

Results of the First Quarter 2005

May 4, 2005

**Prepared in accordance with International Financial
Reporting Standards, IFRSs (unaudited)**

**All data is adjusted for the sale of the surface protection (SP/PA)
business in January 2005**

Group

First Quarter

in € million

	2005	2004
Sales	238.3	211.0
EBITDA	35.0	31.1
EBIT	20.9	16.7
Income before taxes	7.8	1.5
Net profit (loss) before minority interests (including loss of €-4.0 million from discontinued operations in Q1/2004)	3.7	-3.4

- EBIT in Q1/2004, as reported: 7.7
- elimination of EBIT losses SP/PA + 6.5
- elimination of goodwill amortization + 1.3
- reclassification: interests of pension provisions in North America + 1.2

- EBIT Q1/2004, adjusted €16.7 million

Carbon and Graphite (CG)

in € million	First Quarter	
	2005	2004
Sales	142.9	122.6
EBITDA	34.4	25.3
EBIT	26.7	17.9
Return on sales	18.7%	14.6%

- Sales increase Q1/05 vs. Q1/04: 16%, thereof
 - volume: 13% - currency: - 3% - price: 6%
- EBIT increased by 49% vs. Q1/2004 because of higher prices, good capacity utilization and further cost savings
- GE volumes: 52kt (Q1/04: 45kt)
- GE prices + 11% in US Dollar, + 4% in Euro vs. Q1/04
- Increase in raw materials of around 10% vs. 2004

Graphite Specialties (GS) incl. PT

in € million	First Quarter	
	2005	2004
Sales	57.3	58.1
EBITDA	4.5	9.0
EBIT	1.3	5.3
Return on sales	2.3%	9.1%

- Sales decrease Q1/05 vs. Q1/04: -1%, thereof
 - volume/price: 0% - currency: - 1%
- Good demand situation in most of customer industries of GS
- Weak project-related PT business in Q1/05; sales decline of 15% to €10 million, EBIT of -€1.5 million vs. €0.4 million in Q1/2004
- GS-EBIT (excl. PT) down to €2.8 million in Q1/2005 vs. €4.9 million due to higher production/inventory build-up in Q1/2004 because of requested delivery schedules

SGL Technologies (T)

in € million	First Quarter	
	2005	2004
Sales	37.5	29.8
EBITDA	2.7	1.4
EBIT	- 0.6	- 1.8
Return on sales	- 1.6%	- 6.0%

- Sales increase Q1/05 vs. Q1/04: 26%, thereof
 - volume/price: 30%
 - currency: - 4%
- Increased sales in carbon fibers, composites and brake discs
- Positive EBIT development in all segments except brake discs because of additional development costs for a potential serial production

Corporate Costs

in € million	First Quarter	
	2005	2004
Corporate Costs	- 6.5	- 4.7

- Increase in 2005 based on first-time accounting of share based payments and bonus payments

Consolidated Income Statement

First Quarter

(in € million, except per share amounts)

	2005	2004
Sales revenue	238.3	211.0
Gross profit	64.3	59.4
Selling, administrative and R & D	- 43.4	- 42.7
EBIT	20.9	16.7
Net financing costs	- 13.1	- 15.2
Profit (loss) before tax	7.8	1.5
Income taxes	- 4.1	- 0.9
Net profit (loss) continuing operations	3.7	0.6
Net profit (loss) discontinued operations	–	- 4.0
Net profit (loss) for the period	3.7	- 3.4
Earnings per share	0.07	- 0.08

Net Financing Costs

First Quarter

(in € million, except per share amounts)

	2005	2004
Interest expense on loans (net)	- 7.0	- 7.7
Interest expense on pensions	- 3.1	- 3.3
Interest expense on antitrust (non-cash)	- 1.3	- 1.7
Total interest expense, net	- 11.4	- 12.7
Currency and hedging valuation adjustment of antitrust liabilities (non-cash)	- 0.7	- 1.2
Amortization of refinancing costs	-1.0	- 0.7
Other	0.0	- 0.6
Net financing costs	- 13.1	- 15.2

Consolidated Balance Sheet - Assets

(in € million)

March 31, 2005 Dec. 31, 2004

ASSETS				
Non-current assets				
Intangible assets		87		85
Property, plant and equipment		343		345
Long-term investments		30		30
Deferred tax assets		134		130
		594		590
Current assets				
Inventories		258		248
Trade receivables		202		184
Other current assets		38		36
Cash and cash equivalents		45		65
Restricted Cash for repayment of convertible bonds		50		51
Restricted Cash for antitrust		70		77
Assets held for sale		-		64
		663		725
Total assets		1.257		1.379

Consolidated Balance Sheet - Liabilities

(in € million)

March 31, 2005 Dec. 31, 2004

	March 31, 2005	Dec. 31, 2004
EQUITY AND LIABILITIES		
Equity including minorities	290	282
Non-current liabilities		
Financial liabilities	357	353
Provisions for pensions and other employee benefits	157	156
Deferred tax liabilities	45	45
Other liabilities	29	37
Other provisions	21	19
	609	610
Current liabilities		
Financial liabilities ⁽¹⁾	62	63
Trade payables	90	92
Other liabilities	87	78
Other provisions	119	126
Liabilities held for sale	-	64
	358	423
Total equity and liabilities	1.257	1.379

⁽¹⁾ Including Convertible Bond of €50 million

Cash flow Development

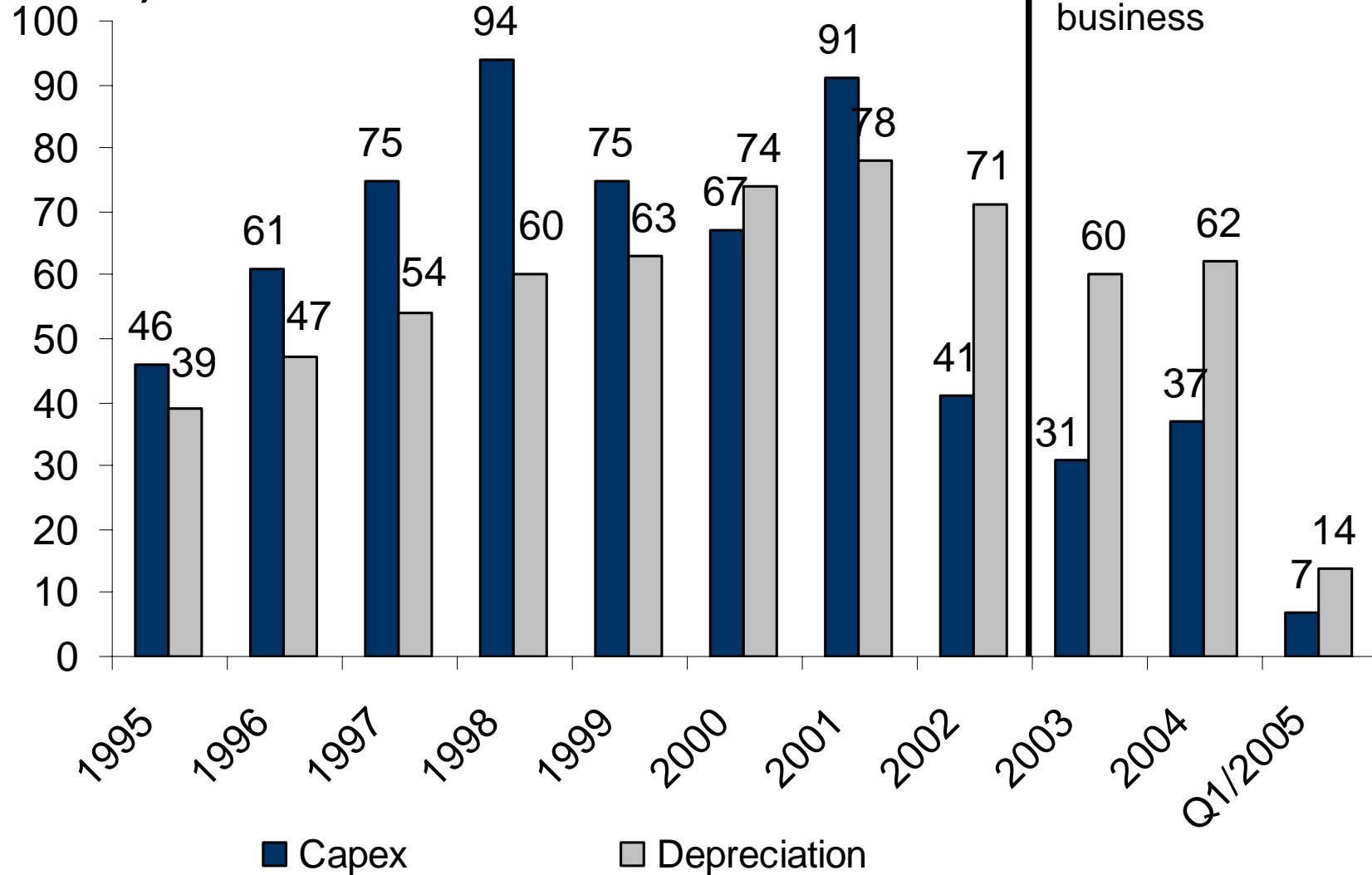
(in € million)	First Quarter	
	2005	2004
EBIT	20.9	16.7
Depreciation	14.1	14.4
EBITDA	35.0	31.1
Decrease (increase) in working capital	-23.6	-27.3
Operational cash flow	11.4	3.8
Other operating cash sources (uses)	-21.4	-12.8
Cash provided by (used in) operating activities ⁽¹⁾	-10.0	-9.0
Cash used in investing activities	-7.0	-5.3
Free cash flow (before antitrust)	-17.0	-14.3

(1) Before payments related to antitrust proceedings of €7.4 million in Q1/2005 and €0.1 million in Q1/2004

Capital Expenditures and Depreciation

(excl. expenditures and depreciation of intangible assets)

(in € million)



Excluding SP/PA
business

Outlook for Q2/2005 vs. Q1/2005

- **Group:**
 - Further improvement in EBIT of around 40%
 - Further sales growth of approx. 10%
- **CG:**
 - Ongoing positive demand situation with further sales increases and higher prices for Graphite Electrodes
- **GS:**
 - Further improvement in sales and EBIT, rebound in PT expected
- **SGL T:**
 - Ongoing positive trend shall continue, higher capacity utilization in fibers and positive order situation in aerospace/defense

Outlook for FY 2005

- Sales to increase by more than 5%
- Overproportional growth in EBIT and positive net income
- Further reduction of net debt

Important Notice

Forward-looking statements:

This presentation contains statements on future developments that are based on currently available information and that involve risks and uncertainties that could lead to actual results deviating from these forward-looking statements. These risks and uncertainties include, for example, unforeseeable changes in political, economic and business conditions, particularly in the area of electrosteel production, the competitive situation, interest rate and currency developments, technological developments and other risks and unanticipated circumstances. We see other risks in price developments, unexpected developments relating to acquired and consolidated companies, ongoing restructuring measures and unforeseeable occurrences in conjunction with the reviews to be performed by the European antitrust authorities. SGL Carbon does not intend to update these forward-looking statements.

Financial Highlights

In € million, except ratios	March 31, 2005	Dec. 31, 2004
Total assets	1,257	1,315
Equity	290	282
Net debt (excluding restricted cash for antitrust)⁽¹⁾	342	321
Debt ratio (gearing)⁽²⁾	1.2	1.1
Equity ratio⁽³⁾	23.1%	21.4%

(1) Financial debt (incl. convertible bonds)
 + offset refinancing costs
 - less restricted cash for convertible bonds
 - less unrestricted cash and cash equivalents
 = Net debt

€ 418.4 million	€ 416.4 million
€ 19.5 million	€ 20.3 million
€ - 50.3 million	€ - 50.8 million
€ - 45.3 million	€ - 64.7 million
€ 342.3 million	€ 321.2 million

(2) Net debt divided by shareholders' equity

(3) Shareholders' equity divided by total assets

Group Adjustments

- **SP/PA business sold off in January 2005, therewith Q1/2005 results only present continuing operations**
- **Since January 1, 2005, we need to account for share based payments according to IFRS 2. This will have an effect on EBIT by individual business segments and Corporate Costs by roughly €2 million per quarter 2005 (on the basis of actual calculation)**
- **We do not separately report on restructuring expenses any more since our restructuring measures have largely come to an end**

Financial Adjustments

Balance Sheet:

- According to IAS 1 positions were divided into non-current and current assets and liabilities; Current are periods less than 1 year, non-current is more than 1 year. Provisions for European antitrust proceedings are fully recognised in ,other current provisions‘.

P+L (those adjustments were already made in the FY 2004 accounting):

- Interests for pension provisions were unified groupwide, This will have a positive effect on the EBIT of the businesses, but will have a negative impact in the financial result.
- According to IFRS3, ,Business Combinations‘, goodwill of intangible assets is no longer subject to regular amortization. According to this standard, amortization of goodwill with indefinite useful life is not allowed any more.