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SGL Group concentrates carbon fiber production at two major sites

- Moses Lake (USA) and Muir of Ord (UK) as two main SGL hubs for carbon fiber production
- Smaller facility in Evanston (USA) sold to Mitsubishi Rayon

Wiesbaden, January 10, 2017. SGL Group focuses its carbon fiber production at two major sites in Moses Lake (joint venture site with BMW Group in Washington, USA) and Muir of Ord (Scotland, UK) in order to further enhance the efficiency of its production network. The production lines in Muir of Ord have been upgraded over the last two years to be capable of producing 24k carbon fibers which have been manufactured solely in Evanston (Wyoming, USA) before. Therefore, SGL Group has now decided to sell its carbon fiber production site in Evanston with approximately 50 employees to Mitsubishi Rayon Carbon Fibers & Composites Inc., a US-based subsidiary of Mitsubishi Rayon Corporation (MRC).

A respective contract has been signed end of December 2016. Closing is expected by April 2017. Any business as well as the customer accounts from Evanston site will be taken over by the other SGL entities. The transaction has a non-material positive impact on the financial statements of SGL Group, primarily in 2016.

“By concentrating our carbon fiber production in one site in North America and one in Europe, we further improve the efficiency of our production network. The carbon fibers from both sites are used in our entire value chain offering high quality composites materials and components to our customers in the automotive, wind energy, and aerospace industry.” says Andreas Wüllner, Chairman of Business Unit Composites – Fibers & Materials at SGL Group.

In Moses Lake, SGL and BMW Group have built the largest and most modern heavy tow carbon fiber plant in the world. The plant, with its state-of-the-art technology, became an integral part of SGL Group’s global production network now also supplying other customers in various industries.

Muir of Ord is our well-established and highly flexible competence center for carbon fibers in Europe where we produce a particular broad range of products and materials from heavy tow via oxidized fibers to short cut fibers.

About SGL Group – The Carbon Company:

SGL Group is one of the world’s leading manufacturers of carbon-based products and materials. It has a comprehensive portfolio ranging from carbon and graphite products to carbon fibers and composites. SGL Group’s core competencies are its expertise in high-temperature technology as well as its applications and engineering know-how gained over many years. These competencies enable the Company to make full use of its broad material base. SGL Group’s carbon-based materials combine several unique properties such as very good electrical and thermal conductivity, heat and corrosion resistance as well as high mechanical strength combined with low weight. Due to industrialization in the growth regions of Asia and Latin America and increased substitution of traditional with innovative materials, there is a growing demand for SGL Group’s high-performance materials and products. Products from SGL Group are used predominantly in the

steel, aluminum, automotive and chemical industries as well as in the semiconductor, solar and LED sectors and in lithium-ion batteries. Carbon-based materials and products are also being used increasingly in the wind power, aerospace and defense industries.

With 34 production sites in Europe, North America and Asia as well as a service network covering more than 100 countries, SGL Group is a company with a global presence. In 2015, the Company's workforce of around 5,700 employees generated sales of €1,323 million. The Company's head office is located in Wiesbaden.

Further information on SGL Group can be found in SGL Group's newsroom at www.sglgroup.com/press or at www.sglgroup.com.

Important note:

This press release may contain forward-looking statements based on the information currently available to us and on our current projections and assumptions. By nature, forward-looking statements involve known and unknown risks and uncertainties, as a consequence of which actual developments and results can deviate significantly from these forward-looking statements. Forward-looking statements are not to be understood as guarantees. Rather, future developments and results depend on a number of factors; they entail various risks and unanticipated circumstances and are based on assumptions which may prove to be inaccurate. These risks and uncertainties include, for example, unforeseeable changes in political, economic, legal, and business conditions, particularly relating to our main customer industries, such as electric steel production, to the competitive environment, to interest rate and exchange rate fluctuations, to technological developments, and to other risks and unanticipated circumstances. Other risks that in our opinion may arise include price developments, unexpected developments connected with acquisitions and subsidiaries, and unforeseen risks associated with ongoing cost savings programs. SGL Group does not intend or assume any responsibility to revise or otherwise update these forward-looking statements.

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