

September 12, 2016

To Our Valued Customers:

This letter lists the new base prices for GrafTech's AGX standard sized graphite electrodes, effective immediately:



**GRAPHITE ELECTRODES PRICING TABLE**

| <b>AGX Products (1)</b>        | <b>Diameters</b>                  | <b>Base Price<br/>US\$ / Metric Ton</b> | <b>Base Price<br/>US\$ / Pound</b> | <b>Base Price<br/>€ / Metric Ton (2)</b> |
|--------------------------------|-----------------------------------|---|------------------------------------|--|
| UCAR® Grade AGX™<br>Electrodes | From 200 – 400 mm<br>(8" to 16")  | \$3,150                                 | \$1.44                             | € 2800                                   |
| UCAR® Grade AGX™<br>Electrodes | From 450 – 600 mm<br>(18" to 24") | \$2,975                                 | \$1.35                             | € 2650                                   |
| UCAR® Grade AGX™<br>Electrodes | From 650 – 750 mm<br>(26" to 30") | \$3,275                                 | \$1.49                             | € 2920                                   |

All listed prices are ex-works, with standard payment terms of Cash in Advance, L/C at sight, or 30 days if credit is established.

(1) Recommended for high and ultra-high power AC and DC furnaces with severe electrical and mechanical conditions.

(2) Euro price based on year-to-date equivalent exchange rate of 1.12.

Note: Prices for Non-AGX brands will be based on GrafTech's prices in effect at the time of order. Contact your local sales representative for details.

This pricing applies to all new orders placed before December 31, 2016 and scheduled for delivery before December 31, 2017. All orders placed are subject to our standard terms and conditions and our acceptance. Orders and other commitments which have been previously accepted will be honored at the agreed upon prices, conditions of sale, and delivery schedule.

While we have taken very aggressive actions to reduce our costs (closure of manufacturing plants, overhead reductions, reducing raw material costs) these actions have not been enough to offset the significant decreases in electrode pricing in the last year. New price levels reflect the economic value needed to re-invest in our business in order to sustain the quality, service and value that you have come to expect.

These prices reflect our current visibility to raw material, energy, and other costs. We continue to monitor the supply chain for changes in trends and costs and reserve the right to adjust our pricing in response to changing economic conditions.

We are committed to being your long-term supplier of choice. We continue to make 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 your needs and answer any questions.

If you would like to speak to me directly, please feel free to contact me by e-mail or phone.

Respectfully yours,

Darrell A. Blair - President Industrial Materials

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