

Global diversity

உலகளாவிய பன்முகத்தன்மை

Globale diversiteit

Variedade global

đa dạng toàn cầu

Globální mnohotvárnost

글로벌화에 따른 다양성

Globale Vielfalt

جهان گوناگون

Глобальна різноманітність

Diversité globale

全球多样化

Globális sokoldalúság

Παγκόσμια ποικιλία

Diversità globale

ความหลากหลายในโลก

Keanekaragaman sedunia

Pandaigdigang Pagkakasamu't-sari

Globalna różnorodność

تنوع جهانی

Globalna raznolikost

عالمي تنوع

Глобальна разновидност

Wêreldwye verskeidenheid

ग्लोबल बहुलता

Küresel çeşitlilik

تنوع عالمي

Diversidad global

グローバルな多様性

Keanekaragaman global

বিশ্বব্যাপী বৈচিত্র্য

Globaali monimuotoisuus

Глобальное разнообразие

Globální mnohotvárnost

REPORT ON THE FIRST NINE MONTHS  
and third quarter of

2008



Significant increases in raw material costs

EBIT for the first nine months at previous year's level

Earnings per share have increased by 13 %

FUCHS PETROLUB AG



## > THE FIRST NINE MONTHS OF 2008 AT A GLANCE

### Group

[in € million]	1–9/2008	1–9/2007
<b>Sales revenues<sup>1</sup></b>	<b>1,083.5</b>	<b>1,031.3</b>
Europe	743.7	704.2
North and South America	154.0	160.5
Asia-Pacific, Africa	212.4	189.3
Consolidation	–26.6	–22.7
<b>Earnings before interest and tax (EBIT)</b>	<b>144.5</b>	<b>145.1</b>
<b>Profit after tax for the first nine months</b>	<b>94.1</b>	<b>87.2</b>
<b>Earnings per share in €</b>		
Ordinary share	3.76	3.34
Preference share	3.81	3.38
<b>Gross cash flow</b>	<b>103.8</b>	<b>100.4</b>
<b>Capital expenditures<sup>2</sup></b>	<b>31.6</b>	<b>15.3</b>
<b>Employees (as at September 30)</b>	<b>3,886</b>	<b>3,820</b>

1 By company location

2 In property, plant and equipment, intangible assets and financial assets



# CONTENTS

2	<b><u>The first nine months of 2008 at a glance</u></b>
4	<b><u>Letter to our shareholders</u></b>
5	<b><u>The FUCHS shares</u></b>
6	<b><u>Management report</u></b>
6	> Environment
6	> Sales revenues
8	> Earnings
9	> Net assets and financial position
9	> Capital expenditure and investments in companies
9	> Statement of cash flows
10	> Research and development
11	> Workforce
11	> Opportunities and risks
12	> Business transactions with related companies and persons
12	> Outlook
13	<b><u>Financial Report</u></b>
13	– Consolidated income statement
15	– Consolidated balance sheet
16	– Statement of changes in shareholders' equity
18	– Statement of cash flows
19	– Segment report
20	– Notes
22	<b>Financial Calendar</b>
23	<b>Disclaimer</b>

## > LETTER TO OUR SHAREHOLDERS

### Dear Shareholders,

Following an excellent first quarter, the FUCHS PETROLUB Group increased profit after tax by 8 % in the first nine months over the previous year to a level of €94.1 million (87.2). Earnings per ordinary and preference share amount to €3.76 (3.34) and €3.81 (3.38) respectively. These figures represent just under 13 % growth over the previous year.

The basis for this trend in earnings was significant organic growth in sales revenues of 9 %. On the one hand this increase is attributable to an expansion of business activities and on the other hand to price adjustments that became necessary. Significantly increased prices for raw materials, which can only be compensated over time, and also inflation-based cost increases led to earnings before interest and tax (EBIT) remaining at the same level as the previous year.

We have set ourselves the goal for the entire year of 2008 to continue along our path of organic sales expansion, but do expect to see a significant drop in demand in the fourth quarter from several of our customer groups, in particular in the automotive industry. The pronounced uncertainty in the current economic situation makes any kind of forecast extremely difficult. We are striving to achieve EBIT only slightly below the previous year's level. However, due to a lower rate of taxation and the share buyback program, earnings per share should actually increase marginally.



Yours  
A handwritten signature in blue ink, appearing to read 'Stefan Fuchs', written in a cursive style.

**Stefan Fuchs**

Chairman of the Executive Board

## > THE FUCHS SHARES

In a share market impacted heavily by the global financial market crisis, the FUCHS ordinary share closed at €49.20 on September 30, 2008 and was therefore 21.7% below the 2007 year-end price. At a price of €39.19, the preference share recorded a drop of 45.3%. The DAX and MDAX lost 27.7% and 29.5% respectively over the same period.

Effective June 23, 2008 the FUCHS PETROLUB preference share became a member of the second largest German share index, the MDAX. The MDAX lists 50 medium-sized German companies.

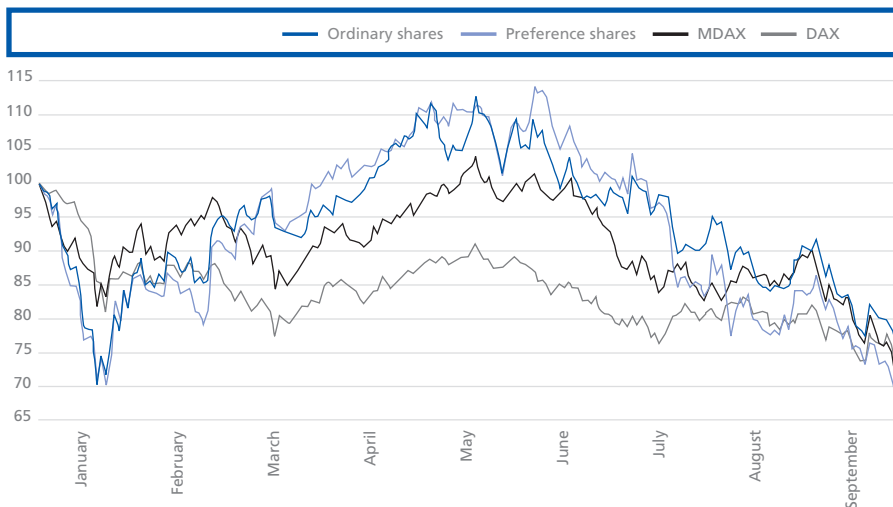
### Share buyback program

In the period May 10, 2007 to September 30, 2008, FUCHS PETROLUB AG bought back a total of 1,722,853 of its own shares. This corresponds to 6.6% of the company's share capital. Further details are contained in the notes to this report on the first nine months.

### Voting rights announcement

On July 4, 2008, the Capital Research and Management Company, Los Angeles, C.A., USA informed us in accordance with section 21 (1) of the German Securities Trading Act (WpHG) that through the accumulation of shares, their share of voting rights in FUCHS PETROLUB AG had exceeded the 3% threshold of voting rights on June, 30 2008 and now amounts to 3.004% (corresponding to 389,527 voting rights). In accordance with section 22 (1), sentence 1, no. 6 of the German Securities Trading Act (WpHG) 3.004% of voting rights (corresponding to 389,527 voting rights) are to be ascribed to the company.

### Ordinary and preference share prices compared with DAX and MDAX (January 1 – September 30, 2008)



## > MANAGEMENT REPORT

### Environment

The economic expansion of the global economy has slowed significantly during the course of 2008. According to the Kiel Institute for the World Economy (IfW), the global raw material-based burst of inflation, the need for corrections in the real estate markets and the worldwide financial market crisis were the principle factors determining the downward trend in the third quarter. Only in the emerging markets has production continued to enjoy heavy expansion, although the speed of expansion has now fallen off in these areas as well. Notwithstanding a robust – albeit weakened – global increase in gross domestic product (GDP) of over 3 % (June forecast: 3.9 %) is still expected for the year 2008 as a whole.

The German economy, which started the year with great momentum, is now also starting to feel the effects of global economic developments. This is predominantly due to a drop in demand for capital goods, which plays a key role in Germany's export business. The IfW has therefore revised its forecast for the increase in GDP in Germany from 2.1 % to 1.8 % for the year 2008.

The German Engineering Federation (VDMA) only expects to see stagnated production growth in its sectors for the year 2009, as the number of incoming orders in the months from May to August 2008 saw a notable dip. According to the German Association of the Automotive Industry (VDA), new car registrations, exports and domestic production all dropped considerably in the 3<sup>rd</sup> quarter of 2008. Many automotive manufacturers are therefore preparing themselves for an impending recession with drastic measures. The German Chemical Industry Association (VCI) has also revised its annual forecast and is now predicting a 2008 growth in chemicals production of just 1 % (previously: 2.5 %) and an increase in overall sector sales revenues of 4.5 % (previously: 5.5 %).

Due to the current economic framework conditions, for 2008 as a whole we are now expecting stagnation or at best a marginal increase in the worldwide lubricant market of 0.5 %.

### Sales revenues

In the first nine months of 2008, the FUCHS PETROLUB Group enjoyed organic (internal) sales revenue growth of 9.2 % or €94.3 million. The increase was driven both by volumes and prices. Conversion to the Group currency of the euro, which is significantly stronger as a currency than was the case in the previous year, led to a drop in sales revenues of €46.7 million or 4.5 %. Taking into account external growth of €4.6 million or 0.4 %, this left a net increase in sales revenues of 5.1 % or €52.2 million.

Summary of factors affecting sales revenues during the first nine months:

	€ million	%
Internal growth	94.3	9.2
External growth	4.6	0.4
Currency translation effects	-46.7	-4.5
<b>Growth in sales revenues</b>	<b>52.2</b>	<b>5.1</b>

## Development of sales revenues by region

[in € million]	1-9 2008	1-9 2007	Internal growth	External growth	Currency effects	Total change absolute	Total change in %
Europe	743.7	704.2	55.0	-	-15.5	39.5	5.6
North and South America	154.0	160.5	8.3	1.5	-16.3	-6.5	-4.0
Asia-Pacific, Africa	212.4	189.3	35.3	3.1	-15.3	23.1	12.2
Consolidation	-26.6	-22.7	-4.3	0.0	0.4	-3.9	-
<b>Total</b>	<b>1,083.5</b>	<b>1,031.3</b>	<b>94.3</b>	<b>4.6</b>	<b>-46.7</b>	<b>52.2</b>	<b>5.1</b>

At 18.6 %, the region of Asia-Pacific, Africa displayed the most dynamic organic growth of all three global regions, although it was not quite able to keep up with the dynamics of the first six months (+20.2 %). Overall, after taking into account the effects of currency exchange rates (-8.1 %) and the effect of the full consolidation of our Japanese company (+1.7 %), the region recorded sales revenues of €212.4 million (189.3) (+12.2 %).

In Europe, sales revenues saw organic growth of 7.8 % in the first nine months of the year. Here, growth in Western Europe slowed down slightly in the third quarter. After incorporating the influences of currency exchange rates of -2.2 %, total growth amounted to 5.6 %, which resulted in total sales revenues of €743.7 (704.2).

Development in the region of North and South America was particularly encouraging. It was possible to achieve significant organic growth in sales revenues in the third quarter. The rate of increase for the first nine months of the year came to 5.2 %, although at the end of the first half of the year the region was still displaying zero organic growth. Taking into account the significant negative effects of currency exchange rates (−10.2 %) and a low level of external growth from an acquisition in the previous year (1.0 %), sales revenues in the region dropped by 4 % to €154.0 million (160.5).

## Earnings

The FUCHS PETROLUB Group recorded profit after tax to the tune of €94.1 million (87.2) in the first nine months of 2008. This corresponds to an increase of €6.9 million or 7.9 % compared to the previous year's level.

There was a severe material price increase in the middle of the second quarter 2008, in particular in terms of base oil prices. Gross profit increased by +1.4 % or +€5.2 million to a level of €388.6 million (383.4). This increase was less significant than sales revenues, which enjoyed 5.1 % growth. The gross margin dropped from 37.2 % to 35.9 %.

Personnel and material costs in marketing and sales, administration and R&D saw an inflation-based increase of €6.0 million. Relative to sales revenues, this represents a drop from 23.0 % to 22.4 %. Despite this, it was not quite possible to reach the level of earnings before interest and taxes (EBIT) achieved in the previous year. At €144.5 million, EBIT was just 0.4 % below the previous year's level of €145.1 million. The EBIT margin was 13.3 % (14.1).

At €96.4 million (94.7), the region of Europe increased its previous year's figure and achieved an EBIT margin of 13.0 % (13.4). The region of Asia-Pacific, Africa also recorded EBIT growth to a level of €26.1 million (23.5). EBIT represented 11.2 % (11.5) of sales revenues here. In the region of North and South America, EBIT of €26.2 million (28.5) was achieved, representing 17.0 % (17.8) of sales revenues.

The interest-bearing borrowed capital has continuously risen. This is mainly attributable to the share buyback and increased scope of business. Yet at €6.4 million, the financial result of the first nine months of 2008 is better than that of the previous year (−6.9). The significantly reduced rate of taxation is also having a positive effect on profit after tax. At €94.1 million, profit after tax in the first nine months is 7.9 % better than in the previous year (87.2). The net profit margin amounts to 8.7 % (8.5).

Due to the share buyback, earnings per share have increased above average, i. e. by 12.6 % and 12.7 % respectively, reaching a level of €3.76 per ordinary share (3.34) and €3.81 per preference share (3.38).



## Net assets and financial position

The FUCHS PETROLUB Group is solidly financed. Despite the buyback of own shares at a cost of €54.5 million and dividend payouts of €36.8 million, the equity capital backing has increased slightly since the start of the year to a level of €337.6 million (336.5). The long-term assets, which rose to €282.2 million (265.8 as at December 31, 2007) due to capital expenditure, are therefore covered 120 % by the shareholders' equity.

However, a temporarily higher level of funds tied up in inventories and receivables, which is revenue-based and related to the change of the IT system at our largest company, led to an increase in the balance sheet total. The equity ratio therefore amounts to 42.9 % (47.1 % as at December 31, 2007).

The sum of short-term and long-term financial liabilities amounts to €144.5 million (71.9 as at December 31, 2007). The net financial debt amounts to €114.3 million (7.7 as at December 31, 2007). This represents 33.9 % of shareholders' equity – a solid ratio.

## Capital expenditure and investments in companies

Investments in property, plant and equipment, intangible and financial assets in the first nine months of 2008 amounted to €31.6 million (15.3). The driving factors behind the increase in capital expenditure are the construction of the new facility in China, construction of the new FUCHS LUBRITECH Group facility in Kaiserslautern and the purchase of real estate in India.

Depreciation and amortization of property, plant and equipment and intangible assets amounted €15.1 million (14.0). This includes impairments of €1.1 million.

In the second quarter we extended our shareholding in the existing joint venture in Japan from 50 % to 98.8 %.

## Statement of cash flows

As a result of the positive trend in earnings, the statement of cash flows displays an increase in gross cash flow in the first 9 months to a level of €103.8 million (100.4). Depreciation and amortization of long-term assets amount to €15.1 million (14.0).

Due to increased financing requirements for operating working capital, cashflow from operations dropped to €15.2 million (88.7). The expansion of business volume and considerable price increases in raw material costs led to this significant increase in inventories and receivables. In addition, provisions for taxes were reduced due to tax payments.

At €31.6 million, investments in long-term assets have, as planned, more than doubled in comparison to the previous year (15.3). After taking into account the proceeds from the sale of long-term asset items as well as dividends received, the cash flow from investing activities amounts to €29.6 million (17.2).

The free cash flow as an inflow of funds from operations after deduction of capital investment therefore amounts to –€14.4 million (71.5) for the first nine months of the year.

The cash outflow from financing activities shows increased dividend payouts and payments of €54.5 million (31.7) for the purchase of treasury shares. In addition, following completion of its term, participation rights capital to the tune of €51.1 million was repaid in August 2008 as planned.

## Research and development

In the period under review, a large number of development projects were processed at the Group's research sites. Following successful testing and trials in the laboratory, in testing machines and in the field, the products were presented to the market.

Modern motor vehicles are increasingly using electrical power steering systems. With these systems, a servo motor transmits the forces via a worm or recirculating ball gearbox to the steering column or the steering rack of the mechanical rack-and-pinion steering. The manufacturers of these systems are claiming energy savings of up to 90 % over conventional servo-hydraulic units. FUCHS is working closely with the key system suppliers. A ball screw drive was recently brought to market by one of the key component suppliers as a new kind of electrical servo system. In close cooperation with this equipment manufacturer, FUCHS has developed a new lubrication grease perfectly tailored to the specific requirements in terms of wear protection, low temperature properties, minimization of temperature influence and free movement of the steering.

In cooperation with a German premium automotive manufacturer, a new automatic transmission oil was developed in a very short time. Significantly improved friction coefficient values for excellent gear shifting and clutch performance were required. In order to demonstrate these properties on our dynamic clutch test benches, we developed new testing methods in cooperation with the customer. The complete performance specifications were drawn up in just a few months in the laboratory and the test bay. Large sample quantities for a whole range of field tests and customer trials had to be provided, in some cases overnight. A high degree of coordination by Development and Product Management was required to ensure success of the extremely tight scheduled project. The new automatic transmission oil has now been in serial production for one year and its use is specified worldwide by the customer.

## Workforce

The number of staff members in the FUCHS PETROLUB Group barely changed in the third quarter. On September 30, 2008 the total number of staff members worldwide was 3,886.

The increase in the workforce by 99 employees since the start of the year (+2.6 %) is due to the full consolidation of our former joint venture in Japan, the filling of vacant positions and the business-related expansion of employment in Europe and Asia.

The workforce at a glance:

	30.9.2008	31.12.2007	30.9.2007
Europe	2,443	2,404	2,407
North and South America	568	574	584
Asia-Pacific, Africa	875	809	829
<b>Total</b>	<b>3,886</b>	<b>3,787</b>	<b>3,820</b>

## Opportunities and risks

In the annual report 2007, FUCHS reported in detail on the opportunities and risks resulting from its international business activities. Since this time, there have been no significant changes other than the development of the markets. On the basis of the information currently available, we are of the opinion that no significant individual risks exist for the FUCHS PETROLUB Group, either now or in the foreseeable future. Nor does the total sum of risks and/or combinations of risks threaten the continued existence of the Group.

The FUCHS PETROLUB Group has implemented an adequate risk management system, which ensures that key opportunities and risks are identified and dealt with in good time. We have made all possible provision for typical business risks capable of having a major influence on company's asset, financial and profit situation.

## Business transactions with related companies and persons

As at December 31, 2007, a dependent company report was prepared on relationships with related companies pursuant to Section 312 of the German Stock Corporation Act (AktG) with the concluding declaration: "With the legal transactions listed in the dependent companies report, in accordance with the circumstances known to us on the date that the respective transactions were performed, our company received a reasonable consideration in each transaction. No actions subject to disclosure occurred on the instructions or in the interest of the controlling company." The independent auditors of FUCHS PETROLUB AG, KPMG Deutsche Treuhand-Gesellschaft Wirtschaftsprüfungsgesellschaft, have audited this dependent company report and provided it with an unqualified audit opinion.

On September 30, 2008 there were no indications which would lead us to revise our statement regarding business transactions with related companies and persons.

## Outlook

The current economic framework conditions indicate a significant worldwide economic downturn. In addition, the heightened severity of the global financial market crisis has significantly increased uncertainty regarding further development of the real economy. The downward trend in demand in important markets and the reduction in inventories among our customers are clear signs of recessionary development. Making any kind of forecast is therefore extremely risky.

We are now expecting to see stagnation or at best a marginal increase of around 0.5 % for 2008 as a whole in the global lubricant market.

In terms of sales revenues, we expect to see significant organic growth for 2008 as a whole, despite the fact that we are expecting an appreciable drop in sales volumes among several customer groups in the fourth quarter.

At the same time, we are targeting an EBIT level slightly below the previous year's figure.

However, as a result of a reduced rate of taxation and a reduction in the number of shares, earnings per share should be marginally above the previous year's level.

By the end of the year we want to improve the operating cash flow achieved since the start of the year and reduce our net operating working capital. We intend to keep the dividends at least at the same level as the previous year.

## > FINANCIAL REPORT Consolidated financial statements

### Consolidated income statement

[in € million]	First nine months of 2008	First nine months of 2007
Sales revenues	1,083.5	1,031.3
Cost of sales	-694.9	-647.9
<b>Gross profit</b>	<b>388.6</b>	<b>383.4</b>
Selling and distribution expenses	-168.5	-160.8
Administrative expenses	-56.9	-58.3
Research and development expenses	-17.3	-17.6
<b>Operating profit</b>	<b>145.9</b>	<b>146.7</b>
Other operating income	9.3	7.9
Other operating expenses	-13.1	-11.3
Investment income	2.4	1.8
<b>Earnings before interest and tax (EBIT)</b>	<b>144.5</b>	<b>145.1</b>
Financial result	-6.4	-6.9
<b>Earnings before tax (EBT)</b>	<b>138.1</b>	<b>138.2</b>
Income taxes	-44.0	-51.0
<b>Profit after tax</b>	<b>94.1</b>	<b>87.2</b>
Profit attributable to minority interest	0.6	0.5
<b>Profit attributable to equity holders of FUCHS PETROLUB AG</b>	<b>93.5</b>	<b>86.7</b>
<b>Earnings per share in €*</b>		
Ordinary share	3.76	3.34
Preference share	3.81	3.38

\* Basic and diluted in both cases.

## Consolidated income statement

[in € million]	3 <sup>rd</sup> quarter of 2008	3 <sup>rd</sup> quarter of 2007
Sales revenues	364.8	345.0
Cost of sales	-236.5	-214.8
<b>Gross profit</b>	<b>128.3</b>	<b>130.2</b>
Selling and distribution expenses	-56.1	-52.9
Administrative expenses	-19.0	-19.5
Research and development expenses	-5.6	-5.8
<b>Operating profit</b>	<b>47.6</b>	<b>52.0</b>
Other operating income	2.0	2.3
Other operating expenses	-4.4	-3.9
Investment income	0.9	0.6
<b>Earnings before interest and tax (EBIT)</b>	<b>46.1</b>	<b>51.0</b>
Financial result	-2.4	-2.2
<b>Earnings before tax (EBT)</b>	<b>43.7</b>	<b>48.8</b>
Income taxes	-14.7	-19.8
<b>Profit after tax</b>	<b>29.0</b>	<b>29.0</b>
Profit attributable to minority interest	0.2	0.2
<b>Profit attributable to equity holders of FUCHS PETROLUB AG</b>	<b>28.8</b>	<b>28.8</b>
<b>Earnings per share in €*</b>		
Ordinary share	1.17	1.12
Preference share	1.19	1.13

\* Basic and diluted in both cases.

## Consolidated balance sheet

[in € million]	30.9.2008	31.12.2007
<b>Assets</b>		
Intangible assets	86.1	85.3
Property, plant and equipment	164.2	149.2
Investments accounted for using the equity method	5.1	4.4
Other financial assets	7.9	8.7
Deferred tax assets	13.2	12.3
Other receivables and other assets	5.7	5.9
<b>Long-term assets</b>	<b>282.2</b>	<b>265.8</b>
Inventories	217.0	164.7
Trade receivables	237.5	201.2
Tax receivables	2.2	3.0
Other receivables and other assets	19.1	16.0
Cash and cash equivalents	30.2	64.2
<b>Short-term assets</b>	<b>506.0</b>	<b>449.1</b>
<b>Total assets</b>	<b>788.2</b>	<b>714.9</b>
<b>Equity and liabilities</b>		
Subscribed capital	77.8	77.8
Group reserves	164.7	137.9
Group profits	93.5	119.6
<b>FUCHS PETROLUB Group capital</b>	<b>336.0</b>	<b>335.3</b>
Minority interest	1.6	1.2
<b>Shareholders' equity</b>	<b>337.6</b>	<b>336.5</b>
Pension provisions	56.6	56.5
Other provisions	8.9	8.9
Deferred tax liabilities	13.2	13.3
Financial liabilities	6.0	3.7
Other liabilities	1.4	1.6
<b>Long-term liabilities</b>	<b>86.1</b>	<b>84.0</b>
Trade payables	124.8	114.6
Provisions	42.5	44.0
Tax liabilities	23.4	34.0
Financial liabilities	138.5	68.2
Other liabilities	35.3	33.6
<b>Short-term liabilities</b>	<b>364.5</b>	<b>294.4</b>
<b>Total equity and liabilities</b>	<b>788.2</b>	<b>714.9</b>

## Statement of changes in shareholders' equity

[in € million]	Outstanding shares (units)*	Subscribed capital AG	Capital reserves AG	Reserve for own shares
As at 31.12.2006	25,938,000	77.8	87.8	0
Share buy-back	-482,193			-32.1
Dividend payments				
<b>Income and expense not recognized in the income statement</b>				
Currency effects				
Financial instruments net of deferred tax				
Other changes				
<b>Total income and expense not recognized in the income statement</b>				
<b>Income and expense recognized in the income statement</b>				
Profit after tax 1.1. – 30.9.2007				
<b>Total income and expense for the period</b>				
<b>As at 30.9.2007</b>	<b>25,455,807</b>	<b>77.8</b>	<b>87.8</b>	<b>-32.1</b>
As at 31.12.2007	25,167,854	77.8	87.8	-50.8
Share buy-back	-952,707			-54.5
Dividend payments				
<b>Income and expense not recognized in the income statement</b>				
Currency effects				
Financial instruments net of deferred tax				
Other changes				
<b>Total income and expense not recognized in the income statement</b>				
<b>Income and expense recognized in the income statement</b>				
Profit after tax 1.1. – 30.9.2007				
<b>Total income and expense for the period</b>				
<b>As at 30.9.2008</b>	<b>24,215,147</b>	<b>77.8</b>	<b>87.8</b>	<b>-105.3</b>

\* The treasury stock has not been redeemed yet.



Equity capital generated in the Group	Effects from currency translations	Market valuation of financial instruments	Group's capital	Minority interest	Shareholders' equity
136.9	-0.4	0	302.1	1.1	303.2
			-32.1		-32.1
-25.2			-25.2	-0.3	-25.5
	-5.7		-5.7		-5.7
			0		0
			0		0
	-5.7		-5.7		-5.7
86.7			86.7	0.5	87.2
-86.7	-5.7		81.0	0.5	81.5
198.4	-6.1	0	325.8	1.3	327.1
231.1	-10.6	0	335.3	1.2	336.5
			-54.5		-54.5
-36.5			-36.5	-0.3	-36.8
	-1.7		-1.7		-1.7
			0		0
			0		0
0.1	-1.7		-1.8	0.1	-1.7
93.5			93.5	0.6	94.1
93.4	-1.7		91.7	0.7	92.4
288.0	-12.3	0	336.0	1.6	337.6

## Statement of cash flows

[in € million]	30.9.2008	30.9.2007
<b>Profit after tax</b>	<b>94.1</b>	<b>87.2</b>
Depreciation and amortization of long-term assets	15.1	14.0
Change in long-term provisions	-0.1	0.8
Change in deferred taxes	-2.2	0.2
Non cash income from release of negative goodwill	-0.8	0.0
Non cash income from investments accounted for using the equity method	-2.3	-1.8
<b>Gross cash flow</b>	<b>103.8</b>	<b>100.4</b>
Change in inventories	-51.5	-7.2
Change in trade receivables	-35.0	-17.2
Change in other assets	-2.1	0.3
Change in trade payables	10.2	-10.3
Change in other liabilities (excluding financial liabilities)	-9.9	22.8
Gain/loss on disposal of long-term assets	-0.3	-0.1
<b>Cash flow from operating activities</b>	<b>15.2</b>	<b>88.7</b>
Investments in long-term assets	-31.6	-15.3
Acquisition of subsidiaries and other business units	-1.7	-3.4
Disposal of subsidiaries and other business units	0.0	0.0
Proceeds from the disposal of long-term assets	2.0	1.5
Dividends received	1.7	0.0
<b>Cash flow from investing activities</b>	<b>-29.6</b>	<b>-17.2</b>
<b>Free cash flow</b>	<b>-14.4</b>	<b>71.5</b>
Dividends paid	-36.8	-25.5
Repayment participatory capital	-51.1	0.0
Purchase of own shares	-54.5	-31.7
Changes in bank and leasing commitments	122.6	-5.3
Effects on cash from changes in scope of consolidation	0.7	0.0
<b>Cash flow from financing activities</b>	<b>-19.1</b>	<b>-62.5</b>
<b>Cash and cash equivalents at the end of the previous period</b>	<b>64.2</b>	<b>40.2</b>
Cash flow from operating activities	15.2	88.7
Cash flow from investing activities	-29.6	-17.2
Cash flow from financing activities	-19.1	-62.5
Effect of currency translations	-0.5	-0.8
<b>Cash and cash equivalents at the end of the period<sup>1</sup></b>	<b>30.2</b>	<b>48.4</b>
<b>Details of the acquisition and disposal of subsidiaries and other business units</b>		
Total of all purchase prices <sup>2</sup>	1.7	3.4
Total of acquired cash and cash equivalents	0.0	0.0
Balance of acquired net assets <sup>3</sup>	2.5	1.2
Total of all sale prices	0.0	0.0
Total of sold cash and cash equivalents	0.0	0.0
Total of sold net assets	0.0	0.0

## Segment report

[in € million]	Europe	North and South America	Asia-Pacific, Africa	Total for operating companies	Holding companies incl. consolidation	FUCHS PETROLUB Group
<b>First nine months of 2008</b>						
Sales revenues by company location	743.7	154.0	212.4	1,110.1	-26.6	1,083.5
Segment earnings (EBIT)	96.4	26.2	26.1	148.7	-4.2	144.5
EBIT in % of sales revenue*	13.0	17.0	11.2	13.4		13.3
<b>First nine months of 2007</b>						
Sales revenues by company location	704.2	160.5	189.3	1,054.0	-22.7	1,031.3
Segment earnings (EBIT)	94.7	28.5	23.5	146.7	-1.6	145.1
EBIT in % of sales revenue*	13.4	17.8	11.5	13.7		14.1

\* Excluding EBIT of investments accounted for using the equity method as their sales figures are also not included.

### Notes to the statement of cash flows

- 1 Cash and cash equivalents comprise total liquid funds of the Group.
- 2 All purchase prices were paid in cash or cash equivalents.
- 3 Acquired net assets of FUCHS JAPAN LTD.

## > FINANCIAL REPORT Notes

The interim consolidated financial statement of FUCHS PETROLUB AG, Mannheim, has been prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), taking into account the standards and interpretations laid down in the guidelines of the International Accounting Standards Board (IASB) – to be applied within the EU – valid on the date of report. The accounting and valuation principles, together with the calculation methods, remained unchanged from the consolidated financial statements for 2007; we therefore refer to the notes to the consolidated financial statements made there.

The interim consolidated financial statements and the interim management report have not been examined by an auditor.

### Changes in the scope of consolidation

In April 2008 FUCHS PETROLUB AG purchased a further 48.8 % of outside shares in MAKOTO-FUCHS KK, Japan and therefore holds 98.8 %. The company, since renamed FUCHS JAPAN LTD., was proportionately consolidated by March 2008 and has been included in the consolidated financial statements in line with IAS 27 as of April 2008 due to its comprehensive consolidation. The acquisition led to a negative difference of €0.8 million, which is included following reversal in the Group's other operating income. At the same time an impairment charge of €1.1 million was necessary. Taking into account deferred taxes this led to expenses of €0.7 million.

The comparability of the Group's balance sheet and income statement to the previous year is not significantly influenced by the changes. Overall, the balance sheet total was increased by €4.5 million, sales revenues rose by €3.1 million and profit after tax is unchanged.

## Share buyback program

On May 6, 2008 the Annual General Meeting of FUCHS PETROLUB AG authorized the company to purchase ordinary and preference shares up to a total of 10 % of the share capital up until November 5, 2009. Through this the company can continue the buyback of shares started in the last year. With the consent of the Supervisory Board, the Executive Board decided to resume the buyback of own shares on May 8, 2008. Up to and including November 5, 2009 and taking into account shares already purchased since May 10, 2007, FUCHS PETROLUB AG intends to acquire up to 10 % of the share capital, i. e. up to 1,296,900 ordinary shares and up to 1,296,900 preference shares via the stock exchange for the purpose of redemption. All transactions in relation to the share buyback program will be published weekly on the FUCHS PETROLUB AG website under "Investor Relations/Share buyback program".

In the period from January 1, 2008 to September 30, 2008, the company bought back a total of 952,707 shares. 473,550 ordinary shares at a total value of €28.1 million (average share price €59.27) and 479,157 preference shares with a total value of €26.4 million (average share price €55.10) were purchased. Together with the shares purchased in 2007, the buybacks as at September 30, 2008 amount to 6.6 % of the company's share capital.

The total amount spent of €105.3 million, including transaction costs, has been deducted from the shareholders' equity. Pursuant to IAS 33.20, the shares bought back are no longer taken into account for calculating the earnings per share. Up to now no treasury shares have been redeemed.

## Events after the balance sheet date

With effect on October 1, 2008, FUCHS PETROLUB AG has acquired via its US subsidiary FUCHS LUBRICANTS CO. the industrial lubricant business of MS Fluid Technologies Inc. in Indianapolis/USA, which currently generates annual revenues of US \$11 million. The acquisition will be incorporated in the consolidated financial statements from October 2008 onward.

## > FINANCIAL CALENDAR

<b>Dates 2009</b>	
February 27	> Provisional figures for the annual financial statements 2008
March 27	> Presentation of consolidated and individual financial statements 2008 as well as publication of the annual report 2008 > Balance Sheet Press Conference, Mannheim > Analysts' Conference, Frankfurt am Main
May 6	> Annual General Meeting, Mannheim > Quarterly Report, First Quarter 2009 > Analyst Conference Call
May 7	> Information Event for Swiss Shareholders, Zurich
August 6	> Interim report for the first 6 months and second quarter 2009 > First-Half Press Conference, Mannheim > Analyst Conference Call
September 22	> Fifth Mannheim Capital Market Forum
In September	> Tenth FUCHS Financial Markets Conference
November 6	> Interim report for the first 9 months and third quarter 2009 > Analyst Conference Call

## > DISCLAIMER

This report on the first nine months of 2008 contains statements about future developments 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 in 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 or match the assumptions and estimates set out in this report on the first nine months of the year and assumes no liability for such.

This half year report is also available in German.  
Both language versions are accessible via the  
internet.

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