

Interim Report March 31, 2014

Interim Financial Report of OSRAM Licht Group
for the Second Quarter and the First Half Year of Fiscal 2014

Light is OSRAM



OSRAM at a Glance

OSRAM Licht Group

in € million, if not stated otherwise		Three months ended March 31,			Six months ended March 31,		
		2014	2013	Change	2014	2013	Change
Revenue		1,277.9	1,321.5	(3.3)%	2,604.2	2,678.3	(2.8)%
Revenue growth (comparable) ¹⁾²⁾	in %			1.2%			1.7%
EBITA ³⁾		81.2	1.2	>200%	193.4	101.6	90.4%
as % of revenue (EBITA margin)		6.4%	0.1%		7.4%	3.8%	
therein special items ²⁾³⁾		(34.9)	(98.2)	(64.5)%	(45.7)	(105.6)	(56.7)%
therein transformation costs		(33.9)	(90.0)	(62.3)%	(43.6)	(126.3)	(65.4)%
EBITDA ²⁾		139.8	83.0	68.4%	306.0	247.1	23.8%
Income (loss) before income taxes		98.1	(24.1)	n/a	194.7	52.5	>200%
Net income (loss)		68.6	(19.1)	n/a	136.7	48.5	181.9%
Basic earnings per share ²⁾	in €	0.65	(0.19)	n/a	1.28	0.44	190.9%
Diluted earnings per share ²⁾	in €	0.65	(0.19)	n/a	1.28	0.44	190.9%
Free cash flow ²⁾		41.8	1.4	>200%	113.3	91.3	24.1%
					March 31, 2014	September 30, 2013	Change
Cash and cash equivalents					627.7	522.1	20.2%
Total equity					2,249.4	2,169.3	3.7%
Total assets					4,391.2	4,425.3	(0.8)%
Equity ratio (total equity in % of total assets)					51.2%	49.0%	
Net debt/net liquidity ²⁾⁴⁾					(365.8)	(172.0)	112.7%
in relation to EBITDA ⁵⁾					(0.6)	(0.4)	
Adjusted net debt ²⁾					21.0	186.5	(88.7)%
in relation to EBITDA ⁵⁾					0.0	0.5	
Employees	in thousand FTE				33.4	35.1	(4.8)%
of which in Germany	in thousand FTE				9.5	9.7	(2.1)%
of which outside Germany	in thousand FTE				23.9	25.4	(5.9)%

¹⁾ Adjusted for currency translation and portfolio effects.

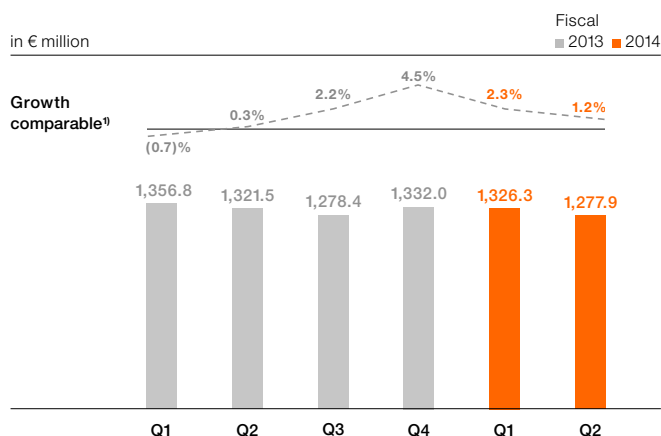
²⁾ see the glossary on page 67 ff.

³⁾ Effect of special items for the three months ended March 31, 2014: 270 bps (previous year: 740 bps) and the six months ended March 31, 2014: 180 bps (previous year: 390 bps), respectively. In addition to the transformation costs, income and expenses associated with the separation/for going public and costs associated with particular legal and regulatory matters are included under special items.

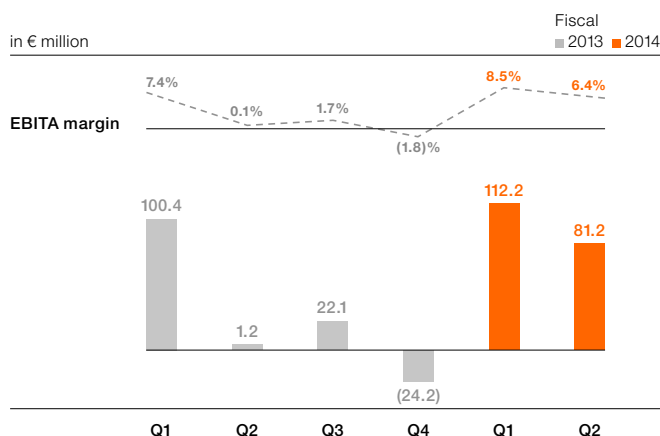
⁴⁾ Net liquidity is presented as a negative figure.

⁵⁾ EBITDA for the six months ended March 31, 2014, was annualized for the purpose of calculating the key performance indicators and is not necessarily indicative of management's expectation of future performance.

Revenue by Quarters



EBITA by Quarters



¹⁾ Adjusted for currency translation and portfolio effects see the glossary and compared with the respective prior-year quarter.

The OSRAM Licht Group's fiscal year began on October 1, 2013, and ends on September 30, 2014.

With its slogan “Light is OSRAM,” OSRAM delivers lighting solutions for every facet of life. As the integrated lighting expert, we are the number two among the global companies in the lighting market. We offer future-oriented products and solutions along the entire lighting value chain.

Lamps & Components (LC)

The LC segment comprises the product business with lamps, light engines, and ballasts. This segment therefore includes both traditional lamps and SSL-based lamps for private and professional use as well as electronic ballasts, components for LED systems, and light management systems. The products thus cover a number of application areas, such as residential, office, industrial, gastronomy, outdoor, and architectural uses.

Luminaires & Solutions (LS)

The LS segment comprises OSRAM's project and solutions business. The portfolio comprises luminaires for professional applications such as street lighting and architectural lighting as well as solutions for private end users. In addition, LS offers lighting solutions and associated light management systems that are used in internal and external lighting. Installation and maintenance services for the LS product portfolio are handled by the Service business.

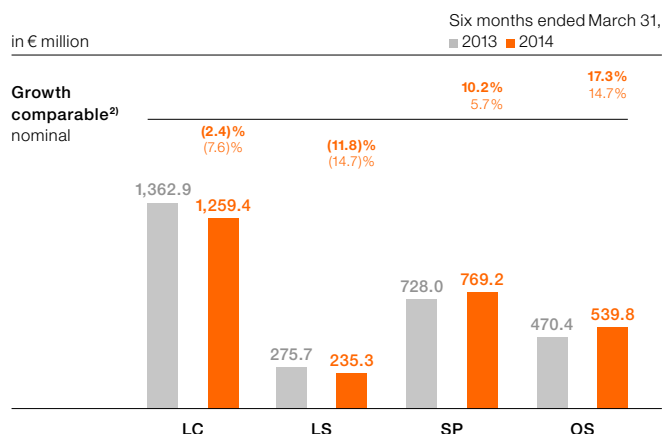
Specialty Lighting (SP)

The SP segment offers light sources and systems for the automotive sector as well as special applications in the display/optic area. In the automotive sector, the spectrum ranges from interior and exterior lighting all the way to sensing. Display/optic covers the areas of projection and entertainment/architainment as well as medical and industrial applications. The products are sold via the wholesale trade and OEM channels as well as directly to commercial customers.

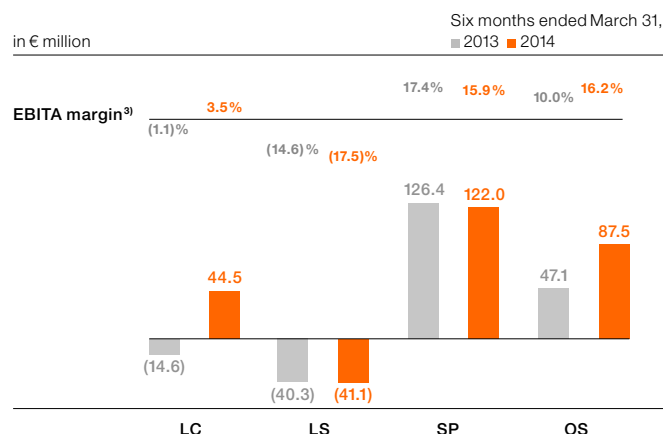
Opto Semiconductors (OS)

OS offers a broad portfolio of optoelectronic semiconductors for external customers and for other OSRAM businesses. The products offered include LED components for visible light, infrared components, laser diodes, and sensors. The application spectrum extends from the automotive industry, industry electronics, general lighting, and consumer and communication electronics to medical technology, materials processing, and measurement and printing technology.

Revenue by Segments¹⁾



EBITA by Segments¹⁾



¹⁾ In addition to the four reporting segments, the reconciliation to interim consolidated financial statements forms part of the OSRAM reporting structure. This includes corporate items and pensions that management does not consider to be indicative for the segments' performance, such as specific legal issues, centrally managed transactions and the consolidation of transactions between the segments, certain reconciliation and reclassification items, and the operations of corporate treasury. Including the reconciliation items, OSRAM's revenue amounted to €2,604.2 million (previous year: €2,678.3 million), while its EBITA amounted to €193.4 million (previous year: €101.6 million).

²⁾ Adjusted for currency translation and portfolio effects › see the glossary on page 67 ff.

³⁾ Effect of special items › see the glossary in the six months ended March 31, 2014: LC 240 bps (previous year: 700 bps); LS 240 bps (previous year: 210 bps); SP 50 bps (previous year: 70 bps).

OSRAM Licht AG's group interim financial report ("Interim Report") meets the requirements for half-year financial reports set out in the applicable provisions of the Wertpapierhandelsgesetz (WpHG—German Securities Trading Act) and, in accordance with section 37w of the WpHG, comprises the condensed interim consolidated financial statements, the interim group management report and the responsibility statement. OSRAM's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Interim Report should be read in conjunction with our Annual Report for fiscal 2013.

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

The number of employees is determined at the reporting date and measured in thousands of full time equivalents (FTE).

For a definition of typical technical terms used in the lighting industry and a short description of significant financial terms, please refer to the glossary ›see the chapter of this interim report entitled "Statements and Further Information" on page 64 ff.

This document is a convenience translation of the original German-language document.

Contents

06 Current Highlights

08 Group Interim Management Report

- 09 Business Performance in the Three Months ended March 31, 2014
- 13 Business Performance in the Six Months ended March 31, 2014
- 28 Report on Opportunities and Risks
- 29 Report on Expected Developments
- 30 Report on Events after the Balance Sheet Date
- 31 Notes and Forward-looking Statements

32 Condensed Interim Consolidated Financial Statements

- 33 Consolidated Statement of Income
- 33 Consolidated Statement of Comprehensive Income
- 34 Consolidated Statement of Financial Position
- 35 Consolidated Statement of Cash Flows
- 36 Consolidated Statement of Changes in Equity
- 38 Notes to the Condensed Interim Consolidated Financial Statements

64 Statements and Further Information

- 65 Responsibility Statement
- 66 Review Report
- 67 Glossary
- 71 Financial Calendar
- 71 Acknowledgments

Current Highlights



Annual General Meeting

A Great Success

Over 5,000 shareholders representing more than 50% of the capital stock—these two figures illustrate the dimensions of OSRAM Licht AG's first public Annual General Meeting. The meeting was held on February 27, 2014, at the Olympic Hall in Munich. The event was also a success in other respects: The shareholders approved the actions of the members of the Managing Board and Supervisory Board for fiscal year 2013 by 99.78% and 99.77%, respectively. The Annual General Meeting also elected the six proposed shareholder representatives to the Supervisory Board. In its constituent meeting following the Annual General Meeting, OSRAM's Supervisory Board endorsed Peter Bauer as Chairman.

February 2014

March 2014

New

Laser Light for BMW i8

BMW will launch the first vehicle with laser headlights—the BMW i8—in the second half of 2014. OSRAM played a key role in the development of the laser light source. Laser light offers completely new ways of using unique headlight design to differentiate vehicles visually. Due to particularly high luminance, headlights can be designed even smaller than in the past. In addition, the high beam from the laser module provides the greatest range currently available. This combination of design and functionality offers great potential in future automotive production, in addition to LEDs.



Source: BMW



Record

The Most Efficient LED Lamp

OSRAM researchers have constructed the most efficient LED lamp in the world. The lamp achieves an unprecedented efficiency level of 215 lumens per watt and significantly improved color rendering, generating as much light as the conventional fluorescent or LED tubes with only using half the power consumption. The record-breaking light source is based on a combination of highly efficient red LED chips and green/white LEDs from OSRAM, which contain a specially developed fluorescent substance. It also uses materials with maximum reflection factors and an innovative optic. The lamp is operated by a specially developed control unit with efficiency of 95%. The new technologies will be successively incorporated into product development and are expected to appear in series products from 2015 onwards.



Connected Light

App-controlled Lighting Scenarios

OSRAM presented its new "Lightify" lighting system at the Light+Building trade fair. The system enables users to create different lighting moods for their living and working spaces, balconies and gardens using a smartphone or tablet app. These moods can be freely configured and controlled remotely. The app also offers preset light functions such as a realistic sunrise. It can also be used to create dynamic light profiles when users are away from home, for example to optimally simulate that there is someone at home while they are on vacation. "The networking of light is yet another important step for us towards the digital light era," said Peter Laier, OSRAM's Chief Technology Officer and Managing Board member responsible for the Company's general lighting business. The first consumer version of the Lightify starter set should be available starting in the coming light season.



Sustainability

Additional Solar Stations in Kenya

OSRAM is expanding its off-grid project in Kenya together with its project partners. In the future, local residents and business owners will be able to rent eco-friendly battery-operated lamps and LED lanterns from eight, rather than three solar-powered energy stations for a small fee. They can also obtain clean drinking water, charge cell phones, access the Internet, and take part in training and mentoring programs at the stations. The background to the project: The shores of Lake Victoria in East Africa are home to around 30 million people. Most of them are "off-grid," i.e. they do not yet have access to the national power network and so use kerosene lamps, which can be harmful to both health and the environment. Alongside the social aspect of the project, this gives OSRAM the opportunity to evaluate in depth the potential and the demands of Africa's developing light market.

Group Interim Management Report

09 Business Performance in the Three Months ended March 31, 2014

13 Business Performance in the Six Months ended March 31, 2014

28 Report on Opportunities and Risks

29 Report on Expected Developments

30 Report on Events after the Balance Sheet Date

31 Notes and Forward-looking Statements

Business Performance in the Three Months ended March 31, 2014

OSRAM Reports Good Second Quarter

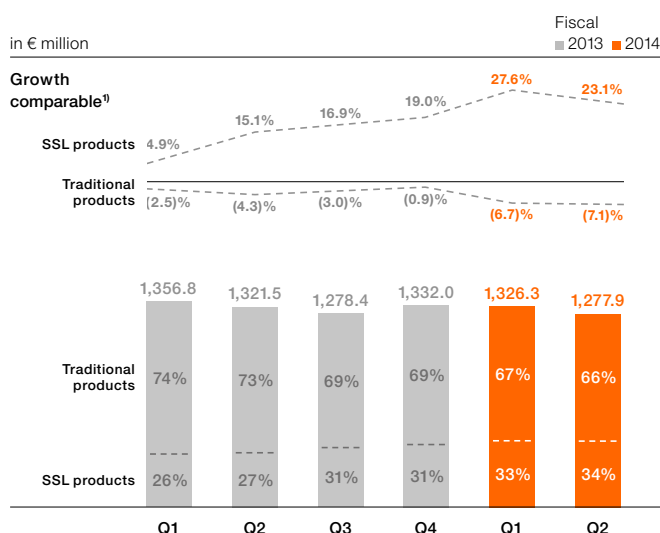
“We performed well in a challenging environment in the past quarter. Our revenue target has become more challenging in view of the decline in the traditional general lighting business. However, we are very confident about our earnings target. In order to be even better prepared for the accelerated transition to LED technology, we are going to separate the SSL business and the traditional products business within the Lamps & Components reporting segment. This will sharpen our focus on the different strategies of the two businesses and increase both our corporate responsibility in each case and our external transparency.”

Wolfgang Dehen, Chairman of the Managing Board of OSRAM Licht AG

Comparable top line growth driven by SSL Forward, OS and SP

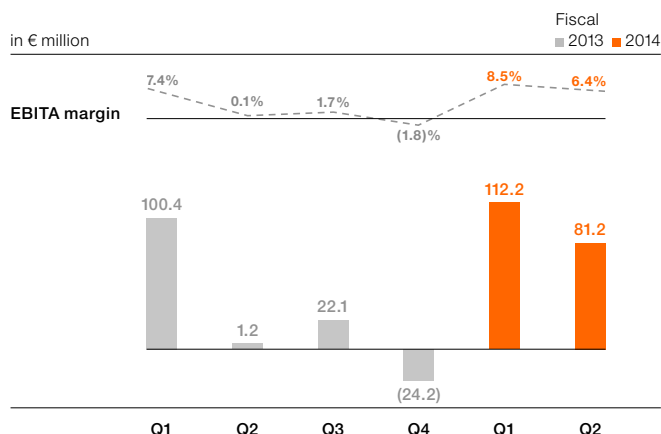
The OSRAM Licht Group's revenue grew by 1.2% on a comparable basis—i.e., adjusted for currency translation effects—in the second quarter, although the traditional products business declined on a comparable basis by 7.1%, especially in the general lighting area. In nominal terms, revenue decreased moderately to €1,277.9 million as against the prior-year quarter.

Revenue by Quarters



¹⁾ Adjusted for currency translation and portfolio effects › see the glossary and compared with the respective prior-year quarter.

EBITA Development by Quarters

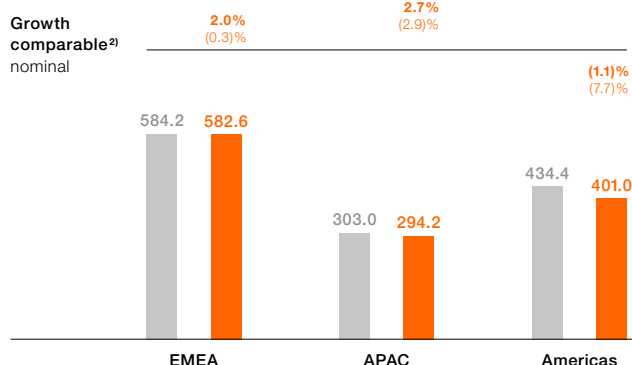


Revenue by Regions¹⁾

(by customer location)

in € million

Three months ended March 31,
■ 2013 ■ 2014



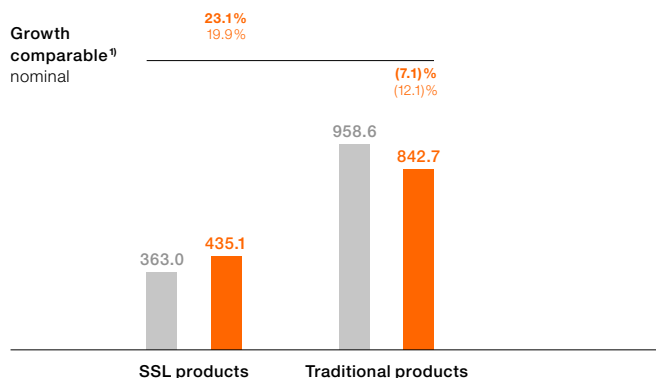
¹⁾ see the glossary

²⁾ Adjusted for currency translation and portfolio effects see the glossary and compared with the respective prior-year quarter.

Revenue by Technologies

in € million

Three months ended March 31,
■ 2013 ■ 2014



¹⁾ Adjusted for currency translation and portfolio effects see the glossary and compared with the respective prior-year quarter.

Significant increase in profitability

EBITA rose in the second quarter of 2014 as against the prior-year quarter, to €81.2 million. The improvement in earnings was driven by the growth at OS and SP, whereas the earnings contributions made by LS and LC dampened profitability. The continued improvement in the gross profit margin in the business with SSL products and forward-integrated SSL products contributed to the increased earnings. EBITA included special items of €34.9 million, mainly transformation costs. EBITA in the prior-year quarter was impacted by considerably higher special items totaling €98.2 million. In conjunction with the operational progress we made as a result of OSRAM Push, this resulted in the EBITA margin improving by 0.1% year-on-year to 6.4%. Special items lowered the EBITA margin by 270 basis points in the second quarter of 2014 (previous year: 740 basis points). Excluding special items, the EBITA margin was therefore 9.1% (previous year: 7.5%). The financial result benefited from a gain of €32.0 million on the sale of our share in the Valeo Sylvania LLC, Seymour, U.S.A. ("Valeo Sylvania") joint venture, leading to net income of €68.6 million (previous year: net loss of €19.1 million).

EMEA and APAC record growth on a comparable basis

From a regional perspective, the EMEA and APAC reporting regions saw growth in the low single-digit percentage range, primarily due to demand at OS and SP. The decline in the Americas region is attributable among other things to the service business, which is being restructured.

Solid state lighting (SSL) continues to gain pace

The share of OSRAM's total revenue accounted for by the business with SSL products rose to 34.1% in the second quarter of 2014, compared with 27.5% in the prior-year period. Growth was particularly strong in the business with forward-integrated SSL products, which saw a 38.6% increase as against the prior-year quarter on a comparable basis.

Lamps & Components (LC)—Modest top line decline despite substantial growth at SSL

LC recorded comparable revenue growth of 40.0% in its business with forward-integrated SSL products. However, this was offset by a continued decline in its traditional products business, where revenue was down 8.0% on the prior-year quarter on a comparable basis. Revenue from traditional products is expected to decrease on a comparable basis in the second half of 2014, too. Overall, LC's revenue decreased by 2.4% on a comparable basis. The business mix was a decisive factor in the earnings situation, with the decline in the higher-margin traditional products business playing a key role. This depressed the EBITA margin, although margins in the SSL business continued to improve and falling prices were also offset by successes from the implementation of OSRAM Push. In addition, EBITA was impacted by transformation costs, although these were lower than in the prior-year quarter, and by negative currency effects. Transformation costs and currency effects are expected to continue to impact the coming quarters.

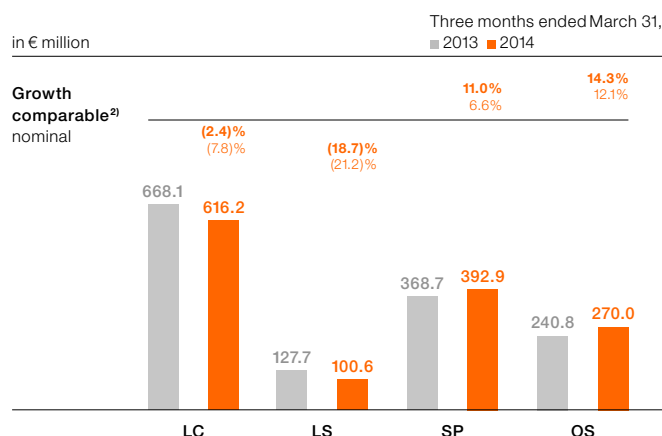
Luminaires & Solutions (LS)—Restructuring ongoing, top line trough reached

LS recorded a substantial drop in revenue in the second quarter of 2014 as a result of product portfolio adjustments in the luminaire business, the exit from the traditional maintenance business, and customer-driven project delays. On a positive note, growth in the SSL business picked up. Overall, we believe that the top line trough is reached at €100.6 million for the quarter, while the restructuring progressed well.

Specialty Lighting (SP)—Again strong profitability based on double-digit top line growth

The SP segment continued its growth, lifting revenue by 11.0% on a comparable basis. Growth was broad-based, but mainly stemmed from the business with LED-based products in the automotive sector. The traditional automotive business also recorded comparable growth. All regions reported increases: APAC and the Americas recorded significant growth on a comparable basis and clear growth was also seen in the EMEA region. The display/optic area also reported comparable revenue growth again. At 15.8%, SP again generated a high EBITA margin, despite the negative impact of currency effects, and benefited from improved capacity utilization.

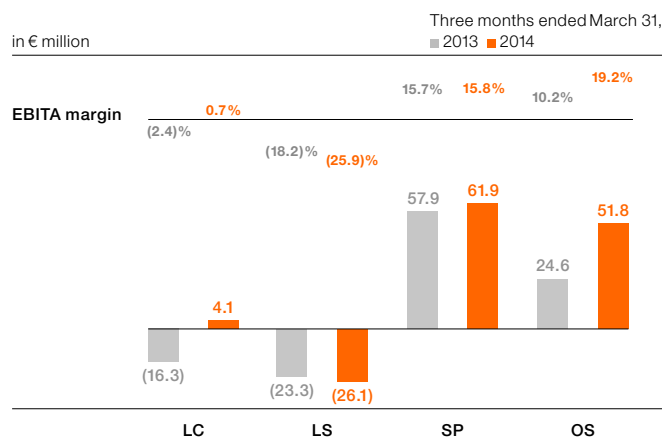
Revenue by Segments¹⁾



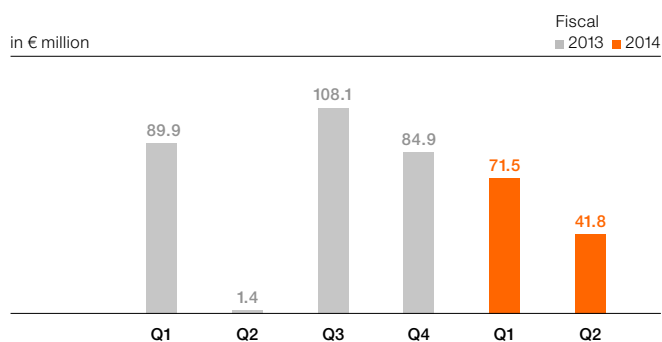
¹⁾ The segment revenues disclosed comprise external and intersegment revenue (total revenue). Including the reconciliation to the interim consolidated financial statements of €-102.0 million (previous year: €-83.8 million), OSRAM's revenue amounted to €1,277.9 million in Q2/2014 (previous year: €1,321.5 million).

²⁾ Adjusted for currency translation and portfolio effects (see the glossary and compared with the respective prior-year quarter).

EBITA by Segments



Free Cash Flow by Quarters



Opto Semiconductors (OS)—Broad-based revenue growth and exceptional profitability

At 14.3%, OS recorded the highest comparable revenue growth of the four reporting segments in the second quarter of 2014. All reporting regions and businesses contributed to this increase. The favorable business mix, and in particular the strong demand from the automotive and industrial sectors, as well as increased capacity utilization led the EBITA margin to soar to 19.2% year-on-year. EBITA of €51.8 million benefited by income of €7.5 million from a claim for an insurance refund.

Free cash flow up sharply

Free cash flow rose from €1.4 million in the prior-year quarter to €41.8 million in the second quarter of 2014. The year-on-year increase primarily resulted from the improved earnings performance, despite higher capital expenditures.

Business Performance in the Six Months ended March 31, 2014

Results of Operations

Revenue development

We continued to face a challenging environment in the first six months of fiscal 2014. Although the global economy gradually recovered, economic growth was mixed in the various regions and remains fraught with risk. The fundamental structural shift toward the SSL business continued, as did the ongoing decline in the traditional products business. Revenue decreased by 2.8% in the first six months of fiscal 2014 compared with the prior-year period. Adjusted for

currency translation effects, which had a negative impact of 4.5%, revenue on a comparable basis was up 1.7% year-on-year.

At segment level, revenue growth at OS and SP was unable to offset the decreases in the LC and LS segments. This overall trend was also reflected in regional revenue trends. Whereas LC and LS recorded a decline in revenue in almost all regions, OS and SP were able to boost revenue on a comparable basis in all regions. »The performance of the individual segments is described in more detail in "Segment Information" on page 17 ff.

Total Revenue by Segments

in € million	Six months ended March 31,		Change nominal	thereof currency	Change comparable
	2014	2013			
Lamps & Components	1,259.4	1,362.9	(7.6)%	(5.2)%	(2.4)%
Luminaires & Solutions	235.3	275.7	(14.7)%	(2.8)%	(11.8)%
Specialty Lighting	769.2	728.0	5.7%	(4.5)%	10.2%
Opto Semiconductors	539.8	470.4	14.7%	(2.5)%	17.3%
Reconciliation to interim consolidated financial statements	(199.5)	(158.7)	25.7%	(2.1)%	27.8%
OSRAM	2,604.2	2,678.3	(2.8)%	(4.5)%	1.7%

Revenue was not affected by portfolio effects in the first six months of fiscal 2014, although currency translation effects had a distinctly negative impact on revenue development. These effects were largely the result of a strengthening euro and therefore primarily impacted revenue development in the APAC and Americas regions.

In the EMEA region, revenue remained stable year-on-year at €1,183.5 million. Moderate growth in Germany and Southern Europe was partly offset by a modest decline in Eastern Europe. This decline was caused by negative currency effects, particularly in relation to the Russian ruble and Turkish lira. The Middle East and Africa registered a significant decline in revenue, which was attributable to negative double-digit currency effects, among other things. Overall, a modest positive trend was seen in these countries on a comparable basis.

Revenue in the APAC region amounted to €605.5 million in the first six months of fiscal 2014, down 2.6% on the first six months of the previous year. This was due to clearly negative currency translation effects totaling 6.0%, particularly in relation to the Hong Kong dollar, the Indian rupee, and the Japanese yen. The moderate growth in China and substantial rises in revenue in Hong Kong were offset by sharp decreases in Taiwan. Overall, the trend in these countries is moderately positive on a comparable basis.

At €815.2 million, revenue in the Americas region was down in the first six months of fiscal 2014, falling by 6.7% compared with the first six months of the prior year. The positive business trend in South America was offset by substantial negative currency effects. Revenue continued to decline in the U.S.A., where it was impacted among other things by the anticipated negative effects from the termination of our traditional maintenance business. On a comparable basis—excluding currency effects totaling 6.4%—the Americas region reported stable revenue growth overall.

Revenue by Regions

(by customer location)

in € million	Six months ended March 31,		Change nominal	thereof currency	Change comparable
	2014	2013			
EMEA	1,183.5	1,182.5	0.1%	(2.3)%	2.3%
thereof Germany	409.5	390.3	4.9%	0.0%	4.9%
APAC	605.5	621.7	(2.6)%	(6.0)%	3.4%
thereof China	153.7	149.4	2.9%	(2.0)%	4.9%
Americas	815.2	874.1	(6.7)%	(6.4)%	(0.3)%
thereof U.S.A.	573.7	621.3	(7.7)%	(3.8)%	(3.8)%
OSRAM	2,604.2	2,678.3	(2.8)%	(4.5)%	1.7%

In the six months just ended, revenue from SSL products continued to grow, while traditional products declined further. SSL revenue rose substantially compared with the first six months of the previous year. This development

was driven primarily by growth in forward-integrated SSL products, which increased by 34.4%. OS also lifted its revenue by 14.7%. In the first half of 2014, SSL revenue made up 33.5% of OSRAM's total revenue.

Revenue by Technologies

in € million	Six months ended March 31,		Change nominal	thereof currency	Change comparable
	2014	2013			
SSL products	873.6	717.6	21.7%	(3.6)%	25.3%
Share of SSL products of revenue	33.5%	26.8%			
Traditional products	1,730.6	1,960.8	(11.7)%	(4.8)%	(6.9)%
Share of traditional products of revenue	66.5%	73.2%			
OSRAM	2,604.2	2,678.3	(2.8)%	(4.5)%	1.7%

Changes in major items of the consolidated statement of income

Gross Profit

in € million	Six months ended March 31,		Change nominal
	2014	2013	
Revenue	2,604.2	2,678.3	(2.8)%
Cost of goods sold and services rendered	(1,768.7)	(1,903.4)	(7.1)%
Gross profit	835.5	774.9	7.8%
in % of revenue	32.1%	28.9%	

Gross profit rose by 7.8%, increasing from €774.9 million in the first six months of fiscal 2013 to €835.5 million in the same period of fiscal 2014. The gross profit margin (gross profit as a percentage of revenue) rose from 28.9% in the first six months of fiscal 2013 to 32.1% in the first six months of fiscal 2014. This improvement was, among other factors, the result of cost reductions from the OSRAM Push program, lower transformation costs than one year previously, primarily at LC, and a substantial increase in profitability at OS. Ongoing improvements in SSL products and forward-integrated SSL products also contributed to the higher gross profit margin.

Other Functional Costs and Other Operating Result

in € million	Six months ended March 31,		Change
	2014	2013	nominal
Research and development expenses	(162.2)	(173.1)	(6.3)%
in % of revenue	(6.2)%	(6.5)%	
Marketing, selling and general administrative expenses	(484.1)	(525.5)	(7.9)%
in % of revenue	(18.6)%	(19.6)%	
Other operating income	32.3	43.0	(24.9)%
Other operating expense	(42.1)	(29.3)	43.7%

The decrease in research and development costs is mainly attributable to the higher transformation costs recorded in the first six months of fiscal 2013. A decline at LC—only partly due to lower transformation costs—was offset by higher research and development expenses at OS.

The clear decline in marketing, selling, and general administrative expenses in the first six months of fiscal 2014 compared with the prior-year period is also largely attributable to the lower transformation costs and lower costs associated with the separation/for going public. However, operational savings were also made. Unlike the prior-year period, the first half of 2014 was impacted by the costs of OSRAM's

participation in "Light+Building", a trade fair that takes place every two years.

The other operating result, which comprises other operating income and other operating expense, declined sharply in the first six months of fiscal 2014 compared with the corresponding prior-year period. This is primarily due to increased litigation costs in the reporting period that OSRAM considers in part to be a special item. Other operating income also declined as this was composed, in both the reporting period and the prior-year period, of income from the settlement of litigations and the corresponding reversal of provisions and liabilities. OSRAM considers this income to be a special item.

Financial Result

in € million	Six months ended March 31,		Change
	2014	2013	nominal
Income (loss) from investments accounted for using the equity method, net	33.6	(19.7)	n/a
Interest income	1.7	4.0	(57.5)%
Interest expense	(18.6)	(15.9)	17.0%
Other financial income (expense), net	(1.4)	(5.9)	(76.3)%
Financial result	15.3	(37.5)	n/a

In the six months of fiscal 2014 just ended, we saw net income of €33.6 million from investments accounted for using the equity method, compared to a net loss of €19.7 million in the first six months of fiscal 2013. The positive result from investments accounted for using the equity method in the first half of fiscal 2014 is largely attributable to a net gain of €32.0 million from the sale of OSRAM's 50% interest in the Valeo Sylvania joint venture as well as of the loans granted to Valeo Sylvania by OSRAM. By contrast, in the prior-year period, a proportionate net loss of €9.3 million was generated from investments accounted for using the equity method, resulting mainly from income of €1.3 million from the investment in Foshan Electrical and Lighting Co., Ltd, Foshan, China ("FELCO") and a loss of €10.5 million from the investment in Valeo Sylvania. In addition, in the first six months of fiscal

2013, impairment losses were recognized on loans that were part of the net investment in Valeo Sylvania in the amount of €7.3 million, and on the investment in OSRAM (China) Fluorescent Materials Co., Ltd., Yi Xing City, China ("OCFM") in the amount of €3.1 million.

Net Income (Loss) and EBITA

in € million	Six months ended March 31,		Change
	2014	2013	nominal
Income (loss) before income taxes	194.7	52.5	>200%
Income taxes	(58.0)	(4.0)	>200%
Net income (loss)	136.7	48.5	181.9%
EBITA	193.4	101.6	90.4%
in % of revenue (EBITA margin)	7.4%	3.8%	
therein special items	(45.7)	(105.6)	(56.7)%
therein transformation costs	(43.6)	(126.3)	(65.4)%

Despite the slight decline in revenue, income before income taxes rose sharply in the first six months of fiscal 2014, climbing to €194.7 million from €52.5 million in the prior-year period. This growth resulted primarily from the increase in gross profit, the reduction in marketing, selling, and general administrative expenses and in research and development expenses, as well as the clear increase in the net income from investments accounted for using the equity method compared with the prior-year period. These positive effects were offset in part by the negative other operating result in the first six months of fiscal 2014, compared with the positive effect of the item in the comparable prior-year period. Net income saw a sharp increase from €48.5 million in the prior-year period to €136.7 million in the first six months of fiscal 2014. Income tax expense is determined on the basis of the estimated effective tax rate for the full fiscal year. This tax rate was unusually low in the first half of fiscal 2013.

EBITA rose by 90.4%, increasing from €101.6 million in the first six months of fiscal 2013 to €193.4 million in the same period of fiscal 2014. The corresponding EBITA margin increased sharply from 3.8% in the prior-year period to 7.4% in the reporting period. This is primarily due to lower special items—mainly transformation costs—than one year previously. In addition, the improved profitability resulted from the success of OSRAM Push and especially from the higher EBITA at OS in the first six months of fiscal 2014.

Overall, special items reduced EBITA in the reporting period by €45.7 million. These mainly comprised transformation costs related to OSRAM Push of €43.6 million. They include the cost of personnel-related measures amounting to €28.9 million ›see Note 3|Personnel-related Restructuring Expenses and Note 9|Pension Plans and Similar Commitments, both in the notes to the condensed interim consolidated financial statements, as well as other transformation costs of €14.7 million in connection with impairment losses, among other things. In addition to the transformation costs, a net expense of €2.1 million was recorded for certain legal and regulatory matters, and in connection with the separation/for going public ›see Note 4|Other Operating Income, Note 5|Other Operating Expense, and Note 12|Legal Proceedings in the notes to the condensed interim consolidated financial statements.

By contrast, special items produced a negative effect on EBITA of €105.6 million in the first six months of fiscal 2013. Included in this effect were transformation costs of €126.3 million that were mainly incurred for personnel-related measures (€69.6 million) and from impairment losses, losses on the disposal of property, plant, and equipment, and other transformation costs (total of €56.7 million). These were partially offset by net income of €20.7 million in connection with the separation/for going public and patent infringement disputes, which comprised legal costs, income in connection with the patent infringement disputes, and costs in connection with the establishment of OSRAM as an independent company.

Excluding the special items, the corresponding adjusted EBITA margin ›see the glossary improved from 7.7% to 9.2%.

Statement of Income: Change Compared to Prior-year Period

Six months ended March 31, 2014

in € million

Revenue	(74.1)		
Cost of goods sold and services rendered	134.7		
Gross profit	60.6		
Research and development expenses	10.9		
Marketing, selling, and general administrative expenses	41.4		
Other operating result	(23.5)		
Financial result	52.8		
Income (loss) before income taxes	142.2		
Income taxes	(54.0)		
Net income (loss)	88.2		

Segment Information

Lamps & Components

Segment Data LC

		Six months ended March 31,		Change	
		2014	2013	nominal	comparable ¹⁾
Total revenue	in € million	1,259.4	1,362.9	(7.6)%	(2.4)%
EBITA	in € million	44.5	(14.6)	>200%	
EBITA margin	in %	3.5%	(1.1)%		
Employees ²⁾	in thousand FTE	16.0	21.0	(23.1)%	

¹⁾ Adjusted for currency translation and portfolio effects.

²⁾ As of March 31, 2014 and 2013.

Total revenue generated by the LC segment decreased by €103.5 million, or 7.6%, declining from €1,362.9 million in the six months ended March 31, 2013, to €1,259.4 million in the six months ended March 31, 2014. LC's revenue fell in all regions and particularly in the APAC region. The segment's business with forward-integrated SSL products increased substantially compared with the prior-year period, due not least to the launch of a new family of LED lamps. However, this was outweighed by a continued decline in demand in the traditional business. Revenue from traditional products is also expected to decrease on a comparable basis in the second half of 2014. Adjusted for negative currency translation effects of 5.2%, there was a reduction in total segment revenue of 2.4%.

Despite declining revenue, EBITA rose by €59.1 million to €44.5 million in the first six months ended March 31, 2014, up from €-14.6 million in the first six months ended March 31, 2013. In line with this, the EBITA margin increased to 3.5%, compared to -1.1% in the first half of the previous year. This was due to lower transformation costs than in the previous year as well as productivity improvements in connection with OSRAM Push, which more than offset price declines. After adjustment for special items, the EBITA margin remained unchanged as against the first half of the previous year, at 5.9% in the first six months ended March 31, 2014. Although profitability in the business with forward-integrated SSL products continued to improve, the EBITA margin was depressed overall by a less favorable product mix and negative currency effects. Further negative earnings impacts relating to the transformation and currency effects are expected in the coming quarters.

The organizational structure of the Lamps & Components segment was modified effective May 1, 2014, and the business activities of the Lamps (LP) and Light Engines & Controls (LE) Business Units were reorganized. The measures are OSRAM's response to the rapid technological transformation toward SSL and the related challenge to the segment's profitability. The two units' declining business with traditional lamps (previously LP) and traditional ballasts (previously LE) is to be combined in a new Classic Lamps & Ballasts

(CLB) Business Unit. Equally, the rapidly expanding SSL activities of LP and LE will be brought together in a new LED Lamps & Systems (LLS) Business Unit. These measures are intended to ensure a clear management focus on the different business dynamics of the traditional business and SSL activities as well as greater flexibility and agility in the market. The new business units will be presented for the first time as externally reported segments in the interim report for the period ending June 30, 2014.

Luminaires & Solutions

Segment Data LS

		Six months ended March 31,		Change	
		2014	2013	nominal	comparable ¹⁾
Total revenue	in € million	235.3	275.7	(14.7)%	(11.8)%
EBITA	in € million	(41.1)	(40.3)	2.0%	
EBITA margin	in %	(17.5)%	(14.6)%		
Employees ²⁾	in thousand FTE	2.6	3.5	(25.7)%	

¹⁾ Adjusted for currency translation and portfolio effects.

²⁾ As of March 31, 2014 and 2013.

Total revenue generated by the LS segment declined by €40.4 million, or 14.7%, decreasing from €275.7 million in the first six months of fiscal 2013 to €235.3 million in the first six months of fiscal 2014. This decline in revenue is due primarily to anticipated declines in connection with the termination of the traditional maintenance business and to streamlining of the product portfolio in the luminaires business. Adjusted for currency translation effects of –2.8%, total segment revenue fell by 11.8%. Revenue from SSL products saw a positive trend, with its share of the segment's total revenue increasing sharply in the first half of fiscal 2014.

At €–41.1 million, EBITA reported by the LS segment was nearly unchanged in the first six months of fiscal 2014. The EBITA margin deteriorated from –14.6% in the first six months of fiscal 2013 to –17.5% in the first six months of fiscal 2014. This is due in particular to the fact that function costs decreased less sharply than revenue. Adjusted for special items due to transformation costs, the EBITA margin declined from –12.5% in the first half of the previous year to –15.1% in the first six months of fiscal 2014. The LS segment is expected to break even in fiscal 2015.

Specialty Lighting

Segment Data SP

		Six months ended March 31,		Change	
		2014	2013	nominal	comparable ¹⁾
Total revenue	in € million	769.2	728.0	5.7%	10.2%
EBITA	in € million	122.0	126.4	(3.5)%	
EBITA margin	in %	15.9%	17.4%		
Employees ²⁾	in thousand FTE	6.1	6.0	1.7%	

¹⁾ Adjusted for currency translation and portfolio effects.

²⁾ As of March 31, 2014 and 2013.

The SP segment recorded a rise of €41.2 million in total revenue, up 5.7% from €728.0 million in the six months ended March 31, 2013, to €769.2 million in the six months ended March 31, 2014. Excluding currency translation effects of –4.5%, SP's total revenue rose by 10.2% in the first six months of fiscal 2014. The increase was attributable to growth in all regions, particularly to significant growth on a comparable basis in the APAC and EMEA regions. Comparable revenue growth was based above all on demand for SSL-based products as well as LED components and traditional products for the automotive sector. The display/optic area returned to the growth zone, with a moderate rise in revenue on a comparable basis in the second quarter of fiscal 2014. This more than compensated for a modest drop in revenue during the first quarter of fiscal 2014, allowing the display/optic area to generate modest year-on-year revenue growth on a comparable basis in the six months ended March 31, 2014.

EBITA at SP fell by €4.4 million, or 3.5%, decreasing from €126.4 million in the first six months of fiscal 2013 to €122.0 million in the first six months of fiscal 2014. This was due primarily to a larger proportion of SSL-based products in the product mix. In line with this, the EBITA margin for the reporting period was high at 15.9%, although it did not reach the strong figure of 17.4% recorded for the first six months of fiscal 2013. This was the result of negative currency effects, among other factors. Adjusted for special items, the EBITA margin was 16.4% in the first six months of fiscal 2014, compared to 18.1% in the prior-year period.

Opto Semiconductors

Segment Data OS

		Six months ended March 31,		Change	
		2014	2013	nominal	comparable ¹⁾
Total revenue ²⁾	in € million	539.8	470.4	14.7%	17.3%
External revenue	in € million	331.8	302.2	9.8%	
EBITA	in € million	87.5	47.1	85.8%	
EBITA margin	in %	16.2%	10.0%		
Employees ³⁾	in thousand FTE	7.9	7.1	11.3%	

¹⁾ Adjusted for currency translation and portfolio effects.

²⁾ Including intersegment revenue of €207.9 million (prior year: €168.2 million).

³⁾ As of March 31, 2014 and 2013.

Total revenue recorded by the OS segment increased by €69.4 million, or 14.7%, rising from €470.4 million in the six months ended March 31, 2013, to €539.8 million in the six months ended March 31, 2014. This growth was achieved in all regions and in all businesses. Revenue increased most notably in the areas of infrared components and LEDs for the automotive sector. Excluding negative currency translation effects of 2.5%, total revenue at OS grew by 17.3% compared with the prior-year reporting period.

EBITA reported by OS rose by €40.4 million, or 85.8%, climbing from €47.1 million in the six months ended March 31, 2013, to €87.5 million in the six months ended March 31, 2014. Compared with the prior-year reporting period, the OS EBITA margin improved from 10.0% to 16.2%. Contributing factors were the rise in revenue, improved capacity utilization, and a more favorable product mix—especially due to demand from the automotive and industrial sectors—as well as productivity gains as part of OSRAM Push.

Reconciliation to the interim consolidated financial statements

The reconciliation to the interim consolidated financial statements as part of the segment information contains the items Corporate items and pensions and Eliminations, corporate treasury, and other reconciling items.

The corporate items include certain business activities and special topics that are not directly attributed to the segments because the Managing Board of OSRAM Licht AG (CODM—Chief Operating Decision Maker) does not consider them to be indicative of the segments' performance. Among other things, these include some of the activities in connection with specific pre-materials (e.g., the production of fluorescent materials), specific legal issues, and the OLED research and development project. Additionally, corporate items contain certain costs associated with the separation/for going public and the spin-off, and patent infringement disputes. The Pensions item includes those pension-related income and expenses at OSRAM that are not allocated to the segments.

Eliminations, corporate treasury, and other reconciling items comprise the consolidation of transactions between the segments, certain reconciliation and reclassification items, and corporate treasury operations.

In the six months ended March 31, 2014, the EBITA column of the Corporate items and pensions line item included €–15.5 million (previous year: €–14.3 million) relating to corporate items, as well as €–3.6 million (previous year: €–2.4 million) relating to pensions. In the six months ended March 31, 2014, the corporate items were impacted, among other things, by expenses and income in the net amount of €–9.3 million relating to legal proceedings, as well as transformation costs in the amount of €4.2 million. In the previous year, the corporate items were impacted, among other things, by income from the settlement of patent infringement disputes, expenses for historical regulatory risks in one country, which were addressed as part of the “Future Industrial Footprint” project, and costs associated with the separation/for going public, including €5.9 million for the relocation of Group headquarters in Munich.

Financial Position and Net Assets

Changes in key items of the consolidated statement of cash flows

Cash flows from operating activities

Net cash provided by operating activities increased by €33.2 million, from €169.4 million in the first six months of fiscal 2013 to €202.6 million in the first six months of fiscal 2014. This rise is attributable to favorable earnings growth in particular. Net income of €136.7 million in the first six months of fiscal 2014 was up €88.2 million on the level for the prior-year period (€48.5 million). The net gain on sales of investments of €32.0 million contained in the first half of fiscal 2014 (previous year: €– million) was a negative reconciling item within operating activities. In contrast to this, the income taxes in the reconciliation from net income to net cash provided by operating activities in the first half of 2014 had a positive effect, due to the inclusion of the tax expense of €58.0 million and a cash outflow of €23.3 million for income taxes paid. In the first half of 2013, a tax expense of €4.0 million was accompanied by income taxes paid of €33.9 million, which had a negative effect overall on net cash provided by operating activities. Income taxes paid were primarily attributable in both periods to withholding tax deducted, the settlement of tax liabilities from previous years, and tax prepayments for the current year.

The change in the net working capital items (resulting from changes in current assets and liabilities in the statement of cash flows) led to an additional €87.0 million being tied up in the first six months of fiscal 2014, whereas funds of €56.3 million had been tied up in the comparable prior-year period. The change in inventories, trade receivables, and other current liabilities was responsible for most of this shift. Funds tied up in inventory of €50.2 million in the first half of 2014 were due in particular to the increase in inventories in the LC and SP segments. By contrast, funds of €35.9 million were released in the comparable prior-year period due to changes in inventories. Conversely, €3.6 million in trade receivables was released in the first six months of fiscal 2014, whereas funds of €98.7 million were tied up in the same period of fiscal 2013. The LC segment made a particular contribution to this change. The change in other current liabilities in the first six months of fiscal 2014 was accompanied by €76.0 million being tied up. In contrast, funds of €0.7 million were tied up in the same period of fiscal 2013. In both periods, year-end payments to employees, among others, had a particular effect on this item. In the prior-year period, however,

this item was impacted to a greater degree by the offsetting effects of the increase in liabilities related to restructuring measures. Higher cash outflows were incurred for restructuring measures in the reporting period than in the prior-year period. The change in trade payables led to funds of €15.8 million being released in the six months ended March 31, 2014, whereas funds of €18.9 million were tied up in the first six months of fiscal 2013. The OS segment made a significant contribution to this change.

Cash flows from investing activities

Net cash used in investing activities amounted to €5.9 million in the first six months of fiscal 2014, compared with €63.6 million in the comparable prior-year period.

Capital expenditures

Capital expenditures for intangible assets and property, plant, and equipment reported in the consolidated statement of cash flows totaled €89.3 million in the first six months of fiscal 2014, an increase on the level of the first six months of fiscal 2013 (€78.1 million). Of the total amount, €29.9 million was attributable to the LC segment in the first six months of fiscal 2014. Capital expenditures focused most notably on setting up the new LED lamp production facility in Germany and expanding existing production lines, particularly for modern halogen lamps.

Capital expenditures at SP of €14.8 million were primarily used to expand capacity (among other things to manufacture products for the automotive sector) and to rationalize production.

Opto Semiconductors invested €34.2 million, which included investments to establish the new LED assembly facility in Wuxi, China, and to expand production capacity in Penang, Malaysia. In the first six months of fiscal 2014, OS made further noncash investments of €4.5 million that were recognized as additions to noncurrent assets but had not yet been paid for as of March 31, 2014. Further significant capital expenditures are planned for the coming quarters, including for the LED assembly facility in Wuxi.

The capital expenditures recognized in the Corporate items and pensions line item totaled €7.3 million in the first six months of fiscal 2014 and were primarily attributable to the fitting out of a lighting laboratory that was relocated to the production site in Augsburg when the former Group headquarters building in Munich was closed.

Divestments

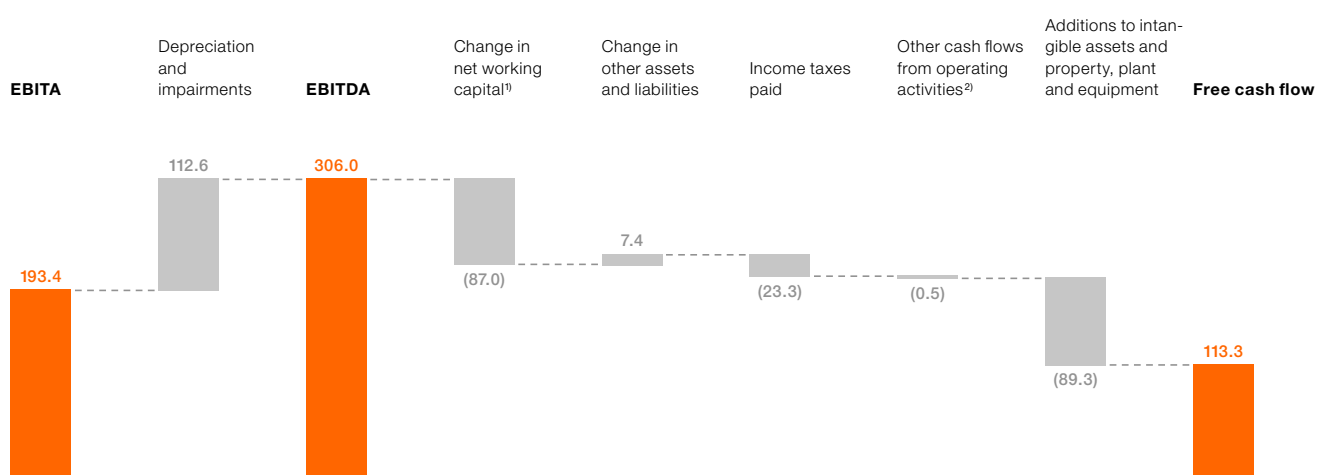
At the beginning of the second quarter of fiscal 2014, OSRAM received a payment of €79.6 million from the sale of its 50% interest in the Valeo Sylvania joint venture and of the loans granted to Valeo Sylvania by OSRAM.

In the first six months of fiscal 2013, OSRAM received a payment of €28.3 million from the sale of the subsidiaries Sunny World (Shaoxing) Green Lighting Co. Ltd., Shaoxing, China ("Sunny World") and OSRAM Hong Kong Ltd., Hong Kong ("OHK").

Reconciliation of EBITA to Free Cash Flow

Six months ended March 31, 2014

in € million

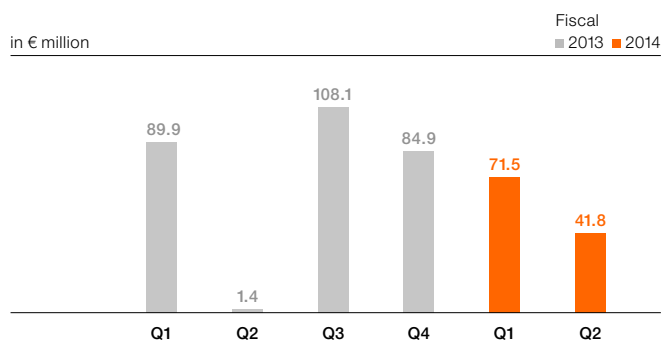


¹⁾ Includes changes in inventories, trade receivables, other current assets, trade payables, current provisions, and other current liabilities.

²⁾ Includes interest received and other reconciling items to net cash provided by (used in) operating activities.

Free cash flow

Free Cash Flow by Quarters



Free cash flow increased from €91.3 million in the first six months of fiscal 2013 to €113.3 million in the first six months of fiscal 2014.

Cash Flows from

in € million	Six months ended March 31,	
	2014	2013
Operating activities	202.6	169.4
Investing activities	(5.9)	(63.6)
thereof: Additions to intangible assets and property, plant and equipment	(89.3)	(78.1)
Free cash flow ¹⁾	113.3	91.3
Financing activities	(93.1)	(86.6)

¹⁾ Free cash flow is defined as net cash provided by (used in) operating activities less additions to intangible assets and property, plant, and equipment.

Cash flows from financing activities

OSRAM's financing activities resulted in a net cash outflow of €93.1 million in the first six months of fiscal 2014, compared with a net cash outflow of €86.6 million in the comparable period of the previous year. The most significant transaction within the scope of financing activities during the first six months of fiscal 2014 was the partial repayment of the syndicated term loan, which involved a payment of €80.0 million. Additional cash outflows in the first six months of fiscal 2014 resulted in particular from interest payments of €11.7 million and a net reduction in short-term bank loans of €6.6 million at OSRAM companies that are not able to take part in Group financing because of national restrictions on capital transfers. The cash inflow of €6.3 million reported in the Other transactions/financing with Siemens Group item resulted primarily from the reimbursement by Siemens AG of the acquisition costs of treasury shares and other costs incurred in connection with the transaction bonus program, the administration of which OSRAM took over from Siemens AG. »Additional information can be found in the notes to the consolidated financial statements of OSRAM Licht AG for fiscal 2013 in Note 28|Equity, Note 34|Share-based Payment, and Note 39|Related Party Disclosures.

Financing activities in the first six months of fiscal 2013 were dominated by transactions with Siemens. The cash outflow of €402.7 million disclosed in the Other transactions/financing with Siemens Group item in the first six months of fiscal 2013 was primarily due to the decline in net payables to the Siemens Group from financing activities. An offsetting effect resulted from the loss absorption payment of €336.6 million made by Siemens in the first six months of fiscal 2013 for fiscal 2012 in line with the domination agreement.

Financing and liquidity analysis

Net debt/net liquidity comprises total debt (short-term debt and current maturities of long-term debt plus long-term debt) less total liquidity (cash and cash equivalents plus current available-for-sale financial assets).

Net Debt/Net Liquidity

in € million	March 31, 2014	September 30, 2013
Short-term debt and current maturities of long-term debt	46.4	55.9
+ Long-term debt	216.8	295.0
Total debt	263.2	350.9
Cash and cash equivalents	627.7	522.1
+ Available for sale financial assets	1.3	0.8
Total liquidity	629.0	522.9
Net debt/net liquidity¹⁾	(365.8)	(172.0)
+ Pension plans and similar commitments	386.8	358.5
Adjusted net debt	21.0	186.5

¹⁾ Net liquidity is presented as a negative figure.

OSRAM has access to variable-rate credit lines of €1.17 billion under a syndicated loan facility. They comprise a term loan of €220 million and a revolving credit line of €950 million. The revolving credit line may also be drawn down in U.S. dollars or, with the approval of the banks, in other currencies. The loan agreement was signed on February 1, 2013, and matures on February 1, 2018.

An amount of €220 million had been drawn down as a term loan under the loan facility as of March 31, 2014; the figure as of September 30, 2013 was €300 million. On March 31,

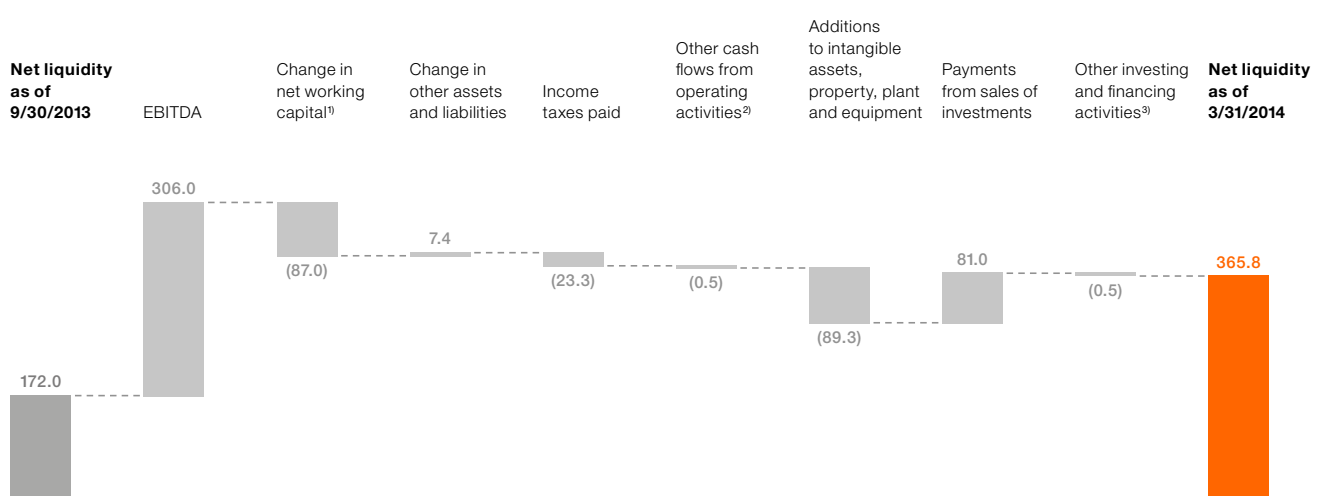
2014, €80 million was redeemed, which cannot be drawn down again in line with the terms of the agreement for the term loan. The difference between the amount drawn down under the credit facility and the carrying amount is due to transaction costs not yet amortized using the effective interest method.

Short-term debt results from drawdowns of short-term credit lines, especially by OSRAM companies in countries that cannot take part in Group financing because of national restrictions on capital transfers.

Development of Net Debt/Net Liquidity

Six months ended March 31, 2014

in € million



¹⁾ Includes changes in inventories, trade receivables, other current assets, trade payables, current provisions, and other current liabilities.

²⁾ Includes interest received and other reconciling items to net cash provided by (used in) operating activities.

³⁾ Includes both cash inflows/outflows (especially interest payments) and noncash effects, e.g., from currency translation.

Asset structure and equity

Balance sheet structure

In the first six months of fiscal 2014, total assets decreased by €34.1 million, or 0.8%, from €4,425.3 million as of September 30, 2013, to €4,391.2 million as of March 31, 2014. A significant factor in this, which reduced total assets by around €74 million, was the appreciation of the euro against the functional currencies of OSRAM companies not located in the eurozone. Cash and cash equivalents rose by €105.6 million to €627.7 million mainly due to the positive cash inflows from operating activities. There were no more assets classified as held for sale as of March 31, 2014, due in particular to the sale of the interest in the Valeo Sylvania joint venture. The carrying amount of this interest was €45.6 million. Property, plant, and equipment declined by €39.3 million primarily because depreciation exceeded capital expenditures.

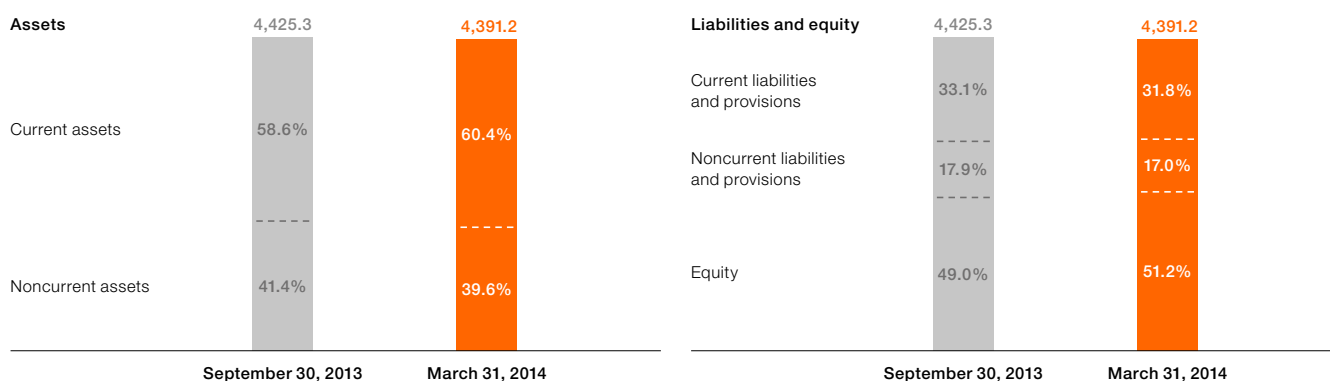
On the liabilities and equity side, other current liabilities declined by €105.6 million, particularly as the result of special

and year-end payments to employees as well as severance payments. Noncurrent liabilities and provisions decreased by €46.1 million to €746.3 million. This change mainly resulted from the partial repayment of the syndicated term loan in the amount of €80.0 million. The €28.3 million increase in pension plans and similar commitments had an offsetting effect. This was largely due to lower discount rates in Europe and the U.S.A. and increases in the total commitments as a result of restructuring measures in the U.S.A.

Equity rose by €80.1 million to €2,249.4 million, resulting primarily from the net income of €136.7 million generated in the first six months of fiscal 2014. This was partially offset by the effects of currency translation (€35.6 million) and of remeasurements of pension plans (€23.0 million) recognized directly in equity. The equity ratio (equity to total assets) was therefore 51.2% as of March 31, 2014, compared with 49.0% as of September 30, 2013.

Balance Sheet Structure

in € million

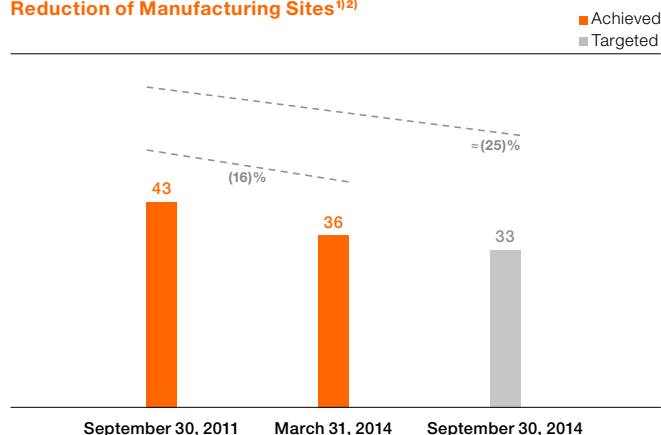


Progress of the OSRAM Push Program

The technology shift and the resulting fundamental changes in the business environment necessitate a strategic realignment of the OSRAM Licht Group. Since the first quarter of fiscal 2012, this has been supported by a company-wide, sustainable, and comprehensive improvement program—“OSRAM Push”.

In particular, the production landscape is being transformed in order to improve plant capacity utilization. The goal here is to reduce the number of manufacturing sites. As of September 30, 2011, OSRAM had 43 production locations. Starting from this baseline, the goal is to discontinue eleven locations by the end of fiscal 2014. As of March 31, 2014, seven locations had been discontinued, which was also the position as of September 30, 2013.

OSRAM Push: Reduction of Manufacturing Sites¹⁾²⁾

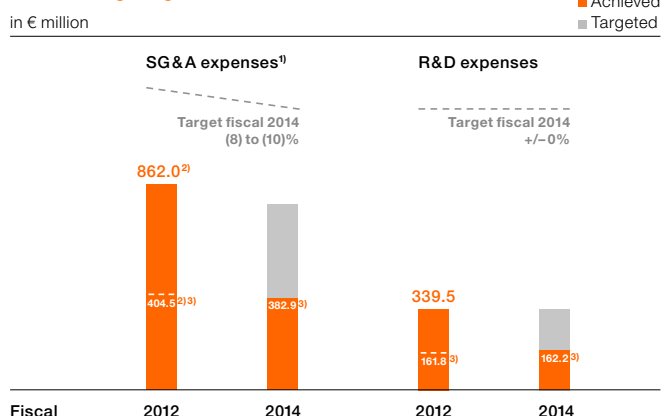


¹⁾ Net reduction including the establishment of a new LED assembly facility in Wuxi, China in the second half of fiscal 2014.

²⁾ Figures taken from OSRAM's current planning.

Simultaneously, OSRAM is aiming to increase the profitability of its business by ensuring more efficient structures in research and development, production, and sales, as well as in its corporate functions. In connection with this, research and development expenses for fiscal 2014 are to be maintained at the fiscal 2012 level, and marketing, selling, and general administrative expenses excluding logistics costs are to be reduced from the level recorded in fiscal 2012.

OSRAM Push: Cost-saving Targets Function Costs



¹⁾ Excluding logistics costs of €110.4 million and €101.2 million in the six months ended March 31, 2012 and 2014, respectively, and of €213.9 million in fiscal 2012.

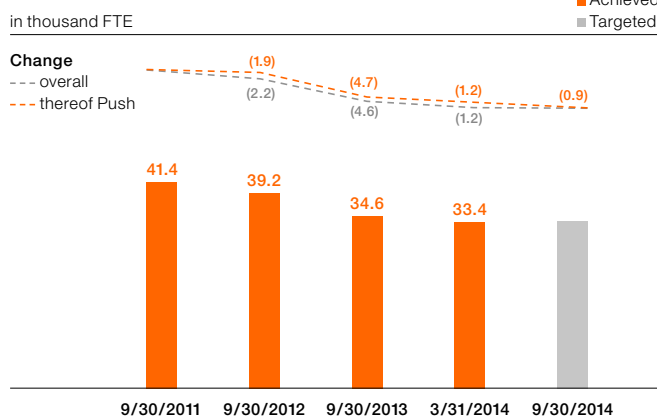
²⁾ As part of contract changes, certain allowances to purchasing associations are now reported, as of fiscal 2013, in marketing, selling, and general administrative expenses. In fiscal 2012, these expenses were reported under gross profit and amounted to €20.1 million for the year as a whole and €12.0 million for the six months ended March 31, 2012; these amounts are included for comparison purposes in the figures of €862.0 million and the €404.5 million, respectively.

³⁾ Six months ended March 31, 2012 and 2014, respectively.

The measures described above involve a clear reduction in the workforce. OSRAM had already announced in January 2012 that staff levels would be adjusted by the end of fiscal 2014. Overall, OSRAM plans to cut approximately 8,700 jobs by the end of fiscal 2014.

As of March 31, 2014, around 7,800 of the abovementioned jobs had already been cut.

OSRAM Push: Job Reduction



OSRAM Push aims to sustainably improve OSRAM's productivity. Alongside the transformation-driven measures, a key focus of the program is on improving operating productivity, which benefits all segments. This includes savings in the purchasing area and from optimizing production.

Overall, OSRAM is aiming to achieve cumulative gross cost reductions of around €1.2 billion by the end of fiscal 2015 with

the OSRAM Push program. These savings will be partly offset, however, by cumulative transformation costs of approximately €600 million in the fiscal years from 2012 to 2014. Total cumulative transformation costs of €542 million were incurred in fiscal 2012, fiscal 2013, and the first six months of fiscal 2014. In addition, cost savings will be offset by other effects, in particular the effects of declining prices (especially for SSL products), salary increases, and other inflationary effects.

OSRAM Push: Project Progress ¹⁾				Target cumulated until 12/31/2014
	Status 9/30/2013 ²⁾	Status 3/31/2014 ²⁾	Progress	
Transformation costs	€498 million	€542 million	<div><div style="width: 90%;"></div></div> 90%	≈ €600 million
Reduction of manufacturing sites	(7)	(7)	<div><div style="width: 64%;"></div></div> 64%	(11)
Job reduction	(6,600)	(7,800)	<div><div style="width: 90%;"></div></div> 90%	≈ (8,700)
Cost reduction by OSRAM Push measures ³⁾	€433 million	€644 million	<div><div style="width: 54%;"></div></div> 54%	≈ €1,200 million

¹⁾ The information presented reflects the project progress since fiscal 2012 until the reporting date of March 31, 2014.

²⁾ Cumulative since start of the project in fiscal 2012.

³⁾ The OSRAM Push measures refer to the fiscal years 2013 to 2015.

In the past, the OSRAM Push program focused primarily on restructuring and on transforming the corporate culture. Increasingly, however, its purpose now is to generate revenue through organic growth as well. OSRAM has also implemented, or is planning to implement, additional measures to improve structures and processes. These include reorganizing the sales organization in general lighting, setting up a global shared services organization, and leaner structures in the Group's headquarters.

OSRAM is presented with a wide range of opportunities as part of its corporate activities and in view of our wide range of business activities. However, the Company is also exposed to a large number of risks. These opportunities and risks may positively or negatively influence the Company's business performance. We make use of a variety of integrated risk management and control systems to identify relevant opportunities and risks at an early stage and to manage them effectively. Risk management sustainably ensures our future business success and is an integral component of all Group decisions and business processes.

We presented the specific risks that could have material adverse effects on our net assets, financial position, and results of operations, as well as our reputation, along with our key opportunities and the structure of our risk management system in our Annual Report for fiscal 2013. Provisions were recognized in connection with legal proceedings in the six months ended March 31, 2014. »Information about the material developments with respect to legal proceedings can be found in Note 12 | Legal Proceedings of the condensed interim consolidated financial statements for the six months ended March 31, 2014. Risks in connection with regulatory certification requirements are classified as more significant compared with September 30, 2013. Otherwise, the risks described in the Annual Report for fiscal 2013 did not materially change with respect to their identification and assessment in the six months ended March 31, 2014. With respect to opportunities, changes have occurred since the Annual Report for fiscal 2013. In particular, an opportunity related to legal proceedings was realized during the six months ended March 31, 2014. We also either implemented or incorporated into the business plan the employee development measures resolved for fiscal years 2012 to 2014. We are classifying the opportunity of the traditional market remaining stable for longer than expected as less probable than at the end of fiscal 2013. Additionally, relevant new opportunities were identified, and are described below.

Strategic Opportunities

White spots

We offer future-oriented products and solutions along the entire lighting value chain. The products thus cover a number of application areas, such as residential, office, industrial, gastronomy, outdoor, and architectural. In addition to the products and solutions already available, we also have ideas and developments for white spots such as 'intelligent light' or applications above and beyond light. We also see opportunities in the development of new business areas and further forward integration coupled with the selective expansion of our offering of value-added services. This could have a positive impact on our business activities as well as on our net assets, financial position, and results of operations.

Opportunities related to organizational and process-related improvements

Continuous improvement of key business processes with respect to agility, speed, and cost-efficiency is essential to ensure our sustained profitability. We believe that we are not even close to having exhausted the possibilities for further optimizing our cost structures and the quality of business processes within the Group. It is therefore our goal to create a more efficient and effective organization through harmonization and consolidation. In this respect, we see further potential to make our sales and distribution structures leaner and more customer-focused, with the aim of ensuring better and faster service. We also intend to proactively manage our traditional product portfolio and the products that are being phased out in order to reduce costs more quickly than planned. This could have a positive impact on our business activities as well as on our net assets, financial position, and results of operations.

Overall Assessment of Risks and Opportunities

Additional risks of which we are not currently aware or risks that we currently consider to be insignificant could also adversely affect our business activities. The Managing Board remains confident that the Group's earnings strength forms a solid basis for our future business development and provides the resources needed to pursue the opportunities available to the OSRAM Licht Group. The Managing Board considers the risks described above to be manageable from today's perspective, and does not expect to incur any risks that either individually or in the aggregate would appear to jeopardize the continuity of our business.

Report on Expected Developments

The Managing Board confirms its forecast for fiscal 2014 that is discussed in detail in the 2013 Annual Report in the section entitled “Report on Expected Developments and Associated Material Opportunities and Risks” on page 91 onwards. In view of the continued clear decline in the traditional business reaching the revenue target becomes increasingly challenging. By contrast, the Managing Board is very confident about its earnings target. Please read this report on expected developments together with the section entitled “Notes and Forward-looking Statements” on page 31.

Expected Developments 2014

	Starting point Fiscal year 2013	Expected developments Fiscal year 2014
Comparable revenue growth (adjusted for currency translation and portfolio effects)	1.6%	Revenue growth of OSRAM Licht Group on a comparable basis will be higher than global real GDP growth for 2014 (currently expected at 3%), despite a decrease in the share of revenue at LS resulting from the restructuring.
EBITA margin before special items	7.7%	EBITA margin (before special items) is expected to be over 8.0% in fiscal 2014
Net income	€33.6 million	Net income will increase sharply.
ROCE	1.9%	We intend to generate a return on capital in excess of our cost of capital of 8.5%.
Free cash flow	€284.3 million	We expect a positive free cash flow in the three-digit millions of euros, although it will fall short of the high level seen in fiscal 2013.
Reduction of manufacturing sites	7 sites	Starting from a baseline of 43 manufacturing sites in 2011, our goal is to discontinue 11 locations.
Cumulative job reduction in connection with OSRAM Push until 2014	6,600 jobs ¹⁾	A total of approximately 8,700 jobs will be cut by September 30, 2014.
OSRAM Push measures	€433 million	Overall, we aim to achieve cumulative gross cost reductions of around €1.2 billion with the transformation program by fiscal 2015.

¹⁾ Cumulative since 2012, including 500 jobs at the Tangerang production facility in Indonesia, which were eliminated as of October 1, 2013.

Report on Events after the Balance Sheet Date

The organizational structure of the Lamps & Components segment was modified effective May 1, 2014. The business activities of the Lamps (LP) and Light Engines & Controls (LE) Business Units were reorganized: The two units' declining business with traditional lamps (previously LP) and traditional ballasts (previously LE) has now been combined in a single business unit. Equally, the rapidly expanding SSL activities of LP and LE have been brought together in a single business unit.

The new business units will be presented for the first time as externally reported segments in the interim report for the period ending June 30, 2014.

Other than the above, no transactions of particular significance and with material effects on the net assets, financial position, and results of operations have occurred since the end of the reporting period, March 31, 2014.

Notes and Forward-looking Statements

This Interim Report contains supplementary financial measures that are or may be what are known as non-GAAP financial measures. Such non-GAAP financial measures are or may be revenue figures adjusted for currency translation and portfolio effects, the return on capital employed (ROCE), free cash flow (FCF), EBITA, EBITDA, net debt/net liquidity, and adjusted net debt. Alternatively, these may be used for the calculation of additional performance indicators. These additional financial measures should not be used exclusively as an alternative to the financial measures presented in the condensed interim consolidated financial statements and calculated in accordance with IFRSs, as adopted by the EU, for the purpose of analyzing the financial position and results of operations of OSRAM or for analyzing its cash flows. Other companies that present or report similarly named financial measures may calculate these differently. For definitions of these additional financial measures, see the glossary in the section of this Interim Report entitled “Statements and Further Information” from page 67 onwards or our Annual Report for fiscal 2013.

This document contains statements regarding the future course of our business and future financial performance as well as future events or developments relating to OSRAM that could constitute forward-looking statements. These statements are identifiable by their use of wording such as “expect,” “want,” “anticipate,” “intend,” “plan,” “believe,” “aim,” “estimate,” “will,” “forecast,” or similar wording. If necessary, we will also make forward-looking statements in other reports, in presentations, in documents sent to shareholders, and in press releases. Furthermore, our representatives may make forward-looking statements orally from time to time. Such statements are based on current expectations and certain assumptions made by OSRAM’s management. They are therefore subject to a number of risks and uncertainties. Numerous factors, many of which are outside of OSRAM’s sphere of influence, affect OSRAM’s business activities, profits, business strategy, and results. As a result of these factors, OSRAM’s actual results, profits, and performance could differ materially from the statements about future results, profits, or performance that are contained expressly or implicitly in the forward-looking statements or expected due to earlier trends. In particular, these factors include circumstances described in the section “Report on Opportunities and Risks” in our current Interim Report, but are not limited to such. If one or more of these risks or uncertainties were to materialize, or if it should prove that the underlying assumptions did not materialize, OSRAM’s actual results, performance, and profits could deviate materially from the results described in the forward-looking statements as expected, anticipated, intended, planned, believed, aimed for, estimated, or projected results, performance, and profits. OSRAM does not assume any obligation and also does not intend to update these forward-looking statements above and beyond what is required by law or to correct them if developments are not as expected.

Condensed Interim Consolidated Financial Statements

for the three and six months ended March 31, 2014
in accordance with IFRSs

33 Consolidated Statement of Income

33 Consolidated Statement
of Comprehensive Income

34 Consolidated Statement
of Financial Position

35 Consolidated Statement
of Cash Flows

36 Consolidated Statement
of Changes in Equity

38 Notes to the Condensed Interim
Consolidated Financial Statements

Consolidated Statement of Income

Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Financial Statements
Consolidated Statement of Income
Consolidated Statement of Comprehensive Income

33

OSRAM Licht Group
Consolidated Statement of Income (unaudited)
For the three and six months ended March 31, 2014 and 2013

in € million	Note	Three months ended March 31,		Six months ended March 31,	
		2014	2013	2014	2013
Revenue		1,277.9	1,321.5	2,604.2	2,678.3
Cost of goods sold and services rendered		(872.1)	(955.1)	(1,768.7)	(1,903.4)
Gross profit		405.8	366.4	835.5	774.9
Research and development expenses		(81.2)	(85.3)	(162.2)	(173.1)
Marketing, selling and general administrative expenses		(246.0)	(263.3)	(484.1)	(525.5)
Other operating income	4	0.0	2.5	32.3	43.0
Other operating expense	5	(3.5)	(25.8)	(42.1)	(29.3)
Income (loss) from investments accounted for using the equity method, net	6	31.9	(8.4)	33.6	(19.7)
Interest income	7	0.8	1.1	1.7	4.0
Interest expense	7	(9.3)	(7.5)	(18.6)	(15.9)
Other financial income (expense), net	7	(0.4)	(3.8)	(1.4)	(5.9)
Income (loss) before income taxes		98.1	(24.1)	194.7	52.5
Income taxes		(29.5)	5.0	(58.0)	(4.0)
Net income (loss)		68.6	(19.1)	136.7	48.5
Attributable to:					
Non-controlling interests		0.9	0.8	2.7	2.8
Shareholders of OSRAM Licht AG		67.7	(19.9)	134.0	45.7
Undiluted earnings per share (in €)	14	0.65	(0.19)	1.28	0.44
Diluted earnings per share (in €)	14	0.65	(0.19)	1.28	0.44

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

OSRAM Licht Group
Consolidated Statement of Comprehensive Income (unaudited)
For the three and six months ended March 31, 2014 and 2013

in € million	Note	Three months ended March 31,		Six months ended March 31,	
		2014	2013	2014	2013
Net income (loss)		68.6	(19.1)	136.7	48.5
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plans	9, 10	(33.5)	14.7	(23.0)	11.9
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	10	(9.1)	27.3	(35.6)	6.5
Available-for-sale financial assets		0.6	–	0.6	–
Derivative financial instruments		(0.1)	(1.2)	(0.1)	(0.7)
		(8.6)	26.1	(35.1)	5.8
Other comprehensive income (loss), net of tax¹⁾		(42.1)	40.8	(58.1)	17.7
Total comprehensive income (loss)		26.5	21.7	78.6	66.2
Attributable to:					
Non-controlling interests		0.3	1.5	1.9	3.2
Shareholders of OSRAM Licht AG		26.2	20.2	76.7	63.0

¹⁾ Other comprehensive income (loss), net of tax includes income (losses) of €–1.3 million and €–1.0 million, respectively, from investments accounted for using the equity method in the three and six months ended March 31, 2014 (three and six months ended March 31, 2013: €0.7 million and €–2.9 million, respectively), of which €0.0 million and €0.0 million, respectively, is attributable to items that will not be reclassified to profit or loss (three and six months ended March 31, 2013: €0.0 million and €–3.7 million, respectively).

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Financial Position

34

OSRAM Licht Group
Consolidated Statement of Financial Position
As of March 31, 2014 (unaudited) and September 30, 2013

in € million	Note	March 31, 2014	September 30, 2013
Assets			
Current assets			
Cash and cash equivalents		627.7	522.1
Available-for-sale financial assets		1.3	0.8
Trade receivables		827.7	853.4
Other current financial assets		56.0	58.2
Inventories		997.3	968.3
Income tax receivables		52.5	50.0
Other current assets		88.6	93.6
Noncurrent assets held for sale	2	–	47.0
Total current assets		2,651.1	2,593.4
Goodwill	8	34.4	35.1
Other intangible assets		108.9	119.5
Property, plant, and equipment		1,093.4	1,132.7
Investments accounted for using the equity method		57.2	57.7
Other financial assets		11.8	18.8
Deferred tax assets		370.1	397.1
Other assets		64.3	71.0
Total assets		4,391.2	4,425.3
Liabilities and equity			
Current liabilities			
Short-term debt and current maturities of long-term debt	13	46.4	55.9
Trade payables		687.9	677.0
Other current financial liabilities		52.6	39.2
Current provisions		113.4	93.9
Income tax payables		70.0	66.8
Other current liabilities		425.2	530.8
Total current liabilities		1,395.5	1,463.6
Long-term debt	13	216.8	295.0
Pension plans and similar commitments	9	386.8	358.5
Deferred tax liabilities		1.5	1.3
Provisions		18.7	16.2
Other financial liabilities		0.3	0.4
Other liabilities		122.2	121.0
Total liabilities		2,141.8	2,256.0
Equity			
Common stock, no par value		104.7	104.7
Additional paid-in capital		2,025.3	2,022.9
Retained earnings		142.5	31.5
Other components of equity		(39.2)	(4.9)
Treasury shares, at cost		(5.3)	(5.6)
Total equity attributable to shareholders of OSRAM Licht AG		2,228.0	2,148.6
Non-controlling interests		21.4	20.7
Total equity	10	2,249.4	2,169.3
Total liabilities and equity		4,391.2	4,425.3

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Cash Flows

Condensed Interim Consolidated
Financial Statements
Consolidated Statement
of Financial Position
Consolidated Statement of Cash Flows

35

OSRAM Licht Group
Consolidated Statement of Cash Flows (unaudited)
For the six months ended March 31, 2014 and 2013

in € million	Note	Six months ended March 31,	
		2014	2013
Cash flows from operating activities			
Net income (loss)		136.7	48.5
Adjustments to reconcile net income (loss) to cash provided (used in) operating activities			
Amortization, depreciation and impairments		126.5	157.1
Income taxes		58.0	4.0
Interest (income) expense, net		16.9	11.9
(Gains) losses on sales and disposals of businesses, intangibles and property, plant and equipment, net		1.3	14.2
(Gains) losses on sales of investments, net	2	(32.0)	–
(Income) loss from investments		(1.5)	19.7
Other non-cash (income) expenses		(3.7)	6.0
Change in current assets and liabilities			
(Increase) decrease in inventories		(50.2)	35.9
(Increase) decrease in trade receivables		3.6	(98.7)
(Increase) decrease in other current assets		(0.9)	(1.4)
Increase (decrease) in trade payables		15.8	(18.9)
Increase (decrease) in current provisions		20.7	27.5
Increase (decrease) in other current liabilities		(76.0)	(0.7)
Change in other assets and liabilities		7.4	(2.8)
Income taxes paid		(23.3)	(33.9)
Dividends received		–	0.6
Interest received		3.3	0.4
Net cash provided by (used in) operating activities		202.6	169.4
Cash flows from investing activities			
Additions to intangible assets and property, plant and equipment		(89.3)	(78.1)
Acquisitions, net of cash acquired		–	0.5
Purchases of investments		–	(15.1)
Proceeds and (payments) from sales of investments, intangible assets and property, plant and equipment	2	83.9	0.8
Proceeds and (payments) from the sale of business activities	2	(0.5)	28.3
Net cash provided by (used in) investing activities		(5.9)	(63.6)
Cash flows from financing activities			
Transaction costs related to unused credit facilities		–	(18.5)
Repayment of long-term debt	13	(80.0)	–
Change in short-term debt and other financing activities		(6.6)	7.1
Interest paid		(11.7)	(2.8)
Dividends paid to non-controlling interest shareholders		(1.1)	(4.1)
Profit and loss transfer with Siemens Group		–	336.6
Interest paid to Siemens Group		–	(2.2)
Other transactions / financing with Siemens Group		6.3	(402.7)
Net cash provided by (used in) financing activities		(93.1)	(86.6)
Effect of exchange rates on cash and cash equivalents		2.0	0.3
Net increase (decrease) in cash and cash equivalents		105.6	19.5
Cash and cash equivalents at beginning of period		522.1	31.2
Cash and cash equivalents at end of period		627.7	50.7
Less: Cash and cash equivalents of assets classified as held for sale at end of period		–	0.2
Cash and cash equivalents at end of period (consolidated statements of financial position)		627.7	50.5

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Changes in Equity

OSRAM Licht Group Consolidated Statement of Changes in Equity (unaudited) For the six months ended March 31, 2014 and 2013

in € million	Common stock	Additional paid-in capital	Retained earnings	Net assets attributable to Siemens Group ¹⁾
Balance at October 1, 2012 (as previously reported)	–	–	–	1,863.4
Effects of retrospectively applying IAS 19R	–	–	–	3.5
Allocation of net assets according legal structure	104.7	1,833.4	(71.2)	(1,866.9)
Balance at October 1, 2012⁵⁾	104.7	1,833.4	(71.2)	–
Net income (loss)	–	–	45.7	–
Other comprehensive income (loss), net of tax	–	–	11.9 ²⁾	–
Total comprehensive income (loss), net of tax	–	–	57.6	–
Capital increase by Siemens Group	–	166.8 ⁴⁾	–	–
Other changes in equity	–	1.0	(0.5)	–
Balance at March 31, 2013	104.7	2,001.2	(14.1)	–
Balance at October 1, 2013	104.7	2,022.9	31.5	–
Net income (loss)	–	–	134.0	–
Other comprehensive income (loss), net of tax	–	–	(23.0) ²⁾	–
Total comprehensive income (loss), net of tax	–	–	111.0	–
Re-issuance of treasury stock	–	–	–	–
Dividends	–	–	–	–
Other changes in equity	–	2.4	–	–
Balance at March 31, 2014	104.7	2,025.3	142.5	–

¹⁾ The net assets attributable to Siemens Group reported as of October 1, 2012, were allocated to the consolidated equity items on creation of the new legal structure as part of the spin-off, effective at the beginning of fiscal 2013 » Note 10 | Equity in the accompanying Notes.

²⁾ Other comprehensive income (loss), net of tax attributable to shareholders of OSRAM Licht AG includes remeasurement gains (losses) on defined benefit plans of €–23.0 million and €–11.9 million, respectively, for the six months ended March 31, 2014, and 2013.

³⁾ Other comprehensive income (loss), net of tax attributable to non-controlling interests includes currency translation differences, consisting of losses of €–0.8 million and gains of €0.4 million, respectively, for the six months ended March 31, 2014, and 2013.

⁴⁾ The capital increase by the shareholders totaling €166.8 million includes a waiver of part of the Siemens Cash Management receivables amounting to €163.0 million » see Note 10 | Equity in the accompanying Notes.

⁵⁾ Adjusted due to the effects of the initial application of IAS 19R. » Additional information on the initial application of IAS 19R can be found in the consolidated financial statements of OSRAM Licht AG for fiscal 2013 under Note 1 | Basis of Preparation.

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

	Currency translation differences	Available- for-sale financial assets	Derivative financial instruments	Treasury shares at cost	Total equity attributable to shareholders of OSRAM Licht AG ¹⁾	Non- controlling interests	Total equity
	65.9	(0.1)	0.5	–	1,929.7	16.5	1,946.2
	(0.1)	–	–	–	3.4	–	3.4
	–	–	–	–	–	–	–
	65.8	(0.1)	0.5	–	1,933.1	16.5	1,949.6
	–	–	–	–	45.7	2.8	48.5
	6.1	–	(0.7)	–	17.3	0.4 ³⁾	17.7
	6.1	–	(0.7)	–	63.0	3.2	66.2
	–	–	–	–	166.8	–	166.8
	–	–	–	–	0.5	(0.1)	0.4
	71.9	(0.1)	(0.2)	–	2,163.4	19.6	2,183.0
	(5.5)	(0.1)	0.7	(5.6)	2,148.6	20.7	2,169.3
	–	–	–	–	134.0	2.7	136.7
	(34.8)	0.6	(0.1)	–	(57.3)	(0.8) ³⁾	(58.1)
	(34.8)	0.6	(0.1)	–	76.7	1.9	78.6
	–	–	–	0.3	0.3	–	0.3
	–	–	–	–	–	(1.2)	(1.2)
	–	–	–	–	2.4	–	2.4
	(40.3)	0.5	0.6	(5.3)	2,228.0	21.4	2,249.4

Notes to the Condensed Interim Consolidated Financial Statements

Segment Information

38

OSRAM Licht Group

Notes to the Condensed Interim Consolidated Financial Statements – Segment Information

For the three and six months ended March 31, 2014 and 2013 and as of March 31, 2014 (unaudited) and September 30, 2013

	External revenue		Intersegment revenue		Total revenue		EBITA ¹⁾	
	Three months ended March 31,		Three months ended March 31,		Three months ended March 31,		Three months ended March 31,	
in € million	2014	2013	2014	2013	2014	2013	2014	2013
Segments								
Lamps & Components	616.2	668.1	–	–	616.2	668.1	4.1	(16.3)
Luminaires & Solutions	100.6	127.7	–	–	100.6	127.7	(26.1)	(23.3)
Specialty Lighting	392.9	368.7	–	–	392.9	368.7	61.9	57.9
Opto Semiconductors	164.3	152.2	105.7	88.6	270.0	240.8	51.8	24.6
Total Segments	1,274.1	1,316.7	105.7	88.6	1,379.8	1,405.3	91.7	42.9
Reconciliation to interim consolidated financial statements								
Corporate items and pensions	3.7	4.8	–	–	3.7	4.8	(10.3)	(41.5)
Eliminations, corporate treasury, and other reconciling items	–	–	(105.7)	(88.6)	(105.7)	(88.6)	(0.2)	(0.2)
OSRAM Licht Group	1,277.9	1,321.5	–	–	1,277.9	1,321.5	81.2	1.2

	Six months ended March 31,		Six months ended March 31,		Six months ended March 31,		Six months ended March 31,	
in € million	2014	2013	2014	2013	2014	2013	2014	2013
Segments								
Lamps & Components	1,259.4	1,362.9	–	–	1,259.4	1,362.9	44.5	(14.6)
Luminaires & Solutions	235.3	275.7	–	–	235.3	275.7	(41.1)	(40.3)
Specialty Lighting	769.2	728.0	–	–	769.2	728.0	122.0	126.4
Opto Semiconductors	331.8	302.2	207.9	168.2	539.8	470.4	87.5	47.1
Total Segments	2,595.8	2,668.8	207.9	168.2	2,803.7	2,837.0	212.8	118.6
Reconciliation to interim consolidated financial statements								
Corporate items and pensions	8.4	9.5	–	–	8.4	9.5	(19.1)	(16.7)
Eliminations, corporate treasury, and other reconciling items	–	–	(207.9)	(168.2)	(207.9)	(168.2)	(0.4)	(0.3)
OSRAM Licht Group	2,604.2	2,678.3	–	–	2,604.2	2,678.3	193.4	101.6

¹⁾ EBITA is earnings before financial results (Income (loss) from investments accounted for using the equity method, net; Interest income; Interest expense and Other financial income (expense), net), Income taxes, and Amortization as defined below.

²⁾ Assets of the segments and Corporate items and pensions are defined as Total assets, less financing receivables and tax assets as well as noninterest-bearing provisions and liabilities, and liabilities other than tax liabilities (e.g. trade payables).

³⁾ Free cash flow constitutes net cash provided by (used in) operating activities less additions to intangible assets and property, plant, and equipment. For the segments, it primarily excludes income tax-related and financing interest payments and proceeds.

⁴⁾ Amortization represents amortization and impairments of goodwill and intangible assets, net of reversals of impairments.

⁵⁾ Depreciation represents depreciation and impairments of property, plant, and equipment, net of reversals of impairments. In the three months ended March 31, 2014, this includes impairment losses on property, plant, and equipment used for the production of pre-materials of €5.2 million that relate to the reassessment of the strategic business outlook and were mainly incurred in the LC segment.

		Assets ²⁾		Free cash flow ³⁾		Additions to intangible assets and property, plant and equipment		Amortization ⁴⁾		Depreciation ⁵⁾	
		March 31, 2014	September 30, 2013	Three months ended March 31, 2014	Three months ended March 31, 2013	Three months ended March 31, 2014	Three months ended March 31, 2013	Three months ended March 31, 2014	Three months ended March 31, 2013	Three months ended March 31, 2014	Three months ended March 31, 2013
		833.8	822.1	(3.4)	(13.5)	18.0	11.6	2.2	3.2	22.3	40.8
		129.4	134.6	(12.8)	(18.4)	1.9	3.4	1.8	2.2	2.6	3.1
		370.5	401.9	22.2	36.2	8.1	5.9	0.9	0.1	8.4	9.4
		407.7	413.5	41.8	32.9	27.0	11.2	0.1	0.2	22.4	25.0
		1,741.3	1,772.1	47.7	37.2	55.0	32.1	5.0	5.7	55.7	78.3
		(223.3)	(171.6)	(8.3)	(34.2)	1.4	5.7	1.0	1.0	2.9	3.5
		2,873.2	2,825.0	2.4	(1.6)	–	–	–	–	–	–
		4,391.2	4,425.3	41.8	1.4	56.4	37.8	6.1	6.7	58.6	81.8
		March 31, 2014	September 30, 2013	Six months ended March 31, 2014	Six months ended March 31, 2013	Six months ended March 31, 2014	Six months ended March 31, 2013	Six months ended March 31, 2014	Six months ended March 31, 2013	Six months ended March 31, 2014	Six months ended March 31, 2013
		833.8	822.1	13.7	(1.8)	29.9	28.0	4.4	3.8	40.1	63.4
		129.4	134.6	(41.8)	(38.7)	3.2	4.9	3.5	4.6	5.2	6.3
		370.5	401.9	70.5	108.1	14.8	12.6	1.8	0.7	16.9	18.9
		407.7	413.5	99.8	70.3	34.2	26.3	2.0	0.4	45.5	49.9
		1,741.3	1,772.1	142.1	137.9	82.1	71.8	11.8	9.5	107.8	138.5
		(223.3)	(171.6)	(32.2)	(43.9)	7.3	6.3	2.1	2.1	4.8	7.0
		2,873.2	2,825.0	3.5	(2.7)	–	–	–	–	–	–
		4,391.2	4,425.3	113.3	91.3	89.3	78.1	13.9	11.6	112.6	145.5

Page	Note
41	1 Basis of Preparation
42	2 Acquisitions and Disposals
44	3 Personnel-related Restructuring Expenses
45	4 Other Operating Income
45	5 Other Operating Expense
46	6 Income (Loss) from Investments Accounted for Using the Equity Method, Net
47	7 Interest Income, Interest Expense, and Other Financial Income (Expense), Net
48	8 Goodwill
48	9 Pension Plans and Similar Commitments
50	10 Equity
52	11 Other Financial Commitments and Contingent Liabilities
52	12 Legal Proceedings
55	13 Financial Instruments
57	14 Earnings per Share
58	15 Segment Information
60	16 Related Party Disclosures
63	17 Events After the Balance Sheet Date

1 | Basis of Preparation

Background

According to the Spin-off and Transfer Agreement dated November 28, 2012, Siemens AG, Munich and Berlin, ("Siemens") undertook—subject to the contract taking effect—to transfer in the form of a spin-off by way of absorption in accordance with section 123 (2) no. 1 of the Umwandlungsgesetz (UmwG—"German Reorganization and Transformation Act") its entire interest in OSRAM Beteiligungen GmbH, Munich, including all rights and duties, to OSRAM Licht AG, Munich, in return for the issue of shares in OSRAM Licht AG to the Siemens shareholders. The spin-off took effect as of its last entry in the Commercial Register on July 5, 2013. OSRAM shares were listed for the first time on July 8, 2013.

OSRAM Licht AG (until November 14, 2012: Kyros A AG), Munich, is the issuer of the shares and the parent company of the OSRAM Licht Group that was formed by the spin-off. It directly holds 100% of the shares of OSRAM Beteiligungen GmbH and 19.5% of the shares of OSRAM GmbH, Munich. OSRAM Beteiligungen GmbH holds 80.5% of the shares in OSRAM GmbH. The shares of OSRAM GmbH were contributed by Siemens to OSRAM Licht AG and OSRAM Beteiligungen GmbH with economic effect as of October 1, 2012.

Interim consolidated financial statements

These condensed interim consolidated financial statements ("interim consolidated financial statements") include OSRAM Licht AG and its subsidiaries ("OSRAM Licht Group" or "OSRAM"). OSRAM is a leading global provider of lighting products and solutions and operates worldwide via a number of legal entities ▶ see Note 15 | Segment Information.

OSRAM Licht Group prepared these interim consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRSs").

The accompanying interim consolidated financial statements consist of a consolidated statement of income and consolidated statement of comprehensive income for the three and six months ended March 31, 2014, a consolidated statement of financial position as of March 31, 2014, a consolidated statement of cash flows and a consolidated statement of changes in equity for the six months ended March 31, 2014, as well as notes to the interim consolidated financial statements for the three and six months ended March 31, 2014.

Until the spin-off from Siemens, the OSRAM business was presented on a combined basis including all Group companies. The net assets of OSRAM Licht AG, OSRAM Beteiligungen GmbH, and OSRAM GmbH, as well as the latter's direct and indirect subsidiaries ("OSRAM Licht Group") have been aggregated on the basis of International Accounting Standard ("IAS") 8.12. Prior to the spin-off, transactions with Siemens and with Siemens Group companies that did not belong to the combined OSRAM Licht Group were disclosed as transactions with related parties. The net assets attributable to Siemens Group reported as of October 1, 2012, were allocated to the consolidated equity items on creation of the new legal structure as part of the spin-off, effective as of the beginning of fiscal 2013 ▶ for details see Note 10 | Equity.

The interim consolidated financial statements were prepared for interim financial reporting purposes and are unaudited. They were prepared in compliance with IAS 34, Interim Financial Reporting, and should be read in connection with OSRAM Licht AG's annual consolidated financial statements in accordance with IFRSs for the fiscal year ended September 30, 2013.

The interim consolidated financial statements apply the same accounting policies as those used in the consolidated financial statements for the fiscal year ended September 30, 2013, except as stated below. In the opinion of management, these unaudited interim consolidated financial statements include all adjustments of a normal and recurring nature necessary for a fair presentation of OSRAM's course of business for the interim periods. The results for the three and six months ended March 31, 2014, are not necessarily indicative of future results.

The interim consolidated financial statements have been prepared in millions of euros (€ m). Rounding differences may arise when individual amounts or percentages are added together.

The interim consolidated financial statements were authorized for issue by the Managing Board of OSRAM Licht AG, Marcel-Breuer-Strasse 6, 80807 Munich, Germany, on May 5, 2014.

Income taxes

In interim periods, tax expense is based on the current estimated average annual effective income tax rate. Income taxes in other comprehensive income in interim periods are recognized on an actual basis at the reporting date.

Key accounting estimates and judgments

The preparation of the interim consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amount of income, expenses, assets, and liabilities, as well as of contingent liabilities required to be disclosed, such as for evaluating legal proceedings. Actual results may differ from management's estimates.

Prior-period information

The presentation of certain prior-year information has been reclassified to conform to the current presentation.

Initial application of accounting pronouncements

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. The new standard defines fair value and standardizes and expands disclosures on the fair value measurement of both financial and nonfinancial instrument items. The new standard is effective for annual periods beginning on or after January 1, 2013, and was applied by OSRAM in these interim consolidated financial statements with no impact on measurement. However, due to subsequent changes in IAS 34, there are expanded disclosure requirements for interim financial reporting; these are included in »Note 13| Financial Instruments.

2|Acquisitions and Disposals

Fiscal 2014

No acquisitions were made in the six months ended March 31, 2014.

On June 13, 2013, OSRAM entered into a call and put option agreement ("Call/Put Agreement") with its partner in the joint venture Valeo Sylvania LLC, Seymour, U.S.A. ("Valeo Sylvania"), for the sale of its 50% equity interest in the joint venture and the loans extended by OSRAM to Valeo Sylvania. The equity interest and the loans are allocated to the Specialty Lighting ("SP") segment. The exercise periods for the otherwise mirror-image options ran from January 1 to 10, 2014 (put), and from February 1 to 10, 2014 (call). As of June 30, 2013, the assets related to this transaction were classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations and tested for impairment. Due to the reversal in full of the previous impairment on the net investment in Valeo Sylvania to amortized cost, this had a positive impact on net income of €35.1 million in fiscal 2013, which was recognized in the line item *Income (loss) from investments accounted for using the equity method, net* in the statement of income. After the reversal of the impairment, the assets related to this transaction and presented as held for sale were as follows:

Carrying Amounts of the Disposal Group

in € million	March 31, 2014	September 30, 2013
Investments accounted for using the equity method ¹⁾	–	–
Other financial assets	–	45.6
Total assets	–	45.6

¹⁾ In accordance with IFRS 5, use of the equity method is discontinued when an investment is classified as held for sale.

OSRAM exercised the put option granted on January 1, 2014. The sale of the shares and of the loans extended by OSRAM closed on January 21, 2014 ("Closing"). The sale of the 50% equity interest in Valeo Sylvania and of the loans extended by OSRAM results in a gain of €32.0 million, which is recognized in *Income (loss) from investments accounted for using the equity method, net*. The gain is provisional in that the process to determine the final purchase price has not yet been completed.

The Call/Put Agreement provides for OSRAM to indemnify the buyer from the date on which the transaction is closed on a pro rata basis in respect of any damages arising out of, among other things, tax matters, environmental issues, product liability claims, and damages arising out of a violation of certain defined laws, in each case provided that the cause of the loss occurred in a defined period prior to the date of the Call/Put Agreement. This indemnity is limited to specified amounts that vary between the individual defined claims. Furthermore, the Call/Put Agreement provides for a covenant not to compete pursuant to which OSRAM shall not engage for a limited period of time in the development, engineering, application, production, sales, or marketing of automotive lighting system products (e.g. headlight, rear light, and interior lighting assemblies) in North America. In connection with the Call/Put Agreement, the joint venture partner and OSRAM entered into a strategic supply agreement to strengthen their cooperation in the automotive lighting business.

In addition, the sale of the equity interest in OSRAM (China) Fluorescent Materials Co., Ltd., Yi Xing City, China ("OCFM"), was completed in the second quarter of fiscal 2014. The assets attributable to this equity interest which were presented as held for sale amounted to €1.4 million as of September 30, 2013. This did not affect net income in the second quarter of fiscal 2014.

Fiscal 2013

No acquisitions were made in the six months ended March 31, 2013.

In the six months ended March 31, 2013, OSRAM classified as held for sale in accordance with IFRS 5 the assets and liabilities of its subsidiaries Sunny World (Shaoxing) Green Lighting Co. Ltd., Shaoxing, China ("Sunny World"), and OSRAM Hong Kong Ltd., Hong Kong, China ("OHK"), which were allocated to the LC segment. The sale by way of a share deal was related to the transformation of the lighting market and was part of the "Future Industrial Footprint" project. The sale was entered into together with a sourcing contract, and became effective on disposal of the two companies on April 1, 2013. The remeasurement of this disposal group at the lower of its carrying amount and fair value less costs to sell resulted in an impairment loss of €13.8 million, which was recognized in *Cost of goods sold and services rendered* in the statement of income. The accumulated currency translation gains related to this disposal group and recognized in *other comprehensive income* amounted to €7.1 million as of March 31, 2013. The carrying amounts of the principal groups of assets and liabilities that were derecognized on completion of the disposal described above are presented in the following table:

Carrying Amounts of the Disposal Group

in € million	March 31, 2013
Cash and cash equivalents	0.2
Trade receivables	0.2
Inventories	8.8
Other current assets	1.6
Property, plant and equipment	21.8
Other noncurrent assets	5.8
Total assets	38.4
Trade payables	12.1
Provisions	4.7
Other liabilities	4.0
Total liabilities	20.8

3 | Personnel-related Restructuring Expenses

The technology shift and the resulting fundamental changes in the business environment are driving the strategic realignment of the OSRAM Licht Group. Part of this comprehensive, global transformation program is the “Future Industrial Footprint” project, which was announced in fiscal 2012, and which aims to adapt global production capacity to the changes in market demand. Further capacity-related measures were announced in fiscal 2013. The measures to be taken as a result of the program include the closure and relocation of production facilities and a reduction in

the headcount in the following years. Simultaneously, OSRAM is aiming to increase the earnings power of its business by ensuring more efficient structures in the research and development, production, and sales and distribution functions, as well as in its corporate functions.

The associated personnel-related restructuring expenses were as follows in the three and six months ended March 31, 2014, and 2013:

Personnel-related Restructuring Expenses

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Lamps & Components	(12.4)	(29.6)	(12.4)	(58.8)
Luminaires & Solutions	(1.4)	(2.0)	(4.6)	(5.6)
Specialty Lighting	(1.9)	(1.8)	(2.6)	(4.8)
Opto Semiconductors	0.0	(0.0)	(0.1)	(0.2)
Corporate items	(0.4)	0.0	(1.9)	(0.2)
OSRAM Licht Group	(16.1)	(33.4)	(21.6)	(69.6)

In this context, effects on *Income before income taxes* also arose from pension commitments to employees in the amount of €6.7 million and €7.3 million, respectively, in the three and six months ended March 31, 2014 [see also Note 9 | Pension Plans and Similar Commitments](#). Total personnel-related restructuring expenses associated with the transformation program therefore amounted to €22.8 million and €28.9 million, respectively, for the three and six months ended March 31, 2014.

Additional personnel-related restructuring expenses of €0.8 million and €3.7 million, respectively, were incurred in the three and six months ended March 31, 2014 (three and six months ended March 31, 2013: € – million).

Personnel-related restructuring expenses in the three and six months ended March 31, 2014, primarily affected cost of goods sold and services rendered. Personnel-related restructuring expenses in the three and six months ended March 31, 2013, primarily affected cost of goods sold and services rendered as well as marketing, selling, and general administrative expenses.

4|Other Operating Income

Fiscal 2014

In the first six months of fiscal 2014, *Other operating income* primarily includes income from the settlement of legal proceedings and the corresponding reversal of provisions and liabilities › see Note 12| Legal Proceedings.

Fiscal 2013

In the six months ended March 31, 2013, the main income items recognized related to the settlement of patent infringement disputes that escalated following the announcement that the OSRAM Licht Group was to go public, including the reversal of related and additional provisions.

5|Other Operating Expense

Other Operating Expense

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Losses on sales and disposals of property, plant, and equipment, and intangibles	(2.5)	(14.1)	(3.5)	(14.6)
Miscellaneous other expense	(1.0)	(11.7)	(38.6)	(14.7)
Other operating expense	(3.5)	(25.8)	(42.1)	(29.3)

Fiscal 2014

In the first six months of fiscal 2014, the *Miscellaneous other expense* line item primarily includes expenses for legal proceedings › see Note 12| Legal Proceedings.

Fiscal 2013

Losses on sales and disposals of property, plant, and equipment, and intangible assets in the three and six months ended March 31, 2013, relate primarily to the “Future Industrial Footprint” global transformation program.

The *Miscellaneous other expense* line item mainly comprises obligations relating to historical regulatory risks in one country, which was addressed as part of the “Future Industrial Footprint” project and which OSRAM regarded as being in connection with the strategic realignment in that country. It also includes costs related to patent infringement disputes that escalated following the announcement that the OSRAM Licht Group was to go public.

6 | Income (Loss) from Investments Accounted for Using the Equity Method, Net

Income (Loss) from Investments Accounted for Using the Equity Method, Net

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Share of profit (loss), net	(0.2)	(5.3)	1.5	(9.3)
Impairments, net	–	(3.1)	–	(10.4)
Gains (losses) on sales, net	32.0	–	32.0	–
Income (loss) from investments accounted for using the equity method, net	31.9	(8.4)	33.6	(19.7)

Fiscal 2014

In the three and six months ended March 31, 2014, *Income (loss) from investments accounted for using the equity method, net* mainly comprises a gain of €32.0 million on the sale of the 50% equity interest in the joint venture Valeo Sylvania and the loans extended by OSRAM to Valeo Sylvania, which formed part of the net investment. The sale closed on January 21, 2014 (“Closing”). The gain is provisional in that the process to determine the final purchase price has not yet been completed. » For details, see also Note 2 | Acquisitions and Disposals.

Fiscal 2013

In the six months ended March 31, 2013, an impairment loss of €7.3 million was charged on noncurrent receivables that are part of the net investment in Valeo Sylvania.

Furthermore, in the three and six months ended March 31, 2013, the equity interest in OCFM was impaired by €3.1 million. This was reported in *Corporate items and pensions* in the segment reporting.

In the three and six months ended March 31, 2013, the *Share of profit (loss), net* line item mainly comprised a loss contributed by the investment in Valeo Sylvania in the amount of €10.5 million, of which €5.2 million was attributable to the first quarter and €5.3 million to the second quarter of fiscal 2013. In addition, in the first quarter of fiscal 2013, a profit of €1.3 million was recorded from the investment in Foshan Electrical and Lighting Co., Ltd, Foshan, China (“FELCO”).

7 | Interest Income, Interest Expense, and Other Financial Income (Expense), Net

Interest Income, Interest Expense, and Other Financial Income (Expense), Net

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Interest income	0.8	1.1	1.7	4.0
Interest expense	(9.3)	(7.5)	(18.6)	(15.9)
Other financial income (expense), net	(0.4)	(3.8)	(1.4)	(5.9)

In the three and six months ended March 31, 2014, the *Interest income* line item mainly includes interest income from short-term deposits at banks. In the three and six months ended March 31, 2013, the *Interest income* line item primarily included interest relating to transactions with Siemens ("Siemens Treasury").

The components of Interest expense were as follows:

Interest Expense

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Interest expense, other than pension-related	(6.0)	(3.6)	(11.9)	(7.5)
Pension-related interest expense, net	(3.3)	(3.9)	(6.7)	(8.4)
Interest expense	(9.3)	(7.5)	(18.6)	(15.9)

Interest expense, other than pension-related in the three and six months ended March 31, 2014, includes interest expense from debt, including the interest expense from the amortization of transaction costs for the syndicated loan facility calculated using the effective interest method and commitment fees for the revolving credit facility that was not drawn down. Financing was provided by the Siemens Group until the spin-off from Siemens › see Note 16 | Related Party Disclosures.

In the three and six months ended March 31, 2013, *Interest expense other than pension-related* resulted mainly from transactions with Siemens ("Siemens Treasury").

Pension-related interest expense, net includes interest income and expense from the uniform interest rate applied to pension obligations and plan assets. › For further information on the *Pension-related interest expense, net* line item relating to OSRAM's principal pension and principal other post-employment benefits, see Note 9 | Pension Plans and Similar Commitments.

The *Interest income* and *Interest expense* line items include the following results from financial assets and financial liabilities not measured at fair value through profit or loss:

Results from Financial Assets and Liabilities

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Total interest income on financial assets	0.8	1.1	1.7	4.0
Total interest expense on financial liabilities	(6.0)	(3.6)	(11.9)	(7.5)

The *Other financial income (expense), net* line item includes the effects of the remeasurement of certain monetary assets and liabilities at their respective closing exchange rates.

8 | Goodwill

Goodwill

in € million	March 31, 2014	September 30, 2013
Light Engines	30.9	31.5
Specialty Lighting	3.5	3.6
OSRAM	34.4	35.1

In the three and six months ended March 31, 2014, the only change to goodwill was due to changes in exchange rates.

9 | Pension Plans and Similar Commitments

The following information refers to the principal pension and principal other post-employment benefit plans in Germany, the U.S.A., Canada, Switzerland, and Italy.

Expenses related to pension and other post-employment benefits

Current and past service cost for pension and other post-employment benefits is allocated to the function costs (cost of goods sold and services rendered, research and development expenses, and marketing, selling, and general administrative expenses), depending on the function to which the corresponding profit and cost centers are assigned.

The following tables show the significant components of the defined benefit cost recognized in connection with the principal pension and principal other post-employment benefits in the three and six months ended March 31, 2014, and 2013:

Significant Expenses Related to Defined Benefit Obligations

in € million	Three months ended March 31, 2014			Three months ended March 31, 2013		
	Total	Germany	Outside Germany	Total	Germany	Outside Germany
Current service cost	7.6	5.5	2.1	8.2	5.4	2.8
Past service cost/(income)	6.7	–	6.7	–	–	–
Net interest cost	3.2	1.1	2.1	3.9	1.2	2.7
therein interest cost	17.7	5.2	12.5	17.0	5.1	11.9
therein interest income	(14.5)	(4.1)	(10.4)	(13.1)	(3.9)	(9.2)
Total	17.5	6.6	10.9	12.1	6.6	5.5
Germany		6.6			6.6	
U.S.A.			10.3			4.7
Canada			0.4			0.6
Switzerland			0.1			0.1
Italy			0.1			0.1

Significant Expenses Related to Defined Benefit Obligations

in € million	Six months ended March 31, 2014			Six months ended March 31, 2013		
	Total	Germany	Outside Germany	Total	Germany	Outside Germany
Current service cost	15.3	11.1	4.2	17.1	10.8	6.3
Past service cost/(income)	7.3	–	7.3	0.4	–	0.4
Net interest cost	6.4	2.2	4.2	8.2	2.4	5.8
therein interest cost	35.5	10.4	25.1	34.5	10.2	24.3
therein interest income	(29.1)	(8.2)	(20.9)	(26.3)	(7.8)	(18.5)
Total	29.0	13.3	15.7	25.7	13.2	12.5
Germany		13.3			13.2	
U.S.A.			14.5			10.9
Canada			0.7			1.1
Switzerland			0.3			0.3
Italy			0.2			0.2

Past service cost in the three and six months ended March 31, 2014, arose for pension and other post-employment benefits in the U.S.A. in connection with plant closures and primarily affected cost of goods sold and services rendered.

Pension obligations and funded status

As of March 31, 2014, the underfunding of OSRAM's principal pension and principal other post-employment benefit plans amounted to €360.6 million. As of September 30, 2013, the underfunding of these principal pension and principal other post-employment benefit plans amounted to €335.1 million.

The estimated defined benefit obligation of these principal pension and principal other post-employment benefit plans as of March 31, 2014, is based on a weighted-average discount rate of 3.68% (as of September 30, 2013: 4.14%).

The employer contributions paid by OSRAM amounted to €2.5 million in the three months ended March 31, 2014 (three months ended March 31, 2013: €2.5 million), and to €19.1 million in the six months ended March 31, 2014 (six months ended March 31, 2013: €21.3 million). These employer contributions mainly relate to funding of the German pension plans.

10 | Equity

Common stock

The common stock of OSRAM Licht AG amounted to €104,689,400 as of March 31, 2014, and is composed of 104,689,400 no-par value ordinary registered shares. This equates to a notional interest in the common stock of €1.00 per share. Each share grants shareholders one voting right and entitles them to receive dividends. Of the shares issued, OSRAM Licht AG held 187,576 shares as treasury shares as of March 31, 2014 (as of September 30, 2013: 198,104 shares).

Allocation of net assets according to the legal structure as of October 1, 2012

On creation of the new legal structure that resulted from the transfer of the shares of OSRAM GmbH and OSRAM Beteiligungen GmbH from Siemens AG to OSRAM Licht AG as part of the spin-off, the Net assets attributable to Siemens Group reported as of October 1, 2012, were allocated to the consolidated equity items. The Common stock corresponds to the Common stock of OSRAM Licht AG. The Additional paid-in capital of the OSRAM Licht Group as of October 1, 2012, is also based on the Additional paid-in capital reported in the annual financial statements of OSRAM Licht AG prepared in accordance with German GAAP as of September 30, 2013, adjusted for the effects of the acquisition of subsidiaries from Siemens in fiscal 2011. This adjustment amounted to €136.2 million and had the effect of decreasing capital since it was treated as a transaction under common control in the same way as a capital redemption in the Net assets attributable to the Siemens Group. Additional information on capital contributions in the three and six months of fiscal 2013 can be found in the section on Additional paid-in capital. The Retained earnings of the OSRAM Licht Group as of October 1, 2012, represent the residual amount of the Net assets attributable to Siemens Group reported as of October 1, 2012, and the total of Common Stock and Additional paid-in capital as of October 1, 2012, allocated as shown.

Additional paid-in capital

In accordance with the agreement dated October 30 and 31, 2012, Siemens waived Siemens Cash Management receivables due from OSRAM GmbH in the amount of €31.8 million. In addition, Siemens transferred total Siemens Cash Management receivables of €131.2 million to OSRAM Beteiligungen GmbH, which in turn waived these receivables due from OSRAM GmbH. In the consolidated financial statements of OSRAM Licht AG, these amounts represent a contribution to Additional paid-in capital. In addition, OSRAM Licht AG and OSRAM GmbH received capital contributions totaling €3.8 million from Siemens in the first six months of fiscal 2013, of which €1.1 million was received in the second quarter of fiscal 2013.

Authorized and contingent capital

The authorized and contingent capital have not changed since September 30, 2013, and amount to 52,344,700 shares for the authorized capital and 10,207,216 shares for the contingent capital as of March 31, 2014. »Additional information on authorizations of the Managing Board of OSRAM Licht AG to implement equity-related measures can be found in the consolidated financial statements of OSRAM Licht AG for fiscal 2013 in Note 28 | Equity.

Treasury shares

In the six months ended March 31, 2014, 10,528 shares were issued to beneficiaries of a transaction bonus award. The shares were issued solely in the first quarter of fiscal 2014. »Additional information on authorizations of the Managing Board of OSRAM Licht AG to implement share repurchases can be found in the consolidated financial statements of OSRAM Licht AG for fiscal 2013 in Note 28 | Equity.

Other changes in equity

Other changes in equity were mainly the result of share-based payment transactions.

Other comprehensive income (loss)

The changes in Other comprehensive income (loss) including non-controlling interests were as follows:

Other Comprehensive Income (Loss), Net of Tax

in € million	Three months ended March 31, 2014			Three months ended March 31, 2013		
	Pre-tax	Tax effect	Net	Pre-tax	Tax effect	Net
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(51.7)	18.2	(33.5)	22.8	(8.1)	14.7
Items that may be reclassified subsequently to profit or loss						
Foreign-currency translation differences	(9.1)	–	(9.1)	27.3	–	27.3
Unrealized gains (losses) on available-for-sale financial assets	0.6	0.0	0.6	–	–	–
Reclassification adjustments for (gains) losses included in net income	–	–	–	–	–	–
Net unrealized gains (losses) on available-for-sale financial assets	0.6	0.0	0.6	–	–	–
Unrealized gains (losses) on derivative financial instruments	0.0	0.0	0.0	(0.6)	0.2	(0.4)
Reclassification adjustments for (gains) losses included in net income	(0.1)	0.0	(0.1)	(1.1)	0.3	(0.8)
Net unrealized gains (losses) on derivative financial instruments	(0.1)	0.0	(0.1)	(1.7)	0.5	(1.2)
Other comprehensive income (loss), net of tax	(60.3)	18.2	(42.1)	48.4	(7.6)	40.8

Other Comprehensive Income (Loss), Net of Tax

in € million	Six months ended March 31, 2014			Six months ended March 31, 2013		
	Pre-tax	Tax effect	Net	Pre-tax	Tax effect	Net
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(36.0)	13.0	(23.0)	19.4	(7.5)	11.9
Items that may be reclassified subsequently to profit or loss						
Foreign-currency translation differences	(35.6)	–	(35.6)	6.5	–	6.5
Unrealized gains (losses) on available-for-sale financial assets	0.6	0.0	0.6	–	–	–
Reclassification adjustments for (gains) losses included in net income	–	–	–	–	–	–
Net unrealized gains (losses) on available-for-sale financial assets	0.6	0.0	0.6	–	–	–
Unrealized gains (losses) on derivative financial instruments	0.7	(0.2)	0.5	0.5	(0.1)	0.4
Reclassification adjustments for (gains) losses included in net income	(0.8)	0.2	(0.6)	(1.5)	0.4	(1.1)
Net unrealized gains (losses) on derivative financial instruments	(0.1)	0.0	(0.1)	(1.0)	0.3	(0.7)
Other comprehensive income (loss), net of tax	(71.1)	13.0	(58.1)	24.9	(7.2)	17.7

11| Other Financial Commitments and Contingent Liabilities

As of March 31, 2014, there were undiscounted contingent liabilities entailing maximum future payments of €30.7 million (September 30, 2013: €12.4 million) for which OSRAM was potentially liable as of the reporting date and which mainly comprise guarantees. The guarantees include contractual obligations for guarantees from the sale of shares in a joint venture in the U.S.A. amounting to €14.6 million in the second quarter of fiscal 2014 (see Note 2| Acquisitions and Disposals and from the sale of shares in a Japanese joint venture in fiscal 2012 amounting to €6.7 million (September 30, 2013: €7.1 million).

12| Legal Proceedings

Information regarding investigations and other legal proceedings as well as possible risks and possible financial implications for OSRAM associated with such are contained in the consolidated financial statements for the fiscal year ended September 30, 2013 of OSRAM Licht AG.

Material developments regarding the following investigations and other legal proceedings have occurred since the consolidated financial statements for the fiscal year ended September 30, 2013 of OSRAM Licht AG have been authorized for issue.

Product Liability Procedures

Hella vs. OSRAM OS

As reported, in summer 2010, car lamp producer Hella KGaA Hueck & Co., Lippstadt, Germany ("Hella") filed a lawsuit against OSRAM Opto Semiconductors GmbH, Regensburg, Germany ("OSRAM OS"). The plaintiff was seeking a declaration of the liability of OSRAM OS for allegedly defective LEDs used in car lamps for compensation for damages. In February 2014 the parties signed a settlement and Hella withdrew its claim. The case is closed.

Allianz Mexico vs. OSRAM SYLVANIA

As reported, in October 2012, Allianz Mexico, S.A. Compañia de Seguros ("Allianz"), property insurer for Kimberly Clark de Mexico, S.A.B. de CV ("Kimberly Clark"), filed suit in its capacity as subrogee against OSRAM SYLVANIA Inc., Danvers, Massachusetts, U.S.A. ("OSRAM SYLVANIA") and Holophane Corporation, Granville, Ohio, U.S.A. in Massachusetts Superior Court, Essex County. The claim arises as the result of a fire that occurred at the Kimberly Clark facility in Morella, Mexico in June 2012. In June 2013 the court dismissed the case based on forum non conveniens. Plaintiff has meanwhile re-filed the lawsuit in the New Hampshire State Court. Upon request of OSRAM SYLVANIA the case was transferred to the United States District Court for the District of New Hampshire. OSRAM SYLVANIA filed a motion to dismiss.

Class Action Suits vs. OSRAM SYLVANIA and OSRAM SYLVANIA Products

In September 2011, a class action suit was brought against OSRAM SYLVANIA and OSRAM SYLVANIA Products Inc., Danvers, Massachusetts, U.S.A. in the U.S. District Court for the District of New Jersey by the plaintiff Imran Chaudhri, who involves the group of purchasers of Silverstar®-headlight bulbs. In January 2012, the plaintiff expanded his legal action and asserted that various power ratings and advertisements relating to the Silverstar®-headlight bulbs were allegedly "false and misleading" in the sense of the New Jersey Consumer Fraud Act. The plaintiff seeks admission of a national class action suit under the New Jersey Consumer Fraud Act as well as compensation for damages. In conformity with an order from the presiding judge, proceedings to determine whether a class action lawsuit is appropriate are underway. In December 2013 the parties have entered into mediation proceedings in parallel.

In January 2014, a class action suit was brought against OSRAM SYLVANIA and OSRAM SYLVANIA Products Inc., Danvers, Massachusetts, U.S.A. in the U.S. District Court for the Southern District of Florida by the plaintiff, Lee S. Kelly, which involves purchasers of Silverstar®-headlight bulbs. The plaintiff claims that various power ratings and advertisements relating to the Silverstar®-headlight bulbs were allegedly "false and misleading" in the sense of the Florida Deceptive and Unfair Trade Practice Act. The plaintiff seeks admission of a national class action suit under the Florida Deceptive and Unfair Trade Practice Act as well as compensation for damages. OSRAM SYLVANIA filed a motion to dismiss.

Patent and Trademark Litigation

Schubert vs. OSRAM

Professor E. Fred Schubert filed a complaint for infringement of a United States Patent against OSRAM GmbH, Munich, Germany ("OSRAM GmbH"), OSRAM OS, OSRAM Opto Semiconductors, Inc., Sunnyvale, California, U.S.A. ("OSRAM-OS Inc.") and OSRAM SYLVANIA in the U.S. District Court for the District of Delaware in the U.S.A. in July 2012. The complaint alleges that the defendants manufacture, and/or sell high-brightness GaN-based LEDs that allegedly infringe the asserted patent, including LEDs incorporating the technology known as "ThinGaN". In July 2013 OSRAM GmbH filed a petition for inter partes review against all asserted claims of the patent-in-suit with the USPTO. In January 2014, the inter partes review has been granted by the USPTO.

Lexington vs. OSRAM SYLVANIA

In August 2012, Lexington Luminance LLC, Lexington, Massachusetts, U.S. ("Lexington Luminance") filed a complaint for infringement of a United States Patent against OSRAM SYLVANIA in the U.S. District Court for the District of Massachusetts in the U.S.A. The complaint alleged that OSRAM SYLVANIA would allegedly be infringing the patent by producing and selling LED-devices used in lighting applications, in particular the SYLVANIA 8-watt A19 LED Light Bulb model LED8A/0/F/827/HVP and other similar products. In February 2014, Lexington Luminance and OSRAM SYLVANIA filed a joint stipulation of dismissal based on which the action was dismissed with prejudice. The case is closed.

Other Legal Disputes

Morrison Foerster vs. OSRAM

As reported, in September 2012, the law firm Morrison Foerster LLP, Washington, D.C., U.S.A. ("Morrison Foerster") has commenced proceedings against OSRAM GmbH, OSRAM OS, OSRAM SYLVANIA and OSRAM Opto Semiconductors Inc., Sunnyvale, California, U.S.A. ("OSRAM-OS Inc.") with the American Arbitration Association ("AAA") for allegedly unpaid attorneys' fees. In addition, OSRAM GmbH, OSRAM SYLVANIA, OSRAM OS, and OSRAM-OS Inc. have asserted claims against Morrison Foerster in arbitration proceedings filed in January 2013 with the International Court of Arbitration of the International Chamber of Commerce ("ICC") in connection with their representation by Morrison Foerster. In March 2013, Morrison Foerster filed a counterclaim for payment of allegedly unpaid attorney's fees in the ICC proceedings. The disputes were settled by the parties in December 2013.

Osasco Labor Prosecutor's Office et al. vs. OSRAM do Brasil

In September 2012 the Osasco Labor Prosecutor's Office filed a so-called civil public action against OSRAM do Brasil Lampadas Eléctricas Ltda. ("OSRAM do Brasil"). The case is based on an alleged chronic intoxication of 25 former employees while mercury was being used in production. Due to how the lawsuit has been set out, the number of potential injured parties may increase further. The taking of evidence that was commenced in January 2014 is continuing. Since April 2014 the negotiation panel at the São Paulo Tribunal Regional de Trabalho deals with the case.

State São Paulo vs. OSRAM do Brasil

The São Paulo State Treasury Office issued two infraction notices against OSRAM do Brasil regarding the so-called "ICMS tax" for the years of 2006 to 2008 (ICMS—„Imposto sobre Operações relativas à Circulação de Mercadorias e Prestação de Serviços de Transporte interestadual e intermunicipal e de Comunicação"—tax on the circulation of merchandise and on rendering of interstate and inter-municipal transportation services and on communications), in which São Paulo State Treasury Office requests from OSRAM do Brasil considerable ICMS tax debts plus fines and interest, and at the same time disallowed considerable ICMS tax credits which would also result in a collection of the tax amounts which have previously been settled with these credits plus fines and interest. OSRAM do Brasil instituted administrative procedures. In the meantime one infraction notice has been withdrawn.

For legal proceedings information required under IAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed, if the Company concludes that the disclosure can be expected to seriously prejudice the outcome of the litigation.

In addition to the investigations and legal disputes described above, OSRAM was named as a defendant in various other legal disputes and proceedings in connection with its business activities as a diversified, globally present corporate group. Some of these pending proceedings have been previously disclosed. Some of the legal actions include claims or potential claims for indeterminate amounts of damages or punitive damages claims. OSRAM is defending itself against all aforementioned claims.

From time to time, OSRAM is also involved in regulatory investigations beyond those described above. OSRAM is cooperating with the relevant authorities in several jurisdictions and, where appropriate, conducts internal investigations regarding potential wrongdoing with the assistance of in-house and external counsel.

In the case of liability claims, OSRAM is in principle covered by insurance, the nature and scope of which is set out in the terms and conditions of the respective insurance policies. The insured amount and extent of cover are adequate for the risk and are customary for the industry. However, whether and to what extent OSRAM is covered by insurance in individual cases depends on the circumstances of the case concerned. Furthermore, no assurance can be given that OSRAM will also be able to procure adequate insurance cover on economically appropriate terms in the future.

In light of the number of legal disputes and other proceedings in which OSRAM is involved, it cannot be ruled out that some of these proceedings could result in rulings against OSRAM. OSRAM is defending itself in legal disputes and proceedings to the extent necessary and prudent. Any conjecture regarding the results of proceedings is associated with considerable difficulties, especially in cases in which the claimant brings claims for undetermined amounts of compensation. With this in mind, OSRAM cannot make any prediction regarding what kind of obligations could possibly ensue from such proceedings. Possible negative rulings in such cases could have considerable effects on the asset, finance and earnings situations in a given reporting period. At this time, however, OSRAM does not expect any significant negative effects on OSRAM's business financial position and results of operations resulting from the other legal topics not separately dealt with in this section.

13 | Financial Instruments

The following table presents the carrying amounts and fair values of financial assets and financial liabilities:

Carrying Amounts and Fair Values of Financial Assets and Liabilities

in € million	Category according to IAS 39	March 31, 2014		September 30, 2013	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents ¹⁾	n/a	627.7	627.7	522.1	522.1
Available-for-sale financial assets (noncurrent) ²⁾	AfS	1.4	–	1.4	–
Available-for-sale financial assets	AfS	1.3	1.3	0.8	0.8
Trade receivables	LaR	827.7	827.7	853.4	853.4
Other financial assets					
Derivatives not designated in a hedge accounting relationship	FAHfT	11.6	11.6	5.2	5.2
Derivatives in connection with cash flow hedges	n/a	0.9	0.9	0.4	0.4
Other financial assets	LaR	53.9	53.9	70.0	70.0
Noncurrent assets held for sale	LaR	–	–	45.6	45.6
Financial liabilities					
Debt					
Loans from banks	FLaC	263.2	263.2	350.9	350.9
Trade payables	FLaC	687.9	687.9	677.0	677.0
Other financial liabilities					
Derivatives not designated in a hedge accounting relationship	FLHfT	14.1	14.1	3.9	3.9
Other financial liabilities	FLaC	38.8	38.8	35.7	35.7

¹⁾ Cash and cash equivalents consist primarily of deposits with prime-rated banks with an investment grade rating.

The item includes a small amount of checks and cash on hand.

²⁾ This line item contains equity instruments classified as available-for-sale for which fair value could not be reliably determined. For this reason, the equity instruments were recognized at cost.

The reduction in loans from banks from €350.9 million as of September 30, 2013, to €263.2 million as of March 31, 2014, is due in particular to the repayment of a portion of the syndicated term loan of €80.0 million.

The aggregated carrying amounts by IAS 39 category are as follows:

Aggregated Carrying Amounts

in € million	Category according to IAS 39	Measurement at	Fair value hierarchy	Carrying amount	
				March 31, 2014	September 30, 2013
Loans and receivables	LaR	Amortized cost	n/a	881.6	969.0
Financial assets held for trading	FAHFT	Fair value	Level 2	11.6	5.2
Available-for-sale financial assets	AfS	Cost	n/a	1.4	1.4
		Fair value	Level 1	1.3	0.8
Financial liabilities measured at amortized cost	FLaC	Amortized cost	n/a	989.9	1.063.6
Financial liabilities held for trading	FLHFT	Fair value	Level 2	14.1	3.9

Determination of fair values of financial instruments carried at cost and amortized cost in the statement of financial position

Because of their short maturities, the fair values of cash and cash equivalents, trade receivables and trade payables with a remaining term of up to twelve months, and other current financial assets and liabilities correspond approximately to their carrying amounts. OSRAM measures receivables on the basis of different parameters, such as interest rates, specific country risk factors, or the individual credit quality of the customer. On the basis of this measurement, OSRAM recognizes valuation allowances on the above receivables. The carrying amounts of these receivables, net of allowances, approximated their fair values.

The fair values of loans from banks and other noncurrent financial liabilities are determined by discounting future cash flows using rates currently available for debt of similar terms and remaining maturities. Due to their short-term nature and the use of market interest rates for the noncurrent obligations, the fair values of the above obligations corresponded approximately to their carrying amounts.

Determination of fair values of financial instruments carried at fair value in the statement of financial position Level 1 hierarchy for determining fair value

OSRAM derives the fair values of available-for-sale financial assets from quoted market prices in an active market.

Level 2 hierarchy for determining fair value

The fair values of derivative financial instruments are determined on the basis of inputs that are observable either directly or indirectly. The exact determination depends on the nature of the derivative. The fair value of foreign currency exchange contracts is based on forward exchange rates. Currency options are measured with the help of option pricing models. The fair value of commodity derivatives (swaps, forwards) is based on forward commodity prices.

14 | Earnings per Share

Earnings per Share

		Three months ended March 31,		Six months ended March 31,	
		2014	2013	2014	2013
Net income (loss)	in € million	68.6	(19.1)	136.7	48.5
Less: portion attributable to non-controlling interest	in € million	0.9	0.8	2.7	2.8
Income attributable to shareholders of OSRAM Licht AG	in € million	67.7	(19.9)	134.0	45.7
Weighted average shares outstanding – basic (number of shares)	in thousands	104,537	104,689	104,537	104,689
Effect of dilutive potential equity instruments (number of shares)	in thousands	216	–	166	–
Weighted average shares outstanding – diluted (number of shares)	in thousands	104,753	104,689	104,703	104,689
Basic earnings per share (in €)	in €	0.65	(0.19)	1.28	0.44
Diluted earnings per share (in €)	in €	0.65	(0.19)	1.28	0.44

Share-based payment programs for employees and members of the Managing Board were launched in the first six months of fiscal 2014. As of March 31, 2014, there were no outstanding awards that were not included in the calculation of diluted earnings per share, since their inclusion would not have had a dilutive effect. However, there is a possibility that these awards may dilute earnings per share in the future.

The calculation of the weighted average number of shares outstanding in the three and six months ended March 31, 2013, included the shares outstanding at the time of the spin-off as from the beginning of fiscal 2013.

15 | Segment Information

See Note 37 | Segment Information in the notes to the consolidated financial statements for fiscal 2013 for a description of the reportable segments Lamps & Components (LC), Luminaires & Solutions (LS), Specialty Lighting (SP), and Opto Semiconductors (OS) as well as the reconciliation to the interim consolidated financial statements.

In April 2014, the Managing Board of the OSRAM Licht Group announced that the organizational structure of the Lamps & Components segment would be modified effective May 1, 2014, and the business activities of the Lamps (LP) and Light Engines & Controls (LE) Business Units would be reorganized. By doing so, OSRAM is responding to the rapid technological transformation towards SSL ("SSL" stands for solid state lighting and refers to the latest generation of lighting products, such as LEDs) and the related challenge to the segment's profitability. The two units' declining business with traditional lamps (previously LP) and traditional ballasts (previously LE) is now combined in a new Classic Lamps & Ballasts (CLB) Business Unit. In the same way, the rapidly expanding SSL activities of LP and LE have been brought together in a new LED Lamps & Systems (LLS) Business Unit. This is intended to ensure a clear management focus on the different business dynamics of traditional business and SSL activities as well as greater flexibility and agility in the market. In accordance with IFRS 8, Operating Segments, and for the first time for the reporting period ending June 30, 2014, this organizational change will result in LC being split into two reportable segments (CLB and LLS).

The accounting policies for the segment information are generally the same as those described in Note 2 | Summary of Significant Accounting Policies in the notes to the consolidated financial statements for fiscal 2013. Corporate overheads and certain other items not directly attributable to segments are allocated to the segments.

The segments' performance measures are EBITA, net assets, free cash flow, amortization and depreciation (for a definition of the measures, see Note 37 | Segment Information in the notes to the consolidated financial statements for fiscal 2013).

Reconciliations to the interim consolidated financial statements

Corporate items and pensions that management does not consider to be indicative of the segments' performance, such as specific legal issues, centrally managed transactions and the consolidation of transactions between the segments, certain reconciliation and reclassification items, and corporate treasury operations are reported in the *Reconciliation to interim consolidated financial statements* line item.

In the three months ended March 31, 2014, the EBITA column of the *Corporate items and pensions* line item included €–8.4 million (three months ended March 31, 2013: €–40.3 million) relating to corporate items, as well as €–1.9 million (three months ended March 31, 2013: €–1.2 million) relating to pensions. The improvement in EBITA for the corporate items for the three months ended March 31, 2014, was attributable, among other things, to significantly lower transformation costs and costs associated with the separation/for going public. In the prior-year quarter, EBITA for the corporate items was impacted in particular by expenses for historical regulatory risks in one country, which was addressed as part of the "Future Industrial Footprint" project. In addition, costs of €8.1 million were incurred in connection with the separation/for going public, of which €3.3 million was attributable to the relocation of Group headquarters in Munich.

In the six months ended March 31, 2014, the EBITA column of the *Corporate items and pensions* line item included €–15.5 million (six months ended March 31, 2013: €–14.3 million) relating to corporate items, as well as €–3.6 million (six months ended March 31, 2013: €–2.4 million) relating to pensions. In the six months ended March 31, 2014, the corporate items were impacted, among other things, by expenses and income in the net amount of €–9.3 million relating to legal proceedings, as well as transformation costs in the amount of €4.2 million. In the previous year, the corporate items were impacted, among other things, by income from the settlement of patent infringement disputes, expenses for historical regulatory risks in one country, which was addressed as part of the "Future Industrial Footprint" project, and costs associated with the separation/for going public, including €5.9 million for the relocation of Group headquarters in Munich.

The following table reconciles EBITA as presented in the segment information to the *Income (loss) before income taxes* as presented in OSRAM's consolidated statement of income:

Reconciliation EBITA to Income (Loss) before Income Taxes

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
EBITA	81.2	1.2	193.4	101.6
Amortization ¹⁾	(6.1)	(6.7)	(13.9)	(11.6)
Interest income	0.8	1.1	1.7	4.0
Interest expense	(9.3)	(7.5)	(18.6)	(15.9)
Other financial income (expense), net	(0.4)	(3.8)	(1.4)	(5.9)
Income (loss) from investments accounted for using the equity method, net	31.9	(8.4)	33.6	(19.7)
Income (loss) before income taxes	98.1	(24.1)	194.7	52.5

¹⁾ Including amortization and impairments of goodwill and intangible assets, net of reversals of impairments.

The following table reconciles total net capital employed for the segments to the total assets reported in OSRAM's consolidated statement of financial position:

Reconciliation Total Segment Net Capital Employed to Total Assets

in € million	March 31, 2014	September 30, 2013
Total segment net capital employed	1,741.3	1,772.1
Reconciliation to interim consolidated financial statements		
Net capital employed corporate items and pensions	(223.3)	(171.6)
Net capital employed Treasury ¹⁾	643.9	541.0
Other reconciling items		
Tax related assets	422.6	447.2
Liabilities and provisions	1,419.9	1,478.3
Pension plans and similar commitments	386.8	358.5
Total assets	4,391.2	4,425.3

¹⁾ OSRAM Treasury does not have net capital employed in the same way as an operating segment, but it is determined here in the same way as for operating segments; the assets consist primarily of cash and cash equivalents.

The following table presents the items of *Income (loss) from investments accounted for using the equity method, net* attributable to the individual segments:

Income (Loss) from Investments Accounted for Using the Equity Method, Net

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Segments				
Lamps & Components	0.0	0.1	1.4	1.4
Luminaires & Solutions	(0.2)	0.0	(0.2)	0.2
Specialty Lighting	31.8	(5.2)	32.1	(17.6)
Opto Semiconductors	–	–	–	–
Reconciliation to interim consolidated financial statements				
Corporate items and pensions	0.2	(3.3)	0.2	(3.7)
Income (loss) from investments accounted for using the equity method, net	31.9	(8.4)	33.6	(19.7)

16 | Related Party Disclosures

The OSRAM Licht Group has business relations with the Siemens Group (Siemens AG and its direct and indirect subsidiaries excluding OSRAM), Siemens associates and joint ventures, as well as OSRAM associates and joint ventures.

Until the date of the spin-off ›see Note 1 | Basis of Preparation, Siemens Group entities were related parties, as Siemens AG controlled OSRAM.

Transactions with the Siemens Group

A number of agreements were entered into with Siemens AG to govern expenses, contingent liabilities, and separation-related matters associated with the spin-off. ›For additional information, especially regarding the reorganization of the legal structure, see Note 39 | Related Party Disclosures in the Notes to the consolidated financial statements for fiscal 2013.

Sales of goods and services and other income from transactions, and purchases of goods and services and other expenses from transactions with the Siemens Group, are presented for the three and six months ended March 31, 2013, in the following table:

in € million	Sales and Purchases of Goods and Services with the Siemens Group	
	Three months ended March 31, 2013	Six months ended March 31, 2013
Sales of goods and services, other income and interest income	5.3	10.1
Purchases of goods and services, other expense and interest expense	15.0	33.2

Sales to and purchases from the Siemens Group

Supply and delivery agreements exist between OSRAM and the Siemens Group, also after the spin-off. OSRAM both sources goods and services from the Siemens Group and supplies goods and services to it.

Reimbursement of costs by Siemens

As stated in »Note 1|Basis of Preparation, Siemens has taken OSRAM public. In preparation for the separation from the Siemens Group and the listing and spin-off, OSRAM incurred certain costs that are considered to be extraordinary and that were reimbursed by Siemens under a cost reimbursement agreement. OSRAM reports the reimbursement of those costs net of the respective expenses.

Master Agreement Separation

In September 2012, OSRAM GmbH (at that time OSRAM AG) and Siemens AG entered into a Master Agreement Separation ("Rahmenvertrag Trennung") to execute the spin-off from Siemens. In particular, this agreement governed the termination of internal Group agreements, the transfer of permissions and licenses, share-based instruments, the settlement of taxes, and reciprocal indemnity obligations.

Financing

OSRAM was included in the Siemens Group's cash pooling and cash management system. OSRAM invested excess short-term liquidity and was granted overdraft facilities for financing its operating activities. At the end of the third quarter of fiscal 2013, OSRAM withdrew from the Group-wide cash pooling system for the bank accounts in preparation for the spin-off and listing, as a result of which excess liquidity was no longer automatically transferred to Siemens, but instead partly remained in bank accounts held by OSRAM companies. OSRAM continued to be included in Siemens' central cash management system until the net liability to Siemens was settled before the spin-off at the beginning of July 2013. As part of the spin-off and listing, participation in this finance program was replaced by a finance scheme operated by OSRAM GmbH itself.

In connection with the receivables waived by Siemens, a total amount of €163.0 million was recognized as a contribution to OSRAM GmbH's additional paid-in capital in the first quarter of fiscal 2013 »For information on this and further capital contributions made by Siemens, see Note 10|Equity. Additionally, the Siemens Group provided OSRAM with short-term loans. No loans remained outstanding as of March 31, 2014, and September 30, 2013. In the three months ended March 31, 2013, these financing activities resulted in interest income in the amount of €0.2 million (six months ended March 31, 2013: €2.6 million) and interest expense in the amount of €2.0 million (six months ended March 31, 2013: €4.6 million) that are reported in the *Interest income* or *Interest expense* line item.

Leasing

OSRAM had entered into leasing transactions with Siemens Treasury. These were terminated in connection with the spin-off and listing. In addition, several operating lease agreements exist between OSRAM and the Siemens Group, in particular for real estate.

Collateral/global letter of support/guarantees

In connection with the spin-off and listing, the guarantees issued by Siemens for certain OSRAM companies, primarily with the exception of those guarantees for which a transitional arrangement exists, were terminated or assumed by OSRAM GmbH. As of March 31, 2014, guarantees issued by the Siemens Group for liabilities of OSRAM companies amounted to €2.2 million (September 30, 2013: €2.2 million).

Transactions with joint ventures

OSRAM's business activities included transactions with joint ventures of OSRAM, and up to the date of the spin-off joint ventures of the Siemens Group, in particular in respect of the operating business. These are summarized below:

Sales and Purchases of Goods and Services from and to Joint Ventures

in € million	Three months ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
Sales of goods and services and other income	2.0	6.5	6.2	12.5
Siemens Group joint ventures	–	0.3	–	0.5
OSRAM joint ventures	2.0	6.2	6.2	12.0
Purchases of goods and services and other expense	1.0	5.6	2.4	8.3
Siemens Group joint ventures	–	0.2	–	0.3
OSRAM joint ventures	1.0	5.4	2.4	8.0

The reduction in sales of goods and services and other income from OSRAM joint ventures is due to the completion of the sale of the shares in Valeo Sylvania in the second quarter of fiscal 2014 ›for additional information see Note 2|Acquisitions and Disposals. In addition, in the three months ended March 31, 2014, OSRAM realized interest income of €0.1 million from a loan granted to Valeo Sylvania (three months ended March 31, 2013: €0.7 million). In the first half of fiscal 2014, OSRAM realized interest income of €0.6 million from this loan (previous year: €0.9 million).

OSRAM's receivables from and payables to joint ventures of OSRAM are as follows:

Receivables from and Liabilities to Joint Ventures

in Mio. €	March 31, 2014	September 30, 2013
Receivables	2.7	63.2
OSRAM joint ventures	2.7	63.2
Liabilities	0.1	0.1
OSRAM joint ventures	0.1	0.1

As of September 30, 2013, the receivables from OSRAM joint ventures were mainly due from Valeo Sylvania. Due to the sale of the equity interest in Valeo Sylvania and the loans extended, the receivables from Valeo Sylvania are no longer presented as receivables from OSRAM joint ventures as of March 31, 2014 ›for additional information see Note 2|Acquisitions and Disposals.

OSRAM regularly reviews, in the normal course of business, loans and receivables associated with joint ventures and associates. This review did not lead to any impairment in the three and six months ended March 31, 2014. While the review did not lead to any impairment in the three months ended March 31, 2013, valuation allowances of €7.3 million were recognized in the six months ended March 31, 2013 ›for additional information see Note 6|Income (Loss) from Investments Accounted for Using the Equity Method, Net.

As of March 31, 2014, and September 30, 2013, accumulated valuation allowances on loans and receivables amounted to €0.0 million.

Transactions with individuals classified as related parties

Prior to the formal appointment of the Management of OSRAM GmbH to the Managing Board of OSRAM Licht AG on November 8, 2012, the OSRAM Licht Group was managed centrally by the Management of OSRAM GmbH.

The remuneration of the members of the Managing Board in prior fiscal years included share-based payments. In addition, there are agreements between the Managing Board of OSRAM Licht AG and OSRAM Licht AG that also provide in the current fiscal year for the allocation of nonforfeitable awards of shares of OSRAM Licht AG contingent on Company-based performance criteria (OSRAM Bonus Awards) as well as the allocation of awards of OSRAM Licht AG shares contingent on the achievement of an EPS-based target. The expenses incurred in connection with equity-settled share-based payments under OSRAM programs amounted to €0.8 million (before tax) in the three months ended March 31, 2014. In the three months ended March 31, 2013, the expenses incurred in connection with equity-settled share-based payments under OSRAM programs amounted to €1.3 million (before tax), while expenses incurred in connection with cash-settled share-based payments under Siemens programs amounted to €0.1 million (before tax). The expenses incurred in connection with equity-settled share-based payments under OSRAM programs amounted to €1.7 million (before tax) in the six months ended March 31, 2014. In the six months ended March 31, 2013, the expenses incurred in connection with equity-settled share-based payments under OSRAM programs amounted to €1.9 million (before tax), while expenses incurred in connection with cash-settled share-based payments under Siemens programs amounted to €0.4 million (before tax). A presentation of the performance-based components of Managing Board compensation can be found in the remuneration report in the corporate governance report. The remuneration report

is a component of the combined management report, which is contained in the annual report of the OSRAM Licht Group for the fiscal year ended September 30, 2013.

Peter Bauer was elected Chairman of the Supervisory Board of OSRAM Licht AG on November 26, 2013. Prof. Dr. Siegfried Russwurm stepped down from the Supervisory Board of OSRAM Licht AG at the end of November 26, 2013.

Dr. Roland Busch took his place on the Supervisory Board and was elected as an additional Deputy Chairman of the Supervisory Board. On February 27, 2014, the Company's Annual General Meeting reelected the serving shareholder representatives on the Supervisory Board as members of the Supervisory Board. The term of office of these members runs until the close of the Annual General Meeting that resolves to approve the actions of the Managing Board and the Supervisory Board for fiscal 2016/2017. On the same date, the Supervisory Board reelected Peter Bauer as Chairman and Dr. Roland Busch as an additional Deputy Chairman of the Supervisory Board.

In the three and six months ended March 31, 2014, no material transactions took place between OSRAM and the members of the Managing Board of OSRAM Licht AG, or between OSRAM and the members of the Supervisory Board of OSRAM Licht AG.

In the three and six months ended March 31, 2013, no material transactions took place between OSRAM and the members of the Managing Board of OSRAM Licht AG, the managing directors of OSRAM GmbH, or between OSRAM and the members of the Supervisory Boards of OSRAM Licht AG and OSRAM GmbH.

17 | Events After the Balance Sheet Date

The organizational structure of the Lamps & Components segment was modified effective May 1, 2014. The business activities of the Lamps (LP) and Light Engines & Controls (LE) Business Units were reorganized: The two units' declining business with traditional lamps (previously LP) and traditional ballasts (previously LE) is now combined in a single business unit. In the same way, the rapidly expanding SSL activities of LP and LE have been brought together in one business unit. The new business units will be presented for the first time as externally reported segments in the interim report for the period ending June 30, 2014. » See Note 15 | Segment Information for further information.

In addition to the above, no transactions of particular significance and with material effects on the net assets, financial position, and results of operations have occurred since the end of the reporting period, March 31, 2014.

Munich, May 5, 2014

OSRAM Licht AG
The Managing Board

German interim financial report signed

Wolfgang Dehen
Chairman of the Managing Board (CEO)

Dr. Peter Laier
Chief Technology Officer (CTO)

Dr. Klaus Patzak
Chief Financial Officer (CFO)

Statements and Further Information

65 Responsibility Statement

66 Review Report

67 Glossary

71 Financial Calendar

71 Acknowledgments

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable interim reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group interim management report, which has been combined with the management report for OSRAM Licht AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remaining months of the fiscal year.

Munich, May 5, 2014

OSRAM Licht AG
The Managing Board

German interim financial report signed

Wolfgang Dehen
Chairman of the Managing Board (CEO)

Dr. Peter Laier
Chief Technology Officer (CTO)

Dr. Klaus Patzak
Chief Financial Officer (CFO)

Translation of the German review report concerning the review of the condensed interim consolidated financial statements and interim group management report prepared in German.

To OSRAM Licht AG, Munich

We have reviewed the condensed interim consolidated financial statements, comprising the consolidated statement of income (Konzern-Gewinn- und Verlustrechnung), consolidated statement of comprehensive income (Konzern-Gesamtergebnisrechnung), consolidated statement of financial position (Konzernbilanz), consolidated statement of cash flow (Konzern-Kapitalflussrechnung), consolidated statement of changes in equity (Konzern-Eigenkapitalveränderungsrechnung) and notes to the condensed interim consolidated financial statements (Anhang zum verkürzten Konzernzwischenabschluss), and the interim group management report (Konzern-Zwischenlagebericht), of OSRAM Licht AG, Munich for the period from 1 October 2013 to 31 March 2014 which are part of the half-year financial report pursuant to Sec. 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, 5 May 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

German review report signed

Breitsameter
Wirtschaftsprüferin
(German Public Auditor)

Esche
Wirtschaftsprüfer
(German Public Auditor)

The glossary contains a short definition for typical terms used in the lighting industry and within OSRAM. In addition, it describes key financial terms to make our financial reporting easier to understand.

Control Gear (CG) Most electrical light sources, with the exception of the incandescent lamp, require a special device to start and to operate. Depending on the light source technology, they are named ballasts, ignitors or transformers and belong to the category of control gears. The term control gear describes devices which may serve to transform the supply voltage, limit the current of the lamp(s) to the required value, provide starting voltage and preheat current, prevent cold starting, correct power factor or reduce radio interference.

Diode A diode is a two-terminal electronic device which permits significant current flow in only one direction. Diodes typically function as a rectifier, i.e. converting AC into DC.

Discharge Lamp Discharge lamps generate light by sending an electrical discharge through an ionized gas or metal vapor. Depending on the gas with which a lamp is filled, it either radiates visible light directly or converts UV radiation to light. The operating pressure inside a discharge lamp is either low (low pressure discharge lamps) or high (high-pressure discharge lamps).

Fluorescent Lamp (FL) › see Discharge lamp Fluorescent lamps are available in different shapes, such as linear fluorescent, tube shaped and compact fluorescent lamps.

Forward Integrated SSL products Forward integrated SSL products (SSL Forward) are SSL lighting products (LED Lamps, LED light engines, or LED Luminaires) made of semiconductor based lighting components such as LEDs.

Halogen Lamp Halogen lamps are type of incandescent lamps that are filled with a gas that contains small amounts of halogens or halogen compounds enabling smaller bulbs and higher luminous flux.

Incandescent Lamp (INC) Incandescent lamps are electrical light sources which radiate light as a result of a tungsten filament being heated. The tungsten wire is enclosed in a sealed, gas-filled—or in some cases evacuated—glass bulb.

Lamp The term “lamp” refers to an engineered artificial light source—a device that converts electrical energy into light and that has a standardized electrical and mechanical connection to the lampholder. Lamps are used in luminaires, which distribute and direct lamp light.

LED (Light Emitting Diode) A LED consists of a light emitting semiconductor chip in combination with wiring, reflector, lens and protective covering to create a package. The term LED module is sometimes used synonymously.

LED Lamp A LED lamp is a light source incorporating one or more LEDs on a board and it also includes secondary optics, heat sink, driver electronics and housing. It can be used as a replacement for existing lamps (replacement of another type of lamp). The term LED retrofit is sometimes used synonymously.

LED Light Engine LED light engines are the combination of an LED module and its associated electronic control gear assembled in a unit according to the standardization consortium Zhaga.

LED Module › see LED

LED Retrofit › see LED lamp

Light (Visible Light) Visible light is the radiation that can be perceived by the human eye. The spectral range of light embraces wavelengths from 380 to 780 nm and is divided into the different color sections ranging from violet through blue, green and yellow to red. Outside this band, the human eye cannot “see” radiation.

Light Management Systems (LMS) Light management systems automate the lighting and related controls within a room, building or in outdoor applications. Their task is to provide the right light in the right amount at the right place when it is needed.

Light Solution A light solution is a specific use case tailored to the application for which an arrangement of luminaires, light sources, controlgear and light management has been planned and is executed; servicing of the installation can be included.

Luminaire (Lighting Fixture) The term luminaire (sometimes also referred to as “lighting fixture”) refers to the entire electric light fitting, including all the components needed to mount, operate and protect the lamp. The luminaire distributes the light of the lamp and e.g. prevents it from causing glare.

Opto-electronic Semiconductor A type of semiconductor that transforms electric impulses into light or light into electric impulses.

Organic Light Emitting Diode (OLED) An OLED is a light emitting semiconductor that has an electroluminescent zone made of organic compounds. OLEDs are typically area light sources.

SSL Products SSL stands for solid state lighting and refers to a type of lighting that uses semiconductors as sources of illumination. It identifies the newest generation of lighting products such as LEDs. OSRAM defines SSL products as, semiconductor-based light sources, luminaires and detectors, as well as light management systems for such light sources. It includes:

- LED lamps, luminaires and systems in their entirety, including any necessary components and services sold as part of a LED light solution,
- LED chips and light engines,
- OLED—organic light emitting diodes,
- Infrared emitters, producing electromagnetic radiation close to the spectrum of visible light,
- Laser diodes,
- Silicon photodetectors, semiconductors which react to and may be used to measure light,
- Sensors, which are a combination of a semiconductor emitter and a photodetector
- Light management systems (sensors, user interfaces and controllers; actuators for traditional lamps are excluded) and associated components and services.

Financial Terms

Costs Associated with Substantial Legal and Regulatory Matters OSRAM is involved in various legal disputes in connection with its business activities. OSRAM classifies these as special items if they are considered material by the Company's management and are of a substantial nature.

Costs Associated with the Separation/for Going Public (net) Expenses and income associated with the separation and planned IPO and spin-off, as well as patent infringement disputes. These primarily comprise costs incurred in connection with the listing and the establishment of OSRAM as an independent company (which were partly reimbursed by Siemens), legal costs and income from the settlement of patent infringement disputes, which escalated after the announcement of the originally planned IPO, special payments to management staff in connection with the IPO, as well as the relocation of OSRAM's headquarters in Munich.

Currency Translation Effects A significant portion of OSRAM's transactions are settled in currencies other than the euro. The effects of changes in exchange rates on translating revenue into euros (in the context of preparing the financial statements) are referred to as currency translation effects. In addition to the nominal change in its revenue (e.g., compared with the previous year), OSRAM also reports the "comparable" changes adjusted for currency translation effects and portfolio effects ›see Portfolio Effects. This provides the basis for a meaningful analysis of the company's business performance while excluding these distorting effects from currency translation.

Debt Debt comprises liabilities related to funds raised by a company, in contrast to, e.g., trade payables. Debt includes liabilities to banks (credits, loans), bonds and other debt instruments issued, as well as obligations under finance leases.

Earnings per Share (EPS) Net income divided by the number of shares outstanding with rights to residual interests in a company. Earnings per share can either be expressed as "basic" or "diluted"; dilution refers to a reduction in the earnings per share based on the assumption that new shares will be issued or that options and warrants will be exercised.

EBITA Abbreviation for "earnings before interest, taxes, and amortization." OSRAM defines this measure as the income (loss) before financial result (meaning the income [loss] from investments accounted for using the equity method, net, interest income, interest expense, and other financial income [expense], net), income taxes, and amortization and impairments of intangible assets. EBITA is also given as the ratio to revenue (= EBITA margin).

EBITA, adjusted EBITA as defined above before special items ›see below. Adjusted EBITA is also given as the ratio to revenue (= adjusted EBITA margin).

EBITDA Abbreviation for "earnings before interest, taxes, depreciation, and amortization". This indicator corresponds to EBITA before depreciation and impairments of property, plant, and equipment.

Free Cash Flow A measure that presents operational cash performance. OSRAM defines free cash flow as net cash provided by (used in) operating activities less additions to intangible assets and property, plant, and equipment.

Gross Profit Revenue minus costs of goods sold and services rendered. Gross profit provides information on the profitability of the business only in terms of revenue-related costs. Gross profit is also given as the ratio to revenue (= gross profit margin).

Net Debt, Adjusted Net debt plus pension plans and similar commitments, and credit guarantees.

Net Debt/Net Liquidity Liabilities from funds raised, less liquidity. OSRAM defines net debt as short-term and long-term debt plus payables to Siemens Group from financing activities less cash and cash equivalents plus available for sale financial assets, and plus receivables from Siemens Group from financing activities. Net liquidity existed as of December 31, 2013 and is presented as a negative value.

Portfolio Effects Changes to revenue resulting from the acquisition and divestment of parts of the Company are referred to as portfolio effects. In addition to the nominal change in its revenue (e.g., compared with the previous year), OSRAM also reports the "comparable" changes adjusted for portfolio effects and currency translation effects ›see Currency Translation Effects. This provides the basis for a meaningful analysis of the company's business performance while excluding these distorting effects from acquisitions or divestments.

Regions OSRAM's business is divided into the EMEA, Americas, and APAC reporting regions. EMEA comprises Europe, Russia, the Middle East, and Africa. The Americas region includes the U.S.A., Canada, Mexico, and South America. The APAC region comprises Asia, Australia, and the Pacific.

Return on Capital Employed (ROCE) The ratio of earnings to average capital employed. An annual measure that shows how efficiently a company manages the capital of its shareholders, creditors, and other lenders (depending on the definition).

Revenue Growth/Change (Comparable) Comparable revenue growth/changes in revenue or revenue growth on a comparable basis refers to revenue growth after adjustment for currency translation and portfolio effects.

Special Items Management defines these as recurring and nonrecurring effects within EBITA. At OSRAM, these primarily comprise transformation costs, costs associated with the separation/for going public (net), as well as costs associated with substantial legal and regulatory matters
» see the relevant sections.

Transformation Costs Costs resulting from various corporate programs and strategic restructuring activities where the corresponding corporate measures are linked to the underlying shift in the lighting market. These primarily comprise the cost of personnel measures in connection with OSRAM Push, impairment losses and losses on disposals of property, plant, and equipment, as well as other transformation costs such as for consulting services.

Fiscal 2014

2nd quarter

Preliminary figures	April 30, 2014
Interim Report for the second quarter	May 14, 2014

3rd quarter

Preliminary figures	July 30, 2014
Interim Report for the third quarter	August 13, 2014

4th quarter

Preliminary figures 2014	November 12, 2014
--------------------------	-------------------

As of March 31, 2014

Date of Publication

May 14, 2014

Publisher

OSRAM Licht AG
represented by
Wolfgang Dehen, Dr. Peter Laier
and Dr. Klaus Patzak

Headquarters
Marcel-Breuer-Straße 6
80807 Munich
Germany
Phone +49 89 6213-0
Fax +49 89 6213-2020

E-mail webmaster@osram.com
www.osram.de
www.osram.com

Chairman of the Supervisory Board

Peter Bauer

Chairman of the Managing Board

Wolfgang Dehen

Corporate Communications & Investor Relations

OSRAM Licht AG
Dr. Constantin Birnstiel

Contact:
Investor Relations
Julia Klostermann

Marcel-Breuer-Straße 6
80807 Munich
Germany
Phone +49 89 6213-4966
Fax +49 89 6213-3629
E-mail ir@osram.com
www.osram-licht.ag

Corporate Finance

OSRAM Licht AG
Accounting and Financial Reporting
Ralph Dietrich

Concept and Design

KMS TEAM GmbH, Munich, Germany
www.kms-team.com

This Interim Report is also available
in German.

In addition, it is available on the Internet
in German and in English at
www.osram.de/ir and www.osram.com/ir

The German version is legally binding.

