

## **SGL Group closes production site in Griesheim**

*Wiesbaden / Griesheim, February 3, 2016.* SGL Group closes its production site in Griesheim near Frankfurt (a. M.). The company thereby reacts to the persistently difficult market conditions for graphite electrodes which are produced in Griesheim. All 150 employees of the site will be affected by the closure.

It is planned to gradually shut down the production of the site in Griesheim. After that, the clearance of the Griesheim premises is supposed to be realized presumably by the end of the year. The schedule as well as the next steps will be subject to the negotiations regarding the balance of interests and social plan between the company and the works council starting immediately. The aim is to implement the staff reduction related to the closure in a socially responsible manner.

At the Griesheim site, SGL Group produces graphite electrodes, which are necessary for the production of electric furnace steel. The business is especially affected by overcapacities of Chinese producers of blast furnace steel. The export of the cheaper blast furnace steel has significantly decreased the demand for electric furnace steel, and consequently, also for graphite electrodes.

The Griesheim site has in consequence suffered from inadequate capacity utilization and high cost structure for years. Against this backdrop, the company already introduced short-time work at the site three years ago. SGL Group has a global production footprint for graphite electrodes with facilities in Europe, the US and Asia.

“With the closure of the Griesheim site as well as the closures of our facilities in Canada and Italy two years ago, SGL Group adapted its production network to the market situation. Now our focus is on the realignment of our business model.” says Klaus Unterharnscheidt, Chairman of the business unit Performance Products.

In July 2015, SGL Group announced to legally separate the business unit Performance Products with graphite electrodes, amongst others to enable further options for the sustained safeguarding of the business unit.

### 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](http://www.sglgroup.com/press) or at [www.sglgroup.com](http://www.sglgroup.com).*

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