PRESS RELEASE

**SGL Automotive Carbon Fibers Breaks Ground in Moses Lake, Washington**

*Moses Lake, July 7, 2010.* SGL Automotive Carbon Fibers – a joint venture of the BMW Group and SGL Group – broke ground today on the new greenfield carbon fiber manufacturing facility in Moses Lake, Washington. More than 70 guests from Moses Lake and Grant County, including the Governor of the State of Washington Chris Gregoire and Moses Lake Mayor Jon Lane were in attendance to celebrate the groundbreaking event.

The facility in Moses Lake is a fundamental component of the joint venture’s strategy to commercialize manufacturing of lightweight carbon fiber reinforced plastics (CFRP) for use in BMW Group’s future Megacity Vehicle. Carbon fiber technology is becoming increasingly important in the materials substitution process to lighter materials, which helps to improve fuel consumption and lower CO2 emissions.

“I congratulate SGL Automotive Carbon Fibers for developing this cutting edge technology, and welcome them to Washington State,” Governor Chris Gregoire said. “This new carbon fiber manufacturing plant means new jobs in Moses Lake, and is another indicator that Washington State will continue to lead in the green economy. I look forward to working with SGL Automotive Carbon Fibers to ensure its success, and building a lasting relationship.”

During the initial phase of development, BMW Group and SGL Group will invest US $100 million. 80 new local jobs will be created with an additional 200 for site construction. The state-of-the-art facility will be constructed on 60 acres of land. There is the option to purchase an additional 60 acres to cater future growth. The plant will initially run two carbon fiber lines, each with annual capacity of 1,500 metric tons. The first carbon fiber line will be commissioned in the third quarter of 2011.

“This carbon fiber plant, the most cost efficient of its kind worldwide, is a benchmark in the industry. The investment in Moses Lake underlines our strong commitment to the State of Washington and to the United States,” said Andreas Wuellner, Managing Director SGL Automotive Carbon Fibers. “We are on the verge of a major renaissance and paradigm shift for the automotive industry. Now, a key piece of the Megacity Vehicle has a base in the USA!”

“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,” said Joerg Pohlman, Managing Director SGL Automotive Carbon Fibers. “Favorable infrastructure conditions, existing utilities, a skilled labor force and fast permitting processes were also important contributing decision factors.”

The carbon fibers manufactured in Moses Lake will be used exclusively for BMW Group’s demand, the first application being the upcoming Megacity Vehicle. In February of this year, BMW Group announced that this new vehicle for urban mobility – set to be launched in 2013 under a BMW sub-brand – will be assembled in Leipzig, Germany.

**About SGL Automotive Carbon Fibers**

SGL Automotive Carbon Fibers is a joint venture between the BMW Group and SGL Group for the manufacture of carbon fibers and fabrics for the automotive industry. The joint venture operates two sites, one in Moses Lake, Washington for carbon fiber production and one in Wackersdorf, Germany for carbon fiber fabric production. During the first phase of development, US$ 100 million will be invested and 80 jobs will be created in Moses Lake. Initiatlly, the carbon fibers manufactured in Moses Lake will be used for BMW Group’s Megacity Vehicle, which will be launched under a BMW sub-brand in 2013.

**SGL Group Corporate Communications North America**

Elizabeth Breyer

Phone +1 (704) 593 5165 / Fax +1 (704) 593 5244 / Cell +1 (704) 3 40 47 97

E-mail: elizabeth.breyer@sglcarbon.com / [www.sglgroup.com](http://www.sglgroup.com)

**BMW of North America, LLC**Jan Ehlen

Phone: +1 (201) 307-3789

E-mail: jan.ehlen@bmwna.com / [www.press.bmwgroup.com](http://www.press.bmwgroup.com)

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