



General Illumination

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To OSRAM SYLVANIA Customers:

As mentioned in our previous announcement, the escalating international rare earth elements crisis is compelling OSRAM SYLVANIA to increase our pricing an average of 13% on T8, T5, compact fluorescent and certain T12 products effective September 1st 2011.

Keeping you informed of this unrelenting escalation of the global rare earth oxide situation is one of our goals. As of today, this is what is happening with Rare Earth components:

- Rare earth oxides shipments continue to decline
- Costs on obtaining these oxides continue to increase
- Other sources are being re-opened, however they have long start-up times and any benefit is estimated to be 24 months at best in the future

Today OSRAM SYLVANIA is leading the way through this unprecedented situation while continuing to provide the best lighting solutions in the marketplace.

OSRAM SYLVANIA is:

- Continuing to proudly produce T8 & T5 lamps in the United States
- Taking the lead on legislative awareness regarding this situation and working with regulatory agencies to either delay or amend 2012 DOE rule making
- Designing a "Best Choice" program that will allow both our partners and our mutual end users to easily evaluate price, performance characteristics and life when choosing the optimal lighting solution
- Expanding and exploring the use of recycled materials
- Reviewing the ongoing viability of tri-phosphor products

I intend on issuing this form of monthly communication updating you on both our actions to provide the right lighting solution during these turbulent times along with notification on any increase we may be forced to implement.

As always, your sales representative is the best source of information on pricing, Best Choice, legislation, DOE rule making, and new product introductions. Working together we will manage our way through this new world of choices.

Regards,

A handwritten signature in black ink, appearing to read "Timothy J. Lesch".

Timothy J. Lesch

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