



PRESS RELEASE

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SGL Group and BMW Group: New Carbon Fiber Plant to be Built in Moses Lake, WA

- US\$ 100 million investment for the initial phase of production
- 80 new jobs to be created in Moses Lake for the initial phase
- Green energy source is the critical decision factor

Seattle, April 6, 2010. SGL Group and BMW Group jointly announced today at an event in Seattle that their joint venture, SGL Automotive Carbon Fibers LLC, will build a state-of-the-art carbon fiber manufacturing plant in Moses Lake, WA. During the initial phase, US\$ 100 million will be invested and 80 local jobs will be created.

The new facility is an important element of both companies' strategy to commercialize viable manufacturing of ultra light weight carbon fiber reinforced plastics (CFRP) for use in future vehicle concepts. The fibers manufactured at Moses Lake will be used exclusively for BMW Group's upcoming Megacity Vehicle. In February of this year, BMW Group announced that this new vehicle for urban mobility – set to be launched before 2015 under a BMW sub-brand – will be assembled in Leipzig, Germany. Now, a key piece of the Megacity Vehicle has a base in the USA.

In line with BMW and SGL's leading roles in sustainable business operations, the decision to build the carbon fiber plant in Moses Lake was based primarily on the availability of renewable clean hydropower and competitive energy costs in the state of Washington. Favorable infrastructure conditions, existing utilities, a skilled labor force and ease of working with the local government were also contributing factors in selecting Moses Lake as the location.

"This new plant in Moses Lake is a milestone in the use of carbon fibers for large scale production in the automotive industry," said Robert Koehler, CEO SGL Group. "It will be the world's most cost efficient carbon fiber plant using state-of-the-art technologies. This significant investment further underlines our commitment to the U.S., where we already operate carbon fiber and composite materials plants. The manufacture of carbon fibers is a core business for SGL Group and together with our partner BMW Group, we will ensure that carbon fibers play a revolutionary role in lightweight automotive construction."

"We consider carbon fiber a cutting-edge material. Our joint efforts will make sustainable mobility possible in urban environments. Acting sustainably is part of our corporate strategy. Our focus includes the whole value chain. Therefore, the energy demand for producing carbon fiber will come from environmentally friendly hydropower," said Friedrich Eichiner, Member of the Board of Management, Finance, BMW AG. "Lightweight construction is a core aspect for sustainable mobility improving both fuel consumption and CO₂ emissions, two key elements of our EfficientDynamics strategy. With using CFRP components in our Megacity Vehicle, we take sustainable mobility a step further. By combining the know how of SGL Group and our expertise in manufacturing CFRP components, we will be able to produce carbon fiber enhanced components in large volumes at competitive costs for the first time. This is particularly relevant for electric-powered vehicles such as the Megacity Vehicle".

The production of CFRP involves several work stages. The raw material needed to manufacture carbon fibers, a polyacrylonitrile (PAN) based precursor, will be produced by a joint venture between SGL Group and the Japanese company Mitsubishi Rayon (MRC) in Otake, Japan. In the next step, the facility in Moses Lake will convert the polyacrylic fibers into the actual carbon fibers. These fibers are then processed into light weight carbon fiber fabrics at a second joint venture site in Wackersdorf, Germany. The CFRP parts and components will then be made from these fabrics at the BMW Group Plant Landshut, Germany. The assembly of the Megacity Vehicle will take place at the BMW Group plant in Leipzig, Germany where currently a range of BMW 1 Series and the BMW X1 are being built.

SGL Group and BMW Group have cooperated for many years in the area of carbon fiber composites and have combined their core competencies to industrialize the automotive use of carbon fibers in a joint venture founded in October 2009.

SGL Group contributes its know-how in high performance materials and its experience with carbon fiber based materials. As the only European carbon fiber and composite materials manufacturer, the company covers the entire value chain. BMW Group contributes its know-how in light weight automotive design and manufacturing and draws on its many years of experience with carbon fiber reinforced components for the BMW M brand and its race cars.

The joint venture operates through two companies, one based in the USA (SGL Automotive Carbon Fibers LLC) and the other in Germany (SGL Automotive Fibers GmbH & Co KG). SGL Group holds 51% of the shares and the BMW Group 49%.

Sustainability and Recycling

Along the entire supply chain, ecological, social and economic aspects will be aligned. For this reason, the manufacture as well as processing of the carbon fibers and carbon fiber composites will be achieved with careful consideration to environmental resources. The Moses Lake production site will use hydropower as its eco-friendly energy source and processes are being developed to recycle carbon fibers and downstream composite materials.

About SGL Group – The Carbon Company

SGL Group is one of the world's leading manufacturers of carbon-based products. It has a comprehensive portfolio ranging from carbon and graphite products to carbon fibers and composites. SGL Group's core competencies are its expertise in high-temperature technology as well as its applications and engineering know-how gained over many years. These competencies enable the Company to make full use of its broad material base. SGL Group's carbon-based materials combine several unique properties such as electrical and thermal conductivity, heat and corrosion resistance as well as high mechanical strength combined with low weight. Due to the paradigm shift in the use of materials as a result of the worldwide shortage of energy and raw materials, there is a growing demand for SGL Group's high-performance materials and products from an increasing number of industries. Carbon and graphite products are used whenever other materials such as steel, aluminum, copper, plastics, wood etc. fail due to their limited properties. Products from SGL Group are used predominantly in the steel, aluminum, automotive, chemical and glass/ceramics industries. However, manufacturers in the semiconductor, battery, solar/wind energy, environmental protection, aerospace and defense industries as well as in the nuclear energy industry also figure among the Company's customers.

With 43 production sites in Europe (23), North America (11) and Asia (8) as well as a service network covering more than 100 countries, SGL Group is a company with a global presence. In 2009, the Company's workforce of around 6,000 generated sales of €1.2 billion. The Company's head office is located in Wiesbaden/Germany. The North American headquarters are located in Charlotte/North Carolina.

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The BMW Group

With its three brands -- BMW, MINI and Rolls-Royce – the BMW Group is one of the world's most successful premium manufacturers of cars and motorcycles. It operates internationally with 24 production sites in 13 countries and a global sales network with representation in more than 140 countries.

During the financial year 2009, the BMW Group sold approximately 1.29 million cars and more than 87,000 motorcycles worldwide. The profit before tax for 2009 was euro 413 million, revenues totalled euro 50.68 billion. At 31 December 2009, the BMW Group had a workforce of approximately 96,000 employees.

Long-term thinking and responsible action have long been the foundation of the BMW Group's success. Striving for ecological and social sustainability along the entire value-added chain, taking full responsibility for our products and giving an unequivocal commitment to preserving resources are prime objectives firmly embedded in our corporate strategies. For these reasons, the BMW Group has been sector leader in the Dow Jones Sustainability Indices for the last five years.

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This press release 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 to be understood as guarantees. The future developments and events are dependent on a number of factors; they include various risks and unanticipated circumstances and are based on assumptions that may not be correct. 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 in the ongoing cost optimization programs. It is not intended to update these forward-looking statements.