

# FUCHS *Info*

The FUCHS Group · News, Views, Posts & People

May 2002

## Cover Story



Specialization is the key to FUCHS' outstanding success in North America. Over the past 16 years FUCHS LUBRICANTS has shown a significant growth, there.



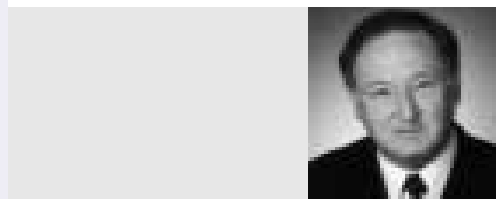
### ■ FUCHS Communication Service

We finally made it: the FUCHS Communication Service can be accessed on the intranet



### ■ New facilities in China

Inauguration ceremonies in Hefei and Yingkou



### ■ Interview with Helmut Eberl, Managing Director of FUCHS AUSTRIA:

Optimum flame prevention with fire-resistant hydraulic fluids

### ■ ALHAMRANI-FUCHS launches advertising campaign

Main prize: Appearance on the program: „Who wants to be a Millionaire?“

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incl. supplement with **MOTORSPORT NEWS**

## Chairman's letter

Dear members of staff,

While in 2000 it was the rise in raw material prices triggered by more expensive crude oil, in the 2001 business year it was the continuingly high prices for input materials, the almost worldwide economic downturn and the shrinking demand for lubricants which posed a tough challenge for the company and all its competitors.

While many of our competitors saw their profits slump, the FUCHS Group succeeded in upping its sales by 4.2 % during 2001, to reach € 940.0 m, and increasing its operating profits by 9.7 % to € 61.0 m.

Net income for the year totaled € 16.2 m, and was thus (as at mid-year and after nine months of 2001) 12.4 % below the excellent result of 2000 (18.5 m). The reasons concerned are to be found in exceptional items and one-off earnings, plus increased outlay on financing. The biggest contributions to profits once more came from Europe plus North and Latin America, though Asia's share is gradually rising.

Expenditure on research and development was increased still further in 2001, as was investment in the brand.

The preceding year's acquisitions served to enhance our specialization capabilities, and have met the expectations placed in them.

The most important event was the termination on 1 January 2002 of the German joint venture between FUCHS and DEA. DEA pulled out as a result of joining forces with Shell, so that this, the single largest individual company in the FUCHS Group, is once again now 100 % under our control. Thanks to first-time full consolidation as from 2002, this will produce a notable contribution to growth and additional options for integration.

Our initiatives for streamlining and rationalizing the group's operations were progressed last year, and will be continued, so as to keep the company well attuned to coping with any future market situations and to upgrade its competitive vigor and profitability.

Capital expenditure on tangible and intangible assets came to € 28.7 m in 2001, below the preceding year's figure.

The number of staff employed worldwide decreased slightly, to 3,871.

FUCHS PETROLUB AG reported a net income of € 11.1 m for 2001. We shall be proposing unchanged cash dividends to our shareholders for the past business year of € 3.87 per ordinary share and € 4.38 per preference share. No tax credit fell due for our domestic shareholders during 2001.

The current business year began on 1 January with the takeover of the FUCHS companies in Mexico and Russia, where previously the group had owned merely small minority holdings.

The first quarter of 2002 went well. Sales totaled € 265.7 m, 13.1 % up on the preceding year's figure.

For 2002 as a whole, assuming the present-day exchange rates and without allowing for further acquisitions, sales in excess of € 1 bn and rising profits are anticipated. Capital expenditures on tangible assets have been budgeted at a significantly lower figure than in 2001, since our plants worldwide are in good condition.

The stock market responded to the company's good performance during 2001 with rising share prices. The FUCHS ordinary share was up by 11 % in the period under review, and the FUCHS preference share by 10 % while all the major stock market indexes showed greater or lesser declines. And the FUCHS shares have continued to rise this year.

I would like to take this opportunity to thank you for your dedicated and successful commitment throughout 2001.

Yours  
Dr. Manfred Fuchs

Dr. Manfred Fuchs  
Chairman of the Executive Board



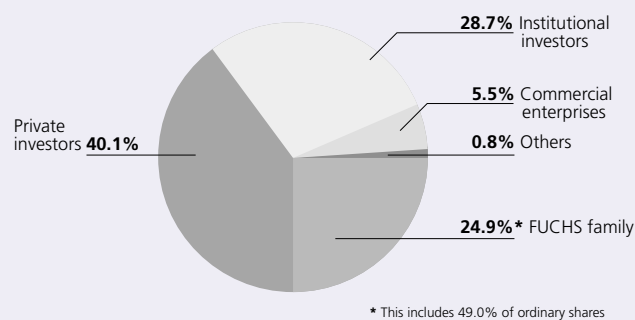
## More than 8,000 FUCHS shareholders in Germany and elsewhere

On 31 January 2002, our ordinary and preference shares were owned by just under 8,100 shareholders at home and abroad: 7,726 private investors and 356 institutional investors. Among private investors, the FUCHS stock is preferred by employees, pensioners and other private persons. While in particular the number of private investors in Germany rose from 6,485 to 7,403 and thus by 14.2 % since the last shareholder survey in 1998, the total of investors resident abroad has decreased. Netted out, this produced a slight increase of 2.3 % in FUCHS' total number of shareholders.

The significant growth in the number of private shareholders in Germany is also matched by a substantial increase in the proportion of capital involved, to meanwhile 40.1 %. Thus private investors nowadays constitute the largest grouping among FUCHS' shareholders, with their proportion of equity almost doubling since 1995.

Even though the number of institutional holdings have remained almost unchanged, their share of FUCHS stocks have decreased since 1998 to 28.7 %. In the insurance sector, particularly, due not least to liquidity problems in the small-cap segment, holdings have been downsized, though some of them were taken up by investment companies, which have thus acquired 19.7 % of our equity. Although the quantity of FUCHS stock held by asset managers has declined, they still own 22.5 % of the stock.

### Capital breakdown in percent



Non-residents' holdings decreased to 10.4 %. The major portion of foreign-owned equity continues to be owned in Switzerland, which accounts for 8.5 %, most of it held by German bank branches in Zurich. Other foreign countries account for a mere 1.9 % of our stock, though in the United Kingdom, particularly, the investment strategy of the fund management companies involved has undergone a fundamental shift, entailing almost complete divestiture of the former institutional FUCHS holdings since 1998.

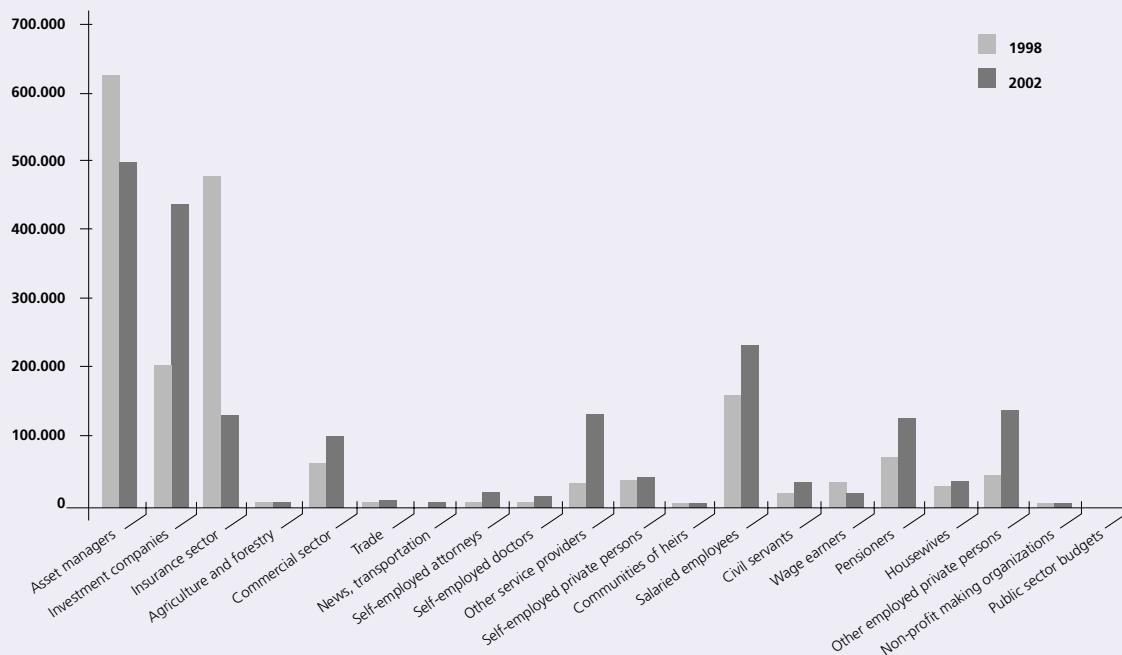
This produces a free-float amounting to 38.4 % of the 1,216,416 ordinary shares issued, and 97.0 % of the 1,171,664 preference shares issued, the determinant factor

for the new SDAX index, thus ensuring a relatively high level of liquidity among the 50 new SDAX stocks.

In summary, it can be stated that private investors have become even more significant for FUCHS. In the institutional category, more of our attention is being focused on invest-

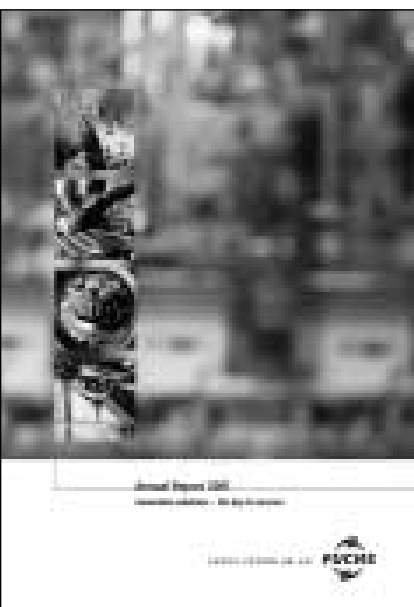
ment companies, and here in particular those institutions which for reasons of investment strategy are interested in specific high-quality small-cap stocks. Non-residents' holdings outside Switzerland are no longer significant for FUCHS.

### Sociographical breakdown



## 2001 annual report at the printers

FUCHS PETROLUB's 2001 annual report, currently at the printers, is scheduled to be available in its English version as from mid-May 2002, followed by the English version at the beginning of June 2002. The focus this time will be on staff from the FUCHS Group, who underline the theme "Innovative solutions – the key to success" from their own points of view. The reports can be requested free of charge on the intranet through the FUCHS Communication Service.



## The top-ten-turnover companies in 2001

	Sales in Mio €	2001	2000
1.	FUCHS EUROPE SCHMIERSTOFFE, Germany*	277.9	264.9
2.	FUCHS CORPORATION, USA	202.8	196.2
3.	FUCHS (UK), Great Britain	132.1	124.0
4.	ALHAMRANI-FUCHS PETROLEUM SAUDI ARABIA	103.5	93.5
5.	FRAGOL SCHMIERSTOFF, Germany	87.2	86.5
6.	FUCHS LUBRIFIANTS FRANCE, France	75.5	70.7
7.	FUCHS LUBRIFICANTI, Italy	44.3	42.4
8.	FUCHS LUBRITECH, Germany	43.5	42.9
9.	FUCHS LUBRICANTES, Spain	42.9	39.1
10.	LIPPERT-UNIPOL-Gruppe, Germany	37.0	40.4

\* formerly FUCHS DEA SCHMIERSTOFFE

## Second Sales Executive Conference for FUCHS EUROPE



**FUCHS EUROPE Sales Executive Conference (from left to right):**  
Klaus Hartig, Manuel Rojas, Dr. Ramón Gallifa, Frank Thornhill, Florian von Gropper, Ted Cox, Stefan Fuchs and Alexander Constantinides.

For the second time, FUCHS EUROPE held its Sales Executive Conference, near Mannheim, late in February 2002. Under the chairmanship of Stefan Fuchs and the FUCHS EUROPE Executive Committee, the 17 leading sales managers of the Western European nations met to exchange news and views. During the event, Stefan Fuchs presented awards to the prize-winners of the European Sales Contest. Dr. Ramón Gallifa (Industrial Lubricants Spain) took the accolades for the biggest increase in gross income compared to the preceding year. This also makes Dr. Ramón Gallifa the first member of the FUCHS EUROPE GOLD CLUB. Second place in this competition was taken by Ted Cox (Automotive Lubricants England) followed by Frank Thornhill (Mining Lubricants England). An award for the largest percentage increase in gross income went to Alexander Constantinides (FUCHS Greece).

The Sales Executive Conference is always a convenient occasion for reviewing the past business year. Stefan Fuchs emphasized that significant progress had been made at FUCHS EUROPE during 2001, and that earnings were in line with expectations. Prospects will be governed by further reorganization initiatives and also by closer cooperation with FUCHS EUROPE SCHMIERSTOFFE in Mannheim. Dr. Lutz Lindemann took the opportunity to elucidate the new structure of FUCHS EUROPE SCHMIERSTOFFE for the European sales managers.

## Ambassador for Mexico at FUCHS PETROLUB

On January 2001, the ambassador for Mexico in Germany, Your Excellence Patricia Espinosa Cantellano, visited FUCHS in Mannheim. The ambassador underlined the attractive investment conditions in her own country but also in the Latin American region as a whole. Within the frames of political possibilities she would continue to advocate the mutual economic development. At present, Germany is one of the biggest trading partners of Mexico. The ambassador was accompanied by Lothar Mark (right), member of the parliament. Further members of the delegation were Raul Cueto Martinez (left) and the General Consul of Mexico in Frankfurt, Bernardo von Wobeser (2<sup>nd</sup> from left). Dr. Manfred Fuchs, Chairman of the Executive Board, and Dr. Alexander Selent welcomed the guests in Mannheim.



There's a place for a FUCHS flag on every pole: our picture shows one hoisted on the mast of the yacht "Aquis Granus", which belongs to the Academic Sailing Club of RWTH Aachen e.V.

## Focus:

# Optimum flame prevention with fire-resistant hydraulic fluids

Interview with Helmut Eberl, Managing Director of FUCHS AUSTRIA



**Mr. Eberl, where is it advisable to use fire-resistant hydraulic fluids?**

Fire-resistant hydraulic fluids have been used since the early 60s, for reasons of operational safety and health protection. It's advisable to use this kind of hydraulic fluid wherever hydraulic systems are being operated near a latent ignition source. HFC fluids should be used wherever there is a fire risk if the pressurized hydraulic oil escapes and comes into contact with ignition sources, such as electrical sparks, hot surfaces, molten metals, etc. Questions of safety at the workplace, meaning accident prevention, and in the facility as a whole, meaning fire prevention, are crucial considerations here.

**What types of fire-resistant hydraulic fluids are there?**

The designations for the different types of fluid have also been adopted in the DIN 51 502 and ISO 6743/4 identification standards for lubricants. Distinctions are drawn between oil-in-water emulsions, synthetic aqueous solutions, water-in-oil emulsions, aqueous monomer/polymer solutions and water-free fluids. The FUCHS product Hydrotherm 46 M, which is also suitable for use in cableways, is categorized as an aqueous monomer/polymer solution.

**What are the advantages of Hydrotherm 46M?**

Hydrotherm has been developed over long years of hard work, and tested in the field. Hydrotherm contains no nitrites or mono-ethylene glycol, is rapidly biodegradable, and of course flame-retardant. The 45 % water content offers optimum fire protection, because when the fluid comes into contact with an ignition source a repellent layer of vapor forms over the flame, thus preventing the fire from spreading. The much-feared "flame-thrower effect" is also avoided. In addition, Hydrotherm 46M excels in terms of high pressure absorption capacity, good wear protection at high pressures, optimized anti-corrosion properties even in the vapor phase, and good cold-visco-elasticity. No tank heater is required, the requisite maximum start viscosity of 800 m<sup>2</sup>/s is not exceeded until the temperature falls below -20° C. Hydrotherm has a lengthy lifetime,

high stability during operation, and excellent resistance to bacteria, fungi and yeasts.

**What about the resistance of elastomers and plastics?**

Resistance tests on elastomers and plastics for seals and hoses are on file: for most of the materials known, resistance has been verified, though of course HFC-suitable components have to be used. When changing over from mineral oil to Hydrotherm, it's important to take special precautions to ensure dependable operation. To achieve the best possible lifetime for the fluid and the hydraulic components, regular checks after every 2,000 operating hours are advisable, but at the very least once a year.

## Certification of FUCHS DO BRASIL in three categories

FUCHS DO BRASIL was awarded certification for two quality systems ISO 9001/94 and ISO TS 16949/99, and for its quality management system ISO 14001/96.

## New advertising material catalogue with attractive offers

**It's here – the new advertising material catalogue for 2002/2003 has been completed, and appears in a new design.**

It offers a suitable gift for every occasion, at attractive prices. The perennial favorites have been joined by a multitude of new items, plus some with modified designs, and even more affordable than the old models into the bargain.

For instance, the choice now includes a high-quality shoe-cleaning set, designed to fit into every manager's hold-all.

The handy tool-case is a must for hobbyists and drivers alike. But the presents on offer aren't only for men. Ladies will be delighted with the new scarf and the metal address book.

We have also expanded the range of high-priced gifts available. In addition to the familiar binoculars, an upmarket sailor's jacket and a sommelier wine set can now be ordered, all of them



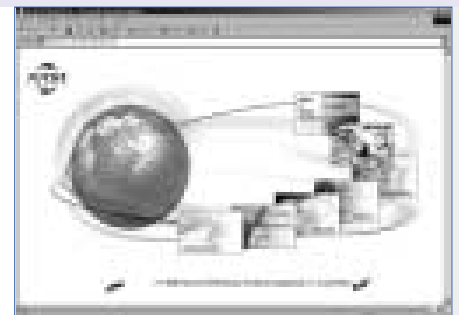
unquestionably something to gladden the heart of a long-standing business associate.

## FUCHS Silkolene give-aways for the motor sport sector

**Existing range for the motor sport and trade fair sectors expanded in terms of "FUCHS Silkolene" brand advertising as well.**



In addition to the familiar choice of items, we can now offer even more gift options, ideally suited for trade fairs or other presentation opportunities for our Silkolene products. The inexpensive give-aways, ranging from posters and ballpoint pens to a wind-cheater, can be ordered from the FUCHS Communication Service through a separate advertising folder.



## FUCHS Communication Service on the intranet

**We finally made it: the FUCHS Communication Service can be accessed on the intranet.**

All advertising material from the previous catalogue can be ordered through the "Communication & Design Service" menu. Many companies are already utilizing this service. So we should like to point out that with the appearance of FUCHS Communication Service on the intranet all earlier price lists are superseded.

## Corporate Design Manual on the intranet

The Corporate Design Manual has also been earmarked for intranet availability, and is scheduled for completion during the course of this year.

All our companies will then receive the updated corporate design rules on a CD, enabling them to provide their agencies and printshops with our guidelines for creating printed media. Whenever required, the latest version can also be called up on the intranet under "Communication & Design Service".



## EPAGRI conference in Chateaubriand

EPAGRI is a French agricultural cooperative with about 100 members. FUCHS LABO AUTO had a small stand at the EPAGRI conference, and with the aid of a publicity campaign succeeded in selling 98,000 litres to more than half of the members. The target for the current year is 1,000 tons, with substantial involvement from Francis Thibault.



## Trade fair activities in Poland

During September 2001, FUCHS OIL in Poland was an exhibitor at one of the most important trade fairs held for the transportation sector. In Lodz, approximately 5,000 visitors came to an exhibition organized by the state-owned bus companies. TITAN Cargo 1040 MC won an award in a product competition held as part of the fair program.



In October 2001, FUCHS OIL took part in Poland's biggest fair for the agricultural sector, held now for the third time, in Wieckowice near Poznan. 35,000 visitors were awaited by 250 exhibitors. The

FUCHS tent was a popular attraction, where numerous guests took the opportunity to learn more about FUCHS' products.



## New homepage for the FUCHS companies' website

To ensure a globally standardized internet image for the group's companies, we have developed a harmonized starting page, which has meanwhile been adopted by almost all FUCHS companies with an internet presence, and after a few seconds switches over automatically to the specific navigation page of the FUCHS company concerned.



## Important Fair in Oman



Last year, FUCHS OIL MIDDLE EAST took part in an important fair in Oman. From left to right: H. Yassin/Mohammed & Ahmad Alkhonji, three candidates for FUCHS One Stop in Oman, H. Suleyman/Youth FUND, H. Shaki/FUCHS OIL MIDDLE EAST.

## Car Show in Taiwan

From 4 to 8 February, the biggest international car show in Taiwan was held in Taipei. FUCHS LUBRICANTS TAIWAN was among the exhibitors, with a stand attracting keen interest from visitors. FUCHS TAIWAN presented the entire automotive product range, with TITAN GT1 0W20 being the most-sought-after item.



## International Lubricants Fair in Beijing



In November 2001, the International Lubricants and Technology Fair took place in Beijing. Chinese and other companies presented their products and latest technologies. The FUCHS stand welcomed approximately 1,000 visitors, with more than half of them showing an interest in detailed information about the products.

As a result, many new contacts for potential business could be made. Furthermore, it was decided to expand brand marketing as visitors were impressed by the group's unified brand-design and the complete product range on offer.



## FUCHS – North America's Leader in Speciality Lubricants

Specialization is the key to FUCHS' outstanding success in North America. Over the past 16 years FUCHS' presence in North America has grown dramatically as a result of a business strategy focusing on specific niche markets where commitment to customer service, technical innovation and quality are paramount. Today, FUCHS' North American operations include operating companies in the United States, Canada and, as of January 1, 2002, Mexico. In the U.S., FUCHS is a leading supplier of metalworking lubricants, high-performance lubricants for the mining industry plus a wide variety of highly specialized products designed for critical applications in food processing and pharmaceutical and glass container manufacturing. FUCHS' Kansas City Grease plant is also amongst the largest grease manufacturing facilities in the U.S. FUCHS' Canadian subsidiary is a major supplier of metalworking lubricants to the country's automotive parts manufacturing industry and also services the resource industries of Western Canada with high quality, application-specific lubricants. The Mexican operating company now works closely with both the U.S. and Canadian companies to take advantage of the on-going shift in manufacturing to Mexico.



Corporate Office, Harvey, Illinois

### Mining Division Enjoys Steady Growth

The U.S. coal mining industry depends on the Mining Division of FUCHS LUBRICANTS CO. to meet its critical lubrication needs. Among the Division's core product offerings are fire-resistant fluids for use in underground longwall mining equipment, high performance gear oils, open-gear compounds, walking dragline lubricants and specialty greases. Over the past several years, the Mining Division has delivered steady growth with sales up 11% and 21% in 2000 and 2001 respectively. John Elliott, Division Vice President, attributes the Division's success to the caliber of the Mining sales force. "We employ only mining engineers who have actually worked in the mining business. Our sales people fully understand the customer's processes and can talk their language." The Mining Division consists of 14 individuals, 8 of whom are degreed engineers. All members of the FUCHS mining team had experience in the mining industry prior to becoming FUCHS employees. "With our depth of experience and expertise we are truly capable of providing our customers with a level of support and service unparalleled in the industry" states Elliott.



John Elliott –  
Vice President  
Century Mining  
Division

## s t o r y



**New extension in Kansas City**

### **FUCHS Acquires Brooks Technology in March 2001**

In March of 2001, FUCHS LUBRICANTS CO. acquired Brooks Technology's business from UK based Premier Farnell. Founded 127 years ago, Brooks is today the leading supplier of aluminum complex grease to the U.S. steel industry. To accommodate the Brooks business, FUCHS' Kansas City, Kansas, grease plant was expanded and, as of late 2001, manufacturing was relocated from Cleveland, Ohio, to Kansas City.

The new 12,000 ft<sup>2</sup> addition to the Kansas City plant includes four grease kettles with a 40,000 pound capacity each, eight storage tanks with a 50,000 pound capacity each for finished grease and a new bulk loading station. This state of the art facility provides not only the capability to meet the current demand for Brooks grease but also ensures the company's ability to support future sales growth.

The Brooks Sales Division is headed by Mark Von Duhn who comes to FUCHS from Brooks where he was the company's General Manager of Sales. Also joining FUCHS was the Brooks sales team of Danny Abbott, Tom Croyle, Mark Goss, Bruce Kerlin, Mark Mathiowdis, Kevin Ray (Canada), and Jim Sidow as well as John Bush, formerly Brooks' plant manager.

### **FUCHS' Hydroforming Technology Leads the Way**

Hydroforming – a process by which a metal tube is expanded under fluid pressure in a die to form a complex part – has existed for many years. However, over the last five years, technology improvements have led to dramatically expanded use of this process as automobile manufacturers look to capture the advantages that hydroformed components provide. In addition to stronger, lower cost components, hydroforming permits the use of thinner gauge material, reducing vehicle weight and increasing fuel efficiency.

As hydroforming technology improves, the complexity of the parts being produced is increasing, placing ever greater demands upon the lubricants used in the process. FUCHS LUBRICANTS CO. is in the forefront of the struggle to keep pace with manufacturing advancements and offer products capable of performing under extreme conditions. Two products - Ecoform HFL 6106 and Ecoform HFL 6549 - have recently been developed to meet this challenge. Extended testing of these products in hydroforming applications at major customers has proven that FUCHS' new hydroforming technology helps to reduce cycle times while providing superior lubrication – even on difficult components - and is fully compatible with post process cleaning.

FUCHS' Market Manager Mark Howe states "This new generation of products will allow automotive component manufacturers to increase production and lower costs while improving quality."



**Jim Mieczkowski –  
Product Development  
Manager**

### **FUCHS LUBRICANTS Holds National Sales Meeting**

FUCHS LUBRICANTS held its annual National Sales Meeting February 8-10, 2002, in Oak Brook, Illinois. International guests included Group Chairman and CEO Dr. Manfred Fuchs, Ingo Pauler, Member of the FUCHS Executive Board, Christian Klein, and Georg Lingg from FUCHS PETROLUB, Dr. Alexander von Griesheim from LUBRICANTES FUCHS DE MEXICO and Abel Laranjeira from FUCHS DO BRASIL. The annual meeting focuses on rewarding the top sales performers from the previous year and on the company's business strategy for the current year. With over 100 sales professionals in attendance, it also provides a significant opportunity for informal information sharing.



L. Frank Kleinman (left) and Dr. Manfred Fuchs.

Abel Laranjeira (Brazil/left) and Kipp Kofsky (Vice President Latin America).



Chris Bigelow (left) and Christian Klein.

Dr. Alexander von Griesheim (Mexico) and David Hughey – President, FUCHS LUBRICANTS CO. (right).

— Impressions from this year's  
National Sales Meeting in the US

National Sales Meeting in the US



From left to right: Chris Licursi, Don Childers, Rick Klann  
Regional Managers.



## s t o r y

**Biodegradable Plantosaw 150 Improves Performance**

The Century Oils Division of FUCHS LUBRICANTS CANADA was a pioneer in marketing FUCHS' line of Planto biodegradable lubricants in North America. "Our approach to selling these premium products has always been to provide the customer with added value" states Division Manager Daniel Woo. Typical of this approach is the recent conversion of a major sawmill from an inexpensive petroleum based product to FUCHS' Plantosaw 150. The sawmill is located along a river, making it environmentally sensitive. However, FUCHS' Technical Sales Representative Percy McRae chose to convince the customer that FUCHS could not only address environmental concerns and effectively lubricate the saws and guides on their edgers (circular wood-cutting machines) but could also provide the expertise and technical support needed to optimize their process. McRae demonstrated this by reconfiguring their lubrication system and cutting down their consumption of water. This eliminated a major housekeeping problem caused by pools of water accumulating on the ground floor of the sawmill. McRae's approach paid off as the customer switched to FUCHS' Plantosaw 150, even though it is priced significantly above the competitor's mineral oil based product.

**Customer Service At Its Best**

FUCHS LUBRICANTS CANADA's Montgomery Division prides itself on providing its customers with the ultimate in service. This dedication to customer service is exemplified by a recent situation that arose at a customer's manufacturing plant. During a routine visit, FUCHS' Technical Sales Representative Jacqui Mehlenbacher noticed that the tote of FUCHS' Ecoform SYN 6004 stamping lubricant being used to manufacture time-critical automotive parts was nearly empty and that no replacement was available on-site. It was already 5:00 pm when the customer informed her that they intended to run the process through the night. Jacqui immediately contacted FUCHS' Production Manager Noel Skanes who remained at FUCHS' Cambridge, Ontario, plant after hours to blend, package, and ship a tote of stamping lubricant by 8:00 pm, just in time to replace the empty tote and avoid a costly production shutdown. "Going the extra mile has always been an integral part of our strategy for success" says Ron Gelens, Division manager.

**LUBRICANTES FUCHS DE MEXICO Now Part of FUCHS' North American Operations**

Effective January 1, 2002, LUBRICANTES FUCHS DE MEXICO officially became part of FUCHS' North American operations. "This change in structure will promote closer ties between Mexico and our other North American companies, enabling FUCHS to expand its business relationship with the many U.S. and Canadian companies now opening plants in Mexico" offers General Manager Dr. Alexander von Griesheim. LUBRICANTES FUCHS DE MEXICO operates a modern facility in the State of Queretaro in the center of Mexico, including manufacturing, laboratory, and administrative offices. The company focuses on providing metalworking lubricants and other specialized products to Mexico's growing manufacturing sector.



Jacqui Mehlenbacher  
and Noel Skanes.

## FUCHS LUBRITECH (UK) synergizes its resources in the United Kingdom

K. S. PAUL PRODUCTS in London and R. J. MELLOR & CO. in Sheffield, both companies owned by FUCHS LUBRITECH INTERNATIONAL, have amalgamated their operations and as from 1 January 2002 will be trading as FUCHS LUBRITECH (UK) LTD. The company's headquarters and production facility are located in London. There will continue to be a sales and engineering office in Sheffield. The workforce totals 45 people. The merger is designed to exploit synergies not only in sales and marketing, but in logistics, production and administration as well.

The company is headed by Ray Mellor, responsible for domestic and world-wide sales of the Molypaul-900 series from the former K.S. PAUL range, and Michael Day, whose remit covers the London facility, exports, and the "Lube Serve" operation just taken over. Harry Vithlani is in charge of finances, administration and EDP. The Managing Director is Dr. Christian Busch from FUCHS LUBRITECH in Weilerbach.

## Successful brand marketing in Poland

FUCHS OIL in Poland started various marketing activities last year to draw the customers' attention to FUCHS-products. E.g. a crossword in a popular car magazine was sponsored with relevant product prices, as was a bid on an internet portal during the Polish rally championship.



The rally driver Leszek Kuzaj, sponsored by FUCHS OIL (PL), came third in the overall rankings at the Polish Rally Championships, ensuring frequent appearances by the FUCHS logo in Polish TV broadcasts and trade periodicals.



In August and September a crossword in Auto Świat was sponsored. 4 x 5 l TITAN Supersyn 5W40 were to be won.

At an internet portal, another competition was sponsored. The first three places of two of the races in the Polish rally championship had to be predicted.



## ALHAMRANI-FUCHS among the top 100 Arab firms

In the ranking list for the biggest companies in Saudi-Arabia, ALHAMRANI-FUCHS PETROLEUM came 81<sup>st</sup> in 2001, with sales exceeding € 93 m and a

workforce of 380. The company thus rose one place in the rankings compared to the preceding year.



# ALHAMRANI-FUCHS launches giant advertising campaign



ALHAMRANI-FUCHS is currently advertising in the national media for a chance to appear on the popular quiz show "Who Wants to be a Millionaire?".

At a press conference held this March and attended by numerous media representatives, ALHAMRANI-FUCHS PETROLEUM SAUDI ARABIA launched its biggest advertising campaign ever for TITAN Super GT.

Both the prizes on offer and the logistics behind this campaign are unique, attracting nationwide publicity, reflected in record sales for TITAN Super GT (turnover is up by 31 %). The main prize to be won in this campaign is an appearance on the popular TV program "Who Wants to be a Millionaire?" (which is also broadcast in Saudi-Arabia – Editor's note). The firm has agreed with the TV company that three special shows will be broadcast with the total of 24 main prizewinners. Any money won will go to charities, though ALHAMRANI-FUCHS has promised to pay out 50 % of the winnings to the candidates concerned. Another 22,000 prizes like mobile phones, CD players, cameras and footballs with the FUCHS logo are also waiting to be won.

A total of 11,000 oil cans have been fitted with a device developed specifically for this campaign. When the can is opened, the device speaks, telling the purchaser whether he has won a prize or not. In addition, ads and posters have been distributed nationwide to publicize this campaign.



Participants at a seminar organized by Lubrizol for the staff of ALHAMRANI-FUCHS on the subject of "Future trends on the lubricants market" in Yanbu.



## Advertisement for FUCHS Motor Oils in Kenya



## New mining customer in Australia

FUCHS LUBRICANTS (AUSTRALASIA) has been awarded a minimum 3 year agreement for total lubricant supply to the Enex group of underground mines in New South Wales. Enex is Australia's second largest exporter of Thermal Coal to world markets and is part of the worlds largest trading company, the privately owned Swiss Glencore Group. The business is valued at approaching \$12 m over the next 3 year period.

FUCHS LUBRICANTS (AUSTRALASIA) won against fierce competition. First positive feed-backs of the new customer show that they are happy having found a supplier in FUCHS who has experience in the speciality business and especially in the mining industry.

Prospects are good to expand the co-operation and to supply the whole lubricants product range. As Enex is interested in a supplier who wish to have one single source supplier who can offer all lubricant grades including specialities.

This demonstrates once more that FUCHS can compete and win against the competition if the focus is on technical know-how and excellent product performance.

## TITAN launched on the Indian market

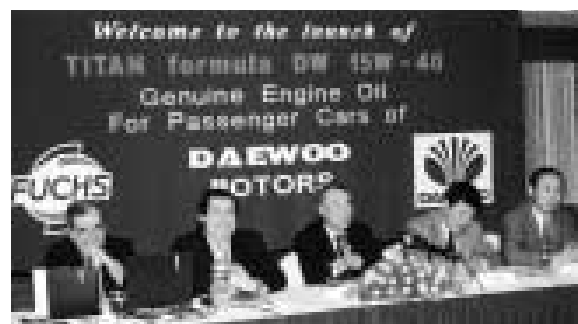
FUCHS LUBRICANTS (INDIA) and Daewoo Motors Ltd. had joined forces to launch TITAN Formula DW SAE 15W40 on the Indian market. TITAN Formula is an ultra-high-performance engine oil, used in Daewoo's Matiz, Cielo and Nexia models.

The oil was produced specifically against the background of regional circumstances, drawing on the experience FUCHS has gained with Daewoo vehicles in other parts of the world. Following the product launch, Daewoo vehicle owners will now have an opportunity to use an oil specially tailored to their vehicle, thus guaranteeing an extended lifetime for the engine involved. Simultaneously, Daewoo dealers and service centers were supplied with a harmonized product. The joint product launch took place at the Intercontinental in Delhi, with Kersi Hilloo, Managing Director of FUCHS LUBRICANTS (INDIA) and Y.T. Cho, Daewoo Motors India.

TITAN Formula meets all standard specifications, and is offered in 3 and 1-liter cans. It possesses dependable cold-start properties and can be used under an enormous range of different environmental conditions. It also reduces engine wear and tear, and protects against rust and corrosion.



Presentation of Daewoo Genuine Oil by D.W. Kim (Deputy Managing Director of Daewoo Motors) and Dr. Michel Behar.



Press conference to mark the launch of Daewoo Genuine Oil (from left to right: Kersi Hilloo/FUCHS LUBRICANTS (INDIA), Michel Behar/member of the group's Board of Management for the Asia/Pacific Rim region, D.W. Kim, I.S. Kim, S.J. Kim/Daewoo Motors).

## LIPPERT-UNIPOL now in India as well

On 21 January 2002, at a superlatively organized inauguration ceremony in the presence of 550 invited guests from the business community, the up-to-the-future joint venture LIPPERT-UNIPOL (INDIA) was officially opened in Aurangabad. The city is located in the state of Maharashtra, about one hour's flying time away from Mumbai, and has more inhabitants than Berlin. When the ribbon was cut, Mr. and Mrs. Kelkar, Markus Heck and Sue Reavey-Sutter/LIPPERT-UNIPOL GMBH, Norman Richards/LIPPERT-UNIPOL (UK), Kersi Hilloo/FUCHS LUBRICANTS (INDIA), plus the guest of honor C.P. Tripathi/BAJAJ AUTO Ltd., declared the new production plant officially open.

LIPPERT-UNIPOL has since 1995 been working with the Grind Master Machines company, whose machines are equipped both with grinding and polishing tools and with polishing pastes.

High shipping costs and prohibitive import duties, however, have so far rendered it almost impossible to continuously expand the local sales activities. So it soon became clear that the Indian market could be meaningfully accessed only through close cooperation with partners on the spot. And LIPPERT-UNIPOL found these in the shape of Mr. and Mrs. Kelkar, professional engineers who enabled all obstacles to the project's implementation to be successfully overcome.

The Indian facility will service the local market with the grinding and polishing tools it manufactures, plus the polishing pastes it produces, and also supply the European LIPPERT-UNIPOL companies with intermediate products and vital raw materials.



## First Quick Lube Center in India inaugurated



In Mumbai, Kersi Hilloo, Managing Director of FUCHS LUBRICANTS (INDIA), inaugurated India's first Quick Lube Center. The ceremony was also attended by Dr. Michel Behar.

## Distributors' meeting in the Philippines

At a distributors' meeting organized by FUCHS LUBRICANTS (PHILIPPINES), conferees included Ingo Pauler of FUCHS PETROLUB'S Executive Board and Dr. Michel Behar, Roland Metelmann from FUCHS LUBRITECH in Singapore, Steve Jacobs, Regional Manager, and Ivor Williams, Managing Director of FUCHS in the Philippines.

## Start-up of new production line

In the Philippines, FUCHS LUBRICANTS (PHILIPPINES) started up the first production line for manufacturing locally produced metalworking fluids, in the presence of Dr. Michel Behar and Steve Jacobs, Regional Manager.



## New facilities in China

In April this year, two more facilities were opened or expanded in China, once more highlighting the significant growth of the Asian market, particularly in China itself. Dr. Manfred Fuchs attended the inauguration ceremonies for the facilities in Hefei and Yingkou, together with Dr. Michel Behar, a member of the group's Board of Management for the Asia/Pacific Rim region, and Managing Director Dr. Wu Feng. The four Chinese companies achieved total sales of € 37.4 m in 2001, with a workforce of approximately 200 people.

This expansion in the Chinese market has been accomplished thanks to the hard work and commitment of the highly qualified staff involved, who are and remain indispensable for awareness of the FUCHS brand and customer satisfaction throughout China, as Dr. Fuchs emphasized in his inauguration speeches.

In addition, the FUCHS Group's success in China owes a lot not only to the group's technical expertise in the lubricants field, always available to the Chinese affiliates and subsidiaries, but

also to the support provided by the Chinese authorities concerned.

The ceremony to mark the completed expansion of the plant in Yingkou was attended by the Mayor of Yingkou, Dr. Wen Ke Li, and the Deputy Mayor, Qinghui Hao. The inauguration ceremony was covered by the press, and by the TV news as well.

In Yingkou, 68 staff achieved sales of € 21.9 m in 2001, while their 47 colleagues in Hefei booked € 4.7 m.



FUCHS-KEWEI employees give the guests of the inauguration ceremony a warm welcome.



Group picture during the inauguration of the plant extension at FUCHS LUBRICANTS (YINGKOU).



Guests and journalists at the inauguration of the new plant of FUCHS-KEWEI on 10 April 2002.



Photo session during the inauguration at Hefei: (from left to right): Mei Ling Li, Deputy Managing Director of FUCHS LUBRICANTS (SHANGHAI) and FUCHS LUBRICANTS (YINGKOU), Dr. Michel Behar, Shan Jiang (Managing Director FUCHS-KEWEI), Dr. Manfred Fuchs, Bin Li (Vice Director of Hefei Economic & Technical Development Zone Administration), Dr. Feng Wu, Managing Director FUCHS LUBRICANTS (SHANGHAI) and FUCHS LUBRICANTS (YINGKOU), Yinlin Jiang (Vice Chairman FUCHS-KEWEI).



Mei Ling Li, Deputy Managing Director of FUCHS LUBRICANTS (SHANGHAI) and FUCHS LUBRICANTS (YINGKOU), Wenke Li, Mayor of Yingkou, Dr. Manfred Fuchs, Qinghui Hao, Deputy Mayor of Yingkou, Dr. Michel Behar, Dr. Feng Wu, Managing Director FUCHS LUBRICANTS (YINGKOU) at the inauguration in Yingkou.

Che Jun, Hefei municipal Party Secretary and Dr. Manfred Fuchs cut the ribbon at the inauguration of the new blending plant FUCHS-KEWEI in Hefei.

