PRESS RELEASE



SGL Group invests into enhanced coating technology in St. Marys, **USA**

Wiesbaden, August 25, 2016. SGL Group - The Carbon Company - will invest into its production facility in St. Marys, Pennsylvania, USA. A new state-of-the-art coating line will be set up to apply silicon carbide (SiC) in thin layers onto graphite-based materials. In addition, also the respective buildings at the St. Marys facility will be modernized accordingly. The enhancement will be implemented starting in 2016 and shall be completed by 2017. The total investment amounts to million 7.5 € and is thus, the second largest investment in GMS in the last 5 years following the isostatic press in Bonn.

"The new production system will add additional coating capacity and will allow us to reach higher process and product consistency to meet future customer specifications", explains Burkhard Straube, Chairman of the business unit Graphite Materials & Systems at SGL Group.

Coatings based on silicon carbide (marketed as SIGRAFINE® SiC) are dense, wear-resistant, with high corrosion and heat resistance and very good thermal conductivity. Thus, they are key to enhance the life cycle of our graphite-based material solutions which is of great customer value. Coated materials are mostly used for manufacturing wavers utilized in the LED production of our customers and thus support SGL Group's path forward to foster megatrends like digitization. In future, also other graphite-based solutions could be enhanced by coatings.

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. Carbonbased materials and products are also being used increasingly in the wind power, aerospace and defense industries.

With 40 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

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

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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