GRAFTECH INTERNATIONAL LTD
Form DEFA14A
April 24, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14A-101)

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

x Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

GRAFTECH INTERNATIONAL LTD.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

For Immediate Release

GRAFTECH SENDS LETTER TO STOCKHOLDERS AND FILES INVESTOR PRESENTATION

Highlights Track Record of Performance and Reiterates Commitment to Executing Strategic Plan

Urges Stockholders to Vote FOR the GrafTech Director Nominees on the WHITE Proxy Card

PARMA, Ohio April 24, 2014 GrafTech International Ltd. (NYSE:GTI) (GrafTech) today announced that it has mailed a letter to stockholders in connection with the Company s May 15, 2014 Annual Meeting of Stockholders urging them to protect their investment by voting the **WHITE** proxy card **FOR** GrafTech s seven experienced and highly qualified director nominees. In addition, GrafTech filed a presentation with the U.S. Securities and Exchange Commission (SEC), which is available on the Investor Relations section of the Company s website and on the SEC s website at www.sec.gov.

Highlights of the presentation include:

- GrafTech s Board and management team have a strong track record of value creation and a clear, winning strategy to drive long-term stockholder value;
- GrafTech s experienced and highly qualified Board is committed to serving the interests of ALL stockholders;
- The Milikowsky Group s platform is based on flawed analysis and misleading statements, and demonstrates a fundamental lack of understanding of GrafTech s global businesses and industry;
- If implemented, the Milikowsky Group s proposed strategy would be detrimental to stockholder value; and
- Nathan Milikowsky was not re-nominated to the Board in 2013 following serious governance breaches and conduct that demonstrate he is not qualified to serve on the Board.

The full text of the letter follows:

April 24, 2014

Dear Fellow Stockholders,

GrafTech s May 15, 2014 Annual Meeting is only a few weeks away and your vote is extremely important. Your Board of Directors is focused on driving value for all stockholders and positioning GrafTech for continued success. We urge you not to allow GrafTech s meaningful progress to be derailed by an individual with an agenda that is not aligned with the interests of **ALL** stockholders.

The Daniel and Nathan Milikowsky Group (the Milikowsky Group), led by former Board member Nathan Milikowsky, is seeking to install its own nominees to the Board at the Annual Meeting. While the Milikowsky Group initially nominated five candidates for election at the meeting, they recently announced that they would nominate three individuals, including Nathan Milikowsky.

Your Board unanimously recommends that stockholders vote the enclosed **WHITE** proxy card **FOR** GrafTech s seven highly qualified and experienced director nominees, including two new independent nominees: **Joel Hawthorne, Randy Carson, Mary Cranston, Thomas Danjczek, Ferrell McClean, Catherine Morris and Steven Shawley**.

GRAFTECH HAS THE RIGHT BOARD, THE RIGHT MANAGEMENT TEAM AND

THE RIGHT STRATEGY TO CONTINUE DRIVING VALUE FOR STOCKHOLDERS

Over the past five years, your Board and management team have implemented initiatives to improve the competitive strength of the Company during the industry s current severe cyclical downturn and to best position GrafTech in anticipation of a recovery in the steel market. **We are confident that GrafTech has the right Board, the right management team and the right strategy to continue to drive value for all stockholders.**

In contrast, the Milikowsky Group s platform is filled with unsound analysis and misinformation, and indicates a basic lack of industry understanding. We are writing today to address the Milikowsky Group s flawed platform and to ensure that you have all the facts when making this important decision about the future of your investment.

THE MILIKOWSKY GROUP S STRATEGY UNDERSCORES ITS FUNDAMENTAL

LACK OF UNDERSTANDING OF GRAFTECH S GLOBAL BUSINESSES AND INDUSTRY

In connection with its campaign to reinstall Nathan Milikowsky on the GrafTech Board, the Milikowsky Group has presented a platform that, if implemented, would be detrimental to stockholder value. In addition, the only Milikowsky Group initiatives based on sound business principles are those that the GrafTech Board has long been driving and that were implemented before the Milikowsky Group launched its proxy contest. Apart from the initiatives underway at GrafTech, the strategies presented by the Milikowsky Group are either unsound, based on flawed assumptions, misleading in nature or simply inappropriate for a global carbon and graphite material sciences business like GrafTech. The Board urges stockholders to consider each of the Milikowsky Group s claims in light of the facts:

û **Milikowsky Group Claim:** GrafTech should redefine its commercial strategy to a commodity pricing approach to gain market share, claiming this would increase sales by 30,000 metric tons and generate an additional $60 million in EBITDA.

ü **FACT:** The Milikowsky Group s suggestion would disrupt GrafTech s sound and appropriate pricing strategy, with a long-term negative impact on GrafTech s margins. **GrafTech recently announced global rationalization initiatives, which reduced its capacity and costs and increased utilization to over 90%.** We believe the market recognized that GrafTech is pursuing the right strategy through its very favorable reaction the stock rallied approximately 40 percent in the five trading days following the announcement. **The Milikowsky Group s plan essentially recommends undoing GrafTech s global rationalization initiatives and starting a pricing war**.

Furthermore, the Milikowsky Group s strategy assumes no competitive response to its attempt to capture increased market share, which is inconsistent with the competitive marketplace in which we operate. This proposal demonstrates a fundamental misunderstanding of one of GrafTech s global businesses.

Importantly, the Milikowsky Group chooses not to disclose the assumptions underlying its EBITDA estimates, which in reality necessitates an unprecedented industry margin on product and would imply a 40% increase in graphite electrode prices.

û **Milikowsky Group Claim:** GrafTech should expand the capacity of Seadrift, suggesting that would add $24 million in EBITDA.

ü **FACT:** At this point in the cycle, **Seadrift capacity expansion would be value destructive.** The needle coke industry is currently operating at an estimated 80% utilization rate. Low utilization has put significant pressure on pricing, and therefore an expansion of capacity at Seadrift would not result in increased profitability and is not in the best near term interest of stockholders.

Further, as Nathan Milikowsky is aware, GrafTech has made its intentions clear about its plans to expand capacity at Seadrift at the appropriate time based on projected increased demand and capacity utilization. Once again, the Milikowsky Group neglects to disclose the assumptions underlying the implied EBITDA improvement it touts, which would require a 35% price increase for needle coke.

û **Milikowsky Group Claim:** GrafTech should evaluate opportunities available to Engineered Solutions.

ü **FACT: Engineered Solutions is core to GrafTech s materials science technologies and allows for penetration of high growth markets.** Engineered Solutions, which represented 22% of GrafTech s total revenue in 2013, diversifies GrafTech s revenue base. In addition, the Engineered Solutions segment leverages GrafTech s carbon and graphite technology leadership for new product development. We believe that the Milikowsky Group wants to evaluate opportunities available to Engineered Solutions as a **pretense for initiating a sale**, which would be detrimental to stockholder value.

In addition, stockholders should consider the view of an independent third party, who noted:

We also note that the [Milikowsky Group] proposal includes statements related to evaluating all actionable opportunities available for the engineered solutions business. We believe the company s ownership of this business enhances its credit profile because it supports greater overall stability in earnings and cash flow.

Moody s, Shareholder proposal would be credit negative for GrafTech, March 14, 2014

û **Milikowky Group Claim:** GrafTech should streamline its organizational structure to be similar to that of steel minimill producers.

ü **FACT:** GrafTech **already has a similar organizational structure to that proposed by the Milikowsky Group**. The Company has a flat structure on par with its efficient customers, apart from a few additional managers whose expertise is necessary because of the scale and international scope of GrafTech s operations. Contrary to the Milikowsky Group claims, the savings associated with removing a small number of global operations managers would be far less than $28 million and would require GrafTech to forego a favorable tax benefit.

In reality, the $28 million would represent the entire SG&A budget needed to support the Engineered Solutions business, substantially all of the Industrial Materials business or the corporate organization.

û **Milikowsky Group Claim:** GrafTech should improve its corporate governance practices.

ü **FACT:** GrafTech has a **strong corporate governance culture and an independent Board**. GrafTech s annually elected Board is composed of experienced and highly qualified directors who bring new perspectives and accountability and are committed to serving the interests of all stockholders. Importantly, the Board has been aggressively involved in driving stockholder returns that outperform the weighted average of GrafTech s industry peer group[1] over the one and five year periods.

Nathan Milikowsky was not re-nominated to the Board in 2013 for **his own failure** to meet GrafTech s corporate governance standards. **GrafTech s Board and management will not compromise on good corporate governance and ethics, plain and simple**.

THE ONLY REALITY-BASED ACTIONS THE MILIKOWSKY GROUP CITES

ARE THOSE ALREADY UNDERWAY AT GRAFTECH

The Milikowsky Group makes a number of suggestions for actions and initiatives that are already being executed by GrafTech. Whether this is intended to mislead stockholders or is simply further evidence of a lack of understanding of GrafTech s global businesses is less important than the fact that your Board and management team are working diligently to execute GrafTech s strategy. For example, the Milikowsky Group states that GrafTech should reduce SG&A, reduce inventory and run Seadrift at full capacity. The truth is, the Board has long been driving these initiatives and we were implementing them before the Milikowsky Group launched its proxy contest. Specifically:

û **Milikowsky Group Claim:** GrafTech should reduce SG&A by 25%.

ü **FACT:** GrafTech is already a **lean organization that employs Lean Six Sigma practices,** and **the Company has consistently had lower SG&A spend relative to its peers**. GrafTech reduced SG&A by $25 million[2], or 18%, in 2013, which represents SG&A spending as a percentage of revenue 0.6% lower in 2013 than it was in 2004. In addition, on an absolute basis, **SG&A has only increased $5 million even after the effects of four acquisitions**, sales growth, increases from changes in accounting rules and inflation, while revenue has grown over $300 million.

û **Milikowsky Group Claim:** GrafTech should reduce inventory to $300 million.

[1] Industry peers include: SGL Carbon, Tokai Carbon, Graphite India, HEG Limited, IBIDEN, Showa Denko, Mersen, Toyo Tanso and Nippon Carbon.

[2] Excluding pension mark to market.

ü **FACT:** GrafTech announced its **intention to reduce inventory by $150 million by the end of 2015**. Management has been keenly focused on inventory levels, which have been artificially high due to GrafTech s acquisition of Seadrift in 2010 and a related DOJ-triggered three-year wind-down contract with Phillips 66 that expired at the end of 2013.

û **Milikowsky Group Claim:** GrafTech should ensure Seadrift is run at full capacity.

ü **FACT:** Since the beginning of the fourth quarter of 2012, **Seadrift has been running at full capacity**. Once again, as a condition of its acquisition of Seadrift, GrafTech was subject to a DOJ-triggered three-year wind-down contract with Phillips 66 that expired at the end of 2013. Since the acquisitions, Seadrift has operated at an average utilization rate of over 90%.

It is important for stockholders to recognize that the Milikowsky Group cannot claim ignorance of these facts, especially given the prominent position Daniel and Nathan Milikowsky played in negotiating the sale of Seadrift, and the fact that Nathan Milikowsky previously served on GrafTech s Board.

NATHAN MILIKOWSKY IS NOT QUALIFIED TO SERVE

ON THE COMPANY S BOARD OF DIRECTORS

Nathan Milikowsky s personal quest to reinstate himself to GrafTech s Board in spite of his clear breaches of good corporate governance and ethics is at the heart of the issue.

In 2012, the GrafTech Board unanimously appointed a committee of independent directors as well as independent investigatory counsel to conduct a thorough investigation into apparent leaks of confidential inside information that were brought to the Board s attention by several members of the management team. After completion of its investigation, investigatory counsel reported its conclusion that there had been leaks of material nonpublic information, that there was evidence that Nathan Milikowsky was the source of the leaks, that there was no evidence to support a conclusion that management or any other director was the source of the leaks and that at least some of that information could not have been developed independently.

GrafTech s independent Nominating Committee concluded that the facts, circumstances and evidence it considered in advance of the 2013 Annual Meeting established that the conditions to the re-nomination of Nathan Milikowsky for election as a director were not satisfied, that the Stockholders Agreement was breached, and that Nathan Milikowsky s presence on the Board was disruptive to Board functioning.

The GrafTech Board stands behind its investigation, process and findings. The Board s investigation was thorough and thoughtful and conducted with the assistance of well-recognized, highly experienced, independent investigatory counsel, Morris, Nichols, Arsht & Tunnell LLP, which reported to a Special Committee of the Board composed entirely of independent directors.

Despite multiple attempts to work constructively with the Milikowsky Group to find a resolution that would avoid a proxy contest, including several offers to appoint certain Milikowsky Group nominees to the Board, no such resolution has been achieved. Nathan Milikowsky continues to insist that he include himself as a nominee, despite the Board s evidence-based conclusion that his prior governance breaches and conduct demonstrate that he is not a qualified candidate.

As we have noted previously, if all of our seven nominees are elected, your Board intends to offer to add representation from the Milikowsky Group s slate to the Board after the Annual Meeting. The Company maintains that commitment and, given the current composition of the Milikowsky Group slate, the GrafTech Board expects that if all of the Company s seven nominees are elected, either Karen Finerman, David Jardini or both would be invited to join the Board. In determining which candidates to invite to the Board, the Nominating Committee would consider the views of GrafTech s stockholders and could also request an interview with Ms. Finerman, Mr. Jardini or both.

SUPPORT GRAFTECH S VALUE ENHANCING STRATEGY BY VOTING THE WHITE PROXY CARD TODAY

We are confident that we have the right Board, the right team and the right strategy to continue to drive value for ALL stockholders. Your Board unanimously recommends that you vote **FOR** GrafTech s seven highly qualified and experienced director nominees to protect your investment in GrafTech.

Your Board would like to remind you that **your vote is extremely important no matter how many shares you own.** Whether or not you plan to attend the annual meeting, please sign, date and return the **WHITE** proxy card **TODAY** and discard all blue proxy cards that you may receive from the Milikowsky Group.

We thank you for your continued confidence and support of GrafTech.

Sincerely,

The GrafTech Board of Directors

/s/ Joel L. Hawthorne	/s/ Randy W. Carson	/s/ Mary B. Cranston	/s/ Harold E. Layman
/s/ Ferrell P. McClean	/s/ Steven R. Shawley	/s/ Craig S. Shular	

If stockholders have questions or need assistance in voting their shares, please call:

480 Washington Boulevard, 26th Floor

Jersey City, NJ 07310

(800) 509-0917 (Toll Free)

e-mail: graftechproxy@georgeson.com

GrafTech International is a global company that has been redefining limits for more than 125 years. We offer innovative graphite material solutions for our customers in a wide range of industries and end markets, including steel manufacturing, advanced energy applications and latest generation electronics. GrafTech operates 20 principal manufacturing facilities on four continents and sells products in over 70 countries. Headquartered in Parma, Ohio, GrafTech employs approximately 3,000 people. For more information, call 216-676-2000 or visit www.GrafTech.com.

NOTE ON FORWARD-LOOKING STATEMENTS: This letter contains forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) about our strategy, stockholder value, future board representation, election of directors, operational and financial performance, growth prospects and rates, the markets we serve, plans and our position in our industry. Our expectations are not predictions of actual performance and historically our performance has deviated, often significantly, from our expectations. Actual future events, circumstances, performance and trends could differ materially, positively or negatively, from those set forth in these statements due to various factors, including: unforeseen delays, costs or liabilities associated with our initiatives as well as our growth and other plans, changes in market prices of our securities, changes in business and economic conditions and growth trends in the industry, changes in global demand and supply for our products, changes in customer markets and various geographic regions, uncertainties in the geopolitical environment, and other risks and uncertainties, including those detailed in our SEC filings, as well as future decisions by us. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any of them in light of new information, future events or otherwise. This letter does not constitute an offer to sell or solicitation to buy with respect to any securities.

IMPORTANT ADDITIONAL INFORMATION: GrafTech and its directors and executive officers may be deemed to be participants in the solicitation of proxies from GrafTech stockholders in respect of the 2014 Annual Meeting. GrafTech has filed a definitive proxy statement with the SEC in connection with the solicitation of proxies from GrafTech stockholders for the 2014 Annual Meeting. A definitive proxy statement and a form of proxy has been mailed to GrafTech stockholders. STOCKHOLDERS ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD WITH RESPECT TO THE 2014 ANNUAL MEETING AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY AS THEY CONTAIN IMPORTANT INFORMATION. Information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the definitive proxy statement and other materials filed with the SEC in connection with the 2014 Annual Meeting. Information regarding the direct and indirect beneficial ownership of GrafTech s directors and executive officers in GrafTech securities is set forth in the definitive proxy statement and other materials filed with the SEC in connection with the 2014 Annual Meeting. Stockholders are able to obtain free copies of the definitive proxy statement, any amendments or supplements to the definitive proxy statement and other documents filed with the SEC by GrafTech through the web site maintained by the SEC at www.sec.gov and on GrafTech s web site at http://ir.graftech.com/.

To the extent holdings of GrafTech securities by directors or executive officers have changed since the amounts printed in the definitive proxy statement, such changes have been or will be reflected in Statements of Change in Ownership on Form 4 filed with the SEC. Stockholders can obtain free copies of these documents from the web sites maintained by the SEC and by GrafTech set forth above.

Contacts:

GrafTech International

Kelly Taylor, Director, Investor Relations & Corporate Communications, 216-676-2293

or

Joele Frank, Wilkinson Brimmer Katcher

Jamie Moser / Jed Repko, 212-355-4449

GrafTech Investor Presentation
April 2014

Important Disclosures

NOTE ON FORWARD-LOOKING STATEMENTS: This presentation and related discussions may contain forward-looking s
as: our outlook for 2014 and beyond; future or targeted operational and financial performance; growth prospects and rates; the
targeted profitability, cash flow, and liquidity; future or targeted sales, costs, cost management, working capital, inventory mar
business opportunities and positioning; strategic plans; stock repurchase plans; supply chain management; the impact of ration
competitiveness
and

liquidity
initiatives;
expected
or
targeted
changes
in
production
capacity,
operating
rates
or
efficiency
in
our
operations
or
our
competitors' or customers' operations; expected or targeted capital expenditures; future prices and demand for our products and
quality;
diversification,
new
products,
and
product
improvements
and
their
impact
on
our
business;
the
impact
of
acquired
businesses
and
backward
integration; investments and acquisitions that we may make in the future; the integration of acquisitions into our operations; po
factoring
and
supply
chain
financing)
activities;
expected
or
targeted
debt

levels; our customers' operations, production levels and demand for their products; our position in markets we serve; regional and global economic and industry market conditions and changes therein,
concerning their impact on us and our customers and suppliers; conditions and changes in the global financial and credit marke
of jurisdictional mix; the impact of accounting changes; expected depreciation and amortization expenses, and currency exchar
expenses.

We have no duty to update these statements. Our expectations and targets are not predictions of actual performance and historically our performance has deviated, often significantly, from our expectations and targets. Actual future events, circumstances, performance and trends co
positively or negatively, due to various factors, including: failure to achieve earnings or other estimates; actual outcome of unc
assumptions and estimates used when applying critical accounting policies and preparing

financial
statements;
failure
to
successfully
develop
and
commercialize new or improved products; adverse changes in inventory or supply chain management; limitations or delays on
business interruptions including those caused by weather, natural disaster, or other causes; delays or changes in or non-consum
investments or acquisitions; failure to successfully integrate into our business any completed investments and acquisitions or to
completed investments; failure to achieve expected synergies or the performance or returns expected from any completed inves
inability to protect our intellectual property rights or infringement of intellectual property rights of others; changes in market p
in our ability to obtain financing on acceptable terms; adverse changes in labor relations; adverse developments in legal procee
realization of anticipated benefits from, or variances in the cost or timing of, organizational changes, rationalizations and restru
or sales due to rationalization activities; negative developments relating to health, safety or environmental compliance or reme
downturns, production reductions or suspensions, or changes in steel and other markets we or our customers serve; customer o
insolvency events; political unrest which adversely impacts us or our customers' businesses; declines in demand; intensified co
margin decreases; graphite electrode and needle coke manufacturing capacity increases; fluctuating market prices for our produ
differences
between
actual
graphite
electrode
prices
and
spot
or
announced
prices;
consolidation
of
steel
producers;
mismatches
between
manufacturing
capacity and demand; significant changes in our provision for income taxes and effective income tax rate; changes in the availa
including petroleum-based coke or energy; changes in interest or currency exchange rates; inflation or deflation; failure to satis
grants; continuing uncertainty over U.S. fiscal policy or condition; continuation of the European debt crisis; changes in govern
policy; a protracted regional or global financial or economic crisis; and other risks and uncertainties, including those detailed in
future decisions by us.
This presentation and any related discussions do not constitute an offer to sell or solicitation to buy as to any securities.
2

Conclusion
6
Response to Daniel and Nathan Milikowsky Group Plan
4
GrafTech Corporate Governance & Board Nominees
3
A History of Success and Innovation

3

Company Overview
Incorporation
NYSE ticker
Stock
price
Market
capitalization

Net
debt
Sales (2013)
EBITDA (2013)
Employees (2013)
4
Delaware
GTI
$10.92
$1,481M
$540M
$1,167M
$144M
3,034
Segment Information
Company Facts
Graphite electrodes
Needle coke
Refractory bricks
Industrial
Materials
Engineered
Solutions
Source: Company filings, FactSet
(1) Stock price as of March 31, 2014
(2) Net debt as of December 31, 2013
Graphite electrodes
Advanced materials
Needle coke plant
Sales offices
Revenue
by region
Advanced Electronics
Industrial
Alternative Energy
Aerospace & Defense
Consumer
GrafTech is a leader in carbon and graphite material sciences
1
1
2
Product Offerings

Key Markets

Industrial
Materials
78%
Engineered
Solutions
22%
% of sales

5
GrafTech s Strong Track Record
GrafTech management and Independent Board has transformed and strengthened the
business
and
remains
focused

on
creating
value
for
all
stockholders

Turned around the company from near bankruptcy

Successfully completed and integrated four acquisitions

Secured the supply of key raw material

Expanded end markets, and technology and processing capabilities

Continues to maintain a strong balance sheet
GrafTech management and Board have created clear leadership in carbon and graphite material sciences and has a unique and integrated platform that is unmatched
GrafTech has proactively taken timely and decisive action to best position the Company upon emergence from this severe cyclical industry downturn

Right sized capacity

Rationalized SG&A

Optimized cash flows
GrafTech has the right strategy, Board and management to drive stockholder value

(1) Excludes dispositions on a pro forma and estimated basis
(2) Non-GAAP financial measure; refer to appendix for reconciliation to GAAP
(3) Includes $98M of antitrust obligations
(4) Peak and trough market capitalizations; trough on October 29, 2002, peak on September 30, 2008
Strong Track Record of Creating Value Through the Cycle
Board and management instrumental to successful turnaround
6

In 2002, GrafTech was on the verge of bankruptcy, due to ethics violations by the pre-1999 management team

Price fixing scandal in early 1990s

The Company since then has transformed its culture of ethics and values
GrafTech s management team has created a strong track record of driving change to achieve stockholder value:

Winning commercial strategy

Divestiture of non-performing assets

Rationalization of three GE plants

Reduction of over $700M of debt

Launched Engineered Solutions (ES) segment in 2007
Creation of ~$3B of stockholder value
Trough
Peak
2002
2008
Sales
(1)
$506M
$1.2B
Adjusted
EBITDA
(1)(2)
$55M
$369M
Sales
/
Team
Member
(1)
~$159k
~$474k
Operating Cash Flow
($60M)
$249M
Net Debt
$818M
(3)

$78M
Market
Cap
(4)
$213M
$3.0B

Lowered headcount by 20%, froze salaries and reduced discretionary expenses

Reduced SG&A

spending
by
18%
in
2013

Reduced manufacturing costs by ~10%
(1) Excludes dispositions on a pro forma and estimated basis
(2) Non-GAAP financial measure; refer to appendix for reconciliation to GAAP
(3) Adjusted for mark to market
(4) Market caps as of 12/31
Strengthened
the
Business
Model
In
a
Challenging
Market
Environment
Successfully completed and integrated
four acquisitions
Delivered solid organic growth in
Engineered Solutions
Executed aggressive and prudent cost
cutting initiatives
2009
2013
Sales
(1)
$659M
$1.2B
Adjusted
EBITDA
(1)(2)
$135M
$144M
Sales
/
Team
Member
~$307K
~$385K
Operating Cash Flow
$170M
$117M
Net
Debt
(2)
($33M)

$540M
Market
Cap
(4)
$1.9B
$1.5B
Over the past 5 years, GrafTech has:
Well-positioned for steel recovery
7
(1)

Backward integration into key raw material
needle coke (~45% of variable costs in IM)

Expanded technology & processing capabilities in ES

Dramatically improved quality, safety, yields and operating rates of the acquired facilities
3

~20% annual growth with over $250M of revenue in 2013

Evidence of Performance
GrafTech Has Outperformed The
Weighted Average of Its Industry Peers in the Last 5 Years
5 Year Total Stockholder Return
35.0%
22.1%
Source: Bloomberg as of March 31, 2014

(1) Industry peers include: SGL Carbon, Tokai Carbon, Graphite India, HEG Limited, IBIDEN, Showa Denko, Mersen, Toyo
5-yr
GrafTech
35.0%
SGL
22.1%
Peers[1]
27.1%
1 Year Total Stockholder Return
1
(2.8%)
(2.4%)
(14.2%)
YTD
GrafTech
(2.8%)
SGL
(14.2%)
Peers[1]
(2.4%)
8
12/31/12
1-yr
GrafTech
19.6%
SGL
(3.5%)
Peers[1]
19.2%
19.6%
(3.5%)
Year-to-date Total Stockholder Return
200.0%
150.0%
100.0%
50.0%
0.0%
(50.0%)
(100.0%)
12/31/08
12/31/09
12/31/10
12/31/11
12/31/13
Graftech
SGL
Industry peers
27.1%
40.0%
30.0%

20.0%
10.0%
0.0%
(10.0%)
(20.0%)
(30.0%)
(40.0%)
12/31/12
03/31/13
06/30/13
09/30/13
40.0%
30.0%
20.0%
10.0%
0.0%
(10.0%)
(20.0%)
(30.0%)
(40.0%)
12/31/13
01/31/14
02/28/14
19.2%
12/31/13
03/31/14

GrafTech Has a Clear, Winning Strategy Focused on
Creating Long-term Stockholder Value
Strengthen Core
Business: Industrial
Materials

Rationalization plan

benefits
Commercialize Advanced
Technologies: Engineered
Solutions
Disciplined Investment
and Capital Deployment

Strong balance sheet

Growing cash flows

Disciplined capital
deployment
10
Create
Long-term,
Sustainable
Stockholder
Value
Unique
Graphite
Electrode
Needle
Coke
Engineered
Solutions

11
Leading Position: Graphite Electrodes
Sources: 2014 estimates derived from published information including press releases, websites and public company filings
(1) Estimated capacity after announced closures
(2) Includes China facility
(3) Source: World Steel Dynamics, January 2014
A supply / demand imbalance exists today

However, demand appears to be strengthening
Best positioned for cyclical upturn
Est.
Electrode
Capacity:
ex-China
(1,000
MT)
1
0
400
800
1,200
1,600
2,000
2010A
2011A
2012A
2013A
2014E
Capacity
Amount
produced
195
180
100
98
80
32
27
GTI
SGL
Showa
Denko
Tokai
Carbon
GIL
HEG
Nippon
Carbon
SEC
0
100
200
300
400
500
600
90
94

98
02
06
10
14
18

A supply and demand imbalance in the market has existed for the last five years, and spreads today are at cyclical lows

While others have struggled, GrafTech s timely and aggressive actions best position the company to create significant value for stockholders when the cycle turns

Reduced costs

Reduced capacity

Improved operating rates

Continues to maintain pricing discipline
127
2
75%
81%
71%
69%
75%
~3%
CAGR
EAF
Steel
Production
Market
3
Emerging markets
Non-residential construction
New projects
DRI growth

Graphite Electrodes: Pricing Dynamics
12

GrafTech is recognized as a global leader in
quality, technical service and delivery and supplies
the global EAF industry

Global pricing discipline is a balanced approach between current market conditions and market share strategy

Current average electrode price is down 25% from 2009 peak pricing conditions

In third quarter of 2012, the company completed a detailed study by McKinsey & Company on pricing strategy, that indicated volume would need to increase at a four to one ratio to offset a ten percent price decline

Current rationalization plan reduces GTI s breakeven volume by over 20%, and improved cost structure by ~10%
Source: 2012 McKinsey study
Graphite Electrode Average Price
2012 Equal-EBIT Breakeven Curve (Price-Volume Combinations to Achieve Same EBIT)

Owning needle coke production is a unique, cost-saving game changer

Extends our industry-leading capabilities, low cost position even further

Ensures supply of high quality needle coke, and opportunity to accelerate profits/margins as cycle recovers
Major electrode provider that is backward integrated

One
of
only
two
graphite
electrode
producers
backward
integrated
into
needle
coke
and
the
only
one
of
significant scale
Ability to produce super premium needle coke, essential for highest quality graphite electrodes

Developed super premium grade needle coke in 2012 and successfully commercialized product

One
of
only
three
producers
in
the
world
-
ability
to
source
super
premium
needle
coke
internally
and
reduce
dependence on external suppliers

Critical for most demanding arc furnaces / large diameter electrodes
Backward integrated platform solidifies low-cost, self-reliant position
Backward Integration: Needle Coke
13
Phillips 66 contract has expired

2010 Seadrift acquisition and DoJ review triggered a mandated 3-year minimum purchase wind-down agreement for petroleum needle coke with Phillips 66

Contract expired in December 2013 and we are now able to source the majority of our needle coke internally

Without development of super premium needle coke, GrafTech would have been forced to continue to purchase large quantities from Phillips 66, and therefore unable to take full advantage of backward integration
100% utilization of Seadrift

Since the beginning of Q4 2012, Seadrift has been running at full capacity and since the acquisition has been running over 90%

Engineered Solutions is a key driver of GrafTech earnings
SOLAR
(SILICON
FURNACES)
OIL & GAS
STRUCTURES
SMARTPHONES

& TABLETS
AEROSPACE &
DEFENSE
ELECTRIC
VEHICLES
(LITHIUM ION
BATTERIES)
+17%
+52%
+26%
+16%
ED LIGHTING
(SAPPHIRE
FURNACES)
+22%
High Growth Markets
High Growth Complement to
Industrial Materials Diversification Strategy
Engineered Solutions Growth (Sales $M)
+18%
14
(1) Sources: GrafTech estimates, third party assessments and third party reports
$121
$173
$188
$223
$257
$295-308
$500
2009
2010
2011
2012
2013
2014E
Potential
growth
Expected
Key
Market
Growth
in
Next
5
Years
1

Source:
Company
filings,
press
releases;
FactSet
as

of
March
31,
2014
(1) Original estimate of $100M revised in January 2014
(2) Industry peers include: SGL Carbon, Tokai Carbon, Graphite India, HEG Limited, IBIDEN, Showa Denko, Mersen, Toyo '
Capacity
Reductions
Cost
Savings
Optimize
Cash Flow
and Reduce
Inventory

Closed the two highest cost
graphite electrode plants and
Russian machine shop

Reduces electrode capacity
by ~60k MT

$75M of annual savings

Reduced global headcount
by 20%

$150M cash flow through
effective working capital
management
1

Annual maintenance capex
reduced by $10M
Strengthened the Core: Rationalization Plan Overview
Price Performance Since October Announcement
+36.3%
6.5%
(12.0%)
October 31, 2013:
GrafTech announces
rationalization plan
15
November 6, 2013:
GrafTech shares rallied
40.2% in the five trading
days after announcement
75
85
95

105
115
125
135
145
155
165
10/30/2013
12/7/2013
1/14/2014
2/21/2014
3/31/2014
GrafTech
SGL Carbon
Industry
peers
2
6.5%

Rationalization Plan
Capacity Reductions
16
Capacity reduction removes highest cost disadvantaged facilities, enhances operating rates and improves our supply / demand balance
Illustrative Summary
Overview

Closed highest cost plants

Located in Brazil, South Africa and Russia
Reduced graphite electrode capacity by ~60k MT to reflect market realities

From ~255k MT to ~195k MT
Remaining 4 electrode plants can expand incrementally

Up to ~60k MT
Estimated cost to achieve savings of $95M

$70M non-cash and $25M cash
The rationalization allows us to run our low cost plants at high operating levels
Utilization Rate
77%
90%+
Remaining plants
Closed plants
Capacity (000s of MT)
255
195
2014E
2013A

Rationalization Plan
Cost Savings
17
2013 EBITDA margin
Overview

$75M annualized savings

20% reduction in global workforce

IM segment

ES segment

Targeted to be complete by Q2 2014
Among
market
leaders in
profitability
Source: FactSet; Note: EBITDA margins shown are calendarized
Non-electrode
Non-electrode
Non-electrode
Toyo Tanso
Ibiden
Pro forma
GrafTech
HEG Ltd.
Graphite
India
GrafTech
Nippon
Carbon
Showa
Denko
Tokai Carbon
Mersen
SGL Carbon
19.0%
18.8%
17.9%
17.3%
14.5%
12.3%
11.7%
10.2%
10.1%
7.9%
4.3%
$75 million of annualized cost savings

$50M achieved in 2014

$25M cash cost to implement, majority of
cost already incurred

~600 people

Closures of 2 plants and 1 machine shop (~60k MT capacity reduction) as well as reductions in corporate overhead

Centralization of certain operations and overhead reductions (~40 person headcount reduction)

Rationalization Plan
Optimize Cash Flow and Reduce
Inventory
18
Inventory Levels by Year ($M)
Planned
$150M

reduction
$150 million of cash flow improvement
$285
$290
$246
$340
$444
$513
$490
$340
2007
2008
2009
2010
2011
2012
2013A
2013 PF

$150M of inventory reduction across production network by 2015

$90M estimated to be delivered in 2014 and $60M in 2015

Reduction
of
future
maintenance
capex
per
ton
by
operating
fewer
stand-alone
graphite
electrode
production facilities

Annual maintenance capex at graphite electrode plants to be reduced by 25% ($10M)

GrafTech was obligated to purchase from P66 over $300M of inventory while running Seadrift at high operating levels

19

Assuming full realization of the $75M ($65M cash) cost realizations, GTI s restructuring plan will positively impact its EBITDA margin by 500bps and will further improve its cost structure relative to peers (GTI s margins were higher than the peer average by 200bps from

2010 -
2013YTD).

Jefferies, March 04, 2014
GTI announced capacity closures of two of the Company's highest-cost graphite electrode facilities in Brazil and South Africa, as well as a machine shop in Russia... We believe it was the Company's duty as an industry leader and a steward of shareholder capital to take such a course.

KeyBanc, November 03, 2013
Beyond improved markets, GTI s facility rationalizations will carry significant cost savings benefits and improve its strategic positioning.

Jefferies, November 04, 2013
The previously announced restructuring is a key to our bullishness on GTI, which we view as a cyclical stock well into the trough of the current down-cycle.

Sidoti, January 27, 2014
Independent
Analysts
Are
Supportive
of
Company
Strategy

Commercializing Advanced Technologies
20
Engineered Solutions is a key driver of GrafTech earnings
Reasons Why a Strong ES is Key
Key Initiatives

Allows for penetration of high growth markets

Advanced consumer electronics

Alternative energy

Leverages carbon and graphite product and process technology leadership for new product development

Diversifies revenue base

Provides a sustainable base for diversification in tough steel industry cycles

Focus on making capital growth investments fully operational

New product development

Broaden product portfolio, access to new markets

Multi-functional production assets

Advanced thermal solutions for electronics

Integrated electronics solutions

High-temperature furnace systems for solar, LED and consumer electronics markets

Investment and Disciplined Capital Deployment
Cash Flow
Operational
Investments

Investing in
innovative new

products

Maintain working
capital for further
investment in our
business
Capital Returned
to Stockholders

Bought 8.2% of
outstanding shares
in past 3 years

Additional 10
million share
buyback program
authorized
External
Investments

New technologies,
products or access
to growth markets

Opportunistic
acquisitions in
areas that add
strategic value
GrafTech s capital deployment strategy underscores
its long-term commitment to enhancing stockholder value
Balance Sheet
Integrity

25-30% debt /
capital target

2.0-2.5x debt /
EBITDA target
21

Strong Balance Sheet and Growing Cash Flow
22

Solid liquidity with financial flexibility

Debt to total capitalization of 30%

Corporate credit rating of Ba1/BB+,
highest in Company s history
$117
Target
Growth in Operating Cash Flow ($M)
Strong Balance Sheet (March 2014)
$77
$101
2011
2012
2013
2014
$150 -
180

23
Guidance for 2014
At / Near Low Point of Cycle
(1) Non-GAAP financial measure; refer to appendix for reconciliation to GAAP
(2) Excludes $35M of rationalization-related charges in 2013, and estimated $25M of rationalization-related charges in 2014
(3) 2013 is exclusive of $7M of pension mark to market accounting gain
$M

2013A
2014
Guidance
EBITDA
$144
$150
$180
Second
Quarter
EBITDA
$40
$30
$40
Depreciation
$95
$90
Overhead
$129
$125
$130
Interest Expense
$36
$37
Tax Rate
32%
~45%
Cash Flow From Operations
(2014 includes $25 of cash rationalization costs)
$117
$150
$180
Capital Expenditures
$86
$100
$110
ES Revenue Growth
16%
15%
20%
ES Operating Income Margin %
7%
10%
15%
(1)
(1)
(2)
(3)

Strong Opportunity in the Next Cycle
6.7X
Low
Peak
EBITDA
($M)
9X

Low
Peak
$3
$27
Stock
Price
Future
Potential
$150
180
*
$500
600
EBITDA
($M)
As of
Mar. 31,
2014
Future
Potential
~$11
?
Stock
Price
3.2X
$55
*
$369
*
?
2014
Guidance
* Non-GAAP financial measure; refer to appendix for reconciliation to GAAP; excludes dispositions on a pro forma and estim
Last Cycle
Next Cycle
24
2002
2008
2002
2008

Why
GrafTech
is
Even
Better
Positioned
for

the
Next
Cycle
25
Successfully implemented effective rationalization plan to reduce costs

Significantly reduced overhead expenses and right-sized capacity

Enhanced cash flow and improved working capital management
Backward integration is a game changer

Extends our industry-leading, low cost position even further

Ensures supply of high quality needle coke, and opportunity to accelerate profits/margins as cycle recovers
Fast-growing Engineered Solutions now has critical mass

Accounts for 22% of annual revenue today

Infrastructure for growth is in place
Solid balance sheet and strong cash flow generation

Targeted leverage of 25-30% debt/capital and 2.0x-2.5x debt/EBITDA

Ability to capitalize on growth and/or consolidation opportunities

Superior Corporate Governance Culture
Independent oversight with significant experience and long-term strategy
High standards of corporate governance
New perspectives and accountability
GrafTech s current Board nominees are committed
to acting in the best interest of ALL
stockholders

27

6 out of 7 Board member nominees are independent

Continuously reviewing best corporate governance practices

Board members with public market C-level experience, Wall Street expertise and industry background

Annually elected board

Separation of Chairman and CEO roles

Aggressively involved in driving stockholder return

33% of the independent Board nominees are new, 33% of the independent Board nominees have less than 5 years on the Board, 33% of the independent Board nominees have more than 5 years on the Board

With the election of our recommended slate of directors, including Mr. Danjczek and Ms. Morris, over 70% of the GrafTech Board will have changed over the past five years

Summary Biographies of Board Nominees
Deep industry experience
25 years
Worked at GrafTech since 1999 in a variety of roles across multiple areas of the company
Director
of
Investor

Relations
(August
1999

January
2001)
Director
of
Electrode
Sales
&
Marketing,
Americas
(January
2001

October
2005)
Director
of
Worldwide
Marketing
and
Americas
Sales
(October
2005

January
2009)
Vice
President,
Global
Marketing
&
Sales,
Industrial
Materials
(January
2009

March
2011)
President,
Engineered
Solutions
(March
2011
-
January

2014)
Chief
Executive
Officer
&
President
(January
2014

present)
Robust industrial experience

Former Chief Executive Officer of the Electrical Group of Eaton Corporation (NYSE: ETN)

Bachelor of Science degree in Electrical Engineering from Valparaiso University
Strong corporate governance experience

Current
Director
of
Fairchild
Semiconductor
International,
Inc.,
Nordson
Corporation
and
Southwire Company
28
As a result of his senior executive and deep operational experience managing large, multi-billion-dollar global businesses together with his strategic vision, leadership, and understanding of financial accounting, finance and disclosure matters, the Board believes he is well qualified to continue serving as a member of the Board
Joel L. Hawthorne
CEO of GrafTech, Director since January 2014
Age 49
Randy Carson
Director since 2009
Age 63

Summary Biographies of Board Nominees (cont d)
around the world and $561M of revenue in 2012, from 1999 until 2006
nominating and governance committee), and International Rectifier Corporation (Chair of nominating and governance committee)
award recipient in 2013
oversight and legal matters, as well as her demonstrated successful performance as a GrafTech Director, well qualify her to continue serving as a member of the Board

Steel Corporation
29
Robust leadership experience
Top lawyer with deep experience in complex governance, corporate, antitrust, telecommunications and securities matters
Chair and CEO of Pillsbury Winthrop, a global service firm with over 600 lawyers, 17 offices
Current Director of Visa, Inc. (Chair of audit and risk committee), Juniper Networks Inc. (Chair of
San Francisco Business Times / Silicon Valley Business Times Outstanding Corporate Director
Direct Women Sandra Day O Connor Board Excellence Award in 2013
Our Board believes that Ms.
Cranston s expertise in business management, board leadership and
Significant and unique steel industry experience
Former President of the Steel Manufacturers Association
Former executive at Wheeling-Pittsburgh Steel Corporation, Bethlehem Steel Corporation and Kaiser
Corporate governance experience
Current Director of Globe Specialty Metals, Inc. (serves on audit and compensation committees)
The Board believes that Mr. Danjczek s strong background and relationships in the steel and
Leading corporate governance experience
manufacturing industry, relevant leadership experience with proven business judgment
primarily in operations, as well as extensive international steel industry experience and
regulatory, legislative and trade related experience make him well qualified to serve on the
Board
Age 66
Mary B. Cranston Director since 2000 and Lead Director
Age 66
Thomas Danjczek 2014 Director nominee

at J.P. Morgan & Co.
Summary Biographies of Board Nominees (cont d)
the electronics and advanced technologies industries, well qualify Ms. Morris to serve as a member of the Board
30
Top flight corporate finance experience
Former Managing Director and co-head of the Global Energy Group within the Investment Banking Group

Strong corporate governance experience
Current Director of El Paso Corporation
Former Director of Unocal Corporation
The Board believes that Ms.
McClean s insight, including global exposure and vision, international
markets experience and understanding of financial accounting, finance and disclosure matters, in
addition to her deep board experience, well qualify her to continue serving as a member of the
Board
Strategic and financial acumen in the electronics and advanced technologies industries
Current Senior Vice President and Chief Strategy Officer of Arrow Electronics
Recognized and respected leader
The
Board
believes
that
Ms.
Morris
high
level
of
strategic,
operational
and
financial
acumen,
particularly
in
Exceptional depth and breadth of operational and financial experience related to global diversified industrial products
Former Senior Vice President and Chief Financial Officer of Ingersoll Rand
Corporate governance experience
Current Director of Hubbell, Inc.
The Board believes Mr.
Shawley s background and experience make him well qualified to serve on the
Board
Age 67
Ferrell P. McClean Director since 2002
Age 56
Catherine Morris 2014 Director nominee
Age 61
Steven R. Shawley Director Since 2010

Summarizing the Daniel and Nathan Milikowsky Group's Proposed
Strategies: Already Doing or Flawed, Misleading and Reckless
32
Already Doing
Reducing SG&A
Reducing inventory
Ensuring that Seadrift is run at full

capacity
Redefine commercial strategy
Expand the capacity of Seadrift
Evaluate opportunities available to
Engineered Solutions
Inefficient management structure
Repair Corporate Governance
Flawed, Misleading and Reckless Strategy

Milikowsky says
The fact is
Reduce SG&A

Cut SG&A by 25%

GrafTech is already a lean organization

SG&A spending (excluding amortization of purchase price accounting) as a percent of revenue is significantly lower than in the past

Through successful initiatives, GrafTech reduced SG&A (excluding pension mark to market) by 18%, or $25M, from $142M to $117M in 2013
Reduce inventory

Reduce inventory to $300M or less

GrafTech had already announced its intention to reduce inventory by $150M by the end of 2015

Excess inventory was due to a minimum purchase wind-down agreement with Phillips 66 that expired in 2013
Ensure Seadrift is run at capacity

Run Seadrift plant at full capacity instead of using Phillips 66 as an excuse

Since the beginning of Q4 2012, Seadrift has been running at full capacity

Purchasing needle coke from Phillips 66 was mandated under an agreement triggered by our acquisition of Seadrift
Initiatives Launched or Completed Before Proxy Contest
3
33
1
2

SG&A Among the Best in the Industry
1

GrafTech
already
reduced
SG&A

by
$25M
1
(excluding
pension mark to market), or 18%, in 2013

In 2004, GrafTech incurred $90M of SG&A,
representing 10.6% of sales

In
2013,
SG&A
was
$117M
1
,
or
10.0%
of
sales,
a reduction of 60bps from 2004

2013 also included $7M of stock based compensation
(due to GAAP accounting change) and $15M of
purchase price amortization that did not exist in 2004
Daniel and Nathan Milikowsky Group says: Reduce SG&A
The fact is: GrafTech has consistently had low SG&A spend relative to its peers and employs
Lean / Six Sigma practices
Source: Company filings, press releases; FactSet
(1) Excludes pension mark to market accounting
(2) Peers include: SGL Carbon, Graphite India, HEG Limited, IBIDEN, Mersen, Nippon Carbon, Showa Denko, Tokai Carbon
$M
2004
2013
Sales
$848
$1,167
$319
Total SG&A
1
$90
$117
$27
As % of revenue
10.6%
10.0%
(60bps)
Stock Based Comp (SBC)
N/A
$7

Purchase price acctng
N/A
$15
Adjusted SG&A
$90
$95
$5
As % of revenue
10.6%
8.1%
(250bps)
Peer group mean
2
24%
20%
34

On a comparative basis, SG&A has gone from 10.6% to 8.1% of revenue while revenue has increased 38%

On an absolute basis, SG&A has increased only $5M including the effects of four acquisitions, sales growth, SOX, and inflation, while revenue has grown over $300M

Inventory Management Plan Already Under Way
2
Daniel and Nathan Milikowsky Group says: Reduce inventory
The fact is: GrafTech had already announced its intention to reduce inventory by $150M by 2015

GrafTech is already addressing its inventory levels, which management recognized were high

Inventory has been high due to GrafTech s acquisition of Seadrift in 2010, which triggered a three-year wind-down contract with Phillips 66

During those three years, the Company utilized Seadrift at an optimal capacity allowing for the lowest cost structure

Now free from minimum purchase requirements, excess needle coke inventory will be absorbed by the market
35

Resulted in higher-than-average needle coke inventory

Seadrift Already Operating Near Capacity
3
Daniel and Nathan Milikowsky Group says: Ensure Seadrift is run at capacity
The
fact
is:
Seadrift

is
currently
operating
at
capacity
and
has
been
since
Q4
2012

Prior to GrafTech s acquisition, Seadrift was unable to develop or make Super Premium needle coke and GrafTech had to purchase the majority of its requirements from Phillips 66

As a result of the Seadrift acquisition in 2010, GrafTech was also obligated to continue purchasing a minimum tonnage of coke from Phillips 66 as required by a three-year wind-down agreement

Since GrafTech s acquisition of Seadrift, GrafTech has run Seadrift at an operating rate of over 90%
Annual Seadrift Utilization
GrafTech acquisition
November 30, 2010
Seadrift *has* run close to capacity
36
100%
75%
50%
25%
0%
100%
75%
50%
25%
0%
2008
2009
2010
2011
2012
2013
Q1
2012
Q2
2012
Q3
2012
Q4
2012

Q1
2013
Q2
2013
Q3
2013
Q4
2013

Milikowsky says
The fact is
Redefine commercial strategy

Increase sales by 30,000 MT to generate
an additional $60M in EBITDA

Implies selling 30k MT at margin of
$2,000 / MT, which would be equivalent
to the highest margin ever achieved in our
industry

The market reacted very favorably to the announcement of GrafTech s
rationalization plan, which raised utilization to over 90%

Additional EBITDA implies unprecedented industry margin, 40%
increase in graphite electrode price

Daniel and Nathan Milikowsky Group recommends undoing the
rationalization and starting a price war in graphite electrodes
Expand the capacity of Seadrift

Seadrift capacity to add $24M in EBITDA

Implies price of $800 / MT, which would
be equivalent to the highest price in the
industry

Given industry pricing and utilization, expansion is not economically
viable

Additional EBITDA implies 35% price increase for needle coke

Daniel and Nathan Milikowsky Group recommends leveraging up the
company with capital investment and starting a price war in needle
coke
Evaluate opportunities available to
Engineered Solutions

Questions synergies and business
trajectory of Engineered Solutions

Engineered Solutions is core to GrafTech s materials science
technologies and allows for penetration of high-growth markets

Innovations developed by the Engineered Solutions segment benefit
Industrial Materials as well
Inefficient management structure

Implement organizational structure similar
to that of steel minimill producers

GrafTech already has a similar organizational structure to that
proposed by the Daniel and Nathan Milikowsky Group
Repair corporate governance

GrafTech already has a strong corporate governance culture and an independent Board

Nathan Milikowsky was not re-nominated by the Board due to his own failure to meet GrafTech s corporate governance standards
Daniel
and
Nathan
Milikowsky
Group s
Flawed,
Misleading
and
Reckless
Strategies
4
5
6
8
37
7

Commodity Pricing Strategy is Destructive
4
Daniel and Nathan Milikowsky Group says: Redefine commercial strategy
The fact is:

The Daniel and Nathan Milikowsky Group s proposed commercial strategy of selling 30,000 additional metric tons by merely dropping prices to increase volume is irrational in this economic environment and would undo the significant cost benefits of GrafTech s global rationalization initiatives

The Daniel and Nathan Milikowsky Group strategy assumes no competitive response to market share growth, which is also unrealistic in the competitive marketplace where we operate

The ~$60M of EBITDA improvement implies a variable margin of $2,000 per MT, which is an unrealistic assumption in the current operating environment
38

Implied margin would represent the highest achieved by GrafTech historically, but during a more favorable point in the market cycle

Requires 40% price increase for graphite electrodes
Increasing capacity would hurt pricing, with a long-term negative impact on GrafTech s margins

Seadrift Capacity Expansion is Not Currently Realistic
5
Daniel and Nathan Milikowsky Group says: Expand the capacity of Seadrift
The fact is: At this point in the cycle, now is not the right time for Seadrift capacity expansion

While Seadrift is running at full capacity, the needle coke industry is operating at 80% utilization

Given the industry pricing, an expansion of Seadrift would not result in increased profitability

As previously disclosed, GrafTech plans to expand Seadrift at the appropriate time based on projected increased demand, capacity utilization and market pricing

The expansion proposed by the Daniel and Nathan Milikowsky Group is not economically supportable under current market conditions and is not currently a prudent or rational deployment of stockholder capital

The ~$24M of EBITDA improvement implies a variable margin of $800 per MT, which is an unrealistic assumption in the current operating environment
39

Implied margin would represent the highest achieved by GrafTech historically, but during a more favorable point in the market cycle

Requires 35% price increase for needle coke

ES is a Core Part of GrafTech s Strategy
6
Daniel and Nathan Milikowsky Group says: Evaluate opportunities available to Engineered Solutions
The fact is: Engineered Solutions is a core piece of GrafTech s integrated platform

The Daniel and Nathan Milikowsky Group wants to evaluate alternatives for Engineered Solutions, which we believe is a pretense for initiating a sale

Engineered Solutions diversifies GrafTech s revenue base, representing 22% of total revenues

Engineered Solutions leverages carbon and graphite technology leadership for new product development

Engineered Solutions allows for penetration of high growth markets and GrafTech is targeting over $500M in revenues
Engineered Solutions Sales ($M)
18%
22%
Increasing contributor
of total revenue
% of total
sales
40
15-20% growth
$350
$300
$250
$200
$150
$100
$50
$0
$121
$173
$188
$223
$257
$295-308
2009
2010
2011
2012
2013
2014E

A Flat Organization Structure Currently Exists
7
Daniel and Nathan Milikowsky Group says: Inefficient management structure
The fact is: GrafTech already has a similar organizational structure to that proposed by the Daniel
2.4X
Sales per Team Member ($k)
Flat Structure

Milikowsky
proposed structure
Current GrafTech
structure
41
$159
$385
2002
2013
CEO
Manager
Plant
Manager
CEO
Less than 5 people
Division President /
General Manager
Plant Manager

GrafTech
currently
has
a
flat
structure
on
par
with
its
efficient
customers

GrafTech has a small number of non-plant specific key executives who facilitate the Company's ability to operate a cohesive, global business

The savings from removing these managers would be a small fraction of $28 million

From 2002 to 2013, the Company s Sales per Team Member has more than doubled to approximately $385 thousand

Milikowsky s
suggestion
to
reduce
SG&A
by
25%,
or
$28M,
would

represent the
entire
SG&A
budget
required to support the Engineered Solutions business or substantially all of the Industrial Materials business or the corporate organization
and Nathan Milikowsky Group

The Daniel and Nathan Milikowsky Group s Proposals
Would Be Credit Negative

We view certain elements of the proposal by investors led by Daniel and Nathan Milikowsky as credit negative if implemented additional aspects that in our view could pressure the rating by making it more difficult to return credit measures to appropriate levels by early-to-mid 2015 .

The proposal would require increased production, which in our view is inconsistent with the operational restructuring program announced by the company in October 2013

A strategic shift toward maximizing market share at this point in the cycle could potentially disrupt an industry that is just starting to find its footing after an extended period of declining prices. The supply/demand balance of the graphite electrode industry remains unfavorable at present.

We also note that the proposal includes statements related to evaluating all actionable opportunities available for the engineered solutions business. We believe the company s ownership of this business enhances its credit profile because it supports greater overall stability in earnings and cash flow.

Moody s, *March 14, 2014*

42

Upon review, Moody s has publicly stated that the Daniel and Nathan Milikowsky Group s proposals would be credit negative for GrafTech

GrafTech Has a Strong Corporate Governance Culture
8
Daniel and Nathan Milikowsky Group says: Elevate corporate governance policies
The fact is: GrafTech already has a strong corporate governance culture and
High level of integrity and ethics
Independent oversight
Significant experience and long-term strategy

New perspectives and accountability
Annually elected board
Separation of Chairman and CEO roles
Aggressively involved in driving stockholder return
43
an independent Board

GrafTech Efforts to Settle
5
Fair and Reasonable Settlement Offers Rebuffed
44
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Numerous Efforts Made to Settle with Daniel and Nathan
Milikowsky Group
45
3 face-to-face meetings and multiple phone calls between CEO and Nathan Milikowsky
Discussion on merits and rationale of GrafTech s current strategy
Offer of adding two members of the Daniel and Nathan Milikowsky Group slate to the Board and
two

additional
independent
nominees
identified
by
an
independent
search
firm
in
exchange
for
a
standstill through 2016
Offer of quarterly meetings with Nathan Milikowsky as a stockholder to discuss any concerns regarding the business
Most recent offer included adding four new independent candidates to the Board, including two nominees from the Daniel and Nathan Milikowsky Group slate, having two long-serving directors
retire
from
the
Board,
the
option
of
either
Nathan
Milikowsky
or
a
mutually
agreed
upon
director
joining the Board as a fifth addition, and foregoing any standstill
Offered representation more than double their share ownership
Nathan Milikowsky has rejected all of our offers and remains obstinate in his views

He must be on the Board
Craig Shular (Executive Chairman) and Mary Cranston (Lead Director) need to step down immediately
Continued refusal to cooperate with the investigation
To remove any distraction for management and the Board on the near-term business execution plan, several outreaches have been made to settle recent demands by the
Daniel
and
Nathan
Milikowsky

Group
and
provide
them
with
meaningful
representation
on
the Board

In
2012,
the
GrafTech
Board
appointed

a committee of independent directors, which engaged independent outside counsel, to conduct an investigation into apparent leaks of inside information and possible insider trading that was brought to the Board s attention by several members of the management team

Following a comprehensive and thorough process over the course of six months, independent investigatory counsel concluded that there had been leaks of information, that there was evidence that Nathan Milikowsky was the source of the leaks and that there was no evidence that management or any other director was the source

During the investigation, other key facts were uncovered showing that Nathan Milikowsky acted inconsistently with the fiduciary responsibility of a board member under Delaware law and that the Milikowskys breached the Stockholders Agreement, to which both Nathan and Daniel were subject

Accordingly, the Board determined that Nathan

Milikowsky
did
not
meet
the
requirements
set
forth
under
the
Stockholders
Agreement,
and
the
Corporate
Governance
Guidelines
and
Nominating
Committee Charter, for re-nomination
Nathan
Milikowsky
was
Not
Renominated
to
the
Board
for
His
Own
Failure to Meet GrafTech s Corporate Governance Standards
46

Nathan Milikowsky is Not Qualified to Be a GrafTech
Director
47
Leaks
Information
Hedge
Fund

submits
letter
to
Board
proposing
strategy
similar
to
that
outlined
by
N.
Milikowsky
to
the
Board
weeks
earlier,
using
similar
terminology,
and
also
negatively
commenting
on
executive
incentives
In an IR teleconference with management, Hedge Fund reveals it knows
GrafTech
has
been
in
discussions
to
acquire
a
company,
names
the
target
company and expresses its displeasure with any acquisition
How would Hedge Fund know
about the Board s internal
strategy
discussions,
including
specific non-public details about
a
contemplated

transaction?
Suborns
Directors /
Undisclosed
Conflicts of
Interest
N. Milikowsky presents demand to lead director that CEO be replaced (on the
same
day
that
Hedge
Fund
suggested
that
CEO
should
be
replaced
and
would
like
a
dialogue
with
N.
Milikowsky

even
though
it
was
clear
they
were
already
in
contact
with
the
Milikowskys)
Isn t N. Milikowsky s attempt to
install himself as CEO while on
the Board a clear violation of
Delaware law and the
Stockholders
Agreement?
N. Milikowsky offers AC Chair opportunity to invest in an early stage medical
technology company sponsored by N. Milikowsky through a $220,000
subscription
agreement.

After signing, AC Chair tells N. Milikowsky that he cannot complete the transaction beyond a $10,000 investment, but N. Milikowsky tells him he can pay when he can, at same share price

essentially a free option

Should N. Milikowsky have disclosed financial arrangement with AC Chair to the Board, especially given the free option nature of their arrangement?

AC Chair tells Special Committee about a $10,000-15,000

investment
in
one
of
N.
Milikowsky s
companies,
later
revealing
full
extent
of
free
option
through
interview
and
document
production
process

What was the real motivation
behind this free option

a
friendly gesture among fellow
Board members or an attempt
by N. Milikowsky to influence
another Board member? If it s
the former, why not disclose it?

Facts/Evidence

What Stockholders Should Be
Asking

Nathan Milikowsky is Not Qualified to Be a GrafTech
Director (cont d)
48
Facts/Evidence
What Stockholders Should Be
Asking
Refuses to

Cooperate
Special Committee established to investigate possible leaks and insider trading
All
directors
advised
that
full
cooperation
is
required
and
will
be
requested
to
provide documents and interviews
All directors and management asked to sign legal holds; N. Milikowsky is the only person who refuses to sign
In
connection
with
formation
of
Special
Committee,
directors
are
requested
to
disclose conflicts. None are disclosed by N. Milikowsky or AC Chair
N. Milikowsky initially fails to produce documents, eventually making a limited production with selected documents
Why would N. Milikowsky not sign
a legal hold if he had nothing to
hide?
Why does N. Milikowsky now
claim he retained all relevant
materials if he never turned them
over to investigatory counsel?
Misleads
Board
N. Milikowsky and AC Chair make presentation to certain directors, and not all directors get the same slides
Lead director requests that N. Milikowsky forward all slides to all directors
N. Milikowsky sends additional slides to lead director, telling her they are the balance
of the slides
Documents produced by other directors show that, even then, he did not send all slides
Why didn t Nathan Milikowsky

disclose entirety of materials to full
Board?
N. Milikowsky claims he did not communicate with hedge fund, while his own emails clearly show that he was coordinating with hedge funds through family members
What is N. Milikowsky hiding?

What Is the Issue to Resolution?
The
Daniel
and
Nathan
Milikowsky
Group

has
no
interest
in
resolving

unless
Nathan Milikowsky is on the Board. Why?
Nathan Milikowsky not re-nominated in 2013 for the same reasons that exist today
GrafTech s Board and management will not compromise on good corporate
governance and ethics
The Daniel and Nathan Milikowsky Group s strategy is flawed and not in the best
interest of all
stockholders
GrafTech has the right board, the right management
team and the right strategy to drive value for all stockholders
49

Serious
governance
breaches,
including
breach
of
the
stockholders
agreement
Conduct that demonstrates he is not qualified to serve on the Board

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GrafTech Has the Winning Strategy
GrafTech Overview & Track Record
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Conclusion
GrafTech has the right strategy to drive stockholder value
GrafTech has taken timely and decisive actions
GrafTech s independent Board is engaged and knowledgeable about our global businesses
The Daniel and Nathan Milikowsky Group s strategy is value destructive and based on a flawed single-plant mentality not

applicable to running a global organization
The issue to constructive resolution is good corporate governance
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EBITDA Reconciliation
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NOTE ON EBITDA RECONCILIATION: EBITDA is a non-GAAP financial measure that GrafTech currently calculates acco using historical or estimated target GAAP amounts as indicated above. GrafTech believes that EBITDA measures are generally useful information regarding a company s ability to incur and service debt as well as productivity and cash generation. Manag measures as well as other financial measures in connection with its decision-making activities. EBITDA measures should not b as a substitute for net income (loss), cash flows from operations or other consolidated income or cash flow data prepared in acc

GrafTech s method for calculating EBITDA measures may not be comparable to methods used by other companies and is not for calculating EBITDA measures under its senior secured revolving credit facility or other debt instruments.
$M
2002
2008
2009
2013
2014 Target
Net income
$(18)
$184
$ 16
$(27)
$(14) -
$10
Interest expense
47
19
6
36
37
Interest income
(2)
(1)
(1)
0
0
Income tax (benefit) expense
(13)
51
23
(13)
(5)
(11)
Depreciation and amortization
25
35
33
95
90
Rationalization-related
depreciation
0
0
0
28
25
Rationalizations and other related
charges and impairments
23

37
55
37
4
Other expense (income), net
(7)
12
2
2
3
Mark-to-market adjustment
(1)
0
32
1
(14)
0
EBITDA
$55
$369
$135
$144
$150 -
$180
(1) 2002 numbers have not been restated to reflect pension and OPEB mark-to-market accounting changes, as the cumulative e
as of December 31, 2006

Net Debt Reconciliation
NOTE
ON
NET
DEBT
RECONCILIATION:
Net

debt is a non-GAAP financial measure that GrafTech calculates according to the schedule above, using GAAP amounts from the Consolidated Financial Statements. GrafTech believes that net debt is generally accepted as pro information regarding a company s indebtedness and that net debt provides meaningful information to investors to assist them to analyze leverage. Management uses net debt as well as other financial measures in connection with its decision-making activities. Net debt shoul in isolation or as a substitute for total debt or total debt and other

long-term
obligations
calculated
in
accordance
with
GAAP.
GrafTech s
method
for
calculating net debt may not be comparable to methods used by other companies and is not the same as the method for calculat
its senior secured revolving credit facility or other debt instruments.

$M	2002	2008	2009	2013	Q1 2014
Long-term debt	$713	$51	$1	$542	$554
Short-term debt	18	9	1	1	0
Supply chain financing	0	30	15	9	0
Antitrust and related obligations	98	0	0	0	0
Total debt	$829	$90	$17	$552	$554
Less:					
Cash and cash equivalents					

11
12
50
12
17
Net debt
$818
$78
($33)
$540
$537
54

Thorough Investigation Found Nathan Milikowsky
Engaged in Misconduct and Is Not Qualified
55
Independent directors unanimously concluded Nathan Milikowsky did not satisfy the governance requirements for re-nomination:

High personal standards (integrity, honesty and full disclosure of all conflicts of interest)

Compliance with duty of undivided loyalty and duty of candor

Compliance with code of conduct (ethics, integrity, conflicts of interest, public disclosure and confidentiality)

Acting as a member of the Board (disruptive to Board functioning inconsistent with his fiduciary duties and counterproductive to the Board s discharge of its fiduciary duties)
Taking into account all information considered material and relevant, including:

Report of a top independent law firm, Wilson Sonsini, on assessment of functioning of the Board

Results of internal investigation by well recognized, highly experienced, independent investigatory counsel, Morris, Nichols, reported to a Special Committee

Letter for the Board submitted to lead director and counsel, by former CFO (previously at IBM) and three other employees, ba on personal knowledge and required by code of conduct;

Reporting a hedge fund investing in GrafTech shares (Hedge Fund) on multiple occasions revealed contemporaneous knowledge by it of material non-public information (significant M&A transactions, plant cost structure, capital spending and

investment, and Board issues -
information only known to management and the Board)
Thorough investigation, including over 2,000 hours of personnel time and thousands of documents reviewed
Investigatory counsel reported its conclusions:

There had been leaks of such information and there was evidence that Nathan Milikowsky was the source

No evidence to support a conclusion that management or any other director was the source and at least some of that information could not have been developed independently

Mr. Milikowsky did not cooperate fully (documents provided were incomplete and omitted specifically requested documents k
to exist)

Mr. Milikowsky attempted to mislead the investigation (representing that he produced all responsive documents, although documents produced by another director revealed this to be untrue)
Also found evidence that Milikowskys were acting in coordination with the Hedge Fund, in

violation
of
the
Stockholders
Agreement
Special Committee of independent directors, formed as a customary and proper response:

Nathan Milikowsky Leaks Information to Change
Strategy/Management
56
December 2011
March 2012
Board/Committee
Meetings

Board confidentially discusses both possible repurchase of 10 million shares and acquisition of a target company, in a sector in which GrafTech had not publicly disclosed material interest, as well as detailed plant cost structure information

N. Milikowsky raises questions about strategy, based on same flawed assumptions underlying his current strategy
March 2012

To address questions, there is an all-day strategic and tactical review by management with N. Milikowsky

N. Milikowsky leads management to believe he supports strategy and tactics and management so reports to the Board at next Board meeting

N. Milikowsky does not disagree at that next Board meeting
March 21, 2012

Hedge
Fund
emails
D.
Milikowsky
requesting
they
have
a
quick
conversation
on
GrafTech
and
D.
Milikowsky
forwards
email
to N. Milikowsky asking what do you think
March 27, 2012

N.
Milikowsky s
nephew
states,
in
an
IR
teleconference,
that
shareholders
would
not
like
[it]

at
all
if
GrafTech
acquired
another company
April 24, 2012

The Audit Committee, including N. Milikowsky, meets to consider stock repurchases
April 25, 2012

D. Milikowsky receives a number of emails from Hedge Fund about share repurchases, and forwards them to N. Milikowsky
N. Milikowsky tells D. Milikowsky that he will review, and talk to him when he gets back
April 26 and 27,
2012

N. Milikowsky s nephew, in IR teleconferences, states that GrafTech should spend less time on seeking acquisitions and pursue a repurchase program
April 28, 2012

N. Milikowsky calls his nephew to request that his nephew stop asking questions, as his preference is that other shareholders ask the questions and not my relative.
The nephew replies that he has been conscious of not raising any questions not
easily and clearly problems.
[Purported notes of N. Milikowsky recorded at the time of the call.] [Isn t it odd to record notes of
this call with one family member, but no notes of any call with D. Milikowsky or anyone else?]
April 30, 2012

N. Milikowsky s nephew emails IR personnel, noting he probably speaks to as many of [GTI s] shareholders as you do
May 31, 2012

Hedge Fund states, in an IR teleconference, it knows GrafTech has been in discussions to acquire a company, names the target company and expresses its displeasure with any acquisition
Summer 2012

Hedge
Fund
tells
a
former
GrafTech
senior
employee
that
Hedge
Fund
had
dinner/lunch
with
Milikowskys

regarding
GrafTech and Hedge Fund

Hedge
fund
asked
if
former
GrafTech
senior
employee
wanted
to
be
CEO
of
GrafTech
[Testimony
of
former
employee
to
investigatory counsel; Hedge Fund does not specify if one or both Milikowskys or whether lunch or dinner]
August 14, 2012

Hedge Fund states, in an IR teleconference, it knows the Company s highest cost electrode plant
February 2013
Board Meeting

Board confidentially discusses possible strategic merger transaction
March 15, 2013

Hedge Fund schedules a face to face meeting with management and its initial questions are focused on the strategic merger transaction, naming the target
Violation
of
Law;
Breach
of
Fiduciary
Duty,
the
Stockholders
Agreement,
Governance Guidelines and the Code of Conduct

Milikowskys Are Coordinated with Hedge Fund to
Change Strategy/Management and Suborns Directors
57
Milikowskys Are Coordinated with Hedge Fund to Change Strategy/Management
April 28, 2012

D. Milikowsky receives email from Hedge Fund on incentive compensation and forwards to N. Milikowsky, during the same

time that GrafTech is responding to comments on incentive compensation from Hedge Fund
May 11, 2012

Hedge
Fund
submits
letter
to
Board
proposing
strategy
similar
to
flawed
strategy
proposed
by
N.
Milikowsky,
using
similar
terminology, and also negatively commenting on executive incentives
Summer 2012

Hedge
Fund
tells
a
former
GrafTech
senior
employee
that
Hedge
Fund
had
dinner/lunch
with
Milikowskys
regarding
GrafTech and Hedge Fund

Hedge
fund
asked
if
former
GrafTech
senior
employee

wanted
to
be
CEO
of
GrafTech
[Testimony
of
former
employee
to
investigatory counsel; Hedge Fund does not specify if one or both Milikowskys or whether lunch or dinner]
August 2, 2012

N. Milikowsky presents demand to lead director that CEO be replaced (on the same day that Hedge Fund suggested that CEO
should
be
replaced
and
would
like
a
dialogue
with
N.
Milikowsky

even
though
it
was
clear
they
were
already
in
contact
with
the Milikowskys)
Nathan Milikowsky Suborns Directors
October 19, 2011

N. Milikowsky offers Audit Committee Chair (AC Chair) opportunity to invest in an early stage medical technology compa
sponsored
by
N.
Milikowsky.
AC
Chair
signs

$220,000
subscription
agreement
on
October
19
October 2011

AC Chair tells N. Milikowsky that he could not complete the transaction, but N. Milikowsky waives off any concern and tells
him
he
could
pay
when
he
could,
at
same
share
price

essentially
a
free
option .
AC
Chair
pays
an
initial
$10,000
in
October
2011 [Testimony of AC Chair to investigatory counsel]
September 2012

AC Chair attempts to suborn lead director, by telling her that she can continue to be lead director after management changes.
Lead director refuses
Breach
of
Fiduciary
Duty,
Code
of
Conduct
and
the
Stockholders
Agreement
and

Highly
Disruptive to the Board Functioning

Nathan Milikowsky Refuses to Cooperate With Internal
Investigation
58
September 12,
2012

Employees express concern to lead director that insider information is being leaked

September 19,
2012

Special Committee established to investigate possible leaks and insider trading. All directors advised that full cooperation is required and will be requested to provide documents and interviews

All directors and management asked to sign legal holds. N. Milikowsky is the only person, of 27 who were requested to sign and co-operate, who refuses to sign
October 23, 2012

N. Milikowsky counsel sends letter to investigatory counsel, requesting indemnification and confirming that all communicatio regarding the investigation between Special Committee and N. Milikowsky will be through counsel. [N. Milikowsky is the onl person who asked for counsel
what did he have to hide?]

N. Milikowsky was not the subject of the investigation at this point, yet he still hired counsel
November and
December 2012
Board Meetings

Directors requested to begin collecting documents for delivery to investigatory counsel
January 2013

Two written requests for documents sent to directors
February and
March 2013

Investigatory counsel provides suggested dates on which it could interview N. Milikowsky

N. Milikowsky initially fails to produce documents and then produces certain documents. Investigatory counsel reports production is incomplete and certain documents are redacted. For

example,
emails
that
would
be
expected
in
response
to
other emails are not produced and text appears omitted from other emails

N. Milikowsky fails to provide a date in which he will be available for an interview. N. Milikowsky s counsel says that he is n
available for some of the dates and other dates are not good because N. Milikowsky is on vacation. N. Milikowsky is only
person to ask for counsel to be present at interview, which is ultimately scheduled for April 2013
March 31, 2013

N.
Milikowsky
sends
letter
to
investigatory
counsel,
denigrating
the
investigation
process,
making
targeted
denials
(he
den[ied] providing any information
to Hedge Fund, and only that he had no reason to believe Daniel provided any material
non-public information
to Hedge Fund) and cancelling his scheduled interview
April 10, 2013

Information turned over to SEC

Subsequently provided information as requested
Breach of Fiduciary Duty, Governance Guidelines and
Code of Conduct

Nathan Milikowsky Misleads the Board
59
May 2012

Following receipt of Hedge Fund s letter, lead director asks all directors if they had contact with the Hedge Fund. N. Milikowsky reports to her that he spoke with them once
May 14, 2012

At Board meeting, lead director asks N. Milikowsky to report on his contact with Hedge Fund

N. Milikowsky states he had no contact, that D. Milikowsky was contacted by them and he told D. Milikowsky not to talk to them
Summer 2012

N. Milikowsky strategizes with AC Chair to oust CEO and prepares detailed slide presentation promoting that agenda

AC Chair convinces N. Milikowsky to use David Jardini as named CEO instead [Testimony of AC Chair]
September 2012

N. Milikowsky and AC Chair make presentation to certain directors. Not all directors get the same slides
September 12, 2012

N. Milikowsky forwards 4 slides from the presentation to GrafTech management

Lead director tells N. Milikowsky that she knows that he has discussed a much larger deck with other directors and requests that N. Milikowsky forward a complete set

AC Chair emails N. Milikowsky not to send the entire slide presentation to lead director unless he wants to share the information with the entire Board and management
September 14,

2012

N. Milikowsky sends additional slides to lead director, telling her they are the balance of the slides. In fact, slides produced by other directors show that he lied and that various directors received different slides

September 2012

N. Milikowsky tells two directors that he had procured support from a third director who was in favor of electing N. Milikowsk as Chairman. Testimony of the three directors shows that he lied

Breach of Fiduciary Duty and Governance Guidelines, and Highly Disruptive to Board Functioning

Nathan Milikowsky Fails to Disclose Material Conflicts of Interest
60
September 19,
2012

In
connection

with formation of Special Committee, directors are requested to disclose conflicts. None are disclosed by N. Milikowsky or AC Chair
February 2013

As committee begins to seriously consider reporting to SEC, AC Chair tells Special Committee about investment of $10,000-15,000 in one of N. Milikowsky s companies, saying he would have done same for any director and indicating some future payments would be made under same subscription

Through interview and document production process, full extent of arrangement is reported to investigatory counsel by AC Chair. Outside counsel advises Special Committee that arrangement is essentially a free option

N. Milikowsky does not produce the same documents, despite investigatory counsel request, claiming he has produced all documents
Breach of Fiduciary Duty, Governance Guidelines and
Code of Conduct