



SGL GROUP
THE CARBON COMPANY

Investor Relations Presentation

July 2012

BROAD BASE. BEST SOLUTIONS.

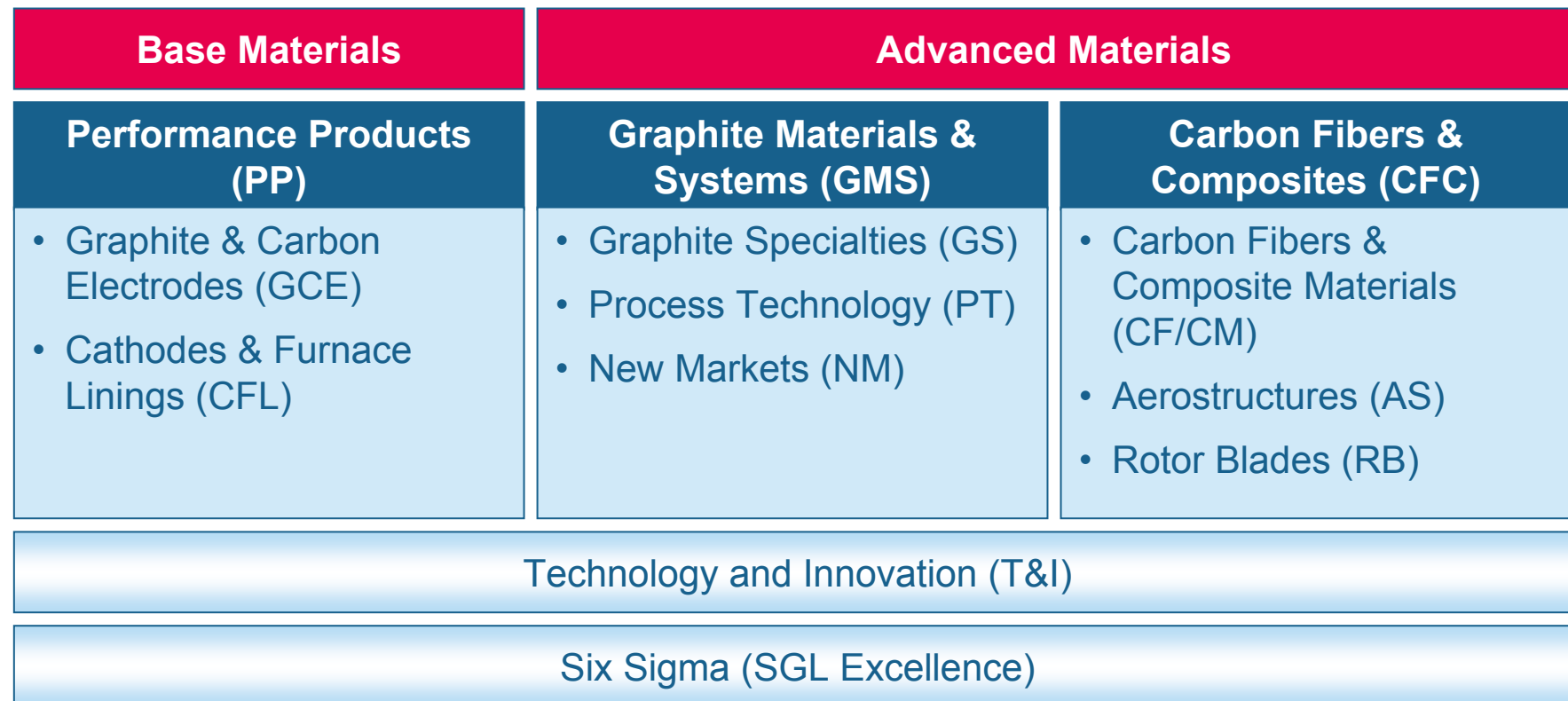
Introduction to SGL Group's Businesses

BROAD BASE. BEST SOLUTIONS.



SGL Group

Business structure



Base Materials

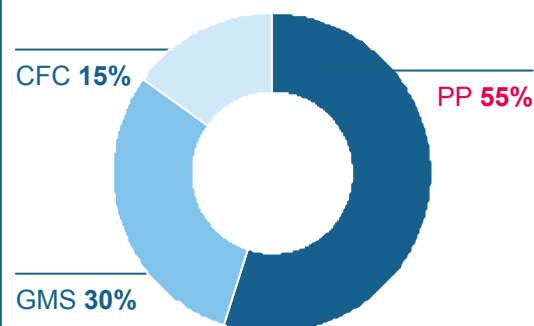
Performance Products (PP)

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

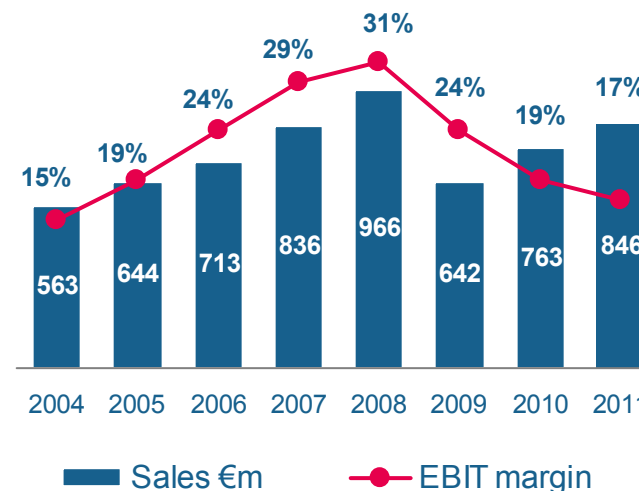
Business units

- Graphite & Carbon Electrodes
- Cathodes & Furnace Linings

2011 Group sales



PP sales & EBIT margins



Key industries served

- Steel
- Aluminum
- Ferrous and non-ferrous metals

Characteristics

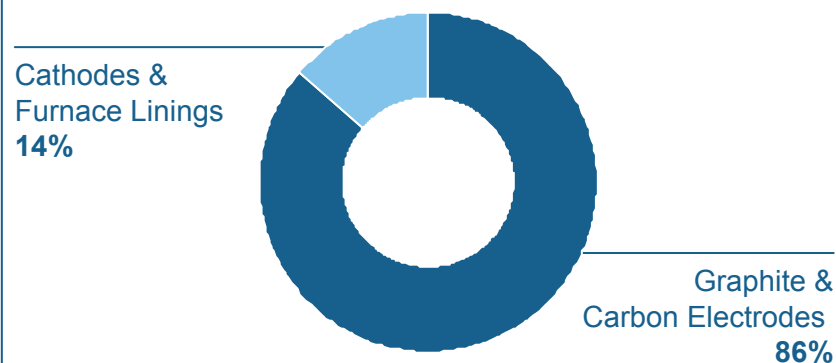
- Supplying the metal industries
- Leading competitive position
- Ongoing growth in BRIC
- High ROS & ROCE
- Strong cash flow
- Stable growth

Base Materials

Performance Products (PP)

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

Sales – 2011



Highlights 2011

- Continued improvement in graphite electrode volumes
- Construction of full integrated Malaysian graphite plant (electrodes & cathodes) continues on schedule

Medium-term targets

- Volume growth: 2 – 3% p.a.
- ROS: 15 – 20%

Strategic priorities

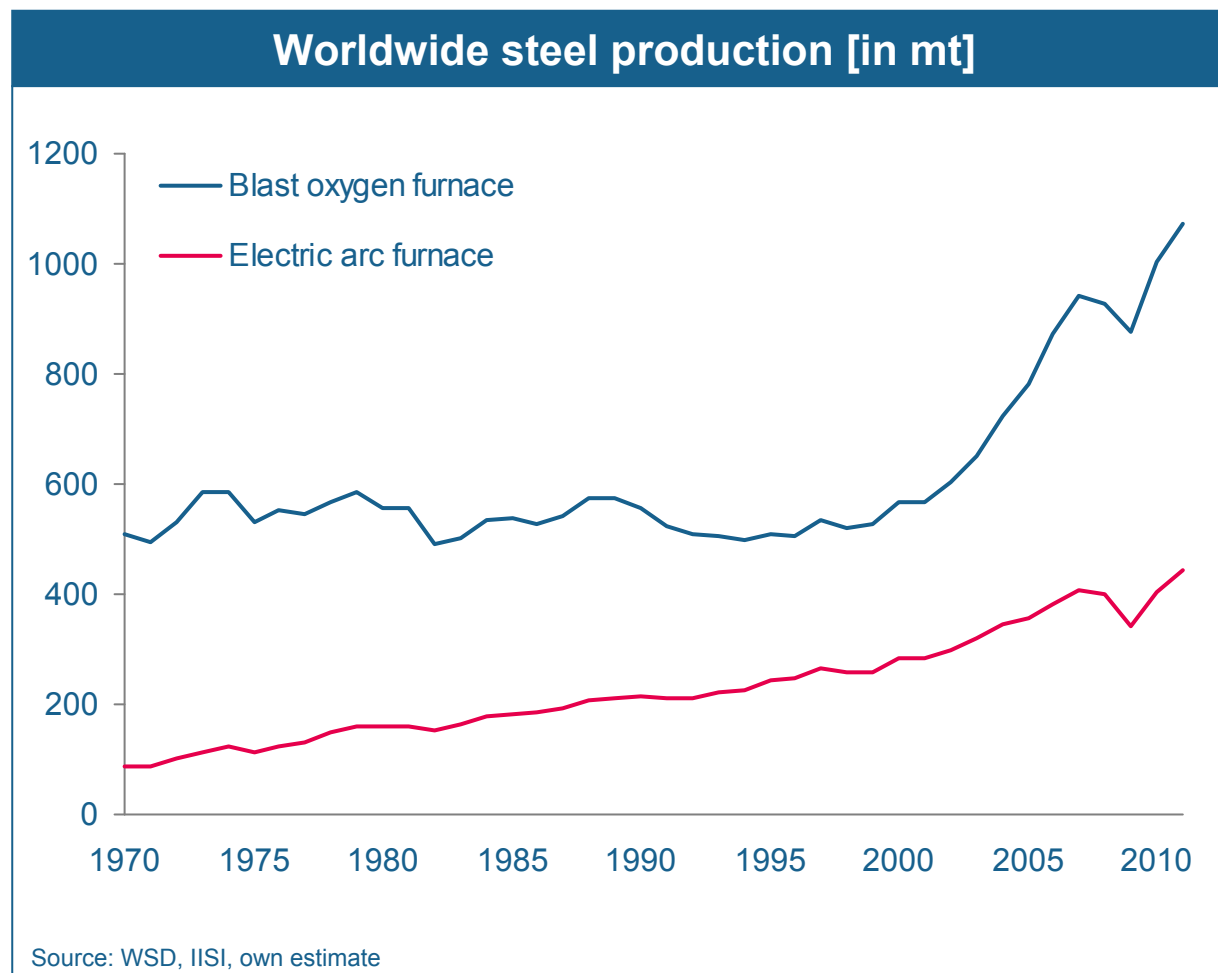
- Continued cost reduction projects
- Major initiative to increase customer value through product quality and consistency
- Full integration of electrode and cathode production in Malaysia

Performance Products

Graphite electrodes (GE) for steel production in EAFs

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

- 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



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)

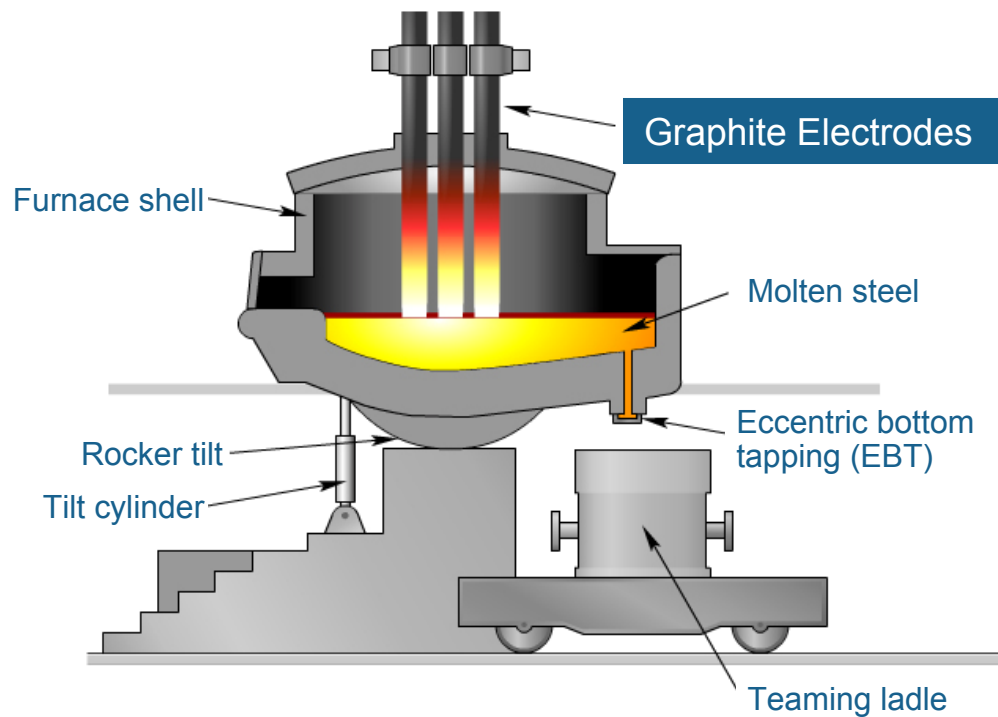
Performance Products

Graphite electrodes

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

Steelmaking – An Electric Arc Furnace (EAF)

Section view through EAF



Graphite electrode



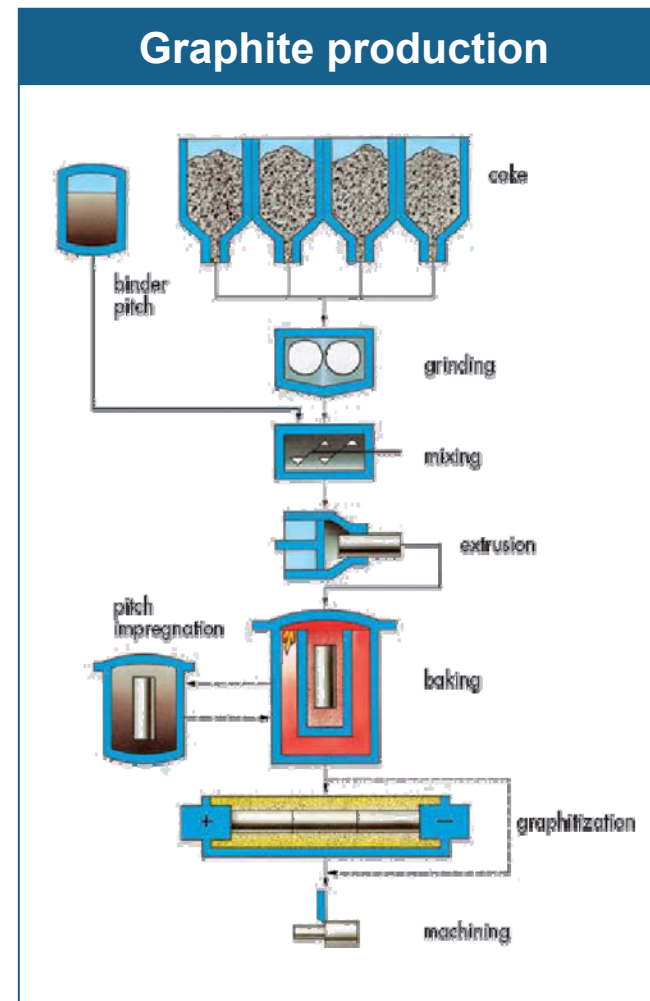
Source: steeluniversity.org

Performance Products

Graphite electrode production process

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

- 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
- Production process takes up to 3 months



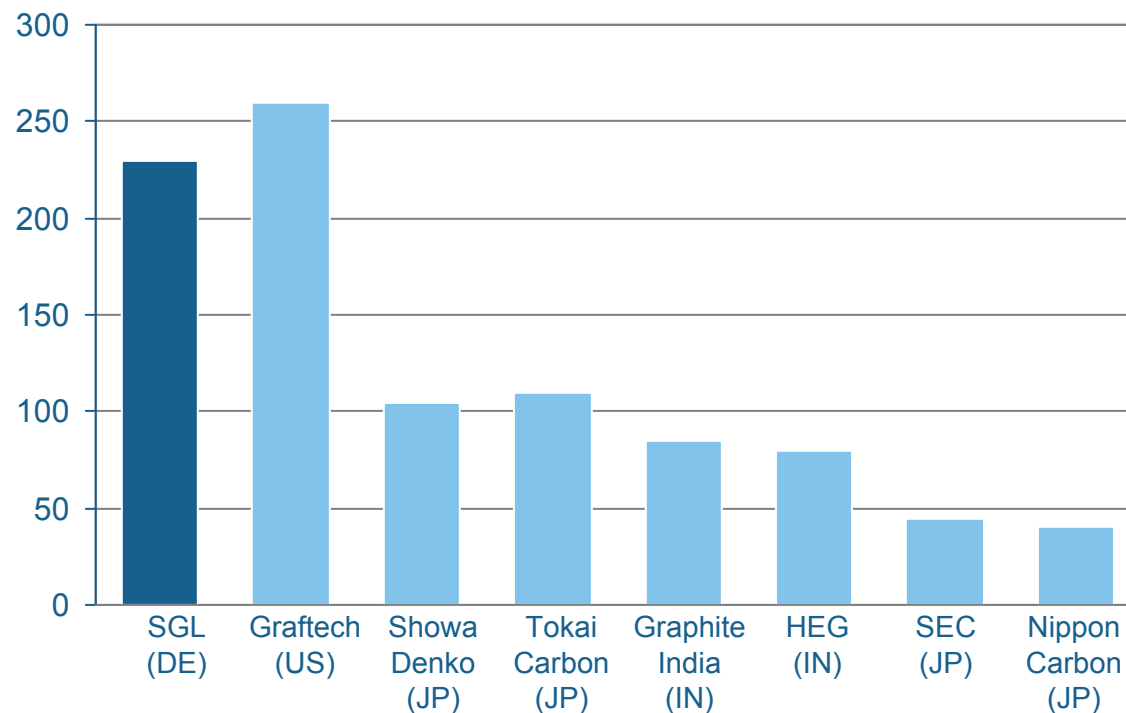
Performance Products

Graphite electrode market

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

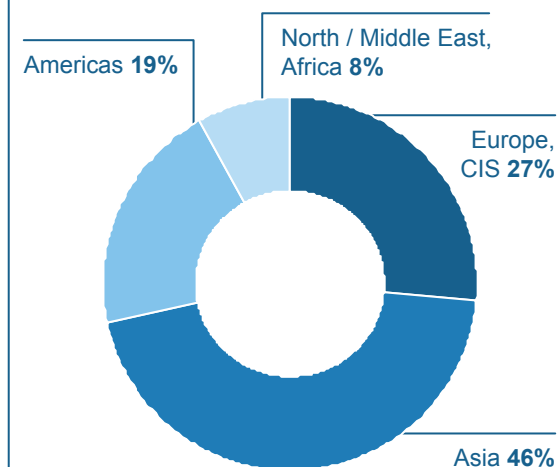
Capacity by competitor in 2012* – UHP / HP-quality

in tmt



* Russia and China: Potential UHP capacity dependent on equipment, technical capability and needle coke availability
 Source: SGL Group's own estimates (as of March 2012)

Regional demand in 2011



Performance Products

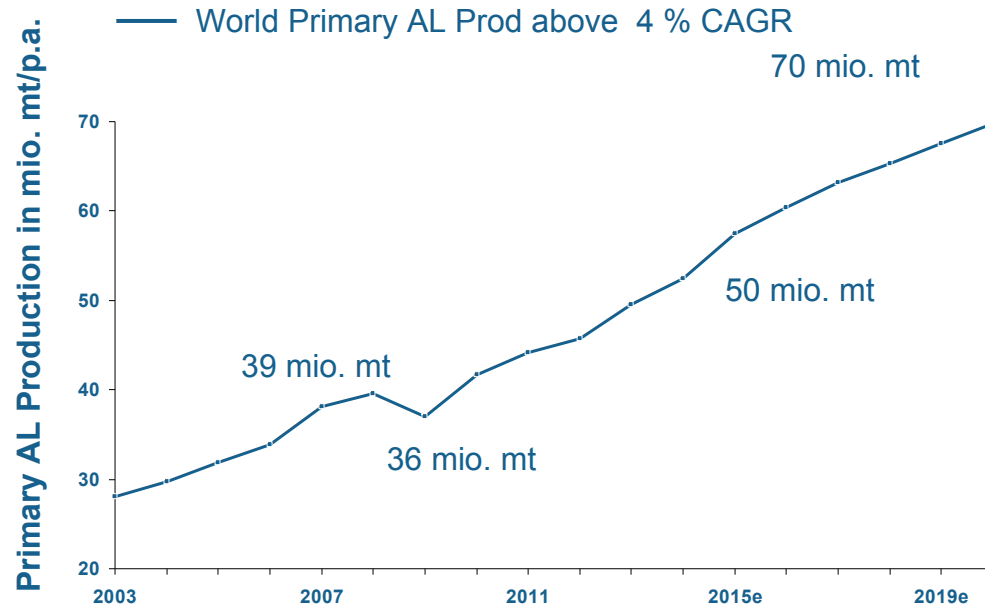
Cathodes for the aluminum industry

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

- 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.

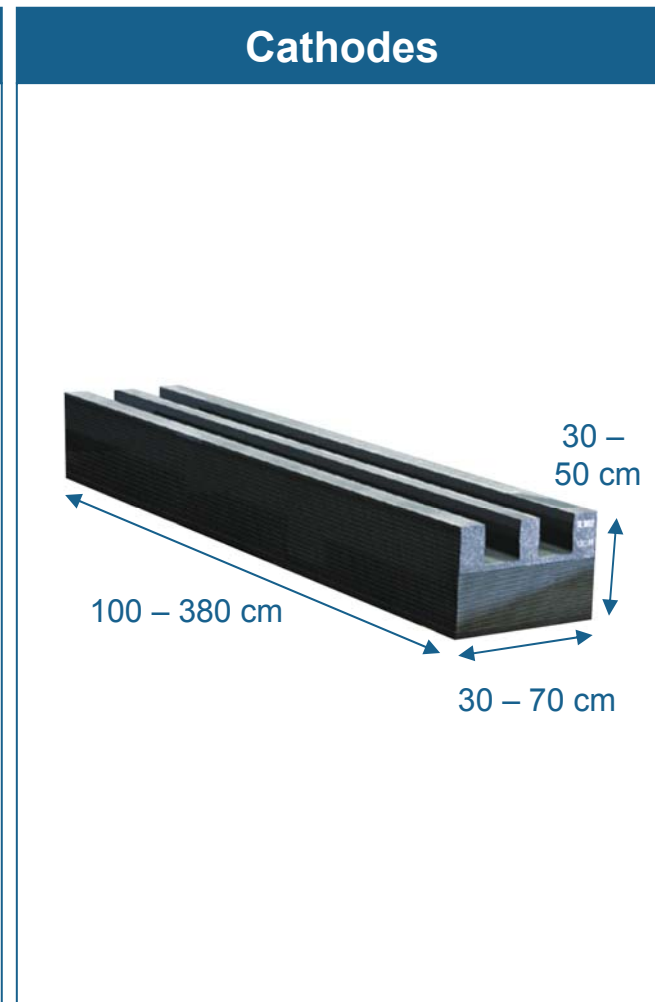
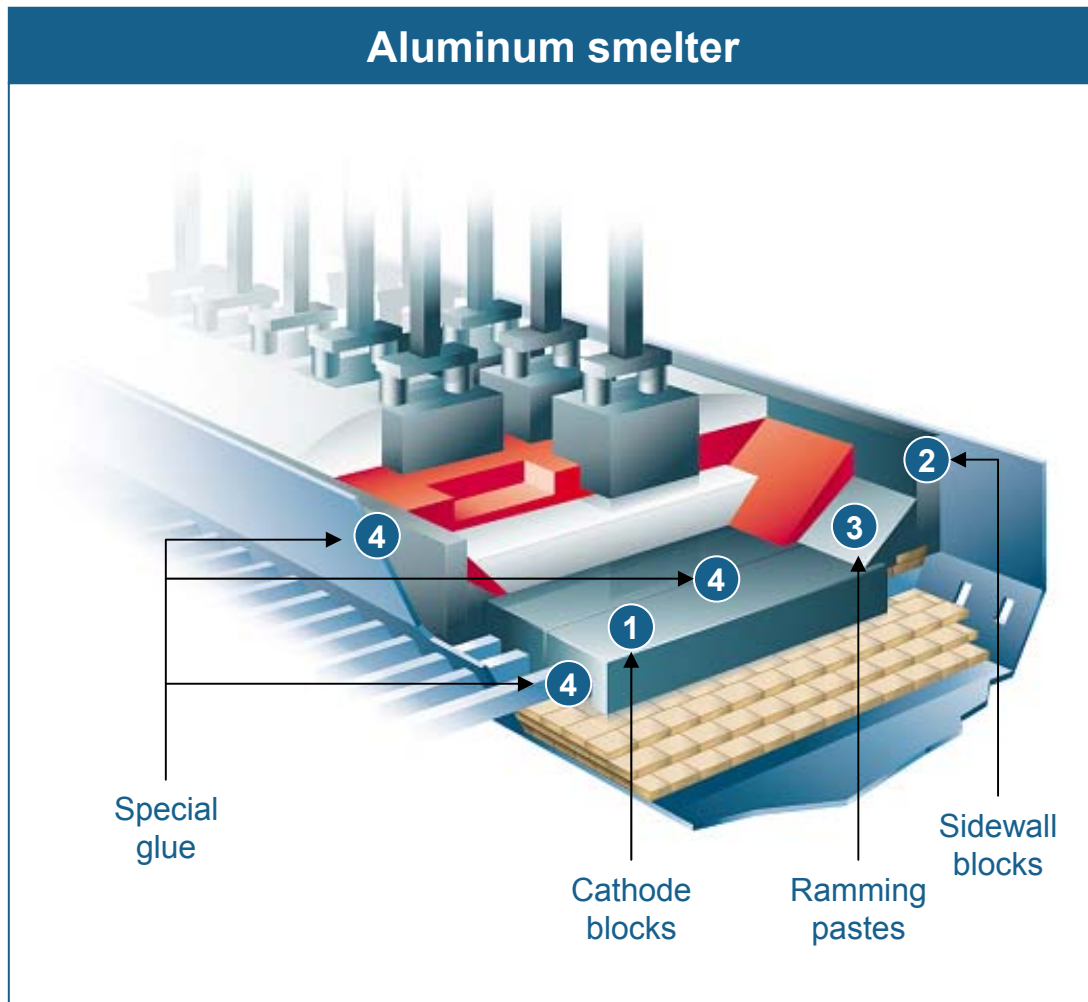


Source: IAI, Habor, SGL Group's own estimates, Hydro; Alcoa, CRU

Performance Products

Cathodes for the aluminum industry

Base Materials	Advanced Materials	
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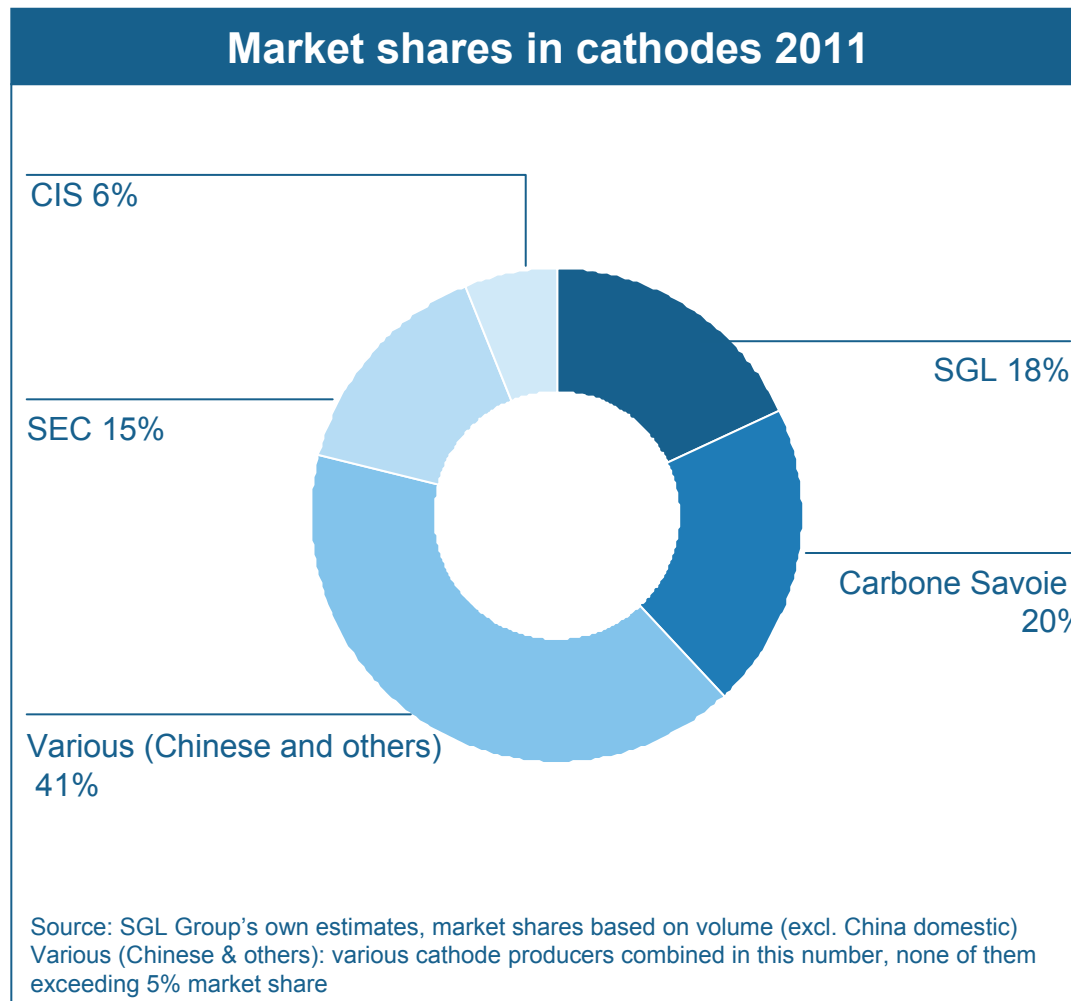
Source: SGL Group

Performance Products

Market shares in cathodes 2011

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

- Increasing cathode demand due to new projects.
- In Western World disproportional growth for graphitized cathodes due to higher efficiency and yield advantages
- Graphitized cathodes industry highly concentrated (only 3 – 4 established players)



Advanced Materials

Graphite Materials & Systems (GMS)

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

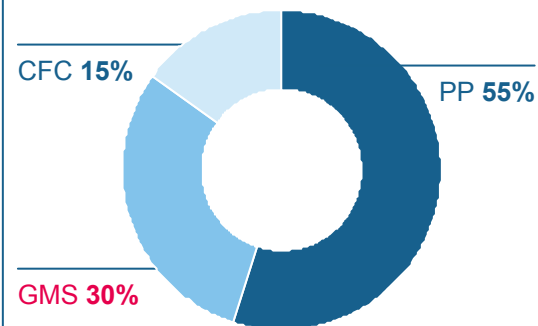
Business units

- Graphite Specialties
- New Markets
- Process Technology

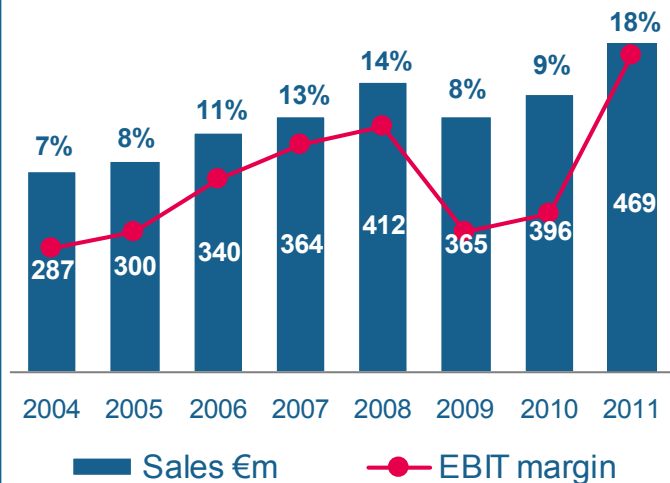
Key industries served

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

2011 Group sales



GMS sales & EBIT margins



Characteristics

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

Advanced Materials

Graphite Materials & Systems (GMS)

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

Sales – 2011



Highlights 2011

- Record sales and ROS due to high demand from all customer industries
- Capacity expansion on stream to accompany increasing demand of industries such as photovoltaic, LED, etc. (isostatic graphite)
- Process Technology ended 2011 with record number of new orders

Medium-term targets

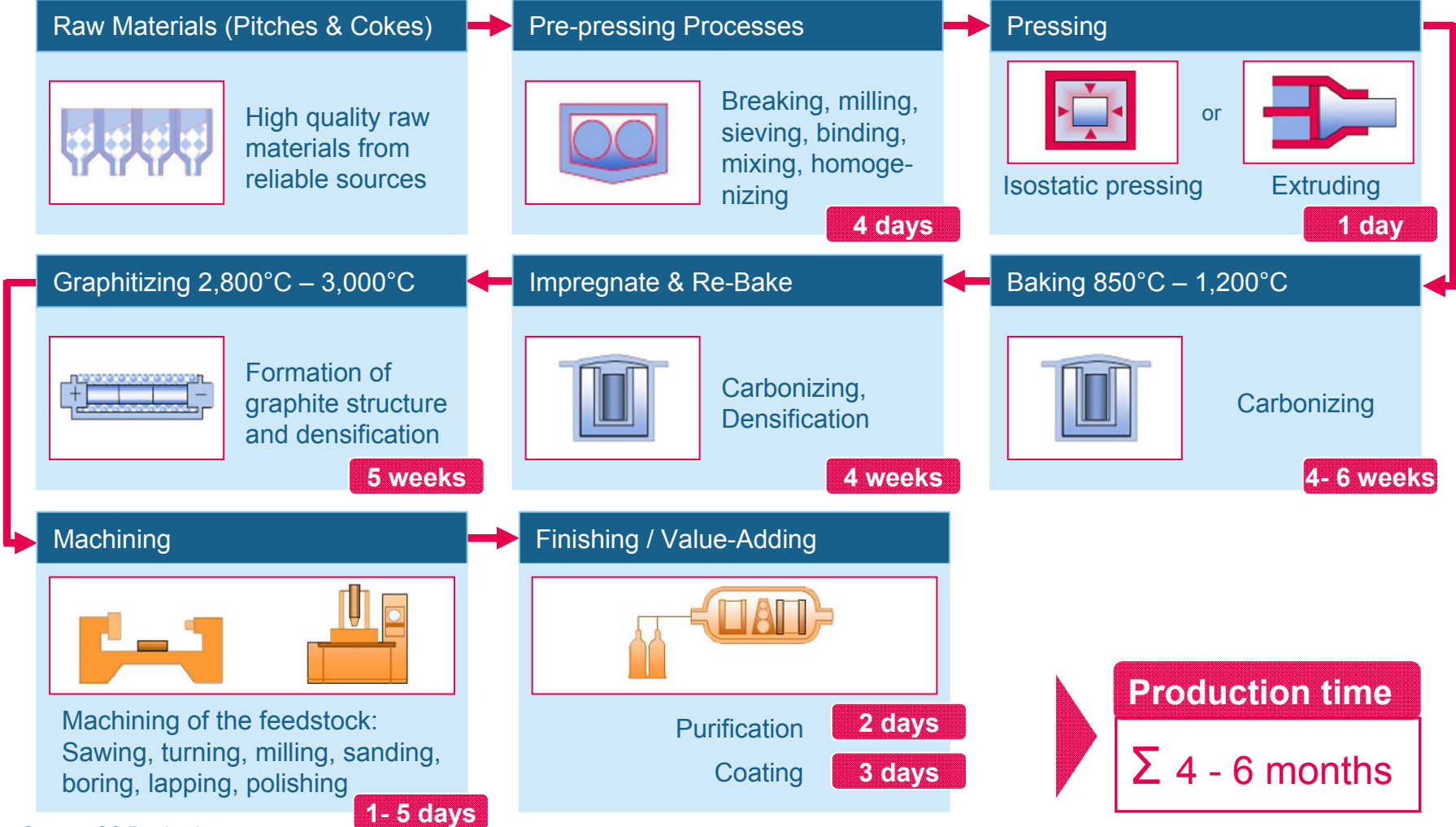
- Sales growth: >10% p.a.
- ROS: >10%

Strategic priorities

- Capture market opportunities in fast growing markets with timely investments
- Maintain leading position in all core product technologies
- Further improve business position in Asia by strengthening local investments and skills

Graphite manufacturing passes multiple process steps and requires 4 to 6 months of production time (net)

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



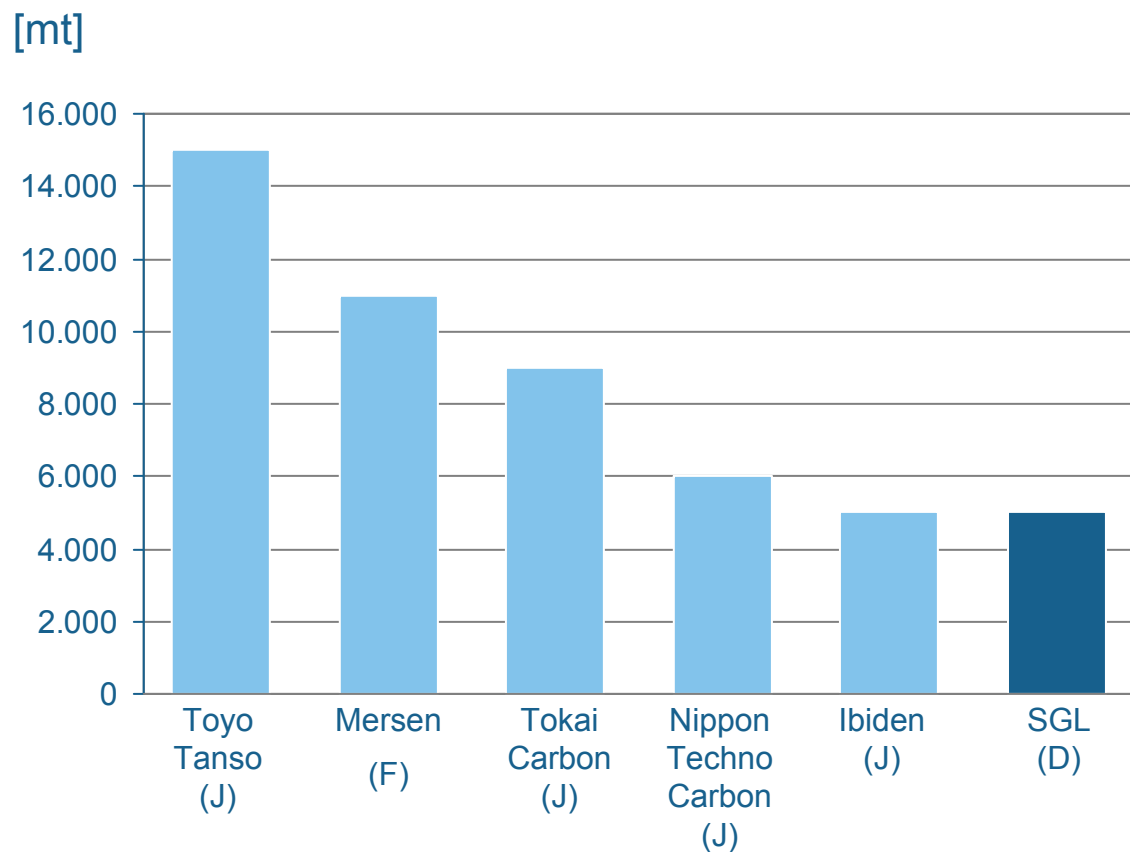
Source: GS Production

Graphite Materials & Systems

Feedstock production: Isostatic graphite

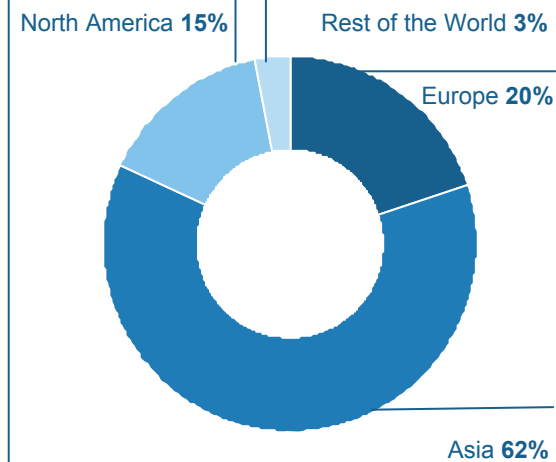
Base Materials	Advanced Materials	
Performance Products (PP)	Graphite Materials & Systems (GMS)	Carbon Fibers & Composites (CFC)

Capacity by competitor in 2011



Source: Own estimates (as of March 2012)

Regional demand in 2011



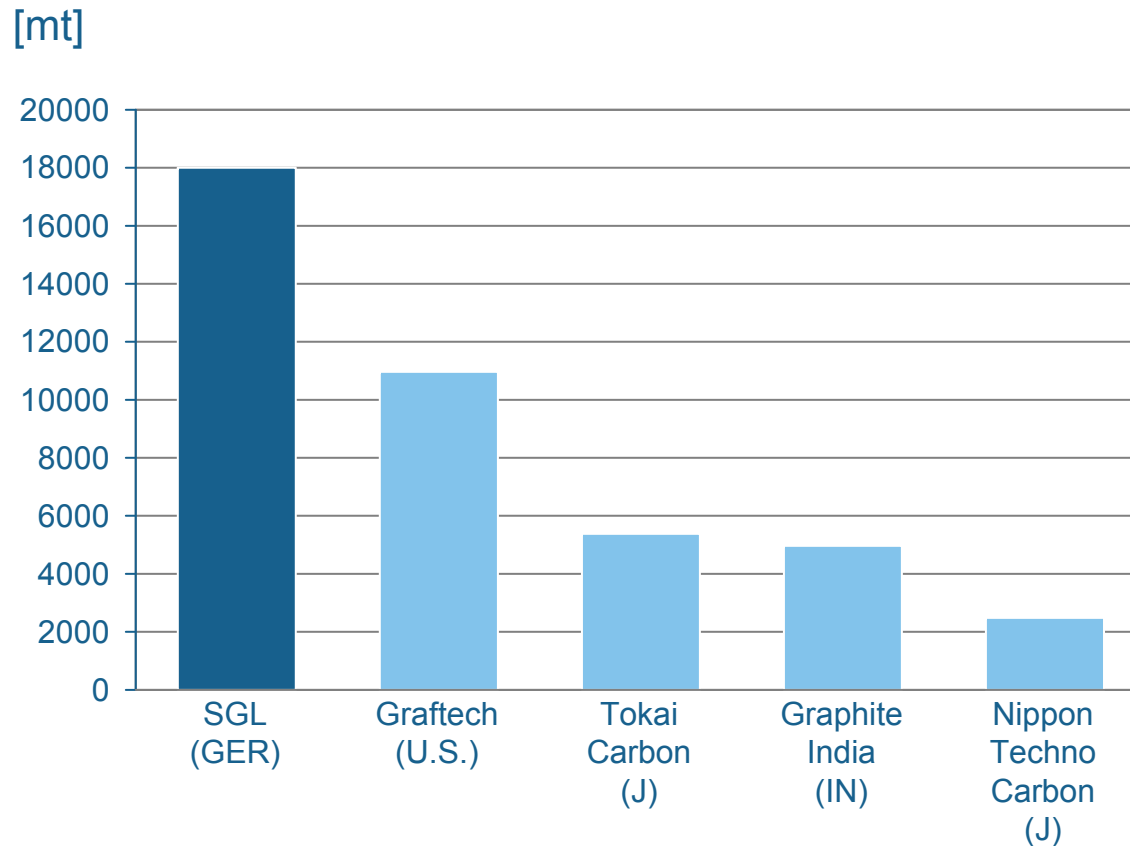
Source: Own estimates (as of March 2012)

Graphite Materials & Systems

Feedstock production: Extruded graphite

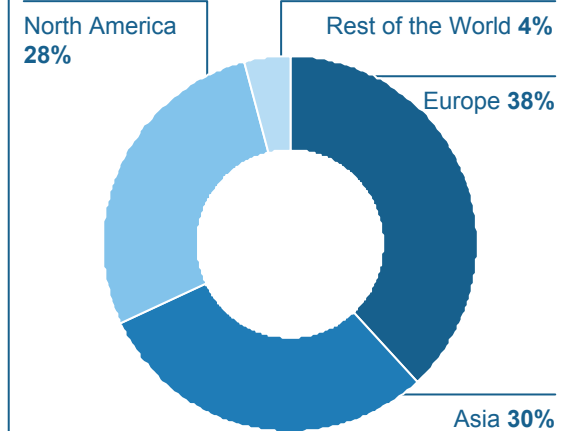
Base Materials	Advanced Materials	
Performance Products (PP)	Graphite Materials & Systems (GMS)	Carbon Fibers & Composites (CFC)

Capacity by competitor in 2011



Excluding capacities for vibro-molded graphite that might be used for large dimensions
 Source: Own estimates (as of March 2012)

Regional demand in 2011

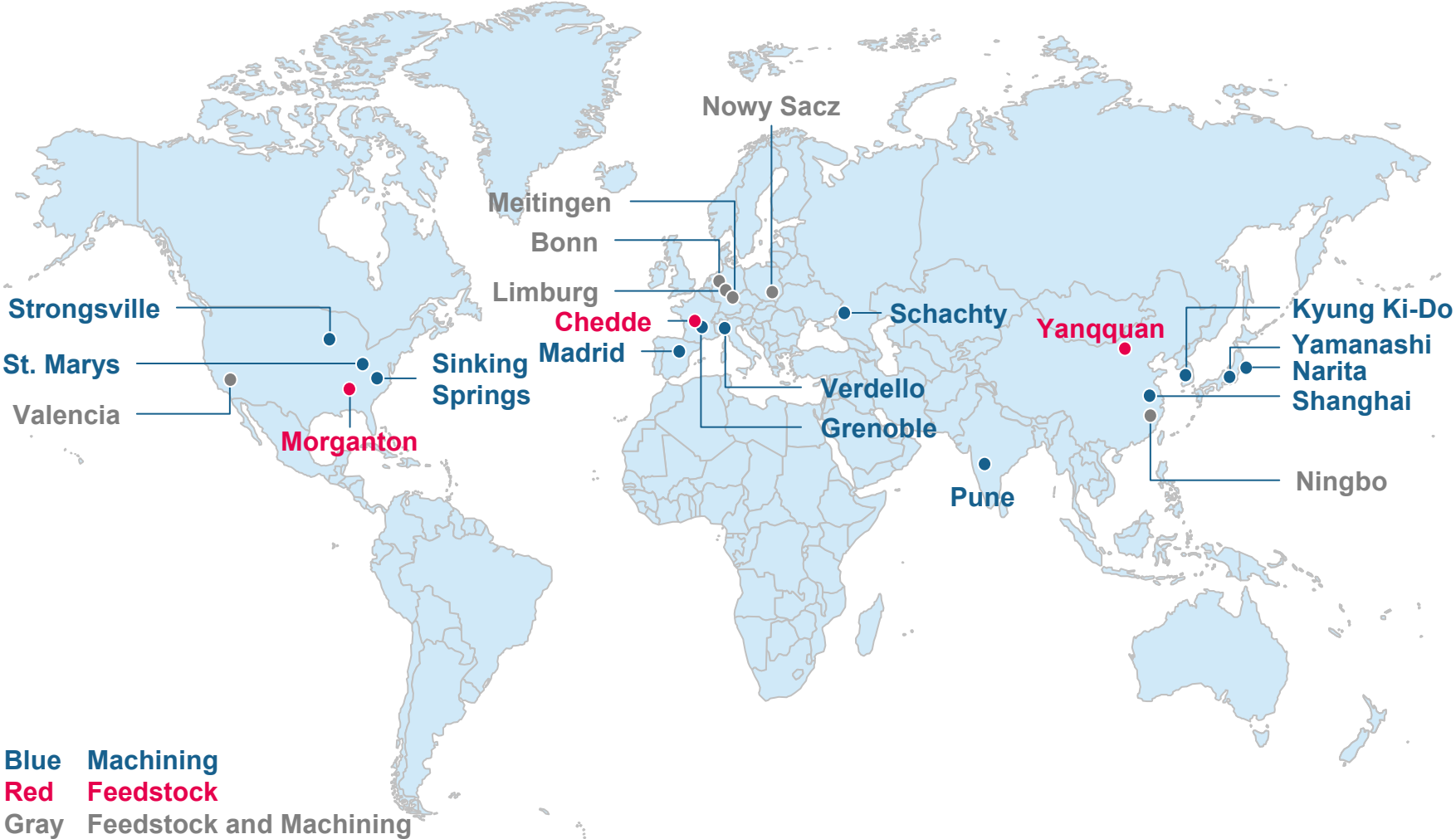


Source: Own estimates (as of March 2012)

Graphite Materials & Systems

Production sites

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



Graphite Materials & Systems

Graphite Specialties can have different properties

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

Graphite Specialties have unique properties:

- Self-lubricating
 - Necessary where oil and grease would be detrimental
 - Suitable above permissible temperatures for oils and fats
- Mechanically stable up to very high temperatures
 - Allow faster operating rates than with metals
 - Some applications, e.g., semiconductors could not be produced without graphite equipment
- Electrical and thermal conductivity
 - Graphite powder is a powerful and effective anode material in lithium-ion batteries
 - Metallurgical applications
- Highest thermal shock stability of all well-known materials
 - Graphite is both an effective lining and moderation material in nuclear power plants

The properties are modifiable to suit the required application!

Graphite Materials & Systems

Best solutions for our customers ...

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

... in the PV / Semiconductor Industry



Iso susceptor, heating elements, heat shields/insulation (Soft- and Rigid Felt)

Iso graphite heating element



Mono crystalline silicon ingot

... in the LED Industry



MOCVD reactor

SiC coated Iso Graphite Susceptor

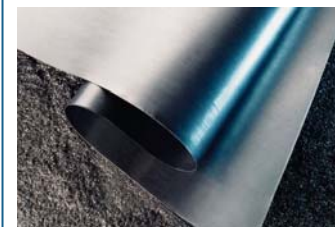


... in the Chemical and Automotive Industry



Flange sealed by a gasket

Reinforced Graphite Sealing Sheet



Flexible Graphite Foil

BU Process Technology

Process solution provider for chemical and related industries

Product portfolio



Systems

- Syntheses
- Distillation, purification, concentration, dilution
- Absorption, desorption
- Reactors & converters
- Steel pickling



Equipment

- Heat exchangers
- Reactors and internals
- Quenchers and vessels
- Pumps
- Piping
- Accessories



After sales services

- Spare parts
- Maintenance / Repairs
- Training

Core industries served

- Chemicals
- Pharma
- Metals & Mining
- Energy
- Solar
- Environmental



Core applications

- Hydrochloric acid (HCl)
- Phosphoric acid (H_3PO_4)
- Sulfuric acid (H_2SO_4)
- Hydrofluoric acid (HF)
- Oxidizing acids
- Isocyanates
- Epichlorohydrine (EPC)
- Vinyl chloride (VCM)
- Polysilicon



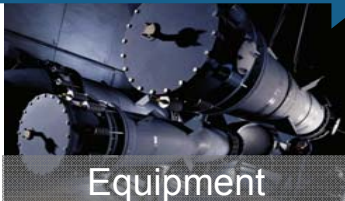
BU Process Technology

Business model and 3D growth strategy

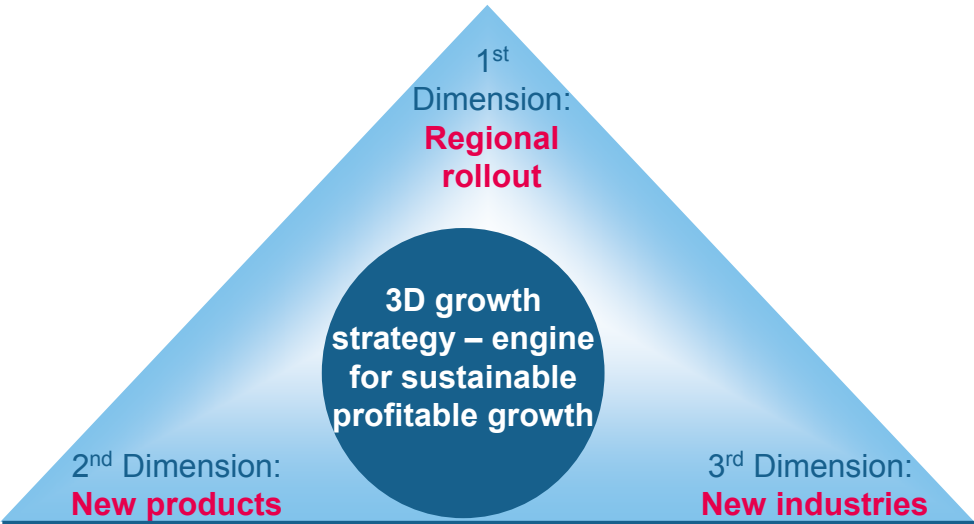
Engineered process solutions lead to high value leverage on graphite



Graphite
SiC
PTFE
Ex. Metals



Value chain →



Leading to sales growth, ROS and ROCE supporting GMS targets

3D growth strategy – engine for sustainable profitable growth

Graphite Materials & Systems

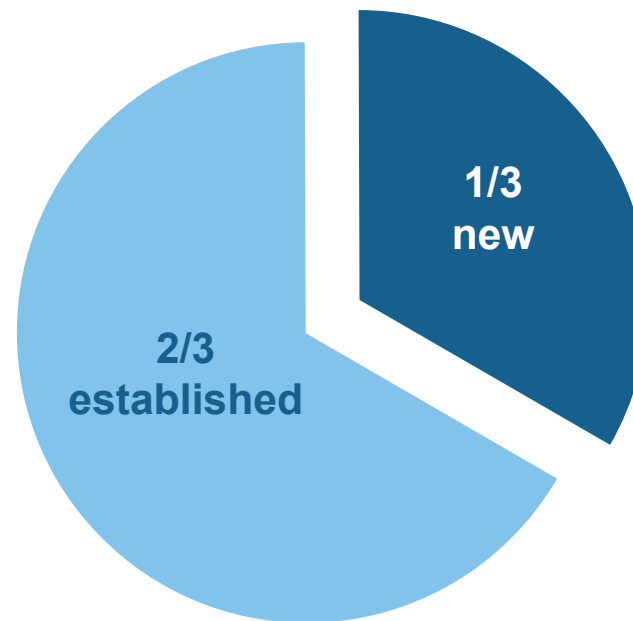
Innovation driving new product portfolio

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

Examples:

- Heaters, molds and insulation for photovoltaic applications
- Silicon Carbide coated platters for LED
- Carbon for anode material for **lithium-ion batteries**
- High purity expanded graphite for **environmental needs** and **thermal management** (electronics, climate), e.g. cooling ceilings (Deutsche Bank Green Towers)
- Process solutions for destruction of HCFCs (Hydrochlorofluorocarbons)

GMS 2011 sales: €469 million



1/3 of sales based on new products introduced over the last 4 years

Graphite Materials & Systems

Major customer industries and market shares 2011

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

	% of total GMS sales 2011	Global market share 2011
Chemicals	24%	30%
Energy: Solar	21%	25%
Energy: Batteries & Nuclear	13%	25%
Semiconductor (incl. LED)	8%	20%
Metallurgy	7%	20%
Tool manufacturing	6%	15%
Automotive	4%	15%
High-temperature processes	3%	15%

Source: SGL Group's own estimates

Advanced Materials

Carbon Fibers and Composites (CFC)

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

Business units

- Carbon Fibers/ Composite Materials
- Aerostructures
- Rotor Blades

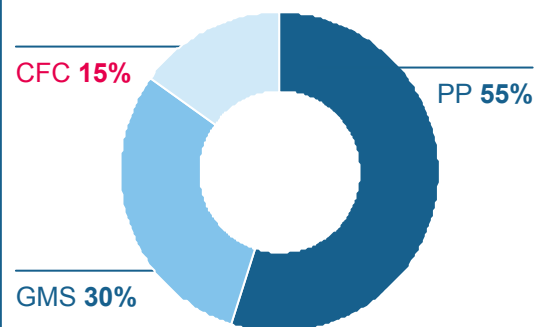
At-Equity JVs

- BMW, Brake Disc, Components

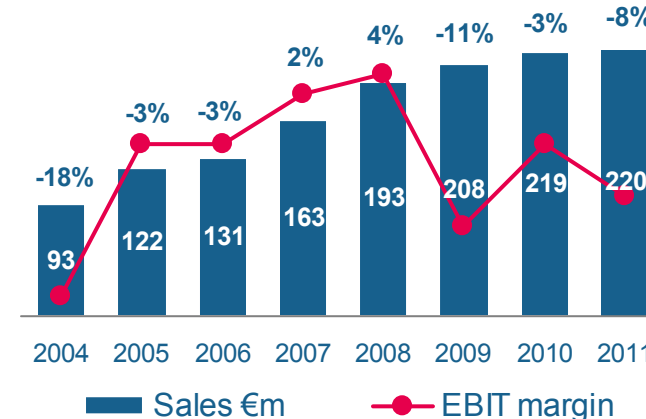
Key industries served

- Energy
- Aerospace & Defense
- Automotive
- Industrial
- Sporting Goods
- Medical Technology
- Construction

2011 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

Characteristics

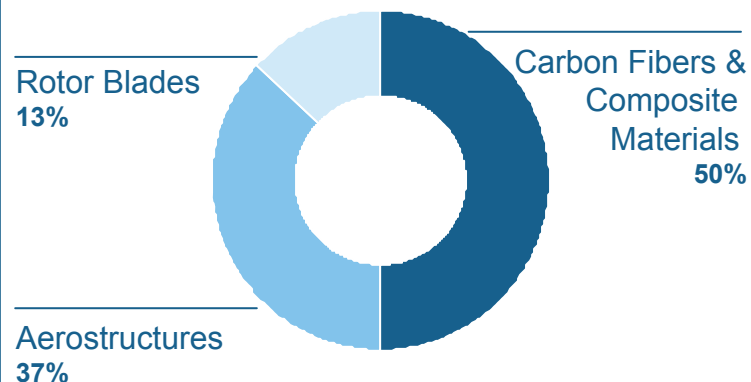
- New applications in automotive, energy, aeronautics, industrial
- High earnings improvement potential
- Complete value chain in house
- Only EU carbon fiber company

Advanced Materials

Carbon Fibers and Composites (CFC)

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

Sales – 2011



Highlights 2011

- Carbon Fibers & Composite Materials (CF/CM):
 - Improved volumes and capacity utilization
 - JVs with BMW Group for automotive materials progressing on schedule
- Aerostructures (AS)
 - Improved profitability due to further ramp up of customer projects; new investments in automation to support further growth in aerospace & defense business
- Rotor Blades (RB):
 - Wind industry project delays and cancellation of a major order caused lack of sales and low utilization

Medium-term targets

- Sales growth: > 20% p.a.
- ROS : > 10%
(by end of 2013, subject to wind energy market developments)

Strategic priorities

- Become supplier of choice for our focus markets
 - Automotive
 - Alternative energies
 - Aviation / defense technology
 - Industrial, Construction
- Expand Carbon Fiber and Composite capacities
- Support organic growth with targeted partnerships and acquisitions
- Safeguard own raw material supply

Carbon Fibers & Composites

Best solutions for our customers

Base Materials	Advanced Materials	
Performance Products (PP)	Graphite Materials & Systems (GMS)	Carbon Fibers & Composites (CF-C)



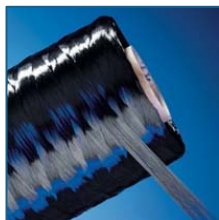
SGL Group

The only integrated European carbon fiber producer

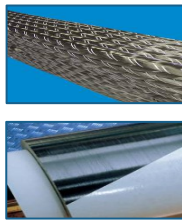
Carbon Fibers & Composite Materials



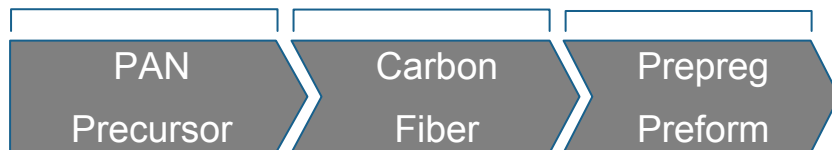
Raw Material



Carbon Fiber



Composite Materials



- **Fisipe** (target 100%)
- **EPG: JV** with Lenzing) (44%)
- **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

Aerospace & Defense

- **HITCO** (100%)



Industrial & Energy

- **SGL Rotec** (74.9%)



Automotive

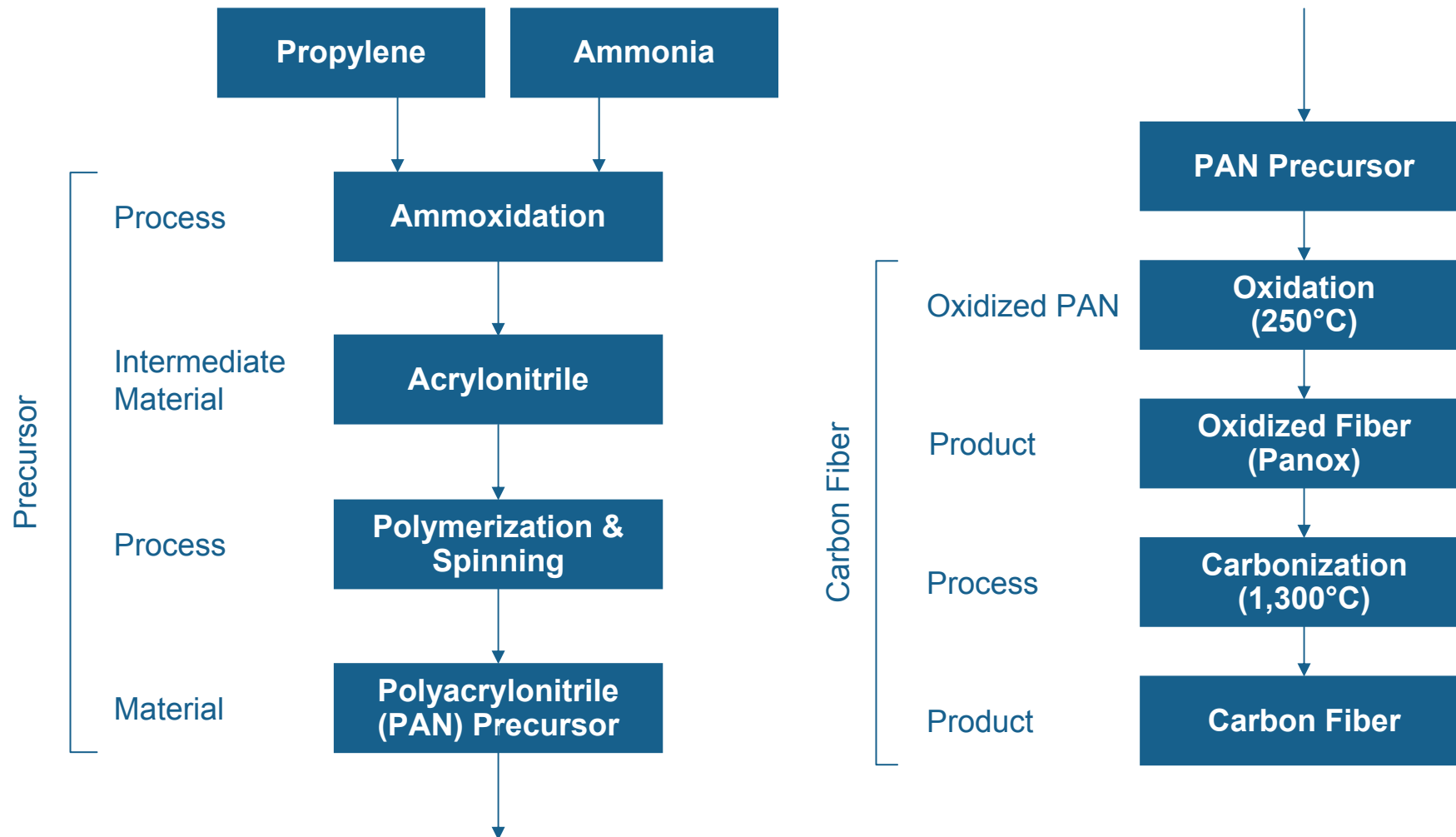
- **Benteler SGL** (50%)
- **Brembo SGL Carbon Ceramic Brakes** (50%)



Carbon Fibers & Composites

PAN precursor and carbon fiber

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



Carbon Fibers & Composites

Carbon fiber characteristics

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

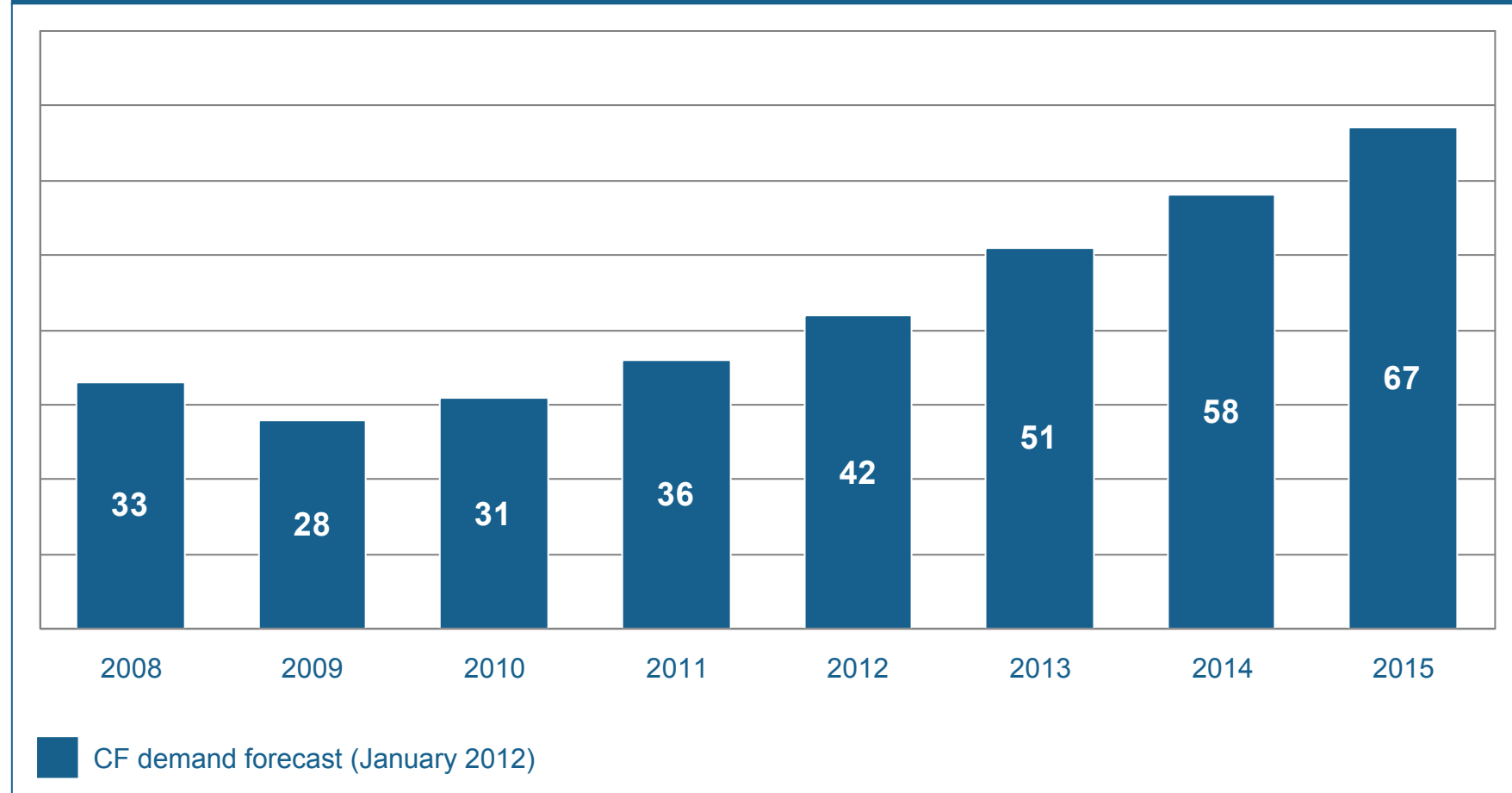
Characteristics	Applications
Physical strength, toughness, light weight	Aerospace, transport, sporting goods, pressure vessels, wind turbine blades, marine & off-shore applications
High dimensional stability, low coefficient of thermal expansion, low abrasion	Missiles, aircraft brakes, aerospace antenna and support structures, large telescopes, optical benches, waveguides for stable high-frequency (GHz) precision measurement frames
Good vibration damping, strength, and toughness	Audio equipment, loudspeakers for Hi-fi equipment, pickup arms, robot arms, rollers
Electrical conductivity	Automobile hoods, tooling, casings and bases for electronic equipment, electromagnetic interference (EMI) and radio frequency (RF) shielding, brushes
Biologically inert, x-ray permeability	Medical applications in prostheses, surgery and x-ray equipment, implants, tendon / ligament repair
Fatigue resistance, self-lubrication, high damping	Textile machinery, general engineering
Chemically inert, high corrosion resistance	Chemical industry; nuclear field; valves, seals, and pump components in process plants; civil engineering
Electromagnetic properties	Large generator retaining rings, radiological equipment

Source: CARBON FIBERS Updated: April, 2004 – Raghavendra R. Hegde, Atul Dahiya, M. G. Kamath (Monika Kannadaguli & Haoming Rong); SGL Group

Carbon Fibers & Composites: Carbon fiber demand growth delayed by 2-3 years but all growth drivers intact

Base Materials	Advanced Materials
Performance Products (PP)	Graphite Materials & Systems (GMS)
	Carbon Fibers & Composites (CF-C)

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



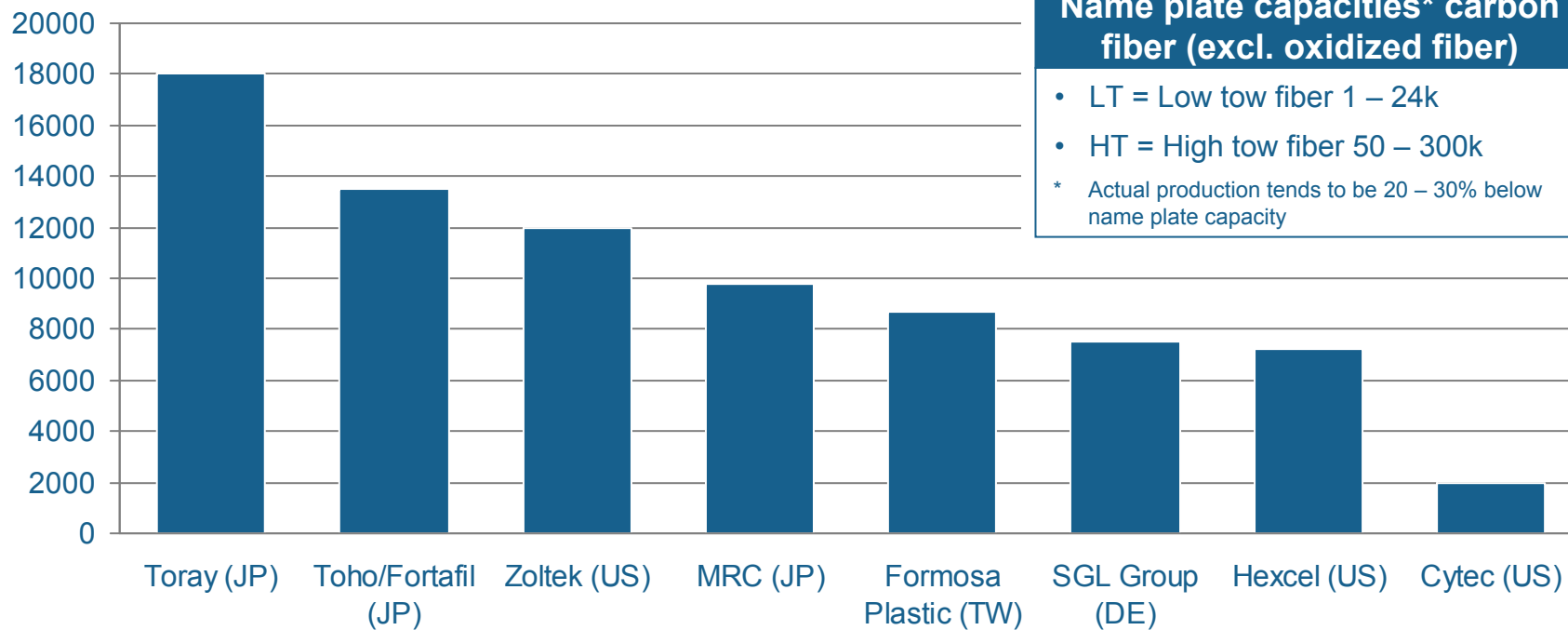
Source: SGL Group market research

Carbon Fibers & Composites

Carbon fiber capacity

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

Capacity in mt



Precursor	Own	Own	Own	Own	Own	Partially own	Own	Own
Product	LT	LT	HT	LT/HT	LT	HT	LT	LT
Markets	Aero / Ind.	Aero / Ind.	Ind.	Ind.	Ind.	Ind.	Aero / Ind.	Aero / Ind.

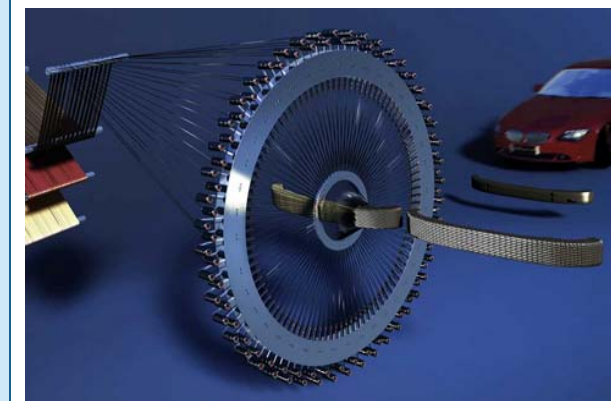
Source: SGL Group's own estimates, company websites (as of January 2012)

Carbon Fibers & Composites

Composite Materials

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

- 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



SGL Kümpers



SGL epo

Carbon Fibers & Composites

Aerostructures – HITCO

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

- HITCO: California-based composite component manufacturer for aerospace & defense industries
- Complex multi-contoured hand lay-up expertise augmented by world class automation for carbon fiber reinforced aero structures
- Investment into automation technologies AFP (Automated Fiber Placement machine), ATL (Automatic Tape Layer machine) and NDI (Non Destructive Testing Equipment) substantially improves competitiveness of HITCO
- Received 2011 Defense Manufacturing Technology Achievement Award for superior accomplishments on the Joint Strike Fighter (JSF) Program and recognition for Out of Autoclave (OOA) processing of composite structures
- Successive Preferred Supplier Certifications from The Boeing Company for Quality & Delivery Performance
- Recent contract wins / extensions:
 - Composite Floor & Cargo Beams for Boeing 787 -8 & 9 Dreamliner
 - Wing / Nacelle Skins and other complex components for JSF (F-35)
 - Empennage Rib Chords for Boeing 777 Program
 - Composite closures for Trident Missile submarines



AFP



ATL

Carbon Fibers & Composites

Rotor Blades – SGL Rotec

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

- SGL Rotec: German based manufacturer of rotor blades for wind turbines of multi-MW classes
- Built-to-print manufacturing based on fiber composite technology since early 1990s
- High reputation as
 - manufacturer of high quality rotor blades
 - specialist in manufacturing of large size rotor blades for onshore and offshore turbines
 - innovator in process and technology development
- Composite Technology:
 - Process: Vacuum infusion
 - Main materials: Epoxy, polyester and vinyl ester resin, glass fiber, carbon fiber
- Development of a “Competence & Development Center” for next generation rotor blade manufacturing



Carbon Fibers & Composites

JVs in Automotive

Base Materials	Advanced Materials	
Performance Products (PP)	Graphite Materials & Systems (GMS)	Carbon Fibers & Composites (CF-C)

- Benteler-SGL:
 - 50/50 JV between SGL Group and Benteler AG to develop composite based automotive components
 - February 2009: Acquisition of Fischer Composite Technologies GmbH in Austria
 - Leading position in developing structural automotive parts and modern, automated production technologies
 - Successful manufacturing of prototype parts for the BMW i3
- 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 by 2013
 - 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

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

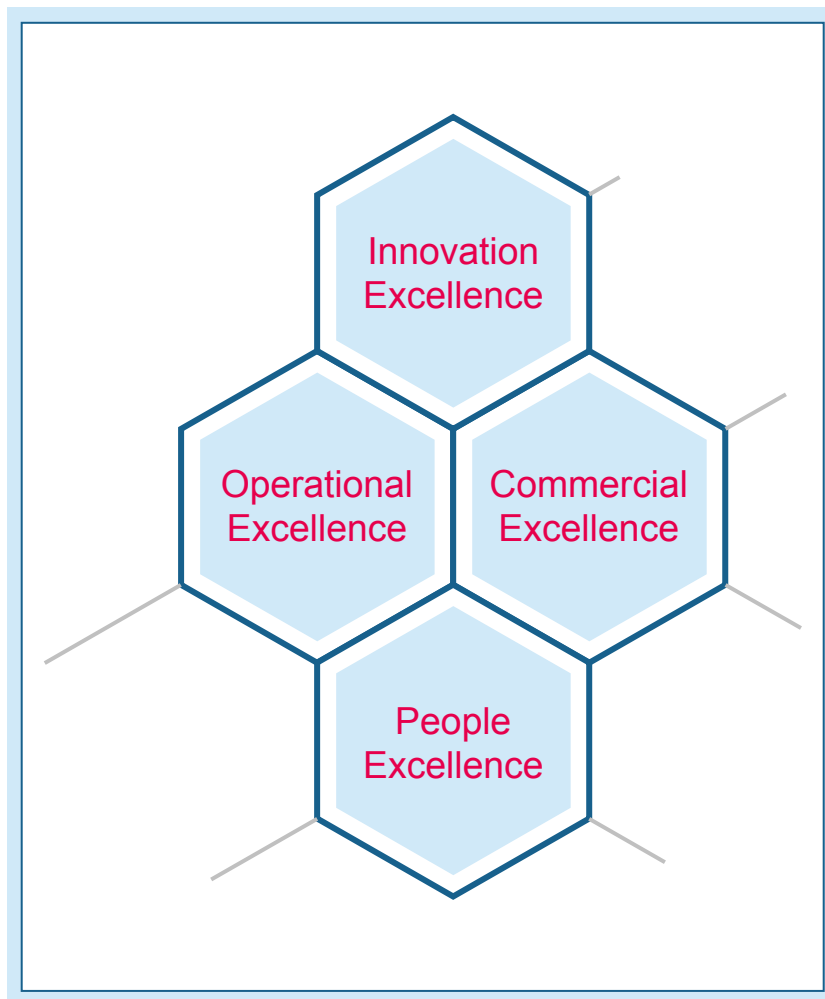
- Milestone in serial application of carbon fibers in automotive industry – market launch of first serially produced car (BMW i3) with a CFRP passenger cell in 2013
- €90 million total investment volume in initial phase, overall investment volume €230 million subject to BMW demand increase
- JVs to be consolidated 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 finally assemble the BMW i3 in Landshut and Leipzig (Germany)
- Precursor supply safeguarded by MRC – SGL Precursor Co. Ltd., Otake (Japan): 33/67 JV between SGL Group and Mitsubishi Rayon



Source: BMW Group

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

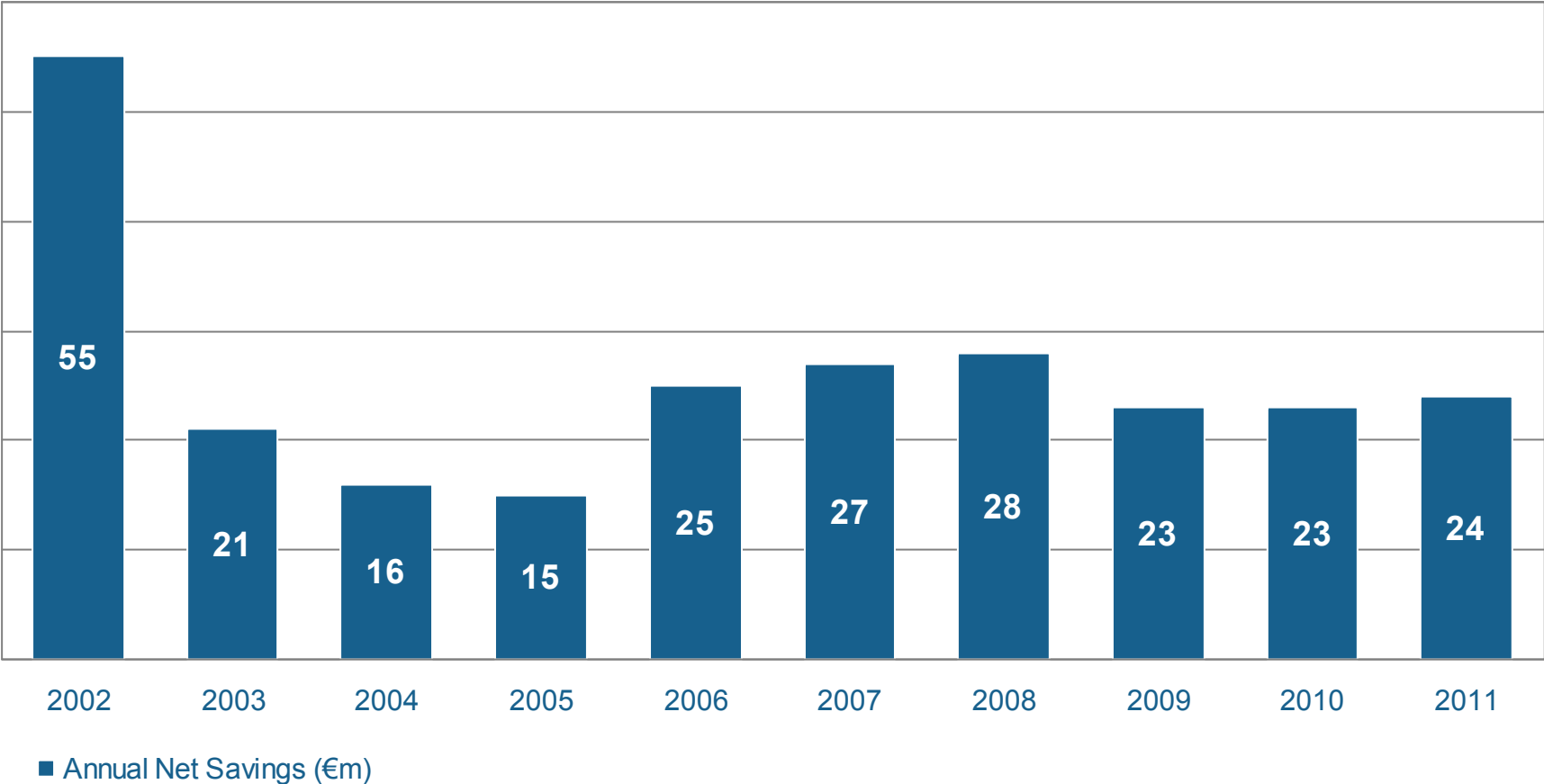
SIX SIGMA + LEAN

- 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:
 - > **3,000 SIX SIGMA** trained employees
 - > **600 Green Belts**
 - > **120 Black Belts**

Ensuring the future

SGL Excellence savings

Since 2002 continuous cost reduction of €257 million in total



Ensuring the future

Technology & Innovation – foundation for profitable growth

Technology & Innovation: SGL Group's centralized R&D organization



- Market driven R&D ensures best-in-class support for current and future customers
- Industry networks with suppliers and customers are an essential part of our development strategy thus ensuring close contacts to our markets
- Global networks with leading universities cover the basic research.
- Material, process and application know-how is the platform for our development clusters: synthetic graphite, carbon fibers and composites, energy systems, and ceramic fibers and composites.
- Strategic IP management safeguards our products and processes and is a driver of our long term market success

Ensuring the future

Technology & Innovation – foundation for profitable growth

Activity areas of T&I 2012

Raw materials & synthetic graphite development for basic industries targeting

- Reduction of graphite electrode consumption in EAF by optimization of raw materials, oxidation resistance and GE-joint
- Increase energy efficiency of aluminum production process by improved cathode recipes and advantageous cathode designs
- Elongate lifetime of furnace linings by improved microporous carbon-ceramic recipes and advanced lining bloc designs

Strengthen Carbon Fiber based value chain

- Commissioning of carbon fiber Pilot Line and improvement of carbon fiber production processes
- Development of special carbon fiber grades based on own precursor
- Improvement of textile structures, prepregs and preforms

Energy systems

- Improved low cost graphite based anode materials for Li-ion batteries and high performance carbon powder for Supercaps with enhanced energy density.
- Development of carbon felt with enhanced surface characteristics and improved electrochemical behavior for stationary energy storage systems such as Redox flow batteries.

Improved Ceramic Materials

- Development of new C/SiC materials and manufacturing methods for large complex shaped ceramic structures
- Development of high-temperature stable SiC fiber

Latest Financials and 2012 Outlook

BROAD BASE. BEST SOLUTIONS.



SGL Group

Q1/2012 Results for the Group

in € million	Q1/2012	Q1/2011
Sales revenue	381.6	363.8
EBITDA	54.2	53.5
Operating profit (EBIT)	36.2	36.3
Return on sales (in %)	9.5	10.0
Result from At-Equity accounted investments	-4.1	-3.6
Net financing result	-11.0	-11.8
Profit before tax	21.1	20.9
Net profit after non-controlling interests	14.1	14.9
EPS, basic (in €)	0.20	0.23

- Sales revenue increase: 5%, currency adjusted 3%
- EBIT includes sustainable cost savings of €6 million from SGL Excellence Initiative (SGL X)

SGL Group

Q1/2012 Results for Performance Products (PP)

in € million	Q1/2012	Q1/2011
Sales revenue	197.7	197.9
EBITDA	42.9	39.5
Operating profit (EBIT)	33.7	30.5
Return on sales (in %)	17.0	15.4

- Stable sales revenue, currency adjusted slight decrease by 1%
 - anticipated lower graphite electrode volumes compensated by higher selling prices
 - mild recovery in cathode volumes offset by expected lower selling prices
- EBIT increased by 11% due to
 - higher graphite electrode prices
 - Stronger than expected cathode volumes Q1 as a result of customers pulling forward deliveries initially scheduled for Q2
- Continued start-up costs for commissioning our new Malaysian plant weigh on earnings
- €2 million savings from SGL X initiative

SGL Group

Q1/2012 Results for Graphite Materials & Systems (GMS)

in € million	Q1/2012	Q1/2011
Sales revenue	128.9	114.6
EBITDA	27.2	23.6
Operating profit (EBIT)	22.9	19.3
Return on sales (in %)	17.8	16.8

- Sales revenue increased 13%, currency adjusted 8%
 - as a typical late cyclical business, the Business Unit Graphite Specialties still benefited from high order intake of H1/2011
 - Business Unit Process Technology continued to develop very positively based on record order backlog at the end of 2011
- EBIT increased by 19%
 - resulting from strong order intake in H1/2011, which led to high fixed cost absorption in Q1/2012
- €2 million savings from SGL X initiative

SGL Group

Q1/2012 Results for Carbon Fibers & Composites (CFC)

in € million	Q1/2012	Q1/2011
Sales revenue	54.4	50.0
EBITDA	-4.9	0.9
Operating profit (EBIT)	-8.0	-2.1
Return on sales (in %)	-14.7	-4.2

- Sales revenue increase: 9%, currency adjusted 7%
 - due to higher sales in Business Unit Rotor Blades compared to weak Q1/2011
 - partially offset by lower sales in Business Units Carbon Fibers & Composite Materials (CF/CM) and Aerostructures (AS)
- Decrease in EBIT due to
 - continued negative earnings situation of our rotor blade business
 - low capacity utilization in the carbon fiber business due to the temporary global oversupply situation
 - unsatisfactory utilization level in the Business Unit AS caused by Boeing 787 and Joint Strike Fighter delays
- €1 million savings from SGL X initiative

SGL Group

Q1/2012 Results for Central T&I and Corporate Costs

in € million	Q1/2012	Q1/2011
Sales revenue/other revenue	0.6	1.3
Central T&I Costs	-3.1	-3.2
Corporate Costs	-9.3	-8.2

- Corporate costs increased due to project related expenses (among others the preparations for the acquisition of Fisipe S.A.)

Financing Structure, Balance Sheet Ratios and Cash on Hand

Allow Continuation of Growth Path

SGL Group established a solid long term financial structure in May 2007

- €200 million Corporate Bond at EURIBOR plus 125 bps (maturity 2015)
- €145.5 million* Convertible Bond at 0.75%, adjusted conversion price of €36.30 (maturity 2013) (originally €200 million prior to conversion)
- €200 million credit facility, undrawn (original 2012 maturity extended to 2015)

Followed by supplemental debt instruments in June 2009 and in April 2012

- €134.7 million* Convertible Bond at 3.5%, adjusted conversion price of €29.21 (maturity 2016) (originally €190 million prior to conversion)
- €240 million Convertible Bond at 2.75%, adjusted conversion price of €43.84 (maturity 2018)

SGL Group has solid balance sheet ratios and liquidity at end of March 2012

- Equity ratio: 47%
- Gearing: 0.39
- Total liquidity: €163 million



SGL Group has currently no refinancing requirements

* As at June 30, 2012

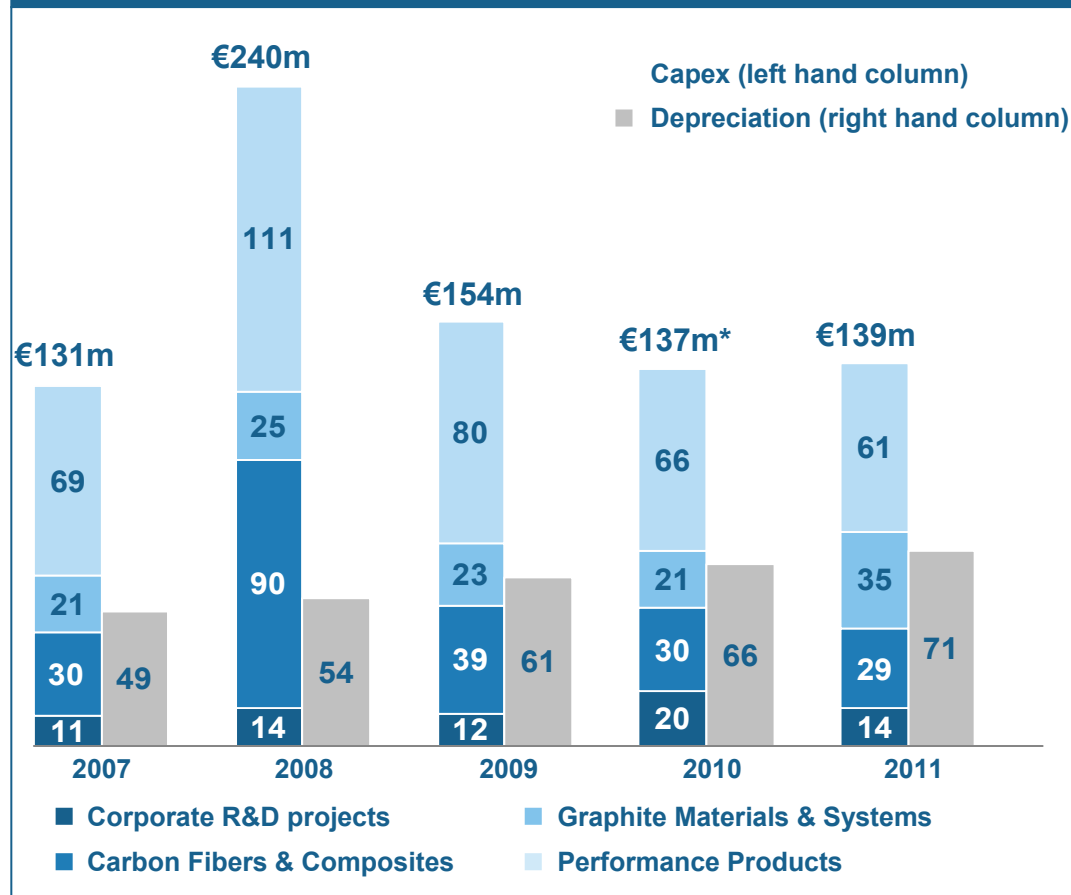
Ensuring the Future

Capital Expenditure by Business Area

Major investment focus in 2011:

- **PP:**
 - Continued build up of new GE + CA production facility in Malaysia
- **GMS:**
 - Isostatic graphite capacity expansion in Germany
 - Capacity expansion in USA, China and India
 - Reconstruction and expansion of graphite foil production in Meitingen (Germany)
 - Replacement and ESHA investments in France, USA and Germany
- **CFC:**
 - Further investments in automation technologies at HITCO (USA) and SGL Kumpers (Germany)
 - ESHA investment in Scotland

Capital expenditure and depreciation (in € million)



* 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

SGL Group

Outlook 2012 strongly dependent on macroeconomic development in H2

Group

- Assuming economic recovery and stabilization in H2, fully year 2012 sales and EBIT to grow vs. 2011
- Relief from lower loss from investments accounted for At-Equity, financial result will be impacted by new convertible bond issue in April 2012

Capex, Balance Sheet, Cash Flow

- Key KPI: target gearing level to remain at approx. 0.5 based on today's portfolio
- Gearing ~0.5 defines capex level
- Capex up to €150 million to be largely funded from operational cash flow
- Free cash flow (excluding acquisitions and dividend payment for FY 2011) of up to minus €60 million mainly due to capex and required working capital buildup

Key risks to forecasts

- Political, economic, financial market related uncertainties

SGL Group

Business Area Outlook and Key Assumptions 2012

PP	GMS	CFC
<ul style="list-style-type: none"> • Sales growth driven mainly by GE pricing, ROS comparable to 2011 <p>Graphite Electrodes</p> <ul style="list-style-type: none"> • Comparable GE volumes if global economy and electric steel production recover in H2 • Weaker volumes in H1 vs. H2 expected • Factor cost increases to be compensated with higher selling prices <p>Cathodes</p> <ul style="list-style-type: none"> • Volume recovery • Factor cost increases not yet compensated by selling prices • New smelter construction announcements indicate further CA growth 2013 and beyond 	<ul style="list-style-type: none"> • Stable sales compared to record 2011, ROS comfortably $\geq 10\%$ <p>Graphite Specialties</p> <ul style="list-style-type: none"> • Slightly lower volumes and thus utilization due to temporary investment pause in photovoltaic and LED industries <p>New Markets</p> <ul style="list-style-type: none"> • Continued good demand from Li-ion batteries for consumer segment <p>Process Technology</p> <ul style="list-style-type: none"> • Record order intake in 2011 promises sales growth and profitability 	<ul style="list-style-type: none"> • More than 20% sales growth, loss reduction compared to 2011 <p>Carbon Fibers/ Composite Materials</p> <ul style="list-style-type: none"> • Slow start to the year expected to accelerate in course of 2012 <p>Aerostructures</p> <ul style="list-style-type: none"> • HITCO affected by delays in Boeing 787 and Joint Strike Fighter <p>Rotor Blades</p> <ul style="list-style-type: none"> • SGL Rotec expected to ramp up production and reduce losses in course of 2012

Fundamental long-term growth drivers and mid term horizon

BROAD BASE. BEST SOLUTIONS.

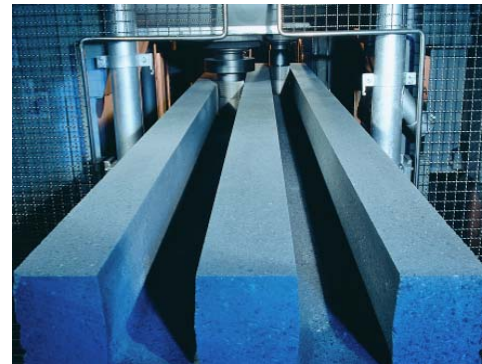
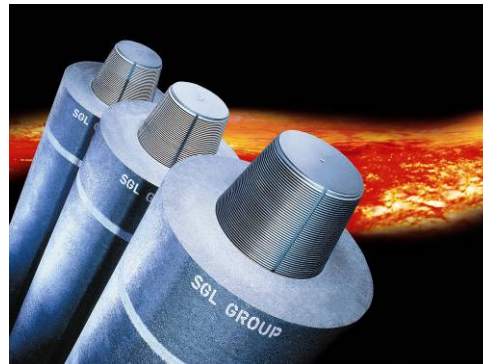


Fundamental long-term growth drivers for our businesses

**Strong growth in emerging countries
(BRIC etc.)**

- **Industrialization**
- **Infrastructure build up**

**Increasing demand for
graphite electrodes and cathodes**



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

Our carbon based products offer sustainable solutions towards less CO₂

2011 Sales (in €m)

1.540

approx. 70% of Group Sales

~ 1.050

12%

13%

76%

Light weight
Alternative
energies

Energy
efficiency

Aerospace

Automotive

Wind

Solar

Scrap recycling

Batteries

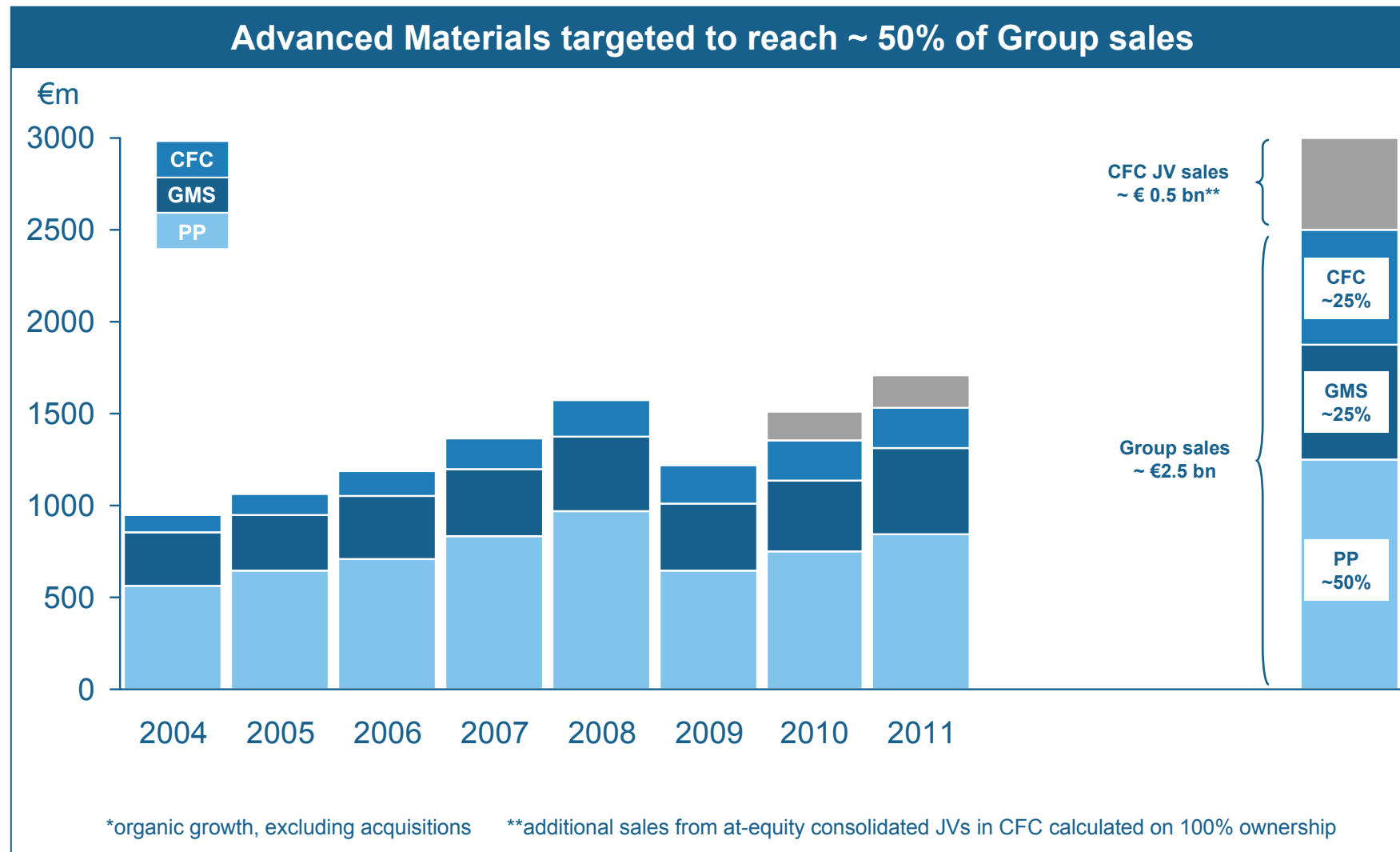
Automotive

Cooling systems



Mid Term Horizon

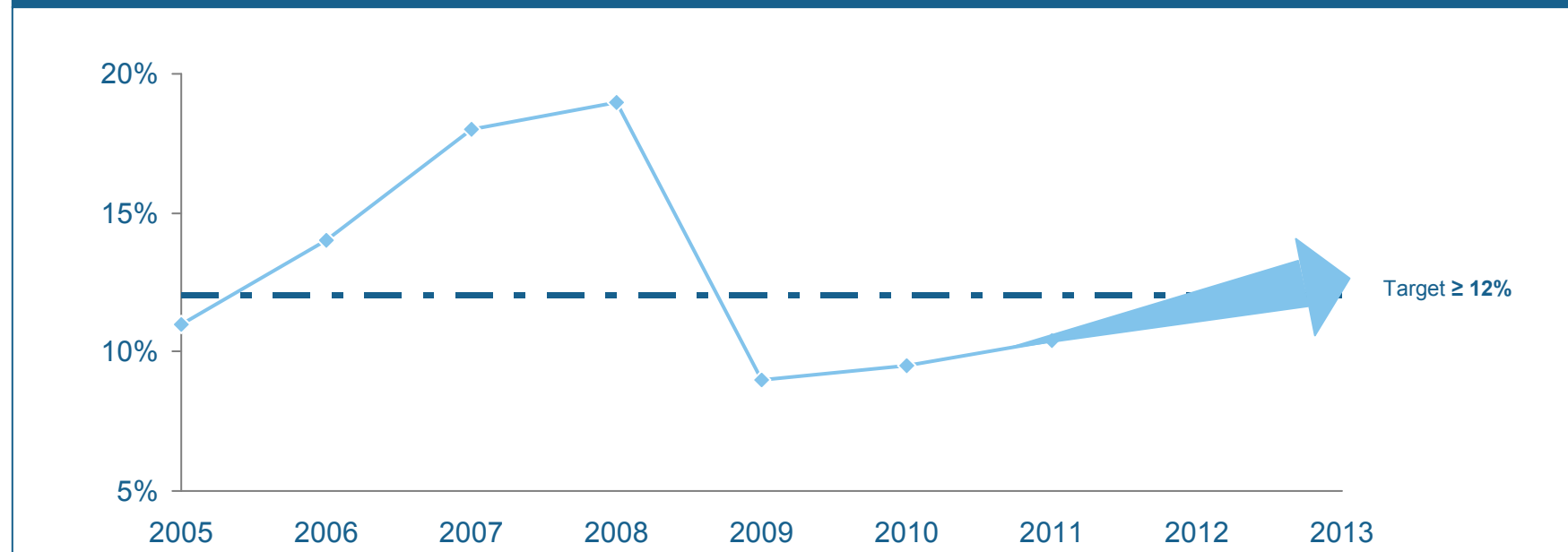
Group Sales to increase by more than 10% p.a.*



Mid Term Horizon

Return on Sales (ROS) target remains at minimum 12%

Group ROS target of $\geq 12\%$ to be achieved again in course of 2013 onwards

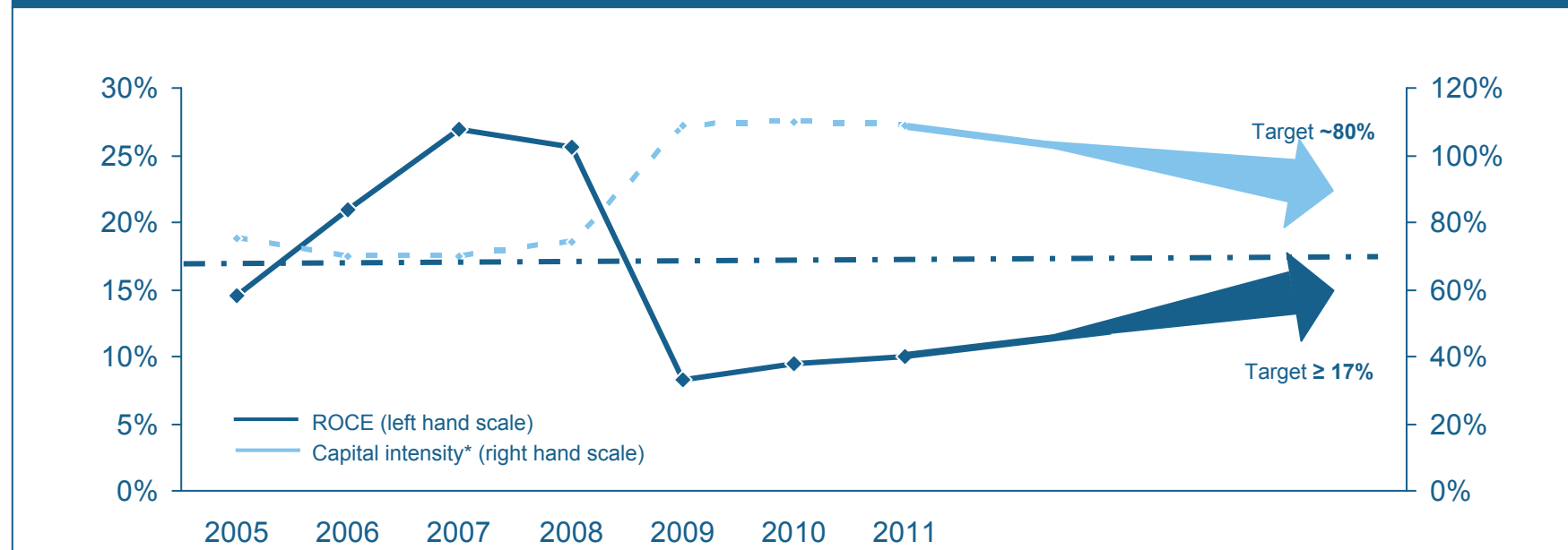


- Outlook for 2012, especially for H2, uncertain due to unclear macroeconomic environment
- New assets coming on stream contribute to sales and cash flow growth
- Higher capacity utilization expected to lead to ROS $\geq 12\%$ in course of 2013

Mid Term Horizon

Return on Capital Employed (ROCE) target remains at minimum 17%

Group ROCE target of $\geq 17\%$ to be reached again by the end of the planning period



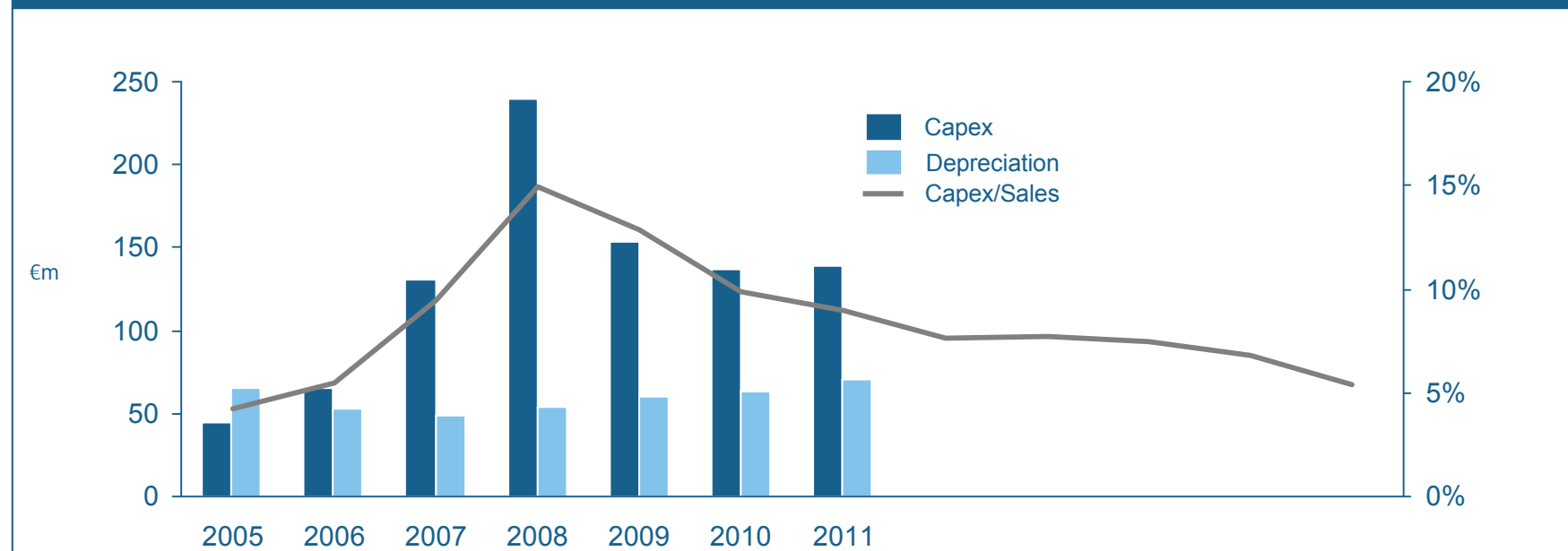
- Anticyclical investments provide basis for long term growth
- The resulting sales growth will lead to normalized capital intensity* improving from 109% in 2011 to ~80% as investment pace slows and sales growth accelerates
- As a consequence we expect to reach our Group ROCE target $\geq 17\%$ again towards the end of the planning period

*capital employed/sales, measure of capital invested per € of sales

Mid Term Horizon

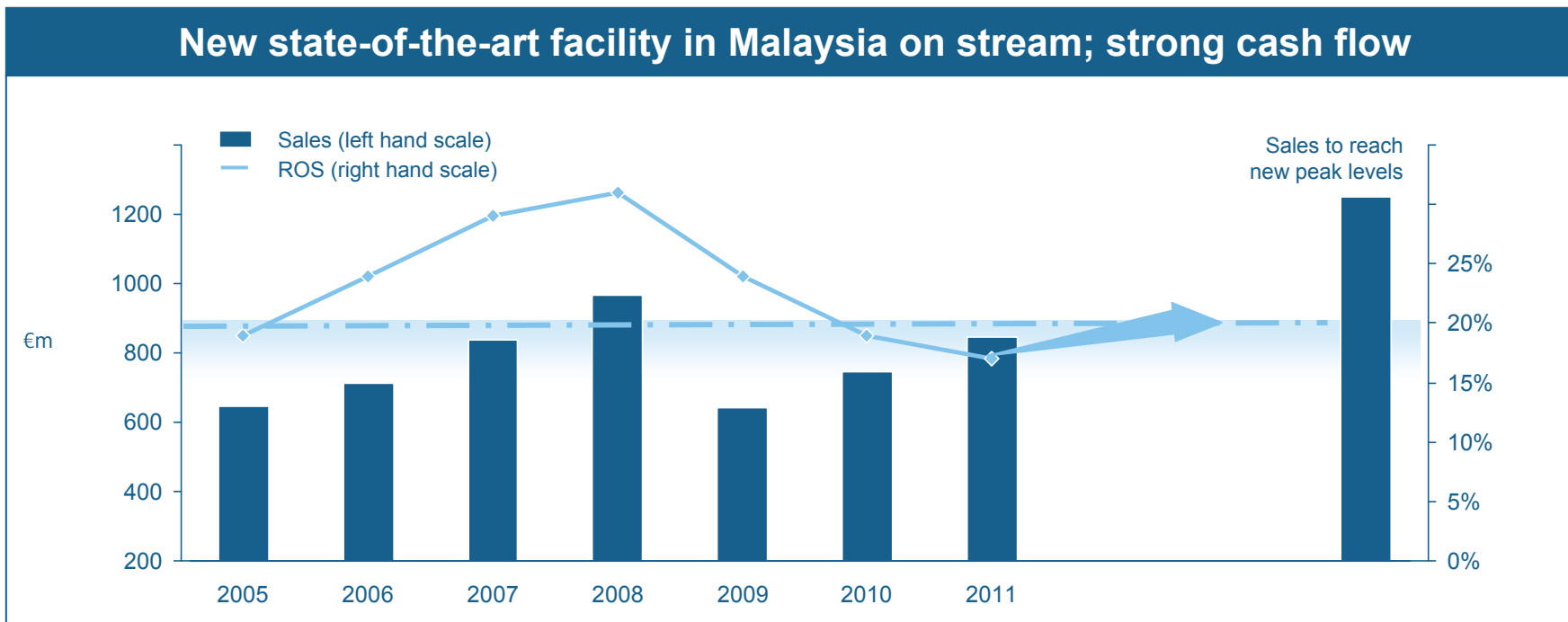
Capex remains high until 2012 – Free Cash Flow positive expected from 2013

Capex and depreciation expected to converge, capex/sales ratio to return to historical levels



- Major investments on schedule
- Capex requirements up to €150 million in 2012, declining thereafter
- Capex continues to be funded almost entirely from operating cash flow
- Positive free cash flow (before acquisitions) starting 2013
- Gearing target remains at approx. 0.5 and is indicative for capex levels

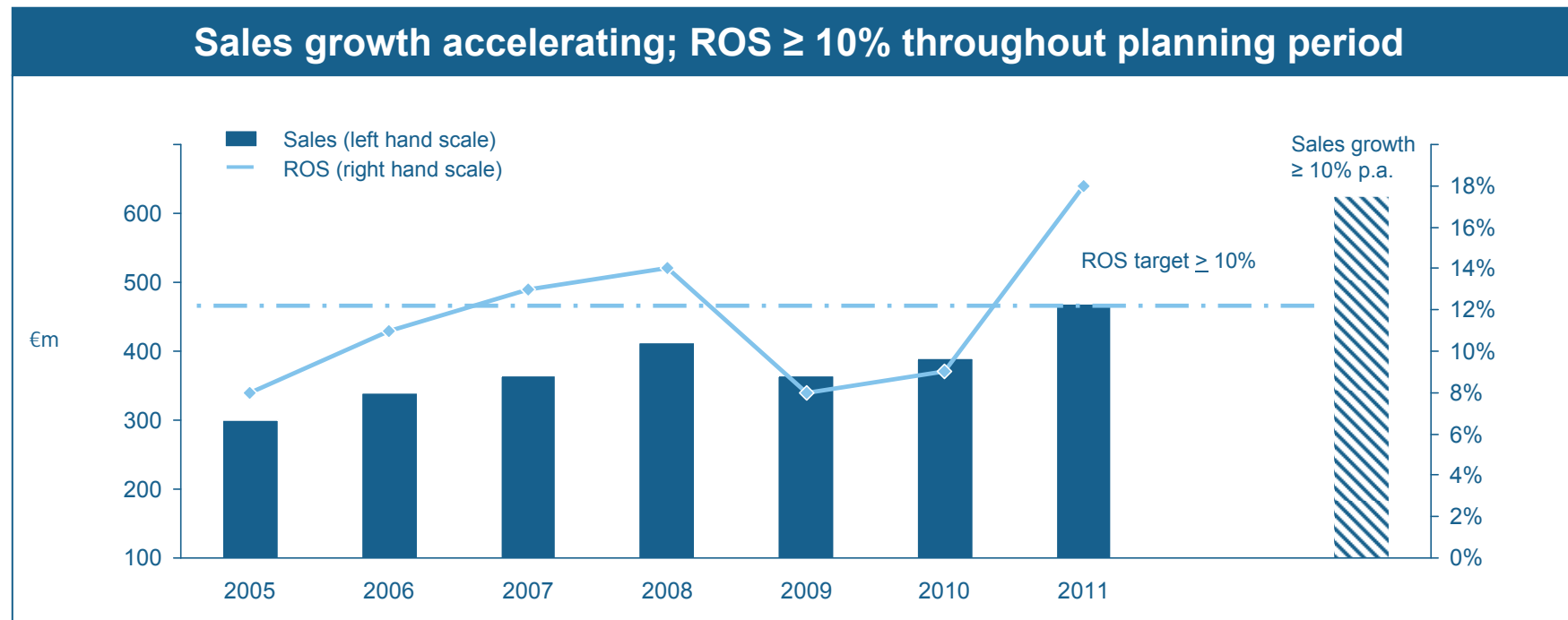
Mid Term Horizon Performance Products



- Investment in low cost carbon & graphite hub in Malaysia will enhance competitiveness
- ROS estimated at upper end of long term average bracket 15 - 20% for a transitory period due to slowed global growth and delayed recovery of investment spending in aluminum industry
- Longer term target $\geq 20\%$ still achievable
- Plans to increase our investment in Chinese electrode production
- PP remains high performing business in terms of profitability, sales growth, and cash flow

Mid Term Horizon

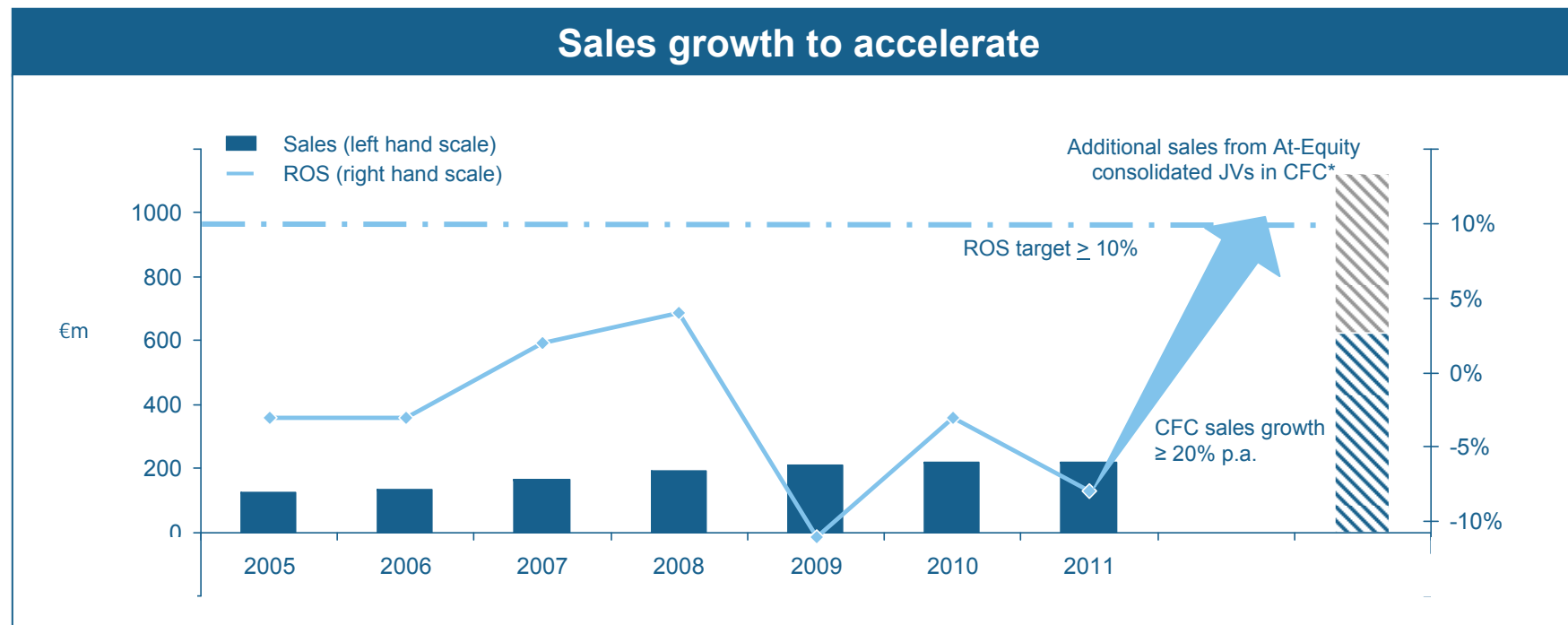
Graphite Materials & Systems



- Accelerated sales growth of $\geq 10\%$ p.a. (previously 6-8% p.a.) due to rising demand from high growth end markets (semiconductor, photovoltaic, LED, lithium-ion batteries)
- ROS to achieve $\geq 10\%$ target throughout planning period
- 2012 EBIT ROS expected to be affected by investment pause in solar and LED industry following record performance in 2011

Mid Term Horizon

Carbon Fibers & Composites



*calculated on 100% ownership

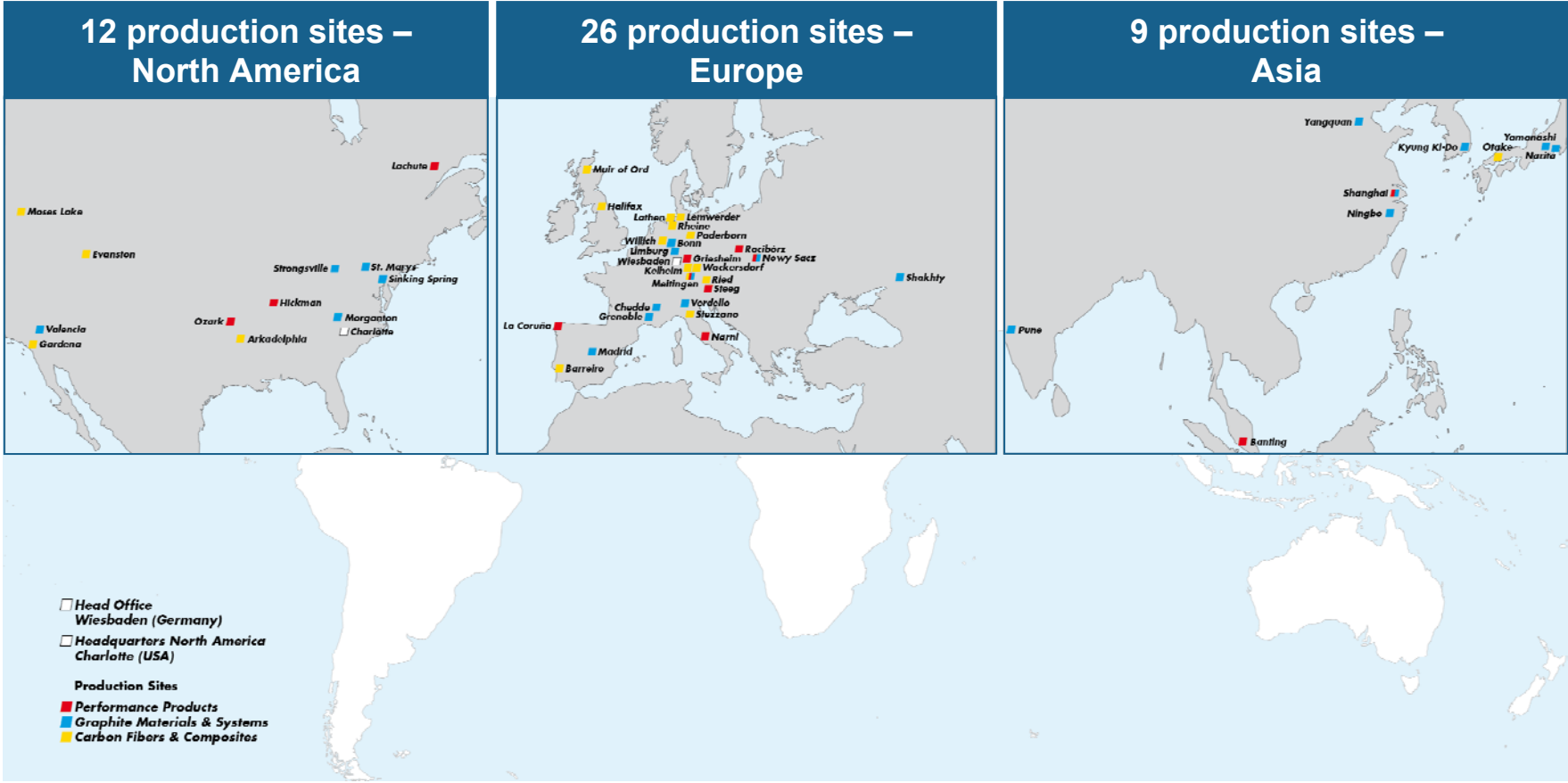
- Sales growth target remains $\geq 20\%$ p.a. despite wind energy market related setbacks in recent years
- Sales growth driven by continued material substitution in aircraft, wind, industrial and automotive applications
- Total CFC sales of more than €1bn targeted for end of planning period including approximately €500 million sales of At-Equity accounted JVs (calculated on 100% ownership)
- Target ROS $\geq 10\%$ by end 2013 potentially at risk due to wind/rotor blade business

Appendix

BROAD BASE. BEST SOLUTIONS.



Global presence



Shares in issue and shareholder structure

Basic shares	
Security Identification Number	723530
ISIN Number	DE0007235301
Cusip Number	784 188 203
Number of Shares (as at June 30, 2012)	70,542,965
Free float	~ 40%

Reported shareholdings according to §§ 21 f. WpHG		
SKion GmbH	(17 May 2011)	26.87%
BMW AG	(21 Dec 2011)	15.72%
Voith GmbH	(01 Sep 2011)	9.14%
Volkswagen AG	(25 Feb 2011)	8.18%

Financing structure

Convertible notes (maturity 2013)

Coupon	0.75%
Principal Amount	€ 200 million
Outstanding Amount (as at June 30, 2012)	€ 145.50 million
Adjusted Conversion Price	€ 36.30
Conversion Right (as at June 30, 2012)	3.98 million shares
Issue Date / Date of Maturity	16 May 2007 / 16 May 2013

Convertible notes (maturity 2016)

Coupon	3.5%
Principal Amount	€ 190 million
Outstanding Amount (as at June 30, 2012)	€ 134.70 million
Adjusted Conversion Price	€ 29.21
Conversion Right (as at June 30, 2012)	4.58 million shares
Issue Date / Date of Maturity	30 June 2009 / 30 June 2016

Corporate bond

Coupon	EURIBOR + 1.25%
Principal Amount	€ 200 million
Issue Date	16 May 2007
Date of maturity	16 May 2015

Convertible notes (maturity 2018)

Coupon	2.75%
Principal Amount	€ 240 million
Adjusted Conversion Price	€ 43.84
Conversion Right (as at June 30, 2012)	5.44 million shares
Issue Date / Date of Maturity	25 April 2012 / 25 January 2018

Financial calendar / contact details

Financial calendar

03-22-2012	Annual Report
05-03-2012	Report on the First Quarter
05-10-2012	Annual General Meeting
08-09-2012	Interim Financial Report First Half
11-08-2012	Report on Nine Months

Contact

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