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Introduction to SGL Group’s Businesses
SGL Group in 2015. Organization streamlined to three from five business units

- Performance Products (PP)
  - Graphite electrodes
  - Carbon electrodes
  - Cathodes
  - Furnace linings

- Graphite Materials & Systems (GMS)
  - Graphite specialties
  - Process technology

- Carbon Fibers & Materials (CFM)
  - Carbon fibers
  - Composite materials
  - 51% SGL ACF

- Corporate Functions & Service Centers

- Technology & Innovation (T&I)

- SGL Excellence (SGL X)

Additional Key JVs
- Brembo SGL
- Benteler SGL

JV Partners
Global presence.

<table>
<thead>
<tr>
<th>11 production sites</th>
<th>23 production sites</th>
<th>8 production sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>Europe</td>
<td>Asia</td>
</tr>
</tbody>
</table>

* Business Unit Aerostructures reclassified to discontinued operations as of June 30, 2014
Reporting Segment
Performance Products
Reporting Segment: Performance Products (PP).

**Product groups**
- Graphite Electrodes (GE)
- Cathodes
- Carbon Electrodes
- Furnace Linings

**Key industries served**
- Steel
- Aluminum
- Ferrous and non-ferrous metals

**Characteristics**
- Supplying the metal industries
- Leading competitive position
- Historically solid ROS & ROCE
- Historically strong cash flow

**2014 Group sales**
- €1.3bn
- PP 44%

**PP sales - 2014**
- Graphite & Carbon Electrodes 79%
- Cathodes & Furnace Linings 21%

**Strategic priorities**
- Align infrastructure with market development (swing capacities)
- Reduce unit costs by increasing production and shipments at Malaysian plant
- Increase customer value with product quality and consistency
Graphite Electrodes.  
Steel production in EAFs

- Growth in steel production 2000ff fuelled by infrastructure demand from emerging countries

- Recently, Chinese steel exports limits EAF growth in most regions, iron ore price decline lowered production cost of blast furnace steel

- Significantly higher steel consumption 2000ff will lead to higher scrap availability and lower price, favoring again EAF steel production

- GE critical to EAF furnace efficiency but only ~3% of steel-making conversion cost
Graphite Electrodes.
Essential consumable for electric steel production

### Steelmaking in an electric arc furnace (EAF)

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphite Electrodes</td>
<td>Essential consumable for electric steel production</td>
</tr>
<tr>
<td>Furnace shell</td>
<td>Container for molten steel</td>
</tr>
<tr>
<td>Molten steel</td>
<td>Melted iron that is heated by graphite electrodes</td>
</tr>
<tr>
<td>Rocker tilt</td>
<td>Mechanism for tilting the furnace shell</td>
</tr>
<tr>
<td>Tilt cylinder</td>
<td>Actuator for tilting the furnace shell</td>
</tr>
<tr>
<td>Eccentric bottom tapping (EBT)</td>
<td>Process for tapping molten steel from the furnace</td>
</tr>
<tr>
<td>Teaming ladle</td>
<td>Equipment for transferring molten steel to the next process</td>
</tr>
</tbody>
</table>

### Graphite electrode

- Consumed after 5-8 hours
- 100 – 360 cm
- 35 – 80 cm

Source: steeluniversity.org
Graphite Electrodes.
Production process

- Production process takes up to 3 months
- Needle coke (key raw material) requirements sourced on basis of multiyear contracts

01 Binder pitch
02 Coke
03 Grinding
04 Mixing
05 Extruding
06 Carbonizing
07 Impregnating
08 Graphitizing
09 Machining
Cathodes. Participates in aluminum industry growth

- **Aluminum demand** driven by:
  - Population growth and urbanization
  - Further industrialization of emerging countries
  - Weight/strength/cost advantages

- **Cathodes essential** to aluminum smelters
  - Existing smelters relining
  - New smelter construction leading first to project demand and long-term to higher relining demand
  - Comprehensive product portfolio to cope with all technology trends in the AL industry

- Solid fundamentals for **aluminum production growth**
- **Various new projects** under construction, additional feasibility studies for capacity increases underway

---

**Aluminum global production scenarios 2003 – 2020 / Above pre-crisis scenarios**

- 2003: 36 mio. t
- 2007: 39 mio. t
- 2020: 67 mio. t
- 2019e: 50 mio. t

Source: IAI, Habor, SGL Group's own estimates, Hydro; Alcoa, CRU
Cathodes.
Investment good for the aluminum industry

Aluminum smelter

- Special glue
- Cathode blocks
- Ramming pastes
- Sidewall blocks

Cathodes

- Investment good (lifetime 5-7 years)
  - 30 – 70 cm
  - 30 – 50 cm
  - 100 – 380 cm
Reporting Segment
Graphite Specialties
Reporting Segment: Graphite Specialties (GS).

**Product groups**
- Anode materials
- Isostatic
- Fiber Materials
- Extruded
- Die molded
- Expanded
- Process Technology (as of 2015)

**2014 Group sales**
- GS 26%

**Key industries served**
- Energy – Solar / Battery
- Semiconductor / LED
- High-temperature processes
- Metallurgy
- Tool manufacturing
- Automotive

**Characteristics**
- Higher value-added products (machining, coating)
- Specialized, partially tailor-made, products for differentiated customers
- Innovation driven business
- Engineered products for customers from > 35 industries – some with high growth potential

**Strategic priorities**
- Focus on forward integration
- Combine material-Know-how and engineering competence
- Advanced material, equipment, and process solutions in close cooperation with customers
Graphite Specialties.
Best solutions for our customers ...

... in the PV, Semiconductor, and LED Industry

- SiC coated wafer carrier for LED chip production
- C/C carrier frame for solar wafers
- Meander heater for CZ units

... in the Battery and Energy Storage Industry

- Anode material for lithium-ion batteries
- Redox flow battery electrode consisting of battery felt and bipolar plate

... in the Chemical and Automotive Industry

- Flexible graphite foil
- Reinforced graphite sealing sheet
- Rotor and vanes for break assistant pumps
Examples:

- Graphite anode material for Lithium-Ion batteries
- Graphite foils and felts for stationary energy storage
- 3D filament wound susceptors for semiconductor industry
- Extra large carriers for photovoltaic
- Advanced silicon carbide coated carriers for LED
- CFRC charging carriers for high-temperature applications

Target approx. 1/3 of sales based on new products introduced over the last 4 years
Reporting Segment
Carbon Fibers & Materials
Reporting Segment: Carbon Fibers & Materials (CFM).

**Product groups***
- Carbon Fibers
- Composite Materials
- 51% SGL ACF (JVs with BMW)

**2014 Group sales**
- Carbon Fibers (CFM) 22%
- Composite Materials 80%
- €1.3bn

**CFM sales – 2014**
- SGL ACF 20%
- Carbon Fibers / Composite Materials 80%

**Key industries served**
- Automotive
- Energy
- Industrial
- Recreation
- Medical Technology
- Pressure Vessels

**Characteristics**
- New applications in automotive, energy, industrial
- High earnings improvement potential
- Complete value chain in house
- The only EU based carbon fiber company

**Strategic priorities**
- Develop innovative customer solutions along the value chain
- Optimize carbon fiber and composite capabilities along the value chain
- Convert Fisipe acrylic fiber lines into PAN precursor production

* Former Business Unit Aerostructures reclassified to discontinued operations as of June 30, 2014
SGL Group only integrated European carbon fiber producer.

**Carbon Fibers & Composite Materials**

- **Raw Material**
- **PAN Precursor**
  - Fisipe
  - MSP: JV with Mitsubishi Rayon (33%)
- **Carbon Fiber**
- **Prepreg Preform**
  - Prod. Capacity
    - ~ 4kt in UK
    - ~ 2kt in USA
  - SGL ACF: JV with BMW (51%)
    - up to 9kt in USA

**Composite Components**

Refocused on materials & automotive / other industrial components*

- **Automotive & other industrial**
  - Benteler SGL (50%)
  - Brembo SGL Carbon Ceramic Brakes (50%)

---

* Former Business Unit Rotor Blades sold as of December 31, 2013 and former Business Unit Aerostructures reclassified to discontinued operations as of June 30, 2014
Example EU. CO2 reduction targets can only be achieved with lightweight construction

**OEM fleet target development (EU)**
in g CO$_2$/kg

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets</td>
<td>135</td>
<td>95</td>
<td>75</td>
</tr>
</tbody>
</table>

-30% -21%

Only achievable with lightweight

- 2014 ICE efficiency package 3
- Moderate lightweight
- Reachable w/out electrification

~80
Carbon in Automotive. Lightweight materials offer significant weight advantages – especially CFRP

- Steel: -5 to -25%
- Lightweight steel construction: -40%
- Aluminum: -15%
- Magnesium: -20%
- CFRP quasi-isotropic: -60%
- CFRP unidirectional: -60%

Source: N/EK-L; EKP
SGL ACF. Milestone in serial application of carbon fibers in automotive industry

- Market launch of BMW i3 in November 2013, the first serially produced car with a **CFRP passenger cell**; market launch of BMW i8 in May 2014

- **Global value chain:**
  - carbon fibers produced in Moses Lake (USA) and
  - converted into composite materials (fabrics) in Wackersdorf (Germany).
  - fabrics are sold to BMW who manufactures carbon based automotive parts for the BMW i3 and i8.

- **New BMW 7 series** (2015): first large scale application of innovative carbon fiber materials in premium car segment

- October 2009: €90 million combined investment volume for initial capacity of 3kt carbon fiber and corresponding fabric capacity; May 2014: further combined investment of approx. €145 million to expand carbon fiber capacities up to 9kt

- BMW guarantees certain minimum purchasing volumes at contractually agreed conditions and provides debt financing
**SGL2015 cost savings program.** Target savings increased twice to €240 million

### Organizational Restructuring
**Simplify** processes and streamline management structures
- Review all workstreams and identify redundancies
- Adjust organizations and Corporate and Service Functions
- Reduce personnel costs and indirect spend

### Asset Restructuring
**Adjust** asset base to changes in market demand
- Optimize global production network, relocate production
- Improve capacity utilization
- Reduce fix costs
- Use synergies between the Business Units
- Consolidate sites

### Portfolio Restructuring
Carbon fiber business: **focus** on materials competence
- Analyze our business portfolio
- Concentrate portfolio on core activities
- Investigate options for businesses

Already €183 million savings achieved by mid 2015 – remainder to follow by mid 2016
Challenge. Levers to improve ROCE

ROCE = \frac{EBIT(DA)}{Capital Employed}

**Improve EBIT(DA):**
- Increase price
- Increase sales volume
- Reduce costs (raw materials, indirect spend, ...)

**Reduce Working Capital** (short term):
- Inventory: minimize inventory level
- Receivables: improve customer payment terms
- Payables: longer payment terms with suppliers

**Reduce Asset Base** (mid term):
- Limit investments: use existing assets, outsourcing

**ONGOING: SGL2015**
- Asset and portfolio optimization
- Working capital process optimization

**NEW!**
- Commercial process optimization

**ONGOING: SGL Excellence, SGL2015**
SGL Excellence.
Drives efficiency and customer focus

SGL X is more than savings:
- started in 2002
- ongoing and company wide program
- integral part of our culture
- continuously questioning the status quo
- strives for sustainable improvements
- provides the right mind and tool set
- important cornerstone in the development of our people
- empowers our employees with skills and tools:
  - > 190 trained Black Belts
  - > 200 trained Champions
  - > 900 trained Green Belts
  - majority of employees SIX SIGMA trained

Innovation Excellence
New ideas and solutions for profitable growth

Operational Excellence
Continuous improvement of our manufacturing, administrative and supply chain processes

Commercial Excellence
Sustainable partnerships with our customers to secure our future

People Excellence
Well educated employees as foundation of our success

New: Business Process Excellence
Streamline and standardize processes
Business Process Excellence (BPX). New Group wide program introduced

- Target is to **streamline** and **standardize** cross-BU processes
- Utilization of **standardized IT solutions** (SAP)
- Initial focus on **procurement, supply chain** and **sales processes**
  - **Procurement** – ongoing procurement optimization project launched under SGL2015. **Target: reduce procurement costs and improve profitability**
  - **Supply chain** – improve alignment between all stages of the supply chain, from sales to procurement to production, etc. **Target: improve supply chain process to further reduce net working capital**
  - **Sales organization** – implementation of uniform CRM system, development of new group wide standards and best practices for optimized customer and market approach. **Target: generate additional, profitable sales, optimize pricing**
- External consultant appointed for “outside-in” view and for project set up phase
- Recently implemented: **more stringent investment process**
SGL Excellence savings. Since 2002 continuous cost reduction of €335 million in total

Annual Net Savings (€m)
Strategic Realignment
September 2014. Transformation of SGL Group guided by clearly defined targets

- Create flexibility for restructuring and repositioning with capital increase and required disposal (HITCO, etc.)
- Stop loss makers and cash drainers by restructuring or disposing
- Capex for selective growth opportunities subject to minimum hurdle rates
- Return on capital is key management principle for strategic realignment and future investment

- Gearing ~ 0.5
- Equity ratio > 30%
- Net debt/EBITDA < 2.5
- Positive net result
- Positive free cash flow*
- ROCE ≥ 15%**

* Excluding disposal proceeds
** ROCE defined as EBITDA/Capital employed
September 2014. Transformation process defined with cornerstones of strategic realignment

1) **Right size**
   SGL2015 asset and portfolio restructuring

2) **Improve performance**
   SGL2015 organizational restructuring
   SGL Excellence savings
   BU streamlining
   Process Excellence initiatives

3) **Generate shareholder return**
   Define selective growth areas

*EBITDA divided by capital employed
Analysis of business model of GMS and CFM. Many similarities

<table>
<thead>
<tr>
<th>GMS/CFM</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Meaningful exposure to <strong>end markets growing above GDP</strong> driven by global mega trends</td>
</tr>
<tr>
<td>▪ High share of <strong>customer-specific products, tailored applications</strong> and solutions</td>
</tr>
<tr>
<td>▪ <strong>High potential for innovation</strong> since products typically serve as key enablers of innovation in target industries and/or provide vital products for their customers’ value chains</td>
</tr>
<tr>
<td>▪ In depth knowledge and control of the <strong>complete graphite and carbon value chain</strong> provides opportunity for <strong>product customization</strong></td>
</tr>
<tr>
<td>▪ <strong>Specific application requirements</strong> allow to leverage knowledge and technology as competitive advantage</td>
</tr>
<tr>
<td>▪ Continued <strong>process and cost optimization</strong> as well as <strong>R&amp;D investments</strong> necessary</td>
</tr>
</tbody>
</table>
Analysis of business model of PP(GE). Market requirements increasingly differ from GMS and CFM

PP(GE)

- **Global steel markets in structural oversupply**, thus EAF steel development cannot be expected to drive GE demand in near and mid term despite reasonable long term perspectives from increasing scrap availability in China
- Therefore **supply-demand imbalance** remains, industry becoming increasingly **commoditized** with customers focusing predominantly on price
- Consequently, GE in particular and PP in general have to be managed in a different way than before and also different to GMS/CFM
- Optimization efforts will have to continue to **lower costs, improve processes** and thus further increase competitiveness
- Continued overcapacities and low profitability will trigger the need for industry consolidation, in which we want to participate
July 2015: Path forward for SGL Group. Dedicated business models for different market requirements

- **Graphite Materials & Systems (GMS)**
  - Graphite specialties
  - Process technology

- **Carbon Fibers & Materials (CFM)**
  - Carbon fibers
  - Composite materials
  - 51% SGL ACF

- **Performance Products (PP)**
  - Graphite electrodes
  - Carbon electrodes
  - Cathodes
  - Furnace linings

Accelerate growth mode by adapting processes and launching growth initiatives

Implement commodity business model and prepare for strategic options with carve-out
## Performance Products: Key strengths and long-term growth opportunities

<table>
<thead>
<tr>
<th>Key Strengths</th>
<th>Growth opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Only graphite electrode producer with production footprint in all three major regions (NA/EU/Asia)</td>
<td>- Increased steel scrap availability will lead to significant long-term growth in graphite electrodes</td>
</tr>
<tr>
<td>- Modern, efficient production facilities</td>
<td>- Steady demand growth in aluminum (5% p.a.) will continue to drive demand for cathodes</td>
</tr>
<tr>
<td>- High-quality technical services</td>
<td>- Furnace Linings and carbon electrodes as additional stable business</td>
</tr>
<tr>
<td>- Trusted partner for large global customers</td>
<td></td>
</tr>
<tr>
<td>- Leading competitive position</td>
<td></td>
</tr>
</tbody>
</table>

- Increase **competitiveness** through further fixed asset optimization
- Continue to drive **productivity improvements and optimize business model** and processes
- Develop pricing strategy to reflect **market fundamentals (i.e. “commodity”)**
- Prepare business to participate in expected **industry consolidation**
Target for GMS and CFM.
Profitable organic sales growth of 50% by 2020

€737 million sales at 8% ROCE<sub>EBITDA</sub> in 2014
Moderate organic sales growth and process optimization phase
Accelerated organic growth phase

~€1.1 billion sales at or above min. 15% ROCE<sub>EBITDA</sub> in 2020

Augmented by potential selective and accretive bolt-on acquisitions to complement our portfolio in terms of region, technology, etc.
### GMS and CFM

Both units serve a broad range of fast growing segments linked to global megatrends

#### Growth opportunities

<table>
<thead>
<tr>
<th></th>
<th>Energy*</th>
<th>Digital Lifestyle</th>
<th>Mobility</th>
<th>Industry</th>
<th>Urbanization</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMS anode materials</td>
<td>~10%*</td>
<td>7-9%</td>
<td>3-5%</td>
<td>3-4%</td>
<td>~2%</td>
</tr>
<tr>
<td></td>
<td>Stationary energy storage</td>
<td>Lithium ion batteries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFM carbon fibers/mat.</td>
<td>6-8%</td>
<td>Mobile 3C devices</td>
<td>Aerospace, Automotive, Pressure vessels</td>
<td>Industrial applications</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wind, Pressure vessels</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMS high growth**</td>
<td>~6%</td>
<td>LED, Semiconductor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solar, Polysilicon, LED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMS medium growth***</td>
<td>3-5%</td>
<td>Sapphire glass</td>
<td>Exhaust gas recirculation, Brake assistant pumps</td>
<td>Engine technologies, etc.</td>
<td>Mechanical parts, Water management, etc.</td>
</tr>
<tr>
<td></td>
<td>Solar, Nuclear, Stationary energy storage, Heat Recovery, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Approx. market growth, CAGR 2015-2020**

- **Energy**
  - ~10%*
  - 7-9%
  - 3-5%
  - ~2%
- **Digital Lifestyle**
  - 7-9%
- **Mobility**
  - 3-5%
- **Industry**
  - 3-4%
- **Urbanization**
  - ~2%

#### Market potential 2015

- < € 50 mill.
- > € 50 mill.
- > € 100 mill.

* Energy efficiency, storage, reversal of energy generation and climate change (10% growth rate represents renewable energy);
** Product Groups: Isostatic, Fiber materials;
*** Product Groups: Extruded/Vibro, DieMolded, Expanded, Process technology
GMS and CFM are the basis of an innovation driven, high growth SGL Group.

Summary

- The majority of the current investors of SGL Group are more excited about the innovation and growth businesses GMS and CFM.
- GMS and CFM materials and solutions enable several of the fastest growing economic trends including energy storage, digitalization, mobility and urbanization.
- Based on strong positions, GMS and CFM target to further improve their position in the value chain with particular emphasis on innovation, high value-add products, services and engineered solutions.
- Until 2020, GMS and CFM together aim to grow sales by 50% through profitable, organic growth – potentially augmented by selective and accretive bolt-on acquisitions.
- EBITDA level is expected to increase significantly, thus exceeding the minimum EBITDA ROCE margin of 15%.
- Organic growth can be financed by own operating cash flow.
Thank you for your attention!
Backup
Latest Financials
H1 2015
Performance Products. Substantial EBIT improvement despite lack of recovery in graphite electrodes

<table>
<thead>
<tr>
<th></th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>269.8</td>
<td>273.9</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges*</td>
<td>37.8</td>
<td>26.8</td>
</tr>
<tr>
<td>EBIT before non-recurring charges*</td>
<td>16.9</td>
<td>6.8</td>
</tr>
<tr>
<td>EBIT-Margin before non-recurring charges* (in %)</td>
<td>6.3</td>
<td>2.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>12.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Sales revenue down 1 %, (currency adjusted -10%) mainly due to lower volumes and prices in graphite electrodes

Nevertheless, recurring EBIT increased by more than €10 million due to cost relief related to SGL2015 and lower raw material costs

SGL2015 related restructuring charges amounting to €4.2 million in reporting period

SGL2015 savings €13.8 million, thereof €4.6 million from SGL Excellence

* Non-recurring charges of €4.2 million in H1/2015 and €4.3 million in H1/2014
Graphite Materials & Systems. Lower sales and earnings resulting mainly from big ticket order in H1/2014

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>219.0</td>
<td>234.6</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges*</td>
<td>27.7</td>
<td>38.6</td>
</tr>
<tr>
<td>EBIT before non-recurring charges*</td>
<td>16.6</td>
<td>28.3</td>
</tr>
<tr>
<td>EBIT-Margin before non-recurring charges* (in %)</td>
<td>7.6</td>
<td>12.1</td>
</tr>
<tr>
<td>EBIT</td>
<td>16.0</td>
<td>27.9</td>
</tr>
</tbody>
</table>

- **Sales revenue** down 7% (currency adjusted down 14%)
  - Mainly driven by big ticket order in H1/2014
  - Continued strong demand for anode materials for Li-ion-batteries
  - Weaker H1/2015 sales in Process Technology due to subdued order intake in 2014

- Recurring **EBIT** declined by approx. €12 million due to
  - Lower capacity utilization
  - Partially compensated by one-off gains from a land sale and insurance claims

- **SGL2015 savings** €6.3 million, thereof €4.1 million from SGL Excellence

* Non-recurring charges of €0.6 million in H1/2015 and €0.4 million in H1/2014
Carbon Fibers & Materials. Substantial progress towards profitability

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>161.0</td>
<td>142.3</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges*</td>
<td>13.9</td>
<td>-6.5</td>
</tr>
<tr>
<td>EBIT before non-recurring charges*</td>
<td>3.2</td>
<td>-12.5</td>
</tr>
<tr>
<td>EBIT-Margin before non-recurring charges* (in %)</td>
<td>2.0</td>
<td>-8.8</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.1</td>
<td>-12.7</td>
</tr>
</tbody>
</table>

- **Sales revenue** increased by 13% (currency adjusted 7%)
  - Significantly increased sales contributions from our proportionally consolidated joint ventures with BMW Group (SGL ACF, 51% share)
  - CF/CM benefited from improved demand from various customer industries

- Recurring **EBIT** turned positive
  - Strong EBIT improvement at CF/CM due to better volumes and thus higher utilization
  - Lower ramp-up costs and improved productivity for carbon fiber capacity expansion in Moses Lake and Wackersdorf (SGL ACF) as expected

- **SGL2015 savings** €2.3 million, thereof €1.0 million from SGL Excellence

* Non-recurring charges of €0.1 million in H1/2015 and €0.2 million in H1/2014
T&I and Corporate. SGL2015 savings offset by various effects

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>5.3</td>
<td>4.4</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges*</td>
<td>-18.3</td>
<td>-18.0</td>
</tr>
<tr>
<td>EBIT before non-recurring charges*</td>
<td>-21.7</td>
<td>-21.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>-22.3</td>
<td>-36.3</td>
</tr>
</tbody>
</table>

- Recurring EBIT nearly unchanged - savings from SGL2015 offset by
  - higher consulting fees relating to Business Process Excellence initiative
  - currency effects from the translation of USD based administrative expenses

- **SGL2015 savings** €3.5 million

*Non-recurring charges of €0.6 million in H1/2015 and €14.8 million in H1/2014*
Group. Improved EBIT reflects both operational improvements and lower non-recurring charges

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>655.1</td>
<td>655.2</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges</td>
<td>61.1</td>
<td>40.9</td>
</tr>
<tr>
<td>EBIT before non-recurring charges</td>
<td>15.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Non-recurring charges</td>
<td>-5.5</td>
<td>-19.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>9.5</td>
<td>-18.6</td>
</tr>
</tbody>
</table>

- Includes savings of €26 million from SGL2015 in H1/2015, of which approx. €10 million attributable to SGL Excellence
Group. Improved result from continuing operations on flat sales demonstrates effectiveness of SGL2015

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>9.5</td>
<td>-18.6</td>
</tr>
<tr>
<td>Results from investments accounted for At-Equity</td>
<td>0.0</td>
<td>-3.2</td>
</tr>
<tr>
<td>Net financing result</td>
<td>-24.7</td>
<td>-17.5</td>
</tr>
<tr>
<td>Results from continuing operations before income taxes</td>
<td>-15.2</td>
<td>-39.3</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-3.6</td>
<td>-9.3</td>
</tr>
<tr>
<td>Results from continuing operations after income taxes</td>
<td>-18.8</td>
<td>-48.6</td>
</tr>
<tr>
<td>Consolidated net result attributable to the shareholders of the parent company</td>
<td>-85.0</td>
<td>-62.1</td>
</tr>
<tr>
<td>EPS, basic and diluted (in €)</td>
<td>-0.93</td>
<td>-0.87</td>
</tr>
</tbody>
</table>

- Result from investments accounted for At-Equity improves to break even level mainly due to Brembo SGL and lower costs related to SGL Lindner
- Substantial improvement in results from continuing operations after taxes despite non recurrence of €10 million positive one time effect in net financing result in H1/2014 (non exercise of investor put of 2009/16 convertible bond)
- Net result and EPS includes loss from discontinued operations totaling €65 million (of which €53 million impairment charge resulting from sale of aerostructures business) relating to HITCO (H1/2014: loss of €13 million)
Balance sheet. Solid despite slight deterioration

<table>
<thead>
<tr>
<th>in € million</th>
<th>30.06.2015</th>
<th>31.12.2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,067.2</td>
<td>2,170.3</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>24.2</td>
<td>26.2</td>
</tr>
<tr>
<td>Total liquidity</td>
<td>238.5</td>
<td>347.5</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>522.6</td>
<td>389.9</td>
</tr>
<tr>
<td>Gearing (net debt/equity)</td>
<td>1.04</td>
<td>0.69</td>
</tr>
</tbody>
</table>

- Total assets declined slightly despite positive currency effects of €95 million
- **Equity ratio** declined slightly due to
  - net loss of €85 million in the reporting period (including a loss of €65 million from discontinued operations)
  - partially compensated by €16 million (after tax) gain on equity resulting from effect of increased discount factors for calculation of pension provisions in Germany (from 2% to 2.25%) and in the US (from 4% to 4.5%)
### Free cash flow. As anticipated in March/April 2015

<table>
<thead>
<tr>
<th>Continuing operations in € million</th>
<th>H1/2015</th>
<th>H1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>-85.4</td>
<td>-23.1</td>
</tr>
<tr>
<td>Capital expenditures in property, plant and equipment and intangible assets</td>
<td>-30.1</td>
<td>-60.5</td>
</tr>
<tr>
<td>- thereof SGL ACF</td>
<td>-8.7</td>
<td>-36.0</td>
</tr>
<tr>
<td>- thereof SGL Group excluding SGL ACF</td>
<td>-21.4</td>
<td>-24.5</td>
</tr>
<tr>
<td>Cash flow provided by other investing activities*</td>
<td>9.3</td>
<td>-2.0</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-106.2</td>
<td>-85.6</td>
</tr>
</tbody>
</table>

- Higher negative operating cash flow compared to prior year due to
  - working capital buildup (mainly relating to lower trade payables due to reduced raw material costs as well as the declining investment spend and higher inventories)
  - non-recurring cash out for USD hedges (relating to HITCO)
- Free cash flow from continued operations in expected range

*Payments for capital contributions in investments accounted for At-Equity, proceeds from dividend payments and sale of intangible assets and property, plant and equipment
Solidly financed. Maturity profile prolonged in September 2015

| SGL Group successfully prolonged maturity profile in December 2013 | €250 million Corporate Bond at 4.875% (maturity 2021)  
|€200 million credit facility, undrawn (maturity 2017) |

| Supported by previously issued convertible bond (April 2012) | €240 million Convertible Bond at 2.75%, adjusted conversion price of €40.9598 (maturity 2018) |

|Tender offer closed 15 September 2015 with €26 million outstanding |

| Adequate equity and liquidity as of June 30, 2015 | Equity ratio: 24%  
|Gearing 1.04  
|Total liquidity: €238.5 million |
Outlook
Business unit outlook 2015. Savings drive improvement in PP. Lower ramp up costs in CFM

- **Performance Products** (PP): Sales expected on prior year level. Graphite electrode volumes lower than previous year. Raw material induced price adjustments. Higher volumes in cathodes. Substantial percentage increase in EBIT driven by SGL2015 and raw material cost reductions. Recent currency development supportive for sales and EBIT

- **Graphite Materials & Systems** (GMS): Nearly stable sales, mid to high single digit million € lower EBIT as a result of non-recurrence of big ticket order and weaker order intake in H1/2015. Continued strong demand from Li-ion-battery customers

- **Carbon Fibers & Materials** (CFM): Slightly higher sales and significant improvement in EBIT. Better volumes in both CF/CM and SGL ACF. Sales increase partially offset by crude oil based pricing of Fisipe acrylic fibers. EBIT improvement based on overall improved demand and lower ramp up costs at SGL ACF

- **Corporate**: Slightly higher costs despite strong contributions from SGL2015 mainly due to consulting costs for Business Process Excellence initiatives
Group outlook 2015. Net profit to benefit from improved EBIT and lower restructuring expenses

- Full year Group sales expected stable - lower prices resulting from reduced raw material costs, compensated by currency gains and better demand in Business Unit CFM. No relief in near term expected for graphite electrodes due to continued Chinese steel export growth
- Group recurring EBITDA and EBIT: substantial percentage increase. ROCE to improve in line
- Restructuring costs:
  - SGL2015: mid double digit million € savings. As most SGL2015 measures implemented, only single digit million € SGL2015 related restructuring expenses remain. Mid double digit million € restructuring cash-out
  - Total restructuring costs will from H2/2015 onward include one-time expenses associated with “transformation of business models” as announced on July 7, 2015 and amount to a low double digit million € amount (including SGL2015 related restructuring costs)
- Net result to improve due to better EBIT and lower restructuring expenses, but remains negative
- Capex for the first time in many years to decrease to at most D&A level of approx. €90 million
- Free cash flow:
  - Continued operations: improvement impeded due to expected cash out for anticipated tax settlement in H2/2015. However, the largest part of the negative free cash flow has already occurred in H1/2015
  - Discontinued operations: Sale of aerostructures business and related payments increase negative free cash flow
Appendix
GMS and CFM serve a broad range of fast growing segments linked to global megatrends.

<table>
<thead>
<tr>
<th>Growth drivers</th>
<th>GMS and CFM</th>
<th>GMS anode materials</th>
<th>CFM carbon fibers/materials</th>
<th>GMS high growth**</th>
<th>GMS medium growth***</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>GMS: Stationary energy storage</td>
<td>CFM: Wind, Pressure vessels</td>
<td>GMS: Solar, Polysilicon, LED</td>
<td>GMS: Solar, Nuclear, Automotive engines (down sizing), Stationary energy storage, Polysilicon, Heat recovery</td>
<td></td>
</tr>
<tr>
<td><strong>Digital Lifestyle</strong></td>
<td>GMS: Lithium ion batteries</td>
<td>CFM: Mobile 3C devices</td>
<td>GMS: LED, Semiconductor</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobility</strong></td>
<td></td>
<td></td>
<td>GMS: Aerospace, Automotive, Pressure vessels</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td></td>
<td></td>
<td></td>
<td>GMS: Industrial applications</td>
<td></td>
</tr>
<tr>
<td><strong>Urbanization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Approx. market growth CAGR 2015-2020

- Energy*: ~10%
- Digital Lifestyle: 7-9%
- Mobility: 3-5%
- Industry: 3-4%
- Urbanization: ~2%

Market potential 2015:
- < €50 mill.
- > €50 mill.
- > €100 mill.

* Energy efficiency, storage, reversal of energy generation and climate change (10% growth rate represents renewable energy);
** Product Groups: Isostatic, Fiber materials;
*** Product Groups: Extruded/Vibro, DieMolded, Expanded, Process technology
**Capital Expenditure by Business Area.**

### Major investment focus in 2014

| PP    | Additional improvements in production processes at Malaysian plant  
|       | Replacement and EHSA in USA and Spain  
| GS    | Measures to achieve efficiency improvements in the production process, also in the context of SGL2015  
|       | Transfer of some productions steps from Germany to Poland  
|       | New green production in Poland  
| CFM   | Tripling of carbon fiber capacities at SGL ACF  
|       | New polymerization facility and conversion of spinning line to PAN precursor production in Portugal  
|       | Automation at SGL Kümpers (Germany)  

### Capital expenditure and depreciation [in € million]

<table>
<thead>
<tr>
<th>Year</th>
<th>PP</th>
<th>GS</th>
<th>CFM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>14</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>54</td>
<td>23</td>
<td>54</td>
</tr>
<tr>
<td>2010</td>
<td>61</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td>2011</td>
<td>66</td>
<td>21</td>
<td>66</td>
</tr>
<tr>
<td>2012</td>
<td>30</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>2013</td>
<td>29</td>
<td>111</td>
<td>29</td>
</tr>
<tr>
<td>2014</td>
<td>14</td>
<td>20</td>
<td>14</td>
</tr>
</tbody>
</table>

*Reported capex of €129.5 million for 2010 includes €7.4 million cash inflow for services rendered by SGL Group. Therefore cash outflow for capex was €136.9 million.*
Shares in issue and shareholder structure.

<table>
<thead>
<tr>
<th>Basic shares</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Identification Number</td>
<td>723530</td>
</tr>
<tr>
<td>ISIN Number</td>
<td>DE0007235301</td>
</tr>
<tr>
<td>Cusip Number</td>
<td>784 188 203</td>
</tr>
<tr>
<td>Number of Shares (as at August 31, 2015)</td>
<td>91,806,502</td>
</tr>
<tr>
<td>Free float</td>
<td>~ 37%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reported shareholdings according to §§ 21 f. WpHG</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SKion GmbH (Oct 15, 2014)</td>
<td>27.46%</td>
</tr>
<tr>
<td>BMW AG (Oct 15, 2014)</td>
<td>18.44%</td>
</tr>
<tr>
<td>Volkswagen AG (Jul 31, 2015)</td>
<td>9.88%</td>
</tr>
</tbody>
</table>

Furthermore, and based on the respective voting rights announcements we received, Voith GmbH, Heidenheim, currently holds more than 5% of the voting rights of SGL Carbon SE.
Debt market instruments.

<table>
<thead>
<tr>
<th>Corporate bond</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon</strong></td>
<td>4.875%</td>
</tr>
<tr>
<td><strong>Principal Amount</strong></td>
<td>€ 250 million</td>
</tr>
<tr>
<td><strong>Issue Date</strong></td>
<td>12 December 2013</td>
</tr>
<tr>
<td><strong>Date of Maturity</strong></td>
<td>15 January 2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Convertible notes 2012/2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon</strong></td>
<td>2.75%</td>
</tr>
<tr>
<td><strong>Principal Amount</strong></td>
<td>€ 240 million</td>
</tr>
<tr>
<td><strong>Adjusted Conversion Price</strong></td>
<td>€ 40.9598</td>
</tr>
<tr>
<td><strong>Conversion Right</strong> (as at August 31, 2015)</td>
<td>5.86 million shares</td>
</tr>
<tr>
<td><strong>Issue Date</strong></td>
<td>25 April 2012</td>
</tr>
<tr>
<td><strong>Date of Maturity</strong></td>
<td>25 January 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Convertible notes 2015/2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon</strong></td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Principal Amount</strong></td>
<td>€ 167 million</td>
</tr>
<tr>
<td><strong>Conversion Price</strong></td>
<td>€ 18.6451</td>
</tr>
<tr>
<td><strong>Conversion Right</strong> (as at September 14, 2015)</td>
<td>8.96 million shares</td>
</tr>
<tr>
<td><strong>Issue Date</strong></td>
<td>14 September 2015</td>
</tr>
<tr>
<td><strong>Date of Maturity</strong></td>
<td>30 September 2020</td>
</tr>
</tbody>
</table>

<p>| Convertible notes 2009/2016            |                  |</p>
<table>
<thead>
<tr>
<th>(tender offer closed 15 September 2015)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon</strong></td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Principal Amount</strong></td>
<td>€ 190 million</td>
</tr>
<tr>
<td><strong>Outstanding Amount</strong></td>
<td>€ 26.3 million</td>
</tr>
<tr>
<td><strong>Adjusted Conversion Price</strong></td>
<td>€ 27.2959</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Convertible notes 2009/2016 (tender offer closed 15 September 2015)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon</strong></td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Principal Amount</strong></td>
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</tr>
<tr>
<td><strong>Outstanding Amount</strong></td>
<td>€ 26.3 million</td>
</tr>
<tr>
<td><strong>Adjusted Conversion Price</strong></td>
<td>€ 27.2959</td>
</tr>
</tbody>
</table>
### Financial calendar 2015

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 18, 2015</td>
<td>Annual Report 2014</td>
</tr>
<tr>
<td>April 29, 2015</td>
<td>Report on the first quarter 2015</td>
</tr>
<tr>
<td>April 30, 2015</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>August 6, 2015</td>
<td>Report on the first half year 2015</td>
</tr>
<tr>
<td>November 5, 2015</td>
<td>Report on the first nine months 2015</td>
</tr>
</tbody>
</table>

### Contact

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Germany  
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investor-relations@sglgroup.com  
www.sglgroup.com
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