

# Q2

## INTERIM REPORT

FOR THE FIRST SIX MONTHS AND  
SECOND QUARTER OF 2010

- Sales revenues close to pre-crisis levels
- Profit after tax increases to €86.5 million
- Significant increases in the price of raw materials in the second half of the year

## THE FIRST SIX MONTHS OF 2010 AT A GLANCE

### GROUP

| amounts in € million                           | 1-6/2010     | 1-6/2009     |
|--|--------------|--------------|
| <b>Sales revenues<sup>1</sup></b>              | <b>700.7</b> | <b>569.6</b> |
| Europe   | 422.7        | 361.5        |
| Asia-Pacific, Africa                           | 182.4        | 135.9        |
| North and South America                        | 116.5        | 85.2         |
| Consolidation                                  | -20.9        | -13.0        |
| <b>Earnings before interest and tax (EBIT)</b> | <b>123.9</b> | <b>66.7</b>  |
| <b>Profit after tax</b>                        | <b>86.5</b>  | <b>43.1</b>  |
| <b>Gross cash flow</b>                         | <b>75.8</b>  | <b>50.0</b>  |
| <b>Capital expenditures<sup>2</sup></b>        | <b>14.7</b>  | <b>15.2</b>  |
| <b>Employees (as at June 30)</b>               | <b>3,515</b> | <b>3,593</b> |

<sup>1</sup> By company location.

<sup>2</sup> In property, plant and equipment and intangible assets.

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## LETTER TO OUR SHAREHOLDERS

### **DEAR SHAREHOLDERS,**

With profit after tax of €46 million, the FUCHS PETROLUB Group was able to continue the sound development it enjoyed in the previous quarters into the second quarter of 2010. Profit for the first six months is €86 million. Sales revenues saw an increase of 23% compared to the first six months of last year, which were hard hit by the crisis. However, the figures did not quite reach the level of the comparable sales in 2008.

The economy has begun to stabilize worldwide. Focused expansion of our business remains our top priority. We are beginning to see some initial successes from our growth offensive with the expansion of our sales and technology team and targeted infrastructure investments. Increasing raw material costs and the limited availability of a number of raw materials are currently placing great demands on our resources.

Free cash flow remained below the previous year's high level due to the revenue-based increase in short-term assets. The equity ratio of just under 54% and a liquidity surplus of €22 million provide us with the necessary scope to finance growth in sales revenues, continued investment in our infrastructure, to pursue external growth opportunities and continue our shareholder-friendly dividend policy.



Stefan Fuchs,  
Chairman of the  
Executive Board

Discontinuation of economic stimulus programs, the effects of financial crises in individual countries, increases in raw material costs and exchange rate fluctuations continue to provide challenges for our business. For 2010 as a whole, we anticipate increased sales revenues for all regions. Increasing raw material costs will impact our margins temporarily. We are working on passing on these increased costs and will continue our policy of disciplined cost management. In terms of earnings before interest and tax (EBIT), we are targeting to generate the highest figure in our company's history. However, the earnings of the previous quarters should not be extrapolated in the second half of 2010.

Sincerely

Stefan Fuchs  
Chairman of the Executive Board

# GROUP MANAGEMENT REPORT

## ENVIRONMENT

The global economy enjoyed faster recovery in the first half of 2010 than anticipated, with the economies in the developing and emerging markets proving particularly dynamic. Production also saw surprisingly significant upturns in the industrialized countries, although the economic framework conditions remain tainted. The government debt crises in the Eurozone and the economic damping measures in important emerging markets such as China, India and Brazil are contributing to this.

According to information provided by the World Steel Association, global steel production increased by 28% in the first six months of 2010 over the same period in the previous year. Through June, crude steel production in Germany was 64% above the the first half of 2009.

In many foreign markets global demand for automobiles started to pick up again in the first half of 2010. Vehicle exports from Germany enjoyed a 44% increase, primarily driven by strong demand from the US and China. According to the German Association of the Automotive Industry, domestic production in Germany was up 23% overall due to the increased level of exports.

Germany's machine and plant engineering sector is also emerging from the crisis better than anticipated. While machine production in the first five months of the year failed marginally to reach its previous year's level by 1.3%, the production forecast for the year as a whole has been raised to +3%.

According to the German Chemical Industry Association, the chemicals industry in Germany has recovered surprisingly quickly from the consequences of the crisis year 2009. Production in the first half of 2010 increased 13% over the same period in the previous year. However, the second half of the year is only likely to see a moderate rise in demand for chemical products, meaning that forecasts for the year as a whole predict just an 8.5% increase in production.

The economic framework conditions have had a positive effect on the global lubricants industry. In the first four months of 2010, demand in the industrialized countries of the US, Japan, Germany, France and Italy increased due to a base effect by 10% in comparison with the same period of the last year.

## SALES REVENUES

The growth in sales revenues enjoyed by the FUCHS PETROLUB Group continued to accelerate in the second quarter of 2010. At €700.7 million, total revenue is 23.0% higher for the first half of the year than the first half of the previous year (569.6) and is only 2.5% below the pre-crisis level (€718.7 million in the first half of 2008).

Summary of the factors affecting sales revenues:

|                                 | € million    | %           |
|---------------------------------|--------------|-------------|
| Organic growth                  | 105.1        | 18.5        |
| External growth                 | 2.5          | 0.4         |
| Currency translation effects    | 23.5         | 4.1         |
| <b>Growth in sales revenues</b> | <b>131.1</b> | <b>23.0</b> |

## DEVELOPMENT OF SALES REVENUES BY REGION

| in € million            | First half 2010 | First half 2009 | Organic growth | External growth | Exchange rate effects | Total change absolute | Total change in % |
|-------------------------|-----------------|-----------------|----------------|-----------------|-----------------------|-----------------------|-------------------|
| Europe                  | 422.7           | 361.5           | 57.1           | –               | 4.1                   | 61.2                  | 16.9              |
| Asia-Pacific, Africa    | 182.4           | 135.9           | 30.3           | –               | 16.2                  | 46.5                  | 34.2              |
| North and South America | 116.5           | 85.2            | 25.7           | 2.5             | 3.1                   | 31.3                  | 36.7              |
| Consolidation           | –20.9           | –13.0           | –8.0           | –               | 0.1                   | –7.9                  | –                 |
| <b>Total</b>            | <b>700.7</b>    | <b>569.6</b>    | <b>105.1</b>   | <b>2.5</b>      | <b>23.5</b>           | <b>131.1</b>          | <b>23.0</b>       |

The 23.0% growth in sales revenues in the first six months of 2010 was primarily driven by the regions of Asia-Pacific, Africa and North and South America. These regions significantly exceeded their 2009 and also their 2008 figures.

The positive growth trend also continued in Europe. Despite giving up a low margin toll processing business in Great Britain, Europe still recorded organic growth in sales revenues of 15.8% or €57.1 million. Overall, the region recorded €422.7 million, which is 16.9% more than in the previous year (361.5).

In Asia-Pacific, Africa many companies were able to significantly increase their sales revenues. Primarily the companies in China, also those in Korea, India and Turkey displayed very high organic growth. The whole region increased its sales revenues organically by €30.3 million or 22.3%. In addition to this, positive effects of currency exchange rates were quite pronounced, in particular when converting our Australian and South African sales revenues. Sales revenues in the region as a whole rose €16.2 million or 11.9% due to currency effects. The region recorded total sales revenues of €182.4 million (135.9), an increase of 34.2% year on year.

The companies in both North and South America enjoyed strong organic growth in the first half of 2010, totaling 30.2% or €25.7 million. Additional external growth of €2.5 million (2.9%) and positive effects of currency exchange rates of €3.1 million (3.6%) due to the appreciation of the Brazilian real led to an overall increase in sales revenues for the region of €31.3 million or 36.7% to €116.5 million (85.2).

## **EARNINGS**

The FUCHS PETROLUB Group not only recorded a significant increase in sales revenues in the first half of 2010, but also enjoyed above-average improvements in its earnings before interest and tax as well as its earnings after tax.

At €279.8 million, gross profit was 35.2% or €72.9 million up on the same period last year (206.9). The gross margin was slightly down in comparison with the first quarter of 2010 (40.1%) at a level of 39.9% (36.3) for the first half of the year. This slight drop was due to increases in the costs of raw materials.

Marketing & sales, administration and research & development expenses increased by 12.2% or €17.3 million to a level of €159.6 million (142.3) which means they increased at a lower rate than sales revenues. After taking into account other operating income and expenses and investment income, earnings before interest and taxes (EBIT) increased by 85.8% to €123.9 million (66.7). The EBIT margin, i. e. EBIT relative to sales revenues, was 17.7% (11.7).

The financial result and the rate of taxation also enjoyed positive development. The financial result improved due to liquidity (–€3.0 million compared to –€4.7 million in the previous year) and the rate of taxation was lower due to the mix (28.5% compared to 30.5% in the previous year). As a result of this, the Group was able to double its profit after tax in the first half of 2010 over the previous year's figure to €86.5 million (43.1).

All Group regions contributed to the increase in profit. The segment earnings for the region Europe increased by 90.3% to €63.4 million (33.3) and represented 15.0% (9.2) of sales revenues. In Asia-Pacific, Africa the increase was 66.1%, with the EBIT reaching €38.7 million (23.3) and the EBIT margin 18.3% (14.4). In North and South America the EBIT increased by 104% to €25.7 million (12.6) and the EBIT margin to 22.1% (14.8).

Earnings per share were €3.62 (1.80) per ordinary share and €3.65 (1.83) per preference share.

#### **NET ASSETS AND FINANCIAL POSITION**

The FUCHS PETROLUB Group is in a very healthy financial position. The equity ratio is 53.7% (52.7% as at the end of 2009), while cash and cash equivalents on hand of €87.8 million (89.9 as at the end of 2009) exceed financial liabilities by €65.5 million (58.2 as at the end of 2009).

The balance sheet total increased primarily due to business operations and also currency exchange rates. The increase in inventories and trade receivables is a consequence of the significant growth in sales revenues. Trade payables also went up for the same reason.

In the context of the transfer without recourse of a portion of the English pension obligations to an external pension provider, the Group made a one-off payment to the English pension fund. As result of this, the pension liabilities fell to €74.3 million relative to the end of 2009 (83.8).

#### **CAPITAL EXPENDITURE AND INVESTMENTS IN COMPANIES**

The investments in property, plant and equipment and intangible assets by the FUCHS PETROLUB Group were €14.7 million (15.2) in the first half of 2010. The main focuses of investment were the ongoing construction of the not yet completed facility in India, an acquisition of land in South Africa and the construction projects in Mannheim. A new research and development center and a sales center are currently under construction at the headquarters of the FUCHS PETROLUB Group.

Depreciation and amortization of property, plant and equipment and intangible assets was €10.6 million (10.0).

## STATEMENT OF CASH FLOWS

Gross cash flow in the first half of 2010 was €75.8 million (50.0). This figure includes depreciation and amortization of long-term assets of €10.6 million (10.0). In addition to this, the payment of €14.3 million into the English pension fund led to a reduction in pension provisions.

The high sales revenues in the first half caused an increase in net working capital, which rose by €42.9 million overall. On the other hand, a severe downward trend in sales revenues in the first six months of the previous year had led to a release of €56.0 million in working capital. The cash flow from operating activities was therefore €40.3 million (100.2) in the six months under review.

Taking into account the cash outflow from investing activities of €10.1 million (11.5), the free cash flow amounted to €30.2 million (88.7), which was used in May of this year for the payout of dividends.

## RESEARCH AND DEVELOPMENT

The research and development teams at FUCHS began work on numerous new developments in the first half of 2010.

Among other things, our two top products ECOCUT 7520-LE and PLANTOCUT 10 SR were further qualified in the new product segment "processing fluids for the medical sector" in a cooperative project with the title "Innovative cleaning processes". The object of this project was to provide evidence (which involved high analytical costs) that innovative cleaning processes for surface cleaning of processed implants are fully compatible with our products. The results were unequivocal. We were able to provide evidence that implants can be cleaned with absolutely zero residue remaining, meaning that the user can relax, safe in the knowledge that there is no risk of rejection due to the cleaning process.

We are also particularly proud of the development of a grease for bicycle components. Among other things, the product RENOLIT CA-LZ-S is used in bicycle wheel hubs. The customer is the global market leader for bicycle components.

In RENOLIT G TF 1 an assembly paste has also been developed which simplifies assembly of sensitive carbon parts on high-tech bicycles.

After many years of development work together with a leading wire cable manufacturer in the new wire cable lubricants product segment, we succeeded in developing a wire cable lubricant which ensures that wire cables neither rust nor wear during use.

### EMPLOYEES

As at June 30, 2010, the global workforce of the FUCHS PETROLUB Group consisted of 3,515 employees, which is 27 more than at the start of the year (3,488).

The new appointments were made at the companies in the regions of Asia-Pacific and South America, which have been enjoying healthy growth.

The workforce at a glance:

|                         | <b>Jun. 30, 2010</b> | Dec. 31, 2009 | Jun. 30, 2009 |
|-------------------------|----------------------|---------------|---------------|
| Europe                  | 2,222                | 2,224         | 2,317         |
| Asia-Pacific, Africa    | 798                  | 777           | 776           |
| North and South America | 495                  | 487           | 500           |
| <b>Total</b>            | <b>3,515</b>         | <b>3,488</b>  | <b>3,593</b>  |

**OPPORTUNITIES AND RISKS**

In the financial year 2009, FUCHS reported in detail on the opportunities and risks resulting from its international business activities. There have been no significant changes since this time. 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 do the overall risks or combinations of risks threaten the continued existence of the Group.

The FUCHS PETROLUB Group has implemented an effective risk management system, which ensures that 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 the company's asset, financial and profit situation.

**BUSINESS TRANSACTIONS WITH RELATED COMPANIES AND PERSONS**

As at December 31, 2009, 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: "In the legal transactions listed in the dependent company report, and according to the circumstances that were known to us when those legal transactions were performed, our company received an appropriate consideration in each legal transaction. No actions subject to disclosure occurred on the instructions or in the interest of the controlling company." KPMG AG Wirtschaftsprüfungsgesellschaft, the independent auditors of FUCHS PETROLUB AG, have audited this dependent company report and provided it with an unqualified audit opinion.

Up to June 30, 2010, there were no indications which would lead us to revise our statement regarding business transactions with related companies and persons.

## **OUTLOOK**

The global economy continued to gain momentum in the first half of 2010. However, it remains doubtful whether the dynamic recovery phase, which was likely supported by a backlog effect and inventory buildup, will continue. Risks for example exist due to the high level of national debt of individual countries or the potential for the recovery in China to falter. The prices for raw materials have also risen significantly and it remains to be seen whether the prices for base oils, additives and other chemicals have leveled out on their upward spiral.

On the basis of an optimized cost structure we are currently particularly committed to securing and expanding our business in attractive business segments. In this respect our planning for the year as a whole incorporates increases in both sales revenues and earnings year on year in all three Group regions.

However, the marked increases in sales revenues and earnings recorded in the first half of the year due to a base effect cannot simply be extrapolated over the rest of the year. In addition to this, the gross margin is set to drop in the coming months due to increased raw material prices, which means that we are unlikely to see a repeat of the above-average earnings before interest and taxes (EBIT) recorded in the first six months for the second half of 2010. We strive to surpass the EBIT mark of €200 million in 2010 and thereby generate the highest EBIT in the Group's history.

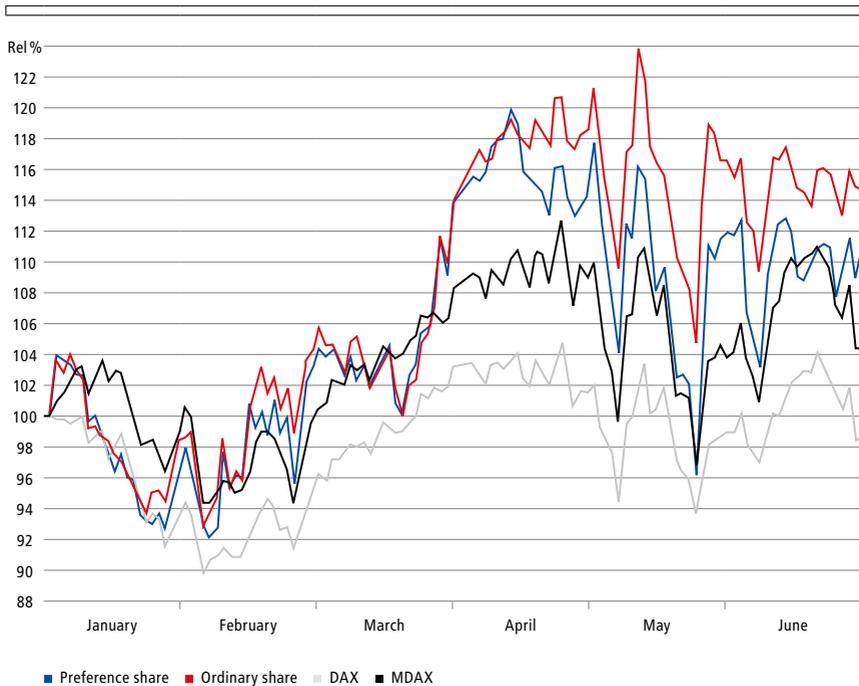
We are continuing our investments in research and development as well as in growth markets as scheduled. Nevertheless, in light of the good earnings position and strict management of its working capital, the Group will generate a respectable free cash flow when compared to the last few years.

## THE FUCHS SHARES

While the first quarter of 2010 was characterized by a significant improvement on the stock exchanges, the second quarter partially saw non-uniform developments. Only toward the end of the first half of the year did the markets begin to level out based on positive economic data. In this environment the FUCHS shares enjoyed sound development.

The FUCHS ordinary share closed at €69.80 in XETRA trading on June 30, 2010, which was 15.1% above the 2009 year end price. At a price of €72.69, the preference share enjoyed an increase of 12.2%. The DAX and MDAX rose by 0.1% and 6.7% respectively in the same time period.

### PRICE TREND OF ORDINARY AND PREFERENCE SHARES IN COMPARISON WITH DAX AND MDAX (JANUARY 1 – JUNE 30, 2010)



**CONSOLIDATED INCOME STATEMENT**

| <b>in € million</b>   | <b>First half 2010</b> | First half 2009 |
|---|------------------------|-----------------|
| Sales revenues  | 700.7                  | 569.6           |
| Cost of sales   | -420.9                 | -362.7          |
| <b>Gross profit</b>   | <b>279.8</b>           | <b>206.9</b>    |
| Selling and distribution expenses                                     | -108.4                 | -95.7           |
| Administrative expenses   | -38.5                  | -35.2           |
| Research and development expenses                                     | -12.7                  | -11.4           |
| <b>Operating profit</b>   | <b>120.2</b>           | <b>64.6</b>     |
| Other operating income and expenses                                   | -1.5                   | -1.6            |
| Investment income   | 5.2                    | 3.7             |
| <b>Earnings before interest and tax (EBIT)</b>                        | <b>123.9</b>           | <b>66.7</b>     |
| Financial result  | -3.0                   | -4.7            |
| <b>Earnings before tax (EBT)</b>                                      | <b>120.9</b>           | <b>62.0</b>     |
| Income taxes  | -34.4                  | -18.9           |
| <b>Profit after tax</b>   | <b>86.5</b>            | <b>43.1</b>     |
| Profit attributable to minority interest                              | 0.4                    | 0.2             |
| <b>Profit attributable to equity holders of<br/>FUCHS PETROLUB AG</b> | <b>86.1</b>            | <b>42.9</b>     |
| <b>Earnings per share in €<sup>1</sup></b>                            |                        |                 |
| Ordinary share  | 3.62                   | 1.80            |
| Preference share  | 3.65                   | 1.83            |

<sup>1</sup> Basic and diluted in both cases.

**CONSOLIDATED INCOME STATEMENT**

| in € million  | Second quarter<br>2010 | Second quarter<br>2009 |
|---|------------------------|------------------------|
| Sales revenues  | 370.3                  | 291.1                  |
| Cost of sales   | -223.0                 | -179.5                 |
| <b>Gross profit</b>   | <b>147.3</b>           | <b>111.6</b>           |
| Selling and distribution expenses                                     | -57.6                  | -48.6                  |
| Administrative expenses   | -19.8                  | -17.8                  |
| Research and development expenses                                     | -6.6                   | -5.7                   |
| <b>Operating profit</b>   | <b>63.3</b>            | <b>39.5</b>            |
| Other operating income and expenses                                   | -1.2                   | -1.4                   |
| Investment income   | 3.1                    | 2.1                    |
| <b>Earnings before interest and tax (EBIT)</b>                        | <b>65.2</b>            | <b>40.2</b>            |
| Financial result  | -1.5                   | -2.0                   |
| <b>Earnings before tax (EBT)</b>                                      | <b>63.7</b>            | <b>38.2</b>            |
| Income taxes  | -17.8                  | -11.3                  |
| <b>Profit after tax</b>   | <b>45.9</b>            | <b>26.9</b>            |
| Profit attributable to minority interest                              | 0.2                    | 0.1                    |
| <b>Profit attributable to equity holders of<br/>FUCHS PETROLUB AG</b> | <b>45.7</b>            | <b>26.8</b>            |
| <b>Earnings per share in €<sup>1</sup></b>                            |                        |                        |
| Ordinary share  | 1.92                   | 1.13                   |
| Preference share  | 1.93                   | 1.14                   |

<sup>1</sup> Basic and diluted in both cases.

## CONSOLIDATED BALANCE SHEET

| in € million                                      | Jun. 30, 2010 | Dec. 31, 2009 |
|---|---------------|---------------|
| <b>Assets</b>                                     |               |               |
| Intangible assets                                 | 99.9          | 95.0          |
| Property, plant and equipment                     | 196.4         | 180.5         |
| Investments accounted for using the equity method | 6.6           | 4.5           |
| Other financial assets                            | 5.9           | 6.6           |
| Deferred tax assets                               | 19.8          | 20.6          |
| <b>Long-term assets</b>                           | <b>328.6</b>  | <b>307.2</b>  |
| Inventories                                       | 177.6         | 149.3         |
| Trade receivables                                 | 232.7         | 171.8         |
| Tax receivables                                   | 1.5           | 2.0           |
| Other receivables and other assets                | 35.1          | 25.5          |
| Cash and cash equivalents                         | 87.8          | 89.9          |
| <b>Short-term assets</b>                          | <b>534.7</b>  | <b>438.5</b>  |
| <b>Total assets</b>                               | <b>863.3</b>  | <b>745.7</b>  |
| <b>Equity and liabilities</b>                     |               |               |
| Subscribed capital                                | 71.0          | 71.0          |
| Group reserves                                    | 305.4         | 199.7         |
| Group profits                                     | 86.1          | 120.8         |
| FUCHS PETROLUB Group capital                      | 462.5         | 391.5         |
| Minority interest                                 | 1.5           | 1.4           |
| <b>Shareholders' equity</b>                       | <b>464.0</b>  | <b>392.9</b>  |
| Pension provisions                                | 74.3          | 83.8          |
| Other provisions                                  | 7.0           | 7.0           |
| Deferred tax liabilities                          | 15.9          | 14.9          |
| Financial liabilities                             | 46.2          | 45.7          |
| Other liabilities                                 | 2.6           | 2.1           |
| <b>Long-term liabilities</b>                      | <b>146.0</b>  | <b>153.5</b>  |
| Trade payables                                    | 117.8         | 91.2          |
| Provisions  | 44.3          | 45.4          |
| Tax liabilities                                   | 32.5          | 23.8          |
| Financial liabilities                             | 19.3          | 12.5          |
| Other liabilities                                 | 39.4          | 26.4          |
| <b>Short-term liabilities</b>                     | <b>253.3</b>  | <b>199.3</b>  |
| <b>Total equity and liabilities</b>               | <b>863.3</b>  | <b>745.7</b>  |

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| in € million   | Outstanding<br>shares (units) | Subscribed<br>capital AG | Capital<br>reserves AG |
|--|-------------------------------|--------------------------|------------------------|
| <b>As at December 31, 2008</b>                                 | 23,861,100                    | 77.8                     | 87.8                   |
| Share buy-back   | -201,100                      |                          |                        |
| Redemption of own shares/Reduction of share capital            |                               | -6.8                     |                        |
| Dividend payments  |                               |                          |                        |
| Profit after tax January 1 – June 30, 2009                     |                               |                          |                        |
| Change in income and expenses recognized<br>directly in equity |                               |                          |                        |
| Changes in scope of consolidation and other changes            |                               |                          |                        |
| <b>As at June 30, 2009</b>                                     | 23,660,000                    | 71.0                     | 87.8                   |
| <b>As at December 31, 2009</b>                                 | 23,660,000                    | 71.0                     | 94.6                   |
| Dividend payments  |                               |                          |                        |
| Profit after tax January 1 – June 30, 2010                     |                               |                          |                        |
| Change in income and expenses recognized<br>directly in equity |                               |                          |                        |
| Changes in scope of consolidation and other changes            |                               |                          |                        |
| <b>As at June 30, 2010</b>                                     | 23,660,000                    | 71.0                     | 94.6                   |

|  | Reserve for<br>own shares | Equity capital<br>generated<br>in the Group | Other<br>comprehensive<br>income | <b>FUCHS<br/>PETROLUB<br/>Group capital</b> | Minority<br>interest | <b>Shareholders'<br/>equity</b> |
|--|---------------------------|---|----------------------------------|---|----------------------|---------------------------------|
|  | -117.9                    | 290.3                                       | -24.1                            | <b>313.9</b>                                | 1.4                  | <b>315.3</b>                    |
|  | -5.8                      |   |                                  | <b>-5.8</b>                                 |                      | <b>-5.8</b>                     |
|  | 123.7                     | -116.9                                      |                                  | <b>0.0</b>                                  |                      | <b>0.0</b>                      |
|  |                           | -37.1                                       |                                  | <b>-37.1</b>                                | -0.4                 | <b>-37.5</b>                    |
|  |                           | 42.9  |                                  | <b>42.9</b>                                 | 0.2                  | <b>43.1</b>                     |
|  |                           | 0.3   | 5.9                              | <b>6.2</b>                                  |                      | <b>6.2</b>                      |
|  |                           |   |                                  | <b>0.0</b>                                  |                      | <b>0.0</b>                      |
|  | 0.0                       | 179.5                                       | -18.2                            | <b>320.1</b>                                | 1.2                  | <b>321.3</b>                    |
|  | 0.0                       | 241.7                                       | -15.8                            | <b>391.5</b>                                | 1.4                  | <b>392.9</b>                    |
|  |                           | -39.5                                       |                                  | <b>-39.5</b>                                | -0.4                 | <b>-39.9</b>                    |
|  |                           | 86.1  |                                  | <b>86.1</b>                                 | 0.4                  | <b>86.5</b>                     |
|  |                           | -5.6  | 30.1                             | <b>24.5</b>                                 |                      | <b>24.5</b>                     |
|  |                           | -0.1  |                                  | <b>-0.1</b>                                 | 0.1                  | <b>0.0</b>                      |
|  | 0.0                       | 282.6                                       | 14.3                             | <b>462.5</b>                                | 1.5                  | <b>464.0</b>                    |

## STATEMENT OF COMPREHENSIVE INCOME

| in € million  | First half 2010 | First half 2009 |
|---|-----------------|-----------------|
| <b>Profit after tax</b>   | <b>86.5</b>     | <b>43.1</b>     |
| <b>Income and expense recognized in equity</b>                      |                 |                 |
| Change in fair values of hedging instruments                        | 0.0             | 0.0             |
| Change in foreign currency translation adjustments                  | 30.1            | 5.9             |
| Actuarial gains/losses on defined benefit pension commitments       | -1.5            | 0.3             |
| Deferred taxes on income and expenses recognized directly in equity | -3.5            | 0.0             |
| Other changes   | -0.6            | 0.0             |
| <b>Total income and expense recognized in equity</b>                | <b>24.5</b>     | <b>6.2</b>      |
| <b>Total income and expenses for the period</b>                     | <b>111.0</b>    | <b>49.3</b>     |
| thereof shareholder of FUCHS PETROLUB AG                            | 110.6           | 49.1            |
| thereof minority interests  | 0.4             | 0.2             |

| in € million  | Second quarter<br>2010 | Second quarter<br>2009 |
|---|------------------------|------------------------|
| <b>Profit after tax</b>   | <b>45.9</b>            | <b>26.9</b>            |
| <b>Income and expense recognized in equity</b>                      |                        |                        |
| Change in fair values of hedging instruments                        | 0.0                    | 0.0                    |
| Change in foreign currency translation adjustments                  | 17.7                   | 0.9                    |
| Actuarial gains/losses on defined benefit pension commitments       | -1.5                   | 0.1                    |
| Deferred taxes on income and expenses recognized directly in equity | -3.5                   | 0.0                    |
| Other changes   | -0.6                   | 0.0                    |
| <b>Total income and expense recognized in equity</b>                | <b>12.1</b>            | <b>1.0</b>             |
| <b>Total income and expenses for the period</b>                     | <b>58.0</b>            | <b>27.9</b>            |
| thereof shareholder of FUCHS PETROLUB AG                            | 57.8                   | 27.8                   |
| thereof minority interests  | 0.2                    | 0.1                    |

## Note to the statement of cash flows

<sup>1</sup> Cash and cash equivalents comprise total liquid funds of the Group.

## STATEMENT OF CASH FLOWS

| in € million   | Jun. 30, 2010 | Jun. 30, 2009 |
|--|---------------|---------------|
| <b>Profit after tax</b>  | <b>86.5</b>   | <b>43.1</b>   |
| Depreciation and amortization of long-term assets  | 10.6          | 10.0          |
| Change in long-term provisions   | -14.3         | 1.4           |
| Change in deferred taxes   | -1.7          | -0.7          |
| Non cash income from release of negative goodwill  | 0.0           | -0.1          |
| Non cash income from investments accounted for using the equity method                                 | -5.3          | -3.7          |
| <b>Gross cash flow</b>   | <b>75.8</b>   | <b>50.0</b>   |
| Change in inventories  | -16.2         | 51.9          |
| Change in trade receivables  | -46.6         | 7.9           |
| Change in other assets   | -7.6          | 0.7           |
| Change in trade payables   | 19.9          | -3.8          |
| Change in other liabilities (excluding financial liabilities)  | 15.0          | -6.6          |
| Net gain/loss on disposal of long-term assets  | 0.0           | 0.1           |
| <b>Cash flow from operating activities</b>   | <b>40.3</b>   | <b>100.2</b>  |
| Investments in long-term assets  | -14.7         | -15.2         |
| Acquisition of subsidiaries and other business units   | 0.0           | 0.0           |
| Disposal of subsidiaries and other business units  | 0.0           | 0.0           |
| Proceeds from the disposal of long-term assets   | 1.4           | 2.4           |
| Dividends received   | 3.2           | 1.3           |
| <b>Cash flow from investing activities</b>   | <b>-10.1</b>  | <b>-11.5</b>  |
| <b>Free cash flow</b>  | <b>30.2</b>   | <b>88.7</b>   |
| Dividends paid   | -39.9         | -37.5         |
| Purchase of own shares   | 0.0           | -5.8          |
| Changes in bank and leasing commitments  | 5.0           | -27.1         |
| Effects on cash from changes in scope of consolidation   | 0.0           | 0.3           |
| <b>Cash flow from financing activities</b>   | <b>-34.9</b>  | <b>-70.1</b>  |
| <b>Cash and cash equivalents at the end of the previous period</b>                                     | <b>89.9</b>   | <b>19.5</b>   |
| Cash flow from operating activities  | 40.3          | 100.2         |
| Cash flow from investing activities  | -10.1         | -11.5         |
| Cash flow from financing activities  | -34.9         | -70.1         |
| Effect of currency translations  | 2.6           | 0.1           |
| <b>Cash and cash equivalents at the end of the period<sup>1</sup></b>                                  | <b>87.8</b>   | <b>38.2</b>   |
| <b>Details of the acquisition and disposal of subsidiaries and other business units (in € million)</b> |               |               |
| Total of all purchase prices   | 0.0           | 0.0           |
| Total of acquired cash and cash equivalents  | 0.0           | 0.0           |
| Balance of acquired net assets   | 0.0           | 0.0           |
| 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           |

**SEGMENTS**

| <b>in € million</b>                | Europe | Asia-Pacific, Africa | North and South America | Total for operating companies | Holding-companies incl. consolidation | FUCHS PETROLUB Group |
|------------------------------------|--------|----------------------|-------------------------|-------------------------------|---------------------------------------|----------------------|
| <b>First half 2010</b>             |        |                      |                         |                               |                                       |                      |
| Sales revenues by company location | 422.7  | 182.4                | 116.5                   | 721.6                         | -20.9                                 | 700.7                |
| Segment earnings (EBIT)            | 63.4   | 38.7                 | 25.7                    | 127.8                         | -3.9                                  | 123.9                |
| EBIT in % of sales revenue         | 15.0   | 18.3 <sup>1</sup>    | 22.1                    | 17.7                          |                                       | 17.7                 |
| <b>First half 2009</b>             |        |                      |                         |                               |                                       |                      |
| Sales revenues by company location | 361.5  | 135.9                | 85.2                    | 582.6                         | -13.0                                 | 569.6                |
| Segment earnings (EBIT)            | 33.3   | 23.3                 | 12.6                    | 69.2                          | -2.5                                  | 66.7                 |
| EBIT in % of sales revenue         | 9.2    | 14.4 <sup>1</sup>    | 14.8                    | 11.9                          |                                       | 11.7                 |

<sup>1</sup> Excluding EBIT of investments for using the equity method as their sales figures are also not included.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements of FUCHS PETROLUB AG, 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 accounting and valuation principles, together with the calculation methods, remained unchanged from the consolidated financial statements for 2009; 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 an examination by the auditor.

### Changes in the scope of consolidation

There were no changes in the scope of consolidation during the reporting period.

### Foreign currency translation

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

| Closing rate (1 €)    | Jun. 30, 2010 | Dec. 31, 2009 | Change in<br>foreign currency<br>in % |
|-----------------------|---------------|---------------|---------------------------------------|
| US dollar             | 1.2208        | 1.4333        | + 17.4                                |
| British pound         | 0.8103        | 0.9000        | + 11.1                                |
| Chinese renminbi yuan | 8.3119        | 9.8000        | + 17.9                                |
| Australian dollar     | 1.4257        | 1.6052        | + 12.6                                |
| South African rand    | 9.3410        | 10.6219       | + 13.7                                |
| Polish zloty          | 4.1589        | 4.1354        | -0.6                                  |
| Brazilian real        | 2.1941        | 2.5075        | + 14.3                                |

| Average exchange rate (1 €) | First half 2010 | First half 2009 | Change in<br>foreign currency<br>in % |
|-----------------------------|-----------------|-----------------|---------------------------------------|
| US dollar                   | 1.3306          | 1.3346          | + 0.3                                 |
| British pound               | 0.8715          | 0.8952          | + 2.7                                 |
| Chinese renminbi yuan       | 9.0946          | 9.1329          | + 0.4                                 |
| Australian dollar           | 1.4890          | 1.8812          | + 26.3                                |
| South African rand          | 10.0390         | 12.2859         | + 22.4                                |
| Polish zloty                | 4.0098          | 4.4818          | + 11.8                                |
| Brazilian real              | 2.4014          | 2.9418          | + 22.5                                |

**Pension provisions**

In Great Britain the portion of €39.1 million of the pension obligations allotted to pensioners was transferred without recourse to an external pension provider. This was financed by withdrawals from the fund assets. At the same time, the company made a one-off payment to the fund of €14.3 million, which led to a corresponding reduction in the pension provisions.

**Events after the balance sheet date**

Subsequent to the balance sheet date there have been no events that would materially affect the financial condition or results of operations of the group.

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, 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, August 2010  
FUCHS PETROLUB AG

The Executive Board



S. Fuchs



Dr. A. Selent



Dr. L. Lindemann



Dr. G. Lingg



Dr. R. Rheinboldt

# FINANCIAL CALENDAR

## DATES 2010

|            |  |
|------------|--|
| November 3 | Interim report for the first 9 months and third quarter 2010<br>Press conference call<br>Analyst conference call |
|------------|--|

## DATES 2011

|             |   |
|-------------|---|
| February 25 | Provisional figures for the 2010 annual financial statements  |
| March 24    | Presentation of the consolidated and individual financial statements for 2010, as well as publication of the 2010 annual report<br>Financial statement press conference, Mannheim<br>Analysts conference, Frankfurt am Main |
| May 3       | Interim report for the first quarter of 2011<br>Press conference call<br>Analyst conference call  |
| May 11      | Annual General Meeting, Mannheim  |
| May 12      | Information event for Swiss shareholders, Zurich  |
| August 3    | Interim report for the first 6 months and second quarter of 2011<br>First-half press conference, Mannheim<br>Analyst conference call  |
| November 3  | Interim report for the first 9 months and third quarter 2011<br>Press conference call<br>Analyst conference call  |

## DISCLAIMER

This interim report 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 correlate with 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.

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