The 2012 business year
2012: - a good year for PP and GMS
- a bad, frustrating year for CFC

Sales  
+11% to €1.71 billion (2011: €1.54 billion)

EBIT$^{1)}$  
-4% to €154 million (2011: €160 million)

ROS$^{1)}$  
9.0% (2011: 10.4%)

Net profit  
€7.2 million (2011: €73.2 million) affected by non-cash write-downs of €54.2 million for delayed Boeing B-787 orders

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1) EBIT / ROS before project write-offs in 2012 and before impairment losses / reversal of impairment losses in 2011
Solid balance sheet ratios and high liquidity at end of December 2012

- Equity ratio: 42%
- Gearing: 0.43, below target area of approx. 0.5
- Liquidity: €356 million
### Highlights 2012

- **Implementation and continuation of strategic projects on track:**
  - commissioning of graphite hub in Malaysia
  - iso-graphite investments in Germany and China
  - backward integration into precursor for carbon fiber through acquisition of Fisipe
  - Planning of possible future graphite electrode production in China

- **Reinstatement of dividend payment**

- **Successful placement of €240 million convertible bond**

- **SGL Group certified as “Germany’s Top Employer 2012”**

- **New corporate headquarters in Wiesbaden, Germany**
  - Strengthening our “Corporate Identity”

- **20th anniversary of SGL Group**
SGL Group
Growth despite challenging market environment

in € million

Sales Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,382</td>
</tr>
<tr>
<td>2011</td>
<td>1,540</td>
</tr>
<tr>
<td>2012</td>
<td>1,709</td>
</tr>
</tbody>
</table>

Comparable EBIT\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Comparable EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>128</td>
</tr>
<tr>
<td>2011</td>
<td>160</td>
</tr>
<tr>
<td>2012</td>
<td>154</td>
</tr>
</tbody>
</table>

\(^1\) EBIT / ROS before project write-offs in 2012 and before impairment losses / reversal of impairment losses in 2011
SGL Group
Unchanged solid balance sheet

<table>
<thead>
<tr>
<th>Equity Ratio</th>
<th>Gearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010: 40.9%</td>
<td>2010: 0.47</td>
</tr>
<tr>
<td>2011: 45.8%</td>
<td>2011: 0.33</td>
</tr>
<tr>
<td>2012: 41.6%</td>
<td>2012: 0.43</td>
</tr>
</tbody>
</table>
SGL Group
Stable financing structure

in € million

- **Convertible**
  - Convertible
  - Convertible

### Capital market instruments
- **Corporate Bond**
- **Convertible**

### Bilateral credit lines
- **2013**: 146
- **2014**: 18
- **2015**: 31
- **2016**: 44
- **2017**: 135
- **2018**: 240

1) Repayment from liquidity (May 2013), final conversion day: May 2, 2013
2) Convertible Bond due 2016, Investor-Put Option 2014
Performance Products
High earnings due to special effect and price increases

<table>
<thead>
<tr>
<th>Highlights 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (+11% to €941 million) and EBIT (+27% to €182 million)</td>
</tr>
<tr>
<td>Positive sales and earnings contribution from final settlement of a long-term supply contract and because of price increase for graphite electrodes</td>
</tr>
<tr>
<td>ROS at 19.3% above previous year due to higher graphite electrode selling prices and special effect (2011: 16.9%)</td>
</tr>
<tr>
<td>Completion of graphite electrode production in Malaysia, inauguration in September 2012</td>
</tr>
<tr>
<td>Pricing pressure on cathodes and, from end 2012, also on electrodes due to temporary overcapacities and difficult economic situation</td>
</tr>
</tbody>
</table>
### Highlights 2012

<table>
<thead>
<tr>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record sales: €486 million (2011: €469 million) despite of cyclical downturn in important client industries (solar/LED/semi-conductor)</td>
</tr>
<tr>
<td>2nd best EBIT ever: €69 million (2011: €84 million), ROS 14.3% (2011: 17.9%)</td>
</tr>
<tr>
<td>Topping-out ceremony for new isostatic production in Bonn (Germany)</td>
</tr>
<tr>
<td>Ecophit Joint Venture with Lindner</td>
</tr>
<tr>
<td>Strong demand for lithium-ion batteries in 3C(^1) segment</td>
</tr>
<tr>
<td>PT: large-scale order from China (QSL project: ~€20 million)</td>
</tr>
<tr>
<td>Opening of new production site in Pune (India)</td>
</tr>
</tbody>
</table>

\(^1\) 3C = Cell phones, Computers, Cameras
Carbon Fibers & Composites
Strengthened market position in difficult market environment

**Highlights 2012**

Sales +26% to €277 million (2011: €220 million); organic +4%

EBIT before special effects\(^1\) -€39 million (2011: -€17 million)

- Earnings impacted by special effects:
  - Write-offs of long-term PoC receivables for Boeing B-787
  - High negative impacts from project delays in wind industry
  - Postponement of many industrial applications and start-up projects

- Successful takeover of Fisipe to secure raw material supply for carbon fibers
- Positive development of at-equity consolidated activities (SGL ACF, Benteler-SGL, Brembo-SGL)
- New production site of Benteler-SGL opened in Ort/Austria

Long-term growth trends following material substitution unchanged

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\(^1\) before project write-offs of €54 million in 2012 and reversal of impairment losses and impairment gains of €5 million in 2011
SGL Group
Sustained high level of capital expenditure

Major investments in 2012

• PP:
  – Graphite production facility in Malaysia

• GMS:
  – Isostatic graphite capacity expansion in Bonn (Germany)
  – Capacity expansion in USA and China
  – Graphite foil and Sigraflex facility in Meitingen (Germany)

• CFC:
  – Automation technologies at HITCO (USA) und SGL Kümpers (Germany)

Capital Expenditure and Depreciation (in € m)
• Expansion of own supply of raw materials for carbon fiber production (precursor)
• Precursor is the central raw material for carbon fiber production
• Conversion of textile production lines for precursor production
  → 2 parts precursor needed to produce 1 part carbon fiber

Essential for planned growth of carbon fiber composites in the Automotive, Engineering, Wind Energy, Aerospace and Building & Construction sectors
### Top 2: Appropriation of the balance sheet profit
Unchanged dividend

<table>
<thead>
<tr>
<th>Dividend Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinstatement of dividend payment for 2011 with €0.20 per share</td>
</tr>
<tr>
<td>Stable dividend proposal to the AGM for 2012 despite non-cash write-off (Boeing)</td>
</tr>
</tbody>
</table>

> Foundation for sustainable profitable growth established
> Reduced investment requirements in the medium term
> **Free cash flow** (before acquisitions) expected to be **positive** from 2013 onwards
Highlights 1st quarter 2013:
Weak start into 2013

Sales revenue €414 million (Q1/2012: €382 million)
EBITDA €34 million (Q1/2012: €53 million)
Net result -€9.4 million (Q1/2012: €13.8 million)
Equity ratio 41.5% (Dec. 31, 2012: 41.7%)
Gearing 0.45
Free Cashflow -€17.0 million (Q1/2012: -€69.8 million)
### Group

- **Sales on previous year’s level** (based on stable currencies)
- **EBITDA approximately 20-25% below 2012 level** (€240)
- **Capex for 2013 declining to €100-110 million** (2012: €134 million), funded from operational cash flow
- **Positive free cash flow** (before acquisitions)

### Uncertainties

- Political, economic, and currency-related uncertainties
- Market risks arising from new capacities temporarily exceeding demand
Global megatrends: Energy efficiency  Resource conservation  Materials substitution

Established business in basic industries
- Steel & Aluminum
  - Graphite electrodes
  - Furnace linings
  - Cathodes
- Chemical
  - High temperature applications
  - Environmental technology

New business in growth markets
- Automotive
- Solar
- e-Mobility
- Aircraft
- Wind
- Air Conditioning

Emerging countries: Infrastructure build-up
Industrialized markets: Fast innovations and technological progress
## Medium-to-long term development
Group sales to increase by >10% per year*; Profitability on a high level

<table>
<thead>
<tr>
<th></th>
<th>Sales revenue targets</th>
<th>Profitability targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>Fully consolidated Group sales to achieve ~€2.5 billion plus approx. €500 million sales from at-equity accounted JVs&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Medium-term Group EBITDA-ROS target of 15-17%</td>
</tr>
</tbody>
</table>

- **Positive free cash flow**
- **Gearing target** remains at approx. 0.5

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1) organic growth without acquisitions; 2) calculated on 100% ownership
Flagship projects

<table>
<thead>
<tr>
<th>BMW i3</th>
<th>Boeing 787</th>
</tr>
</thead>
<tbody>
<tr>
<td>First series-production vehicles end of 2013</td>
<td>Ramp-up expected in 2013</td>
</tr>
</tbody>
</table>
Thank you very much for your attention!
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