PRESS RELEASE

SGL GROUP
THE CARBON COMPANY

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SGL Group's Board of Management defines cornerstones of the Group's future strategic alignment

- Cornerstones of realignment: Restructure or stop loss-making business activities – increase Group profitability – generate increase in value for all shareholders
- Company will be managed primarily based on return on capital employed (ROCE) and leverage ratio targets
- Cost savings target for SGL2015 already above plan and raised to more than €200 million
- Capital increase as foundation for consistent implementation of strategic realignment
- Major shareholders SKion, BMW and VW support the capital measure
- Equity ratio will rise to over 30% again combined with an improvement in gearing to 0.46 as a result of the capital increase

Wiesbaden, September 29, 2014. The Board of Management of SGL Group – The Carbon Company – has defined the cornerstones of the Group's future strategic realignment. In this context, the Board of Management will restructure or stop loss-making business activities, focus resources in all business areas on value-creating activities and increase SGL Group's profitability on a sustainable basis.

The new Board of Management will enforce a change in corporate culture in order to implement this strategic realignment. Distinct key performance indicators will define the future alignment and management of SGL Group, focusing on achieving a return on capital employed* (ROCE) of at least 15% and on reducing the leverage ratio** to below 2.5. The Board of Management remuneration in force since the beginning of 2014 is already geared towards these key performance indicators. Incentive schemes for the next management levels will also be aligned towards these ratios.

The capital increase announced today will improve the Group's capital structure, which will enable the strategic realignment and allow the Company to execute on the required restructuring measures and safeguard selective growth investments.

Dr. Jürgen Köhler, CEO of SGL Group: "The future strategic alignment of SGL Group is based on the consistent restructuring or disposal of loss-making business activities, improving the profitability of our business operations and exploiting new market opportunities in growth fields, thereby creating value for all shareholders. We will continue to systematically optimize

SGL Group – The Carbon Company
Corporate Communications, Media Relations
Soehnleinstrasse 8, 65201 Wiesbaden/Germany
Phone +49 611 6029-100, Fax +49 611 6029-101
E-mail: press@sglgroup.com / www.sglgroup.com

and develop our portfolio according to these criteria. In this process, we will manage our business activities according to clearly defined financial targets much more stringently than we did in the past, both in terms of new investments and in the ongoing portfolio analysis, paying particular attention to capital returns. We have implemented the SGL2015 measures promptly and consistently, enabling us to raise our savings target to more than €200 million. The capital increase announced today, which will be supported by our anchor shareholders SKion, BMW and VW, will put us in a financial position to return SGL Group to a sustainable, profitable growth path."

Company portfolio focused on value-adding activities

In its business activities, SGL Group is a market and technological leader and has unique innovation expertise in the areas of graphite, carbon and carbon fibers, which safeguard the Company's long-term growth potential. In light of the current weak earnings situation, which is due primarily to the price decline in graphite electrodes as well as the insufficient capacity utilization and high costs in the carbon fiber activities (excluding the joint venture with BMW), SGL Group will systematically restructure its production facilities and portfolio. In this context, the closure of the graphite electrode sites in Lachute (Canada) and Narni (Italy) has already been announced and partially implemented. The production network in the graphite specialties segment will also be focused and streamlined. Moreover, SGL Group already sold its rotor blade business (Rotec) at the end of 2013 and initiated the disposal process for Hitco in June 2014. The Board of Management is also reviewing the extent to which further measures for asset and portfolio optimization will be required in future.

Cost savings target for SGL2015 raised to more than €200 million

As anticipated in the middle of 2014, the initially expected savings volume of €150 million of the SGL2015 cost savings program will be substantially exceeded. Already in the 2013 fiscal year, the initial savings target of €50 million was far exceeded at €69 million. This is not only due to the SGL Excellence Initiative established in 2002. Major cost savings are also being achieved from the largely implemented restructuring of the organization, which includes staff cutbacks as well as the reduction in indirect expenses. Consolidation of production sites will further lead to cost reductions, particularly resulting from the closure of the two facilities in Canada and Italy. Additional savings will be realized from the announced and partially implemented disposal of certain parts of the business portfolio.

Capital increase to improve capital structure as a prerequisite for strategic realignment

In order to promptly implement the measures required for the Company's strategic realignment and to safeguard selected growth investments, the Board of Management has resolved, with the approval of the Supervisory Board, to improve the capital structure by means of a capital increase. In this context, the Company is planning to issue 20.18 million new shares. The Company had approximately 71.2 million shares as at August 31, 2014. As a result, the Company's shareholders will be offered the new shares at a ratio of 25:7. The subscription rights will be traded from September 30, 2014 up to and including October 9, 2014. The subscription period will run until October 13, 2014. The new shares are expected to be included in stock market trading on October 14, 2014. Based on a subscription price of €13.25, the Company's gross proceeds before expenses will amount to approximately €267.4 million.

The Company has in advance received firm subscription commitments from the major shareholders – SKion GmbH (27.53% of shares), BMW AG (18.49%) and Volkswagen AG (9.94) – who have committed to participate in the capital increase according to their shareholding. In the context of the capital increase, the Board of Management of SGL Group will also invest into SGL Carbon SE shares in a total amount of approximately €1 million – this corresponds to more than 50% of the aggregate base salary of all members of the Board of Management.

With this capital measure, the Company expects its equity ratio to recover to more than 30% and gearing (ratio of net financial debt to equity) to improve to 0.46. The Company is also aiming to achieve a meaningful net profit by ending loss-making activities and implementing cost efficiency measures. This combined with a more efficient resource allocation should also enable the Company to generate a positive free cash flow on a sustainable basis.

*Based on EBITDA divided by capital employed
**Defined as net financial debt divided by EBITDA

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

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 43 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 2013, the Company's workforce of around 6,300 employees generated sales of €1,477 million. The Company's head office is located in Wiesbaden.

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SGL Group – The Carbon Company
Corporate Communications
Söhnleinstraße 8, 65201 Wiesbaden, Germany
Telephone +49 611 6029 100 / Fax +49 611 6029 101
E-mail: press@sglgroup.com / www.sglgroup.com