SGL Carbon Fibers Limited

Report and Financial Statements

31 December 2014

Directors
C W Hauswirth
J Park
J K Becker
A G Fear (appointed 01 September 2014)

Secretary
Ledingham Chalmers LLP

Auditors
Ernst & Young LLP
Barony House
Stoneyfield Business Park
Stoneyfield
Inverness IV2 7PA

Bankers
HSBC
PO Box 68
130 New Street
Birmingham B2 4JU

Solicitors
Ledingham Chalmers
Johnstone House
52 – 54 Rose Street
Aberdeen AB10 1HA

Hammonds
Trinity Court
16 John Dalton Street
Manchester M60 8HS

Registered Office
Muir of Ord Industrial Estate
Great North Road
Muir of Ord
Ross-Shire

Strategic report

The directors present their strategic report and the financial statements for the year ended 31 December 2014.

Principal activity and review of the business

The principal activity of the company during the year was the manufacture and sale of oxidized PAN fibre and carbon fibre. The company's oxidized PAN fibre products are used as a substrate by manufacturers of carbon aircraft brakes and in a variety of other industrial non-woven and other textile applications. The company's carbon fibre products are used primarily in two market segments. Chopped Carbon Fibre is supplied to the Industrial Market for use as reinforcement in, or to add electrical conductivity to, moulding compounds for components of electronic devices. Spooled Carbon Fibre is supplied to the Wind Energy Market as the raw material to produce the composites needed for wind turbines.

Turnover for the year fell by 15%, however the reduction was driven largely by the non-recurrence of 2013 sales of strategic raw material at cost price to key customers, following the decision by a supplier to cease operations. The underlying operational contribution to the year's result, before financing and exchange costs, improved as a result of early signs of recovery in the aerospace and wind energy industries.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as follows:

Competitive risks

The group faces competition from other companies in all our market sectors. The group policy is to maintain our high levels of customer service and to build upon strong supplier relationships.

Financial risks

These risks can be sub-divided as follows:

Liquidity risk

The group policy is to ensure that sufficient liquidity is available to meet the foreseeable needs and to invest cash assets safely and profitably. Liquidity is achieved by overdraft and other long-term bank facilities.

Interest rate risk

The group finances its operations through bank borrowings at floating rates based on both Base Rate and LIBOR. The group's policy is to borrow at the lowest rates for periods that do not carry excessive time premiums.

The group policy is to minimise exposure to losses of defaulting customers. Credit terms are only granted to customers who satisfy credit worthiness procedures and in certain market sectors where appropriate credit insurance can be obtained. Credit limits are reviewed by finance department staff on a regular basis in conjunction the debt ageing and collection history.

Currency risk

The group policy is to reduce currency exposure for particular projects by using the same currency for purchasing and selling the materials. Where this is not possible and values are significant, forward contracts are agreed with our bank.

Approved by the Board on 09 April 2015 and signed on its behalf by:

J Park
Director

Registered No. SC078081

Directors' report

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The loss for the year after taxation amounted to £6,060,589 (2013 – loss of £12,304,339). The directors do not recommend a final dividend (2013 – £nil).

Research and development

The company does research and development in order to improve its operations and product portfolio for the future. The directors take an active role in selecting, directing and monitoring progress on all research and development projects. All research and development costs are expensed in the current year.

Future developments

In the longer term, the market outlook for Carbon Fibre remains one of considerable growth. The outlook for the shorter term, however, is for difficult trading conditions with pressure on sales prices due to overcapacity in the Carbon Fibre market.

Going concern

Financial projections indicate that the company will become increasingly profitable in future but will require short-term support in undertaking capital expenditure plans. Therefore, the company relies on support from its intermediate parent undertaking, SGL Technologies GmbH, and its ultimate parent undertaking, SGL Carbon SE, in order to meet its liabilities as they fall due.

SGL Carbon SE has confirmed to the directors that this support will continue to be provided for the foreseeable future and on this basis, and all other available information, they consider that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not contain any adjustments that would result if the financial support of SGL Carbon SE were withdrawn.

Directors

The directors who served the company during the year were as follows:

C W Hauswirth
J Park
J K Becker
A G Fear (appointed 01 September 2014)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

J Park
Director
9 April 2015

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of SGL Carbon Fibers Limited

We have audited the financial statements of SGL Carbon Fibers Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of SGL Carbon Fibers Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Eunice McAdam (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Inverness

10 April 2015

Profit and loss account

for the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Turnover	2	48,129	56,705
Cost of sales		(46,974)	(60,942)
Gross profit/(loss)		1,155	(4,237)
Distribution costs		(996)	(892)
Administrative expenses		(4,862)	(4,801)
Operating loss	3	(4,701)	(9,930)
Interest receivable and similar income		–	–
Interest payable and similar charges	7	(1,359)	(2,374)
Loss on ordinary activities before taxation		(6,061)	(12,304)
Tax	8	–	–
Loss for the financial year	17	(6,061)	(12,304)

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £6,061k in the year ended 31 December 2014 (2013 – loss of £12,304k).

Balance sheet

at 31 December 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible assets	9	25,070	26,858
Current assets			
Stocks	10	12,723	18,846
Debtors	11	12,456	8,874
Cash at bank and in hand		34	60
		25,212	27,780
Creditors: amounts falling due within one year	12	24,560	23,156
Net current assets		652	4,624
Total assets less current liabilities		25,722	31,482
Creditors: amounts falling due after more than one year	13	2	3
Accruals and deferred income			
Deferred government grants	15	1,305	1,030
Net assets		24,416	30,449
Capital and reserves			
Called up share capital	16	620	620
Share premium account	17	20	20
Other reserves	17	340	312
Profit and loss account	17	23,436	29,497
Shareholder's funds	17	24,416	30,449

The financial statements were approved and authorised for issue by the board and signed on its behalf on 09 April 2015.

A Fear
Director

Notes to the financial statements

at 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

During the year ended 31 December 2014 the company made a loss of £6,060,589 and at the balance sheet date had net current assets of £652,096 including amounts owed to group companies of £10,298,307. Financial projections indicate that the company will become increasingly profitable in future but will require short-term support in undertaking capital expenditure plans. Therefore, the company relies on support from its intermediate parent undertaking, SGL Technologies GmbH, and its ultimate parent undertaking, SGL Carbon SE, in order to meet its liabilities as they fall due.

SGL Carbon SE has confirmed to the directors that this support will continue to be provided for the foreseeable future and on this basis, and all other available information, they consider that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not contain any adjustments that would result if the financial support of SGL Carbon SE were withdrawn.

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements.

Tangible fixed assets

All fixed assets are initially recorded at cost.

As permitted by the transitional provisions of FRS 15 'Tangible Fixed Assets', the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of certain plant and machinery, previously revalued at 2 March 1995 and will not update that valuation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	–	5 to 33 years
Plant and machinery	–	5 to 33 years
Fixtures and fittings	–	3 to 10 years
Motor vehicles	–	5 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Impairment of assets and impairment test

The company assesses at each balance sheet date whether there are any indications that its tangible assets are impaired. If such an indication is identified, the recoverable amount is estimated in order to quantify the amount of the impairment loss. Impairment losses are recognised when the recoverable amount of the asset is lower than its carrying amount. The recoverable amount is the higher of fair value less costs to sell (net selling price) and value in use, with the net selling price being determined first. If this amount is higher than the carrying amount, the asset's value in use will not be calculated. These values are determined using measurement methods based on discounted cash flows which are based on the company's five year plans. The estimated future cash flows are discounted to their present value using a discount rate reflecting current market expectations for interest rates and the specific risks attached to the asset or the company.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	–	purchase cost on a first-in, first-out basis
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred. Amounts repayable as a result of Research & Development tax relief claims are accounted for in the period in which they are received.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

Pensions

The company makes discretionary contributions to individual employee personal pension plans. The amount charged against profits represents the contributions payable to those schemes in respect of the accounting period.

Share-based payments

The company issues equity settled share-based payments to certain employees. A fair value for the equity settled share awards is measured at the date of grant. This is measured by the full share price of the parent undertaking, SGL Carbon SE, on grant date. The fair value of each award is recognised as an expense over the vesting period on a straight-line basis.

Derivatives

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2014	*2013*
	£000	*£000*
Europe	31,290	25,334
United States of America	12,712	27,270
Other	4,127	4,101
	48,129	56,705

Notes to the financial statements

at 31 December 2014

3. Operating loss

This is stated after charging/(crediting):

		2014	2013
		£000	*£000*
Auditors' remuneration –	audit services	46	60
–	non-audit services	13	21
Depreciation of owned fixed assets		2,187	2,770
Government grants released re fixed assets		(100)	(63)
Operating lease rentals –	plant and machinery	513	639

4. Exceptional Items

	2014	2013
	£000	*£000*
Included within cost of sales – impairment of tangible fixed assets	0	1,548

SGL Group carried out an impairment test of property, plant and equipment as of 30 September 2014. The impairment test was conducted as described in the accounting policies in note 1. The impairment test led to the conclusion that the current carrying value of assets is recoverable and therefore no impairment charge is required to be taken in 2014.

5. Directors' remuneration

	2014	2013
	£000	*£000*
Remuneration	132	131
Value of company pension contributions to money purchase schemes	14	9
	No.	*No.*
Members of money purchase pension schemes	2	1

Notes to the financial statements

at 31 December 2014

6. Staff costs

	2014	*2013*
	£000	*£000*
Wages and salaries	7,583	6,836
Social security costs	762	693
Other pension costs	325	287
Redundancy costs	22	(47)
	8,692	7,769

The average monthly number of employees during the year was made up as follows:

	No.	*No.*
Administration	53	51
Production	177	164
	230	215

7. Interest payable and similar charges

	2014	*2013*
	£000	*£000*
Exchange loss	902	1,374
Interest on loans from group companies	451	988
Finance lease interest	6	12
	1,359	2,374

8. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2014	*2013*
	£000	*£000*
Current tax:		
UK corporation tax on the loss for the year	–	–
Adjustments in respect of previous years	–	–
Total current tax (note 8(b))	–	–

Notes to the financial statements

at 31 December 2014

8. Tax (continued)

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.49% (2013 – 23.25%). The differences are explained below:

	2014	*2013*
	£000	*£000*
Loss on ordinary activities before tax	(6,135)	(12,304)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49% (2013 – 23.25%)	(1,319)	(2,861)
Effects of:		
Expenses not deductible for tax purposes	319	120
Capital allowances in excess of depreciation	332	888
Tax losses	660	1,901
Other short-term timing differences	8	(48)
Current tax for the year (note 8(a))	–	–

(c) Deferred tax

The deferred tax asset not recognised in the financial statements is as follows:

	2014	*2013*
	£000	*£000*
Capital allowances in advance of depreciation	7,036	6,521
Tax losses available	11,789	11,173
Short-term timing differences	20	5
	18,845	17,699

Notes to the financial statements

at 31 December 2014

9. Tangible fixed assets

	Freehold land and buildings	*Plant machinery and vehicles*	*Fixtures and fittings*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 1 January 2014	14,340	80,758	1,038	96,136
Additions	260	118	59	437
Disposals	(11)	(78)	(48)	(137)
At 31 December 2014	14,589	80,798	1,049	96,436
Depreciation:				
At 1 January 2014	6,073	62,423	782	69,278
Provided during the year	579	1,521	87	2,187
Impairment charge	-	-	-	-
Released on disposal	(2)	(49)	(48)	(99)
At 31 December 2014	6,650	63,895	821	71,366
Net book value:				
At 31 December 2014	7,939	16,903	228	25,070
At 1 January 2014	8,267	18,335	256	26,858

Certain items of plant and machinery were revalued at 2 March 1995, using the net current replacement cost method of valuation. This revaluation was carried out by the directors.

On the historical cost basis, certain fixed assets would have been included as follows:

	£000
Cost:	
At 1 January 2014 and 31 December 2014	2,899
Cumulative depreciation based on cost:	
At 1 January 2014 and 31 December 2014	2,899

10. Stocks

	2014	*2013*
	£000	*£000*
Raw materials	5,213	9,001
Finished goods	7,510	9,845
	12,723	18,846

Notes to the financial statements

at 31 December 2014

11. Debtors

	2014	*2013*
	£000	*£000*
Trade debtors	2,926	2,825
Amounts owed by group undertakings	9,130	5,548
Other debtors	173	254
Prepayments and accrued income	227	247
	12,456	8,874

12. Creditors: amounts falling due within one year

	2014	*2013*
	£000	*£000*
Trade creditors	8,315	6,711
Amounts owed to group undertakings	10,298	15,046
Other taxation and social security costs	402	386
Obligations under finance leases and hire purchase contracts (note 14)	1	119
Accruals and deferred income	5,544	894
	24,560	23,156

13. Creditors: amounts falling due after more than one year

	2014	*2013*
	£000	*£000*
Obligations under finance leases and hire purchase contracts (note 14)	2	3

14. Obligations under finance leases and hire purchase contracts

	2014	*2013*
Amounts payable:	*£000*	*£000*
Within one year (note 12)	1	119
In two to five years (note 13)	2	3
	3	122

Notes to the financial statements

at 31 December 2014

15. Accruals and deferred income

	Deferred government grants	
	2014	*2013*
	£000	*£000*
At 1 January	1,030	1,093
Additions during the year	375	–
Released during the year	(100)	(63)
At 31 December	1,305	1,030

16. Issued share capital

		2014		*2013*
Allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of £1 each	620,000	620	620,000	620

17. Reconciliation of shareholders' funds and movements on reserves

	Share capital	*Share premium account*	*Other reserves*	*Profit and loss account*	*Total share-holders' funds*
	£000	*£000*	*£000*	*£000*	*£000*
At 1 January 2013	620	20	316	21,801	22,757
Loss for the year	–	–	–	(12,304)	(12,304)
Capital contribution – group debt forgiven	–	–	–	20,000	20,000
Share-based payments	–	–	(4)	-	(4)
At 1 January 2014	620	20	312	29,497	30,449
Loss for the year	-	-	-	(6,061)	(6,061)
Share-based payments	-	-	28	-	28
At 31 December 2014	620	20	340	23,436	24,416

18. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £25,127 (2013 – £68,533).

Notes to the financial statements

at 31 December 2014

19. Share-based payments

Matching shares plan

Management Group I to Management Group III employees may elect to buy SGL Carbon SE shares from their Annual Bonus Plan and hold them for purposes of the Matching Shares Plan. Employees that have held such shares for two years are eligible to receive matching shares from SGL Carbon SE without cash payment. The exercise price of the options is equal to the estimated market price of the shares on the date of grant.

SAR plan 2005

Under the SAR Plan 2005, SGL Carbon SE grants stock appreciation rights (SARs) to its Management Group I to Management Group III employees. These employees will be eligible to receive the amount of stock appreciation from the current share price on grant date to the exercise price, which is the current share price on execution date. This stock appreciation is settled by shares. The vesting period is two years and the term of the SARs is ten years.

The expense recognised for share-based payments in respect of employee services received during the year to 31 December 2014 is £27,672.

20. Derivative financial instruments

The company enters into forward foreign exchange contracts to hedge the cash flow risk relating to the value of forecast sales which are denominated in foreign currencies. The risk hedged relates to the changes in foreign exchange rate of the forecast sales value. The fair value of these hedges as at 31 December 2014 is a net liability of £281,445 (2013 – net liability of £1,147,845).

21. Other financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

		2014		*2013*
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£000	*£000*	*£000*	*£000*
Operating leases which expire:				
Within one year	333	39	328	68
In two to five years	174	2	95	39
	507	41	423	107

22. Contingent liabilities

The company is party to a guarantee, supported by fixed and floating charges over the assets of the company to Deutsche Bank Luxembourg in respect of certain borrowings of the SGL Carbon SE group of companies. At 31 December 2014, the outstanding borrowings of the group were €704.8m (2013 – €691.5m).

23. Related party transactions

The company is a wholly owned subsidiary of SGL Carbon SE, the group financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the SGL Carbon SE Group.

Notes to the financial statements

at 31 December 2014

24. Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of SGL Carbon GmbH, incorporated in Germany.

The largest group in which the results of the company are consolidated is that headed by SGL Carbon SE. The group financial statements are available to the public and may be obtained from SGL Group, Soehnleinstrasse 8, 65201 Wiesbaden, Germany.