




GrafTech International Holdings Inc. and its subsidiaries, GrafTech Canada ULC, GrafTech Mexico S.A. de C.V., GrafTech Brasil Ltda., GrafTech Switzerland S.A., GrafTech France S.N.C, GrafTech S.p.A. GrafTech South Africa (Pty) Ltd., GrafTech Iberica S.L., GrafTech Limited and GrafTech RUS LLC

To Our Valued Customers:

August 16, 2010

This letter is to inform you that the base prices for AGX standard sized graphite electrodes purchased from GrafTech International and its subsidiary companies (“GrafTech”) are changed due to cost pressures as shown in the table below.

**UCAR® GRADE ™ GRAPHITE ELECTRODES & PINS PRICING TABLE**

 ™ Products (1)	Diameters	Base Price USD\$/ Metric ton	Base Price USD\$ / pound	Base Price €/ Metric Ton
UCAR® Grade AGX™ Electrodes	From 200 – 400 mm (8” to 16”)	\$6335	\$2.87	€4635
UCAR® Grade AGX™ Electrodes	From 450 – 600 mm (18” to 24”)	\$6150	\$2.79	€4500
UCAR® Grade AGX™ Electrodes	From 650 – 750 mm (26” to 30”)	\$6450	\$2.93	€4725

(1) AGX brand recommended for high and ultra-high power AC and DC furnaces with severe electrical and mechanical conditions. Prices for other brands will be based on GrafTech’s prices in effect at the time of order. Contact your local sales representative for details.

The base price will be subject to an energy surcharge adjustment in the event of a significant increase in the oil index. In summary, if the per barrel price of oil remains below \$90, no energy surcharge will be applied to the base price. However, if the per barrel price of oil increases by 20% or more from today’s approximate spot price of \$75, we will need to apply a nominal surcharge as described on page two.

The pricing structure is effective immediately on new orders, subject to our acceptance, scheduled for delivery before March 31, 2011. Orders and other commitments which have been previously accepted will be honored at the agreed upon prices, conditions of sale, and delivery schedule.

We are committed to being a long term supplier of choice, making investments in our business to meet or exceed expectations and demands of our customers and other constituents. Your local representative will be contacting you soon to discuss this action in more detail and answer any questions. If you would like to speak to one of us directly, please feel free to contact us by e-mail or phone.

Respectfully yours,



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## Energy Surcharge Calculation:

The Energy Surcharge, calculated based on a published index that tracks the cost of a barrel of oil, reflects the volatile change in raw materials, utilities, freight and other manufacturing costs. For every one dollar by which oil exceeds \$90 per barrel, a \$22 per metric ton surcharge will be added to the base price. The Energy Surcharge will be shown as a single line item on each invoice. The Energy Surcharge will be calculated per the following table:

<b>Published Index</b> US Energy Information Administration for Europe Brent Spot Prices	<b>Fixed Baseline</b> Europe Brent Spot Prices (\$ per Barrel)	<b>Prior Three Month Average</b> Europe Brent Spot Prices (\$ per Barrel)	<b>Increase from Fixed Baseline</b> A Europe Brent Spot Prices (\$ per Barrel)	<b>Multiplying Factor</b> B \$ change in Graphite Electrode \$/MT	<b>Total Monthly Energy Surcharge</b> (A x B) \$/MT Invoiced
Calculation	90.0	68.5	None	22	0/MT
Example:	90.0	95.0	5.0	22	110/MT

(1) For three month averages where the calculation is at or below \$90 per barrel, the surcharge will be \$0.

An Energy Surcharge notice will be communicated by the end of the second week of each month based on changes in energy related costs as outlined in the above table. The energy surcharge will be published on our website ([www.graftech.com](http://www.graftech.com)). The energy surcharge published in the current month (eg. August) will apply to next month's shipments (eg. September). If the three month average oil price per barrel is below the fixed baseline, no surcharge will apply. See table below for examples of various levels of surcharge calculations.

<b>Published Index</b> Europe Brent Spot Prices (\$ per Barrel)	<b>Price Change in Barrel of Oil</b> (% Change from today)	<b>Electrode Base Price (1)</b> (\$ per MT)	<b>Monthly Energy Surcharge</b> (\$ per MT)	<b>Total Electrode Price (1)</b> (\$ per MT)	<b>Increase due to Surcharge</b> (% Change)
<=90.0	20%	\$6150	0	\$6150	0%
91	21%	\$6150	22	\$6172	0.4%
95	27%	\$6150	110	\$6260	1.8%
100	33%	\$6150	220	\$6370	3.6%
105	40%	\$6150	330	\$6480	5.4%
110	47%	\$6150	440	\$6590	7.2%

## Energy Surcharge Publication:

Europe Brent Spot Price (USD per barrel)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	76.17	73.75	78.83	84.82	75.95	74.96						
Three Month Moving Average	75.20	75.53	76.25	79.13	79.87	78.51						

Updated: August 16, 2010 <http://www.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=rbrte&f=m>