PRESS RELEASE

SGL GROUP
THE CARBON COMPANY

Implementation of cost savings program SGL2015 as planned – Restructuring continues in 2014

Fiscal Year 2013:

- Sales decreased by 10% to €1,477 million compared to previous year
- EBIT before non-recurring charges down to €19,5 million
- Non-recurring charges and restructuring expenses of €227 million
- Free cash flow improved by €104 million to €38,2 million
- Outlook for 2014 impacted by continued difficult market environment in graphite electrodes

Wiesbaden, March 10, 2014. The fiscal year 2013 developed weaker than originally anticipated for SGL Group – The Carbon Company – but in line with the adjusted June guidance. Primarily due to the unsatisfactory price development in graphite electrodes and the cyclical downturn in graphite specialties, Group sales declined by 10% to €1,477.0 million. As a result of the adverse development in all three Business Areas, Group EBIT before non-recurring charges decreased to €19.5 million (2012: €164.4 million) and EBIT margin was down to 1.3 % (2012: 10.0 %). Group-wide savings from the cost savings program SGL2015 amounted to approximately €69 million, thereby significantly exceeding the expected savings of €50 million. Approximately €27 million of savings were attributable to the SGL Excellence initiative.

Within the context of the repositioning of the Company and the difficult economic environment, negative non-recurring charges totaling €226.9 million had to be recorded on EBIT level. These included impairments of €120.6 million and project write-offs of €22.1 million in the Business Area Carbon Fibers & Composites and SGL2015 related restructuring expenses of €84.2 million. Accordingly, Group EBIT including non-recurring charges and restructuring expenses was minus €207.4 million (2012: 110.2 million).

Jürgen Köhler, CEO of SGL Group: "2013 was operationally one of the most difficult years ever for our Company and developed disappointingly. As a result, we implemented the comprehensive group-wide cost savings program SGL2015 to counter the increasing challenges. Regarding the realignment of the Company, initial successes have been achieved. Now it is important to drive the restructuring process forward and return SGL Group to a sustainable profitable growth track. As a technology company, we will ensure a balance between cost savings and investments in future technologies and innovations."

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No dividend payment for fiscal year 2013

The financial result improved slightly from minus €53.5 million to minus 50.7 million compared to 2012. Result before taxes therefore stood at minus €276.4 million (2012: €24.1 million) and net loss of continued operations at €365.2 million (2012: profit of 20.1 million), including extraordinary tax expenses of €84 million. This resulted in a net loss of €396.4 million (2012: profit of €5.9 million) for 2013.

Based on an average number of shares of 70.9 million, basic earnings per share dropped to minus €5.59 (2012: €0.08). Due to the high losses in fiscal year 2013 and the weak start into this business year, the Board of Management and the Supervisory Board of SGL Carbon SE will not propose a dividend payment for the fiscal year 2013 to the Annual General Meeting.

In the reporting year 2013, total assets decreased by 21.5 % to €2,009.2 million (December 31, 2012: €2,559.7 million). This was caused by the non-recurring charges mentioned above, the repayment of the convertible bond of €145.5 million in May 2013, write-downs on capitalized deferred tax assets, and the deconsolidation of SGL Rotec. These extraordinary effects led to a decrease in shareholders' equity to €650.8 million (December 31, 2012: €1,067.0 million) and a reduced equity ratio of 32.4 % (December 31, 2012: 41.7 %).

Significantly positive free cash flow of €38.2 million

Free cash flow improved significantly by €104 million to plus €38.2 million (2012: minus €66.2 million) due to substantially reduced working capital and lower cash used in investing activities. As a consequence, net financial debt of SGL Group was reduced to €447.7 million (December 31, 2012: €459.3 million).

Segment Reporting

Performance Products (PP): Closures of production sites as a consequence of a difficult market environment

Primarily due to the unsatisfactory price development in graphite electrodes, sales in the Business Area PP decreased by 20 % to €755.9 million (2012: €940.7 million). Accordingly, EBIT before restructuring expenses was down to €69.4 million (2012: €179.2 million) and the EBIT margin to 9.2 % (2012: 19.0 %). Savings from SGL2015 amounted to €28.2 million, of which €12.5 million were attributable to the SGL Excellence Initiative. The announced site closures in Lachute (Canada) and Narni (Italy) as well as further measures in connection with SGL2015 resulted in restructuring expenses of €59.5 million.

Graphite Materials & Systems (GMS): Sales and EBIT impacted by difficult environment

Sales in the Business Area GMS decreased 16 % to €408.1 million (2012: €486.2 million). Whilst the Business Unit Process Technology remained on previous year's record level, Graphite Specialties recorded a substantial sales decline due to lower demand from major customer industries.

The reduced capacity utilization of the production facilities resulted in a lower EBIT of €30.1 million (2012: €67.4 million) and an EBIT margin of 7.4 % (2012: 13.9 %). Cost savings from SGL2015 amounted to €13.6 million, of which €7.9 million were attributable to SGL Excellence.

Carbon Fibers & Composites (CFC): Sales up by more than 40 %

Sales of the continued operations (excluding SGL Rotec divested end of 2013) increased by 44.5 % to €309.3 million (2012: €214.1 million). The Portuguese acrylic fiber producer Fisipe, acquired in 2012, contributed €116.7 million (2012: €81.1 million) to sales. EBIT before non-recurring charges was minus €32.9 million (2012: minus €23.9 million). This was primarily due to the continued low pricing level as well as the ongoing low capacity utilization. Cost savings from SGL2015 amounted to €9.7 million, of which €6.3 million were derived from SGL Excellence. As a consequence of impairment tests carried out in 2013, write-downs on assets and project write-offs of € 145,2 million were recorded. Furthermore, restructuring expenses for SGL2015 of € 1.4 million were incurred, resulting in EBIT after non-recurring charges amounting to minus €179.5 million (2012: minus €78.1 million).

Revenue from at-equity accounted investments within the Business Area CFC increased by 44.1 % to €187.2 million, which is not included in the consolidated sales revenue of SGL Group (2012: €129.9 million, both figures based on 100 % ownership of the companies). The losses from these joint ventures were reduced significantly from €32.6 million in 2012 to €18.3 million in 2013.

2014 Outlook impacted by an ongoing challenging market environment

In 2014, SGL Group continues to be confronted with a difficult environment for some Business Units. The negative trends seen in the final quarter of 2013 have continued into the first weeks of fiscal year 2014, particularly in the main business with graphite electrodes. Therefore Group sales should remain stable compared to 2013 (on a comparable basis and including the initial proportional consolidation of the joint venture with BMW). Group EBIT before restructuring expenses will decline significantly, as the expected lower graphite electrode prices will more than offset the improvement from better capacity utilization in the other business units.

Even though the larger portion of the expenses relating to the cost savings program SGL2015 has already been incurred in fiscal 2013, further measures will be expensed this year, albeit significantly lower level from today's point of view. The successful refinancing in December 2013 offers the Company a solid, long-term financial basis.

However, due to the higher interest rate of the new corporate bond, net financial costs will be impacted negatively. Overall, a net loss for the Group, both before and after taxes, is anticipated, however significantly lower than in fiscal year 2013, depending on the scope of further restructuring expenditures.

SGL2015

The implementation of SGL2015 will be consistently continued in 2014. Depending on the implementation progress of personnel measures, savings in the mid to high double-digit million € range are targeted in 2014 after already having achieved savings of €69 million in 2013. In connection with SGL2015, further restructuring expenses will be incurred in 2014 amounting to a low double-digit million € figure.

Capital expenditures will be higher in 2014 due to the scheduled capacity expansions at SGL Automotive Carbon Fibers, the joint venture with the BMW Group. Investments in the established business activities will be substantially lower compared to 2013.

Further information about SGL Group as well as the 2013 Annual Report can be found on the Company's webpage: www.sglgroup.com.

Please also visit the new SGL Group news room at www.sglgroup.com/press.

Key Figures SGL Group

(in €m)

	2013	2012*	Change
Sales revenue	**1,477.0**	1,646.0	-10.3%
EBITDA [1]	**102.1**	248.8	-59.0%
Operating profit (EBIT) before non-recurring charges	**19.5**	164.4	-88.1%
Operating loss/profit (EBIT)	**-207.4**	110.2	> -100%
Return on sales (ROS) [2]	**1.3 %**	10.0 %	-
Result before tax	**-276.4**	24.1	> -100%
Consolidated net result (continuing operations)	**-365.2**	20.1	> -100%
Consolidated net result attributable to equity holders[3]	**-396.4**	5.9	> -100.%
Earnings per share, basic (in €)[3]	**-5.59**	0.08	-
Investments in intangible assets and property, plant and equipment	**95.5**	131.8	-27.5%
Free cash flow	**38.2**	-66.2	> -100%

	Dec. 31, 2013	Dec. 31, 2012	Change
Total assets	**2,009.2**	2,559.7	-21.5 %
Equity attributable to shareholders of parent company	**650.8**	1,067.0	-39.0 %
Net financial debt	**447.7**	459.3	-2.5 %
Gearing [4]	**0.69**	0.43	-
Equity ratio [5]	**32.4 %**	41.7 %	-
Employees	**6,284**	6,686	-6.0 %

* Adjusted for effects of adopting IAS 19R

1) Before non-recurring charges
2) EBIT before non-recurring charges to sales revenue
3) including discontinued operations
4) Net financial debt to equity attributable to shareholders of parent company
5) Ratio of equity attributable to shareholders of parent company to total assets

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 44 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.

Further information about SGL Group can be found online at: www.sglgroup.com

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