

SGL Group invests in rigid felt production in China, and celebrates the tenth anniversary of its joint venture

- Rigid felt production plant in Yangquan delivers to Asian customers
- SGL Quanhai Carbon (SQC) celebrates its tenth anniversary

Wiesbaden/Yangquan, July 7, 2017. SGL Group invested around 1 million euros additionally in the development of its Yangquan site, in the Chinese province of Shanxi. Driven by the megatrends digitization, energy supply and mobility, the need for graphite-based felts is increasing steadily in China. Rigid felts based on specialty graphites are used as very high-quality insulation materials in industrial inert gas and vacuum furnaces. They have a wide range of application including in the semiconductor and solar industry, the metal heat treatment of components for the automotive and aerospace industry, or in ceramic sintering processes for the hard metal industry. In addition to the site in Yangquan, the company produces rigid felts at its German site in Meitingen. The technology center in which products are further developed is also located here.

The serial production of the rigid felt material in Yangquan started few weeks ago, which coincides with the anniversary year of the German-Chinese joint venture. Ten years ago, SGL Group and Shanxi Quanhai Graphite founded the joint venture SGL Quanhai Carbon (SQC). To mark this special anniversary, representatives from both companies, customers, and local politicians attended the official ceremony in Yangquan.

During the festivities, Dr. Jürgen Köhler, CEO of SGL Group, underlined the importance of Asia and China for SGL Group: “After Europe, Asia is the second most important market for our company and as well the fastest growing market. China in particular will continue to play a key role in our growth plans for the Asian market.”

Burkhard Straube, Head of Graphite Materials & Systems (GMS) at SGL Group, explains: “With our own rigid felt production in China, we can serve our Asian customers locally much faster and better, and at the same time drive our growth with innovative solutions based on specialty graphites. We will supply the markets of the rest of the world from Meitingen. At the same time, the German site serves as the technology center for further developing our felts.”

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 33 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.sqlgroup.com/press and at www.sqlgroup.com.

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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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