

Report on the First Nine Months 2011

# MULTIFACETED FASCINATING STRONG

**Broad Base. Best Solutions.**



## > HIGHLIGHTS

- 9M/2011 sales revenue plus 12% YoY
- EBIT\* plus 23% resulting in ROS of 11%
- Net profit up 28%
- Strengthened balance sheet with equity ratio of 44% and gearing of 0.44
- Guidance 2011 confirmed:
  - Group sales to increase more than 10%
  - EBIT\* approximately €160 million

\* Before positive net impact of impairments recorded in Q2/2011

## FINANCIAL HIGHLIGHTS (unaudited)

€m	Nine Months		
	2011	2010	Change
Sales revenue	1,119.5	1,002.2	11.7%
Gross profit	310.5	265.5	16.9%
EBITDA	176.1	147.4	19.5%
Operating profit (EBIT) <sup>1)</sup>	124.4	101.5	22.6%
Operating profit (EBIT)	128.5	101.5	26.6%
Return on sales <sup>2)</sup>	11.1%	10.1%	–
Net profit attributable to equity holders	56.9	44.3	28.4%
Earnings per share, basic (in €)	0.86	0.68	26.5%

  

€m	Sept. 30, 2011		
	Sept. 30, 2011	Dec. 31, 2010	Change
Total assets	2,170.5	2,113.3	2.7%
Shareholders' equity	954.7	864.4	10.4%
Net financial debt	415.8	410.5	1.3%
Debt ratio (Gearing) <sup>3)</sup>	0.44	0.47	–
Equity ratio <sup>4)</sup>	44.0%	40.9%	–

<sup>1)</sup> Before reversal of impairment losses and impairment losses

<sup>2)</sup> Ratio of operating profit (before reversal of impairment losses and impairment losses) to sales revenue

<sup>3)</sup> Net financial debt divided by shareholders' equity

<sup>4)</sup> Shareholders' equity divided by total assets

## INTERIM GROUP MANAGEMENT REPORT (unaudited)

### ECONOMIC ENVIRONMENT

In its September World Economic Outlook, the International Monetary Fund (IMF) reports that the global economy is in a dangerous new phase. Global activity has weakened and become more uneven, confidence has recently fallen sharply, and downside risks are growing. The IMF revised its forecasts and is now projecting world growth to be about 4% in 2011 and also 4% in 2012. Relative to its April 2011 forecast, this represents a downward revision of 0.3% and 0.5%, respectively. The recovery is still expected to be very unbalanced. For 2011, the IMF expects a growth of 6.4% for emerging market countries, but only 1.6% for advanced economies.

### BUSINESS DEVELOPMENT

#### Condensed consolidated income statement (Part 1)

€m	Nine Months		
	2011	2010	Change
<b>Sales revenue</b>	<b>1,119.5</b>	<b>1,002.2</b>	<b>11.7%</b>
Gross profit	310.5	265.5	16.9%
Selling, administrative, research and other income/expense	–186.1	–164.0	–13.5%
<b>Profit from operations (EBIT) before reversal of impairment losses and impairment losses</b>	<b>124.4</b>	<b>101.5</b>	<b>22.6%</b>
Reversal of impairment losses and impairment losses	4.1	–	–
<b>Profit from operations (EBIT)</b>	<b>128.5</b>	<b>101.5</b>	<b>26.6%</b>

Group sales revenue increased by 12% to €1,119.5 million (9M/2010: €1,002.2 million) driven by the Business Areas Graphite Materials & Systems (GMS) and Performance Products (PP). Currency adjusted sales increased by 14%.

Gross profit continued to increase at a higher rate than sales, rising 17% to €310.5 million in the reporting period (9M/2010: €265.5 million) and resulting in a gross margin of 27.7% (9M/2010: 26.5%). This development was primarily driven by the very high fixed cost absorption in GMS as well as savings generated through our SGL Excellence initiative of approximately €17 million.

Selling, administrative, research and other income/expense increased by 14% to €186.1 million compared with the same period one year earlier (9M/2010: €164.0 million). Higher selling expenses – mainly due to transportation costs – are in line with the increase in sales revenue. Administrative costs increased by less than proportionate 11% despite higher expenses for management incentive programs. Costs for research and development went up by 13% and contain expenses in connection with the startup of our new carbon fiber pilot plant in Meitingen (Germany). In the reporting period, other operating income and expense benefited from positive foreign currency hedging effects. Last year benefited from a €4.8 million gain from a land sale in Ascoli (Italy).

EBIT (before impairment effects booked in Q2/2011) rose by 23% to €124.4 million (9M/2010: €101.5 million). Excluding the €4.8 million gain from the Ascoli land sale in 2010, the like-for-like EBIT increase reached 29%. This improvement was entirely due to the significant profit growth in the Business Area GMS.

In Q2/2011, SGL Group performed impairment tests for the Business Units Carbon Fibers & Composite Materials (CF/CM) and Rotor Blades (RB), both part of the Business Area CFC. The total positive net impairment effect was €4.1 million, and increased our reported EBIT to €128.5 million in the reporting period. For additional information, see “Segment Reporting CFC” and “Notes to the Condensed Consolidated Interim Financial Statements” within this Nine Months 2011 Report.

## SEGMENT REPORTING

### Performance Products (PP)

€m	Nine Months		
	2011	2010	Change
Sales revenue	601.7	545.2	10.4%
EBITDA	127.0	134.4	-5.5%
Profit from operations (EBIT)	100.0	110.5	-9.5%
Return on sales	16.6%	20.3%	-

Sales in the Business Area Performance Products increased by 10% to €601.7 million (9M/2010: €545.2 million) in the reporting period due to the continued improvement in graphite electrode volumes resulting from the global growth in electric steel production. As expected, cathode sales in the third quarter 2011 started

recovering slightly however at lower sales prices. The first half year 2011 still reflected the investment pause and destocking in the aluminum industry seen throughout 2010. Currency adjusted sales grew by 13%.

EBIT in the reporting period amounted to €100.0 million compared to €110.5 million in the comparable period of the previous year due primarily to lower graphite electrode prices. SGL Excellence savings amounted to approximately €7 million. Start up costs for the commissioning of the new Malaysian production facility continued to weigh on earnings in the period under review. Accordingly, return on sales at 16.6% (9M/2010: 20.3%) prevailed near the level seen already in the first half 2011.

Following initial announcements in February and May of this year, we published a further price increase for graphite electrodes on August 18, 2011 for all new orders. Since a large portion of our expected volumes for 2011 was already contracted before the announcements of higher prices, these will not have any meaningful impact on our results before 2012. These new prices reflect the dynamics for raw materials and energy, in particular the expected significant increase in petroleum needle coke prices. Despite increased macroeconomic risks, supply and demand balances for these inputs continue to trend towards a significant tightening of availability.

### Graphite Materials & Systems (GMS)

€m	Nine Months		
	2011	2010	Change
Sales revenue	351.4	287.2	22.4%
EBITDA	81.3	38.4	>100.0%
Profit from operations (EBIT)	68.1	25.5	>100.0%
Return on sales	19.4%	8.9%	-

Sales in the Business Area Graphite Materials & Systems in the reporting period increased by 22% to €351.4 million (9M/2010: €287.2 million). Currency adjusted sales grew by 23%. The strong sales growth was on one hand the result of excellent business conditions across most customer industries, in particular from solar, semiconductor and LED. On the other hand, it needs to be considered that sales and earnings particularly in the first quarter 2010 were still on a low level following the crisis year 2009.

EBIT in the period under review more than doubled to €68.1 million from €25.5 million in the comparable period of the previous year, leading to a record ROS of 19.4% (9M/2010: 8.9%). This development was the result of very high production and utilization levels leading to a corresponding fixed cost absorption following the strong order intake in the first half of this year. SGL Excellence savings of approximately €6 million also supported the earnings development in the period under review.

### Carbon Fibers & Composites (CFC)

#### Consolidated CFC business activities within SGL Group

€m	Nine Months		
	2011	2010	Change
Sales revenue	161.4	166.3	-2.9%
EBITDA	-0.1	1.0	-
Profit from operations (EBIT)*	-8.9	-6.1	-45.9%
Profit from operations/EBIT	-4.8	-6.1	21.3%
Return on sales*	-5.5%	-3.7%	-

\* Before reversal of impairment losses and impairment losses

In the reporting period, sales in the Business Area Carbon Fibers & Composites decreased by 3% to €161.4 million (9M/2010: €166.3 million). Currency adjusted sales were flat compared to the prior year period. Excluding the known difficult wind market situation affecting our rotor blade business (SGL Rotec), sales in CFC grew by 7%.

EBIT in the Business Area CFC (before impairments recorded in Q2/2011) amounted to minus €8.9 million compared to minus €6.1 million in the comparable period of the previous year and is mainly related to the adverse developments in the wind industry. SGL Excellence savings amounted to €4 million. Excluding SGL Rotec, the Business Area CFC generated a slightly positive EBIT. The ROS deteriorated to minus 5.5% from minus 3.7% in the comparable period of the previous year.

As already published in our First Half Year 2011 report, the significantly improved prospects for the Business Unit Carbon Fibers & Composite Materials compared to year-end 2010 required us to partially reverse the impairment losses on intangible assets and property, plant and equipment to the amount of €29.2 million in Q2/2011, as necessitated by IFRS rules. The impairment was originally recognized at the end of the business year 2009 in the amount of €74.0 million.

Also in Q2/2011, we had to recognize an impairment loss of €25.1 million on intangible assets, property plant and equipment within the Business Unit Rotor Blades due to the difficulties of our rotor blade customers and the still sluggish development of new investments into the wind energy sector.

The total net effect of these impairment considerations was positive €4.1 million. For additional information, see "Notes to the Condensed Consolidated Interim Financial Statements" within this Nine Months 2011 Report.

#### At-Equity accounted business activities of CFC

(aggregated results attributable to SGL Group reported under result from investments accounted for At-Equity)

€m	Nine Months		
	2011	2010	Change
Sales revenue*	120.6	99.4	21.3%

\* 100% values for companies

Main investments accounted for At-Equity are Brembo-SGL (Italy and Germany), Benteler-SGL (Germany and Austria), SGL Automotive Carbon Fibers (joint ventures with the BMW Group, Germany and US) and Powerblades (joint venture between REpower and SGL Rotec, Germany). The At-Equity accounted investments within the Business Area Carbon Fibers & Composites represented a total sales volume of €120.6 million in the reporting period (9M/2010: €99.4 million, 100% values for companies), representing an increase of 21% which is not included in our consolidated Group sales figure.

#### Brembo-SGL

The joint venture with Brembo established in May 2009 for the purpose of producing and developing carbon ceramic brake discs was able to record strong business volumes since the beginning of 2010. As a result, our plants in Stezzano (Italy) and Meitingen (Germany) continue to run with high capacity utilization.

### Benteler-SGL

In our joint venture with Benteler we continue to develop the usage of carbon fiber reinforced composites in the automotive industry. Several projects with OEMs in the automotive industry are making good progress and should reach commercialization within the next two years.

### SGL Automotive Carbon Fibers

The joint ventures with the BMW Group for the production of carbon fibers and fabrics for use in automobile manufacturing were established at the end of 2009. SGL Automotive Carbon Fibers started its activities in 2010 incurring initial start up costs. These start up expenses are expected to peak in 2011.

On September 1, 2011, SGL Automotive Carbon Fibers announced the opening of the new Moses Lake plant and the start of carbon fiber production for the BMW i3 and i8. The new facility is strategic for the manufacture of ultra light-weight carbon fiber reinforced plastics (CFRP) for use in the new BMW i vehicles.

The carbon fibers manufactured in Moses Lake will be processed into lightweight carbon fiber fabrics at the second joint venture site in Wackersdorf (Germany). The CFRP parts and components will then be made from these fabrics at the BMW plant in Landshut (Germany), and the i3 will be assembled at the BMW plant in Leipzig (Germany).

### Powerblades

The joint venture between SGL Rotec and REpower for production of rotor blades is negatively impacted by the generally difficult situation in the wind energy market in 2011.

### Central T&I and corporate costs

€m	Nine Months		
	2011	2010	Change
Other revenue	5.0	3.5	42.9%
Central T&I costs	-9.3	-8.8	-5.7%
Corporate costs	-25.5	-19.6	-30.1%

On a recurring basis, corporate cost rose only slightly to €25.5 million from €24.4 million (excluding the non-recurring gain from land sale of €4.8 million in 2010). This was primarily the result of additional sponsoring activities and a slight increase in employees within the Corporate Service Functions.

## BUSINESS DEVELOPMENT

### Condensed consolidated income statement (Part 2)

€m	Nine Months		
	2011	2010*	Change
<b>Profit from operations (EBIT)</b>	<b>128.5</b>	<b>101.5</b>	<b>26.6%</b>
Result from investments accounted for At-Equity	-17.4	-6.2	-180.6%
Net financing result	-39.4	-32.4	-21.6%
<b>Profit before tax</b>	<b>71.7</b>	<b>62.9</b>	<b>14.0%</b>
Income tax expense	-26.1	-21.3	-22.5%
Non-controlling interests	11.3	2.7	-
<b>Net profit after non-controlling interests</b>	<b>56.9</b>	<b>44.3</b>	<b>28.4%</b>
Earnings per share, basic (in €)	0.86	0.68	26.5%
Earnings per share, diluted (in €)	0.85	0.68	25.0%

\* Prior-period comparatives adjusted. Please refer to the notes to the interim financial statements

### Result from investments accounted for At-Equity

Main investments accounted for At-Equity refer to Brembo-SGL, Benteler-SGL, SGL Automotive Carbon Fibers, and Powerblades. In the reporting period, total result from At-Equity investments was negative €17.4 million, compared to negative €6.2 million in the same period one year earlier. The results in the reporting period include an impairment loss of €5.3 million recorded in Q2/2011 with respect to one joint venture relating to the wind energy business. In addition to this, the operational businesses of the investments accounted for At-Equity on one hand require scheduled high start up costs (e.g. for the SGL Automotive Carbon Fibers joint ventures with the BMW Group and for our joint venture with Benteler) and, on the other hand, are negatively impacted by the difficult situation in the wind industry. These more than offset the positive earnings developments at our more developed businesses such as the carbon ceramic brake disc joint venture with Brembo.

## Net financing result

€m	Nine Months		
	2011	2010*	Change
Interest income	2.3	1.6	43.8%
Interest expense	-13.3	-12.0	-10.8%
Imputed interest convertible bonds (non-cash)	-10.6	-10.3	-2.9%
Imputed interest finance lease (non-cash)	-0.9	-0.8	-12.5%
Interest expense on pensions	-12.4	-12.5	0.8%
<b>Interest expense, net</b>	<b>-34.9</b>	<b>-34.0</b>	<b>-2.6%</b>
Amortization of refinancing costs (non-cash)	-2.0	-1.9	-5.3%
Other financial income/expense	-2.5	3.5	-
<b>Other financing result</b>	<b>-4.5</b>	<b>1.6</b>	<b>-</b>
<b>Net financing result</b>	<b>-39.4</b>	<b>-32.4</b>	<b>-21.6%</b>

\* Prior-period comparatives adjusted. Please refer to the notes to the interim financial statements

Interest income benefited from the improved interest rates for term deposits but was offset by increased interest expenses due mainly to higher interest on other financial debt and on the corporate bond. Cash and imputed interest expense in Q3/2011 for the first time benefited from the partial early conversion of our 2009/2016 convertible bond on July 1, 2011.

The negative swing in the other financing result was caused by negative non-cash mark-to-market valuations of our interest rate hedges and negative currency valuation effects of our non-Euro denominated bank loans in the reporting period, while the prior year period was positively affected by currency valuation effects of non-Euro bank loans.

Accordingly, net financing result (excluding result from investments accounted for At-Equity) declined by 22% to minus €39.4 million (9M/2010: €32.4 million).

The partial early conversion of the 2009/2016 convertible bond of €47.5 million in July 2011 will decrease cash and imputed interest expense by €0.8 million in Q4/2011 and by approximately €3 million p.a. thereafter.

## Profit before and after taxes

The positive EBIT growth more than compensated for the negative developments in the result from investments accounted for At-Equity and in the net financing result described above. As a result, profit before taxes increased by 14% to €71.7 million (9M/2010: €62.9 million).

Income tax expense of €26.1 million in the reporting period (9M/2010: €21.3 million) included the correction of deferred tax assets as a consequence of the impairment carried out in the rotor blade business in Q2/2011. Also, certain losses of the At-Equity consolidated investments were not considered for tax purposes. Both effects increased the reported tax rate to 36.4% (9M/2010: 33.8%). Excluding such effects, the tax rate amounted to 27.2 % in the reporting period (adjusted 9M/2010: 31.9%). For the year as a whole, we continue to expect the reported tax rate to decline to between 30% and 35%.

Since our report on the First Half 2011, non-controlling interests include our partners' minority share in the results of the rotor blade results (incl. impairments) and the joint venture with Kümpers within the Business Unit CF/CM. The 100% share of the operating results is included in our consolidated Group EBIT. After minorities the net profit attributable to the shareholders of the parent company increased by 28%, reaching €56.9 million in the reporting period (9M/2010: €44.3 million). In prior periods we reported the minority share of the results under net financing costs. The comparative figure was adjusted accordingly. For additional information, see "Notes to the Condensed Consolidated Interim Financial Statements" within this Nine Months 2011 Report.

## Balance sheet structure

€m	Sept. 30, 2011	Dec. 31, 2010	Change
<b>ASSETS</b>			
Non-current assets	1,133.2	1,097.0	3.3%
Current assets	1,037.3	1,016.3	2.1%
<b>Total assets</b>	<b>2,170.5</b>	<b>2,113.3</b>	<b>2.7%</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	954.7	864.4	10.4%
Non-controlling interests	13.3	13.5	-1.5%
<b>Total equity</b>	<b>968.0</b>	<b>877.9</b>	<b>10.3%</b>
Non-current liabilities	913.6	928.7	-1.6%
Current liabilities	288.9	306.7	-5.8%
<b>Total equity and liabilities</b>	<b>2,170.5</b>	<b>2,113.3</b>	<b>2.7%</b>

The balance sheet as at September 30, 2011, remained virtually unchanged compared to December 31, 2010. An exception relates to the shareholders' equity, which increased mainly due to the net profit in the reporting period and the early partial conversion into equity of our 2009/2016 convertible bond. Current liabilities decreased by 6% mainly due to the successful extension in the maturity of local loans. The resulting increase in the non-current portion of interest bearing loans was more than offset by the above described partial conversion of the 2009/2016 convertible bond which decreased our gross financial debt.

### Working capital

€m	Sept. 30, 2011	Dec. 31, 2010	Change
Inventories	506.7	442.8	14.4%
Trade receivables	263.8	245.9	7.3%
Long-term receivables from construction contracts	66.8	51.0	31.0%
Trade payables	-135.7	-134.1	1.2%
<b>Working Capital</b>	<b>701.6</b>	<b>605.6</b>	<b>15.9%</b>

Working capital increased by 16%. The increase in inventories and receivables is related to the continued recovery and the further ramp-up in all our businesses. Excluding currency effects - mainly as a result of the weaker Polish Zloty - the operational increase in working capital amounted to 17%.

### Changes in equity

Shareholders' equity increased by 10% to €954.7 million as at September 30, 2011 (€864.4 million as at December 31, 2010) mainly due to the net profit of €56.9 million, the early conversion of the 2009/2016 convertible bond leading to increased equity of €42.2 million and capital increases of €22.0 million related to share-based payment plans, which in sum more than compensated for the negative currency translation effects of €24.8 million and negative mark-to-market valuations of cash flow hedges of €5.6 million. As total assets increased by only 3% compared to December 31, 2010, this led to an improved equity ratio of 44.0% compared to 40.9% at the end of 2010.

### Net financial debt

€m	Sept. 30, 2011	Dec. 31, 2010	Change
Current and non-current financial liabilities	608.6	642.4	-5.3%
Remaining imputed interest for the convertible bonds	29.2	44.9	-35.0%
Accrued refinancing cost	7.6	7.9	-3.8%
<b>Total financial debt</b>	<b>645.4</b>	<b>695.2</b>	<b>-7.2%</b>
Time deposits	80.0	200.0	-60.0%
Cash and cash equivalents	149.6	84.7	76.6%
<b>Total liquidity</b>	<b>229.6</b>	<b>284.7</b>	<b>-19.4%</b>
<b>Net financial debt</b>	<b>415.8</b>	<b>410.5</b>	<b>1.3%</b>

Total financial debt consists of our corporate bond, two convertible bonds, loans from local banks, imputed interest for the convertible bonds and accrued refinancing expenses. Financial debt is recorded in the balance sheet under the items "interest-bearing loans" and "current portion of interest-bearing loans".

Total liquidity comprises cash and cash equivalents as well as current time deposits with a maturity of less than 12 months from date of acquisition, as stated in the interim condensed consolidated balance sheet. For further details please refer to the interim consolidated cash flow statement within this report.

Net financial debt increased by only 1% to €415.8 million as of September 30, 2011, compared to €410.5 million as of December 31, 2010. Net financial debt increase resulting from the negative free cash flow of €48.8 million was almost entirely offset by the early partial conversion of the 2009/2016 convertible bond (reducing net financial debt by the nominal amount of €47.5 million) and by positive currency effects (€4.5 million).

## Free Cash Flow

€m	Nine Months	
	2011	2010
<b>Cash flows from operating activities</b>		
Profit before tax	71.7	62.9
Depreciation and amortization expense after reversal of impairments	47.7	45.8
Changes in working capital, net	-103.2	-73.2
Miscellaneous items	36.8	4.0
<b>Cash flow provided by operating activities</b>	<b>53.0</b>	<b>39.5</b>
<b>Cash flows from investing activities</b>		
Payments to purchase intangible assets and property, plant and equipment	-79.4	-75.2
Financial investments and other items	-22.4	-7.4
<b>Cash used for investing activities</b>	<b>-101.8</b>	<b>-82.6</b>
<i>Free Cash Flow</i> *	<i>-48.8</i>	<i>-43.1</i>

\* Defined as cash provided by operating activities less cash used in investing activities

We report Free Cash Flow as a supplemental liquidity measure, which is defined as cash provided by operating activities less investing activities (cash used for additions to intangible assets and property, plant and equipment and financial investments).

Cash flow provided by operating activities increased by 34% to €53.0 million in the reporting period compared to €39.5 million in the same period one year earlier. Increased working capital requirements were offset by higher add backs of non-cash items, mainly relating to losses from investments accounted for At-Equity, which were higher in the reporting period compared to the same period one year earlier.

Cash used for investing activities increased to €101.8 million in the reporting period, compared to €82.6 million in the same period one year earlier, mainly driven by higher other financing activities relating to payments for the remaining purchase price of the ASL Aircraft Services GmbH (ASL) acquisition as well as scheduled equity contributions into our At-Equity accounted joint ventures within CFC.

Overall, free cash flow slightly deteriorated to negative €48.8 million in the reporting period (9M/2010: negative €43.1 million) due to increased cash used in investing activities which more than offset the improvement in the cash inflow from operating activities.

## EMPLOYEES

As at September 30, 2011, SGL Group employed 6,434 people, 149 more than at the year end 2010. The number of employees in the Business Area Performance Products decreased slightly by 23 to 2,077. The Business Area Graphite Materials & Systems increased the number of employees by 131 and reached a total of 2,778 employees by end of September 2011. The Business Area Carbon Fibers & Composites raised its workforce moderately by 34 to 1,510 as of September 30, 2011. The headcount at the corporate office increased from 62 to 69 employees.

At the end of September 2011, SGL Group employed 2,533 people in Germany (plus 53 compared to year end 2010), 1,814 in the rest of Europe (plus 21 compared to year end 2010), 1,434 in North America (plus 25 compared to year end 2010), and 653 in Asia (plus 50 compared to year end 2010).

## OPPORTUNITIES AND RISKS

Regarding existing opportunities and risks we refer to the annual report for the financial year ended December 31, 2010 as well as to the Management Report of this interim report. For the period under review, SGL Group's risk situation did not change materially from year end 2010.

In our opinion and based upon information currently available, there are no material individual risks that could jeopardize the business as a going concern. Even if the individual risks are viewed on an aggregated basis, they do not threaten the going concern of SGL Group in the foreseeable future based upon present knowledge. Any potential impacts resulting from the current uncertain financial and macroeconomic public framework might adversely impact our businesses.

## OUTLOOK

### Business Area Performance Products

In the graphite electrode business our 2011 order book continues to translate into high capacity utilization also for the final quarter of 2011. As a result we expect shipments to again increase in the fourth quarter despite some order shifts into 2012 mainly for year end inventory management of our customers. As expected and already stated, cathode sales began to slightly recover in the third quarter and should continue this development in the final quarter of this year based on rising relining demand and initial new smelter projects. We therefore confirm that the second half 2011 will show better sales and earnings compared to the first half 2011. Despite rising macroeconomic headwinds, which we currently do not see reflected in our business, we continue to expect the ROS in the Business Area Performance Products to return to minimum 20% in the course of 2012.

### Business Area Graphite Materials & Systems

The first nine months 2011 showed an exceptionally strong performance with an ROS of 19.4% following record production levels leading to optimized fixed cost absorption. Given rising macroeconomic risks and initial signs of a weakening order intake development, we plan to adjust production to optimize inventory levels, which will have an adverse effect on EBIT and ROS in the fourth quarter of this year.

Nevertheless, thanks to the stellar performance in the first nine months of this year, GMS will show record sales, EBIT and ROS in the full year 2011, surpassing the previous highs of 2008 (FY 2008 sales: €412 million; EBIT: €58 million; ROS: 14%).

Despite reduced activities in some customer industries, we expect GMS to continue the strong performance, albeit not at the 2011 record levels.

### Business Area Carbon Fibers & Composites

Due to the continued weakness of the wind industry and ongoing delays in the funding of new wind farm projects we now expect only single digit sales growth for the full year 2011, driven mainly by improved sales in the materials business CF/CM and the aerospace components business HITCO. Accordingly, the full year EBIT loss is now expected to be slightly higher at approximately €10 million. This compares to our last forecast of double digit sales growth and a single digit EBIT loss.

For the At-Equity accounted CFC activities, we expect strong double digit sales growth in 2011, a trend which we expect to continue in 2012.

For the combined consolidated and At-Equity accounted CFC activities, we anticipate double digit sales growth in 2012 due to the positive development of new applications.

EBIT for the consolidated CFC activities is expected to turn positive in 2012.

### Group

Due to the better than expected development in the Business Area GMS and despite the disappointing performance of the business related to the wind industry within the Business Area CFC, we confirm our guidance for sales growth of more than 10% in the full year 2011.

Furthermore, we confirm our EBIT (before net positive impact of impairments) guidance of approximately €160 million for the full year 2011, resulting in a Group ROS of between 10% and 11%.

Despite increased macroeconomic risks, which so far have had only a limited impact on our business, we aim to achieve our Group mid term ROS target of minimum 12% in the course of 2012.

The gearing target of approximately 0.5 remains our top priority. It will continue to be the governing indicator defining our investment program. The largest projects in this investment program are scheduled to be completed over the next two years. Accordingly we forecast capital expenditure in plant, property and equipment and intangible assets to be up to €150 million p.a. in 2011 and 2012 while being largely funded from operational cash flow. We anticipate free cash flow to be up to minus €50 million in 2011. With the capital expenditure forecasted to decline after 2012, we seek to be free cash flow positive again from 2013 on.

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Wiesbaden, November 3, 2011

SGL Carbon SE  
The Board of Management

## Interim condensed consolidated income statement

€m	3rd Quarter			Nine Months		
	2011	2010*	Change	2011	2010*	Change
<b>Sales revenue</b>	<b>394.5</b>	<b>357.6</b>	<b>10.3%</b>	<b>1,119.5</b>	<b>1,002.2</b>	<b>11.7%</b>
Cost of sales	-283.7	-257.4	-10.2%	-809.0	-736.7	-9.8%
<b>Gross profit</b>	<b>110.8</b>	<b>100.2</b>	<b>10.6%</b>	<b>310.5</b>	<b>265.5</b>	<b>16.9%</b>
Selling, administrative, research and other income/expense	-62.6	-63.7	1.7%	-186.1	-164.0	-13.5%
Reversal of impairment losses and impairment losses	-	-	-	4.1	-	-
<b>Profit from operations (EBIT)</b>	<b>48.2</b>	<b>36.5</b>	<b>32.1%</b>	<b>128.5</b>	<b>101.5</b>	<b>26.6%</b>
Result from investments accounted for At-Equity	-2.7	-1.8	-50.0%	-17.4	-6.2	-
Interest income	0.5	0.6	-16.7%	2.3	1.6	43.8%
Interest expense	-12.7	-12.4	-2.4%	-37.2	-35.6	-4.5%
Other financing result	-2.3	0.0	-	-4.5	1.6	-
<b>Profit before tax</b>	<b>31.0</b>	<b>22.9</b>	<b>35.4%</b>	<b>71.7</b>	<b>62.9</b>	<b>14.0%</b>
Income tax expense	-9.5	-7.3	-30.1%	-26.1	-21.3	-22.5%
<b>Net profit for the period</b>	<b>21.5</b>	<b>15.6</b>	<b>37.8%</b>	<b>45.6</b>	<b>41.6</b>	<b>9.6%</b>
thereof:						
Non-controlling interests	-0.4	1.6	-	-11.3	-2.7	-
Shareholders of the parent company	21.9	17.2	27.3%	56.9	44.3	28.4%
Earnings per share, basic (in €)	0.33	0.27	22.2%	0.86	0.68	26.5%
Earnings per share, diluted (in €)	0.32	0.27	18.5%	0.85	0.68	25.0%

\* Prior-period comparatives adjusted. Please refer to the notes to the interim financial statements

## Interim consolidated statement of comprehensive income

€m	3rd Quarter		Nine Months	
	2011	2010*	2011	2010*
<b>Net profit for the period</b>	<b>21.5</b>	<b>15.6</b>	<b>45.6</b>	<b>41.6</b>
Cash flow hedges	-6.8	6.1	-5.6	9.6
Currency translation	2.8	-26.7	-24.8	31.7
<b>Other comprehensive income</b>	<b>-4.0</b>	<b>-20.6</b>	<b>-30.4</b>	<b>41.3</b>
<b>Comprehensive income</b>	<b>17.5</b>	<b>-5.0</b>	<b>15.2</b>	<b>82.9</b>
of which attributable to the shareholders of the parent company	17.4	-3.3	26.3	85.0
of which attributable to non-controlling interests	0.1	-1.7	-11.1	-2.1

\* Prior-period comparatives adjusted. Please refer to the notes to the interim financial statements

## Interim condensed consolidated balance sheet

ASSETS €m	Sept. 30, 2011	Dec. 31, 2010	Change
<b>Non-current assets</b>			
Intangible assets	144.2	149.8	-3.7%
Property, plant and equipment	797.6	761.0	4.8%
Other non-current assets	135.2	127.9	5.7%
Deferred tax assets	56.2	58.3	-3.6%
	<b>1,133.2</b>	<b>1,097.0</b>	<b>3.3%</b>
<b>Current assets</b>			
Inventories	506.7	442.8	14.4%
Trade receivables	263.8	245.9	7.3%
Other receivables and other current assets	36.6	36.9	-0.8%
Liquidity	229.6	284.7	-19.4%
<i>Time deposits</i>	<i>80.0</i>	<i>200.0</i>	<i>-60.0%</i>
<i>Cash and cash equivalents</i>	<i>149.6</i>	<i>84.7</i>	<i>76.6%</i>
	<b>1,036.7</b>	<b>1,010.3</b>	<b>2.6%</b>
<b>Assets held for sale</b>	<b>0.6</b>	<b>6.0</b>	<b>-</b>
<b>Total assets</b>	<b>2,170.5</b>	<b>2,113.3</b>	<b>2.7%</b>

EQUITY AND LIABILITIES €m	Sept. 30, 2011	Dec. 31, 2010	Change
<b>Shareholders' equity</b>	954.7	864.4	10.4%
Non-controlling interests	13.3	13.5	-1.5%
<b>Total equity</b>	<b>968.0</b>	<b>877.9</b>	<b>10.3%</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	598.0	614.1	-2.6%
Provisions for pensions and other employee benefits	250.7	247.7	1.2%
Deferred tax liabilities	11.3	7.7	46.8%
Other non current liabilities and provisions	53.6	59.2	-9.5%
	<b>913.6</b>	<b>928.7</b>	<b>-1.6%</b>
<b>Current liabilities</b>			
Current portion of interest-bearing notes	10.6	28.3	-62.5%
Other provisions	83.2	78.7	5.7%
Trade payables	135.7	134.1	1.2%
Other current liabilities and income tax liabilities	59.4	65.6	-9.5%
	<b>288.9</b>	<b>306.7</b>	<b>-5.8%</b>
<b>Total equity and liabilities</b>	<b>2,170.5</b>	<b>2,113.3</b>	<b>2.7%</b>

## Interim consolidated cash flow statement

€m	Nine Months	
	2011	2010*
Profit before tax	71.7	62.9
Add back of net interest expenses	34.9	33.2
(Gain)/Loss on disposal of property, plant and equipment	-0.3	-4.2
Depreciation and amortization expense	51.8	45.8
Impairments, net of reversals	-4.1	0.0
Amortization of refinancing costs	2.0	1.9
Income taxes paid	-11.8	-11.4
Interest received	2.6	1.0
Interest paid	-14.2	-11.6
Changes in provisions, net	-7.4	-1.0
Changes in working capital, net	-103.2	-73.2
Changes in other operating assets and other liabilities	31.0	-3.9
<b>Cash flow provided by operating activities</b>	<b>53.0</b>	<b>39.5</b>
Payments to purchase intangible assets and property, plant and equipment	-79.4	-75.2
Payments for investments accounted for Af-Equity	-12.8	-14.0
Other investing activities	-9.6	6.6
<b>Cash used for investing activities</b>	<b>-101.8</b>	<b>-82.6</b>
<i>Free Cash Flow<sup>1)</sup></i>	<i>-48.8</i>	<i>-43.1</i>
Change in time deposits	120.0	-170.0
<b>Cash provided by/used for investing and cash management activities</b>	<b>18.2</b>	<b>-252.6</b>
Proceeds from corporate debt	4.8	13.5
Repayment of corporate debt	-2.6	-0.1
Changes in ownership interest in a subsidiary	-7.2	0.0
Payments in connection with the new refinancing	-2.1	0.0
Other	0.5	-0.1
<b>Cash used for/provided by financing activities</b>	<b>-6.6</b>	<b>13.3</b>
Effect of foreign exchange rate changes	0.3	2.1
<b>Net change in cash and cash equivalents</b>	<b>64.9</b>	<b>-197.7</b>
Cash and cash equivalents at beginning of period	84.7	302.3
<b>Cash and cash equivalents at end of period</b>	<b>149.6</b>	<b>104.6</b>
Time deposits	80.0	170.0
<b>Total liquidity</b>	<b>229.6</b>	<b>274.6</b>
Net decrease in total liquidity	-55.1	-27.7

\* Prior-period comparatives adjusted. Please refer to the notes to the interim financial statements

<sup>1)</sup> Defined as cash provided by operating activities less cash used in investing activities (before cash management activities)

## Interim condensed consolidated statement of changes in equity

€m	Nine Months 2011		
	Share-holders' equity	Non-controlling interests	Total equity
<b>Balance at January 1</b>	<b>864.4</b>	<b>13.5</b>	<b>877.9</b>
<b>Conversion of convertible bond</b>	<b>42.2</b>	<b>-</b>	<b>42.2</b>
<b>Capital increase from share-based payment plans</b>	<b>22.0</b>	<b>-</b>	<b>22.0</b>
Net profit/loss	56.9	-11.3	45.6
Other comprehensive income	-30.6	0.2	-30.4
<b>Total comprehensive income</b>	<b>26.3</b>	<b>-11.1</b>	<b>15.2</b>
Other changes in equity	-0.2	10.9	10.7
<b>Balance at Sept. 30</b>	<b>954.7</b>	<b>13.3</b>	<b>968.0</b>

€m	Nine Months 2010		
	Share-holders' equity	Non-controlling interests	Total equity*
<b>Balance at January 1</b>	<b>749.4</b>	<b>4.7</b>	<b>754.1</b>
<b>Capital increase from share-based payment plans</b>	<b>15.0</b>	<b>0.0</b>	<b>15.0</b>
Net profit/loss	44.3	-2.7	41.6
Other comprehensive income	40.7	0.6	41.3
<b>Total comprehensive income</b>	<b>85.0</b>	<b>-2.1</b>	<b>82.9</b>
Other changes in equity	0.0	2.5	2.5
<b>Balance at Sept. 30</b>	<b>849.4</b>	<b>5.1</b>	<b>854.5</b>

\* Prior-period comparatives adjusted. Please refer to the notes to the interim financial statements

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Description of business

SGL Carbon SE, located at Rheingaustrasse 182, Wiesbaden (Germany), together with its subsidiaries ("SGL Group") is a global manufacturer of carbon and graphite products.

### Basis of preparation and accounting policies

The consolidated financial statements of SGL Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board, as adopted by the European Union (EU). The interim financial reporting for the nine months period ended September 30, 2011 has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. In accordance with IAS 34 regulations, a condensed report was chosen compared with the consolidated financial statements as at December 31, 2010.

The interim consolidated financial statements should be read in conjunction with SGL Group's annual IFRS consolidated financial statements as of December 31, 2010. In the opinion of management, these interim financial statements contain all of the information that is required for a fair presentation of the results of operations and the financial position of the Group. With exception of the changes to the accounting policy described below, the accounting policies and consolidation methods used are consistent with those used in the 2010 annual financial statements. The accounting standards applied for the first time in the 2011 financial year, such as IAS 24R "Related Party Disclosures", do not have any material effect on the presentation of the financial position and financial performance of SGL Group.

The consolidated interim financial statements were authorized for publication in accordance with a resolution of the Board of Management on November 3, 2011. These consolidated interim financial statements were not reviewed by our auditors.

### Changes to accounting policies

SGL Group has amended its accounting policy regarding the non-controlling shareholders in partnerships. Under the accounting policy applied previously, the share of net result attributable to the non-controlling interest was reported under net financing result in the consolidated financial statements. Under the new method, the non-controlling interests in the profit or loss of the consolidated partnerships are presented on the face of the income statement as allocation of profit or loss attributable to non-controlling interest. The corresponding amount initially recorded in the consolidated balance sheet within equity is reclassified as financial liability at each reporting date. This change had no effect on prior years' balance sheet.

SGL Group believes that under the new approach the presentation of the non-controlling interest in the profit or loss in the consolidated partnership provides more relevant information, because this approach is consistent with the treatment of non-controlling interests in subsidiaries other than partnerships.

SGL Group has adjusted comparative figures for the all periods presented as if the new accounting policy had always been applied. Financial result for Q1/2010, H1/2010, 9M/2010 and Q1/2011 decreased by €0.9 million, €0.9 million, €2.7 million and €0.9 million, respectively. The change in accounting policy is voluntary.

### Acquisitions

Effective January 1, 2011, SGL Group acquired a controlling interest of 100% in ASL Aircraft Services GmbH (ASL) via a 51% shareholding in SGL/A&R Immobiliengesellschaft Lemwerder mbH in a share deal transaction. As the acquired assets did not constitute a business as per IFRS 3, the acquisition was treated as an asset acquisition according to IAS 16. ASL assets consist primarily of an investment in a real estate company, which lets several of its buildings in Lemwerder (Germany) to the Group company SGL Rotec. The rationale for this acquisition was to utilize additional halls and buildings to support the planned expansion of business activities at the Lemwerder site.

### Impairment of Assets and Impairment Test

In response to the significantly improved expectations for the Business Unit Carbon Fibers & Composite Materials (CF/CM) of the Business Area CFC compared to year-end 2010, SGL Group verified whether the causes for impairment losses totaling €74.0 million recognized in 2009 of intangible assets (excluding Goodwill) and property, plant & equipment no longer exist and a partial or full reversal of these impairment losses is necessary. The impairment test performed for this reason showed a material excess of the recoverable amount over the carrying amount of the assets of this business unit and thus a partial reversal of the impairment loss was required and recognized in the amount of €29.2 million in Q2/2011. The amount was allocated as follows: €2.9 million to buildings and €26.3 million to plant & machinery. The recoverable amount for the CF/CM Business Unit was calculated on the basis of fair value less cost to sell, using a terminal value growth rate of 2.0% and a discount rate of 13.0% before taxes.

Due to the problems of our rotor blade customer base and the still sluggish development of new investments into the wind energy sector, SGL Group carried out an impairment test of long-term assets (excluding Goodwill) as of June 30, 2011 for the Business Unit Rotor Blades of the Business Area CFC. The impairment test required the recognition of an impairment loss totaling €25.1 million in Q2/2011. The amount was allocated as follows: €5.8 million to intangibles, €15.2 million to buildings, €3.1 million to plant & machinery and other assets of €1.0 million. The recoverable amount for the RB Business Unit was calculated on the basis of fair value less cost to sell, using a terminal value growth rate of 2.0% and a discount rate of 13.7% before taxes.

### Seasonality of operations

Our sales revenue from graphite electrodes fluctuates from quarter to quarter due to factors related to our customers' businesses, such as customer inventory levels, scheduled customer plant shutdowns and vacations, and changes in customer production schedules in response to seasonal changes in customer energy costs, strikes and work stoppages by our customers' employees. In addition, customers may change their order patterns in response to price changes. During the period prior to the effective date of a price increase, customers tend to buy additional quantities of graphite electrodes at the then lower price, which adds to our sales revenue during that period. During the period following the effective date of a price increase, customers tend to use those additional quantities before placing further orders, which reduces our sales revenue during that period. Similarly, customers tend to use up their inventories and delay purchases when they expect price reductions.

In GMS and CFC customer order patterns follow mainly the overall global trends (i.e. for lightweight materials) and depend on availability in connection with pricing of such materials. The overall economic environment normally is an indicator for any developments in our customers' demand.

Demand also might be impacted by any changes of governmental regulations (i.e. subsidy policies).

### Other information

Issued capital rose to €173.8 million as at September 30, 2011 (December 31, 2010: €167.9 million) and is divided into 67,977,535 no-par value ordinary bearer shares at €2.56 per share. Issued capital was increased by €4.1 million from the early partial conversion of the convertible bond, representing 1.616.195 shares. During the first nine months 2011, a total of 351,237 new shares were issued and granted to employees under the employee bonus plan and under the Matching Share Plan. Exercise of stock options from the existing stock option plan and SARs from the stock appreciation rights plan resulted to the creation of 53.650 and 292.443 shares, respectively. As at September 30, 2011, SGL Carbon SE holds a total of 86,099 of own shares. On January 14, 2011, a total of 820,953 new SARs were granted from the SAR Plan approved by the 2009 Annual General Meeting with a strike price of €27.06. In March 2011, members of the Board of Management and the top three management tiers purchased a total of 104,624 shares for the Matching Share Plan at a price of €34.63.

As at September 30, 2011, there are 3,020,181 SARs, 201,083 matching shares and 110,600 stock options outstanding. In March 2011, a total of 263,449 shares on the basis of a capital increase from authorized capital were used to support the employee bonus plan to service the entitlements of the participating employees in Germany and 87,788 shares for the participants of the Matching Share Plan.

Based on an average number of 66.5 million shares, basic earnings per share increased to €0.86 (9M/2010: €0.68). To calculate diluted earnings per share, the shares that may potentially be issued under the stock option and stock appreciation rights plans are also taken into account. This increases the average number of shares used for the first nine months 2011 calculation to 67.5 million. Accordingly, diluted earnings per share amount to €0.85 (9M/2010: €0.68).

With the exception of the changes in expectations for the Business Units CF/CM and RB in Q2/2011, there were no major events or changes to estimates during the first nine months 2011 from the 2010 financial year. Contingent liabilities and contingent assets did not change materially compared to the last annual closing date. SGL Group did not pay a dividend during the reporting period.

### Sales revenue and operating profit by segment

€m	Nine Months		
	2011	2010	Change
<b>Sales revenue</b>			
Performance Products	601.7	545.2	10.4%
Graphite Materials & Systems	351.4	287.2	22.4%
Carbon Fibers & Composites	161.4	166.3	-2.9%
Other	5.0	3.5	42.9%
	<b>1,119.5</b>	<b>1,002.2</b>	<b>11.7%</b>
€m	Nine Months		
	2011	2010	Change
<b>Profit (loss) from operations (EBIT)*</b>			
Performance Products	100.0	110.5	-9.5%
Graphite Materials & Systems	68.1	25.5	>100.0%
Carbon Fibers & Composites*	-8.9	-6.1	-45.9%
Central T&I Costs	-9.3	-8.8	-5.7%
Corporate costs	-25.5	-19.6	-30.1%
	<b>124.4</b>	<b>101.5</b>	<b>22.6%</b>

\* Before reversal of impairment losses and impairment losses

## Events after the balance sheet date

None.

Wiesbaden, November 3, 2011

SGL Carbon SE  
The Board of Management

## Quarterly sales revenue and operating profit by segment

Sales revenue €m	2010					2011			
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q1-Q3
Performance Products	170.0	177.6	197.6	217.4	762.6	197.9	190.2	213.6	601.7
Graphite Materials & Systems	83.5	100.4	103.3	108.7	395.9	114.6	111.4	125.4	351.4
Carbon Fibers & Composites	49.5	61.4	55.4	52.2	218.5	50.0	57.9	53.5	161.4
Other	0.6	1.6	1.3	1.3	4.8	1.3	1.7	2.0	5.0
	<b>303.6</b>	<b>341.0</b>	<b>357.6</b>	<b>379.6</b>	<b>1,381.8</b>	<b>363.8</b>	<b>361.2</b>	<b>394.5</b>	<b>1,119.5</b>

Profit (loss) from operations (EBIT)* €m	2010					2011			
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q1-Q3
Performance Products	34.2	37.8	38.5	33.6	144.1	30.5	32.1	37.4	100.0
Graphite Materials & Systems	5.2	8.5	11.8	11.4	36.9	19.3	20.6	28.2	68.1
Carbon Fibers & Composites*	-3.8	-1.4	-0.9	-0.5	-6.6	-2.1	-2.1	-4.7	-8.9
Central T&I costs	-2.6	-2.7	-3.5	-3.8	-12.6	-3.2	-2.6	-3.5	-9.3
Corporate costs	-7.0	-3.2	-9.4	-13.8	-33.4	-8.2	-8.1	-9.2	-25.5
	<b>26.0</b>	<b>39.0</b>	<b>36.5</b>	<b>26.9</b>	<b>128.4</b>	<b>36.3</b>	<b>39.9</b>	<b>48.2</b>	<b>124.4</b>

\* Before reversal of impairment losses and impairment losses of net €4.1 million, recognized in Q2/2011

## Quarterly consolidated return on sales

ROS* in %	2010					2011			
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q1-Q3
Performance Products	20.1	21.3	19.5	15.5	18.9	15.4	16.9	17.5	16.6
Graphite Materials & Systems	6.2	8.5	11.4	10.5	9.3	16.8	18.5	22.5	19.4
Carbon Fibers & Composites*	-7.7	-2.3	-1.6	-1.0	-3.0	-4.2	-3.6	-8.8	-5.5
<b>SGL Group</b>	<b>8.6</b>	<b>11.4</b>	<b>10.2</b>	<b>7.1</b>	<b>9.3</b>	<b>10.0</b>	<b>11.0</b>	<b>12.2</b>	<b>11.1</b>

\* Before reversal of impairment losses and impairment losses of net €4.1 million, recognized in Q2/2011

## Quarterly consolidated income statement

€m	2010					2011			
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q1-Q3
Sales revenue	303.6	341.0	357.6	379.6	1,381.8	363.8	361.2	394.5	1,119.5
Cost of sales	-225.9	-253.4	-257.4	-275.5	-1,012.2	-265.3	-260.0	-283.7	-809.0
<b>Gross profit</b>	<b>77.7</b>	<b>87.6</b>	<b>100.2</b>	<b>104.1</b>	<b>369.6</b>	<b>98.5</b>	<b>101.2</b>	<b>110.8</b>	<b>310.5</b>
Selling/administration/research/other	-51.7	-48.6	-63.7	-77.2	-241.2	-62.2	-61.3	-62.6	-186.1
<b>Profit from operations (EBIT)<sup>1)</sup></b>	<b>26.0</b>	<b>39.0</b>	<b>36.5</b>	<b>26.9</b>	<b>128.4</b>	<b>36.3</b>	<b>39.9</b>	<b>48.2</b>	<b>124.4</b>
Reversal of impairment losses and impairment losses	-	-	-	-	-	-	4.1	-	4.1
<b>Profit from operations (EBIT)</b>	<b>26.0</b>	<b>39.0</b>	<b>36.5</b>	<b>26.9</b>	<b>128.4</b>	<b>36.3</b>	<b>44.0</b>	<b>48.2</b>	<b>128.5</b>
Result from investments accounted for At-Equity	-2.2	-2.2	-1.8	-5.7	-11.9	-3.6	-11.1	-2.7	-17.4
Net financing result	-10.0	-10.6	-11.8	-10.9	-43.3	-11.8	-13.1	-14.5	-39.4
<b>Profit before tax</b>	<b>13.8</b>	<b>26.2</b>	<b>22.9</b>	<b>10.3</b>	<b>73.2</b>	<b>20.9</b>	<b>19.8</b>	<b>31.0</b>	<b>71.7</b>
Income tax expense	-5.6	-8.4	-7.3	-1.7	-23.0	-6.7	-9.9	-9.5	-26.1
Non-controlling interests	1.1	0.0	1.6	-0.7	2.0	0.7	10.2	0.4	11.3
<b>Net profit<sup>2)</sup></b>	<b>9.3</b>	<b>17.8</b>	<b>17.2</b>	<b>7.9</b>	<b>52.2</b>	<b>14.9</b>	<b>20.1</b>	<b>21.9</b>	<b>56.9</b>

<sup>1)</sup> Before reversal of impairment losses and impairment losses

<sup>2)</sup> Attributable to shareholders of the parent company

## FINANCIAL CALENDAR 2012

### > MARCH 22, 2012

Publication of the 2011 Annual Report;  
Annual press conference

### MAY 3, 2012

Report on the first quarter 2012;  
Conference call for analysts and investors

### MAY 10, 2012

Annual General Meeting

### AUGUST 9, 2012

Report on the first half year 2012;  
Conference call for analysts and investors

### NOVEMBER 8, 2012

Report on the first nine months 2012;  
Conference call for analysts and investors

#### Important note

This interim report contains forward-looking statements based on the information currently available to us and on our current projections and assumptions. By nature, forward-looking statements are associated with known and unknown risks and uncertainties, as a consequence of which actual developments and results can deviate significantly from the assessment published in our interim report. Forward-looking statements are not to be understood as guarantees. Rather, future developments and results depend on a number of factors; they entail various risks and unanticipated circumstances and are based on assumptions which may prove to be inaccurate. These risks and uncertainties include, for example, unforeseeable changes in political, economic, legal, and business conditions, particularly relating to our main customer industries, such as electric steel production, to the competitive environment, to interest rate and exchange rate fluctuations, to technological developments, and to other risks and unanticipated circumstances. Other risks that in our opinion may arise include price developments, unexpected developments associated with acquisitions and subsidiaries, and unforeseen risks associated with ongoing cost savings programs. SGL Group assumes no responsibility in this regard and does not intend to adjust or otherwise update these forward-looking statements.

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