

Interim Report January to March 2009



Graphit Kropfmühl AG

A Member of
AMG

AMG Advanced Metallurgical Group NV.




GRAPHIT KROPFMÜHL AG - Financial Highlights

| Group January to March | | 2009 | 2008 | Change |
|--|---------|---------|--------|------------|
| Total sales | in TEUR | 18,087 | 22,402 | - 19.3 % |
| EBITDA | in TEUR | 735 | 2,874 | - 74.4 % |
| EBIT | in TEUR | 21 | 2,236 | - 99.1 % |
| EBT | in TEUR | - 526 | 1,824 | not stated |
| Consolidated earnings for the period | in TEUR | - 379 | 1,359 | not stated |
| Cashflow from ordinary business activities | in TEUR | 5,025 | 1,801 | > 100.0 % |
| Investments | in TEUR | 3,620 | 1,810 | 100.0 % |
| Balance sheet total ¹⁾ | in TEUR | 73,515 | 63,688 | 15.4 % |
| Stockholders equity ¹⁾ | in TEUR | 23,197 | 22,314 | 4.0 % |
| Equity ratio ¹⁾ | in % | 31.6 | 35.0 | |
| Net debt ¹⁾ | in TEUR | 18,043 | 17,075 | 5.7 % |
| Employees (31 March) | | 535 | 710 | - 24.6 % |
| | | | | |
| Profitability | | 2009 | 2008 | Change |
| EBITDA margin | in % | 4.1 | 12.8 | |
| EBIT margin | in % | 0.1 | 10.0 | |
| Return on sales (before income tax) | in % | - 2.9 | 8.1 | |
| Return on equity | in % | - 1.6 | 6.1 | |
| | | | | |
| Silicon-metal segment | | 2009 | 2008 | Change |
| Sales | in TEUR | 12,799 | 14,440 | - 11.4 % |
| Segment share of total sales | in % | 70.8 | 64.5 | |
| EBITDA | in TEUR | 1,085 | 1,492 | - 27.3 % |
| EBIT | in TEUR | 818 | 1,264 | - 35.3 % |
| EBT | in TEUR | 602 | 1,079 | - 44.2 % |
| Employees (31 March) | | 107 | 108 | - 0.9 % |
| | | | | |
| Graphite segment | | 2009 | 2008 | Change |
| Sales | in TEUR | 5,288 | 7,962 | - 33.6 % |
| Segment share of total sales | in % | 29.2 | 35.5 | |
| EBITDA | in TEUR | - 350 | 1,382 | not stated |
| EBIT | in TEUR | - 797 | 972 | not stated |
| EBT | in TEUR | - 1,128 | 745 | not stated |
| Employees (31 March) | | 428 | 602 | - 28.9 % |
| | | | | |
| Share | | 2009 | 2008 | Change |
| Earnings | in EUR | - 0.13 | 0.47 | not stated |
| Cashflow from ordinary business activities | in EUR | 1.74 | 0.63 | > 100.0 % |

¹⁾ Balance sheet values each refer to the accounting date of the reporting period (31 March)



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Forward-looking statements

This interim report contains statements about future developments that are based on currently available information and may involve risks and uncertainties, the result of which may be that the actual results differ from the forward-looking statements. Statements about future developments must not be understood as guarantees. Future developments and events rather depend on a variety of factors, they contain various risks and imponderabilities and are based on assumptions that might turn out to be incorrect. For example, these include unforeseeable changes of the general political, economic, and social conditions.

Letter to our shareholders

Dear shareholders

The economic development in Germany, in the Euro region, and in all the other economic regions compared to the last quarter of 2008 showed a further decline in the 1st quarter of the current fiscal year.

Leading economic research institutes and the Federal Government have further lowered their forecast figures for the year 2009. Key branches in Germany, such as the automobile and engineering industries, suffer from an unexpectedly severe decrease in the demand for their products. Even rising industry branches, such as the manufacturers of technologies for the generation of renewable energies, experience considerable slumps in business.

Various economic stimulus packages that were independently resolved by various governments so far could not achieve the desired effects.

We no longer were able to avoid these subjects which, following the financial crisis and its effects on the real economy, now regularly reach us via the media. As a consequence, the decrease in sales and earnings of the last quarter of 2008 again accelerated.

In the 1st quarter of 2009 we thus had to accept a decrease of total sales by 19.3 % to TEUR 18,087. Earnings (adjusted EBITDA) amount to TEUR 735, which is a reduction to a fourth of the previous year.

Against this background we already resolved various measures in the 4th quarter 2008 to adapt our capacities and thus our costs to the changed market conditions.

The program for the reduction of the staff at our mine on Sri Lanka was further implemented in the 1st quarter of 2009. Altogether the number of employees in Sri Lanka have been reduced by approx. 170 since November 2008. The relocation of a production line for cost reasons from Great Britain to the Czech Republic runs according to schedule. Commissioning at the new location will be performed by May 2009.

In Germany we additionally employed the instrument of short-time work. In the 2nd quarter of 2009 we have increased the rate of short-time work.

We will continue the already started investments, such as the equipping of a silicon furnace with a more energy-efficient electrode system, because we see further cost saving potentials in these measures. For the time being, however, new investments will be limited to an absolutely necessary level.

Our equity ratio at 31 March 2009 is 31.6 %. Compared to last year's balance sheet date this means a decreasing figure, but since 31 December 2008 we were able to reduce the group's net debts by approx. EUR 1.3 million. Until 31 December 2008 we bound additional liquidity by building up inventories. The unexpectedly strong decline of sales on the one side, and purchasing obligations with our suppliers on the other side, forced us to take this step. Until the end of the year 2009 we will continuously reduce our inventories to improve our working capital. The liquidity that will be set free will be used to reduce our financing costs.

The GK share

Through its 100 % subsidiary AMG Invest GmbH, AMG Advanced Metallurgical Group still holds about 80 % of the shares of our company. The ratio attributable to the freefloat thus is 20 %.

Due to the very low number of free shares trading volumes and turnover of our share regularly are at a very low level, however, transactions of a small volume as a consequence also lead to relatively high price fluctuations.

The price of our share in the quarter decreased by 10.9 % from EUR 17.40 to EUR 15.51, but the losses of our share still were lower than those of the SDAX index, which decreased by approx. 16.6 % in the same period.

Current information on our company, press releases and ad-hoc publications, our financial reports, our current financial calendar, and analyst opinions on our company are always published in the Investor Relations area of our homepage at www.gk-graphite.com.

Annual General Meeting 2009

This year's Annual General Meeting of our company will be held in Munich on 10 June 2009. We shall be pleased to welcome you, our shareholders, in the rooms of the Hanns-Seidel-Stiftung to exercise your rights as shareholders.

Your depository bank will in due time provide you with the invitation to our Annual General Meeting. All the documents for the Annual General Meeting and possible counter-motions will also be made available in electronic form at our homepage.

Outlook

From today's point of view the further course of the fiscal year cannot be reliably forecast. At present, overviews can only be made for very short periods of time, and there still are no recognizable tendencies that would indicate an economic recovery.

We therefore expect that our sales and earnings figures will be clearly lower than in the previous year.

Yours faithfully



Martin Ebeling
Chairman of the Board of Directors



Hans-Detlef Antel
Member of the Board of Directors



Achim Carstanjen
Member of the Board of Directors

Business development

In the 1st quarter of 2009 the Graphit Kropfmühl group achieved sales of TEUR 18,087. The silicon-metal segment contributed 70.8 %, the graphite segment 29.2 % of the sales, which means that the silicon-metal segment further increased its sales contribution. With a sales drop of TEUR 2,674 the graphite segment clearly was more affected by the global economic downturn than the silicon-metal segment, where sales were TEUR 1,641 lower than in the previous year. For the group as a whole this means a decrease of TEUR 4,315 or 19.3 %.

This decline is reflected in all the sales regions. In our primary sales market of German-speaking Europe we observed a decrease of 14.0 % to TEUR 14,630. Due to a higher ratio of the graphite segment in the other regions, these predominantly showed a weaker development. In other European countries total sales amounted to TEUR 2,794, after TEUR 3,996 in the previous year. In the Asia/Pacific region we achieved sales of TEUR 570, after TEUR 874 in the previous year. In the USA, and especially in North America, we had to put up with a drop in business of TEUR 503 to TEUR 53, whereas in the rest of the world we were able to reach some growth which, however, remained on a very low level.

Earnings position

The cost of sales, which in addition to the production costs also include direct selling expenses, was reduced by 10.3 %. Despite the decrease in costs, due to a more rapid decrease in costs, gross profit decreased by 57.4 % to TEUR 1,818. The gross profit margin accordingly is 10.1 %, after 19.1 % in the previous year.

The selling, general and administrative expenses increased by 21.9 % to TEUR 2,707. However, it must be taken into consideration here that this includes non-recurring costs of TEUR 660 altogether that occurred within the scope of projects and were charged on to our project partners. This also explains the strong increase of the other operating income from TEUR 159 to TEUR 910 that is shown compared to the previous year's quarter.

Earnings before interest and taxes (EBIT) amount to TEUR 21 in the 1st quarter 2009. In the previous year earnings amounted to TEUR 2,236. The EBITDA, the earnings before interest, taxes, depreciation and amortization, was TEUR 735 for the 1st quarter 2009. Compared to the previous year this is a clear decline of approximately 75 %.

The financial result is characterized by additional expenses for market value changes of an interest rate hedge that does not meet the requirements of hedge accounting according to IAS 39. For this an additional amount of TEUR 77 was recognized in the financial result in the reporting period. In combination with net debts that are higher than in the prior year, the financing expenses have clearly increased.

Earnings before tax (EBT) amount to TEUR - 526, after TEUR 1,824 in the 1st quarter of 2008. In the previous year income tax expenses of TEUR 466 had to be considered due to the positive earnings. In 2009 we, due to deferred tax assets on accrued losses, considered a tax refund amount of TEUR 140.

The profit for the period attributable to the shareholders of the GK group is TEUR - 379. In the previous year we could reach a positive profit for the period of TEUR 1,359. The ratio of minority interests in the profit was TEUR - 6 and TEUR - 1 (in the previous year) respectively.

Investments

In the 1st quarter of 2009 we continued the investment projects in both segments that had already been started in the previous year. Of the total investment amount of TEUR 3,620 the essential part with TEUR 3,229 was allocated to the silicon-metal segment. For the conversion of a silicon furnace payments in a considerable amount were due in the 1st quarter.

With TEUR 391 about 11 % of the investments were attributed to the graphite segment, where investments essentially were made for the relocation of a production line and necessary infrastructure measures.

Segments

Silicon-metal

The silicon-metal segment achieved sales of TEUR 12,799 in the 1st quarter. This is a reduction of 11.4 % and affected all the product lines. Both silicon-metal and RW filler remained behind the previous year's figures.

While in the same period of 2008 we still sold a quantity of 6,830 mt of silicon-metal, the sold quantity in 2009 was 5,821 mt. 4,776 mt were sold to the chemical industry, and 1,045 mt the aluminium industry, which is especially affected by the severe drop in the demand for automobiles because the aluminium die-cast industry produces pre-products for automobile manufacturers. In the same period RW filler quantity sold decreased from 5,084 mt in the previous year to 4,444 mt in the 1st quarter 2009.

Due to the cost structure the earnings ratios decreased disproportionately:

| | | 2009 | 2008 | Sales |
|--------|---------|--------|--------|----------|
| Sales | in TEUR | 12,799 | 14,440 | - 11.4 % |
| EBITDA | in TEUR | 1,085 | 1,492 | - 27.3 % |
| EBIT | in TEUR | 818 | 1,264 | - 35.3 % |
| EBT | in TEUR | 602 | 1,079 | - 44.2 % |

Graphite

Despite a diversified customer structure the graphite segment clearly was more affected, which also is reflected in the 33.6 % drop of sales.

While in the previous year sales still amounted to TEUR 7,962, we experienced a decline to TEUR 5,288 in the 1st quarter of 2009. This development affected all our sales regions. In our main sales market of Germany/Austria/Switzerland (D/A/CH) sales dropped by 27.1 % to TEUR 3,150, in other European countries and in the Asia/Pacific region the business volume decreased by about 34 %. The region that was affected most was America, where sales dropped by more than 90 % to TEUR 33.

This development especially affected applications that can be allocated to the automotive sector and other dependent industrial activities. In Germany the sector of building material chemistry could not reach the intended performance also due to the long winter period, because such materials only can be processed when certain minimum requirements concerning the outside temperature are met. The second economic stimulus package in Germany may create additional sales opportunities in this application field during the 2nd half of the year.

The resulting earnings ratios correspondingly are clearly lower than in the previous year.

| | | 2009 | 2008 | Change |
|--------|---------|---------|-------|------------|
| Sales | in TEUR | 5,288 | 7,962 | - 33.6 % |
| EBITDA | in TEUR | - 350 | 1,382 | not stated |
| EBIT | in TEUR | - 797 | 972 | not stated |
| EBT | in TEUR | - 1,128 | 745 | not stated |

Asset position

Since 31 December 2008 the balance sheet total at 31 March 2009 increased by 3.6 % to TEUR 73,515. This essentially is due to the increase of non-current assets by TEUR 3,153. With investments of TEUR 3,620 and regular depreciations of TEUR 691 the tangible assets (property, plant and equipment) increased to TEUR 35,489. Intangible assets on the other hand decreased by TEUR 29. While the change of goodwill is due to exchange rate fluctuations, other intangible assets due to amortisation decreased by TEUR 22.

Deferred tax assets amount to TEUR 335. The increase since 31 December 2008 is due to capitalized deferred taxes on market value changes of our interest rate derivatives that were directly recognized in the equity, and to accrued tax losses in two companies for which we expect that these will be used in later periods.

Current assets decreased by TEUR 571. In addition to the decrease of inventories of TEUR 447, trade receivables further decreased due to declining sales. After TEUR 8,217 on 31 December 2008, the balance on 31 March 2009 still was TEUR 7,472. Except for cash and cash equivalents, which at 31 March 2009 increased by TEUR 731 to TEUR 1,640, the other items in the current assets decreased by TEUR 110.

The equity on 31 March 2009 amounted to TEUR 23,197. The decrease, apart from the negative result for the quarter, primarily is due to market value differences of effective interest rate hedge instruments that are recognized in the equity. For a detailed representation of changes in equity please refer to page 13 of this interim report. As a result of the simultaneously increased balance sheet total the equity ratio of the group is 31.6 %.

Non-current liabilities increased by TEUR 457 to TEUR 22,927. Apart from an increase of the pension obligation due to regular additions, the other non-current liabilities increased by TEUR 480 especially due to market value changes of employed interest rate swaps. The long-term bank debts showed a slight increase. On the one hand there were regular repayments, on the other hand there were payments from a loan to our company in the Czech Republic of TEUR 466. The other items in the non-current liabilities, however, decreased by TEUR 91.

Current liabilities amounted to TEUR 27,391. Compared to the balance sheet date of 2008 this means an increase of TEUR 2,768. This essentially is due to received advance payments on future deliveries of goods from an affiliated company. The scope of deliveries amounts to TEUR 2,100. This item is part of the other liabilities. While bank debts decreased by TEUR 609 due to the repayment of short-term drawings, trade payables due to the closing date increased by TEUR 1,625 to TEUR 10,818. The provisions for restructuring costs, which included severance payments for employees at our mine in Sri Lanka, was used due to the implemented adaptation of capacities.

Financial position

Cash and cash equivalents of TEUR 1,472 were generated from the reduction of inventories, decreasing trade receivables and other assets. In combination with the closing-date-related increase of trade payables of TEUR 1,625 and the received advance payment, an exceptionally high inflow from operating activities of TEUR 5,025 could be achieved.

The required amounts for financing our investment expenses of TEUR 3,620 thus could be fully covered from our operative business. Furthermore, additional funds were available to reduce the short-term drawings from banks that were required at the end of the year. The new raising of loans of TEUR 466,

which are intended for financing the investments concerning the relocation of a production line from Great Britain to the Czech Republic, had its counterpart in regular repayments in the amount of TEUR 325. Compared to 31 December 2008 the net debt thus could be reduced from TEUR 19,349 to TEUR 18,043.

Events after the closing data

There were no essential events after the closing date of this interim report period that would require reporting here.

Risk report

The existing risks are described in detail in the risk report of the annual report 2008. There still are no recognisable risks that could endanger the existence of the Graphit Kropfmühl group. There have not been any significant changes compared to the description in the annual report.

Outlook for 2009

Because of essential uncertainties that result from the present global situation and its effects on our primary markets, it is difficult to provide an outlook for 2009.

Economic research institutes recently have revised their assessments of the general economic development in increasingly shorter intervals, so that at the moment these cannot be used as a basis for reliable assumptions.

At present we continuously are in close contact with our customers, and we have learned that they only are able to provide reliable forecasts for very short periods of time. At the moment we cannot yet see any inclination that would indicate a recovery of the economic situation.

The Government's economic stimulus packages includes measures relating to the renovation of public buildings which may result in opportunities for the building materials chemistry sector that might reduce the negative effects on sales and earnings of the Graphit Kropfmühl group. However, we only expect noticeable effects from these measures in the course of the 2nd half year.

We therefore expect that in the year 2009, despite the already initiated measures, sales and earnings in both segments will be clearly lower than in the year 2008.

We already started to adapt our capacities to the demand in the 4th quarter of 2008. In Sri Lanka the number of employees was reduced by approx. 170 by the end of March 2009 via a severance payment program. In Germany we have been using the instrument of short-time work to a limited extent in the last year. Starting from the 2nd quarter we have increased the rate of short-time work.

The potentials from the relocation of the production line from Great Britain to the Czech Republic can be realized in steps starting from May. Furthermore, we presently are working on further cost reduction programs.

As already explained above we will finish the started rationalisation projects, especially the conversion of a silicon furnace, in the 2nd quarter. Further investments have been limited to an absolutely necessary level. For the total year we expect an overall investment amount of less than EUR 5 million.



Consolidated financial statements as of 31 March 2009

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Profit and loss statement

| January to March in TEUR | 2009 | 2008 | Change |
|---|----------|----------|------------|
| Total sales | 18,087 | 22,402 | - 19.3 % |
| Cost of sales | - 16,269 | - 18,135 | - 10.3 % |
| Gross profit | 1,818 | 4,267 | - 57.4 % |
| Selling, general and administrative expenses | - 2,707 | - 2,190 | 21.9 % |
| Other income | 910 | 159 | > 100.0 % |
| Operating profit (EBIT) | 21 | 2,236 | - 99.1 % |
| Net finance costs | - 547 | - 412 | - 32.8 % |
| Profit before income tax (EBT) | - 526 | 1,824 | not stated |
| Income tax expense | 140 | - 466 | not stated |
| Profit for the period | - 386 | 1,358 | not stated |
| thereof attributable to: | | | |
| Minority interest | - 6 | - 1 | |
| Shareholders of the company | - 379 | 1,359 | |
| Undiluted earnings per share ¹ (in Euro) | - 0.13 | 0.47 | |

¹⁾ Graphit Kropfmühl Aktiengesellschaft does not hold any potentially diluting equity instruments. The undiluted earnings per share therefore correspond with the diluted earnings per share.

Consolidated financial statements as of 31 March 2009

Balance sheet

| ASSETS in TEUR | 31 March 2009 | 31 Dec. 2008 |
|--|---------------|---------------|
| Non-current assets | | |
| Intangible assets | 6,382 | 6,411 |
| Goodwill | 6,059 | 6,066 |
| Other intangible assets | 323 | 345 |
| Property, plant and equipment | 35,489 | 32,495 |
| Land and buildings | 14,965 | 14,958 |
| Machinery and technical equipment | 12,022 | 12,509 |
| Other assets, factory and office equipment | 1,956 | 1,908 |
| Construction in progress | 6,546 | 3,120 |
| Deferred tax assets | 335 | 140 |
| Other financial assets | 163 | 170 |
| | 42,369 | 39,216 |
| Current assets | | |
| Inventories | 19,712 | 20,159 |
| Trade receivables | 7,472 | 8,217 |
| Other financial assets | 105 | 115 |
| Taxes receivable | 1,109 | 1,137 |
| Other current assets | 1,108 | 1,180 |
| Cash and cash equivalents | 1,640 | 909 |
| | 31,146 | 31,717 |
| | 73,515 | 70,933 |

Consolidated financial statements as of 31 March 2009

| STOCKHOLDERS EQUITY AND LIABILITIES in TEUR | 31 March 2009 | 31 Dec. 2008 |
|---|---------------|---------------|
| Equity | | |
| Capital stock | 8,640 | 8,640 |
| Additional paid-in capital | 5,568 | 5,568 |
| Capital reserves | 8,953 | 9,593 |
| Minority interests | 36 | 39 |
| | 23,197 | 23,840 |
| Non-current liabilities | | |
| Pension obligations | 8,635 | 8,571 |
| Non-current provisions | 3,811 | 3,841 |
| Long term bank-debt | 8,351 | 8,317 |
| Deferred tax liabilities | 674 | 733 |
| Government grants | 177 | 209 |
| Other financial liabilities | 1,279 | 799 |
| | 22,927 | 22,470 |
| Current liabilities | | |
| Short-term bank debt | 11,332 | 11,941 |
| Trade payables | 10,818 | 9,193 |
| Provisions for warranty and restructuring costs | 8 | 312 |
| Government grants | 127 | 127 |
| Other financial liabilities | 289 | 421 |
| Current taxes payable | 849 | 832 |
| Other liabilities | 3,968 | 1,797 |
| | 27,391 | 24,623 |
| | 73,515 | 70,933 |

Consolidated financial statements as of 31 March 2009

Consolidated cashflow statement

| | January to March in TEUR | 2009 | 2008 |
|------|--|---------|---------|
| I. | Cashflow from operating activities | | |
| 1. | Profit for the period | - 379 | 1,358 |
| | Adjustments to reconcile profit to net cashflow: | | |
| 2. | Depreciation on property, plant and equipment | 691 | 616 |
| 3. | Amortisation of intangible assets | 22 | 22 |
| 4. | Other changes in non-current assets and liabilities | - 8 | - 36 |
| 5. | Change in inventories | 500 | 132 |
| 6. | Change in trade receivables | 758 | - 1,609 |
| 7. | Change in other receivables | 214 | 271 |
| 8. | Change in trade payables, provisions and other liabilities | 3,382 | 1,195 |
| 9. | Payment of environmental costs | - 30 | - 27 |
| 10. | Payment of pension liabilities | - 93 | - 89 |
| 11. | Change in government grants | - 32 | - 32 |
| I. | Cashflow from operating activities | 5,025 | 1,801 |
| II. | Cashflow from investing activities | | |
| 1. | Acquisition of property, plant and equipment | - 3,620 | - 1,805 |
| 2. | Acquisition of intangible assets | 0 | - 5 |
| 3. | Other changes in non-current assets | 9 | 0 |
| II. | Cashflow from investing activities | - 3,611 | - 1,810 |
| III. | Cashflow from financing activities | | |
| 1. | Proceeds from issuance of debt | 466 | 0 |
| 2. | Repayment of borrowings | - 325 | - 314 |
| 3. | Proceeds / Repayment from short-term debt | - 777 | 731 |
| 4. | Others | - 10 | 0 |
| III. | Cashflow from financing activities | - 646 | 417 |
| IV. | Cash and cash equivalents | | |
| 1. | Net increase (decrease) in cash and cash equivalents | 768 | 408 |
| 2. | Effect of exchange rate fluctuations on cash held | - 37 | 10 |
| 3. | Cash and cash equivalents at the beginning of the period | 909 | 508 |
| V. | Cash and cash equivalents at the end of the period | 1,640 | 926 |

Consolidated financial statements as of 31 March 2009

Consolidated statement of comprehensive income

| January to March in TEUR | 2009 | 2008 | Change |
|---|-------|-------|------------|
| I. Profit for the period | - 386 | 1,358 | not stated |
| II. Income and expense recognised directly in equity | | | |
| Currency conversion differences of economically independent foreign-country units | 52 | - 51 | not stated |
| Deficit from cashflow hedges | - 408 | 0 | - 100.0 % |
| Taxes on other consolidated income and expense | 99 | 0 | - 100.0 % |
| Total income and expense recognised directly in equity | - 257 | - 51 | not stated |
| Total comprehensive income | - 643 | 1,307 | not stated |
| thereof attributable to: | | | |
| Minority interests | - 3 | - 28 | |
| Shareholders of the company | - 640 | 1,335 | |

Consolidated statement of changes in equity according to IFRS

| | Balance at | Change | Balance at |
|--------------------------------------|--------------|----------------------|---------------|
| | 31 Dec. 2007 | Comprehensive income | 31 March 2008 |
| Capital stock | 8,640 | 0 | 8,640 |
| Additional paid-in capital | 5,568 | 0 | 5,568 |
| Revenue reserves | 6,666 | 1,335 | 8,001 |
| Other revenue reserves | 1,925 | - 24 | 1,901 |
| Financial instruments | 15 | 0 | 15 |
| Currency conversion | 488 | - 24 | 464 |
| Generated stockholders equity | 4,741 | 1,359 | 6,100 |
| Capital attributable to shareholders | 20,874 | 1,335 | 22,209 |
| Minority interests | 133 | - 28 | 105 |
| Equity | 21,007 | 1,307 | 22,314 |
| | | | |
| | 31 Dec. 2008 | Comprehensive income | 31 March 2009 |
| Capital stock | 8,640 | 0 | 8,640 |
| Additional paid-in capital | 5,568 | 0 | 5,568 |
| Revenue reserves | 9,593 | - 640 | 8,953 |
| Other revenue reserves | 1,358 | - 261 | 1,097 |
| Financial instruments | - 321 | - 298 | - 619 |
| Currency conversion | 270 | 37 | 307 |
| Generated stockholders equity | 8,235 | - 379 | 7,856 |
| Capital attributable to shareholders | 23,801 | - 640 | 23,161 |
| Minority interests | 39 | - 3 | 36 |
| Equity | 23,840 | - 643 | 23,197 |

Condensed notes to the consolidated interim financial statements

I. General notes

The registered office of Graphit Kropfmühl Aktiengesellschaft, which is listed in the commercial register of the Amtsgericht München (county court Munich) under HRB 41043, is in Munich, Germany. The company's business premises are located in 94051 Hauzenberg, Langheinrichstraße 1. The business activities of Graphit Kropfmühl Aktiengesellschaft and its subsidiaries comprise the fields of mining, processing, and refining of graphite, and the production of silicon-metal.

Accounting principles

The consolidated interim financial statements of Graphit Kropfmühl Aktiengesellschaft and its subsidiaries as of 31 March 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as applicable on the balance sheet date, taking into consideration the interpretations of the Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The interim financial statements were reviewed by our auditing company Ernst & Young Aktiengesellschaft, and they must be read in connection with the consolidated annual financial statements of 31 December 2008.

Accounting and valuation methods

In the quarterly financial statements the accounting and valuation methods were not changed compared to the consolidated annual financial statements of 31 December 2008. These methods are listed in the notes to the consolidated annual financial statements and are explained under no. 4.

Of the new standards that are mandatory as from 1 January 2009, IAS 1 „Presentation of Financial Statements – Capital Disclosures (revised)“ was for the first time used for this interim reporting period. We decided to present the profit for the period in two separate evaluations. All the other standards that are mandatory as from 1 January 2009 did not lead to any material adaptations in the Graphit Kropfmühl group.

Scope of consolidation and consolidation methods

The scope of consolidation has not changed compared to the annual financial statements of 2008. It comprises the silicon-metal segment, consisting of RW silicium GmbH, and the graphite segment, consisting of: Graphit Kropfmühl Aktiengesellschaft, Bogala Graphite Lanka, Ltd., Branwell Graphite, Ltd., Edelgraphit GmbH, GK Graphit Kropfmühl GmbH, Graphite Týn spol. s.r.o., Mutual Sources, Ltd., Qingdao Kropfmuehl Graphite Co., Ltd., Qingdao Kropfmuehl Trading Co., Ltd. and Share Investment (Pvt.), Ltd.

The consolidation methods have not changed compared to the consolidated annual financial statements of 2008. They are explained in no. 3 of the notes to the consolidated financial statements.

II. Selected explanatory notes on balance sheet and profit and loss statement

Other financial liabilities

| | 31 March 2009 | 31 Dec. 2008 | Change |
|------------------------------|---------------|--------------|----------|
| Financial derivatives | 1,120 | 635 | 76.4 % |
| Financial statement expenses | 165 | 281 | - 41.3 % |
| Other financial liabilities | 283 | 304 | - 6.9 % |
| Total | 1,568 | 1,220 | 28.5 % |

Other current liabilities

| | 31 March 2009 | 31 Dec. 2008 | Change |
|---|---------------|--------------|-----------|
| Other tax liabilities | 47 | 129 | - 63.6 % |
| Payment of wages and salaries | 37 | 34 | 8.8 % |
| Deferred contractual obligations to employees | 1,006 | 964 | 4.4 % |
| Liabilities for social security | 43 | 54 | - 20.4 % |
| Remaining holiday entitlements of employees | 166 | 166 | 0.0 % |
| Received advance payments on orders | 2,147 | 131 | > 100.0 % |
| Professional association | 240 | 187 | 28.3 % |
| Supervisory Board compensations | 23 | 56 | - 58.9 % |
| Other current liabilities | 259 | 76 | > 100.0 % |
| Total | 3,968 | 1,797 | > 100.0 % |

The received advance payments include received payments for future deliveries from an affiliated company in the amount of TEUR 2,100.

Sales

For the composition of sales and for the regional classification please refer to the condensed segment information in these notes.

Net finance costs

| | 2009 | 2008 | Change |
|--|-------|-------|------------|
| Other interests and similar income | 11 | 11 | 0.0 % |
| Market value changes of derivate financial instruments | - 77 | 0 | not stated |
| Interests from pension obligations | - 112 | - 120 | 6.7 % |
| Other interests and similar expenses | - 369 | - 303 | - 21.8 % |
| Total | - 547 | - 412 | - 32.8 % |

Income tax expense

Income taxes are composed as follows:

| | 2009 | 2008 | Change |
|-----------------------|-------|------|------------|
| National taxes | 0 | 501 | - 100.0 % |
| Foreign country taxes | 16 | 58 | - 72.4 % |
| Deferred taxes | - 156 | - 93 | - 67.8 % |
| Total | - 140 | 466 | not stated |

The deferred taxes of the year 2009 contain deferred tax assets for losses in the fiscal year in the amount of TEUR 85.

III. Other notes

Condensed segment information

| January to March in TEUR | Silicon-metal | | Graphite | | Transition | | Group | |
|-------------------------------|---------------|--------|----------|--------|------------|---------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Turnover | | | | | | | | |
| with external third parties | 12,799 | 14,440 | 5,288 | 7,962 | | | 18,087 | 22,402 |
| D/A/CH | 11,480 | 12,687 | 3,150 | 4,319 | | | 14,630 | 17,006 |
| Other European countries | 1,235 | 1,650 | 1,559 | 2,346 | | | 2,794 | 3,996 |
| Asia / Pacific | 60 | 96 | 510 | 778 | | | 570 | 874 |
| North- and South-America | 20 | 7 | 33 | 496 | | | 53 | 503 |
| Rest of the world | 4 | 0 | 36 | 23 | | | 40 | 23 |
| Intersegment turnover | 0 | 0 | 58 | 28 | - 58 | - 28 | 0 | 0 |
| EBITDA | 1,085 | 1,492 | - 350 | 1,382 | | | 735 | 2,874 |
| Depreciation and amortisation | 267 | 228 | 446 | 411 | | | 713 | 639 |
| EBIT | 818 | 1,264 | - 797 | 972 | | | 21 | 2,236 |
| Segment assets | 35,716 | 29,028 | 45,101 | 39,619 | - 7,302 | - 4,959 | 73,515 | 63,688 |
| Employees (31 March) | 107 | 108 | 428 | 602 | | | 535 | 710 |

Related party disclosures

In the reporting period the Graphit Kropfmühl group received an advance payment on future deliveries in the amount of TEUR 2,100 from an affiliated company of our parent company that is not included in our scope of consolidation. This is recognized in the other current liabilities.

Events after the closing date

There were no essential events after the closing date of this interim report period that would require reporting here.

Review report

To Graphit Kropfmühl Aktiengesellschaft, Hauzenberg

We have reviewed the interim condensed consolidated financial statements, comprising the condensed balance sheet, the condensed profit and loss statement, the condensed cashflow statement, the condensed statement of changes in equity, and selected explanatory notes, and the interim group management report of Graphit Kropfmühl Aktiengesellschaft, Hauzenberg, for the period from 1 January 2009 to 31 March 2009, which are part of the quarterly financial report pursuant to § 37x art. 3 WpHG („Wertpapierhandelsgesetz“: German Securities Trading Act). The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG („Wertpapierhandelsgesetz“: German Securities Trading Act) applicable to interim group management reports is the responsibility of the company's management. Our responsibility is to issue an attestation on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany IDW). These standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the applicable provisions of the WpHG. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

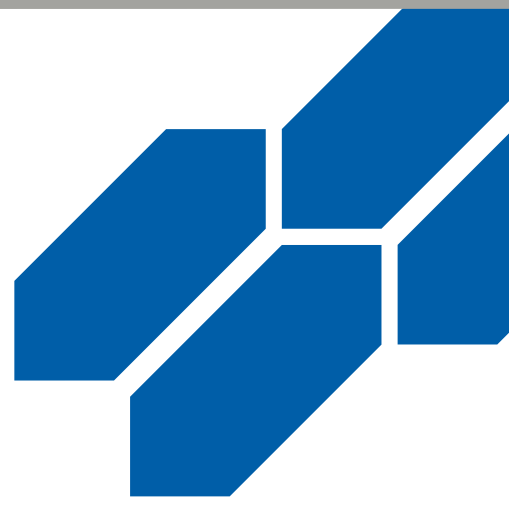
Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Mannheim, 24 April 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Fluck
Wirtschaftsprüfer
(German Public Auditor)

Kuhn
Wirtschaftsprüfer
(German Public Auditor)



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Board of Directors
Martin Ebeling (Chairman)
Hans-Detlef Antel
Achim Carstanjen

Chairman of the Supervisory Board
Dr. Heinz Schimmelbusch

Financial calendar
10 June 2009
12 August 2009
9 - 11 November 2009
11 November 2009

Annual General Meeting, Munich
6-month report 2009
German Equity Forum, Frankfurt / Main
9-month report 2009



Graphit Kropfmühl AG

A Member of

AMG Advanced Metallurgical Group N.V.