

Sale of the cathodes, furnace linings and carbon electrodes (CFL/CE) business to Triton completed

- Closing on November 2, 2017 marks the completion of the sale of the former business unit Performance Products
- Proceeds of the sale will be used to redeem the convertible bond with an original nominal of 240 million euros at maturity in January 2018
- Early redemption of the 250 million euros corporate bond was completed on October 30, 2017 with the proceeds of the sale of the graphite electrode business and the proceeds of the December 2016 rights issue

Wiesbaden, November 2, 2017. The sale of SGL Group's cathodes, furnace linings and carbon electrodes (CFL/CE) business to funds advised by Triton ("Triton") will close today following the approval of the relevant authorities. This completes the sale of the former business unit Performance Products (PP), which comprised the graphite electrode and CFL/CE businesses.

On August 8, 2017, SGL Group signed a sale and purchase agreement to sell its CFL/CE business to Triton. The two parties have agreed on an enterprise value (cash and debt free) of 250 million euros, which, after deduction of standard debt-like items (mainly pension provisions) as well as other customary adjustments, results in cash proceeds of more than 230 million euros. The final proceeds will be determined based on the balance sheet as of October 31, 2017.

The convertible bond with an original nominal of 240 million euros will be redeemed at maturity in January 2018 with the proceeds from the sale of the CFL/CE business. It had been issued in 2012 with a coupon of 2.75 percent. The redemption of this convertible bond will result in savings of around 12 million euros from 2018 onwards due to the absence of interest expenses, imputed interest components, and refinancing costs.

250 million euros corporate bond (2013/2021) redeemed early

The closing of the sale of SGL Group's graphite electrode business to the Japanese company Showa Denko was already completed on October 2, 2017. SGL Group used the proceeds of this sale and the proceeds of the December 2016 rights issue to prematurely redeem the corporate bond with a nominal value of 250 million effective October 30, 2017. The bond was issued in 2013 with a coupon of 4.875 percent and an original maturity in 2021.

All in all, SGL Group sold its former business unit PP at a total enterprise value of 600 million euros and more than 130 million euros above its book value on June 30, 2016, the date of which the business was classified as held for sale. The sales proceeds and the redemption of the two bonds will reduce interest expenses from 2018 onwards, significantly lower the net debt position and improve the balance sheet ratios.

About the SGL Group – The Carbon Company

The SGL Group is a leading manufacturer worldwide of products and materials made from carbon. The extensive product portfolio ranges from carbon and graphite products, carbon fibers all the way through to composites. The SGL Group's core expertise comprises the control of high-temperature technologies as well as the deployment of many years' application and engineering know-how. This is used to exploit the company's wide materials base. These carbon-based materials combine a number of unique material properties such as very good conductivity of electricity and heat, resistance to heat and corrosion as well as lightweight construction coupled with high firmness. The level of demand for the SGL Group's high-performance materials and products is increasing due to the industrialization of the growth regions of Asia and Latin America and the ongoing substitution of traditional construction materials by new materials. The SGL Group's products are deployed in the automotive and chemicals industries as well as in the semiconductor, solar, LED industry segments and in the field of lithium-ion batteries. Carbon-based materials and products are also used in wind energy, aviation and space travel as well as in the defense industry.

With 34 production locations in Europe, North America and Asia as well as a service network in over 100 countries, the SGL Group is an enterprise with a global orientation. In the 2016 financial year, approx. 4,000 employees generated 769.8 million euros in sales revenue. Its Head Office is based in Wiesbaden / Germany.

Further particulars on the SGL Group can be found in the Newsroom of the SGL Group at www.sglgroup.com/press and at www.sglgroup.com.

Important note:

To the extent that our press release contains forward-looking statements, the latter are based on information that is available at present and on our current forecasts and assumptions. Forward-looking statements, by their very nature, entail known as well as unknown risks and uncertainties that may lead to actual developments and events differing substantially from the forward-looking assessments. Forward-looking statements must not be understood to be guarantees. Instead, future developments and events depend on a large number of factors; they comprise various risks and imponderables and are based on assumptions that may possibly turn out not to be appropriate. These include unforeseeable changes to fundamental political, economic, legal and societal conditions, particularly in the context of our main customers' industries, such as electric steelmaking, the competitive situation, interest and exchange rate trends, technological developments as well as other risks and uncertainties. We perceive additional risks e.g. in pricing developments, unforeseeable events in the environment of companies acquired and Group member companies as well as in current cost savings programs from time to time. The SGL Group assumes no obligation and does not intend to adjust or otherwise update these forward-looking statements either.

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