

Several class action lawsuits were filed against the Defendants by purchasers of Extruded Graphite Products. Those lawsuits have been consolidated before the Court. Plaintiffs have filed a Consolidated and Amended Complaint in which they allege that Defendants entered into a combination, conspiracy or agreement to fix, maintain, raise or stabilize the prices of Extruded Graphite Products sold in the United States in violation of the federal antitrust laws during the period from January 1, 1993 to December 31, 1998. Plaintiffs further allege that as a result of the conspiracy, they and other members of the Class have been injured by paying more for Extruded Graphite Products than they would have paid in the absence of the illegal conduct, and seek recovery of treble damages, together with reimbursement of costs and an award of attorneys' fees.

"Extruded Graphite Products" are defined as: Those extruded graphite products sold as both non-machined and semi-machined products, and shall include, without limitation, those grades referred to in Exhibit 1, hereto. "Extruded Graphite Products" do not include fully-machined extruded graphite products, nor do they include isomolded (isostatic) or molded graphite products. "Extruded Graphite" means (i) a medium-grained product with good mechanical, electrical and thermal properties with a preferential grain orientation and low ash content, (ii) which is produced through extrusion (as opposed to through uniform (isostatic) pressure molding or unidirectional pressure molding), and (iii) has lower resistance and higher thermal conductivity than isomolded products.

Defendants deny the allegations of the Complaint. Certain Defendants have filed motions to dismiss the Complaint. Certain Defendants also assert that either all or a portion of the claims are barred by the statute of limitations defense. Plaintiffs must prove not only the existence of a price-fixing conspiracy, but also that the Defendants fraudulently concealed the existence of the alleged conspiracy. The Court has not ruled on these motions.

III. THE PROPOSED SETTLEMENT WITH GTI

After extensive negotiations, Plaintiffs on behalf of the Class, have entered into an agreement with GTI subject to Court approval. Plaintiffs' counsel believe that the proposed settlement will provide substantial benefits to the Class and is fair, reasonable and adequate. GTI has agreed to pay into escrow the total sum of Four Hundred and Fifty Thousand Dollars (\$450,000) in four installments with the first payment of Fifty Thousand Dollars (\$50,000) having been made on July 1, 2003, and the final payment to be made on January 1, 2005. Based upon Class Counsel's investigation, Class Counsel concluded that GTI is in extremely weak financial condition and therefore agreed to allow GTI to make its payments over time. GTI's Form 10-K for the fiscal year ending December 31, 2002 shows its highly leveraged position and a negative stockholders' equity of \$381 million and substantial ongoing financial obligations with respect to governmental and private antitrust actions against the company dating back to 1997. GTI has also agreed, as described in detail in the Settlement Agreement, to provide extensive cooperation to Plaintiffs' Counsel in the prosecution of the case against the non-settling Defendants. Plaintiffs' Counsel believe that the cooperation provisions of the Agreement are very important and will greatly assist Plaintiffs in litigating against the remaining Defendants.

In addition to the effect of the final judgment upon final approval, GTI and "Releasees," as defined in the Settlement Agreement, shall be completely released, acquitted, and forever discharged from any and all claims, demands, actions, suits and causes of action, whether class, individual or otherwise in nature, that Releasors, as defined in the Settlement Agreement, or each of them, ever had, now has, or hereafter can, shall or may have on account of, or in any way arising out of, any and all known and unknown, foreseen and unforeseen, suspected or unsuspected injuries or damages, and the consequences thereof, in any way arising out of or resulting from conduct concerning either the reduction of production capacity, or the pricing, selling, discounting, marketing, or distributing of Extruded Graphite Products in the United States or elsewhere, including but not limited to any conduct alleged, and causes of action asserted, or that could have been alleged or asserted, in the Complaints filed in the Action (the "Complaints"), which arise under any federal, state or foreign antitrust, unfair competition, unfair practices, price discrimination, unitary pricing, trade practice, or civil conspiracy law, including, without limitation, the Sherman Antitrust Act, 15 U.S.C. § 1 *et seq.*, from the beginning of time to the date of this Agreement (the "Released Claims"). The Releasors shall not, after the date of this Agreement, seek to recover against any of the Releasees for any of the Released Claims. Released Claims do not include claims based solely on purchases of Extruded Graphite Products outside of the United States on behalf of persons or entities located outside of the United States at the time of such purchases.

The release does not include any claim by any of the Class Members arising solely out of or solely related to non-antitrust disputes (including, without limitation, any claim for a defective product that may have arisen in the ordinary course of business).

The Release does not include Mitsubishi Corporation and Mitsubishi International Corporation ("Mitsubishi") or any of their present or former subsidiaries or affiliates other than GTI for any causes of action arising out of any independent conduct by Mitsubishi (as opposed to conduct by, of or through GTI or GTI's past or present officers, directors and employees) by which Mitsubishi became a member of any conspiracy. Conduct "by, of or through GTI" does not include independent acts of Mitsubishi in furtherance of any such conspiracy. If (1) Plaintiffs and/or the Class pursue a claim against Mitsubishi; and (2) Mitsubishi seeks indemnification from GTI for any such sums owed or paid to Plaintiffs and/or the Class; then Plaintiffs and GTI agree that both shall vigorously contest any such efforts by Mitsubishi to seek indemnification from GTI.

If, despite such efforts, Mitsubishi succeeds in an indemnification claim against GTI, Plaintiffs and/or the Class agree, at Plaintiffs' option: (a) to reduce any amounts payable to Plaintiffs and/or the Class by Mitsubishi by the amount of any indemnification judgment Mitsubishi obtains against GTI such that GTI does not need to pay Mitsubishi or (b) to pay to GTI any amounts which GTI is obliged to pay to Mitsubishi pursuant to any such indemnification judgment (provided, however, that the amount paid to GTI shall not exceed the amount received by Plaintiffs and/or the Class from Mitsubishi).

IV. CONSEQUENCES OF SETTLEMENT CLASS MEMBERSHIP

If you are a member of the Settlement Class as defined above, you will automatically remain a Class member unless you elect to be excluded from the Settlement Class. If you wish to remain in the Settlement Class you do not need to take any action at this time and your interests will be represented by Plaintiffs and by Plaintiffs' Counsel. You will have no responsibility to pay Plaintiffs' attorneys' fees and expenses. Any such fees and expenses will be paid only from amounts obtained from the Defendants whether in settlement or a judgment, and must be approved by the Court after notice to you and a hearing. If you choose, you may also have your own attorney enter an appearance on your behalf and at your expense.

If you remain in the Settlement Class, you will be bound by the judgment and will be eligible to share in the Settlement Fund. (Do not dispose of any document that reflects your purchases of Extruded Graphite Products in the United States directly from any Defendant during the period January 1, 1993 to December 31, 1998. You may need those documents to complete a claim form if the settlement is approved or if damages are otherwise recovered.)

Plaintiffs' Counsel do not intend to request distribution of the Settlement Fund to members of the Settlement Class or to request the payment of attorneys' fees at this time, but may, from time to time, request the Court to approve the reimbursement of litigation expenses from the Settlement Fund. In addition, the proposed settlement contemplates that a portion of settlement proceeds may be applied with Court approval, to pay the reasonable costs of Class Notice, and the reasonable fees and expenses of settlement administration. At a later date, Plaintiffs' Counsel will seek payment of attorneys' fees and reimbursement of their litigation expenses subject to Court approval.

If you wish to exclude yourself from the Settlement Class, you must send a request for exclusion, in writing, via certified mail, return receipt requested, postmarked no later than December 31, 2003, to the following address:

Extruded Graphite Products Antitrust Litigation
P. O. Box 58430
Philadelphia, PA 19102-8430

Your request for exclusion must contain the full name of the purchaser, including any predecessor entities, and your address. You are also requested to identify the Defendant(s) from which you purchased Extruded Graphite Products and the dollar amount of those purchases from the Defendants during the Class Period. If you exclude yourself from the Settlement Class, you will not be bound by the Final Judgment and will retain the right to individually pursue any claims you may have against the Settling Defendants. If you elect to be excluded from the Settlement Class, you will not be eligible to share in the proposed settlement.

V. THE SETTLEMENT HEARING

The Court will hold a hearing on March 8, 2004, at 10:00 a.m. at the Martin Luther King, Jr., Federal Building in the United States Courthouse, Courtroom 4046, 50 Walnut Street, Newark, New Jersey 07101, to determine whether the proposed settlement of the litigation between the Class and GTI should be approved as fair, reasonable and adequate. The hearing may be continued without further notice.

If you do not exclude yourself from the Settlement Class and you wish to object to the Settlement Agreement, you must do so in writing. Your objection must include the caption of this litigation; must be signed; and must be sent via certified mail, return receipt requested, postmarked no later than January 12, 2004, to the Clerk of the Court, U.S. District Court for the District of New Jersey, Martin Luther King, Jr., Federal Building, United States Courthouse, Courtroom 4015, 50 Walnut Street, Newark, New Jersey 07101, and to the following counsel:

Co-Lead Counsel for the Plaintiff Class

Howard J. Sedran
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Grace M. Rodriguez
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Washington, DC 20006-4706

Except as provided in this paragraph, no person shall be entitled to contest the terms and conditions of the proposed settlement and persons who failed to object as provided herein shall be deemed to have waived any objections. If you do not object to the proposed settlement, you need not appear at the hearing.

VI. FURTHER PROCEEDINGS

Whether the proposed settlement is approved by the Court, the litigation will continue against the other Defendants.

VII. CHANGE OF ADDRESS, ADDITIONAL INFORMATION

If this Notice reached you at an address other than the one on the mailing label, or if your address changes, please send your correct address to the above-referenced Post Office Box.

All references in the Notice to the pleadings and Court Orders are only summaries. The Settlement Agreement, the Complaint and other documents filed in this action are available for review during normal business hours at the offices of the Clerk of Court, U.S. District Court for the District of New Jersey, Martin Luther King, Jr., Federal Building and the United States Courthouse, Courtroom 4015, 50 Walnut Street, Newark, New Jersey 07101. The Settlement Agreement is also available at the following Internet address: www.Heffler.com. If you have questions concerning this Notice or the litigation, you may contact Co-Lead Counsel for the Plaintiff Class. **Please do not contact the Clerk of the Court or the Judge.**

Dated: November 7, 2003

BY ORDER OF:
The Clerk of the United States
District Court for the District of New Jersey

EXHIBIT 1

Products included within the Definition of “Extruded Graphite Products”:

1. The following grades sold by GTI:

TS1737	TS1840	TS5025	TS5137	CHV
TS1747	TS1844	TS5026	TS5138	CHVC
TS1748	TS1854	TS5042	TS5139	CHV114
TS1750	TS1861	TS5043	TS5205	CJR
TS1752	TS1862	TS5044	TS5208	CMX
TS1753	TS1863	TS5045	TS5209	CS
TS1754	TS1865	TS5046	TS5210	CS114
TS1759	TS1866	TS5057	TS5211	CS88
TS1761	TS1874	TS5058	TS5214	CSX
TS1762	TS1881	TS5065	TS5216	CSX114
TS1763	TS1884	TS5073	TS5217	CYC
TS1765	TS1887	TS5076	TS5218	CYD
TS1766	TS1893	TS5077	TS5219	DLA
TS1767	TS1903	TS5078	TS5226	DLE
TS1768	TS1904	TS5079	AGGX	EC110
TS1769	TS1916	TS5081	AGLR	EC112
TS1780	TS1917	TS5082	AGLR58	ECV
TS1792	TS1918	TS5083	AGLX	ECW
TS1793	TS1919	TS5084	AGLX58	ECWX
TS1796	TS1920	TS5085	AGLX88	EJR
TS1797	TS1921	TS5087	AGLX79	FGE
TS1808	TS1924	TS5088	AGLX158	FGEX
TS1810	TS1925	TS5089	AGR	SF09
TS1811	TS1930	TS5091	AGSR	SF44
TS1813	TS1931	TS5092	AGSR114	SF59
TS1814	TS1932	TS5098	AGSX	SF74
TS1828	TS1933	TS5099	AGSX114	SF75
TS1829	TS1943	TS5100	AGX	SF76
TS1832	TS5003	TS5101	AGX114	SL
TS1838	TS5004	TS5102	ATL	SLX
	TS5011	TS5113	CAB	SLW
	TS5012	TS5114	CBR	SLWX

	TS5016	TS5115	CBRX	YAX
	TS5017	TS5116	CBY	YBT
	TS5018	TS5119	CBY114	YCA
	TS5024	TS5133	CHR	YCA79
		TS5136		

2. The following grades sold by SGL/CGGI:

250	CZ2	HLR
580	CZ2L	HLR90
710GL	EK17	HLS
780G	EK18	HLS90
780GL	EK47	HPC
785G	EK48	MH
787G	EK49	MKLM
788G	EK499	MKS
791GI	EK4999	MLM
800S	EK57	MLR
842S	EK576	MN
873G	EK58	MNC
873RL	EK586	MNT
873S	EK59	MNY
873T	EK596	MS
8756	EK599	MSY
875G	EK5996	MTN
875RI	FH	MTNA
875RL	FHA	MTS
875S	FHA2	MTSA
875T	H021	MTSY
8882	H064	MTSYA
890G	H079	O-15/015
890RL	H084	P2J
890S	H367	P2JA
890T	H368	PEA
890TI	H432	PH
940G	H446	PHA

940S	HC	PHA1
942G	HLA	PHA2
942S	HLM	PHA2D
9716	HLM50	PHAD
ALM	HLM80	PHAL
BHLM15	HLM85	PHL
BHLM80	HLM85L	SX4
CZ1	HLM90	XM9504
CZ1L	HLML	XM9506
	XM9502	XM9521

3. The following grades sold by Carbone/Ultra Carbon:

1548	2275	4329/X
4329	4451	4640/X
4641	5259/XN	5501
6015	6024	6026
6077	6150	6228
6250	6371	6500
6501	6502	6503
6505	EL/N	EL/XN
JU/RXN	JU/XN	JU/XNO2
NI/XN	U120	UF45
Y114	YU120	YU40

Claims Administrator
Extruded Graphite Products Antitrust Litigation
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Philadelphia, PA 19102-8430

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