



PRESS RELEASE

Brembo and SGL Group Join Forces in Carbon Ceramic Brake Discs

- Brembo and SGL Group sign a full-fledged joint venture in carbon ceramic brake discs for the passenger car and commercial vehicle markets
- The new company will be leader in the development of carbon ceramic brake systems as well as production and sale of carbon ceramic brake discs for the premium segment
- Significant synergies in technological development, operations and marketing
- Development of next generation carbon ceramic brake discs for larger scale automated production as medium-term target

Stezzano / Wiesbaden, May 28, 2009. Brembo S.p.A. – a world leader in high performance brake systems – and SGL Group – The Carbon Company – announced today the contract closing of a joint venture, in the area of carbon ceramic brake discs, with each parent company owning a 50% share in the new entity. For this purpose, the current subsidiaries Brembo Carbon Ceramic Brake Systems SpA and SGL Brakes GmbH will combine their activities. The joint venture operates under the name “Brembo SGL Carbon Ceramic Brakes” and will become operational effective June 1, 2009. The new headquarter will be in the Milan area. The merger of activities has already been approved by the relevant authorities.

The objective of the joint venture is to further develop carbon ceramic brake systems as well as to produce and market carbon ceramic brake discs, exclusively for the passenger car and commercial vehicle markets. The joint venture will also focus on the automated production of the next generation of carbon ceramic brake discs for the broader car market.

With approximately 350 employees at its sites in Meitingen (Germany) and Stezzano (Italy), the joint venture expects sales of approximately € 70 million in 2009. Brembo S.p.A. and SGL Group announced their intent in April to merge their respective carbon ceramic brake disc activities into a joint venture. The joint venture will be headed by two General Managers, Antonio Braiato from Brembo and Bruno Toniolo from SGL Group, who both have extensive management experience within each respective parent company.

The current customer base includes, among others, Aston Martin, Audi, Bentley, Bugatti, Daimler, Ferrari, General Motors, Lamborghini and Porsche.

The merger of activities and the formation of the joint venture involved the following steps: firstly, SGL Technologies GmbH subscribed € 30 million for new shares in Brembo Ceramic Brake Systems S.p.A., as part of a reserved capital increase, thus acquiring 50% of the company. The new joint venture, renamed Brembo SGL Carbon Ceramic Brakes S.p.A., then resolved to purchase for € 30 million all the shares in SGL Brakes GmbH, the SGL group company dedicated to the production of carbon ceramic discs.

A 5 year lock-up agreement has been agreed between the parts.

Robert Koehler, CEO of SGL Group, comments: “Brembo SGL Carbon Ceramic Brakes will be the worldwide benchmark in technology, design, development and production of carbon ceramic brake discs for sports and luxury cars. After intense efforts made in recent years, the carbon ceramic disc technology is now ready to be applied on a wider scale. Brembo is the ideal partner for SGL Group to bring this innovative product to the next level of industrialization and commercialization. The joint venture is in line with our Carbon Fibers & Composites growth strategy to cooperate in the downstream businesses with established industry partners to bundle know how and to better utilize the market potential by offering superior solutions to the customers.”

Alberto Bombassei, CEO of Brembo S.p.A., remarks: “I am especially proud to announce this joint venture, which will give a critical boost to the next generation of carbon ceramic brake discs. The combination of our expertise in top level brake systems and carbon ceramic disc application with SGL Group’s outstanding knowledge of the materials will allow this type of product to be applied in a broader market segment. “Brembo SGL Carbon Ceramic Brakes” marks a further step in Brembo’s development towards systems with even greater performance and lightweight that meet the changing requirements of the automotive world, including respect for the environment.”

Synergies in materials, processes and product development

The complementary skills of both companies will result in the release of synergies in areas such as materials, processes and product development. Brembo, a leader in the development and production of high performance brake systems for car and motorbike applications, has developed carbon and carbon ceramic materials for F1 and street applications, and will contribute its expertise in automated production as well as its brake system know-how. SGL Group has comprehensive experience in carbon fiber based materials and is the only European integrated supplier covering the entire value chain, ranging from precursor and carbon fiber production, to fabrics, preforms and prepregs, as well as composite components. The combined capabilities will enable Brembo SGL Carbon Ceramic Brakes to serve OEMs as their development partner, which will be a key success factor for carbon ceramic brake systems in the marketplace. Joint R&D investments will ensure the

efficient utilization of resources and lower development costs by avoiding duplicate work in similar areas.

Large scale production is medium-term objective

Carbon fiber reinforced ceramic materials have been used in aerospace applications since the 1990s. In 2001, the first cars were equipped with carbon ceramic brakes on a commercial basis, with Brembo Carbon Ceramic Brakes Systems and SGL Brakes establishing their current plants at this time. Both manufacturing facilities have sufficient production capacities to meet current market demand. Despite the present slow-down in the automotive mass market, the significant untapped growth potential for carbon ceramic brakes in the premium segment offers a potential triple digit million Euro market. However, current production technology is still characterized by several manual and semi-automated process steps. Efforts will therefore continue to develop and launch new products based on automated processes suitable for larger scale production. Ultimately, these developments aim to significantly reduce manufacturing costs to a level that justifies future investment in a new large scale production facility.

Carbon Ceramic Discs: Green performance

Compared to traditional cast iron discs, carbon ceramic discs offer significant weight reduction – up to 50% – and therefore lower fuel consumption. This product is more environmentally friendly, with lower CO₂ emissions, a longer life span, greater corrosion resistance, avoidance of fine particle dust and performance advantages, as well as a very high level of thermal stability (fading resistance).

About Brembo S.p.A.

Brembo S.p.A. is the world leader and acknowledged innovator of the brake disc technology for automotive vehicles. Brembo supplies high performance brake systems for the most important manufacturers of cars, commercial vehicles and motorbikes worldwide, as well as clutches, seats, seat belts and other components for racing only. Moreover, Brembo is also a leader in the racing sector and has won more than 200 championships. Today the company operates in 14 countries of 3 continents, with 33 production and business sites, and a pool of about 5.800 employees, 8% of whom are engineers and product specialists active in the R&D. 2008 turnover is € 1 billion. Brembo is the owner of the Brembo, Breco, Marchesini, Sabelt brands and operates through AP Racing brand.

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 40 production sites in Europe, North America and Asia as well as a service network covering more than 100 countries, SGL Group is a company with a global presence. In 2008, the Company's workforce of around 6,500 generated sales of €1.6 billion. The Company's head office is located in Wiesbaden/Germany.

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