



FUCHS PETROLUB SE

The leading independent lubricants manufacturer of the world

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September 2013



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The leading independent lubricants manufacturer of the world



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- Founded in 1931
- 2012 sales revenues: €1.8 bn
- 2012 number of employees: 3,800 from 36 countries
- 33 production facilities
- 100,000 customers in more than 100 countries
- Member of the MDAX, DAXplus Family 30 and STOXX Europe 600



- FUCHS is fully focussed on lubricants (advantage over major oil companies)
- Technology, innovation and specialisation leadership in strategically important product areas
- Independence allows customer and market proximity, responsiveness, speed and flexibility (advantage over major oil companies)
- FUCHS is a full-line supplier (advantage over most independent companies)
- Global presence (advantage over most independent companies)

FUCHS - long-term strategic objectives



- Continue to be the world's largest independent manufacturer of lubricants and related specialities
- Value-based growth through innovation and specialisation leadership
- Organic growth in emerging markets and organic and external growth in mature markets
- Creating shareholder value by generating returns above the cost of capital
- Remain independent which is decisive for FUCHS' business model

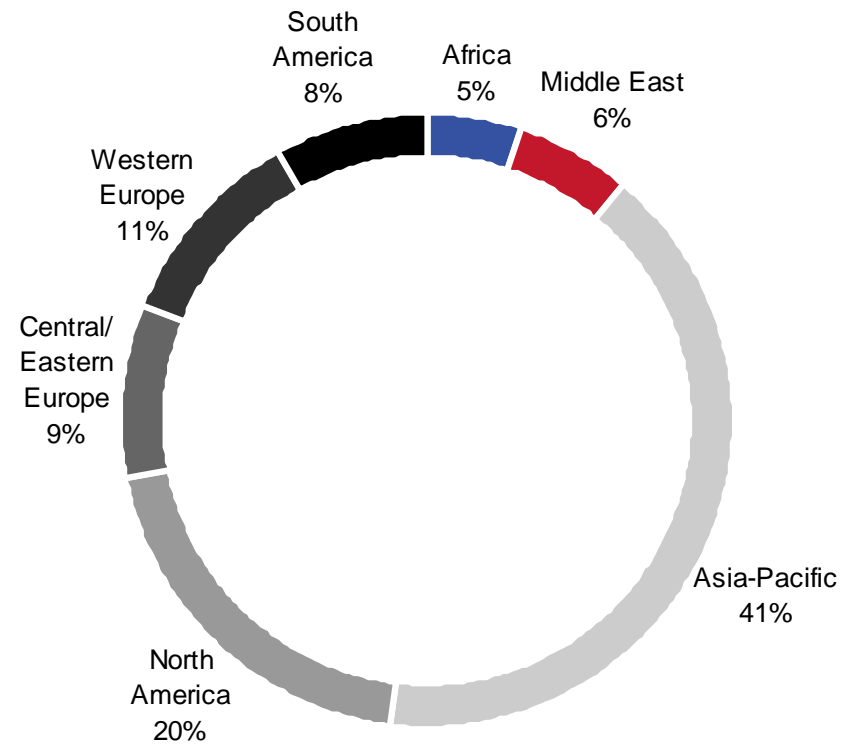
Regional breakdown of world lubricants demand in 2012



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World lubricants demand: 35 mn t

- The biggest regional lubricants market with the highest growth rate is found in Asia-Pacific.
- North America and Western Europe are mature markets. The focus is on a more specialized product portfolio and specialities.

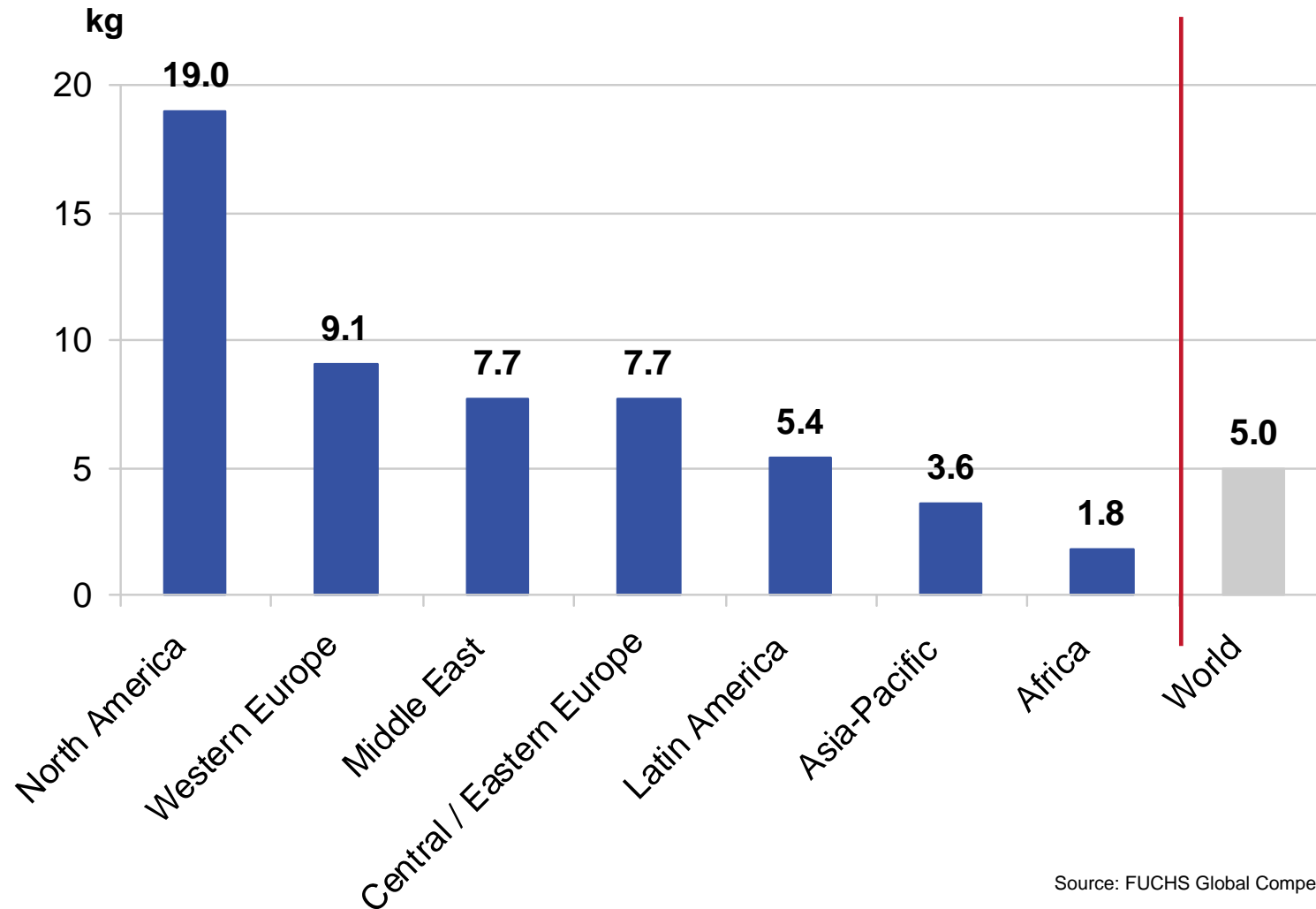


Source: FUCHS Global Competitive Intelligence

2012 per-capita lubricants demand shows significant growth opportunities



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Source: FUCHS Global Competitive Intelligence

Competition – strong fragmentation



manufacturers:

130 major oil companies

590 independent manufacturers

720 manufacturers*

High degree of fragmentation
continues in the industry

Concentration especially among
smaller companies

sizes:

manufacturers	volumes %
---------------	--------------

top 10	> 50.0
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710	< 50.0
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720	100.0
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Differences in the size of manufacturers
are enormous. World-wide the top 10
finished lubricants manufacturers
including FUCHS hold more than 50% of
global volumes while the remainder of
more than 700 manufacturers share less
than 50%.

Source: FUCHS Global Competitive Intelligence

FUCHS – strategic position

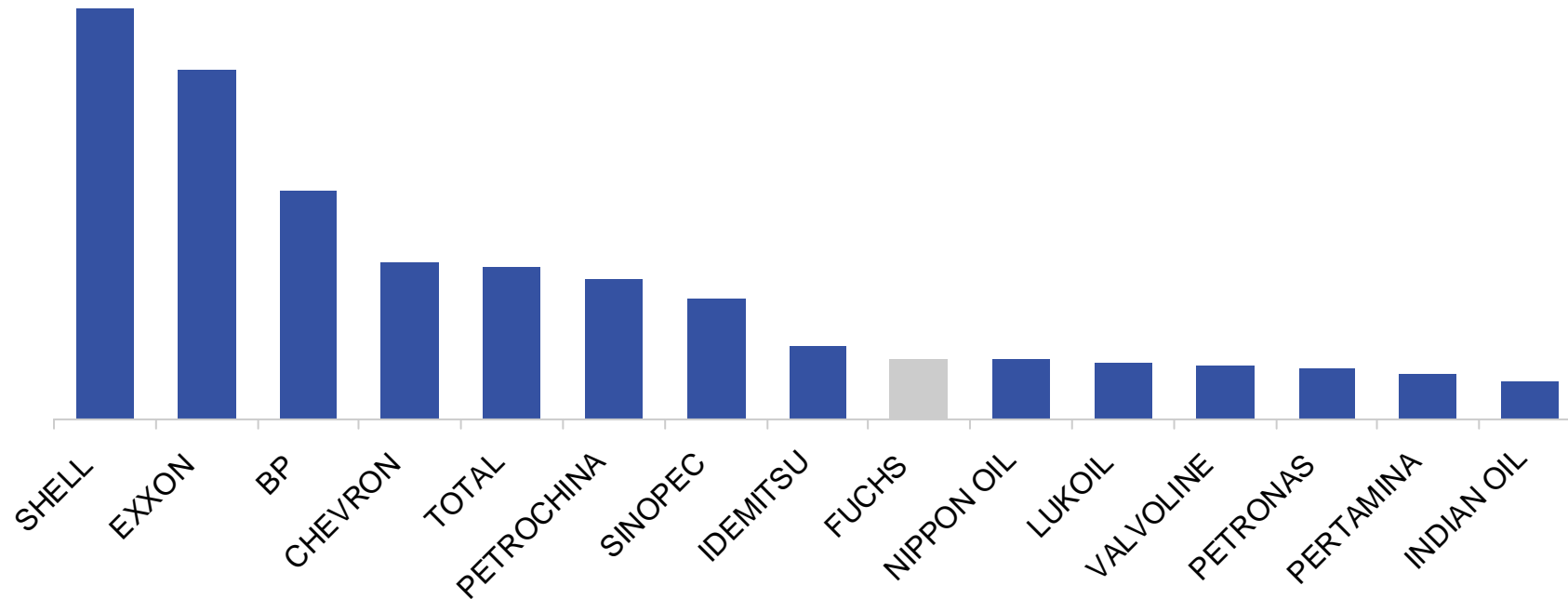


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FUCHS is strategically well positioned as we are the 9th largest lubricant company in the world*



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* by volume

Source: FUCHS Global Competitive Intelligence



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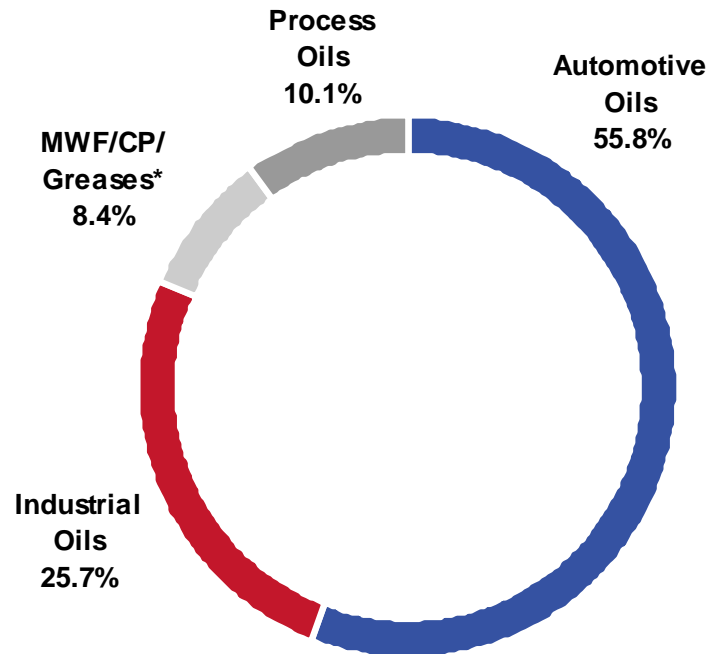
Among 590 independent lubricants
companies FUCHS is the number 1.

FUCHS is the Specialist for Lubricants

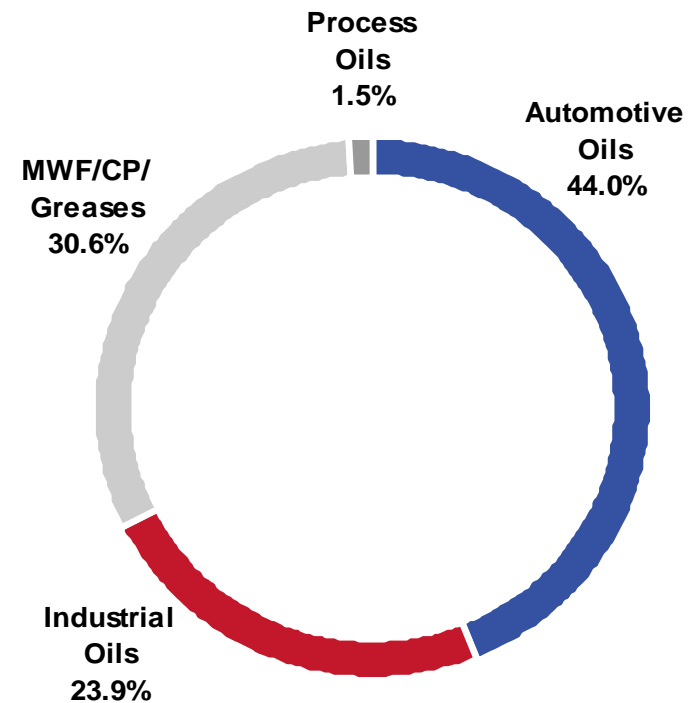


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**World Lubricants Market 2012
(volume)**



**FUCHS Finished Lubricants 2012
(volume)**



*metalworking fluids/corrosion preventatives/lubricating greases

Source: FUCHS Global Competitive Intelligence

FUCHS is the specialist and occupies technology and market leadership positions in strategically important niche areas



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- High-performance speciality open gear lubricants (cement industry etc.) No. 1



- Mining specialities (fire-resistant hydraulic fluids for underground coal mining and high-performance lubricants) No. 1



- Environmentally friendly and biodegradable lubricants and Processing fluids No. 1



- Metalworking fluids No. 2-4



- Corrosion preventives No. 2



- Forging lubricants No. 2



- Greases No. 3-4

FUCHS research and development



10% of total staff – more than 350 chemists, engineers and other technical experts – work in R & D around the globe and ensure technical leadership in key products and application areas.

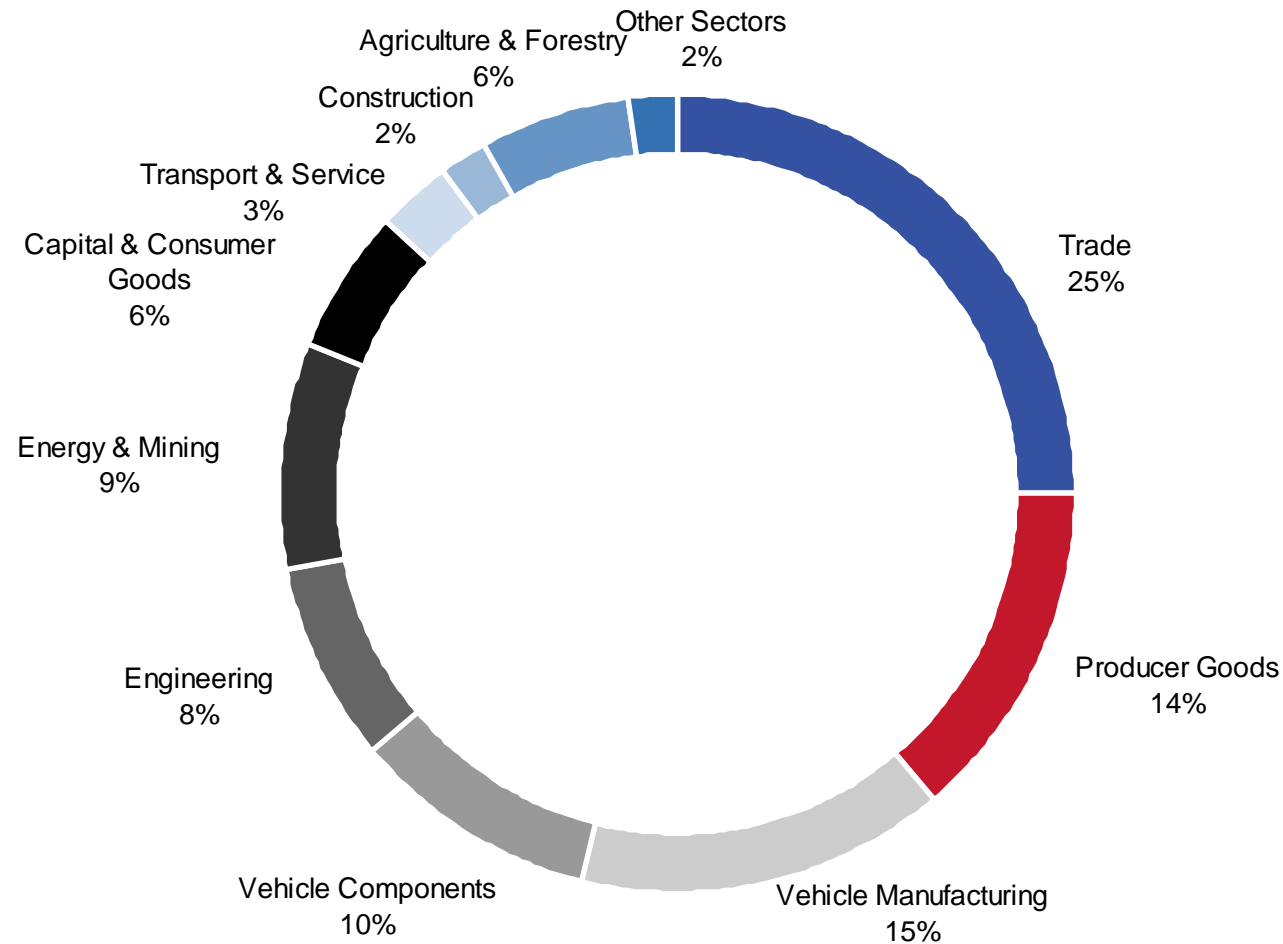


FUCHS PETROLUB Group Customer Portfolio

Customer Sectors*



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*Breakdown as percentage of sales 2012

Source: FUCHS Global Competitive Intelligence

FUCHS manufactures in 33 production plants all over the world



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FUCHS' strategic position is a combination of...



Independence & Financial Strength

Comments

around €1.8 bn in sales (70% outside Germany, Asia Pacific is FUCHS' 2nd largest regional market), #9 worldwide and by far the largest independent producer, close to customers

leader in innovation, specialisation & technology, clear focus on high-value products & market segments, basis for strong profitability, high cash flows & value creation

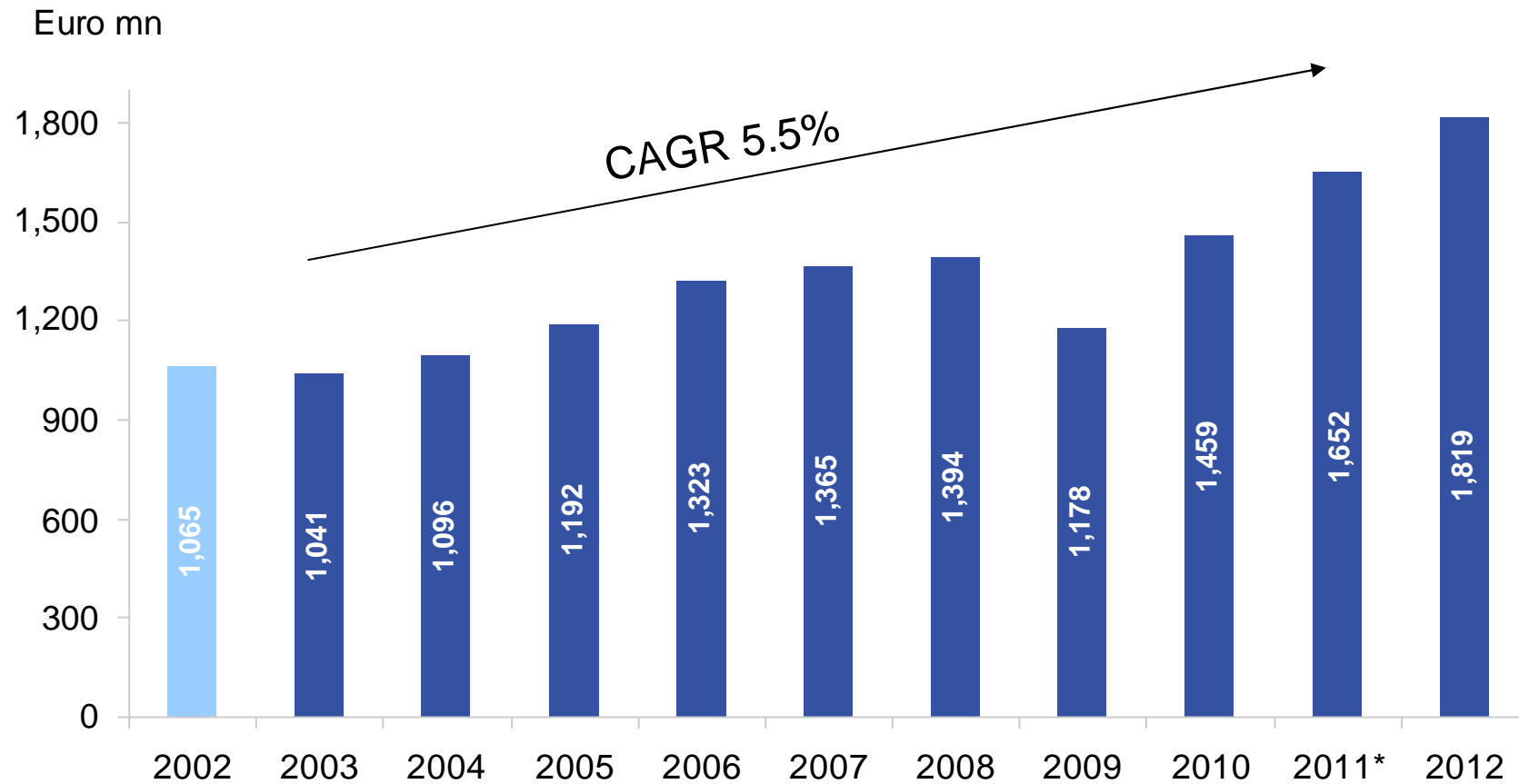
optimized and highly flexible cost structure, highly committed teams in management, production, R&D, sales and admin supported by company's independence, steering via FVA tool successful

**The business model has paid
dividends**



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During the past 10 years, sales revenues have increased by 5.5% p.a.

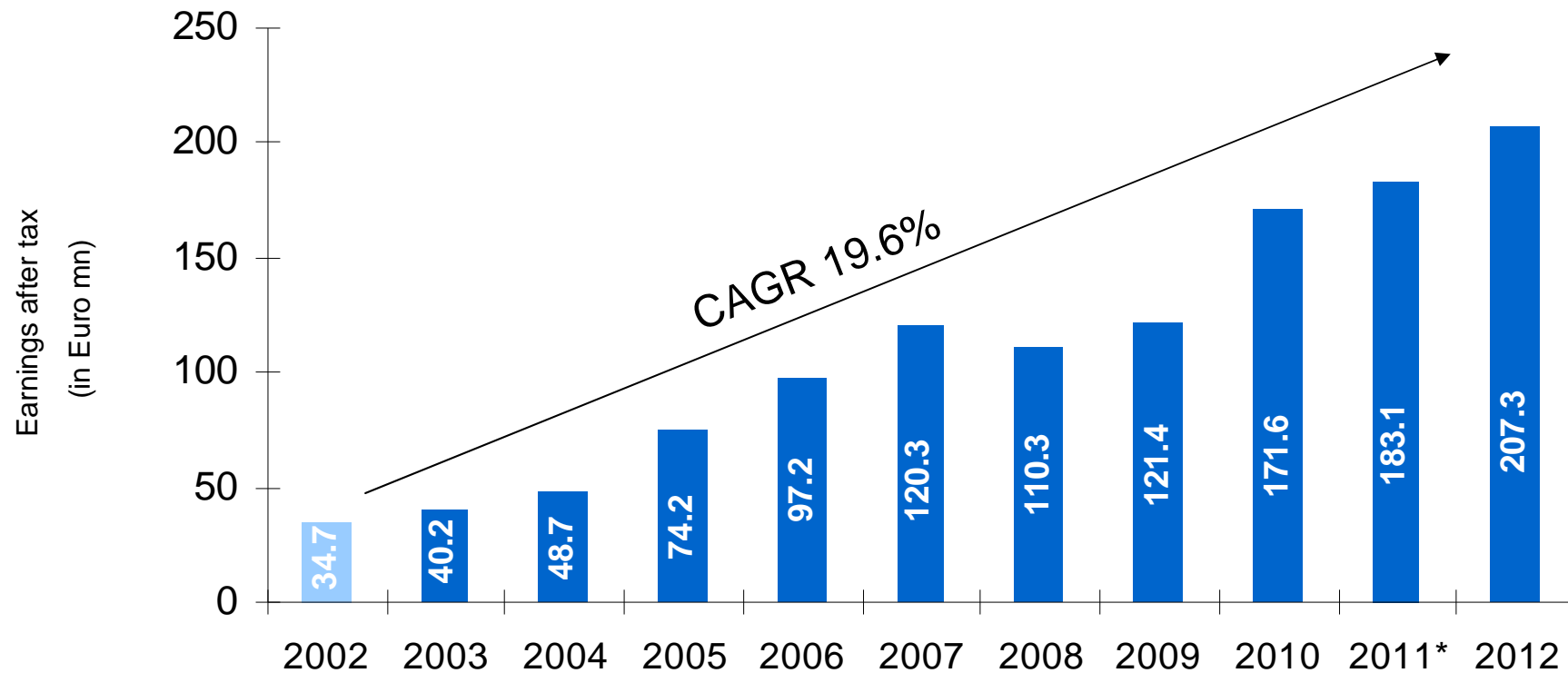


* comparable

During the past 10 years, earnings after tax have increased by 19.6% p.a.



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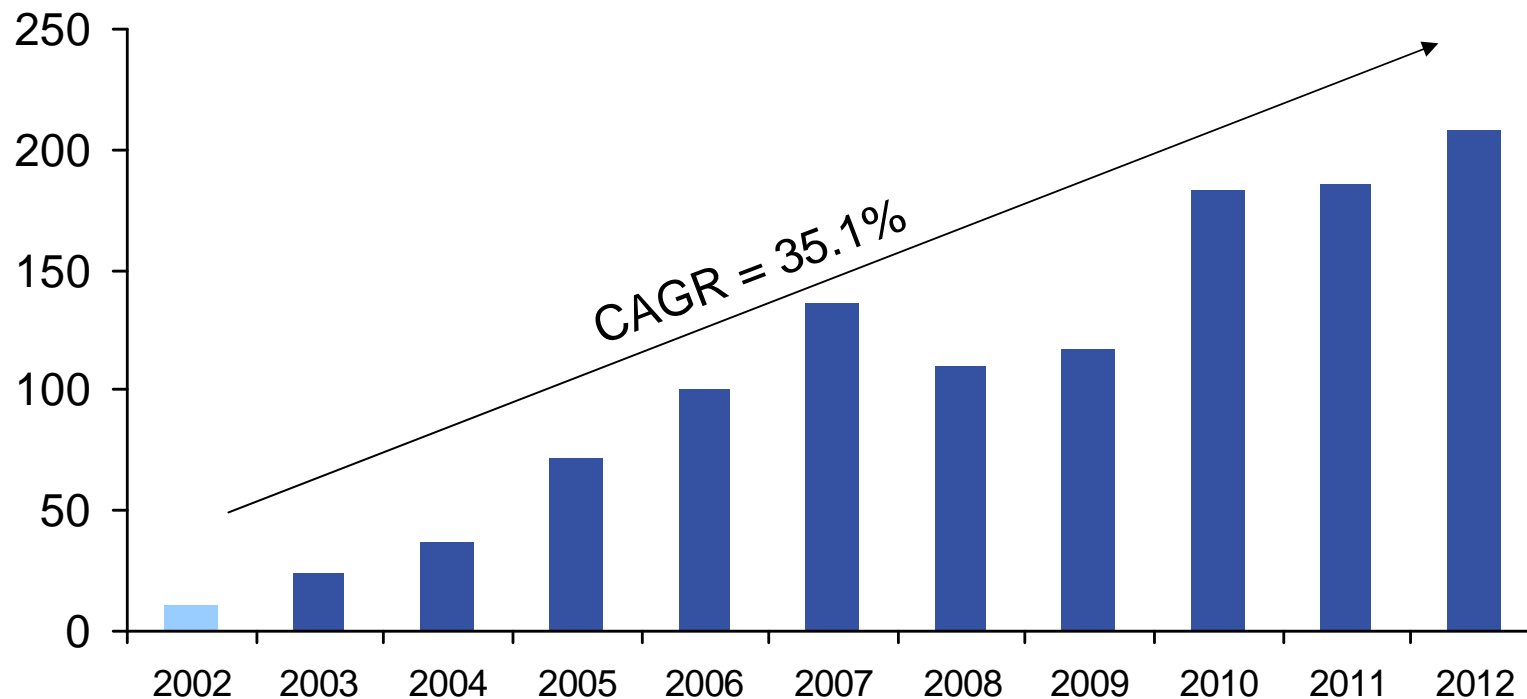
Earnings growth	15.9%	21.1%	52.4%	31.0%	23.8%	-8.3%	10.1%	41.4%	6.7%	13.2%
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* comparable

During the past 10 years, FUCHS Value Added has increased by 35% p. a. and generated a significant premium on our cost of capital



FVA = Fuchs Value Added



Fuchs Value Added (FVA)	10.3	24.1	37.4	71.4	100.3	136.5	110.1	116.8	182.7	186.0	208.2
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Solid balance sheet – increase of equity ratio to 70.5% and net payment items of €134.8 million



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Euro mn	2007	2008	2009	2010	2011 ³	2012
Equity	325.9	315.3	392.9	546.5	658.2	781.7
Equity ratio	45.6%	44.8%	52.7%	61.1%	66.8%	70.5%
Return on equity (ROE)	37.1%	33.3%	35.3%	36.6%	31.0%	29.0%
Return on capital employed (ROCE)	38.3%	32.0%	32.8%	42.7%	39.1%	39.7%
Net debt¹ (-) / net cash (+)	-7.7	-104.6	+31.7	+72.4	+64.9	+134.8
EBIT/financial result²	23.2x	19.3x	25.7x	54.2x	72.8x	183.1x

¹ excl. pensions

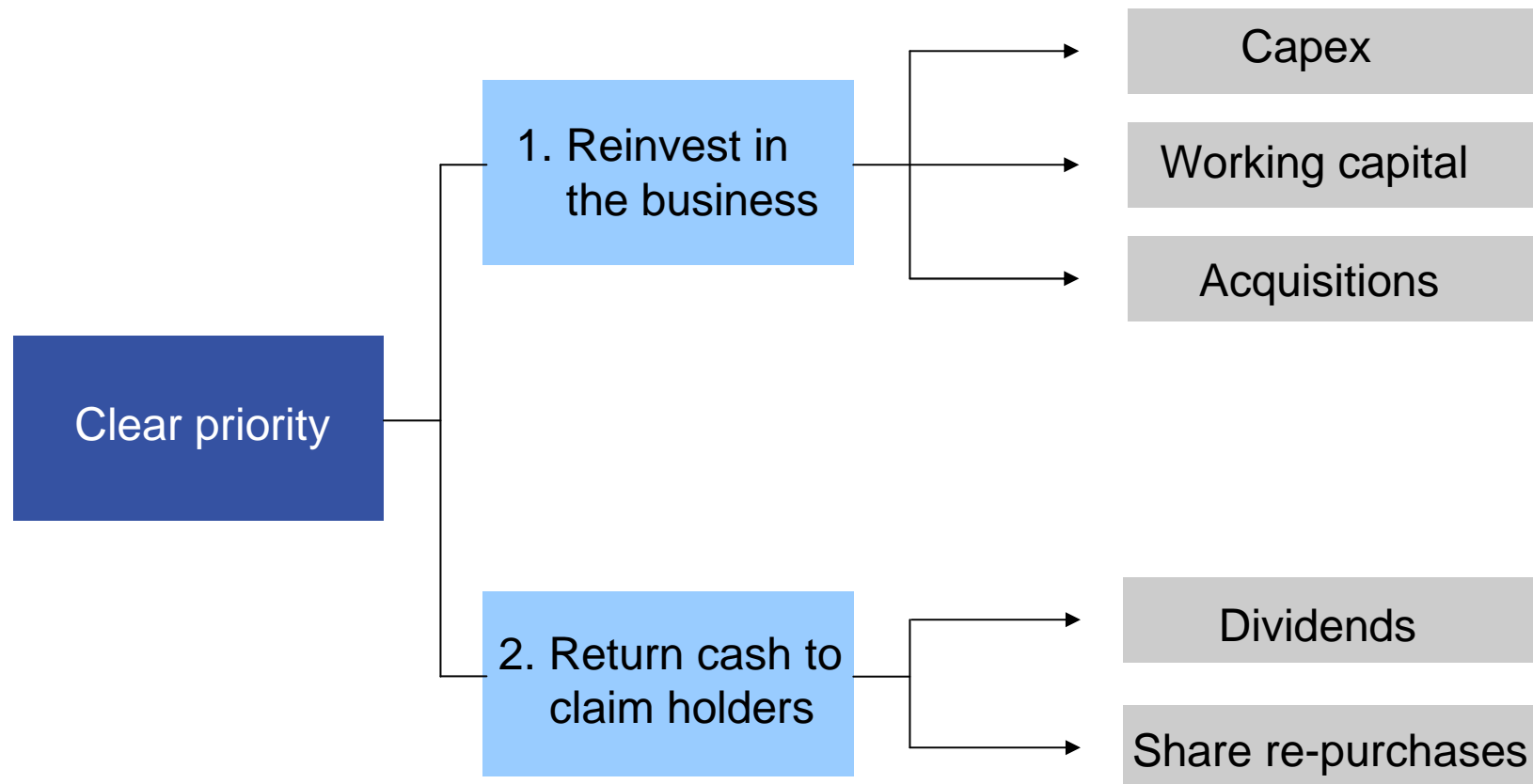
² adjusted by participation write-offs

³ comparable

We have frequently been asked about use of cash



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Growth initiative



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We are prepared for the future



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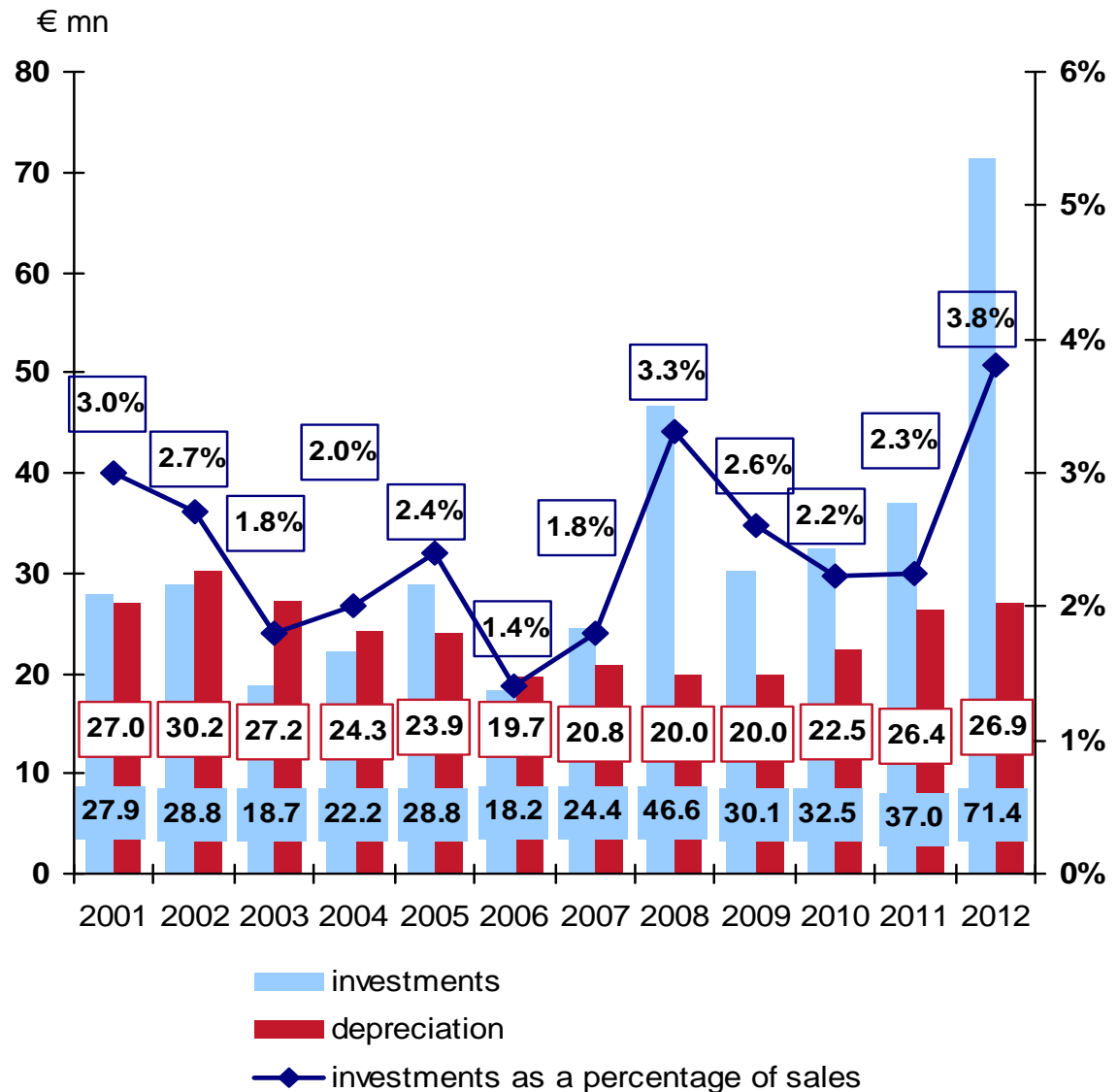
- Additional people
- Additional capex
- Additional opportunities
 - Margin management
 - Small market shares in certain product areas and countries
 - More focused
 - Strong team in our industry
 - Global network

Highest investment in the company's history



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Apart from the construction of the new sites in growing regions such as Russia and China or the modernization of existing plants such as in the U.S., we have inaugurated the new research and development centre in Mannheim.



Investments in new plants, efficiency and R & D



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India: Mumbai (2010)



Australia: Melbourne (2012)



Germany: Kaiserslautern (2009)



Germany: Mannheim (2010)



China: Shanghai (2008)



China: Yingkou (2013)



Russia: Kaluga (2013)



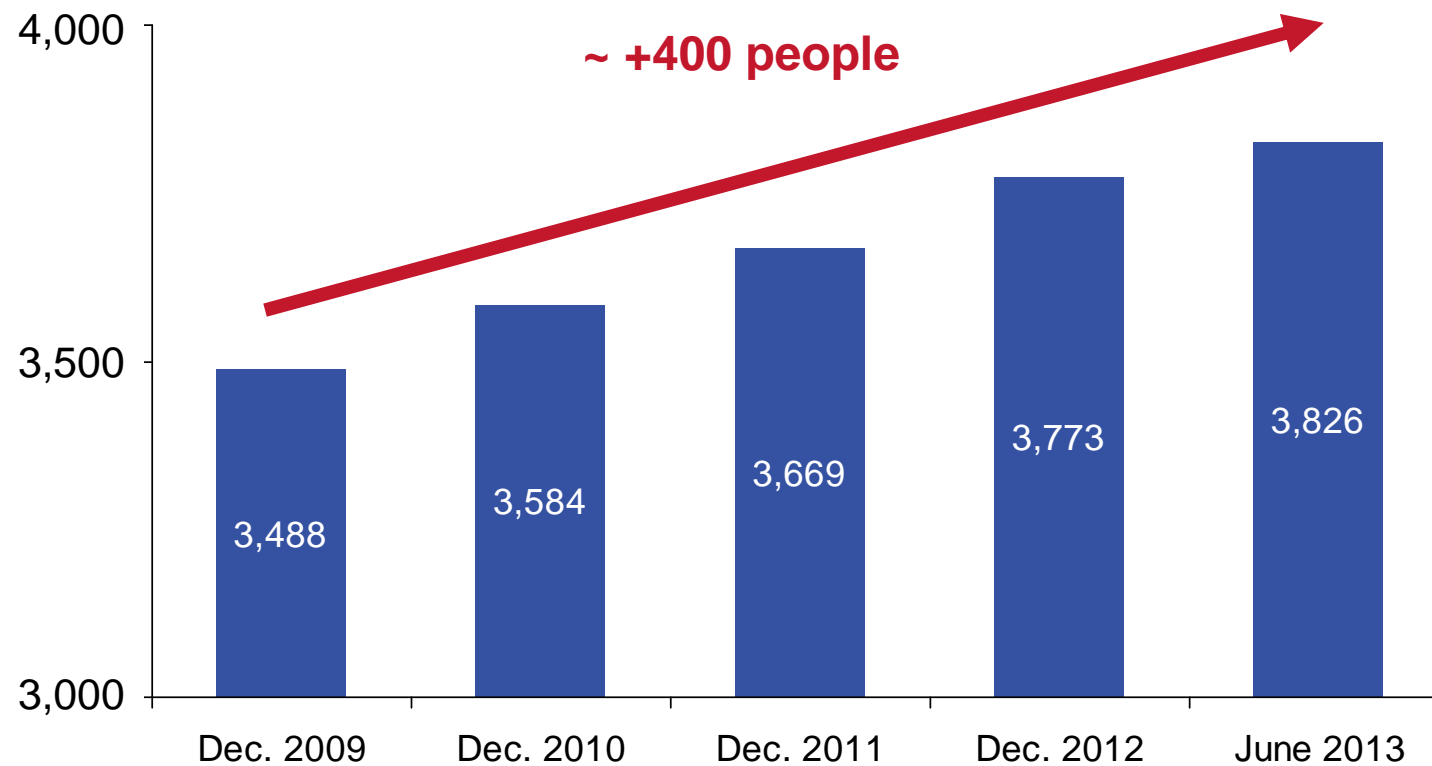
USA: Chicago (2013)



Growth initiative – Personnel increase mainly in sales and R&D



Number of employees
(on 31 Dec.)



Dividend

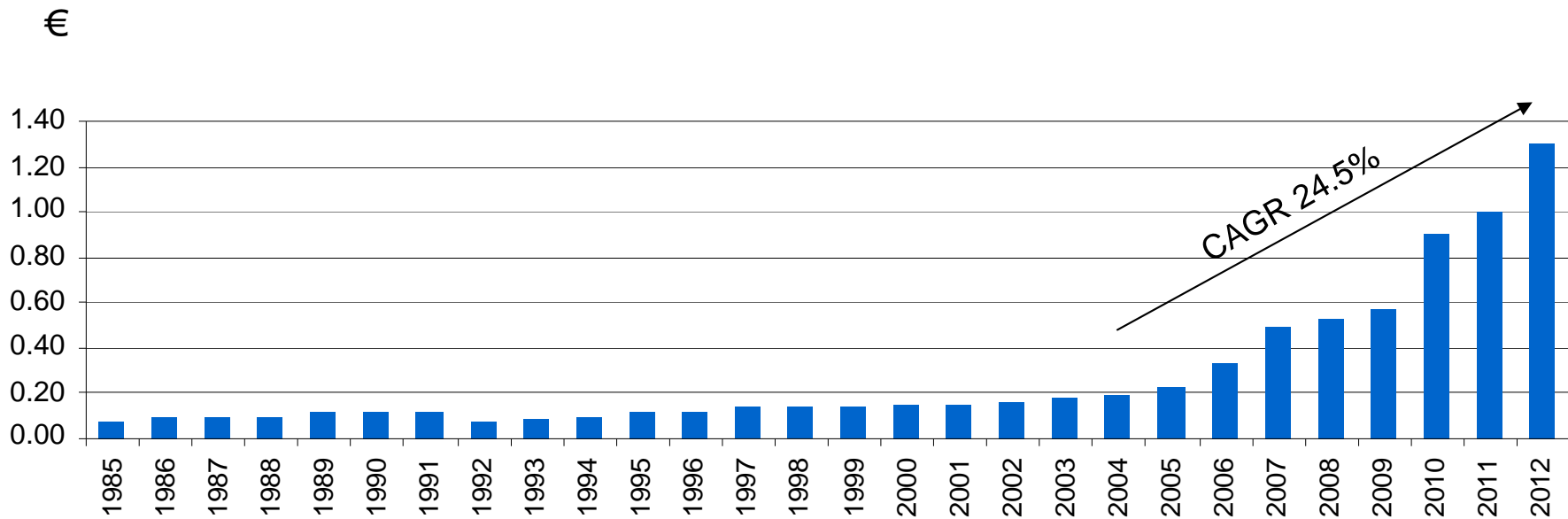


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During the past 10 years, dividends have been increased by 24.5%



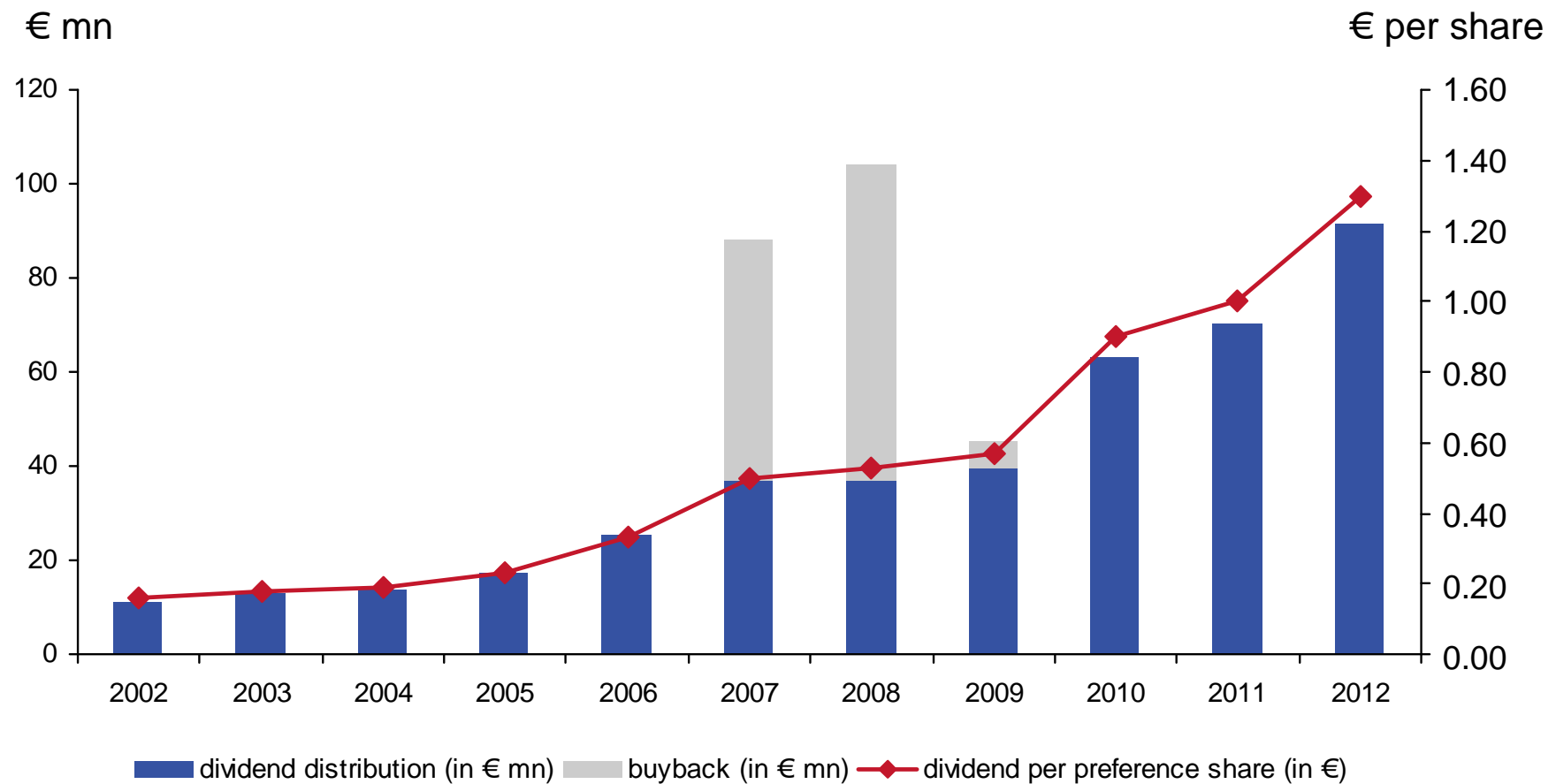
CAGR (preference shares): 10.9% since 1985



Total return to Fuchs shareholders



Dividend payout and share buyback since 2002



The first half year 2013 and outlook



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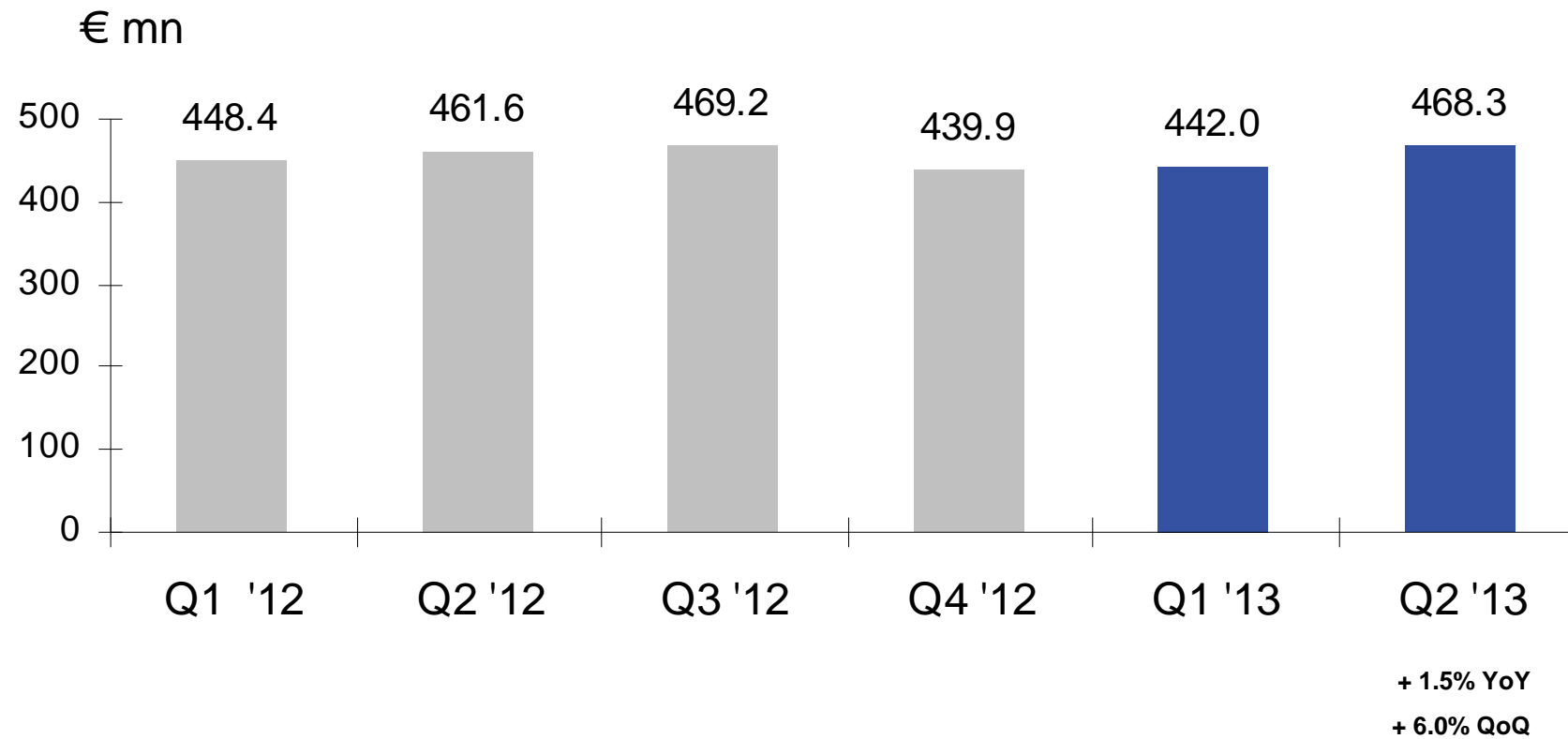
The first half year 2013



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- Following an increase in the 2nd quarter, sales revenues for the first half year return to previous year's level
- Earnings before interest and tax (EBIT) up 5.8% to €153.8 mn
- Outlook confirmed for the year 2013

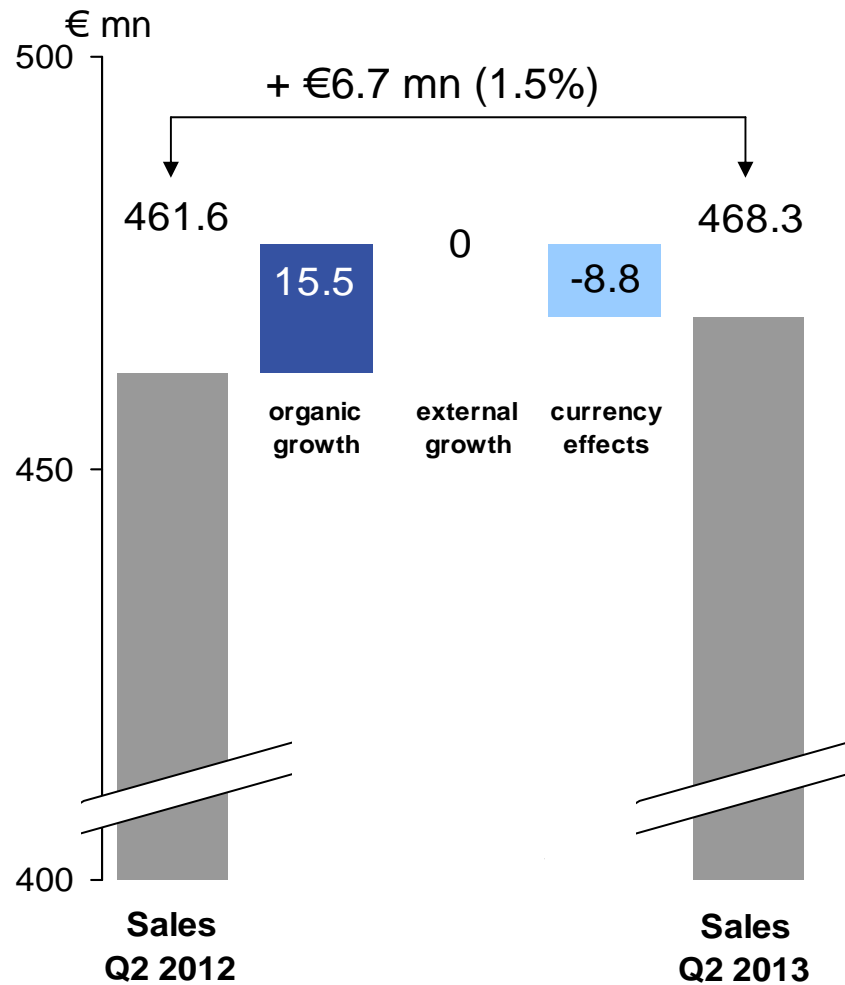
Q2 2013: Increase in sales revenues



Q2 2013: Organic growth 3.4%



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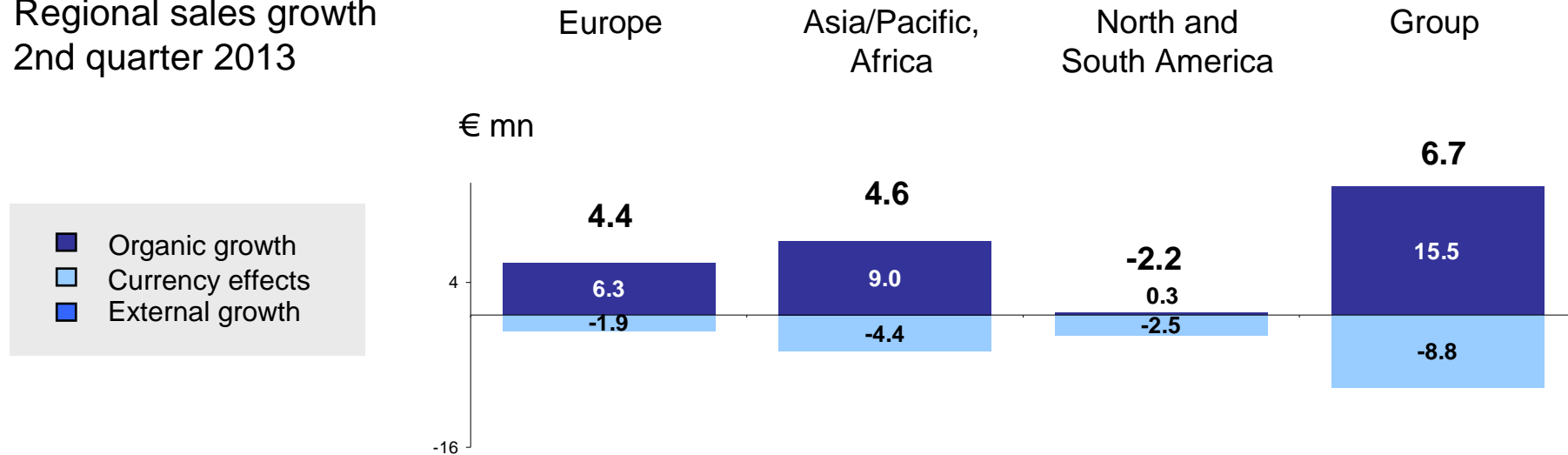


- Organic growth of 3.4% or €15.5 mn
- External growth of 0.0 % or €0,0 mn
- Currency effects of -1.9% or -€8.8 mn

Q2 2013: All three world regions contributed to the increase in sales revenues



Regional sales growth 2nd quarter 2013

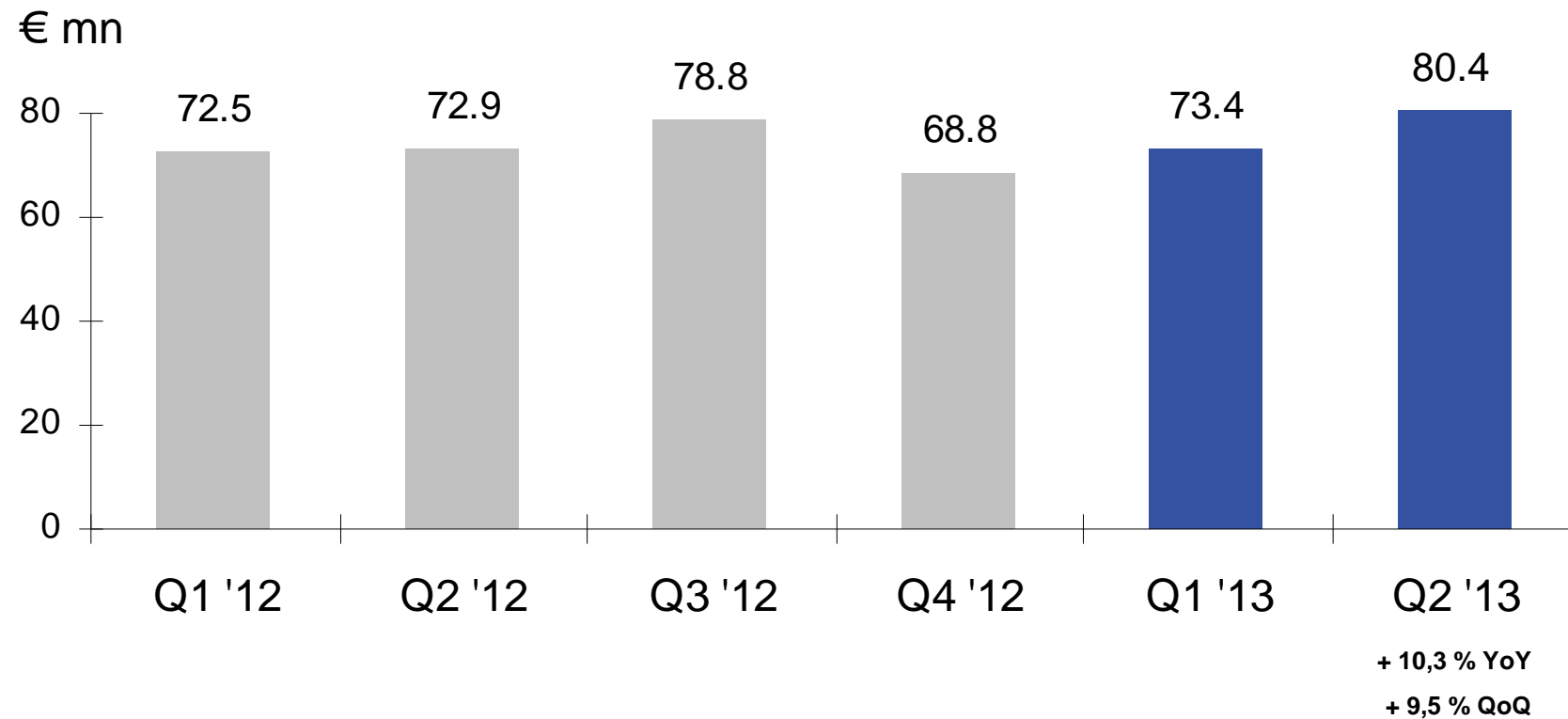


△ Total growth	+ 1.6%	+ 3.8%	- 2.7%	+ 1.5%
△ Organic growth	+ 2.3%	+ 7.4%	0.4%	+ 3.4%
△ Currency effects	- 0.7%	- 3.6%	- 3.1%	- 1.9%

Q2 2013: Best quarterly EBIT result ever



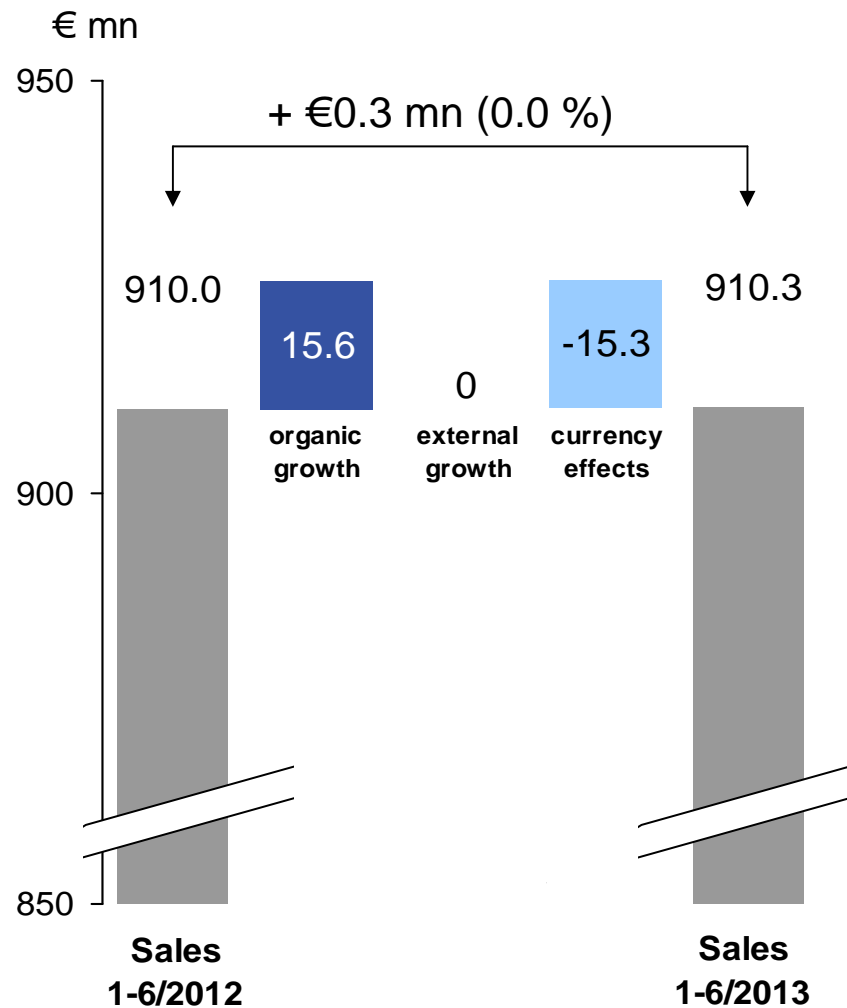
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Following an increase in the 2nd quarter, sales revenues for the first half year return to previous year's level



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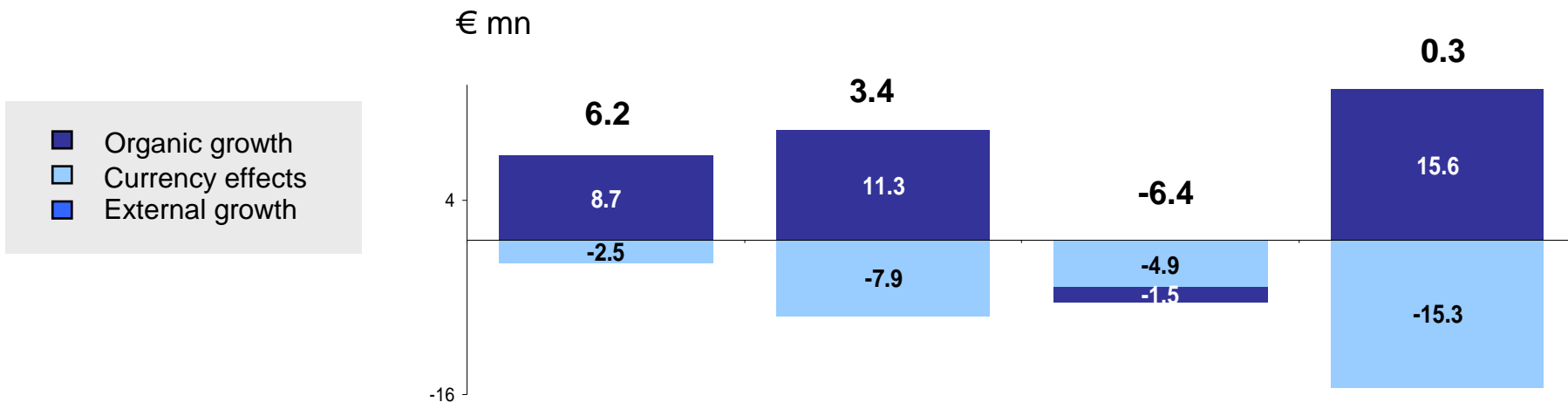


- Organic growth of 1.7% or €15.6 mn
- External growth of 0.0 % or €0,0 mn
- Currency effects of -1.7% or -€15.3 mn

Both the Europe and Asia Pacific, Africa regions contributed to the organic increase in sales revenues



Regional sales growth 1st half year 2013*



△ Total growth	+ 1.1%	+ 1.4%	- 4.0%	+ 0.0%
△ Organic growth	+ 1.6%	+ 4.7%	- 0.9%	+ 1.7%
△ Currency effects	- 0.5%	- 3.3%	- 3.1%	- 1.7%

* consolidation effect €– 2.9 mn

EBIT increase by 5.8% or €8.4 mn



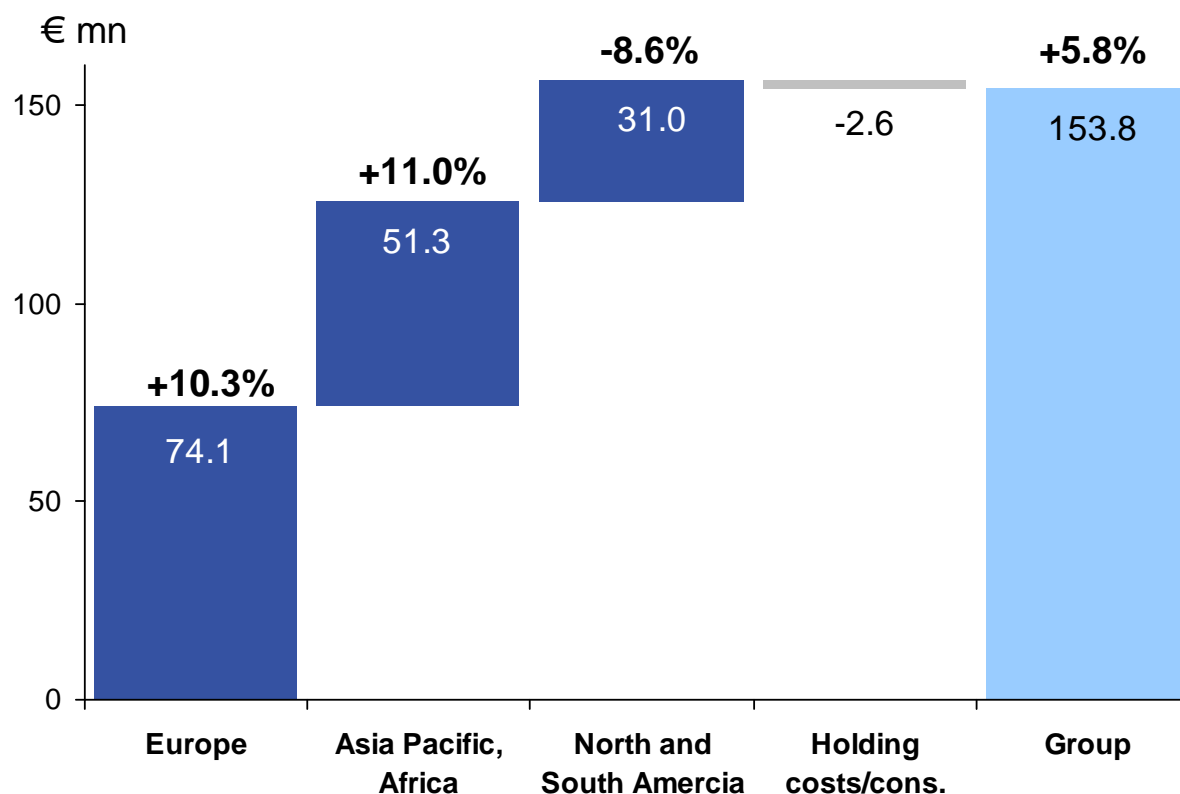
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€ mn	1-6/2013	1-6/2012	Variance	
Sales revenues	910.3	910.0	0.3	0.0%
Gross profit	343.1	330.1	13.0	3.9%
<i>Gross profit margin</i>	<i>37.7%</i>	<i>36.3%</i>		
Admin., sales, R&D and other net operating expenses	196.1	192.2	3.9	2.0%
<i>Expenses as a percentage of sales</i>	<i>21.5%</i>	<i>21.1%</i>		
EBIT before at equity income	147.0	137.9	9.1	6.6%
<i>EBIT margin before at equity income</i>	<i>16.1%</i>	<i>15.2%</i>		
Income from participations	6.8	7.5	- 0.7	-9.3%
EBIT	153.8	145.4	8.4	5.8%
Earnings after tax	107.6	101.8	5.8	5.7%
<i>Net profit margin</i>	<i>11.8%</i>	<i>11.2%</i>		
Earnings per share				
Ordinary	1.51	1.42	0.09	6.3%
Preference	1.52	1.43	0.09	6.3%

Both the Europe and Asia Pacific, Africa regions contributed to the EBIT increase, while Americas have not reached their previous year's level



1st half year 2013



EBIT margin before
at equity income
(previous year)

13.4%
(12.3)

18.5%
(16.3)

20.0%
(21.0)

16.1%
(15.2)

Quarterly development



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Euro million	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Sales revenues	448.4	461.6	469.2	439.9	442.0	468.3
Gross profit	161.9 (36.1%)	168.2 (36.4%)	172.9 (36.8%)	163.0 (37.1%)	165.6 (37.5%)	177.5 (37.9%)
Admin., sales, R&D and other net operating expenses	118.1 (26.3%)	122.8 (26.6%)	122.2 (26.0%)	122.8 (27.9%)	120.8 (27.3%)	126.1 (26.9%)
EBIT before at equity income	68.4 (15.3%)	69.5 (15.1%)	75.6 (16.1%)	65.3 (14.8%)	70.2 (15.9%)	76.8 (16.4%)
EBIT	72.5	72.9	78.8	68.8	73.4	80.4
Earnings after tax	51.4	50.4	54.9	50.4	51.6	56.0
Net profit margin	11.5 %	10.9 %	11.7 %	11.5 %	11.7 %	12.0 %

Free cash flow at previous year's level



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€ mn	1-6/2013	1-6/2012
Gross cash flow	107.6	105.5
Change in working capital	-23.0	-26.4
Other changes	-10.3	-2.5
Operating cash flow	74.3	76.6
Capex (incl. financial investment)	-33.6	-33.4
Other changes	4.1	1.8
Free cash flow	44.8	45.0

Future investment in R&D and growing markets according to plan

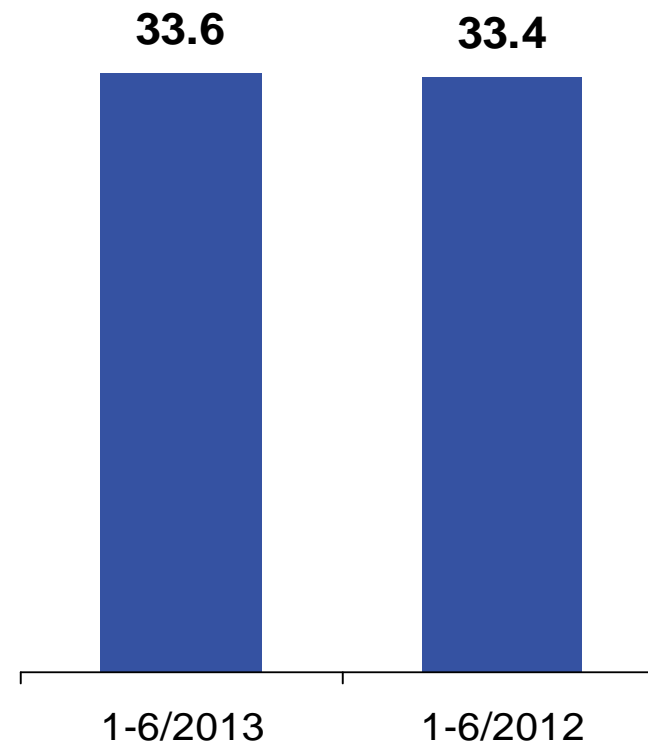


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€ mn

Key investments

More than half of the investments accounted to the modernization and extension of our American production site in Chicago as well as to the new sites which are under construction in China and Russia (completion in the course of 2013).



- Fuchs confirms its target of achieving organic growth in sales revenues in the low single-digit percentage range for the year. However, the development of currency exchange rates must be taken into account.
- In terms of earnings before interest and tax (EBIT), we are also expecting to record an increase for 2013, provided the overall economic situation does not change significantly.
- Capital expenditure was on budget in the first half of the year and is likely to remain at the previous year's level for 2013.

Shareholder structure



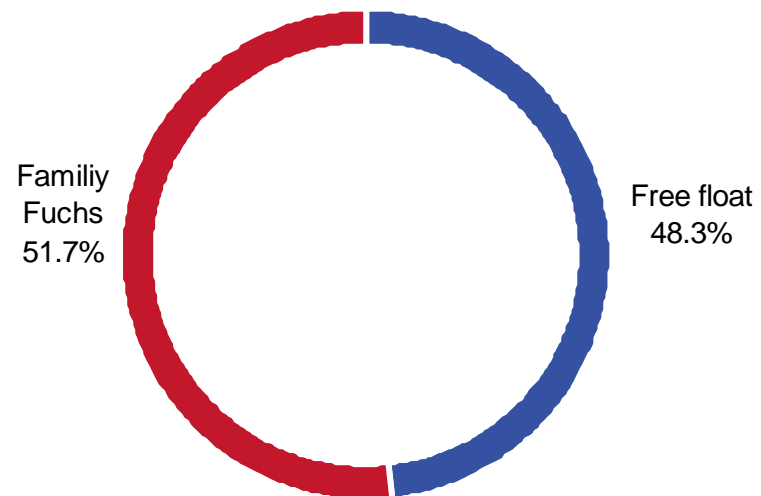
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Breakdown of shares



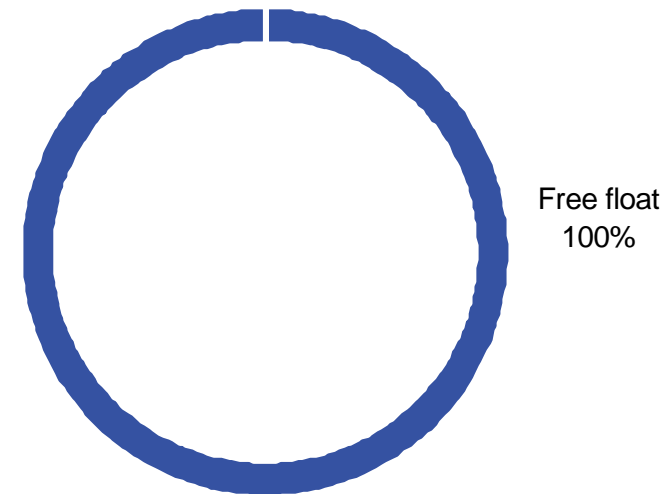
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Ordinary shares



Base: 35,490,000 ordinary shares

Preference shares



Base: 35,490,000 preference shares

Thank you for your attention



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This presentation contains statements about future development 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 presentation and assumes no liability for such.

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