



SGL CARBON GROUP

Results for the Nine Months 2005

Frankfurt am Main, November 9, 2005

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

Group

9 Months

in € million

	2005	2004
Sales	778.1	688.0
EBITDA	137.2	106.8
EBIT	86.4	60.4
Profit (loss) before tax	41.0	15.0
Net profit (loss) before minority interests	23.6	- 1.2

- Sales up 13%, EBIT rising more than proportionately with 43% vs. 9M/04

- EBIT in 9M/04, as reported:

- elimination of EBIT losses SP/PA

39.4

+ 12.6

- elimination of goodwill amortization

+ 4.7

- reclassification: interests of pension provisions in North America

+ 3.7

- EBIT 9M/04, comparable

€60.4 million

Carbon and Graphite (CG)

in € million	9 Months	
	2005	2004
Sales	468.0	412.6
EBITDA	121.4	93.7
EBIT	90.0	70.9
Return on sales	19.2%	17.2%

- **Sales increase 9M/05 vs. 9M/04: 13%, thereof**
 - volume: 7% - currency: - 2% - price: 8%
- **EBIT increase of 27% vs. 9M/04 because of higher prices, solid demand for graphite electrodes and further cost savings**
- **GE volumes: 165kt (9M/04: 153kt)**
- **GE prices: + 13% in US Dollar, + 5% in Euro vs. 9M/04**
- **Increase in raw materials of approx. 10% vs. 2004**

Specialties (S)

in € million	9 Months	
	2005	2004
Sales	188.1	176.1
EBITDA	23.8	25.8
EBIT	13.9	14.4
Return on sales	7.4%	8.2%

- Sales increase 9M/05 vs. 9M/04: 7%, thereof
- volume/price: 7% - currency: 0%
- EBIT 9M/05 with €13.9 million still €0.5 million below 9M/04 due to weak Q1/05;
but EBIT Q3/05 with €6.0 million 43% higher than in Q3/04
- PT with strong increase in sales 9M/05 vs. 9M/04, EBIT in 9M/05 significantly above 9M/04
- GS with moderate increase in revenue
EBIT still below 9M/04 but strong improvement again in Q3/05

SGL Technologies (T)

in € million	9 Months	
	2005	2004
Sales	120.2	97.9
EBITDA	12.6	3.9
EBIT	3.1	- 6.0
Return on sales	2.6%	- 6.1%

- **Sales increase 9M/05 vs. 9M/04: 23%, thereof**
 - volume/price: 24%
 - currency: - 1%
- **Main revenue growth in Carbon Fibers and Composites due to ongoing strong demand from the Aerospace and Defense Industry and Brake Discs**
- **EBIT includes low single digit million profit contribution from Audi cooperation agreement booked in Q3/05**

Corporate Costs

in € million	9 Months	
	2005	2004
Corporate Costs	- 20.6	- 18.9

- Increase in 2005 due to introduction of Sarbanes-Oxley Act, first-time accounting of share based payments and higher bonus accruals compared to 2004

Consolidated Income Statement

9 Months

(in € million, except per share amounts)

	2005	2004
Sales revenue	778.1	688.0
Gross profit	229.8	199.4
Selling, administrative, research and other income/expense	- 143.4	- 139.0
EBIT	86.4	60.4
Net financing costs	- 45.4	- 45.4
Profit (loss) before tax	41.0	15.0
Income taxes	- 17.4	- 7.5
Net profit (loss) continuing operations	23.6	7.5
Net profit (loss) discontinued operations	–	- 8.7
Net profit (loss) before minority interests	23.6	- 1.2
Earnings per share	0.42	- 0.02

Net Financing Costs

9 Months

(in € million, except per share amounts)

	2005	2004
Interest expense (net)	- 21.9	- 22.2
Interest expense on pensions	- 10.1	- 10.0
Interest expense on antitrust (non-cash)	- 5.0	-5.3
Total interest expense, net	- 37.0	- 37.5
Currency and hedging valuation adjustments of antitrust liabilities (non-cash)	- 0.9	- 2.0
Amortization of refinancing costs (non-cash)	- 4.4	- 2.8
Other	- 3.1	- 3.1
Total other financing expenses	- 8.4	- 7.9
Net financing costs	- 45.4	- 45.4

Consolidated Balance Sheet - Assets

(in € million)

	Sep. 30, 2005	Dec. 31, 2004
Non-current assets		
Intangible assets	84	85
Property, plant and equipment	336	345
Long-term investments	31	30
Deferred tax assets	137	130
	588	590
Current assets		
Inventories	270	248
Trade receivables	204	184
Other current assets	34	36
Cash and cash equivalents	60	65
Restricted cash for repayment of convertible bonds	0	51
Restricted cash for antitrust	0	77
	568	661
Assets held for sale	–	64
Total assets	1,156	1,315

Consolidated Balance Sheet – Equity and Liabilities

(in € million)

Equity including minorities

326

282

Non-current liabilities

Financial liabilities

335

353

Provisions for pension and other employee benefits

158

156

Deferred tax liabilities

44

45

Other liabilities

2

37

Other provisions

22

19

561

610

Current liabilities

Financial liabilities

8

63

Trade payables

75

91

Other liabilities

55

79

Other provisions

131

126

269

359

Liabilities held for sale

–

64

Total equity and liabilities

1,156

1,315

Consolidated Cash Flow Statements

(in € million)	9 Months	
	2005	2004
EBIT	86.4	60.4
Depreciation	50.8	46.4
EBITDA	137.2	106.8
Decrease (increase) in working capital	-44.4	-31.2
Operational cash flow	92.8	75.6
Other operating cash sources (uses)	** -55.3	-39.6
Cash provided (used) by operating activities before antitrust payments	37.5	36.0
Cash used in investing activities	-16.7	-28.3
Free cash flow *	20.8	7.7

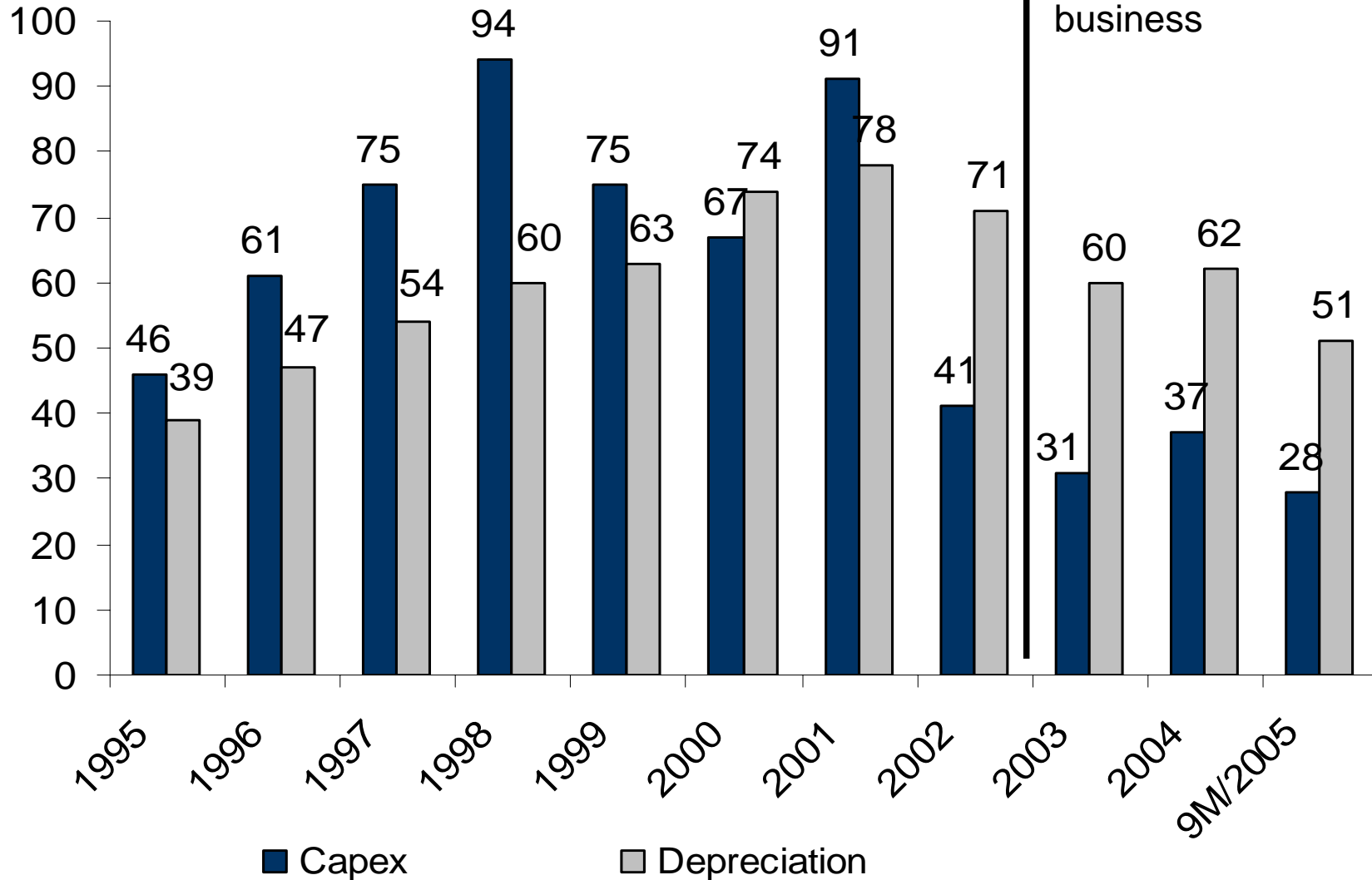
*Cash provided by operating activities before antitrust payments minus cash used in investing activities

**Difference resulting mainly from interest, tax, and bonus payments – see detailed chart in shareholder letter

Capital Expenditures and Depreciation

(excl. expenditures and depreciation of intangible assets)

(in €million)



Excluding SP/PA
business

■ Capex

■ Depreciation

Outlook for Q4/05

- **Group:**

EBIT Q4/05 more than four times as high as EBIT Q4/04 (€5.2 million)

EBIT Q4/05 lower than EBIT Q3/05 due to non-recurring profit contribution from Audi cooperation agreement and traditional seasonal weaker December in GS business

Outlook for FY 2005

- **Group:**

Sales expected to increase slightly more than 10%

**More than proportionate EBIT growth of more than 60%
and positive net income**

**Further reduction of net debt to below €300 million expected due
to positive free cash flow generation**

- **CG:**

Sales growth comparable to 9M/05

More than proportionate EBIT growth of up to 30% vs. 2004

- **S:**

Sales growth of about 5%

More than proportionate EBIT growth of slightly more than 10%

- **T:**

EBIT break even for full year 2005 after loss of €10 million in 2004

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	Sep. 30, 2005	Dec. 31, 2004
Total assets	1,156	1,315
Equity	326	282
Net debt	300	321
Debt ratio (gearing)⁽¹⁾	0.9	1.1
Equity ratio⁽²⁾	28.2%	21.4%

(1) Net debt divided by shareholders' equity

(2) Shareholders' equity divided by total assets

Group Adjustments

- **SP/PA business sold off in January 2005, therewith 9M/05 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.