

SGL Group acquires BMW Group's minority interest in the joint venture SGL Automotive Carbon Fibers (SGL ACF)

- SGL Carbon SE will acquire the 49% stake in stages, becoming the sole owner of SGL ACF
- Purchase is in line with the strategy of supplying every step of the carbon fiber value chain from a single source
- Cooperation with BMW Group on the supply of carbon fiber materials will continue
- No impact on BMW AG's shareholding in SGL Carbon SE

Wiesbaden/Munich, November 24, 2017. SGL Carbon SE is acquiring BMW Group's 49% equity investment in the joint ventures SGL Automotive Carbon Fibers GmbH & Co. KG (Germany) and SGL Automotive Carbon Fibers LLC (US) – together referred to as 'SGL ACF'. An agreement on this matter was signed by SGL Group and BMW Group today. Once the deal has been completed, SGL Group will be the sole owner of SGL ACF. As is customary, the transaction is subject to approval from the respective authorities.

"We are proud of the pioneering work that we have carried out with BMW Group on lightweight construction for the automotive sector. The carbon fibers made at our plant in Moses Lake and the fabrics that are produced from them at the Wackersdorf site have proven very successful. It is now time to fully integrate this expertise into SGL Group's value chain," says Jürgen Köhler, Chief Executive Officer of SGL Group.

Carbon fibers and carbon fiber materials are at the core of SGL Group's corporate strategy. By acquiring SGL ACF now, SGL Group is forging ahead with its strategy to consolidate all key activities in the value chain – from carbon fibers and materials to components – within the SGL Group, giving it overall responsibility. As announced two weeks ago, BENTELER-SGL is being acquired for the same reason.

The changes in the shareholder structure of SGL ACF will not have any direct impact on its workforce, which currently totals around 450 employees.

"BMW Group will continue to rely on lightweight construction and an intelligent mix of materials, with carbon remaining a significant component," explains Markus Duesmann, member of the Board of Management at BMW AG with responsibility for purchasing and supplier network. Carbon will also play an important role in the BMW iNEXT, which will set the benchmark for electric vehicles, autonomous driving, connectivity, and lightweight construction from 2021. "SGL Group is and will remain a major supplier and strategic partner in this regard," adds Duesmann.

BMW Group has entered into an agreement with SGL Group to continue to work together on future projects involving the use of carbon.

The existing supply agreements for the continued procurement of carbon products from SGL ACF for the BMW i3, the BMW i8 (fuel consumption combined: 2.1 l/100 km [134.5 mpg imp]*; CO₂

emissions combined: 49.0 g/km*), and the BMW 7 series into the next decade are unaffected by the transaction. Likewise, BMW Group's CFRP-stacks production unit in Wackersdorf will not be affected. Furthermore, the transaction will not impact BMW AG's 18.3% shareholding in SGL Carbon SE. This equity investment is not up for disposal.

The agreement between SGL Group and BMW Group provides for the acquisition of the two SGL ACF companies in stages. In the first step, SGL Automotive Carbon Fibers GmbH & Co. KG (Germany) will be transferred to SGL Group. This transaction will probably be completed in January 2018. The second step will involve SGL Automotive Carbon Fibers LLC (US) being transferred to SGL Group, with this transaction expected to be completed by the end of 2020 at the latest.

The SGL ACF joint venture was founded in 2009 with the aim of establishing the use of carbon as a lightweight construction material in the automotive industry and securing the supply of carbon fibers and fabrics for BMW Group. Since then, SGL Group and BMW Group have created a leading technological position in the field of carbon fiber composites with their joint development activities and the construction of two plants. The possibility of SGL Group acquiring BMW Group's shares was already agreed as an option back when the joint venture was founded. Accordingly, 51% of the shares were allocated to SGL Group and 49% to BMW Group at that time.

SGL ACF's production activities take place in Moses Lake (Washington, US) and Wackersdorf (Bavaria, Germany). Moses Lake is the world's most modern and environmentally friendly carbon fiber plant and produces specific carbon fibers for serial production applications. The acquisition gives SGL Group the opportunity to expand its activities at the site relating to fibers and composites for the North American market. At the Wackersdorf plant, carbon fibers are processed to create fabrics and non-wovens. BMW Group uses these to produce components, such as for the passenger cell of the i3 and i8, as well as individual parts for the 7 series. At the site, SGL ACF also operates equipment to recycle residual materials resulting from the production process, thereby making a valuable contribution to conserving resources and lowering costs in the carbon fiber reinforced plastics process chain. In 2016, SGL ACF generated sales revenue of around €90 million.

In the future, SGL ACF will be fully assigned to the Composites – Fibers & Materials (CFM) business unit. This unit of SGL Group has strong development and production expertise in fibers – especially acrylic fibers, oxidized fibers, and carbon fibers – and fiber composites. In parallel, SGL Group is establishing a Lightweight and Application Center (LAC) in Meitingen (Bavaria, Germany). At the LAC, products and associated manufacturing processes are developed for lightweight components that are suitable for volume production. In the future, the former joint venture BENTELER-SGL will also belong to the CFM business unit. The company is one of the leading developers and large-scale producers of lightweight composite components (based on fiberglass and carbon fibers) for the automotive industry. At the start of November, SGL Group announced that it was acquiring the other 50% of this joint venture from Benteler (subject to approval from the relevant authorities).

* Fuel consumption and CO₂ figures were calculated based on the EU test cycle.

Further information on official fuel consumption figures, specific CO₂ emission values and the electric power consumption of new passenger cars is included in the following guideline: "Leitfaden über Kraftstoffverbrauch, die CO₂-Emissionen und den Stromverbrauch neuer

Personenkraftwagen" (Guideline for fuel consumption, CO2 emissions and electric power consumption of new passenger cars), which can be obtained from all dealerships, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at <http://www.dat.de/en/offers/publications/guideline-for-fuel-consumption.html>.

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About the SGL Group – The Carbon Company

The SGL Group is a leading manufacturer worldwide of products and materials made from carbon. The extensive product portfolio ranges from carbon and graphite products, carbon fibers all the way through to composites. The SGL Group's core expertise comprises the control of high-temperature technologies as well as the deployment of many years' application and engineering know-how. This is used to exploit the company's wide materials base. These carbon-based materials combine a number of unique material properties such as very good conductivity of electricity and heat, resistance to heat and corrosion as well as lightweight construction coupled with high firmness. The level of demand for the SGL Group's high-performance materials and products is increasing due to the industrialization of the growth regions of Asia and Latin America and the ongoing substitution of traditional construction materials by new materials. The SGL Group's products are deployed in the automotive and chemicals industries as well as in the semiconductor, solar, LED industry segments and in the field of lithium-ion batteries. Carbon-based materials and products are also used in wind energy, aviation and space travel as well as in the defense industry.

With 34 production locations in Europe, North America and Asia as well as a service network in over 100 countries, the SGL Group is an enterprise with a global orientation. In the 2016 financial year, approx. 4,000 employees generated 769.8 million euros in sales revenue. Its Head Office is based in Wiesbaden / Germany.

About the BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2016, the BMW Group sold approximately 2.367 million cars and 145,000 motorcycles worldwide. The profit before tax was approximately € 9.67 billion on revenues amounting to € 94.16 billion. As of 31 December 2016, the BMW Group had a workforce of 124,729 employees.



The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

Important note:

To the extent that our press release contains forward-looking statements, the latter are based on information that is available at present and on our current forecasts and assumptions. Forward-looking statements, by their very nature, entail known as well as unknown risks and uncertainties that may lead to actual developments and events differing substantially from the forward-looking assessments. Forward-looking statements must not be understood to be guarantees. Instead, future developments and events depend on a large number of factors; they comprise various risks and imponderables and are based on assumptions that may possibly turn out not to be appropriate. These include unforeseeable changes to fundamental political, economic, legal and societal conditions, particularly in the context of our main customers' industries, such as electric steelmaking, the competitive situation, interest and exchange rate trends, technological developments as well as other risks and uncertainties. We perceive additional risks e.g. in pricing developments, unforeseeable events in the environment of companies acquired and Group member companies as well as in current cost savings programs from time to time. The SGL Group assumes no obligation and does not intend to adjust or otherwise update these forward-looking statements either.