens AG to not completely separate itself from the participation in OSRAM in connection with the Spin-off are discussed. Reference is made separately to the determinative reasons for the decision of the managing board of OSRAM Licht AG in favor of the spin-off.

a) Change in the market environment

The global lighting market in which OSRAM is active is currently undergoing fundamental changes. While technologies which require regular replacement of light bulbs (for example glow lamps, halogen lamps, fluorescent lamps) dominated in the past, the lighting market is currently undergoing a technological change in the direction of products which are based on light emitting diodes (LED). Since the life of LEDs exceeds by many times the life of the previous technologies for light bulbs, the primary business in this growing field plays and increasingly greater role than was previously played in the lighting market for traditional technologies which is dominated by the replacement business. Therefore, the business with the initial installation of LED based complete solutions will substantially gain importance in the future, i.e. the sale of integrated LED lights and solutions. The shift from the component business to the complete solution business requires a major adjustment of the business model. Furthermore, the change in the direction of LEDs based technologically on semi-conductors has led to the entry of new competitors in the previously strongly consolidated lighting market. In order to react quickly and flexibly to the changing conditions in the market and be able to use the related strategic and operational opportunities, an organization marked by short decision making processes and a clear focus on the global lighting market is needed.

b) Reasons in the interest of OSRAM

In light of this background, the business requirements are changing for OSRAM as one of the leading companies which focuses exclusively on the lighting market. In the view of the managing boards of Siemens AG and OSRAM Licht AG, the separation from the Siemens Group will give OSRAM the necessary entrepreneurial flexibility to directly adjust the strategic focus and business model to the changing circumstances in the market. Furthermore, the direct access to the capital market will give OSRAM the benefit of additional sources for financing. The managing boards are basing their decision in particular on the following aspects which support independence in the interest of OSRAM:

- Upon becoming independent, OSRAM as a listed company will be held by the majority in free flow and will no longer be integrated into the Siemens Group and its structures. This will enable OSRAM to secure and expand a leading position in the lighting market with greater entrepreneurial freedom. OSRAM will be able to use the newly gained independence to more effectively react to the dynamics in the lighting market with simplified and more efficient decision making and reporting processes, independently of the requirements of the remaining Siemens business. This independence will permit OSRAM to focus exclusively on its own market and address even more directly the client needs in a market environment

which is undergoing fundamental changes. Thus, OSRAM will be able to better adapt the changing requirements of the lighting market and more quickly implement the required measures.

- As part of the Siemens Group, OSRAM has only very limited possibilities to obtain external capital independently and requires the allocation of funding within the corporate group. This allocation depends on a large number of factors, for example potential for synergies with other activities of the Siemens Group as well as the strategic importance of the financed part of the corporate group for the entire Siemens Group. Direct access to the capital market will give an independent OSRAM Group the possibility to independently procure financing in a manner appropriate for its situation and to be able to decide about using the financing without paying attention to the additional approval requirements that are necessary in a broad based corporate group such as Siemens. This increases the entrepreneurial flexibility and facilitates the implementation of attractive possibilities for investment, including entering into partnerships or potential acquisitions of enterprises.
- As part of the Siemens Group, OSRAM was bound by the general corporate group reporting. The own regular reporting and the investor relations work involved by a listing will permit OSRAM to better define the profile of the business and the perception in the broad public and represent OSRAM's position in the market in a transparent and detailed manner during this important phase of change.
- A listing permits the introduction of stock-based compensation programs and employee participation programs which are directly linked to OSRAM business success. Thus, OSRAM's can promote the employee participation in the company and increase the possibilities for further attracting and obtaining highly qualified personnel.

c) Reasons in the interest of Siemens

As a diversified corporate group, Siemens is responsible for regularly analyzing the strategic importance of the various fields of business as well as their potential for synergies with other areas in the group. During the course of this analysis, in connection with the recognition that the technological change in the lighting market requires increased entrepreneurial flexibility, the managing board of Siemens AG decided to make OSRAM independent and to list it. The following aspects support this decision in the interest of Siemens AG:

- As a result of the spin-off, Siemens will succeed in both establishing for OSRAM the necessary entrepreneurial flexibility as well as further focusing the Siemens

portfolio on the identified core fields of business. By creating an independent access to the capital market for OSRAM, Siemens is able to better allocate the capital within the corporate group in accordance with the strategic focus of the Siemens Group.

- The focus on the identified core fields of business and the related separation from OSRAM strengthens the investment and risk profile for the Siemens share and is in the interest of the Siemens shareholders.
- There are no apparent material operational or strategic disadvantages for the Siemens Group resulting from OSRAM's separation which would support retaining OSRAM within the corporate group. No material loss of potential synergies within the Siemens Group is expected. Aside from this, Siemens will continue to have a participation in OSRAM as a shareholder and will use this, among other purposes, to secure existing cooperation.

2. Decision for the spin-off

Making the OSRAM Division independent was initially planned by way of a public offer of OSRAM shares to the investing public (so-called initial public offering, hereinafter, an "IPO"). This intention was announced by Siemens on 28 March 2011. In light of the conditions in the market, which were especially influenced by the debt crisis in certain Euro countries, the IPO was repeatedly delayed. Siemens AG decided in June 2011 to pursue the planned listing of OSRAM on the stock exchange primarily by means of a spin-off under the German Transformation Act.

After a careful examination, the managing board of Siemens AG resolved, with the approval of the supervisory board, to carry out a spin-off under the German Transformation Act. The managing board was advised in this regard by several investment banks.

a) Reasons for the spin-off

In the view of the managing board of Siemens AG, the spin-off is in the best interest of Siemens AG and its shareholders. Especially the following reasons are decisive for this:

- The successful implementation of the spin-off does not depend to the same degree on a positive environment in the capital market as it would have been the case with a public offering of the shares by way of an IPO. Assuming the approval of the shareholders' meeting of Siemens AG, the listing of OSRAM in the context of the spin-off will follow a clearly defined pathway which gives both Siemens as well as OSRAM a reliable basis for planning.

- In the case of a spin-off, the portion of OSRAM to be held by Siemens can already be exactly determined in advance. Furthermore, a substantially greater portion of OSRAM Licht Shares can be released by Siemens in the course of the transaction than would have been possible practically in the case of a public offering where there was limited willingness of the capital market to take up the offer. The spin-off secures the intended purpose of giving up the entrepreneurial leadership of OSRAM by Siemens.
- In the case of a spin-off, the Siemens shareholders would not be subject to a discount on the value of OSRAM because they can decide on their own whether or not to realize the respective value reflected on the stock exchange. In the course of an IPO, such discount caused by the market situation would presumably have had to be discovered on a sustainable scale due to the uncertainty in the capital markets as well as the current challenges in the lighting industry.
- The direct allocation of the OSRAM participation gives the shareholders the freedom to separately decide about their participation in both companies, Siemens and OSRAM, with their clearly separated investment profiles.
- Disadvantages are also involved for Siemens under the spin-off which have been taken into account when making the decision in favor of the spin-off. Contrary to an IPO or a non-public sale of the OSRAM business to investors, Siemens AG will not realize any direct liquid funds under the spin-off. There are also tax disadvantages in the spin-off, primarily involving the loss of a portion of the tax loss carry forwards of Siemens AG which are not available to be credited against future profits (on this point see Chapter VIII.2.b)). Furthermore, the structure of the entire transaction in a spin-off under the German Transformation Act and the other measures discussed in this Report are in part more complex than would have been the case if other approaches to the transaction, for example an IPO, had been chosen. This relates primarily to the target structure and the steps necessary to achieve the structure, such as to ensure the number of shares entitled for allocation (see Chapter VI.13.a)), the examinations by court appointed auditors required for implementation (on this point see Chapter IV.3., VI.8. and VI.10.), the adjustment of stock-based compensation programs and employee participation programs (on this point see Chapter VIII.3.e) and I.1.e)(1) and the effects on as well as of warrant bonds (on this point see Chapter VIII.1.d)(2) and VIII.3.f)). It can also be assumed that in the case of a spin-off under which all Siemens shareholders receive shares in OSRAM Licht AG, a not insignificant part of investors (for example particular indexfunds) will sell the shares allocated to them. Subject to counteracting marketing actions, this can influence the stock exchange price of OSRAM Licht shares. In the view of the managing board of

Siemens AG, however, these disadvantages of the spin-off do not support any different decision. The managing board of Siemens AG is instead convinced that the previously described benefits of the spin-off by far outweigh the disadvantages caused.

b) Reasons against an IPO

The managing board of Siemens AG has carefully examined a sale of the OSRAM Division Activities by way of an IPO as an alternative to the spin-off. In the view of the managing board, such a transaction currently, or in the foreseeable future, cannot be implemented in a manner which lies in the interest of Siemens AG and its shareholders, especially due to the following reasons:

- The volatility that predominates in the capital market in the recent quarters and the continuing great degree of uncertainty, despite the most recent recovery, indicates that an IPO by means of a public offering cannot be planned with the required certainty. Although IPOs have again taken place in recent months, these were normally either concentrated on industries which must be classified as more defensive than the lighting market, or they did not have the volume which an IPO of OSRAM would likely have. Furthermore, it is necessary to consider that current IPOs have to struggle with substantial difficulties when they are implemented. Therefore, no conclusion is possible on the basis of the IPOs that have been conducted that an IPO of OSRAM could also be carried out successfully. Therefore, in the view of the managing board of Siemens AG which obtained advice in this regard from investment banks is that this development does not give reason to assess the prospects for success of an IPO of the OSRAM Division significantly otherwise.
- In the case of an IPO, the determination of a clearly defined participation Siemens after the transaction would not have been possible in the same degree. This could endanger the goal of a clearly recognizable independence of OSRAM in the market. A further sale of OSRAM Licht shares after an IPO which might have been required for this purpose would either not have been possible due to the typical so-called lock-up period, or it could have negatively influenced the development of the OSRAM Licht shares.
- Although Siemens would have realized proceeds from a sale in the case of an IPO, Siemens does not require proceeds of this kind in light of the currently very solid liquidity at Siemens and instead can allow the value of OSRAM to directly benefit the Siemens shareholders. Such an allocation is also more beneficial under the tax situation in many cases than would be the case in a distribution of IPO proceeds in the form of a cash dividend.

c) Reasons against an M&A transaction

The managing board of Siemens AG examined options for a complete or partial non-public divestment of the OSRAM Division by way of a company sale ("**M&A Transaction**") and decided against it after careful examination.

In the view of the managing board of Siemens AG, the goals pursued by separating the OSRAM business could not have been achieved under an M&A Transaction. Especially the goal of a listing of OSRAM would not have been achieved. In the view of the managing board of Siemens AG and the managing board of OSRAM Licht AG, this corresponds best to the future focus of OSRAM and the responsibility owed to the OSRAM business. In the case of a partial sale of the OSRAM Division, the goals of transferring the entire entrepreneurial responsibility for the OSRAM business from Siemens to OSRAM which are being pursued by independent separation could not have been achieved. Finally, a sale to a strategic investor, in any event that if the investor comes from the classic lighting business, would likely have to overcome substantial hurdles under antitrust law due to the necessary size of such an investor and the concentration in the lighting market.

d) Reasons against issuing the OSRAM shares in the form of a dividend in kind

A separation from the OSRAM Division by way of a distribution as a dividend in kind was not pursued any further by the managing board of Siemens AG. The issuance of OSRAM shares in the form of a dividend in kind would not have had any material benefits compared to a spin-off in the planned structure. There would have been both serious reasons under corporate law as well as disadvantages under tax law compared to the spin-off:

- Initially, a dividend in kind would not have been an appropriate alternative under tax aspects because the shareholders of Siemens AG would have had to pay tax on this dividend in kind, just as it is the case with any other dividend. Thus, there would not have been a possibility especially for German small-scale shareholders, contrary to the situation under the Spin-off, to substitute the previously held shares with the received shares for tax purposes under certain preconditions (see on this point, the description in Chapter VIII.2.a)).
- A transaction certainty comparable to that in a spin-off would also not have existed because German stock corporation law does not have the possibility for a clearance procedure in the case of complaints against the resolution of the shareholders' meeting about a distribution in kind.

3. Decision for a partial spin-off

Siemens AG intends to not completely separate itself from OSRAM in connection with the Spin-off. Upon the Spin-off taking effect, Siemens AG will initially hold a portion of 19.5 % of the capital stock of OSRAM Licht AG. Siemens AG will transfer 2.5 % of its participation in the capital stock of OSRAM Licht AG to the Siemens Pension Trust by way of a funding in a timely manner after the Spin-off takes effect.

Siemens does not claim any entrepreneurial leadership with the participation in OSRAM remaining after the Spin-off, but it signals its trust in the potential and the future development of OSRAM. Furthermore, the participation supports the planned close cooperation of OSRAM and Siemens at business level, especially in the area of "Building Technologies".

The amount of the portion of 17 % of the capital stock in OSRAM Licht AG remaining with Siemens AG ensures, on the one hand, that Siemens AG has the necessary weight to secure the existing cooperation with OSRAM at the level of the shareholders. On the other hand, there is a clear signal that the OSRAM Group, as a listed company, will in the future act independently of Siemens AG and that Siemens does not claim any entrepreneurial leadership. At the same time, the portion of 80.5 % of the shares in OSRAM Licht AG issued to the shareholders of Siemens AG in the course of the Spin-off will ensure sufficient liquidity of the OSRAM Licht share on the stock exchange.

The selected amount of the portion of 17 % of the capital stock of OSRAM Licht AG remaining with Siemens AG also demonstrates in the accounts that OSRAM is an independent company which is not subject to any controlling influence of Siemens AG and is accordingly neither fully consolidated nor included on an "at-equity" basis in the consolidated financial statements of Siemens AG.

Siemens is using the possibility of strengthening the assets in the Siemens Pension Trust without reducing liquid funds by funding a participation of 2.5 % to the Siemens Pension Trust. The Siemens Pension Trust has the responsibility of holding the assets of Siemens AG and the Siemens Group companies transferred in trust to the Siemens Pension Fund and managing the assets or having them managed by appropriate third parties (for example capital investment companies). Upon the transfer of the participation in OSRAM Licht AG, the pension provisions which Siemens AG must make in its consolidated statements of financial position are also simultaneously reduced.

4. Decision for the Spin-off by way of reception

The managing board of Siemens AG decided in favor of the Spin-off by way of reception under Section 123 (2) no. 1 UmwG and, thus, against the spin-off by way of newly establishing a company (Section 123 (2) no. 2 UmwG). The spin-off by way of reception

is differentiated from newly establishing companies by the fact that the receiving entity (in this case, OSRAM Licht AG) already exists prior to the spin-off. This is the basis prerequisite for the intended goal of a minority participation of Siemens AG in OSRAM Licht AG which will be created by Siemens AG contributing its 19.5 % participation in OSRAM GmbH to OSRAM Licht AG in exchange for the granting of shares in OSRAM Licht AG (see on this point, the comprehensive description in Chapter VI.3). This would not have been easily possible if OSRAM Licht AG first had to be newly established under the spin-off.

Furthermore, the shareholders' meeting of OSRAM Licht AG will still be able to take measures to prepare OSRAM Licht AG for the capital market prior to the Spin-off taking effect, for example under the authorization to acquire treasury shares after the Spin-off takes effect as well as resolving authorized and conditional capital.

Since a spin-off audit is required by law in the case of a spin-off by reception contrary to the spin-off by way of newly establishing a company while preserving the proportionate shareholdings, additional costs are incurred compared to the spin-off by establishing a new company while preserving the proportionate shareholdings. However, these costs are not material compared to the described benefits, also taking into account the overall costs related to the Spin-off.

IV. Subject of the Spin-off

As a result of the Spin-off, the shareholders of Siemens AG are supposed to have a direct majority participation in the operations of the OSRAM Division. The assets to be spun off in the legal sense are all company shares in OSRAM Beteiligungen GmbH (comprehensively on this point, Section 1.). This company, for its part, has as its only assets 80.5 % of the company shares in OSRAM GmbH (comprehensively on this point, Section 2.) which are spun off indirectly in this manner (see with regard to the business operations of OSRAM, Section 3.).

1. OSRAM Beteiligungen GmbH

OSRAM Beteiligungen GmbH, which was established on 16 July 2012, has its registered office in Munich and is registered with the register of companies at the district court of Munich under registration number HRB 199970. Its subscribed capital amounts to 25,100 €, divided into 25,100 company shares, each with a nominal value of 1 €. The first fiscal year of OSRAM Beteiligungen GmbH ended on 30 September 2012; since then, the fiscal year runs from 1 October of each year until 30 September of the subsequent year. According to the articles of association of OSRAM Beteiligungen GmbH, the corporate purpose is establishing and acquiring enterprises, the participation in enterprises and the management of participations in enterprises both in Germany and foreign countries. All company shares in OSRAM Beteiligungen GmbH are currently held by Siemens AG.

After the founding of OSRAM Beteiligungen GmbH by a commercial supplier of shelf corporations, Siemens AG acquired all company shares in OSRAM Beteiligungen GmbH on 27 July 2012. OSRAM Beteiligungen GmbH changed its company name and the corporate purpose on 14 August 2012.

In order to prepare the Spin-off, Siemens AG contributed that portion of its participation in OSRAM GmbH which it wanted to dispose of by way of the Spin-off to OSRAM Beteiligungen GmbH. It contributed for this purpose 80.5 % of the shares in the now converted OSRAM GmbH as a contribution in kind to OSRAM Beteiligungen GmbH with effect as of 1 October 2012, 0:00 hours, under the Contribution Agreement dated 27 September 2012. It received in exchange 100 company shares each with a nominal value of 1 € in OSRAM Beteiligungen GmbH which were created by increasing the subscribed capital from 25,000 € by 100 € to 25,100 € as well as a cash payment in the amount of 25,000 €. The book value of the contributed shares in the former OSRAM AG exceeding the nominal value of the issued company shares and the cash payment were entered in the capital reserve of OSRAM Beteiligungen GmbH pursuant to Section 272 (2) no. 1 German Commercial Code (*Handelsgesetzbuch*, "**HGB**"). The issued company

shares are entitled to a share in the profits for the fiscal years commencing 1 October 2012. The capital increase was registered with the register of companies of OSRAM Beteiligungen GmbH on 10 October 2012.

At the present time, the only asset of OSRAM Beteiligungen GmbH is the share of 80.5 % in the subscribed capital of OSRAM GmbH consisting of 453,166,700 company shares. OSRAM Beteiligungen GmbH will not acquire any further assets or will accept any liabilities prior to the Spin-off taking effect.

2. OSRAM GmbH

The today's OSRAM GmbH was established as OSRAM G.m.b.H. KG in the year 1918 with its registered office in Berlin. In the year 1954, a second registered office was established in Munich and the company was transformed into a GmbH two years later. The original registered office was vacated in 1998 and the registration in the local register of companies was deleted. Since 1978, OSRAM GmbH has been fully owned by Siemens AG. In light of the existing considerations given to an IPO of the company in July 2011 (see in detail on this point Chapter III.2), OSRAM GmbH was transformed into the legal form of a stock corporation under German law. In order to establish an efficient structure of the business under corporate law at an early stage for the time after the Spin-off takes effect, the company again changed the legal form to a GmbH under German law upon the registration on 25 October 2012.

The today's OSRAM GmbH has its registered office in Munich and is registered with the register of companies at the district court of Munich under registration number HRB 201526. Its subscribed capital amounts to 562,940,000 €, divided into 562,940,000 company shares each with a nominal value of 1 €. The fiscal year of OSRAM GmbH begins on 1 October of each year and ends on 30 September of the subsequent year. 80.5 % of the subscribed capital of OSRAM GmbH which corresponds to of 453,166,700 company shares is held by OSRAM Beteiligungen GmbH. The remaining 19.5 % of the subscribed capital of OSRAM GmbH consisting of 109,773,300 company shares belong to Siemens AG.

The corporate purpose under the articles of association is the development, design, production and distribution of light, lighting products and photonic products, especially light conversion products, systems and solutions, including illuminants, luminaires, operating and production equipment and machinery, control systems, upstream products, parts and accessories of such products, systems and solutions as well as the provision of consulting and other services for the above mentioned fields.

The managing directors (*Geschäftsführer*) of OSRAM GmbH are currently Wolfgang Dehen (chairman) and Dr. Klaus Patzak (finance) who are appointed as managing

directors of OSRAM GmbH until the end of 31 March 2016. Dr. Peter Laier was also appointed as a director of OSRAM GmbH in the supervisory board meeting on 9 October 2012 with effect from 1 February 2013 until the end of 31 January 2018. It is intended that Dr. Laier will start his task earlier on 1 January 2013 and the supervisory board will resolve an earlier start and expiry of his term by one month accordingly.

The members of the supervisory board of OSRAM GmbH established pursuant to the provisions in the MitbestG (German Co-determination Act, ("**MitbestG**") are currently the representatives for the shareholders Prof. Dr. Siegfried Russwurm, Dr. Roland Busch, Joe Kaeser, Prof. Dr. Hermann Requardt, Peter Y. Solmssen and Dr. Ralf Peter Thomas as well as the representatives for the employees Willi Sattler, Andreas Felgendreher, Alfred Haas, Arno Hager, Michael Knuth and Werner Leyer. The term of office for all previous members of the supervisory board ends regularly at the end of the shareholders meeting which will resolve on the ratification of the acts of the boards (*Entlastung*) for the fiscal year 2012. At the election conducted from 14 September 2012 through 19 September 2012 in accordance with the provisions of the MitbestG, the office holders for the employees Willi Sattler, Alfred Haas and Michael Knuth as well as new members of the supervisory board Hubert Roszkopf, Irene Schulz and Thomas Wetzel were elected for five years effective starting at the end of the shareholders meeting which will resolve the ratification of the acts of the boards for the fiscal year 2012. The current representatives of the shareholders in the supervisory board of OSRAM GmbH will be re-elected by the shareholders meeting on 30 November 2012. It is planned that they will resign from their offices before the Spin-off takes effect.

3. Business operations of OSRAM GmbH

The former OSRAM Division of the Siemens Group is now combined under OSRAM GmbH and is based on the sales one of the world leading suppliers of light products, solutions and services and hence one of the most important integrated, globally active businesses with an exclusive focus on the lighting sector.

OSRAM delivers light products, systems and solutions for all areas, for example residential, commercial, offices, architecture, industry, trades, restaurants, outside areas, automobiles, movie theaters, TV, studios, stage, projection equipment, medicine as well for entertainment and communications electronics.

OSRAM is active in all areas of lighting technology from traditional light bulbs and halogen lights to energy efficient fluorescent and high intensity discharge lamps as well as light sources and sensors on the basis of modern SSL-technology (Solid-State Lighting). OSRAM's technology is protected by a large portfolio of filed or registered patents and other intellectual property rights. The production facilities manufacture high

quality products partly using proprietary equipment, techniques and processes developed by OSRAM.

OSRAM distributes its products globally under the protected trade mark OSRAM as well as under the brand SYLVANIA exclusively in North America. In addition, other regional brands are used.

OSRAM is represented in every important regional market on the basis of a broad, worldwide distribution platform and covers all important distribution channels for products in the OSRAM portfolio. OSRAM has long-term business relationships worldwide to important original equipment manufacturers ("**OEMs**") as well as retail and wholesale customers.

As of 30 September 2012, OSRAM has production sites in 39 facilities in 15 countries. Additional production sites are operated in associated units. The distribution network covers more than 120 countries through subsidiaries, branches, distribution support centers and local representatives. As of 30 September, there are 39,194 employees (full-time equivalents) in the fiscal year 2012 (30 September 2011: 41,380), of which 10,027 were in Germany.

The sources for OSRAM's sales, the production locations and the research and development facilities as well as the distribution and marketing units and customers are widely spread geographically.

For the income situation of OSRAM in the fiscal year 2012 see Chapter IX.2. The list of shareholdings of OSRAM GmbH, which lists the subsidiaries and participations constituting the OSRAM Division together with OSRAM GmbH, is attached to this Spin-off Report as **Annex 2**.

V. The legal and organizational independence of OSRAM

In the year 2011, Siemens AG began to make OSRAM more independent within the Siemens Group and render it suitable for the capital market. Prior to the decision about making OSRAM more independent, the OSRAM Division was incorporated into the structures of the Siemens Group, despite its historically based legal independence. The OSRAM Division, which had to a great extent already been operationally independent, was given further independence (see in detail the description below in Sections 1. through 13.). The Siemens Group and the OSRAM Group will also cooperate in some areas in the future (on this point see Chapter XI.).

1. New organization of the participation

Some enterprises belonging to the activities of the OSRAM Division were not direct or indirect subsidiaries of OSRAM GmbH in the past and instead were subsidiaries of Siemens AG or other companies in the Siemens Group. In order to adjust the participation structure, these participations, especially OSRAM SYLVANIA, Inc. were sold or contributed to companies in the OSRAM Division. In addition, companies in the OSRAM Division sold minor participations in certain regional companies of the Siemens Group in Mexico and Brazil which were not allocated to the OSRAM business to other Siemens companies.

2. Corporate group agreements

In the course of the separation, the corporate group agreements existing between OSRAM GmbH and companies of the Siemens Group were ended. The control of OSRAM GmbH based on these agreements and its duty to transfer profits and participate in the tax consolidation in the Siemens Group were cancelled accordingly.

The domination agreement existing most recently in the fiscal year 2012 between Siemens Beteiligungen Inland GmbH ("**SBI**"), a subsidiary of Siemens AG, as the controlling company, and OSRAM GmbH (at that time still in the legal form of a stock corporation) as the controlled company, was ended by a termination agreement effective as of the end of 30 September 2012. SBI is required on the basis of the domination agreement to cover the loss that arose at OSRAM GmbH starting as of 1 October 2011 up to the end of the domination agreement on 30 September 2012. A loss in the amount of around 336.6 million € was incurred at OSRAM GmbH in the fiscal year 2012 which was compensated by SBI, including accrued interest.

3. Financing

Prior to the decision on the separation, the OSRAM Division was primarily financed by the Siemens Group. In addition to participating in the cash management including the cash pooling system of Siemens, OSRAM is also included in the funding program of the Siemens Group by means of short-term loans and financial deposits (balance of the short-term loans and financial deposits as of 30 September 2012: around 580 million € in favor of Siemens). OSRAM also participated in the currency and raw materials price hedging transactions of the Siemens Group and used guarantees or other security provided by the Siemens Group. In addition, individual enterprises in the OSRAM Division used the Siemens Group's factoring program "Siemens Credit Warehouse" (see on this, below point e)) as well as the supplier financing program "Supply Chain Finance Program" (see on this, below point f)).

Towards the end of 2011, the step-by-step separation of OSRAM from the financial structures of the Siemens Group began and shall be completed according to the plan when the Spin-off takes effect.

a) Replacing of financial liabilities owed to Siemens

The financial liabilities owed to the Siemens Group will be replaced by separate, external financing shortly prior to the completion of the Spin-off (on this point see Chapter IX.2.e)(4)).

b) Cash pooling and cash management

The participation by the OSRAM Division in the cash pooling and other cash management of the Siemens Group will be terminated and replaced by independent programs of the OSRAM Group at the latest when the Spin-off takes effect. The respective agreements with the banks which will service the future cash pooling of the OSRAM Group have already been concluded. The necessary preparations for further cash management within the OSRAM Group have already for the most part been implemented.

c) Hedging

The currency and raw materials price hedging transactions concluded with Siemens will be terminated at the latest with the completion date of the Spin-off. The OSRAM Group has agreed on framework agreements with financial institutions under which individual currency, interest and raw materials price hedging transactions can be concluded with which the previous hedging obtained through Siemens can be seamlessly replaced.

d) Replacement of security as well as bank and group guarantees

In the course of OSRAM's involvement in the group financing, companies in the Siemens Group have provided security for OSRAM's local credit and guarantee lines as well as foreign currency hedging transactions. Security in the amount of 247.2 million € provided by Siemens for these lines of the OSRAM Division was still outstanding on 30 September 2012.

Furthermore, the Siemens Group or banks, insurance companies and other financial institutions mandated by the Siemens Group have issued guarantees, sureties or other security for the benefit of OSRAM's suppliers, customers and partners in order to secure the performance of contractual obligations of OSRAM. At the end of 2011, OSRAM began to release these securities of the Siemens Group worldwide. This was done by exchanging these securities for corresponding securities of OSRAM or by issuing corresponding securities for guarantee credit lines of OSRAM. The portfolio of security that has not yet been released consists of five guarantees in the USA with a total volume of around 5 million €.

To the extent that such security has not yet been released or that liability of the Siemens Group remains, OSRAM GmbH and Siemens AG have agreed on a complete release from this security respectively the liability of OSRAM. The obligation to obtain releases comes into force as soon as OSRAM has its own group financing, but at the latest when the Spin-off takes effect. OSRAM must then replace the existing Siemens obligations either by providing its own security within 40 banking days or obtaining to release them. OSRAM will reimburse Siemens for all costs incurred for this after the Spin-off has taken effect, and OSRAM will pay a fee. In addition, OSRAM will indemnify Siemens against liability and all costs under claims, especially claims for payment, which are asserted against companies of the Siemens Group with regard to the aforementioned security.

e) Replacement of the factoring program

In the past, certain operational units of the OSRAM Division have participated in a factoring program named "Siemens Credit Warehouse". Under this program, receivables together with the credit risks pertaining thereto were sold to Siemens, while OSRAM remained responsible for the servicing, especially the collection of the receivables. Participation in the program was not in the nature of an advance financing and was terminated in 2011. OSRAM has concluded its own credit insurance program with the credit insurer Coface.

f) Replacement of supplier financing

In the past, the OSRAM Division and some of its strategic suppliers participated in supplier chain financing programs (Supply Chain Finance Programs – "**SCFP**") in Germany and the USA. These SCFPs are offered and managed by external suppliers. In this context, Siemens AG assumed joint and several liability for the obligations of the OSRAM Division owed to external suppliers. The participation of the OSRAM Division in the SCFP supported by Siemens was replaced in June 2012 by an independent OSRAM SCFP. During a transition period up to the Spin-off taking effect, Siemens AG continues to assume the liability for the obligations of the OSRAM Division under the SCFP by means of a guarantee. The guarantee is limited to a maximum amount of 70 million € and covers only payment obligations which arise under the OSRAM SCFP prior to the Spin-off taking effect. Siemens AG is entitled to collect the outstanding invoices in one amount from OSRAM at the earliest 15 days prior to the Spin-off taking effect and, thus, pay the external suppliers. Otherwise, the liability of Siemens AG expires upon payment of the last receivables secured by the guarantee.

4. Strengthening of equity

Under an agreement dated 27 September 2012, Siemens AG waived with regard to OSRAM GmbH (at that time still OSRAM AG) a financing claim of Siemens AG against OSRAM GmbH under the internal group financing in the amount of 200 million € in order to strengthen the equity capital of OSRAM GmbH in advance of the Spin-off ("**First Strengthening of Capital**"). The waiver of the claim represents an additional payment to the equity of OSRAM GmbH for the capital reserve pursuant to Section 272 (2) no. 4 HGB pursuant to the underlying agreement between Siemens AG and OSRAM GmbH and was booked accordingly by OSRAM GmbH.

By agreement of 30/31 October 2012, OSRAM GmbH received from Siemens AG a further contribution to equity in a total amount of 163 million € ("**Second Strengthening of Capital**"). For this purpose, Siemens waived partial receivables owed by OSRAM GmbH in the amount of around 32 million € and assigned to OSRAM Beteiligungen GmbH partial receivables owed by ORAM GmbH resulting from the internal group financing in an amount of around 131 million € and OSRAM Beteiligungen GmbH then waived the assigned amount of the receivables owed by OSRAM GmbH. The waivers against OSRAM GmbH as well as the assignment to OSRAM Beteiligungen GmbH were in each case made as a contribution to the capital reserve of OSRAM GmbH pursuant to Section 272 (2) no. 4 HGB.

5. Pensions

In the most of the countries where OSRAM is active, independent OSRAM pension plans for current and former OSRAM employees (in this Section 5, hereinafter "**OSRAM Employees**") from which pension or other retirement claims result (the "**Pension Claims**") were maintained, so that no further measures were required in this respect in order to make OSRAM independent.

In certain countries, primarily in the USA, Switzerland and Germany, various Pension Claims of OSRAM employees were incorporated into trust structures managed by Siemens. In connection with the separation of OSRAM, these Pension Claims were transferred from the trust structures managed by Siemens to trust structures which are independent of Siemens. With regard to the vested performance-based Pension Claims of OSRAM employees in the United Kingdom, Siemens PLC, OSRAM Limited and Siemens Benefits Scheme Limited have agreed that exclusively Siemens and no longer OSRAM will be responsible, in addition to the assets of the trust, for any obligations relating to these Pension Claims.

6. Insurance

Prior to the separation, OSRAM participated in the global insurance program of the Siemens Group. In addition, various contracts existed between companies in the OSRAM Division and the Siemens Group for specific insurance services. In the course of the separation, the insurance coverage from the Siemens Group was to the greatest extent replaced by the end of the fiscal year 2012 with independent insurance coverage for the OSRAM Division which reasonably covers the risks of the business. The remaining part of the insurance coverage provided under the roof of the Siemens Group (obligatory insurance for the liability of members of corporate bodies, so called "D&O" insurance and employment practices liability insurance, EPLI) will be replaced by the own OSRAM policies at the latest when the Spin-off takes effect.

7. IT

The IT infrastructure of the OSRAM Division was already generally independent within the Siemens Group prior to the resolution about the separation of OSRAM. The applications and IT Infrastructure which were obtained previously under the roof of the Siemens Group are being developed within the OSRAM Division or respectively with outsourcing partners independently of Siemens respectively. This process has already been completed to the greatest extent.

In the past, OSRAM used software (for example SAP, Microsoft, Oracle) under the roof of group framework agreements of the Siemens Group. In the future, OSRAM will

conclude its own group license agreements. The individual software licenses currently used by OSRAM will to the greatest extent be transferred to OSRAM if possible when the Spin-off takes effect. If the requirements of OSRAM for licenses cannot be completely covered in this manner, OSRAM will procure licenses directly from the software suppliers. Independent of this, in the future, OSRAM will conclude its own license and maintenance agreements with suppliers as needed. An internal license management structure is being established for this purpose within the OSRAM Division independently of the Siemens Group.

8. End of internal group contracts and transitional services

Siemens AG and OSRAM GmbH have agreed that all existing service level agreements between companies of the OSRAM Division, on the one hand, and the Siemens Group, on the other hand, which include internal group services not being part of the supplying enterprise's actual product portfolio will be ended as of the time when the Spin-off takes effect. If contracts cannot be terminated at that time, the ending should occur as quickly as possible. All other contracts between companies in the OSRAM Division, on the one hand, and the Siemens Group, on the other hand, are not affected by this unless agreed otherwise in a specific situation.

Prior to the separation of the OSRAM Division, companies in the Siemens Group will conclude a number of agreements for services during a transition period with companies in the OSRAM Division (Transition Service Agreements, "TSA"). This includes use of IT infrastructure (Electronic Data Interchange) and IT consulting for certain applications (ESPRIT and the RIC Tool) for a maximum period of six months after the Spin-off takes effect.

Furthermore, a TSA is in place with regard to the use and consulting concerning finavigate®, a financial management system for the central handling of payments, cash management, liquidity planning and risk management.

9. Approvals

OSRAM has already held most of the approvals required from public services for the conduct of the business on its own. To the extent that OSRAM uses approvals under the roof of the Siemens Group in a specific situation, there is an agreement that the companies of the Siemens Group will transfer all transferrable approvals required for the OSRAM business which relate exclusively to the activities of the OSRAM Division to OSRAM. This does not apply for export licenses and customs approvals as well as non-transferrable approvals or approvals which do not relate only to the OSRAM business and for which OSRAM will apply anew.

10. Designation of "Siemens" and use of internal Siemens guidelines

Upon the Spin-off taking effect, OSRAM will stop using the designation "Siemens", "Si" or similar designations unless a continuing use has expressly been agreed in a specific situation. OSRAM may continue to use the existing internal Siemens circulars and guidelines for its own internal use. This applies, for example to the circular "Integrated Risk Management and Internal Monitoring System" or the accounting guideline "Financial Reporting Guideline (FRG)".

11. Taxes

Siemens AG and OSRAM GmbH have agreed that Siemens AG will indemnify the companies in the OSRAM Division against tax claims for which they are liable under Section 73 German General Tax Code (*Abgabenordnung*, "**AO**") under certain conditions after the end of the tax consolidation. Certain compensatory mechanisms are also contemplated with regard to tax periods in the past if there is a change in the taxation by the tax authorities.

Furthermore, Siemens AG and OSRAM GmbH have agreed on comprehensive cooperation in tax matters relating to the period prior to the end of the tax consolidation between enterprises in the OSRAM Division and enterprises in the Siemens Group.

12. Government assistance

Siemens AG and OSRAM GmbH have agreed on mutual indemnification if one of the two companies, or one of its affiliated companies, is finally ordered in a non-appealable manner to repay government assistance granted prior to the Spin-off taking effect as a result of an act or omission of the respective other company or one of its affiliated companies.

13. Joint contracts with third parties

Prior to the separation, there was a small level of joint contracts with third parties in the areas of procurement and logistics between companies in the OSRAM Division and companies in the Siemens Group. These contracts were divided between the OSRAM Division and the Siemens Group or replaced by newly negotiated separate contracts for the OSRAM Division and the Siemens Group.

14. External Costs of the separation and taxes

The external costs, including taxes, for the separation of the OSRAM Division were a total of around 30 million € as of 30 September 2012. Prior to the Spin-off taking effect, additional costs for the separation (depending on the final number of required IT licenses)

of around 19-26 million € are expected, so that the total costs for the separation of the OSRAM Division will be in a range of around 49-56 million € (for the costs for the Spin-off and its implementation, see Chapter VI.15.).

The costs consist of external one-time costs and taxes. The one-time costs are around 46-53 million € and include inter alia the development of an independent IT infrastructure as well as an independent accounting and reporting system as the main areas. The costs will be mainly borne by Siemens. The taxes arising in the course of the separation are approximately 3 million € and were incurred for the fiscal year 2011.

VI. Legal implementation of the Spin-off and costs

1. Overview

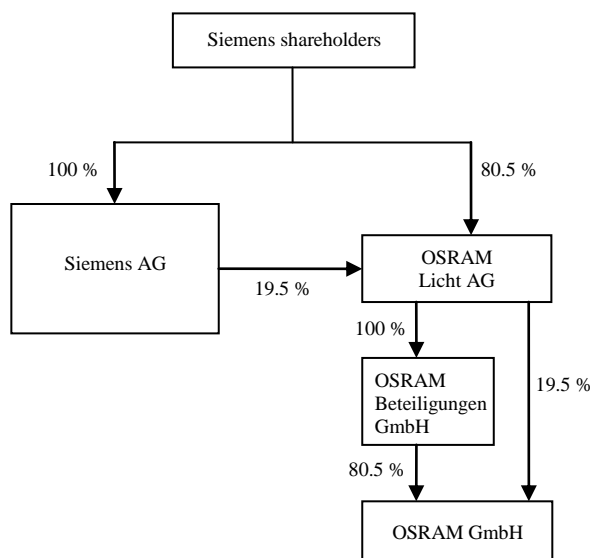
Siemens AG intends to not completely separate itself from the participation in OSRAM in connection with the Spin-off and instead to remain participated in the operations of the OSRAM Division (see Chapter III.). In order to achieve this, the partial separation from OSRAM is being implemented in two steps. The first step serves to create the future participation of Siemens AG in the OSRAM Group remaining when the Spin-off takes effect. Under the second step of the Spin-off, the Siemens shareholders are granted a participation in the future OSRAM Group.

Siemens AG will initially contribute 109,773,300 company shares in OSRAM GmbH corresponding to 19.5 % of the subscribed capital of OSRAM GmbH to OSRAM Licht AG by way of a capital increase in exchange for a contribution in kind. A corresponding resolution of the shareholders' meeting of OSRAM Licht AG has already been adopted. After registration of the implementation of the Capital Increase in Kind, OSRAM Licht AG will have a participation of 19.5 % in OSRAM GmbH, and the other 80.5 % will be held by OSRAM Beteiligungen GmbH.

In a second step, Siemens AG will spin-off all company shares in OSRAM Beteiligungen GmbH and, thus, the remaining 80.5 % of its participation in OSRAM GmbH, to OSRAM Licht AG. Since OSRAM Beteiligungen GmbH, for its part, will hold the further 80.5 % in the subscribed capital of OSRAM GmbH, its company shares will be held 100 % indirectly and directly by OSRAM Licht AG after the Spin-off.

As consideration for the Spin-off of all company shares in OSRAM Beteiligungen GmbH, the Siemens shareholders will receive shares in OSRAM Licht AG pursuant to Section 123 (2) UmwG corresponding to their participation in Siemens AG. The shares required for this purpose will be created by an additional capital increase in exchange for a contribution in kind to be resolved at OSRAM Licht AG. After implementation of the Spin-off, Siemens AG will have a participation of 19.5 % and the Siemens shareholders will have a participation of 80.5 % in OSRAM Licht AG which, in turn, will hold all shares in OSRAM GmbH, in part directly and in part indirectly through OSRAM Beteiligungen GmbH.

The result of the spin-off is shown in the following illustration:



Immediately after the Spin-off takes effect, Siemens AG intends to transfer a share of 2.5 % in the capital stock of OSRAM Licht AG to Siemens Pension Trust as a funding (see on this point above, Chapter III.3.).

2. The transferring and receiving entities

Siemens AG participates in the Spin-off of the activities of the OSRAM Division as the transferring entity, and OSRAM Licht AG participates as the receiving entity. Siemens AG is the sole shareholder in OSRAM Licht AG. OSRAM Licht AG is a stock corporation newly established by Siemens AG which is to date not acting operationally (see Chapter II.6.).

3. Capital Increase in Kind at OSRAM Licht AG in order to create the OSRAM participation remaining with Siemens AG

In order to create the participation in OSRAM Licht AG remaining with Siemens AG at the time the Spin-off taking effect, Siemens AG will contribute 109,773,300 company shares in OSRAM GmbH, corresponding to 19.5 % of the subscribed capital, to OSRAM Licht AG with economic effect as of 1 October 2012.

On 28 November 2012, Siemens AG and OSRAM Licht AG concluded a notarized contribution agreement (Annex 0.6 to the Spin-off and Transfer Agreement which is attached hereto as Annex 1 and explained in detail in Chapter XIII.2.). Therein, it is agreed that the contribution will be in exchange for shares in OSRAM Licht AG as well as a cash payment in the amount of 50,000 € (so-called mixed contribution in kind) to Siemens AG. The distribution of cash by OSRAM Licht AG serves to achieve the

congruency of value between the assets of OSRAM Licht AG and the assets to be spun off (on this point see Chapter VII.).

The shares issued as consideration will be created by way of a Capital Increase in Kind. The shareholders' meeting of OSRAM Licht AG adopted a corresponding resolution on 28 November 2012. Thus, OSRAM Licht AG will increase its capital stock for this purpose from 50,000 € by 20,364,433 € to 20,414,433 € by issuing 20,364,433 shares of no par value (registered shares) each representing a proportioned amount of the capital stock of 1 €, which means a total issued amount of EUR 20,364,433. The new shares will be subscribed by Siemens AG and will be entitled to participate in the profit starting as of 1 October 2012. To the extent that the book value of the shares to be contributed by Siemens AG minus the cash payment exceeds the amount of the capital increase of the capital stock of OSRAM Licht AG, the difference will be booked to the capital reserve of OSRAM Licht AG pursuant to Section 272 (2) no. 1 HGB.

In case of a Capital Increase in Kind a court-appointed auditor has to audit whether the value of the contribution in kind reaches the lowest issue price for the shares granted for the contribution plus the cash payment.

Since OSRAM Licht AG was established less than two years prior to the intended implementation of the Capital Increase in Kind, the provisions about post-formation acquisition under Section 52 AktG must be also complied with. In particular, a court-appointed auditor has to audit whether the value of the contribution in kind reaches the lowest issue price for the shares granted for the contribution plus the cash payment. Under a court order of the district court of Munich dated 10 August 2012, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as auditor of the contribution in kind and the post-formation acquisition. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, issued a report on the contribution in kind and the post-formation acquisition on 28 November 2012 including a confirmation of the required value. The same day, the supervisory board of OSRAM Licht AG submitted a post-formation acquisition report pursuant to Sections 52 (3), 32 (2) and (3) AktG. Subsequently the shareholders' meeting of OSRAM Licht AG approved the Contribution Agreement as post-formation agreement.

The registrations with the register of companies of OSRAM Licht AG required for the implementation of the Capital Increase in Kind shall be effected prior to the shareholders' meeting of Siemens AG at the latest.

4. Spin-off pursuant to Section 123 (2) no. 1 UmwG (spin-off by way of reception (*Abspaltung zur Aufnahme*))

The Spin-off will take place on a legal point of view by way of a spin-off by way of reception pursuant to Section 123 (2) no. 1 UmwG. Siemens AG will accordingly transfer as the transferring entity a part of its assets as a whole by way of reception to OSRAM Licht AG as the receiving entity. OSRAM Licht AG, as receiving entity, will grant shares in OSRAM Licht AG to the shareholders of Siemens AG as consideration for the assets to be spun off.

5. Spin-off Assets

The assets to be transferred by Siemens AG by way of a Spin-off consist of all company shares in OSRAM Beteiligungen GmbH involving 25,100 company shares with the numbers 1 through 25,100 and each with a nominal value of EUR 1 (the "**Spin-off Assets**"). OSRAM Beteiligungen GmbH will, in turn, hold as its sole asset at the time of the Spin-off 80.5 % of the subscribed capital in OSRAM GmbH.

6. Spin-off and Transfer Agreement

In order to implement the Spin-off, Siemens AG and OSRAM Licht AG concluded a notarized Spin-off and Transfer Agreement (attached as Annex 1 to this Spin-off Report) on 28 November 2012. The Spin-off and Transfer Agreement which will be submitted for approval to the shareholders' meetings of Siemens AG and OSRAM Licht AG regulates the details about the transfer of the Spin-off Assets from Siemens AG to OSRAM Licht AG. The Spin-off and Transfer Agreement together with its Annexes is explained in Chapter XIII.

The Spin-off and Transfer Agreement will be forwarded to the relevant works council of Siemens AG (Section 126 (3) UmwG). OSRAM Licht AG has no works council so that there is no need to forward the agreement.

7. Spin-off Effective Date

The transfer of the Spin-off Assets is supposed to occur in the relationship between Siemens AG and OSRAM Licht AG with economic effect as of 1 October 2012, 0:00 hours (the "**Spin-off Effective Date**"). As of that point in time, the operations relating to the spun off portion of the assets of Siemens AG are supposed to be conducted for the account of OSRAM Licht AG in the relationship between Siemens AG and OSRAM Licht AG. If the spin-off has not been registered with the register of companies of Siemens AG by the end of 10 November 2013, the Spin-off Effective Date is shifted by one year to 1 October 2013, 0:00 hours. In the case of any further delay of the

registration beyond 10 November of the subsequent year, the effective date is shifted in each case by a further year.

8. Spin-off audit report

The Spin-off and Transfer Agreement must be audited pursuant to Section 125 sentence 1 in conjunction with Section 9 UmwG by an expert spin-off auditor selected and appointed by the court. The regional court (*Landgericht*) Munich I selected and appointed Rölfs RP AG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the joint expert spin-off auditor at the joint request of the managing board of Siemens AG and the managing board of OSRAM Licht AG (at that time still with the company name Kyros A AG) pursuant to Section 125 sentence 1 in conjunction with Sections 9 (1), 10 (1), (2) UmwG. The spin-off auditor will prepare a written report about the result of the audit in accordance with Section 125 sentence 1 in conjunction with Section 12 UmwG.

9. Shareholders' meetings of Siemens AG and OSRAM Licht AG

The Spin-off and Transfer Agreement will only take effect if it is approved by the shareholders' meetings of Siemens AG as well as OSRAM Licht AG in each case with the majority of at least three quarters of the capital stock represented when adopting the resolution (Section 125 sentence 1 in conjunction with Sections 13 (1), 65 (1) UmwG). The Spin-off and Transfer Agreement will be submitted for approval to the annual shareholders' meeting of Siemens AG on 23 January 2013.

Siemens AG, acting as the sole shareholder of OSRAM Licht AG, will grant approval to the Spin-off and Transfer Agreement in the shareholders' meeting of OSRAM Licht AG. The plan is that approval will be granted prior to the shareholders' meeting of Siemens AG which takes place on 23 January 2013.

10. Capital increase for implementation of the Spin-off; audit of the post-formation acquisition and the contribution in kind

In order to implement the Spin-off, OSRAM Licht AG will increase its capital stock – after the Capital Increase in Kind – from 20,414,433 € by 84,274,967 € to 104,689,400 € by issuing 84,274,967 shares of no par value (registered shares) (see § 10.3 of the Spin-off and Transfer Agreement). To the extent that the book value under commercial law for the Spin-off Assets as of the Spin-off Effective Date exceeds the amount of 84,274,967 €, which is the amount of the increase in the capital stock of OSRAM Licht AG, this amount will be booked to the capital reserve of OSRAM Licht AG pursuant to Section 272 (2) no. 1 HGB (see § 10.4 of the Spin-off and Transfer Agreement). The plan is to adopt the corresponding resolution on the capital increase in the general

shareholdings meeting of OSRAM Licht AG together with the resolution approving the Spin-off and Transfer Agreement. The registration of the Spin-off can only occur when the spin-off capital increase has been registered with the register of companies of OSRAM Licht AG.

An audit of the contribution in kind will be conducted in the context of the capital increase. Namely, it will be examined whether or not the value of the contribution in kind reaches the minimum issuing price for the shares granted. Furthermore, an audit of post-formation acquisition will be conducted because the Spin-off and Transfer Agreement is being concluded between OSRAM Licht AG and its sole shareholder, Siemens AG, and two years have not yet passed since the registration of OSRAM Licht AG with the register of companies (see the description of the post-formation acquisition above in Section 3.). Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed by the district court of Munich as the auditor of the contribution in kind and the post-formation acquisition (see with regard to the post-formation audit Section 125 sentence 1 in conjunction with Section 67 UmwG in conjunction with Sections 52 (4), 33 (3) to (5), 34 et seq. AktG and for the audit of the contribution in kind Section 125 sentence 1 in conjunction with Sections 142 (1), 69 (1) sentence 1 UmwG in conjunction with Sections 183 (3), 33 (3) to (5), 34 et seq. AktG). The auditor of the contribution in kind and the post-formation issues a report on the results of the audit of the post-formation and of the audit of the valuation of the contribution in kind. The supervisory board of OSRAM Licht AG will also prepare a post-formation report. The report about the audit of the post-formation acquisition and the contribution in kind as well as the post-formation report will be submitted to and deposited with the register of companies for OSRAM Licht AG at the district court of Munich (Section 142 (2) UmwG). The shareholders' meeting of OSRAM Licht AG must approve the post-formation acquisition. The plan is that this approving resolution will be adopted together with the resolution on the approval of the shareholders' meeting of OSRAM Licht AG for the Spin-off and Transfer Agreement. The registration of the spin-off can only take place when the post-formation acquisition has been registered with the register of companies of OSRAM Licht AG.

11. Filing and registration of the Spin-off with the register of companies

After the shareholders' meetings of Siemens AG and OSRAM Licht AG have approved the Spin-off, the managing board of Siemens AG and the managing board of OSRAM Licht AG must file the Spin-off for registration with the register of companies (Sections 129, 125 sentence 1 in conjunction with Section 16 (1) UmwG).

The filing with the registers of companies of Siemens AG must include statements of financial position of Siemens AG as closing statements of financial position (Section 125

sentence 1 in conjunction with Section 17 (2) UmwG). The closing statements of financial position are the annual financial statements of Siemens AG as of 30 September 2012, 24:00 hours. They were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which was appointed as auditor in accordance with the legal requirements by resolution of the shareholders' meeting of Siemens AG on 24 January 2012, in connection with the audit of the annual financial statements on which an unqualified audit opinion was issued.

The Spin-off only takes effect upon registration with the register of companies of Siemens AG at the district court of Charlottenburg and the district court of Munich, whereby the later of the two registrations is determinative. The Spin-off must have previously been registered with the register of companies of OSRAM Licht AG at the district court of Munich. Upon the later of the registrations with the register of companies of Siemens AG at the district court of Charlottenburg or the district court of Munich, the Spin-off Assets will pass to OSRAM Licht AG as an entirety by force of law by way of a partial universal succession in accordance with the scope set forth in the Spin-off and Transfer Agreement. The register courts will publish the registration of the Spin-off which they have made pursuant to Section 10 HGB with the register of companies in the electronic information and communications system determined by the respective state justice administration (www.registerbekanntmachungen.de).

Assuming that no complaint is filed, or that no complaint is filed in a timely manner, against the validity of the approving resolution of the shareholders' meeting of Siemens AG for the Spin-off and Transfer Agreement, the plan is that the registration will take place in April 2013 and that the Spin-off will then become effective. Immediately thereafter, the OSRAM Licht shares are supposed to be listed in the Regulated Market of the Frankfurt Stock Exchange and the Munich Stock Exchange as well as additionally in the sub-segment of the Regulated Market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

However, if a complaint is filed in a timely manner against the validity of the resolution on the Spin-off, it hinders as a general rule the registration of the Spin-off with the register of companies and, thus, the coming into effect of the Spin-off without regard to the prospects for success of the complaint so that a delay would arise. The reason for this is that the managing boards of Siemens AG and OSRAM Licht AG must each declare in the filing pursuant to Section 125 sentence 1 in conjunction with Section 16 (2) sentence 1 UmwG that a complaint against the validity of the resolution on the Spin-off has not been filed or has not been filed in a timely manner or that such a complaint has been dismissed by final judgment or withdrawn (so-called negative declaration), which they could not do in the case of the timely filing of a complaint. In the case of the approving resolution of OSRAM Licht AG, Siemens AG, as the sole shareholder, will already waive

the filing of a complaint in the shareholders' meeting. In the case of the approving resolution of the shareholders' meeting of Siemens AG, however, the possibility cannot be precluded that there will be a challenge by one or more shareholders. Despite the lack of a negative declaration, the Spin-off can be registered, anyway, even if complaints against the validity of the resolution on the Spin-off have been filed duly, provided that the court of appeals (*Oberlandesgericht*, "**OLG**") having jurisdiction pursuant to Section 125 sentence 1 in conjunction with Section 16 (3) sentence 7 UmwG has determined by an order pursuant to Section 125 sentence 1 in conjunction with Section 16 (3) sentence 1 UmwG that the filing of the complaint does not prevent the registration (so-called clearance order). The order is non-appealable under Section 125 sentence 1 in conjunction with Section 16 (3) sentence 9 UmwG. Pursuant to Section 125 sentence 1 in conjunction with Section 16 (3) sentence 3 UmwG, the order will be issued if (i) the complaint is inadmissible or obviously without merit, or (ii) the plaintiff has not proven within one week after service of the request by means of documents that the plaintiff holds a proportionate amount of at least 1,000 € in the capital stock of the company since the notice calling the meeting was published, or (iii) the immediate coming into effect of the Spin-off appears to have priority because the material harm demonstrated by Siemens for the entities involved in the Spin-off and their shareholders outweighs the harm for the claiming shareholder in the free conviction of the court unless there has been a particularly severe violation of law.

The managing board of Siemens AG is of the opinion that a delayed coming into effect of the Spin-off would be harmful for Siemens AG and OSRAM Licht AG and would be contrary to the interests of the Siemens shareholders because it would delay the realization of the benefits expected by a separate development of the two companies and would cause additional costs.

12. Effects of the registration

The Spin-off becomes effective upon the last registration with the register of companies of the involved entities. Thus, the Spin-off Assets pass to OSRAM Licht AG by force of law by way of partial universal succession. At the same time, the shareholders in Siemens AG become shareholders in OSRAM Licht AG by force of law in accordance with the relevant share allocation ratio set forth in § 10.1 of the Spin-off and Transfer Agreement. Any possible defects in the notarization of the Spin-off and Transfer Agreement or the required approving declarations of the involved shareholders' meetings are cured by registration with the register of companies.

13. Allocation of shares; partial rights; listing and trading on the stock exchange; ADR-program

a) Allocation of the shares in OSRAM Licht AG to the shareholders of Siemens AG

The Spin-off takes place in exchange for the grant of shares of no par value (registered shares) in OSRAM Licht AG to the shareholders of Siemens AG at the time the spin-off takes effect. Upon the Spin-off taking effect, these shareholders receive one share of no par value (registered share) in OSRAM Licht AG for every ten shares of no par value (registered shares) in Siemens AG in accordance with the share allocation ratio set forth in § 10.1 of the Spin-off and Transfer Agreement (see with regard to the share allocation ratio, Chapter VII.). Treasury shares of Siemens AG are not taken into account in the allocation of OSRAM Licht shares. The shares granted as consideration are entitled to participate in profits for the fiscal years starting on 1 October 2012. If the Spin-off Effective Date is shifted (see Section 7 of this Chapter), the beginning of the entitlement to participate in profits for the shares to be granted will shift accordingly.

The shares to be granted will be created by the capital increase for implementation of the Spin-off as described in Section 10. of this Chapter.

The determination of who is a Siemens shareholder for purposes of the allocation will take place on the evening of the share allocation effective date (the date on which the Spin-off takes effect as a result of the later of the registrations with the register of companies of Siemens AG), which is after the closing of the bookings for the daily sales at Clearstream Banking AG, Frankfurt a.M. ("**Clearstream**") on the basis of the respective deposits of Siemens shares.

A total of 84,274,967 shares in OSRAM Licht AG will be issued to the shareholders of Siemens AG. Siemens AG will ensure by acquisitions and sales of treasury shares that 842,749,670 shares will be entitled to allocation when the Spin-off is registered.

Siemens AG has mandated Deutsche Bank AG, Frankfurt a.M., with the processing of the allocation, which is, at the same time, appointed as the trustee pursuant to Section 125 sentence 1 in conjunction with Section 71 (1) UmwG for receipt of the shares in OSRAM Licht AG to be granted and delivering them to the entitled shareholders. The trustee will take possession of the OSRAM Licht shares to be issued to the shareholders of Siemens AG prior to the Spin-off taking effect and will deliver these shares in a timely manner after the Spin-off takes effect in accordance with the share allocation ratio of 10:1 set forth in the Spin-off and Transfer Agreement. The allocation of the OSRAM Licht shares will take place for the entitled shareholders of Siemens AG through Clearstream for the respective securities accounts in the ratio of 10:1 by means of a credit to the securities account by the respective securities account bank. The allocation of shares is free of commissions and fees for the Siemens shareholders entitled to an allocation who

hold their depositary Siemens shares in Germany. Commissions and fees might incur for Siemens shareholders who hold their depositary Siemens shares in foreign countries based on the existing agreement with the custodian institute. Details of the processing of the allocation will be separately announced to the shareholders of Siemens AG without undue delay after the registration of the Spin-off with the registers of companies of OSRAM Licht AG and Siemens AG (the "**Share Allocation Notification**"). The Share Allocation Notification will be published by Siemens AG in Germany in the Federal Gazette (*Bundesanzeiger*).

Since all shares in Siemens AG are certificated in the form of global documents deposited with Clearstream, the Siemens shareholders do not have to take any action with regard to the allocation of the OSRAM Licht AG shares, aside from a potential regulation of remainder amounts (partial shares). The allocated shares in OSRAM Licht AG will be booked by Clearstream, initially in the form of partial rights, to the accounts of the securities banks prior to the start of trading on the morning of the stock exchange trading day following the Share Allocation Effective Date. The respective custodian bank will then credit the OSRAM Licht shares to the securities account of the respective Siemens shareholder normally prior to the beginning of trading and effect the re-booking of the partial rights of OSRAM Licht shares at Clearstream, as far as these partial rights are not based on share partial rights accounted for the shareholders. The claim of the OSRAM Licht shareholders for certification of the shares is excluded under the articles of association of OSRAM Licht AG. The shares in OSRAM Licht AG will be certificated in global share documents and deposited at Clearstream; the OSRAM Licht shareholders will participate as co-owners in accordance with their respective share.

b) Partial rights and regulation of partial rights

Due to the above stated share allocation ratio of 10:1, there will be fractions of shares (partial rights) if the securities account holdings of Siemens shares cannot be evenly divided by ten. The relevant shareholders in Siemens AG will then receive partial rights to a share in OSRAM Licht AG. Since the partial rights can generally not be asserted as rights of a shareholder (see Section 213 (2) AktG), Deutsche Bank AG, as the central issuing agent, together with the securities account banks will use its efforts to achieve compensation between the holders of the partial rights so that these holders have the possibility of selling partial rights or acquiring corresponding partial rights in order to obtain an increase to a full right. A rounding to full rights (so-called regulation of remainder amounts) requires a corresponding buy or sells order. It has to be anticipated that banks, especially in foreign countries, will not cooperate in a regulation of remainder amounts or will not accept corresponding orders in particular cases.

To the extent that orders for a rounding of the partial rights to full rights are not issued or a rounding to full rights is not possible on the basis of the issued orders, Deutsche Bank AG, which is appointed by Siemens AG as the trustee, will combine the partial rights to OSRAM Licht shares that have been allocated to Siemens shares and have not yet been combined to full rights at a point in time still to be determined to full rights (shares) in OSRAM Licht AG and will sell them through the stock exchange. The sales proceeds will then be credited to the relevant holders of partial rights proportionately according to their respective partial rights. The regulation of partial rights will be free of commissions and fees for the entitled parties who hold their shares on deposits in Germany. Commissions and fees might incur for Siemens shareholders who hold their shares on deposits in foreign countries based on the existing agreements with the custodian institute.

c) Listing and trading on the stock exchange

All shares in OSRAM Licht AG are supposed to be admitted to trading in the Regulated Market of the Frankfurt Stock Exchange and the Munich Stock Exchange and additionally in the segment of the Regulated Market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange on the day on which the Spin-off becomes legally effective on the later of the registrations with the registers of companies of Siemens AG. The commencement of trading in the shares of OSRAM Licht AG is supposed to occur for the first time on the morning of the subsequent stock exchange trading day. The listing of the shares of Siemens AG "ex Spin-off" is planned for the same day. On the day on which the Spin-off legally takes effect as a result of the later of the registrations with the registers of companies for Siemens AG, trading of the shares in OSRAM Licht AG will not yet be possible, and the Siemens AG share will still be traded "cum OSRAM". The plan is that the Siemens share will be listed on the foreign stock exchanges in London and Zurich, Switzerland, with a corresponding note and that there will be a corresponding procedure to the extent possible.

d) Procedure regarding ADR-program

In the United States Siemens AG's shares are traded in the form of ADRs on the New York Stock Exchange. Under the deposit agreement insofar existing between Siemens AG and Deutsche Bank Trust Company Americas as depositary, the depositary shall in case of a distribution of Siemens AG other than in cash (excluding subscription rights and additional Siemens shares), after consultation with Siemens AG, under certain circumstances be entitled to pay to the holders of the ADRs instead of the corresponding securities the net revenue from the sale of such securities. The depositary shall be entitled to act so if a distribution of securities is illegal, unfair or not practically applicable. Against this background and considering the fact that for the OSRAM Licht shares no

separate ADR-Program shall be established, a delegate of the depositary, probably DB Securities Inc., will sell the ADRs corresponding to the OSRAM Licht shares on the stock exchange and pay the *pro-rata* revenue, after deducting the costs, to the ADRs holders.

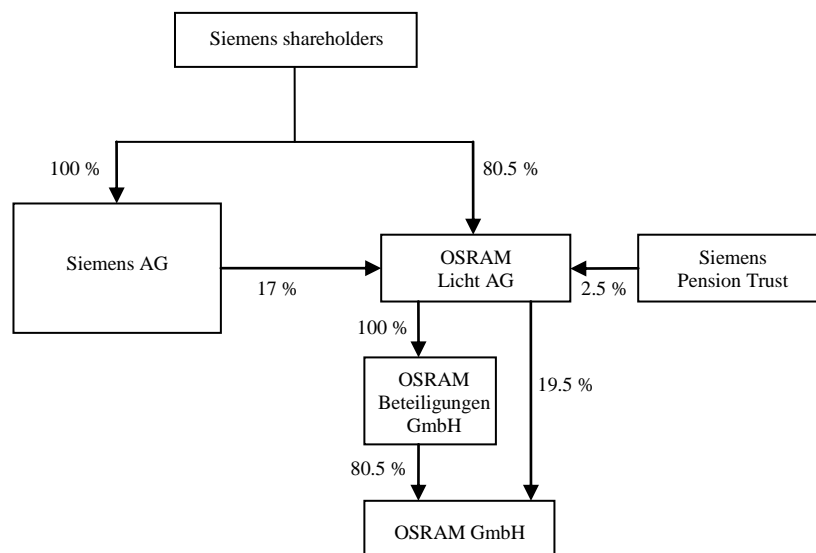
14. Share ownership ratio in the OSRAM Group after the Spin-off

Upon the Spin-off taking effect, Siemens AG will first have a participation of 19.5 % in the capital stock of OSRAM Licht AG. Siemens will timely transfer 2.5 % of this participation by way of a funding to the Siemens Pension Trust which will reduce the share in OSRAM Licht AG remaining with Siemens AG to 17 % (see in detail on this point, Chapter III.3.).

All other shares in OSRAM Licht AG, which is a total of 80.5 % of the capital stock, will be held by the Siemens shareholders after the Spin-off takes effect. The mathematical portion of each shareholder in the capital stock of OSRAM Licht AG issued in the course of the Capital Increase in Kind will correspond to the mathematical portion in the capital stock of Siemens AG, whereby the treasury shares of Siemens AG are not taken into account (so-called spin-off preserving proportionate participation).

OSRAM Licht AG will, in turn, hold 100 % of the company shares in OSRAM GmbH in which the operations of the OSRAM Division are bundled. It will directly hold 19.5 % of the subscribed in OSRAM GmbH and the further 80.5 % indirectly through its 100 % subsidiary OSRAM Beteiligungen GmbH. For further explanations about the legal structure of the OSRAM Group after the Spin-off, see Chapter IX.3.

Taking into account the timely effected funding of 2.5 % of the capital stock in OSRAM Licht AG to Siemens Pension Fund, the shareholder structure after the Spin-off takes effect will be as follows:



15. Costs and taxes related to the Spin-off

The costs of the Spin-off and its implementation are a total of around 65 million € as of 30 September 2012. Additional costs of the Spin-off amounting to around 84 million € are expected by the time the Spin-off takes effect so that the total costs of the Spin-off and its implementation will be in a range of around 149 million € (with regard to the additionally arising costs for the separation, see Chapter V.14.).

The costs consist of external one-time costs and taxes.

The one-time costs are a total of 141 million € and relate primarily to costs for external consulting (especially by investment banks, legal advisors and strategy advisors), costs for audits (accountants), transaction costs, notarization costs, costs for the shareholders' meetings, costs for the filings with the registers of companies and costs for the planned listing on the stock exchange. They are generally borne by Siemens AG.

The transaction taxes arising as a result of the notarization of the Spin-off and Transfer Agreement and its implementation, especially real property transfer taxes, are approximately 7 million € and are being borne by Siemens AG. Aside from this, that company which is the tax obligor in accordance with the tax laws bears the incurred taxes.

VII. Explanation and reasons for the share allocation ratio

The Spin-off of all company shares in OSRAM Beteiligungen GmbH and, thus, indirectly the 80.5 % participation in OSRAM GmbH from Siemens AG to OSRAM Licht AG is taking place in exchange for shares in OSRAM Licht AG to the shareholders of Siemens AG. The allocation ratio for the granting of the shares must be set forth in the Spin-off and Transfer Agreement (Section 126 (1) no. 3 UmwG). Pursuant to § 10.1 of the Spin-off and Transfer Agreement, this ratio is established in the present case at 10:1; which means each Siemens shareholder receives one share in OSRAM Licht AG for each ten Siemens shares. Additional cash payments are not being made.

The allocation ratio was determined to a decisive degree by the future capital stock of OSRAM Licht AG, its number of shares and also by the fact that the Spin-off relates to an 80.5 % participation. The amount of the future capital stock, in the view of the involved entities, is in a reasonable proportion to the equity and the expected market capitalization of OSRAM Licht AG and also reasonably reflects the relative sizes of the transferring entity and the receiving entity. When determining the capital stock and the number of shares, the fact was considered that the future stock price of OSRAM Licht AG should lie in a range which is attractive at the present time for private investors and institutional investors.

The lowest possible portion of 1 € per share was chosen when setting the proportionate amount of the shares in the capital stock of OSRAM Licht AG in order to create a number of shares as high as possible with the chosen capital stock of 104,689,400 €. The resulting allocation ratio takes into account that the number of partial rights is held as low as possible so that as many shareholders as possible become shareholders in OSRAM Licht AG in a manner corresponding to their participations in Siemens AG. An allocation ratio of 10:1, in the view of the managing board of the involved entities, enables to allocate one share or multiple shares in OSRAM Licht AG to a large portion of the shareholdings and Siemens shareholders without partial rights arising. If a shareholder holds less than ten Siemens shares or a number of Siemens shares which is not divisible by ten, the contemplated regulation of the partial rights permits the acquisition of partial rights for most likely limited amounts of money in order to ensure the allocation of one share in OSRAM Licht (details of the regulation on partial rights are described comprehensively in Chapter VI.13.b)).

A lower allocation ratio would have required a higher capital stock and missed the above mentioned goal of having an attractive stock exchange price for the OSRAM Licht shares because the enterprise value would have been distributed over an increasing number of shares with increasing capital stock and, thus, a proportionately increasing number of

shares required for a lower allocation ratio. The involved entities also took into consideration studies by investment banks on the practice in the case of IPOs.

In order to have an allocation ratio of 10:1, Siemens AG will hold the number of shares entitled to an allocation as of the closing date in accordance with Section 131 (1) no. 3 sentence 1 UmwG at 842,749,670. This permits a smooth division with the chosen allocation ratio. Siemens AG has undertaken in the Spin-off and Transfer Agreement to make sure that on the closing date of the Spin-off, the number of the total issued shares of Siemens AG minus the treasury shares which are not entitled to an allocation under Section 131 (1) no. 3 sentence 1 UmwG will be exactly 842,749,670 (on this point see Chapter XIII.1.j)).

For the determination of the allocation ratio a comparative enterprise valuation under which, on the one hand, the Spin-off Assets and, on the other hand, the receiving entity would have been valued and the values would have been compared to each other was not required.

The Spin-off Assets consist only of the company shares in OSRAM Beteiligungen GmbH which holds as its sole asset exactly 80.5 % of the company shares in OSRAM GmbH. This is offset by the assets in OSRAM Licht AG which consist of the 19.5 % of the company shares in OSRAM GmbH to be contributed by Siemens AG under the Capital Increase in Kind. Economically, OSRAM Licht AG will not have any other assets at the time of the Spin-off (on this point see Chapter VIII.1.c)), so that there is an identity of the subjects of the valuation under economic aspects.

The company shares in OSRAM GmbH held by OSRAM Beteiligungen GmbH and OSRAM Licht AG are in a ratio of 80.5:19.5. Accordingly, the participation ratios of the Siemens shareholders and Siemens AG are supposed to correspond when the Spin-off takes effect. The 84,274,967 new shares in OSRAM Licht AG to be issued in order to implement the Spin-off will be 80.5 % of the capital stock of OSRAM Licht AG existing when the Spin-off takes effect, and the shares in OSRAM Licht AG held by Siemens AG after the Capital Increase in Kind takes effect will be 19.5 %. The result is that the number of the shares to be issued in order to implement the Spin-off assures that the relationship in value between the Spin-off Assets and the receiving entity are exactly reflected in the shareholders structure.

The grant of the shares as consideration for the transfer of the Spin-off Assets to the Siemens shareholders will take place in a manner preserving the proportionate participations, which means in accordance with the level of their participation in Siemens AG. Although the mathematical relative participations in OSRAM Licht AG will not correspond to the relative participations in Siemens AG due to the participation of Siemens AG in OSRAM Licht AG that is retained when the spin-off take effect, 100 % of

OSRAM Licht AG belong economically to the Siemens shareholders, namely, 80.5 % directly and 19.5 % through their participation in Siemens AG, in each case in equal proportions. Thus, the Siemens shareholders are not deprived of any assets. A comparative enterprise valuation is also not needed for this reason.

The Spin-off and Transfer Agreement must be audited by a spin-off auditor pursuant to Section 125 sentence 1 in conjunction with Section 9 UmwG. The expert spin-off auditor chosen and appointed by the court, Rölfs RP AG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, will issue a separate written report about the result of the audit in accordance with Section 125 sentence 1 in conjunction with Section 12 (1), (2) UmwG. The spin-off auditor will also declare in the report whether the proposed allocation ratio is reasonable.

VIII. Accounting, tax and other effects of the Spin-off

This Chapter discusses the accounting, tax and other effects of the Spin-off.

1. Accounting effects of the capital increase and the Spin-off

a) Overview and introduction

This Section deals with the accounting effects of the Spin-off and the measures taken to establish the participation remaining with Siemens, i.e. the following steps described in detail in Chapter VI.:

- The taking effect of the contribution of a 19.5 % participation of Siemens AG in OSRAM GmbH to OSRAM Licht AG in the context of a mixed Capital Increase in Kind (a detailed description of this measure is contained in Chapter VI.3.) ("**Step 1**");
- The taking effect of the Spin-off of all company shares in OSRAM Beteiligungen GmbH from Siemens AG as the transferring entity to OSRAM Licht AG as the receiving entity, including the capital increase at OSRAM Licht AG to implement the Spin-off in exchange for shares in OSRAM Licht AG to the shareholders of Siemens AG (a detailed description of this measure is contained in Chapter VI.4. et seq.) ("**Step 2**"). The sole asset of OSRAM Beteiligungen GmbH is the 80.5 % participation in OSRAM GmbH (see on this point IV.1.).

(1) Relevant statements of financial position and pro forma assumptions

The statements of financial position as of 30 September 2012 which are relevant for the description and explanation are the statements of financial position of Siemens AG, the statements of financial position of the Siemens Group as well as the statements of financial position of OSRAM Licht AG. The relevant pro forma statements of financial position are the pro forma statements of financial position of Siemens AG, the pro forma statements of financial position of the Siemens Group, the pro forma statements of financial position of OSRAM Licht AG and the pro forma statements of financial position of the OSRAM Group, in each case as of 1 October 2012.

Consolidated financial statements of OSRAM Licht AG as of 30 September 2012 do not exist because OSRAM Licht AG does not hold any participation prior to the Spin-off taking effect and in particular does not constitute a corporate group with the companies in the OSRAM Division for purposes of IAS 27, *consolidated and separate financial statements*. Therefore, the pro forma statements of financial position of the OSRAM Group are based on the statements of financial position in the combined financial

statements of OSRAM Licht AG (the "**Combined Financial Statements**") as of 30 September 2012. These Combined Financial Statements included OSRAM Licht AG, OSRAM Beteiligungen GmbH as well as OSRAM GmbH (up to 25 October 2012 OSRAM AG), including their direct and indirect subsidiaries.

OSRAM Licht AG, OSRAM Beteiligungen GmbH as well as OSRAM GmbH and their direct and indirect subsidiaries which will constitute the OSRAM Group after the Spin-off takes effect are referred to hereinafter for the time prior to the Spin-off taking effect in which they do not yet constitute a corporate group as the "**OSRAM Licht Division**" (compared to this, only OSRAM GmbH and its direct and indirect subsidiaries and participations are referred to as the OSRAM Division, and the term OSRAM Group is used for the corporate group arising after the Spin-off takes effect – see Chapter I.).

The separate and consolidated financial statements in each case as of 30 September 2012 reflect the situation prior to the Spin-off taking effect; the First Strengthening of Capital under the contract dated 27 September 2012 in the amount of 200 million € (see on this point Chapter V.4.) and the claim of OSRAM GmbH against Siemens Beteiligungen Inland GmbH for a loss compensation for the fiscal year 2012 in the amount of 336.6 million € (on this point see Chapter V.2.) are taken into account in there. The pro forma statements of financial position as of 1 October 2012, 0:00 hours, reflect the situation which would have occurred if steps 1 and 2 as described had become effective on 1 October 2012, 0:00 hours. The closing of the steps 1 and 2 described above in a) was deemed as pro forma assumption. Furthermore, the transfer of the 80.5 % participation in OSRAM GmbH by Siemens AG to OSRAM Beteiligungen GmbH effective as of 1 October 2012, 0:00 hours, in the context of a mixed Capital Increase in Kind is taken into account in the pro forma statements of financial position (see on this point Chapter IV.1.).

The statements of financial position were prepared as of 30 September 2012, 24:00 hours, and the pro forma statements of financial position were prepared as of the Spin-off Effective Date of 1 October 2012, 0:00 hours. The Spin-off Effective Date is the point in time as of which the actions of Siemens AG relating to the Spin-off Assets are deemed to have been made for the account of OSRAM Licht AG (Section 126 (1) no. 6 UmwG). This means that the Spin-off and, thus, the transfer of the Spin-off Assets are economically retroactive as of 1 October 2012, 0:00 hours. By preparing the pro forma statements of financial position as of 1 October 2012, 0:00 hours, the material direct accounting effects of the Spin-off are shown on the basis of the values in the statements of financial position as of 30 September 2012, 24:00 hours. The actual statements of financial position at the time the Spin-off takes effect can substantially deviate from these pro forma statements of financial position.

In particular, the pro forma statements of financial position as of 1 October 2012 do not take into account changes in the assets and liabilities as well as the equity resulting from the business activity of the companies in the OSRAM Licht Division and the other companies of the Siemens Group from 1 October 2012 up to the Spin-off taking effect. Transactions after 1 October 2012 are also not taken into account in the pro forma statements of financial position even if they have a close connection to the Spin-off (except for the funding of the Siemens Pension Trust – see on this point below, Sections b) (1) and d) (1)). Any adaption of options of holders of warrants of Siemens AG issued with warrant bonds that may be triggered by the Spin-off, the grant of equivalent rights to beneficiaries in the context of stock-based compensation programs and employee participation programs or the incurrence of transaction costs in connection with the Spin-off are not taken into account to the extent that they are allocated to the fiscal year 2013. Transaction costs allocated to the fiscal year 2012, however, are already reflected in the corresponding statements of financial position as of 30 September 2012 (with regard to the transactions costs incurred in the context of the Spin-off, see also Chapter VI.15.).

To the extent that special measures or effects in connection with the Spin-off can presently already be foreseen and have material effects on the statements of financial position, these are explained in the following sections without being taken into account in the pro forma statements of financial position.

(2) Preparation, determination and audit of the relevant statements of financial position

The individual statements of financial position were prepared in each case according to the accounting principles under local GAAP (HGB) and the consolidated statements of financial position of Siemens AG and the statements of financial position for the Combined Financial Statements of OSRAM Licht AG as of 30 September 2012 were prepared on the basis of the International Financial Reporting Standards (IFRS) as they are adopted by the European Union (EU). The pro forma statements of financial position are based on corresponding accounting principles under HGB for the pro forma individual statements of financial position and in accordance with IFRS for the pro forma consolidated financial statements, whereby – as will be described in more detail below – the basis consists of the statements of financial position as of 30 September 2012 and the book values shown therein are continued. For the purpose of describing the accounting effects of the Spin-off and the preparatory transactions on the assets of Siemens AG and the Siemens Group as of 30 September 2012, the pro forma statements of financial position as of 1 October 2012 are based on the same accounting standards as the corresponding statements of financial position as of 30 September 2012. Therefore, especially IAS 19 R, *Employee Benefits*, which is only effective for fiscal years beginning

on or after 1 January 2013 is not applied, although it is early adopted by Siemens AG and OSRAM Licht AG in their regular reporting starting as of 1 October 2012.

The pro forma statements of financial position involve pro forma descriptions prepared exclusively for the purpose of this joint Spin-off Report.

The annual statements of financial position and the consolidated statements of financial position of Siemens AG were audited as part of the annual financial statements and the consolidated financial statements of Siemens AG as of 30 September 2012 by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which issued an unqualified audit opinion thereon, and approved by the supervisory board of Siemens AG on 28 November 2012. The annual statements of financial position of Siemens AG are also the closing statements of financial position pursuant to Section 125 sentence 1 in conjunction with Section 17 (2) UmwG. The annual statements of financial position of OSRAM Licht AG as of 30 September 2012 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as part of the annual financial statements of OSRAM Licht AG for the short fiscal year ending on 30 September 2012, which issued an unqualified audit opinion thereon, and were approved by the supervisory board of OSRAM Licht AG on 7 November 2012 short fiscal year

Due to rounding, it is possible that individual numbers in the statements of financial position and the pro forma statements of financial position will not exactly add up to the stated totals.

b) Statements of financial position and pro forma statements of financial position of Siemens AG (HGB)

The column "30 September 2012" in the following overview contains the individual statements of financial position of Siemens AG as of 30 September 2012, 24:00 hours. It shows the situation prior to the spin-off taking effect. The column "1 October 2012" contains the pro forma statements of financial position of Siemens AG as of 1 October 2012, 0:00 hours. It shows the situation after the spin-off takes effect, whereby the pro forma assumptions previously explained in a)(1) were used as the basis.

(in million €)	30 September 2012	Pro forma adjustments	1 October 2012
Assets			
Fixed assets			
Intangible assets	499		499
Property, Plant and equipment	1,889		1,889
Financial assets	42,951	-1,668	41,283

	45,339	-1,668	43,671
Current assets			
Inventories	13,050		13,050
Received payments on account	-13,050		-13,050
	0	0	0
Receivables and other assets			
Trade receivables	1,906		1,906
Receivables owed by affiliates	11,704	-1,165	10,539
Other receivables and other assets	2,180	1,165	3,346
	15,790	0	15,790
Securities	1,190		1,190
Cash on hand	1,965	0 ⁽²⁾	1,965
	18,945	0	18,945
Deferred assets	86		86
Deferred tax assets	2,737		2,737
Difference in assets after set-off	42		42
Total assets	67,149	-1,668	65,481
Liabilities			
Equity			
Subscribed capital ¹	2,643		2,643
Treasury shares	-74		-74
<i>Issued capital</i>	2,569		2,569
Additional pay-in capital	7,535		7,535
Retained earnings	7,065	-1,668	5,397
Net income	2,643		2,643
Total equity	19,811	-1,668	18,144
Special items with reserves	775		775
Provisions			
Pension plans and similar commitments	9,919		9,919
Other provisions	7,419		7,419
	17,338	0	17,338
Liabilities			
Liabilities owed to credit institutions	146		146
Received down payments on orders	1,551		1,551
Trade payables	1,936		1,936
Liabilities owed to affiliates	22,918	-460	22,458
Other liabilities	2,381	460	2,841
	28,934	0	28,934
Deferred liabilities	291		291
Total liabilities	67,149	-1,668	65,481

¹ Conditional Capital as of 30 September 2012 in the amount of 1,028 million €.

² The Capital Increase in Kind (step 1) is structured as a mixed Capital Increase in Kind under which OSRAM Licht AG also pays 50,000 € in cash to Siemens AG in addition to the new shares (see Chapter I.). Due to the rounding of million €, the cash payment is not visible in the pro forma statements of financial position. This also applies to the contribution of the 80.5 % participation in

OSRAM GmbH to OSRAM Beteiligungen GmbH. This was in exchange for the grant of company shares in OSRAM Beteiligungen GmbH and payment of 25,000 €.

(1) The effects of the Spin-off shown in the pro forma statements of financial position

The individual statements of financial position of Siemens AG as of 30 September 2012, 24:00 hours, under the position financial investments contains the 100 % participation in OSRAM GmbH (at that time still OSRAM AG) in the amount of 2,072 million € and the 100 % participation in OSRAM Beteiligungen GmbH in the amount of 0.03 million €. After the Spin-off, these participations in OSRAM GmbH and OSRAM Beteiligungen GmbH are derecognized in the pro forma statements of financial position of Siemens AG as of 1 October 2012, 0:00 hours; the 19.5 % participation in OSRAM Licht AG remaining with Siemens AG after the Spin-off takes effect is newly reflected. The participation in OSRAM Licht AG is valued at 19.5 % of the former book value of the participation in OSRAM GmbH (404 million €).¹ Thus, a pro forma adjustment of -1,668 million € results on balance. The retained earnings and, thus, the equity is accordingly reduced in the pro forma statements of financial position by 80.5 % of the previous book value of OSRAM GmbH (-1,668 million €). The timely transfer of a portion of 2.5 % in OSRAM Licht AG to Siemens Pension Trust in the form of a funding shortly after the Spin-off takes effect does not lead to any change in the statements of financial position because the shares in OSRAM Licht AG held by Siemens Pension Trust are attributed to Siemens AG under commercial law.

As a result of the Spin-off, the companies of the OSRAM Group are no longer considered to be subsidiaries of Siemens AG. Accordingly, the position for receivables owed by affiliates in the statements of financial position as of 30 September 2012 is reduced by 1,165 million € in the pro forma statements of financial position as of 1 October 2012, and the liabilities owed to affiliates are reduced by 460 million €, while the corresponding positions of other receivables and other assets are increased by 1,165 million € and other liabilities are increased by 460 million €. With regard to the planned release of these positions by OSRAM by external financing from an international banking consortium, see Chapter IX.2.e)(4).

As a consequence of the Spin-off, the statements of financial position are accordingly reduced by 1,668 million €.

Since the remaining participation of Siemens AG in OSRAM Licht AG in the future is valued at procurement costs in the statements of financial position of Siemens AG, any

¹ Furthermore, the book value of the previous participation in OSRAM Beteiligungen GmbH is included which, however, is negligible and, therefore, is not dealt with any further.

future changes in value are not taken into account unless there is an extraordinary depreciation which would have to be reflected in the profits and losses.

(2) Effects of the Spin-off which are not shown in the pro forma statements of financial position

On 31 October 2012, Siemens further strengthened the equity capital of OSRAM GmbH by an additional payment to the capital reserve under Section 272 (2) no. 4 HGB in an amount of 163 million € by way of waiving claims against OSRAM GmbH (Second Strengthening of Capital – see in more detail on this point, Chapter V.4). Siemens AG made a direct additional payment to the capital reserve of OSRAM GmbH of 19.5 % of this amount and in the amount of the remaining 80.5 % indirectly through OSRAM Beteiligungen GmbH. Thus, the positions for other receivables and other assets were reduced by 163 million € compared to the pro forma statements of financial position. Furthermore, the financial assets increase by 32 million €. The amount indirectly paid through OSRAM Beteiligungen GmbH initially increased the book value of OSRAM Beteiligungen GmbH (position financial assets) which leads then to a correspondingly increased reduction of the financial assets in the statements of financial position when the Spin-off takes effect so that, in the final analysis the retained earnings are reduced by 131 million €. In November 2012, Siemens Beteiligungen Inland GmbH fulfilled the claim of OSRAM GmbH for loss compensation in the amount of 336.6 million €. This reduced the line item for other receivables and other assets and increased the position for other liabilities because the fulfillment of the claim for the loss compensation incurred through Siemens AG.

In February 2012, Siemens issued US\$ warrant bonds in a total nominal amount of 3 billion US\$ in two tranches which were tied to the warrants issued by Siemens AG. For further information about the warrant bonds, see Chapter VIII.3.f)). The terms and conditions for the warrant bonds provide as protection against dilution on the occasion of the Spin-off that the creditors of the warrants receive shares of OSRAM Licht AG in addition to the shares of Siemens AG when exercising their options. This does not result in any effects in the individual statements of financial position of Siemens AG.

Siemens runs stock-based compensation programs and employee participation programs. Members of corporate bodies and employees of the Siemens Group with Stock Entitlements (as defined in Chapter XIII.1.k)(1)) under these programs who will not leave the Siemens Group as an immediate result of the Spin-off from OSRAM Licht Division taking effect will be granted in general due to the Spin-off an adjustment of their claims as economic compensation for the departure of the OSRAM Licht Division from the Siemens Group as a result of the Spin-off (see on this point in more detail, Chapter XIII.1.k)(1)). As an adjustment, the beneficiaries receive claims for a cash

payment. A determination is made for this purpose, how many OSRAM Licht shares (or mathematical partial rights to those shares) these individuals would have to receive additionally to the Siemens shares or mathematical Siemens shares awarded under the specific provisions of the respective program based on an allocation ratio of 10:1 at maturity. On the basis of the Stock Entitlements outstanding as of 30 September 2012, the number for entitled members of corporate bodies and employees of Siemens AG was around 400,000 OSRAM Licht shares. The stock exchange value of these OSRAM Licht shares (or the mathematical partial rights) will be credited to them in cash when the underlying adjusted claim becomes due. This claim for a cash payment must be accounted for at Siemens as stock-based payment with a cash offset on the basis of the respectively current stock exchange prices. Under HGB, the accounting for the stock-based compensation programs or employee participation programs already occurs at the respective current stock exchange price for the shares in Siemens AG so that – under the premise that the market capitalization of Siemens AG ex OSRAM together with the market capitalization of OSRAM Licht AG when the Spin-off takes effect correspond to the market capitalization of Siemens AG cum OSRAM prior to the Spin-off taking effect – in this regard no effect on the statements of financial position results due to the Spin-off. In the subsequent accounts, there is a difference as a result of the fact that the calculation of the provisions for stock-based payment no longer depends only on the stock exchange price of the shares of Siemens AG (with regard to the original Stock Entitlements) but instead also depends on the stock exchange price for shares in OSRAM Licht AG (with regard to the claim for the cash payment).

The future Spin-off and the independence of the OSRAM Division were already taken into account in the valuation of the deferred tax assets in the statements of financial position as of 30 September 2012. Due to the fact that the Spin-off reduces the remaining loss carry forwards at the transferring entity pursuant to Section 15 (3) German Transformation Tax Act (*Umwandlungssteuergesetz*, "UmwStG") proportionately according to the underlying fair value of the assets and pass to another corporation, the statements of financial position of Siemens AG as of 30 September 2012 already had to take into account that the implementation of the planned Spin-off will lead to a reduction of the loss carry forward at Siemens AG. As a result of the chosen continuation at book value in the pro forma statements of financial position, there is no adjustment of the deferred taxes (see with regard to the tax effects of the Spin-off, also Section 2 below).

c) Statements of financial position and pro forma statements of financial position of OSRAM Licht AG (HGB)

The column "30 September 2012" in the following overview contains the individual statements of financial position of OSRAM Licht AG as of 30 September 2012, 24:00 hours. These statements of financial position reflect the situation prior to the Spin-off

taking effect. The column "1 October 2012" contains the pro forma statements of financial position of OSRAM Licht AG as of 1 October 2012, 0:00 hours. It represents the situation after the Spin-off takes effect, whereby the pro forma assumptions previously explained under a)(1) are used as a basis.

(in thousand €) ⁽¹⁾	30 September 2012	Pro forma adjustments	1 October 2012
Assets			
Fixed assets			
Financial assets		2,071,568	2,071,568
Current assets			
Receivables owed by affiliates	2,683	-2,683	0
Other receivables and other assets	0	2,683	2,683
Liquid funds	50	-50	0
Total assets	2,733	2,071,518	2,074,251
Liabilities			
Subscribed capital	50	104,639	104,689
Additional paid-in capital	2,683	1,966,879	1,969,562
Net income	-2,683		-2,683
Equity	50	2,071,518	2,071,568
Provisions			
Other provisions	2,683		2,683
Total liabilities	2,733	2,071,518	2,074,251

¹ In the statements of financial position that were audited and fully certified by the auditors for the annual financial statements of OSRAM Licht AG (still named at that time Kyros A AG) for the fiscal year 2012, the amounts are set forth in Euro and Cent. For the purpose of an overview, the amounts for the statements of financial position of OSRAM Licht AG are shown in thousand Euro.

The individual statements of financial position of OSRAM Licht AG (at that time still Kyros A AG) as of 30 September 2012, 24:00 hours, includes receivables owed by affiliates and balances at credit institutions on the assets side and equity and other provisions on the liabilities side.

The equity as of 30 September 2012 shows a net loss at an amount of 2,683,000 € which results from a provision for the auditing of the Combined Financial Statements of OSRAM Licht AG and the annual financial statements as of 30 September 2012 which has the effect of an expense. Since Siemens AG has a contractual obligation towards OSRAM Licht AG to indemnify OSRAM Licht AG from these expenses, the provision is

offset by a receivable owed by Siemens AG in the corresponding amount, and the net loss is offset by a position in the corresponding amount in the capital reserve. Thus, the equity in the statements of financial position corresponds to the subscribed capital of 50,000 €.

(1) The effects of the Spin-off shown in the pro forma statements of financial position

The assets in the pro forma statements of financial position as of 1 October 2012, 0:00 hours after the implementation of steps 1 and 2 show the 19.5 % participation in OSRAM GmbH and the 100 % participation in OSRAM Beteiligungen GmbH (which in turn holds 80.5 % in OSRAM GmbH). The elective right is exercised in favor of continuing the book value of the former participations in the annual financial statements of Siemens AG where the book value was increased by the First Strengthening of Capital so that financial assets result in an amount of 2,071,568,000 €. Of this amount, 1,667,618,000 € are attributable to the participation in OSRAM Beteiligungen GmbH (acquired by way of the Spin-off), and 403,950,000 € are attributable to the 19.5 % participation in OSRAM GmbH (acquired by way of the Capital Increase in Kind). Furthermore, the liquid funds are also reduced in the pro forma statements of financial position by 50,000 € to 0 as a result of the disbursement in the context of the mixed capital contribution in kind in step 1. OSRAM Licht AG reflects an addition in the equity on the liability side of the pro forma statements of financial position in the amount of the additions on the assets side (2,071,518,000 €).

The increase in the equity by 2,071,518,000 € consists of an increase in the subscribed capital by 20,364,433 € under the Capital Increase in Kind and by 84,274,967 € resulting from the Spin-off capital increase (increase of the subscribed capital, thus, to a total of 104,639,400 €) as well as from an increase in the capital reserve by the remaining amount of the book value of the participations in OSRAM Beteiligungen GmbH and OSRAM GmbH minus the payment of 50,000 € in the context of the mixed Capital Increase in Kind.

(2) Effects of the Spin-off not shown in the pro forma statements of financial position

As a result of the Second Strengthening of Capital, the positions for financial assets and additional paid-in capital increase in each case by 163,000,000 €.

d) Statements of financial position and pro forma balance of the Siemens Group (IFRS)

The following overview contains in the column "30 September 2012" the statements of financial position of the Siemens Group as of 30 September 2012, 24:00 hours. This shows the situation existing prior to the Spin-off taking effect. The OSRAM Licht Division is shown therein as a derecognized group in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. The column "1 October 2012"

contains the pro forma statements of financial position of the Siemens Group as of 1 October 2012, 0:00 hours. It represents the situation after the Spin-off takes effect, whereby the pro forma assumptions explained above under point a)(1) are used as a basis. The pro forma statements of financial position of the Siemens Group is not identical with the Consolidated Financial Statements as it appears at the time the Spin-off takes effect upon registration with the register of companies (on this point immediately below).

(in million €)	30 September 2012	Pro forma adjustments	1 October 2012
Assets			
Current assets			
Cash and cash equivalents	10,891		10,891
Available-for-sale financial assets	524	394	918
Trade and other receivables	15,220		15,220
Other current financial assets	2,901	1,214	4,115
Inventories	15,679		15,679
Income tax receivables	836		836
Other current assets	1,277		1,277
Assets classified as held for disposal	4,800	-4,452	348
Total current assets	52,129	-2,844	49,285
Goodwill	17,069		17,069
Other intangible assets	4,595		4,595
Property, plant and equipment	10,763		10,763
Investments accounted for using the equity method	4,436		4,436
Other financial assets	14,666		14,666
Deferred tax assets	3,777		3,777
Other assets	846		846
Total assets	108,282	-2,844	105,438
Liabilities and equity			
Current liabilities			
Short-term debt and current maturities of long-term debt	3,826		3,826
Trade payables	8,036		8,036
Other current financial liabilities	1,460	957	2,417
Current provisions	4,750		4,750
Income tax payables	2,204		2,204
Other current liabilities	20,306		20,306
Liabilities associated with assets classified as held for disposal	2,054	-1,877	177
Total current liabilities	42,637	-920	41,717
Long-term debt	16,880		16,880
Pension plans and similar commitments	9,926	-58	9,869

Deferred tax liabilities	494		494
Provisions	3,908		3,908
Other financial liabilities	1,083		1,083
Other liabilities	2,052		2,052
Total liabilities	76,980	-978	76,002
Total equity⁽¹⁾	31,302	-1,866	29,436
Total Liabilities and Equity	108,282	-2,844	105,438

- 1 In the statements of financial position within the consolidated financial statements for the fiscal year 2012, which were audited and fully certified by the auditors, the equity is broken down according to the applicable IFRS. In this overview, the equity is shown as line item because the effects of the Spin-off on the composition of the equity depend on the fair value of OSRAM Licht AG after the Spin-off takes effect.

The OSRAM Licht Division is accounted for in the Siemens consolidated statements of financial position as of 30 September 2012, 24:00 hours, as a disposal group in order to anticipate the Spin-off taking effect in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. The OSRAM Licht Division continues to be part of the consolidated group. Receivables and liabilities within the corporate group are consolidated. The book values of the main groups of assets and liabilities in the Siemens consolidated statements of financial position shown as assets classified as held for disposal and liabilities associated with assets classified as held for disposal in total amounted to:

(in million €)	30 September 2012
Trade receivables and other receivables	827
Inventories	1,044
Goodwill	277
Other intangible assets	161
Property, plant and equipment	1,416
Deferred tax assets	377
Financial assets	138
Other assets	212
Assets classified as held for disposal	4,452
Trade payables	609
Current provisions	92
Other current liabilities	380
Pension plans and similar commitments	490
Other liabilities	307
Liabilities associated with assets classified as held for disposal	1,877

(1) Effects of the spin-off shown in the pro forma statements of financial position

The OSRAM Licht Division is derecognized in the pro forma consolidated statements of financial position as of 1 October 2012, 0:00 hours. This leads to a reduction in the assets

classified as held for disposal by 4,452 million € and a reduction of the liabilities associated with assets classified as held for disposal by 1,877 million €. ²

Claims and liabilities of the remaining Siemens Group against the future OSRAM Group after the Spin-off are entered in the pro forma consolidated statements of financial position due to the elimination of the consolidation. This results in an increase in the positions for other current financial assets by 1,214 million € and other current financial liabilities by 957 million €. With regard to the planned release of these positions by OSRAM by external financing from an international banking consortium, see Chapter IX.2.e)(4).

Siemens AG intends to transfer from the participation in OSRAM Licht AG remaining with Siemens AG after the Spin-off takes effect a portion of 2.5 % in OSRAM Licht AG as a funding to Siemens Pension Trust. Based on the transfer taking place in the near future, this endowment is already anticipated for the purposes of the pro forma consolidated statements of financial position.

After this transfer, Siemens AG will retain a participation of 17 % in OSRAM Licht AG. This must be accounted for as an available-for-sale financial asset under IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS requires that the remaining 17 % participation of Siemens AG in OSRAM Licht AG and the reduction of the pension provision of the Siemens Group as a result of the 2.5 % participation of the Siemens Pension Trust in OSRAM Licht AG be accounted at fair value (*beizulegender Zeitwert*). This fair value will be derived on the basis of the stock exchange price of OSRAM Licht AG after the Spin-off takes effect. Since a listing of OSRAM Licht AG will only occur immediately after the Spin-off takes effect, Siemens refers to the book value of the disposal group in each case for the purposes of the pro forma consolidated statements of financial position. The basis is the book value in the statements of financial position of the Siemens Group as of 30 September 2012, taking into account the internal financing within the corporate group. This means that, in addition to the assets held for disposal as reflected in the Siemens consolidated balance (4,452 million €) and the liabilities held for disposal (1,877 million €), the receivables and liabilities which were eliminated in the consolidation of debts in particular of the intra group financing (a balance of net liability of 257 million € out of the OSRAM Licht Division perspective) were taken into account to determine the book value of the disposal group. Thus, a net book value of 2,318 million € results for the OSRAM Licht Division.

² The payments of OSRAM Beteiligungen GmbH of 25,000 € in the course of the contribution of the 80.5 % participation (see Chapter VI.1.) and in OSRAM Licht AG of 50,000 € under the capital contribution in kind (see Chapter VI.3.) decrease the value of the derecognized group, but have no influence on the shown values due to the small amounts involved.

As a result of the initial accounting of the 17 % participation in OSRAM Licht AG, the position available-for-sale financial assets increases on this basis by 394 million €. The position pension plans and similar commitments is decreased accordingly by 58 million € as a result of the funding to the Siemens Pension Trust.

The equity is reduced by the book value of the OSRAM Licht Division to be derecognized and is partially offset by reflecting the remaining 17 % participation as well as the reduction of the pension provision at fair value. Instead of the fair value, these positions are valued, as explained above, in the pro forma statements of financial position at the respective portion of the previous book value of the OSRAM Licht Division so that the equity is reduced by 1,866 million €. In the case of a fair value above (below) the book value, there would be a smaller (larger) reduction of equity due to the fact that the derecognized book value is unchanged, while the 17 % participation at fair value and the reduction in the pension provision at fair value would reduce (increase) the change in equity.

The influence of the Spin-off on the equity is implemented in several partial steps which are not reflected in the pro forma statements of financial position because they assume that the Spin-off, including the partial steps, has taken effect at book values as of 1 October 2012.

The completion of step 1 (Capital Increase in Kind) initially has no influence on the statements of financial position of the Siemens Group because the companies in the OSRAM Licht Division will continue to be consolidated until the Spin-off takes effect.

Regarding step 2 Siemens reflects a Spin-off liability at fair value of 80.5 % of the value of the OSRAM Licht Division as a reduction of capital (charged to retained earnings) in the consolidated statements of financial position upon the approval of the shareholders' meeting of Siemens AG for the Spin-off and the Transfer Agreement in accordance with IFRIC 17, *Distributions of Non-Cash Assets*. The Spin-off liability must be valued by adjusting equity for the respective fair value on the subsequent Spin-off Effective Date of the financial statements until the Spin-off takes effect. After the Spin-off takes effect, Siemens reflects the derecognition of this Spin-off liability and the book value of the at the Assets classified as held for disposal and liabilities associated with assets classified as held for disposal as well as the recognition of the 17 % participation in OSRAM Licht AG and the reduction of the pension provisions at the fair value of the transferred 2.5 % participation; a difference must be reflected in the profit and loss as the result of the Spin-off (spin-off profit/loss).

(2) Effects of the Spin-off not shown in the pro forma statements of financial position

As a result of the Second Strengthening of Capital, the other current financial assets shown in the pro forma statements of financial position decrease by 163 million € compared to the pro forma statements of financial position. On the basis of the chosen method of reflecting the pro forma adjustments for the future participations and the funding for the Siemens Pension Trust based on book values of the OSRAM Licht Division, the position of available-for-sale financial assets increases by 28 million €, and the position pensions and similar commitments decreases by 4 € million, as does equity by 131 million €. In November 2012, the claim of OSRAM GmbH for loss compensation in the amount of 336.6 million € was satisfied. The net liability in the amount of 257 million € from the point of view of the OSRAM Licht Division is not affected by this since the claim for loss compensation was already taken into account for the benefit of OSRAM GmbH.

Siemens reflects the remaining 17 % participation in OSRAM Licht AG as an available-for-sale financial asset. When accounting for this as assets as available-for-sale financial asset, it must be valued at fair value. Changes in value have directly to be reflected in equity unless there is a significant or long lasting reduction in value which must then be reflected in the profit and loss.

In February 2012, Siemens issued US\$ warrant bonds in a total nominal amount of US\$ 3 billion in two tranches which were linked to warrants issued by Siemens AG. For further information on the warrant bonds, see Chapter II.2.c) and Chapter VIII.3.f). The terms and conditions of the warrant bonds provide as protection against dilution on the occasion of the Spin-off that the creditors under the warrants also receive shares in OSRAM Licht AG in addition to the shares in Siemens AG when exercising their options. This has the consequence that the warrants have to be reclassified in the statements of financial position of the Siemens Group when the approval of the shareholders' meeting of Siemens AG is issued in a completely neutral manner from equity to financial liabilities. Changes in the fair value of these financial liabilities must subsequently be accounted for in the profit and loss. The fair value is either derived from the stock exchange prices for the two warrants or by application of recognized financial mathematical models. When determining the value, to a high degree the stock exchange prices for Siemens AG and, to a much lesser degree of OSRAM Licht AG as well as other parameters such as dividend returns on investment, volatility and the interest level have effects. Fluctuations in these parameters for the valuation, especially in the stock exchange price of Siemens AG, can have a substantial influence on the valuation of the financial liability and, thus, the financial result of the Siemens Group. With regard to a range of the stock exchange price of Siemens AG, for example between 60 € and 100 €, an increase in the stock exchange price of Siemens can lead to a negative effect on the results in the low two digit millions

range for each 1 € between two effective dates of financial statements depending on the current market circumstances; on the other hand, a negative development of the stock exchange price between two effective dates of financial statements can have a correspondingly positive effect on the financial results.

Siemens has stock-based compensation programs and employee participation programs. Members of corporate bodies and employees of the Siemens Group with Stock Entitlements (as defined in Chapter XIII.1.k)(1)) under these programs who will not leave the Siemens Group as an immediate result of the Spin-off from OSRAM Licht Division taking effect will be granted in general due to the Spin-off an adjustment of their claims as economic compensation for the OSRAM Licht Division leaving the Siemens Group as a result of the Spin-off (see on this point in more detail, Chapter XIII.1.k)(1)). The beneficiaries receive as an adjustment claims for payment of a cash amount. A determination is made for this purpose, how many OSRAM Licht shares (or mathematical partial rights to those shares) these individuals would have to receive additionally to the Siemens shares or mathematical Siemens shares awarded under the specific provisions of the respective program based on an allocation ratio of 10:1 at maturity. On the basis of the Stock Entitlements outstanding as of 30 September 2012, the number would be approximately 600,000 OSRAM Licht shares for entitled members of corporate bodies and employees of the Siemens Group. The stock price for these OSRAM Licht shares (or the mathematical partial rights) will be compensated in cash to the beneficiaries when the underlying, adjusted claim becomes due. The claims for payment of a cash amount on the basis of the above mentioned adjustment must be accounted for at Siemens as stock-based payment with a cash offset. The initial accounting of the above mentioned compensation involves a partially neutral conversion of the previous accounting of the Stock Entitlements in equity to a financial liability. The valuation of the financial liability is based on the proportionately earned fair value of the shares of OSRAM Licht AG. In subsequent accounts, the changes in the value of the claims for payment of a cash amount resulting from fluctuations in the stock exchange price of the shares of OSRAM Licht AG must be reflected in the profit and loss. The underlying stock-based payment in shares of Siemens AG will continue to be reflected on an equity basis and, thus, is not subject to stock price fluctuations for Siemens AG.

With regard to the valuation of the deferred tax assets, the discussion in the above Section b) at the end applies accordingly (see with regard to the tax effects of the spin-off, also Section 2 below).

e) Pro forma statements of financial position of the future OSRAM Group (IFRS)

The pro forma statements of financial position of the OSRAM Group are based on the Combined Financial Statements as of 30 September 2012 which were prepared by the

managing board of OSRAM Licht AG and audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which issued an unqualified audit opinion thereon.

The Combined Financial Statements include OSRAM Licht AG, OSRAM Beteiligungen GmbH as well as OSRAM GmbH (prior to 25 October 2012, OSRAM AG) including their direct and indirect subsidiaries. The Combined Financial Statements were prepared taking into account IFRS 1.D16. OSRAM Licht AG applied the same accounting principles and valuations when preparing the Combined Financial Statements that were applied for the preparation of the financial information for the Siemens consolidated financial statements (*predecessor accounting*).

However, there were deviations from these accounting principles and measurements to the extent that this was necessary to show the OSRAM Licht Division as a group which is independent of Siemens (see on this point, also Chapter IX.2). This involves in particular adjustments which were required because the OSRAM Division was accounted for pursuant to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. These adjustments were not taken into account in the Combined Financial Statements because, in the view of OSRAM Licht AG as the future parent company of the OSRAM Group, IFRS 5 is not determinative for the Combined Financial Statements. This relates in particular to the suspension of periodic and extraordinary depreciation required under IFRS 5. Furthermore, impairments of goodwill had in particular to be taken into account in the Combined Financial Statements as required under IFRS because the relevant monitoring level for evaluating the goodwill is different in the OSRAM Licht Division as an independent corporate group from that in the Siemens Group.

Therefore, the values shown for the assets and liabilities in the pro forma statements of financial position of the OSRAM Group deviate from the values shown in the statements of financial position of the Siemens Group for the assets and liabilities of the OSRAM Division. Accordingly, the description of the OSRAM Group in its pro forma statements of financial position is only comparable to a limited degree with the description of the OSRAM Division in the statements of financial position of the Siemens Group.

The following overview contains the pro forma statements of financial position of the OSRAM Group after the spin-off takes effect as of 1 October 2012, 0:00 hours, on the basis of the pro forma assumptions explained in a)(1).

(in million €)	1 October 2012
Assets	
Current assets	
Cash and cash equivalents	31

Available-for-sale financial assets	1
Trade receivables	823
Other current financial assets	1,011
Inventories	1,044
Income tax receivables	32
Other current assets	80
Total current assets	3,022
Goodwill	37
Other intangible assets	107
Property, plant and equipment	1,336
Investments accounted for using the equity method	62
Other financial assets	9
Deferred tax assets	397
Other assets	98
Total assets	5,068
Liabilities and equity	
Current liabilities	
Short-term debt and current maturities of long-term debt	47
Trade payables	609
Other current financial liabilities	1,263
Current provisions	97
Income tax payables	67
Other current liabilities	377
Total current liabilities	2,460
Long-term debt	1
Pension plans and similar commitments	490
Deferred tax liabilities	1
Provisions	19
Other financial liabilities	0
Other liabilities	151
Total liabilities	3,122
Total equity	1,946
Total liabilities and equity	5,068

(1) Effects of the Spin-off shown in the pro forma statements of financial position

The pro forma statements of financial position of the future OSRAM Group show the assets and liabilities allocated to the new OSRAM Group (including OSRAM GmbH with its direct and indirect subsidiaries, OSRAM Licht AG and OSRAM Beteiligungen GmbH) when the spin-off takes effect. Since no material financial effects of the Spin-off and the preparatory transactions on the financial situations of the OSRAM Group were

identified,³ the pro forma statements of financial position generally correspond to the Combined Financial Statements of the OSRAM Licht Division as of 30 September 2012 (rounded to full million € amounts). The receivables and liabilities with regard to companies in the Siemens Group are shown as other current financial assets and other short-term financial liabilities.

(2) Effects of the Spin-off not shown in the pro forma statements of financial position

As a result of the Second Strengthening of Capital in the amount of 163 million €, the position of other short-term financial liabilities is reduced, and the equity of the OSRAM Licht Division is increased by this amount. As a result of fulfilling the claims for compensation for losses of 336.6 million € against Siemens Beteiligungen Inland GmbH in November 2012, the position of other short-term financial liabilities decreases in part. The position of other short-term financial assets partially decreases accordingly.

With regard to other expected effects on the net assets position of OSRAM, including the end of the participation of the members of corporate bodies and employees of the OSRAM Licht Division in stock-based compensation programs respectively employee participation programs at the Siemens Group and the refinancing of the liabilities of the OSRAM Division with external bank financing, which will lead to a shift between the positions for short-term debt and short-term due portions of long-term debt and long-term debt, see Chapter IX.2.e).

With regard to the effects of the Spin-off on the value of the deferred tax assets, see Section 2.

2. Tax Effects of the Spin-off

The following discussion explains the material tax effects of the Spin-off for the shareholders, Siemens AG, OSRAM Licht AG and OSRAM GmbH. A comprehensive or final description of all conceivable tax aspects for each individual Siemens shareholder is not possible because this depends on the shareholder's individual tax circumstances. The following description also cannot substitute individual tax advice for the individual shareholder. Therefore, shareholders should consult with their tax advisors about the individual tax effects of the Spin-off.

The following description is based on the currently applicable German tax law and its interpretation by the courts and administrative directives as well as the current draft of the Annual Tax Act 2013 (*Jahressteuergesetz 2013*) which has not yet been promulgated at

³ The payments of OSRAM Beteiligungen GmbH of 25,000 € in the course of the contribution of the 80.5 % participation (see IV.1.) and by OSRAM Licht AG of 50,000 € in the context of the Capital Increase in Kind (see Chapter VI.3.) have no influence on the shown values due to the small amounts involved.

the time of issuance of this Spin-off Report and accordingly has not yet taken effect. It has been referred to the mediation committee. Since the possibility cannot be precluded with certainty that the bill from the German Federal Parliament (*Bundestag*) will be modified in the mediation process, the following discussion is subject to a reservation for changes. Therefore, the shareholders are advised to observe the legislative process and to consult with their tax advisors about any changes and their effects. Provisions on taxes can change at any time, also with retroactive effect. The possibility can also not be precluded that the tax administration or courts will consider a different evaluation than that described in this Section as correct. The tax effects under foreign legal systems as well as the potentially applicable treaties for the avoidance of double taxation are not explained below.

a) Tax effects for the shareholders

The tax effects of the Spin-off for shareholders in Siemens AG who are subject to taxation in Germany result under the provisions in Section 15 (1) in conjunction with Section 13 UmwStG as well as Section 20 (4a) German Income Tax Act (*Einkommensteuergesetz*, "**EStG**").

(1) Tax effects for shares which are held as business assets

In the case of shares in Siemens AG held as business assets, the tax consequences for the shareholders result under Sections 15, 13 UmwStG. The shares in the transferring entity (Siemens AG) are accordingly considered to have been sold proportionately at the fair market value and the shares replacing them in the receiving company (OSRAM Licht AG) are deemed to have been procured at that value (see Section 13 (1) UmwStG). The resulting profit or loss is the difference between the proportionate book value and the proportionate fair market value of the shares in Siemens AG at the time of registration of the Spin-off with the register of companies. The fair market value of the shares in Siemens AG results from the stock exchange price for the Siemens shares.

The above mentioned statutory provisions create a fiction of a sale by the shareholder which is subject to the general tax provisions on taxation of profits (or losses) from the sale of shares. In the case of a capital gain, the taxation depends on whether the shareholder is a corporation, an individual enterprise or a partnership.

The shares in OSRAM Licht AG to be granted to the Siemens shareholders as consideration for the Spin-off are deemed to have been newly purchased for tax purposes. The tax characteristics of the Siemens shares held by the individual shareholder (for example times of possession, deferred obligations to recover value etc.), therefore, do not pass in this situation to the newly granted shares in OSRAM Licht AG (no application of so-called "grandfathering").

The portion at which the shares in Siemens AG are deemed to have been sold at the fair market value as a result of the Spin-off based on the above described principles can be determined, in the view of Siemens AG, generally based on the relationship of the stock exchange value of Siemens AG prior to the Spin-off to 80.5 % of the stock exchange value of OSRAM Licht AG after the Spin-off (see with regard to this measurement, the following description for the allocation of the book values). However, it is not certain that this view will be shared by the tax office having jurisdiction over taxation for the respective shareholder. This can have effects on the amount of any tax burden that might arise. It was not possible for either Siemens AG or OSRAM Licht AG to obtain a binding ruling from all tax authorities having jurisdiction over the respective shareholders at this time due to legal reasons and reasons of fact.

It might be possible to avoid the above described tax consequences under certain circumstances whereby this requires action on the part of the respective shareholder. Upon a request by the respective shareholder, the shares in OSRAM Licht AG can be booked at the proportionate book value of the shares in Siemens AG, contrary to the above described principle, if the other prerequisites in Section 13 (2) UmwStG are satisfied, which is if the law of the Federal Republic of Germany concerning the taxation of the profit from the sale of the shares in OSRAM Licht AG is not excluded or limited.

In this event, the shares in Siemens AG are not deemed to have been sold proportionately at the fair market value, contrary to the above described principle. Thus, there is no (taxable) capital gain upon the Spin-off taking effect. The shares in OSRAM Licht AG take the place proportionately of the shares in Siemens AG for tax purposes in this situation (so-called "grandfathering"). This means that certain tax features of the shares or the shareholding in Siemens AG are transferred and continue with regard to the shares in OSRAM Licht AG.

The request for a continuation of the book values under Section 13 (2) UmwStG must be filed by the respective shareholder in Siemens AG at the tax office which has jurisdiction over the shareholder. The request cannot be subject to a condition and is irrevocable. A specific form is not required. A specific deadline is also not established under the law. A published statement by the tax administration at the time of filing the request does not exist. In the view of Siemens AG, those shareholders in Siemens AG who want to file a request for a continuation of book values, should file this request in a timely manner (for example when submitting their declaration or already immediately after the Spin-off takes effect). A taxable event would then only occur upon a subsequent sale of the shares in OSRAM Licht AG (or other circumstances resulting in a realization of value).

If the respective shareholder files a request for a continuation of the book values, the previously existing book values of the Siemens shares for tax purposes will be split

among the shares in Siemens AG and the shares in OSRAM Licht AG after the Spin-off. In the view of Siemens AG, the ratio between the stock exchange value of Siemens AG prior to the Spin-off and 80.5 % of the stock exchange value of OSRAM Licht AG after the Spin-off is a suitable measurement for the allocation of the book values. 80.5 % of the stock exchange value of OSRAM Licht AG reflects the value of OSRAM Licht AG without the 19.5 % of the shares in OSRAM GmbH which are contributed by Siemens AG to OSRAM Licht AG in advance of the Spin-off and, thus, the value of the Spin-off Assets. The stock exchange values will be determined as an average of the closing prices for the Siemens shares in XETRA trading on the Frankfurt Stock Exchange on the date prior to taking into account the Spin-off in the stock exchange price and the previous nine stock exchange days as well as the average of the closing prices for the OSRAM Licht AG shares in XETRA trading on the Frankfurt Stock Exchange on the date of the first listing and the following nine stock exchange days. Siemens AG and OSRAM Licht AG will publish the split ratio determined under these principles upon the expiration of the stated periods.

There is also no certainty in this situation that the view of Siemens AG will be shared by the tax office having jurisdiction over the respective shareholder. It was not possible for either Siemens AG or OSRAM Licht AG to obtain a binding ruling on this point from all tax authorities having jurisdiction over the respective shareholders due to legal reasons and reasons of fact.

If the respective shareholder does not submit a request for a continuation of the book value, it is possible that the tax administration or the agent holding or managing the shares in Siemens AG will classify the Spin-off as a partial sale of shares in Siemens AG for purposes of Section 20 (2) sentence 1 no. 1 EStG. In this event, withholding tax on capital gains and a solidarity surcharge in a total amount of 26.375 % (plus any church tax) could accrue on any profit, and the respective shareholder of Siemens AG could be required to bear the withholding tax on capital gains. If the shareholder of Siemens AG who is concerned does not comply with this obligation, the tax administration can demand the capital gains tax from him later. The shareholders in Siemens AG might be able to achieve the result by providing corresponding information to the agent holding or managing the shares in Siemens AG (normally the credit institution maintaining the securities account) that there is no deduction of withholding tax on capital gains pursuant to Section 43 (2) sentence 3 EStG.

(2) Tax effects for shares held in private assets

(a) Shareholders for purposes of Section 17 EStG

The provision in Section 13 UmwStG and the corresponding explanations under point (1) also apply to shares in private assets for purposes of Section 17 EStG. Shares for this purpose exist if a shareholder or that shareholder's successor in right in the case of a succession in right without payment of consideration had a participation directly or indirectly of at least 1 % in the capital of Siemens AG in the last five years prior to the Spin-off (shareholders for purposes of Section 17 EStG).

In this event, a sale is also deemed to exist as a general rule which is then subject to the general tax provisions on taxation of profits (or the treatment of losses) resulting from the sale of shares.

If the individual shareholder files a request for continuation of the shareholder's procurement costs, the shares in Siemens AG are not deemed to have been sold proportionately at the fair market value, contrary to the above described general rule. Thus, there is no (taxable) capital gain. The shares in OSRAM Licht AG take the proportionate place of the shares in Siemens AG in this situation for tax purposes (so-called "grandfathering").

In the case of shareholders within the meaning of Section 17 EStG, however, there is no possibility to avoid the deduction of any withholding tax on capital gains under Section 43 (2) sentence 3 EStG in the case of lack of a request for continuation of the book value, contrary to the discussion under point (1). A crediting or reimbursement of any paid capital withholding tax is possible for these shareholders in the context of their tax assessment.

(b) Shareholders for purposes of Section 20 EStG

To the extent that shares in Siemens AG are part of private assets and the shareholder or, in the case of a succession in right without consideration or that one of the shareholder's successors in right in the case of succession in right without compensation had a participation that did not exceed at least 1 % in Siemens AG within the last five years (shareholder for purposes of Section 20 EStG), the Spin-off is taxed neutral, i.e. no taxable earnings on the investment are realized (Section 20 (4a) sentence 7 draft EStG), according to the current draft of the Annual Tax Act 2013 which has not yet been promulgated as of the date of the issuance of the Spin-off Report and accordingly is not yet in force.

The OSRAM Licht shares granted to the shareholders of Siemens AG upon the Spin-off take the proportionate place of the Siemens shares under Section 20 (4a) sentence 7 of the draft EStG, i.e. the Spin-off does not lead to a realization of profits or losses under the shares in Siemens AG and instead takes place in a tax neutral manner at the costs of procurement. There is no requirement for a request in order to continue the procurement costs. According to the draft of the reasons for the legislation involving the current draft of the Annual Tax Act 2013, the procurement costs must be allocated according to the exchange ratio under the Spin-off and Transfer Agreement, which corresponds to a ratio of 10:1. According to the view of Siemens AG, the reference to stock exchange prices described under point (1) for shares belonging to business assets is more appropriate in the present case and must accordingly be applied. Due to the reference in the reasons for the legislation to the exchange ratio, however, there is no certainty that this view will be shared by the tax office having jurisdiction over the taxation of the respective shareholder and that the tax office will not apply a different allocation of the procurement costs. It was not possible for either Siemens AG or OSRAM Licht AG to obtain a binding ruling on this point from all tax authorities having jurisdiction over the respective shareholders due to legal reasons and reasons of fact.

To the extent that the Siemens shares were acquired prior to 1 January 2009 and, thus, could be sold exempt from tax due to the expiration in the meantime of the previously applicable so-called "speculation period", this feature should pass to the shares in OSRAM Licht AG granted upon the Spin-off based on a letter from the Federal Ministry of Finance concerning Section 20 (4a) EStG in the version of the Annual Tax Act 2009. In the view of Siemens AG, this letter also applies to Section 20 (4a) sentence 7 of the draft EStG contained in the current draft of the Annual Tax Act 2013 which applies in the present case and which expands the scope of application under Section 20 (4a) sentence 1 EStG to spin-offs.

The draft of the Annual Tax Act 2013 has not yet been promulgated and has accordingly not yet come into force. In the view of Siemens AG and OSRAM Licht AG, it appears unlikely that Section 20 (4a) sentence 7 of the draft EStG will be modified in material aspects in the mediation process. If this occurs, contrary to expectations, the possibility cannot be completely excluded that tax risks might exist. The recommendation is accordingly made to the shareholder to observe the continuation of the legislative process and consult with their tax advisors if appropriate.

(c) Other situations

To the extent that shareholders in Siemens AG are not located in Germany for tax purposes (tax foreigners) and the shares are subject to taxation in Germany (for example

if they belong to a domestic permanent establishment of the tax foreigner), the above principles described under point (1) apply accordingly.

To the extent that shareholders in Siemens AG are allocated so-called partial rights to shares in OSRAM Licht AG on the occasion of the Spin-off (on this point see Chapter VI.13.b)) and they sell these partial rights, this transaction should be treated as a taxable sale of shares or a procurement of shares, in the view of Siemens AG.

b) Tax effects for Siemens AG

(1) Effects in connection with the Spin-off of the shares in OSRAM Beteiligungen GmbH

The tax consequences of the Spin-off for Siemens AG result under Section 15 UmwStG.

The fiscal transfer effective date for purposes of Section 2 (1) UmwStG for the Spin-off is the date as of which the transferring entity must prepare the commercial closing statements of financial position. This is 30 September 2012, 24:00 hours. The income and the assets must accordingly be determined at Siemens AG and OSRAM Licht AG as if the Spin-off Assets (the shares in OSRAM Beteiligungen GmbH) belonging to Siemens AG had passed to OSRAM Licht AG at the end of 30 September 2012.

Upon a request, the Spin-off at the level of Siemens AG can be conducted as a general rule at book values in a tax neutral manner pursuant to Section 15 (1) sentence 2 in conjunction with Section 11 (2) UmwStG because 100 % of the shares in OSRAM Beteiligungen GmbH are being transferred and, thus, the prerequisites in Section 15 (1) UmwStG (transfer and retention of a part of the operations) are satisfied. Siemens AG intends to file a corresponding request.

The application of Section 11 (2) UmwStG at the level of Siemens AG also requires pursuant to Section 15 (2) UmwStG that no shares in OSRAM Beteiligungen GmbH have been acquired or increased by transfer of assets which do not constitute partial operations within a period of three years prior to the Spin-off. In the view of Siemens AG, Section 15 (2) sentence 1 UmwStG does not apply in the present case because the shares in OSRAM Beteiligungen GmbH were not acquired or increased by the contribution of 80.5 % of the shares in OSRAM GmbH and were instead already 100 % owned by Siemens AG prior to this contribution.

Section 11 (2) UmwStG also does not apply if the Spin-off establishes the prerequisites for a sale. This must be assumed if shares in a company involved in the Spin-off constituting more than 20 % of the shares existing in Siemens AG prior to the spin-off taking effect are sold within five years after the fiscal transfer effective date. Due to the trading on the exchange of both the shares in Siemens AG as well as OSRAM Licht AG, the possibility cannot be precluded that upon expiration of five years, shares will have

been sold to an extent which is harmful for tax purposes. In such a situation, therefore, the hidden reserves in the Spin-off Assets must be retroactively realized (Section 175 German General Tax Code (*Abgabenordnung*, "**AO**"), as a result of which a profit on the transfer will arise at Siemens AG. Since the Spin-off Assets consist of a participation in a corporation (OSRAM Beteiligungen GmbH), the taxation of the gain on the transfer is governed by the provisions in Section 8b German Corporate Income Tax Act (*Körperschaftsteuergesetz*, "**KStG**"). Thus, any profit would generally be subject at 5 % to corporate income tax and trade tax, while any loss could not be deducted for tax purposes. Siemens AG is the tax obligor. Its corporate income tax and trade tax assessments for the tax period in which the Spin-off is covered would have to be amended retroactively. No statement can be made with regard to the specific amount of any incurred tax. However, Siemens is of the view that there is no possibility that a potential tax burden would materially influence the financial condition and results of operations of Siemens AG.

Pursuant to Section 15 (3) UmwStG, losses which can be taken into account, remaining loss carry forwards, negative income which has not been compensated, any interest carry forward under Section 4h (1) sentence 5 EStG and any carry forward of EBITDA under Section 4h (1) sentence 3 EStG for Siemens AG are reduced proportionately according to the ratio of the underlying fair market value of the assets of Siemens AG being transferred to OSRAM Licht AG. In the view of Siemens AG, an adjustment of value for deferred taxes, which means a depreciation of "tax assets" of approximately 30 to 35 million € would be required. Furthermore, the tax deposit account of Siemens AG would be allocated to Siemens AG and OSRAM Licht AG (Section 29 (3) sentence 2 KStG). In order to determine the portion of the unusable losses, loss carry forwards, negative income which has not been compensated, the interest and EBITDA carry forward as well as the allocation of the tax deposit account, in the view of Siemens AG, the described standard (description of the tax effects for shares held as business assets) for allocation based on the ratio of the stock exchange values would be determinative.

(2) Effects in connection with the contribution of 19.5 % of the shares in OSRAM GmbH to OSRAM Licht AG

To the extent that 19.5 % of the shares in OSRAM Licht AG are contributed to OSRAM Licht AG in advance of the Spin-off, OSRAM Licht AG must book these shares at the fair market value and Siemens AG, as the contributing entity, must accordingly reflect a tax exempted (95 % pursuant to Section 8b KStG) capital gain.

c) Tax effects for OSRAM Licht AG and OSRAM GmbH

(1) For OSRAM Licht AG

Siemens AG will enter the Spin-off Assets at book value in its tax closing statements of financial position. The request required for this will be filed by Siemens AG. As a precaution, Siemens AG will declare that the tax statements of financial position of Siemens AG for the Spin-off Assets are simultaneously supposed to be the tax closing statements of financial position. The tax statements of financial position correspond in this regard to the tax closing statements of financial position for purposes of the UmwStG. In the view of the tax administration as published in the Transformation Tax Directive 2011, this declaration also constitutes an implicitly filed request to account at book value. OSRAM Licht AG will accordingly incorporate the Spin-off Assets in its tax statements of financial position at the value contained in the tax closing statements of financial position of Siemens AG (linked value).

If there is a retroactive realization of hidden reserves in the Spin-off Assets due to trading on the stock exchange as described below in b), this would also accordingly increase the value in the accounts of OSRAM Licht AG.

OSRAM Licht AG accordingly enters into the legal position of Siemens AG under tax law with regard to the Spin-off Assets. The principles described above under point b) apply with regard to allocating the tax deposit account of Siemens AG to Siemens AG and OSRAM Licht AG.

The Spin-off is also subject to real property transfer tax under Section 1 (3) no. 4 German Real Property Transfer Tax Act (*Grunderwerbsteuergesetz*, "**GrEStG**") because there will be a direct or indirect unification of 95 % or more of the shares in corporations which hold domestic real property in their assets within the meaning of Section 2 GrEStG at the level of OSRAM Licht AG in the course of the Spin-off. The tax obligor under the law is OSRAM Licht AG pursuant to Section 13 no. 5a GrEStG.

(2) For OSRAM GmbH

OSRAM GmbH already existed as a corporation prior to the Spin-off and the preparatory measures under corporate law. Tax effects arising as a result of the Spin-off and the preparatory measures, therefore, have their basis in the change in shareholders from Siemens AG to OSRAM Beteiligungen GmbH and to OSRAM Licht AG. Especially the provision on limiting the deduction of losses (Section 8c KStG) must be considered in this regard. This provision is relevant (i) for the contribution of the 80.5 % participation of Siemens AG in OSRAM GmbH to OSRAM Beteiligungen GmbH and (ii) the Spin-off of all shares in OSRAM Beteiligungen GmbH to OSRAM Licht AG.

The two above mentioned transfers represent in each case a detrimental acquisition of a participation of OSRAM GmbH and the subordinated companies in which it holds participations for purposes of Section 8c KStG because more than 50 % of the shares are being transferred to a single acquiring party (OSRAM Beteiligungen GmbH and OSRAM Licht AG) within a five year period (Section 8c (1) sentence 2 KStG). As a consequence of the detrimental acquisition of a participation, both any loss carry forwards for tax purposes as well as any ongoing losses of the relevant companies which have arisen up to the date of the detrimental acquisition of a participation are lost as a general rule. The elimination of the unused losses, however, should be hindered in the view of Siemens AG to the extent that the operating assets of the respective company in Germany contain hidden reserves which are subject to taxation (Section 8c (1) sentence 6 KStG). The amount of the hidden reserves, as a general rule, is determined by comparing the fair market value of the shares in the respective company and the equity shown in the tax statements of financial position to the extent that they are subject to taxation in Germany. The amounts at the time of the detrimental acquisition of a participation are supposed to be determinative.

The assumption is that there will be sufficient taxable hidden reserves in Germany in order to hinder an elimination of the material unused losses under Section 8c (1) sentence 6 KStG.

3. Other effects of the Spin-off

a) Consequences relating to liability under UmwG

The consequences of the Spin-off taking effect on the liability of Siemens AG and OSRAM Licht AG are as follows:

Pursuant to Section 133 (1) and (3) UmwG, Siemens AG is jointly and severally liable for the performance of all liabilities transferred to OSRAM Licht AG if the liabilities become due within five years after the announcement of the registration of the Spin-off with the registers of companies for Siemens AG and if resulting claims against Siemens AG are determined judicially or in another way as described in Section 133 UmwG. However, the fact that no liabilities are being directly spun off must be considered. Pursuant to Section 133 (1) and (3) UmwG, OSRAM Licht AG is, in turn, jointly and severally liable for the performance of the liabilities remaining at Siemens AG which were already established prior to the Spin-off taking effect if these liabilities become due within five years after the announcement of the registration of the Spin-off with the registers of companies for Siemens AG and resulting claims against OSRAM Licht AG are determined judicially or in another way as described in Section 133 UmwG.

Furthermore, Siemens AG and OSRAM Licht AG are jointly and severally liable for complying with the duty to grant rights of equal value pursuant to Section 125 in conjunction with Section 23 UmwG (see Chapter XIII.1.k)) on obligations pursuant to Section 23 UmwG).

The provisions on the allocation of liability contemplated in the Spin-off and Transfer Agreement apply in the internal relationship between Siemens AG and OSRAM Licht AG (on this point see Chapter XIII.1.h)).

Pursuant to Sections 22, 125 sentence 1, 133 UmwG, creditors of Siemens AG and OSRAM Licht AG can demand security for their claims from the company against which their respective claims are directed within a period of six months after the announcement of the registration of the Spin-off with the registers of companies of Siemens AG and OSRAM Licht AG. The prerequisite is that the creditors cannot obtain any satisfaction at the respective point in time and that their claims are notified in writing both with regard to the basis and the amount and that plausible proof is provided that the Spin-off endangers the fulfillment of their claims. The managing boards of Siemens AG and OSRAM Licht AG assume that no claims of creditors of Siemens AG or OSRAM Licht AG will be endangered by the Spin-off taking effect and, accordingly, that no obligation to provide security will exist for Siemens AG or OSRAM Licht AG under Sections 22, 125 sentence 1, 133 UmwG. This applies to OSRAM Licht AG especially in light of the fact that it is not acting operationally and is not having outstanding creditors until the Spin-off takes effect.

b) Effects of the Spin-off on the Siemens share

The Spin-off will have no effect on the listing of the shares in Siemens AG on the stock exchange. The Siemens shares will continue to be admitted as in the past to trading on all German stock exchanges after the Spin-off takes effect. There will also not be any changes in the listing of the Siemens shares on the Swiss stock exchange or the stock exchanges in London and New York (there in the form of American Depositary Receipts). The shares in Siemens AG will be traded ex OSRAM on the 1st trading day of the shares of OSRAM Licht AG.

The managing board of Siemens AG assumes that the Siemens share will continue to fulfill the criteria for the DAX and will accordingly remain in the DAX. This also applies to the indices EURO STOXX 50 and MSCI World.

c) Effect of the Spin-off on the dividend policies of Siemens AG and OSRAM Licht AG

The managing boards of Siemens AG and OSRAM Licht AG have each examined for their companies how the Spin-off of the activities of the OSRAM Division will affect the

amount of the net income available for distribution and the dividend policy for future fiscal years.

Siemens intends to propose a dividend for the following years which aggregated with expenses for share repurchases spent in the respective fiscal year amounts to 40 to 60 % of the group profits after taxes approved according to IFRS principles. Extraordinary non-cash effects may be excluded from profits after taxes.

The dividend policy of OSRAM Licht AG will be based both on the development of profits as well as the sustained earnings power of the company. The goal will be to have the shareholders reasonably participate in the development of OSRAM Licht AG. Taking into account the legal requirements, a distribution ratio in a range of 30 % to 50 % of the after-tax group profit determined in accordance with the IFRS principles is generally desired over the long term. Therefore, the after tax profit can be adjusted for specific extraordinary effects which do not affect payments for this purpose. However, no dividend can be expected for the fiscal year ending on 30 September 2013.

d) Effect of the Spin-off on the shareholders of Siemens AG

All shareholders of Siemens AG will remain with their previous participations in Siemens AG and, thus, the retained economic activities of the Siemens Group after the Spin-off takes effect. The number of the shares issued by Siemens AG will not change as a result of the Spin-off. The rights of the Siemens AG shareholders also do not change as a result of the Spin-off. The shareholder structure of Siemens AG will also not directly change as a result of spinning off the activities of the OSRAM Division.

All shareholders of Siemens AG will receive shares in OSRAM Licht AG as consideration for the transfer of the Spin-off Assets under the Spin-off in accordance with the allocation ratio preserving the proportionate participations. With regard to the part that is to be spun off, the shareholders accordingly have a direct participation in OSRAM and no longer an indirect participation through their participation in Siemens AG. With regard to the changes in the participation ratio, see Chapter IX.3.a)).

e) Effects of the Spin-off on stock-based compensation programs and employee participation programs

Siemens AG and its group companies have made various awards for Siemens shares to members of the managing board and employees of Siemens AG as well as members of corporate bodies and employees of Siemens Group companies, including members of corporate bodies and employees of the future OSRAM Group, under stock-based compensation programs respectively employee participation programs, or awards will also be made until the Spin-off takes effect.

Upon the Spin-off taking effect, the rights under these stock entitlements to members of corporate bodies and employees of the future OSRAM Group who leave the Siemens Group directly as a consequence of the Spin-off taking effect will be compensated. Stock entitlements to other beneficiaries such as members of corporate bodies or employees who do not leave the Siemens-Group as consequence of the Spin-off taking effect will generally be adjusted. The details about the adjustment and the compensation are described in § 11 of the Spin-off and Transfer Agreement (reference is made to § 11 of the Spin-off and Transfer Agreement as well as the corresponding Annexes which are attached as Annex 1 to this Spin-off Agreement and to the comprehensive explanation in Chapter XIII.1.k)(1)).

f) Effects on the warrants issued by Siemens

Special contractual arrangements exist for the warrants described in Chapter II.2.c) which were issued by Siemens AG in connection with bonds issued by Siemens Financieringsmaatschappij N.V. in February 2012 so that an additional provision with regard to the Spin-off is not required. Therefore, a grant of equivalent rights is not required under Section 23 UmwG.

A warrant holder is, in the event of an exercise of the option, entitled to OSRAM Licht AG shares (in addition to the right to receive Siemens shares upon exercising of the option right) when the Spin-off takes effect. The number of shares is determined according to the formula established in the terms and conditions of the warrants and is calculated by dividing € 187,842.81 by the calculated strike price of € 1,040.0180. The result is that the allocation ratio will be applied to the number of Siemens shares owed per warrant as of the time of the adjustment; which means for each Siemens share owed at that time, 1/10 OSRAM Licht share must be granted. Subject to adjustments of the option price with regard to the Siemens shares under the terms and conditions of warrants in the period up to the Spin-off taking effect, a claim to an additional 180.6150 OSRAM Licht shares results for each warrant. This adjustment does not take place with regard to warrants which have already been exercised prior to the Spin-off taking effect which have been redeemed by Siemens AG or exchanged for other securities and cancelled. Based on the current situation, all outstanding warrants relate to a total of around 2,167,380 OSRAM Licht shares in addition to the Siemens shares after the Spin-off takes effect. The number of the owed OSRAM Licht shares is subject to provisions on adjustment under the terms and conditions of warrants, just as is the number of owed Siemens shares, and the number can increase or decrease during the term of the options depending on the applicable adjustments. Siemens will service the OSRAM Licht shares to be delivered upon exercise of options using its own shareholdings or purchases in the market or, if appropriate, will make use of rights granted to (partially) pay and off-set in cash under certain prerequisites as set forth in the terms and conditions of warrants. With regard to

the accounting effects of the Spin-off in connection with the warrants, see Chapter VIII.1.d)(1)).

IX. The OSRAM Group after the Spin-off

1. Business operations of the OSRAM Group after the Spin-off

a) Overview of the business activities of OSRAM

Upon the Spin-off taking effect, OSRAM will be a legally and economically independent corporate group with an extensive portfolio of products, systems, solutions and services in lighting technology.

OSRAM provides lighting solutions for all areas of life under the motto "light is OSRAM". The portfolio includes vertical integrated products and solutions throughout the entire light value creation chain, from light sources (including lamps, components and optical semiconductors) through ballast and other lighting components to complete lights, light management systems and lighting solutions as well as value added services. OSRAM's products cover a broad range of possible applications.

OSRAM's business operations were divided into three divisions ("**Business Units**") as of 30 September 2012, General Lighting (GL), (external sales in the fiscal year 2012: 3,387.2 million €, 63 % of the external OSRAM sales), Specialty Lighting (SP) (external sales in the fiscal year 2012: 1,404.6 million €, 26 % of the OSRAM sales) and Opto Semiconductors (OS) (external sales in the fiscal year 2012: 584.7 million €, 11 % of the external OSRAM sales). This also corresponded to the division in segments in the fiscal years ending on 30 September 2012 and 2011.

Effective as of 1 October 2012, the Business Unit General Lighting has been reorganized. General Lighting covered previously all offers of OSRAM products directed towards private and professional end consumers for the general lighting market, including lamps, lights and integrated lighting solutions and services. Applications cover the areas of residential, architecture, retail, outside lighting, hotels and restaurants, offices and industry. Starting as of 1 October 2012, the previous Business Unit General Lighting has been divided into four new Business Units Lamps (LP), Light Engines & Controls (LE), Luminaires (LUM) and Solutions (SOL) as well as two units which directly report to the managing board (Services and OLED). Thus, the business activities of OSRAM are divided into a total of six Business Units:

- The Business Unit Lamps (LP) includes lamps on the traditional basis as well as SSL based lamps (lamps based on LED) which are distributed to private consumers as well as OEMs and professional users. The products can be used in the various areas of residential, offices, industry, restaurants, outside lighting and architecture. The product portfolio includes lighting components such as light bulbs, halogen lamps, compact and linear fluorescent lamps (CFL/LFL), high

intensity discharge lamps (HID) as well as so-called LED lamps (modern LED lights in the form of lamps in traditional technology).

- The Business Unit Light Engines & Controls (LE) includes LED systems and light management systems. This Business Unit also includes electronic ballast units (EBU) which have been optimized for lamps and LED modules in dimmable and non-dimmable forms as well as traditional magnetically controlled ballast units. The portfolio has been strengthened by the acquisition of the company Encelium which has a leading position in software technology with the focus on highly developed lighting control and energy management systems for commercial and industrial buildings. The systems make it possible for commercial customers to save energy with improved lighting quality and optimize maintenance. The LED systems (Light Engines) and the ballast units are distributed primarily through the OEM channel, while the light management systems are customer specific solutions which are sold in a building component system by sales in the context of projects.
- The Business Unit Luminaires (LUM) includes lights for private end consumers and the professional field. This Business Unit combines the lighting business of OSRAM with the business activities of Siteco, a supplier and manufacturer of technical interior and outside lighting systems and customer specific lighting solutions which was recently acquired by OSRAM.
- The product portfolio of the Business Unit Solutions (SOL) includes, in the first place, a large number of various scalable network control systems and, secondly, LED systems and solutions in various sizes. The distribution takes place through the subsidiary Traxon Technologies that acts from its base in Hong Kong. The Business Unit grew out of the acquisition of Traxon Technologies.
- The subject of the Business Unit Specialty Lighting (SP) consists of light sources and systems for the automobile field as well as special applications in the segment Display/Optic. The range runs in the automobile field from outside lighting (for example headlights, rear lights, and turn signals) through the interior lighting and to sensors. The segment Display/Optic includes the fields of projection, entertainment/architainment, medical and industrial applications (for example cleaning and disinfecting using ultraviolet radiation, micro-lithography). Lamps and lighting systems for stages and event rooms, studios and film sets as well as for movie systems, video systems and television projection systems are also part of the product portfolio of this Business Unit. Halogen lamps with infrared coating for surgical lighting as well as light sources for microscopic use, micro-lithography and water purification are also offered. The Business Unit Special

Lighting generally uses all technologies such as light bulbs, halogen, high intensity and low intensity gas discharge, LED, OLED (organic LED), laser and semiconductor-based sensors. The products are distributed in the automobile field through OEMs and the automobile accessory market, primarily by sales to retailers, wholesalers as well as original equipment suppliers (OES). Products in the area of Display/Optic are sold through wholesalers, OEMs and directly to corporate customers.

- The Business Unit Opto Semiconductors (OS) develops, produces and markets a broad portfolio of opto-electronic semiconductors for external customers worldwide as well as the other OSRAM Business Units. The offered products include LED components for visible light, infrared components (emitters, detectors, sensors), laser diodes and sensors. LED components consist of a semiconductor chip on a carrier, at times with additional features such as luminescent materials and lenses which send out the light with various colors, strengths and features. LED components are used in the fields of constructing vehicles, industrial electronics, general lighting as well as entertainment and communications electronics. Infrared components are based on LED technology, but emit light in the infrared spectrum. They are installed, for example in remote controls, security systems, rain sensors for windshield wiper systems and night vision devices. Photo detectors do not produce any light and instead serve as light receptors and optical sensors. Visible and infrared lasers are supplied for various applications, for example in medical technology, materials processing as well as measuring and pressure technology.

The Business Units have full responsibility for the product development up to distribution. The operational independence of the Business Units enables them to reflect in a targeted manner the different markets and success factors of the Business Units in the further development of the businesses. Continuous process optimization throughout the group is supposed to increase the economic flexibility. The goal is to achieve efficient cost structures and a clear focus of the product, systems, solutions and service portfolios on the benefits for the customers. As a result of the new organization, OSRAM has clearly positioned itself along the value creation chain for general lighting and can accordingly react more quickly and effectively to the requirements of the customers.

OSRAM continuously examines all Business Units participations, product portfolios and single products with regard to their potential earnings power. Opportunities for developing individual businesses are pursued if the competitive position promises an above average success. Great emphasis in this regard is placed regionally particularly on Asia and above all on China.

If the managing board of OSRAM Licht AG develops the opinion that the business prospects of a Business Unit, a participation or a product portfolio do not have sufficient potential for development or return on investment in the mid-term, possibilities for partnerships and portfolio measures will be intensively examined.

Due to the high strategic importance for OSRAM Licht AG, the two units OLED and Services will report directly to the managing board. This assures that these two units which are directed towards the future of the enterprise are given special attention.

OLED is a young, semi-conductor based lighting technology which has developed in the direction of commercially functional lighting in recent years as a result of continuous improvements specifically in the area of efficiency and service life. It has the potential as a result of constantly advancing improvements and optimization of the unit costs to establish itself next to LED as the second largest lighting technology in the second half of the current decade. OSRAM belongs to the world elite in the area of OLED technology and continues to invest specifically in research and development as well as in the further development of customer specific products and projects.

OSRAM Services has a broad basis of business activities in the USA. The portfolio includes maintenance and servicing, repair, cleaning and modernization of outside and inside lighting up to light design and consulting. Due to new business possibilities, this portfolio is supposed to be expanded with additional services in the coming years which are supposed to be also offered in other regions.

b) Range of Services: products, systems, solutions, service

OSRAM's product portfolio of light sources includes light bulbs, halogen lamps (HAL), low pressure discharge lamps (LPD), high intensity discharge lamps (HID), light emitting diodes (LED), infrared components (emitters, detectors, sensors, high-performance semiconductor lasers), semiconductor lasers for visible light and, to a lesser degree, organic light emitting diodes (OLEDs). In addition, the product portfolio includes electronic and dimmable ballast units, sensors, light management components as well as complete lights. OSRAM also offers innovative, integrated and tailor-made lighting solutions for large-scale projects, light management systems as well as value added services such as energy audits, lighting design and development as well as maintenance.

The OSRAM products can be divided technologically into traditional base products, traditional products of the environmental portfolio and SSL products.

- The category of base products includes primarily products on the basis of traditional lighting technology such as light bulbs, certain types of halogen lamps, basic fluorescent lamps, mercury gas lamps, magnetic ballast and lights which contain these base products.

- Traditional products of the environmental portfolio are also based on traditional technology, but they offer beneficial energy efficiency to the consumer compared to the respective basic technology. This includes compact fluorescent lamps with integrated ballast units, more long-lasting or more efficient types of halogen lamps (Halogen Eco Range and high performance motor vehicle lights), efficient fluorescent lamps, high intensity gas discharge lamps (ceramics, quartz technology), discharge lamps for special applications as well as electronic ballast units, including light management systems and lights containing these base products.
- SSL products also being part of the environment portfolio include especially semiconductor based light sources, including LED components, modules and light engines (LED lights and sensors as well as light management systems for these light sources) and lights which contain these basic products. The light management systems of OSRAM are fully LED capable and permit an efficient control using the combination of the ballast and the LEDs/light engines.

Traditional base products constituted around 28.2 % of sales proceeds in the fiscal year 2012 (fiscal year 2011: 26.4 %), and traditional products of the environment portfolio constituted 46.4 % (fiscal year 2011: 50.3 %) of sales proceeds. SSL products contributed 25.4 % to sales revenues also being part of the environmental portfolio (fiscal year 2011: 23.3 %).

c) **Production and locations**

OSRAM always tries to improve the productivity using innovative production processes and production equipment, for example in LED chip production in Regensburg or Penang (Malaysia). Part of the operational strategy, for example is the use of so-called 6 inch wafers for LED chip production. OSRAM has fifteen years of experience with the integrated OSRAM production system that is based on key elements such as Lean, Six Sigma and TPM (Total Productive Maintenance). OSRAM intends to use this to compensate for decreasing prices for products through increased productivity. In addition, OSRAM is trying to improve the cost structure by using low cost regions such as Asia, Mexico and Eastern Europe. OSRAM has an internal department for equipment, design and technology as well as automation (EE & EPE) which is responsible for planning, designing, contracting, construction and commissioning of new production lines in the worldwide production sites. Many processes for these new production lines are developed within the company by EE & EPE, and this reduces costs and improves protection of the production knowhow against competitors. OSRAM has received ISO certificates for the production sites in Europe, America (North, Central and South America) as well as Asia (ISO 9001, ISO 14001, ISO/TS 16949).

OSRAM's Business Units of Lamps, Light Engine & Controls, Luminaires and Specialty Lighting in part use common production sites, especially if products and production processes of the Business Units overlap. However, each Business Unit also has its own production site. The Business Unit Opto Semiconductors has to date produced independently of the other Business Units in special production sites in Regensburg-Burgweinting (Germany), Penang (Malaysia) and also in the future in Wuxi (China). The production sites of OSRAM are located primarily in Europe, in the Asia-Pacific region and in the NAFTA countries, and to a lesser degree in Latin America. The production of traditional lamps for the Business Unit Lamps is concentrated in countries with low production costs, for example China, Indonesia, India and Mexico, where a continuing demand for traditional lamps is expected. However, light bulbs continue to be manufactured in France and the USA. In the Business Unit Specialty Lighting, production and development are concentrated increasingly in the Asia-Pacific region, especially in China and India, where OSRAM expects the most dynamic growth for special light products.

As of 30 September 2012, OSRAM was producing at 39 locations in 15 countries. Additional production locations are operated by associated units, for example Ixing (China) or Langfang (China). In order to increase flexibility, OSRAM is increasingly also using the production at contract manufacturing partners. OSRAM's production competency is based on long experience and continuing improvement. The portion of production in threshold and developing countries, based on the number of personnel, increased to 60 % in the fiscal year 2012.

For the intended restructuring measures compare Chapter XII.1.

d) Requirements for raw materials and procurement

Procurement at OSRAM is established on a global basis and is responsible for the complete procurement volume, structured according to individual raw materials. Country specific needs for procurement as well as local procurement activities of all companies are the responsibility of regional procurement units which each report to the headquarters.

Due to its relatively high level of vertical integration, the OSRAM Division purchases a large range of products with a high portion of raw materials and components. Finished products, non-product related materials and capital assets as well as services are procured as needed.

In order to support natural currency hedging and realize logistical benefits, OSRAM pursues a balanced local or regional approach to procurement. OSRAM intends, wherever possible and reasonable, to maximize the regional or worldwide bundling of demand in order to achieve economies of scale. One of the main tasks in raw materials management, therefore, involves bundling the supply and establishing long-term supplier relationships

without endangering the security of the supplies. Where possible and sensible, therefore, OSRAM aimed to secure a second qualified source of supply. Due to the specific requirements for procurement, a substantial portion of the supply organization depends directly on the market situation for raw materials such as nickel, copper, tin or derivatives. Although OSRAM does not expect any specific bottlenecks in the supply of these materials, the procurement costs depend to a great extent on the development of prices for raw materials.

Essential finished products produced by third parties consist of certain compact fluorescent lamps, LED lamps, lights for professional applications as well as conventional and electronic ballast.

In addition to production materials and finished products, which constitute approximately two thirds of the procurement volume, OSRAM purchases services, for example transport services and energy.

e) Research and development

As one of the leading suppliers in the worldwide lighting industry, OSRAM has a strong position in worldwide research and development, both in the area of traditional products as well as in the growing field of solid state lighting (SSL). OSRAM has succeeded in occupying a leading position in the field of optical semiconductors and related fields of technology. In anticipation of a higher demand for SSL in the future, the OSRAM Division has focused its expenditures for research and development primarily in this field in order to secure its existing leading position. The expenditures for research and development for the OSRAM Division in the fiscal year 2012 were 339.1 million € which corresponds to 6.3 % of sales. Approximately 60 % of the expenditures for research and development related to the development of SSL products and SSL technologies. As of 30 September 2012 2,695 employees (full-time equivalents) worked worldwide in OSRAM's research and development.

OSRAM differentiates between initial development and product development activities. The central initial development examines new theoretical knowledge for applicability in the lighting industry and conducts projects to develop technology where appropriate. This unit also supports the six Business Units in adapting new technologies in the course of product development. This unit is established on a worldwide basis and represented with locations in Germany, the USA and China. This central initial development concentrates primarily on technologies for the future which are expected to be used in the next two to seven years. A special emphasis of the central initial development lies in the field of SSL. Developments in the area of optical semiconductor components are carried out by the initial development group of OSRAM Opto Semiconductors.

As is the situation with many successful companies, OSRAM also uses the open innovation approach and, thus, is open in the area of research and development. This process is driven by two functional units within central initial development. The innovation management provides knowledge about trends in lighting and searches actively for innovative approaches for new products or technological solutions outside of the OSRAM Division. The group for technology cooperation (TC) supports establishing cooperation and networking in research with strategic partners in order to carry out research activities with future potential.

The product development activities of OSRAM are organized to correspond to the six application-oriented Business Units. This orientation towards application enables OSRAM to identify and satisfy specific needs of the customers. In order to implement this approach, each Business Unit has development centers allocated to it which further product development worldwide.

The SSL research in Regensburg (Germany) is decisive for research and development concerning LEDs, LED based products and organic LEDs (OLEDs). Several Business Units as well as the central initial development department are represented at this location. The initial development group for optical semiconductors focuses, among other aspects, on the development and optimization of LED chips, the packaging of these chips in applications specific housings as well as the development of multi-chip modules for high lighting performance (lighting kernels).

The intensive research and development activities of OSRAM are reflected in a comprehensive portfolio of intellectual property rights, especially patents. At the present time, the OSRAM Division has approximately 21,000 patents and patent filings in approximately 6,200 patent families. The OSRAM Division submitted on average 720 patent filings establishing priority in each of the fiscal years 2012, 2011 and 2010.

f) Market, customers, distribution

OSRAM has a comprehensive, worldwide distribution platform and is represented in every important market. The sales and marketing personnel have a broad basis with approximately 1,328 employees in the Americas, 2,736 employees in Europe, the Middle East and Africa as well as 1,125 in the Asia-Pacific economic region (APAC) (as of 30 September 2012). The global presence is secured by three regional centers (Munich for Europe, the Middle East and Africa), Danvers (Massachusetts) for the Americas and Hong Kong for APAC).

In order to meet the different customer structures and product applications, OSRAM works with three main distribution channels for light components and lights – wholesale trade, retailers and OEMs – and has long-term cooperation with important OEMs, wholesalers and retailers as well as corporate customers throughout the entire world.

The distribution through the Business Units Lamps, Light Engines & Controls, Luminares and Solutions is bundled and distributes the products for end consumers primarily through the wholesale trade and the retail trade. The sales to corporate clients are handled primarily through the wholesale trade and OEMs. In addition, a few large end customers are supplied directly. The project lighting business is continuing to increase in importance, in which there is direct cooperation with architects, engineers, light designers, energy service providers, installation specialists, investors, real property owners and governmental bodies. OSRAM uses the wholesale trade here or sells directly to the customers.

The Business Unit Specialty Lighting distributes its products primarily through OEMs and services the accessories market through the wholesale trade and the retail trade. Products in the segment Display/Optic are sold through the sales channels OEMs, wholesale trade or directly to large end customers.

OSRAM Opto Semiconductors distributes primarily directly to large OEMs and through distribution partners to small and mid-size customers.

OSRAM's customer base is broad. No customer generates more than 3 % of sales, and the top 50 customers constitute together 41 % of the sales of the OSRAM Division in the fiscal year 2012.

g) Marketing

The marketing of OSRAM is organized in three core areas.

At the corporate group level, the units Corporate Communications and Corporate Marketing jointly develop the brands as well as the corresponding communications strategy for the entire business under their global responsibility. This is done in consultation with the Business Units and regions. Both central functions monitor the worldwide compliance with these general strategies.

The operational marketing of the Business Units makes sure that the respective product portfolio strategies and the approach to customers are defined and developed operationally both on a global basis as well as at the regional levels. Further, the selection of distribution channels is also structured in this area both conceptually as well as operationally.

The individual regions for distribution are assigned local functions of marketing communications which establish tailor-made information materials for the customers at the request of the Business Units.

The global overall strategy is harmonized with the entrepreneurial perspective of the Business Units and the regional requirements, i.e. the requirements which are close to the

sales. This approach enables OSRAM to present itself worldwide as a strong brand in a coordinated manner and also react closely to the needs of the customer.

OSRAM products and solutions are distributed primarily under the general brand OSRAM. The brand OSRAM Opto Semiconductors is used for opto-electronic semiconductor components. The products are also distributed in North America under the brand SYLVANIA. In the case of lights and lighting solutions, OSRAM is using the recently acquired brands Traxon and Siteco under the OSRAM general brand with the addition "An OSRAM Business". The most recent acquisition of Encelium also reinforces with its brand the position of OSRAM in the two growth markets of LED technologies and light management systems.

2. **Financial condition and results of operations at OSRAM Licht AG and the OSRAM Group after the Spin-off**

The financial condition and results of operations of OSRAM Licht AG as well as of the future OSRAM Group after the Spin-off takes effect are described below. The future OSRAM Group will consist of OSRAM Licht AG as parent company, OSRAM Beteiligungen GmbH as well as OSRAM GmbH and its direct and indirect subsidiaries. Prior to the Spin-off taking effect, these companies do not yet constitute a legal group for consolidation purposes of IAS 27. For purposes of this convenience translation, they are referred to in this section for this period of time together as the "**OSRAM Licht Division**" (or "OSRAM Licht Group", "OSRAM Licht Combination Group") (compared to this, only OSRAM GmbH and its direct and indirect subsidiaries and participations are referred to as the OSRAM Division, see Chapter I.). The financial condition and results of operations of the OSRAM Group coming into existence when the Spin-off takes effect corresponds essentially to that of the OSRAM Licht Division (see on this point in more detail below in e)).

Lit. a) relates to the financial condition and results of operations of OSRAM Licht AG. Lit. b) first contains an overview of financial data of the OSRAM Licht Division for the fiscal years 2012, 2011 and 2010. The development of the results of operations of the OSRAM Licht Division in the fiscal year 2012 is then explained in lit. c), and lit. d) explains the financial condition of the OSRAM Licht Division as of 30 September 2012. Finally, the expected effects of the Spin-off on the financial condition and results of operations of OSRAM Licht AG and the OSRAM Group are shown in lit. e).

The influence of the Spin-off on the financial condition of OSRAM Licht AG and the future OSRAM Group is described in Chapter VIII.1.

The following statements concerning the financial condition and results of operations of the OSRAM Licht Division are based on voluntarily prepared combined financial

statements of OSRAM Licht AG for the fiscal year 2012, 2011 and 2010 ending as of 30 September of each year (the "**Combined Financial Statements**"). The Combined Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart which issued an unqualified audit opinion thereon.

The Combined Financial Statements were prepared as of 30 September 2012 applying IFRS 1.D16 (*Predecessor Accounting*). Accordingly, the OSRAM Licht Division used in general the same accounting principles and values which had been applied for preparing the financial information for the Siemens consolidated financial statements in which the OSRAM Division had been included up to this point. This does not apply to the extent that these accounting principles and values are not in conformity with IFRS for the description of the OSRAM Licht Division as a group of companies which is independent of Siemens. For example the rules of IFRS 5, *Non-current assets held for sale*, according to which the OSRAM Division was shown previously in the consolidated financial statements of Siemens AG, were not taken into account. Furthermore, employee programs and leasing agreements with Siemens were shown in accordance with the accounting standards applicable for the OSRAM Licht Division as an independent corporate group. Goodwill impairments were made which are required because the monitoring levels relevant for evaluating goodwill in the OSRAM Licht Division as an independent group of companies are different from those in the Siemens Group. Furthermore, transactions with Siemens AG and direct and indirect subsidiaries of Siemens AG which have to date not been shown in the consolidated financial statements of Siemens AG due to the consolidation have not been eliminated in the Combined Financial Statements.

As a result of rounding, it is possible that individual numbers in the following tables may not add up exactly to the stated totals.

a) Financial condition and results of operations of OSRAM Licht AG

OSRAM Licht AG was established on 1 June 2012 and exercises (aside from holding the 19.5 % participation in OSRAM GmbH after its transfer to OSRAM Licht AG) no business activities up to the Spin-off takes effect. Therefore, OSRAM Licht AG has to date not generated any income (aside from income from cost reimbursements by Siemens AG). The only material expense was incurred by OSRAM Licht AG in the short fiscal year 2012 due to the audit of its financial statements for the short fiscal year 2012 and the Combined Financial Statements. This expense was reimbursed by Siemens AG. However, since the expense had to be booked with an effect on net income, while the reimbursement by Siemens AG represents a payment to the capital reserve under

Section 272 (2) no. 4 German Commercial Code, the expenses of OSRAM Licht AG lead to a loss on the statements of financial position. As a result of the increase in the capital reserve by the additional payment from Siemens AG in the same amount, there is no change in equity. With regard to the financial condition of OSRAM Licht AG, reference is made to Chapter VIII.1.c).

When the Spin-off takes effect, OSRAM Licht AG will hold 100 % of the company shares in OSRAM Beteiligungen GmbH which is, in turn, holding 80.5 % of the company shares in OSRAM GmbH. The remaining 19.5 % in OSRAM GmbH will be directly held by OSRAM Licht AG. Any distributions by OSRAM GmbH which OSRAM Licht AG collects, in part indirectly through OSRAM Beteiligungen GmbH, lead to income from investments in this structure. Aside from this, the results of operations of OSRAM Licht AG will depend in the future on the legal and functional structure of the OSRAM Licht Division which is not yet firm at this date.

b) Financial data of the OSRAM Licht Division for the fiscal years 2012, 2011 and 2010

	Fiscal year-	Change to previous year	Fiscal year-	Change to previous year	Fiscal year-
(in million €)	2012	in %	2011	in %	2010
Revenue and profit					
Revenue	5,399.8	7.3%	5,031.0	7.5%	4,679.7
Gross profit	1,402.3	-13.0%	1,612.5	0.9%	1,597.6
EBITA ⁽¹⁾	53.3	-87.8%	437.0	-25.0%	582.5
EBITDA ⁽²⁾	395.4	-41.0%	670.3	-17.5%	812.1
Net income	-378.3	n/a	246.1	-26.4%	334.6
Assets and capital structure-					
Current assets	3,022.1	12.5%	2,687.1	17.0%	2,297.6
Non-current assets	2,046.0	-16.2%	2,441.2	13.4%	2,153.1
Current liabilities	2,459.1	-7.2%	2,649.1	35.3%	1,958.2
Non-current liabilities	662.8	-35.2%	1,022.5	0.0%	1,022.8
Equity	1,946.2	33.6%	1,456.7	-0.9%	1,469.7
Total	5,068.1	-1.2%	5,128.3	15.2%	4,450.7
Cash flows					
Cash flows from operating	-35.4	n/a	268.5	-61.1%	691.1

activities					
Cash flows from investing activities	-203.1	54.0%	-441.7	35.7%	-325.4
Cash flows from financing activities	224.4	12.5%	199.5	n/a	-362.6
Free Cash Flow ⁽³⁾	-222.6	>200%	-43.9	n/a	437.9

⁽¹⁾ EBITA is earnings before financial results (gain/loss from investments accounted for using the equity method, net; interest income; interest expense and other financial income (expense), net), income taxes as well as amortization and impairments on intangible assets as well as goodwill; EBITA is a main management performance measure for the OSRAM Licht Division.

⁽²⁾ EBITDA corresponds to EBITA without depreciations and impairments on property, plant and equipment.

⁽³⁾ Free Cash Flow is defined as net cash provided by (used in) operating activities less additions to intangible assets and property, plant and equipment.

c) **Development of the results of operations of the OSRAM Licht Division in the fiscal year 2012**

(1) **Main factors influencing the results**

Below, factors are described which, in the view of the managing board of OSRAM Licht AG, have materially influenced the results of operations for the OSRAM Licht Division and may continue to have a material influence:

General economic development. The worldwide economy again noticeably weakened in the spring of 2012 after a revival at the beginning of the fiscal year. Above all, the banking and sovereign debt crisis in the Euro region has led to uncertainty and negative effects in the international markets. In addition, however, national problems have played a more important role in some threshold countries. The majority of the large industrial and threshold countries have been affected by the global weakness in growth. While the real gross domestic product in the Euro region has decreased slightly, only the rate of growth has decreased in other countries, for example the USA, Japan and China. This development had an adverse effect on the business of the OSRAM Licht Division in the fiscal year 2012.

Prices for raw materials. The use of raw materials plays a major role in the course of production at the OSRAM Licht Division. The most important raw materials are glass, industrial gases (for example xenon), rare earths and certain metals such as copper, aluminum, tin, molybdenum, nickel and zinc as well as some precious metals. In addition, secondary upstream products such as plastic resin as well as mechanical and electrical components are purchased. The prices for some raw materials generally have been subject to significant fluctuations, especially in the recent past. The OSRAM Licht Division can normally only partially pass on price increases in raw materials to its customers or can only do so with a certain delay.

Currency effects. The OSRAM Licht Division with its worldwide operating business is subject to the risk of fluctuations in currency exchange rates. The largest portion of the

revenue that is not generated in Euro is generated in US Dollar. The currency exchange rate for the US Dollar to the Euro was subject to substantial fluctuations in the fiscal year 2012 which led to corresponding currency effects. Other currencies, such as the Hong Kong Dollar, the Chinese Renminbi or the Japanese Yen have also led to currency effects, but to a lesser degree.

Expansion of the business with SSL products. The technological shift from traditional lighting technologies to SSL (Solid State Lighting /LED based lighting) is fundamentally changing the production of electric light and is opening new possibilities with regard to color, dynamics, miniaturization, application engineering and energy savings. In addition to new technical developments, the demand for light is influenced by changes in the global regulatory environment. Most OECD countries have started legislative initiatives in order to phase out energy inefficient lighting technologies in the coming years so that the demand for traditional, more energy efficient products and SSL products is increasing. The portion of SSL products compared to total sales of the OSRAM Licht Division clearly increased in the fiscal year 2012. The transformation from the traditional business to SSL is leading to high upfront investments in research and development and marketing and selling expenses as well as investments in more cost intensive production processes with shorter product life cycles compared to traditional products. At the same time, the depth of value added is decreasing because our portion of purchased SSL merchandise with comparably high costs of sales is increasing.

Technological change and new strategic focus. The shift in technology and the resulting fundamental changes in the business environment require a new strategic focus for the OSRAM Licht Division. In order to implement our strategy, a comprehensive, worldwide transformation program "**OSRAM Push**" was started in the first quarter of the fiscal year 2012. This program is supposed to secure the sustainable performance of the OSRAM Licht Division by redesigning processes and structures as well as the corporate culture. This program includes, among other aspects, the worldwide project "**Future Industrial Footprint**" with which the OSRAM Licht Division is reacting to the changed demand in the market by adjusting the worldwide production capacities. Under the OSRAM Push program, substantial transformation costs have been incurred in the fiscal year 2012. These costs were incurred primarily in the Business Unit General Lighting (GL" – the business activity of the individual Business Units is described in Chapter IX.1.a)) because there the technological shift has currently the strongest effect. Due to the further acceleration of the transformation in the lighting industry OSRAM intends further adjustments. In order to improve the capacity utilization of the plants, especially our production footprint is supposed to be adapted, inter alia, by relocation, sale and closing of production lines and a partial elimination of smaller production locations with a limited production volume. At the same time, OSRAM intends to increase the

profitability of the business by more efficient structures in production, research and development, sales and in the corporate functions (see also Chapter XII.1.). For the current fiscal year further material transformation expenses are expected which will again result in a loss for the fiscal year 2013 which we expect yet to be less than in fiscal year 2012.

Separation and the Spin-off, patent infringement disputes. While preparing the separation from the Siemens Group (“separation”) as well as the originally planned Initial Public Offering (“IPO”) and the planned Spin-off of the OSRAM Division, substantial costs were incurred in the fiscal years 2012 and 2011 in connection with the creation of the legal, organizational and economic independence of the OSRAM Division. This includes IT expenses and costs for external service providers as well as high procedural costs in connection with certain patent infringement disputes which exacerbated significantly immediately after the plans for the listing of the OSRAM Division at the stock exchange became public (“**Patent Infringement Disputes**”). This was partly offset by earnings from the settlement of legal disputes in the fiscal year 2012. Furthermore, the costs of the planned listing at the stock exchange were reimbursed in part by Siemens AG (see in more detail on this point, Chapter V.14. and VI.15.).

Legal and regulatory matters. The OSRAM Group is involved in various other legal disputes in the context of its regular business. Expenses for procedural costs and the resolution of a licensing and trademark dispute were incurred in the fiscal year 2012. In addition, provisions were made for other legal disputes.

Acquisitions and investments accounted for using the equity method. The OSRAM Licht Division has expanded its product and technology portfolio in recent years by certain acquisitions. Among others, the OSRAM Licht Division acquired Siteco Lighting GmbH, Traunreut, Germany (“**Siteco**”) which was included in the Combined Financial Statements starting on 1 July 2011. In addition, in 2009, majority shares in Traxon Technologies Ltd, Hong Kong, (“**Traxon**”) were acquired, and OSRAM increased its participation to 100 % on 8 November 2011. In the first quarter of the fiscal year 2012, the OSRAM Licht Division acquired a majority participation in Encelium Holding, Inc., Teaneck, USA, as well as in its subsidiary in Canada. The business prospects for the newly acquired companies deteriorated during the course of the fiscal year 2012. This resulted in expenses from impairment of goodwill in the Business Segment Professional Luminaires (PLUM) in the fiscal year 2012 as well as in the Business Unit GL, to which PLUM belongs, in the total amount of 237.4 million €. The financial result of the fiscal year 2012 was also burdened by negative developments on the part of our investments accounted for using the equity method, especially VALEO Sylvania LLC, Seymour, USA (“**VALEO Sylvania**”).

(2) Development of Revenue

Revenue by Business Unit	Fiscal Year		Nominal Change	Portfolio Change	Currency Translation	Comparable Change ⁽¹⁾
	2012	2011				
	(in € million)		in %			
General Lighting	3,387.2	3,164.0	7.1%	5.3%	3.0%	-1.2%
Specialty Lighting	1,404.6	1,243.5	13.0%	0.0%	4.1%	8.9%
Opto Semiconductor ^{s(2)}	899.1	858.4	4.7%	0.0%	3.6%	1.1%
Reconciliation to Combined Financial Statements	-291.1	-234.9	23.9%	0.0%	3.7%	20.3%
OSRAM Licht Division	5,399.8	5,031.0	7.3%	3.3%	3.3%	0.7%

⁽¹⁾ Adjusted for the net effect of currency translation and portfolio changes

⁽²⁾ OS total revenue includes external revenue and intersegment revenue.

The OSRAM Licht Division generated revenue in the amount of 5,399.8 million € in the fiscal year 2012. This was a nominal growth of 7.3 % above the previous year. Adjusted for Currency Translation of 3.3 %, which was mainly due to fluctuations of the US dollar, and adjusted for Portfolio Change with further 3.3 %, mainly due to the acquisition of Siteco, the revenue increased comparably by 0.7 %. All business sectors contributed to the nominal increase in revenue, with Specialty Lighting (SP) – see the description of the Business Units in Chapter IX.1.a) – contributing a double digit percental growth mainly due to a strong demand in the automotive industry. The inclusion of Siteco in the Combined Financial Statements for the full fiscal year (compared to only three months in the previous fiscal year) increased the revenue of GL. Furthermore, the business of GL was marked by a clear downturn in the sales from ballast and high intensity discharge lamps as well as a weakened demand in southern Europe, China and Brazil compared to the previous year. The revenue from traditional incandescent lamps decreased as a result of the worldwide increase of governmental regulation on energy efficiency. An increase in revenue for SSL products and energy efficient fluorescent lamps, partly offset the downturn. Opto Semiconductors (OS) had a clearly weaker growth in revenue compared to a strong previous year 2011. Despite increased volumes in both fiscal years, strong price decrease due to excess capacity in worldwide LED markets negatively influenced our revenue.

Starting in fiscal year 2013 the allocation of Business Units will be changed dividing the previous Business Unit General Lighting into four new Business Units Lamps (LP), Light Engines & Controls (LE), Luminaires (LUM) and Solutions (SOL) as well as the business activities of Services and OLED (the business activity of the individual Business Units is described in Chapter IX.1.a)). Due to this, OSRAM plans to report in addition to the segments OS and SP the new segments Lamps & Components (LC) as well as Luminaires & Solutions (LS) under the IFRS 8 reporting for the first quarter of fiscal year 2013. The segment LC would cover the Business Units LP and LE. The segment LS will cover the Business Units LUM and SOL as well as Services.

(3) Revenue by regions

Revenue by Region ⁽¹⁾	Fiscal Year		Nominal Change	Portfolio Change	Currency Translation	Comparable Change ⁽²⁾
	2012	2011				
	(in €million)		in %			
EMEA	2,232.8	2,099.5	6.3%	7.2%	0.1%	-1.0%
<i>in % of the OSRAM Licht Division</i>	41.3%	41.7%				
Americas	1,851.0	1,719.8	7.6%	0.5%	5.3%	1.8%
<i>in % of the OSRAM Licht Division</i>	34.3%	34.2%				
APAC	1,316.0	1,211.7	8.6%	0.7%	6.1%	1.9%
<i>in % of the OSRAM Licht Division</i>	24.4%	24.1%				
OSRAM Licht Division	5,399.8	5,031.0	7.3%	3,3%	3,3%	0.7%

⁽¹⁾ OSRAM defines its regions as follows: the region EMEA consists basically of Europe including Russia, as well as Africa and the Middle East. The Americas consists of North and South America. APAC includes Asia, Australia and the Pacific nations.

⁽²⁾ Adjusted for the net effect of currency translation and portfolio changes

The APAC reporting region was able to show the strongest nominal growth in revenue of 8.6 %. The growth in the reporting regions Americas and EMEA followed with 7.6 % and 6.3 %. The increase in sales in APAC was positively influenced by Currency Translation, on a comparable basis revenue increased by 1.9 %. While the growth in the region Americas resulted from a recovery of demand in the USA, especially in the construction industry, and benefited from Currency Translation; the decreasing development of the business in Brazil had a negative effect. In Europe, the sovereign debt crisis resulted in weakened demand in southern Europe compared to the previous year. As a result, the increase in revenue in EMEA was based almost exclusively on including

Siteco in the Combined Financial Statements. A clear growth in the Middle East was not sufficient to have a sustained influence on the development of the region EMEA.

(4) Cost of Goods Sold and Services Rendered and Gross Profit

	Fiscal year		change
	2012	2011	
	(in € million)		in %
Revenue	5,399.8	5,031.0	7.3%
Cost of goods sold and services rendered	-3,997.5	-3,418.5	16.9%
Gross profit	1,402.3	1,612.5	-13.0%
<i>in % of revenue</i>	26.0%	32.1%	

The shift in technology and the corresponding strategic new focus of the OSRAM Licht Division led to expenditures in the low three digit million Euro range. These transformation costs were incurred primarily in the Business Unit GL. These included primarily (a) impairments on production equipment of metal halide lamps with ceramic technology of 36.7 million € as well as impairments of 21.5 million € in connection with the assessment of the point in time for the expected mass production of products using OLED technology; (b) expenses for personnel related measures, especially in connection with the worldwide project Future Industrial Footprint, as well as impairments and losses due to disposal of property, plant and equipment in connection with this project and an impairment of 5.6 million € in connection with the sale of certain Japanese subsidiaries, as well as (c) the portfolio complexity management program and the related elimination of certain products which led to a net realizable value adjustment of inventory due to lower expected sales prices of the respective products (€23.1 million). Besides these transformation costs, expenses in connection with the already mentioned settlement of a licensing and trademark dispute as well as impairments on intangible assets in connection with the impairment test of our business segment PLUM increased the cost of sales in 2012.

The cost of goods sold and services rendered was also negatively influenced in the fiscal years 2012 and 2011 by high purchasing prices for rare earths as well as for metals (gold, silver, copper) which are needed for the LED production. Furthermore, the portion of SSL products, for which costs of goods sold and services rendered are normally higher than in the traditional business, increased. Especially in order to encounter these effects caused by the operational business, the measures in the OSRAM Push program are

directed towards a reduction of the cost of goods sold and services rendered by limiting our product portfolio, adjusting capacities as well as improving productivity in procurement and manufacturing.

The above described effects led to a decrease in the gross profit both in absolute amounts and as a percentage of revenue.

	Fiscal year		Change
	2012	2011	
	(in € million)		in %
Research and development expenses	-339.1	-300.9	12.7%
<i>as a % of revenue</i>	6.3%	6.0%	
Marketing, selling and general administrative expenses	-1,054.9	-905.6	16.5%
<i>as a % of revenue</i>	19.5%	18.0%	
Other operating income	44.8	20.9	114.4%
Other operating expenses	-312.9	-9.7	>200.0%

(5) Research and Development Expenses

Despite the present transformation phase, the OSRAM Licht Division has continued to increase its expenses for research and development (R&D expenses) especially with a focus on SSL. Compared to the previous year, the expenses increased by 12.7 % to 339.1 million €, both in order to secure innovation in new products and in order to develop more cost efficient production technologies. The R&D intensity (defined as R&D expenses as a percentage of revenue) accordingly remained constant at a high level compared to the previous year.

(6) Marketing, Selling and General Administrative Expenses

The marketing, selling and general administrative expenses increased in the fiscal year 2012 by 16.5 % to 1,054.9 million €. The main reason for this was the integration of Siteco for the full fiscal year in 2012 (contrary to only one quarter in the fiscal year 2011). Furthermore, 23.5 million € impairment losses on customer relationships and trademark rights increased our marketing, selling and general administrative expenses in the fiscal year 2012. Expenses were also incurred for personnel related measures, in the context of the worldwide project Future Industrial Footprint, as well as costs due to

separation and the spin-off from the Siemens Group in an amount of 9.4 million € (after reimbursements by Siemens). Further expenses were incurred for external consulting services in connection with OSRAM Push as well as for provisions for procedural costs in connection with material legal and regulatory matters.

(7) Other Operating Income and Expense

The other operating income in the fiscal year 2012 contains especially income from the settlement of patent infringement disputes as well as from the reversal of corresponding provisions. Furthermore, income in connection with the sale of Japanese subsidiaries had an effect in the amount of 8.4 million €.

The increase of other operating expenses in the fiscal year 2012 compared to the previous year results primarily from an impairment of goodwill for the Business Segment PLUM in the amount of 170.5 million €. The Business Segment PLUM includes primarily the business activities of Siteco and Traxon. The impairment of goodwill for the Business Unit GL had an effect in the amount of 66.9 million €. Furthermore, the fiscal year 2012 includes expenses for litigation costs in connection with patent infringement disputes in an amount of 45.8 million €, losses on sales of property, plant and equipment in the amount of 11.0 million € in the context of the above mentioned project Future Industrial Footprintas well as a provision for a material litigation in the amount of 8.1 million €.

(8) EBITA

After having an EBITA in the previous year in an amount of 437.0 million €, the EBITA of the OSRAM Licht Division decreased to 53.3 million € in the fiscal year 2012. In addition to the development of our operational business, this was caused by three main factors: (1) Transformation costs especially in connection with the OSRAM Push program in a total amount of 198.5 million €, (2) Net expenses in connection with the separation and the Spin-off as well as the Patent Infringement Disputes in a total amount of 30.8 million € (after reimbursements by Siemens in an amount of 7.9 million € in the fiscal year 2012) and (3) Charges resulting from material legal and regulatory matters in an amount of 50.6 million €.

(9) Financial Result

	Fiscal Year		Change
	2012	2011	
	(in € million)		in %
Gain (loss) from investment accounted for using the equity method	-49.3	5.5	n/a
Interest income	80.1	53.3	50.3%

Interest expense	-105.8	-97.6	8.4%
Other financial income (expense), net	-11.5	-2.7	>200.0%
Total	-86.5	-41.5	108.4%

The reduction of our financial result in the fiscal year 2012 was caused mainly by a decrease of the gain (loss) from investments accounted for using the equity method. This was mainly due to an impairment of the net investment in VALEO Sylvania in an amount of 27.6 million € as well as obligations to pay in capital for a further joint venture in an amount of 8.8 million € which are related to the worldwide project Future Industrial Footprint. In addition, other impairments and provisions for a capital commitment in connection with other Joint Ventures and investments affected our financial result.

Pension related interest income due to substantial increases to our pension assets in the first quarter for the fiscal year 2012 partly offset the decrease of our financial result.

(10) Income /(Loss) before income taxes

	Fiscal Year		Change
	2012	2011	
	(in € million)		in %
Profit /(loss) before income taxes	-346.3	375.7	n/a
Income taxes	-32.0	-129.6	75.3%
<i>in % of profit /(loss) before income taxes</i>	9.2%	-34.5%	
Net income /(loss)	-378.3	246.1	n/a
non-controlling interests	0.9	3.1	-71.0%
Siemens Group	-379.2	243.0	n/a

The loss before income taxes for the fiscal year 2012 results mainly, from the measures for the strategic transformation of our business in the fiscal year 2012. Secondly, unlike as in EBITA, both the impairment of goodwill as well as losses from investments accounted for using the equity method affected the income/(loss) before income taxes.

(11) Net Loss

The OSRAM Licht Division had a net loss of 378.3 million € in the fiscal year 2012. A net income in the amount of 246.1 million € was realized in the previous year. The negative income tax ratio for the corporate group in the fiscal year 2012 resulted from the fact that income taxes were incurred despite a negative result before income taxes. The

reason for this was primarily the impairment of goodwill which negatively affected income before income taxes, yet are not deductible for tax purposes.

d) Analysis of the assets and financial position of the OSRAM Licht Division as of 30 September 2012

(1) Net debt

Net debt	30 September		
	2012	2011	2010
	(in million €)		
Short-term debt and current maturities of long-term debt	47.2	22.4	24.7
Plus: Long-term debt	1.3	3.9	4.5
Plus: Liabilities to Siemens Group from financing activities	1,198.1	1,343.7	596.3
<i>Total debt</i>	1,246.6	1,370.0	625.5
Minus: Cash and cash equivalents	31.2	43.7	18.2
Minus: Available-for-sale financial assets	0.7	0.7	0.7
Minus: Receivables from Siemens Group from financing activities	619.4	535.8	486.7
<i>Total liquidity</i>	651.3	580.2	505.6
Net debt	595.3	789.8	119.9
Plus: Pension plans and similar commitments	489.8	833.7	880.8
Plus: Credit guarantees	10.5	1.0	5.9
Adjusted net debt	1,095.6	1,624.5	1,006.6

The net debt of the OSRAM Licht Division as of 30 September 2012 was 595.3 million €. Since the OSRAM Licht Division covers its need for capital up to the Spin-off primarily from operational cash flows and internal corporate group financing within the Siemens Group, the receivables and liabilities from financing activities with regard to the Siemens Group are included in the determination of the net debt.

During the course of preparing the Spin-off, OSRAM GmbH (at that time still OSRAM AG) received from Siemens AG on 27 September 2012 an equity capital contribution in an amount of 200.0 million € in the form of a waiver of receivables of Siemens AG against OSRAM GmbH (First Strengthening of Capital – see on this point also Chapter V.4). The First Strengthening of Capital is taken into account in the Combined Financial Statements and reduces the net debt of the OSRAM Licht Division. The Combined Financial Statements also takes into account a claim against Siemens Beteiligungen Inland GmbH for compensation for the loss of OSRAM GmbH in the

fiscal year 2012 in an amount of 336.6 million € (on this point see Chapter V.2). However, since this claim has not been booked as of 30 September 2012 as receivable from Siemens Group from financing activities, it does not reduce the net debt as of 30 September 2012 (see on this point also below e)(3)).

(2) Pension commitments

In order to finance the obligations under pension commitments, the most important pension plans of the OSRAM Licht Division are covered by plan assets within the meaning of IAS 19 (see also, Chapter V.5.). The defined benefit obligation within the meaning of IAS 19 of the principal defined benefit plans (including an employee benefit plan with a promised return on contributions in Germany) amounted to €1,941.6 million € by 30 September 2012. The fair value of the plan assets within the meaning of IAS 19 of these principal pension plans amount to 1,477.6 million € as of September 30, 2012. The underfunding of these principal pension plans amounted to 464.0 million € constituting the major part of the position pension plans and similar commitments in the Statements of Financial Position of 489.8 million €.

The reduction in the underfunding as of 30 September 2012 compared to the underfunding as of 30 September 2011 was due to the funding of the German pension plans in an amount of 485.0 million € and an additional contribution to funds in an amount of 11.8 million € of the already partially funded principal pension plans in Canada and Switzerland in December 2011. Overall, OSRAM GmbH received from Siemens AG a cash contribution in the amount of 499.5 million € to provide plan assets in particular for the principal material pension plans. The resulting reduction in the underfunding was in part offset by lower discount rates as of 30 September 2012 which had the effect of increasing the present value of the entitlement for the obligations.

(3) Capital structure and level of debt

As of 30 September 2012, i.e. after taking into account the First Strengthening of Capital in an amount of 200.0 million €, the total of current liabilities in the OSRAM Licht Division was 2,459.1 million € or 48.5 % of total liabilities and equity. The total of non-current liabilities was 662.8 million € or 13.1 % of total liabilities and equity. Of this amount, 489.8 million € were attributable to pension plans and similar commitments.

Thus, total liabilities as of 30 September 2012 were 3,121.9 million €. This corresponded to a level of debt of 1.6 when measured against equity of the OSRAM Licht Division.

(4) Assets and equity

As of 30 September 2012, total assets of the OSRAM Licht Division were 5,068.1 million €. Total current assets were 3,022.1 million € or 59.6 % of total assets. The

inventories at 1,043.7 million € constituted the largest portion of the current assets. The non-current assets were 2,046.0 million € or 40.4 % of total assets. Of this amount, property, plant and equipment were 1,336.3 million €. Goodwill as well as other intangible assets constituted a total of 143.5 million € or 2.8 % of the total assets and 7.4 % of equity. The compensation for loss at OSRAM GmbH by Siemens Beteiligungen Inland GmbH is reflected in the Combined Financial Statements for the OSRAM Licht Division as a contribution to equity which did not affect Net income.

Total equity of the OSRAM Licht Division as of 30 September 2012 was 1,946.2 million €. This corresponded to an equity capital ratio of 38.4 % related to total liabilities and equity. The First Strengthening of Capital in the amount of 200.0 million € made in September 2012 as well as the compensation for losses in the amount of 336.6 million € are taken into account in this ratio.

(5) Investments

The additions of the OSRAM Licht Division to intangible assets and property, plant and equipment substantially decreased in the fiscal year 2012 compared to the previous year and were 187.2 million €. This was the result of the high investment level in the previous year of 312.4 million € and also the fact that fewer investments were required in the fiscal year 2012 due to the slowing dynamics in the business. Investments were especially made for expanding the production and in connection with new products. While the investment ratio in the fiscal year 2011, measured as investments in intangible assets and property, plant and equipment compared to depreciation, amortization and impairments, were still well above 1, less than depreciation, amortization and impairments was invested in the fiscal year 2012. This was also the result of the mentioned impairments of other intangible assets.

e) Effects of the Spin-off on the financial condition and results of operations in the OSRAM Group

(1) Effects of the Spin-off on the results of operations

The Spin-off has only immaterial effects on the results of operations of the OSRAM Group, aside from the effects discussed below, because OSRAM expects no influence on the business activity of the OSRAM Group (with regard to the effects of the continuing project Future Industrial Footprint, see above, Section c)(1)). The previous business relationships to Siemens, especially in the lighting business as well as in the context of strategic partnerships, will remain at least for the near future. For a comprehensive explanation of these relationships, see Chapter XI. of the Spin-off Report.

As a result of the Spin-off, the companies in the OSRAM Group will no longer participate in the internal group cash management and financing system of the Siemens

Group. This also applies to the participation by companies of the OSRAM Group in the foreign currency and raw materials price risk management system of Siemens (see on this point, also Chapter V.3.c)).

Thus, the future possibilities for OSRAM Licht AG and the OSRAM Group for financing and the financing costs will be based exclusively on the own creditworthiness, and the costs for foreign currency and raw material price hedging transactions will depend on the own activities. This will result in higher costs, depending on the situation in the respective markets, than was the case in the past when belonging to the Siemens Group.

After the Spin-off, the board members and employees of the OSRAM Group will no longer be able to participate in the stock-based compensation programs or employee participation programs of the Siemens Group. The expense for these programs which has not yet been booked will have to be booked with immediate effect on the profit and loss of the companies of the OSRAM Group when the Spin-off takes effect ("**accelerated vesting**"), which will result in a one-time charge (see on this point, also Chapter XIII.1.k)(1)). These programs were accounted for as cash-settled stock-based compensation in the Combined Financial Statements due to the provisions in IFRS 2, and they were already reflected as an expense in the amount of the proportionately vested obligation up to that time. This was linked to a new valuation of the corresponding proportionately vested obligations as of the effective date of the financial statements which had an effect on the results.

The OSRAM Licht Division is currently examining the introduction of its own stock-based compensation programs and employee participation programs (see Chapter IX.3.f)); any related expense will burden the results of operations of the OSRAM Group after the Spin-off. At the same time, the expense which the OSRAM Division has previously borne in the context of participating in the stock-based compensation programs and employee participation programs of the Siemens Group will no longer apply.

After the Spin-off takes effect, the OSRAM Group will no longer be able to profit from the favorable conditions made possible by the higher procurement volume of the Siemens Group (except for the areas covered by the Joint Pooling Agreement – see Chapter XI.2.b)), so that there will be a tendency for higher costs than would be the case within the Siemens Group.

With regard to the effects of the Spin-off on the value of the deferred tax assets, see Chapter VIII.2. Aside from this, the value of the deferred tax assets will depend on the legal structure and the future tax strategy of the OSRAM Group.

With regard to the costs of the Spin-off, see Chapter VI.15.

(2) Effects of the Spin-off on the financial condition

The influence of the Spin-off on the financial condition of the OSRAM Group shown in the statements of financial position is described in Chapter VIII.

After the Spin-off, the future possibilities for financing and the future financing costs of OSRAM Licht AG and the OSRAM Group will be based exclusively on the own creditworthiness. However, the Spin-off has no effects on the financial condition of the OSRAM Group because its assets are not directly affected, and the Spin-off instead leads only to a change in the group of shareholders. However, there are certain specific legal or contractual consequences of the Spin-off, and individual measures in connection with the Spin-off are planned or have already been implemented which will have effects on the financial condition. These effects are explained in this Section (2) and in the following Section (3).

The Spin-off from Siemens AG leads to an immediate claim of employees for payment under a deferred compensation program of the OSRAM Group in the USA in an amount of around 46 million US\$ (value determined as of the status 30 September 2012). This reduces the capitalized assets and the obligations of the OSRAM Group towards the beneficiaries entered as liabilities accordingly.

As a consequence of the Spin-off, IT licenses used by the OSRAM Group but held by Siemens will be sold by Siemens to the OSRAM Group. To the extent that the licensors do not consent to the transfer, the OSRAM Group will negotiate directly with them about acquiring licenses.

(3) Effects of the Spin-off on the capital structure and financing of the OSRAM Group

The Second Strengthening of Capital by Siemens AG occurred on 31 October 2012 by waiving claims in an amount of 163.0 million € (on this point see Chapter V.4). Siemens Beteiligungen Inland GmbH fulfilled the claim of OSRAM GmbH for compensation for losses in an amount of 336.6 million € in November 2012. This fulfilling of the claim leads to a reduction in the net debt of the OSRAM Licht Division by 336.6 million € because the claim for compensation for losses was not reflected under receivables from Siemens Group from financing activities as of 30 September 2012 and, therefore, did not have an effect on the net debt.

Based on the Combined Financial Statements as of 30 September 2012, the Second Strengthening of Capital and the performance of the claim for compensation for losses lead to a reduction of the net debt of the future OSRAM Group by 499.6 million € to 95.7 million € and of the adjusted net debt to 596.0 million € respectively. At the same time the future OSRAM Group is expecting further financing needs which shall be financed by

intercompany loans by Siemens until the Spin-off becomes effective and which raise the aforementioned amounts.

The OSRAM Group intends that the liabilities of the future OSRAM Group owed to Siemens AG existing as of the Spin-off completion date are supposed to be replaced when the Spin-off takes effect using funds from external bank financing (see on this point immediately below, Section (4)) which are also supposed to cover the remaining external financing requirements of the OSRAM Group.

The managing boards of Siemens AG and OSRAM Licht AG are pursuing with this capital structure a credit standing which qualifies OSRAM for an investment grade rating. The managing boards of Siemens AG and OSRAM Licht AG are of the view that the OSRAM Group will accordingly be given a capital structure which will make sure that the OSRAM Group can act successfully in the market from the very beginning. The above level of capital will give the OSRAM Group, in the view of both managing boards, sufficient capital and liquidity for the purposes of the business plan after the Spin-off takes effect.

(4) Debt financing of the OSRAM Group after the Spin-off

Prior to the Spin-off completion date, the OSRAM Division will continue to be financed primarily through corporate group-internal loans from Siemens Group companies.

At the closing of the Spin-off, the OSRAM Group will be financed primarily through syndicated credit lines from an international banking consortium. This external financing is supposed to replace the previous corporate group internal financing of the OSRAM Division by the Siemens Group. In this regard, a credit facility agreement comprising two tranches with an aggregated loan amount of 1.25 billion € is to be concluded with this banking consortium prior to the completion of the Spin-off. A consortium consisting of four banks has made a contractual commitment to do so in a "Commitment Letter" concluded in November 2012 issued to OSRAM Licht AG and OSRAM GmbH. The intention is that the banking consortium will place loan tranches with further banks prior to the completion of the Spin-off (syndication). The credit lines to be provided under the loan agreements will include a term loan with a final maturity date as well as a revolving credit facility which can also be drawn in US Dollars.

Both credit facilities will have a term of five years and will serve the corporate financing need of the business, in particular the financing of the operational business. The term loan is intended to be used in part to repay liabilities owed to Siemens AG and its other subsidiaries. Standard market conditions are intended to be agreed. The size, structure

and terms of the credit lines, are intended to ensure that the OSRAM Group has sufficient financing and ample flexibility in terms of its business plan for the mid-term future.

In countries with highly regulated capital markets (for example India and China), the OSRAM Group will obtain additional financing as in the past using local bank lines. Furthermore, the conclusion of short-term bilateral credit lines is being considered, especially for the arrangement of daily liquidity in the OSRAM Group.

3. Legal structure of OSRAM Licht AG and the OSRAM Group after the Spin-off

a) Shareholder structure

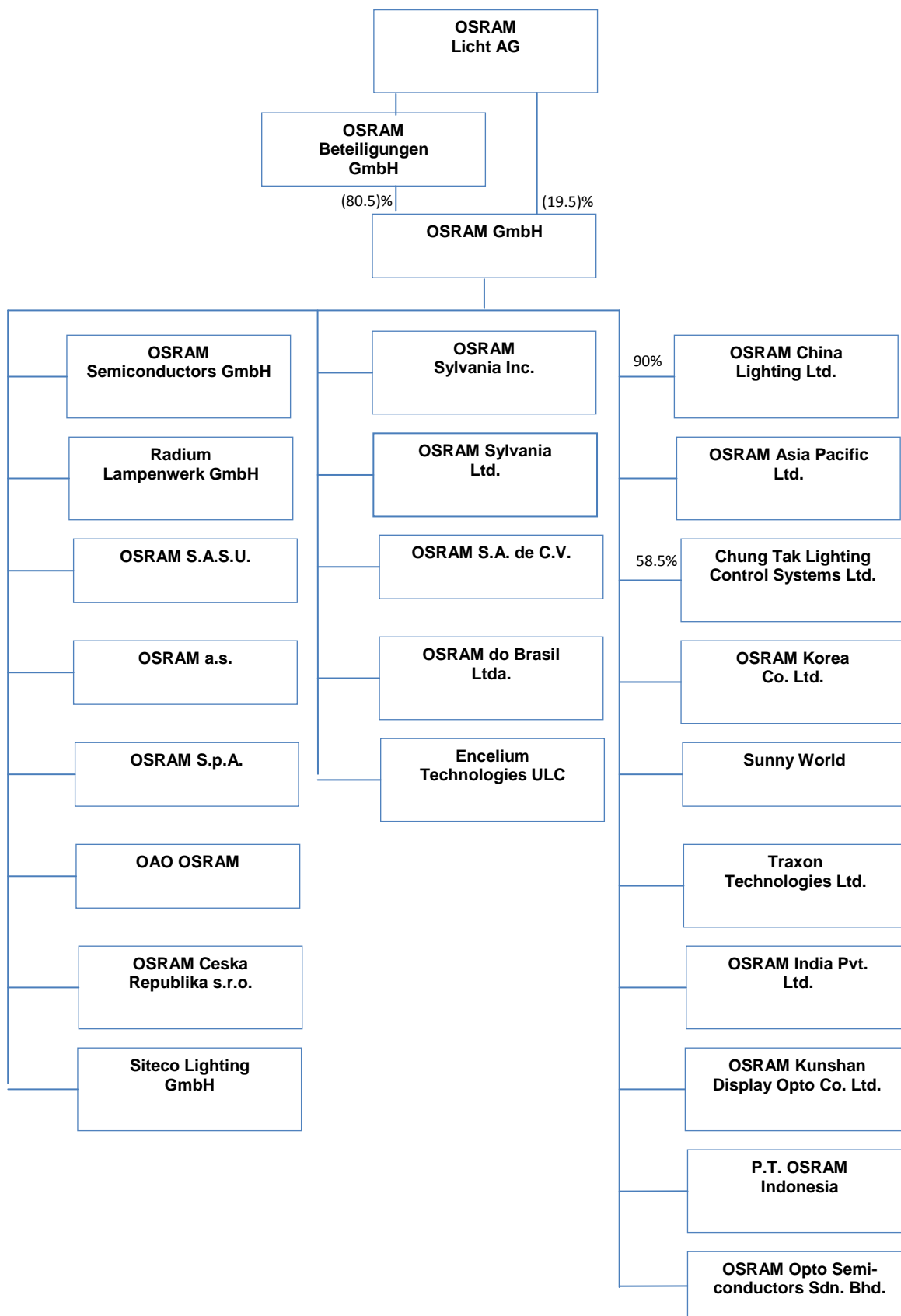
Immediately after the Spin-off takes effect, Siemens AG will be the largest individual shareholder in the OSRAM Group with a shareholding of 19.5 %. Siemens AG will transfer shares in an amount of 2.5 % in the capital stock of OSRAM Licht AG to Siemens Pension Trust shortly after the Spin-off (on this point see Chapter III.3.). The other shares in OSRAM Licht AG will be held by the shareholders of Siemens AG proportionately according to their participations in Siemens AG when the Spin-off takes effect, whereby treasury shares of Siemens AG are not taken into account. The shareholder structure of Siemens AG at the time of the Spin-off, therefore, will be reflected in the 80.5 % of the capital stock in OSRAM Licht AG granted to the Siemens shareholders in consideration as a result of the Spin-off in a manner preserving the proportionate participations. When related to the entire capital stock, the participation of Siemens AG will reduce the participation ratio of the Siemens shareholders in OSRAM Licht AG. This can have the effect that Siemens shareholders, whose participation ratio grants certain shareholder rights in Siemens AG (for example the right to demand that a shareholders' meeting be called or that the agenda be supplemented, Section 122 (1) sentence 1 or, respectively, (2) sentence 1 AktG, request for the appointment of a special auditor, Section 142 (2) sentence 1 AktG) will not have corresponding rights in OSRAM Licht AG. Taking into account the share allocation ratio of 10:1, BlackRock Inc., New York, USA, their subsidiary BlackRock HoldCo 2, Inc., Wilmington, USA, as well as other subsidiaries which the notified shares are attributed to pursuant to the provisions of the WpHG will exceed the voting right threshold of 3 % at OSRAM Licht AG when the Spin-off takes effect, based on the voting right notifications under the WpHG received at Siemens AG when this Report was prepared.

b) Structure of the group

Upon the Spin-off taking effect, a holding structure will come into existence at the OSRAM Group under which OSRAM Licht AG will be the parent company of the OSRAM Group. OSRAM Licht AG directly holds 19.5 % of the shares in OSRAM

GmbH and the other 80.5 % indirectly through OSRAM Beteiligungen GmbH, so that it holds the entire capital stock in OSRAM GmbH.

The following illustration shows the future structure and relevant participations of the OSRAM Group after the Spin-off takes effect (shareholdings as per 30 September 2012).



c) Articles of association of OSRAM Licht AG

OSRAM Licht AG will be given new articles of association immediately after the Spin-off takes effect which contains the standard provisions in articles of association for a listed company. Only the provisions on supervisory board (a non-co-determined supervisory board with three members) will still continue to apply for a short transition period. The background is that a co-determined supervisory board can only be installed after status proceedings have been implemented (see in detail on this point lit. e)).

The articles of association for OSRAM Licht AG applicable after the Spin-off takes effect and the status proceedings have been concluded are attached as Annex 13.1 to the Spin-off and Transfer Agreement being attached hereto as Annex 1. The creation of authorized capital, conditional capital as well as the future provisions on co-determination are taken into account in this version of the articles of association. Siemens AG has undertaken in § 13.1 of the Spin-off and Transfer Agreement to adopt the necessary resolutions for the new version of the articles of association even prior to the Spin-off taking effect so that this version can be registered after the Spin-off takes effect and the status proceedings have been conducted. If the implementation of the status proceedings should result in another composition of the supervisory board under statutory law, this will be taken into account.

(1) General Provisions

§§ 1 to 3 of the future articles of association regulate general points such as the company name ("OSRAM Licht AG"), the registered office ("Munich"), the corporate purpose as well as the announcements and information. The provisions are common in terms of substance.

The corporate purpose and the corresponding provisions read as follows:

- "(1) The subject of the business is heading a group of enterprises which are active in the following areas:
 - (a) the development, design, manufacture and distribution of lighting, lighting fixtures and photonic, especially light converting products, systems and solutions, including light bulbs, lights, operating and manufacturing equipment and machinery, control systems, upstream products, parts and accessories for such products, systems and solutions;
 - (b) the provision of consulting, servicing and other services in the areas set forth in lit. (a).
- (2) The Company can be active on its own in the areas designated in paragraph 1. It is authorized to engage in all actions and take all measures

and can operate all businesses which relate to the subject of the business or which are directly or indirectly suitable for serving the subject of the business. The Company can also establish, acquire and participate in other enterprises in Germany and foreign countries as well as controlling such enterprises or limiting itself to the administration of the participation. The Company can completely or partially have its operations, including the participations it holds, conducted by affiliated enterprises or transfer or outsource its operations to such affiliated enterprises and conclude corporate group agreements. The Company can also establish branches and permanent establishments in Germany and in foreign countries. The Company can limit its activity to a part of the areas designated in paragraph 1."

(2) Capital stock and shares

§ 4 of the future articles of association contains the provisions on the capital stock, the shares and the share certificates. The capital stock of the company, after the Capital Increase in Kind to establish the participation remaining with Siemens AG and the capital increase for the implementation of the Spin-off, amounts to 104,689,400 €, divided into 104,689,400 shares of no par value (registered shares).

§ 4 of the future articles of association also contains the standard provision under which the claim of the shareholder for certification of the shares is excluded. The company is entitled to issue global documents.

Finally, § 4 of the future articles of association contains provisions on authorized capital and conditional capital. The two classes of capital are explained in more detail in IX.3.h) and IX.3.i).

(3) Corporate bodies

§§ 5 to 17 of the articles of association deal with the managing board, the supervisory board and the shareholders' meeting of the company. These provisions contain regulations which are standard for German publicly held companies (see with regard to the provisions of the articles of association relating to the managing board and the supervisory board also the two following Chapters IX.3.d) and IX.3.e)).

The future articles of association will not contain any catalogue of measures which the managing board can only carry out with the approval of the supervisory board. The plan is that the supervisory board will determine such reservations for approval in the rules of procedure for the managing board or the supervisory board or by resolution.

d) Managing board of OSRAM Licht AG

§ 5 para. 1 of the future version of the articles of association of OSRAM Licht AG provides that the managing board consists of several persons. The supervisory board determines the number of members in the managing board.

OSRAM Licht AG currently has a two-member managing board consisting of Wolfgang Dehen (chairman) and Dr. Klaus Patzak. Both members of the managing board were appointed on 8 November 2012 by the supervisory board of OSRAM Licht AG for the period until the end of 31 March 2016. The current members of the managing board are also supposed to remain in office after the Spin-off takes effect. The supervisory board of OSRAM Licht AG is also supposed to expand the managing board by one member and appoint Dr. Peter Laier as the additional member of the managing board of OSRAM Licht AG effective as of 1 January 2013 until the end of 31 December 2017.

A brief overview of the prospective material areas of responsibility is provided below:

Name	Planned Area of Responsibility
Wolfgang Dehen (Chairman of the managing board and Chief Executive Officer)	Business Units Specialty Lighting and Opto Semiconductors, Regions, Strategy, Communication, Law and Compliance as well as HR
Dr. Klaus Patzak (Chief Financial Officer)	Corporate Finance & Controlling, Investor Relations, Information Technology (IT), Internal Revision
Dr. Peter Laier (Chief Technology Officer)	Business units of the former General Lighting, Research & Development as well as Supply Chain Management, Quality and Technology

According to § 6 para. 2 of the future articles of association, OSRAM Licht AG will be statutorily represented by two members of the managing board or by a member of the managing board together with a holder of registered signing authority (*Prokurist*). The supervisory board may release all or single members of the managing board, generally or in a single case, from the prohibition on multiple representation pursuant to Section 181 2nd alternative BGB. Aside from this, the Company will be represented by proxies or other authorized persons as determined in detail by the managing board.

The members of the managing board will conclude service agreements with OSRAM Licht AG which take effect when the Spin-off takes effect. These service agreements are supposed to be examined after the supervisory board of OSRAM Licht AG has been fully

appointed with equal representation according to the provisions of the MitbestG, and the service agreements may be concluded anew or supplemented. The substance of the structure for the compensation of the managing board is supposed to correspond to the requirements of the German Corporate Governance Code.

The members of the managing board of OSRAM Licht AG are also appointed as managing directors of OSRAM GmbH, in the case of Dr. Peter Laier initially with effect as of 1 February 2013. It is intended that Dr. Laier will start his task already on 1 January 2013 and the supervisory board of OSRAM GmbH will resolve an earlier start and expiry of his term by one month accordingly (see Chapter IV.2.).

e) Supervisory board of OSRAM Licht AG

OSRAM Licht AG currently does not have any employees and has a non-co-determined supervisory board with the statutory minimum number of three members. After the Spin-off takes effect, OSRAM Licht AG, as the parent company of the OSRAM Group, will establish an equally co-determined supervisory board in accordance with the provisions of the MitbestG. The managing board of OSRAM Licht AG will conduct so-called status proceedings for this purpose pursuant to Sections 97 et seq. AktG. The managing boards of Siemens AG and OSRAM Licht AG believe that OSRAM Licht AG will normally not have more than 10,000 employees under the provisions in the MitbestG after the Spin-off taking effect and, accordingly, that the supervisory board will consist of twelve members pursuant to Section 7 (1) sentence 1 no. 1 MitbestG, of which six members each will be determined by the shareholders, on the one hand, and by the employees as well as the unions represented in the group enterprises, on the other hand.

The members of the supervisory board for the shareholders will be elected prior to the Spin-off taking effect at the shareholders' meeting of OSRAM Licht AG by Siemens AG as the sole shareholder. The future members of the supervisory board of the listed company OSRAM Licht AG have currently not yet been determined. It is envisaged that a representative of Siemens, probably a member of the managing board of Siemens AG yet to be designated, will be member of the future supervisory board; the other members of the supervisory board shall not be in relationship with Siemens Group. As has already been explained, the co-determined supervisory board can only be established with the members from the shareholders and the employees, however, after the status proceedings have been completed. Therefore, the election of the members of the supervisory board for the shareholders will be effective as of registration of the new version of the articles of association after completion of the status proceedings. The term of office for all members of the supervisory board for the shareholders shall be limited to the expiration of the first annual shareholders' meeting of OSRAM Licht AG after the Spin-off takes effect in order to enable a new election of the members in the supervisory board for the

shareholders to be elected by the shareholders meeting by the future shareholders in OSRAM Licht AG. The members of the supervisory board representing the employees shall initially be appointed by the court.

The plan is that the supervisory board of OSRAM Licht AG will establish rules of procedure after completion of the status proceedings and the complete appointment of members and that the rules of procedure will correspond to the requirements under the German Corporate Governance Codex. The future supervisory board may decide in its sole discretion upon the establishment of committees exceeding the minimum requirements under statutory law. The managing boards of Siemens AG and OSRAM Licht AG understand that the committees will be established on the basis of the following structural considerations: The supervisory board will elect a chairman's committee (*Präsidium*) from among its members which will also cover the responsibilities of a personnel committee. The responsibilities of the chairman's committee will be established by the rules of procedure for the supervisory board. It is also intended to establish an audit committee. The audit committee will be responsible for preparing the discussions with the auditor and the resolutions of the supervisory board about the annual financial statements and the use of profit and risk management. A four person mediation committee will also be established pursuant to Section 27 (3) MitBestG which will act when members of the managing board are not appointed with at least a 2/3 majority of the votes of the members of the supervisory board. In addition, a nominating committee is supposed to be established which will be responsible for proposing to the supervisory board appropriate candidates to be proposed to the shareholders' meeting for election to the supervisory board. Finally, a compliance committee will be established which will be responsible for monitoring the company's compliance with legal provisions, regulations of public authorities as well as the internal guidelines.

Pursuant to § 12 of the future articles of association, the members of the supervisory board, for the first time for the fiscal year 2013, receive a fixed annual base compensation in the amount of 40,000 € in addition to reimbursement of their cash disbursements. Members of the supervisory board who join or leave during a fiscal year receive compensation *pro rata temporis* rounded up to full months. The base compensation is 80,000 € for the chairman and 60,000 € for each vice-chairman. The chairman of the audit committee receives an additional 40,000 € for this activity, and every other member of the audit committee 20,000 €. The committee chairman in the chairman's committee receives an additional 25,000 € for this activity, and every other member of the chairman's committee 15.000 €. The chairman of the compliance committee receives 20.000 € for his activity, and every other member of the committee 10,000 €, whereby this compensation is not granted to the extent that the relevant person is entitled to compensation for activity in the audit committee. The compensation is payable after the

end of the annual shareholders' meeting which accepts the annual financial statements for the previous fiscal year or decides on their approval. Furthermore, a meeting fee for participating in meetings of committees or the supervisory board is granted in the amount of 1,000 €. The members of the supervisory board are covered by any existing D&O liability insurance for members of corporate bodies of the OSRAM Group.

f) Stock-based compensation programs and employee participation programs in the OSRAM Group

The claims under stock-based compensation programs and, respectively, employee participation programs for employees who leave the Siemens Group as a direct consequence of the Spin-off taking effect, i.e. the exit of the OSRAM Division from the Siemens Group, are compensated by cash payment (see in detail Chapter XIII.1.k)(1)). OSRAM intends to continue the long existing tradition of stock-based compensation programs and employee participation programs by Siemens and is currently examining the introduction of comparable compensation elements for the period after the Spin-off takes effect. Specific decisions about whether, in which form or when such compensation elements should be introduced have not yet been made.

g) Auditor

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, has been appointed as the auditor of the annual financial statements, the consolidated financial statements as well as for the review of interim consolidated financial statements of OSRAM Licht AG for the fiscal year 2013 to be prepared after the listing on the stock exchange.

h) Authorized capital

The plan is that the future articles of association of OSRAM Licht AG will contain an authorization for the managing board to increase the capital stock of the company in the period up to 28 February 2018 with the consent of the supervisory board once or multiple times by a total of up to 52,344,700 € by issuing up to 52,344,700 new registered shares in exchange for cash contributions or contributions in kind (Authorized Capital 2013).

The plan is also that the managing board shall be able to completely or partially exclude the subscription right of the shareholders with the consent of the supervisory board. On the one hand, this is supposed to make it possible to realize remainder amounts excluding the subscription right or have a simplified exclusion of the subscription right in application of Section 186 (3) sentence 4 AktG directly or *mutatis mutandis* if the requirements are met. On the other hand, the subscription right of the shareholders is also supposed to be able to be precluded in the case of capital increases for contributions in kind, especially in order to use the shares created by the capital increase as consideration upon acquiring business participations or other assets. Further, the subscription right of

the shareholders may be excluded in order to issue shares to employees of the company or employees and members of the bodies of subordinated subsidiaries, with respect to employees also in accordance with the requirements of Section 204 (3) AktG. Finally, an exclusion of the subscription right shall also be possible with regard to servicing duties or rights to acquire OSRAM Licht shares under or in connection with convertible bonds/warrant bonds issued by the company or its group companies or in order to protect holders or, respectively, creditors of such convertible bonds/warrant bonds from dilution.

i) Conditional capital

The future articles of association of OSRAM Licht AG are supposed to also provide for a conditional increase in the capital stock by up to 10,207,216 €. The implementation of the conditional capital increase is supposed to occur by issuing up to 10,207,216 registered shares with a right to participate in the profits beginning with the fiscal year in which they are issued only for the purpose of servicing convertible bonds or warrants under warrant bonds which are issued on the basis of a corresponding authorizing resolution of the shareholders' meeting pursuant to Section 221 AktG to be adopted after implementation of the Capital Increase in Kind.

j) Authorization pursuant to Section 221 AktG

The issuance of shares under the conditional capital is supposed to take place pursuant to Section 221 AktG on the basis of and in accordance with the authorizing resolution to be adopted by the shareholders' meeting of OSRAM Licht AG prior to the Spin-off taking effect.

Under the planned authorization, the managing board of OSRAM Licht AG can issue bearer or registered bonds in a total principal amount of up to 300,000,000 € with a conversion right or with option rights certificated in bearer warrants or registered warrants or a combination of these instruments for a total of up to 10,207,216 registered shares in OSRAM Licht AG representing a total proportionate amount of 10,207,216 € in the capital stock in exchange for payment of cash.

The respective terms and conditions of the bonds and/or warrants can provide for a duty to convert or a duty to exercise the option as well as a right of the issuer to put shares for delivery in any combination. The authorization also covers the possibility of issuing the bonds or, respectively, warrants once or multiple times, in total or in parts as well as simultaneously in different tranches. Furthermore, the managing board of OSRAM Licht AG can assume guarantees required for bonds issued by group companies of OSRAM Licht AG.

The proportionate amount in the capital stock for the shares to be subscribed to for each bond should correspond to the lesser of the principal amount or the issuing price of the bond.

The holders or, respectively, creditors of convertible bonds are supposed to have the right or, respectively, the duty to convert their convertible bonds into shares of OSRAM Licht AG in accordance with the more detailed terms and conditions of the convertible bonds. The conversion ratio results from dividing the lesser of the principal amount or, respectively, the issuing price of a convertible bond by the respectively fixed conversion price for a new share in OSRAM Licht AG. The proportionate amount in the capital stock for the shares to be subscribed to for each convertible bond is supposed to correspond to the lesser of the principal amount or the issuing price of the convertible bond.

The conversion or option price should not be less than 80 % of the stock exchange price for the shares in OSRAM Licht AG in XETRA trading (or a comparable successor system) of the Frankfurt Stock Exchange within a certain reference period.

The authorization is supposed to also cover the possibility of providing protection against dilution or making adjustments in certain cases according to the more detailed provisions in the respective terms and conditions of the bonds or warrants.

The further terms and conditions for the bonds or, respectively, the warrants are supposed to be set by the managing board of OSRAM Licht AG or in concurrence with the issuing group company respectively.

The bonds are supposed to be offered for subscription in general to the shareholders of OSRAM Licht AG. They are also supposed to be able to be issued to credit institutions with the obligation to offer them for subscription to shareholders. This corresponds to the provision in Section 186 (5) sentence 1 AktG. However, the managing board of OSRAM Licht AG is supposed to be authorized to preclude the subscription right with the approval of the supervisory board if the prerequisites in Section 186 (3) sentence 4 AktG in application *mutatis mutandis* are met or if this is necessary in order to avoid remainder amounts or to compensate dilutions of convertible bonds/warrant bonds already issued.

The authorization is supposed to apply until 28 February 2018.

The exact wording of the contemplated authorizing resolution is set forth in Annex 13.3 to the Spin-off and Transfer Agreement which is attached as Annex 1 to this Report.

k) Authorization to acquire and use treasury shares

The intent is that even prior to the Spin-off taking effect, the shareholders' meeting of OSRAM Licht AG will authorize the managing board, subject to the condition precedent of the increase of the capital stock of the company resolved for implementing the Spin-

off taking effect on the same day, to acquire treasury shares within a period until 28 February 2018 in a total amount of up to 10 % of the lower amount of the capital stock existing at the time of the exercise of the planned authorization for any permissible purpose within the restrictions established by law. The managing board of OSRAM Licht AG currently has no specific plans to use such an authorization. This involves only a resolution adopted to provide flexibility for the time after the Spin-off takes effect. The managing board will have to decide whether and under which conditions it makes use of the authorization.

The authorization is supposed to be able to be used by OSRAM Licht AG and also by its group companies or by third parties mandated by the company or by a group company to act for the account of OSRAM Licht AG or the account of its group companies if the statutory prerequisites are met.

The full wording of the planned authorization is attached as Annex 13.2 to the Spin-off and Transfer Agreement which, in turn, is attached as Annex 1 hereto. The provisions can be summarized as follows:

There are various methods available to acquire shares. An acquisition through the stock exchange is permissible, whereby an acquisition can only occur if the price does not deviate greatly from certain average prices in the trading days prior to the acquisition. An acquisition can also occur outside of the stock exchange, namely, by means of a purchase offer to all shareholders, an invitation to all shareholders to submit an offer to sell or the granting of put rights to the shareholders. In each case a range of the permissible purchase price is contemplated which is oriented on the stock exchange price. The managing board is also supposed to be able to limit the volume of a public purchase offer or a public invitation to submit offers to sell. The managing board may also determine the details of the respective purchase rights or put rights, if any.

The authorization is supposed to permit various possibilities for use. This includes initially the sale through the stock exchange or by a public offer to all shareholders as well as the cancellation of the shares.

In accordance with the statutory requirements for the simplified exclusion of subscription rights, another cash sale oriented on the stock exchange price is also supposed to be possible. This enables the company to exploit favorable situations on short notice and achieve a high price and strengthen the equity in the company.

Also permissible is a transfer with the exclusion of the subscription right, if applicable, with holding or lock-up periods, to employees or members of corporate bodies of companies in the OSRAM Group. The authorization can in particular be used in order to obtain shares for offers to employees of the OSRAM Group for reduced price acquisition of shares on the occasion of the introduction to the stock exchange as well as for fulfilling

any stock-based compensation programs or employee participation programs established in the OSRAM Group in the future (see on this point in detail above f)). Such use allows employee participation and, thus, the promotion of a "sustained" equity culture which reinforces the identification of the beneficiaries with the OSRAM Group and gives them the opportunity to also participate in the long-term success of the business as conscientious shareholders. A specific decision on such use, however, is currently still outstanding. Aside from this, the managing board of OSRAM Licht AG has currently no specific intentions to use this authorization.

Use of the treasury shares as consideration when acquiring assets is also supposed to be possible, and the subscription right of the shareholders is also supposed to be excluded for this purpose. This is necessary in order to strengthen OSRAM Licht AG in competition for interesting acquisition targets and to enable OSRAM Licht AG to react quickly and in a flexible manner while protecting liquidity.

Finally, servicing duties to purchase or rights to purchase OSRAM Licht shares under or in connection with convertible bonds and warrant bonds issued by the company or its group companies are supposed to be enabled. This is a prerequisite so that treasury shares can also be used in order to service duties or rights to acquire in connection with convertible bonds/warrant bonds issued by the company or the OSRAM Group.

Furthermore, the resolution provides for an authorization of the supervisory board to use treasury shares to service duties or rights to acquire of members of the Executive Board which were agreed within the compensation arrangement.

X. The Siemens Group after the Spin-off

1. Business operations of the Siemens Group after the Spin-off

After the Spin-off takes effect, the OSRAM Division previously belonging to the Siemens Group will constitute an independent OSRAM Group and, thus, leave the Siemens Group. Since OSRAM to the greatest extent already was operationally an independent unit within the Siemens Group, the Spin-off incidentally has no material effects on its business operations. The previous internal interfaces existing within the Siemens Group between the business operations of the OSRAM Division and the other companies in the Siemens Group will continue in the form described in Chapter XI after the Spin-off.

2. Financial condition and results of operations of Siemens AG and the Siemens Group after the Spin-off

With regard to the consequences of the Spin-off for the financial condition of Siemens AG as well as the Siemens Group, also see Chapter VIII.1. With regard to the tax effects of the Spin-off, see Chapter VIII.2.

a) Siemens AG

Siemens AG had a domination and profit and loss transfer agreement with OSRAM GmbH in the context of the income tax consolidation. This agreement ended at the end of the fiscal year 2011. There was a transfer of profit in the amount of 144 million € for the fiscal year 2011 (222 million € in the fiscal year 2010). OSRAM GmbH no longer transfers its profits to Siemens AG since the fiscal year 2012. Since a domination agreement existed between Siemens Beteiligungen Inland GmbH and OSRAM GmbH (at that time still OSRAM AG) up to the end of the fiscal year 2012, Siemens Beteiligungen Inland GmbH was required to compensate for the loss of OSRAM GmbH in the fiscal year 2012 in the amount of 336.6 million €. This assumption of losses also had an effect on the results of operations of Siemens AG as a result of the domination and profit and loss transfer agreement between Siemens AG and Siemens Beteiligungen Inland GmbH.

After the Spin-off, Siemens AG will no longer indirectly or directly receive transfers of profit from OSRAM GmbH or OSRAM Licht AG. However, since Siemens AG will have a participation of 17 % in OSRAM Licht AG after the Spin-off takes effect and after transfer of a portion of 2.5 % as an endowment to Siemens Pension Trust, Siemens AG will receive any future distributions of dividends from OSRAM Licht AG in accordance with its portion of the capital with an effect on the results of operations as long as Siemens AG holds shares in OSRAM Licht AG.

b) Siemens Group

The following table contains data on the results of operations of the Siemens Group for the fiscal years 2012, 2011 and 2010. These data are based on the consolidated financial statements of Siemens AG for the fiscal year 2012. The years 2011 and 2010 were shown as a comparison. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the supplementary requirements of German law pursuant to Section 315a (1) German Commercial Code and were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which issued an unqualified audit opinion thereon and approved by the supervisory board of Siemens AG on 28 November 2012.

(In million €, results per share and dividends in €)	Fiscal Year		
	2012	2011	2010
Revenue	78,296	73,275	68,828
Income from continuing operations before income taxes	7,279	9,608	6,045
Income from continuing operations	5,184	7,376	4,329
Income (loss) from discontinued activities, net of income taxes	-595	-1,055	-261
Net income	4,590	6,321	4,068
Basic earnings per share			
Income from continuing operations	5.77	8.23	4.80
Income (loss) from discontinued operations	-0.68	-1.20	-0.31
Net income	5.09	7.04	4.49
Dividend	3.00 ⁽¹⁾	3.00	2.70

⁽¹⁾ Dividend per share for the fiscal year 2012 as proposed at the shareholders' meeting

Since the fiscal year 2011, the OSRAM Division has no longer been included in the continuing operations of the Siemens Group and has instead been presented as part of the discontinued operations. The results for the OSRAM Division are reflected as follows in the Siemens consolidated financial statements:

	Fiscal Year		
	2012	2011	2010
	(in million €)		
Revenue ⁽¹⁾	5,400	5,032	4,681
Expenses	-5,454	-4,521	-4,185
Costs to sell (carve-out costs)	-33	-25	-
Pretax gain (loss) from discontinued operation	-87	486	496
Income taxes on ordinary activities	-8	-185	-178
Income taxes on costs to sell (carve-out costs)	-26	8	-
Gain (loss) from discontinued operations, net of income taxes	-121	309	318

⁽¹⁾ The disclosed revenue for OSRAM as discontinued operation comprises to a small extent revenues of Siemens regional units which are not part of the OSRAM Division and are therefore not part of the Combined Financial Statements (see Chapter IX.2.(a)).

The line items in the Consolidated Statements of Income as well as the Consolidated Statements of Cash Flow will no longer contain any amounts from OSRAM after the Spin-off. The contributions from OSRAM to the financial condition and results of operations in the Siemens Group for the same period will also no longer apply. A remaining participation of Siemens AG in OSRAM Licht AG will be accounted for at fair value as financial assets available for sale. Changes in value for accounting at fair value must be reflected directly in the equity without affecting the results of operations of the Siemens Group. This does not apply for a significant or longer lasting decline in fair value which would have to be recognized in the Consolidated Statements of Income. Effects on the financial condition and results of operations for the Group from this participation result from the recognition of dividends.

With regard to the effects of the Spin-off on the existing stock-based compensation programs and employee participation programs of the Siemens Group as well as on the warrant bonds issued by the Siemens Group and the resulting effects on the financial condition and results of operations of Siemens, see Chapter VIII.1.b)(2) and d)(2).

Aside from the shown repayment of loans of Siemens AG by companies in the OSRAM Group and the effects shown in Chapter IX.2.e)(3) and the effects shown in Chapter VIII, the managing board of Siemens AG does not anticipate any material effects of the Spin-off on the debt, the financing or the capital structure of Siemens AG or the Siemens Group. The Spin-off does not need the approval from the banks financing the Siemens Group.

Siemens AG currently has good credit ratings in the investment grade range, namely, "Aa3 /P-1 /outlook stable" at the rating agency Moody's Investors Service and "A+ /A-1+

/outlook stable" at the rating agency Standard & Poor's. The managing board of Siemens AG believes that the Spin-off will not have any influence on the existing credit rating of Siemens AG by these rating agencies.

3. Legal structure of Siemens AG in the Siemens Group after the Spin-off

The Spin-off has no effects on the legal structure of Siemens AG and the Siemens Group. The Siemens Group will also retain its group structure after the Spin-off. Siemens AG will continue to be the top company in the Siemens Group. The portfolio of Siemens AG will continue to be divided into four operational sectors to which the general services and business covering all sectors as well as Equity Investments are also included. The share of 19.5 % in the capital stock of OSRAM Licht AG, which will decrease to 17 % by the timely funding of part of the OSRAM Licht shares to Siemens Pension Trust, will be assigned to the sector Infrastructure & Cities. Aside from this, no changes result with regard to the domestic and foreign participations of Siemens AG, except for the enterprises of the OSRAM Group which will leave the Siemens Group as a result of the Spin-off.

The composition of the managing board, the responsibilities of its members as well as their terms of office will not change as a result of the Spin-off.

The Spin-off of the operations of the OSRAM Division will not have any effects on the composition of the supervisory board of Siemens AG or the term of office of its members. Siemens AG will continue to be a company with a supervisory board that is co-determined on the basis of parity under the provisions of the MitbestG with 20 members (ten members each for the shareholders and the employees). Insofar there will also be no changes in personnel. The shareholder structure of Siemens AG will also not directly change as a result of spinning off the operations of the OSRAM Division.

The capital stock of Siemens AG remains unchanged. A reduction of the capital stock in order to implement the Spin-off under Section 145 UmwG in conjunction with Sections 229 et seq. AktG is not required (see with regard to the effects of the Spin-off on the accounts, Chapter VIII.2.).

XI. Relationships between the Siemens Group and the OSRAM Group after the Spin-off

Certain legal and commercial relationships will exist between the Siemens Group and the future OSRAM Group also after the Spin-off takes effect. At the level of corporate law, there is a participation of Siemens AG in OSRAM Licht AG. Delivery and service relationships as well as other relationships will also continue to exist between the two groups. These relationships are described below (see also above, Chapter V.).

1. Corporate relationships

Siemens AG will have a participation in OSRAM Licht AG of 20,414,433 shares corresponding to a portion of 19.5 % of the capital stock immediately after the Spin-off takes effect. This portion will be reduced to 17 % shortly after the Spin-off takes effect by funding of a 2.5 %-part of the OSRAM Licht shares to the Siemens Pension Trust (on this point see Chapter III.3.). Siemens AG will no longer control OSRAM Licht AG after the Spin-off takes effect.

After the Spin-off takes effect and the status proceedings have been conducted, one representative of Siemens AG will be a member in the twelve person supervisory board of OSRAM Licht AG.

2. Supplier and services relationships

After the Spin-off takes effect, existing supplier and services relationships between the companies of the Siemens Group, especially the Siemens division Building Technologies, on the one hand, and companies in the OSRAM Group, on the other hand, will continue to exist at least in the near future.

a) Strategic partnership

OSRAM and Siemens are interested in continuing to also cooperate on a project basis. These project partnerships in the past related both to the construction of new buildings as well as the renovation and optimization of existing buildings, for example with joint energy and light consulting. The cooperation is supposed to be continued in the future and even be expanded with street lighting projects.

OSRAM has concluded with Siemens a Strategic Partnership Agreement which comes into force when the Spin-off takes effect. The contract establishes the framework for the main areas of future cooperation between OSRAM and Siemens (especially in the sector Infrastructure & Cities with the divisions BT (Building Technologies) and MOL

(Mobility & Logistics), but also in the case of internal Real Estate Projects). The goal of the Strategic Partnership Agreements is to promote supplier relationships between OSRAM and Siemens as well as to cooperate in projects for third party customers to the extent legally permissible. Siemens is also granting to OSRAM the option to participate in "Market Development Boards" or similar business development platforms.

b) Further agreements

OSRAM and Siemens have concluded a contract about strategic cooperation in procuring indirect materials (joint pooling) for the procurement of IT Hardware, IT Projects and certain OEM products, energy, consulting, consumables as well as temporary work, under which OSRAM can obtain materials and services in the above mentioned fields at the terms and conditions negotiated by Siemens. OSRAM will pay for this a flat rate compensation for expenses to Siemens.

As part of the Siemens Group, OSRAM has used the support of Siemens Corporate Technology (CT) for research, development and analysis projects. In the course of becoming independent, some projects were transferred to OSRAM. Siemens and OSRAM plan to continue the cooperation in research, development and analysis with regard to the remaining items.

Siteco Lighting GmbH, the subsidiary recently acquired by OSRAM, and some of its subsidiaries will use regional companies in the Siemens Group as non-inclusive sales agents or distributors in certain countries, such as Portugal, Luxembourg and Greece. In addition, Siteco will work together with companies in the Siemens Group on a project basis from time to time.

3. Other relationships

a) IPR agreement

Siemens AG and OSRAM GmbH have concluded an agreement in which they grant each other licenses to patents, design patents and used patents which belong to the portfolio of the respective contracting party and its group companies at the time the Spin-off takes effect. The license to be granted respectively relates only to those intellectual property rights which can be licensed without the consent of third parties or without payment to third parties.

The licenses will be granted when the Spin-off takes effect and are perpetual and not restricted with regard to territory, irrevocable, non-exclusive, without compensation and non-transferable. The licenses grant the right to engage in actions which would otherwise represent a violation of the licensed intellectual property rights. The subject matter covers in the case of the license granted to Siemens AG the present and future activity of

Siemens AG and its subsidiaries, and the license granted to OSRAM GmbH covers its business activities and those of its subsidiaries in the area of lighting, light emission and radiation emission and light applications at the time the Spin-off takes effect. The license contains in each case the right to grant sub-licenses, except for granting sub-licenses with the main purpose of generating license revenues and the inclusion of contracts for the exchange of licenses. An exception is also made for granting sublicenses in the subject area of the license granted to the other contracting party to its competitors in that field; this does not apply, however, for sublicenses issued in connection with products or services of the sub-licensor.

In addition to other provisions, the agreement contains a mutual waiver by the contracting parties of claims for infringement of the licenses of intellectual property rights at the time prior to the Spin-off taking effect to the extent that these intellectual property rights would have been covered by the issued license at the time the Spin-off takes effect. Furthermore, OSRAM GmbH approves under certain conditions dispositions made by Siemens over intellectual property rights to be granted to OSRAM Licht AG prior to the Spin-off taking effect. The agreement ends upon expiration of the last intellectual property right for which a license was granted under the agreement.

b) Real properties

There are several leasing and rental agreements between companies of the OSRAM Division and other companies in the Siemens Group, above all Siemens Real Estate. The total rental expenditures for OSRAM in the fiscal year 2012 under these contracts were 4.7 million €. The most important contracts relate to locations in Munich and Mississauga, Canada. The majority of these leasing and rental agreements and related service agreements will initially remain in force as agreed after the Spin-off.

There are also some properties which are rented by companies in the Siemens Group and completely or partially subleased to companies in the OSRAM Division. To the extent that these contracts could not be split in the course of making the OSRAM Group independent due to the lack of consent from the lessors, the sub-contracts will be continued unless an agreement about a change in location was able to be achieved.

c) Facilities and machinery leasing

Companies in the OSRAM Division have concluded several leasing agreements with companies in the Siemens Group for IT equipment and machinery having a value in the

single digit million range (€). The Spin-off will not have an effect on the existing leasing agreements.

d) Companies in joint possession /joint ventures /consortium agreements

OSRAM A.E., Greece, and Siemens A.E., Greece, each hold 10 % of the shares in the Greek recycling company Anakiklosi Siskevon Simetochiki S.A., Piraeus. OSRAM GmbH and Siemens AG also still hold 0.07 %, respectively 0.77 % in the Bavarian waste removal company GSB - Sonderabfall-Entsorgung Bayern GmbH. The respective participations will be retained also after the Spin-off.

e) Other agreements

Finally, there are additional contracts between OSRAM and Siemens having small volumes which will initially continue to exist also after the Spin-off. This involves individual agreements about specific relationships, including in the area of software and hardware development as well as the construction of specific systems, distribution, training, rent, electric power supply, quality assurance, logistics, warehousing and archiving as well as the specific shops established for Siemens employees (so-called "Für uns Shops").

XII. Consequences of the Spin-off for the employees and their representative bodies

1. Consequences of the Spin-off for individual rights of the employees

The employment relationships of the employees of Siemens AG are not affected by the Spin-off.

OSRAM Licht AG has no business operation of its own and no employees to date. Therefore, the Spin-off has no consequences for the employees of OSRAM Licht AG.

The Spin-off also has no consequences for individual rights of the employees of the future OSRAM Group which arises with OSRAM Licht AG as the new parent company when the Spin-off takes effect. They remain employees of their respective companies; their employment relationships are not affected by the Spin-off. This also applies to the company pension plans and the pension commitments by the respective companies where the employees are employed.

The membership of OSRAM GmbH in the Employers Association of the Metal and Electronics Industry Baden-Württemberg, South West District (*Arbeitgeberverband der Metall- und Elektro-Industrie Baden-Württemberg e.V., Südwestmetall*), in the Association of the Bavarian Metal and Electronics Industry (*Verband der bayerischen Metall- und Elektro-Industrie e. V.*) as well as in the Employers Association of the Metal and Electronics Industry Berlin and Brandenburg (*Arbeitgeberverband der Metall- und Elektroindustrie Berlin und Brandenburg*) are not affected by the Spin-off. This also applies to the membership of other companies in the future OSRAM Group in employers' associations.

Due to the technological transformation in the lighting market as well as legislative changes and the resulting downturn in the business with traditional technologies, OSRAM announced already in January 2012 that it would adjust its personnel levels by the end of the fiscal year 2014 and eliminate around 1,000 jobs in Germany in a socially responsible manner. A similar approach for the OSRAM locations outside of Germany was at the same time announced which corresponds to around 2,300 jobs.

In order to implement these measures in Germany, OSRAM GmbH (at that time still OSRAM AG) agreed on a general social plan with the general works council on 10 May 2012. The general social plan has a term up to 30 September 2014 and applies to the measures to reduce personnel of approximately 1,000 jobs in Germany presented in January 2012. The social plan provides for claims for compensation upon leaving as a result of a termination agreement or a termination given for business reasons. Employees also have the possibility to move to one of the transfer companies established related to the locations. The transfer companies each have a term of 24 months.

The company has in parallel resolved on principles concluded with the general works council and the union IG Metall for the cooperation in the future direction of the company. OSRAM GmbH and the representatives of its employees (general works council and the union IG Metall) have agreed to jointly structure the pending transition with the goal of ensuring the international ability to compete for the German locations with investments, innovations and continuous rationalization measures. In the case of necessary adjustments in Germany caused by the market, the company will continue to consult with the employee representatives in an early and transparent process about the measures and potential alternatives.

On the basis of this agreement and the announced restructuring measures, the level of personnel in the future OSRAM Group in the fiscal year 2012 was worldwide already reduced by approximately 1,900 jobs. Around 300 of these jobs have been in German locations so far (emphasis on the locations in Berlin, Augsburg and Munich).

Since the transformation in the lighting industry has further accelerated since then, OSRAM is planning additional adjustments. In order to better use the capacity at the plants, especially the production landscape is supposed to be further remodeled by, amongst others, moving, selling or terminating and at times closing some smaller locations with low production volumes.

At the same time, OSRAM is pursuing the goal of increasing the earnings power of the business with more efficient structures in production, research and development, distribution as well as in the central functions.

These additional planned measures will likely involve a further reduction of a total of 4,700 jobs worldwide in the fiscal years 2013 and 2014. In the case of a major number of the affected employees, OSRAM intends to sell the corresponding plants (located outside of Germany). The main portion of the otherwise eliminated jobs is supposed to affect plants with products near the end of the product life cycle, and the rest of the jobs eliminated in the production are supposed to be eliminated by closing smaller locations. The intended measures relate mostly to OSRAM locations outside of Germany in accordance with the international distribution of the business volume and the current global production network. Under the current status of the planning, around 400 further jobs are supposed to be eliminated in Germany in addition to the adjustments already announced and agreed in January 2012, taking into account the existing rights of the employee representative bodies to be involved. According to the current plans of the company this involves primarily locations in Berlin, Wipperfurth and Munich. According to the information to the Economics Committee planned for the end of November 2012, discussions and negotiations with the relevant employee representative bodies about a

settlement of interests or a social plan are supposed to commence immediately in order to implement the measures intended in Germany.

These measures are offset by the fact that the restructuring of capacity in the coming years will lead to new growth of personnel in the semi-conductor based technologies (SSL).

Reference is made to § 11 of the Spin-off and Transfer Agreement attached to this Report as Annex 1 as well as the explanations in Chapter XIII.1.k)(1) with regard to the consequences of the Spin-off for the rights of employees under the Stock Awards, Share Matching and Basis Share Programs existing in the Siemens Group as well as commitments for jubilee shares.

2. Consequences of the Spin-off for the representative bodies of the employees under works constitution law

a) Works councils, youth and trainee representative bodies and handicapped representative bodies

The existing plants in Siemens AG and the other plants in the Siemens Group are not affected by the Spin-off. The existence, composition and term of office of the existing works councils and general works councils, the existing youth and trainee representative bodies and the general youth and trainee representative bodies as well as the handicapped representative bodies and the general handicapped representative bodies remain unchanged.

The group works council and the group handicapped representative body in the Siemens Group will also continue to exist after the Spin-off takes effect. However, OSRAM Licht AG and its subordinate enterprises will leave the Siemens Group when the Spin-off takes effect, and OSRAM Licht AG, together with its affiliated enterprises, will constitute its own OSRAM Group. The related exit of the operations of the OSRAM Group from the Siemens Group leads to changes in the personnel in the composition of the group works council and the group handicapped representative body at Siemens AG. Accordingly, those members of the group works council and the group handicapped representative body who are employees of the OSRAM Group leave when the Spin-off takes effect. This involves currently two members of the group works council and one member of the group handicapped representative body.

The Siemens Europe Committee existing in the Siemens Group under the agreement in the version dated 9 May 2012 will also continue to exist after the Spin-off takes effect. Due to the exit of the operations in the OSRAM Group from the Siemens Group when the Spin-off takes effect, however, there will be personnel changes in the composition. Accordingly, those members of the Siemens Europe Committee who are employees of

the OSRAM Group will leave when the Spin-off takes effect. This involves currently two members of the Siemens Europe Committee who will be replaced by substitute members in accordance with the agreements in the version dated 9 May 2012.

Since OSRAM Licht AG is not acting operationally and not having employees to date, it has neither a works council nor a youth and trainee representative body nor a handicapped representative body. This will not directly change as a result of the spin-off. After the Spin-off takes effect, however, OSRAM Licht AG will be the parent company in the OSRAM Group. Thus, the prerequisites for establishing a group works council pursuant to Section 54 German Works Constitution Act (*Betriebsverfassungsgesetz*, "**BetrVG**") will basically be fulfilled at OSRAM Licht AG. To the extent that such group works council is established, the prerequisites for establishing a group handicapped representative body pursuant to Section 97 paragraph 2 German Social Act Ninth Book (*Sozialgesetzbuch Neuntes Buch*) will be fulfilled. Furthermore, the prerequisites for establishing a group youth and trainee representative body in accordance with Section 73a BetrVG will basically be met when the Spin-off takes effect.

Group works agreements which exist in the Siemens Group at the time of the Spin-off will also apply in case of the formation of a group works council as group works agreements in the OSRAM Group or as general works agreements or works agreements in the companies in the future OSRAM Group which are no longer part of the Siemens Group as a result of the Spin-off.

The prerequisites for establishing a European works council will also basically be met within the OSRAM Group when the Spin-off takes effect.

The current operations existing in enterprises of the future OSRAM Group are not affected by the Spin-off. The existence, composition and terms of office of the existing works councils and general works councils, youth and trainee representative bodies and general youth and trainee representative bodies as well as the handicapped representative bodies and general handicapped representative bodies remain unchanged.

b) (General) Committee of Spokespersons of the Senior Executives (*Gesamt-, Konzernsprecherausschuss der leitenden Angestellten*)

The existence, composition and terms of office of the (general) committees of spokespersons of the senior executives at Siemens AG are not affected by the Spin-off.

The committee of spokespersons in the Siemens Group will also continue to exist after the Spin-off takes effect. However, OSRAM Licht AG and its future subordinate enterprises will leave the Siemens Group when the Spin-off takes effect, and OSRAM Licht AG, together with its affiliated enterprises, will constitute its own OSRAM Group. The related exit of the operations of the OSRAM Division from the Siemens Group leads

to changes in the personnel composition of the committee of spokespersons of Siemens AG. Accordingly, those members of the committee of spokespersons who are employees of OSRAM Licht AG or one of its affiliated enterprises will leave when the spin-off takes effect. This currently involves one member of the committee of spokespersons.

Since OSRAM Licht AG currently is not acting operationally, there is no committee of spokespersons of the senior executives. This will not directly change as a result of the Spin-off. However, after the Spin-off takes effect, the prerequisites for establishing a committee of spokespersons will basically be fulfilled in the OSRAM Group in accordance with Section 21 of the German Act on Committees of Spokespersons of the Senior Executives (*Gesetz über Sprecherausschüsse der leitenden Angestellten*).

The committees of spokespersons currently existing in companies of the future OSRAM Group are not affected with regard to their existence and composition as a result of the Spin-off.

c) Economic Committees

The Economic Committees existing at Siemens AG and the other enterprises in the Siemens Group continue to exist unchanged after the Spin-off.

Since OSRAM Licht AG currently is not acting operationally and has no employees, it also has no economic committee. This does not change as a result of the Spin-off.

The economic committees currently existing at the enterprises in the future OSRAM Group continue to exist unchanged after the Spin-off.

3. Consequences of the Spin-off for corporate co-determination /the supervisory board

The Spin-off has no effect on the existence and the size of the supervisory board of Siemens AG as well as the terms of office of its members. Siemens AG will continue to be a company with a supervisory board co-determined on the basis of parity pursuant to the provisions in the MitbestG with twenty members (ten members each for the shareholders and the employees).

The employee representatives in the supervisory board of Siemens AG are elected by the employees of all companies/operations in the Siemens Group in Germany. OSRAM Licht AG and the further companies in the future OSRAM Group will no longer be group companies of Siemens AG after the Spin-off takes effect so that employees of OSRAM Licht AG and the further German companies in the future OSRAM Group will no longer be entitled to be elected as members of the supervisory board of Siemens AG or elect members and instead will be entitled to elect members to and be elected as members of

the supervisory board of OSRAM Licht AG. No employee of the future OSRAM Group is a member of the supervisory board of Siemens AG to date.

OSRAM Licht AG currently has a supervisory board with three members who were elected by the sole shareholder Siemens AG. Since OSRAM Licht AG has to date not yet any employees, it currently has no supervisory board which is subject to statutory co-determination of the employees. After the Spin-off takes effect, however, OSRAM Licht AG will have a supervisory board that is co-determined on the basis of parity in accordance with the provisions of the MitbestG because OSRAM Licht AG will be the parent company of the OSRAM Group and, thus, will have more than 2,000 employees in Germany according to the provision on attributing employees under Section 5 (1) sentence 1 MitbestG. The managing board will conduct so-called status proceedings pursuant to Sections 97 et seq. AktG after the Spin-off takes effect. The contracting parties believe that after the Spin-off takes effect, according to the provisions in the MitbestG, not more than 10,000 employees will be considered as employees of OSRAM Licht AG and, thus, the supervisory board will consist of twelve members pursuant to Section 7 (1) sentence 1 no. 1 MitbestG, of which six members each will be for the shareholders and the employees.

The six members of the supervisory board for the shareholders will be elected by Siemens AG as the sole shareholder in the shareholders' meeting of OSRAM Licht AG before the Spin-off takes effect. The election of the members of the supervisory board for the shareholders will be subject to the condition precedent of conducting the status proceedings. The term of office of all six members of the supervisory board for the shareholders will be limited to the end of the first annual shareholders' meeting of OSRAM Licht AG after the Spin-off takes effect in order to permit a new election of the members of the supervisory board for the shareholders to be elected in the shareholders' meeting by the future shareholders in OSRAM Licht AG. The members of the supervisory board for the employees will initially be appointed by the court after the status proceedings have been conducted.

The Spin-off has no effects on the existence and composition of the supervisory boards of OSRAM GmbH, Siteco Beleuchtungstechnik GmbH and OSRAM Opto Semiconductors GmbH as well as the terms of office of the respective members.

OSRAM GmbH will continue to have a supervisory board with twelve members (six members each for the shareholders and the employees) co-determined on the basis of parity in accordance with the provisions of the MitbestG. The intention is that the previous representatives of the shareholders will resign from offices with effect as of when the Spin-off takes effect and that they will be replaced by members who have previously been elected by the shareholders meeting of OSRAM GmbH effective as of

when the Spin-off takes effect. At the present time, it is not yet clear which persons shall represent the shareholders in the future supervisory board of OSRAM GmbH.

Siteco Beleuchtungstechnik GmbH will continue to have a co-determined supervisory board with three members (two supervisory board members for the shareholders and one supervisory board member for the employees) in accordance with the provisions of the German Act on One-Third Participation by Employees in the Supervisory Board (*Gesetz über die Drittelbeteiligung der Arbeitnehmer im Aufsichtsrat*, "**DrittelbG**").

OSRAM Opto Semiconductor GmbH, which previously had a co-determined supervisory board in accordance with the provisions of the DrittelbG consisting of three members (two members of the supervisory board for the shareholders and one member of the supervisory board for the employees), will have in the future a supervisory board co-determined on the basis of parity in accordance with the MitbestG consisting of twelve members (six members in the supervisory board each for the shareholders as well as the employees) as a consequence of exceeding the relevant number of employees and independently of the Spin-off.

XIII. Explanation of the Spin-off and Transfer Agreement with Annexes

1. Spin-off and Transfer Agreement

The Spin-off and Transfer Agreement attached to this Report as Annex 1 is organized in seven sections. After an introduction, general provisions about the type of the Spin-off, the Spin-off Effective Date, the fiscal transfer effective date, the spin-off statements of financial position and the closing statements of financial position as well as the shift in effective dates follow in Section II. (§§ 1-4). The portion of the assets which Siemens AG is transferring by way of the Spin-off to OSRAM Licht AG is then described in detail in Section III. (§§ 5-9). In addition, individual modalities for the transfer are determined. Section IV. (§§ 10-12) deals with the granting of shares in OSRAM Licht AG as consideration for the transfer of the Spin-off Assets as well as the contemplated corporate actions in OSRAM Licht AG. Furthermore, particular rights and particular benefits granted in connection with the spin-off are also dealt with. Section V. (§§ 13, 14) contains corporate provisions relating to OSRAM Licht AG, namely, the future articles of association of OSRAM Licht AG as well as the authorization to acquire and use treasury shares and an authorization to issue convertible bonds. The draft of the article of association and the authorization are attached to the Spin-off and Transfer Agreement as an annex. There are also provisions relating to the Capital Increase in Kind to be carried out prior to the Spin-off under which Siemens AG contributes in a first step 19.5 % of the stated capital of OSRAM GmbH to OSRAM Licht AG. Section VI. (§§ 15-17) describes the consequences of the Spin-off for the employees and their representatives bodies. Finally, Section VII. (§§ 18, 19) contains provisions on costs and taxes as well as the final provisions.

The terms defined in the Spin-off and Transfer Agreement are used in the context of its explanation. Annexes referred to are those of the Spin-off and Transfer Agreement.

a) Spin-off (§ 1)

Under § 1.1, Siemens AG, as the transferring entity, transfers a part of its assets specified in § 5.1 and § 5.2 of the Spin-off and Transfer Agreement as an entirety to OSRAM Licht AG, as the receiving entity, by way of a spin-off by way of reception pursuant to Section 123 (2) no. 1 UmwG. In exchange, the shareholders of Siemens AG will be granted shares in OSRAM Licht AG (see on this point below, j)). The transfer by way of a spin-off leads to a so-called partial universal succession under Section 131 (1) no. 1 UmwG; i.e. OSRAM Licht AG will become the universal successor of Siemens AG by force of law with regard to the Spin-off Assets when the Spin-off takes effect. This means that a transfer of specific rights is not required.

§ 1.2 clarifies that items which are not attributable to the Spin-off Assets under the Spin-off and Transfer Agreement or are expressly excluded from the transfer will not be transferred to OSRAM Licht AG.

b) Spin-off Effective Date and fiscal transfer effective date (§ 2)

§ 2.1 sets the Spin-off Effective Date on 1 October 2012, 0:00 hours. The Spin-off Effective Date is the point in time as of which the actions of Siemens AG relating to the Spin-off Assets are deemed to have been made for the account of OSRAM Licht AG (Section 126 (1) no. 6 UmwG). This means that the Spin-off will be economically effective as of 1 October 2012, 0:00 hours and that Siemens AG and OSRAM Licht AG will put each other in the positions they would have been in if the Spin-off Assets had already passed to OSRAM Licht AG on 1 October 2012, 0:00 hours.

§ 2.2 refers to the fiscal transfer effective date for the Spin-off. Pursuant to Section 2 UmwStG, the fiscal transfer effective date results from the closing statements of financial position which are used as the basis for the Spin-off pursuant to Sections 125 sentence 1, 17 (2) UmwG and is, thus, 30 September 2012, 24:00 hours.

c) Spin-off statements of financial position and closing statements of financial position (§ 3)

The basis for determining the items on the assets and liabilities of the statements of financial position attributable to the Spin-off Assets under § 3.1 of the Spin-off and Transfer Agreement are the spin-off statements of financial position as of 1 October 2012, 0:00 hours attached as Annex 3.1. They reflect the assets of Siemens AG passing to OSRAM Licht AG by way of the Spin-off. The spin-off statements of financial position were derived from the statements of financial position of Siemens AG prepared as of 30 September 2012 which themselves constitute a part of the annual financial statements of Siemens AG. The annual financial statements of Siemens AG were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which issued an unqualified opinion thereon, and were approved on 28 November 2012 by the supervisory board of Siemens AG and which have been carried forward after taking into account the contribution of 80.5 % of the OSRAM GmbH shares to OSRAM Beteiligungen GmbH.

Sections 125 sentence 1, 17 (2) UmwG provides that so-called closing statements of financial position must be attached to the filing with the register of companies of the transferring entity. § 3.2 of the Spin-off and Transfer Agreement provides in this regard that the closing statements of financial position are the audited and certified annual financial statements of Siemens AG as of 30 September 2012, 24:00 hours.

§ 3.3 provides that Siemens AG will include the Spin-off Assets in its closing statements of financial position under commercial law and its fiscal closing statements of financial

position in each case at book value. OSRAM Licht AG will include the Spin-off in its commercial accounts at book value pursuant to § 3.4 and will incorporate these assets in its tax statements of financial position with the value contained in the tax closing statements of financial position of Siemens AG.

d) Shift in the effective dates (§ 4)

If the Spin-off has not been registered with the registers of companies of Siemens AG by the end of the day on 10 November 2013, the Spin-off Effective Date, the fiscal transfer effective date as well as the effective date for the closing statements of financial position of Siemens AG each shift by one year under § 4, i.e. the Spin-off Effective Date will shift to 1 October 2013, 0:00 hours, and the fiscal transfer effective date as well as the effective date for the closing statements of financial position of Siemens AG will each shift to 30 September 2013, 24:00 hours. In the case of any further delay in the registration beyond 10 November of a subsequent year, the above mentioned effective dates each shift by a further year (so-called revolving effective date). This provision ensures flexibility if the Spin-off no longer takes effect in the fiscal year 2013 of Siemens AG due to unforeseen events. The revolving Spin-off Effective Date is supplemented by the corresponding shift in the right to participate in profits for the shares to be issued in order to implement the Spin-off (§ 10.2) as well as by the provision on withdrawal in § 19.2 if the Spin-off has not been completed by 31 December 2013 (see on this point below q)).

e) Spin-off Assets (§ 5)

The Spin-off Assets consist of the participation of Siemens AG in OSRAM Beteiligungen GmbH set forth in § 5.1. The participation to be transferred consists of all 25,100 company shares in OSRAM Beteiligungen GmbH each with a nominal value of 1 €. The only assets belonging to OSRAM Beteiligungen GmbH will be indirectly spun off with its shares, namely, the 453,166,700 company shares in OSRAM GmbH. This corresponds to 80.5 % of the stated capital in OSRAM GmbH.

§ 5.2 clarifies that the transfer of the participation will include all related rights and duties, respectively, especially the claim for a distribution of profits for the company shares in OSRAM Beteiligungen GmbH to be spun off for the period after the Spin-off Effective Date. OSRAM Beteiligungen GmbH, however, did not generate any profits in the short fiscal year 2012.

§ 5.3 regulates as a catch-all provision the obligation of Siemens AG and OSRAM Licht AG to carry out all actions which might still be necessary or appropriate in connection with the transfer of the Spin-off Assets.

f) Closing, Closing Date (§ 6)

Under § 6.1, the change in ownership of the shares in OSRAM Beteiligungen GmbH, including the related rights and duties, takes place as an entirety by force of law pursuant to Section 131 (1) no. 1 UmwG upon the registration of the Spin-off with the register of companies of Siemens AG at the district court of Charlottenburg and the district court of Munich. The later of the two registrations is determinative. The date of the effective registration is defined as the "**Closing Date**". The Closing Date is, thus, different from the Spin-off Effective Date (1 October 2012, 0:00 hours).

Siemens AG undertakes in § 6.2, as the current sole shareholder of OSRAM Beteiligungen GmbH, not to adopt any shareholders resolutions prior to the Closing Date under which the subscribed capital of OSRAM GmbH existing at the time of conclusion of the Spin-off and Transfer Agreement is changed. It also undertakes to use its efforts so that OSRAM Beteiligungen GmbH does not dispose of either the company shares in OSRAM GmbH it holds nor adopt resolutions as the majority shareholder in OSRAM GmbH under which the stated capital of OSRAM GmbH existing at the time of conclusion of the Spin-off and Transfer Agreement is changed. Siemens AG also undertakes not to withdraw any capital of OSRAM Beteiligungen GmbH prior to the Closing Date and to ensure that no capital is withdrawn of OSRAM GmbH by its shareholders prior to the Closing Date. Such provisions serve to secure the share participation ratios intended for when the Spin-off takes effect as well as a reasonable share allocation ratio and, thus, the protection of the Siemens shareholders.

§ 6.3 regulates the duties of Siemens AG in the transition period between the conclusion of the Spin-off and Transfer Agreement and the Closing Date with regard to the Spin-off Assets. This regulation provides that Siemens AG will only administer the items constituting the Spin-off Assets in the ordinary course of business and with the diligence of a prudent businessman and will not dispose of these items. Thus, this provision protects OSRAM Licht AG and therefore Siemens shareholders as well.

g) Catch-all provisions (§ 7)

§ 7.1 makes sure that Siemens AG transfers Spin-off Assets which might as an exception not pass to OSRAM Licht AG by force of law by a separate agreement with *in rem* effect to OSRAM Licht AG. OSRAM Licht AG is required to consent to the transfer. The two companies will treat each other in their internal relationship as if the transfer had occurred in their external relationship as of the Spin-off Effective Date. Therefore, the provision is merely a precautionary catch-all provision.

§ 7.2 supplements § 7.1 by providing that Siemens AG and OSRAM Licht AG will initiate all necessary or appropriate measures and legal actions in connection with the transfer under § 7.1 and that they must cooperate in order to transfer the Spin-off Assets.

§ 7.3 determines that claims under § 7 are time barred at the end of the day on 30 September 2022, i.e. ten years after the Spin-off Effective Date.

h) Protection of creditors and internal settlement (§ 8)

Pursuant to Section 133 (1) and (3) UmwG, Siemens AG is jointly and severally liable for the performance of the liabilities transferred to OSRAM Licht AG if these liabilities become due within five years after the announcement of the registration of the Spin-off with the registers of companies of Siemens AG and claims are asserted against Siemens AG in court or in any other way stipulated by Section 133 UmwG. § 8.1 determines in this regard as a supplement to the statutory provision that OSRAM Licht AG must indemnify Siemens AG on first demand if and to the extent that creditors assert claims against Siemens AG under transferred liabilities, obligations or relationships involving liability. The same provision applies in the event that claims are asserted by creditors against Siemens AG to have Siemens AG provide security for such liabilities, obligations or relationships involving liability. However, consideration must be given to the fact that no liabilities, obligations or relationships resulting in liability are being directly spun off from Siemens AG.

In the reverse situation, OSRAM Licht AG is jointly and severally liable for the performance of the liabilities remaining with Siemens AG which had already been established prior to the Spin-off taking effect pursuant to Section 133 (1) and (3) UmwG if the liabilities become due within five years after the announcement of the registration of the Spin-off with the registers of companies of Siemens AG and resulting claims are asserted against OSRAM Licht AG in court or in any other way described in Section 133 UmwG. To the extent that claims are asserted under these liabilities against OSRAM Licht AG, Siemens AG will indemnify OSRAM Licht AG on first demand against the respective liability or obligation pursuant to § 8.2 of the Spin-off and Transfer Agreement. The same situation applies in the event that creditors assert claims against OSRAM Licht AG to provide security for such liabilities, obligations or relationships resulting in liability.

This is a standard provision between the entities involved on the internal settlement of the liability under Section 133 UmwG. With this statutory provision, the legislature intends to prevent in the external relationship to creditors that they are deprived of an estate to cover their claims by a spin-off.

i) Warranties (§ 9)

§ 9 of the Spin-off and Transfer Agreement conclusively regulates the claims of OSRAM Licht AG under warranties and excludes the statutory provisions to the extent legally permissible. Excluding the cases described in § 9, the liability of Siemens AG will be limited to the mandatory level provided under the law.

Siemens AG represents to OSRAM Licht AG in § 9.1 that Siemens AG is the holder of the company shares in OSRAM Beteiligungen GmbH on the Effective Date and is entitled to freely dispose of these company shares and that the company shares are not encumbered with rights of third parties. Under § 9.1, no further condition is agreed with regard to the Spin-off Assets. By way of precaution it is also clarified that no specific qualities or value of the business of OSRAM GmbH are agreed.

§ 9.2 excludes claims and warranties which might exist pursuant to statutory law or otherwise in addition to those in § 9.1.

j) Grant of shares, trustee and capital measures (§ 10)

§ 10.1 of the Spin-off and Transfer Agreement in accordance with Section 126 (1) no. 3 and 4 UmwG regulates the consideration for the transfer of the Spin-off Assets. According to this provision, the shareholders of Siemens AG are granted one share of no par value (registered share) in OSRAM Licht AG for every ten shares of no par value (registered shares) in Siemens AG according to their participation existing so far (preserving the proportionate participations). Altogether, the shareholders of Siemens AG are granted 84,274,967 shares of no par value (registered shares) in OSRAM Licht AG. The fact that the 38,250,330 shares held by Siemens AG as treasury shares are not granted subscription rights under Section 131 (1) no. 3 sentence 1 UmwG was taken into account. Siemens AG will make sure that on the Closing Date that number of the total issued shares in Siemens AG minus the treasury shares which are not entitled to an allocation pursuant to Section 131 (1) no. 3 sentence 1 UmwG amount to exactly 842,749,670. This assures that the new shares in OSRAM Licht AG contemplated for implementing the Spin-off are sufficient to make an allocation to all Siemens shareholders who are entitled to an allocation. To the extent necessary, the exact adjustment of the number of shares entitled to an allocation will take place by acquiring or selling treasury shares on the stock exchange.

The shares to be granted to the shareholders of Siemens AG are entitled to participate in profits for the fiscal years starting on 1 October 2012 (Section 126 (1) no. 5 UmwG) pursuant to § 10.2 of the Spin-off and Transfer Agreement. If the Spin-off Effective Date shifts pursuant to § 4, the beginning of the right to participate in profits for the shares to be granted also shifts accordingly (see above, d)).

§ 10.3 regulates how the shares that are supposed to be granted to the shareholders of Siemens AG will be created. In order to implement the Spin-off, OSRAM Licht AG will increase its capital stock by 84,274,967 € by issuing 84,274,967 shares of no par value (registered shares) in OSRAM Licht AG. A portion of 1 € in the amount of the capital stock increase is attributable to each new share. The Spin-off can only be registered according to the provisions of the German Transformation Act after the implementation

of this capital increase has been registered with the register of companies of OSRAM Licht AG (Sections 125 sentence 1, 66, 130 (1) sentence 1 UmwG).

§ 10.4 clarifies that the contribution in kind will be rendered by transferring the Spin-off Assets. § 10.4 also regulates the accounting treatment for a value of the contribution in kind that exceeds the nominal amount of the issued shares. To the extent that the value at which the contribution in kind rendered by Siemens AG is assumed by OSRAM Licht AG, i.e. the book value of the Spin-off Assets as of the Spin-off Effective Date under commercial law, exceeds the amount of the increase in the capital stock of OSRAM Licht AG set forth in § 10.3, this amount will be booked to the capital reserve of OSRAM Licht AG pursuant to Section 272 (2) no. 1 HGB.

Under Sections 125 sentence 1, 71 (1) sentence 1 UmwG, the transferring entity must appoint a trustee to receive the shares to be granted. § 10.5 of the Spin-off and Transfer Agreement provides that Deutsche Bank AG will be appointed as a trustee for the receipt of the shares in OSRAM Licht AG to be granted and to distribute them to the shareholders of Siemens AG. The shares to be granted will be delivered to Deutsche Bank AG prior to registration of the Spin-off. At the same time, Deutsche Bank AG will be instructed to deliver the shares to the shareholders of Siemens AG after registration of the Spin-off with the registers of companies of Siemens AG.

Immediately after the Spin-off takes effect, the fungibility of the OSRAM Licht shares will be secured by admitting them to stock exchange trading. Thereby it will be ensured that equal rights are granted to Siemens shareholders. § 10.6 obliges the contracting parties to take all necessary steps in order to admit the shares of OSRAM Licht AG to trading in the Regulated Market of the Frankfurt Stock Exchange and the Munich Stock Exchange and also in the Prime Standard sub-segment of the Frankfurt Stock Exchange.

k) Grant of special rights (§ 11)

Pursuant to Section 126 (1) no. 7 UmwG, the Spin-off and Transfer Agreement must contain statements about rights which the receiving entity grants especially under Section 125 sentence 1 in conjunction with Section 23 UmwG or the transferring entity (at the discretion of the entity pursuant to Section 133 (2) sentence 2 UmwG to individual shareholders as well as the holders of special rights (for example stock options, non-voting shares, preferred shares, shares with multiple voting rights, bonds, profit sharing rights)). Furthermore, statements about the measures contemplated for these persons must be made.

There are special rights at Siemens AG, both in the form of rights under stock-based compensation programs and employee participation programs as well as in the form of rights of holders of warrants which were issued by Siemens AG in connection with the issuance of warrant bonds:

(1) Stock-based compensation programs or employee participation programs

§ 11.1 states by way of introduction that Siemens AG and its group companies have made, among other commitments, various awards under stock-based compensation programs and employee participation programs for shares of no par value (registered shares) in Siemens AG (together, the "**Stock Entitlements**") to members of the managing board and employees of Siemens AG as well as members of the corporate bodies and employees of Siemens Group companies, including members of corporate bodies and employees of the future OSRAM Group (together, the "**Beneficiaries**").

This involves especially so-called "Stock Awards", i.e. commitments to transfer Siemens shares and to an additional payment in cash for a mathematical number of Siemens share as the case may be which – depending on the specifics – depend solely on remaining in the Siemens Group or the occurrence of certain further prerequisites and commitments under the Share Matching Plan and the Basis Share Program which grant the Beneficiary a claim for one Siemens share for each certain amount of Siemens shares he previously acquired with own funds and which the Beneficiary holds for a certain holding period and commitments as so-called Bonus Awards which are part of the variable compensation of members of the managing board.

All of these Stock Entitlements are normally granted in annual, in part also in quarterly tranches. Furthermore, awards of shares with regard to certain jubilees (jubilee shares) exist at Siemens AG, but not in the OSRAM Division. A list of the currently existing Stock Entitlements stating the group of Beneficiaries and the legal basis of the respective commitment up to when the Spin-off takes effect is attached as Annex 11.1 to the Spin-off and Transfer Agreement.

The number of shares for which Stock Entitlements according to Annex 11.1 currently exist (effective date: 9 November 2012) is a total of approximately 7.4 million for the Siemens Group overall, of which there are a total of approximately 0.4 million in the future OSRAM Group. These statements of volume do not cover the Share Matching Plan Tranche 2013 and the Basis Share Program Tranche 2013 for which the offering period ends in each case only in December 2012 and for which the acceptance ratio as well as the resulting stock exchange price for the Siemens shares as well as the number of Stock Entitlements resulting from this and the stock exchange price of the Siemens stock as of the time of purchase in February 2013 have accordingly not yet been fixed. The statements of volume also do not cover awards for jubilee shares for which statements of volume would not have any relevance simply due to the lack of adjustment in the course of the Spin-off (on this point immediately below).

Furthermore, so-called phantom stock awards exist in the Siemens Group in specific cases under which Stock Entitlements are imitated but no claim for Siemens shares is

granted from the very beginning and instead for which there is only a grant of a cash payment.

Section 23 UmwG in conjunction with Section 125 UmwG provides that in the case of a spin-off, the holders of rights in the transferring entity which do not grant voting rights must be granted equivalent rights in the receiving entity. Pursuant to Section 133 (2) sentence 2 UmwG, these rights can also be granted in the transferring entity in the case of a spin-off. Since the equivalent rights in the present case are always granted by the company which has made the existing Stock Entitlements, this involves technically an adjustment of the existing Stock Entitlements and not the grant of new awards in order to establish the equivalency of the Stock Entitlements after the Spin-off takes effect with the Stock Entitlements prior to when the Spin-off takes effect. In any event, only establishing the "equivalency", i.e. the same economic position is required by the law, but not the establishment of the same type or same functionality. Furthermore, Section 23 UmwG only applies in connection with Section 125 UmwG to the extent that nothing is provided otherwise in the stipulations forming the basis of the specific stock award.

The adjustment of existing rights as a grant of equivalent rights within the meaning of Section 23 UmwG in conjunction with Section 125 UmwG takes place outside of the Spin-off and Transfer Agreement. Pursuant to Section 126 (1) no. 7 UmwG, the Spin-off and Transfer Agreement must, however, contain statements about the rights which the receiving entity (or the transferring entity under Section 133 (2) sentence 2 UmwG) grants to holders of rights within the meaning of Section 23 UmwG. These statements are found in § 11.1 and § 11.2 of the Spin-off and Transfer Agreement as well as in the Annexes 11.2 a) and 11.2 b) to the Spin-off and Transfer Agreement; they are only describing and do not constitute a legal basis for granting the equivalent rights. The grant takes place by the responsible companies and the responsible corporate bodies; therefore, by the supervisory board of Siemens AG for the members of the managing board of Siemens AG.

Under these legal requirements and taking into account the provisions forming the basis of the individual Stock Entitlements, the grant of equivalent rights or the adjustment of the existing rights takes place as follows:

- The Beneficiaries in the future OSRAM Group, who leave the Siemens Group as a direct consequence of the Spin-off taking effect and because either the employer company leaves the Siemens Group or because the employment agreement as such provides for a departure, each receives in each case a cash off-set or a cash compensation for the Stock Entitlements from the Company in the Siemens Group or the future OSRAM Group which is obliged under the Stock Entitlements when the Spin-off takes effect. The claim for such a cash off-set or

such a cash compensation results for the majority of Stock Entitlements from the underlying provisions which contemplate a cancellation of the Stock Entitlements of the employed Beneficiaries in exchange for a cash off-set or a cash compensation in the case of a company leaving the Siemens Group; in the other cases, the authorization to compensate for the Stock Entitlements in cash will be used as contemplated in the underlying provisions. The cash off-set or the cash compensation takes place without undue delay after the Spin-off takes effect. The amount of the cash off-set or the cash compensation is determined in each case on the basis of the provisions underlying the Stock Entitlements which are described in Annex 11.2 b) to the Spin-off and Transfer Agreement. Depending on the award for each Siemens share or a mathematical Siemens share, the cash off-set or the cash compensation is calculated on the basis of the closing price for the Siemens stock on the date when the Spin-off takes effect, i.e. the relevant registration with the register of companies, thus, with OSRAM, but – for the Stock Entitlements – after deduction of the present value of the dividends expected up to the respective end of the lock-up period. A specific quantification of these present values is currently not possible, among other reasons, simply because the underlying interest rates when the Spin-off takes effect are not yet known. For the Share Matching Plan and the Basis Share Plan, there will be no deduction of the present value of the anticipated dividends, but the amount will be reduced on a *pro rata temporis* basis by that portion which corresponds to the portion of the remaining term of the holding period after the Spin-off takes effect compared to the total duration of the holding period. For the compensation payment, targets or expiry provisions in the Stock Entitlements are disregarded. To the extent that there is an agreement otherwise for certain groups of members of corporate bodies or employees or for individual members of corporate bodies or employees or if a cash compensation or a cash off-set is excluded, there will not be any compensation payment or off-set payment or such a payment will be governed by the different provisions. The portion of the total costs of the cash compensation or the cash off-set to be borne by the OSRAM Division is estimated at approximately 20 million € (gross); this is off-set by the savings of costs which would be incurred over the remaining term in the case of normally fulfilling the Stock Entitlements. A quantification of this savings is not possible simply because the relevant stock prices of the Siemens shares for this purpose cannot be forecast.

- Stock Entitlements for other Beneficiaries, for example members of corporate bodies and employees, who do not leave the Siemens Group as a consequence of the Spin-off taking effect will in general be adjusted. The adjustment takes place by that company which is required to do so under the respective stock award

when the Spin-off takes effect by payment of a cash amount on the basis of the corresponding authorizations and the specific provisions governing the Stock Entitlements. The determination of the cash amount occurs in such a manner that – in the first conceptual step - each Beneficiary receives awards for shares in OSRAM Licht AG in addition to the Stock Entitlements for Siemens shares or mathematical Siemens shares at the allocation ratio of 10:1 that applies to the Siemens shareholders in accordance with § 10.1 of the Spin-off and Transfer Agreement, and then – in a second conceptual step – these awards are converted to a cash amount. Aside from this, the cash payment occurs only when the relevant Stock Entitlements are normally due or if they become due early (for example as the result of leaving the employment relationship as a result of retirement), without regard to whether the Stock Entitlements must be fulfilled with Siemens shares or by a cash payment on the basis of an authorization in the underlying provisions or regularly. Thus, the specific provisions of the respective Stock Entitlements, including any lock-up periods or holding periods, early due dates, provisions on loss or adjustments or other prerequisites apply. This means, for example that a Beneficiary who has a claim for 30 Siemens shares after the expiration of a certain holding period under a Share Matching Plan will receive a cash payment for three shares in OSRAM Licht AG in addition to the 30 Siemens shares when this claim becomes due (subject to the further prerequisites in the Share Matching Plan). The amount of the cash payment is based on the specific underlying provisions of the stock award which apply for any cash payment instead of the transfer of Siemens shares, provided, however, that the respective share price of the shares in OSRAM Licht AG and not the respective share price of the Siemens stock is determinative. Under this adjustment, the Beneficiaries are placed economically in the position they would have been in if they already held Siemens shares at the time when the Spin-off takes effect for which they would then receive, just as every other Siemens shareholder, additional shares in OSRAM Licht AG in accordance with the allocation ratio when the Spin-off takes effect and would then have to hold these shares in each case for the remaining term of the stock award or until the award becomes due early, without regard to the tax consequences and any dividend payments. This adjustment applies in the same manner if fractional shares result mathematically on the basis of the allocation ratio. Aside from this, this adjustment does not affect the obligation to invest in Siemens shares that applies under the Share Matching Plan. If the number of the shares to be transferred or the specific claim under certain Stock Entitlements depends on achieving certain targets and if this achieving of targets is influenced, among other factors, by how the stock exchange price for the shares in Siemens AG develops compared to the stock exchange prices for certain other

companies, the respectively responsible corporate body can deviate from the requirements of the underlying provisions when determining the stock exchange values after the Spin-off takes effect if the corresponding prerequisites under the respectively applicable, underlying provisions for the Stock Entitlements have been satisfied as a result of the Spin-off. This depends, in turn, on the specific effects of the Spin-off on the stock exchange price of Siemens AG. An adjustment of the awards for jubilee shares does not take place in accordance with the underlying agreements. To the extent that, in a specific case for certain groups of members of corporate bodies or employees or for individual members of corporate bodies or employees, there is a different agreement or an adjustment has been excluded or if an adjustment with regard to regulatory requirements in jurisdictions outside of Germany is not made, there is no adjustment as describe above.

The intention is to apply the above principles in the same manner if and to the extent that other Stock Entitlements are granted in the context of the stock-based compensation programs or employee participation programs after conclusion of the Spin-off and Listing Agreement but prior to the Spin-off taking effect.

Siemens AG and OSRAM Licht AG are jointly and severally liable under Section 133 (2) UmwG for the performance of the obligation to grant equivalent rights under Section 125 in conjunction with Section 23 UmwG. The last paragraph of § 11.2 accordingly provides for the corresponding application of § 8 of the Spin-off and Transfer Agreement for the internal relationship between the two contracting parties so that a claim for indemnification against the respective other party exists if claims are asserted against one party for a liability under the adjustment or for a compensation or off-set for Stock Entitlements which the other party must bear in the internal relationship.

(2) Warrants

§ 11.3 of the Spin-off and Transfer Agreement and the explanations in Annex 11.3 clarify that the rights of holders under the warrants issued by Siemens AG in February 2012 in connection with bonds of Siemens Financieringsmaatschappij N.V. do not require an adjustment pursuant to Section 125 in connection with Section 23 UmwG. The terms and conditions of the warrants include adjustment provisions for the situation of a spin-off of assets of Siemens AG so that a further granting of comparable equal rights within the meaning of Section 23 UmwG is not necessary. The terms and conditions of the warrants provide in the event of a spin-off that the warrantholder will be entitled to one or more shares in the receiving entity, i.e. OSRAM Licht AG, with exercising an option in addition to the warrantholder's claim to purchase shares in Siemens AG. The method of calculation for how many shares in OSRAM Licht AG are to be additionally issued for

each warrant after exercising the option in the adjustment situation of a spin-off are described in Annex 11.3. With regard to the specific method of calculation, reference is hereby made to the statements in Annex 11.3 to the Spin-off and Transfer Agreement attached as Annex 1 to this Report.

(3) No other rights in the meaning of Section 126 (1) no. 7 UmwG

§ 11.4 of the Spin-off and Transfer Agreement expressly clarifies that no rights are granted for individual shareholders or holders of special rights within the meaning of Section 126 (1) no. 7 UmwG that go beyond § 11.1 through § 11.3 and that also no measures within the meaning of this provision are contemplated for such persons.

1) Grant of special benefits (§ 12)

Siemens AG has promised the current members of the managing board and the future managing board member Dr. Peter Laier of OSRAM Licht AG (as well as other executives of the future OSRAM Group) the grant of a transaction bonus. After the Spin-off takes effect, OSRAM Licht shares in a value of at least 50 % and a maximum of 200 % of the target amount established individually for each member of the managing board must be granted after the Spin-off takes effect. The target amount is 2,500,000 € for Mr. Wolfgang Dehen and 1,000,000 € for Dr. Klaus Patzak as well as 250,000 € for Dr. Peter Laier. When calculating the number of the OSRAM Licht shares to be granted, the volume weighted average price of the OSRAM Licht share in XETRA trading on the Frankfurt Stock Exchange in the first 20 trading days will be used as a basis. The specific determination of the degree of achieving the target between 50 % and 200 % lies in the discretion of Siemens AG and will take place shortly after the listing. The resulting fixed number of OSRAM Licht shares will be transferred to the members of the managing board four years after the listing. Each member of the managing board can demand an early transfer in four equal annual tranches; in this situation, a lock-up period for the shares exists for the duration of four years starting with the listing on the stock exchange.

The transaction bonus is supposed to compensate the benefited persons for the performance which they render in connection with the Spin-off and the listing. Secondly, a particular incentive is supposed to be created to also make the listing of OSRAM a success in the mid-term in the interests of Siemens AG and its shareholders as well as the future OSRAM Group.

§ 12.2 points out as a precautionary matter that there is an intention to secure the prospectus liability risks with regard to the listing prospectus for the stock exchange by means of a so-called IPO insurance policy which can be obtained in the market. Under the standard terms and conditions, such insurance policies also cover as insured persons the members of the managing board and the supervisory board of the issuer.

Corresponding insurance contracts can only be concluded relatively shortly before the listing on the basis of a well advanced listing prospectus. Therefore, details of the insurance coverage including the amount of coverage and the insurance premium are not yet fixed.

§ 12.3 contains the information that a member of the managing board of Siemens AG, who must still be determined, will likely become a member of the supervisory board of OSRAM Licht AG after the Spin-off takes effect.

§12.4 states the specific number of Stock Entitlements and points out that the claims of the members of the managing board of OSRAM Licht AG under Stock Entitlements on the basis of stock-based compensation programs at Siemens AG or its group companies will be compensated prematurely under the conditions which apply at the point in time when the Spin-off takes effect. Details regarding the calculation of the compensation payments can be found in the descriptions to § 11.1, § 11.2 b) and Annex 11.2 b). There will be no further adjustment as stated in § 11.2 a) and Annex 11.2 a). Since the premature compensation will take place without a consideration of targets or expiry provisions in the Stock Entitlements and under the conditions applicable when the Spin-off takes effect comprising in particular the up to date stock price for Siemens shares, a particular advantage might be constituted due to the fact that it cannot be foreseen if this compensation payment will put the Beneficiaries economically in a better or worse position they were in if the Stock Entitlements would be regularly settled. When assuming the closing price of the Siemens share in XETRA trading on 9 November 2012 in the amount of 79.70 €, a supposed constant dividend of 3 € per each Siemens share for the remaining period of the respective Stock Award as well as the assumption of the Spin-off taking effect in April 2013, this would result in a gross payment to Mr. Dehen in the amount of approximately 4.5 million € and to Dr. Patzak in the amount of approximately 1.8 million €.

Furthermore, there is a reference to the stock-based compensation programs which might be introduced on the occasion of the listing of OSRAM Licht AG under which, amongst others, also the members of the managing board of OSRAM Licht AG might be able to participate. Finally, there is statement that OSRAM Licht AG considers to offer, amongst others, the members of the managing board of the future OSRAM Group the possibility to invest the cash compensation completely or partially in a Share Matching Plan for executives of the future OSRAM Group to be established on the occasion of the listing.

The above statements are supposed to enable the shareholders who resolve about the Spin-off to evaluate whether the managing boards of Siemens AG and OSRAM Licht AG have been influenced in their objectivity by special benefits when concluding the Spin-off and Transfer Agreement.

§ 12.5 clarifies for the sake of completeness that, aside from the above, no special benefits within the meaning of Section 126 (1) no. 8 UmwG are being granted for members of the managing board or the supervisory board of the companies involved in the Spin-off or to an auditor of the financial statements or a spin-off auditor

m) Articles of association of OSRAM Licht AG and authorization under Section 71 (1) no. 8 AktG and authorization under Section 221 AktG (§ 13)

§ 13.1 contains the obligation of Siemens AG, as the sole shareholder in OSRAM Licht AG, to amend its articles of association prior to the Spin-off taking effect so that the articles of association are given the version attached as Annex 13.1 to the Spin-off and Transfer Agreement after the Spin-off takes effect and the status proceedings have been conducted (see § 17.3). The articles of association of OSRAM Licht AG contain the standard provisions for a listed company. Reference is made to the explanations in Chapter IX.3.c).

Pursuant to § 13.2, Siemens AG also undertakes, as the sole shareholder in OSRAM Licht AG, to resolve the authorization attached as Annex 13.2 for the purchase and use of treasury shares in a total amount of up to 10 % of the capital stock existing at the time the authorization takes effect pursuant to Section 71 (1) no. 8 AktG. Such an authorization is also standard for a listed company (see with regard to the content of the authorization and the procedure, the explanations in Chapter IX.3.k)).

Furthermore, Siemens AG undertakes in § 13.3, as the sole shareholder of OSRAM Licht AG to resolve an authorization to issue convertible/warrant bonds in accordance with Section 221 AktG prior to the Spin-off taking effect. The convertible/warrant bonds involve bonds under Section 221 (1) sentence 1 AktG under which the creditors are granted a right to exchange or subscribe to shares. The resolution with which the managing board of OSRAM Licht AG is authorized to issue convertible/warrant bonds and the supervisory board of OSRAM Licht AG is authorized to amend § 4 of the articles of association (Capital Stock and Shares) accordingly is attached as Annex 13.3 (see with regard to the content of the authorization, the explanations in Chapter IX.3.j)).

The aforementioned provisions will provide OSRAM Licht AG with instruments common for a listed company for debt and equity capital funding.

n) Capital Increase in Kind of OSRAM Licht AG (§ 14)

Siemens AG undertakes in § 14.1, as the current sole shareholder in OSRAM Licht AG, not to adopt any resolutions of the shareholders' meeting prior to the Spin-off taking effect under which the resolution on the Capital Increase in Kind mentioned in § 0.6, under which a remaining participation in OSRAM Licht AG by Siemens AG in the amount of 19.5 % of the capital stock will be established, is cancelled or modified. This

provision makes sure that Siemens AG will carry out the capital increase in the described manner.

§ 14.2 serves as a catch-all provision and requires Siemens AG to make all declarations, issue all documents and take all actions to the extent legally permissible which are necessary or appropriate in order to implement the Capital Increase in Kind set forth in § 0.6.

o) Consequences of the Spin-off for the employees and their representative bodies (§ 15-17)

According to the mandatory provision in Section 126 (1) no. 11 UmwG, the Spin-off and Transfer Agreement itself must contain statements about the consequences of the spin-off for the employees and their representative bodies as well as the measures which are contemplated in this regard. These statements are found specifically in §§ 15 through 17 of the Spin-off and Transfer Agreement. These provisions contain no contractual agreements between the contracting parties to the Spin-off and Transfer Agreement and instead only contain a description of the consequences of the Spin-off which result in part directly under the law and in part also under corresponding agreements between the employer and the employees as well as claims under stock-based compensation programs or employee participation programs. Reference is made to the explanations in §§ 15 through 17 of the Spin-off and Transfer Agreement (Annex 1 to this Spin-off Report) and Chapter XII.

p) Costs and taxes (§ 18)

§ 18.1 of the Spin-off and Transfer Agreement contains provisions on costs and taxes. Siemens AG generally bears the costs incurred upon notarization of the Spin-off and Transfer Agreement and its implementation up to the Closing Date (including the costs for the respective shareholders' meeting and the costs for filing and registration with the register of companies, the joint Spin-off Report, the spin-off audit and the planned listing as well as the corresponding costs for advisors and banks). As far as taxes are concerned, Siemens AG bears the transaction taxes arising upon notarization of the Spin-off and Transfer Agreement and its implementation, while that contracting party bears all other taxes which is the tax obligor under the tax laws.

Siemens AG declares in § 18.2 with regard to the accounting book value for the company shares in OSRAM Beteiligungen GmbH that the tax statements of financial position of Siemens AG are also the tax closing statements of financial position for the Spin-off Assets under the UmwStG. The tax statements of financial position correspond in this regard to the tax closing statements of financial position. This declaration also includes an implicit request for assessment at book value. Siemens AG is complying with requirements of the German Transformation Tax Directive 2011

(*Umwandlungssteuererlass 2011*) with the declarations and is making sure that the necessary request for continuing the tax book value is submitted pursuant to Sections 15 (2), 11 (2) sentence 1 UmwStG.

§ 18.3 contains general duties of the contracting parties in connection with all tax aspects related to the Spin-off. The parties are supposed to cooperate in good faith, provide information to each other and grant each other access to review the records that are relevant for tax purposes.

q) Final provisions (§ 19)

§ 19 contains various final provisions. § 19.1 determines that the Spin-off and Transfer Agreement only takes effect when the shareholders' meeting of Siemens AG and the shareholders' meeting of OSRAM Licht AG have approved the agreement and the Spin-off has been registered with the register of companies of OSRAM Licht AG and Siemens AG.

§ 19.2 contains a provision on withdrawal under which each contracting party can withdraw from the Spin-off and Transfer Agreement by written declaration issued to the other contracting party if the registration with the registers of companies of the contracting parties has not occurred by 31 December 2013. Thus, there is a legal possibility to break off the implementation of the Spin-off if, for example unforeseen events occur which substantially delay the implementation of the planned measures. In this event, the Spin-off and Transfer Agreement provides for a revolving Spin-off Effective Date in addition to § 4 (see above, d)).

There is also a regulation in § 19.3 that in general all disputes in connection with the Spin-off and Transfer Agreement or about its validity will be finally decided by arbitration proceedings under the Rules of Arbitration of the German Institution for Arbitration (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.*, "DIS") excluding recourse to the regular courts.

§ 19.4 clarifies that the Annexes are also constitute part of the contract.

§ 19.5 contains a standard clause on written form.

§ 19.6 involves the standard provision on replacing any invalid or unenforceable provisions in the contract in a reasonable manner (so-called severability clause).

2. Contribution Agreement (Annex 0.6 to the Spin-off and Transfer Agreement)

The Contribution Agreement attached as Annex 0.6 to the Spin-off and Transfer Agreement is explained and described below. The background is the Capital Increase in Kind to create the participation in the amount of 19.5 % of the future capital stock of

OSRAM Licht AG which will remain with Siemens AG when the Spin-off takes effect. By the Contribution Agreement, Siemens AG will make a contribution in kind in order to create this participation.

Within the explanation of the Contribution Agreement the terms defined therein are used. The Contribution Agreement has the following material content:

a) Subject of the contribution and transfer (§ 1)

§ 1.1 specifies exactly the item to be contributed, namely, the 109,773,300 company shares in OSRAM GmbH outlined in the list of shareholders of OSRAM GmbH with the numbers 1 through 109,773,300. These are the 19.5 % of the company shares OSRAM GmbH which were held by Siemens AG at the time of the conclusion of the Contribution Agreement and which are supposed to be contributed to OSRAM Licht AG by way of the contribution in kind.

§ 1.2 sets 1 October 2012, 0:00 hours, as the effective date of the contribution. This means that the contribution will be economically effective as of 1 October 2012, 0:00 hours. This provision corresponds to the provisions on the Spin-off Effective Date in the Spin-off and Transfer Agreement.

For the avoidance of doubt, § 1.3 provides that the contribution covers all related rights and duties, including the claim for a distribution of profits for the time commencing with the effective date of the contribution, i.e. starting with the fiscal year of OSRAM GmbH beginning on 1 October 2012. This also corresponds to the entitlement to profits for the new shares to be issued to the Siemens shareholders when implementing the Spin-off.

§ 1.4 contains the standard provisions on transfer (assignment) of the contributed company shares. The agreed assignment takes place with *in rem* effect as of the point in time when the Contribution Agreement takes effect pursuant to § 4 (on this point below, d)).

b) Accounting (§ 2)

Pursuant to § 2.1, OSRAM Licht AG will assume the book value of the Contributed Company Shares from Siemens AG in the commercial accounts. In its tax accounts OSRAM Licht AG will book the Contributed Company Shares pursuant to § 2.2 at their fair market values. This involves only a clarifying provision as the entry at the fair market value is mandatory under tax law pursuant to Section 21 (1) UmwStG.

c) Consideration, capital increase (§ 3)

§ 3.1 provides for the consideration to be granted by OSRAM Licht AG to Siemens AG for the contribution. This consists, on the one hand, in the grant of 20,364,433 shares of no par value (registered shares) in OSRAM Licht AG, each representing a proportionate

amount in the capital stock of 1 €. On the other hand, OSRAM Licht AG will pay to Siemens AG as further consideration an amount of 50,000 € which becomes due upon registration of the implementation of the capital increase with the register of companies of OSRAM Licht AG. This form of contribution in kind with mixed consideration, i.e. the granting of shares and a cash payment, is referred to as a mixed contribution in kind. As a result of the Cash Payment, in an economic view, the Contributed Company Shares remain the sole asset of OSRAM Licht AG. This serves to create value consistent relationships between the Spin-off Assets to the receiving entity (on this point comprehensively above, Chapter VII.).

Pursuant to § 3.2, OSRAM Licht AG will increase its capital stock by 20,364,433 € from 50,000 € to 20,414,433 € by issuing 20,364,433 shares of no par value (registered shares), each representing a proportionate amount in the capital stock of 1 €. Pursuant to § 3.3, the shares granted to Siemens AG are entitled to participate in profits for fiscal years of OSRAM Licht AG after 1 October 2012.

§ 3.4 provides for the accounting of any value of the Contributed Company Shares which exceeds the nominal amount of the issued stock. To the extent that the value of the Contributed Company Shares, i.e. their book value under commercial law as of the Contribution Effective Date minus the Cash Payment of 50,000 € exceeds the amount of the increase of the capital stock in OSRAM Licht AG set forth in § 3.2, this difference will be booked into the capital reserve of OSRAM Licht AG pursuant to Section 272 (2) no. 1 HGB. The corresponding resolution was adopted in the shareholders' meeting of OSRAM Licht AG on 28 November 2012.

d) Validity (§ 4)

The Contribution Agreement will only become effective when the shareholders' meeting of OSRAM Licht AG has consented to the Contribution Agreement as a post-formation agreement and the Contribution Agreement has been registered with the register of companies as a post-formation agreement (§ 4). This provision reflects the legal situation under Section 52 (1) sentence 2 AktG because the Contribution Agreement is widely viewed to fulfill the prerequisites for a post-formation agreement within the meaning of Section 52 (1) sentence 1 AktG. This is comprehensively described in Chapter VI.3.

e) Warranty (§ 5)

§ 5 regulates the warranty with regard to the Contributed Company Shares. Siemens AG warrants in § 5.1 to OSRAM Licht AG that Siemens AG, as of the point in time when the Contribution Agreement takes effect pursuant to § 4, is the holder of the Contributed Company Shares and can freely dispose of these shares and that these shares are not encumbered with rights of third parties. Further, § 5.1 provides that no further condition is agreed with regard to the Contributed Company Shares. For the avoidance of doubt and

as a matter of precaution it is clarified that neither particular qualities nor an enterprise value of OSRAM GmbH are stipulated. § 5.2 excludes all rights and warranties which can exist under statutory provisions or otherwise in addition to those in § 5.1 to the extent this is legally permissible. This corresponds to the provisions in the Spin-off and Transfer Agreement.

f) Costs (§ 6)

§ 6 provides that Siemens AG bears the costs incurred for the notarization of the Contribution Agreement and its implementation up to the point in time of registration with the register of companies. These costs include in particular the costs for the audit of the contribution in kind and the post-formation examination as well as the respective relating costs for advisors, the costs for the shareholders' meeting of OSRAM Licht AG and the costs for filing and registration with the register of companies.

g) Final provisions (§ 7)

§ 7.1 contains a fallback rule for the transfer of the Contributed Company Shares. Thus, the parties shall take, and cooperate in, all necessary or useful measures and legal actions in connection with the transfer of the Contributed Company Shares.

Disputes in connection with the Contribution Agreement or concerning its validity shall be finally decided by way of arbitration proceedings pursuant to the Rules of Arbitration of the German Institution for Arbitration (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.*) and recourse to the regular courts shall be excluded. § 7.3 contains a standard clause on written form. § 7.3 contains the standard provision for replacing any invalid or unenforceable provision of the Contribution Agreement (so-called severability clause).

Munich, 29 November 2012

Siemens Aktiengesellschaft
The Managing Board

Löscher

Dr. Busch

Ederer

Helmrich

Kaeser

Kux

Prof. Dr. Requardt

Prof. Dr. Russwurm

Solmssen

Dr. Süß

OSRAM Licht AG
The Managing Board

Dehen

Dr. Patzak

Annexes

- Annex 1: Spin-off and Transfer Agreement between Siemens AG as the transferring entity and OSRAM Licht AG as the receiving entity, together with Annexes
- Annex 2: List of Shareholdings of OSRAM GmbH

Annex 1

Spin-off and Transfer Agreement, together with Annexes

This document is a non-binding convenience translation of the German-language original.
In case of any discrepancy between the English and German versions, the German-language original shall prevail.

Spin-off and Transfer Agreement

between

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" or the "**Transferring Entity**" –

as the transferring entity

and

OSRAM Licht AG, Munich,

– hereinafter also referred to as "**OSRAM Licht AG**" or the "**Receiving Entity**" –

as the receiving entity

– hereinafter referred to together as the "**Parties**" or individually as a "**Party**" –

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I. Introduction

- 0.1 Siemens AG with its registered offices in Berlin and Munich is registered with the register of companies at the district court (*Amtsgericht*) of Charlottenburg under registration number HRB 12300 B and with the register of companies at the district court (*Amtsgericht*) of Munich under registration number HRB 6684. The capital stock of Siemens AG at the time of conclusion of this Spin-off and Transfer Agreement amounts to € 2,643,000,000, divided into 881,000,000 shares of no par value (registered shares). Siemens AG holds 38,250,330 treasury shares at the time of conclusion of this Spin-off and Transfer Agreement.
- 0.2 OSRAM Licht AG with its registered office in Munich is registered with the register of companies at the district court (*Amtsgericht*) of Munich under registration number HRB 199675. The capital stock of OSRAM Licht AG at the time of conclusion of this Spin-off and Transfer Agreement amounts to € 50,000, divided into 50,000 shares of no par value (registered shares). The sole shareholder of OSRAM Licht AG is Siemens AG.
- 0.3 Siemens AG has decided to make its former division OSRAM independent and to list it on the stock exchange by way of a spin-off to OSRAM Licht AG. Siemens AG intends not to completely separate itself from its former OSRAM division in connection with the Spin-off and instead would like to remain participated as a shareholder in OSRAM Licht AG which will be listed on the stock exchange in the future.
- 0.4 The former OSRAM division is consolidated legally and organizationally under the roof of OSRAM GmbH. OSRAM GmbH has its registered office in Munich and is registered with the register of companies at the district court (*Amtsgericht*) of Munich under registration number HRB 201526 (hereinafter, "**OSRAM GmbH**"). The subscribed capital of OSRAM GmbH at the time of conclusion of this Spin-off and Transfer Agreement is € 562,940,000, divided into 562,940,000 company shares each with a nominal value of € 1. 19.5 % of the subscribed capital (109,773,300 company shares) will be held by Siemens AG when this Spin-off and Transfer Agreement is concluded. The remaining 80.5 % of the subscribed capital (453,166,700 company shares) will be held by OSRAM Beteiligungen GmbH which has its registered office in Munich and is registered with the register of companies at the district court

(*Amtsgericht*) of Munich under registration number HRB 199970 (hereinafter, "**OSRAM Beteiligungen GmbH**").

- 0.5 The subscribed capital of OSRAM Beteiligungen GmbH is € 25,100, divided into 25,100 company shares, each with a nominal value of € 1; it is solely held by Siemens AG. The 453,166,700 shares in OSRAM GmbH held by OSRAM Beteiligungen GmbH were contributed by Siemens AG to OSRAM Beteiligungen GmbH effective as of 1 October 2012 and are the sole asset of OSRAM Beteiligungen GmbH.
- 0.6 In order to create the part of the participation in OSRAM Licht AG remaining with Siemens AG, OSRAM Licht AG will increase its capital stock by € 20,364,433 from € 50,000 to € 20,414,433 by issuing 20,364,433 new shares of no par value (registered shares). The capital increase will be in exchange for a contribution in kind as well as payment of € 50,000 (so-called mixed contribution in kind). As a contribution in kind, Siemens AG will contribute the 109,773,300 company shares in OSRAM GmbH it holds (19.5 % of the current subscribed capital) with economic effect as of 1 October 2012. The contribution in kind will be in accordance with the notarized Contribution Agreement at once concluded on today which is attached as **Annex 0.6** to this Spin-off and Transfer Agreement. The capital increase in kind will be carried out prior to this Spin-off and Transfer Agreement taking effect. After implementation of the capital increase in kind, in an economic viewing OSRAM Licht AG will hold 19.5 % of the subscribed capital in OSRAM GmbH. The remaining 80.5 % of the subscribed capital will be held unchanged by OSRAM Beteiligungen GmbH.
- 0.7 All shares in OSRAM Beteiligungen GmbH are supposed to be transferred to OSRAM Licht AG in accordance with this Spin-off and Transfer Agreement so that OSRAM Licht AG holds the entire subscribed capital in OSRAM GmbH upon the completion of the spin-off, in part directly and in part indirectly through its then existing participation in OSRAM Beteiligungen GmbH (OSRAM Licht AG together with its direct and indirect subsidiaries and participations existing after the spin-off hereinafter the "**OSRAM Group**").
- 0.8 As consideration for the spin-off, the shareholders of Siemens AG are supposed to receive from OSRAM Licht AG a total of 84,274,967 shares of no par value (registered shares) in OSRAM Licht AG in accordance with this Spin-off and Transfer Agreement. The shares to be granted to the shareholders of Siemens AG for carrying out the spin-off are supposed to correspond to 80.5 % of the future capital stock in OSRAM Licht AG existing after the spin-off and the capital increase in kind (§ 0.6).

The remaining 19.5 % of the future capital stock of OSRAM Licht AG will be held by Siemens AG after the spin-off takes effect.

- 0.9 Immediately after the spin-off takes effect, all shares in OSRAM Licht AG are supposed to be listed for trading in the Regulated Market of the Frankfurt Stock Exchange as well as the Munich Stock Exchange and also in the sub-segment of the Regulated Market of the Frankfurt Stock exchange with additional post-admission obligations (Prime Standard).

Now, therefore, the Parties agree as follows:

II.

Spin-off, Spin-off Effective Date, Spin-off Statements of Financial Position and Closing Statements of Financial Position

§ 1

Spin-off

- 1.1 Siemens AG, as the Transferring Entity, transfers by way of a spin-off by way of reception (*Abspaltung zur Aufnahme*) pursuant to Section 123 (2) no. 1 German Transformation Act (*Umwandlungsgesetz*, "**UmwG**") the portion of its assets specified in § 5.1 and § 5.2 of this Spin-off and Transfer Agreement together with all rights and duties (hereinafter, the "**Spin-off Assets**") in their entirety to OSRAM Licht AG as the Receiving Entity in exchange for the issuance of shares in OSRAM Licht AG to the shareholders of Siemens AG pursuant to § 10 of this Spin-off and Transfer Agreement (spin-off by way of reception preserving proportionate participation).
- 1.2 The items in the assets and liabilities and other rights and duties or legal positions of Siemens AG which are not allocated to the Spin-off Assets under this Spin-off and Transfer Agreement or which are expressly excluded from the transfer under this Spin-off and Transfer Agreement will not be transferred to OSRAM Licht AG.

§ 2

Spin-off Effective Date and Fiscal Transfer Effective Date

- 2.1 The transfer of the Spin-off Assets will take place in the relationship between Siemens AG and OSRAM Licht AG effective as of 1 October 2012, 0:00 hours (the "**Spin-off Effective Date**"). Starting as of this point in time, the actions relating to the

Spin-off Assets are deemed to have been made for the account of OSRAM Licht AG in the relationship between Siemens AG and OSRAM Licht AG.

- 2.2 The fiscal transfer effective date for the spin-off is 30 September 2012, 24:00 hours (the "**Fiscal Transfer Effective Date**").

§ 3

Spin-off Statements of Financial Position and Closing Statements of Financial Position

- 3.1 The allocation of the items in the assets and liabilities allocated to the Spin-off Assets will take place on the basis of the Spin-off Statements of Financial Position as of 1 October 2012, 0:00 hours which is attached to this Spin-off and Transfer Agreement as **Annex 3.1** (the "**Spin-off Statements of Financial Position**"). The Spin-off Statements of Financial Position were derived from the annual statements of financial position of Siemens AG prepared as of 30 September 2012, which were part of the annual financial statements of Siemens AG and continued taking into account the contribution of 80.5 % of the OSRAM GmbH company shares to OSRAM Beteiligungen GmbH as described in § 0.5; the annual financial statements of Siemens AG were audited and approved without reservation by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and were approved by the Supervisory Board of Siemens AG on 28 November 2012.
- 3.2 The Closing Statements of Financial Position of the Transferring Entity under Sections 125 sentence 1, 17 (2) UmwG are the annual statements of financial position of Siemens AG as of 30 September 2012, 24:00 hours (the "**Closing Statements of Financial Position**") prepared in accordance with the provisions on the annual statements of financial position and the auditing of the annual statements of financial position as audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.
- 3.3 Siemens AG will reflect the Spin-off Assets at book value in each case in its Closing Statements of Financial Position under commercial law and its fiscal Closing Statements of Financial Position.
- 3.4 OSRAM Licht AG will reflect the Spin-off Assets in its commercial accounts at book value. OSRAM Licht AG will assume the Spin-off Assets in its fiscal statements of financial position at the values contained in the fiscal Closing Statements of Financial Position of Siemens AG.

§ 4

Shift in the Effective Dates

If the spin-off has not been registered with the register of companies of the Transferring Entity at the district courts of Charlottenburg and Munich by the end of the day on 10 November 2013, the Spin-off Effective Date is deemed to be 1 October 2013, 0:00 hours, and the Fiscal Transfer Effective Date is deemed to be 30 September 2013, 24:00 hours, contrary to the above § 2 and 30 September 2013, 24:00 hours is deemed to be the Fiscal Transfer Effective Date for the Closing Statements of Financial Position of Siemens AG contrary to the above § 3.2. In the case of any further delay of the registration beyond 10 November of the subsequent year, the effective dates are shifted by one year respectively in accordance with the above provision.

III.

Spin-off Assets and Modalities for the Transfer

§ 5

Spin-off Assets

- 5.1 Siemens AG transfers to OSRAM Licht AG all company shares in OSRAM Beteiligungen GmbH, consisting of 25,100 company shares with the numbers 1 through 25,100 and each with a par value of € 1 (the "**Transferred Company Shares**").
- 5.2 The transfer occurs together with all related rights and duties, including the entitlement to profit-distribution for the time starting as of the Spin-off Effective Date.
- 5.3 The Parties will make all declarations, issue all documents, and take all other actions which may still be necessary or appropriate in connection with the transfer of the Spin-off Assets.

§ 6

Taking effect, Closing Date

- 6.1 The transfer of the Spin-off Assets occurs with *in rem* effect (*dinglich*) upon registration and for this reason the effectiveness of the spin-off with the registers of companies of Siemens AG at the district courts of Charlottenburg and Munich, whereby the later registration is determinative (the "**Closing Date**").

- 6.2 Siemens AG undertakes not to adopt any shareholder resolution prior to the Closing Date as the current sole shareholder in OSRAM Beteiligungen GmbH under which the subscribed capital of OSRAM Beteiligungen GmbH existing at the time of the conclusion of this Spin-off and Transfer Agreement is changed. Siemens AG also undertakes until the Closing Date to use its efforts so that OSRAM Beteiligungen GmbH neither disposes of the 453,166,700 company shares in OSRAM GmbH it holds nor adopts or takes part in shareholder resolutions prior to the Closing Date as the majority shareholder in OSRAM GmbH under which the subscribed capital of OSRAM GmbH existing at the time of conclusion of this Spin-off and Transfer Agreement is changed or profits are distributed. Siemens AG also undertakes until the Closing Date not to make transfers from reserves and to secure that the shareholders of OSRAM GmbH do not make any transfers from reserves until the Closing Date.
- 6.3 Siemens AG will only administrate the Spin-off Assets in the ordinary course of business and with the diligence of a prudent businessman and in compliance with the requirements of this Spin-off and Transfer Agreement during the period between the conclusion of this Spin-off and Transfer Agreement and the Closing Date and will not make any dispositions.

§ 7

Catch-all Provisions

- 7.1 If and to the extent that the Spin-off Assets do not already pass to OSRAM Licht AG by force of law upon the registration of the spin-off, Siemens AG will transfer those assets to OSRAM Licht AG. In exchange, OSRAM Licht AG is obliged to consent to the transfer. The Parties will place each other in the internal relationship as if the transfer had also occurred in the external relationship as of the Spin-off Effective Date.
- 7.2 In connection with the transfer under § 7.1, the Parties will initiate all necessary or appropriate measures and legal actions and cooperate in them in order to transfer the Spin-off Assets.
- 7.3 Claims under this § 7 are time barred upon the end of the day on 30 September 2022.

§ 8

Protection for Creditors and Internal Compensation

To the extent no other allocation of burdens and liabilities under or in connection with the Spin-off Assets results under this Spin-off and Transfer Agreement, the following provisions apply:

- 8.1 If and to the extent that claims are asserted against Siemens AG based on the provisions in Section 133 UmwG or other provisions by creditors for liabilities, obligations or relationships involving liability which are being transferred to OSRAM Licht AG in accordance with the provisions of this Spin-off and Transfer Agreement, OSRAM Licht AG must indemnify Siemens AG against the respective liability or obligation on first demand. This also applies in the event that such creditors assert claims against Siemens AG for the provision of security.
- 8.2 If and to the extent that claims are asserted against OSRAM Licht AG on the basis of the provisions in Section 133 UmwG or other provisions by creditors for liabilities, obligations or relationships of Siemens AG resulting in liability which are not being transferred to OSRAM Licht AG in accordance with this Spin-off and Transfer Agreement, Siemens AG must indemnify OSRAM Licht AG against the respective liability or obligation on first demand. This also applies in the event that such creditors assert claims against OSRAM Licht AG for the provision of security.

§ 9

Warranties

- 9.1 Siemens AG warrants as of the Closing Date that it is the holder of the Transferred Company Shares and that Siemens AG can freely dispose of the Transferred Company Shares and that they are not encumbered with rights of third parties. Aside from this, no features of the Spin-off Assets, especially specific qualities or a value of the business of OSRAM GmbH, are agreed.
- 9.2 To the extent legally permissible, all rights and warranties which can exist in addition to those in § 9.1 under the statutory provisions or otherwise are excluded. The provision in this § 9.2 applies for all rights and warranties, regardless of the legal nature (contractual or pre-contractual rights, rights under tort or other rights), and especially also for those rights which could result in the cancellation or unwinding of this Spin-off and Transfer Agreement or any similar legal effect.

IV.
Consideration and Corporate Actions; Special Rights and Benefits

§ 10
Issuance of Shares, Trustee and Corporate Actions

- 10.1 As consideration for the transfer of the Spin-off Assets to OSRAM Licht AG, the shareholders in Siemens AG will receive one share of no par value (registered share) in OSRAM Licht AG for each ten shares of no par value (registered shares) in Siemens AG at no charge in accordance with their present participation (preserving the participation ratio). Altogether, 84,274,967 shares of no par value (registered shares) in OSRAM Licht AG will be issued to the shareholders in Siemens AG. It was taken into consideration that the shares held by Siemens AG as treasury shares are not entitled to an allocation in accordance with Section 131 (1) no. 3 sentence 1 UmwG. Siemens AG will make sure that the number of the total issued shares of Siemens AG minus the treasury shares which are not entitled to an allocation under Section 131 (1) no. 3 sentence 1 German Transformation Act (*Umwandlungsgesetz*, "UmwG") will be exactly 842,749,670 on the Closing Date.

The shares to be granted pursuant to this § 10.1 are the new shares in OSRAM Licht AG to be created by the capital increase pursuant to § 10.3.

- 10.2 The shares to be granted by OSRAM Licht AG are entitled to participate in profits for the fiscal years starting on 1 October 2012. If the Spin-off Effective Date is shifted under § 4, the beginning of the authorization to participate in profits for the shares to be granted shifts accordingly.
- 10.3 In order to carry out the spin-off, OSRAM Licht AG will increase its capital stock by € 84,274,967 to € 104,689,400 by issuing 84,274,967 shares of no par value (registered shares) in OSRAM Licht AG. A portion of € 1 in the amount of the increase in the capital stock is attributable to each new share.
- 10.4 The contribution in kind will be rendered by transferring the Spin-off Assets. To the extent that the value at which the contribution in kind to be rendered by Siemens AG is assumed by OSRAM Licht AG, i.e. the commercial book value of the Spin-off Assets of the Spin-off Effective Date, exceeds the amount of the increase in the capital stock mentioned in § 10.3, this amount will be allocated to the capital reserve of

OSRAM Licht AG in accordance with Section 272 (2) no. 1 German Commercial Code (*Handelsgesetzbuch*, "**HGB**").

- 10.5 Siemens AG appoints Deutsche Bank AG, Frankfurt am Main, as the trustee for receiving the shares in OSRAM Licht AG to be issued and disbursing them to the shareholders of Siemens AG. The possession of the shares to be issued will be granted to the trustee prior to the registration of the spin-off, and the trustee will be instructed to procure the shares for the shareholders in Siemens AG after registration of the spin-off with the registers of companies of Siemens AG.
- 10.6 The Parties undertake to make all declarations, issue all documents and take all other actions which may still be necessary or appropriate so that all shares in OSRAM Licht AG are immediately admitted to trading in the Regulated Market of the Frankfurt Stock Exchange as well as the Munich Stock Exchange and also in the sub-segment of the Regulated Market of the Frankfurt Stock exchange with additional post-admission obligations (Prime Standard) following when the spin-off takes effect.

§ 11 Grant of Special Rights

- 11.1 Siemens AG and its group companies have made or will make prior to the spin-off taking effect various entitlements to shares of no par value (registered shares) in Siemens AG to members of the Managing Board and employees of Siemens AG as well as members of corporate bodies and employees of Siemens Group companies, including members of corporate bodies and employees of the future OSRAM Group (together for purposes of this § 11, the "**Beneficiaries**") in the context of stock-based compensation programs respectively employee participation programs; these entitlements are listed in **Annex 11.1** together with the respective groups of Beneficiaries (together, the "**Stock Entitlements**").
- 11.2 The Stock Entitlements existing on the Closing Date will be adjusted or compensated effective as of the Closing Date as follows:
 - a) The rights under the Stock Entitlements to Beneficiaries who are not covered by § 11.2 b) will be adjusted according to the provisions as described in **Annex 11.2a**).

- b) The rights under Stock Entitlements to Beneficiaries of the future OSRAM Group who leave the Siemens Group as a direct consequence of the spin-off taking effect will be compensated according to the provisions as described in **Annex 11.2b).**

To the extent there is a joint and several liability for the implementation of obligations pursuant to Section 125 in connection with Section 23 UmwG which has to be borne by the other party because of Section 133 Section 2 UmwG, § 8 of this Spin- off and Transfer Agreement shall apply accordingly.

- 11.3 The rights of holders of the warrants issued by Siemens AG in February 2012 in connection with the bonds of Siemens Financieringsmaatschappij N.V. will be adjusted in accordance with the provisions in the terms and conditions of the bonds as described in **Annex 11.3.**
- 11.4 Aside from this, no rights are granted for individual shareholders or holders of special rights within the meaning of Section 126 (1) no. 7 UmwG, and also no measures in the sense of this provision are contemplated for such persons.

§ 12

Grant of Special Benefits

- 12.1 Siemens AG has promised the current members of the Managing Board of OSRAM Licht AG as well as the future member of the Managing Board Dr. Peter Laier the grant of a transaction bonus in advance of the spin-off. According to these entitlements, OSRAM Licht shares having a value of at least 50 % and a maximum of 200 % of a target amount individually established for each member of the Managing Board must be granted when the spin-off takes effect. The target amount is € 2.5 million for Mr. Wolfgang Dehen, € 1 million for Dr. Klaus Patzak and € 250,000 for Dr. Peter Laier. When calculating the number of OSRAM Licht shares to be granted, the volume weighted average stock exchange price of the OSRAM Licht shares in XETRA trading on the Frankfurt Stock Exchange in the first 20 trading days will be used as the basis. The specific determination of the degree of the level of target achievement between 50 % and 200 % is at the discretion of Siemens AG and will take place in a timely manner after the admission to the stock exchange. The OSRAM Licht shares will be transferred to the members of the Managing Board 4 years after the admission to the stock exchange. Each member of the Managing Board of OSRAM Licht AG can demand an earlier transfer in four equal annual tranches; in this

case, a holding period lasting 4 years beginning with the admission to the stock exchange exists for the shares. The execution of the transaction bonus will be carried out by OSRAM Licht AG on the account of Siemens AG. The parties still will agree upon the details of the assumption of costs.

- 12.2 The Parties intend to conclude a standard market insurance for the risks typically associated with an admission to the stock exchange in connection with the listing of the shares of OSRAM Licht AG. The insurance coverage is also supposed to cover in any case the members of the Managing Board and the Supervisory Board of OSRAM Licht AG. The Parties will still agree on the personal and factional embodiment of the insurance coverage, including the involvement of the members of the Managing Board and the Supervisory Board of Siemens AG, the amount of the coverage and the insurance premium and the internal allocation.
- 12.3 A member of the Managing Board of Siemens AG is most likely supposed to become a member of the Supervisory Board of OSRAM Licht AG when the spin-off takes effect.
- 12.4 Mr. Wolfgang Dehen holds Stock Entitlements (cf. Annex 11.1 of this Spin-off and Transfer Agreement) from Stock Awards and Bonus Awards to a total of approximately 60,500 Siemens shares and Dr. Klaus Patzak holds Stock Entitlements (cf. Annex 11.1) from Stock Awards as well as from the Basis Share Program and Share Matching Plan to a total of approximately 25,000 Siemens shares. In the event of the Spin-off becoming effective in April 2013, the weighted average remaining period of the Stock Entitlements of Mr. Dehen is two years and five months and of the Stock Entitlements of Dr. Patzak two years and nine months. The Stock Entitlements will be – just as the correspondent Stock Entitlements of other members of corporate bodies or employees of the future OSRAM-Group – compensated early under the conditions that apply when the spin-off takes effect. Details can be found in § 11.1 and § 11.2 as well as Annex 11.2b) to § 11. When assuming the closing price of the Siemens share in XETRA trading on 9 November 2012 in the amount of € 79,70, a supposed constant dividend of € 3 per each Siemens share for the remaining period of the respective Stock Entitlement as well as the assumption of the spin-off taking effect in April 2013, this would result in a gross payment to Mr. Dehen in the amount of approximately € 4.5 million and to Dr. Patzak in the amount of approximately € 1.8 million. OSRAM Licht AG is considering to offer the members of the Managing Board and other selected leadership personnel of the future OSRAM Group the possibility of completely or partially investing the cash compensation in a share

matching plan for senior executives of the future OSRAM Group to be drawn up on the occasion of the admission to the stock exchange. To the extent that the future OSRAM Group also establishes stock-based compensation programs for the members of the Managing Board after the admission to the stock exchange, the members of the Managing Board will be able to participate in those programs in accordance with the detailed terms and conditions still to be established.

- 12.5 Beyond that, no special benefits within the meaning of Section 126 (1) no. 8 are being granted for members of the Managing Board, the Supervisory Board of the companies involved in the Spin-off or to an auditor / spin-off auditor.

V.

Provisions under Corporate Law relating to OSRAM Licht AG

§ 13

Articles of Association of OSRAM Licht AG, Authorization pursuant to Section 71 (1) no. 8 AktG and Authorization pursuant to Section 221 AktG

- 13.1 Siemens AG, as the sole shareholder of OSRAM Licht AG, undertakes to amend the articles of association of OSRAM Licht AG prior to the spin-off taking effect so that they are given the version attached in **Annex 13.1** after the spin-off takes effect and after the status proceedings (cf. § 17.3) have been conducted. The Parties assume that the supervisory board of OSRAM Licht AG will consist of six members from the shareholders and six members from the employees after the spin-off takes effect in accordance with Section 7 (1) sentence 1 no. 1 of the German Act on Co-determination of Employees (*Gesetz über die Mitbestimmung der Arbeitnehmer*, "**MitbestG**") dated 4 May 1976. If a different composition results after the status proceedings have been conducted, this must be taken into account.
- 13.2 Siemens AG, as the sole shareholder of OSRAM Licht AG, undertakes to adopt prior to the spin-off taking effect the attached authorization being effective until 28 February 2018 attached as **Annex 13.2** for the acquisition and use of treasury shares pursuant to Section 71 (1) no. 8 German Stock Corporation Act ("**AktG**").
- 13.3 Siemens AG, as the sole shareholder of OSRAM Licht AG, undertakes to adopt prior to the spin-off taking effect the authorization being effective until 28 February 2018

attached as **Annex 13.3** for the issuance of convertible/warrant bonds pursuant to Section 221 AktG.

§ 14

Capital Increase in Kind of OSRAM Licht AG

- 14.1 Siemens AG, as the sole shareholder of OSRAM Licht AG, undertakes not to adopt any shareholder resolution prior to the Closing Date under which the resolution on the capital increase in kind described in § 0.6 for establishing the participation of OSRAM Licht AG remaining with Siemens AG will be cancelled or amended.
- 14.2 To the extent legally permissible, Siemens AG will make all declarations, issue all documents and take all other actions which are necessary or appropriate for the implementation in connection with the capital increase in kind described in § 0.6.

VI.

Consequences of the Spin-off for the Employees and their Representative Bodies

§ 15

Consequences of the Spin-off in Individual Employment Law for Individual Employees

- 15.1 The employment relationships of the employees of Siemens AG are not affected by the spin-off.
- 15.2 OSRAM Licht AG is to date not acting operationally and is not employing any employees of its own. Therefore, the spin-off has no consequences for the employees of OSRAM Licht AG.
- 15.3 The spin-off also has no consequences in individual employment law for the employees of the future OSRAM Group which comes into existence when the spin-off takes effect with OSRAM Licht AG as the new parent company. The employees remain with their respective company; their employment relationships are not affected by the spin-off. This also applies for the company pension plan as well as the pension commitments by the companies where the employees are respectively employed.
- 15.4 The membership of OSRAM GmbH in the Employers Association for the Metal and Electronics Industry Baden-Württemberg, Southwest Metal (*Arbeitgeberverband der Metall- und Elektroindustrie Baden-Württemberg e.V., Südwestmetall*), in the

Association of the Bavarian Metal and Electronics Industry (*Verband der bayerischen Metall- und Elektro-Industrie e. V.*) as well as in the Employers Association of the Metal and Electronics Industry in Berlin and Brandenburg (*Arbeitgeberverband der Metall- und Elektroindustrie Berlin und Brandenburg*) is not affected by the spin-off. This also applies for the membership of other companies in the future OSRAM Group in employers' associations.

- 15.5 Due to the technological transformation in the lighting market as well as legislative changes and the resulting downturn in the business with traditional technologies, OSRAM announced already in January 2012 that it would adjust its personnel levels by the end of the fiscal year 2014 and eliminate around 1,000 jobs in Germany in a socially responsible manner. A similar approach for the OSRAM locations outside of Germany was at the same time announced which corresponds to around 2,300 jobs.

In order to implement these measures in Germany, OSRAM GmbH (at that time still OSRAM AG) agreed on a general social plan with the general works council on 10 May 2012. The general social plan has a term up to 30 September 2014 and applies for the measures to reduce personnel of approximately 1,000 jobs in Germany presented in January 2012. The social plan provides for claims for compensation upon leaving as a result of a termination agreement or a termination given for business reasons. Employees also have the possibility to move to one of the transfer companies established related to the locations. The transfer companies each have a term of 24 months.

The company has in parallel resolved on principles concluded with the general works council and the union IG Metall for the cooperation in the future direction of the company. OSRAM GmbH and the representatives of its employees (general works council and the union IG Metall) have agreed to jointly structure the pending transition with the goal of ensuring the international ability to compete for the German locations with investments, innovations and continuous rationalization measures. In the case of necessary adjustments in Germany caused by the market, the company will continue to consult with the employee representatives in an early and transparent process about the measures and potential alternatives.

On the basis of this agreement and the announced restructuring measures, the level of personnel in the future OSRAM Group in the fiscal year 2012 was worldwide already reduced by approximately 1,900 jobs. Around 300 of these jobs have been in German locations so far (emphasis on the locations in Berlin, Augsburg and Munich).

Since the transformation in the lighting industry has further accelerated since then, OSRAM is planning additional adjustments. In order to better use the capacity at the plants, especially the production landscape is supposed to be further remodeled by, amount other measures, moving, selling or terminating and at times closing some smaller locations with low production volumes.

At the same time, OSRAM is pursuing the goal of increasing the earnings power of the business with more efficient structures in production, research and development, distribution as well as in the central functions.

These additional planned measures will likely involve a further reduction of a total of 4,700 jobs worldwide in the fiscal years 2013 and 2014. In the case of a major number of the affected employees, OSRAM intends to sell the corresponding plants (located outside of Germany). The main portion of the otherwise eliminated jobs is supposed to affect plants with products near the end of the product life cycle, and the rest of the jobs eliminated in the production are supposed to be eliminated by closing smaller locations. The intended measures relate mostly to OSRAM locations outside of Germany in accordance with the international distribution of the business volume and the current global production network. Under the current status of the planning, around 400 further jobs are supposed to be eliminated in Germany in addition to the adjustments already announced and agreed in January 2012, taking into account the existing rights of the employee representative bodies to be involved. According to the current plans of the company this involves primarily locations in Berlin, Wipperfürth and Munich. According to the information to the Economics Committee planned for the end of November 2012, discussions and negotiations with the relevant employee representative bodies about a settlement of interests or a social plan are supposed to commence immediately in order to implement the measures intended in Germany.

These measures are offset by the fact that the restructuring of capacity in the coming years will lead to new growth of personnel in the semi-conductor based technologies (SSL).

- 15.6 To the extent that employees participate in the stock-based compensation programs respectively employee participation programs existing in the Siemens Group, the corresponding rights will be adjusted or compensated as a consequence of the spin-off. In the case of employees who will be employees of the Siemens Group after the spin-off and the Stock Entitlements becoming due, the adjustment will involve them receiving, in addition to the awarded Siemens shares (respectively in addition to the

mathematical number of Stock Entitlements the cash payment is based on), the value of a number of OSRAM Licht shares to be determined in accordance with the allocation ratio of 10:1 which will be compensated in cash. Employees in the future OSRAM Group who leave the Siemens Group directly as a consequence of the spin-off will normally receive a cash compensation without undue delay after the spin-off takes effect. Reference is made to § 11 of this Spin-off and Transfer Agreement for the further details.

- 15.7 The employees of the future OSRAM Group in Germany are supposed to receive the possibility to acquire OSRAM Licht shares at a reduced price from a company of the future OSRAM Group on the occasion of the spin-off and the initial public offering of the OSRAM Licht shares.
- 15.8 In light of the planned spin-off and admission to the stock exchange of the OSRAM Licht shares, Siemens AG has also promised a one-time transaction bonus to 26 employees of the future OSRAM Group who must fulfill special tasks with regard to the spin-off and the admission to the stock exchange, in addition to the members of the Managing Board of OSRAM Licht AG (see on this point, § 12.1). Furthermore, OSRAM GmbH has promised special payments to 110 employees under certain conditions for the event of a successful admission to the stock exchange.

§ 16

Consequences of the Spin-off for the Representative Bodies of the Employees under Shop Constitution Law

- 16.1 **Works Councils, Youth and Trainee Bodies and Handicapped Representative Bodies**
 - 16.1.1 The existing plants of Siemens AG and the further plants of the Siemens Group are not affected by the spin-off. The existence, composition and terms of office for the respective works councils and general works councils, the existing youth and trainee representative bodies and the general youth and trainee representative bodies as well as the handicapped representative bodies and the general handicapped representative bodies remain unaffected.
 - 16.1.2 The Group Works Council and the Group Handicapped Representative Body in the Siemens Group will also continue to exist after the spin-off takes effect. However, OSRAM Licht AG and its subordinate enterprises will leave the Siemens Group when

the spin-off takes effect, and OSRAM Licht AG will constitute its own OSRAM Group together with its affiliated companies. The related departure of the plants of the future OSRAM Group from the Siemens Group leads to changes in the personnel composition of the Group Works Council and the Group Handicapped Representative Body at Siemens AG. Upon the spin-off taking effect, those members of the Group Works Council and the Group Handicapped Representative Body who are employees of the future OSRAM Group will leave. This involves currently two members of the Group Works Council and one member of the Group Handicapped Representative Body.

- 16.1.3 The European works council in the Siemens Group (Siemens Europe Committee) existing under the agreement in the version dated 9 May 2012 will also continue to exist after the spin-off takes effect. As a result of the departure of the plants in the future OSRAM Group from the Siemens Group when the spin-off takes effect, however, there will also be changes in the composition of the personnel in this regard. Accordingly, those members of the Siemens Europe Committee who are employees of the future OSRAM Group will leave when the spin-off takes effect. This involves currently two members of the Siemens Europe Committee who will be replaced by substitute members in accordance with the agreement in the version dated 9 May 2012.
- 16.1.4 Since OSRAM Licht AG is to date not acting operationally and not having any employees, it has neither a works council nor a youth and trainee representative body nor a handicapped representative body. This situation will not change directly as a result of the spin-off. After the spin-off takes effect, however, OSRAM Licht AG will be the parent company in the OSRAM Group. Thus, the prerequisites for establishing a group works council will basically exist at OSRAM Licht AG pursuant to Section 54 German Shop Constitution Act (*Betriebsverfassungsgesetz*, "BetrVG"). To the extent such a group works council is established, the prerequisites for establishing a group handicapped representative body exist pursuant to Section 97 (2) German Social Policy Act Ninth Book (*Sozialgesetzbuch Neuntes Buch*, "SGB IX"). Furthermore, the prerequisites for establishing a group youth and trainee representative body will basically also exist after the spin-off takes effect in accordance with Section 73a BetrVG.
- 16.1.5 In case of the formation of a Group works council, group shop agreements existing in the Siemens Group at the time of the spin-off will apply as group shop agreements of the OSRAM Group or otherwise as a general shop agreement or as shop agreements in

the companies of the future OSRAM Group which are no longer part of the Siemens Group as a result of the spin-off.

16.1.6 In addition, the prerequisites for establishing a European works council will also basically exist in the OSRAM Group after the spin-off takes effect.

16.1.7 The current plants existing in the companies of the future OSRAM Group are not affected by the spin-off. The existence, composition and terms of office of the continuing works councils and group works councils, youth and trainee representative bodies and general youth and trainee representative bodies as well as the handicapped representative bodies and the general handicapped representative bodies remain unchanged.

16.2 (General) Committee of Spokespersons of the Senior Executives (*Gesamt-, Konzernsprecherausschuss der leitenden Angestellten*)

16.2.1 The existence, composition and terms of office of the committees of spokespersons and of the general committees of spokespersons of the senior executives at Siemens AG will not be affected by the spin-off.

16.2.2 The committees of spokespersons in the Siemens Group also continue to exist after the spin-off takes effect. However, OSRAM Licht AG and its subordinate enterprises leave the Siemens Group when the spin-off takes effect, and OSRAM Licht AG together with its affiliated enterprises will constitute its own OSRAM Group. The related departure of the plants of the future OSRAM Group from the Siemens Group leads to changes in the personnel composition of the committees of spokespersons at Siemens AG. Accordingly, those members of the committees of spokespersons who are employees of OSRAM Licht AG or one of its affiliated companies will leave when the spin-off takes effect. This involves currently one member of the committees of spokespersons.

16.2.3 Since OSRAM Licht AG currently has no business operations, there is no committee of spokespersons of senior executives. The spin-off will not directly change this situation. However, after the spin-off takes effect, the prerequisites for establishing committees of spokespersons in the OSRAM Group will basically exist pursuant to Section 21 of the German Act on the Committees of Spokespersons of Senior

Executives (*Gesetz über Sprecherausschüsse der leitenden Angestellten – Sprecherausschussgesetz*).

- 16.2.4 The committees of spokespersons currently existing in the enterprises of the future OSRAM Group are not affected by the spin-off in terms of their existence and composition.

16.3 Economics Committees

- 16.3.1 The economics committees existing at Siemens AG and the other enterprises in the Siemens Group will also continue to exist without any change after the spin-off.
- 16.3.2 Since OSRAM Licht AG currently is not acting operationally and not having any employees, it has no economics committee. The spin-off will also not change the situation.
- 16.3.3 The current economics committees existing in the enterprises of the future OSRAM Group continue to exist unchanged after the spin-off.

§ 17

Consequences of the Spin-off for Corporate Co-Determination/the Supervisory Board

- 17.1 The spin-off has no effect on the existence and the size of the Supervisory Board of Siemens AG as well as the terms of office of its members. Siemens AG will continue to be a company with an equally co-determined supervisory board with twenty members in accordance with the provisions of the MitbestG (ten supervisory board members each from the shareholders and the employees).
- 17.2 The employee representatives in the Supervisory Board of Siemens AG are elected by the employees of all companies/plants in the Siemens Group located in Germany. OSRAM Licht AG and the further companies of the future OSRAM Group will no longer be group companies of Siemens AG after the spin-off takes effect so that employees of OSRAM Licht AG and the further domestic companies of the future OSRAM Group will no longer be entitled to vote for and be elected to the Supervisory Board of Siemens AG, and instead will be entitled to vote for and be elected to the

Supervisory Board of OSRAM Licht AG. Currently, no employee of the future OSRAM Group is a member of the Supervisory Board of Siemens AG.

- 17.3 OSRAM Licht AG currently has a supervisory board with three members who were elected by the sole shareholder Siemens AG. Since OSRAM Licht AG does not have any employees to date, it currently has no supervisory board that is subject to statutory co-determination for the employees. After the spin-off takes effect, however, OSRAM Licht AG will establish an equally co-determined supervisory board under the provisions of the MitbestG because it will be the parent company of the OSRAM Group and accordingly have more than 2,000 employees in Germany under the provision on attributing employees pursuant to Section 5 (1) sentence 1 MitbestG. The Managing Board will conduct so-called status proceedings pursuant to Sections 97 et. seq. AktG after the spin-off takes effect. The Parties believe that normally not more than 10,000 employees will be deemed to be employees of OSRAM Licht AG under the provisions of the MitbestG after the spin-off takes effect and accordingly that the supervisory board will consist of twelve members pursuant to Section 7 (1) sentence 1 no. 1 MitbestG, of which six members will be chosen by the shareholders and six by the employees.
- 17.4 The six supervisory board members of the shareholders will be elected by the shareholders' meeting of OSRAM Licht AG by Siemens AG as the sole shareholder prior to the spin-off taking effect. The election of the members of the supervisory board for the shareholders takes place subject to the condition precedent of the status proceedings being conducted. The term of office of all six supervisory board members of the shareholders will be limited until the end of the first regular shareholders' meeting of OSRAM Licht AG after the spin-off takes effect in order to enable a new election of the supervisory board members for the shareholder to be chosen by the shareholders' meeting by the future shareholders of OSRAM Licht AG. The supervisory board members of the employees will initially be appointed by the court after the implementation of the status proceedings.
- 17.5 The spin-off has no effects on the existence and composition of the supervisory boards of OSRAM GmbH, Siteco Beleuchtungstechnik GmbH and OSRAM Opto Semiconductors GmbH as well as the terms of office of the respective members. OSRAM GmbH will continue to have an equally co-determined supervisory board of twelve members in accordance with the provisions of the MitbestG (six members for the shareholders and six members for the employees). It is intended that the previous representatives of the supervisory board for the shareholders will resign from office

and will be replaced by members who were appointed by the shareholders' meeting of OSRAM GmbH before with effect as of the spin-off becoming effective. Up to now it is not certain who will represent the supervisory board for the shareholders in the future supervisory board of OSRAM GmbH. Siteco Beleuchtungstechnik GmbH will continue to have a co-determined supervisory board with three members (two members of the supervisory board for the shareholders and one member of the supervisory board for the employees) in accordance with the German Act on One-third Participation of the Employees (*Drittelbeteiligungsgesetz*, "DrittelbetG"). OSRAM Opto Semiconductors GmbH which up to now had a co-determined supervisory board with 3 members (two members of the supervisory board for the shareholders and one member of the supervisory board for the employees) in accordance with the German Act on One-third Participation of the Employees will, independently from the spin-off as a consequence of reaching the relevant numbers of employees, have an equally co-determined supervisory board with 12 members in accordance with the provisions of the MitbestG (six members for the shareholders and six members for the employees).

VII.

Other Provisions

§ 18

Costs and Taxes

- 18.1 To the extent not agreed otherwise in this Spin-off and Transfer Agreement, Siemens AG bears the costs arising in connection with the notarization of this Spin-off and Transfer Agreement and its implementation up to the Closing Date (including the costs for the respective shareholders' meeting and the costs for filing and registration with the register of companies, the joint spin-off report, the spin-off audit, with the audits concerning capital increase in kind and post-formation acquisition and the planned admission to the stock exchange as well as the respective costs for advisors and banks). Siemens AG bears the transaction taxes arising in connection with the notarization of this Spin-off and Transfer Agreement and its implementation, especially any real estate transfer taxes. Any other taxes that arise are borne by that Party which is the tax obligor under tax law.
- 18.2 Siemens AG declares in connection with the entry of the transferring assets in its fiscal Closing Statements of Financial Position with the book values (§ 3.3) that the fiscal statements of financial position of Siemens AG are simultaneously the fiscal Closing Statements of Financial Position for the spin-off assets in accordance with the German Transformation Act. The fiscal statements of financial position correspond in this

regard to the fiscal Closing Statements of Financial Position. This also constitutes an implicit application that the book value be applied.

- 18.3 The Parties will also cooperate in good faith in all material tax matters in connection with the spin-off. To the extent necessary for the tax treatment of the spin-off, the Parties will provide to each other information and access to review the records relevant for tax purposes.

§ 19

Final Provisions

- 19.1 This Spin-off and Transfer Agreement first takes effect when the respective shareholders' meetings of the Parties have approved this Agreement and the spin-off has been registered with the register of companies of OSRAM Licht AG and the registers of companies of Siemens AG.
- 19.2 If the spin-off has not taken effect by 31 December 2013 pursuant to § 6.1, each Party can withdraw this Spin-off and Transfer Agreement by written declaration to the other Party.
- 19.3 All disputes resulting between the Parties under or in connection with this Spin-off and Transfer Agreement or with regard to its validity will be finally decided by an arbitral tribunal in accordance with the Rules of Arbitration of the German Institution for Arbitration e.V. (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.*, "*DIS*") in the respectively valid version, and recourse to the jurisdiction of the state courts is excluded (except for measures involving summary relief). A decision of the arbitral tribunal regarding the validity of this arbitration clause is legally binding. The location of the arbitration proceedings is in Munich. The number of arbitrators is three. The chairman must have the qualification for judicial office in the Federal Republic of Germany. The language of the proceedings is German, but no Party is required to provide translations of documents submitted in English for purposes of evidence or for similar purposes. To the extent that the DIS Rules of Arbitration do not contain a provision for arbitration proceedings or the proceedings are placed in the free discretion of the arbitral tribunal, the provisions of the German Code of Civil Procedure (*Zivilprozessordnung*, "*ZPO*") must be applied accordingly.
- 19.4 The Annexes to this Spin-off and Transfer Agreement are part of this Agreement.

- 19.5 Amendments and supplements to this Spin-off and Transfer Agreement, including an amendment to or contracting out of this provision, require written form unless stricter requirements of form must be complied with.
- 19.6 If one or more provisions in this Spin-off and Transfer Agreement is or becomes completely or partially void, invalid or unenforceable, the validity of this Spin-off and Transfer Agreement and its other provisions will not be affected. Instead of the void, invalid or unenforceable provision, that provision is supposed to apply which comes as close as possible in terms of form, content, sight, volume and territorial applicability to what was intended by the Parties according to the commercial intent and purpose of the void, invalid, or unenforceable provision. This applies accordingly for any gaps in this Spin-off and Transfer Agreement.

List of Annexes

Annex	Designation
0.6 b)	Contribution Agreement
3.1	Spin-off Statements of Financial Position
11.1	List of Stock Entitlements
11.2a)	Adjustment of Stock Entitlements for Beneficiaries who are not covered by § 11.2 b)
11.2 b)	Adjustment of the rights under Stock Entitlements to members of corporate bodies and employees of the future OSRAM Group who leave the Siemens Group as a direct consequence of the closing of the spin-off
11.3	Treatment of the Warrants dated February 2012
13.1	Articles of Association of OSRAM Licht AG
13.2	Authorization for the Company to acquire and use treasury shares pursuant to Section 71 (1) no. 8 German Stock Corporations Act (Aktiengesetz, " AktG ")
13.3	Authorization for the Managing Board to issue convertible bonds/bonds with warrants, to exclude the subscription right as well as the authorization for the Supervisory Board to amend § 4 of the Articles of Association

Contribution Agreement

between

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" –

and

OSRAM Licht AG, Munich,

– hereinafter referred to as "**OSRAM Licht AG**" –

– hereinafter also referred to together as the "**Parties**" or individually as a "**Party**" –

Introduction

- 0.1 Siemens AG, with its registered offices in Berlin and Munich, is registered with the register of companies at the district court (*Amtsgericht*) of Charlottenburg under registration number HRB 12300 B and with the register of companies at the district court (*Amtsgericht*) of Munich under registration number HRB 6684.
- 0.2 OSRAM Licht AG has its registered office in Munich and is registered with the register of companies at the district court (*Amtsgericht*) of Munich under registration number HRB 199675. The capital stock of OSRAM Licht AG amounts to € 50,000, divided into 50,000 shares of no par value (registered shares). The sole shareholder in OSRAM Licht AG is Siemens AG.
- 0.3 Siemens AG has decided to make its former OSRAM Division independent and list it on the stock exchange. The former OSRAM Division is combined legally and organizationally under the roof of OSRAM GmbH. OSRAM GmbH has its registered office in Munich and is registered with the register of companies at the district court of Munich under registration number HRB 201526. The subscribed capital of OSRAM GmbH at the time of conclusion of this Contribution Agreement amounts to € 562,940,000, divided into 562,940,000 company shares each with a nominal value of € 1.0. 109,773,300 of these company shares corresponding to 19.5 % of the subscribed capital in OSRAM GmbH are held by Siemens AG. The remaining 453,166,700 company shares in OSRAM GmbH corresponding to 80.5 % of the subscribed capital are held by OSRAM Beteiligungen GmbH with its registered office in Munich, registered with the register of companies at the district court (*Amtsgericht*) of Munich under registration number HRB 199970, (hereinafter the "OSRAM Beteiligungen GmbH") whose sole shareholder is Siemens AG.
- 0.4 OSRAM Beteiligungen GmbH is supposed to be transferred from Siemens AG as the transferring entity to OSRAM Licht AG as the receiving entity by way of a spin-off by way of reception pursuant to the German Transformation Act (*Umwandlungsgesetz*, "UmwG"). The Siemens shareholders are supposed to be granted new shares in OSRAM Licht AG as consideration. Siemens AG intends not to completely separate itself from its former OSRAM division in connection with the Spin-off but instead would like to remain participated as a shareholder in OSRAM Licht AG which will be listed on the stock exchange in the future. In order to enable such participation, Siemens AG, as the sole shareholder, proposes resolving in the shareholders' meeting of OSRAM Licht AG to increase the capital stock of OSRAM Licht AG from € 50,000 by € 20,364,433 to € 20,414,433. The increase in the capital stock shall occur in exchange for a contribution in kind with mixed consideration; i.e. OSRAM Licht AG shall grant 20,364,433 new shares and as further consideration pay Siemens AG an amount of € 50,000 (so-called mixed contribution in kind). In an

economic view, OSRAM Licht AG has as its sole asset, in addition to the participation in OSRAM GmbH being transferred under this Contribution Agreement, a bank balance in the amount of € 50,000. Siemens AG shall be admitted to subscribe to the new shares. The contribution in kind shall be rendered by transferring 109,773,300 company shares in OSRAM GmbH corresponding to 19.5 % of the subscribed capital in OSRAM GmbH. Siemens AG will render the contribution in kind in accordance with this Contribution Agreement.

Now, therefore, the Parties agree as follows:

§ 1

Subject of the Contribution, Transfer

- 1.1 Siemens AG contributes 109,773,300 company shares in OSRAM GmbH listed with numbers 1 through 109,773,300 in the shareholders list of OSRAM GmbH (the "**Contributed Company Shares**") to OSRAM Licht AG as a contribution in kind.
- 1.2 The contribution of the Contributed Company Shares occurs with economic effect as of 1 October 2012, 0:00 hours (the "**Contribution Effective Date**").
- 1.3 The contribution includes all related rights and duties, including the right to a distribution of the profit for the time commencing with the Contribution Effective Date.
- 1.4 Siemens AG hereby assigns the Contributed Company Shares to OSRAM Licht AG, which accepts the assignment, with *in rem* effect (*dinglich*) as of the point in time this Contribution Agreement taking effect in accordance with § 4.

§ 2

Accounting

- 2.1 OSRAM Licht AG assumes the book values of the Contributed Company Shares from Siemens AG for its commercial accounting.
- 2.2 OSRAM Licht AG will value the Contributed Company Shares at the fair market value in the tax accounting of OSRAM Licht AG..

§ 3

Consideration; Capital Increase

- 3.1 OSRAM Licht AG is granting to Siemens AG 20,364,433 shares of no par value (registered shares) in OSRAM Licht AG each representing a proportionate amount in

the capital stock of € 1 (the "**Granted Shares**") as consideration for the contribution of the Contributed Company Shares. In addition, OSRAM Licht AG will pay to Siemens AG an amount of € 50,000 as further consideration for the Contributed Company Shares (the "**Cash Payment**"), which is due upon registration of the implementation of the capital increase with the register of companies for OSRAM Licht AG and must be transferred to an account to be designated by Siemens AG.

- 3.2 In order to implement the contribution, OSRAM Licht AG will increase its capital stock from € 50,000 by € 20,364,433 to € 20,414,433 by issuing 20,364,433 shares of no par value (registered shares) in OSRAM Licht AG. A portion of € 1 in the amount of the increase in the capital stock is attributed to each new share.
- 3.3 The Granted Shares are entitled to participate in profits for fiscal years commencing on 1 October 2012.
- 3.4 To the extent that the book value at which the contribution in kind rendered by Siemens AG is assumed by OSRAM Licht AG exceeds the amount of the capital stock increase plus the cash payment set forth in § 3.2, this amount will be booked to the capital reserve of OSRAM Licht AG pursuant to Section 272 (2) no. 1 German Commercial Code (Handelsgesetzbuch, "HGB").

§ 4

Effectiveness

This Contribution Agreements takes effect upon

- (1) the shareholders' meeting of OSRAM Licht AG approving this Contribution Agreement as a post-formation agreement, and
- (2) this Contribution Agreement as a post-formation agreement being registered with the register of companies.

§ 5

Warranty

- 5.1 Siemens AG warrants as of the point in time this Contribution Agreement taking effect in accordance with § 4 that it is the holder of the Contributed Capital Shares and that Siemens AG can freely dispose of the Contributed Company Shares and that they are not encumbered with rights of third parties. Any further quality of the Contributed Shares, especially certain characteristics or a recoverability of the enterprise OSRAM GmbH, is not agreed.

- 5.2 To the extent legally permissible, all rights and warranties which could exist under the statutory provisions or otherwise in addition to those in para. 1 are excluded. The provision in this paragraph applies for all rights and warranties, regardless of the legal nature (contractual, pre-contractual, under tort or other rights and warranties) and especially also for those rights which could result in the cancellation or unwinding of this Contribution Agreement or a similar legal effect.

§ 6

Costs

Siemens AG bears the costs arising for the notarization of this Contribution Agreement and its implementation up to the time of registration with the register of companies (including the costs for the audit of the contribution in kind and the post-formation audit as well as the corresponding costs for advisors, the costs for the shareholders' meeting of OSRAM Licht AG and the costs for filing and registration with the register of companies).

§ 7

Final Provisions

- 7.1 The Parties will initiate and cooperate in all necessary or appropriate measures and legal acts in order to transfer the Contributed Company Shares.
- 7.2 All disputes resulting between the Parties under or in connection with this Contribution Agreement or with regard to its validity will be finally decided by an arbitral tribunal in accordance with the Rules of Arbitration of the German Institution for Arbitration e.V. (Deutsche Institution für Schiedsgerichtsbarkeit e.V., "DIS") in the respectively valid version, and recourse to the jurisdiction of the state courts is excluded (except for measures involving summary relief). The location of the arbitration proceedings is in Munich. The number of arbitrators is three. The chairman must have the qualification for judicial office in the Federal Republic of Germany. The language of the proceedings is German, but no Party is required to provide translations of documents submitted in English for purposes of evidence or for similar purposes. To the extent that the DIS Rules of Arbitration do not contain a provision for arbitration proceedings or the proceedings are placed in the free discretion of the arbitral tribunal, the provisions of the German Code of Civil Procedure (Zivilprozessordnung, "ZPO") must be applied accordingly.
- 7.3 Amendments and supplements to this Spin-off and Transfer Agreement, including an amendment to or contracting out of this provision, require written form unless stricter requirements of form must be complied with.

- 7.4 If one or more provisions in this Contribution Agreement is or becomes completely or partially void, invalid or unenforceable, the validity of this Contribution Agreement and its other provisions will not be affected. Instead of the void, invalid or unenforceable provision, that provision is supposed to apply which comes as close as possible in terms of form, content, sight, volume and territorial applicability to what was intended by the Parties according to the commercial intent and purpose of the void, invalid, or unenforceable provision. This applies accordingly for any gaps in this Contribution Agreement.

Annex 3.1 to the
Spin-off and Transfer Agreement

ASSETS

Spin-off Statements of Financial Position

**LIABILITIES AND
EQUITY**

	<u>Euro</u>		<u>Euro</u>
NON-CURRENT ASSETS		EQUITY	1,667,617,819.32
Financial assets			
Holdings in subsidiaries	1,667,617,819.32		
	<u>1,667,617,819.32</u>		<u>1,667,617,819.32</u>

List of Stock Entitlements

(This list does not include those Stock Entitlements which will already have been fulfilled at the expected point of time when the Spin-off takes effect in April 2013. This list does further not contain a statement about which specific Stock Entitlements have been granted to which individual Beneficiaries.)

1. Stock Entitlements to members of the Managing Board of Siemens AG
 - 1.1 Siemens Stock Awards 2010, for which the provisions in the management guideline dated November 2010 apply ("VS-Stock Awards-2010").
 - 1.2 Siemens Stock Awards 2011, for which the provisions in the management guideline dated December 2010 apply ("VS-Stock Awards-2011").
 - 1.3 Siemens Stock Awards 2012, for which the provisions in the management guideline dated November 2011 apply ("VS-Stock Awards-2012").
 - 1.4 Bonus Awards 2011, for which the provisions in the management guideline dated December 2010 apply ("VS-Bonus-2011").
 - 1.5 Bonus Awards 2012, for which the provisions in the management guideline dated November 2011 apply ("VS-Bonus-2012").
 - 1.6 Siemens Stock Awards 2010, for which the provisions in the management guideline dated November 2010 apply ("MA-Stock Awards-2010").

- 1.7 Siemens Stock Awards 2011, for which the provisions in the management guideline dated November 2011 apply ("MA-Stock Awards-2011").
- 1.8 Siemens Group Share Matching Plan Tranche 2011, for which the provisions in the Share Matching Plan Guideline in the version dated November 2010 apply ("SMP-2011").
- 1.9 Base Share Program Tranche 2011, for which the provisions in the terms and conditions of the program in the version dated November 2010 apply ("BAP-2011").
- 2. Stock Entitlements to other Beneficiaries
 - 2.1 Siemens Stock Awards 2010, for which the provisions in the management guideline dated November 2010 apply ("VS-Stock Awards-2010").
 - 2.2 Siemens Stock Awards 2011, for which the provisions in the management guideline dated December 2010 apply ("VS-Stock Awards-2011").
 - 2.3 Siemens Stock Awards 2012 (quarterly special allocation), for which the provisions in the management guideline dated November 2011 apply ("VS-Stock Awards-2012").
 - 2.4 Bonus Awards 2011, for which the provisions in the management guideline dated December 2010 apply ("VS-Bonus-2011").

- 2.5 Siemens Stock Awards 2010 for which the provisions in the guideline dated November 2010 apply ("MA-Stock Awards-2010").
- 2.6 Siemens Stock Awards 2011 for which the provisions in the guideline dated November 2011 apply ("MA-Stock Awards-2011").
- 2.7 Siemens Stock Awards 2012 for which the provisions in the guideline dated November 2012 apply ("MA-Stock Awards-2012").
- 2.8 Siemens Stock Awards 2011 (quarterly special allocation) for which the provisions in the guideline dated November 2010 apply ("MA-Stock Awards-SZ-2011").
- 2.9 Siemens Stock Awards 2012 (quarterly special allocation) for which the provisions in the guideline dated November 2012 apply ("MA-Stock Awards-SZ-2012").
- 2.10 Siemens Group Share Matching Plan Tranche 2011, for which the provisions in the Share Matching Plan Guideline in the version dated November 2010 apply ("SMP-2011").
- 2.11 Siemens Group Share Matching Plan Tranche 2012, for which the provisions in the Share Matching Plan Guideline in the version dated November 2011 apply ("SMP-2012").
- 2.12 Siemens Group Share Matching Plan Tranche 2013 for which the offer period ends in December 2012 and for which the provisions in the Share Matching Plan Guideline in the version dated November 2011 apply ("SMP-2013").

- 2.13 Base Share Program Tranche 2011 for which the provisions in the terms and conditions of the program in the version dated November 2010 apply ("BAP-2011").
- 2.14 Base Share Program Tranche 2012, for which the offer period ends in December 2012 and for which the provisions in the terms and conditions of the program in the version dated November 2010 apply ("BAP-2012").
- 2.15 Base Share Program Tranche 2013, for which the offer period ends in December 2012 and for which the provisions in the terms and conditions of the program in the version dated November 2010 apply ("BAP-2013").
- 2.16 Awards for jubilee shares in accordance with the general shop agreement of Siemens AG (CHR Circular no. 004/2009) dated 8 October 2008 and corresponding shop agreements of other companies in the Siemens Group.
- 2.17 Awards of jubilee shares for senior executives in accordance with the Agreement of Siemens AG (CD E-Circular no. 07/2010) dated 21 December 2009 and corresponding provisions for other companies in the Siemens Group.

Adjustment of Stock Entitlements for Beneficiaries who are not covered by § 11.2 b)

The Stock Entitlements listed in Annex 11.1 to the Spin-off and Transfer Agreement to Beneficiaries who are not covered by § 11.2 b) will be adjusted as follows pursuant to Sections 23, 125, 133 German Transformation Act (*Umwandlungsgesetz*, "**UmwG**") in conjunction with any provisions in the respective Stock Entitlements which are applicable in the case of the spin-off:

- a) In the case of the Stock Entitlements becoming due (regularly or early), the Beneficiary will receive, in addition to the number of shares of no par value (registered shares) in Siemens AG for which a claim exists when it becomes due (even if this claim is compensated in cash after a discretionary decision or this is normally the case) (the "Due Siemens Shares"), in each case a cash compensation for the mathematical number of shares in OSRAM Licht AG which result from the ratio established in § 10.1 of the Spin-off and Transfer Agreement based on the number of Due Siemens Shares. The amount of the cash compensation will be determined according to the underlying provisions of the respective Stock Entitlement which would apply for a cash compensation respectively a cash offset for shares in Siemens AG, provided that the relevant price for the stock of OSRAM Licht AG replaces the relevant price for the stock in Siemens AG. The preceding rule applies accordingly in the situation that an additional mathematical amount of Siemens shares will be recompensed by cash compensation according to the provisions of the underlying Stock Entitlement when a specific grade of target achievement is exceeded; in this case, when the Stock Entitlements are due the mathematical Siemens shares are deemed to be Due Siemens Shares for the purpose of this lit. a).
- b) The provision in lit. a) also applies in the event that upon application of the provision on adjustment in lit. a), a claim for cash compensation for a (mathematical) fractional share in OSRAM Licht AG results. The amount of the cash compensation corresponds to the (commercially rounded) portion of the amount of the cash compensation which results under lit. a) for an entire share in OSRAM Licht AG corresponding to the portion of the (commercially rounded) fractional share in OSRAM Licht AG.
- c) To the extent that the underlying provisions in the respective Stock Entitlements, for example for the SMP-2011, the SMP-2012 and the SMP-2013, require an investment in shares of Siemens AG, no adjustment with respect to these investments will occur.

- d) If the number of shares to be granted respectively the specific claim based on the underlying provisions of the Stock Entitlements, for example the MA-Stock Awards-2011, depends on achieving certain targets and this achieving of targets is influenced, among other aspects, by how the stock exchange price of the Siemens share develops during the vesting period of the Stock Entitlements compared to the stock exchange prices of certain other companies, the respectively responsible corporate body can deviate from the requirements of the underlying provisions when determining the stock prices after the closing of the spin-off if the corresponding prerequisites for this under the respectively applicable underlying provisions of the Stock Entitlements have occurred as a consequence of the spin-off.
- e) The above provisions do not apply to Stock Entitlements for jubilee shares so that no adjustment will be made for these Stock Entitlements.
- f) Aside from this, the other underlying provisions of the Stock Entitlements are not affected by the closing of the spin-off. This also applies for any reservations in the provisions of the Stock Entitlements about offsetting or compensating claims for shares in Siemens AG with cash.
- g) An adjustment under the above provisions does not take place due to the spin-off to the extent that an adjustment is precluded or there is an agreement otherwise in an individual case or if this does not occur in jurisdictions outside of Germany in light of regulatory requirements.

The adjustment as described before will take place in each case by the company in the Siemens Group respectively the future OSRAM Group which is under the obligation pursuant to the Stock Entitlements at the closing of the spin-off and will be carried out there by the relevant corporate body. Agreements between companies in the Siemens Group (including the future OSRAM Group) about the technical handling of the payment of the adjustment or the internal allocation of the burden are not affected by this.

Adjustment of the rights under Stock Entitlements to members of corporate bodies and employees of the future OSRAM Group who leave the Siemens Group as a direct consequence of the closing of the spin-off

The Stock Entitlements to Beneficiaries in the OSRAM Group who leave the Siemens Group as a direct consequence of the closing of the spin-off as listed in Annex 11.1 to the Spin-off and Transfer Agreement will be compensated as follows in accordance with Sections 23, 125 German Transformation Act (*Umwandlungsgesetz*, "UmwG") in conjunction with any provisions of the respective Stock Entitlements that are applicable in the case of the spin-off respectively the departure from the Siemens Group:

- a) The claims of the Beneficiaries under the Stock Entitlements cease to exist upon the closing of the spin-off and will be compensated respectively offset in cash without undue delay after the closing of the spin-off in accordance with the following lit. b) through lit. d).
- b) MA-Stock Awards-2010, VS-Stock Awards-2010, VS-Stock Awards-2011 and VS-Bonus Awards-2011 as well as VS-Stock Awards-2012. In order to determine the cash amount, clause 9 (3) of the provisions in the MA-Stock Awards-2010 respectively clause 8 (3) of the provisions in the VS-Stock Awards-2010, the VS-Stock Awards-2011 (also in conjunction with clause 3 of the VS-Bonus Awards-2011) as well as the VS-Stock Awards-2012 provides as follows with regard to a group company leaving the Siemens Group: The cash settlement will be determined in accordance with the accounting and valuation regulations of Siemens AG in effect at the time of the Beneficiary's departure, as the difference between the market price of the Siemens share and the net present value of the dividends expected until the end of the vesting period. In this case, the market price is the closing price of the Siemens share in the XETRA trading system (or comparable successor system) on the date of departure.

This results accordingly in a cash amount for each share in the MA-Stock Award-2010, VS-Stock Award-2010, VS-Stock Award-2011 and VS-Bonus Award-2011 as well as VS-Stock Award-2012 in the amount of the closing price of the Siemens share in XETRA trading (or a comparable successor system) on the date of the closing of the spin-off minus the present value of the dividends expected as of the end of the vesting period. The vesting period for the MA-Stock Awards-2010 and VS-Stock Awards-2010 ends on the second day after the publication of the figures for fiscal year in the calendar year

2013, for the VS-Stock Awards-2011 and the VS-Bonus Awards-2011 on the second day after the publication of the figures for fiscal year in the calendar year 2015 and the vesting period for the VS-Stock Awards-2012 on the second day after the publication of the figures for fiscal year in the calendar year 2016.

- c) MA-Stock Awards-2011, MA-Stock Awards-SZ-2011, MA-Stock Awards-2012 and MA-Stock Awards-SZ-2012. In order to determine the present value, clauses 6 (1) and 6 (4) of the provisions of the MA-Stock Awards-2011 as well as the MA-Stock Awards-2012 as well as Clause 5 (1) and 5 (4) of the MA-Stock Awards-SZ-2011 as well as the MA-Stock Awards-SZ-2012 concerning the departure of a group company from the Siemens Group provide as follows: The amount of the cash payment per Siemens Stock Award in this case will be equivalent to the closing share price of the Siemens share in the XETRA trading (or a comparable successor system), less the present value of the dividends expected by the end of the Vesting Period. The applicable date for the calculation of the cash payment will be the closing date of the corporate transaction. If no XETRA trading takes place on the closing date, the pertinent date will be the next possible XETRA trading day after the closing date.

This results accordingly in a cash amount for each stock award allocated under the above mentioned provisions in the amount of the closing price of the Siemens stock in XETRA trading (or a comparable successor system) on the date of the closing of the spin-off minus the present value of the dividends of Siemens AG expected up to the end of the vesting period. The respective vesting period ends on the second day after the publication of the profit for the fiscal year in the calendar year 2015 (for MA-Stock Awards-2011) respectively in the calendar year 2016 (for MA-Stock Awards-2012) respectively on the second day after the publication of the profit for the quarter preceding the fourth anniversary of the respective allocation (for MA-Stock Awards-SZ-2011 and MA-Stock Awards-SZ-2012).

- d) SMP-2011, BAP-2011, SMP-2012, BAP-2012, SMP-2013 and BAP-2013. In order to determine the cash amount, Clause 6.2 (iv) of the terms and conditions of the SMP-2011 respectively Clause 1 of the program terms and conditions of the BAP-2011 in conjunction with Clause 6.2 (iv) of the terms and conditions of the SMP-2011 provide as follows: In the event of a divestiture of the employing Company or Group Company, if the Participant does not continue to be employed by [such] company [...] after the effective date of such divestiture (due to the termination of employment of that Participant or due to a change in control in the employing Group Company), he/she is only entitled to a cash compensation in lieu of Matching Shares to be calculated in accordance with [...] provision 6.2 (ii) [...] as of the effective date.

In order to determine the cash amount, Clause 6.2 (iv) of the terms and conditions of the SMP-2012 and the SMP-2013 respectively Clause 1 of the terms and conditions of the program for the BAP-2012 and the BAP-2013 in conjunction with Clause 6.2 (iv) of the terms and conditions of the SMP-2012 respectively Clause 6.2 (iv) of the terms and conditions of the SMP-2013 provide as follows: In the event of a corporate transaction (a merger, demerger, asset sale, sale of shares, business transfer or any measure which leads to a change of control) related to the employing company or Group Company, if as an automatic consequence of such corporate transaction, the Participant does not continue to be employed by the company qualifying as a Group Company immediately after the effective date of such corporate transaction, such Participant will only be entitled to a cash compensation in lieu of Matching Shares to be calculated in accordance with [...] provision [6.2 (ii)] [...] as of the effective date of the corporate transaction.

Clause 6.2 (ii) of the terms and conditions of the SMP-2011, the SMP-2012 and the SMP-2013 and Clause 1 of the terms and conditions of the program for the BAP-2011, the BAP-2012 as well as the BAP-2013 in conjunction with Clause 6.2 (ii) of the terms and conditions of the SMP-2011, the SMP-2012 respectively SMP-2013 provide, among other points, as follows: This cash compensation is calculated on a pro-rata-temporis basis for the portion of the Vesting Period that has passed based on the closing share price of the Siemens share in the XETRA trading on the last XETRA trading day of the month in which the employment of the Participant ended or the Participant retired or died.

This results in a cash amount for each matching share awarded under the SMP-2011, the BAP-2011, the SMP-2012, the BAP-2012, the SMP-2013 as well as the BAP-2013 in the amount of that portion of the closing price of the Siemens share in XETRA trading on the date of the closing of the spin-off which corresponds to the amount of time in the holding period up to the date of the closing of the spin-off compared to the entire duration of the holding period. The holding period begins in each case on the tenth XETRA trading day of the month of February of the calendar year corresponding to the designation of the year for the relevant program and ends at the expiration of 31 January of the third calendar year after that calendar year.

Stock Entitlements for Siemens jubilee shares for the period after the closing of the spin-off do not exist for the group of persons dealt with here.

A payment of compensation or as an offset under the above provisions does not take place to the extent that such a payment is precluded or there is an agreement otherwise in the individual case.

Taxes and public levies on the cash offset respectively the cash compensation must be borne by the Beneficiary under the respective provisions of the Stock Entitlements.

The payment of the offset or the compensation will take place in each case by the company in the Siemens Group respectively the future OSRAM Group which is under the obligation pursuant to the Stock Entitlements at the closing of the spin-off and will be carried out there by the relevant corporate body. Agreements between companies in the Siemens Group (including the future OSRAM Group) about the technical handling of the payment of the offset or the compensation or the internal allocation of the burden are not affected by this.

Treatment of the Warrants dated February 2012

ISIN DE000A1G0WE3 | WKN A1G0WE
as well as
ISIN DE000A1G0WF0 | WKN A1G0WF

Pursuant to Section 23 German Transformation Act (*Umwandlungsgesetz*, "**UmwG**"), it is not necessary to grant rights that are comparable for the above designated warrants issued by Siemens AG in February 2012 in connection with bonds of Siemens Financieringsmaatschappij N.V. because specific contractual arrangements exist which do not require any additional provision. § 6 (6) of the Terms and Conditions of the Warrants provides as follows:

(6) Other Reorganization

In the event of a split up of the Issuer (§ 123(1) of the German Transformation Act; *Aufspaltung*) or a spin off (§ 123(2) of the German Transformation Act; *Abspaltung*) on or prior to the last day on which Shares are delivered pursuant to § 4(1), a Warrantholder, upon exercise of the Option Right, shall (in the case of a spin off with respect to assets of the Issuer, in addition to the right to receive Shares upon exercise of the Option Right) be entitled to one or more share(s) per Warrant in the acquiring entity or entities, as the case may be (the "**Acquiring Entity Shares**") at such Strike Price with respect to the Acquiring Entity Shares as is calculated pursuant to the following formula, and thereafter the provisions of these Terms and Conditions of the Warrants (in the case of a spin-off with respect to assets of the Issuer in addition to the right to receive Shares upon exercise of the Option Right) shall apply to the Acquiring Entity Shares as if they were Shares:

$$E' = E \times \frac{1}{AS}$$

whereby:

E'	=	the Strike price with respect to the Acquiring Entity Shares,
E	=	the Strike price on the Record Date (as defined in § 6 (12)), and
AS	=	the number of Acquiring Entity Shares to which a shareholder of the Issuer is entitled with respect to one Share.

This provision leads to the following treatment of warrant holders when the spin-off takes effect: A warrant holder is, in the event of an exercise of the option, entitled to OSRAM Licht AG shares at a calculated Strike Price per share of € 1,040.0180, namely: $E' = 104.0018 \times (1 : 0.1)$ subject to adjustments in the Strike Price related to the Siemens AG shares under the Terms and Conditions of Warrants in the period until the spin-off takes effect (in addition to the right to receive Siemens shares upon exercise of the option right). The number of additional OSRAM Licht AG shares to be delivered per warrant is calculated as follows: € 187,842.81 (nominal amount of the corresponding bond converted into Euro pursuant to § 2 para. 1 of the terms and conditions of warrants) divided by the calculated Strike Price of € 1,040.0180 = 180.6150 OSRAM Licht AG shares per warrant in addition to the right to receive Siemens shares upon exercise of the option right. This adjustment does not occur with regard to warrants which have already been exercised prior to the spin-off taking effect or which have been acquired back by Siemens AG before or after this point in time or which have been exchanged for other securities and canceled.

The number of the OSRAM Licht AG shares to be delivered per warrant during the remaining term of the warrants is subject in turn to adjustments as contemplated in the Terms and Conditions of Warrants.

ARTICLES OF ASSOCIATION
of
OSRAM Licht AG

I.
GENERAL PROVISIONS

§ 1
Name and Registered Office

- (1) The company name of the Company is OSRAM Licht AG.
- (2) The Company has its registered office in Munich.

§ 2
Corporate Purpose

- (1) The corporate purpose of the Company is heading a group of enterprises which are active in the following areas:
 - (a) the development, design, manufacture and distribution of lighting, lighting fixtures and photonic, especially light converting products, systems and solutions, including light bulbs, lights, operating and manufacturing equipment and machinery, control systems, upstream products, parts and accessories for such products, systems and solutions;
 - (b) the provision of consulting, servicing and other services in the areas set forth in lit. (a).
- (2) The Company can be active on its own in the areas designated in paragraph 1. It is authorized to engage in all actions and take all measures and can operate all businesses which relate to the corporate purpose or which are directly or indirectly suitable for serving the corporate purpose. The Company can also establish, acquire and participate in other enterprises in Germany and foreign countries as well as control such enterprises or limit itself to the administration of the participation. The Company can completely or partially have its operations, including the participations it holds, conducted by affiliated companies or transfer or outsource its operations to such affiliated companies and conclude corporate group agreements. The Company can also establish branches and

permanent establishments in Germany and in foreign countries. The Company can limit its activity to a part of the areas designated in paragraph 1.

§ 3

Announcements and Transmission of Information

- (1) The announcements of the Company are made in the Federal Gazette (*Bundesanzeiger*). If another form of making announcements is mandated by law, that form of making announcements takes the place of the Federal Gazette.
- (2) Information to the shareholders of the Company can also be transmitted by way of data transmission to the extent this is legally permissible.

II.

Capital Stock and Shares

§ 4

Capital Stock and Shares

- (1) The capital stock of the Company amounts to € 104,689,400 (in words: onehundredfour million sixhundredeightynine thousand fourhundred Euro).
- (2) The capital stock is divided into 104,689,400 shares of no par value (registered shares). The shareholders of the Company must provide the information required by law to the Company for registration in the share register; electronic mailing addresses and any changes in them should be stated in each case in order to facilitate communications.
- (3) Any claim of shareholders to certification of their shares is excluded to the extent this is legally permissible and certification is not required according to the rules applicable at an exchange on which the shares are admitted to trading. The Company is entitled to issue share documents which embody the individual shares (individual share) or multiple shares (global certificates). Any claim of the shareholders for the issuance of dividend certificates and renewal certificates is excluded.
- (4) The form and content of share certificates, any dividend certificates and renewal certificates will be determined by the Managing Board. This also applies for bonds and interest coupons.
- (5) The Managing Board is authorized to increase the capital stock of the Company in the period up to 28 February 2018 once or multiple times with the consent of the Supervisory Board by a total of up to € 52,344,700 by issuing up to 52,344,700 new shares of no par value (registered shares) in exchange for cash contributions and/or contributions in kind (**Authorized Capital 2013**).

The new shares must be offered to the shareholders for subscription as a general rule; they can also be assumed by credit institutions or enterprises within the meaning of

Section 186 (5) sentence 1 German Stock Corporations Act (*Aktiengesetz*, "**AktG**") with the obligation to offer them for purchase to the shareholders.

However, the Managing Board is authorized to completely or partially exclude the subscription right of the shareholders with the consent of the Supervisory Board,

- (i) in order to realize remainder amounts by excluding the subscription right;
- (ii) in the case of capital increases in exchange for contributions in kind, especially in the context of corporate mergers or for the purpose of (also indirectly) acquiring enterprises, portions of enterprises, participations in other enterprises or other assets or claims for the acquisition of assets;
- (iii) if the new shares are issued in exchange for cash contributions and the issuing price of the new shares does not materially fall below the exchange price of the already listed shares of the Company at the time of the final fixing of the issuing price, which is supposed to occur as close as possible to the placement of the shares, and the portion of the capital stock attributed mathematically to the new shares in total does not exceed the threshold of 10% of the capital stock of the Company either at the time when this authorization takes effect or at the time of the exercise of the authorization. Those shares must be taken into account with regard to this limit which have been issued or sold subject to exclusion of the subscription right of the shareholders during the time when this authorization is in effect up to the time of exercise of the respective authorization in direct or corresponding application of Section 186 (3) sentence 4 AktG. Those shares must also be taken into account which have been issued or can still be issued by the Company on the basis of convertible bonds/bonds with warrants issued as of the point in time of the respective exercise of the authorization if the convertible bonds/bonds with warrants were issued by the Company or group companies subject to exclusion of the subscription right of the shareholders in direct or corresponding application of Section 186 (3) sentence 4 AktG after this authorization takes effect;
- (iv) for issuance of shares to employees of the company and employees and board members of subordinated affiliated companies, and, in addition, with regard to employees in accordance with the requirements of Section 204 (3) AktG;
- (v) as well as (a) to the extent in which the exclusion of the subscription right is necessary to service duties to acquire or rights to acquire OSRAM Licht shares under or in connection with convertible bonds/bonds with warrants issued by the Company or group companies, as well as (b) to the extent that the exclusion of the subscription right is required to protect against dilution in order to grant subscription rights to shares of the Company to the holders or creditors of the convertible bonds or warrants under bonds with warrants (or a combination of these instruments) issued by the Company or group companies to the extent that

these holders would have these rights if the respective warrants or conversion rights had already been exercised or the respective duties to convert or duties to exercise warrants had already been fulfilled or shares had already been put for purchase.

The Managing Board is authorized, with the consent of the Supervisory Board, to determine the further details of the capital increases under the Authorized Capital 2013 and its implementation, especially the further content of the rights linked to the shares and the terms and conditions of issuing the shares.

- (6) The capital stock is conditionally increased by up to € 10,207,216. The conditional capital increase will be implemented by issuing up to 10,207,216 registered shares with an authorization to participate in the dividends commencing with the beginning of the fiscal years in which they are issued only to the extent that holders or creditors of convertible bonds or warrants under bonds with warrants issued on the basis of the authorization of the Managing Board by the shareholders' meeting of [*date of the shareholders' meeting that resolves authorization in accordance with § 13.3 of the Spin-off and Transfer Agreement*] make use of their conversion rights or rights under warrants or satisfy their duties to convert or duties under warrants or shares have already been put for purchase and to the extent that other forms of performance are not used to service these obligations (**Conditional Capital 2013**). The issuance of the new shares will be in accordance with the above designated authorizing resolution in each case at conversion prices/prices under warrants to be determined. The Managing Board is authorized to determine the further details for implementing the conditional capital increase

III.

Managing Board

§ 5

Composition and Rules of Procedure

- (1) The Managing Board consists of more than one member. The Supervisory Board will determine the number of the members of the Managing Board.
- (2) The Supervisory Board can appoint a chief executive officer as well as a vice-chief executive officer.
- (3) The appointment of members of the Managing Board, the conclusion of the service agreements and the revocation of the appointment as well as the amendment and termination of the service agreements will take place through the Supervisory Board. The Supervisory Board determines the allocation of responsibilities for the members of the Managing Board and can issue Rules of Procedure for the Managing Board.

§ 6

Management and Representation of the Company

- (1) The Managing Board leads the Company on its own responsibility. The members of the Managing Board are required with regard to the Company to comply with the restrictions which the shareholders' meeting, the Articles of Association, the Supervisory Board or the Rules of Procedure have made for the managing authority within the parameters under statutory provisions.
- (2) The Company is legally represented by two members of the Managing Board or by one member of the Managing Board acting jointly with a holder of registered signing authority (*Prokurist*). The Supervisory Board can generally or in specific cases release all or individual members of the Managing Board from the prohibition on representing multiple parties pursuant to Section 181 2nd alternative German Civil Code (*Bürgerliches Gesetzbuch*, "BGB"); Section 112 AktG is not affected. Aside from this, the Company is represented by holders of registered signing authority or other authorized signatories as determined in more detail by the Managing Board.

IV.

SUPERVISORY BOARD

§ 7

Composition, Election, Term of Office

- (1) The Supervisory Board consists of twelve members, six of whom are elected by the shareholders' meeting and six of whom are elected in accordance with the German Act on Co-Determination (*Mitbestimmungsgesetz*).
- (2) The members of the Supervisory Board are appointed until the end of the shareholders' meeting which resolves on the ratification of actions (*Entlastung*) for the fourth fiscal year after the beginning of the term of office, subject to any determination of the term of office otherwise at the time of the election. The fiscal year in which the term of office begins is not taken into account. A replacement election for a member leaving prior to expiration of his/her term of office will take place for the remainder of the term of office of the departing member. This applies accordingly if a replacement election becomes necessary due to an election being challenged.
- (3) The shareholders' meeting can appoint substitute members simultaneously for the members of the Supervisory Board to be elected by the shareholders' meeting who take the place of members of the Supervisory Board representing the shareholders who leave early or who leave as the result of the election being challenged in a sequence to be determined at the election. If a substitute member takes the place of the departing member, the office of the substitute member ends at the end of the shareholders' meeting

in which a replacement election takes place pursuant to the above § 7 para. 2, but at the latest upon expiration of the term of office of the departing member of the Supervisory Board. If the substitute member leaving as a consequence of a replacement election has been appointed for several members of the Supervisory Board, that substitute member's position as a substitute member again exists. The election of substitute members for the members of the Supervisory Board representing the employees is governed under the German Act on Co-Determination.

- (4) Each member of the Supervisory Board and substitute member can resign from office even without just cause (*wichtiger Grund*) by written declaration issued to the chairman of the Supervisory Board or, in the case of a resignation from office by the chairman, to the vice-chairman in accordance with § 8 para. 1 sentence 1, with four weeks' notice. The chairman of the Supervisory Board or, in the case of resignation by the chairman of the Supervisory Board, the vice-chairman under § 8 para. 1 sentence 1 can shorten the notice period or waive compliance with the notice period.

§ 8

Chairman and Vice-Chairman

- (1) The Supervisory Board will elect from among its members a chairman and a vice-chairman in accordance with the German Act on Co-determination. The Supervisors Board can elect one or more additional vice-chairman for the election of whom Section 27 of the German Act on Co-determination does not apply. The election should take place following the shareholders' meeting in which the members of the Supervisory Board to be elected by the shareholders' meeting have been newly elected; no special invitation is required for this meeting.
- (2) The term of office of the chairman and his/her vice-chairmen corresponds to their terms of office as members of the Supervisory Board unless a shorter term of office is determined at the election.
- (3) If the chairman or his/her vice-chairman under § 8 para. 1 sentence 1 leaves office early, a new election for that office must be conducted without undue delay. A revocation of the election of the chairman or his/her vice-chairman under § 8 para. 1 sentence 1 is only permissible for just cause. Just cause is deemed also to exist if the chairman or his/her vice-chairman under § 8 para. 1 sentence 1 is permanently prevented from performing his/her office. The revocation of the election of the chairman and the vice-chairman under § 8 para. 1 sentence 1 is governed accordingly by the provisions of the German Act on Co-determination on their election.
- (4) A vice-chairman has the same rights as the chairman in all situations in which the vice-chairman acts as the representative of the chairman in the case of his/her hindrance, except for the second vote belonging to the chairman under the German Act on Co-determination or these Articles of Association.

- (5) Declarations of intent by the Supervisory Board will be issued in the name of the Supervisory Board by the chairman or his/her vice-chairman under § 8 para. 1 sentence 1 in the case of hindrance of the chairman. The chairman, and in the case of hindrance of the chairman, the vice-chairman under § 8 para. 1 sentence 1, are authorized to receive declarations on behalf of the Supervisory Board.

§ 9

Rights and Duties of the Supervisory Board

- (1) The Supervisory Board has all responsibilities and rights assigned to the Supervisory Board by law and these Articles of Association.
- (2) The Supervisory Board must determine in the Rules of Procedure for the Managing Board or the Supervisory Board or by resolution that certain transactions or types of transactions can only be made with the consent of the Supervisory Board.
- (3) The Supervisory Board can grant in advance, subject to revocation, the consent to a certain class of transactions in general or in the event that the specific transaction satisfies certain requirements.
- (4) The Supervisory Board is authorized to resolve amendments to the Articles of Association which only relate to the wording.

§ 10

Rules of Procedure, Delegation, Committees

- (1) The Supervisory Board will establish for itself Rules of Procedure within the parameters set by the legal provisions and the provisions in these Articles of Association.
- (2) The Supervisory Board can establish committees in accordance with the statutory provisions. To the extent that the law or the Articles of Association permit, the Supervisory Board can delegate its responsibilities, authority to make decisions and rights to its chairman, one of its members or to committees established from among its members. The composition, authorities and procedures for the committees will be determined by the Supervisory Board.
- (3) In any event, immediately after the election of the chairman of the Supervisory Board and his/her vice-chairman under § 8 para. 1 sentence 1, the Supervisory Board will establish the committee required to be established pursuant to Section 27 (3) German Act on Co-determination, in which the chairman of the Supervisory Board, his/her vice-chairman under § 8 para. 1 sentence 1 as well as one member each from the members of the Supervisory Board representing the employees and one member of the Supervisory Board representing the shareholders chosen by a majority of the votes cast will belong. This

Committee will have the responsibility set forth in Section 31 (3) sentence 1 of the German Act on Co-determination.

§ 11

Meetings and Resolutions of the Supervisory Board

- (1) The meetings of the Supervisory Board will be called by the chairman or, if the chairman is hindered, by a vice-chairman with a notice period of at least fourteen days, whereby the date of dispatching the invitation and the date of the meeting are not included in the calculation. This notice period can be shortened in urgent situations. The meeting can be called in writing, orally, by telephone, by telefax, by email or by way of other common means of communication. Aside from this, the statutory provisions as well as the provisions in the Rules of Procedure for the Supervisory Board apply with regard to calling a meeting of the Supervisory Board.
- (2) The meetings of the Supervisory Board are chaired by the chairman or, if the chairman is hindered, by a vice-chairman.
- (3) As ordered by the chairman or, if the chairman is hindered, a vice-chairman, or with consent of all members of the Supervisory Board, meetings can also be conducted in the form of a telephone conference or by way of electronic means of communication (especially video conference), and individual members of the Supervisory Board can participate in meetings by telephone or by way of electronic means of communication (especially video transmission). The Supervisory Board can regulate the further details in its Rules of Procedure.
- (4) Resolutions of the Supervisory Board are normally adopted in meetings. Absent members of the Supervisory Board can also participate in adopting resolutions of the Supervisory Board by having their written votes handed over by another member of the Supervisory Board. Adopting resolutions about items on the agenda which were not included in the invitation and were also not notified by the third day prior to the meeting is only permissible if no member of the Supervisory Board objects. In such situation, absent members must be given the opportunity to object to the adoption of the resolution or cast their votes in writing, orally, by telephone, by telefax, by email or by way of other common means of communication within a reasonable deadline to be determined by the chairman of the Supervisory Board or, if the chairman is hindered by a vice-chairman. The resolution only takes effect if no absent member of the Supervisory Board has objected within the deadline. Members of the Supervisory Board who participate by telephone or by way of means of electronic communication are considered to be present.
- (5) Adoption of resolutions can also take place outside of meetings in writing, orally, by telephone, by telefax, by email or by way of other common means of communication or in a combination of the above mentioned forms or in a combination of a meeting and adopting the resolution outside of a meeting if the chairman of the Supervisory Board or,

if the chairman is hindered, a vice-chairman orders this in accordance with a reasonable notice period or if all members of the Supervisory Board participate in adopting the resolution. In this regard, members who abstain from adopting a resolution take part in adopting such resolution.

- (6) The Supervisory Board has a quorum if at least one half of the members of which it is supposed to consist participate in adopting a resolution. Absent members of the Supervisory Board or members who do not participate by telephone or by means of electronic communication (especially video conference) who cast their vote pursuant to § 11 para. 4 or para. 5 or members who abstain from voting in the adoption of a resolution are deemed to participate for purposes of the adoption of the resolution.
- (7) To the extent not mandated otherwise by law, resolutions of the Supervisory Board are adopted with a simple majority of the votes cast. Abstentions are deemed not to be cast votes. If a vote in the Supervisory Board results in a tie, the chairman of the Supervisory Board has two votes in the case of a renewed vote about the same item if this also results in a tie of vote. Section 108 (3) AktG must also be applied to the casting of the second vote.
- (8) Minutes must be prepared about the resolutions and meetings of the Supervisory Board which must be signed by the chair of the respective meeting or, in the case of § 11 para. 5, by the chairman of the Supervisory Board or, if the chairman is hindered, by a vice-chairman. The further details are determined in the Rules of Procedure for the Supervisory Board.

§ 12 Compensation

- (1) The members of the Supervisory Board receive a base compensation of € 40,000 for the respective fiscal year of the Company; the chairman of the Supervisory Board receives a case compensation of € 80,000 for the respective fiscal year of the Company, and every vice-chairman receives € 60,000. In addition, the following compensation is paid for activity in committees of the Supervisory Board:
 - (a) the chairman of the audit committee, € 40,000, every other member of the audit committee, € 20,000;
 - (b) the chairman of the presidium, € 25,000, every other member of the presidium, € 15,000;
 - (c) the chairman of the compliance committee, € 20,000, every other member of the compliance committee, € 10,000; the compensation under lit. (c) will not be granted to the extent that the relevant member of the Supervisory Board is entitled to compensation under lit. (a) for activity in the audit committee.

- (2) Members of the Supervisory Board who have not belonged to the Supervisory Board or a committee or not had the chair during a full fiscal year receive the compensation proportionately according to time with rounding up to full months. If a member of the Supervisory Board does not participate in a meeting of the Supervisory Board, one third of the total compensation to which the member is entitled under paragraph 1 is reduced on a percentage basis according to the ratio of the meetings of the Supervisory Board taking place in the fiscal year compared to the meetings of the Supervisory Board in which the member of the Supervisory Board did not participate.
- (3) The compensation is payable at the expiration of the shareholders' meeting in which the annual financial statements for the previous fiscal year are received or approved.
- (4) In addition, the members of the Supervisory Board receive a fee in the amount of € 1,000 for each meeting of the Supervisory Board and its committees in which they participate.
- (5) The members of the Supervisory Board will be covered by a liability insurance covering financial losses concluded for the members of corporate bodies and certain employees of the OSRAM Group in a reasonable amount which is concluded in the interest of the Company, to the extent that such an insurance policy exists. The Company will pay the premiums for the insurance. Furthermore, the Company will reimburse to each member of the Supervisory Board his/her disbursements as well as any value added tax applicable to the compensation.

V.

Shareholders meeting

§ 13

Regular Shareholders meeting, Calling

- (1) A regular shareholders' meeting will take place within the first eight months of each fiscal year.
- (2) The shareholders' meeting will be called by the Managing Board, subject to the statutory rights of the Supervisory Board and of a minority of the shareholders to call meetings. The shareholders' meeting takes place, at the election of the body calling the meeting, at the registered office of the Company, at the registered office of a German stock exchange or in a German city with more than 100,000 residents.
- (3) The shareholders' meeting must be called at least with the minimum notice period required by law.

§ 14

Participation and Exercise of Voting Rights

- (1) Shareholders participating in the shareholders' meeting or wanting to exercise their right to vote must be registered in the share register.
- (2) Shareholders wanting to participate in the shareholders' meeting or cast their vote must also register for the shareholders' meeting. The registration must be received by the Company at the address notified for this purpose in the notice calling the meeting at least six days prior to the shareholders' meeting. In the notice calling the meeting, a shorter period of notice set in days can be contemplated. The date for the shareholders' meeting and the date of receipt are not included in the calculation.
- (3) The registration must be in German or English in text form (Section 126 b BGB) or in another electronic manner to be determined in more detail by the Company.
- (4) The right to vote can be exercised by proxies. The grant of proxy, its revocation and proof of proxy for the Company require text form (Section 126 b BGB) to the extent that this is not facilitated otherwise in the notice calling the meeting. The details for issuing proxies, their revocation and proof to the Company will be announced when the shareholders' meeting is called. Section 135 AktG is not affected.
- (5) The Managing Board is authorized to provide that shareholders can also participate in the shareholders' meeting without being present at its location and without a proxy and that they can completely or partially exercise all or individual rights by means of electronic communications (electronic participation). The Managing Board is also authorized to make determinations about the scope and procedure for participating and exercising rights under sentence 1.
- (6) The Managing Board is authorized to provide that shareholders can cast their votes by way of electronic communications (absentee ballot) without participating in the shareholders' meeting. The Managing Board is also authorized to make determinations about the scope and procedure for exercising the right under sentence 1.

§ 15

Chair of the Shareholders' meeting

- (1) The chairman of the Supervisory Board chairs the shareholders' meeting or, if the chairman is hindered, another member of the Supervisory Board determined by the chairman. If neither the chairman nor another member of the Supervisory Board determined by the chairman is present, the chair will be elected by the shareholders from among the present members of the Supervisory Board.
- (2) The chair will lead the discussion and will regulate the course of the shareholders' meeting. The chair can especially exercise the right to control presence (*Hausrecht*) and obtain support by using the services of assistance. The chair will determine the sequence of the persons speaking and the handling of the agenda items as well as the form, the

procedure and the further details of voting, and will, to the extent legally permissible, decide about combining items for resolutions that belong together in a single vote.

- (3) The chairman is authorized to reasonably restrict the right to speak and pose questions with regard to time. The chairman can especially reasonably set restrictions on the time for speaking, the time for posing questions and the total time for speaking and posing questions as well as reasonable time frames for the entire course of the shareholders' meeting, for individual items on the agenda and for individual speakers at the beginning or during the course of the shareholders' meeting; this especially also includes the possibility to close the list of speakers early if necessary and order that the debate be closed.

§ 16

Transmission of the Shareholders' meeting

The Managing Board is authorized to permit the transmission of images and sound from the shareholders' meeting. The Managing Board will regulate the further details.

§ 17

Adopting Resolutions

- (1) Each share grants one vote in the shareholders' meeting.
- (2) The resolutions of the shareholders meeting are adopted by a simple majority of the votes cast and, to the extent that a majority of capital is required, with a majority of the capital stock represented when the resolution is adopted, unless mandatory statutory provisions or these Articles of Association require a larger majority.

VI.

ANNUAL FINANCIAL STATEMENTS AND USE OF PROFIT

§ 18

Fiscal Year

The fiscal year runs from 1 October until 30 September of the next year.

§ 19

Annual Financial Statements and Consolidated Financial Statements

The Managing Board must prepare the annual financial statements and the management report as well as, to the extent required by law, the consolidated financial statements and the group

management report for the previous year within the first three months of the fiscal year, and the Managing Board must submit these documents to the Supervisory Board and the auditor without undue delay. At the same time, the Managing Board must also submit to the Supervisory Board a proposal which the Managing Board wants to make to the shareholders' meeting concerning the use of the balance sheet profit.

§ 20

Use of Profit and Regular Shareholders' meeting

- (1) The shareholders' meeting will resolve every year in the first eight months of the fiscal year about the use of the balance sheet profit, the ratification of actions (*Entlastung*) of the members of the Managing Board and the Supervisory Board and about the appointment of the auditor (regular shareholders' meeting) as well as about the determination of the annual financial statements in those situations required under the law.
- (2) The portions of the shareholders in the profit are determined according to their shares in the capital stock.
- (3) In the case of an increase of the capital stock, the participation in the profit for the new shares can be determined differently from Section 60 (2) German Stock Corporations Act.
- (4) The shareholders' meeting can resolve on a use of the balance sheet profit by way of a dividend in kind instead of or in addition to a cash dividend. The shareholders' meeting can allocate amounts to the profit reserves or carry them forward as profit in the resolution about the use of the balance sheet profit.

VII.

FINAL PROVISIONS

§ 21

Costs for establishing the Company

The Company assumes the costs for establishing the Company in an estimated amount of up to € 3,000.

Authorization for the Company to acquire and use treasury shares pursuant to Section 71 (1) no. 8 German Stock Corporations Act (*Aktiengesetz*, "AktG")

1. The Managing Board is authorized to acquire treasury shares up to 28 February 2018 in an amount of up to the lower of 10 % of the capital stock existing at the time this authorization takes effect or the capital stock existing at the time of the respective exercise of the present authorization for every permissible purpose in the context of the statutory restrictions in accordance with the following provisions.

The authorization can be used by the Company, but also by its group companies or by a third party retained by the Company or a group company for the Company's or the group companies' account if the statutory prerequisites, especially under Section 71 (2) AktG, are satisfied.

The acquisition will be (i) on the stock exchange, (ii) by means of a public purchase offer directed towards all shareholders, (iii) by means of a public invitation to submit offers to sell directed to all shareholders or (iv) by granting put rights to the shareholders.

- In the case of acquisition on the stock exchange, the consideration paid by the Company per share (without ancillary costs for the acquisition) cannot exceed by more than 10 % and cannot undercut by more than 20 % the average of the stock exchange prices for the Company's share in the closing auction in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the three trading days on the stock exchange preceding the day on which the obligation to acquire is entered into.
- In the case of a public purchase offer, the consideration paid by the Company per share (without ancillary costs for the acquisition) cannot exceed by more than 10 % and cannot undercut by more than 20 % the average of the stock exchange prices for the Company's share in the closing auction in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the three trading days on the stock exchange before the decision of the Managing Board to issue the purchase offer.
- In the case of a public invitation to submit offers to sell or an acquisition by granting put rights, the consideration paid by the Company per share (without ancillary costs for the acquisition) cannot exceed by more than 10 % and cannot undercut by more than 20 % the average of the stock exchange prices for

the Company's stock in the closing auction in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the three trading days on the stock exchange before the date of acceptance of the offers to sell respectively the date of the grant of the put rights.

If there are major differences in the stock exchange price after a public purchase offer or a public invitation to submit offers for sale or after granting put rights compared to the offered buy respectively sell price or the threshold values for any range for the buy respectively sell price, then the offer respectively the invitation to submit offers for sale respectively the put rights can be adjusted up to the time of acceptance. In this case, the relevant amount is determined by the corresponding price on the last trading day on the stock exchange prior to the final decision by the Managing Board about the adjustment; the 10% and 20% thresholds for exceeding or falling below the relevant amount must be applied to this amount.

The volume of a public purchase offer or a public invitation to submit offers to sell can be limited. If a public purchase offer or a public invitation to submit offers to sell is over-subscribed, the acquisition respectively the acceptance must be according to quotas which are proportionate to the respective shares involved in each case and there is a partial exclusion of any potential right of the shareholders to put their shares. A provision can be made for a preferred acquisition respectively a preferred acceptance of small numbers of up to 150 shares per shareholder as well as a rounding according to commercial principles corresponding with a partial exclusion of any potential right of the shareholders to sell their shares.

If the shareholders are granted put rights for the purpose of purchase, these rights will be allocated to the shareholders proportionately according to their shareholdings and corresponding to the ratio of the volume of the shares to be bought back by the Company compared to the outstanding capital stock. Fractions of put rights do not have to be allocated; in this case, any fractional put rights are excluded.

The Managing Board will determine the further details for the respective acquisition, especially any purchase offer or any invitation to submit offers to sell. This also applies for the further details of any put rights, concerning especially the term and the ability to trade in the put rights.

2. The Managing Board is authorized to use the treasury shares acquired on the basis of this authorization or the basis of previous authorizations as follows:
 - a. The shares can be sold on the stock exchange or, upon approval by the Supervisory Board, by a public offer to all shareholders proportionately according to their quota participations under a public offer to all shareholders. In the latter case, the subscription right is excluded for remainder amounts.

- b. The shares can also be otherwise sold upon approval by the Supervisory Board for cash payment at a price which is not materially less than the stock exchange price for equal shares of the Company at the time of the sale. The proportionate amount of the capital stock represented by the shares sold under this authorization cannot exceed the lower of 10 % of the capital stock existing at the time the authorization takes effect or the capital stock existing at the time of the respective exercise of this authorization. The proportionate amount of capital stock represented by new shares issued after the resolution on this authorization adopted by the shareholders' meeting on the basis of any authorizations to issue shares constituting authorized capital subject to exclusion of the subscription right pursuant to Section 186 (3) sentence 4 AktG as well as the proportionate amount of capital stock attributed to warrant bonds or convertible bonds with an option right respectively a conversion right or a duty to convert or exchange or a put right which are issued on the basis of any authorizations under Sections 221 (4), 186 (3) sentence 4 AktG since the present authorization was resolved by the shareholders' meeting must be credited against this 10 % threshold.

- c. The shares can also be offered for acquisition or can be awarded or transferred with a holding or vesting period of not less than two years to persons currently or previously employed by the Company or one of its affiliated companies as well as present or former members of corporate bodies of the Company or its affiliated companies (in each case, a "**Beneficiary**"), whereby the employment or other service relationship or membership in a corporate body must, in any event, exist at the time of the offer or the award.

The shares can also be offered, awarded or transferred to Beneficiaries in connection with admission of the shares of the Company to trading on the stock exchange, provided that the relevant shares must be held until the end of a holding respectively vesting period of at least six months after the listing on the stock exchange or the transfer.

The further details for any awards and transfers, including any direct consideration, any prerequisites for claims and provisions on loss of entitlement or compensation, especially in special situations such as retirement, incapacity or death, will be established by the Managing Board.

- d. The shares can be offered and transferred upon approval of the Supervisory Board in exchange for performance in kind, especially as (partial) consideration for the direct or indirect acquisition of enterprises, parts of enterprises or

participations in enterprises or other assets, including claims against the Company or claims for the purchase of assets or in the context of corporate mergers.

- e. The shares can be used to service duties or rights to acquire shares in OSRAM Licht AG under or in connection with convertible bonds and warrant bonds issued by the Company and its group companies.
- f. The shares can also be cancelled without the cancellation or the implementation requiring any further resolution by the shareholders' meeting. The cancellation will lead to a reduction of capital. However, the Managing Board can also decide not to reduce the capital stock and instead to increase the portion of the other shares in the capital stock pursuant to Section 8 (3) AktG. In this event, the Managing Board is authorized to adjust the stated number of shares in the articles of association.

3. The Supervisory board is authorized to use shares acquired by the Company as follows to the extent they are not required to be used for a specific other purpose:

The shares can be used to service duties and rights to acquire shares of the Company which were or are agreed with members of the Managing Board of the Company in the context of the provisions on compensation for the Managing Board. The shares can also be offered for acquisition or awarded to the members of the Managing Board or future members of the Managing Board in the context of the provisions on compensation for the Managing Board with a holding or vesting period which ends at the earliest at the end of the second day after publication of the profits of the business in the fourth calendar year after the earlier of the year of the award or the transfer.

The shares can also be offered, awarded or transferred to the Beneficiaries in connection with the listing of the Company's shares on the stock exchange, provided that the relevant shares must be held until the end of a holding or vesting period of at least six months after the listing on the stock exchange or the transfer.

The further details of any awards and transfers, including any direct consideration, any prerequisites for claims and provisions on loss of the entitlements or compensation, especially for special situations such as retirement, incapacity or death, will be established by the Supervisory Board in accordance with the requirements of Section 87 AktG.

4. The subscription right of the shareholders for treasury shares is excluded to the extent that these shares are used in accordance with the above authorizations under clauses 2. b. to e. and clause 3.

5. The authorizations for the purchase of treasury shares, their sale or other use respectively cancellation can be exercised once or multiple times or independently of each other, in part or completely.

This resolution comes into force (subject to a condition precedent) upon the implementation of the increase of the capital stock of OSRAM Licht AG for the implementation of the spin-off of OSRAM Beteiligungen GmbH from Siemens AG to OSRAM Licht AG.

Authorization for the Managing Board to issue convertible bonds/bonds with warrants, to exclude the subscription right as well as the authorization for the Supervisory Board to amend § 4 of the Articles of Association

1. The Managing Board is authorized to issue bearer bonds or registered bonds in a total nominal amount of up to € 300,000,000 with a conversion right or with bearer warrants or registered warrants in certificated warrants or a combination of these instruments for a total of up to 10,207,216 shares of no par value in OSRAM Licht AG (the "**OSRAM Licht Shares**") representing a proportionate amount in the capital stock totaling up to € 10,207,216 (the "**Bonds**"). The respective terms and conditions of the bonds or the warrants can also provide for a duty to convert or a duty to exercise the option as well as a right of the issuer to put for purchase in order to deliver shares (in any combination) as of maturity or at other points in time. The Bonds must be issued in exchange for cash payment. The authorization also covers the possibility of assuming the guarantees required for bonds issued by group companies and to make further required declarations and take further required actions for a successful issue. The authorization also covers the possibility of granting OSRAM Licht Shares to the extent that the holders or creditors under convertible bonds or bonds with warrants make use of their right to convert or their option or fulfill their duties to convert or to exercise the option or in case that shares are put for purchase. The authorization is valid until 28 February 2018. The Bonds as well as any warrants can be issued once or multiple times, in the full amount or in parts as well as simultaneously in various tranches. All parts of Bonds in a respectively issued tranche must have the same ranking rights and duties with regard to each other. The proportionate amount in the capital stock of the shares related to the individual bond can correspond to a maximum of no more than the lower of the nominal amount or the issuing price of the individual bond.

The conversion price/option price cannot be below 80 % of the stock exchange price of the OSRAM Licht Shares in XETRA trading (or a comparable successor system) of the Frankfurt Stock Exchange. The average closing price on the ten trading days prior to the final decision of the Managing Board about the issuance of an offer for subscription of Bonds respectively about declaring the acceptance of a public call to issue offers to subscribe is determinative. In the case of trading in subscription rights, the days of the trading in subscription rights are determinative, except for the last two days on the stock exchange in which subscription rights are traded. In the case of Bonds with a duty to convert/duty to exercise an option or a right of the issuer to put shares for delivery, the conversion price/option price must correspond to either the above mentioned minimum

price or the average closing price of the OSRAM Licht Shares on the ten days of XETRA trading (or a comparable successor system) of the Frankfurt Stock Exchange prior to or after the date of final maturity of the bonds, even if this average price lies below the above mentioned minimum price (80 %). Section 9 (1) AktG as well as Section 199 (2) AktG are not affected.

In the case of issuing Bonds with warrants, one or more warrants entitling the creditors to subscribe to OSRAM Licht Shares in accordance with the specific provisions in the terms and conditions of the Bonds or the warrants or requiring the holders or creditors to do so or containing a right of the issuer to put shares will be attached to each individual Bond. The relevant warrants can be separable from the respective individual bonds. The terms and conditions of the Bonds or the warrants can provide that the payment of the option price can also be fulfilled by transferring parts of Bonds and, if appropriate, an additional cash payment. The proportionate amount of the capital stock of the shares relating to each Bond with warrants can correspond to no more than the lower of the nominal amount or an issuing price of the Bond with warrants.

In the case of issuing convertible Bonds, the holders or creditors of the convertible Bonds have the right or the duty to convert their convertible Bonds into OSRAM Licht Shares in accordance with the detailed provisions in the terms and conditions of the convertible bonds. The conversion ratio results from dividing the lower of the par value or the issuing price of a convertible Bond by the respectively fixed conversion price for a new OSRAM Licht Share. The proportionate amount in the capital stock for each share relating to the convertible Bond can correspond to a maximum of the lower of the nominal amount or an issuing price of the convertible Bond.

The authorization also provides for the possibility to grant protection against dilution or make adjustments in certain cases in accordance with the further details in the respective terms and conditions of the Bonds or warrants. Protection against dilution or adjustments can especially be contemplated for the event that there are changes in the capital of the Company during the term of the Bonds or the warrants (for example, a capital increase or reduction in capital or a stock split), but also in connection with dividend payments, the issuance of additional convertible Bonds/Bonds with warrants as well as in the case of extraordinary events occurring during the term of the Bonds or the warrants (for example, if a third party obtains control). Protection against dilution or adjustments can especially be provided by granting subscription rights, changing the conversion price/option price as well as by changing or granting cash components.

The Managing Board is authorized to determine the additional terms and conditions of the Bonds or the warrants or to do so in consultation with the respective group company issuing Bonds or warrants. The terms and conditions can especially also regulate

- whether delivery of treasury shares of OSRAM Licht AG, the payment of consideration in money or the delivery of other listed securities can be provided for instead of performance using conditional capital,
- whether the conversion price/option price or the conversion ratio will be determined when issuing the Bonds or whether it will be determined on the basis of future stock exchange prices within a range to be determined,
- whether and how there will be rounding to a full share conversion ratio,
- whether an additional payment to be rendered in cash or cash compensation will be established in the case of remainder amounts,
- how the details of the exercise, the performance of duties or rights, the deadlines and the determination of the conversion prices/option prices are to be determined in the case of duties to convert or to fulfill duties to exercise an option or rights to put shares,
- whether the Bonds will be issued in Euro or – with a limit on the corresponding consideration – in other lawful currencies in OECD countries.

Generally, the Bonds must be offered for subscription to the shareholders; they can also be issued to credit institutions with the obligation to offer them for subscription to shareholders. However, the Managing Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right

- if the issuing price for a Bond does not materially fall below the theoretical fair market value determined in accordance with recognized financial mathematical methods. The sum of the shares to be issued on the basis of the Bonds under this authorization pursuant to Section 186 (3) sentence 4 AktG (in exchange for cash contributions with exclusion of the subscription right) together with other shares issued or sold in accordance with this statutory provision during the term of validity of this authorization cannot exceed 10 % of the respective capital stock either at the time this authorization takes effect or at the time of the exercise of this authorization. Those shares must also be taken into account in this limit which were issued up to the respective issuance of Bonds on the basis of the Authorized Capital 2013 pursuant to § 4 of the Articles of Association, any other authorized capital or by sale of treasury shares excluding the subscription right of the shareholders pursuant to Section 186 (3) sentence 4 AktG, if applicable, in conjunction with Section 71 (1) no. 8 sentence 5 AktG;
- to the extent necessary for remainder amounts which result due to the subscription ratio;

- in order to grant subscription rights to the holders or creditors of conversion rights/warrants for shares of the Company or corresponding duties to convert/duties to exercise warrants for the purpose of compensating dilution to the extent that the holders or creditors would have such shares after exercising these rights or fulfilling these duties.
2. The Supervisory Board is authorized to amend § 4 of the Articles of Association of the Company in accordance with the respective use of the Conditional Capital 2013. This applies accordingly after the expiration of the authorization period in the event that the authorization to issue convertible Bonds/Bonds with warrants is not used as well as after all deadlines for exercising conversion rights/warrants have expired in the case that the Conditional Capital 2013 is not used.

Annex 2

List of the shareholdings of OSRAM GmbH

(derived from the list of shareholdings pursuant to Section 285 no. 11 und no. 11a German Commercial Code,
as of 30th September 2012)

Shareholdings of OSRAM GmbH

Germany (6 companies)

OSRAM Opto Semiconductors GmbH, Regensburg	100
Radium Lampenwerk Gesellschaft mbH, Wipperfurth	100
Siteco Auslandsholding GmbH, Traunreut	100
Siteco Beleuchtungstechnik GmbH, Traunreut	100
Siteco Lighting GmbH, Traunreut	100
Traxon Technologies Europe GmbH, Paderborn	100

Europe (without Germany) (38 companies)

EMGO N.V., Lommel /Belgium	50
Siteco Lighting Benelux BVBA, Eupen /Belgium	100
OSRAM d.o.o., Mostar /Bosnia and Hercegovina	100
OSRAM EOOD, Sofia /Bulgaria	100
OSRAM A/S, Taastrup /Denmark	100
OY OSRAM AB, Espoo /Finland	100
OSRAM S.A.S.U., Molsheim /France	100
OSRAM A.E., Athen /Greece	100
OSRAM Ltd., Langley /UK	100
OSRAM UK Pension Scheme Limited, Langley /UK	100
Siteco Ltd., Stockport /UK	100
OSRAM S.p.A. Società Riunite OSRAM-Edison-Clerici, Milan /Italy	100
Siteco Lighting Systems S.r.l., Milan /Italy	100
OSRAM d.o.o., Zagreb /Croatia	100
OSRAM Benelux B.V., Capelle aan den IJssel /Netherlands	100
OSRAM AS, Lysaker /Norway	100
Siteco Belysning AS, Oslo /Norway	100
Siteco Lighting Austria GmbH, Vienna /Austria	100
Siteco Austria GmbH, Vienna /Austria	100

OSRAM Sp. z o.o., Warsaw /Poland	100
Siteco Lighting Poland Sp. z o.o., Warsaw /Poland	100
OSRAM Empresa de Aparelhagem Eléctrica Lda., Lisbon /Portugal	100
OSRAM Romania S.R.L., Voluntari /Rumania	100
OAO OSRAM, Smolensk /Russian Federation	99
OOO Siteco, Moskau /Russian Federation	100
OSRAM AB, Stockholm /Sweden	100
OSRAM AG, Winterthur /Switzerland	100
Siteco Schweiz AG, Belp-Bern /Switzerland	100
OSRAM d.o.o., Belgrad /Serbia	100
OSRAM a.s., Nové Zámky /Slovakia	100
Siteco Sistemi d.o.o., Maribor /Slovenia	100
OSRAM S.A., Madrid /Spain	100
Siteco Lighting, S.L.U., Madrid /Spain	100
OSRAM Česká republika s.r.o., Bruntál /Czech Republic	100
Siteco Lighting, spol. s r.o., Prag /Czech Republic	100
OSRAM Ampul Ticaret A.S., Istanbul /Turkey	100
Siteco Aydinlatma Teknigi Tic. Ve San. Ltd. Sti., Istanbul /Turkey	100
Enterprise with 100% foreign investment "Osram Ukraine", Kiev /Ukraine	100

America (19 companies)

OSRAM Argentina S.A.C.I., Buenos Aires /Argentina	100
CVL Componentes de Vidro Ltda., Caçapava /Brazil	50
OSRAM do Brasil Lampadas Elétricas Ltda., Osasco /Brazil	100
OSRAM Chile Ltda., Santiago de Chile /Chile	100
OSRAM del Ecuador S.A., Guayaquil /Ecuador	100
OSRAM Sylvania Ltd., Mississauga /Canada	100
ENCELIUM TECHNOLOGIES ULC, Vancouver /Canada	100
OSRAM de Colombia Iluminaciones S.A., Bogotá /Columbia	100
Industrias OSRAM de México S.A., Tultitlán /Mexico	100
OSRAM de México S.A. de C.V., Tultitlán /Mexico	100
OSRAM S.A. de C.V., Tultitlán /Mexico	100
OSRAM de Perú S.A.C., Lima /Peru	100
OSRAM Opto Semiconductors, Inc., Wilmington /USA	100
OSRAM SYLVANIA INC., Danvers /USA	100
OSRAM Sylvania Puerto Rico Corp., Luquillo /USA	100
Sylvania Lighting Services Corp., Danvers /USA	100
Transport & Distribution Inc., Danvers /USA	100

Traxon Supply USA Inc., East Rutherford /USA	100
Valeo Sylvania LLC, Seymour /USA	50

Asia (27 companies)

Chung Tak Lighting Control Systems (Guangzhou) Ltd., Guangzhou /China	59
Foshan Electrical and Lighting Co., Ltd., Foshan /China	13
OSRAM (China) Fluorescent Materials Co., Ltd., Yi Xing City /China	50
OSRAM China Lighting Ltd., Foshan /China	90
OSRAM Kunshan Display Optic Co. Ltd., Kunshan /China	100
Siteco Prosperity Lighting (Lang Fang) Co., Ltd., Lang Fang /China	50
Sunny World (Shaoxing) Green Lighting Co., Ltd., Shaoxing /China	100
OSRAM Asia Pacific Ltd., Hong Kong /Hong Kong	100
OSRAM Holding Company Ltd., Hong Kong /Hong Kong	100
OSRAM Hong Kong Ltd., Hong Kong /Hong Kong	100
OSRAM Lighting Control Systems Ltd., Hong Kong /Hong Kong	65
OSRAM Opto Semiconductors Asia Ltd., Hong Kong /Hong Kong	100
OSRAM Prosperity Company Ltd., Hong Kong /Hong Kong	50
Traxon Technologies Ltd., Hong Kong /Hong Kong	100
OSRAM Automotive Lamps Private Limited, Bangalore /India	100
OSRAM India Pvt. Ltd., Gurgaon /India	100
P.T. OSRAM Indonesia, Tangerang /Indonesia	100
Yekta Setareh Atllas Co. (P.J.S.), Teheran /Iran	100
OSRAM Ltd., Yokohama /Japan	100
OSRAM Korea Co. Ltd., Ansan-City /South Korea	100
OSRAM (Malaysia) Sdn. Bhd., Kuala Lumpur /Malaysia	100
Osram Opto Semiconductors (Malaysia) Sdn. Bhd., Penang /Malaysia	100
Siteco Lighting Malaysia Sdn. Bhd., Puchong /Malaysia	100
OSRAM Pte. Ltd., Singapur /Singapore	100
OSRAM Taiwan Company Ltd., Taipei /Taiwan	100
OSRAM Thailand Co. Ltd., Bangkok /Thailand	100
OSRAM Middle East FZE, Dubai /United Arab Emirates	100

Africa (1 company)

OSRAM (Pty.) Ltd., Midrand /South Africa	100
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Australia/New Zealand/Pacifics (1 company)

OSRAM Australia Pty. Ltd., Sydney /Australia	100
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