QUARTERLY REPORT
FOR THE FIRST QUARTER **2006**

A SUCCESSFUL START TO OUR
ANNIVERSARY YEAR 2006

75 years of excellence in lubricants

FUCHS 1931 - 2006

THE FIRST QUARTER 2006 AT A GLANCE

Group

[Values in € million]	1–3/2006	1–3/2005
Sales revenues[1]	332.7	**275.0**
Europe	217.3	183.3
North and South America	63.6	50.5
Asia-Pacific, Africa	57.6	45.6
Consolidation	–5.8	–4.4
Earnings before interest and taxes (EBIT)	33.6	**24.8**
Net profit for the first quarter	19.4	**13.1**
Gross cash flow	24.2	**17.6**
Capital expenditure[2]	5.3	**5.8**
Employees (on March 31)	4,037	**4,145**

1 By companies' headquarters
2 In property, plant and equipment and intangible assets

CONTENTS

LETTER TO THE SHAREHOLDERS

Dear shareholders,

FUCHS has made a successful start to the company's 75th anniversary year and has continued the progress made in recent years into the first quarter of 2006.

The quarterly profit of €19.4 million (13.1) is 48 % higher than generated in the first quarter of 2005. An increase in sales revenues of 21 % more than compensated for the increases in the cost of raw materials and other overheads. The base effect, however, played a rather significant role as earnings in the first quarter of 2005 were not as high as in the following quarters, due among other things to the timing of the Easter holidays.

The profit per ordinary and preference share amounts to €0.81 (0.54) and €0.82 (0.55) respectively.

Significant increases in the cost of raw materials continue in 2006, inflating our sales revenues and net current assets.

For the full year 2006, we anticipate continued growth in sales revenues determined by price and mix with the internal growth rate of 17 % achieved in the first quarter being continuously reduced in the following quarters. We are striving to achieve earnings before interest and taxes (EBIT) for the year 2006, which should not fall below the 2005 EBIT of €128.8 million. It should be remembered that this profit for the previous year was positively influenced by special factors.

Yours

Stefan Fuchs
Chairman of the Executive Board

THE ENVIRONMENT

The global economy made a good start to the current year despite the high oil price. The International Monetary Fund (IMF) anticipates worldwide growth of 4.9 % for 2006. For the euro zone, the fund forecasts a growth in gross domestic product (GDP) of 2.0 %. These continuing favorable conditions in the international economy have significantly contributed to the fact that our domestic economy is currently on an upturn. The Kiel Institute for World Economics (IfW) has estimated a growth in German GDP of 1.8 % for 2006.

Industry in Germany is also continuing to benefit from the strong world economy. The Verband Deutscher Maschinen- und Anlagenbau (German Engineering Federation – VDMA) is anticipating an increase in production of around 2.0 % for 2006. The German steel industry is anticipating an increase in production of around 2.5 % for the current year. In this context, it is expected that their main customers, such as the automotive industry, rolling mills, and pipe manufacturers will increase sales by 2.5 to 3.0 %.

Due to the positive economic climate and the sustained growth dynamics in the Asia-Pacific region, we are still expecting growth in the global market for lubricants of about 1.0 %.

SALES REVENUES

In the first quarter of 2006 sales revenues of the FUCHS PETROLUB Group increased by 21.0 % or €57.7 million to €332.7 million (275.0). This strong growth in sales revenues was due mainly to internal growth.

Summary of factors affecting revenues:

	€ million	%
Internal growth	+ 46.8	+ 17.0
External growth	– 0.3	– 0.1
Currency translation effects	+ 11.2	+ 4.1
Sales development	**+ 57.7**	**+21.0**

Development of revenues by region:

[in € million]	2006	2005	Internal growth	External growth	Currency translation effects	Total change absolute	Total change in %
Europe	217.3	183.3	32.3	0.8	0.9	34.0	18.5
North and South America	63.6	50.5	6.9	–	6.2	13.1	25.9
Asia-Pacific, Africa	57.6	45.6	8.9	–1.1	4.2	12.0	26.3
Consolidation	–5.8	–4.4	–1.3	–	–0.1	–1.4	–
Total	**332.7**	**275.0**	**46.8**	**–0.3**	**11.2**	**57.7**	**21.0**

The year 2005 as a whole saw significant price increases in our raw material markets. Base oils, of which large volumes are required, increased in cost by about 70 % between January and December 2005. The highest rates of increase were in the fourth quarter. Notwithstanding this escalation, costs in the first months of 2006 continue to rise. The price increases, which thus became necessary, were a significant driver of the internal growth, which also benefited from an improvement in product mix. Due to the base comparisons the rate of increase in sales revenues may well decline from quarter to quarter.

In the Asia-Pacific, Africa region internal growth at 19.5 % (€8.9 million) was particularly strong. In Europe the growth rate was 17.6 % (€32.3 million), and in North and South America 13.7 % (€6.9 million)

With an average exchange rate of USD 1.20 per euro, the euro was significantly weaker in the first quarter of 2006 as compared with the first quarter of 2005. At that time the average price for the euro was over USD 1.31. In particular, this strengthening of the US dollar, and other currencies associated with it, is reflected in the currency translation effects of the North and South America region (+12.3 % or €6.2 million) and Asia-Pacific, Africa (+9.2 % or €4.2 million).

The slightly negative growth in external sales revenues of –0.1 % represents the balance of the sale of our company in Bangladesh as of January 1, 2006, and the acquisition of a smaller company in Germany in 2005.

EARNINGS

In the first quarter of 2006 earnings after taxes for the FUCHS PETROLUB Group were €19.4 million (13.1). This represents an increase in comparison with the previous year of 48 %. However, the first quarter 2005, in comparison with the figures for the following quarters was not very strong. In 2005 the Easter holidays fell in the first quarter, whereas in 2006 they were in the second quarter.

There was an increase in the cost of sales of €42.9 million or 24.5 % compared with an increase in sales revenues of €57.7 million or 21 %. Gross earnings thus increased in absolute terms (+ €14.8 million) but as a percentage of sales revenues decreased (34.4 % compared with 36.3 %).

It is pleasing to note that costs for administration, distribution and development with a total rise of €5.1 million or 6.9 %, increased significantly less than gross earnings. In this regard operating profits increased by €9.7 million to €35.3 million (25.6). Earnings before interest and taxes (EBIT) rose to €33.6 million (24.8) giving a rate of increase of 35.5 %.

After taking into account the financial result €3.4 million (– 3.9) and taxes of €10.8 million (7.8), earnings after taxes were €19.4 million (13.1).

All regions have again contributed to this success, which was accompanied by an increase in both the absolute segment earnings (EBIT) as well as the EBIT margin.

The profit per ordinary and preference share amounted to €0.81 (0.54) and €0.82 (0.55) respectively.

CAPITAL EXPENDITURE AND ACQUISITIONS

In the first three months of 2006, the Group made investments in property, plant and equipment and intangible assets amounting to €5.3 million (5.8). Approximately three quarters of these investments were assigned to companies in Germany, Great Britain, Italy and the USA. The investments were used primarily to expand and modernize existing plants.

Depreciation and amortization of property, plant and equipment and intangible assets totaled €5.0 million (5.4). As of January 1, 2006, we sold our company in Bangladesh to a local partner who will continue to run the business with production under license.

RESEARCH AND DEVELOPMENT

In the first quarter, our R&D departments completed numerous developments, which have been tested successfully in test bays and in the field.

The significantly increased number of handling and shipping operations require optimized corrosion prevention concepts with simplified logistics. In cooperation with a German automobile manufacturer, FUCHS has found successful new solutions. For the first time, crankshafts are shipped using a process, for which a patent can be obtained. New vapor phase corrosion inhibitors (VCI) provide cost-efficient and fully automated corrosion protection of the workpiece in the storage aid. With a robot-assisted dosing system, the VCI agent is injected into the newly developed storage aid. Due to the volatility of the carrying agent and the minimal dosage requirements, practically no residues remain. A corrosion-preventing vapor phase forms in the closed storage aid and thus protects the workpieces from corrosion.

When machining large quantities of complex-shaped profiles with high demands for machining performance and accurate reproducibility, broaching is among the most efficient production processes. For many years, FUCHS has cooperated with a leading broaching machine manufacturer and can deliver solutions for all broaching processes. A low mist coolant, free of aromatics and non-water miscible was specifically developed to broach hard and soft metals, thereby providing excellent lubricity and high wear protection due to its complex combination of active substances. The coolant ensures high surface qualities and significantly reduces tool wear.

WORKFORCE

As of March 31, 2006 the FUCHS PETROLUB Group employed 4,037 people, 100 less than at the end of 2005 (4,137).

The decrease in the first quarter of 2006 is primarily the result of selling FUCHS LUBRICANTS (BANGLADESH) LTD.

The workforce at a glance:

	3/2006	12/2005	3/2005
Europe	**2,561**	2,568	2,582
North and South America	**610**	613	619
Asia-Pacific, Africa	**866**	956	944
Total	**4,037**	**4,137**	**4,145**

STATEMENT OF CASH FLOWS

Group cash flow, adjusted for consolidation and currency translation effects, indicates a clear rise in gross cash flow to €24.2 million (17.6). The higher profit in the first quarter of 2006 in particular has contributed to this. The depreciation and amortization of long-term assets amounted to €5.2 million (6.7).

Cash flow from operating activities at –€24.8 million has shown a clear decrease in comparison with the preceding year (0.8). The increase in accounts receivable and inventories due to the growth in sales and significant raw material cost increases have led to additional funding requirements. In addition, tax payments for preceding years amounting to approximately €13 million, reduced the short-term provisions and therefore, the operating cash flow.

Investments of €5.3 million (5.9) in long-term assets are as planned. No acquisitions were made in the reporting quarter (preceding year €2.1 million). This is why the cash outflow from investing activities of €3.8 million is below the previous year's value (6.6).

Free cash flow being cash inflow from operating activities after deducting investing activities amounted to €– 28.6 million (– 5.8) for the first quarter.

OUTLOOK

We expect that 2006 will see the world economy continue to show positive growth and we are assuming that the global demand for lubricants will grow by 1 %.

With its balanced product and client mix, FUCHS PETROLUB has successfully risen to the challenges posed on the purchasing side in the first quarter of 2006.

The significant increase in the cost of raw materials in 2005 has continued into 2006. We will respond to this development by continuing to exercise disciplined cost management and by striving to continue to increase our sales prices.

Sales revenues ought to increase in 2006 primarily because of the prices and product mix we offer, but the internal growth rate of 17 % achieved in the first quarter of 2006 will decrease continuously in subsequent quarters. For 2006 as a whole, we are aiming for earnings before interest and taxes (EBIT) which should not be lower than the previous year's value of €128.8 million. This previous year's value was influenced positively by profits from the disposal of land amounting to €7.6 million.

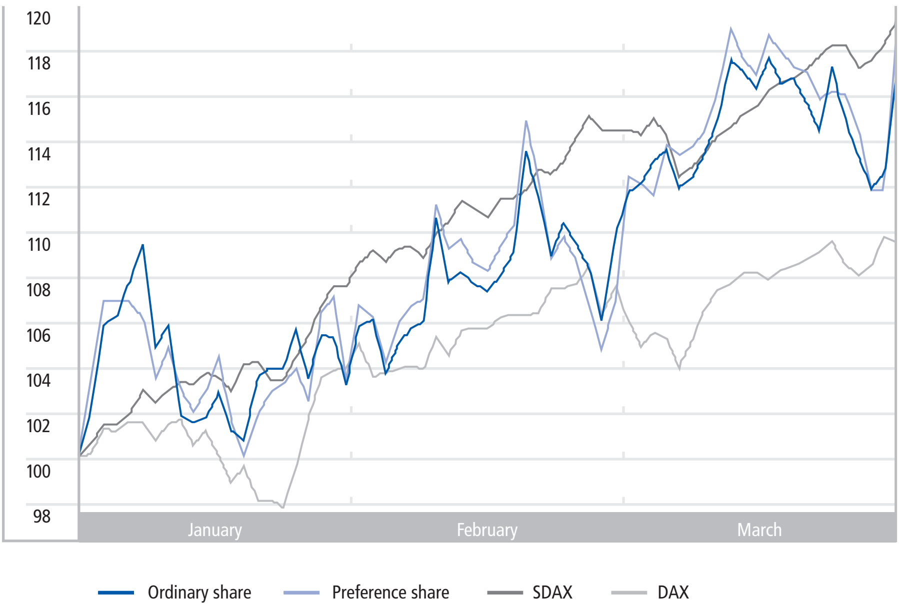
FUCHS SHARES

The gratifying ongoing development of FUCHS' share prices has lead to all-time highs and a five-fold increase since 2001.

The price of the ordinary share on March 31, 2006 was €40.77, which was 16.6 % higher than at the end of 2005. The preference share at €42.89 showed a rise of 18.5 %. FUCHS shares continue to be recommended by analysts as a "buy".

The DAX and SDAX indices, with growth rates of 10.4 % and 20.4 % respectively, showed improvements for the same period.

Indexed comparative performance of the FUCHS PETROLUB shares (1 January to 31 March 2006)



CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

[in € million]	1st quarter 2006	1st quarter 2005
Sales revenues	332.7	275.0
Cost of sales	–218.2	–175.3
Gross profit	114.5	99.7
Selling expenses	–54.8	–51.0
Administration expenses	–18.9	–17.6
Research and development expenses	–5.5	–5.5
Operating profit	35.3	25.6
Other operating income	2.3	3.3
Other operating expenses	–4.3	–4.1
Investment income	0.3	0.0
Earnings before interest amd taxes (EBIT)	33.6	24.8
Financial result	–3.4	–3.9
Earnings before taxes (EBT)	30.2	20.9
Taxes on income	–10.8	–7.8
Net profit after taxes	19.4	13.1
Minority interests	0.1	0.3
Net profit after minority interest	19.3	12.8
Earnings per share in €[1]		
Ordinary share	0.81	0.54
Preference share	0.82	0.55

1 Basic and diluted in both cases.

CONSOLIDATED BALANCE SHEET

[in € million]	31.3.2006	31.12.2005
ASSETS		
Intangible assets	89.0	90.0
Sachanlagen	159.3	161.3
At equity bewertete Beteiligungen	3.9	3.7
Other financial assets	9.5	9.6
Deferred taxes	15.6	15.0
Long-term assets	**277.3**	**279.6**
Inventories	169.1	164.4
Trade receivables	217.8	198.6
Tax receivables	1.3	1.6
Other receivables and other assets	26.7	21.1
Liquid funds	23.1	26.0
Short-term assets	**438.0**	**411.7**
Total assets	**715.3**	**691.3**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Subscribed capital	70.7	70.7
Group reserves	158.7	87.5
Group profits	19.3	73.2
FUCHS PETROLUB Group capital	**248.7**	**231.4**
Minority interest	0.9	1.2
Shareholders' equity	**249.6**	**232.6**
Pension provisions	55.5	54.9
Other provisions	8.0	7.9
Deferred taxes	11.7	11.9
Financial liabilities	66.2	66.5
Other liabilities	1.3	1.3
Long-term liabilities	**142.7**	**142.5**
Trade payables	110.2	120.4
Provisions	35.8	39.8
Tax liabilities	24.8	31.2
Financial liabilities	120.2	96.3
Other liabilities	32.0	28.5
Short-term debt liabilities	**323.0**	**316.2**
Total shareholders' equity and liabilities	**715.3**	**691.3**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

[in € million]	Subscribed capital AG	Capital reserves AG	Equity capital generated in the Group
Balance at 31.12.2004	70.7	94.9	0.8
Dividend payments			
Gains and losses not recognized in the income statement			
Currency effects			
Financial instruments net of deferred taxes			
Other changes			– 0.1
Gains and losses recognized in the income statement			
Net profit after taxes 1.1. – 31.3.2005			12.8
Balance at 31.3.2005	**70.7**	**94.9**	**13.5**
Balance at 31.12.2005	70.7	94.9	57.7
Dividend payments			
Gains and losses not recognized in the income statement			
Currency effects			
Financial instruments net of deferred taxes			
Other changes			
Gains and losses recognized in the income statement			
Net profit after taxes 1.1. – 31.3.2006			19.3
Balance at 31.3.2006	**70.7**	**94.9**	**77.0**

Effects from currency translation	Market valuation of financial instruments	Group's capital	Minority interest	Shareholders' equity
−8.9	−1.6	155.9	3.9	159.8
			−0.4	−0.4
4.8		4.8		4.8
	0.1	0.1		0.1
		−0.1	0.1	0.0
		12.8	0.3	13.1
−4.1	−1.5	173.5	3.9	177.4
8.7	−0.6	231.4	1.2	232.6
			−0.3	−0.3
−2.2		−2.2		−2.2
	0.2	0.2		0.2
			−0.1	−0.1
		19.3	0.1	19.4
6.5	−0.4	248.7	0.9	249.6

STATEMENT OF CASH FLOWS

[in € million]	31.3.2006	31.3.2005
Net profit after taxes	19.4	**13.1**
Depreciation and amortization of long-term assets	5.2	6.7
Change in long-term provisions	0.6	0.3
Change in deferred taxes	– 0.7	– 2.5
Non cash deliverables of shareholdings accounted for using the equity method	– 0.3	0.0
Gross cash flow	24.2	**17.6**
Change in short-term provisions	– 13.1	2.2
Change in inventories	– 6.4	– 1.6
Change in receivables	– 21.0	– 17.5
Change in other assets	– 5.5	2.0
Change in liabilities (excluding financial liabilities)	– 2.9	– 1.7
Gain/loss on disposal of long-term assets	– 0.1	– 0.2
Cash flow from operating activities	– 24.8	**0.8**
Investments in long-term assets	– 5.3	– 5.9
Acquisition of companies and other business units	0.0	– 2.1
Sale of companies and other business units	0.2	0.3
Proceeds from the disposal of long-term assets	1.3	1.1
Cash outflow from investing activities	– 3.8	**– 6.6**
Free cash flow	– 28.6	**– 5.8**
Dividend distribution for the preceding year	– 0.3	– 0.4
Change in bond liabilities	0.0	– 0.3
Changes in bank loans and overdrafts and leasing liabilities	26.2	1.6
Cash inflow from financing activities	25.9	**0.9**
Liquid funds at the end of the preceding period	26.0	**27.6**
Cash flows from operating activities	– 24.8	0.8
Cash flows from investing activities	– 3.8	– 6.6
Cash flows from financing activities	25.9	0.9
Effect of currency translation	– 0.2	– 0.3
Liquid funds at the end of the period[1]	23.1	**22.4**
Details of the acquisition and disposal of companies and other business units [in € million]		
Total amount of all purchase prices	0.0	2.1
Total liquid funds purchased	0.0	0.0
Balance of acquired net assets	0.0	0.0
Total proceeds[2]	0.2	0.3
Total liquid funds sold	0.0	0.0
Net assets sold[3]	– 1.3	0.1

SEGMENT REPORT

[in € million]	Europe	North and South America	Asia-Pacific, Africa	Total for operating companies	Holding-companies incl. consilidation	FUCHS PETROLUB Konzern
1st quarter 2006						
Sales by company location	**217.4**	**63.5**	**57.6**	**338.5**	**– 5.8**	**332.7**
Segment earnings (EBIT)	**20.0**	**10.2**	**4.7**	**34.9**	**–1.3**	**33.6**
EBIT to sales[1] in %	**9.2**	**16.1**	**7.6**	**10.3**		**10.1**
1st quarter 2005						
Sales by company location	183.3	50.6	45.6	279.5	– 4.5	275.0
Segment earnings (EBIT)	15.3	7.4	3.4	26.1	–1.3	24.8
EBIT to sales[1] in %	8.3	14.7	7.5	9.3		9.0

1 Excluding EBIT of associated companies, as their sales figures are also not included.

Notes to the statement of cash flows:
1 Cash and cash equivalents comprise total liquid resources of the Group.
2 The sales prices were completely paid with cash and cash equivalents.
3 The sold net assets refer to FUCHS LUBRICANTS (BANGLADESH) LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The 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) valid on the date of report. The accounting and valuation principles, together with the calculation methods, remained unchanged from the consolidated financial statements for 2005; we therefore refer to the notes to the consolidated financial statements there.

The receivables and liabilities recognised on the consolidated balance sheet in connection with supply agreements in France have, , in accordance with their financial character, for the first time been allocated to financial assets and financial liabilities. The previous year's values have been adjusted accordingly.

In the first quarter of 2006, the number of companies included in the consolidation changed because of the sale of a fully consolidated company. The sale does not substantially affect the feasibility of comparing the consolidated balance sheet and the income statement with the previous year. It has resulted in a reduction in the balance-sheet total of around €1.4 million, and sales revenues have been reduced by €1.5 million.

FUTURE-ORIENTED STATEMENTS AND PREDICTIONS

This quarterly 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 to the overall economic climate, changes to exchange rates and interest rates and changes in the lubricants industry. FUCHS PETROLUB AG provides no guarantee that future developments and the results actually achieved in the future will agree with the assumptions and estimates set out in this quarterly report and assumes no liability for such.

ANNUAL SHAREHOLDERS' MEETING 2006

The Annual Shareholders' Meeting will take place on Wednesday, June 21, 2006 at 10:00 a.m. in the Mozart Room at the Rosengarten Congress Centre, Rosengartenplatz 2, 68161 Mannheim. Shareholders will also receive the report on the 2005 financial year via their depository banks, together with an invitation and the agenda. The payments of dividends, approved by the Annual Shareholders' Meeting will be made on June 22, 2006.

FINANCIAL CALENDAR

June 21, 2006	Annual Shareholders' Meeting
June 22, 2006	Information Event for Swiss Shareholders, Zurich
August 9, 2006	First-Half Press Conference, Mannheim
	Report on the First Half of 2006
September 26–27, 2006	Financial Markets Conference, Duisburg
November 9, 2006	Report on the first Nine Months of 2006

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

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75 years of excellence in lubricants