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Annual General Meeting 2010

Wiesbaden
April 30, 2010

BROAD BASE. BEST SOLUTIONS.

Agenda

1. Fiscal Year 2009
2. First Quarter and Outlook 2010
3. Fundamental Trends and Strategy

Fiscal Year 2009

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SGL Group 2009
Held its Ground During the Crisis

Key Financials

Sales: €1,226 million (2008: €1,611 million)

EBIT*: €110 million (2008: €306 million)

9% ROS*

High Equity Ratio: 40%

Capex €154 million largely funded from operational cash flow

Low gearing (0.49) despite high capex

Asset impairment (€74 million due to delayed growth expectations in CFC) leads to net loss of €60 million

*before impairment

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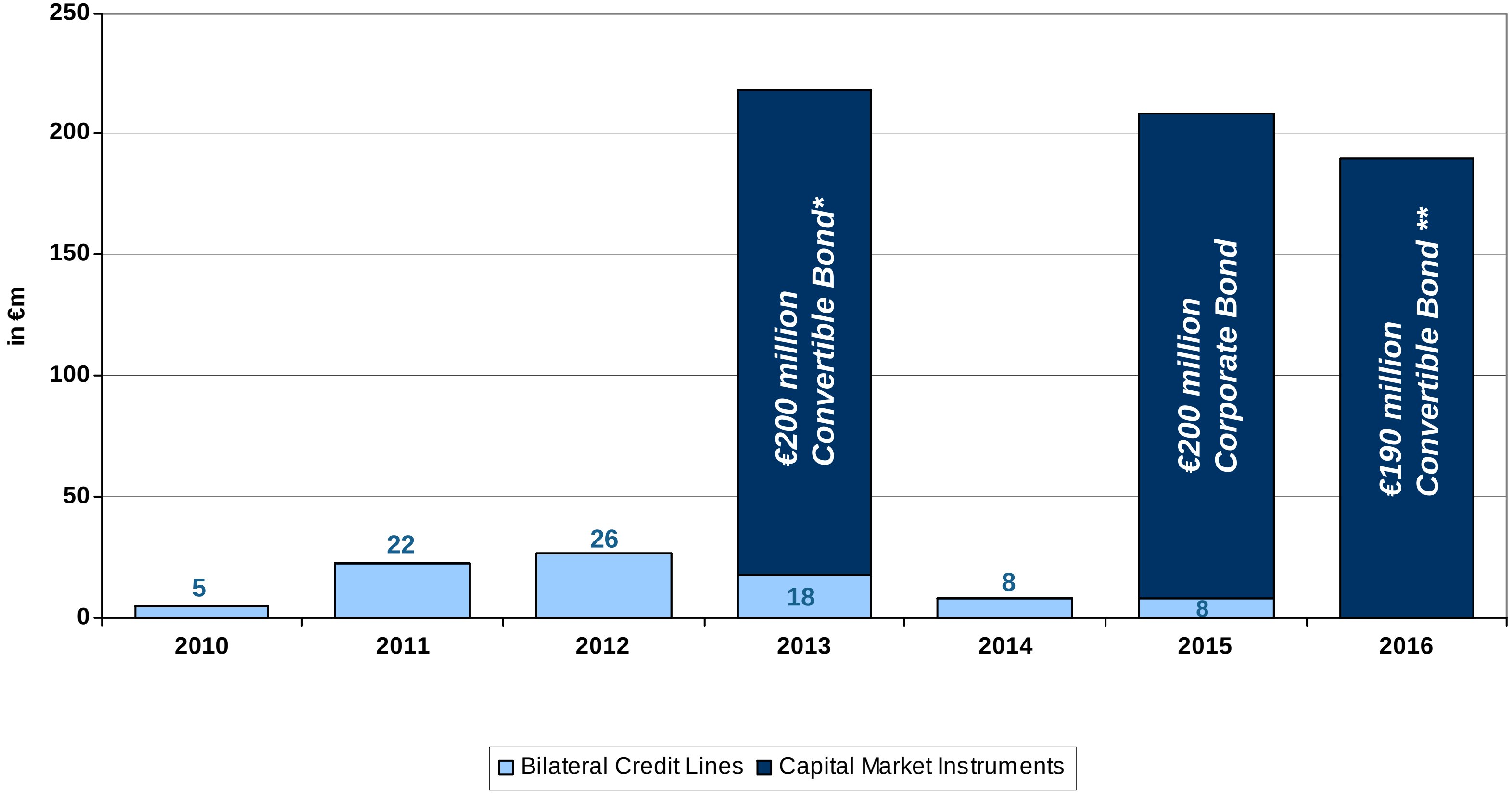
Financing – Maturity Profile

- ✓ €200 million undrawn syndicated loan
- ✓ €302 million cash available per December 31, 2009



** Conversion price: 36.52 €*
*** Conversion price: Wandlungspreis: 29.39 €, Investor-Put 2014*

SGL Group 2009
Held its Ground During the Crisis

Crisis Management Measures
€64 million cost savings, thereof • sustainable from SGL Excellence €23 million • once of measures €41 million
Timely production adjustment to meet lower demand
Reduction of approx. 300 jobs and approx. 500 temp. employees
Implementation of short time work in Europe and USA

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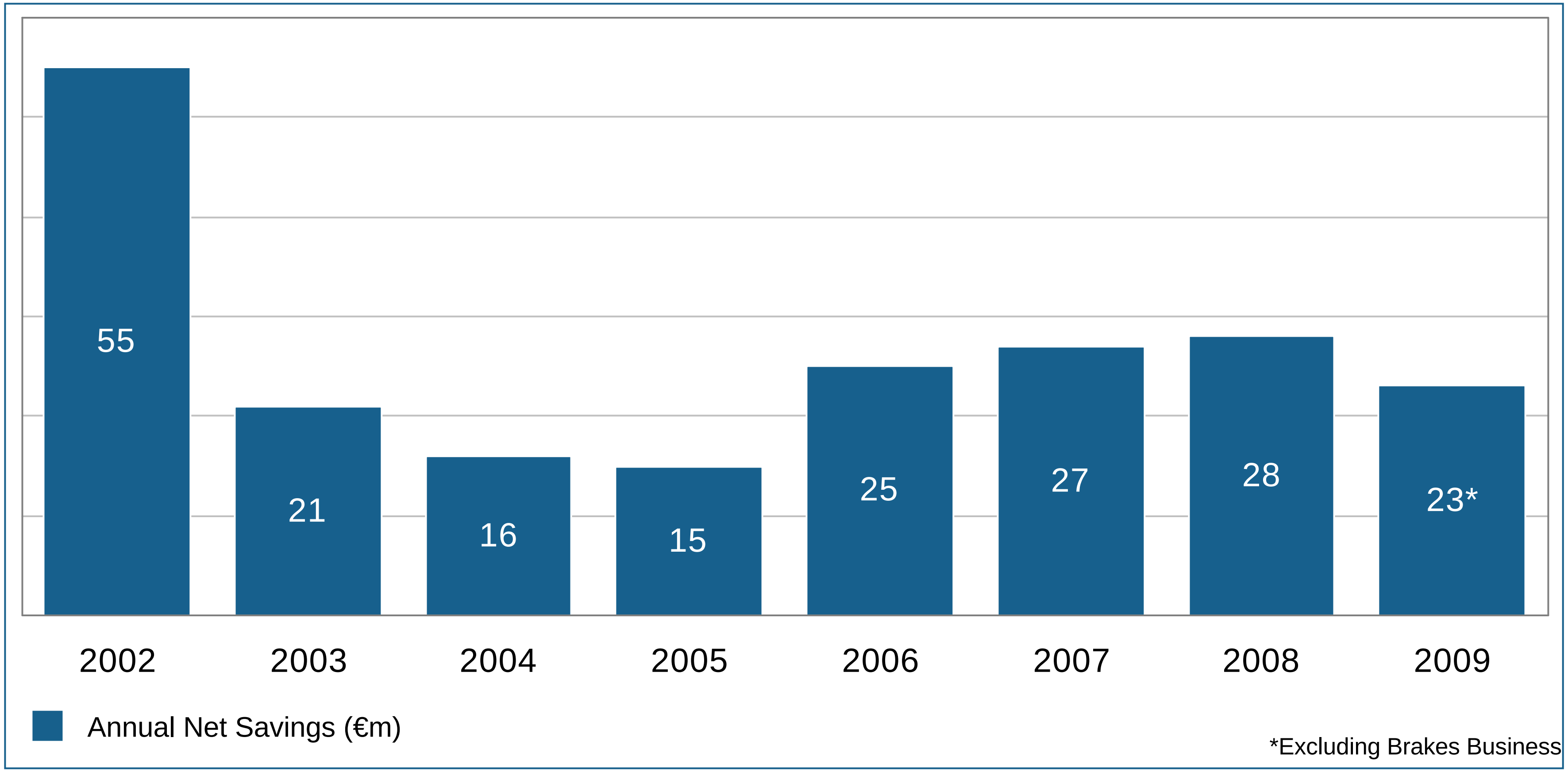
SGL Excellence: Savings Exceed over €200 million since 2002



SGL Group 2009
Held its Ground During the Crisis

Strategic Developments
Secure raw material supply for carbon fiber with own precursor through JV with Lenzing and Mitsubishi Rayon
Joint Venture with BMW for production of carbon fibers and fabrics
Expansion of SGL Rotec facility in Lemwerder to a global competence center for wind rotor blades
Joint Venture with Brembo for carbon ceramic brake discs
Start of production at carbon and graphite plant in Malaysia (Banting)

SGL Group – 2009 Segment Reporting
Performance Products (PP)

- Sales € 642 million (2008: €966m)
- EBIT €151 million (2008: €296m)
- ROS 24% (2008: 31%)
- Steel industry hit by destocking activities and production cuts
  - EAF steel production -20%
  - Global demand for graphite electrodes decreased by 50%
- 50% reduction of own annual electrode production
- EBIT decrease due to lower sales and production levels as well as expenses relating to the commissioning of the new Malaysian production facility
- Partially offset through still high investment cyclicality in cathode business

SGL Group 2009 – Segment Reporting
Graphite Materials & Systems (GMS)

- Sales € 365 million (2008: €412m), EBIT €28 million (2008: €58m)
- ROS 8% (2008: 14%)
- Strong performance in H1/2009 due to record order backlog at end 2008
- As expected, weakening in H2/2009 due to late cyclical character and weakening order intake since early 2009

Customer industries

- Solar: Growth, but price pressure due to Asian suppliers
- Semiconductor: Lower demand from electronic and automotive industries due to economic situation
- Lithium-ion batteries: Relatively stable demand particularly due to power tools and notebooks
- Chemical industry: low demand, but solid project-based business thanks to replacement investments and maintenance

SGL Group 2009 - Segment Reporting
Carbon Fibers & Composites (CFC)

- Sales €208 million (2008: €193m)
- EBIT - €23 million (before impairment) (2008: €9m)
- ROS -11% (2008: 4,6%)
- Low demand due to project postponements and high inventory levels
- Impact on earnings due to temporary overcapacities and price pressure in carbon fiber industry as well as continued high start up and development costs

Negative: Impairment on intangible assets and property plant and equipment of €74 million (non-cash)

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Impairment charges of €74 million

<u>Carbon fiber market 2009</u>

- Postponements of new aircraft projects
- Delays in new wind energy investments
- Temporary overcapacities and a resulting increase in pricing pressure

- Unexpectedly, significant decrease in CFC expectations and therewith reduced forcasts for 2010-2014
- IFRS: Impairment test required on intangible assets and property plant and equipment as part of the financial statement closing process (December 2009)

Forecast adjustments necessary, esp. of future expected cash flows
Discounted cash flows require the recognition of impairment losses

SGL Group 2009 – Segment Reporting
Carbon Fibers & Composites (CFC)

Positive

- Carbon Fibers: Raw materials supply secured through joint ventures with
  → Lenzing (Germany)
  → Mitsubishi Rayon (Japan)

- Wind: SGL Rotec → Center of competence for wind rotor blades in Lemwerder, Germany

- Automotive:

	SGL/Brembo	→ Carbon ceramic brake discs
	SGL/Benteler	→ Components
	SGL/BMW	→ Megacity Vehicle

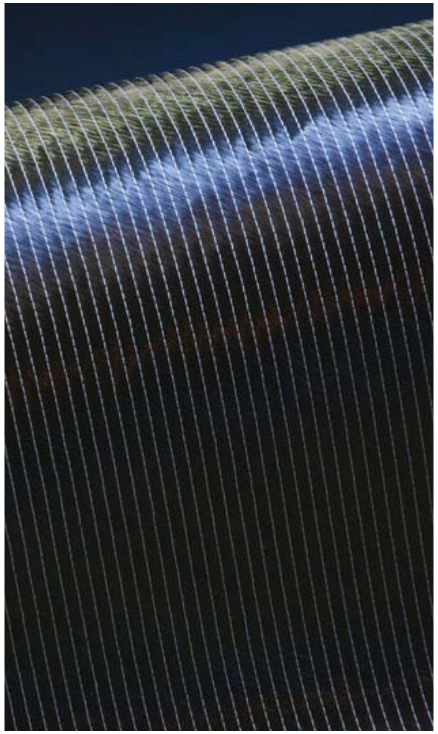
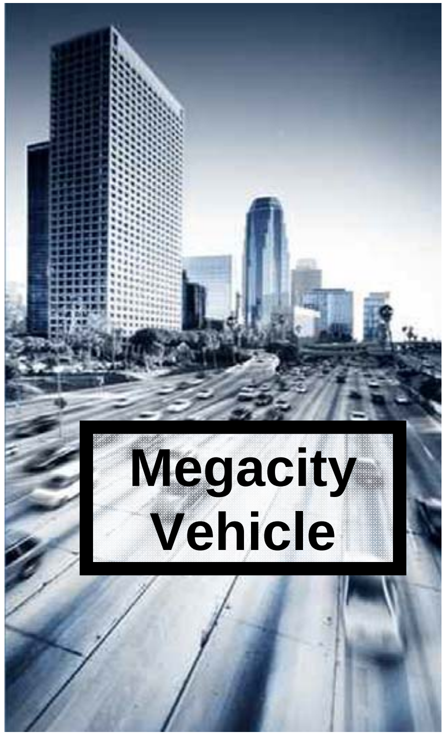
SGL Group / BMW Joint Venture

Milestone in the Serial Application of Carbon Fibers in the Automotive Industry

Precursor Otake, Japan → **Carbon Fibers** Moses Lake, USA → **Fabrics** Wackersdorf, Germany → **CFRP Parts** Landshut, Germany → **BMW MCV** Leipzig, Germany

JV with Mitsubishi	SGL Automotive Carbon Fibers	BMW



SGL Group / BMW Joint Venture
The New Carbon Fiber Plant in Washington State (USA)

- Most cost efficient carbon fiber plant in the world
- Approx. US$100 million capex for initial phase
- 80 new jobs in initial phase

Why Moses Lake?

- Competitive energy costs of max. 1/3 compared to Germany
- Renewable hydropower energy
- Excellent infrastructure and logistics

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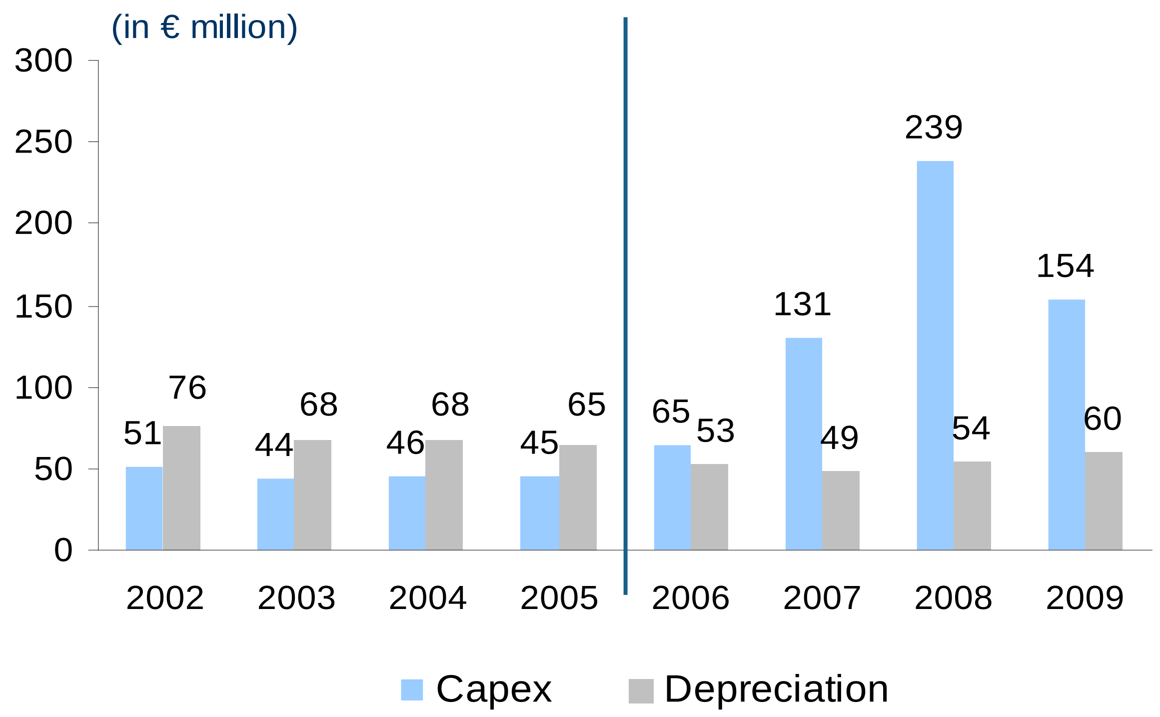
Capex and Depreciation

2009: Second highest capex volume in the Group's history largely financed through operating cash flow



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Capital Expenditure in Growth Markets Despite Crisis

Major investment projects:

- Malaysian plant:

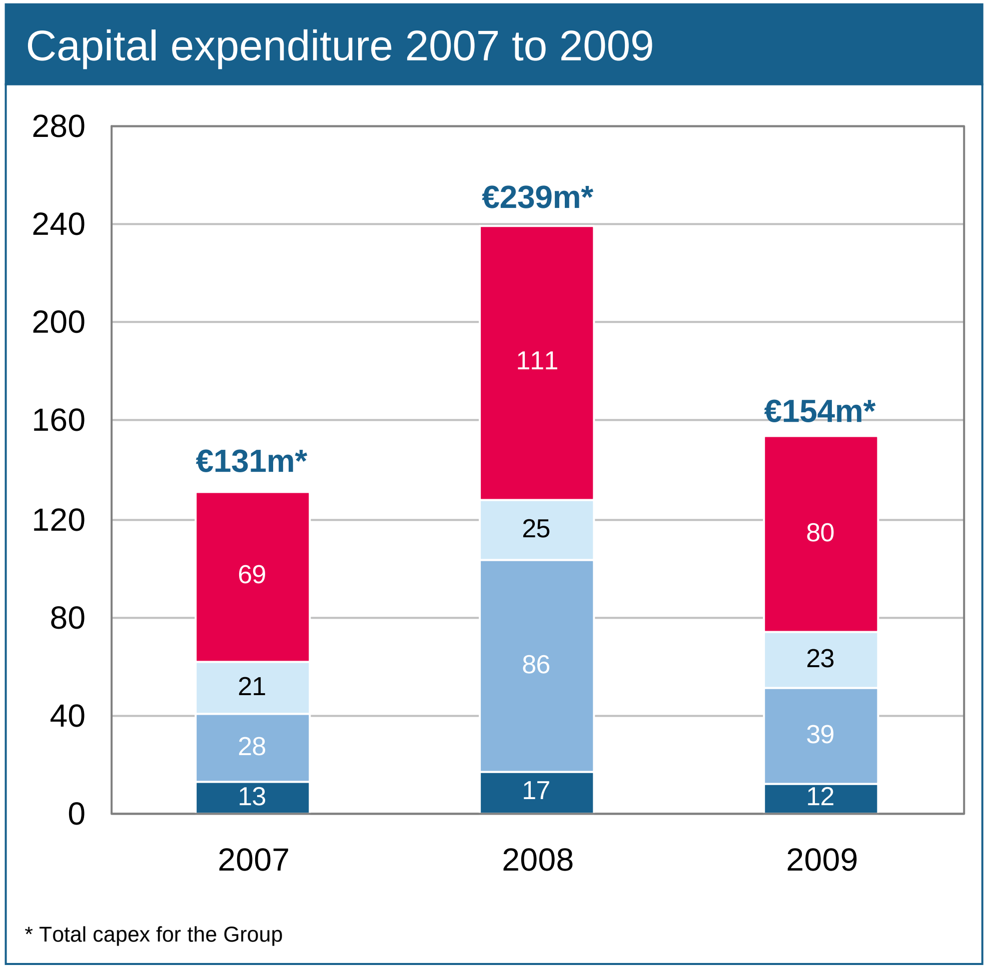
  €200 million investment
  2007 – 2011 for graphite electrode and cathode plant

- Carbon fiber expansion:

  6kt carbon fiber capacity p.a.
  (in EU and USA)

- HITCO (Aerospace):

  Capacity increase and production automation for aircraft and defense (Boeing-787 and F-35)



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Why still no dividend?

SGL Group	2008*	2009*
Net Profit/Loss	190	-60.9
op. Cash Flow	219	128
Capex	239	154
Free Cash Flow	-36	-34

Net loss caused by global economic crisis

- 2008: Intention to pay a dividend
- 2009: Year of the crisis
- 2010: Transitional year
- 2010: Dividend payment?

- **Liquidity and low debt obtain priority over profit**
- **Investments to safeguard the future are pivotal**
- **Return to paying a dividend proportional to profit still applies unchanged**

* in € million

First Quarter and Outlook 2010

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First Quarter 2010: Promising Start Despite Difficult Environment

Highlights Q1 2010

• Sales: €304 million	(Q1/2009: €296 million)
• EBIT: €26 million	(Q1/2009: €29 million)
• Return on Sales: 8,5%	(Q1/2009: 9.9%)
• Pre tax profit: €14.8 million	(Q1/2009: €13.5 million)
• Free Cash flow: €26 million	(Q1/2009: €-49 million)
• Equity Ratio: 41%	(2009: 40%)
• Gearing: 0.43	(2009: 0.49)

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Outlook 2010

Group

- Sales slightly above 2009 level
- EBIT (recurring) close to 2009 level
- Net financial costs higher than in 2009 (incl. results from at-equity companies)

Capex and Balance Sheet

- Gearing level to remain around 0.5 (based on today's portfolio)
- Gearing ~ 0.5 defines capex level
- Capex around 2009 level (~ €154 million)

Fundamental Trends and Strategy

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Fundamental Trends Support Growth Opportunities

Fundamental Trends

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Unique Material Properties

1 Demand for Resources

2 Substitution & Innovation

3 Alternative Energy

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"Best-in-class" Carbon and Graphite Products

Industries			
	• EAF steel	• Automotive	• Solar Energy
	• Aluminum	• Civil aircraft	• Wind Energy

Business Segments	Base Materials	Advanced Materials	
Business Areas	Performance Products (PP)	Graphite Materials & Systems (GMS)	Carbon Fibers & Composites (CFC)

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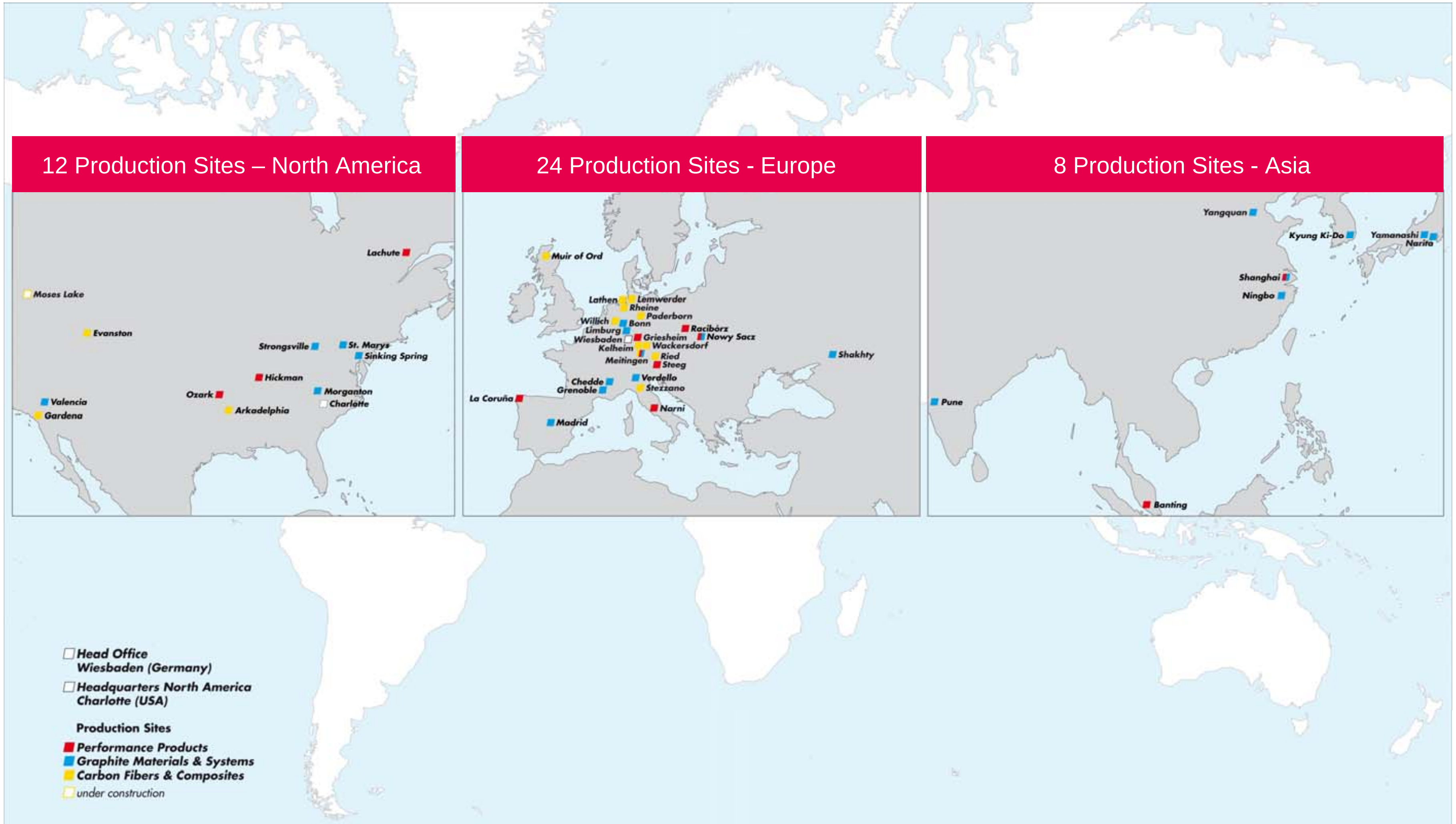
Global Presence in Production



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Fundamental Trend
Globalization vs. Regionalization

Regional Sales 2009 in %

	North America	Europe/ROW	Asia
Sales by geographical origin	18%	80%	2%
Sales by destination	19%	55%	26%

➔ **Next step of globalization is regionalization of production**

- Build-up of capacity in the relevant emerging markets
- Challenge for globally operating companies: service local markets from local production

Target is to have a regionally balanced sales and production structure

Fundamental Trend
Material Substitution

Fundamental Trends

- Resource Shortages
- Climate Change (CO_2 Reduction)
- Energy Efficiency
- Mobility
- Digital Lifestyle
- Urbanization

Opportunity for SGL

Energy Efficiency

Alternative Energy

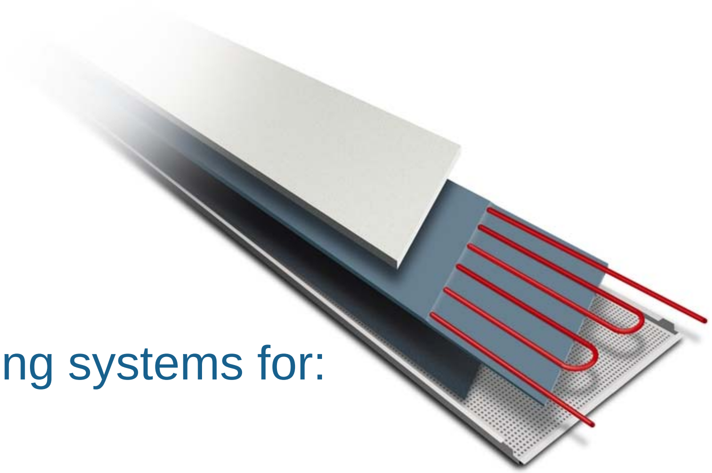
Light Weight

Energy Efficiency
Graphite for High Performance Batteries

Graphite for lithium-ion batteries allows

- Reduction of CO_2 emission for hybrid vehicles
- No CO_2 emission for electrical vehicles
- Storage of energy from renewable energy sources

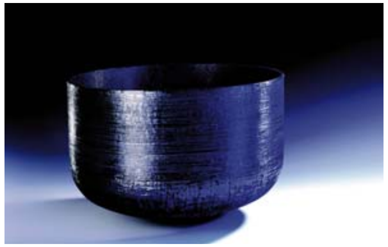
Energy Efficiency
Expanded Natural Graphite for Cooling Systems



Expanded Natural Graphite embedded in cooling systems for:

- Optimal air conditioning
- Low energy consumption
- Efficient energy storage

Graphite and Carbon Fiber Reinforced Carbon for Solar Applications and Semiconductor Industry



Graphite and carbon fiber reinforced carbon (CFRC)

- Solar industry
- Semiconductor industry

Alternative Energies
Carbon Fibers and Composites for Wind Energy

Carbon Fibers

- Enable big offshore windparks
- Increase wind turbine performance

Light Weight
Carbon Fiber and Composite Materials for Automotive

Carbon Composites

- Reduce weight
- Increase safety
- Reduce emissions and save resources

- Joint venture with BMW Group for production of carbon fibers and fabrics
- Joint venture with Brembo S.p.A. for Carbon-ceramic brake discs
- Joint venture with Benteler Automobiltechnik for the development of CFRP-light weight components

Light Weight
Composite Components for Aerospace

Carbon Composites

- Substitute other materials
- Reduce weight resulting in less emissions

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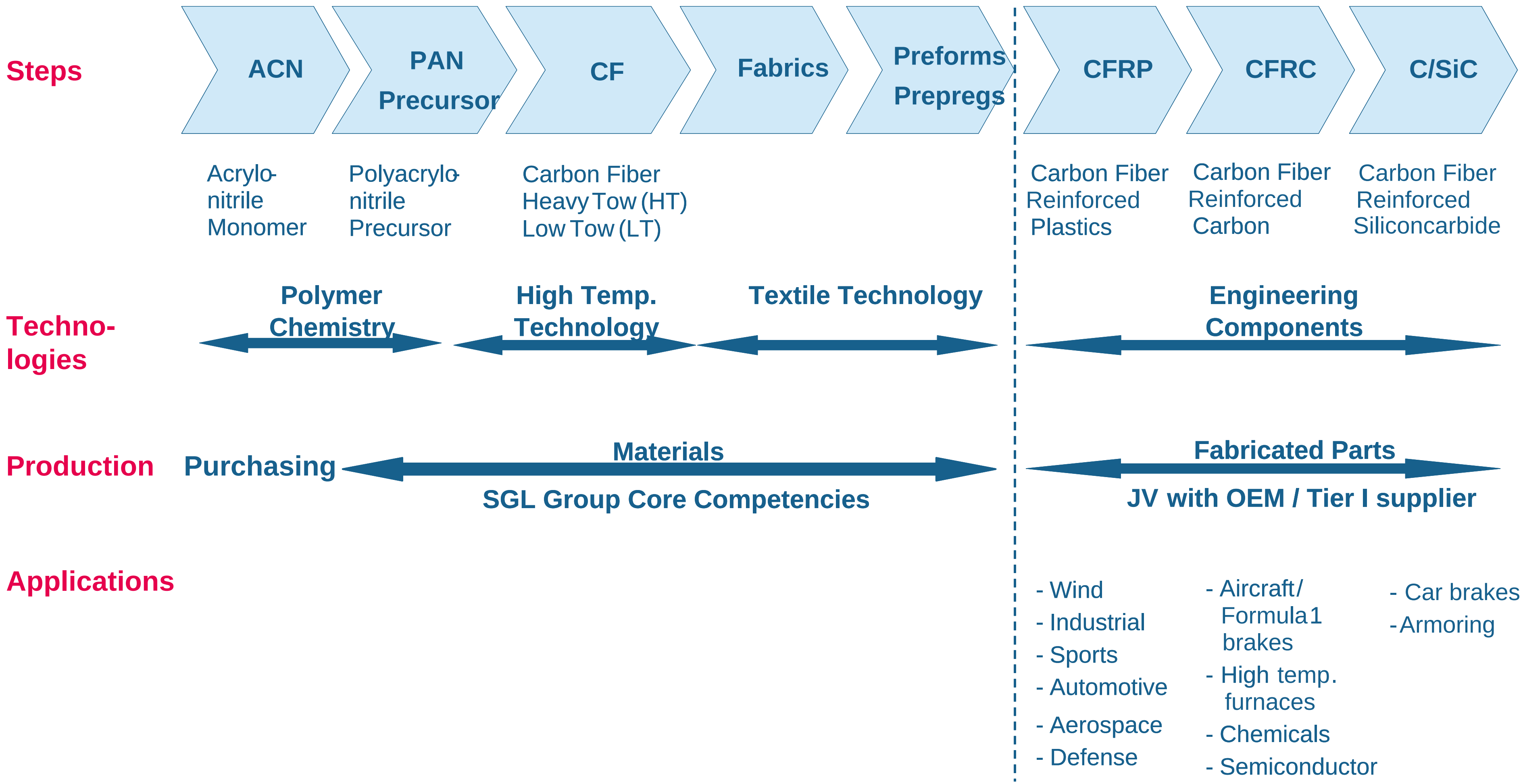
Carbon Fiber – Value Chain

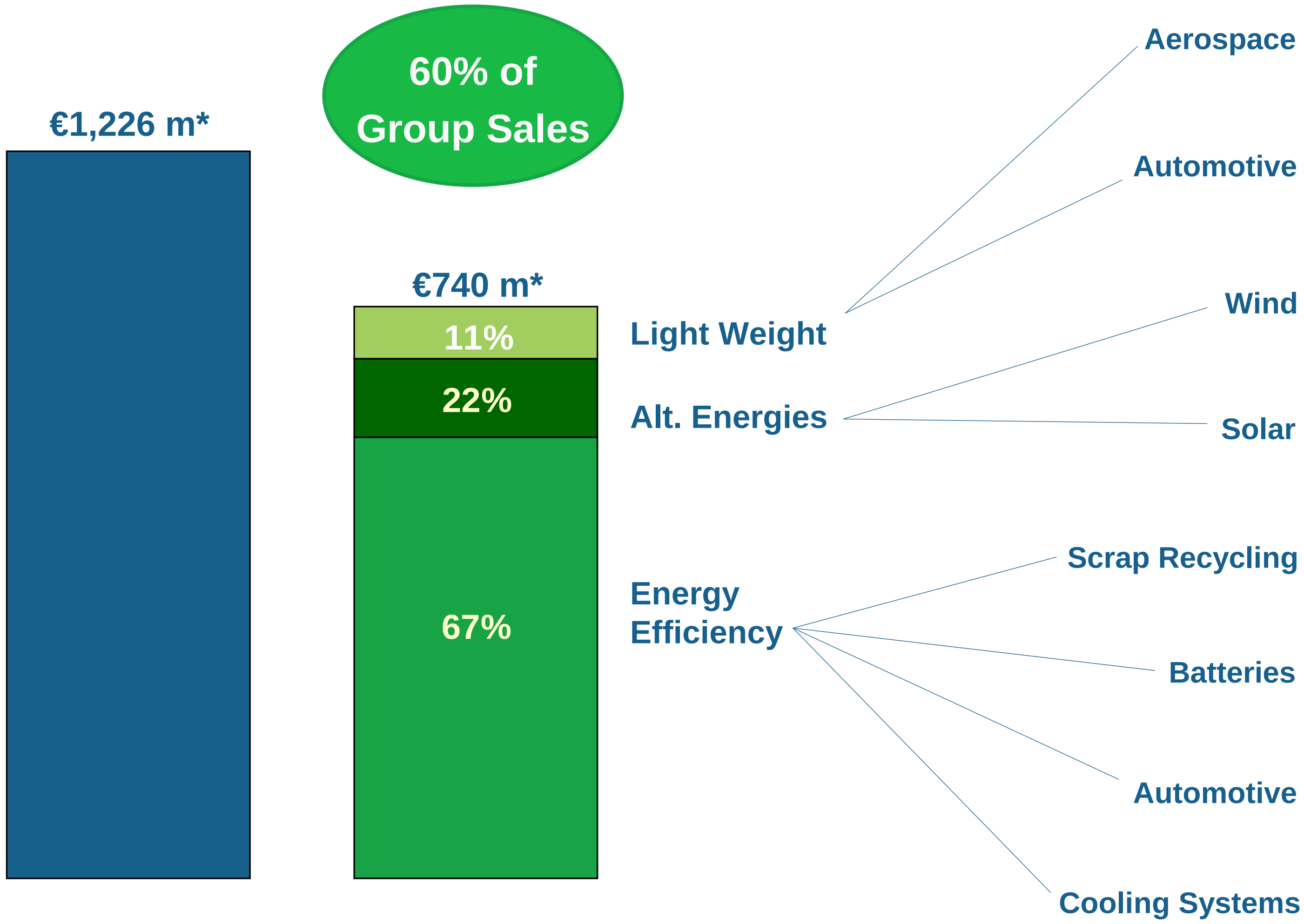


Post Crisis Global Growth Potential for Carbon Fiber and Graphite Related Green Technologies

	2010	2015	CAGR
Carbon Fibers (kt)	34	73	16%
Photovoltaic (GWp)	7	24	28%
Acc. Wind Turbine Installations (GW)	186	407	17%
Li-ion Batteries (million cells)	3,800	6,000	10%
Share of Composites in Airplanes (%)	1 (B 747)	~50 (B 787) >50 (A 350)	

GW: Gigawatt = 10^9 Watt; GWp: Gigawatt peak; kt: 1,000 tons
Source: Publicly available surveys, client information and own estimates

Our Carbon-Based Products Offer Sustainable Solutions Towards Less CO_2









*Based on 2009 sales

MORE CARBON

C

~~CO~~$_2$

FOR LESS CARBON DIOXIDE

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Thank you for your attention!

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Important notice

Forward-looking statements:

This presentation contains statements on future developments that are based on currently available information and that involve risks and uncertainties that could lead to actual results deviating from these forward-looking statements. The statements on future developments are not intended as guarantees; rather, such developments and results are dependent on a number of factors, they contain various risks and uncertainties and are based on assumptions that may prove to be incorrect. These risks and uncertainties include, for example, unforeseeable changes in political, economic and business conditions, particularly in the area of electric steel production, the competitive situation, interest rate and currency developments, technological developments and other risks and unanticipated circumstances. We see other risks in price developments, unexpected developments relating to acquired and consolidated companies, and ongoing cost optimization programs. SGL Group does not intend to update these forward-looking statements.