



Electronic Parts and Components

Press Release for the Business Press

Management Board and Supervisory Board recommend that EPCOS shareholders accept cash offer from TDK

- **Management Board and Supervisory Board regard the offered cash consideration of EUR 17.85 per EPCOS share as adequate**
- **Fairness opinion of UBS Investment Bank confirms that the consideration is adequate**
- **EPCOS to remain a listed German corporation**
- **As a strategically oriented and financially strong majority shareholder, TDK will bring added stability to future corporate development**

Munich, September 1, 2008

In a joint statement issued today, the Management Board and Supervisory Board of EPCOS AG announced their support for the public tender offer submitted by TDK on August 25, 2008. Thorough examination of the submitted offer has confirmed the view of EPCOS' governing bodies that TDK's offer meets the interests of the company, its customers, its shareholders and its employees. The Management Board and Supervisory Board therefore recommend that EPCOS' shareholders accept the offer.

Among other reasons, the Management Board and Supervisory Board base their decision on the following considerations:

The cash consideration of EUR 17.85 per EPCOS share offered by TDK includes an attractive premium in comparison to the company's share price both immediately before publication of TDK's intention to make a tender offer¹ and in comparison to the historic share prices of EPCOS AG². The fact that the offered consideration is adequate in financial terms has been confirmed in the fairness opinion submitted by UBS Investment Bank.

In the Business Combination Agreement signed on July 31, 2008, TDK and EPCOS committed themselves to establishing a strong and comprehensive partnership, and to managing their components business jointly in a context of close and faithful cooperation.

¹ A premium of 29% over the XETRA closing price of the EPCOS share on the Frankfurt Stock Exchange on July 30, 2008

² A 49% markup over the average EPCOS share price of EUR 11.94 determined by BaFin, Germany's banking supervisory authority, for the three months prior to public announcement of the offer



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This agreement maintains continuity in key issues on EPCOS' side (see also the joint press release dated July 31, 2008, www.epcos.com).

For example, TDK has affirmed its intention to maintain EPCOS' current company headquarters, which will be established as one of two operational headquarters when the companies' business is combined. Nor are there any plans to relocate either the headquarters or the sites of the five divisions of EPCOS. The well-established brands of TDK and EPCOS will continue to be used in the future. TDK intends to be represented at first by only two and later by three members on the Supervisory Board of EPCOS AG.

As a globally successful technology company, TDK is an excellent partner for EPCOS. Partnership with TDK will enable EPCOS to expand its position as one of the leading manufacturers of electronic components. As a strategically oriented and financially strong majority shareholder, TDK will bring greater stability to EPCOS.

A new leading company in the market for electronic components

Together, TDK and EPCOS intend to create a leading manufacturer of electronic components, modules and systems. The strategic logic behind this business combination is compelling: The two partners' business activities complement each other very well in the field of electronic components, as well as in terms of the industries they serve and their regional presence. TDK is particularly well established in Asia, the world's biggest growth region, and has a strong market position in all application areas, especially in consumer electronics and information technology. EPCOS' strong position in the growth markets for automotive and industrial electronics, above all in Europe, and the company's global significance in mobile communications provide for a very good fit.

In the past, EPCOS has repeatedly stressed its desire to gain a firmer and better foothold in the fast-growing markets of Asia. It therefore sees the planned partnership with TDK as the best platform for sustained and successful corporate development.

Next steps

The completion of TDK's public tender offer is subject to a number of conditions. It must, for example, be accepted by at least 56 percent of EPCOS' shareholders (50 percent plus one share on a fully diluted basis). It also requires official approval. According to the offer document, TDK already holds around 29 percent of EPCOS' shares.

TDK assumes that it will be able to complete its public tender offer successfully in October. Once this has happened, TDK will initiate the carve out of its own relevant passive electronic components business, which will then be combined with EPCOS in a new company. The new



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company will probably be named TDK EP Components KK. The carve out requires the approval of TDK's General Meeting, which is to be held in June 2009.

Note

This press release does not include the Statement prescribed by law and issued jointly by the Management Board and the Supervisory Board of EPCOS AG regarding the public tender offer submitted by TDK Germany GmbH. The full text of the joint statement (in Germany) and a convenience translation in English are posted on the EPCOS website at www.epcos.com.

About EPCOS

EPCOS AG is a leading manufacturer of electronic components, modules and systems headquartered in Munich. With its broad portfolio EPCOS offers a comprehensive range of products from a single source and focuses on fast-growing and technologically demanding markets, in particular in the areas of information and communication technology, automotive electronics, industrial electronics and consumer electronics. The EPCOS Group has design and manufacturing locations and sales offices in Europe, Asia, and in North and South America.

Electronic components are found in every electrical and electronic product and are indispensable for their flawless operation. Products from EPCOS store electrical energy, filter frequencies, and protect against overvoltage and overcurrent.

In fiscal 2007 (October 1, 2006, to September 30, 2007), EPCOS posted sales of EUR 1.44 billion. At the end of the fiscal year, the company employed about 18,300 people worldwide.

This document may contain forward-looking statements with respect to EPCOS' financial condition, results of operations, business, strategy and plans. In particular, statements using the words "expects", "anticipates" and similar expressions, and statements with regard to management goals and objectives, expected or targeted revenue and expense data, or trends in results of operations or margins are forwardlooking in nature. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including changes in our customers' industries, slower growth in significant markets, changes in our relationships with our principal shareholders, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, currency fluctuations, unforeseen environmental obligations, and general economic and business conditions. EPCOS does not assume any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise.