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SGL CARBON AKTIENGESELLSCHAFT

Form 6-K

May 14, 2003

Form 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of: May 2003

SGL CARBON Aktiengesellschaft

(Name of registrant)

Rheingaustrasse 182
65203 Wiesbaden
Germany

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover of Form 20-F or Form 40-F:

Form 20-F X

Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the SEC
pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes

No X

If "Yes" is marked, indicate the file number assigned to the registrant in
connection with Rule 12g3-2(b): N/A

Exhibit Index

1. Letter to Shareholders issued May 14, 2003 regarding first quarter 2003 financial results.

EXHIBIT 1

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 Prepared in accordance with International Financial Reporting Standards, IRFS
 (unaudited)

SGL Carbon Report on the First Quarter of 2003

- Profit from operations up year-on-year
- Full capacity utilization at Graphite Electrodes
- Further reduction of losses at SGL Technologies

In Q1/2003, the SGL Carbon Group generated sales revenue of EUR251 million, down 4% on the same quarter of the prior year. This is primarily the result of the weakness of the US dollar, which more or less offset the increase in volumes. The figures were also affected by the structural changes resulting from the divestment of the electrical contacts business.

SGL Carbon improved its profit from operations from EUR1 million to EUR5 million in Q1. A key contribution to this was made by Carbon and Graphite (CG), Graphite Specialties (GS) and SGL Technologies (SGL T). SGL T reduced its quarterly loss by almost 60% compared with the previous year.

Net financing costs increased by EUR8 million to EUR -14 million due to positive, one-time non-cash effects in the prior-year quarter; interest expense increased only slightly. As a result, the net loss before taxes was down EUR3 million year-on-year. The net loss after taxes amounted to EUR -8 million in Q1 (EUR -9 million in the same quarter of the prior year). The loss per share fell from EUR -0.44 to EUR -0.34.

Due to lower sales of receivables, net financial liabilities increased by EUR22 million to EUR449 million compared with December 31, 2002. After adjustment for sales of receivables, net financial liabilities were reduced by EUR14 million, falling from EUR468 million to EUR454 million.

Despite the ongoing weakness of the economy, SGL Carbon is forecasting an improvement in earnings for Q2/2003, both against Q1/2003 and against the same period of the prior year. It remains difficult to predict how the economy will develop. However, we intend to generate a significant improvement in our profit from operations and a net profit for 2003. The positive free cash flow this generates will be used to reduce our liabilities further.

Financial Highlights (EUR million)

	First Quarter	First Quarter
(unaudited)	2003	2002
Sales revenue	250.7	261.0
EBITDA	24.1	21.7
Profit from operations	5.1	1.0
Return on sales	2.0%	0.4%
Net loss before minority interests	- 7.6	- 9.3

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Earnings per share (EUR)	- 0.34	- 0.44
<hr style="border-top: 1px dashed black;"/>		
Operational cash flow (1)	- 1.7	45.2
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	March 31, Dec 31,	
(unaudited)	2003	2002
Total assets	1,329	1,286
Equity	178	196
Net financial liabilities	449	427
Net financial liabilities (after adjustment for sales of receivables)	454	468
Debt ratio (gearing) (2)	2.5	2.2
Equity ratio(3)	13.4%	15.2%

- (1) Without currency exchange rate effects
- (2) Net financial liabilities less cash and cash equivalents divided by shareholders' equity.
- (3) Shareholders' equity divided by total assets.

Carbon and Graphite (CG)

	First Quarter	First Quarter
(EUR million)	2003	2002
Sales revenue	134.5	127.2
EBITDA	21.4	20.8
Profit from operations	12.2	11.7
Return on sales	9.1%	9.2%

- Sales revenue rose by 6% year-on-year to EUR135 million. The clear growth in volumes was reduced by exchange rate effects and decreasing prices, which impacted the results. Nevertheless, profit from operations increased by 4%.
- The steel industry is continuing its global recovery. Demand is growing dynamically in Southeast Asia, particularly in China. As a result of this positive development, quarterly sales volumes for Graphite Electrodes rose by 29% to 45,200 tons.
- The average price of graphite electrodes was EUR2,084/ton - a year-on-year decline of 14%, or 5% adjusted for exchange rate effects. Compared with Q4/2002, prices were down by 1%; after adjustment for exchange rate effects, the price level improved

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by 2%.

- SGL Carbon is confident with respect to Q2 and the rest of the year. With continuing high volumes we are forecasting higher sales volumes than in the previous year. We expect to see prices rise over the course of the year.

Graphite Specialties (GS)

	First Quarter	First Quarter
(EUR million)	2003	2002
Sales revenue	44.9	51.4
EBITDA	8.1	6.7
Profit from operations	4.5	1.8
Return on sales	10.0%	3.5%

- Demand stabilized at a low level due to the continuing recession in the key semiconductor, mechanical and plant engineering and chemical sectors. In the period under review, GS generated a slight increase in volumes. Sales revenue declined by 13 %, primarily due to exchange rate effects and the divestment of our non-core electrical contacts activities. Adjusted for this disposal, sales revenue declined by 5 %.
- The EUR3 million rise in profit from operations is the result of cost savings and the sale of our electrical contacts business.
- SGL Carbon is not forecasting any material changes in the overall economic conditions for GS in Q2/2003. At present, key customer industries are not expected to recover until the second half of the year at the earliest.

Corrosion Protection (CP)

	First Quarter	First Quarter
(EUR million)	2003	2002
Sales revenue	35.6	45.0
EBITDA	- 2.8	0.3
Profit from operations	- 5.0	- 1.9
Return on sales	- 14.0%	- 4.2%

- As before, business is dominated by the extremely cautious policy on investment and maintenance expenditure being pursued

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by our customers in the chemical, energy and environmental industries. Driven by volumes, sales revenue fell 20 % in Q1. As a result, the loss from operations fell to EUR -5 million.

- Early in 2003, we won a key contract worth EUR27 million for a new hydrochloric acid synthesis unit for the Australian magnesium producer AMO. Delivery is scheduled to begin in Q4/2003.
- At present, a sustained economic recovery is not in sight. Ongoing cost-cutting measures are continuing. However, these will not take effect until the end of the year.

Established Businesses (CG, GS, CP)

	First Quarter	First Quarter
(EUR million)	2003	2002
Sales revenue	215.0	223.6
EBITDA	26.7	27.8
Profit from operations	11.7	11.6
Return on sales	5.4%	5.2%

SGL Technologies (T)

	First Quarter	First Quarter
(EUR million)	2003	2002
Sales revenue	34.9	36.4
EBITDA	2.1	- 0.3
Profit from operations	- 1.9	- 4.6
Return on sales	- 5.4%	- 12.6%

- The upswing is continuing, with volumes rising by 12%. However, this positive development was offset by exchange rate effects. As a result, sales revenue declined slightly by 4% in the period under review.
- After adjustment for exchange rate effects, the largest increase in sales revenue, with approximately 35%, was generated by the Aerospace division of our US subsidiary HITCO, which won a further key defense technology contract from Boeing in Q1. This contract continues HITCO's many years of successful cooperation with Boeing in this area.
- The sharp improvement in results in Q1/2003 is due to volume growth and cost savings.
- We are expecting sales volumes to continue rising in the coming quarters. In spite of the uncertainty plaguing the

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economy, we are still aiming to more or less break even.

Corporate Costs

(EUR million)	First Quarter 2003	First Quarter 2002
Sales revenue	0.8	1.0
Corporate costs	- 4.7	- 6.0

Employees

-- The number of people employed by the SGL Group dropped by 200 to 7,160 in Q1, primarily as the result of the divestment of the electrical contacts business.

Consolidated Income Statement (EUR million)

(unaudited)	First Quarter 2003	First Quarter 2002
Sales revenue	250.7	261.0
Gross profit	57.0	50.6
Selling, administrative, research and other costs	- 51.9	- 49.6
Profit from operations	5.1	1.0
Interest expense on loans	- 7.4	- 6.4
Interest expense on pensions	- 2.6	- 2.4
Currency adjustment of antitrust liabilities (non-cash)	0.0	- 1.3
Imputed interest on antitrust liabilities (non-cash)	- 1.8	4.6
Other	- 1.8	- 0.8
Net financing costs	- 13.6	- 6.3
Loss before taxes	- 8.5	- 5.3
Income taxes	0.9	- 4.0
Net loss before minority interests	- 7.6	- 9.3
Earnings per share (EUR)	- 0.34	- 0.44

-- The interest expense on loans over the first three months was up slightly at EUR7.4 million compared with the prior year (EUR6.4 million); the average interest rate for the period was 5.0 % (Q1/2002: 4.4 %). The rise in interest expense and the interest rate was a

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result of refinancing.

- In Q1, the exchange rate effects from the translation of our US antitrust liabilities were offset by the currency hedges allocated.
- The non-cash imputed interest on liabilities from antitrust proceedings increased net financing costs by EUR2 million. As previously reported, the rescheduling of the payment plan led to a one-time improvement in net financing costs of EUR5 million in Q1/2002.
- The tax income in Q1 is the result of the recognition of deferred tax assets in Germany in particular. Deferred tax assets on loss carryforwards by subsidiaries in the USA and the UK were not recognized, as in the past.
- Earnings per share are calculated on the basis of an average of 22.0 million shares outstanding (2002: 21.9 million).

Consolidated Balance Sheet (EUR million)

	March 31, Dec. 31,	
(unaudited)	2003	2002
Assets		
Intangible assets	104	104
Property, plant and equipment	452	477
Noncurrent financial assets	32	33
Noncurrent assets	588	614
Inventories	281	288
Trade receivables	220	208
Other current assets including cash and cash equivalents	143	83
Current assets	644	579
Deferred tax assets	97	93
Total assets	1,329	1,286

	March 31, Dec. 31,	
(unaudited)	2003	2002
Equity and Liabilities		
Equity	178	196
Minority interests	1	1
Provisions for pensions and other employee benefits	190	191

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Other provisions	147	149	

Provisions	337	340	

Financial liabilities	518	448	

Trade payables	103	111	

Other liabilities	153	151	

Liabilities	774	710	

Deferred tax liabilities	39	39	

Total equity and liabilities	1,329	1,286	

Total Assets and Equity

- Total assets rose by EUR43 million compared with December 31, 2002 to EUR1,329 million. This increase was primarily the result of a temporary increase in cash and cash equivalents to EUR69 million, as our loans can only be repaid at certain times. Together with exchange rate effects, this led to a drop in the equity ratio to 13% on the balance sheet date.

- Roughly half of the decline in noncurrent assets of EUR26 million was due to currency translation differences, and the other half to depreciation and amortization levels in excess of investments.

- The reduction in inventories of EUR7 million is primarily due to exchange rate effects.

- As a result of lower sales of receivables, net financial liabilities increased by EUR22 million to EUR449 million compared with December 31, 2002. Adjusted for the sale of receivables, net financial liabilities fell by EUR14 million from EUR468 million to EUR454 million.

Consolidated Statement of Changes in Equity (EUR million)

(unaudited)	2003	2002	
Balance at January 1	196	255	

Capital increase	1	1	

Net result, net of minority interests	- 8	- 9	

Currency exchange differences and other	- 11	-	

Balance at March 31	178	247	

Consolidated Cash Flow Statement (EUR million)

	First Quarter	First Quarter	
(unaudited)	2003	2002	

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Profit from operations	5.1	1.0

Depreciation and amortization	19.0	20.7

EBITDA	24.1	21.7

Increase (decrease) in working capital	- 25.8	23.5

Operational cash flow	- 1.7	45.2

Other operating cash uses	- 19.9	- 17.3

Cash used in/provided by operating activities	- 21.6	27.9

Capital expenditures	- 5.6	- 9.2

Cash used in investing activities	- 5.6	- 9.2

Cash provided by financing activities	76.1	8.5

Effect of foreign exchange rate changes	- 1.4	0.1

Net increase in cash and cash equivalents	47.5	27.3

Cash and cash equivalents at beginning of first quarter	21.5	12.1

Cash and cash equivalents at end of first quarter	69.0	39.4

-- Working capital(1) increased by EUR26 million during the period under review after adjustment for exchange rate effects, primarily due to reduced sales of receivables (EUR36 million).

-- At EUR6 million, net cash used in investing activities in the period under review was around EUR13 million below depreciation and amortization.

(1) Inventories plus trade receivables minus trade payables.

Important note:

Our report contains statements on future developments that are based on currently available information and that involve risks and uncertainties that could lead to actual results deviating from these forward-looking statements. These risks and uncertainties include, for example, unforeseeable changes in political, economic and business conditions, particularly in the area of electrosteel production, the competitive situation, interest rate and currency developments, technological developments and other risks and unanticipated circumstances. We see other risks in price developments, unexpected developments relating to acquired and consolidated companies, ongoing restructuring measures and unforeseeable occurrences in conjunction with the reviews to be performed by the European antitrust authorities. SGL Carbon does not intend to update these

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forward-looking statements.

Sales Revenue & Profit from Operations by Quarter (EUR million)

					2002	2003
	Q1	Q2	Q3	Q4	Full year	Q1
Sales revenue						
Carbon and Graphite	127.2	139.6	135.5	148.4	550.7	134.5
Graphite Specialties	51.4	50.0	49.5	45.0	195.9	44.9
Corrosion Protection	45.0	47.1	59.3	61.0	212.4	35.6
Established Businesses	223.6	236.7	244.3	254.4	959.0	215.0
SGL Technologies	36.4	40.2	38.8	35.0	150.4	34.9
Other	1.0	0.2	0.7	1.0	2.9	0.8
	261.0	277.1	283.8	290.4	1,112.3	250.7
					2002 (1)	2003
Profit (loss) from operations	Q1	Q2	Q3	Q4	Full year	Q1
Carbon and Graphite	11.7	12.3	18.1	9.8	51.9	12.2
Graphite Specialties	1.8	1.1	0.7	- 1.7	1.9	4.5
Corrosion Protection	-1.9	1.9	-	4.8	4.8	- 5.0
Established Businesses	11.6	15.3	18.8	12.9	58.6	11.7
SGL Technologies	- 4.6	- 2.3	- 2.8	- 2.0	- 11.7	- 1.9
Corporate Costs	- 6.0	- 5.9	- 4.9	- 1.5	- 18.3	- 4.7
	1.0	7.1	11.1	9.4	28.6	5.1

(1) Before provisions for antitrust risks and restructuring expenses

Consolidated Income Statements by Quarter (EUR million)

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	2002				2003	
	Q1	Q2	Q3	Q4	Full year	Q1
Sales revenue	261.0	277.1	283.8	290.4	1,112.3	250.7
Cost of sales	- 210.4	- 216.4	- 221.2	- 238.5	- 886.5	- 193.7
Gross profit	50.6	60.7	62.6	51.9	225.8	57.0
Selling, administrative, research and other costs	- 49.6	- 53.6	- 51.5	- 42.5	- 197.2	- 51.9
Profit from operations(2)	1.0	7.1	11.1	9.4	28.6	5.1
Antitrust charge	-	-	-	- 22.0	- 22.0	-
Restructuring charge	-	-	-	- 8.3	- 8.3	-
Profit (loss) from operations	1.0	7.1	11.1	- 20.9	- 1.7	5.1
Net financing costs	- 6.3	- 8.5	- 7.4	- 3.3	- 25.5	- 13.6
Profit (loss) before taxes	- 5.3	- 1.4	3.7	- 24.2	-27.2	- 8.5
Income tax expense/benefit	- 4.0	- 0.8	1.6	6.8	3.6	0.9
Net profit (loss) before minority interests	- 9.3	- 2.2	5.3	- 17.4	- 23.6	- 7.6

(2) 2002: before provisions for antitrust risks and restructuring expenses

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www.sglcarbon.com

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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SGL CARBON Aktiengesellschaft

Date: May 14, 2003

By: /s/ Robert J. Kohler

Name: Robert J. Koehler

Title: Chairman of the Board of Management

By: /s/ Dr. Bruno Toniolo

Name: Dr. Bruno Toniolo

Title: Member of the Board of Management