

GRAFTECH INTERNATIONAL LTD
Form S-3ASR
November 30, 2010
Table of Contents

As filed with the Securities and Exchange Commission on November 30, 2010

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GRAFTECH INTERNATIONAL LTD.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of

27-2496053
(I.R.S. Employer

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Incorporation or Organization)

Identification No.)

12900 Snow Road

Parma, Ohio 44130

(216) 676-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

John D. Moran, Esq.

General Counsel, Vice President and Secretary

GrafTech International Ltd.

12900 Snow Road

Parma, Ohio 44130

(216) 676-2397

(Name, Address, Including Zip Code and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:

M. Ridgway Barker, Esq.

Kelley Drye & Warren LLP

400 Atlantic Street

Stamford, Connecticut 06901

(203) 324-1400

Approximate Date of Commencement of Proposed Sale to the Public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ..

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ..

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ..

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x		Accelerated Filer	..
Non-accelerated filer		(Do not check if a smaller reporting company)	Smaller reporting company	..

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount to be	Proposed Maximum		Amount of
Securities to be Registered	Registered	Offering Price Per	Proposed Maximum	Registration Fee
Common Stock, par value \$.01 per share (2)	Registered	Share (1)	Aggregate Offering Price	Registration Fee
	19,508,327	\$18.15	\$354,076,135	\$25,245.63

- (1) The price is estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) and represents the average high and low trading prices of the common stock, as reported on the New York Stock Exchange, on November 23, 2010.
- (2) Also includes such additional indeterminate number of securities as may be issued pursuant to antidilution or variable exercise, conversion or exchange price or rate provisions of securities registered hereunder. No separate consideration will be received for any securities so issued.

Table of Contents

EXPLANATORY NOTE

We maintain and periodically update a current registration statement relating to the possible resale of shares of our common stock by directors (and certain of their affiliates), officers and employees. We are filing this registration statement on Form S-3 to update and replace our registration statement on Form S-3 (Registration No. 333-135389) and amendments thereto (the Effective Registration Statement). We intend to file, after this registration statement becomes effective, a post-effective amendment to the Effective Registration Statement to deregister all of the shares which remained unsold thereunder.

Table of Contents

GrafTech International Ltd.

Common Stock

This prospectus may be used by selling stockholders and their subsequent transferees, pledgees, donees and successors (collectively, the sellers) for the offer and sale of up to 19,508,327 shares of our common stock. All of the sellers who are officers and/or directors of the registrant, with the exception of Nathan Milikowsky (who we expect will be elected as a director promptly following the date of this prospectus), received such shares in various transactions, including pursuant to the registrant's 2005 Equity Incentive Plan or the predecessors to such plan. The other sellers, including Mr. Nathan Milikowsky, received such shares as consideration in connection with the acquisitions of (i) Seadrift Coke L.P. (Seadrift) pursuant to that certain Agreement and Plan of Merger, dated as of April 28, 2010, by and among GrafTech International Ltd., GrafTech Holdings Inc., GrafTech Delaware I Inc., GrafTech Delaware II Inc., Seadrift and certain partners of Seadrift, and (ii) C/G Electrodes, LLC (C/G) pursuant to that certain Agreement and Plan of Merger, dated as of April 28, 2010, by and among GrafTech International Ltd., GrafTech Holdings Inc., GrafTech Delaware III Inc., C/G and certain members of C/G.

The shares offered hereby may be sold from time to time by one or more of the sellers. No seller is required to offer or sell any shares pursuant to this prospectus. The sellers anticipate that, if and when offered and sold, the shares will be offered and sold in transactions effected on the New York Stock Exchange, or NYSE, at then prevailing market prices. The sellers have the right, however, to offer and sell the shares on any other national securities exchange on which our common stock may become listed or in the over-the-counter market, in each case at then prevailing market prices, or in privately negotiated transactions at a price then to be negotiated. Each seller has advised us that each offer and sale made on the NYSE or any other national securities exchange or in the over-the-counter market by him or her or his or her transferees, pledgees, donees and successors will be made through or to licensed or registered brokers and dealers.

Pursuant to a Registration Rights and Stockholders Agreement dated November 30, 2010 (the Stockholders Agreement) among the registrant, certain of the sellers and the other parties thereto, each of Nathan Milikowsky and Daniel Milikowsky and the other Milikowsky Holders (as defined in this prospectus) agreed, subject to certain exceptions, that, for two (2) years following the acquisition of Seadrift and thereafter until six (6) months after the later of (i) the termination of the Milikowsky Holders' right to nominate an individual for election as a director of GrafTech under the Stockholders Agreement (as defined in this prospectus) and (ii) the date on which any such nominated director ceases to be a member of our Board of Directors, they will not, and will not permit any of their controlled affiliates or related parties to, sell or acquire additional shares of our common stock; provided, that at any time after six (6) months following the acquisition of Seadrift, such persons may sell our common stock in transactions exempt from registration under the Securities Act of 1933, as amended, under Rule 144 or otherwise or in a public offering; provided, further that the aggregate amount of shares each such group may sell in any three (3) month period may not exceed one percent (1%) of the outstanding shares of GrafTech common stock (but excluding certain Exempt Shares for these purposes).

We will not receive any proceeds from the sale of any shares by the sellers pursuant to this prospectus. All proceeds from sales of shares pursuant to this prospectus will be paid directly to the sellers and will not be deposited in an escrow, trust or other similar arrangement. We will bear all of the expenses in connection with the registration of the shares offered hereby, including legal and accounting fees. No discounts, commissions or other compensation will be allowed or paid by us in connection with sales of the shares offered hereby. Each seller has advised us that no discounts, commissions or other compensation will be allowed or paid by him or her or his or her transferees, pledgees, donees and successors in connection with sales of the shares offered hereby, except that usual and customary brokers' commissions or dealers' discounts may be paid or allowed by the sellers.

Our common stock is traded on the NYSE under the trading symbol GTI. On November 29, 2010, the last reported sale price of our common stock on the NYSE was \$18.63 per share.

Investment in these securities involves a certain amount of risk. You should carefully consider the risks referenced under Risk Factors on Page 5 of this prospectus, as well as the other information contained or incorporated by reference in this prospectus or in any supplement hereto, before making a decision to invest in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 30, 2010.

Table of Contents

TABLE OF CONTENTS

	Page
<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	1
<u>Incorporation of Certain Documents by Reference</u>	2
<u>Summary</u>	3
<u>Forward-Looking Statements</u>	5
<u>Risk Factors</u>	5
<u>Use of Proceeds</u>	5
<u>Selling Security Holders</u>	5
<u>Plan of Distribution</u>	7
<u>Legal Matters</u>	11
<u>Experts</u>	11

ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission (the Commission) as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act), utilizing a shelf registration process. Under this shelf registration process, the sellers may, from time to time, offer and sell shares of our common stock pursuant to this prospectus.

It is important for you to read and consider all of the information contained in this prospectus and any applicable prospectus supplement before making a decision whether to invest in our common stock. You should also read and consider the information contained in the documents that we have incorporated by reference as described in Where You Can Find More Information and Incorporation of Certain Documents By Reference in this prospectus.

You should rely only on the information provided in this prospectus and any applicable prospectus supplement, including the information incorporated by reference. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. The sellers are not offering to sell or soliciting offers to buy, and will not sell, any securities in any jurisdiction where it is unlawful. You should assume that the information contained in this prospectus or in any prospectus supplement, as well as information contained in a document that we have previously filed or in the future will file with the Commission and incorporate by reference in this prospectus or any prospectus supplement, is accurate only as of the date of this prospectus, the applicable prospectus supplement or the document containing that information, as the case may be. Our financial condition, results of operations, cash flows or business may have changed since that date.

We, us, our, the Company, GrafTech, GTI or the registrant refers to GrafTech International Ltd. and its subsidiaries collectively or context so requires, GrafTech International Ltd. or its subsidiaries, individually.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file periodic reports, proxy statements and other information relating to our business, financial and other matters with the Commission under the Securities Exchange Act of 1934, as amended (the Exchange Act). Our filings are available to the public over the Internet at the

Table of Contents

Commission's web site at <http://www.sec.gov>. You may also read and copy any document we file with the Commission at, and obtain a copy of any such document by mail from, the Commission's public reference room located at 100 F Street, N.E., Washington, D.C. 20549, at prescribed charges. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room and its charges. Our reports and proxy statements and other information relating to us can also be read and copied at the NYSE located at 11 Wall Street, New York, New York 10005, (212) 656-3000.

We have filed with the Commission a registration statement on Form S-3 under the Securities Act with respect to our securities described in this prospectus. References to the **registration statement** or the **registration statement of which this prospectus is a part** mean the original registration statement and all amendments, including all schedules and exhibits. This prospectus does, and any prospectus supplement will, not contain all of the information in the registration statement because we have omitted parts of the registration statement in accordance with the rules of the Commission. Please refer to the registration statement for any information in the registration statement that is not contained in this prospectus or a prospectus supplement. The registration statement is available to the public over the Internet at the Commission's web site described above and can be read and copied at the locations described above.

Each statement made in this prospectus or any prospectus supplement concerning a document filed as an exhibit to the registration statement is qualified in its entirety by reference to that exhibit for a complete description of its provisions.

We make available, free of charge, on or through our web site, copies of our proxy statements, our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file them with or furnish them to the Commission. We maintain a web site at <http://www.graftech.com/GrafTech/Investor+Relations/Default.htm>. The information contained on our web site is not part of this prospectus, any prospectus supplement or the registration statement.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We have filed the following documents with the Commission pursuant to the Exchange Act and hereby incorporate them by reference in the registration statement:

- (a) Our annual report on Form 10-K for the fiscal year ended December 31, 2009, filed with the Commission on February 23, 2010 (the **2009 Form 10-K**).
- (b) Our amendment to the 2009 Form 10-K on Form 10-K/A, filed with the Commission on March 31, 2010.
- (c) Our quarterly report on Form 10-Q for the period ended March 31, 2010, filed with the Commission on April 29, 2010.
- (d) Our quarterly report on Form 10-Q for the period ended June 30, 2010, filed with the Commission on July 29, 2010.
- (e) Our quarterly report on Form 10-Q for the period ended September 30, 2010, filed with the Commission on October 28, 2010.
- (f) Our current reports on Form 8-K, filed with the Commission on March 16, 2010, May 26, 2010, October 1, 2010 and November 30, 2010.

Table of Contents

(g) The portions of our annual proxy statement relating to our annual meeting of stockholders held on May 20, 2010, filed with the Commission on April 9, 2010, that have been incorporated by reference into the 2009 Form 10-K.

(h) Our registration statement on Form S-4 (Registration No. 333-167446) (the "S-4"), filed with the Commission on June 10, 2010, as amended on November 8, 2010, including the description of our common stock contained therein.

All documents subsequently filed by us with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in the registration statement and to be a part hereof from the date of filing of such documents.

We make available copies of the documents incorporated by reference in this prospectus to each person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request. Such requests should be directed to:

GrafTech International Ltd.

12900 Snow Road

Parma, Ohio 44130

Attention: Investor Relations Department

Telephone: 216-676-2000

SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information included elsewhere or incorporated by reference in this prospectus, including financial statements and the related notes. You should carefully consider, among other things, the matters discussed under "Risks Related to Us" and "Risks Relating to our Securities" in the 2009 Form 10-K, under "Risk Factors" in the S-4, and under "Forward Looking Statements and Risks" in our quarterly reports on Form 10-Q for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010, filed with the Commission on April 29, 2010, July 29, 2010 and October 28, 2010, and in other documents that we subsequently file with the Commission that are incorporated by reference herein.

The Company

Our vision is to enable customer leadership, better and faster than our competition, through the creation, innovation and manufacture of graphite and carbon material science-based solutions. We have over 120 years of experience in the research and development of graphite and carbon-based solutions and our intellectual property portfolio is extensive. Our business was founded in 1886 by the National Carbon Company.

We are one of the world's largest manufacturers of the broadest range of high quality graphite electrodes, products essential to the production of electric arc furnace, or EAF, steel and various other ferrous and nonferrous metals. We also manufacture carbon, graphite and semi-graphite refractory products, which protect the walls of blast furnaces and submerged arc furnaces. We are one of the largest manufacturers of high quality natural graphite products enabling thermal management solutions for the electronics industry and fuel cell solutions for the transportation and power generation industries. We are one of the world's largest manufacturers and providers of advanced graphite and carbon materials for the

Table of Contents

transportation, solar, and oil and gas exploration industries. We service customers in about 70 countries, including industry leaders such as Arcelor Mittal, BaoSteel, Gerdau S.A. and ThyssenKrupp Steel in steel, Samsung in electronics, Elkem Solar in the solar industry and Griffin Wheel in the transportation industry.

Prior to the acquisitions of Seadrift and C/G described below, we have manufactured our products in eleven manufacturing facilities strategically located on four continents. We believe our network has the largest manufacturing capacity, one of the lowest manufacturing cost structures of all of our major competitors and delivers the highest-level quality products. Prior to the acquisitions of Seadrift and C/G we have had the operating capability, depending on product mix, to manufacture approximately 220,000 metric tons of graphite electrodes per year. We believe that our global manufacturing network provides us with competitive advantages in product quality, proximity to customers, timely and reliable product delivery, and product costs. Given our global network, we are well positioned to serve the growing number of consolidated, global, multi-plant steel customers as well as certain smaller, regional customers and segments.

We operate one of the premier research, development and testing facilities in the graphite and carbon industry, and we believe we are an industry leader in graphite and carbon material science and high temperature processing know-how. We believe our technological capabilities for developing products with superior thermal, electrical and physical characteristics provide us with a competitive advantage. These capabilities have enabled us to accelerate development and commercialization of our technologies to exploit markets with high growth potential.

On November 30, 2010, we acquired Seadrift and C/G.

Seadrift is one of the world's largest manufacturers of petroleum-based needle coke and owns the world's only known stand-alone petroleum-based needle coke plant, located in Port Lavaca, Texas. The plant is considered state of the art due to Seadrift's three drum, three-step process. The plant's capacity in 2009 was approximately 150,000 metric tons per year. The Seadrift plant is almost entirely self-sufficient, requiring only supplies of feedstock and fresh water to run continuously. In addition to calcined needle coke, the operation produces naphtha, gas oil and electricity as by-products.

Located in St. Marys, Pennsylvania, C/G is a U.S. owned and operated manufacturer of large diameter premium ultra-high power, or UHP, graphite electrodes used in the EAF steel making process. UHP graphite electrodes are highly engineered products uniquely capable of withstanding the intense environment inside an EAF, and are continuously consumed at a rate directly proportional to the amount of steel produced.

Corporate Information

Our principal executive offices are located at 12900 Snow Road, Parma, Ohio 44130, and our telephone number is (216) 676-2000. We maintain a website on the Internet at <http://www.graftech.com/>. Information on our website is not incorporated by reference herein and our web address is included in this prospectus as an inactive textual reference only.

The Offering

This prospectus relates to the resale of shares of our common stock held by the sellers identified under "Selling Security Holders" or a supplement to this prospectus. All of the sellers who are officers and/or directors of the Company, with the exception of Nathan Milikowsky (who we expect will be elected as a director promptly following the date of this prospectus), received such shares in various transactions, including pursuant to the registrant's 2005 Equity Incentive Plan or the predecessors to such plan. The other sellers, including Mr. Nathan Milikowsky, received such shares as consideration in connection with the acquisitions of Seadrift and C/G. At the closing of the acquisitions of Seadrift and

Table of Contents

C/G, which occurred on November 30, 2010, we entered into a Registration Rights and Stockholders Agreement (the **Stockholders Agreement**) with several parties, including such other sellers, requiring us to register their shares. This registration statement, of which this prospectus is a part, is intended to be one of the registration statements required by the Stockholders Agreement.

We will not receive any of the proceeds from the sale of these shares of our common stock by the sellers.

FORWARD-LOOKING STATEMENTS

The information appearing under **Forward Looking Statements** in the 2009 Form 10-K and the S-4, and under **Forward Looking Statements and Risks** in our quarterly reports on Form 10-Q for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010, filed with the Commission on April 29, 2010, July 29, 2010 and October 28, 2010, respectively, is hereby incorporated by reference.

RISK FACTORS

The information appearing under **Risks Related to Us** and **Risks Relating to our Securities** in the 2009 Form 10-K, under **Risk Factors** in the S-4, and under **Forward Looking Statements and Risks** in our quarterly reports on Form 10-Q for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010, filed with the Commission on April 29, 2010, July 29, 2010 and October 28, 2010, respectively, is hereby incorporated by reference.

USE OF PROCEEDS

We will not receive any proceeds from the sale of any shares offered hereby by the sellers.

SELLING SECURITY HOLDERS

The sellers consist of the persons listed below and their subsequent transferees, pledgees, donees and successors. The sellers may from time to time offer and sell shares of our common stock pursuant to this prospectus or any applicable prospectus supplement.

All of the sellers who are officers and/or directors of the registrant, with the exception of Nathan Milikowsky, received such shares in various transactions, including pursuant to the registrant's 2005 Equity Incentive Plan or the predecessor to such plan. The other sellers, including Mr. Nathan Milikowsky, received such shares as consideration in connection with the acquisitions of Seadrift and/or C/G.

The following table sets forth, as of November 30, 2010, certain information relating to the sellers, the number of shares of our common stock beneficially owned by them, the number of shares offered hereby by them, and the number and percentage of shares of our common stock that the sellers would beneficially own if all of the shares offered hereby are sold. As of November 30, 2010, there were 145,277,670 shares of our common stock outstanding. Each seller who is an officer or director has served as one of our officers or one of our directors for at least the past three years except Mr. Moran who was elected as an officer in 2008, Mr. Shawley who joined us as a director in 2010, and Mr. Milikowsky who we expect will join us as a director in 2010.

Table of Contents

Name	Shares of Common Stock Beneficially Owned	Shares of Common Stock Offered Hereby	Number of Shares of Common Stock Beneficially Owned After Offering	Percentage of Outstanding Shares After Offering
Officers				
Craig S. Shular	980,320	980,320	0	*
Mark Widmar	167,692	167,692	0	*
Petrus J. Barnard	338,194	338,194	0	*
John D. Moran	65,373	65,373	0	*
Hermanus L. Pretorius	91,480	91,480	0	*
Directors				
Randy W. Carson	21,051	21,051	0	*
Mary B. Cranston	62,872	62,872	0	*
Harold E. Layman	75,520	75,520	0	*
Ferrell P. McClean	94,667	94,667	0	*
Michael C. Nahl	91,150	91,150	0	*
Steven R. Shawley	4,526	4,526	0	*
Subtotal	1,992,845	1,992,845	0	
Other Sellers				
Seadrift Coke LLC ¹	143,258	143,258	0	*
NMDM Investments LLC ²	154,537	154,537	0	*
Daniel Milikowsky ³	444,337	444,337	0	*
Daniel Milikowsky Family Holdings, LLC ⁴	8,107,146	8,107,146	0	*
The Daniel and Sharon Milikowsky Family Foundation, Inc. ⁵	57,360	57,360	0	*
Nathan Milikowsky ⁶	6,269,204	6,269,204	0	*
Rebecca Milikowsky ⁷	760,760	760,760	0	*
The Rebecca and Nathan Milikowsky Family Foundation ⁸	57,360	57,360	0	*
Brina Milikowsky ⁹	760,760	760,760	0	*
Shira Milikowsky ¹⁰	760,760	760,760	0	*
Subtotal	17,515,482	17,515,482	0	
Total	19,508,327	19,508,327	0	

* Represents holdings of less than 1%.

1. Nathan Milikowsky and Daniel Milikowsky each own 50% of the membership interests in this limited liability company and may be deemed to beneficially own these shares.
2. Nathan Milikowsky and Daniel Milikowsky each own 50% of the membership interests in this limited liability company and may be deemed to beneficially own these shares.

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3. Represents shares directly held by Mr. Daniel Milikowsky. Does not include the shares held by Seadrift Coke LLC and NMDM Investments LLC (see notes 1 and 2 above). Also does not include shares held by the following persons or entities, as to which he disclaims beneficial ownership: The Daniel and Sharon Milikowsky Family Foundation, Inc., Daniel Milikowsky Family Holdings, LLC and any shares that may be deemed to be beneficially owned by his brother Nathan Milikowsky under applicable Commission rules.
4. The managers of this limited liability company are Matthew Milikowsky and Jennifer Milikowsky, adult children of Daniel Milikowsky who are not selling shareholders in this offering.
5. Daniel Milikowsky is one of at least three trustees of this charitable trust.
6. Represents shares held directly by Mr. Nathan Milikowsky. Does not include the shares held by Seadrift Coke LLC or NMDM Investments LLC (see notes 1 and 2 above). Also does not include the shares held by the following persons or entities, as to which he disclaims beneficial ownership: The Rebecca and Nathan Milikowsky Family Foundation, his wife Rebecca Milikowsky, his adult daughters, Brina Milikowsky and Shira Milikowsky, and any shares which may be deemed to be beneficially owned by his brother Daniel Milikowsky under applicable Commission rules.
7. These shares are held by Nathan Milikowsky's wife.
8. Nathan Milikowsky is one of two trustees of this charitable trust.
9. The holder is an adult daughter of Nathan Milikowsky who does not share his home and is not materially supported by him.
10. The holder is an adult daughter of Nathan Milikowsky who does not share his home and is not materially supported by him.

Table of Contents

PLAN OF DISTRIBUTION

This prospectus may be used by the sellers for the offer and sale of up to 19,508,327 shares of our common stock.

In April 2010, we entered into merger agreements pursuant to which we acquired Seadrift and C/G. The closing of the transactions under the merger agreements took place on November 30, 2010. At the closing, we entered into the Stockholders Agreement with several parties, including certain of the sellers.

Description of the Stockholders Agreement

The Stockholders Agreement contains lock-up and standstill provisions, transfer restrictions, director nomination rights and registration rights with respect to shares of our common stock issued to the sellers that are described below. As used herein, the term Milikowsky Holders means Nathan Milikowsky, Daniel Milikowsky, The Rebecca and Nathan Milikowsky Family Foundation, The Daniel and Sharon Milikowsky Family Foundation, Inc., NMDM Investments LLC, Rebecca Milikowsky, Brina Milikowsky, Shira Milikowsky, Daniel Milikowsky Family Holdings LLC and Seadrift Coke LLC.

Lock-up and Standstill Provisions

Each of the Milikowsky Holders agreed, for two (2) years following the acquisition of Seadrift and thereafter until six (6) months after the later of (i) the termination of the Milikowsky Holders right to nominate an individual for election as a director of GrafTech and (ii) the date on which any such nominated director ceases to be a member of our Board of Directors, that:

it will not enter into, and will not permit any of its controlled affiliates or related parties to or to enter into, any contract to purchase, sell, borrow, lend, pledge, or otherwise acquire or transfer, directly or indirectly, any securities of GrafTech; and

it will not enter into, and will not permit any of its controlled affiliates or related parties to enter into, any economic or voting derivative, swap or other contract that transfers to, or acquires from, any other person, any of the voting rights or economic consequences of ownership of any securities of GrafTech or the value of which is measured or determined by, or with respect to, the value of any securities of GrafTech.

The foregoing lock-up terminates upon (i) a change in control as described below (except that the percentage thresholds in the first two bullets of the definition of change in control shall be 50% (and not 35%)); (ii) bankruptcy of GrafTech or any of its significant subsidiaries; (iii) GrafTech's failure to comply in any material respect with the board nomination rights; (iv) the delisting of our common stock from the NYSE (other than in connection with relisting on another national or international exchange); or (v) the transfer by the Milikowsky Holders and their related parties of at least 90% of our common stock owned by them to persons other than related parties.

Each of the Milikowsky Holders agreed not to take any of the following actions for a period of two (2) years following the acquisition of Seadrift and thereafter until six (6) months after the later of (i) the termination of the Milikowsky Holders right to nominate an individual for election as a director of GrafTech and (ii) the date on which any such nominated director ceases to be a member of our Board of Directors (the standstill):

initiate or participate in any solicitation of proxies to vote any securities of GrafTech;

advise or influence any person (other than a related party) with respect to the voting of any securities of GrafTech;

Table of Contents

take any action to change, control or influence the management (including the composition of our Board of Directors) or policies of GrafTech (except in connection with the exercise of the fiduciary duties of the board nominee of the Milikowsky Holders if he is then serving as a member of our Board of Directors) or to obtain representation on our Board of Directors (except for the board designation rights in the Stockholders Agreement);

make any public announcement with respect to, submit a public proposal for or make any public offer as to any extraordinary transaction involving GrafTech;

form, assist or participate in a group in connection with any of the foregoing;

enter into any discussions, arrangements or contracts with any other person regarding any of the foregoing; or

take any action that would require GrafTech under applicable laws, due to fiduciary duties, or otherwise to make any public announcement relating to any of the foregoing or any extraordinary transaction.

The standstill provisions terminate upon (i) a change in control as described below (except that the percentage thresholds in the first two bullets of the definition of change in control shall be 50% (and not 35%)); (ii) bankruptcy of GrafTech or any of its significant subsidiaries; (iii) GrafTech's failure to comply in any material respect with the board nomination rights; (iv) the delisting of our common stock from the NYSE (other than in connection with relisting on another national or international exchange); or (v) upon the termination of the merger agreement with C/G without the consummation of the acquisition of C/G.

Notwithstanding the lock-up and standstill provisions, Nathan Milikowsky and Rebecca Milikowsky may transfer up to an aggregate of 1,600,000 shares (as adjusted for any stock split, stock dividend, combination or other recapitalization or reclassification transactions by us) of our common stock to The Rebecca and Nathan Milikowsky Family Foundation and Daniel Milikowsky and Daniel Milikowsky Family Holdings LLC may transfer up to an aggregate of 1,600,000 shares (as adjusted for any stock split, stock dividend, combination or other recapitalization or reclassification transactions by us) of our common stock to The Daniel and Sharon Milikowsky Family Foundation, Inc. Following the transfer of any such shares to one of such foundations (Exempt Shares), the applicable foundation may transfer such shares without restriction under the lock-up and standstill provisions.

Notwithstanding the lock-up and standstill provisions, at any time after six (6) months following the acquisition of Seadrift, each of Nathan Milikowsky (and his affiliates and related parties) and Daniel Milikowsky (and his affiliates and related parties) may sell our common stock in transactions exempt from registration under the Securities Act under Rule 144 or otherwise or in a public offering; provided, that the aggregate amount of shares each such group may sell in any three (3) month period may not exceed one percent (1%) of the outstanding shares of GrafTech common stock (but excluding Exempt Shares for t