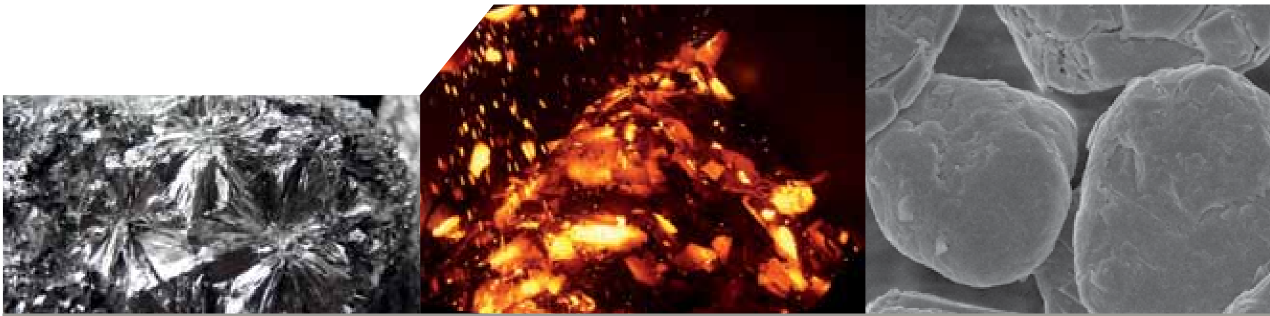

Interim report January to March 2012

Graphit Kropfmühl AG

A Member of
AMG Advanced Metallurgical Group N.V.

Group January to March		2012	2011	Change
Revenue	EUR thousands	30,118	30,898	- 2.5 %
EBITDA[1]	EUR thousands	3,943	4,641	- 15.0 %
EBIT	EUR thousands	3,281	3,862	- 15.0 %
EBT	EUR thousands	2,703	3,411	- 20.8 %
Consolidated profit after minority interests	EUR thousands	1,900	2,448	- 22.4 %
Cashflow from operating activities	EUR thousands	- 2,587	2,897	not stated
Investments	EUR thousands	1,655	870	90.2 %
Balance sheet total[2]	EUR thousands	87,485	75,510	15.9 %
Equity[2]	EUR thousands	35,983	27,203	32.3 %
Equity ratio[2]	in %	41.1	36.0	
Net debt[2]	EUR thousands	18,873	18,848	0.1 %
Employees (31 March)		527	492	7.1 %
Profitability		**2012**	**2011**	**Change**
EBITDA margin[1]	in %	13.1	15.0	
EBIT margin	in %	10.9	12.5	
Return on revenue before tax	in %	6.3	7.9	
Return on equity	in %	5.3	9.0	
Silicon-metal business segment		**2012**	**2011**	**Change**
Revenue	EUR thousands	20,140	20,173	- 0.2 %
Segment contribution to overall revenue	in %	66.9	65.3	
EBITDA[1]	EUR thousands	3,425	3,664	- 6.5 %
EBIT	EUR thousands	2,926	3,266	- 10.4 %
EBT	EUR thousands	2,947	3,222	- 8.5 %
Employees (31 March)		109	108	0.9 %
Graphite business segment		**2012**	**2011**	**Change**
Revenue	EUR thousands	9,978	10,725	- 7.0 %
Segment contribution to overall revenue	in %	33.1	34.7	
EBITDA[1]	EUR thousands	518	977	- 47.0 %
EBIT	EUR thousands	355	596	- 40.4 %
EBT	EUR thousands	- 244	189	not stated
Employees (31 March)		418	384	8.9 %
Share		**2012**	**2011**	**Change**
Earnings	in EUR	0.66	0.85	- 22.4 %
Cashflow from operating activities	in EUR	- 0.90	1.01	not stated

1) Adjusted EBITDA before restructuring measures and impairing losses, expenses for recultivation and foreign exchange result

2) 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.

Dear shareholders,

In the first quarter of 2012 business in both our segments staged a recovery after a weak final quarter in 2011. In the graphite segment, our customers were noticeably cautious and somewhat reticent with regard to the sustainability and indeed reliability of the economic development forecasts. Consolidated sales at TEUR 30,118 were some 2.5 % down on the same quarter last year, with turnover in the graphite segment showing a steeper downturn of - 7 %, while business in the silicon-metal segment was almost on a par with the year before.

In the silicon-metal segment, a reduction in sales of RW filler were compensated by an increase in volumes of secondary silicon. On the other hand, prices and margins were markedly lower. In addition, profitability in the first quarter of 2012 was also impacted by higher energy and raw material costs and a temporary reduction in furnace performance.

Constant improvements in energy efficiency are the most important means by which to mitigate the effects of rising energy costs which are in turn a primary factor in the production of silicon-metal. The central step towards improving production efficiency in 2012 will be the conversion of a furnace to incorporate a new electrode system. Planning commenced in 2011, with preparatory works carried out and corresponding orders placed in the first quarter of 2012. An electrode system of the type planned has already been installed at another furnace and has since been tried and tested over three years of successful operation. In addition to a higher yield, specific energy consumption is also reduced. The works planned for the silicon-metal segment comprise an overall investment volume of around EUR 6.0 million.

In the graphite business segment, demand for construction chemical products last year began to pick up by the middle of the first quarter, whereas the period of extreme cold in February 2012 has had a negative effect on developments in the current reporting period. Sales revenues reported for the first quarter of this year were also affected by change in the logistical arrangements with an important customer. We continue to see a trend towards increasing global demand for graphite products, including construction chemicals, which leads us to expect significantly stronger sales in this segment in the second quarter.

As the development in the economy cooled in the second half of 2011, the dynamic trend in prices for individual graphite qualities also slowed. Given a recovery in the global economy in the second half of 2012, we once again expect prices to rise in the procurement market. In order to reduce our long-term dependence on foreign sources of raw materials, and in particular on the regulated market in China, we are making intensive efforts to develop our own raw material sources. In addition to recommencing extraction in Kropfmühl, which will help to cover our raw material requirements from the second half of 2012 onwards, our strategy for safeguarding raw material supplies also embraces deposits of our own in Africa. Detailed studies of the technical and economic viability of deposits in Cabo del Gado province in Mozambique are already at an advanced stage. We expect to receive the necessary extraction permits from the local mining authorities before the end of the second quarter, which will enable us to press on with planning and implementation.

Sales in 2012 expected to equal last year's record level

Provided that economic expectations for the full year are fulfilled, we expect to see a consistent positive trend in demand in both business segments which should enable the Group to generate sales in the same order of magnitude as last year's record performance. On the other hand we are unlikely to match last year's high earnings and profitability as rising raw material prices, higher energy costs and the weak euro depress our margins.

Health and safety

We have stepped up our emphasis on occupational health and safety and the environment. Last year in addition to the existing bodies, we set up a Group-wide working party to take an independent and unbiased look at conditions at our individual business units and accelerate and implement specific measures as required.

Investor relations: Voluntary public tender by AMG determines share price development

On 29 February 2012 AMG Invest GmbH announced a voluntary public tender to external shareholders to acquire the shares in free float. The terms were published in the full tender document on 14 March 2012. As soon as the voluntary public tender was announced, the market price of Graphit Kropfmühl stock rose to the takeover price of EUR 31.75 per share and has since remained within a narrow bandwidth up to the qualifying date of this interim report. By the close of the time limit which was extended to 25 April 2012, around 5.4 % of the outstanding shares were offered for sale to AMG Invest GmbH. In a press release on 2 May 2012, AMG announced that at that time its shareholding amounted to around 93.5 %. As a result the proportion of shares in free float fell to around 6.5 %.

Annual General Meeting: Time shifting

In agreement with the Supervisory Board of Graphit Kropfmühl Aktiengesellschaft, we have decided to set August 27, 2012 as the date for the 2012 Ordinary Annual General Meeting, which was originally scheduled for June 20, 2012, for organisational reasons and in view of the additional agenda items.

Yours truly

Martin Ebeling	Hans-Detlef Antel	Frank Berger
Chief Executive Officer	Managing Director	Managing Director

Development in business

Report by the Managing Board

In the second half of 2011 it was apparent that clouds were gathering over the economy as a whole. This trend was felt by the Graphit Kropfmühl Group in the development in business in the final quarter of 2011 in particular. In the first quarter of 2012, however, this reluctance on the part of customers in both our business segments was slightly relieved. Nevertheless in the graphite segment especially, customers maintained a cautious and reticent approach to purchasing, which in conjunction with the period of freezing temperatures had a negative effect on sales in the first quarter.

In our main markets in Germany, Austria and Switzerland and in the rest of Europe we were unable to match the previous year's strong sales performance. Sales in Western Europe in particular lagged well below the previous year, however this was at least partially compensated for by a strong development in Eastern Europe.

By contrast, sales volumes in the Asia/Pacific region increased significantly relative to the year before. This development was driven by the graphite segment which is consistently building its turnover in these increasingly sophisticated markets thanks to its innovative, high-quality products. Slight growth was recorded in North and South America and the rest of the world, where sales were generally at a low level.

There was a disproportionately steep fall in the gross profit on sales. In addition to higher energy and raw material costs in both business segments, the silicon-metal segment suffered as a result of the product mix, as well as lower output and reduced furnace performance due to technical problems. Whereas in the graphite segment the decline on sales volumes led to lower capacity utilisation, with fixed costs imposing a relatively higher burden.

Sales, administrative and other expenses were down by around 7 % on the previous year at TEUR 2,547. While personnel costs were on a par with last year, lower legal and consultancy costs and reduced project costs collectively accounted for this reduction.

In the first quarter of 2011 - besides the deposits in Africa - further reserves were also investigated in South America. However, these studies have latterly been suspended. Until the investigations ceased, sales, administration and other expenses last year were burdened by additional project costs. In addition, a necessary adjustment to capitalised exploration costs in the same quarter last year resulted in an impairment charge of TEUR 52.

Earnings before interest and taxes (EBIT) at TEUR 3,281 lagged some 15 % behind the year before. Adjusted EBITDA and EBT were also affected by an increased loss on currency translations, resulting in even steeper falls of 15.0 % to TEUR 3,943 and 20.8 % to TEUR 2,703 respectively.

in EUR thousands	2012 Jan. - March.	2011 Jan. - March.	Change
Sales to external third parties	30,118	30,898	- 2.5 %
Germany/Austria/Switzerland	23,328	24,771	- 5.8 %
Rest of Europe	3,450	3,570	- 3.4 %
Asia / Pacific	2,732	1,981	37.9 %
North and South America	355	327	8.6 %
Rest of the world	252	249	1.2 %
Gross profit	5,585	6,512	- 14.2 %
Adjusted EBITA	3,943	4,641	- 15.0 %
Recultivation expenses	23	21	9.5 %
Foreign exchange result	- 258	- 148	74.3 %
Scheduled depreciation and amortisation	899	854	5.3 %
Impairment of capitalised exploration costs	0	52	- 100.0 %
EBIT	3,281	3,862	- 15.0 %
EBT	2,703	3,411	- 20.8 %

Silicon-metal business segment

The volume of sales in the first quarter was up by 4.1 % relative to the year before at 15,242 tonnes. However revenues at TEUR 20,140 were slightly down on the previous year. This was attributable to a marked variation in volumes between individual product areas. Whereas sales of silicon-metal by volume and by value were on a par with the year before, in our second product segment, RW filler, there was a marked downturn in volumes coupled with a slight improvement in earnings. While a slight seasonal decline was evident here in construction industry applications, demand in South and Southwest Europe continues to lag well behind last year as a result of the economic situation in these areas. The decline was offset by an increase in sales of what is termed secondary silicon which despite markedly lower prices more than compensated for the downturn in RW filler and underpinned the development in revenues.

Besides higher costs for the raw materials required and an increase in energy costs, the change in the product mix also led to a downturn in earnings, since the margins on secondary silicon remained well below those on RW filler. Despite the high level of capacity utilisation in this segment, a reduction in furnace performance and technical problems with one of the furnaces during the first quarter of 2012 resulted in an overall decline in adjusted EBITDA which slipped 6.5 % to TEUR 3,425.

All of the essential earnings and profitability parameters for the silicon-metal segment are presented in the following table.

in EUR thousands	2012 Jan. - March.	2011 Jan. - March.	Change
Total sales volume (in tonnes)	15,242	14,636	4.1 %
Revenue	20,140	20,173	- 0.2 %
Adjusted EBITA	3,425	3,664	- 6.5 %
EBIT	2,926	3,266	- 10.4 %
EBT	2,947	3,222	- 8.5 %

Graphite business segment

In comparison with the first quarter of 2011, sales volumes in the graphite segment were substantially down by around 13 % at 5,648 tonnes. And whereas last year we were able to gradually pass on higher procurement prices to our customers by way of increased selling prices, this year's sales revenues were down by a lesser proportion of 7.0 % at TEUR 9,978.

In the construction chemicals sector there were two factors that essentially contributed to the marked downturn compared to the year before. Customer demand was relatively late in picking up in the first quarter of 2012 due to the severe frosts in February. As a result the decline in construction investment was unusually steep, added to the fact that our customers' products require certain minimum temperatures for processing on site. At the end of last year there was a change in the stockholding and logistics arrangements with a major customer leading to one-off sales increases which somewhat distort comparisons with last year. Among traditional applications, the price-linked decline in volumes seen in the second half of last year continued. In the mass markets with predominantly low quality requirements, business was subject to a high degree of price sensitivity and volumes were substantially lower than in the same quarter last year. All other areas of business developed in line with our expectations and contributed stable growth.

Margins in this segment were depressed by higher procurement prices for raw materials and process materials relative to the year before. What's more due to lower sales volumes, the corresponding decline in capacity utilisation led to a relatively higher fixed-cost burden. The expenses entailed in preparing to restore and recommence mining activities in Kropfmühl were partially offset by lower sales, administration and other expenses in this segment.

in EUR thousands	2012 Jan. - March.	2011 Jan. - March.	Change
Total sales volume (in tonnes)	5,648	6,488	- 12.9 %
Revenue	9,978	10,725	- 7.0 %
Adjusted EBITDA	518	977	- 47.0 %
EBIT	355	596	- 40.4 %
EBT	- 244	189	not stated

Investments

As scheduled investment activities in the first quarter of 2012 clearly increased compared to first quarter of 2011. With disposals at a low level, this development was driven mainly by the silicon metal segment where investment increased to TEUR 1,143 (previous year TEUR 389). The bulk of this figure at TEUR 685 was attributable to the works now commenced to convert one of the furnaces. In addition a raw materials storage building was completed and crucible cleaning plant and capacities were improved.

In the graphite segment a major project begun last year was completed on schedule with the commissioning of new milling capacities in Kropfmühl. In addition preparatory works were commenced to resume mining operations in Kropfmühl. Intensive efforts continued to explore deposits in Mozambique, with a further TEUR 65 in project costs capitalised as intangible assets in the first quarter.

Asset position

The consolidated balance sheet total of the Graphit Kropfmühl Group has increased again in the quarter under review. Since the balance sheet date of the previous year, the total has risen by 5.1 % to TEUR 87,485.

Non-current assets were only a small part of this increase, rising from TEUR 624 to TEUR 46,243, while current assets rose from TEUR 3,621 on the balance sheet date of the previous year to TEUR 41,242.

The increase in non-current assets was based on the high investment volumes in the silicon-metal segment. In terms of property, plant and equipment, net additions from investments (amounting to TEUR 1,556) more than compensated for scheduled depreciations of TEUR 871 and a decrease of TEUR 217 due to currency conversion issues, influenced significantly by the development of the Sri Lankan rupee. Ongoing exploration and investigation of graphite deposits in Africa contributed to the rise in intangible assets, in addition to the recognised costs of exploration.

The development in current assets is shaped by the rise in trade receivables to TEUR 12,553. The improvement in revenue development in comparison to the final quarter, particularly the weak final month, is reflected in the significant increase in this position. Furthermore, the closing date status of liquid funds, TEUR 2,274 is TEUR 1,188 more than the status as of 31 December 2011. The development is described in the explanatory notes on the financial position. Other financial assets fell from TEUR 313 to TEUR 222, as price developments on the financial markets within the first quarter resulted in particular in the decrease of positive market values for our currency hedging derivatives.

Thanks to an approximately proportional rise in equity, the equity ratio remained at the level already achieved, above 40 %. The total equity ratio on the reporting date is 41.1 %, which represents only a marginal decrease in the first quarter. The consolidated profit for the period, TEUR 1,889, could not contribute entirely to an improvement in equity, as the result of currency exchange differences taken into consideration in the other consolidated income and changes in the market values of our financial instruments. However, there has been a significant improvement of over 5 % since 31 March 2011.

Non-current liabilities continued to decrease, while current positions increased significantly by TEUR 3,463 to TEUR 30,759. This development is reflected in the liabilities to financial institutions. While non-current positions continued to decrease (by TEUR 719) through scheduled repayments, utilisation in current positions within the granted credit lines rose by TEUR 6,143 to TEUR 15,827. The high level of trade payables at the end of 2011, influenced by our long-term security policy to get through the winter months, decreased significantly in the quarter under review from TEUR 10,117 to TEUR 6,987 as of 31 March 2012.

Pension provisions increased, as did the recultivation obligations included in other non-current provisions, mainly due to scheduled additions. Income tax liabilities increased as of 31 March 2012 by a further TEUR 514, reaching TEUR 2,911. As the result of high negative market values for the financial derivatives in use (interest and currency hedges), the aforementioned development on the financial markets lessened the drop in financial liabilities, which were only reduced by TEUR 143 to TEUR 1,990 on the basis of low acquisition and audit costs and low other financial liabilities. Financial leasing obligations remained almost entirely unchanged. Repayments amounting to TEUR 59 are offset against TEUR 64 additions from newly concluded leasing agreements.

Financial position

The cashflow statement table below is aggregated with respect to source and appropriation of cash funds:

in EUR thousands	2012 Jan. - March.	2011 Jan. - March.
Consolidated profit for the period	1,889	2,450
Non-operating expenses and income	2,508	2,641
Changes in working capital	- 6,354	- 1,665
Net interest expenses	- 293	- 383
Net tax expenses	- 333	- 114
Other	- 4	- 33
Cash outflow (inflow) from operating activities	- 2,587	2,896
Cash inflow from investment activities	- 1,576	- 780
Cash outflow (inflow) from financing activities	5,404	- 1,882

Mainly as a result of the high level of capital required to finance the rise in working capital, operating business activities were faced with financing requirements of TEUR 2,587. In addition to the significant rise in trade receivables, high cash fund amounts were brought into play in operating business activities as the result of the significant decrease in trade payables at the same time: the net tax expenses of TEUR 333 (higher in comparison to the previous year) were moderated by a slight decrease in net interest expenses of TEUR 293.

Reflected in almost double the amount of cash required, the higher investment activity increased the gaps in financing, which were mainly offset by utilising the current credit lines already granted.

The cash surplus of TEUR 2,896 earned from operating activities in 2011 was used entirely to cover investment activities. The remaining available cash was used to reduce current and non-current liabilities to financial institutions, meaning that it was possible to significantly reduce net debt in the first quarter from the previous year.

This key figure rose significantly in the quarter under review. Net debt has risen by TEUR 4,234 since 31 December 2011 to reach TEUR 18,873, although this is only slightly above the figure for the previous year.

in EUR thousands	31.03.2012	31.12.2011	31.03.2011
Non-current liabilities to financial institutions	4,546	5,265	7,043
Current liabilities to financial institutions	15,827	9,684	12,294
Liabilities from financial leasing agreements	774	776	1,039
Liquid funds	- 2,274	- 1,086	- 1,528
Net debt	18,873	14,639	18,848

Addendum

No significant events that would be worthy of report here have occurred since the balance sheet date of the interim report period.

Opportunities and risks

The existing risks have been described in detail in the 2011 annual financial statements. There are no discernible risks that could endanger the continued existence of the Graphit Kropfmühl Group. There have been no significant changes to the situation as presented in the annual financial statements.

2012 outlook

General economic development

As before, there are no signs that there will be any significant growth stimuli developing in Germany and Europe as a whole in 2012. However, in contrast to the predictions of the last quarter, there are signs in some regions that cuts throughout the year will not be as extensive as feared at the end of the year. According to expectations, the weaker economic development that has been ongoing since the 2nd half of 2011 should reach its lowest point in all affected major regions by the 2nd quarter at the latest, which should mean that there will be a tangible global upturn as of the 2nd half of 2012.

In Germany, early indicators such as the evaluation of current business developments in the IFO Business Climate Index confirm that a moderate upturn in the general economic situation is expected. Recently, both the German government and leading economic research institutes have slightly increased their forecasts for GDP growth for the year. The joint economic forecast for Spring 2012 predicts 0.9 % growth in GDP for Germany. In this context, it is a great positive that developments in the construction industry are predicted to remain largely intact and continue upwards, even though the IFO Business Climate Index for the mainstream construction industry dropped slightly in April and had to cope with further drops as the result of an unusually cold period in the first quarter.

Within the Eurozone and Europe as a whole, the focus on overcoming the debt situation will remain the decisive factor in general economic development, even if this risk situation seems to be easing overall. Nevertheless, expert forecasts indicate a split picture. Intact economies within Europe, including Germany, Austria and most Eastern European EU Member States can look forward to moderate or even significant growth in some cases. The countries in Southern and South-West Europe affected by the debt crisis will fall into recession as the result of the implementation of the necessary reforms and budget consolidations.

Outside Europe, Asia and particularly China will remain the dominant economy, even though it too has been significantly weakened by the downturn in the last quarter. Although exports recently decreased significantly as the result of the global slowdown of general economic development and are likely to gather pace again only in the 2nd half of the year as the global economic situation improves, strong domestic demand should moderate the overall effect. GDP growth of approx. 8 % is expected, despite the overall downturn in exports.

The positive global economic situation will reverse the somewhat tense situation on the raw materials markets that has arisen in recent times. The Latin American countries will profit most from rising prices. Furthermore, some central banks in this region have recently announced that they will be relaxing their restrictive policies, as recent slowing in price dynamics has curtailed inflation and the resultant room to manoeuvre should be used to lower interest. Overall, this region is expecting a 3.7 % rise in GDP.

Business and earnings development

Business development was significantly better in the first quarter of 2012 than in the last quarter of 2011, although our customers were still clearly somewhat cautious. If expectations for the general economic situation are fulfilled in the individual regions, there should be a significant increase in turnover in both segments in the current quarter. Overall, we should be able to match the high turnover level achieved last year in 2012.

In terms of earnings, it seems unlikely that we will be able to reach the high key figures of last year. Higher costs for raw materials and energy are affecting the margins in both segments and significant costs from exploration and development projects are also affecting our earnings. Acquisitions calculated in foreign currencies are also exerting additional pressure on the margins due to the strong US dollar, even though major positions have already been hedged via currency derivatives.

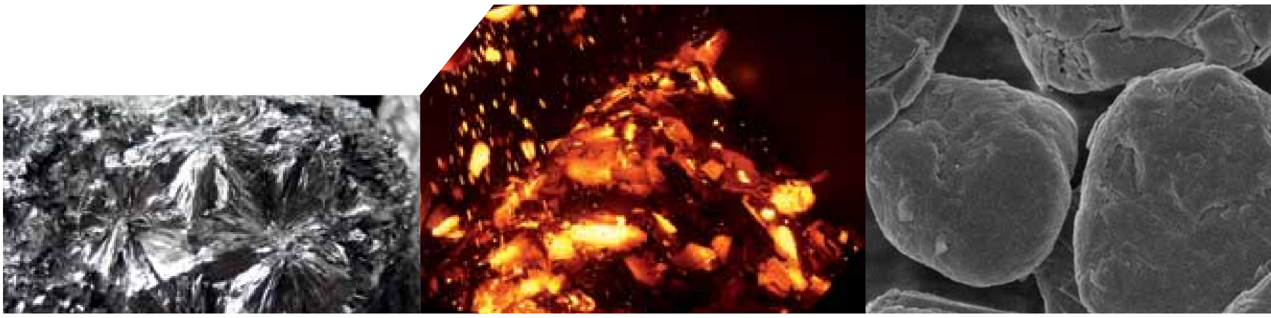
In the silicon-metal segment, capacities will continue to be utilised at a high level. It should be possible to place the entirety of production volumes on the market. Our customers in the chemical and polysilicon industries have already modernised their capacities early on and are also in a good position in global competition in the medium term, meaning that we do not expect any significant deviations in sales in these sectors.

The graphite segment should profit from growing global demand in the medium term. We currently consider our growth markets to be in the construction chemistry field and in business with lubricants and separating agents. The subject of electro-mobility will not contribute significantly to additional revenue streams in the short term. In order to make us more independent of global price developments for raw materials, we are working intensively on exploring and establishing our own graphite sources. The first step in this direction will be the resumption of mining activity at the Kropfmühl site. Preparatory work is currently underway and should be concluded by the middle of the year, meaning that extraction of our own ore for processing at our production facilities should start up smoothly in the second half of the year.

We are also planning significant investments in the silicon-metal segment. Another electric arc furnace will be converted to a new electrode system. This system has already been installed in one furnace and had led to higher energy efficiency for the production of silicon metal. Investments amounting to EUR 6.0 million are planned for the Pocking site alone in 2012.

Liquidity is ensured through standing financing commitments and sufficient credit lines with our credit institutions. In negotiations and discussions with our banks, we have created promising conditions for constructive cooperation on both sides on the basis of mutual trust, thanks to a high capital base and stable operating earnings. This will enable us to finance the upcoming major investments.

The scheduled decrease in inventories should result in significant improvements in working capital performance as early as the second quarter, increasing cash inflow from operating business activities. We will use the positive contribution to liquidity from operating activities expected throughout the year to finance further exploration work and implement upcoming projects.



Consolidated financial statements as of 31 March 2012

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Consolidated balance sheet as at 31 March 2012

ASSETS

	Notes no.	31.03.2012 EUR thousands	31.12.2011 EUR thousands
Non-current assets			
Intangible assets		7,047	6,965
Goodwill		6,108	6,093
Other intangible assets		939	872
Property, plant and equipment		38,016	37,571
Land and buildings		17,038	16,484
Machinery and technical equipment		17,657	16,928
Other assets, operating and office equipment		2,209	2,096
Advance payments and construction in progress		1,112	2,063
Deferred taxes		315	218
Income tax refund claims		575	575
Other financial assets	(3)	291	290
		46,243	45,619
Current assets			
Inventories		24,905	24,956
Trade receivables		12,553	9,786
Other financial assets	(3)	222	535
Taxes receivable		148	165
Other current assets	(4)	1,140	1,093
Cash and cash equivalents		2,274	1,086
		41,242	37,621
		87,485	83,240

STOCKHOLDERS EQUITY AND LIABILITIES

	Notes no.	31.03.2012 EUR thousands	31.12.2011 EUR thousands
Equity			
Share capital		8,640	8,640
Capital reserves		5,568	5,568
Retained earnings		21,642	20,144
Minority interests		133	122
		35,983	34,474
Non-current liabilities			
Pension provisions		10,029	9,943
Other non-current provisions		3,822	3,770
Non-current liabilities to financial institutions		4,546	5,265
Investment grants		473	477
Deferred taxes		948	1,021
Other financial liabilities	(5)	925	994
		20,743	21,470
Current liabilities			
Current liabilities to financial institutions		15,827	9,684
Trade payables		6,987	10,117
Liabilities to affiliated entities		0	4
Investment grants		15	15
Provisions for warranties and restructuring expenses		162	162
Other financial liabilities	(5)	1,065	1,139
Income tax liabilities		2,911	2,397
Other current liabilities	(6)	3,792	3,778
		30,759	27,296
		87,485	83,240

Consolidated statement of comprehensive income for the period from 1 January to 31 March 2012

	Notes no.	2012 Jan. – March EUR thousands	2011 Jan. – March EUR thousands	Change
I. Profit and loss statement				
Revenue		30,118	30,898	- 2.5 %
Cost of sales		- 24,533	- 24,386	0.6 %
Gross profit		5,585	6,512	- 14.2 %
Sales, administrative and other expenses	(7)	- 2,547	- 2,736	- 6.9 %
Restructuring and impairment expenses		0	- 52	- 100.0 %
Other operating income		243	137	77.4 %
Operating profit (EBIT)		3,281	3,862	- 15.0 %
Interest income		10	6	66.7 %
Interest expenses		- 328	- 309	6.1 %
Foreign exchange result		- 260	- 148	75.7 %
Results of ordinary activities (EBT)		2,703	3,411	- 20.8 %
Income taxes	(8)	- 814	- 961	- 15.3 %
Consolidated profit for the period		1,889	2,450	- 22.9 %
of which:				
Minority interests		- 11	2	
Attributable to the Group		1,900	2,448	
II. Other comprehensive income				
Foreign currency translation adjustment		- 117	- 119	- 1.7 %
Unrealised gains / losses from derivative financial instruments				
Change in unrealised gains / losses		- 268	- 93	
Realised gains (-) / losses (+)	(12)	- 150	50	
Total unrealised gains / losses		- 418	- 43	> 100.0 %
Tax on income and expenses recognised in other comprehensive income				
Changes in tax on income and expenses recognized in other comprehensive income		75	20	
Realised gains (-) / losses (+)	(12)	42	- 14	
Total unrealised gains / losses		117	6	> 100.0 %
Other comprehensive income after tax		- 418	- 156	> 100.0 %
III. Total comprehensive income		1,471	2,294	- 35.9 %
of which:				
Minority interests		- 27	- 4	
Attributable to the Group		1,498	2,298	

Consolidated statement of cashflows for the period from 1 January to 31 March 2012

		2012 TEUR	2011 TEUR
I.	**Cashflow from operating activities**		
1.	Consolidated profit for the period	1,889	2,450
	Adjustments for non-cash income and expenses:		
2.	Depreciation of non-current assets	871	819
3.	Amortisation of intangible assets	27	87
4.	Financial result	578	451
5.	Income taxes	814	961
6.	Earnings from the disposal of non-current assets	0	0
7.	Other changes to pensions obligations and recultivation obligations	232	320
8.	Other non-cash profit and loss items	- 14	3
	Adjustments for changes in working capital:		
9.	Change in inventories	- 68	675
10.	Change in trade receivables	- 2,797	- 1,982
11.	Change in other current assets	- 81	- 693
12.	Changes to trade payables and other financial debts and liabilities	- 3,309	459
13.	Recultivation payments	0	- 23
14.	Pension payments	- 99	- 101
15.	Changes in investment grants	- 4	- 33
16.	Interest received	11	0
17.	Interest paid	- 304	- 383
18.	Income taxes paid and received	- 333	- 114
	Cashflow from operating activities	**- 2,587**	**- 2,896**
II.	**Cashflow from investment activities**		
1.	Acquisition of property, plant and equipment	- 1,491	- 768
2.	Acquisition of intangible assets	- 94	0
3.	Proceeds from the sale of assets	23	0
4.	Change in other non-current assets	- 14	- 12
	Cashflow from investment activities	**- 1,576**	**- 780**
III.	**Cashflow from financing activities**		
1.	Proceeds from the issuance of non-current liabilities to banks	0	215
2.	Repayment of non-current liabilities	- 643	- 731
3.	Repayment of finance lease agreements	- 59	- 65
4.	Proceeds/repayment from/of current liabilities to banks	6,068	- 1,301
5.	Other changes in non-current liabilities	38	0
	Cashflow from financing activities	**- 5,404**	**- 1,882**
IV.	**Cash and cash equivalents**		
1.	Cash-effective change in cash and cash equivalents	1,241	234
2.	Effect of exchange rate fluctuations on cash held	- 53	- 143
3.	Cash and cash equivalents at the beginning of the period	1,086	1,437
V.	**Cash and cash equivalents at the end oft he period**	**2,274**	**1,528**

Consolidated statement of changes in equity as of 31 March 2012

	Balance at	Change		Balance at
	31 Dec. 2010	Comprehensive income	Others	31 March 2011
Capital stock	8,640	0	0	8,640
Additional paid-in capital	5,568	0	0	5,568
Revenue reserves	10,601	2,298	0	12,899
Other revenue reserves	1,646	- 150	0	1,496
Currency conversion	590	- 113	0	477
Financial instruments	- 293	- 37	0	- 330
Generated stockholders equity	8,955	2,448	0	11,403
Capital attributable to shareholders	24,809	2,298	0	27,107
Minority interests	100	- 4	0	96
Equity	24,909	2,294	0	27,203
	31 Dec. 2011	Comprehensive income	Others	31 March 2012
Capital stock	8,640	0	0	8,640
Additional paid-in capital	5,568	0	0	5,568
Revenue reserves	20,144	1,498	0	21,642
Other revenue reserves	1,989	- 402	0	1,587
Currency conversion	614	- 101	0	513
Financial instruments	26	- 301	0	- 275
Generated stockholders equity	18,155	1,900	0	20,055
Capital attributable to shareholders	34,352	1,498	0	35,850
Minority interests	122	- 27	38	133
Equity	34,474	1,471	37	35,982

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.

(1) Accounting principles

The consolidated interim financial statements of Graphit Kropfmühl Aktiengesellschaft and its subsidiaries as of 31 March 2012 were prepared in compliance with IAS 34 as applicable at 1 January 2012. They do not contain all the information and data required for the consolidated financial statements at the end of the fiscal year and must therefore be read in connection with the consolidated financial statements of 31 December 2011.

The currency used in the group is the euro (EUR). Unless stated otherwise, all amounts in these financial statements are given in thousands of euros (TEUR). This may involve marginal rounding differences.

(2) Scope of consolidation and consolidation methods

Scope of consolidation and consolidation methods are explained in the notes to the consolidated financial statements of 2011 under no. 2 and 3.

Compared to the consolidated annual financial statements of 2011 the scope of consolidation has changed.

Two newly established companies were included in the consolidated financial statements in the first quarter of 2012. GK Bergbau GmbH was established with a capital of EUR 25,000. All shares in the company are held by Graphit Kropfmühl Aktiengesellschaft. The company has been included in the consolidated financial statements since it was established using the full consolidation method. GK Besucherbergwerk gGmbH (a non-profit-making company with limited liability) was established with a capital of EUR 50,000. 24.9 % of the shares in this company are held by Graphit Kropfmühl Aktiengesellschaft. The voting rights amount to approx. 86.9 %, based on partnership agreements. Given the resultant significant influence on business and financial policy, this company is also included in the consolidated financial statements using the full consolidation method.

The consolidation methods remain unchanged compared to the previous year.

I. Selected explanatory notes on balance sheet

(3) Other financial assets

	31.03.2012	31.12.2011	Change
Granted loans (non-current)	291	290	0.3 %
Other financial assets (non-current))	0	0	0.0 %
Subtotal (non-current)	291	290	0.3 %
Granted loans (current)	75	78	- 3.8 %
Financial derivatives (current)	143	450	- 68.2 %
Other financial assets (current)	4	7	- 42.9 %
Subtotal (current)	222	535	- 58.5 %
Total	513	825	- 37.8 %

(4) Other current assets

	31.03.2012	31.12.2011	Change
Other tax refund claims	535	460	16.3 %
Refund claims from the professional association	212	172	23.3 %
Advance payments on inventories	133	225	- 40.9 %
Prepaid expenses	146	55	> 100.0 %
Other assets	114	181	- 37.0 %
Total	1,140	1,093	4.3 %

(5) Other financial liabilities

	31.03.2012	31.12.2011	Change
Financial derivatives (long-term)	365	413	- 11.6 %
Finance lease (long-term)	536	544	- 1.5 %
Other financial liabilities (long-term)	24	37	- 35.1 %
Subtotal (long-term)	925	994	- 6.9 %
Financial derivatives (short-term)	403	247	63.2 %
Finance lease (short-term)	237	232	2.2 %
Financial statement expenses	216	347	- 37.8 %
Other financial liabilities (short-term)	209	313	- 33.2 %
Subtotal (short-term)	1,065	1,139	- 6.5 %
Total	1,990	2,133	- 6.7 %

(6) Other current liabilities

	31.03.2012	31.12.2011	Change
Other tax liabilities	444	663	- 33.0 %
Professional association	171	170	0.6 %
Liabilities under partial retirement models	206	247	- 16.6 %
Other liabilities to employees	2,703	2,360	14.5 %
Received advance payments on orders	188	142	32.4 %
Supervisory Board compensation	21	95	- 77.9 %
Other current liabilities	59	101	- 41.6 %
Total	3,792	3,778	0.4 %

III. Selected explanatory notes on comprehensive income

(7) Selling, general and administrative expenses

	2012 Jan. - March	2011 Jan. - March
Selling expenses	447	402
General administrative expenses	1,723	1,839
Research and development expenses	312	223
Other operating expenses	65	272
Total	2,547	2,736

(8) Income tax expense

	2012 Jan. - March	2011 Jan. - March
Current taxes	- 867	- 982
Deferred taxes	53	21
Total	- 814	- 961

IV. Other notes

(9) Earnings per share

On the balance sheet date, as in the previous year, Graphit Kropfmühl Aktiengesellschaft does not hold any potentially diluting equity instruments. The earnings per share therefore represent the undiluted earnings per share and are determined as follows:

	2012 Jan. - March	2011 Jan. - March
Profit for the year attributable to shareholders of the company (TEUR)	1,900	2,447
Number of shares	2,880,000	2,880,000
Earnings per share (EUR)	**0.66**	**0.85**

(10) Cashflow statement

Cash and cash equivalents comprise cash on hand and cash at banks.

The cashflow from operating activities is derived indirectly from the consolidated profit for the year. The consolidated profit for the year is adjusted for essential non-effective expenses and income and essential changes of group assets and liabilities.

The cashflow from investing activities essentially shows the acquisitions of property, plant and equipment and the proceeds from the sale of property, plant and equipment. Acquisitions of property, plant and equipment that were generated in connection with finance-lease contracts are classified as non-cash and are not included in the cashflow from investing activities. In the fiscal year the acquisitions of property, plant and equipment in the amount of TEUR 1,491 contain TEUR 64 (previous year: TEUR 76) that were acquired through corresponding agreements.

The cashflow from financing activities shows the flow of funds from the repayment and raising of loans. Outflows relating to the repayment of finance lease liabilities also are allocated to the financing activities.

(11) Condensed segment information

	Silicon-metal		Graphite		Transition		Group	
January to March in TEUR	2012	2011	2012	2011	2012	2011	2012	2011
Turnover	20,140	20,173	9,978	10,725			30,118	30,898
D/A/CH	18,890	18,978	4,438	5,793			23,328	24,771
Other European countries	1,105	1,096	2,345	2,474			3,450	3,570
Asia / Pacific	76	55	2,656	1,926			2,732	1,981
North- and South America	62	36	293	291			355	327
Rest of the world	7	8	246	241			253	249
Intersegment turnover	0	0	0	0			0	0
Adjusted EBITDA	3,425	3,664	518	977			3,943	4,641
Recultivation expenses	2	0	21	21			23	21
Foreign exchange result	72	6	- 332	- 154			- 260	- 148
Depreciation and amortisation	425	392	474	462			899	854
Impairment expenses exploration expenses	0	0	0	52			0	52
EBIT	2,926	3,266	355	596			3,281	3,862
Segment assets	48,583	43,073	49,026	41,516	- 10,122	- 9,079	87,485	75,510
Employees (31 March)	109	108	418	384			527	492

(12) Derivative financial instruments

From January to March 2012, TEUR - 108 (previous year: TEUR 36) were reclassified from the other comprehensive income to the consolidated profit for the period. Of these, TEUR - 208 (previous year: TEUR - 18) were attributed to the “cost of sales” position. TEUR 58 (previous year: TEUR 68) were recognised in the net finance costs. On the total change TEUR 42 (previous year: earnings TEUR 9) had to be recognised in the income taxes.

(13) Commitments for the purchase of property, plant and equipment

At 31 March 2012 there were commitments under already placed orders for the manufacture and purchase of property, plant and equipment in the amount of TEUR 1,689 (previous year: TEUR 819).

(14) Events after the closing date

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

Kropfmühl, 4 Mai 2012

Graphit Kropfmühl Aktiengesellschaft
München

Martin Ebeling	Hans-Detlef Antel	Frank Berger
Chief Executive Officer	Managing Director	Managing Director

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Management Board
Martin Ebeling (Chief Executive Officer)
Hans-Detlef Antel
Frank Berger

Chairman of the Supervisory Board
Dr. Heinz Schimmelbusch

Financial calendar

08 August 2012	H1 2012 interim report
27 August 2012	Annual General Meeting, Munich
12 November 2012	German Equity Forum, Frankfurt
14 November 2012	Q3 2012 interim report

Graphit Kropfmühl AG

A Member of
AMG Advanced Metallurgical Group N.V.