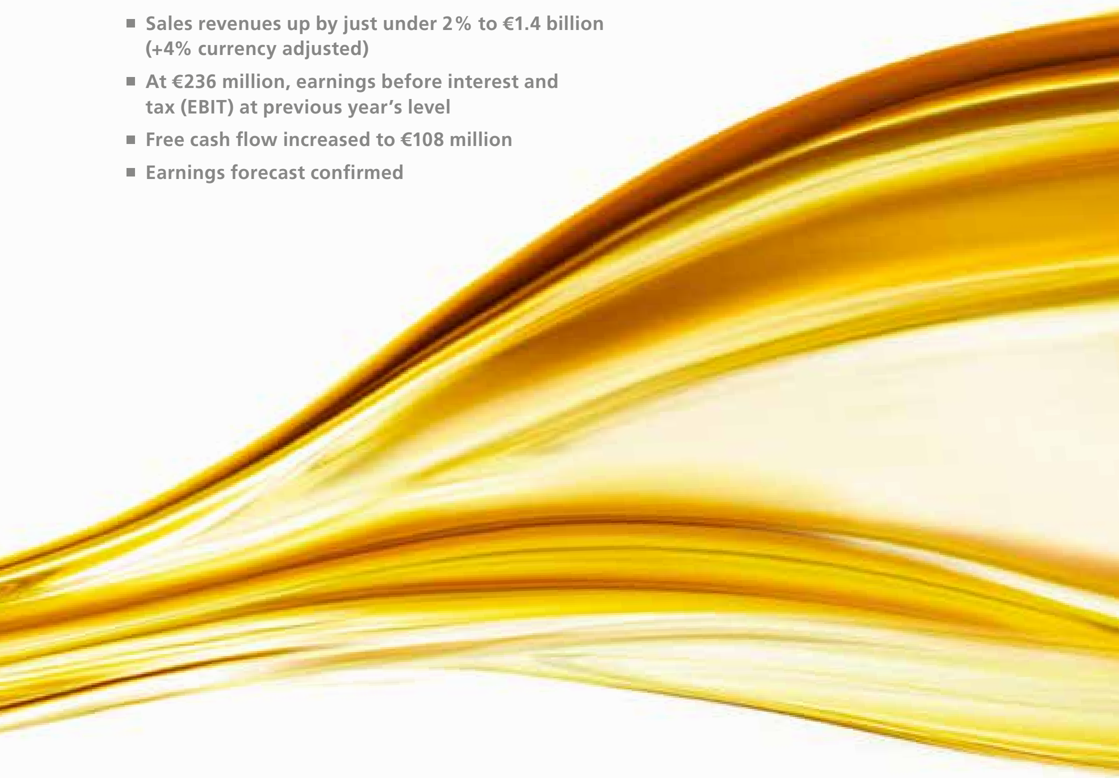
# Q3 | 2014

INTERIM REPORT AS AT SEPTEMBER 30

- Sales revenues up by just under 2 % to €1.4 billion (+4% currency adjusted)
- At €236 million, earnings before interest and tax (EBIT) at previous year's level
- Free cash flow increased to €108 million
- Earnings forecast confirmed



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TECHNOLOGY.
PEOPLE.

FUCHS

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

### FUCHS PETROLUB GROUP

| in € million | First nine months of 2014 | First nine months of 2013 | Δ % |
|---|---|---|---|
| **Sales revenues** [1] | **1,402.8** | **1,379.0** | **1.7** |
| Europe | 851.3 | 833.3 | 2.2 |
| Asia-Pacific, Africa | 378.1 | 366.4 | 3.2 |
| North and South America | 235.9 | 235.0 | 0.4 |
| Consolidation | –62.5 | –55.7 | – |
| **Earnings before interest, tax and income from companies consolidated at equity** | **226.9** | **227.1** | **–0.1** |
| in % of sales revenues | 16.2 | 16.5 | – |
| **Earnings before interest and tax (EBIT)** | **235.9** | **237.2** | **–0.5** |
| **Earnings after tax** | **164.1** | **165.6** | **–0.9** |
| in % of sales revenues | 11.7 | 12.0 | – |
| **Investments in long-term assets** | **23.8** | **51.2** | **–53.5** |
| **Gross cash flow** | **175.3** | **167.7** | **4.5** |
| **Earnings per share (in €)** | | | |
| Ordinary share [2] | 1.17 | 1.16 | 0.9 |
| Preference share [2] | 1.18 | 1.17 | 0.9 |
| **Employees as at September 30** | **4,124** | **3,874** | **6.5** |

[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 September 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 and North and South America.

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Stefan Fuchs, Chairman of the Executive Board

# Letter to our shareholders

Dear shareholders,

FUCHS PETROLUB generated organic growth of 3.9% in the first nine months of 2014. After taking into account exchange rate changes, sales revenues rose by 1.7% to €1,403 million (1,379). Thanks to a strong third quarter, earnings before interest and tax (EBIT) of €236 million (237) reached the previous year's level.

The Group recorded growth in all regions in the first nine months of the year. Fortunately, the significant dips in sales revenues and earnings observed in the first half of the year caused by currency effects became less pronounced in the third quarter.

We are continuing our investments in existing and new facilities, focusing on Germany, the US and Australia. The acquisition in England was successfully integrated in the third quarter and we have also started integrating the business acquired in South Africa. In the light of the uncertainties experienced in the Brazilian market, we have put the construction of the new production facility in Brazil on hold and await the further economic developments in that country.

Our forecast for the financial year remains unchanged. We expect to record organic growth in sales revenues and also to repeat the previous year's excellent results in terms of EBIT. We also expect to record good figures for earnings per share and free cash flow. However, this is based on the assumption that the political and economic frameworks do not suffer any appreciable deterioration in the remaining months of the year.

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 were issued to the company's shareholders (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 halved accordingly.

Within the scope of the share buyback program, ordinary shares and preference shares were bought back for a total purchase price of €98.4 million (2.1 % of share capital) between November 2013 and April 2014. The own shares were redeemed in June 2014 and the share capital was reduced to €139,000,000.

Composition of the share capital (€139,000,000):
- 69,500,000 ordinary shares and
- 69,500,000 preference shares.

You can find further disclosures in the notes.

Each ordinary share carries one vote at the Annual General Meeting. As at September 30, 2014, 53 % of ordinary shares are attributable to the Fuchs family, 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 September 30, 2014.

**OVERVIEW OF FUCHS SHARES [1]**

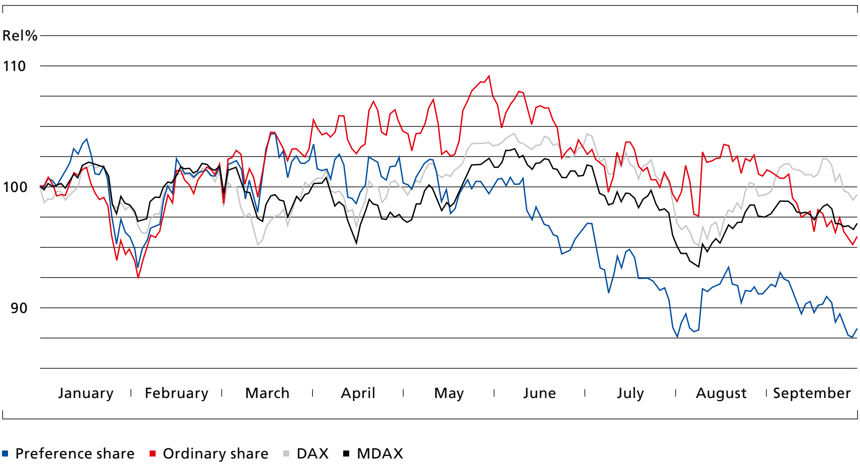
| | **Third quarter 2014** | | First nine months of 2014 | |
|---|---|---|---|---|
| | Ordinary shares | Preference shares | Ordinary shares | Preference shares |
| Shares outstanding (units) as at end of period | 69,500,000 | 69,500,000 | 69,500,000 | 69,500,000 |
| Closing price (XETRA, €) as at end of period | 28.79 | 30.10 | 28.79 | 30.10 |
| Highest price (XETRA, €) | 31.57 | 33.58 | 33.41 | 37.29 |
| Lowest price (XETRA, €) | 28.55 | 29.81 | 28.18 | 29.81 |
| Average daily turnover (XETRA and Frankfurt, € thousand) | 923 | 5,820 | 1,287 | 6,128 |
| Performance (%) | –7.7 | –8.8 | –4.8 | –13.6 |
| Market capitalization (€ million) as at end of period | 4,093 | | 4,093 | |

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

The DAX and MDAX share indices displayed a downward progression in the third quarter of 2014. The DAX lost 3.6 %, while the MDAX lost 4.9 %. The FUCHS ordinary shares closed at €28.79 in XETRA trading at the end of September, while the preference shares closed at €30.10. As at June 30, 2014, declines of 7.7 % and 8.8 % respectively were recorded.

In the first three quarters, the ordinary shares fell by 6.8 %, while preference shares were being traded at 15.3 % below the value recorded at the end of the 2013 financial year. Taking into account the dividends paid out on May 8, 2014, the share performance (price changes and dividends) was – 4.8 % for ordinary shares and – 13.6 % for preference shares. The DAX and MDAX lost 0.8 % and 3.5 % respectively over the same period.

**PRICE TREND OF ORDINARY AND PREFERENCE SHARES IN COMPARISON WITH DAX AND MDAX (JANUARY 1, 2014 – SEPTEMBER 30, 2014)**



# 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 PETROLUB received a second state-of-the-art cardan shaft test bench at the end of September in Mannheim. The system simulates drive shaft operations in motor vehicles through dynamic specification of rotary speed, torque, deflection angle and wind influence. It is used to test cardan shaft greases on series production parts under customer-specific conditions.

In addition to this, work on expanding the test bay in Mannheim also got underway at the start of August. With total usable floor space in excess of 1,000 m², the modern test bay building should be ready for use by the middle of next year. Once completed, it will offer space for new test benches for various fields of application.

In the field of advance development, FUCHS is increasingly focusing on technologies for which the topic of sustainability plays a key part. The objective of the "Advanced Biomass" project is to use algae-based oils as components of environmentally friendly lubricants. The production of biogenic lubricants with algae as a third-generation raw material appears promising. The rapid growth of the algae allows a large quantity of biomass to be extracted in a short time.

### EMPLOYEES

As at September 30, 2014, the global workforce of the FUCHS PETROLUB Group consisted of 4,124 employees. This represents an increase of 236 persons relative to the end of the previous year. Approximately half of these new employees can be attributed to the acquisitions in South Africa and Great Britain.

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

The workforce at a glance:

| | **September 30, 2014** | December 31, 2013 | September 30, 2013 |
|---|---|---|---|
| Europe | 2,539 | 2,466 | 2,443 |
| Asia-Pacific, Africa | 1,036 | 870 | 882 |
| North and South America | 549 | 552 | 549 |
| **Total** | **4,124** | **3,888** | **3,874** |

## ECONOMIC FRAMEWORK

The global economy is displaying rather reserved growth in the fall of 2014. The emerging markets are displaying quite varied economic development. While the upturn is continuing in the US, the recovery is not taking hold in the eurozone in contrast to what was expected early in the year. The German economy, too, has cooled off. The International Monetary Fund (IMF) predicts growth in the global economy of 3.3% for the current year, which corresponds to the growth recorded in 2013. For Germany, the IMF has reduced the anticipated increase in economic output for 2014 from 2.0% in its July forecast to 1.4%.

This has an effect on our end-user industries:

- According to data published by the World Steel Association, global steel production increased by 2.4% up to August 2014 over the same period in the previous year. However, weaker growth in China is reducing demand in the international steel industry more severely than previously anticipated. A global increase in production of 2% is therefore anticipated for 2014. In Germany, crude steel production up to September 2014 was 2.5% above the previous year's figure. A total increase in production of 1% is anticipated for the 2014 financial year.

- For Germany, the German Engineering Federation (VDMA) has reduced its 2014 growth forecast from 3% to 1% after the increase in production of 3% in the first quarter was eroded by a decline in the equivalent proportion in the subsequent quarter.

- According to Euler Hermes, worldwide passenger vehicle production is likely to increase by around 4% overall in 2014. Based on data provided by the International Organization of Motor Vehicle Manufacturers (OICA), 3.9% more passenger vehicles were produced worldwide in the first six months of 2014 than in the same time period of 2013. In Germany, passenger vehicle production increased by 4.0% up to September 2014. The German Association of the Automotive Industry (VDA) also anticipates an increase in passenger car production in Germany at this level for the financial year.

- According to data published by the Association of the German Chemical Industry (VCI), growth in global chemicals production was 2.7% in the second quarter of 2014 and is significantly below the growth rate recorded in the previous quarter. Therefore the Association anticipates a slightly lower global increase in production of 3% overall for 2014. German chemicals production recorded a 0.5% increase up to June 2014. The VCI is expecting chemicals production in Germany to increase by 1.5% in the year 2014.

Overall lubricant demand in the mature markets of Germany, France, Italy, Spain, Japan and Korea stagnated at approximately the previous year's level up to August 2014. Lubricant consumption in the US has displayed a downward trend in the same time of this year. For the emerging countries, on the other hand, we expect an increase, although this is likely to be lower than was the case in 2013. From today's perspective, we expect the global lubricant market to grow between 0.5% and 1% in 2014.

## PERFORMANCE IN THE THIRD QUARTER

At 2.4%, the organic growth in sales revenues recorded by the FUCHS PETROLUB Group in the third quarter of 2014 was in line with its forecast. In contrast to the first six months of the year, currency effects of −0.3% only had a minor influence on sales revenues. At the same time, it was possible to exceed the record EBIT achieved in the same quarter of the previous year, which serves to confirm the earnings forecast made in the interim report for the first six months.

## SALES REVENUES

Two minor acquisitions helped support the organic growth recorded in the third quarter, allowing the Group to achieve a real growth of 3.5%. Taking into account the currency effects, Group sales revenues increased by €14.8 million or 3.2% to €483.5 million (468.7).

Development of sales revenues at a glance:

| | in € million | in % |
|---|---|---|
| Organic growth | 11.2 | 2.4 |
| External growth | 5.3 | 1.1 |
| Currency translation effects | –1.7 | –0.3 |
| **Growth in sales revenues** | **14.8** | **3.2** |

### DEVELOPMENT OF SALES REVENUES BY REGION

| **in € million** | **Third quarter of 2014** | Third quarter of 2013 | Total change absolute | **Total change in %** | Organic growth | External growth | Exchange rate effects |
|---|---|---|---|---|---|---|---|
| Europe | 290.3 | 286.1 | 4.2 | 1.5 | –0.6 | 4.6 | 0.2 |
| Asia-Pacific, Africa | 132.0 | 122.5 | 9.5 | 7.8 | 9.2 | 0.7 | –0.4 |
| North and South America | 82.6 | 80.0 | 2.6 | 3.3 | 4.0 | – | –1.4 |
| Consolidation | –21.4 | –19.9 | –1.5 | – | –1.4 | – | –0.1 |
| **Total** | **483.5** | **468.7** | **14.8** | **3.2** | **11.2** | **5.3** | **–1.7** |

All regions recorded growth in the third quarter of 2014. Outside Europe, this growth was driven by organic growth, while the growth within Europe was largely acquisition-driven.

The Europe region generated sales revenues of €290.3 million, which represent €4.2 million or 1.5% more than in the third quarter of 2013 (286.1). The acquisition completed in England at the end of June also had a positive effect. This contributed the lion's share of the €4.6 million or 1.6% in external growth. The region was not able to generate any organic growth in the period under review. It recorded virtually the same level of sales revenues as in the same quarter of the previous year (–€0.6 million or –0.2%). Net currency exchange effects were €0.2 million or 0.1% as the effects associated with the weak Russian and Ukrainian currencies and a strong British pound largely canceled each other out.

The Asia-Pacific, Africa region was able to build on the good organic growth achieved in the previous quarters and recorded a growth in sales revenues of €9.5 million or 7.8% to €132.0 million (122.5). Virtually all companies contributed to the organic growth of €9.2 million or 7.5%. Currency effects of -€0.4 million or –0.3%, as well as external growth of €0.7 million or 0.6% played a minor part.

North and South America generated organic growth of 5.0% or €4.0 million. The negative currency effect of –€1.4 million or –1.7% was primarily a consequence of the weakness of the Argentinean peso. The region's quarterly sales revenues increased by €2.6 million or 3.3% to €82.6 million (80.0).

### EARNINGS

The Group generated gross profit of €179.7 million (177.6) in the third quarter of 2014. This represents an increase of 1.2%. As was also the case in the previous quarter, the gross margin was 37.2%. It was not possible to repeat the previous year's margin of 37.9%. This is primarily due to delays in passing on currency-based increases in raw material prices in countries with steep currency depreciations.

Expenses for selling and distribution, administration, research and development, including the balance of other operating income and expenses, increased by €0.3 million or 0.3% to €97.8 million over the same time period (97.5). Increases to personnel and other direct costs due to the effects of growth and inflation were softened by income from the sale of a site no longer needed in England. At 20.2%, the expense ratio was therefore below the level of the previous quarters (21.5%).

EBIT before income from companies consolidated at equity increased by €1.8 million or 2.2% to €81.9 million (80.1). The ratio of EBIT before income from companies consolidated at equity relative to sales revenues was 16.9% (17.1).

Incorporating the profit contributions from our associated companies and joint ventures of €2.8 million (3.3), the Group generated EBIT of €84.7 million (83.4). This is €1.3 million or 1.6% more than the already high figure recorded in the same quarter of the previous year.

Earnings after interest and tax was €58.7 million (58.0). The earnings per ordinary and preference share were €0.42 (0.41).

### DEVELOPMENT OF EARNINGS BY REGION

With an EBIT of €45.6 million (41.7), the Europe region's segment earnings exceeded the previous year's figure by €3.9 million or 9.4%. Increases were generated in Germany and Poland, while the sale of a site in England also made a positive contribution. The region's ratio of EBIT before inclusion of companies consolidated at equity relative to sales revenues increased to 15.6% (14.5).

Asia-Pacific, Africa generated segment earnings of €24.9 million (26.6), which corresponds to a decline of €1.7 million or 6.4%. As was already the case in the second quarter, the companies in Australia and South Africa struggled to pass on increased raw material prices caused by a significant weakening of their currencies. These increases could then only be passed on in part or with a time delay. The region recorded a ratio of EBIT before income from companies consolidated at equity relative to sales revenues of 17.0% (19.3).

At €15.3 million (17.0), segment earnings in North and South America are €1.7 million or 10.0% below the same quarter in the previous year. Reasons for this also include the pronounced weakness of South American currencies. Yet despite this, the ratio of EBIT before inclusion of companies consolidated at equity relative to sales revenues is still very high at 18.5% (21.3).

## PERFORMANCE IN THE FIRST NINE MONTHS

### SALES REVENUES

The FUCHS PETROLUB Group recorded organic growth in sales revenues of 3.9% in the first nine months of 2014. However, the increases in sales volumes were largely eroded by currency translation effects in the first six months. In total Group sales revenues increased by €23.8 million or 1.7% to €1,402.8 million (1,379.0).

Summary of the factors affecting sales revenues:

| | in € million | in % |
|---|---|---|
| Organic growth | 54.1 | 3.9 |
| External growth | 6.7 | 0.5 |
| Currency translation effects | –37.0 | –2.7 |
| **Growth in sales revenues** | **23.8** | **1.7** |

**DEVELOPMENT OF SALES REVENUES BY REGION**

| in € million | **First nine months of 2014** | First nine months of 2013 | Total change absolute | **Total change in %** | Organic growth | External growth | Exchange rate effects |
|---|---|---|---|---|---|---|---|
| Europe | 851.3 | 833.3 | 18.0 | 2.1 | 14.2 | 6.0 | −2.2 |
| Asia-Pacific, Africa | 378.1 | 366.4 | 11.7 | 3.2 | 32.7 | 0.7 | −21.7 |
| North and South America | 235.9 | 235.0 | 0.9 | 0.4 | 14.0 | – | −13.1 |
| Consolidation | −62.5 | −55.7 | −6.8 | – | −6.8 | – | – |
| **Total** | **1,402.8** | **1,379.0** | **23.8** | **1.7** | **54.1** | **6.7** | **−37.0** |

Scarcely influenced by net currency effects, Europe increased its sales revenues by €18.0 million or 2.1% to €851.3 million (833.3). Organic growth of €14.2 million or 1.7% was predominantly generated in Central and Eastern Europe. Most of the other companies also recorded increases with the development in Italy being particularly encouraging in light of the local economic environment. Our English company also recorded external growth through the acquisition of a business with automotive and industrial lubricants in England, as well as an international business operating in the glass industry. Total external growth in Europe was €6.0 million or 0.7%.

Asia-Pacific, Africa remains the region that displayed the strongest organic growth. With an increase of €32.7 million, it generated organic growth of 8.9%. The companies in China and Singapore were the primary growth drivers here. Negative currency effects displayed a downward trend with the weakening of the euro in the third quarter. However, they still represented −€21.7 million or −5.9% in the first nine months of the year. The South African rand and the Australian dollar were the two hardest-hit currencies. The region recorded growth of €11.7 million or 3.2%.

For the first time since the start of the year, the North and South America region returned to recording growth in the Group currency of euros. Sales revenues rose by €0.9 million or 0.4% to €235.9 million (235.0). With organic growth of 6.0% or €14.0 million, the growth generated was highly dynamic. The region recorded currency translation effects of −€13.1 million or −5.6%, more than half of which can be attributed to South America. The negative currency effect in Argentina and Brazil was therefore greater than the organic growth recorded in these countries.

## EARNINGS

At €522.7 million (520.7), the FUCHS PETROLUB Group's gross profit after nine months is slightly above the previous year. The less-than-proportionate increase of + 0.4 % relative to sales revenues (+ 1.7 %) corresponds to a decline in the gross margin to 37.3 % (37.8).

Expenses for selling and distribution, administration, research and development, as well as the balance of other operating income and expenses increased by 0.7 % or €2.2 million to €295.8 million (293.6) over the same time period. To strengthen our technological expertise we above all intensified our investments in the field of research and development (+ €2.3 million or + 10.3 %). Despite that, at 21.1 % (21.3) the total expense ratio remained under the previous year's level.

EBIT before income from companies consolidated at equity is thereby at the previous year's level. At €226.9 million (227.1), the deviation from the previous year's figure is – €0.2 million or – 0.1 %. This represents an EBIT of 16.2 % relative to sales revenues (16.5).

Taking into account the earnings of companies consolidated at equity of €9.0 million (10.1), the Group generated an EBIT of €235.9 million (237.2), which represents a deviation of – €1.3 million or – 0.5 % relative to the previous year's record figure.

Financing expenses were €2.7 million in the first nine months of the year (1.6). Rate-hedged financing in several high-interest countries is the reason behind the increase. After deduction of income taxes of €69.1 million (70.0), the Group generated earnings of €164.1 million (165.6). Despite the decline of €1.5 million or 0.9 %, earnings per share increased slightly to €1.17 (1.16) per ordinary share and €1.18 (1.17) per preference share as a result of the share buybacks.

### DEVELOPMENT OF EARNINGS BY REGION

Europe significantly improved its earnings in the first nine months of 2014. The segment earnings (EBIT) of €125.8 million (115.8) are €10.0 million or 8.6% above the figure from the same period in the previous year. The German companies were the main growth contributors. In addition, the companies in Poland and Belgium also recorded increases, while declines were reported in Russia and the Ukraine. The ratio of EBIT before income from companies consolidated at equity relative to sales revenues increased to 14.6% (13.8).

The segment earnings in the Asia-Pacific, Africa region were particularly hard hit by the effects of currency developments associated with the Australian dollar and South African rand. Increased earnings in China and Singapore were not able to compensate for the decline in earnings recorded by the companies in Australia and South Africa. EBIT declined by €7.0 million or 9.0% to €70.9 million (77.9). The ratio of EBIT before income from companies consolidated at equity relative to sales revenues was 16.7% (18.8).

North and South America recorded segment earnings of €43.1 million (48.0) in the first nine months of the year. A reduction to 18.3% (20.4) of the ratio of EBIT before inclusion of companies consolidated at equity relative to sales revenues went along with a decline of €4.9 million or 10.2%. The region still continues to generate the highest returns in the Group, although it is not able to completely detach itself from the effects of weak economic and currency development in Argentina and Brazil. In North America, on the other hand, the economy is continuing to pick up.

## NET ASSETS AND FINANCIAL POSITION

### BALANCE SHEET STRUCTURE

The Group's total assets increased to €1,202.4 million by the end of September (1,162.0 as at December 31, 2013). Around half of this increase can be attributed to currency developments. For example, the US dollar gained 9% in value between the two balance sheet dates.

Long-term assets also increased due to acquisitions made. At €501.3 million, they represent 41.6% of total assets (40.2 as at December 31, 2013).

On the balance sheet date, inventories and trade receivables were €565.4 million and thereby represented 47.1% of total assets (42.4 as at December 31, 2013). On that date, the Group also held cash and cash equivalents of €112.4 million (175.2 as at December 31, 2013). This corresponds to 9.4% of total assets.

The Group continued to be financed primarily by shareholders' equity. Due to earnings and currency effects, shareholders' equity increased to €867.4 million (853.5 as at December 31, 2013). The equity ratio was 72.2% (73.5 as at December 31, 2013).

Trade payables represented 12.3% of total equity and liabilities (11.3 as at December 31, 2013). This second largest item on the liabilities side was €147.7 million (132.3 as at December 31, 2013).

The entire net operating working capital (NOWC = inventories plus trade receivables minus trade payables) has increased by €57.2 million since the start of the year and is currently 21.6% relative to annualized quarterly sales revenues (20.4).

Financial liabilities of €7.7 million (7.8 as at December 31, 2013) were utilized. 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, €23.8 million were invested in property, plant and equipment (51.2). The key areas of investment were in Germany, China and the US.

Depreciation and amortization of long-term assets was €21.7 million (20.5).

In addition to this, the Group made acquisitions with a value of €23.0 million. In June, the lubricant business of the BATOYLE FREEDOM Group was acquired in England. Following the approval by the anti-trust authorities, acquisition of the business of LUBRITENE and LUBRASA in South Africa and Australia was completed in September. You can find further disclosures in the notes.

### STATEMENT OF CASH FLOWS

The Group generated gross cash flow of €175.3 million in the first nine months of 2014 (167.7). This includes depreciation and amortization of long-term assets of €21.7 million (20.5).

€40.9 million (23.5) of these funds were required to finance net operating working capital (inventories plus trade receivables less trade payables). The increase is partly attributable to acquisitions. The capital tie-up period was 79 days (75) in the quarter under review. This represents a reduction of 2 days relative to the first six months of the year. In total funds of €35.2 million (20.5) were required to finance operating activities.

Cash flow from operating activities was therefore €140.1 million (147.2). €45.6 million of this was utilized for investments and acquisitions (51.2). At the same time, the Group received greater dividends than in the previous year from companies consolidated at equity. At €107.9 million (100.1), free cash flow therefore exceeded the previous year's figure and increased cash and cash equivalents to €112.4 million (147.5). The Group was able to finance this year's share buyback, as well as the dividend payment for the previous year in full from the previous year's cash and cash equivalents.

### 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. However, no major liquidity outflows that would require borrowing are currently anticipated for the remaining months in the year.

The FUCHS PETROLUB Group does not use any off-balance-sheet financial instruments such as factoring or ABS transactions.

## 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 September 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-focused approach. Its objective is still to achieve 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

The International Monetary Fund (IMF) has slightly lowered its global growth forecast for 2014. Having previously forecast 3.6%, the IMF is now anticipating an increase in global production of 3.3%.

### Effects on our business model

FUCHS continues to anticipate organic growth in all global regions for 2014. This planning is based on the general economic framework and the expectation for moderate increases in lubricant demand.

### Anticipated earnings, net assets and financial position

FUCHS is continuing its growth initiative. The Executive Board therefore stands by its prediction of organic growth in the low single-figure percentage range for the remaining months and thus for the whole year.

We are also standing by the earnings development projections we made in our interim report for the first six month of the year. The gross margin is likely to remain at the current level. Personnel and operating costs increase in line with the budget and secure our organic growth. In terms of EBIT, we therefore expect to repeat the previous year’s record value.

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

We also plan to repeat the previous year’s excellent earnings after tax, since the financing costs are low and the rate of taxation is likely to remain at its present level. The figure for earnings per share benefits from the share buyback.

In the fourth quarter, we are anticipating capital expenditure above the average we have seen so far, although the total figure for 2014 is unlikely to reach the previous year’s level. We are working on further reducing net operating working capital (NOWC). For the financial year, this means that free cash flow should at least reach the previous year’s level (€149.9 million).

Apart from the continued improvement to the liquidity situation associated with this, the balance sheet and financing structure will not change up to the end of the year.

## LEGAL DISCLOSURES

### DEPENDENT COMPANY REPORT

Please refer to page 112 of the 2013 annual report for details on the dependent company report. As at September 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 nine months of 2014** | First nine months of 2013 |
|---|---|---|
| Sales revenues | 1,402.8 | 1,379.0 |
| Cost of sales | −880.1 | −858.3 |
| **Gross profit** | **522.7** | **520.7** |
| Selling and distribution expenses | −202.5 | −197.5 |
| Administrative expenses | −70.1 | −68.0 |
| Research and development expenses | −24.6 | −22.3 |
| Other operating income and expenses | 1.4 | −5.8 |
| **EBIT before income from companies consolidated at equity** | **226.9** | **227.1** |
| Income from companies consolidated at equity | 9.0 | 10.1 |
| **Earnings before interest and tax (EBIT)** | **235.9** | **237.2** |
| Financial result | −2.7 | −1.6 |
| **Earnings before tax (EBT)** | **233.2** | **235.6** |
| Income taxes | −69.1 | −70.0 |
| **Earnings after tax** | **164.1** | **165.6** |
| **Thereof** | | |
| Non-controlling interests | 0.3 | 0.4 |
| Profit attributable to shareholders of FUCHS PETROLUB SE | 163.8 | 165.2 |
| **Earnings per share in €[1]** | | |
| Ordinary share | 1.17 | 1.16 |
| Preference share | 1.18 | 1.17 |

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

## INCOME STATEMENT

| in € million | **Third quarter of 2014** | Third quarter of 2013 |
|---|---|---|
| Sales revenues | 483.5 | 468.7 |
| Cost of sales | −303.8 | −291.1 |
| **Gross profit** | **179.7** | **177.6** |
| Selling and distribution expenses | −68.9 | −65.6 |
| Administrative expenses | −23.8 | −22.4 |
| Research and development expenses | −8.2 | −7.5 |
| Other operating income and expenses | 3.1 | −2.0 |
| **EBIT before income from companies consolidated at equity** | **81.9** | **80.1** |
| Income from companies consolidated at equity | 2.8 | 3.3 |
| **Earnings before interest and tax (EBIT)** | **84.7** | **83.4** |
| Financial result | −1.1 | −0.5 |
| **Earnings before tax (EBT)** | **83.6** | **82.9** |
| Income taxes | −24.9 | −24.9 |
| **Earnings after tax** | **58.7** | **58.0** |
| **Thereof** | | |
| Non-controlling interests | 0.1 | 0.1 |
| Profit attributable to shareholders of FUCHS PETROLUB SE | 58.6 | 57.9 |
| **Earnings per share in €**[1] | | |
| Ordinary share | 0.42 | 0.41 |
| Preference share | 0.42 | 0.41 |

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

## STATEMENT OF COMPREHENSIVE INCOME

| in € million | First nine months of 2014 | First nine months of 2013 |
|---|---|---|
| **Earnings after tax** | **164.1** | **165.6** |
| **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 | 22.5 | –16.4 |
| Shares in companies consolidated at equity | 0.1 | –0.4 |
| **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 | 0.0 |
| Deferred taxes on these amounts | 0.0 | 0.0 |
| **Total income and expenses recognized directly in equity** | **22.6** | **–16.8** |
| **Total income and expenses for the period** | **186.7** | **148.8** |
| **Thereof** | | |
| Non-controlling interests | 0.3 | 0.4 |
| Shareholders of FUCHS PETROLUB SE | 186.4 | 148.4 |

## STATEMENT OF COMPREHENSIVE INCOME

| in € million | **Third quarter of 2014** | Third quarter of 2013 |
|---|---|---|
| **Earnings after tax** | **58.7** | **58.0** |
| **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 | 21.2 | −9.9 |
| Shares in companies consolidated at equity | 0.1 | −0.3 |
| **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** | **21.3** | **−11.8** |
| **Total income and expenses for the period** | **80.0** | **46.2** |
| **Thereof** | | |
| Non-controlling interests | 0.1 | 0.1 |
| Shareholders of FUCHS PETROLUB SE | 79.9 | 46.1 |

## BALANCE SHEET

| in € million | Sep. 30, 2014 | Dec. 31, 2013 |
|---|---|---|
| **Assets** | | |
| Intangible assets | 131.5 | 108.2 |
| Property, plant and equipment | 294.9 | 284.5 |
| Shares in companies consolidated at equity | 43.3 | 43.3 |
| Other financial assets | 5.3 | 6.2 |
| Deferred tax assets | 25.8 | 25.5 |
| Other receivables and other assets | 0.5 | 0.5 |
| **Long-term assets** | **501.3** | **468.2** |
| Inventories | 265.1 | 232.4 |
| Trade receivables | 300.3 | 260.4 |
| Tax receivables | 1.8 | 5.3 |
| Other receivables and other assets | 21.5 | 20.5 |
| Cash and cash equivalents | 112.4 | 175.2 |
| **Short-term assets** | **701.1** | **693.8** |
| **Total assets** | **1,202.4** | **1,162.0** |
| | | |
| **Equity and liabilities** | | |
| Subscribed capital | 139.0 | 71.0 |
| Group reserves | 563.8 | 563.4 |
| Group profits | 163.8 | 218.1 |
| **Equity of shareholders of FUCHS PETROLUB SE** | **866.6** | **852.5** |
| Non-controlling interests | 0.8 | 1.0 |
| **Total equity** | **867.4** | **853.5** |
| Pension provisions | 15.7 | 15.8 |
| Other provisions | 2.5 | 3.1 |
| Deferred tax liabilities | 20.9 | 18.7 |
| Financial liabilities | 0.0 | 0.0 |
| Other liabilities | 4.4 | 3.4 |
| **Long-term liabilities** | **43.5** | **41.0** |
| Trade payables | 147.7 | 132.3 |
| Provisions | 26.6 | 27.4 |
| Tax liabilities | 29.4 | 23.4 |
| Financial liabilities | 7.7 | 7.8 |
| Other liabilities | 80.1 | 76.6 |
| **Short-term liabilities** | **291.5** | **267.5** |
| **Total equity and liabilities** | **1,202.4** | **1,162.0** |

## STATEMENT OF CASH FLOWS

| in € million | **First nine months of 2014** | First nine months of 2013 |
|---|---|---|
| **Earnings after tax** | **164.1** | **165.6** |
| Depreciation and amortization of long-term assets | 21.7 | 20.5 |
| Change in long-term provisions and in other non-current assets (covering funds) | −2.3 | −7.1 |
| Change in deferred taxes | 0.8 | −1.2 |
| Income from companies consolidated at equity | −9.0 | −10.1 |
| **Gross cash flow** | **175.3** | **167.7** |
| Gross cash flow | 175.3 | 167.7 |
| Change in inventories | −22.4 | −8.2 |
| Change in trade receivables | −29.7 | −32.0 |
| Change in other assets | 3.7 | 7.7 |
| Change in trade payables | 11.2 | 16.7 |
| Change in other liabilities (excluding financial liabilities) | 5.6 | −4.1 |
| Net gain/loss on disposal of long-term assets | −3.6 | −0.6 |
| **Cash flow from operating activities** | **140.1** | **147.2** |
| Investments in long-term assets | −23.8 | −51.2 |
| Acquisition of subsidiaries and other business units [1] | −21.8 | 0.0 |
| Proceeds from the disposal of long-term assets | 4.3 | 1.8 |
| Cash and cash equivalents due to changes in scope of consolidation | 0.2 | 0.0 |
| Dividends received | 8.9 | 2.3 |
| **Cash flow from investing activities** | **−32.2** | **−47.1** |
| **Free cash flow [2]** | **107.9** | **100.1** |
| Dividends paid for previous year | −97.1 | −92.0 |
| Purchase of own shares | −76.4 | 0.0 |
| Changes in bank and leasing commitments | −0.8 | −0.9 |
| Purchase of non-controlling interests | −1.1 | −0.7 |
| **Cash flow from financing activities** | **−175.4** | **−93.6** |
| **Cash and cash equivalents at the end of the previous period** | **175.2** | **143.7** |
| Cash flow from operating activities | 140.1 | 147.2 |
| Cash flow from investing activities | −32.2 | −47.1 |
| Cash flow from financing activities | −175.4 | −93.6 |
| Effect of currency translations | 4.7 | −2.7 |
| **Cash and cash equivalents at the end of the period [3]** | **112.4** | **147.5** |

[1] The total purchase price of €23.0 million includes purchase price liabilities in an amount of €1,2 million. The acquired net assets concern the acquisitions of the lubricant business of the BATOYLE FREEDOM Group in Great Britain and LUBRITENE and LUBRASA in South Africa and Australia.
[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 nine months of 2013 | | | |
| Change in income and expenses recognized directly in equity | | | |
| **As at September 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 nine months of 2014 | | | |
| Change in income and expenses recognized directly in equity | | | |
| Other changes | | | |
| **As at September 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** |
| | 165.2 | | **165.2** | 0.4 | **165.6** |
| | 0.0 | −16.8 | **−16.8** | | **−16.8** |
| 0.0 | 677.9 | −7.7 | **835.8** | 0.9 | **836.7** |
| −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** |
| | 163.8 | | **163.8** | 0.3 | **164.1** |
| | | 22.6 | **22.6** | | **22.6** |
| | 0.7 | | **0.7** | | **0.7** |
| 0.0 | 628.3 | 1.7 | **866.6** | 0.8 | **867.4** |

## SEGMENTS

| in € million | Europe | Asia-Pacific, Africa | North and South America | Total for operating companies | Holding including consoli-dation | FUCHS PETROLUB Group |
|---|---|---|---|---|---|---|
| **First nine months of 2014** | | | | | | |
| Sales revenues by company location | 851.3 | 378.1 | 235.9 | 1,465.3 | −62.5 | 1,402.8 |
| EBIT before income from companies consolidated at equity | 124.6 | 63.1 | 43.1 | 230.8 | −3.9 | 226.9 |
| *in % of sales* | *14.6* | *16.7* | *18.3* | – | – | *16.2* |
| Income from companies consolidated at equity | 1.2 | 7.8 | – | 9.0 | – | 9.0 |
| Segment earnings (EBIT) | 125.8 | 70.9 | 43.1 | 239.8 | −3.9 | 235.9 |
| Investments in long-term assets | 14.5 | 5.9 | 3.0 | 23.4 | 0.4 | 23.8 |
| Employees (average number) | 2,430 | 961 | 552 | 3,943 | 89 | 4,032 |
| **First nine months of 2013** | | | | | | |
| Sales revenues by company location | 833.3 | 366.4 | 235.0 | 1,434.7 | −55.7 | 1,379.0 |
| EBIT before income from companies consolidated at equity | 114.9 | 68.7 | 48.0 | 231.6 | −4.5 | 227.1 |
| *in % of sales* | *13.8* | *18.8* | *20.4* | – | – | *16.5* |
| Income from companies consolidated at equity | 0.9 | 9.2 | – | 10.1 | – | 10.1 |
| Segment earnings (EBIT) | 115.8 | 77.9 | 48.0 | 241.7 | −4.5 | 237.2 |
| Investments in long-term assets | 19.2 | 15.2 | 14.7 | 49.1 | 2.1 | 51.2 |
| Employees (average number) | 2,348 | 865 | 536 | 3,749 | 83 | 3,832 |

## SEGMENTS

| in € million | Europe | Asia-Pacific, Africa | North and South America | Total for operating companies | Holding including consoli-dation | FUCHS PETROLUB Group |
|---|---|---|---|---|---|---|
| **Third quarter of 2014** | | | | | | |
| Sales revenues by company location | 290.3 | 132.0 | 82.6 | 504.9 | –21.4 | 483.5 |
| EBIT before income from companies consolidated at equity | 45.2 | 22.5 | 15.3 | 83.0 | –1.1 | 81.9 |
| *in % of sales* | *15.6* | *17.0* | *18.5* | – | – | *16.9* |
| Income from companies consolidated at equity | 0.4 | 2.4 | – | 2.8 | – | 2.8 |
| Segment earnings (EBIT) | 45.6 | 24.9 | 15.3 | 85.8 | –1.1 | 84.7 |
| Investments in long-term assets | 5.3 | 2.5 | 0.6 | 8.4 | 0.3 | 8.7 |
| Employees (average number) | 2,447 | 1,036 | 549 | 4,032 | 92 | 4,124 |
| **Third quarter of 2013** | | | | | | |
| Sales revenues by company location | 286.1 | 122.5 | 80.0 | 488.6 | –19.9 | 468.7 |
| EBIT before income from companies consolidated at equity | 41.4 | 23.6 | 17.0 | 82.0 | –1.9 | 80.1 |
| *in % of sales* | *14.5* | *19.3* | *21.3* | – | – | *17.1* |
| Income from companies consolidated at equity | 0.3 | 3.0 | – | 3.3 | – | 3.3 |
| Segment earnings (EBIT) | 41.7 | 26.6 | 17.0 | 85.3 | –1.9 | 83.4 |
| Investments in long-term assets | 6.8 | 4.8 | 4.5 | 16.1 | 1.5 | 17.6 |
| Employees (average number) | 2,358 | 882 | 549 | 3,789 | 85 | 3,874 |

## 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. Since 2012 the FUCHS PETROLUB Group has been including all joint ventures in the consolidated financial statements using the equity method.

**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 3131 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. The business of the BATOYLE FREEDOM Group, which generated sales revenues of around €15 million in the financial year 2013/2014, complements and extends FUCHS' existing portfolio with lubricants for the glass industry.

With effect from September 1, 2014, FUCHS acquired the lubricant business of LUBRITENE and LUBRASA in South Africa and Australia. LUBRITENE and LUBRASA extend FUCHS' existing portfolio of lubricants for the field of mining and the food industry. Both businesses together generated sales revenues of around €15 million in the financial year 2013/2014.

The purchase price for both acquisitions is €23.0 million, which can largely be attributed to intangible assets acquired. Besides the customer base and product technology, this figure also includes €5.5 million for goodwill. The purchase prices allocation are provisional.

### 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.

### OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include the following items:

| in € million | First nine months of 2014 | First nine months of 2013 | Third quarter of 2014 | Third quarter of 2013 |
|---|---|---|---|---|
| Net amount of currency gains/losses | −0.6 | −0.7 | −0.1 | −0.6 |
| Write-downs of receivables | −5.0 | −3.9 | −2.3 | −0.2 |
| Net gain on the disposal of assets | 3.6 | 0.6 | 3.5 | 0.0 |
| Net amount of miscellaneous | 3.4 | −1.8 | 2.0 | −1.2 |
| **Other operating income and expenses** | **1.4** | **−5.8** | **3.1** | **−2.0** |

### FINANCIAL RESULT

The financial result includes the following items:

| in € million | First nine months of 2014 | First nine months of 2013 | Third quarter of 2014 | Third quarter of 2013 |
|---|---|---|---|---|
| Interest income | 0.5 | 0.7 | 0.2 | 0.2 |
| Interest expense (excluding pensions) | −2.7 | −1.7 | −1.1 | −0.5 |
| Net interest expense from defined benefit plans | −0.5 | −0.6 | −0.2 | −0.2 |
| **Financial result** | **−2.7** | **−1.6** | **−1.1** | **−0.5** |

The net interest expenses from defined pension obligations are the net amount resulting from interest expenses of €3.0 million (3.0) from the accrued interest associated with the pension obligations minus interest income of €2.5 million (2.4) from the return on plan assets in the first nine months of 2014.

### INCOME TAXES

Income taxes break down as follows:

| in € million | First nine months of 2014 | First nine months of 2013 | Third quarter of 2014 | Third quarter of 2013 |
|---|---|---|---|---|
| Germany | −28.0 | −24.1 | −10.3 | −7.4 |
| International | −41.1 | −45.9 | −14.6 | −17.5 |
| **Income taxes** | **−69.1** | **−70.0** | **−24.9** | **−24.9** |
| **Adjusted rate of taxation (in %)[1]** | **−30.8** | **31.0** | **−30.8** | **31.3** |

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

### CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Contractual obligations for the purchase of property, plant and equipment amount to €15.6 million on September 30, 2014 (10.0 as at December 31, 2013). The increase essentially affects our subsidiaries in Germany, China, South Africa 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 September 30, 2014, the forward currency transactions display positive fair values of €0.2 million (as at December 31, 2013: 1.3), which are disclosed in other short-term assets, and negative fair values of −€0.6 million (as at December 31, 2013: −0.3), which are disclosed under other current liabilities.

## 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 nine months of 2014**

Total income and expenses of €186.7 million (148.8) recorded in the first nine months of 2014 comprises profit after tax of €164.1 million (165.6), as well as €22.6 million (– 16.8) in total income and expenses recognized directly in equity, which are exclusively attributable to the change in the adjustment item due to currency translation effects.

**Third quarter of 2014**

Total income and expenses of €80.0 million (46.2) recorded in the third quarter of 2014 are made up of earnings after tax of €58.7 million (58.0) and €21.3 million (– 11.8) of income and expenses recognized directly in equity.

## NOTES TO THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity rose by €13.9 million to €867.4 million (853.5 as at December 31, 2013). While the share buyback program and dividend payments reduced shareholders' equity, the attributable earnings after tax and the positive effect associated with increasing the currency conversion adjustment item led to an increase in shareholders' equity.

**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.

In the period from November 27, 2013, up to and including April 28, 2014, a total of 1,480,000 own shares were bought back 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 year 2014. The €98.4 million spent (2.1 % of the subscribed capital) 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. Capitalization of reserves meant that subscribed capital increased by €71.0 million to €142.0 million. Due to the issue of new ordinary and preference shares (35,490,000 shares in each category), the number of ordinary and preference shares doubled to 70,980,000 shares each.

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 offer 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 €2.0 million (December 31, 2013: 2.3) and license receivables of €0.4 million (December 31, 2013: 0.2). The non-consolidated proportion of revenues from the sale of goods to companies consolidated at equity was €11.1 million (11.7) in the first nine months of 2014 and €4.9 million (4.0) in the third quarter, while other operating income was €0.8 million (0.8) in the first nine months of 2014 and €0.3 million (0.3) in the third 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) | **September 30, 2014** | December 31, 2013 | Change in foreign currency in % |
|---|---|---|---|
| US dollar | 1.263 | 1.377 | 9.0 |
| British pound | 0.779 | 0.833 | 6.9 |
| Chinese renminbi yuan | 7.760 | 8.331 | 7.4 |
| Australian dollar | 1.444 | 1.540 | 6.6 |
| South African rand | 14.272 | 14.504 | 1.6 |
| Polish zloty | 4.177 | 4.151 | −0.6 |
| Brazilian real | 3.094 | 3.252 | 5.1 |
| Argentinean peso | 10.674 | 8.974 | −15.9 |
| Russian ruble | 50.01 | 45.26 | −9.5 |
| South Korean won | 1,332.93 | 1,452.97 | 9.0 |

| Average annual exchange rate (€1) | **First nine months of 2014** | First nine months of 2013 | Change in foreign currency in % |
|---|---|---|---|
| US dollar | 1.356 | 1.317 | −2.9 |
| British pound | 0.813 | 0.852 | 4.8 |
| Chinese renminbi yuan | 8.341 | 8.197 | −1.7 |
| Australian dollar | 1.478 | 1.347 | −8.9 |
| South African rand | 14.555 | 12.500 | −14.1 |
| Polish zloty | 4.178 | 4.202 | 0.6 |
| Brazilian real | 3.109 | 2.795 | −10.1 |
| Argentinean peso | 10.829 | 6.967 | −35.7 |
| Russian ruble | 48.05 | 41.69 | −13.2 |
| South Korean won | 1,416.47 | 1,462.36 | 3.2 |

## 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.

Mannheim, October 2014
FUCHS PETROLUB SE

The Executive Board

| | |
|---|---|
| S. Fuchs | Dr. A. Selent |
| Dr. L. Lindemann | Dr. R. Rheinboldt |

# Financial calendar

**DATES 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.

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