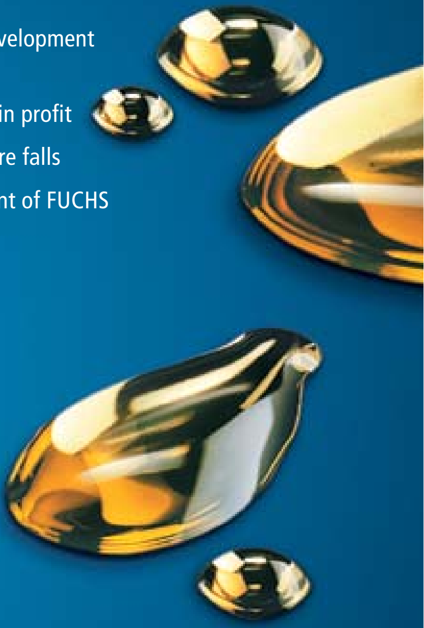
Quarterly Report

For the first quarter of 2004

- Positive business development continues
- Significant increase in profit
- Financing expenditure falls
- Pleasing development of FUCHS shares



FUCHS PETROLUB AG

THE FIRST QUARTER OF 2004 AT A GLANCE

Group

[Figures in € million]	1/2004	1/2003
Sales revenues[*)]	**266.9**	263.4
Europe	**181.0**	178.6
North and South America	**47.0**	49.7
Asia-Pacific, Africa	**46.2**	41.6
Earnings before interest and taxes (EBIT)	**20.3**	17.3
Quarterly net profit	**9.2**	6.1
Gross cash flow	**19.7**	16.4
Capital expenditure	**4.0**	3.7
Employees	**4,305**	4,202
Germany	**1,101**	1,160
International	**3,204**	3,042

[*)] By companies´ headquarters

CONTENTS

CHAIRMAN'S LETTER

Dear shareholders,

The FUCHS PETROLUB Group continued its excellent business development in the first quarter of 2004. With gains of 50.8 % above that of the first quarter of 2003, the quarterly profit reached €9.2 million (6.1). The optimisation of cost structures and value-orientated growth more than compensated for higher raw material costs. A reduction in financing volume also contributed to the improved financial performance.

The earnings per ordinary and preference shares are €1.39 and €1.43 (1.17 and 1.21) before scheduled goodwill amortization.

The wonderful 5.5 % organic growth of the group in this first quarter was reduced to 1.3 % as a result of currency-translation impact. We anticipate that the euro-dollar exchange rate will also have a negative effect on nominal sales figures in the next quarters. In spite of this, the excellent profit development should continue as the year progresses, even if the 50.8 % growth rate for the first quarter of 2004 is not maintained in the following quarters.

Yours

Stefan Fuchs
Chairman of the Executive Board

THE LUBRICANTS MARKET

After a worldwide downturn of 0.8 % in 2003, demand for lubricants in the industrial countries with the strongest economies has fallen further as a result of negative stock cycles and other structural factors. Nevertheless, based on expected cyclical recovery, we anticipate a small global increase in demand of approximately 0.5 % for the entire year.

In Japan, France, and Italy, figuring among the six major industrial nations and constituting approximately 10 % of the global lubricant market, consumption has dropped by a total of 1.7 % in the first three months of the current year. Specifically, declines in volumes of 2.2 % and 2.9 % have been reported in Italy and Japan respectively, while lubricant consumption in France, mainly due to an increase in the sale of process oils, has increased by 1.7 %.

In Germany, too, the entire market experienced a downturn until February 2004. However, it is estimated that consumption for the year 2004 will increase by approximately 1 %.

SALES

The group increased its sales in the first three months of 2004 as a result of internal growth by 5.5 % or €14.4 million. Effects from currency conversion amounting to €–10.8 million or –4.1 % resulted in a clear reduction in this positive development. With due consideration given to negligible external growth of €–0.1 million (–0.1 %), total sales revenues increased by €3.5 million or 1.3 % to €266.9 million (263.4).

Summary of factors affecting revenues:

	€ million	%
Internal growth	+14.4	+5.5
External growth	–0.1	–0.1
Currency-translation effects	–10.8	–4.1
Sales development	**+3.5**	**+1.3**

Development of revenues by region

[Value in € million]	1st quarter 2004	1st quarter 2003
Europe	**181.0**	178.6
North and South America	**47.0**	49.7
Asia-Pacific, Africa	**46.2**	41.6
Consolidation	**–7.3**	–6.5
Total	**266.9**	**263.4**

The satisfying internal growth achieved during the first quarter of 2004 was mainly based on the results of our Asian and Australian subsidiaries, with growth of €7.1 million, although the regions of Europe and North/South America also achieved considerable organic sales growth.

External growth, resulting from the acquisition of WYNN'S in France at the beginning of February 2004, was offset by the disposal of low-margin trading activities in Germany and Great Britain in the middle of the year 2003.

PERSPECTIVES

METAL-CUTTING

A DEEPER VIEW SHARPENS YOUR JUDGEMENT

Machined parts can only be produced with greatest accuracy if the metalworking fluids are correctly adapted to the production process. Because absolute precision is essential with metal-cutting operations.

Internal growth	External growth	Currency-translation effects	Total change absolute	Total change in %
3.8	–0.1	–1.3	2.4	1.3
4.3	–	–7.0	–2.7	–5.4
7.1	–	–2.5	4.6	11.1
–0.8	–	0	–0.8	
14.4	**–0.1**	**–10.8**	**3.5**	**1.3**

Exchange rate development had a significant effect on growth, particularly on sales figures in North and South America. Although companies located within that region increased their revenues in local currency by 8.7 %, revenues decreased by 5.4 % upon conversion into euros.

EARNINGS

With profits of €9.2 million after tax, the group has continued the positive profit development from the second half of 2003 into the first quarter of 2004. In comparison with the first quarter of 2003, earnings increased by 50.8 %, although this also reflects the base effect of the weakest quarter of last year with profits of €6.1 million.

The gross profit increased by 3 % to €99.7 million (96.8), and the operating result increased by 19.4 % to €24.6 million (20.6). Increased profitability was driven by reduced overhead costs for the group.

Earnings before interest and taxes (EBIT) reached €20.3 million (17.3). The EBIT margin rose to 7.6 % (6.6).

PERSPECTIVES

METAL-FORMING

As expected, group financing expenditure fell by 21.7 % and now accounts for €4.7 million (6.0). Consequently, earnings before taxes rose by 38.1 % to €15.6 million (11.3).

All three regions have made a positive contribution to this growth in earnings. This is particularly remarkable for our regions outside Europe, as they are affected by significant negative currency-translation effects.

The earnings per ordinary and preference share are €1.11 and €1.15 (0.79 and 0.83). Before scheduled goodwill amortization, the corresponding values are €1.39 and €1.43 (1.17 and 1.21).

In all processes from base metal to the finished part, instructions need to be followed in the finest detail. In cooperation with our partners, we have developed the optimum ECOCOOL and ECOCUT lubricants for each individual machining process.

CAPITAL EXPENDITURE AND ACQUISITIONS

During the first quarter of 2004, the group invested €4.0 million (3.7) in property, plant and equipment, and tangible and intangible assets. The focal point for tangible investments, as in the previous year, was the Mannheim site.

In addition, the industrial lubricant business in France, trading under the name WYNN'S, was purchased from Parker Hannifin with effect from 1 February 2004. With this takeover, the FUCHS PETROLUB group has significantly increased its presence in the industrial lubricant specialties market in France and has further strengthened its global position as market leader in the metalworking lubricants sector.

Depreciation on tangible and intangible assets, excluding goodwill amortization, totalled €6.3 million (6.2).

In addition, goodwill amortization totalled €3.3 million (2.7).

WORKFORCE

As of 31 March 2004, the FUCHS PETROLUB group employed 4,305 people (31 March 2003: 4,202). The number of employees thus increased by 103 (+2.5 %) over the preceding year's equivalent date.

1,101 persons were employed in Germany and 3,204 abroad.

The number of employees in Germany thus decreased by 59 (–5.9 %) in comparison with the figure for the first quarter of 2003, mainly as a result of the disposal of RAVENSBERGER SCHMIERSTOFFVERTRIEB GMBH in the middle of 2003.

Staff levels increased abroad by 162 (+5.3 %). The payroll in European countries outside Germany increased significantly in comparison to 31 March 2003 by 55 (+3.6 %) to 1,586 employees.

In the Asia-Pacific/Africa region, the number of employees rose by 124 (+14.0 %) to 1,012, compared to the first quarter of 2003. This increase is mainly attributable to the positive performance of our companies in China.

In the North and South America region, the payroll fell by 17 (–2.7 %) to 606.

RESEARCH AND DEVELOPMENT

The group's R&D units provided many new products in the period under review, which were tested successfully and introduced into the market.

Steelworks require a wide variety of lubricants in order to operate safely and securely. Special greases are crucial in areas such as application in continuous casting plants, as well as hot and cold rolling mills. Other significant types of lubricants include fire-resistant hydraulic fluids, cold rolling oils, corrosion protection oils and prelubes. New key customers have been secured in Russia, Mexico, China, South Korea and the Philippines.

With a steadily growing number of customers in the automobile supplier industry, a newly-developed bio-degradable, non-water-miscible high performance cooling lubricant is now being used for metal cutting. The product is suitable for a wide variety of materials and cutting procedures and leads to improved surface quality and extended tool life. It is also toxicologically harmless with a low water hazard classification and evaporation rate. A further advantage is that this multifunctional lubricant can also be used as a hydraulic fluid in machine tools.

OUTLOOK

The FUCHS PETROLUB group is set to continue its value-orientated growth strategy, at the same time further optimising its cost structure. We expect to be able to fully offset the negative impact resulting from ever-increasing raw material prices.

As a result of cost savings and significant reductions in financing expenditure, we anticipate a double-digit percentage increase in net group income for the entire year 2004 in comparison to the previous year (30.9), although it is unlikely that the base-related 50.8 % increase rate achieved in the first quarter of 2004 will be repeated in the following quarters.

Sales development is again likely to be below the internal growth rate in the second quarter due to currency-translation impact. Nominal sales figures for the entire year 2004 will depend on the further development of the euro-dollar exchange rate.

Mannheim, 14 May 2004
FUCHS PETROLUB AG

FUCHS SHARES

The publication again of record results for 2003 and the resultant recommendation to increase dividends has been rewarded by the stock exchange with continued rising stock prices. On 30 April 2004, ordinary shares were listed at €64.50 and preference shares at €59.10, with both classes hitting their highest level for the current year. This corresponded to an increase of 34.9 % for ordinary shares and 36.3 % for preference shares since the end of 2003, whilst the DAX and SDAX for the same period only increased by 0.5 % and 12.6 % respectively.

A recommendation will be made at the Annual Shareholders' Meeting on 9 June 2004 that cash dividends be increased from last year by €0.10 to €1.56 per ordinary share and €1.73 per preference share.

During the period under review, we received no notification of shareholdings subject to mandatory disclosure.

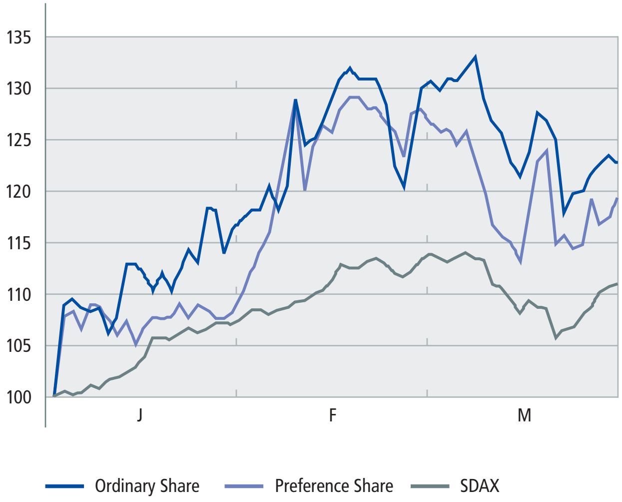
PERSPECTIVES

METAL-CUTTING

Materials used in metalworking technology have to fulfill the very highest requirements. Our innovative water-miscible cutting and grinding fluids achieve these exacting needs. Our product family includes an innovative product with a neutral pH value which is especially friendly to the skin.

Component of a tractor gearbox

Indexed comparative performance of the FUCHS PETROLUB shares, 1 January to 31 March 2004 in %



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME

[In € million]	1st quarter 2004	1st quarter 2003
Sales revenues	**266.9**	**263.4**
Cost of sales	–167.2	–166.6
Gross profit	**99.7**	**96.8**
Selling expenses	–51.6	–51.6
Administrative expenses	–17.8	–18.7
Research and development expenses	–5.7	–5.9
Operating profit	**24.6**	**20.6**
Other operating income	3.4	2.8
Other operating expenses	–4.5	–3.5
Investment income	0.1	0.1
Earnings before interest, taxes and goodwill amortization (EBITA)	**23.6**	**20.0**
Goodwill amortization	–3.3	–2.7
Earnings before interest and taxes (EBIT)	**20.3**	**17.3**
Financial result	–4.7	–6.0
Earnings before taxes (EBT)	**15.6**	**11.3**
Taxes on income	–6.4	–5.2
Net profit before minority interest	**9.2**	**6.1**
Minority interest	0.3	0.3
Net profit after minority interest	**8.9**	**5.8**
Earnings per share in € *		
Ordinary share	1.11	0.79
Preference share	1.15	0.83

* basic and diluted in both cases. To facilitate comparison, the previous year's figures were converted to the values resulting from the stock split in July 2003 (stock split 3 : 1).

EARNINGS BEFORE GOODWILL AMORTIZATION

[In € million]	1st quarter 2004	1st quarter 2003
Net profit after minority interest	**8.9**	**5.8**
Goodwill amortization	**2.2**	2.7
Net profit after minority interest but before goodwill amortization	**11.1**	**8.5**
Net profit per share before goodwill amortization in € *		
Ordinary share	**1.39**	1.17
Preference share	**1.43**	1.21

* basic and diluted in both cases. To facilitate comparison, the previous year's figures were converted to the values resulting from the stock split in July 2003 (stock split 3 : 1).

CONSOLIDATED BALANCE SHEET

[in € million]	31.3.2004	31.12.2003
Assets		
Intangible assets	98.1	90.9
Property, plant and equipment	163.0	161.8
Financial assets	10.7	12.1
Non-current assets	**271.8**	**264.8**
Inventories	129.1	126.5
Trade receivables	196.4	170.2
Other receivables and other assets	39.2	37.8
Securities	0.0	0.0
Cash and cash equivalents	30.4	29.4
Current assets	**395.1**	**363.9**
Deferred tax assets	**8.3**	**7.2**
Total assets	**675.2**	**635.9**
Shareholders' equity and liabilities		
Subscribed capital	70.7	70.7
Group reserves	64.5	32.1
Group profits	8.9	29.7
FUCHS PETROLUB group capital	**144.1**	**132.5**
Minority interest	5.1	5.2
Shareholders' equity	**149.2**	**137.7**
Participation-right certificates	51.1	51.1
Pension provisions	58.2	57.0
Other provisions	72.6	62.0
Provisions	**130.8**	**119.0**
Financial liabilities	194.8	188.2
Trade liabilities	93.1	85.7
Other liabilities	47.4	45.6
Liabilities	**335.3**	**319.5**
Deferred tax liabilities	**8.8**	**8.6**
Total equity and liabilities	**675.2**	**635.9**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of FUCHS PETROLUB AG, Mannheim, were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), taking into account the interpretations of the guidelines issued by the International Accounting Standards Board (IASB). The accounting and valuation principles, together with the calculation methods, remain unchanged from the consolidated financial statements for 2003; we therefore refer to the notes to the consolidated financial statements of December 2003.

STATEMENT OF CHANGES IN EQUITY

[in € million]	Subscribed capital AG	Capital reserves AG	Reserves and retained earnings, Group
Balance at 31.12.2003	70.7	94.9	–26.5
Dividend payments	–	–	–
Gains and losses not recognised in the income statement			
Currency effects	–	–	–
Fair value of financial instruments	–	–	–
Other	–	–	–
Gains and losses recognised in the income statement			
Net profit 1.1 – 31.3.2004 1.1 – 31.3.2004	–	–	8.9
Balance at 31.3.2004	**70.7**	**94.9**	**–17.6**

Effects from currency translation	Fair value of financial instruments	**Group capital**	Minority interest	**Shareholders' equity**
–7.1	0.5	**132.5**	5.2	**137.7**
–	–	**–**	–0.2	**–0.2**
4.5	–	**4.5**	–	**4.5**
–	–1.8	**–1.8**	–	**–1.8**
–	–	**–**	–0.2	**–0.2**
–	–	**8.9**	0.3	**9.2**
–2.6	**–1.3**	**144.1**	**5.1**	**149.2**

STATEMENT OF CASH FLOWS

Adjusted for currency translation and consolidation effects, the Group's statement of cash flows shows an increase in the gross cash flow to €19.7 million (16.4), largely due to the improved earnings for the period. Depreciation and amortization of non-current assets include goodwill amortization of €3.3 million (2.7).

The cash inflow from operating activities of €11.3 million exceeds the corresponding figure for the prior-year period (8.1). Due to invoicing factors, the first quarter resulted in a clear rise in funds tied up in receivables and other assets. Despite increased business volumes, the build-up of receivables was less than the figure for the same period in the preceding year. Stocks were reduced slightly (€1.6 million). Liabilities had increased by €2.3 million as of the balance date, although this rise was significantly lower than that of the previous year (13.7).

The cash outflow from investing activities is €18.3 million, clearly above that of the previous year (3.7). Investments in fixed assets amount to €4.0 million as scheduled. €14.5 million was spent on the acquisition of consolidated business units. The free cash flow before dividend distribution for the first quarter thus amounts to €–7.0 million.

Cash inflow from financing activities amounts to €7.5 million, with the Group's cash and cash equivalents at a usual level for the period, being €30.4 million.

[in € million]	31.3.2004		31.3.2003	
Net profit for the first quarter		**9.2**		**6.1**
Depreciation and amortization of non-current assets		9.5		8.9
Change in long-term provisions		1.0		1.4
Gross cash flow	**19.7**		**16.4**	
Change in short-term provisions		6.2		4.9
Change in inventories		1.6		−3.2
Change in receivables		−16.3		−19.1
Change in other assets		−2.2		−4.6
Change in liabilities (excluding financial liabilities)		2.3		13.7
Gain on disposal of non-current assets		0.0		0.0
Cash inflow from operating activities	**11.3**		**8.1**	
Investments in non-current assets		−4.0		−3.7
Acquisitions of consolidated business entities		−14.5		0.0
Proceeds from the disposal of non-current assets		0.2		0.0
Cash outflow from investing activities	**−18.3**		**−3.7**	
Free cash flow	**−7.0**		**4.4**	

[in € million]	31.3.2004	31.3.2003
Dividend distribution for the preceding year	–0.2	0.0
Change in financial liabilities	7.7	6.3
Change in cash due to changes in the consolidated group	0.0	0.2
Cash inflow from financing activities	**7.5**	**6.5**
Cash and cash equivalents at the end of the preceding year	**29.4**	**13.5**
Cash inflow from operating activities	11.3	8.1
Cash outflow from investing activities	–18.3	–3.7
Cash inflow from financing activities	7.5	6.5
Effect of currency translation	0.5	–0.3
Cash and cash equivalents at the end of the first quarter	**30.4**	**24.1**

[in € million]	31.3.2004	31.3.2003
Details of the acquisition and disposal of companies and other business entities		
Total amount of all purchase prices	14.5	0.0
Total cash and cash equivalents purchased	0.0	0.0
Balance of acquired net assets	6.9	0.0
Total proceeds	0.0	0.0
Total cash and cash equivalents sold	0.0	0.0
Net assets sold	0.0	0.0

REGIONAL SECTORS

All regions increased their sector earnings (EBIT). In particular, Europe profited from the success of cost reduction measures taken over the past years and from rising sales figures.

Europe was also able to demonstrate an increase to 8.0 % (6.7) in the ratio of EBIT to sales, with the figure for the North and South America region topping the already high level of the previous year by an increase to 13.0 % (11.5).

[in € million]	Europe	North and South America
Sales by company headquarters	181.0 (17.6)	47.0 (49.7)
Sector earnings (EBIT)	14.5 (12.1)	6,1 (5.7)
EBIT to sales*	8.0 (6.7)	13.0 (11.5)

* excluding EBIT of associated companies, as their sales figures also remain reserved.

Asia-Pacific, Africa	Sum of operational companies	Holding companies, incl. consolidation	FUCHS PETROLUB group
46.2 (41.6)	274.2 (269.9)	−7.3 (−6.5)	266.9 (263.4)
2.5 (1.9)	23.1 (19.7)	−2.8 (−2.4)	20.3 (17.3)
6.5 (6.5)	8.4 (7.3)		7.6 (6.6)

FINANCIAL CALENDAR

	Events
June 9, 2004	Annual General Meeting, Mannheim
June 14, 2004	Information event for Swiss shareholders, Zürich
August 17, 2004	First-half press conference
September 14/15, 2004	Financial market conference, Magdeburg
September 16, 2004	Mannheim Capital Market Forum

	Next quarterly report
August 17, 2004	Report on the first half of 2004

Annual General Meeting 2004

The Annual General Meeting will take place on Wednesday 9 June 2004 at 10.00 a.m. in the Mozart Room at the Rosengarten Congress Centre, Rosengartenplatz 2, Mannheim 68161. Shareholders will receive a short report on the 2003 financial year via their deposit banks, plus an invitation and a copy of the agenda. Full powers and instructions may be conferred simply and easily via the Internet for the first time (proxy voting). Payment of the dividends to be decided at the Annual General Meeting will be made from 10 June 2004 onwards.

FUTURE-ORIENTATED STATEMENTS AND PREDICTIONS

This quarterly report contains statements about future development that are based on assumptions and estimates by the management of FUCHS PETROLUB AG.

Even if the management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. These factors can include changes to the overall economic climate, changes to exchange rates and interest rates and changes in the lubricants industry. FUCHS PETROLUB AG provides no guarantee that future developments and the results actually achieved in the future will agree with the assumptions and estimates set out in this quarterly report and assumes no liability for such.

This quarterly report is also available in German.
Both language versions are accessible via the Internet.

FUCHS PETROLUB AG
Investor Relations
Friesenheimer Straße 17
68169 Mannheim

Telephone +49 (0) 6 21 38 02-1 05
Fax +49 (0) 6 21 38 02-2 74

FUCHS on the internet: www.fuchs-oil.com
E-Mail: contact-de.fpoc@fuchs-oil.de