

Continental and Osram Planning Joint Venture for Intelligent Lighting Solutions in the Automotive Sector

- **Osram Continental GmbH to combine the expertise of Continental and Osram in lighting and light control**
- **The joint venture partners each have a stake of 50 percent**
- **Sales target in mid-triple-digit-million-euro range with around 1,500 employees**
- **Joint venture scheduled to start in 2018**

Regensburg, Munich, November 6, 2017. Technology companies Continental and Osram today announced their intention to establish a joint venture. The idea is to combine innovative lighting technology with electronics and software to develop, manufacture and market intelligent lighting solutions for the automotive industry. The global joint venture would operate under the name Osram Continental GmbH and has its registered office in the Munich region. Continental and Osram will each have a 50 percent stake in the joint venture. The aim is to generate annual sales in the mid-triple-digit-million-euro range with a workforce of around 1,500 employees and 17 locations worldwide. The joint venture is scheduled to start in 2018 subject to agreement on the binding contracts, prior consent of each party's Supervisory Board and antitrust approvals.

Osram would be transferring its automotive Solid State Lighting (SSL) module business over to the joint venture. Continental would be incorporating its light control business from the Body & Security business unit. This would lead Osram Continental to combine semiconductor-based lighting modules, advanced electronics, optics and software expertise with access to sensor technology and innovative light sources. Osram Continental would therefore be able to offer a broad range of end-to-end, innovative lighting solutions, designed especially for headlight and tail light applications. The intention is to work together to design perfectly coordinated and innovative products and solutions, and bring them to market more quickly. The joint venture would operate on the market as a standalone company.

"The pace of innovation in the automotive industry lighting segment is rapid, and software is strengthening this dynamic," explained Helmut Matschi, member of the Continental Executive Board. "While conventional lighting expertise remains important to our customers, the addition of electronics to enable new light functions is taking on increased significance. The joint venture would systematically combine these two areas and raise them to a new level."

“The joint venture is a sign that Osram is focusing its efforts consistently on digitalization. Continental’s expertise in software and electronics is the perfect complement to our technology leadership in automotive lighting. It will create a forward-looking company for digital automotive lighting,” said Stefan Kampmann, member of the Osram Licht AG Management Board.

The automotive industry lighting market is in the grip of technological change. Similar to the situation with general lighting, this market is moving toward semiconductor-based lighting solutions. Thanks to increasingly intelligent light functions in vehicles as well as new light-based design and application options, semiconductor-based technology, software and electronics are gaining progressively in importance. Each year, growth in the market for semiconductor-based front lighting solutions is somewhere in the double-digit range. Market studies indicate that by as early as 2025 more than half of new cars worldwide could be fitted with semiconductor-based lighting solutions.

“Intelligent lighting solutions allow vehicle manufacturers a greater degree of flexibility when it comes to design, and help them to optimize development costs,” commented Andreas Wolf, head of Continental’s Body & Security business unit. “The global presence of the Osram Continental joint venture would allow us to cooperate closely with our customers in order to develop solutions exactly tailored to their needs. In the case of Continental and Osram, we have two technology companies combining their complementary expertise in the context of a joint venture to offer customers a unique range of solutions,” added Wolf.

“Digitalization is bringing about new potential applications in automotive lighting and hence tremendous opportunities that we want to take advantage of with Continental. Thanks to our combined offering of lighting and electronics solutions, we will be able to offer automotive sector customers cutting-edge products from a single source,” explained Hans-Joachim Schwabe, CEO of Osram’s Specialty Lighting business unit.

“By joining forces, we will be in an even better position to drive forward innovations by working closely with the automotive industry to integrate lighting, sensor technology and electronics seamlessly in a single application. This will allow us to drive forward new intelligent light functions, such as the combination of lighting and sensor technology in a module or light-based communication between the driver, other road users and the vehicle surroundings,” added Schwabe.

Continental develops pioneering technologies and services for sustainable and connected mobility of



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people and their goods. Founded in 1871, the technology company offers safe, efficient, intelligent and affordable solutions for vehicles, machines, traffic and transport. In 2016, Continental generated sales of €40.5 billion and currently employs more than 230,000 people in 56 countries.

Your contact:

Susanne Einzinger, Phone: +49 941 790-5669

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