UniCredit · Kepler Cheuvreux
13th German Corporate Conference
Jürgen Muth, CFO
Frankfurt
20 January 2014
Company profile

• SGL Group is one of the world’s largest manufacturers of carbon-based products

• Comprehensive portfolio ranging from carbon and graphite products to carbon fibers and composites

• 44 production sites worldwide

• Service network covering more than 100 countries

* As of September 30, 2013

• Sales of ~€ 1.7 bn in 2012

• Head office in Wiesbaden/Germany

• Approx. 6,660* employees worldwide

• Listed on MDAX

* As of September 30, 2013
## SGL Group
### Business structure

<table>
<thead>
<tr>
<th>Base Materials</th>
<th>Advanced Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance Products (PP)</strong></td>
<td><strong>Graphite Materials &amp; Systems (GMS)</strong></td>
</tr>
<tr>
<td>• Graphite &amp; Carbon Electrodes (GCE)</td>
<td>• Graphite Specialties (GS)*</td>
</tr>
<tr>
<td>• Cathodes &amp; Furnace Linings (CFL)</td>
<td>• Process Technology (PT)</td>
</tr>
</tbody>
</table>

---

**Technology and Innovation (T&I)**

**Six Sigma (SGL Excellence)**

* Former Business Unit New Markets integrated into Business Unit GS as of May 1, 2013
** Former Business Unit Rotor Blades sold as of December 31, 2013
Base Materials
Performance Products (PP)

Business units
• Graphite & Carbon Electrodes
• Cathodes & Furnace Linings

2012 Group sales
CFC 16%
P 55%
GMS 29%

PP sales & EBIT margins

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

Characteristics
• Supplying the metal industries
• Leading competitive position
• Ongoing growth in BRIC

• High ROS & ROCE
• Strong cash flow
• Stable growth
Performance Products
Graphite electrodes (GE) for steel production in EAFs

- Growth in steel production fuelled by infrastructure demand from emerging countries
- Scrap availability limits EAF growth in emerging countries
- Due to continued efficiency gains GE demand growth only 1 – 2% p.a.
- GE critical to EAF furnace efficiency but only ~3% of steel-making conversion cost

Worldwide steel production [in mt]

An EAF (electric arc furnace) is a furnace that heats charged scrap steel material (also known as mini mills)
BOF (blast oxygen furnace) is the steelmaking route that uses iron ore and coking coal to produce primary steel (also known as integrated steel)

Source: WSD, IISI, own estimate
Steelmaking – An Electric Arc Furnace (EAF)

Section view through EAF

- Furnace shell
- Molten steel
- Rocker tilt
- Tilt cylinder
- Eccentric bottom tapping (EBT)
- Teaming ladle
- Graphite Electrodes

Graphite electrode

- 100 – 360 cm
- 35 – 80 cm
- Connecting Pin

Source: steeluniversity.org
Performance Products
Graphite electrode production process

- GE critical to EAF furnace efficiency but only ~ 3% of steelmaking conversion cost
- GE is a consumable – replaced every 5 to 8h
- GE usually sold mostly in annual contracts
- Needle coke requirements sourced on basis of multiyear contracts

Graphite production process:
- Production process takes up to 3 months
Performance Products
Cathodes for the aluminum industry

- Aluminum demand driven by:
  - Population growth and urbanization
  - Further industrialization of BRICs
  - Weight / strength / cost advantages in higher energy cost environment
- Cathodes essential to aluminum smelters
  - Existing smelters relining
  - Investment good (5 – 7 years lifetime)
  - New smelter construction leading first to project demand and long-term to higher relining demand
- Existing smelters upgrading
  - Amorphous → graphitized cathodes
  - Only three to four major established producers of graphitized cathodes
- Cathodes essential for aluminum smelting but representing only 2% of production costs for 1 mt aluminum

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

Fundamentals for Aluminum production growth are solid. Various new Projects under construction and additional feasibility studies for capacity increase underway.

Source: IAI, Habor, SGL Group’s own estimates, Hydro; Alcoa, CRU
Advanced Materials
Graphite Materials & Systems (GMS)

Business units
- Graphite Specialties
- Process Technology

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

2012 Group sales
- CFC 16%
- PP 55%
- GMS 29%

GMS sales & EBIT margins
- 2004: Sales €m 287, EBIT margin 7%
- 2005: Sales €m 300, EBIT margin 8%
- 2006: Sales €m 340, EBIT margin 11%
- 2007: Sales €m 364, EBIT margin 13%
- 2008: Sales €m 412, EBIT margin 14%
- 2009: Sales €m 365, EBIT margin 8%
- 2010: Sales €m 396, EBIT margin 9%
- 2011: Sales €m 469, EBIT margin 18%
- 2012: Sales €m 486, EBIT margin 14%

Characteristics
- Sustainable growth potential in renewable energies, energy efficiency and energy storage
- Broadest product portfolio
- Global footprint
- C-parts supplier to high tech investment goods industry

* Former Business Unit New Markets integrated into Business Unit GS as of May 1, 2013
... in the PV / Semiconductor Industry

- Iso graphite heating element
- Iso susceptors, heating elements, heat shields/insulation (Soft- and Rigid Felt)
- Mono crystalline silicon ingot

... in the LED Industry

- MOCVD reactor
- SiC coated Iso Graphite Susceptor

... in the Chemical and Automotive Industry

- Flange sealed by a gasket
- Reinforced Graphite Sealing Sheet
- Flexible Graphite Foil
Fine grain graphite manufacturing is complex and requires four to six months production time.

Manufacturing process of fine grain graphite:

- Coke & graphite
- Grinding
- Pitch impregnating
- Binder pitch
- Mixing
- Shaping: Extruding, vibration / die molding, isostatic pressing
- Carbonizing: 800-1,200°C
- Graphitizing: 2,500-3,000°C
- Finishing: Machining, purifying, coating
- Tailor made product

Source: GS Production
Graphite Materials & Systems
Innovation driving new product portfolio

Examples:

- Advanced Silicon Carbide coated carriers for LED
- Carbon for anode material for lithium-ion batteries
- Expanded graphite for environmental needs and thermal management (JV between SGL Group and Lindner Group for Graphite-based “Green” Air Conditioning)
- SIGRABOND® Performance: carbon fiber reinforced graphite material for heat treatment applications
- Four new products launched in Process Technology: Ecosyn, Ecopor, Heatstorage, Fluegas Heatexchanger

GMS 2012 sales: €486 million

1/3 new
2/3 established

1/3 of sales based on new products introduced over the last 4 years
### Graphite Materials & Systems
Major customer industries and market shares 2012

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of total GMS sales 2012</th>
<th>Global market share 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>24%</td>
<td>35%</td>
</tr>
<tr>
<td>Energy: Batteries &amp; Nuclear</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>Energy: Solar (including Polysilicon)</td>
<td>16%</td>
<td>25%</td>
</tr>
<tr>
<td>Semiconductor (incl. LED)</td>
<td>7%</td>
<td>20%</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>7%</td>
<td>25%</td>
</tr>
<tr>
<td>Tool manufacturing</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Automotive</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>High-temperature processes</td>
<td>3%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: SGL Group’s own estimates
Advanced Materials
Carbon Fibers and Composites (CFC)

Business units*
• Carbon Fibers/Composite Materials
• Aerostructures

At-Equity JVs
with BMW, Brembo, Benteler

Key industries served
• Energy
• Aerospace & Defense
• Automotive
• Industrial
• Recreation
• Medical Technology
• Construction
• Pressure Vessels

2012 Group sales

CFC sales & EBIT margins

2004-05 SGL Technologies Business Unit excl. Expanded Graphite
2004-07 incl. Brake Disc business
SGL Rotec consolidated from September 2008 onwards
Fisipe consolidated from April 2012 onwards

Characteristics
• New applications in automotive, energy, aeronautics, industrial
• High earnings improvement potential
• Complete value chain in house
• Only EU carbon fiber company

* Former Business Unit Rotor Blades sold as of December 31, 2013
Where is carbon? Everywhere!
Touching More and More of Everyday's Life
SGL Group: only integrated European carbon fiber producer
(Re-)Focus on materials & automotive/other industrial components

**Carbon Fibers & Composite Materials**
- **Raw Material**
- **PAN Precursor**
- **Carbon Fiber**
- **Prepreg Preform**
  - **Fisipe (100%)**
  - **MSP**: JV with Mitsubishi Rayon (33%)
  - **Prod. Capacity**: ~4kt in UK, ~2kt in USA
  - **SGL-ACF**: JV with BMW (51%), ~3kt in USA
  - **SGL epo (100%)**
  - **SGL Kümpers (51%)**
  - **SGL-ACF**: JV with BMW (51%)

**Composite Components**
- **Automotive & other Industrial**
  - **Benteler SGL (50%)**
  - **Brembo SGL Carbon Ceramic Brakes (50%)**

- **Aerospace & Defense**
  - **HITCO (100%)**

* Former Business Unit Rotor Blades sold as of December 31, 2013
Carbon Fibers & Composites: Carbon fiber demand growth delayed but all growth drivers intact

CF market forecast (in thousand mt p.a.)

Source: SGL Group market research
Carbon fibers & Composites
Composite Materials

• Carbon fibers can be woven or braided and are often impregnated with resin before component production

• We aim to have a broad range of technologies for prepreging / preforming
  – Impregnation (e.g., prepregs for wind turbine blades or aircraft parts)
    – SGL epo
  – Weaving (e.g., sporting goods, automotive, medical industry)
  – Preforms (e.g., automotive industry)
  – Braiding (e.g., automotive industry)
    – SGL Kümpers
Carbon Fibers & Composites
JVs in automotive

• Benteler-SGL:
  – 50/50 JV between SGL Group and Benteler AG to develop composite based automotive components
  – Leading position in developing structural automotive parts and modern, automated production technologies
  – Successful manufacturing of prototype parts for the BMW i projects
  – Set-up of the first high volume composite components production plant

• Brembo-SGL:
  – 50/50 JV between SGL Group and Brembo SPA for carbon ceramic based automotive brakes
  – Leading global position, supplying most of the high-end car makers, with production sites in Germany and Italy

• SGL Group’s strategic objectives in automotive:
  – Drive the metal substitution process in automotive to become a major automotive parts supplier
  – Ensure that SGL Group’s materials are at the forefront in the automotive industry
Carbon Fibers & Composites
JVs with BMW, Mitsubishi exclusively for BMW’s demand

- Milestone in serial application of carbon fibers in automotive industry – market launch of first serially produced car (BMW i3) with a CFRP passenger cell in 2013
- €90 million total investment volume in initial phase, overall investment volume €230 million subject to BMW demand increase
- JVs to be accounted for at equity by SGL and BMW during build-up phase
- BMW guarantees certain minimum purchasing volumes at contractually agreed conditions in the context of safeguarding the overall project
- BMW provides debt financing
- SGL Automotive Carbon Fibers LLC, Moses Lake (USA): 51/49 JV between SGL Group and BMW Group to produce carbon fibers exclusively for BMW’s demand (3kt carbon fiber capacity in 1st stage)
- SGL Automotive Carbon Fibers, Wackersdorf (Germany): 51/49 JV between SGL and BMW Group to produce composite materials (fabrics) in Wackersdorf (Germany) based on carbon fiber produced in Moses Lake (USA)
- These fabrics to be sold to BMW who will produce automotive parts and then assemble the BMW i3 and i8 in Leipzig (Germany)
- Precursor supply safeguarded by MRC – SGL Precursor Co. Ltd., Otake (Japan): 33/67 JV between SGL Group and Mitsubishi Rayon
Carbon Fibers & Composites
SGL Automotive Carbon Fibers – A Truly Global Value Chain

Otake, Japan
Start Precursor Production April 2011

Moses Lake, USA
Start C-Fiber Production Q3/2011

Wackersdorf, Germany
Start Non-Crimp Fabric Production Q3/2010

BMW i3
Official market launch July 29, 2013

Landshut, Germany
Ground Breaking CFRP Production July 2010

Leipzig, Germany
Ground Breaking - Site extension November 2010
Ensuring the future
SGL Excellence – enables productivity and growth

SGL Excellence
• Started in 2002
• The core element of the Company mission
• An ongoing and Company wide program
• Our philosophy of doing business

SIX SIGMA + LEAN
• Our core methodology
• Focuses on:
  – Customer value
  – Measurable objectives and results
• Applies to every function in our Company
• Empowers our employees with skills and tools:
  – > 4,000 SIX SIGMA trained employees
  – > 350 active Green Belts
  – > 120 Black Belts
Ensuring the future
SGL Excellence savings

Since 2002 continuous cost reduction of €283 million in total

- Annual Net Savings (€m)
Latest Financials and Outlook 2013
SGL Group
9M/2013 Results for the Group

<table>
<thead>
<tr>
<th>in € million</th>
<th>9M/2013</th>
<th>9M/2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>1209.7</td>
<td>1255.9</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges</td>
<td>89.5</td>
<td>188.6</td>
</tr>
<tr>
<td>EBITDA-Margin before non-recurring charges (in %)</td>
<td>7.4</td>
<td>15.0</td>
</tr>
<tr>
<td>EBIT before non-recurring charges</td>
<td>28.0</td>
<td>130.3</td>
</tr>
<tr>
<td>EBIT-Margin before non-recurring charges (in %)</td>
<td>2.3</td>
<td>10.4</td>
</tr>
<tr>
<td>Non-recurring charges</td>
<td>-179.4</td>
<td>-54.2</td>
</tr>
<tr>
<td>Results from At-Equity accounted investments</td>
<td>-13.9</td>
<td>-12.4</td>
</tr>
<tr>
<td>Net financing result</td>
<td>-37.3</td>
<td>-38.5</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>-202.6</td>
<td>25.2</td>
</tr>
<tr>
<td>Consolidated net profit attributable to equity holders</td>
<td>-277.8</td>
<td>-5.6</td>
</tr>
<tr>
<td>EPS, basic (in €)</td>
<td>-3.92</td>
<td>-0.08</td>
</tr>
</tbody>
</table>

- Sales revenue -4%, currency adjusted -2% - Fisipe (acquired in Q2/2012) contributed 3%
- EBITDA significantly decreased due to price pressure in PP and cyclical trough at GMS
- Cost savings of €34 million from SGL2015 in 9M/2013, of which €19 million attributable to SGL Excellence
- Non recurring charges of €174.9 million relating to extraordinary effects recorded in Q2/2013 and restructuring expenses in Q3/2013. Tax expense of €74.4 million includes impairment of deferred tax assets on loss carry forwards due to lower short and midterm earnings expectations and provisions for tax risks from ongoing tax audits totaling €69 million

* Adjusted for effects of adopting IAS 19R
SGL Group
9M/2013 Results for Performance Products (PP)

<table>
<thead>
<tr>
<th>in € million</th>
<th>9M/2013</th>
<th>9M/2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>595.9</td>
<td>681.4</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges**</td>
<td>94.3</td>
<td>168.0</td>
</tr>
<tr>
<td>EBITDA-Margin before non-recurring charges (in %)**</td>
<td>15.8</td>
<td>24.7</td>
</tr>
<tr>
<td>EBIT before non-recurring charges**</td>
<td>63.7</td>
<td>139.5</td>
</tr>
<tr>
<td>EBIT-Margin before non-recurring charges (in %)**</td>
<td>10.7</td>
<td>20.5</td>
</tr>
</tbody>
</table>

- Sales revenue (-12%) strongly impacted by price pressure in graphite electrodes, currency impact -2%
- Reduced EBITDA (-44%) due to
  - lower selling prices as a result of intensifying price pressure in H2/2013
  - prior year EBITDA benefited from low double-digit million € final settlement of longterm supply contract
- Closure of graphite electrode plant in Lachute (Canada) announced. Phase-down of production towards year end 2013. Final closure expected in Q1/2014. Non-recurring charges of €24.9 million accounted in 9M/2013 resulting from asset write-offs. Reduction of 30,000 t graphite electrode capacity 1st step to sustain cost leadership of SGL Group
- €16 million savings from SGL2015, thereof €9 million from SGL Excellence

* Adjusted for effects of adopting IAS 19R
** Non-recurring restructuring charge of €24.9 million relating to the closure of the plant in Lachute (Canada)
### SGL Group
9M/2013 Results for Graphite Materials & Systems (GMS)

<table>
<thead>
<tr>
<th></th>
<th>9M/2013</th>
<th>9M/2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>311.7</td>
<td>374.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>40.1</td>
<td>69.1</td>
</tr>
<tr>
<td>EBITDA-Margin (in %)</td>
<td>12.9</td>
<td>18.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>27.0</td>
<td>55.9</td>
</tr>
<tr>
<td>EBIT-Margin (in %)</td>
<td>8.7</td>
<td>14.9</td>
</tr>
</tbody>
</table>

- **Sales revenue -17%, currency adjusted -14%**
  - 9M/2012 still benefited from high order backlog at end 2011
  - Business Unit Graphite Specialties (GS) reached cyclical trough in 2013 driven by downward trend in new orders from all three regions (Asia, Europe and North America). Order intake in the previously more stable industrial applications substantially weakened since beginning of 2013, in addition to an already weak demand development in solar, semiconductor and LED industries. Positively, trend in Q3 showed some stabilization
  - Business Unit Process Technology sales slightly surpassed previous year level
- **EBITDA decreased significantly due to**
  - underabsorption of fixed costs in Business Unit GS as production levels adjusted to lower order backlog
  - price pressure in some areas within Business Unit GS
- **€9 million savings from SGL2015, thereof €5 million from SGL Excellence**

* Adjusted for effects of adopting IAS 19R
### SGL Group
9M/2013 Results for Carbon Fibers & Composites (CFC)

<table>
<thead>
<tr>
<th></th>
<th>9M/2013</th>
<th>9M/2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>298.7</td>
<td>197.6</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges**</td>
<td>-16.4</td>
<td>-11.9</td>
</tr>
<tr>
<td>EBITDA-Margin before non-recurring charges (in %)**</td>
<td>-5.5</td>
<td>-6.0</td>
</tr>
<tr>
<td>EBIT before non-recurring charges**</td>
<td>-30.2</td>
<td>-24.2</td>
</tr>
<tr>
<td>EBIT-Margin before non-recurring charges (in %)**</td>
<td>-10.1</td>
<td>-12.2</td>
</tr>
</tbody>
</table>

- Sales revenue increase 51%, currency adjusted 53%
  - Initial consolidation of Fisipe (acquired in Q2/2012) contributed 34%-points to sales growth (9M/2013: €87.5 million, 9M/2012: €55.4 million)
  - Like-for-like sales growth of 26% mainly due to higher sales in Business Unit Rotor Blades (sold as of December 31, 2013)
- EBITDA decreased due to
  - Continued underutilization of capacities in the carbon fiber business due to project shifts, resulting in lower material demand from wind industry and other industrial applications
  - Unsatisfactory utilization level in the Business Unit AS caused by Boeing 787 and Joint Strike Fighter delays
  - Price pressure in carbon fiber markets due to overcapacities as a result of project delays
- €7 million savings from SGL2015, thereof €5 million from SGL Excellence

* Adjusted for effects of adopting IAS 19R
** Non-recurring charges of €153.6 million, thereof €153.2 million extraordinary effects in Q2/2013
## SGL Group
9M/2013 Results for Central T&I and Corporate Costs

<table>
<thead>
<tr>
<th>in € million</th>
<th>9M/2013</th>
<th>9M/2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue/other revenue</td>
<td>3.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Central T&amp;I costs (EBIT)</td>
<td>-7.7</td>
<td>-8.9</td>
</tr>
<tr>
<td>Corporate costs (EBIT)</td>
<td>-24.8</td>
<td>-32.0</td>
</tr>
</tbody>
</table>

- Central T&I costs decreased by 14% mainly due to the already implemented cost savings measures as well as a grant received in 9M/2013
- Corporate costs decreased by 23% primarily due to lower expenses for variable remuneration components and cost savings related to consulting fees and travel expenses
- €2 million savings from SGL2015

* Adjusted for effects of adopting IAS 19R
SGL Group established a solid long term financial structure in December 2013

- €250 million Corporate Bond at 4.875% (maturity 2021)
- €200 million credit facility, undrawn (maturity 2017)

Supported by previously issued debt instruments (June 2009 and April 2012)

- €134.7 million* Convertible Bond at 3.5%, adjusted conversion price of €29.00 (maturity 2016)
  (originally €190 million prior to conversion)
- €240 million Convertible Bond at 2.75%, adjusted conversion price of €43.5164 (maturity 2018)

SGL Group has solid balance sheet ratios and liquidity at end of September 2013

- Equity ratio: 36%
- Gearing: 0.64
- Total liquidity: €178 million

* As of December 31, 2013
## Group

- FY 2013 sales slightly below 2012 level*
- EBITDA (before non-recurring charges) 50-60% below comparable 2012 level (€240 million before project write-offs)
- Substantially improved At-Equity results from CFC JVs
- Substantial Group-wide cost savings program initiated: SGL2015

## Capex, Balance Sheet, Cash Flow

- GEARING temporarily above mid term target of approx. 0.5
- CAPEX limited to below €100 million
- Negative FREE CASH FLOW - due to restricted capex and working capital requirements: FREE CASH FLOW neutral in H2/2013

## Key risks to forecasts

- Further political, economic, and currency related uncertainties
- Further market risks arising from new capacities temporarily exceeding demand

* Based on constant currencies
### Performance Products (PP)

- **Graphite Electrodes**: slight volume growth in Q4/2013 vs. previous three quarters expected. Prices in Q4 to remain at low levels, below H1/2013 and FY2012 level, but some raw material price benefits in Q4 2013.
- **Cathodes**: previous year EBITDA boosted by final settlement of long term contract, stepwise recovery in demand continues, price increases not yet enforceable.

=> FY 2013 sales substantially lower YoY*, EBITDA ROS in 2013 significantly below 2012 and H1/2013.

### Graphite Materials and Systems (GMS)

- **Graphite Specialties**: impacted by cyclical downturn across all end markets; however, the order intake has stabilized in the last months.
- **Process Technology**: strong order backlog at year end 2012 to positively impact 2013 sales and earnings resulting in a performance similar to its record year 2012.

=> Sales significantly lower YoY*, EBITDA ROS slightly below mid term target of ≥ 14%.

### Carbon Fibers & Composites (CFC)

- **Carbon Fibers/Composite Materials**: continues to be affected by overcapacities resulting from lower demand in the wind, sports and leisure markets as well as other industrial applications.
- **Aerostructures**: HITCO continues to be negatively affected by delays in civil and military aerospace projects.
- **Rotor Blades** (sold as of December 31, 2013): SGL Rotec to reduce losses compared to 2012 thanks to higher capacity utilization and further improving productivity.

=> Slight reduction in operating losses compared to 2012 due mainly to internal optimization measures.

* Based on constant currencies.
SGL 2015: targeting approx. €150 million savings by end 2015*
Approx. €50 million* cost savings to be realized in 2013 already

PP & GMS affected by cyclical downturn and temporary overcapacities, CFC impaired by repeated project and development delays => **SGL2015**: comprehensive global cost savings program consisting of three pillars

<table>
<thead>
<tr>
<th>Organizational restructuring</th>
<th>Site restructuring</th>
<th>Portfolio restructuring</th>
</tr>
</thead>
</table>
| Review of organizational structure with support of external consultant  
Adjuct and simplify business processes  
Streamline management structures  
Reduce SG&A cost base by one third from €90 million to €60 million | Develop measures for site restructuring  
Relocate, close or sell production assets e.g. GE plant closure in Lachute (Canada)  
Adapt production network to changed circumstances  
Improve capacity utilization  
Reduce fixed costs | Optimize portfolio  
Potentially divest non core activities e.g. sale of SGL Rotec (Germany) as of December 31, 2013  
Transfer activities into partnerships |

- non-recurring restructuring expenses expected to reach nearly €100 million  
- major part to be accounted for in 2013 annual financial statements  
- approx. 40% cash effective mostly from 2014 onwards, remainder non cash

- of approx. €50 million cost savings in 2013 roughly half from SGL X, remainder from other cost savings measures - already €34 million savings achieved in 9M/2013

* Based on 2012 actual costs
Fundamental long-term growth drivers for our businesses

Key challenges

- Changed economic environment
- Climate change
- Energy / raw materials availability

SGL Group approach

“Towards an ecologically sensitive world”

Sustainable solutions

- Energy efficiency
- Alternative energies
- Light weight

Carbon contributes to all three sustainable solutions
Thank you for your attention!

Any Questions?
Important note:
This presentation contains forward looking statements based on the information currently available to us and on our current projections and assumptions. By nature, forward looking statements are associated with known and unknown risks and uncertainties, as a consequence of which actual developments and results can deviate significantly from the assessment published in this presentation. Forward looking statements are not to be understood as guarantees. Rather, future developments and results depend on a number of factors; they entail various risks and unanticipated circumstances and are based on assumptions which may prove to be inaccurate. These risks and uncertainties include, for example, unforeseeable changes in political, economic, legal and business conditions, particularly relating to our main customer industries, such as electric steel production, to the competitive environment, to interest rate and exchange rate fluctuations, to technological developments, and to other risks and unanticipated circumstances. Other risks that may arise in our opinion include price developments, unexpected developments associated with acquisitions and subsidiaries, and unforeseen risks associated with ongoing cost savings programs. SGL Group assumes no responsibility in this regard and does not intend to adjust or otherwise update these forward looking statements.