

Airight

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Following please find a copy of today's press release.

SGL Group Subsidiary HITCO invests in Automated Fiber Placement System (AFP)

- Highly Advanced Production Facility for Aircraft Composites

Los Angeles (USA) / Wiesbaden (Germany), June 18, 2007. SGL Group – The Carbon Company – has released an important investment for its US/Los Angeles based subsidiary HITCO Carbon Composites, Inc. based on the Group's strategy for the Business Unit Carbon Fibers & Composites. HITCO purchased a Viper® 6000 Fiber Placement System (AFP) manufactured by Cincinnati Machine. This highly advanced automated carbon fiber composite production facility enables HITCO to substantially increase its production capabilities for the continuously growing demand of composites in construction and development of the aircraft industry.

The AFP investment in addition to the recently announced purchase of an automated Tape Lay-up machine (ATL), also from Cincinnati Machine, is a further important step for processing carbon fiber for the aircraft industry. With AFP and ATL HITCO consequently continues its strategy to support major commercial aviation programs. This enables the Company to produce a fully automated broad base of high quality composite products with respective increase in productivity. This new and highly advanced processing technology is an essential move for production of composites compared to the traditionally mainly handmade products.

The AFP configuration will provide two line capability enabling HITCO to better support high-rate production programs. Parts expected to be laid-up on the AFP include: aft fuselages, controlled aircraft surfaces, tailcones, pressure bulkheads, and related structures. The AFP will commence operations early 2009.

“The AFP investment is part of our multi-million US\$ modernization program that will enable HITCO to become the ‘Best in Class Automated Tier II Supplier’ to the aerospace and defense industry,” said Edward G. Carson, HITCO's Chief Operating Officer. “In addition, we are enhancing our design and engineering capabilities and our production facilities so that we may obtain additional long-term production contracts with strategic Tier I aerospace manufacturers. As we go forward we have further substantial investments planned to support an aggressive growth strategy.”

HITCO Carbon Composites, Inc. was founded in 1922 and manufactures advanced composite materials primarily for aerospace and defense applications. HITCO continues to be an innovative leader in the advancement of carbon fiber composite technologies and continues to strategically focus within the SGL Group on new projects for aerospace/aircraft and defense

applications.

About SGL Group – The Carbon Company

The 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 the 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 around 30 production sites in Europe, North America and Asia as well as a service network covering more than 100 countries, the SGL Group is a company with a global presence. In 2006, the Company's workforce of 5,250 generated sales of € 1.2 billion. The Company's head office is located in Wiesbaden/Germany.