



SGL CARBON GROUP

Year-End Results 2002
Frankfurt, March 13, 2003

2002: Year of Restructuring

- **Successful restructuring of CG/GS**
 - Ahead of time schedule
 - Higher cost savings in comparison to plan
- **Additional cost savings successfully implemented**
- **Financial targets 2002 overachieved**
- **Uncertainties removed regarding:**
 - Antitrust
 - Refinancing

Initial Cost Savings of Restructuring Plan CG/GS exceeded (2001 base)

Cost Savings (in € million)	Plan ⁽¹⁾	Actual/Forecast
2002	22	30
2003	10	19
2004		7
Total	32	56

(1) Announced in December 2001

Additional Cost Savings of €36 Million Result in Overall €66 Million in 2002

in € million

Savings out of CG/GS restructuring program **30**

Additional cost savings vs. 2001

- Carbon and Graphite 13
 - Graphite Specialties 6
 - Corrosion Protection 6
 - SGL Technologies 11
-

36

Cost savings in total for 2002

66

Headcount Reduction Nearly Doubled over Original Cost Savings Plan in 2002

	Dec. 31, 2001	Dec. 31, 2002	Change
CG	3,523	3,041	-482
GS	1,682	1,476	-206
CP	2,230	2,034	-196
SGL T	705	757	+52
Corporate	57	52	-5
	8,197	7,360	-837

Focus on Cash Flow and Liquidity

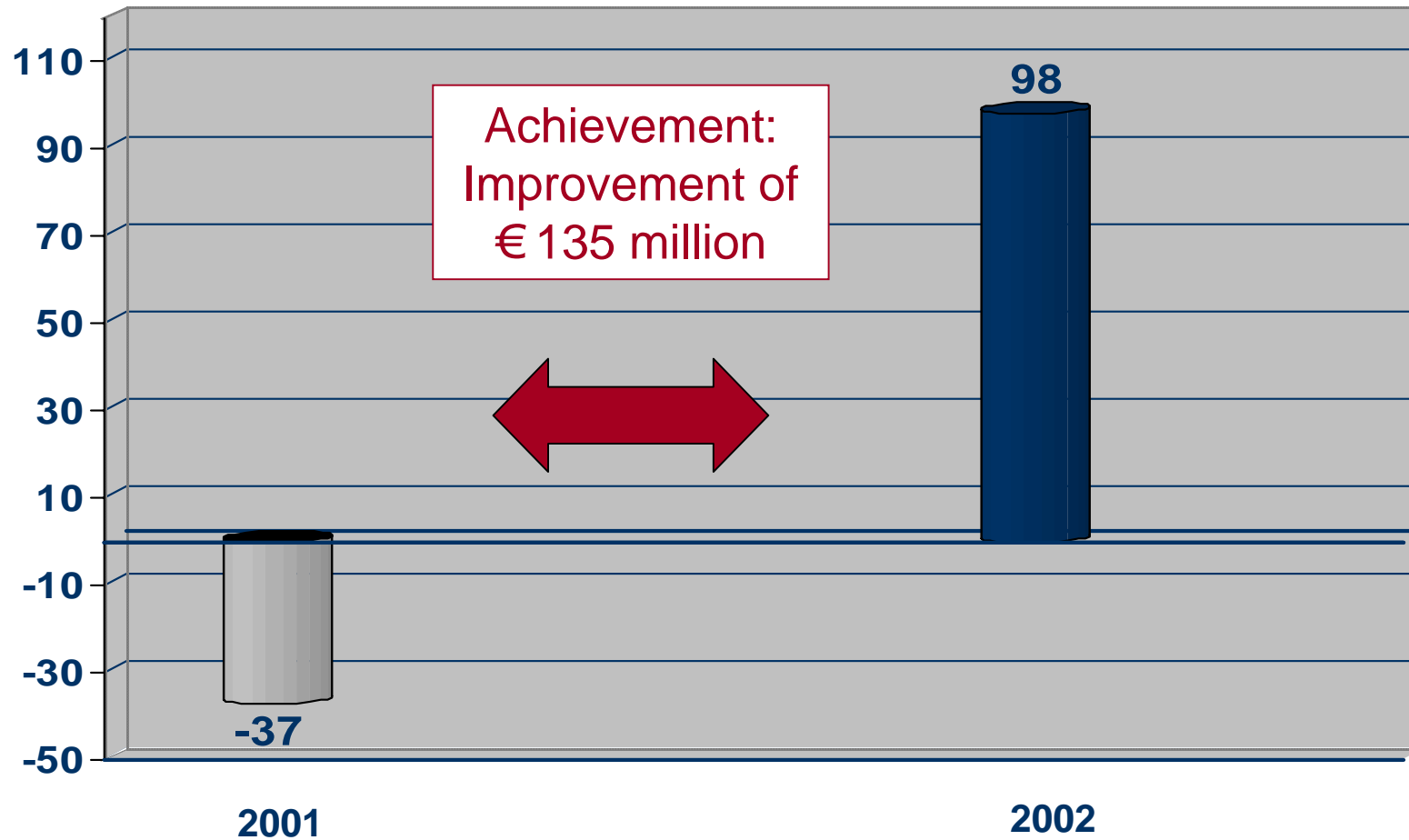
Financial targets 2002:

- Positive free cash flow, improvements by approx. € 60 million
- Reduce net debt to \leq € 500 million
- Reduce working capital at least 5%
- Reduce capex to € 55 million
(Capex € 35 million below depreciation and amortization)

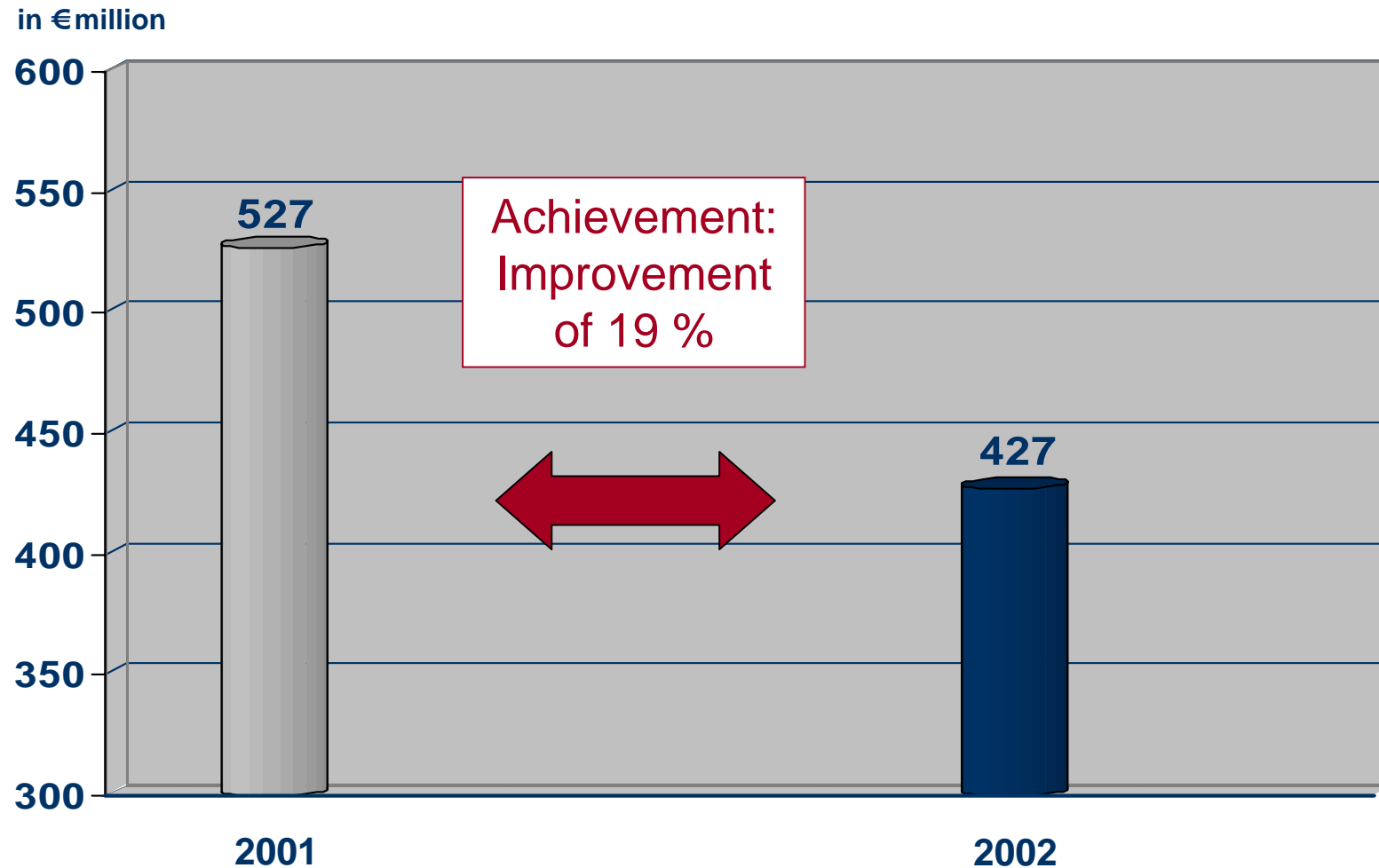
 **Financial targets 2002 overachieved**

Target 2002: Positive Free Cash Flow, Improvement by approx. €60 Million

in €million

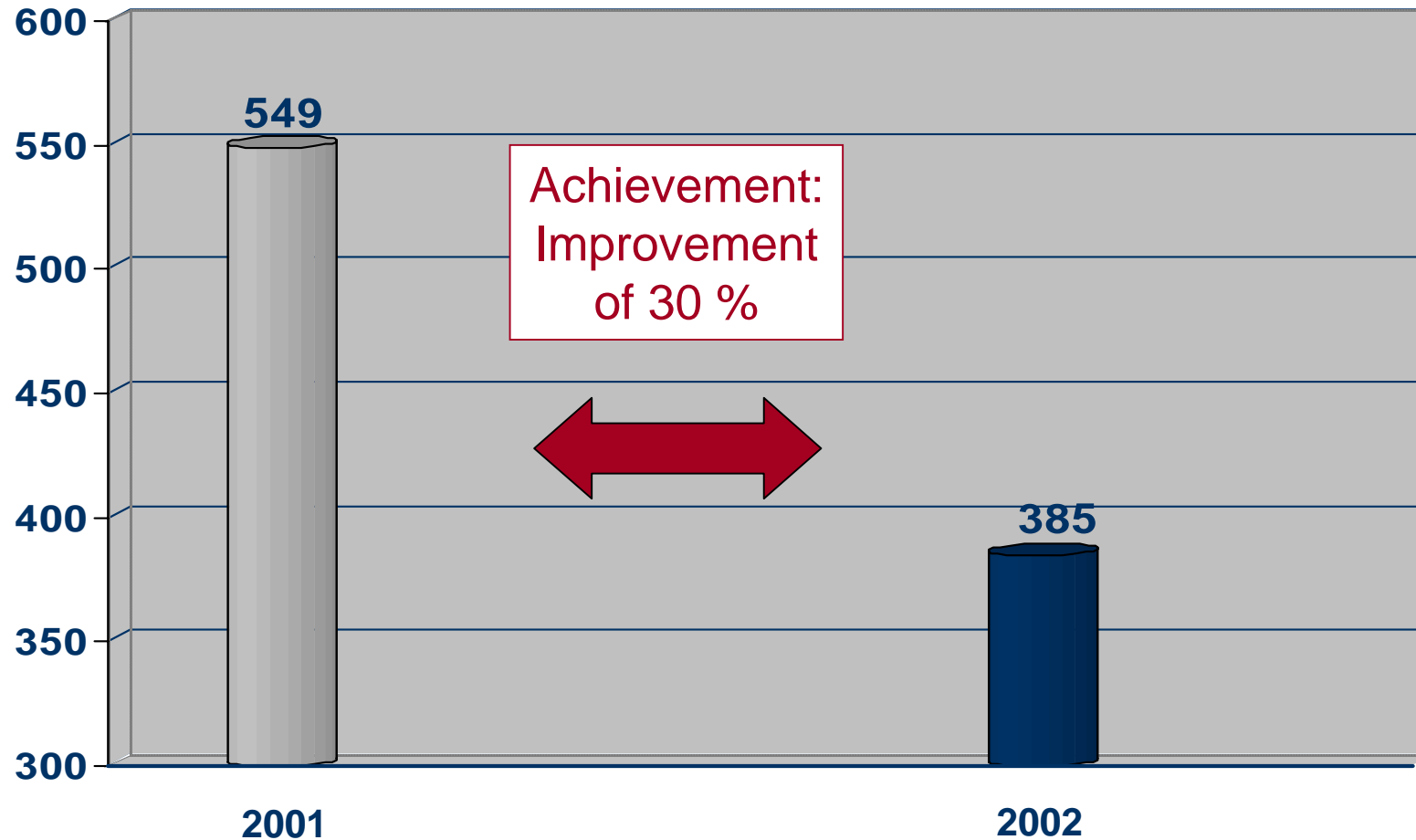


Target 2002: Reduce Net Debt by at Least 5 % to \leq €500 Million



Target 2002: Reduce Working Capital by at Least 5%

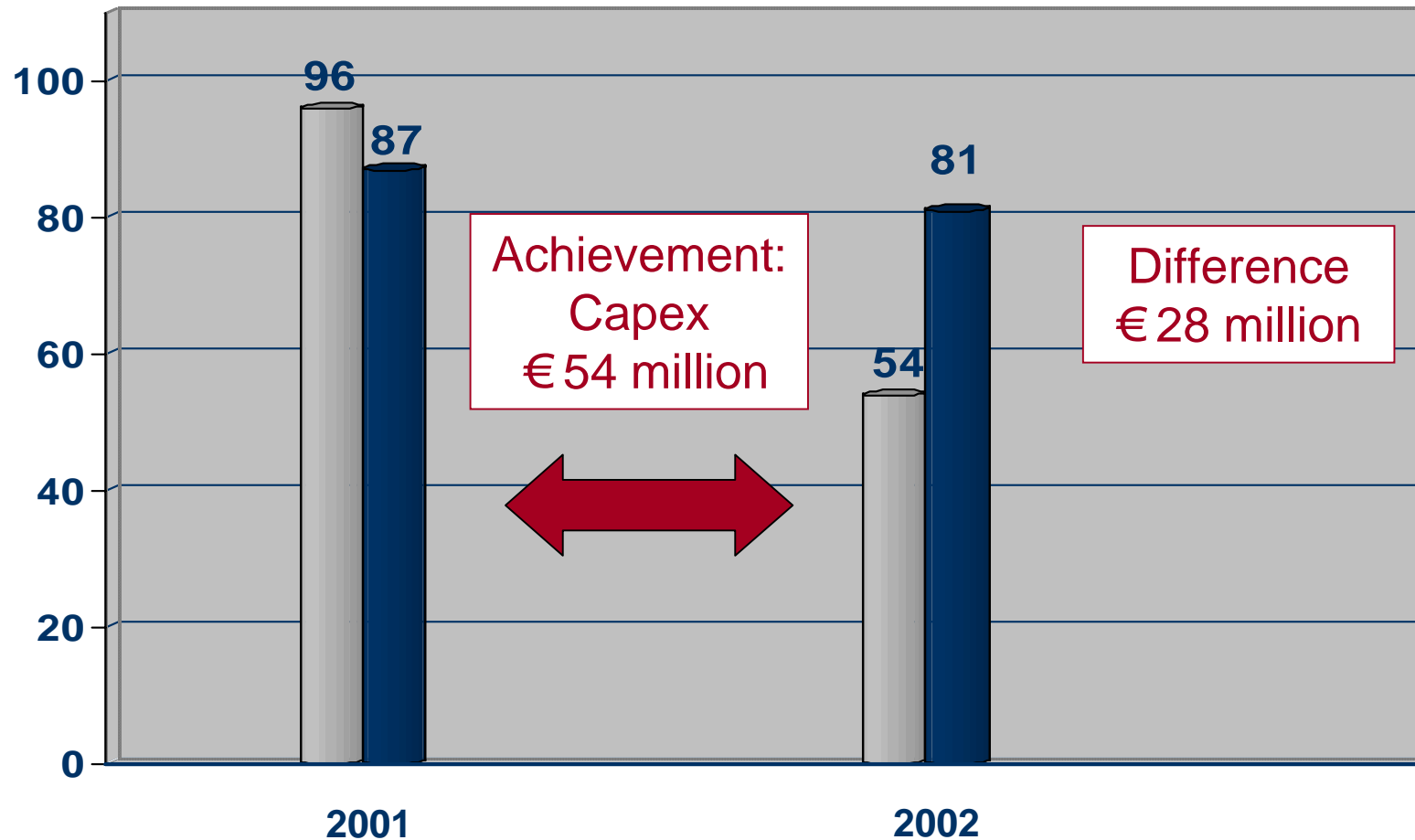
in € million



Notice: Net working capital after sale of receivables
(2001: € 11 million, 2002: € 41 million)

Target 2002: Reduce Capex to €55 Million (€35 Million below Depreciation and Amortization)

in €million



Refinancing Completed

€ 510 million	Syndicated loan on 2.5 years (start: Jan. 1, 2003)
€ 135 million	Convertible Bond (due end 2005)
€ 99 million	Normal business letter of credits
€744 million	Total available financing

€ 427 million	Net financial debt
€ 99 million	Normal business letter of credits
€ 85 million	Guarantee for EU-fine (non cash)
€611 million	Financial commitments

Estimated interest approx. 6% (~ €30 million interest charge in 2003)

Sales and Operating Profit by Quarter

(in € million)	Q4/2002	Q3/2002	Q2/2002	Q1/2002	2002
Sales revenue	290.4	283.8	277.1	261.0	1,112.3
Profit from operations⁽¹⁾					
CG	9.8	18.1	12.3	11.7	51.9
GS	-1.7	0.7	1.1	1.8	1.9
CP	4.8	0	1.9	-1.9	4.8
Establ. businesses	12.9	18.8	15.3	11.6	58.6
SGL Technologies	-2.0	-2.8	-2.3	-4.6	-11.7
Corporate costs	-1.5	-4.9	-5.9	-6.0	-18.3
Group results	9.4	11.1	7.1	1.0	28.6

(1) Before antitrust provision and restructuring expenses

Quarterly Comparison

(in € million)	Q4/2002	Q4/2001	Change in %
Sales revenue	290.4	318.3	-9
Profit from operations			
CG	9.8	14.8	-34
GS⁽¹⁾	-1.7	3.9	-
CP	4.8	11.6	-59
Established businesses	12.9	30.3	-57
SGL Technologies⁽¹⁾	-2.0	-6.6	-70
Corporate costs	-1.5	-5.3	-72
Group results⁽²⁾	9.4	18.4	-49
Restructuring provision	-	-41.0	-
Restructuring expenses	-8.3	-	-
Antitrust provision	-22.0	-	-
Net financing costs	-3.3	-16.3	-80
Results before taxes on income	-24.2	-38.9	-38

(1) Business Area results have been restated because of reclassification of graphite foils business (expanded graphite) from GS to SGL T

(2) Before restructuring and antitrust charge

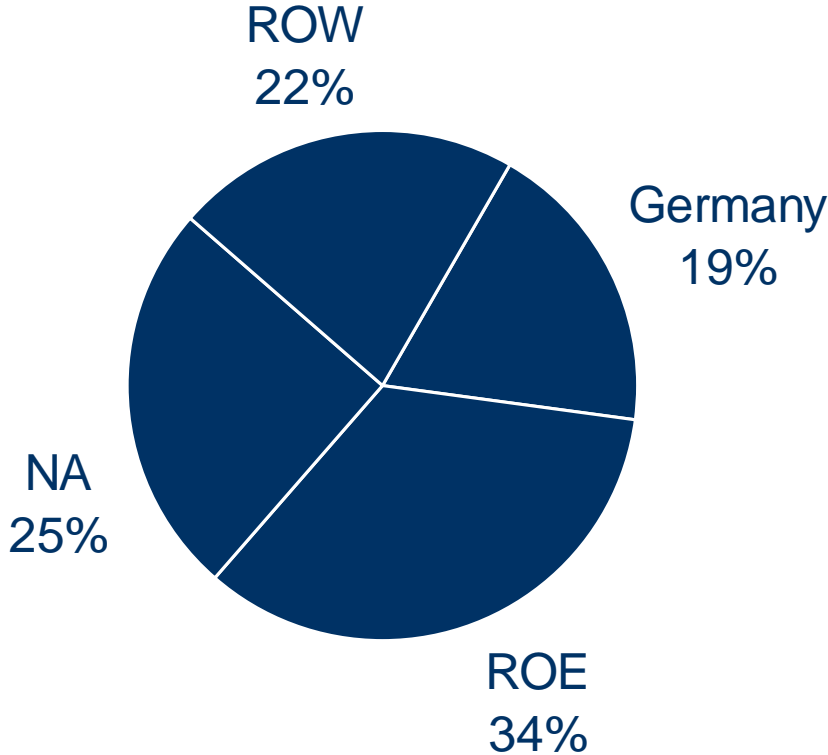
Group Sales

(in € million)

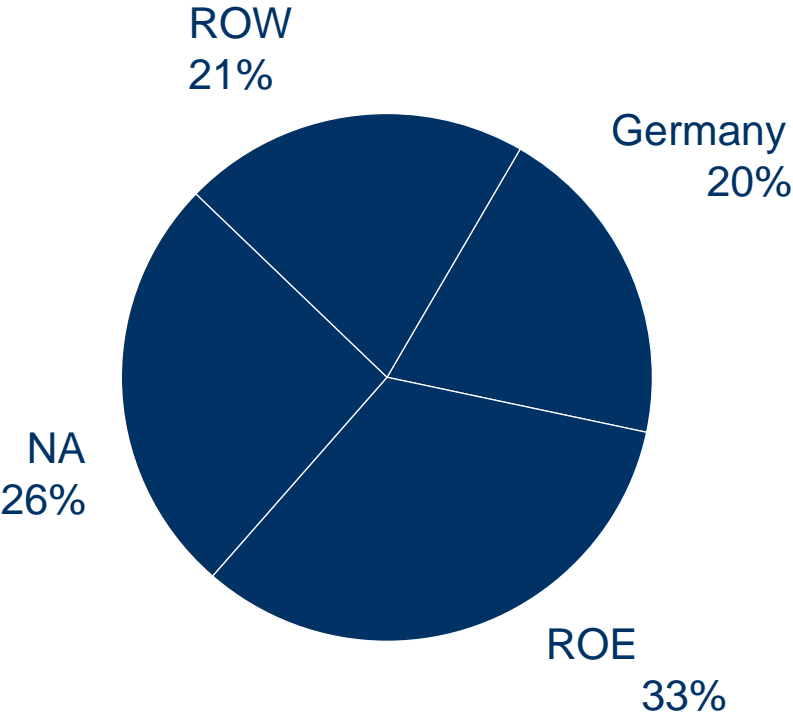
	2002	2001
Sales	1,112.3	1,233.3

- Sales decrease: -9%, thereof
 - Structure: 0%
 - Volume: -2%
 - Currency: -1%
 - Price: -6%
- Reduction of demand in GS and CP
- Decline in prices, especially in CG and GS

Sales Structure by Region

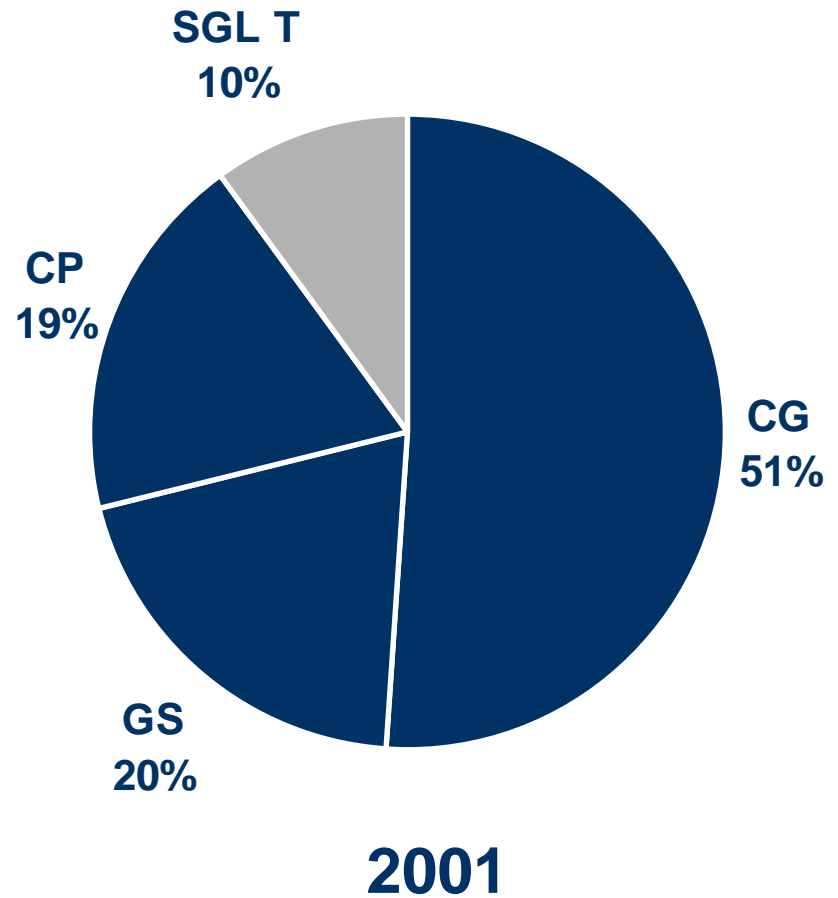
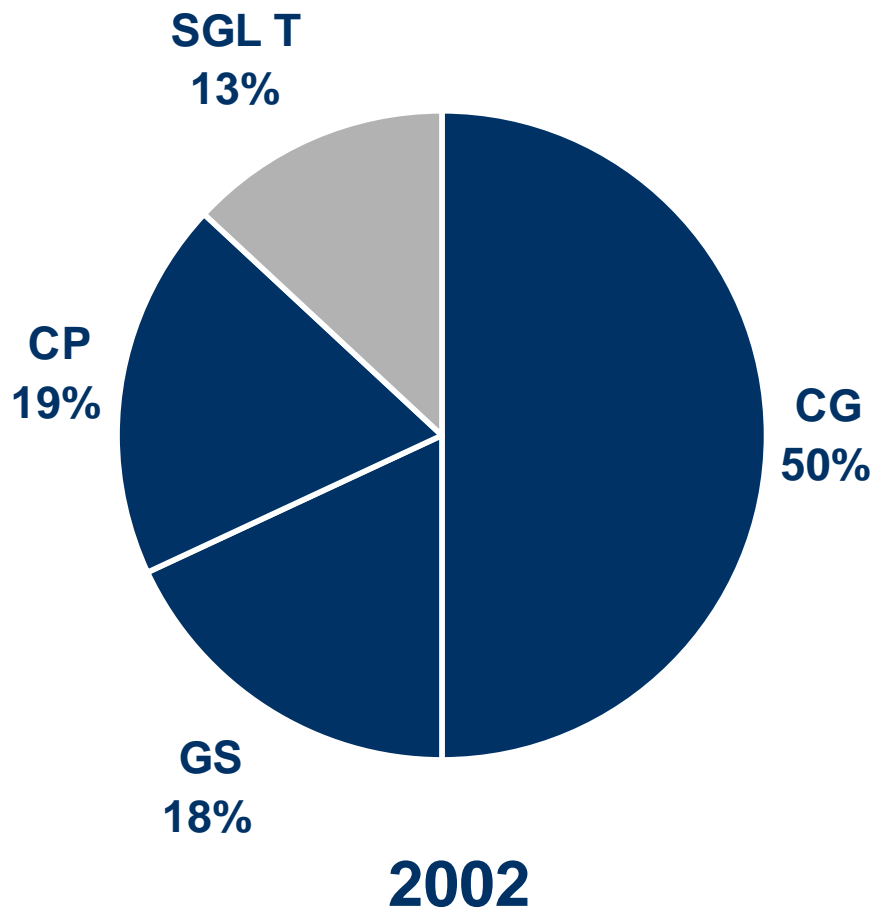


2002



2001

Sales Structure by Businesses



Group Results

(in Mio. €)	2002	2001
Operating Result ⁽¹⁾	28.6	58.7
Profit from operations	-1.7	-17.3
EBITDA ⁽¹⁾	110.0	145.5
Return on sales ⁽¹⁾	2.6%	4.8%

- Profit from operations Established Businesses: €58.6 million
- Initial cost savings of Restructuring Plan CG/GS exceeded (€30 million vs. €22 million)
- Additional cost savings of €36 million in all businesses
- SGL T: Reduction of loss by 65% to €-11.7 million

(1) Before antitrust provision and restructuring expenses/provision

Profit from Operations 2002 before Special Items

(in € million)

Profit from operations	-1.7
Antitrust provision	22.0
Restructuring expenses	8.3
Profit from operations before antitrust and restructuring charge	28.6
Devaluation of year-end inventory	6.0
Impact on profit due to reduction of inventories	18.0
Profit from operations before special items	52.6

Key Figures

	2002	2001
EBITDA⁽¹⁾	109.8	145.5
Working capital reduction⁽²⁾	134.2	13.2
Operational cash flow (in Mio. €)⁽³⁾	244.0	158.7
Capex	-53.6	-96.1
Cash Generation	190.4	62.6
ROS (%)⁽¹⁾	2.6	4.8
EPS in €	-1.08	-4.42
Equity ratio (%)	15.3	17.1
Debt ratio (gearing)⁽⁴⁾	2.18	2.06

(1) Before antitrust provision and restructuring expenses

(2) Without currency exchange rate effects

(3) Incl. sale of receivables and consolidating entries

(4) Financial liabilities less cash and cash equivalents divided by shareholders' equity

Carbon and Graphite (CG)

(in € million)	2002	2001
Sales revenue	550.7	619.8
EBITDA	90.4	117.3 ⁽¹⁾
Profit from operations	51.9	78.9 ⁽¹⁾
Return on sales	9.4%	12.7% ⁽¹⁾

- Sales decline 2002 vs. 2001: -11%, thereof
 - Structure: 0% - Volume: 0%
 - Currency: -1% - Price: -10%
- GE-Price: ø 2,248 €/t in 2002 (-16% vs. 2001)
 GE-Volume: 172.5 kt in 2002 (-2% vs. 2001)
- Other CG business: Sales +15% to € 147 million

(1) before restructuring provision

Graphite Specialties (GS)⁽¹⁾

(in € million)	2002	2001
Sales revenue	195.9	230.7
EBITDA ⁽²⁾	17.5	41.5
Profit from operations ⁽²⁾	1.9	22.3
Return on sales ⁽²⁾	1.0%	9.7%

- Sales decline 2002 vs. 2001: -15%, thereof
 - Structure: 0% - Volume: -11%
 - Currency: -2% - Price: - 2%
- Global recession -> lower demand in key industries
- Decline in profit from operations: lower capacity utilization, € 18 million inventory reduction, thereof € 12 million EBIT impact

(1) Business Area results have been restated because of reclassification of graphite foils business (expanded graphite) from GS to SGL T

(2) Before restructuring expenses/provision

Corrosion Protection (CP)

(in € million)	2002	2001
Sales revenue	212.4	235.8
EBITDA	14.6 ⁽¹⁾	22.9
Profit from operations	4.8 ⁽¹⁾	12.6
Return on sales	2.3% ⁽¹⁾	5.3%

- Sales decline 2002 vs. 2001: -10%, thereof
 - Structure: 0%
 - Volume: -10%
 - Currency: 0%
 - Price: 0%
- Postponement of investment and maintenance expenditures by key customer industries
- Additional costs of €3.5 million from headcount reduction (-196 employees in 2002)

(1) Before restructuring expenses

SGL Technologies (SGL T)⁽¹⁾

(in € million)	2002	2001
Sales revenue	150.4	135.0
EBITDA	5.5	-16.0
Profit from operations	-11.7	-33.7
Return on sales	-7.8%	-24.9%

- Sales increase 2002 vs. 2001: +11%, thereof
 - Structure: 0% - Volume: 14%
 - Currency: -2% - Price: -1%
- Cost savings of € 11 million vs. 2001 due to production efficiency improvements

(1) Business Area results have been restated because of reclassification of graphite foils business (expanded graphite) from GS to SGL T

Consolidated Income Statement

(in € million)

	<u>2002</u>	<u>2001</u>
Sales revenue	1,112.3	1,233.3
Cost of sales	-886.5	-941.8
Gross profit	225.8	291.5
Selling, administrative, research and other costs	-197.2	-232.8
Profit from operations before costs relating to antitrust proceedings and restructuring, net	28.6	58.7
Costs relating to antitrust proceedings	-22.0	-35.0
Restructuring charge	-8.3	-41.0
Loss from operations	-1.7	-17.3
Interest expense on loans	-27.4	-28.4
Interest expense on pensions	-10.4	-9.9
Others	12.3	-10.2
Net financing costs	-25.5	-48.5
Loss before tax	-27.2	-65.8
Income tax	3.6	-29.2
Minority interests	-	-0.2
Net loss	-23.6	-95.2

Consolidated Balance Sheet

(in € million)		Dec. 31, 2002	Dec. 31, 2001
ASSETS	Noncurrent assets	614	699
	Inventories	288	394
	Trade receivables	208	262
	Other current assets incl. cash and cash equivalents	83	60
	Current assets	579	716
	Deferred tax assets	93	80
	Total assets	1,286	1,495
EQUITY AND LIABILITIES	Equity	196	255
	Financial liabilities	449	539
	Other liabilities	491	556
	Trade payables	111	108
	Deferred tax liabilities	39	37
	Total equity and liabilities	1,286	1,495

Consolidated Cash Flow Statement

(in € million)	2002	2001	Change
Profit from operations	28.6 ⁽¹⁾	58.7 ⁽²⁾	-30.1
Depreciation and amortization	81.2	86.8	-5.6
EBITDA	109.8	145.5	-35.7
Change in Working Capital ⁽³⁾	134.2	13.2	121.0
Operational cash flow	244.0	158.7	85.3
Payment related to antitrust proceedings	-10.1	-36.9	26.8
Other operating cash uses	-94.9	-66.0	-28.9
Cash provided by operating activities	139.0	55.8	83.2
Cash used in investing activities	-40.9	-92.5	51.6
Free cash flow	98.1	-36.7	134.8

(1) before antitrust provision €22 million and restructuring expenses €8.3 million

(2) before antitrust provision €35 million and restructuring provision €41 million

(3) Without currency exchange rate effects, incl. sale of receivables and consolidating entries

Targets 2003

- Strong improvement of profit from operations
- Consolidation of working capital
- Capex to remain below depreciation and amortization
- Focus on cash flow and debt reduction

Outlook 2003: Group

- No significant recovery of the global economy expected
- Stable demand in steel and aluminium industry
- Pick up of investment demand in our customer industries, such as chemicals and semiconductor technology, earliest in the second half of 2003
- Uncertainty regarding exchange rate development of €/\$/¥
- Significant improvement of Group's results, due to
 - cost reduction actions
 - higher graphite electrode sales volumes and prices
 - reduction of losses in SGL Technologies

Outlook 2003: Carbon and Graphite

- Higher sales volumes of graphite electrodes and cathodes because of higher demand from the steel and aluminium industries worldwide
- Ongoing consolidation of graphite electrode industry
- Price increases for graphite electrodes
- Further cost improvements due to continued restructuring
- Substantial increase in earnings expected

Outlook 2003: Graphite Specialities

- Recovery in our customer industries, such as chemicals, semiconductor and metallurgy, expected earliest in the second half of 2003
- Improvement in operational results due to cost reduction and strategic reorientation
- Divestment of business in electrical contacts

Outlook 2003: Corrosion Protection

- Ongoing postponement on investment spending in key customer industries, such as chemicals and plant engineering
- Large order of € 27 million placed by Australian magnesium producer
- Improvement in operational results due to cost savings from restructuring
- Further implementation of system approach worldwide

Outlook 2003: SGL Technologies

- Further increase in sales revenue from carbon fibers, carbon- ceramic brake discs and aerospace business
- Lower manufacturing costs for carbon fibers and carbon-ceramic brake discs
- Almost break even on profitability expected

Financial Calendar / Contact

● Calendar 2003

April 30	Annual general meeting
May 14	Q1, conference call
August 12	Q2, conference call
November 11	Q3, analyst meeting and conference call

● Contact

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Important Notice

All comments in this presentation refer to our business year 2002 compared to business year 2001.

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Such factors include unforeseeable alterations in electric steel production, the possibility of changing economic and competitive conditions, changes in currency rates, technological developments, unanticipated developments relating to recently acquired businesses and Group companies, unforeseen difficulties relating to the investigations by the North American and European antitrust authorities and the civil actions related to these investigations and other risks and uncertainties, including those detailed in the Company's filings with the US Securities and Exchange Commission. SGL Carbon does not intend to update these forward-looking statements and does not assume any obligation to do so.