Q2 | 2014

INTERIM REPORT AS AT JUNE 30

- Good organic growth of just under 5 % substancially eroded by currency effects; sales revenues rise by 1 % to € 919 million
- EBIT of € 151 million just under 2 % lower than in previous year, currency adjusted an EBIT increase of 2 %
- Earnings per share at previous year's level
- EBIT for 2014 expected to be repeated at previous year's level

LUBRICANTS.
TECHNOLOGY.
PEOPLE.

The first six months of 2014 of the FUCHS PETROLUB Group at a glance

FUCHS PETROLUB GROUP

in € million	First half of 2014	First half of 2013	Δ%
Sales revenues[1]	**919.3**	**910.3**	**1.0**
Europe	561.0	547.2	2.5
Asia-Pacific, Africa	246.1	243.9	0.9
North and South America	153.3	155.0	–1.1
Consolidation	–41.1	–35.8	–
Earnings before interest, tax and income from companies consolidated at equity	**145.0**	**147.0**	**–1.4**
in % of sales revenues	15.8	16.1	–
Earnings before interest and tax (EBIT)	**151.2**	**153.8**	**–1.7**
Earnings after tax	**105.4**	**107.6**	**–2.0**
in % of sales revenues	11.5	11.8	–
Investments in long-term assets	**15.1**	**33.6**	**–55.1**
Gross cash flow	**110.9**	**107.6**	**3.1**
Earnings per share (in €)			
Ordinary share[2]	0.75	0.75	–
Preference share[2]	0.76	0.76	–
Employees as at June 30	**3.992**	**3.826**	**4.3**

[1] By company location.

[2] Previous year's figures have been adjusted for reasons of comparability.

GROUP STRUCTURE

The Group is headed by the central-management controlling company, FUCHS PETROLUB SE, which predominantly owns subsidiaries directly at 100%.

On June 30, 2014, the Group comprised 50 operating companies. A total of 55 fully consolidated companies and five companies consolidated at equity were included in the financial statements of the Group.

The organizational and reporting structure is grouped according to the geographic regions Europe, Asia-Pacific, Africa as well as North and South America.

Content

Stefan Fuchs, Chairman of the Executive Board

Letter to our shareholders

Dear shareholders,

FUCHS PETROLUB actively pursued its growth strategy in the first six months of 2014 and achieved organic growth of almost 5%, thus growing faster than the market. However, this growth was diminished by currency fluctuation in important markets. Sales revenues rose by 1.0% to €919 million (910). Earnings before interest and tax (EBIT) declined by just under 2% to €151 million (154), adjusted by currency effects an increase of 2% was achieved.

All regions were able to continue their growth in the first six months of 2014. Currency effects led to reductions of both sales revenues and earnings. Only Europe was able to further improve on its good figures from the previous year.

In the second quarter we pursued our specialization strategy with two targeted acquisitions in England, South Africa and Australia and expanded our customer and technology base in the mining industry and the glass business. We continued to press on with our investment projects in existing
and new facilities.

We remain committed to our forecast of organic growth in sales revenues for the financial year. As regards the EBIT, we have become more cautions, due to the severe loss in value of a number of currencies important to FUCHS. We expect last year's very good result to be repeated in 2014 supposing the political and thereby partially influenced economic framework conditions do not considerably detoriate.

Yours

Stefan Fuchs
Chairman of the Executive Board

FUCHS shares

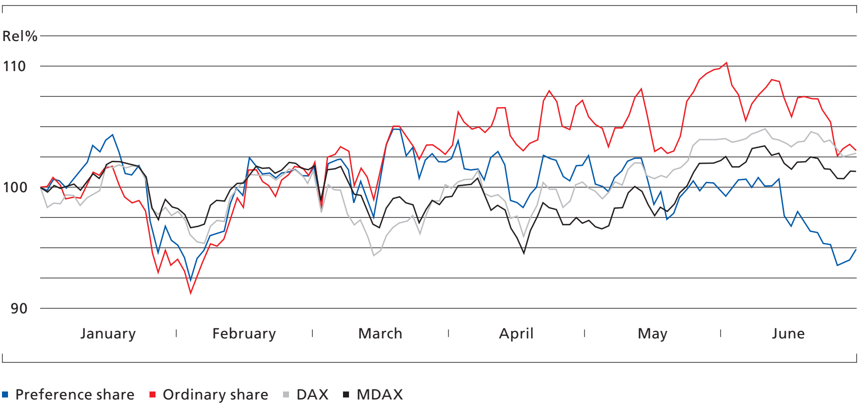
Pursuant to the resolution passed by the Annual General Meeting on May 7, 2014, FUCHS PETROLUB SE increased its share capital by €70,980,000 to €141,960,000 by converting retained earnings. In this context, new ordinary and preference shares (35,490,000 of each) representing a pro rata value of €1.00 were issued to the company's shareholders on June 4, 2014 (so-called bonus shares). The number of ordinary and preference shares has therefore increased to 70,980,000 units in each case, while the share prices have been cut in half accordingly.

Within the scope of the share buyback program, 740,000 ordinary shares and 740,000 preference shares were acquired between November 27, 2013, and April 28, 2014, for a total purchase price of €98.4 million (2.1 % of the share capital). By issuing bonus shares in the course of the capital increase, the number of own shares was doubled to 1,480,000 ordinary shares and 1,480,000 preference shares. The average purchase price was €30,89 for ordinary shares and €35,47 for preference shares. The issue of bonus shares has been taken into account in this share prices. On June 27, 2014, own shares were redeemed and the share capital reduced by €2,960,000 to €139,000,000.

Composition of the share capital (€139,000,000):

- 69,500,000 ordinary shares and
- 69,500,000 preference shares.

PERFORMANCE TREND OF ORDINARY AND PREFERENCE SHARES IN COMPARISON WITH DAX AND MDAX (PERFORMANCE INCLUDING DIVIDENDS) JANUARY 1, 2014 TO JUNE 30, 2014



Each ordinary share carries one vote at the Annual General Meeting. Following the capital reduction, 53% of the ordinary shares are attributable to the Fuchs family at the end of the first half of the year, while 47% are in free float as per the definition of the German Stock Exchange. The free float of non-voting preference shares was 100% on June 30, 2014.

OVERVIEW OF FUCHS SHARES [1]

	Second quarter of 2014		First half of 2014	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Shares outstanding (units) as at end of period	69,500,000	69,500,000	69,500,000	69,500,000
Closing price (XETRA, €) as at end of period	31.18	33.02	31.18	33.02
Highest price (XETRA, €)	33.41	36.95	33.41	37.29
Lowest price (XETRA, €)	31.03	32.54	28.18	32.54
Average daily turnover (XETRA and Frankfurt, € thousand)	1,112	5,145	1,484	6,280
Performance (%)	−0.4	−7.5	3.1	−5.2
Market capitalization (€ million) as at end of period	4,462		4,462	

[1] Figures have been adjusted for changes in the equity structure to provide better comparability.

The DAX and MDAX share indices recorded a slight increase in the second quarter of 2014. The DAX increased by 2.9% in this time period, while the MDAX increased by 2.1%. The FUCHS ordinary shares closed at €31.18 in XETRA trading at the end of June, while the preference shares closed at €33.02. Relative to the end of the first quarter, this was a decline of 2.5% and 9.3% respectively. Taking into account the dividends of €1.38 per ordinary share and €1.40 per preference share, which were paid on May 8, 2014, the share performance in the second quarter was −0.4% (ordinary shares) and −7.5% (preference shares).

The price of the ordinary shares increased by 0.9% in the first half of the year, while the preference shares lost 7%. In the first six months of the year, the performance (return from price changes and dividends) of the ordinary shares was 3.1% and the performance of the preference shares was −5.2%. The DAX and MDAX improved by 2.9% and 1.5% respectively in the same time period.

Interim management report[1]

CORPORATE PROFILE

BUSINESS MODEL

The business model described in detail on pages 63 and 64 of our 2013 annual report, including the Group structure of FUCHS, remains valid. There were no changes in the period under review.

RESEARCH AND DEVELOPMENT

FUCHS is a recognized partner to the automotive industry. This is underlined by its receipt of the “Volkswagen Group Award 2014” which honors exceptional services in the field of research and development.

Development efforts in the automotive industry are currently geared towards reducing the fuel consumption and emissions. A significant percentage of all projects in the field of automotive research and development at FUCHS therefore focuses on the development of low-friction oils for use in the most diverse transmission applications. For example, at the start of the year FUCHS was able to successfully launch an efficiency-optimized differential oil to market in cooperation with a leading premium vehicle manufacturer. Besides increased efficiency, the focus was on achieving the best possible performance and service life of this low-friction oil.

In the field of metalworking, FUCHS has developed a new technology platform for cooling lubricants under the name “GLOBAL”. This patent-pending development shows great potential for the future. ECOCOOL GLOBAL 10, the first product from this new range, was specifically developed for the aviation industry and impresses with its excellent properties. This product meets the increasingly complex demands that the major aircraft manufacturers are placing on their supply chains and can be used for production operations in all relevant aviation markets.

EMPLOYEES

The Group employed 3,992 (3,826) employees worldwide as at June 30, 2014. Compared with the 3,888 employees recorded at the end of the previous year, this represents an increase of 104 people. The new staff were recruited primarily at companies in Germany, England and France, as well as in South Africa, Australia and China across all divisions.

[1] The figures in parentheses refer to the same period of the previous year.

The workforce at a glance::

	June 30, 2014	December 31, 2013	June 30, 2013
Europe	2,520	2,466	2,437
Asia-Pacific, Africa	920	870	858
North and South America	552	552	531
Total	**3,992**	**3,888**	**3,826**

ECONOMIC FRAMEWORK

Global economic growth only increased slightly in the first few months of 2014. However, various early indicators suggest that slightly stronger expansion should be expected in the next few months. The key impulses are still likely to come from the industrialized countries, most notably the US, while dynamics in the emerging markets are to remain restrained. The International Monetary Fund (IMF) continues to predict growth in the global economy of 3.6% for the current year. For Germany, the IMF has raised its prediction for the increase in economic output to 2.0% for 2014.

Important end-user industries are developing as follows:

- According to data published by the World Steel Association, global steel production increased by around 2.4% up to May 2014 over the same period of the previous year. A global increase in production of 3% is anticipated for 2014. Up to June 2014 crude steel production in Germany was 4.2% above the comparative value from 2013. Yet despite this, the forecast for the year is for an increase in production of just 1%.

- The consultancy IHS is still predicting an increase in global machinery production of 6% for 2014. In Germany, the current domestic growth forecast of +3% for 2014 was officially reaffirmed by the German Engineering Federation (VDMA) in July. In the light of an increase in production of just 0.2% up to May 2014, however, the VDMA believes that this annual target is becoming increasingly difficult to achieve.

- According to the German Association of the Automotive Industry (VDA), the global passenger vehicle market is likely to grow by around 4% in 2014. Up to June, new vehicle registrations in Germany were a solid 2% above the figure of the same period in the previous year, while production and exports increased by 6% and 7% respectively in this period. In light of the strong exports, the VDA has increased its production forecast for Germany to 4% for 2014.

- According to data published by the Association of the German Chemical Industry (VCI), global chemical production increased by 5.5% up to March 2014. The Association is still forecasting a global increase in production of just under 5% for 2014. German chemicals production was up 3% by June 2014. The VCI is still expecting chemicals production in Germany to increase by 2% in 2014.

- Up to April 2014, lubricant demand in the mature markets of Japan, Germany, Korea, France, Italy and Spain increased by approximately 1% over the same period of the previous year. In the US, on the other hand, lubricant consumption in the early months of 2014 is likely to have declined due to weather conditions. The increase in the demand for lubricants in the emerging markets is also likely to be slightly lower than anticipated. From today's perspective, we expect the global lubricant market to grow by around 1% in 2014.

PERFORMANCE IN THE SECOND QUARTER

The FUCHS PETROLUB Group continued its organic growth in sales revenues in the second quarter of 2014. Due to currency effects, however, sales revenues and EBIT were below the level recorded in the same quarter of the previous year. The organically generated growth in sales revenues of 2.4% was in line with our expectations and forecasts. The weakness displayed by various currencies, the causes of which are partly political and partly macroeconomic, had a greater than anticipated impact on the gross margin. This had a knock-on effect on the earnings position of the companies in the respective countries, as well as on the translation of income into the Group currency.

SALES REVENUES

Following a strong start to the year, the Group once again organically increased its sales revenues in the second quarter of 2014. However, after translation into the Group currency sales revenues were €462.5 million (468.3) and remained below the high figure from the same period of the previous year.

Development of sales revenues at a glance:

	in € million	in %
Organic growth	10.7	2.4
External growth	0.6	0.1
Currency translation effects	–17.1	–3.7
Growth in sales revenues	**–5.8**	**–1.2**

DEVELOPMENT OF SALES REVENUES BY REGION

in € million	**Second quarter of 2014**	Second quarter of 2013	Total change absolute	**Total change in %**	Organic growth	External growth	Exchange rate effects
Europe	276.5	281.9	–5.4	–1.9	–4.7	0.6	–1.3
Asia-Pacific, Africa	126.7	126.2	0.5	0.4	10.5	–	–10.0
North and South America	77.9	79.4	–1.5	–1.9	4.4	–	–5.9
Consolidation	–18.6	–19.2	0.6	–	0.5	–	0.1
Total	**462.5**	**468.3**	**–5.8**	**–1.2**	**10.7**	**0.6**	**–17.1**

In line with our expectations, but in contrast to the previous quarter, Europe did not contribute to the growth achieved in the second quarter of 2014, as organic increases in sales revenue in Central and Eastern Europe were not quite able to compensate for lower sales revenues in Germany. Sales revenues in the region fell organically by €4.7 million or 1.6% over the same period of the previous year. Additional currency effects of –€1.3 million or –0.5% are primarily a result of the pronounced weakness of the Russian ruble (–14%). The region generated total sales revenues of €276.5 million (281.9), which is €5.4 million or 1.9% less than in the second quarter of 2013.

The Asia-Pacific, Africa region performed well and recorded organic growth in sales revenues of €10.5 million or 8.3%. The companies in China and Singapore in particular achieved high increases in absolute and relative terms. However, currency effects almost completely eroded this growth. All currencies in the region were weaker relative to the euro than in the same period of the previous year. The effect was particularly pronounced with the Australian dollar (–11%) and the South African rand (–15%). After taking into account the currency effects of –€10.0 million or –7.9%, the region's sales revenues were €0.5 million or 0.4% higher than the figure recorded in the previous year.

The North and South America region also displayed solid development. The growth achieved was mainly generated in North America. Sales revenues increased by 5.5% or €4.4 million organically in the second quarter. Through currency translation effects, however, the region lost €5.9 million or 7.4% of its sales revenues. The quarterly sales revenues of €77.9 million (79.4) were therefore €1.5 million or 1.9% below those of the same quarter in the previous year. As was already the case in the previous quarter, both the Argentinian peso (–40%) and the Brazilian real (–11%) displayed a pronounced weakness relative to the euro.

EARNINGS

With sales revenues of €462.5 million (468.3), the Group generated gross profit of €172.1 million (177.5) in the second quarter. The decline in gross profit of €5.4 million or 3.0% is a result of the downward sales revenue trend caused by currency translation effects, as well as a lower gross margin (37.2% following 37.9% in the previous year). The gross margin particularly suffered in countries with steep currency devaluations, as it was not always possible to directly pass on increases in raw material prices associated with currency effects.

The balance of expenses for selling and distribution, administration, research and development, as well as other net operating expenses also declined in the same time period. Currency developments had a positive effect here when translated into the Group currency. At €99.7 million, it was therefore possible to undercut the previous year's figure (100.7) by €1.0 million or 1.0%.At just under 21.6% (21.5), the expense ratio remained at the same level as the first quarter.

EBIT before income from companies consolidated at equity declined by €4.4 million or 5.7% to €72.4 million (76.8). The ratio of EBIT before income from companies consolidated at equity relative to sales revenues was 15.7% (16.4).

Incorporating the profit contributions from our associated companies and joint ventures of €3.2 million (3.6), the Group generated an EBIT of €75.6 million. This is comparable with the figure from the first quarter of 2014, but is €4.8 million or 6.0% below the value of the second quarter of 2013 (80.4).

Earnings after interest and tax was €52.6 million (56.0). The earnings per ordinary and preference share were €0.38 (0.39).

DEVELOPMENT OF EARNINGS BY REGION

At €38.9 million (40.0), Europe was not quite able to equal the EBIT recorded in the same period of the previous year. The decline of €1.1 million or 2.8% is mainly attributable to unfavorable economic and currency developments in Russia. The other companies in the Europe region were generally able to repeat their good figures from the previous year. At 14.0% (14.1), the region's ratio of EBIT before income from companies consolidated at equity relative to sales revenues remained at the previous year's level .

Asia-Pacific, Africa generated segment earnings of €23.9 million (27.1), which corresponds to a decline of €3.2 million or 11.8%. Since their currencies suffered such marked devaluation, it was mainly the companies in Australia and South Africa that were confronted with significantly higher raw material costs, which could only be passed on partially or with a delay. Just as with the translation of sales revenues into the Group currency, the devaluation of the regional currencies relative to the euro also had an unfavorable effect on earnings. The ratio of EBIT before income from companies consolidated at equity relative to sales revenues in the region was 16.6% (18.9).

At €14.1 million (15.7), segment earnings in North and South America are €1.6 million or 10.2% below the same quarter of the previous year. The pronounced weakness of individual currencies in this region also impacted the gross margin and had a negative effect when translated into the Group currency. In addition, shifts in the product mix also had an impact. The ratio of EBIT before income from companies consolidated at equity relative to sales revenues was 18.1% (19.8).

PERFORMANCE IN THE FIRST SIX MONTHS

SALES REVENUES

The FUCHS PETROLUB Group recorded organic growth in sales revenues of 4.7% in the first six months of 2014. However, a large proportion of the growth in sales achieved was eroded by currency translation effects. Group sales revenues increased by €9.0 million or 1.0% to €919.3 million (910.3).

Summary of the factors affecting sales revenues:

	€ million	in %
Organic growth	42.9	4.7
External growth	1.4	0.2
Currency translation effects	–35.3	–3.9
Growth in sales revenues	**9.0**	**1.0**

DEVELOPMENT OF SALES REVENUES BY REGION

in € million	First half of 2014	First half of 2013	Total change absolute	Total change in %	Organic growth	External growth	Exchange rate effects
Europe	561.0	547.2	13.8	2.5	14.8	1.4	–2.4
Asia-Pacific, Africa	246.1	243.9	2.2	0.9	23.5	–	–21.3
North and South America	153.3	155.0	–1.7	–1.1	10.0	–	–11.7
Consolidation	–41.1	–35.8	–5.3	–	–5.4	–	0.1
Total	**919.3**	**910.3**	**9.0**	**–1.0**	**42.9**	**1.4**	**–35.3**

Europe displayed the strongest growth in the Group. The region recorded organic growth of €14.8 million or 2.7% in the first half of 2014. Currency effects, primarily due to the Russian ruble, were limited to –€2.4 million or –0.5%. Including external growth of €1.4 million or 0.2%, the sales revenues generated by the companies in the region increased by €13.8 million or 2.5% to €561.0 million. The companies in Germany, Poland, Italy and France recorded the greatest gains.

Asia-Pacific, Africa remained the most dynamic growth region. The region recorded an organic growth in sales revenues of 9.6% or €23.5 million. Almost all companies contributed to this. The increase in sales revenues was also accompanied by encouraging increases in sales volumes, particularly in China and other Asian countries. However, these were offset by the devaluation of currencies in the region. The effect was particularly pronounced in Australia and South Africa, although it was also felt in India and Indonesia. Taking into account the currency effects of –€21.3 million or –8.7%, the region only contributed €2.2 million or 0.9% to the growth in Group sales revenues.

At –7.5% or –€11.7 million, the negative currency effects even exceeded the good organic growth of 6.4% or €10.0 million in North and South America. At €153.3 million (155.0), the region therefore contributed €1.7 million or 1.1% less to Group sales revenues than in the same period of the previous year, despite the fact that all companies generated organic growth.

EARNINGS

At €343.0 million (343.1), the gross profit recorded by the FUCHS PETROLUB Group in the first six months of 2014 remained at the previous year's level. In light of an increase in sales revenues of 1%, this corresponds to a reduction in the gross margin to 37.3% (37.7).

In the same time period, the net amount of expenses for selling and distribution, administration, research and development, as well as other net operating expenses increased in proportion to sales revenues by 1.0% or €1.9 million to €198.0 million (196.1). At +€1.6 million or +10.8%, we have significantly increased our research and development expenses with the objective of making our technology platform more sustainable. The total expense ratio in relation to sales revenues remains unchanged at 21.5%.

Set against this background, EBIT before income from companies consolidated at equity declined by €2.0 million or 1.4% to €145.0 million (147.0). This represents 15.8% (16.1) relative to sales revenues.

At €151.2 million (153.8), the EBIT i.e. earnings including the income from companies consolidated at equity of €6.2 million (6.8) fell €2.6 million or 1.7% short of the previous year's level. Adjusted by translation effects an increase of 2.0% was achieved.

Due to rate-hedged financing in several high-interest countries, financing expenses increased slightly to €1.6 million (1.1). After income tax of €44.2 million (45.1), earnings after tax declined by €2.2 million or 2.0% to €105.4 million (107.6).

Due to the share buyback program, earnings per share remain at the previous year's level of €0.75 (0.75) per ordinary share and €0.76 (0.76) per preference share.

DEVELOPMENT OF EARNINGS BY REGION

Europe displayed good development in the first six months of 2014, characterized by an excellent first quarter and a somewhat weaker second quarter. Unfavorable currency developments were essentially restricted to Russia and the Ukraine, so they had only limited effects in the region. The other two regions, on the other hand, were affected by the pronounced weakness of a whole range of currencies. The positive contribution of the European companies was not able to fully compensate for the declines in the other two regions.

Europe contributed €80.2 million (74.1) to Group EBIT. The increase of €6.1 million or 8.2 % was primarily recorded by our German, British, Polish and Italian companies, while the company in Russia suffered from the effects of the Ukraine crisis. The ratio of EBIT before income from companies consolidated at equity relative to sales revenues increased to 14.2 % (13.4).

At €46.0 million (51.3), the segment earnings (EBIT) recorded by the companies in Asia-Pacific, Africa in the first six months of the year were €5.3 million or 10.3 % lower than in the same period in the previous year. While the companies in China and Singapore in particular recorded income gains, the companies in Australia and South Africa were unable to repeat their high profit contributions of the previous year. This was largely due to currency developments. The ratio of EBIT before income from companies consolidated at equity relative to sales revenues was 16.5 % (18.5).

Although profits remained high in the North and South America region, the region was not able to repeat its previous year's profits with an EBIT of €27.8 million (31.0). However, the fact that in the second quarter North America was to partially make up for the weather-related loss in sales revenues and earnings suffered in the first quarter was encouraging. In South America, the devaluation of local currencies had a negative impact on segment earnings. The ratio of EBIT before income from companies consolidated at equity relative to sales revenues was 18.1 % (20.0).

NET ASSETS AND FINANCIAL POSITION

BALANCE SHEET STRUCTURE

The Group's total assets decreased by €60.8 million to €1,101.2 million since the start of the year (1,162.0 as at December 31, 2013). This is due to a €123.1 million decline in cash and cash equivalents, which itself is primarily a result of the €76.4 million buyback of own shares in the period from January to April, as well as the dividend payments of €97.1 million in May. At the same time, higher inventories and trade receivables (+€49.4 million), as well as the greater acquisition-based increase in intangible assets (+€11.5 million) both extended the balance sheet.

Long-term assets represent 43.8% of total assets (40.2 as at December 31, 2013). Short-term assets traditionally carry more weight than than property, plant and equipment, and intangible assets. Inventories and trade receivables made up 49.2% of total assets (42.4 as at December 31, 2013). In addition to this, the Group held cash and cash equivalents of €52.1 million on the balance sheet date (175.2 as at December 31, 2013).

Irrespective of the high return flow of funds to the shareholders, the Group continued to finance itself primarily with shareholders' equity. As at 30 June, 2014, shareholders' equity was €787.4 million (853.5 as at December 31, 2013) and the equity ratio was 71.5% (73.5 as at December 31, 2013).

At €133.7 million (132.3 as at December 31, 2013), trade payables represent the second largest item under total equities and liabilities. They represent 12.2% of total assets (11.3 as at December 31, 2013).

The entire net operating working capital (NOWC = inventories plus trade receivables minus trade payables) has increased by €48.0 million since the start of the year and is currently 22.1% (20.6) relative to annualized quarterly sales revenues.

Financial liabilities of €13.6 million were utilized (7.8 as at December 31, 2013). For country-specific reasons, the Group elected not to make use of Group-internal financing at several companies.

CAPITAL EXPENDITURE AND ACQUISITIONS

In the period under review, €15.1 million (33.6) was invested in intangible assets and in property, plant and equipment. These investments were largely made in Germany, China, and the US. Further substantial investments are to be expected in subsequent quarters for the projects in Germany and the US.

Depreciation and amortization of long-term assets was €14.2 million (13.6).

In June, the lubricant business of the BATOYLE FREEDOM Group was acquired in England. This business generated annual sales revenues of around €15 million last year. The companies LUBRITENE and LUBRASA, which were acquired in South Africa and Australia respectively in May, also recorded annual sales revenues of around €15 million in their past financial year. Approval by the national cartel authorities is still pending.

STATEMENT OF CASH FLOWS

The Group generated gross cash flow of €110.9 million in the first half of 2014 (107.6). This includes depreciation and amortization of long-term assets of €14.2 million (13.6).

Funds of €47.1 million (33.3) were utilized to finance operating activities. €45.0 million (23.0) of these funds were required to finance net operating working capital (inventories plus trade receivables less trade payables). The increase to this operational KPI can largely be attributed to a rise in the average capital tied up. However, the increase from 73 days in the fourth quarter of 2013 to 81 days (75) in the second quarter of 2014 is greater than anticipated.

Cash flow from operating activities was €63.8 million (74.3). At €18.9 million (29.5), fewer financial resources were utilized within the scope of investment and acquisition activities than in the previous year. At €44.9 million (44.8), free cash flow was therefore able to reach the previous year's level again.

Together with the €175.2 million in cash and cash equivalents at the start of the year, sufficient financial resources were therefore available to finance both the share buyback (€76.4 million) and the dividend payments (€97.1 million). As at June 30, cash and cash equivalents were €52.1 million (93.4).

LIQUIDITY SITUATION AND FINANCING STRUCTURE

Besides its cash and cash equivalents, the Group has access to free lines of credit greater than one hundred million euros. These lines of credit secure external financing options at all times. Having completed the share buyback program, no major liquidity outflows that would require borrowing are anticipated for the coming months.

The FUCHS PETROLUB Group does not use any off-balance-sheet financial instruments such as factoring or ABS transactions. See pages 180/181 of the 2013 annual report.

SUPPLEMENTARY REPORT

No transactions of particular importance with an appreciable bearing on the results of operations, net assets and financial position of the FUCHS PETROLUB Group occurred after June 30, 2014.

OPPORTUNITY, RISK AND FORECAST REPORT

OPPORTUNITY AND RISK MANAGEMENT

On the basis of the information currently available, we are of the opinion that no significant individual risks exist for the FUCHS PETROLUB Group, neither now nor in the foreseeable future. Nor do the overall risks or combinations of risks threaten the continued existence of the Group. There were therefore no significant changes to the statements made on pages 99 to 108 of the 2013 annual report, in which FUCHS provided a detailed report on the opportunities and risks resulting from its international business operations.

FORECAST REPORT

Group alignment and economic framework

FUCHS remains committed to its technological and customer-fokused approach with the objective of achieving organic growth. No changes to the business model presented on pages 63 to 64 of our 2013 annual report are planned. The statements made on page 109 of the annual report regarding sales markets and economic framework conditions continue to apply.

General economic development forecasts

No appreciable changes were made to the forecasts of the International Monetary Fund (IMF) for general economic developments in 2014 in the second quarter. An increase in global production of 3.6% is anticipated.

Effects on our business model

Our planning with regard to the Group's organic growth remains unchanged. We expect to generate growth in all global regions. This confidence is based on the aforementioned general economic framework and the expectation of a moderate increase in lubricant demand associated with this. However, the organic growth rates will still be negatively impacted by exchange rate changes and be subject to geopolitical risks. In addition to this, it remains to be seen how raw material costs will develop.

Anticipated earnings, net assets and financial position

The growth initiative is set to continue. The Executive Board stands by its prediction of organic growth in the low single-figure percentage range for the whole year and also the second half of the year.

The gross margin is likely to remain at its current level and thereby fall slightly short of the previous year's figure. Personnel and operating costs increase in line with the budget and secure our organic growth. Our current forecast of an increase in the low single-figure percentage range continues to apply.

In terms of our EBIT, we expect to repeat the very good earnings achieved in the previous year. From today's perspective, however, we anticipate that it will not be possible to achieve the previously predicted increase in the low single-figure percentage range. This is due to the severe devaluation of a range of important currencies for FUCHS, which is having a more pronounced effect than previously anticipated when translating locally generated earnings into the Group currency. In addition, weak local currencies result in significant increases in local raw material prices, which can only be passed on with a delay.

However, this is based on the assumption that current exchange rates do not change significantly until the end of the year, the effects of geopolitical risks remain within limits, and raw material prices maintain their current global market level.

The financing costs and the rate of taxation should remain at around the same level as the first half of the year. We expect to repeat the good earnings after tax achieved in the previous year. The figure for earnings per share benefits from the share buyback.

The budget in place provides for an increase in capital expenditure for the second half of the year in comparison with the first half, while we anticipate a reduction in net operating working capital (NOWC) in the second half of the year. Regarding our free cash flow, we therefore expect for 2014 the predicted value in the three-digit million range. Acquisitions are taken into account only in the scope with which they have been made.

We do not expect any appreciable structural changes to the balance sheet or financing structure in the coming quarters. The liquidity situation should continuously improve.

LEGAL DISCLOSURES

DEPENDENT COMPANY REPORT

Please refer to page 112 of the 2013 annual report for details on the dependent company report. As at June 30, 2014, there were no indications that would lead us to revise our statement.

Interim financial statements

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

in € million	First half of 2014	First half of 2013
Sales revenues	919.3	910.3
Cost of sales	–576.3	–567.2
Gross profit	**343.0**	**343.1**
Selling and distribution expenses	–133.6	–131.9
Administrative expenses	–46.3	–45.6
Research and development expenses	–16.4	–14.8
Other operating income and expenses	–1.7	–3.8
EBIT before income from companies consolidated at equity	**145.0**	**147.0**
Income from companies consolidated at equity	6.2	6.8
Earnings before interest and tax (EBIT)	**151.2**	**153.8**
Financial result	–1.6	–1.1
Earnings before tax (EBT)	**149.6**	**152.7**
Income taxes	–44.2	–45.1
Earnings after tax	**105.4**	**107.6**
Thereof		
Non-controlling interests	0.2	0.3
Profit attributable to shareholders of FUCHS PETROLUB SE	105.2	107.3
Earnings per share in €[1]		
Ordinary share	0.75	0.75
Preference share	0.76	0.76

[1] Basic and diluted in both cases. Previous year's figures have been adjusted.

INCOME STATEMENT

in € million	Second quarter of 2014	Second quarter of 2013
Sales revenues	462.5	468.3
Cost of sales	–290.4	–290.8
Gross profit	**172.1**	**177.5**
Selling and distribution expenses	–67.9	–67.4
Administrative expenses	–23.2	–23.1
Research and development expenses	–8.2	–7.6
Other operating income and expenses	–0.4	–2.6
EBIT before income from companies consolidated at equity	**72.4**	**76.8**
Income from companies consolidated at equity	3.2	3.6
Earnings before interest and tax (EBIT)	**75.6**	**80.4**
Financial result	–1.0	–0.5
Earnings before tax (EBT)	**74.6**	**79.9**
Income taxes	–22.0	–23.9
Earnings after tax	**52.6**	**56.0**
Thereof		
Non-controlling interests	0.1	0.2
Profit attributable to shareholders of FUCHS PETROLUB SE	52.5	55.8
Earnings per share in € [1]		
Ordinary share	0.38	0.39
Preference share	0.38	0.39

[1] Basic and diluted in both cases. Previous year's figures have been adjusted.

STATEMENT OF COMPREHENSIVE INCOME

in € million	First half of 2014	First half of 2013
Earnings after tax	**105.4**	**107.6**
Income and expenses recognized in equity		
Amounts of other comprehensive income that may be reclassified to profit or loss in future periods		
Change in foreign currency translation adjustments		
Foreign subsidiaries	1.3	−6.5
Shares in companies consolidated at equity	0.0	−0.1
Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods		
Remeasurements of defined benefit pension commitments	0.0	2.1
Deferred taxes on these amounts	0.0	−0.5
Total income and expenses recognized directly in equity	**1.3**	**−5.0**
Total income and expenses for the period	**106.7**	**102.6**
Thereof		
Non-controlling interests	0.2	0.3
Shareholders of FUCHS PETROLUB SE	106.5	102.3

STATEMENT OF COMPREHENSIVE INCOME

in € million	Second quarter of 2014	Second quarter of 2013
Earnings after tax	**52.6**	**56.0**
Income and expenses recognized in equity		
Amounts of other comprehensive income that may be reclassified to profit or loss in future periods		
Change in foreign currency translation adjustments		
Foreign subsidiaries	4.5	–11.8
Shares in companies consolidated at equity	0.0	0.0
Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods		
Remeasurements of defined benefit pension commitments	0.0	2.1
Deferred taxes on these amounts	0.0	–0.5
Total income and expenses recognized directly in equity	**4.5**	**–10.2**
Total income and expenses for the period	**57.1**	**45.8**
Thereof		
Non-controlling interests	0.1	0.2
Shareholders of FUCHS PETROLUB SE	57.0	45.6

BALANCE SHEET

in € million	June 30, 2014	Dec. 31, 2013
Assets		
Intangible assets	119.7	108.2
Property, plant and equipment	287.1	284.5
Shares in companies consolidated at equity	43.8	43.3
Other financial assets	4.8	6.2
Deferred tax assets	25.6	25.5
Other receivables and other assets	0.6	0.5
Long-term assets	**481.6**	**468.2**
Inventories	252.3	232.4
Trade receivables	289.9	260.4
Tax receivables	4.7	5.3
Other receivables and other assets	20.6	20.5
Cash and cash equivalents	52.1	175.2
Short-term assets	**619.6**	**693.8**
Total assets	**1,101.2**	**1,162.0**
Equity and liabilities		
Subscribed capital	139.0	71.0
Group reserves	542.5	563.4
Group profits	105.2	218.1
Equity of shareholders of FUCHS PETROLUB SE	**786.7**	**852.5**
Non-controlling interests	0.7	1.0
Total equity	**787.4**	**853.5**
Pension provisions	15.2	15.8
Other provisions	2.7	3.1
Deferred tax liabilities	18.1	18.7
Financial liabilities	0.0	0.0
Other liabilities	4.3	3.4
Long-term liabilities	**40.3**	**41.0**
Trade payables	133.7	132.3
Provisions	27.7	27.4
Tax liabilities	27.6	23.4
Financial liabilities	13.6	7.8
Other liabilities	70.9	76.6
Short-term liabilities	**273.5**	**267.5**
Total equity and liabilities	**1,101.2**	**1,162.0**

STATEMENT OF CASH FLOWS

in € million	First half of 2014	First half of 2013
Earnings after tax	**105.4**	**107.6**
Depreciation and amortization of long-term assets	14.2	13.6
Change in long-term provisions and in other non-current assets (covering funds)	–2.4	–7.9
Change in deferred taxes	–0.1	1.1
Non-cash income from shares in companies consolidated at equity	–6.2	–6.8
Gross cash flow	**110.9**	**107.6**
Gross cash flow	110.9	107.6
Change in inventories	–18.4	1.4
Change in trade receivables	–27.6	–43.7
Change in other assets	1.4	11.7
Change in trade payables	1.0	19.3
Change in other liabilities (excluding financial liabilities)	–3.4	–21.4
Net gain/loss on disposal of long-term assets	–0.1	–0.6
Cash flow from operating activities	**63.8**	**74.3**
Investments in long-term assets	–15.1	–33.6
Acquisition of subsidiaries and other business units [1]	–10.0	0.0
Proceeds from the disposal of long-term assets	0.4	1.8
Changes in cash and cash equivalents due to changes in scope of consolidation	0.2	0.0
Dividends received	5.6	2.3
Cash flow from investing activities	**–18.9**	**–29.5**
Free cash flow [2]	**44.9**	**44.8**
Dividends paid for previous year	–97.1	–92.0
Purchase of own shares	–76.4	0.0
Changes in bank and leasing commitments	5.4	–0.9
Purchase of non-controlling interests	–1.1	–0.7
Cash flow from financing activities	**–169.2**	**–93.6**
Cash and cash equivalents at the end of the previous period	**175.2**	**143.7**
Cash flow from operating activities	63.8	74.3
Cash flow from investing activities	–18.9	–29.5
Cash flow from financing activities	–169.2	–93.6
Effect of currency translations	1.2	–1.5
Cash and cash equivalents at the end of the period [3]	**52.1**	**93.4**

[1] The total purchase price of €11.2 million includes purchase price liabilities in an amount of €1,2 million. The acquired net assets concerns the acquisition of the lubricant business of the BATOYLE FREEDOM Group in Great Britain.
[2] Total of cash flow from operating activities and cash flow from investing activities.
[3] Cash and cash equivalents comprise total liquid funds of the Group.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in € million	Outstanding shares (units) [1]	Subscribed capital SE	Capital reserves SE
As at December 31, 2012	70,980,000	71.0	94.6
Purchase of non-controlling interests			
Dividend payments			
Earnings after tax first half of 2013			
Change in income and expenses recognized directly in equity			
As at June 30, 2013	70,980,000	71.0	94.6
As at December 31, 2013	70,641,530	71.0	94.6
Share buyback	– 1,141,530		
Capital increase from company funds	70,980,000	71.0	
Capital increase from company funds – thereof attributable to own shares	– 1,480,000		
Redemption of own shares / Reduction of share capital		-3.0	3.0
Dividend payments			
Earnings after tax first half of 2014			
Change in income and expenses recognized directly in equity			
Other changes			
As at June 30, 2014	139,000,000	139.0	97.6

[1] The capital increase from company funds was entered in the commercial register on May 16, 2014.
The reduction of share capital due to redemption of own shares was entered in the commercial register on June 27, 2014.

[2] Income and expenses recognized in equity of shareholders of FUCHS PETROLUB SE.

Reserves for own shares	Equity capital generated in the Group	Differences arising from currency translation [2]	**Equity of shareholders of FUCHS PETROLUB SE**	Non-controlling interests	**Total equity**
0.0	605.4	9.1	**780.1**	1.6	**781.7**
	−1.1		**−1.1**	−0.7	**−1.8**
	−91.6		**−91.6**	−0.4	**−92.0**
	107.3		**107.3**	0.3	**107.6**
	1.6	−6.6	**−5.0**		**−5.0**
0.0	621.6	2.5	**789.7**	0.8	**790.5**
−22.0	729.8	−20.9	**852.5**	1.0	**853.5**
−76.4			**−76.4**		**−76.4**
	−71.0		**0.0**		**0.0**
			0.0		**0.0**
98.4	−98.4		**0.0**		**0.0**
	−96.6		**−96.6**	−0.5	**−97.1**
	105.2		**105.2**	0.2	**105.4**
	0.0	1.3	**1.3**		**1.3**
	0.7		**0.7**		**0.7**
0.0	569.7	−19.6	**786.7**	0.7	**787.4**

SEGMENTS

in € million	Europe	Asia-Pacific, Africa	North and South America	Total for operating companies	Holding including consolidation	FUCHS PETROLUB Group
First half of 2014						
Sales revenues by company location	561.0	246.1	153.3	960.4	−41.1	919.3
EBIT before income from companies consolidated at equity	79.4	40.6	27.8	147.8	−2.8	145.0
in % of sales	*14.2*	*16.5*	*18.1*	–	–	*15.8*
Income from companies consolidated at equity	0.8	5.4	–	6.2	–	6.2
Segment earnings (EBIT)	80.2	46.0	27.8	154.0	−2.8	151.2
Investments [1]	9.2	3.4	2.4	15.0	0.1	15.1
Employees (average number)	2,422	924	553	3,899	88	3,987
First half of 2013						
Sales revenues by company location	547.2	243.9	155.0	946.1	−35.8	910.3
EBIT before income from companies consolidated at equity	73.5	45.1	31.0	149.6	−2.6	147.0
in % of sales	*13.4*	*18.5*	*20.0*	–	–	*16.1*
Income from companies consolidated at equity	0.6	6.2	–	6.8	–	6.8
Segment earnings (EBIT)	74.1	51.3	31.0	156.4	−2.6	153.8
Investments [1]	11.3	10.4	10.2	31.9	0.6	32.5
Employees (average number)	2,342	857	530	3,729	82	3,811

[1] Investments in intangible assets and property, plant and equipment.

SEGMENTS

in € million	Europe	Asia-Pacific, Africa	North and South America	Total for operating companies	Holding including consoli-dation	FUCHS PETROLUB Group
Second quarter of 2014						
Sales revenues by company location	276.5	126.7	77.9	481.1	–18.6	462.5
EBIT before income from companies consolidated at equity	38.6	21.0	14.1	73.7	–1.3	72.4
in % of sales	*14.0*	*16.6*	*18.1*	–	–	*15.7*
Income from companies consolidated at equity	0.3	2.9	–	3.2	–	3.2
Segment earnings (EBIT)	38.9	23.9	14.1	76.9	–1.3	75.6
Investments [1]	5.9	1.4	1.3	8.6	0.0	8.6
Employees (average number)	2,431	920	552	3,903	89	3,992
Second quarter of 2013						
Sales revenues by company location	281.9	126.2	79.4	487.5	–19.2	468.3
EBIT before income from companies consolidated at equity	39.7	23.8	15.7	79.2	–2.4	76.8
in % of sales	*14.1*	*18.9*	*19.8*	–	–	*16.4*
Income from companies consolidated at equity	0.3	3.3	–	3.6	–	3.6
Segment earnings (EBIT)	40.0	27.1	15.7	82.8	–2.4	80.4
Investments [1]	5.7	6.7	6.4	18.8	0.1	18.9
Employees (average number)	2,353	858	531	3,742	84	3,826

[1] Investments in intangible assets and property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements of FUCHS PETROLUB SE, Mannheim, have 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), London, to be applied within the EU and valid on the date of report. The interim consolidated financial statements are prepared in accordance with the rules of International Accounting Standard 34 (IAS 34) in abridged form. The accounting and valuation methods, together with the calculation methods, remained unchanged from the consolidated financial statements for 2013, with the exception of the adoption of new accounting principles described below; we therefore refer to the notes to the consolidated financial statements made there.

The interim consolidated financial statements and the interim management report were not subject to examination by the auditor.

APPLICATION OF NEW ACCOUNTING STANDARDS

The accounting standards relevant to the FUCHS PETROLUB Group which are to be adopted for the first time, are outlined in the following. They have no effects on the net assets, financial position and results of operations of the FUCHS PETROLUB Group.

IFRS 10 “Consolidated Financial Statements”

IFRS 10 governs which companies are to be included in the consolidated financial statements on the basis of a comprehensive concept of control. The first-time adoption of this standard has had no effect on the scope of consolidation.

IFRS 11 “Joint Arrangements”

IFRS 11 changes the accounting process for joint arrangements. Joint ventures must be consolidated at equity. The option of incorporating them in the consolidated financial statements on a pro rata basis no longer exists.

Amendments to IAS 28 “Shares in Associates and Joint Ventures”

Amendments were also made to IAS 28 within the scope of adopting IFRS 11 “Joint Arrangements”. As is already the case, IAS 28 governs the application of the equity method. However, the scope of application has been significantly extended with adoption of IFRS 11, since in future not only investments in associated companies, but also in joint ventures (IFRS 11), must be measured using the equity method.

Since the FUCHS PETROLUB Group already includes all joint ventures in its consolidated financial statements using the equity method since the financial year 2012 and the other amendments currently do not hold any relevance for the FUCHS PETROLUB Group, the adoption of IFRS 11 in connection with the amended IAS 28 standard had no effect on the Group's net assets, financial position or results of operations.

IFRS 12 "Disclosure of Interests in Other Entities"
This standard governs the disclosure requirements regarding stakes held in other companies. The necessary disclosures for the consolidated financial statements are significantly more extensive than the former requirements in accordance with IAS 27, IAS 28, and IAS 31 and will be made on December 31, 2014.

CHANGE TO THE SCOPE OF CONSOLIDATION

The Macedonian subsidiary FUCHS MAK DOOEL, the Norwegian subsidiary FUCHS LUBRICANTS NORWAY AS and the Vietnamese subsidiary FUCHS LUBRICANTS VIETNAM COMPANY LTD were included in the consolidated accounts for the first time in the first quarter of 2014. The subsidiaries in Macedonia and Vietnam are company foundations from previous years, while the acquisition of a 100% stake in the Norwegian company was primarily performed to take over the customer base of our former trade partner. The initial consolidation of the three subsidiaries did not have any significant effects on the net assets, financial position and results of operations of the FUCHS PETROLUB Group.

ACQUISITIONS

With effect from June 20, 2014, FUCHS acquired the lubricant business of the BATOYLE FREEDOM Group in Great Britain and will integrate this into its subsidiary FUCHS LUBRICANTS UK. The business of the BATOYLE FREEDOM Group, which generated sales revenues of around €15 million in the financial year 2013/2014, complements FUCHS' existing portfolio with its automotive and industrial lubricants. The FUCHS portfolio is also being extended to include lubricants for the glass industry. The purchase price of €11.2 million is for the intangible assets acquired, in particular the customer base and product technology. The purchase price allocation is provisional. The acquisition of the lubricant business from LUBRITENE and LUBRASA in South Africa and Australia is set to be completed in the third quarter.

SIGNIFICANT DISCRETIONARY DECISIONS, ESTIMATES AND ASSUMPTIONS

The general statements made in the notes to the consolidated financial statements as at December 31, 2013, continue to apply.

In the first six months of 2014, there were no actuarial gains or losses from defined pension obligations to be offset directly with shareholders' equity.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include the following items:

in € million	First half of 2014	First half of 2013	Second quarter of 2014	Second quarter of 2013
Net amount of currency gains/losses	–0.5	–0.1	–0.3	–0.2
Write-downs of receivables	–2.7	–3.7	–1.8	–2.8
Net amount of miscellaneous	1.5	0.0	1.7	0.4
Other operating income and expenses	**–1.7**	**–3.8**	**–0.4**	**–2.6**

FINANCIAL RESULT

The financial result includes the following items:

in € million	First half of 2014	First half of 2013	Second quarter of 2014	Second quarter of 2013
Interest income	0.3	0.5	0.1	0.3
Interest expense (excluding pensions)	–1.6	–1.2	–0.9	–0.6
Net interest expense from defined benefit plans	–0.3	–0.4	–0.2	–0.2
Financial result	**–1.6**	**–1.1**	**–1.0**	**–0.5**

The net interest expenses from defined pension obligations are the net amount resulting from interest expenses of €2.0 million (2.0) from the accrued interest associated with the pension obligations minus interest income of €1.7 million (1.6) from the return on plan assets in the first half of 2014.

INCOME TAXES

Income taxes break down as follows:

in € million	First half of 2014	First half of 2013	Second quarter of 2014	Second quarter of 2013
Germany	–17.7	–16.7	–8.2	–9.5
International	–26.5	–28.4	–13.8	–14.4
Income taxes	**–44.2**	**–45.1**	**–22.0**	**–23.9**
Adjusted rate of taxation (in %)[1]	**30.8**	**30.9**	**30.8**	**31.3**

[1] Actual tax expense relative to earnings before tax (EBIT) adjusted by the income from companies consolidated at equity.

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Contractual obligations of €13.2 million for the purchase of property, plant and equipment are in place on June 30, 2014 (10.0 as at December 31, 2013). The increase essentially affects our subsidiaries in Germany, China and Brazil. Beside this, there were no significant changes over the contingent liabilities and other financial obligations described and disclosed in the 2013 annual report.

FINANCIAL INSTRUMENTS

The general statements made on financial instruments in the notes to the consolidated financial statements as at December 31, 2013, continue to apply. The FUCHS PETROLUB Group's financial assets and financial liabilities which are to be recorded at fair value consist exclusively of forward currency transactions, which are used to hedge foreign currency receivables and liabilities. Their valuation is based on generally recognized valuation models using the latest market data. As at June 30, 2014, there were no forward currency transactions with positive fair values which had to be disclosed under short-term assets (December 31, 2013: 1.3). Other short-term liabilities include forward currency transactions with negative fair values of –€1.4 million (December 31, 2013: –0.3).

NOTES TO THE INCOME STATEMENT, BALANCE SHEET, STATEMENT OF CASH FLOWS AND THE SEGMENTS

Further notes on the individual items in the income statement, balance sheet, statement of cash flows, and the segments can be found in the management report.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

First half of 2014

The €106.7 million (102.6) in total income and expenses recognized directly in equity in the first half of 2014 comprises profit after tax of €105.4 million (107.6), as well as €1.3 million (– 5.0) in total income and expenses recognized in equity, which can be attributed exclusively to the change in the adjustment item due to currency translation in the first half of 2014.

Second quarter of 2014

Total income and expenses of €57.1 million (45.8) recorded in the second quarter of 2014 comprise profit after tax of €52.6 million (56.0), as well as – €4.5 million (– 10.2) in total income and expenses recognized directly in equity.

NOTES TO THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity declined by €66.1 million to €787.4 million (853.5 as at December 31, 2013). The share buyback program and the dividend payments were the two main causes of this decline. Shareholders' equity increased in the first half of 2014 to include the profit after tax.

The share buyback program and the capital increase from corporate funds by issuing new shares (bonus shares)

FUCHS PETROLUB SE completed its share buyback program and redeemed the own shares in the second quarter of 2014.

A total of 1,480,000 own shares were bought back in the period from November 27, 2013, up to and including April 28, 2014, for a total purchase price (including all costs) of €98.4 million. 740,000 ordinary shares with a total value of €45.8 million and 740,000 preference shares with a total value of €52.6 million were acquired. 570,765 of these ordinary shares with a total value of €35.6 million and 570,765 of these preference shares with a total value of €40.8 million are attributable to the first half of 2014.

The buybacks together add up to 2.1% of FUCHS PETROLUB SE's subscribed capital. The €98.4 million spent, including transaction costs, has been deducted from shareholders' equity. Pursuant to IAS 33.20, the shares bought back are no longer taken into account when calculating the earnings per share.

The resolution approved by the Annual General Meeting of FUCHS PETROLUB SE on May 7, 2014, to perform a capital increase from corporate funds by issuing new shares (bonus shares) at a ratio of 1:1 was entered into the commercial register on May 16, 2014. This resulted in FUCHS PETROLUB SE's subscribed capital and number of ordinary and preference shares being doubled. The Company's subscribed capital of €71.0 million increased by €71.0 million to €142.0 million by converting retained earnings in the corresponding amount. The capital increase was performed by issuing 70,980,000 new shares (bonus shares) – comprising 35,490,000 new ordinary shares and 35,490,000 new preference shares. The total number of shares thereby doubled from 70,980,000 to 141,960,000 – comprising 70,980,000 ordinary shares and 70,980,000 preference shares.

By issuing the bonus shares in the course of the capital increase, the number of own shares was doubled from a total of 1,480,000 to 2,960,000 – comprising 1,480,000 ordinary shares and 1,480,000 preference shares.

Following the capital reduction due to the redemption of own shares, which was entered into the commercial register on June 27, 2014, the subscribed capital of FUCHS PETROLUB SE thereby comprises 69,500,000 ordinary shares and 69,500,000 preference shares with a total combined value of €139.0 million. The previous year's earnings per share have been adjusted to achieve better comparability.

RELATIONSHIPS WITH RELATED PARTIES

The general statements made in the notes to the consolidated financial statements as at December 31, 2013, continue to apply. The FUCHS PETROLUB Group has trade receivables of €1.8 million (December 31, 2013: 2.3) and license receivables of €0.3 million (December 31, 2013: 0.2). The non-consolidated proportion of sales revenues from deliveries of goods to companies consolidated at equity was €6.2 million (7.7) in the first half of 2014 and €3.1 million (4.4) in the second quarter of 2014. Other operating income was €0.5 million (0.5) in the first half of 2014 and €0.2 million (0.2) in the second quarter of 2014.

EXCHANGE RATE DEVELOPMENT

The exchange rates with a significant influence on the consolidated financial statement have moved against the euro as follows:

Closing rate (€1)	June 30, 2014	December 31, 2013	Change in foreign currency in %
US dollar	1.369	1.377	0.6
British pound	0.801	0.833	4.0
Chinese renminbi yuan	8.492	8.331	−1.9
Australian dollar	1.451	1.540	6.1
South African rand	14.566	14.504	−0.4
Polish zloty	4.161	4.151	−0.2
Brazilian real	3.017	3.252	7.8
Argentinean peso	11.134	8.974	−19.4
Russian ruble	46.57	45.26	−2.8
South Korean won	1,385,36	1,452,97	4.9

Average annual exchange rate (€1)	First half of 2014	First half of 2013	Change in foreign currency in %
US dollar	1.371	1.314	−4.2
British pound	0.822	0.851	3.5
Chinese renminbi yuan	8.424	8.209	−2.6
Australian dollar	1.500	1.296	−13.6
South African rand	14.687	12.117	−17.5
Polish zloty	4.178	4.177	0.0
Brazilian real	3.155	2.674	−15.2
Argentinean peso	10.738	6.746	−37.2
Russian ruble	48.04	40.81	−15.0
South Korean won	1,441,53	1,456,52	1.0

EVENTS AFTER THE BALANCE SHEET DATE

As at July 1, 2014 the Executive Board was reduced from five to four members. Subsequent to the balance sheet date there have been no further events that would materially affect the financial condition or results of operations of the Group.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in compliance with generally accepted German accounting principles, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Mannheim, July 2014
FUCHS PETROLUB SE

The Executive Board

S. Fuchs
Dr. A. Selent

Dr. L. Lindemann
Dr. R. Rheinboldt

Financial calendar

DATES 2014

August 1	Interim report as at June 30, 2014
October 31	Interim report as at September 30, 2014

DATES 2015

March 24	Annual report 2014
April 30	Interim report as at March 31, 2015
May 6	Annual General Meeting in Mannheim
May 7	Information event for Swiss shareholders, Zurich
August 4	Interim report as at June 30, 2015
November 3	Interim report as at September 30, 2015

Disclaimer

This interim report contains statements about future developments that are based on assumptions and estimates by the management of FUCHS PETROLUB SE. 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 SE provides no guarantee that future developments and the results actually achieved in the future will match the assumptions and estimates set out in this interim report and assumes no liability for such.

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

FUCHS PETROLUB SE
Investor Relations
Dagmar Steinert
Friesenheimer Straße 17
68169 Mannheim, Germany

Telephone +49-(0)621-3802-1201
Fax +49-(0)621-3802-7274

www.fuchs-oil.com
E-mail: ir@fuchs-oil.de