



General Illumination

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To OSRAM SYLVANIA customers:

OSRAM SYLVANIA strives to provide our valued partners with the most efficient, high quality and innovative products in the industry, particularly our energy-saving fluorescent lamps.

Rare Earth oxides are a vital part of creating energy-efficient fluorescent lamps and these oxides are produced almost exclusively in China. Currently 95% of the Rare Earth oxides produced globally are sourced from China. The Chinese government strictly controls the production and distribution of these phosphors and has drastically reduced the amount which can be exported to other countries. This growing global shortage has caused costs to skyrocket while available supplies are increasingly limited.

During the past several months, OSRAM SYLVANIA undertook steps to offset the price impact on our fluorescent lamps caused by the global Rare Earth situation. Despite our best efforts, these increases have outpaced our ability to absorb them.

Therefore effective September 1st, 2011, OSRAM SYLVANIA will increase pricing on our fluorescent lamps by 10%. All other products will remain at current levels.

This increase goes into effect for new orders on September 1, 2011 and is added to the July 1, 2011 price increase previously announced. (April 1, 2011)

I understand the confusion caused by issuing two price increases so close together, but this situation is very difficult to control and predict. We will review this situation closely and we plan to update our prices as needed every three months for the next year. As soon as the situation stabilizes we will do the same with our prices.

I appreciate your cooperation and understanding in this global situation.

New price schedules will be available for download on mySYLVANIA.com no later than August 1, 2011.

If you would like more detailed information about the rare earth oxide shortage please contact your local OSRAM SYLVANIA sales representative. Our representatives will be able to provide you with the most current status of the pricing situation and also will notify you in advance of any availability issues.

Sincerely,

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