GRAFTECH INTERNATIONAL LTD
Form 10-K/A
April 30, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(AMENDMENT NO. 1)

(Mark One)
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
for the fiscal year ended December 31, 2014
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
for the transition period from to
Commission file number: 1-13888
GRAFTECH INTERNATIONAL LTD.
(Exact name of registrant as specified in its charter)

Delaware	27-2496053
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
Suite 300 Park Center Drive I 6100 Oak Tree Boulevard Independence, Ohio	44131 (Zip Code)

Registrant's telephone number, including area code: (216) 676-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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 definitions of "large accelerated filer," "accelerated filer", "non-accelerated filer" and

"smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer x Accelerated Filer ¨ Non-Accelerated Filer ¨ Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).
Yes ¨ No x
The aggregate market value of our outstanding common stock held by non-affiliates, computed by reference to the closing price of our common stock on June 30, 2014, was approximately $1,328 million. On January 31, 2015, 136,817,315 shares of our common stock were outstanding.
DOCUMENTS INCORPORATED BY REFERENCE - NONE

EXPLANATORY NOTE

GrafTech International Ltd. (the “Company”, “our”, “we”, or “us”) filed its Form 10-K for the year ended December 31, 2014 (the "2014 Form 10-K") with the Securities and Exchange Commission (the "SEC") on March 2, 2015. Pursuant to General Instruction G(3) to Form 10-K, the Company incorporated by reference the information required by Part III of Form 10-K from our definitive proxy statement for the 2015 Annual Meeting of Shareholders (the "2015 Proxy Statement") that the Company expected to file with the SEC not later than 120 days after the end of the fiscal year covered by the 2014 Form 10-K. Because the definitive 2015 Proxy Statement will not be filed with the SEC before such date, the Company is filing this Amendment No. 1 to the 2014 Form 10-K (the "Form 10-K/A") to provide the additional information required by Part III of Form 10-K. This Form 10-K/A amends and restates in its entirety Items 10, 11, 12, 13, and 14 of Part III. In addition, in accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Item 15 of Part IV of the 2014 Form 10-K has been amended and restated solely to include as exhibits new certifications by our principal executive officer and principal financial officer.

Except as expressly set forth herein, this Form 10-K/A does not reflect events occurring after the date of the 2014 Form 10-K filing or modify or update any of the other disclosures contained therein in any way other than as required to reflect the amendments discussed above. Accordingly, this Form 10-K/A should be read in conjunction with the 2014 Form 10-K and the Company's other filings with the SEC.

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ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information with respect to our current directors and director nominees, including their ages, as of April 20, 2015.

RANDY W. CARSON Age: 64 Director Since: May 2009 Independent Board Committees: Compensation Committee Nominating Committee Current Public Company Directorships: Fairchild Semiconductor International, Inc. Nordson Corporation GrafTech International Ltd. Prior Public Company Directorships: None	From 2000 to February 2009, Mr. Carson served as Chief Executive Officer-Electrical Group of Eaton Corporation, a diversified power management company with 2008 sales of $15.4 billion. Eaton's Electrical Group is a global technology leader in electrical components and systems for power quality, distribution and control with 2008 revenues of approximately $6.9 billion. Mr. Carson retired from Eaton in May 2009 following 10 years with the company. Prior to Eaton Corporation, Mr. Carson held several executive positions with Rockwell International. He was also Chairman of the National Electrical Manufacturers Association. Mr. Carson currently serves as a Director of Fairchild Semiconductor International, Inc. and Nordson Corporation, and serves on the audit committee of its Board of Directors. Our Board believes that Mr. Carson's deep operational experience in global industrial businesses enables him to provide unique common sense insight to the Board with respect to meeting marketplace challenges, implementing LEAN and other internal initiatives, integrating business units and anticipating and planning for commercial risks and uncertainties. Mr. Carson holds a Bachelor of Science degree in Electrical Engineering from Valparaiso University.
ROBERT J. CONRAD Age: 55 Independent Board Committees: None* Current Public Company Directorships: None Prior Public Company Directorships: Mindspeed Technologies, Inc. *New Director Nominee	Mr. Conrad has served as Senior Vice President and General Manager, Automotive Microcontrollers at Freescale Semiconductor, Ltd., since October 2012. Mr. Conrad joined Freescale from Fairchild Semiconductor, where he ran the analog and low-voltage discrete business, along with technology development and strategy, serving as Senior Vice President of Strategy from September 2011 to October 2012, Executive Vice President of Mobile, Computing, Consumer and Communications from December 2007 to September 2011, Executive Vice President of Analog from May 2006 to December 2007, and Senior Vice President of Analog and Integrated Circuits from September 2003 to May 2006. Prior to that, Mr. Conrad served as Chief Executive Officer, President and Board member of Trebia Networks from April 2001 to March 2003, Vice President and Product Line Director of the DSP business at Analog Devices Inc. from April 1995 to March 2001, and in various engineering and business management positions at Texas Instruments Inc. from September 1979 to March 1995. Mr. Conrad holds a Bachelor of Science degree in Electrical and Computer Engineering from the University of Cincinnati. Mr. Conrad was a director of Mindspeed Technologies, Inc. from August 2010 until the sale of the company in December 2013.

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THOMAS A. DANJCZEK

Age: 67

Director Since: May 2014

Independent

Board Committees:
Audit Committee
Compensation Committee

Current Public Company Directorships:
GrafTech International Ltd.

Prior Public Company Directorships:
Globe Specialty Metals, Inc.

Mr. Danjczek served as Senior Advisor for the Steel Manufacturers Association (SMA) from November 2013 to December 2014. From February 1998 to November 2013, Mr. Danjczek served as President of the SMA and functioned as its Chief Executive, Operating, and Administrative Officer and a member of the Board and Executive Committee. Prior to joining SMA, Mr. Danjczek held various leadership positions at a number of public companies, including Wheeling-Pittsburgh Steel Corporation, Bethlehem Steel Corporation and Kaiser Steel Corporation. Mr. Danjczek served as Vice Chairman of the U.S. Industry Trade Advisory Committee (ITAC 12) and since 1999 has been an Advisor to the U.S. Trade Representative and Department of Commerce.

Mr. Danjczek serves on the Board of Walker Magnetics, a privately held controls manufacturer that services the scrap and steel industries, on the Board of Mineral Services Inc., a privately held raw materials supplier to the steel industry, and on the advisory board of Byer Steel Group, a privately held steel service center. Mr. Danjczek previously served as a Director of Globe Specialty Metals, Inc., from 2010 to May 2014, during which he was a member of its Audit Committee and Compensation Committee. Globe Specialty Metals is one of the world’s largest producers of silicon metal and silicon-based specialty alloys serving major silicon chemical, aluminum and steel manufacturers. Mr. Danjczek holds a Bachelor of Science degree from Villanova University, a M.S. in Industrial Management from Purdue University and completed the University of Michigan’s Manufacturing Executive Program.

JAMES O. EGAN
Age: 66

Independent

Board Committees:
None*

Current Public Company Directorships:
PHH Corporation
New York & Company, Inc.

Prior Public Company Directorships:
Victor Technologies Group, Inc.

*New Director Nominee

Mr. Egan has served as Non-Executive Chairman of the Board of Directors of PHH Corporation since 2009 and currently serves as a member of its Audit, Human Capital and Compensation, and Corporate Governance Committees. PHH is a leading non-bank mortgage originator and servicer of U.S. residential mortgage loans. Mr. Egan served as a Managing Director of Investcorp International, Inc., an alternative asset management firm specializing in private equity, hedge fund offerings and real estate and technology investments, from 1998 through 2008. Mr. Egan was the partner-in-charge, M&A Practice, U.S. Northeast Region for KPMG LLP from 1997 to 1998 and served as the Senior Vice President and Chief Financial Officer of Riverwood International, Inc. from 1996 to 1997. Mr. Egan began his career with PricewaterhouseCoopers (formerly Coopers & Lybrand) in 1971 and served as partner from 1982 to 1996 and a member of the Board of Partners from 1995 to 1996. Mr. Egan possesses over forty years of business experience involving companies of varying sizes from start-ups to Fortune 500 public companies operating across numerous industries, including global industrial manufacturing businesses. He has 25 years of public accounting experience having served as lead audit partner involved in the audits of annual financial statements of numerous public companies. He also has ten years of private equity experience working with portfolio companies in the US and Europe to create shareholder value. Mr. Egan has served on numerous boards and related committees of both public and private companies. He currently serves as a Director of New York & Company, Inc., and as Chair of its Audit Committee. Mr. Egan holds a Bachelor of Science degree in Accounting from St. John's University.

KAREN FINERMAN
Age: 50

Director Since: May 2014

Independent

Board Committees:
Nominating and Governance

Current Public Company Directorships:
None

Prior Public Company Directorships:
None

Ms. Finerman has served as a director of GrafTech since May 2014. Ms. Finerman is the CEO of Metropolitan Capital Advisors, a New York-based investment management firm that she co-founded in 1992. She was previously the Lead Research Analyst for the Risk Arbitrage department at DLJ Securities Corp. Ms. Finerman is a permanent panelist on CNBC's Fast Money. Ms. Finerman received her B.S. in Economics from the Wharton School of the University of Pennsylvania.

JOEL L. HAWTHORNE

Age: 50

Director Since: January 2014

Chief Executive Officer

Board Committees:
None

Current Public Company Directorships:
GrafTech International Ltd.

Prior Public Company Directorships:
None

Mr. Hawthorne was elected to the Board and became Chief Executive Officer and President in January 2014. Previously, he was Vice President and President, Engineered Solutions since March 2011 and over the last three years led the segment to more than 20% annual sales growth rates through many successful new product introductions. Mr. Hawthorne joined GrafTech as a Director of Investor Relations in August 1999. During his time in Investor Relations, he was an integral part of the management team that turned the Company around. In January 2001, he was appointed Director of Electrode Sales & Marketing, United States and Canada and was promoted to Director of Electrode Marketing and Sales for the Americas in 2003. In October 2005, he was appointed Director Worldwide Marketing and Americas Sales. During this period, Mr. Hawthorne was instrumental in the development and execution of global sales and marketing strategies for the graphite electrodes business and a driving force in more than doubling sales to over $1 billion. In January 2009, he was appointed Vice President, Global Marketing & Sales for Industrial Materials with responsibility for worldwide sales, strategy and tactical planning. Prior to joining GrafTech, Mr. Hawthorne spent over ten years in the steel industry with extensive financial and strategic planning experience including as Director of Strategic Planning for a major steel company. Mr. Hawthorne currently serves on the Board of Directors of CE National, Inc., a non-profit organization. Mr. Hawthorne holds a Bachelor of Science degree in Accounting and a Master of Science in Business Education from the University of Akron.

DAVID JARDINI
Age: 51

Director Since: May 2014

Independent

Mr. Jardini has served as a director of GrafTech since May 2014. Mr. Jardini co-founded C/G Electrodes with Nathan Milikowsky in 2003 and served as its President until it was sold to GrafTech in November 2010. He is currently Chairman of Black Diamond Investments, a diversified investment partnership focused on manufacturing and real

Board Committees:
Audit Committee
Nominating and Governance Committee

Current Public Company Directorships:
GrafTech International Ltd.

Prior Public Company Directorships:
None

estate development, President of American Gas Lamp Works LLC, and Chairman of West Salisbury Foundry and Machine Company. Mr. Jardini has over 15 years of experience in the steel and graphite electrode businesses. Mr. Jardini holds a B.A. in Economics from Swarthmore College and a Masters and Ph.D in History from Carnegie Mellon University.

NATHAN MILIKOWSKY
Age: 73

Director Since: May 2014

Independent

Board Committees:Audit Committee
Compensation Committee

Current Public Company Directorships:
GrafTech International Ltd.

Prior Public Company Directorships:
GrafTech International Ltd.

Mr. Milikowsky has served as a director of GrafTech since May 2014 and previously from late 2010 until March 2013. He previously served as President of Seadrift Coke and Chairman and CEO of C/G Electrodes, which he formed in 2003, before selling these companies to GrafTech. In 2003, he led a group that purchased the closed St. Mary's, PA plant of the bankrupt predecessor and restarted the production of UHP graphite electrodes. Mr. Milikowsky has been involved in manufacturing and steel trading since 1969. Additionally, Mr. Milikowsky serves as Chairman of Premia Spine Ltd.
Mr. Milikowsky is a graduate of Yale University.

M. CATHERINE MORRIS

Age: 57

Director Since: May 2014

Independent

Board Committees:
Audit Committee

Current Public Company Directorships:
GrafTech International Ltd.

Prior Public Company Directorships:
None

Ms. Morris is the Senior Vice President and Chief Strategy Officer for Arrow Electronics, Inc., a leading global distributor of electronic components and computer products with more than $22.8 billion in revenues. Ms. Morris has served in this position since 2008 and leads strategic initiatives for Arrow, including global merger and acquisition activity. Prior to her current position, Ms. Morris was President of Arrow's Enterprise Computing Solutions (ECS) business segment, with responsibility for managing Arrow's computer products business in North America and Europe, and which doubled in size to over $5 billion in annual revenues under her leadership. Ms. Morris has over 25 years of experience in computer products and electronic components distribution and has held a number of senior leadership roles at Arrow, including Vice President of Support Services in North America, Vice President of Finance and Support Services for Arrow ECS, and Vice President of Corporate Development. Ms. Morris joined Arrow in 1994 through its acquisition of Anthem Electronics, where she served as Vice President of Finance and Corporate Controller. Prior to joining Anthem, Ms. Morris held various financial leadership roles in the banking and manufacturing industries.

JAMES A. SPENCER

Age: 61

Independent

Board Committees:
None*

Current Public Company Directorships:
None

Prior Public Company Directorships:
None

*New Director Nominee

Mr. Spencer has served as Executive Vice President of Operations for Delphi Automotive PLC since 2013. Delphi is a leading global vehicle components manufacturer and provider of electrical and electronic, powertrain, active safety and thermal technology solutions to the global automotive and commercial vehicle markets. Mr. Spencer was previously Senior Vice President of Delphi and Sector President of Electrical and Electronics since February 2012. Prior to that, he was Vice President of Delphi and President of Delphi Electrical/Electronic Architecture since October 2009. Mr. Spencer was Vice President and President of Delphi Electrical/Electronic Architecture, formerly Packard Electric Systems, since 1999 and previously was President of Delphi Asia Pacific from 1999 to 2000. He also has served as President of Delphi Latin America since July 2006. As part of his operations responsibilities, Mr. Spencer oversees the global enterprise operating function. In that role, he is responsible for fully integrating the Delphi Operating System across the entire organization. In addition, as president of Delphi Latin America, Mr. Spencer is responsible for operations in Mexico, Argentina, Honduras and Brazil. Mr. Spencer began his automotive career in 1976 as a college-graduate-in-training with a General Motors (GM) division in Anderson, Indiana. He held numerous engineering and operations assignments at various GM facilities before being named executive vice president of the General Motors Korean joint venture, Daewoo-HMS Industries in 1989, based in Taegu, Korea. He returned to the United States in 1991 and held a number of positions that included customer director at the Chevrolet-Pontiac-GM of Canada Group and plant manager in Athens, Alabama. Mr. Spencer is a member of the Motor & Equipment Manufacturers Association (MEMA) board of directors. Mr. Spencer holds a Bachelor’s degree in Business Administration from Hanover College and a Master’s degree in Business Administration from Ball State University.

ROBERT F. WEBER, JR.
Age: 60

Independent

Board Committees:
None*

Current Public Company Directorships:
None

Prior Public Company Directorships:
None

*New Director Nominee

Mr. Weber has served as Vice Chairman, Chief Financial Officer and Treasurer of Woodward, Inc., since September 2011, and Chief Financial Officer and Treasurer since August 2005. Woodward is an independent designer, manufacturer, and service provider of energy control and optimization solutions. Prior to August 2005, Mr. Weber was employed at Motorola, Inc. for 17 years, where he held various positions, including Corporate Vice President and General Manager-EMEA Auto. Prior to this role, Mr. Weber served in a variety of financial positions at both a corporate and operating unit level with Motorola. Before joining Motorola, Mr. Weber served as Senior Manager at KPMG (Peat Marwick) in Chicago. Mr. Weber holds a Bachelor of Science degree in Accounting from Bowling Green State University and an MBA from the University of Chicago.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires GrafTech's directors and officers and beneficial owners of more than 10% of the outstanding shares of our common stock to file with the SEC initial reports of ownership, and reports of changes in ownership, of our common stock and other equity securities. We believe that, during 2014, all of our directors and officers and beneficial owners of more than 10% of the outstanding shares complied with all reporting requirements under Section 16(a).

Structure of the Board

Under our by-laws, the Board fixes the size of the Board, so long as the number of directors is not less than three or more than fifteen. The Board currently consists of seven members, each of whom the Board has determined to be an independent director (within the meaning of the listing standards of the NYSE), except for Mr. Hawthorne, who is a GrafTech employee. Effective upon due election and qualification of directors at the 2015 annual meeting of stockholders (the "2015 Annual Meeting"), the number of directors constituting our Board shall be nine.

The Board has determined that, to be considered independent, an outside director may not have a material relationship with the Company (directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). In determining whether a material relationship exists, the Board considers, among other things, whether a director or a member of his or her immediate family received in any 12-month period during the past three years more than $120,000 in direct compensation from the Company (other than director fees and pension or other deferred compensation for prior service), whether the director has in the last three years been a Company employee (or whether a member of the director's immediate family has in the last three years been a GrafTech executive officer), whether the director or a member of the director's immediate family is or has been affiliated with a current or former auditor of GrafTech, and whether the director is or has been part of an interlocking directorate. The Board consults with GrafTech's counsel to ensure that the Board's determinations are consistent with all relevant securities and other laws and regulations regarding the definition of "independent director," including those set forth in the listing standards of the NYSE.

The Board selects the Chairperson of the Board following each annual meeting of stockholders. Subject to election as such by the Board following the 2015 Annual Meeting, Mr. Carson, who is an independent director and who has been our Chairman since 2014, is expected to become our Chairperson following the 2015 Annual Meeting.

Our Board has established three standing committees, the Audit and Finance Committee, or the Audit Committee, the Nominating and Governance Committee, or the Nominating Committee, and the Organization, Compensation and Pension Committee, or the Compensation Committee, and periodically establishes other committees, in each case so that certain important matters can be addressed in greater depth than may be possible in a meeting of the entire Board. Under our Governance Guidelines and the committee charters described below, members of the three standing committees must be independent directors within the meaning of the listing standards of the NYSE. Further, members of the Audit Committee must be independent directors within the meaning of the Sarbanes-Oxley Act of 2002, must satisfy the expertise requirements of the listing standards of the NYSE, as required by the committee's charter, and must include an audit committee financial expert within the meaning of the SEC rules. Our Board has determined that the three standing committees currently consist of members who satisfy such requirements. The members of the Audit Committee are Messrs. Danjczek and Jardini and Ms. Morris, each of whom have been designated by our Board as an "audit committee financial expert" within the meaning of the SEC rules under the Sarbanes-Oxley Act of 2002.

Board Leadership Structure and Separation of Chair and CEO Roles

Our Board believes it is in the best interests of the Company and its stockholders that the Board make its own determinations, based on all of the then current facts and circumstances, regarding whether to separate the roles of Chairperson and Chief Executive Officer and whether our Chairperson, if not the Chief Executive Officer, should be an independent director. While separation of those roles relates to corporate governance, it also relates to succession planning and our Board believes it is in the best interests of GrafTech and our stockholders for the Board to make a determination with respect to this matter on a case-by-case basis as part of succession planning.

Subsequent to the 2014 annual meeting of stockholders, the role of Chairperson of the Board and Chief Executive Officer were separated and Mr. Carson became our Chairman. The Board believes the current leadership structure is appropriate given the Company's and the Board's current needs.

The Board's Role in Risk Oversight

The Board and its committees are actively involved in overseeing the assessment and management of risk for the Company. The Board receives reports from each committee chair regarding the committee's considerations and actions. The risk oversight process includes receiving regular reports from members of senior management on areas of material risk, including operational, financial, legal and regulatory, and strategic and reputational risks, and on the Company's processes regarding enterprise risk management. Our Governance Guidelines and Nominating Committee Charter provide, among other things, that the Board as a whole should possess as one of its competencies the ability to assess business risk.

Under principles articulated by the NYSE, it is the job of the Chief Executive Officer and senior management to assess and manage our Company's exposure to risk, and our Audit Committee must discuss guidelines and policies to govern the process by which this is handled. The duties of our Audit Committee include, with respect to financial affairs, the identification, assessment and management of financial risks and uncertainties, such as:

- Reviewing with management and the independent registered public accounting firm our financial reporting risk assessment and management policies and practices, including related corporate approval requirements and internal auditing systems, and initiatives to minimize related risks;
- Discussing guidelines and policies to govern the process by which risk assessment and management is undertaken;
- Reviewing with management our compliance with covenants under debt securities and credit facilities;

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- Reviewing contingencies that could reasonably be expected to have significant impact on financial performance or condition; and
- Reviewing with the General Counsel all legal matters that could reasonably be expected to have a significant impact on financial condition or performance.

We maintain an internal audit function, which reports directly to the Audit Committee, to provide management and the Audit Committee with ongoing assessments of our risk management processes and system of internal control.
The Audit Committee Charter provides that the duty and responsibility of the Audit Committee and each of its members is one of oversight and neither the Audit Committee nor any of its members has any duty or responsibility to, among other things, guarantee or provide other assurances that there are no financial risks or uncertainties or that such risks or uncertainties have been reduced or eliminated.

Meetings of the Board

Each director is expected to attend Board meetings and the meetings of those committees of the Board of which he or she is a member, and to spend the time necessary to properly discharge his or her respective duties and responsibilities. During 2014, the Board met 22 times and each director who was then serving attended at least 75% of the total number of meetings of the Board and the committees of which he or she was a member. Directors are encouraged, but not required, to attend our annual meetings of stockholders.

	Number of Members	Independence	Number of Meetings During Fiscal Year 2014
Full Board of Directors	7	85%*	22
Audit and Finance Committee	3	100%	7
Organization, Compensation and Pension Committee	3	100%	9
Nominating and Governance Committee	3	100%	7

* All of the members of our board are independent, other than our Chief Executive Officer.

Committees of the Board

A description of the functions of each standing committee is set forth below. A list of the members of each standing committee at March 1, 2015 is also set forth below. All committees have the authority to retain and pay advisors and conduct investigations without further approval of the Board or management. All such advisors shall report and be responsible directly to the committee which retains them, including the independent registered public accounting firm, which is required to be retained by and be responsible directly to the Audit Committee.

Board and Committee Charters

The Board adopted our Governance Guidelines and a written charter for each committee that, at a minimum, are intended to satisfy the listing standards of the NYSE and that are reviewed by the Board annually. Our Governance Guidelines and charters cover such matters as purpose and powers, composition, meetings, procedures, required responsibilities and discretionary activities which the Board or the appropriate committee should periodically consider undertaking. Each committee is authorized to exercise all power of the Board with respect to matters within the scope of its charter.

Our Governance Guidelines and each of the standing committee charters are available on our website at http://www.graftech.com/CORPORATE-INFO/Corporate-Governance.aspx. The information contained on our website is not part of this annual report.

Our Governance Guidelines and the committee charters are not intended to, and do not, expand or increase the duties, liabilities or responsibilities of any director under any circumstance beyond those that a director would otherwise have under applicable laws, rules and regulations.

Corporate Governance

Our Governance Guidelines provide, among other things, that:

- a majority of the directors shall be independent within the meaning of the listing standards of the NYSE;

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- if a member of the Audit Committee simultaneously serves on an audit committee of more than three public companies, our Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee;
- no director will be nominated for election or re-election if he or she would be age 74 or older at the time of election;
- the Board shall meet in regular sessions at least six times annually (including telephonic meetings and the annual retreat described below);
- the Board shall have an annual extended retreat with executive officers at which there will be a full review of financial statements and financial disclosures, long-term strategies, plans and risks, and current developments in corporate governance; and
- non-management directors will meet in executive session at least once annually.

Mr. Hawthorne is the only member of management who serves as a GrafTech director. All of our non-management directors are independent under NYSE listing standards. Our independent directors meet in executive session in connection with our regular Board meetings.

Communications with Non-Management Directors

Our Governance Guidelines require the Board, in consultation with the General Counsel, to establish a means for stockholders and employees to communicate with non-management directors and to disclose the name of director who presides at meetings of non-management directors and who will ultimately receive such communication, and the means for such communication in the annual proxy statement. A majority of the non-management directors choose the Chairman of the Board as director who presides at the meetings of non-management directors. Randy W. Carson is currently serving as Chairman of the Board.

Stockholders, employees and other interested parties (including those who are not stockholders or employees) may make any such communications to the Chairman of the Board and should direct them to M. Ridgway Barker, Withers Bergman LLP, 157 Church Street, New Haven, Connecticut 06502, (203) 789-1320 (phone), (203) 785-8127 (fax), and mr.barker@withersworldwide.com. Mr. Barker will forward all such communications to the Chairman of the Board if they relate to substantive matters and include suggestions or comments that he considers important for the Chairman of the Board to know. Generally, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs or personal grievances or communications which are repetitive or duplicative.

Code of Conduct and Ethics

We have had for many years a Code of Conduct and Ethics. Our Code of Conduct and Ethics applies to all employees, including senior executives and financial officers, as well as to all directors. It is intended, at a minimum, to comply with the listing standards of the NYSE, as well as the Sarbanes-Oxley Act of 2002 and the SEC rules adopted thereunder. A copy of our Code of Conduct and Ethics is available on our website at http://www.graftech.com/CORPORATE-INFO/Corporate-Governance.aspx . The information contained on our website is not part of this annual report. Only the Board or the Audit Committee may waive the provisions of our Code of Conduct and Ethics with respect to executive officers and directors. Any such waivers will be posted on our website.

Item 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

We have designed a compensation program for our named executive officers that is driven by our strategic goals with the primary emphasis on paying for performance. This section of this annual report describes the executive compensation program and explains the compensation policies and decisions of the Compensation Committee with respect to our named executive officers. The compensation program for these employees primarily consists of a base salary, cash incentive awards and equity awards.

During 2014, our named executive officers were:

- Joel L. Hawthorne, President and Chief Executive Officer, beginning January 17, 2014 (previously President, Engineered Solutions)

- Craig S. Shular, Chairman, President and Chief Executive Officer, until January 17, 2014, and Executive Chairman, until May 21, 2014

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- Erick R. Asmussen, Vice President and Chief Financial Officer
- Darrell A. Blair, President, Industrial Materials, beginning November 1, 2014
- Petrus J. Barnard, Vice President and President, Industrial Materials, until November 1, 2014
- Lionel D. Batty, President, Engineered Solutions, beginning January 17, 2014
- John D. Moran, Vice President, General Counsel and Secretary

Executive Summary

Leadership Changes

In January 2014, Mr. Hawthorne was promoted from President, Engineered Solutions to Chief Executive Officer when Mr. Shular retired from that position. Mr. Hawthorne joined our financial team as Director of Investor Relations in 1999. During his time in Investor Relations, he was an integral part of the management team that turned around the Company. As part of this team, he played a key role in various equity, bond and bank debt offerings. In 2001, he moved into operations as Director of Electrode Sales & Marketing, United States and Canada. In 2003, he was promoted to Director of Electrode Marketing and Sales for the Americas and, in 2005, he was appointed Director of Worldwide Marketing and Americas Sales. During this period, he was instrumental in the development of global sales and marketing strategies and execution for the graphite electrodes business and a driving force in more than doubling sales to over $1 billion. In 2009, Mr. Hawthorne was appointed as Vice President, Global Marketing & Sales, Industrial Materials, with responsibility for worldwide sales, strategy and tactical planning. In 2011, Mr. Hawthorne was promoted to President, Engineered Solutions and for three years he led the segment to more than 20% annual sales growth rates through many successful new product introductions.

In January 2014, Mr. Shular retired as Chief Executive Officer and President and became the Company's executive Chairman, a position that he held until May 21, 2014.

In January 2014, Lionel Batty was promoted to President, Engineered Solutions after over 30 years with the Company, including service as President of the graphite electrode business for the prior two years.

In November 2014, Darrell Blair was promoted from Vice President-Global Sales, for the graphite electrode business, to President, Industrial Materials. Mr. Blair joined the Company in 1980 at its facility in Columbia, Tennessee. His extensive commercial, operations, and customer technical service experience includes international assignments in Puerto Rico, Mexico, Singapore, Hong Kong, and, for the past eleven years, Switzerland. Mr. Blair's appointment followed the retirement of Dr. Pieter Barnard, the segment's former President, effective November 1, 2014, after a 42-year career spanning three continents and a multitude of roles.

Compensation Framework

We provide an executive compensation program that is focused on promoting performance and long-term stockholder value. The design and operation of the program reflect the following objectives:

- Driving long-term financial and operational performance that will deliver value to our stockholders, including through incentives that drive return based performance, propel growth, and increase stockholder value.
- Attracting and retaining talented executive leadership.
- Providing competitive pay opportunities relative to equivalent positions with other global companies of comparable size and complexity as well as within the Company.
- Motivating executives to achieve or exceed Company and individual performance goals that are difficult to achieve.
- Aligning the interests of our executives with those of our stockholders by encouraging equity ownership.

Our executive compensation program emphasizes pay for performance through annual cash incentive and long-term incentive programs, which collectively are the majority of our named executive officers' targeted annual compensation. The annual cash incentive (bonus) plan and a substantial portion of the long-term incentive (equity incentive) plan only provide value if specific pre-established financial and performance goals are achieved. Achievement of such goals requires diligent management focus and significant effort. In addition, our executives receive base salaries based on competitive market data, individual performance and other factors, as well as retirement and other customary welfare benefits.

Performance Summary

For the past 18 months, we have been driving change throughout the organization to build sustainable operating leverage and dramatically improve results in the face of a difficult and demanding environment in our Industrial Materials segment and market headwinds in our Engineered Solutions segment. Specifically, we took the following actions:

- Launched and successfully completed an ongoing Company-wide cost savings program, aimed at achieving total annual cost savings of more than $120 million (approximately $100 million of which are cash savings -approximately 10 percent of annual sales) and directly improving EBITDA.
- Optimized the graphite electrode manufacturing platform by rationalizing the two highest cost manufacturing sites through, among other things, total company headcount reductions of approximately 20 percent, which will reduce annual capital expenditures by approximately $10 million.
- The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP

Roseland, New Jersey

September 27, 2006

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REPUBLIC SELF STORAGE-ARAPAHO
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

	For the period January 1, 2006 through June 30, 2006 (Unaudited)	Year ended December 31, 2005
Revenues		
Base rents	$ 133,845	$ 229,209
Other income	4,168	13,582
	138,013	242,791
Certain Operating Expenses		
Property operating expenses	57,406	123,865
Real estate taxes	44,364	83,838
General and administrative expenses	6,574	10,900
	108,344	218,603
Revenues in excess of certain operating expenses	$ 29,669	$ 24,188

See accompanying notes to statement of revenues and certain operating expenses.

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REPUBLIC SELF STORAGE-ARAPAHO
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the statements of revenues and certain operating expenses related to the operation of Republic Self Storage Garland, LP located in Garland, Texas with 486 rental units (Property).

On September 27, 2006, U-Store It (the Trust) acquired the Property.

The accompanying statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Property. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

The preparation of the statements of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the statements of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Property are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Property is being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Property s operating expenses for the year ended December 31, 2005, include $7,129 for insurance, $23,010 for utilities, $20,125 for operating and maintenance costs, $49,991 in payroll and advertising expenses of $23,610. (See Note 5)

The Property s operating expenses for the period January 1, 2006 through June 30, 2006 (unaudited) include $3,671 for insurance, $12,840 for utilities, $10,266 for operating and maintenance costs, $22,959 for payroll and advertising expenses of $7,670. (See Note 5)

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REPUBLIC SELF STORAGE-ARAPAHO
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

5. ADVERTISING

Advertising costs are expensed as incurred, $23,610 and $7,670 for 2005 and for the six months ended June 30, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain operating expenses for the period January 1, 2006 through June 30, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS   REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying statement of revenues and certain operating expenses of Republic Self Storage-San Antonio (the   Property) for the year ended December 31, 2005. The statement is the responsibility of the Property s management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 27, 2006

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REPUBLIC SELF STORAGE-SAN ANTONIO
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

	For the period January 1, 2006 through June 30, 2006 (Unaudited)	Year ended December 31, 2005
Revenues		
Base rents	$ 132,890	$ 174,711
Other income	6,074	12,551
	138,964	187,262
Certain Operating Expenses		
Property operating expenses	69,351	128,430
Real estate taxes	34,838	67,353
General and administrative expenses	9,173	7,422
	113,362	203,205
Revenue in excess of certain operating expenses /(Certain operating expenses in excess of Revenues)	$ 25,602	$ (15,943)

See accompanying notes to statement of revenues and certain operating expenses.

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REPUBLIC SELF STORAGE-SAN ANTONIO
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the statements of revenues and certain operating expenses related to the operation of Interstate 10 Self Storage, LP storage facility located in San Antonio, Texas with 676 rental units (the Property).

On September 27, 2006, U-Store It (the Trust) acquired the Property.

The accompanying statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Property. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

The preparation of the statements of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the statements of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Property are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Property is being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Property s operating expenses for the year ended December 31, 2005, include $7,968 for insurance, $24,170 for utilities, $10,261 for operating and maintenance costs, $67,015 for payroll and advertising expenses of $19,016. (See Note 5)

The Property s operating expenses for the period January 1, 2006 through June 30, 2006 (unaudited) include $4,218 for insurance, $12,562 for utilities, $11,014 for operating and maintenance costs, $32,154 for payroll and advertising expenses of $9,403. (See Note 5)

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REPUBLIC SELF STORAGE-SAN ANTONIO
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

5. ADVERTISING

Advertising costs are expensed as incurred, $19,016 and $9,403 for 2005 and for the six months ended June 30, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain operating expenses for the period January 1, 2006 through June 30, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying combined statements of revenues and certain operating expenses of the Jernigan Portfolio (the Properties) for the years ended December 31, 2005, 2004 and 2003. The statements are the responsibility of the Properties management. Our responsibility is to express an opinion on these statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying combined statements of revenues and certain operating expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the statements referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Properties for the years ended December 31, 2005, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 29, 2006

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JERNIGAN PORTFOLIO
COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

	For the Period January 1, 2006 Through June 30, 2006 (Unaudited)	Year Ended December 31, 2005	Year Ended December 31, 2004	Year Ended December 31, 2003
Revenues				
Base rents	$ 2,272,858	$ 4,606,184	$ 4,422,559	$ 4,396,511
Other income	186,034	357,352	337,595	317,900
	2,458,892	4,963,536	4,760,154	4,714,411
Certain Operating Expenses				
Property operating expenses	615,591	1,222,971	1,128,307	1,131,418
Real estate taxes	337,498	629,595	541,893	527,400
General and administrative expenses	99,658	219,928	270,161	240,511
	1,052,747	2,072,494	1,940,361	1,899,329
Revenues in excess of certain operating expenses	$ 1,406,145	$ 2,891,042	$ 2,819,793	$ 2,815,082

See accompanying notes to combined statements of revenues and certain operating expenses.

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JERNIGAN PORTFOLIO
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the combined statements of revenues and certain operating expenses related to the operation of the following nine storage facilities, collectively (Jernigan Portfolio or the Properties):

Property Name	Facility Location	Units
1350 N. First St.	Garland, TX	681
1236 Texas St.	Lewisville, TX	452
201 S. I35 E. St.	Denton, TX	516
3300 Southwest Blvd.	Grove City, OH	779
5252 Nike Dr.	Columbus-Hilliard, OH	784
6446 E. Main St.	Reynoldsburg, OH	669
5411 West Broad St.	Columbus, OH	603
3595 Anderson Farm Rd.	Austell, GA	668
43 Old Olden Avenue	Hamilton, NJ	419
		5,571

The accompanying combined statements of revenues and certain operating expenses for the years ended December 31, 2005, 2004 and 2003 were prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the combined revenues and certain operating expenses exclude certain expenses that may not be comparable to those expected to be incurred by U-Store-It Trust in the proposed future operations of the Properties. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

The preparation of the combined statements of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined statements of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Properties are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Properties are being leased to tenants under operating leases generally on a month to month basis.

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JERNIGAN PORTFOLIO

NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

4. PROPERTY OPERATING EXPENSES

	For the Period January 1, 2006 Through June 30, 2006 (Unaudited)	Year Ended December 31, 2005	Year Ended December 31, 2004	Year Ended December 31, 2003
Insurance	$ 39,116	$ 77,389	$ 71,473	$ 67,877
Utilities	119,301	229,782	206,233	187,113
Operating and maintenance costs	84,966	192,958	153,656	186,187
Payroll	295,818	573,207	496,519	479,213
Advertising (see Note 5)	76,390	149,635	200,426	211,028
	$ 615,591	$ 1,222,971	$ 1,128,307	$ 1,131,418

5. ADVERTISING

Advertising costs are expensed as incurred and are included in property operating expenses as follows:

January 1, 2006 through June 30, 2006 (unaudited)	$ 76,390
2005	$ 149,635
2004	$ 200,426
2003	$ 211,028

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The combined statement of revenue and certain operating expenses for the period January 1, 2006 through June 30, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenue and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying statement of revenues and certain operating expenses of Republic Self Storage-Stassney (the Property) for the year ended December 31, 2005. The statement is the responsibility of the Property s management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 27, 2006

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REPUBLIC SELF STORAGE-STASSNEY
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

	For the period January 1, 2006 through March 31, 2006 (Unaudited)	Year ended December 31, 2005
Revenues		
Base rents	$ 75,323	$ 225,551
Other income	6,394	25,612
	81,717	251,163
Certain Operating Expenses		
Property operating expenses	35,000	140,772
Real estate taxes	22,704	90,530
General and administrative expenses	4,194	14,472
	61,898	245,774
Revenues in excess of certain operating expenses	$ 19,819	$ 5,389

See accompanying notes to statement of revenues and certain operating expenses.

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REPUBLIC SELF STORAGE-STASSNEY
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the statements of revenues and certain operating expenses related to the operation of Republic Self Storage Stassney, LP storage facility located in Austin, Texas with 587 rental units (the Property). On June 28, 2006 U-Store-It Trust (the Trust) acquired the Property.

The accompanying statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Property. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

The preparation of the statement of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the statement of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Property are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Property is being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Property s operating expenses for the year ended December 31, 2005, include $10,528 for insurance, $35,638 for utilities, $12,464 for operating and maintenance costs, $66,004 for payroll and $16,138 for advertising expenses. (See Note 5)

The Property s operating expenses for the period January 1, 2006 through March 31, 2006 (unaudited) include $2,639 for insurance, $9,766 for utilities, $1,966 for operating and maintenance costs, $15,993 for payroll and $4,636 for advertising expenses. (See Note 5)

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REPUBLIC SELF STORAGE-STASSNEY
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

5. ADVERTISING

Advertising costs are expensed as incurred, $16,138 and $4,636 for 2005 and for the three months ended March 31, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain operating expenses for the period January 1, 2006 through March 31, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying combined statements of revenues and certain operating expenses of the SecurCare Portfolio (the Properties) for the year ended December 31, 2005. The statement is the responsibility of the Properties management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statements of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 of the Properties for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 29, 2006

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SECURCARE PORTFOLIO
COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

	For the period January 1, 2006 through March 31, 2006 (Unaudited)	Year ended December 31, 2005
Revenues		
Base rents	$ 737,246	$ 3,103,640
Other income	28,812	145,552
	766,058	3,249,192
Certain Operating Expenses		
Property operating expenses	94,113	384,853
Real estate taxes	93,571	337,121
General and administrative expenses	35,491	140,251
	223,175	862,225
Revenues in excess of certain operating expenses	$ 542,883	$ 2,386,967

See accompanying notes to combined statements of revenues and certain operating expenses.

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SECURCARE PORTFOLIO

NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the combined statements of revenues and certain operating expenses related to the operation of the following five storage facilities, collectively (SecurCare Portfolio or the Properties):

Location	Units
5815 Arapahoe Ave, Boulder CO	1224
6338 Arapahoe Ave, Boulder CO	784
6405 O Dell Place, Boulder CO	717
4545 Broadway Street, Boulder CO	132
4667 Broadway Street, Boulder CO	401
	3,258

On May 10, 2006, U-Store-It Trust (the Trust) acquired SecurCare Portfolio. The accompanying combined statements of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the combined revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Properties. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

The preparation of the combined statements of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined statements of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

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SECURCARE PORTFOLIO
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

3. REVENUE RECOGNITION

Revenues relating to the Properties is recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Properties are being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Properties operating expenses for the year ended December 31, 2005, include $34,000 for insurance, $75,864 for utilities, $59,218 in operating and maintenance costs, $164,140 in payroll and $51,631 for advertising expenses (see note 5).

The Properties operating expenses for the period January 1, 2006 through March 31, 2006 (unaudited) include $8,637 for insurance, $28,023 for utilities, $6,330 for operating and maintenance costs, $33,244 for payroll and $17,879 for advertising expenses (see note 5).

5. ADVERTISING

Advertising costs are expensed as incurred, $51,631 and $17,879 for 2005 and for the period ended March 31, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The combined statement of revenue and certain operating expenses for the period January 1, 2006 through March 31, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying combined statement of revenues and certain operating expenses of the Sanford Partners Portfolio (the Properties) for the year ended December 31, 2005. The statement is the responsibility of the Properties management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Properties for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 27, 2006

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SANFORD PARTNERS PORTFOLIO
COMBINED STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

		Year ended December 31, 2005
Revenues		
Base rents	$	1,456,373
Other income		117,649
		1,574,022
Certain Operating Expenses		
Property operating expenses		528,859
Real estate taxes		249,812
General and administrative expenses		84,380
		863,051
Revenues in excess of certain operating expenses	$	710,971

See accompanying notes to combined statement of revenues and certain operating expenses.

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SANFORD PARTNERS PORTFOLIO
NOTES TO COMBINED STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein is the combined statement of revenues and certain operating expenses related to the operation of the following four storage facilities, collectively (Sanford Partners Portfolio or the Properties):

Property Name	Facility Location	Units
Republic Self Storage-Eastchase	Fort Worth, TX	674
Republic Self Storage-Manchaca	Austin, TX	570
Republic Self Storage-Wade	Frisco, TX	629
Republic Self Storage-Mansfield	Mansfield, TX	499
		2,372

On March 1, 2006, U-Store-It Trust (the Trust) acquired Sanford Partners Portfolio. The accompanying combined statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the combined revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Properties. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

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NOTES TO COMBINED STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

2. USE OF ESTIMATES

The preparation of the combined statements of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined statement of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Properties is recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Properties are being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Properties operating expenses for the year ended December 31, 2005, include $40,690 for insurance, $115,053 for utilities, $57,412 in operating and maintenance costs, $224,615 in payroll, and advertising expenses of $91,089 (see note 5).

5. ADVERTISING

Advertising costs are expensed as incurred, $91,089 for 2005, and are included in property operating expenses.

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SIGNATURE

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned thereunto duly authorized.

U-STORE-IT TRUST
(Registrant)

Date: March 28, 2007

By: /s/ CHRISTOPHER P. MARR
Name: Christopher P. Marr
Chief Financial Officer

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