PRESS RELEASE

SGL GROUP THE CARBON COMPANY

SGL Group: SGL2015 measures to improve efficiency increasingly bear fruit

First Quarter 2015:

- Q1/2015: Higher recurring EBIT of €5 million at nearly stable sales
- SGL2015 savings amount to €15 million in Q1-2015 and €172 million since launch
- Guidance for full year 2015 confirmed: stable Group sales and significant earnings improvement expected

Wiesbaden, April 29, 2015. SGL Group – The Carbon Company – reported a solid start into the business year 2015. The measures executed in the course of the cost savings program SGL2015 increasingly had positive impact despite a continuing difficult environment for the core business with graphite electrodes. In addition, the reporting segment Carbon Fibers & Materials (CFM) is getting closer to break-even. As a result recurring Group EBIT improved from €0.9 million in the previous year to €5.1 million. The EBIT margin increased from 0.3% to 1.6%. The sales development was affected by a decline in the reporting segment Performance Products as well as by the slow start into the year at Graphite Materials & Systems. This was almost entirely compensated by the positive sales development in the reporting segment CFM and positive currency effects. As a result, Group sales only declined marginally by 1% (currency adjusted by 8%) to € 315.3 million (Q1/2014: €318.9 million).

Dr. Jürgen Köhler, CEO of SGL Group: "As expected, we made a solid start into business year 2015. We were able to improve our Group earnings – despite the continued difficult environment for our graphite electrodes – because the measures from our cost savings program SGL2015 are increasingly showing positive results. Therefore we are on track to reach our guidance for this year and to achieve sustainable profitable growth in the medium term."

Non-recurring charges related to SGL2015 declined to €0.8 million as indicated (Q1/2014: €2.3 million). Accordingly, Group EBIT after non-recurring charges improved to €4.3 million (Q1/2014: minus €1.4 million). The net financing result remained virtually unchanged compared to the prior-year period at minus €12.0 million. The result before taxes from continuing operations was accordingly cut by half to minus €7.8 million (Q1/2014: minus €15.4 million). Subtracting income taxes, the net loss from discontinued operations, as well as non-controlling interests, the consolidated net result improved to minus €16.5 million (Q1/2014: minus 24.4 million).

Balance sheet structure continues to be solid

Despite significant positive currency effects total assets as of March 31, 2015, only increased marginally to €2,206.1 million (December 31, 2014: €2,170.3 million). Equity attributable to the shareholders amounted to €557.2 million (December 31, 2014: €567.6 million). This decline was mainly due to the negative Group result and the adjustment of discount rates for

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pension provisions and partially offset by currency translation effects. Accordingly, the equity ratio declined slightly from 26.2% to 25.3%. As expected, net financial debt increased from €389.9 million to €493.7 million due to currency effects and the planned buildup of working capital as well as to one-time cash outflows in connection with the settlement of USD currency hedges. The free cash flow developed slightly more positively than envisaged at the annual press conference, amounting minus €78.1 million (Q1/2014: minus €44.9 million).

Segment Reporting

Performance Products (PP): Earnings improved despite difficult environment

As already seen in the previous year the ongoing Chinese blast furnace steel overproduction continued to result in a weak demand for graphite electrodes in the reporting period. In addition, graphite electrode prices further declined, driven by lower raw material costs relating to the crude oil price. Positive currency effects of 9% were partially able to compensate for this development. Accordingly, sales in the reporting segment Performance Products decreased slightly by 3% in the first quarter 2015 to €128.3 million (Q1/2014: €132.6 million). Recurring EBIT in the reporting period doubled to €8.2 million (Q1/2014: €4.0 million) due to cost reductions resulting from the above-mentioned raw material price developments as well as from the cost savings program SGL2015. The EBIT margin reached 6.4% (Q1/2014: 3.0%). Savings from SGL2015 amounted to €9.3 million, of which €2.1 million are attributable to SGL Excellence. Since expenses for SGL2015 were for the largest part already provisioned in the years 2013 and 2014, only marginal non-recurring expenses of €0.8 million (Q1/2014: €0.8 million) were incurred in the reporting period. As a consequence, EBIT after non-recurring charges amounted to €7.4 million (Q1/2014 €3.2 million).

Graphite Materials & Systems (GMS): Weaker start into the year, as expected

Sales in Graphite Materials & Systems decreased by 9% (currency adjusted by 15%) to €104.1 million (Q1/2014: €114.8 million). The main reason for this development is a project-related big ticket order from a customer in the electronics industry in the prior-year period. Additionally, the weak order intake in 2014 at Process Technology leads to a weaker first half year 2015. Demand for anode materials for the lithium ion battery industry continued to develop favorably. Most other customer industries showed stabilization or even a small recovery. Lower utilization of production facilities burdened the results, which was partly compensated by one-time gains from a land sale and from an insurance claim. In total, recurring EBIT decreased to €8.9 million (Q1/2014: €12.8 million) and EBIT margin to 8.5% (Q1/2014: 11.1%). Cost savings from SGL2015 amounted to €3.4 million, of which €1.9 million was attributable to SGL Excellence. No restructuring expenses relating to SGL2015 were incurred in GMS in the reporting period (Q1/2014: €0.1 million). Therefore, EBIT after non-recurring charges also amounted to €8.9 million (Q1/2014: €12.7 million).

Carbon Fibers & Materials (CFM): Break-even within sight

Sales in Carbon Fibers & Materials increased by 16% (currency adjusted by 9%) to € 80.0 million (Q1/2014: €69.2 million) mainly due to the significantly higher sales in the proportionally consolidated joint operations with BMW Group (SGL ACF). But also the business unit Carbon Fibers & Composite Materials (CF/CM) was able to increase sales due to the improved demand from various customer industries. Recurring EBIT increased substantially to minus €0.7 million from minus €6.9 million, leading to an EBIT margin of minus 0.9% (Q1/2014: minus 10.0%). Both the business unit CF/CM as well as SGL ACF contributed positively to this development, the latter one mainly due to planned lower ramp-up costs. Cost savings from SGL2015 amounted to €1.3 million, of which €0.7 million were attributable to SGL Excellence. No restructuring expenses relating to SGL2015 were incurred in CFM (Q1/2014: €0.1 million). Accordingly, EBIT after non-recurring charges also amounted to minus €0.7 million (Q1/2014: minus €7.0 million).

Sales of investments accounted for At-Equity increased by 20% to €60.5 million (Q1/2014: €50.6 million, 100% values for companies). Main investments accounted for At-Equity are Brembo SGL and Benteler SGL.

T&I and Corporate: Continued focus on cost efficiency

Within the scope of SGL2015, the Business Unit Aerostructures (Hitco) was reclassified as a discontinued operation in June 2014 to optimize the portfolio and focus on SGL Group's core competencies. Accordingly, the figures have been adjusted for Hitco. Additionally, the figures of the prior-year period were adjusted for the activities of the business unit Process Technology, which has been operationally integrated into the business unit GMS as of January 1, 2015. Recurring EBIT in T&I and Corporate decreased to minus €11.3 million (Q1/2014: minus €9.0 million). SGL2015 savings amounted to €1.2 million, relating mostly to savings from implemented personnel measures as well as lower travel expenses. Non-recurring expenses were not incurred (Q1/2014: minus €1.4 million). Accordingly, EBIT after non-recurring charges also amounted to minus €11.3 million in the reporting period (Q1/2014: minus €10.4 million).

Outlook for 2015 confirmed: Stable sales and significant earnings improvement

Due to these developments, SGL Group confirms the guidance for fiscal year 2015, which was published with the annual report in March 2015. Group sales should remain roughly stable in 2015 in comparison to the prior year. Lower prices as a consequence of lower raw material costs will be compensated by positive currency effects. In addition, no near-term recovery in electric steel markets can be expected due to the continued export pressure from Chinese blast furnace steel. Nevertheless, Group EBITDA and Group EBIT should significantly improve year over year (both before non-recurring charges).

The cost savings program SGL2015 will be further pursued with highest priority. Accordingly, the total savings target was increased from initially €150 million in two steps to €240 million. Savings in a mid double-digit million euro amount are therefore once again expected for 2015. In this connection, restructuring expenses in a high single-digit million euro amount will be incurred, thus at a much lower level than in 2014. Restructuring cash outflows in a mid double-digit million euro amount in addition to high capital expenditures for capacity expansions at SGL ACF will continue to burden the free cash flow also in 2015. On the whole, net debt will be significantly higher at year-end 2015 than at year-end 2014. A large part of this development already took place in the first quarter 2015.

A number of long-term expansion projects are either largely completed or at the end of their investment phase in all established businesses. On the other hand, the proportionally consolidated joint operations with BMW Group significantly increased their capital expenditure in 2014 since additional capacities were built up in response to the strong demand for carbon fibers and composites. This expansion, too, will largely be completed in mid-2015. Given the weak earnings situation, SGL Group will additionally curtail capital expenditures further. Accordingly, for the year 2015, total capital expenditure will be significantly lower than in 2014 and for the first time in many years at most at the level of depreciation.

Key figures of SGL Group

(in €m)

	Q1-2015	Q1-2014	Change
Sales revenue	**315.3**	318.9	-1.1%
EBITDA before non-recurring charges	**26.7**	21.0	27.1%
Operating profit (EBIT) before non-recurring charges	**5.1**	0.9	>100.0%
Return on sales (EBIT margin) 1)	**1.6%**	0.3%	-
Return on Capital Employed (ROCE $_{EBITDA}$) 2)	**6.0%**	5.4%	-
EBIT	**4.3**	-1.4	>100.0%
Net Result	**-16.5**	-24.4	32.4%
Earnings per share, basic and diluted (in €), continuing operations 3)	**-0.12**	-0.27	55.6%
Capital expenditures in intangible assets and property, plant and equipment	**13.2**	27.3	-51.6%
Free cash flow, continuing operations	**-78.1**	-44.9	-73.9%

	March 31, 2015	Dec. 31, 2014	Change
Total assets	**2,206.1**	2,170.3	1.6%
Equity attributable to the shareholders of the parent company	**557.2**	567.6	-1.8%
Net financial debt	**493.7**	389.9	26.6%
Debt ratio (Gearing)4)	**0.89**	0.69	-
Equity ratio5)	**25.3%**	26.2%	-
Employees6)	**6,207**	6,342	-2.1%

1) Ratio of EBIT before non-recurring charges to sales revenue
2) EBITDA for the last twelve months before non-recurring charges to average capital employed (total of goodwill, other intangible assets, property, plant and equipment and working capital)
3) Based on an average number of shares of 91.5 million
4) Net financial debt divided by equity attributable to the shareholders of the parent company
5) Equity attributable to the shareholders of the parent company divided by total assets
6) Of which continuing operations 5,736 (Dec. 31, 2014: 5,859)

The report for the first quarter 2015 and further information about SGL Group can be found at: www.sglgroup.com as well as in the newsroom of SGL Group at: www.sglnewsroom.com/en/.

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 42 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 2014, the Company's workforce of around 6,300 employees generated sales of €1,336 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.

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