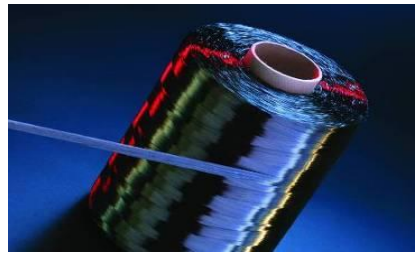
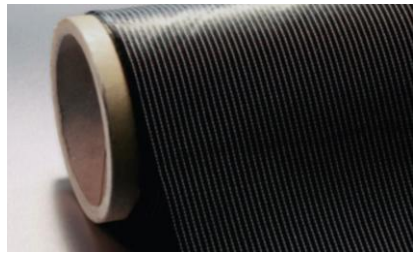
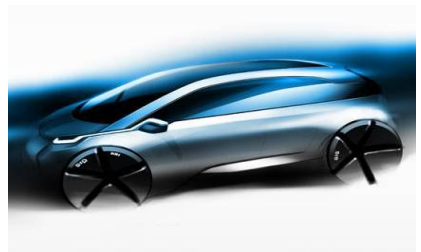
Financial Analysts' Meeting – March 15, 2011
SGL Automotive Carbon Fibers (SGL ACF)









Dr. Joerg Pohlman
Managing Director
SGL Automotive Carbon Fibers

A BMW Group and
SGL Group Joint Venture

SGL
AUTOMOTIVE CARBON FIBERS

SGL Automotive Carbon Fibers
The utilization of carbon fiber materials is essential to meet the lightweight requirements of the BMW Megacity Vehicle

Main arguments for the utilization of carbon fiber materials:

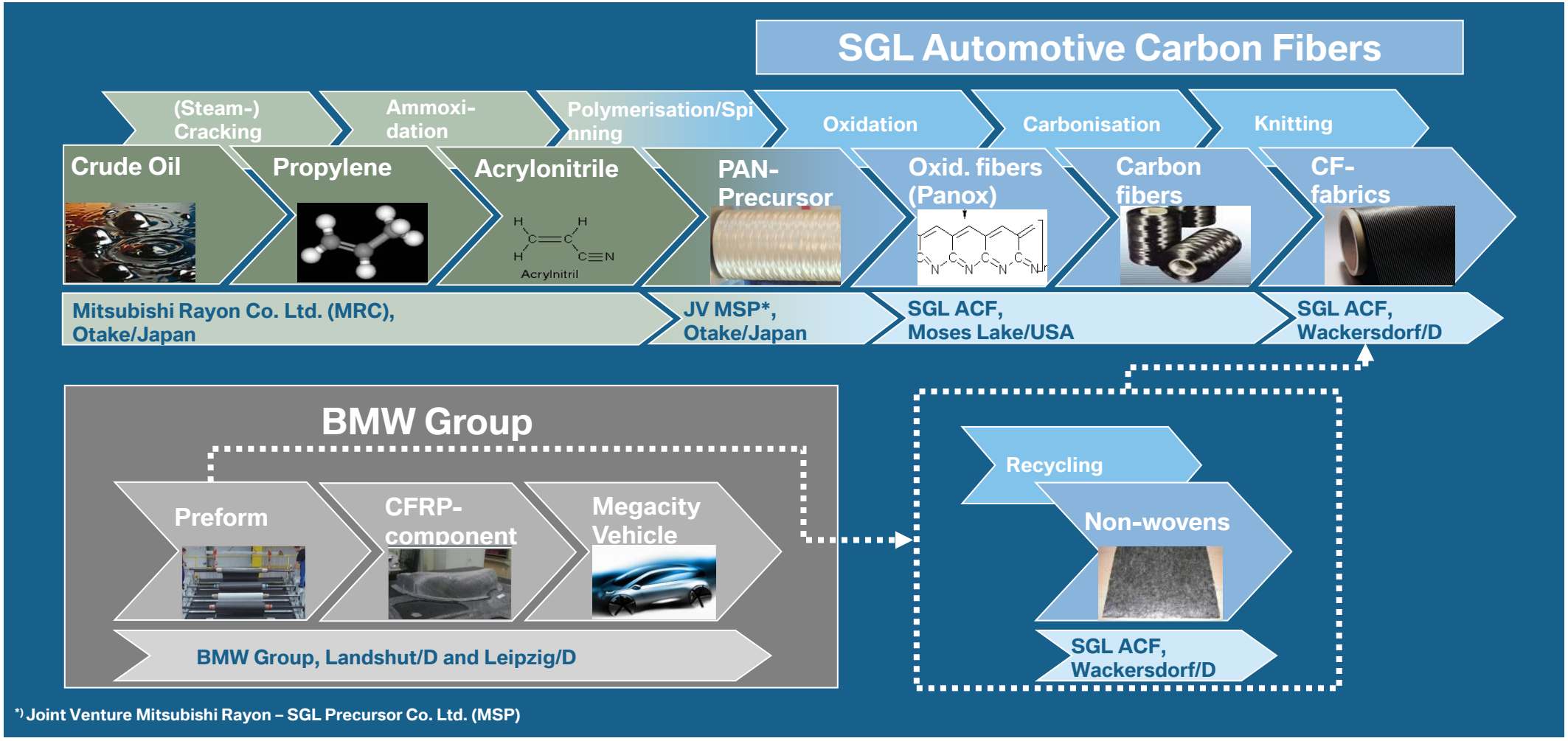
• Low weight:	CFRP parts are approx. 50% lighter than comparable steel parts and approx. 30% lighter than comparable aluminum parts
• High tensile strength/stiffness:	CFRP has excellent damping characteristics and high energy absorption in a crash
• Corrosion resistance:	Avoidance of expensive protective coatings as CFRP is resistant to corrosion, acid and solvent

SGL Automotive Carbon Fibers
The joint venture was initiated to meet BMW Group‘s demand for lightweight materials made of carbon fibers

Motivation for setting up the joint venture:

- Supply guarantee: Securing sufficient long-term production capacity for carbon fibers and fabrics
- Technological competitiveness: Securing technological competence for manufacturing carbon fibers and fabrics
- Financial competitiveness: Securing full cost transparency and influence on reducing production costs

Overview Global Value Chain
SGL ACF is responsible for the purchasing of PAN precursor, the production of carbon fibers and fabrics and the recycling process



*) Joint Venture Mitsubishi Rayon – SGL Precursor Co. Ltd. (MSP)

Moses Lake Plant – Carbon Fibers
The carbon fiber plant will be the most efficient and sustainable of its kind

Main facts:

- Groundbreaking July 7, 2010
- Initial production capacity with 2 lines: 3,000 metric tons
- Production Building 1 finished in Q1/2011
- Delivery of production material to Wackersdorf in Q3/2011

The decisive criteria for site selection:

- Availability of a sufficient supply of electrical energy from renewable sources (hydropower)
- Low cost of power supply

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Wackersdorf Plant – Non-crimp Fabrics and Recycling Material
The Wackersdorf plant utilizes advanced textile manufacturing technology

Main facts:

- Opening ceremony July 19, 2010
- Initial production capacity of fabrics: 3,000 metric tons
- Commissioning of recycling machinery in Q1/2011

The decisive criteria for site selection:

- Utilization of existing BMW facilities and infrastructure (only 3 months implementation time)
- Immediate vicinity to technology (BMW R&D departments)
- Qualified workforce

Wackersdorf Plant – Non-crimp Fabrics and Recycling Material
The manufactured fabrics are delivered to the CFRP production at BMW Landshut

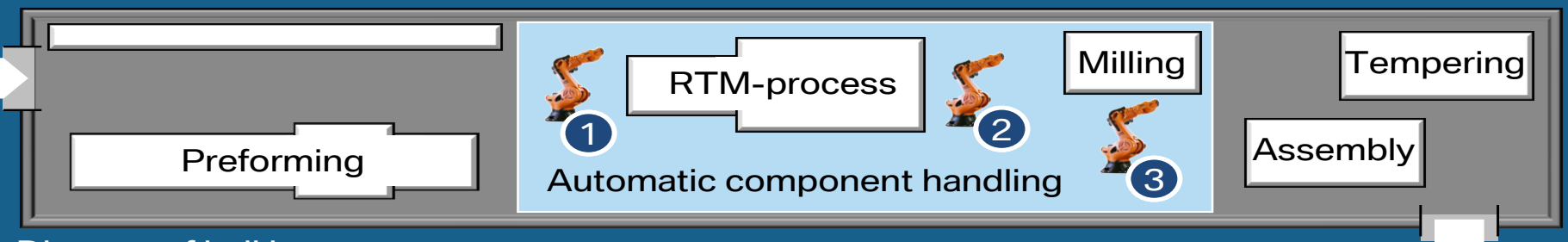

Diagram of hall layout

1 Insertion of preform

2 Removal of component

3 Milling

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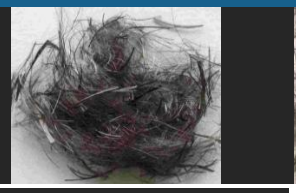
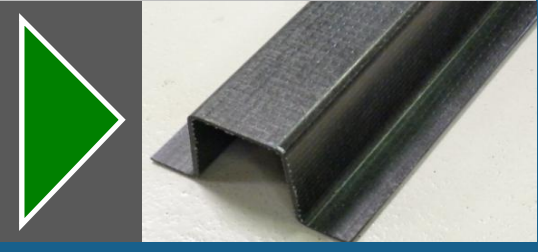
Wackersdorf Plant – Non-crimp Fabrics and Recycling Material
The purpose of the recycling process is to reintroduce semi-finished recycling products into CFRP production






Dry offcuts	Fiber preparation	Production of non-wovens	Production of non-wovens / non-woven sheet complexes
- Rovings/non-wovens - Preform offcuts	- Stamping/cutting the material - Opening the material	- Forming non-wovens: creation of fiber orientation - Fixing/stabilising	- Processing non-wovens into multi-layer complexes

Reintroducing semi-finished recycling products into the CFRP production process

Outlook and Challenges

- Decrease in sales price to BMW driven by significant improvement in production efficiency and economies of scale
- Identification of further sales price decrease potentials by employing alternative production technologies for specific automotive applications
- Expansion of the non-woven product portfolio including recycling material for use in other BMW automobiles