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Report of the Executive Committee to the Annual General Meeting on agenda item 6 regarding the cancellation of the existing Authorized Capital I and the creation of a new Authorized Capital I with the right to exclude subscription rights (including, inter alia, a report on the use of the Authorized Capital of the Company)

The Authorized Capital III expired on April 26, 2012. Hereunder, the Executive Committee was authorized to increase the Company's share capital with the approval of the Supervisory Board against cash contributions by up to € 23,873,251.84. The Authorized Capital III particularly enabled the Company to exclude the subscription rights of shareholders in a capital increase against cash contributions to the extent the new shares did not exceed 10 percent of the share capital and the issue price of the new shares was not substantially lower than the stock exchange price of the shares already listed on a stock exchange. The Company shall also in the future be in a position to increase its share capital with the exclusion of such subscription rights on short notice, if required.

In order to streamline the capital structure of the Company, the Authorized Capital III shall not be renewed. Instead, the aforementioned authorization to exclude subscription rights shall be included in a new Authorized Capital I/2012. Apart from that, the new restated Authorized Capital I/2012 shall be basically identical to the present Authorized Capital I. The term of the new Authorized Capital I/2012, however, shall again amount to a full 5-year period. As a consequence of the longer term the number of shares shall be increased that can be issued under the Authorized Capital I/2012 with the exclusion of subscription rights for purposes of the Share Matching Plan. Here, the issuance of up to 350,000 shares shall be permitted again as this was initially the case when the current Authorized Capital I had been adopted by the Annual General Meeting on April 29, 2009.

Therefore, the proposal is submitted to the Annual General Meeting to cancel the current Authorized Capital I in Article 3 (6) of the Articles of Association and renew it. As before, the Executive Committee shall be authorized under the new Authorized Capital I/2012 to increase the share capital of the Company by a total of € 52,228,764.16 with the approval of the Supervisory Board by issuing up to 20.401.861 new no-par value bearer shares against cash or non-cash contributions on one or several occasions.

In principle, our shareholders are entitled to subscription rights if use is made of the Authorized Capital I/2012. Under certain conditions, however, the Executive Committee shall be authorized to exclude any subscription rights with the approval of the Supervisory Board.

Subscription rights shall be excludable for fractions. In this case the exclusion of subscription rights serves the need to establish a workable subscription ratio in view of the amount of the respective increase in capital. If subscription rights relating to fractions were not excluded, the technical feasibility of capital increases and the exercise of subscription rights would be severely complicated, especially if the capital was increased by round sums. The new shares excluded from subscription rights as free fractions will either be realized via sale on the stock exchange or in any other way to the best possible benefit of the Company.

In addition to a direct issue of new shares to shareholders it should also be possible for new shares from one or more banks or other financial institutions, determined by the Executive Committee, to subscribe the new shares with the obligation that they will offer them for subscription to shareholders. The intervention of these intermediaries will technically simplify the processing of share issues.

Furthermore, the authorization also provides that the Executive Committee can exclude subscription rights for shareholders, with the approval of the Supervisory Board, if new shares are issued to employees of SGL CARBON SE or its affiliated companies participating in the Share plan ("Matching Share Plan"). To this end, the share capital can, however, only be increased by an amount of a total of up to € 896,000.00 by the issue of a total of 350,000 new no-par value shares on one or several occasions. This amount is identical to the volume as initially approved under the Authorized Capital I by the Annual General Meeting on April 29, 2009. The authorization to exclude subscription rights to issue new shares is intended to enable the Company to use the Share Plan as a long-term tool for motivating and encouraging loyalty of senior managers of SGL CARBON SE and selected SGL CARBON Group companies. The Share Plan is a supplement to the other incentive programs for senior executives such as the SAR plan, particularly because a condition for participation in the Matching Share Plan is that participants invest a portion of their annual bonus in SGL CARBON SE shares. The Matching Share Plan was resolved at the Annual General Meeting of April 27, 2000 under agenda item 8. The invitation to the 2000 Annual General Meeting at which the details of the share plan were explained, is available at the Company's office for inspection by shareholders and will be sent to them on request. It can also be inspected on the internet at www.sglgroup.de and during the Annual General Meeting.

Moreover, the Executive Committee should be authorized, with the approval of the Supervisory Board, to exclude subscription rights in the event of capital increases against non-cash contributions as before in order to grant new shares for a consideration in the context of mergers or the acquisition of companies, parts of companies, or equity interests in companies. This will allow the Company to use its own shares as an acquisition currency. National and international competition often requires this type of consideration. The authorization proposed here should give the Company the opportunity to react quickly and flexibly if a suitable occasion arises to acquire companies, parts of companies, or equity interests in companies. Credit assistance conditions have become more restrictive in the context of the financial crisis so that company acquisitions in particular may only be financed with difficulty using credit facilities. The shareholders' asset interests are protected by the commitment of the Executive Committee to exercise the authorization pursuant to section 255 (2) AktG to issue new shares at an issue amount that is in an appropriate ratio to the value of the non-cash contribution. In measuring the value of the shares granted for a consideration the Executive Committee is guided by the stock market price. A schematic link with a stock market price is, however, not provided for, particularly so as not to undermine already achieved negotiation results by fluctuations in the stock market price.

Finally, the Executive Committee shall be authorized to exclude subscription rights pursuant to sections 203 (1) and (2) sentence 1, 186 (3) sentence 4 AktG also if the pro rata amount of the share capital attributable to the new shares whose subscription rights are excluded does not exceed 10 percent of the share capital, neither at the time the resolution is taken nor at the time this authorization is made use of, and the issue price of the new shares is not substantially lower than the stock exchange price of the shares already listed on a stock exchange at the time of the final determination of the issue price by the Executive Committee. This possibility of excluding subscription rights enables the Executive Committee and the Supervisory Board to make use of opportunities that present themselves in a given stock market situation quickly, flexibly and cost-effectively. This ensures an optimal strengthening of the Company's own funds in the interests of the Company and all shareholders. If the aforementioned preconditions are fulfilled, the exclusion of subscription rights is readily admissible because within this framework, shareholders are able and can reasonably be expected by virtue of statutory judgement to acquire a number of shares that is required to maintain their shareholding quota at almost the same conditions via the stock market. The issue price of the new shares must be orientated towards the current stock exchange price of the shares already listed and must not fall below this price by more than 5 percent. If, during the term of the Authorized Capital I/2012 and until utilization is made of the Authorized Capital I/2012, other authorizations to issue or sell shares of the Company or to issue rights enabling or prescribing the subscription of shares of the Company are exercised and in doing so, the subscription rights pursuant to and in corresponding application of section 186 (3) sentence 4 AktG are excluded, this must be counted towards the aforementioned 10 percent limit. On balance, this ensures that in compliance with the statutory judgement of section 186 (3) sentence 4 AktG, the shareholders' pecuniary and voting interests are adequately protected during the utilization of the Authorized Capital I/2012 under exclusion of subscription rights. Considering all aspects involved, the authorization of the Executive Committee to exclude subscription rights within the limits described is reasonable and required in the interests of the Company.

The Executive Committee will exercise due care in examining in each individual case whether or not it should make use of the authorization to increase the capital under exclusion of subscription rights. It will make use of this authorization only if the Executive Committee and the Supervisory Board are of the opinion that this lies in the interests of the Company and its shareholders. The Executive Committee will report to the respective subsequent Annual General Meeting as well as in the Company's annual report on each use of this authorization and on the number of shares issued thereunder.

Report on the use of Authorized Capital:

Since the last Annual General Meeting, a total of 260,714 shares were issued from the Authorized Capital I and Authorized Capital II of the Company with the exclusion of subscription rights in connection with the Bonus Program for Employees and the Matching Share Plan, both of which are described in detail in the financial statements of the Company. 200,000 new shares were issued under the Authorized Capital II, for which the Annual General Meeting already excluded the subscription rights of shareholders, in order to transfer them in accordance with the terms of the agreed bonus arrangements to the employees at a price equivalent to the opening price in XETRA trading on March 16 of the respective transfer year – on March 16, 2012, this opening price was € 34.17. In addition, 60,714 new shares were issued under the Authorized Capital I to employees of the Company and its affiliated companies under the Matching Share Plan since the last Annual General Meeting. The employees contributed as a contribution in kind their claims for a bonus under the Matching Share Plan, which is granted at the end of the vesting period and is equivalent for each new share to the final quotation price in XETRA trading on such bonus date. The requirements for the exclusion of subscription rights are met in the Executive Committee's and Supervisory Board's opinion as the issuance of shares under employee participation programs enhances the motivation of the employees of SGL Group and are consequently also in the interest of the shareholders. By issuing these new shares after careful consideration the Company made use of the authorizations that were granted to it by the Annual General Meeting specifically to advance the participation of employees in the Company's share capital in order to carry out the employee participation programs of the Company in a liquidity-friendly way in accordance with their terms. These employee participation programs with their purpose of strengthening the allegiance of employees to the Company are in the Company's interest.

In connection with the Matching Share Program the Company also acquired 17,958 own shares amounting to a share of € 45,972.48 in the nominal share capital (corresponding to 0.026% of the share capital) in March 2012 based on the authorization granted by the Annual General Meeting on April 30, 2010. The shares were purchased at the stock exchange at the available stock exchange price and afterwards transferred to the members of the Executive Committee to satisfy their bonus claims under the Matching Share Plan.

Wiesbaden, March 2012

Executive Committee

gez. Robert J. Koehler   gez. Theodore H. Breyer

gez. Armin Bruch   gez. Jürgen Muth   gez. Dr. Gerd Wingefeld