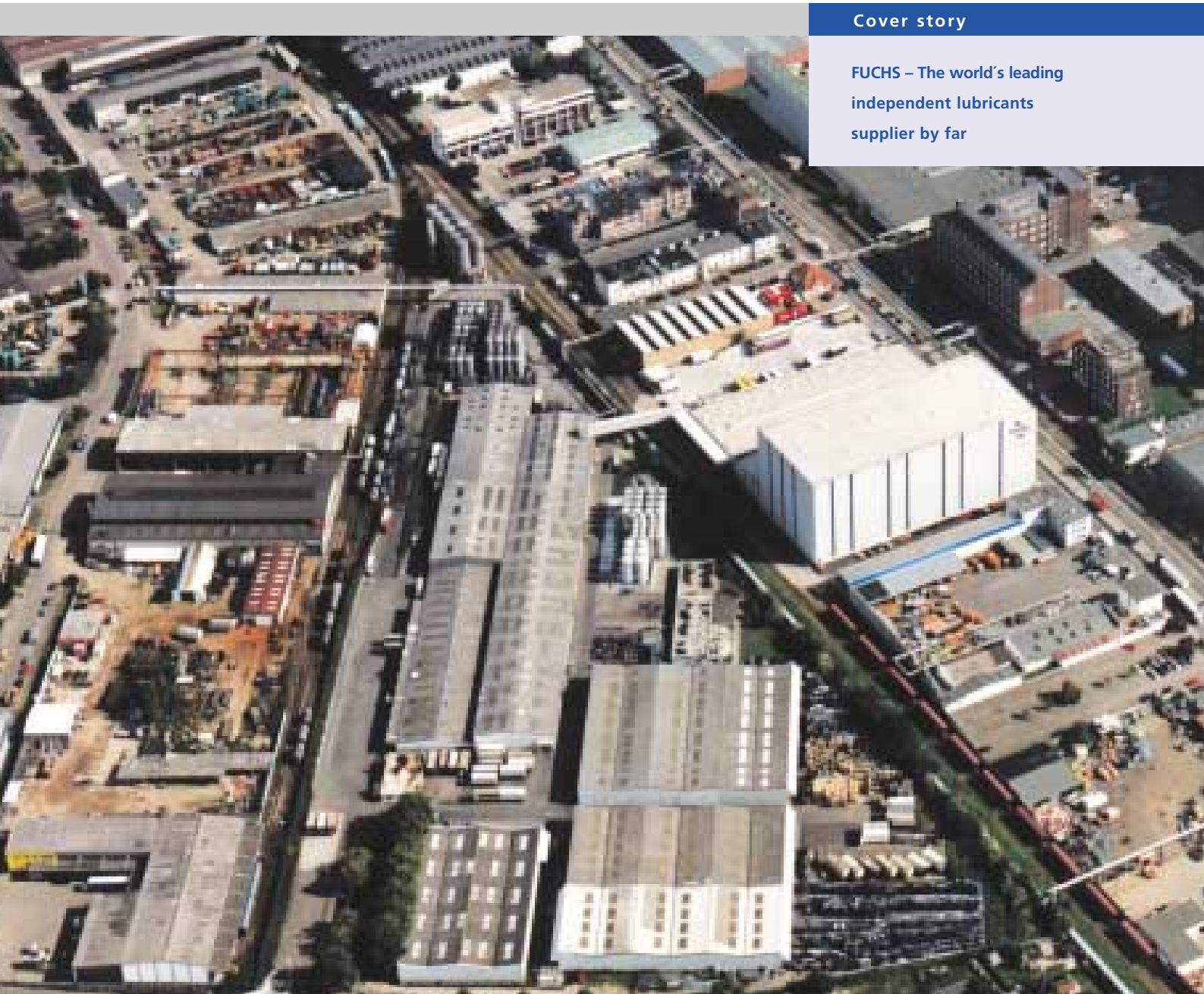


# FUCHS *Info*

The FUCHS Group · News, Views, Posts & People

May

2003



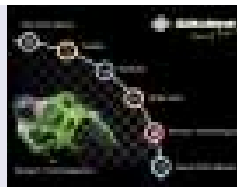
## Cover story

FUCHS – The world's leading independent lubricants supplier by far

■ International Schiller Days in Mannheim

■ FUCHS has a new plant in Indonesia

■ FUCHS Silkolene Racing Bike Oils on the internet




Partner for

**MANNHEIM**<sup>2</sup>

**Cover page:** FUCHS production site in Mannheim with logistics center of FUCHS EUROPE SCHMIERSTOFFE (at the right side) and with the expanded headquarters' administration building (at the top).

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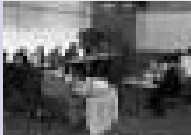
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Dear employees,



For most companies in the lubricants sector, 2002 was a year of disappointment: with business activity weak or declining, a general uncertainty in the run-up to the war in Iraq, and from mid-year substantial rises in the prices of input materials.

We remained successfully unaffected by this trend, and in fact achieved the best result in the group's history. Our sales rose by 13.3 % to reach € 1,065 million, operating profits by 42.2 % to € 90.7 million, and consolidated net income for the year by 172.5 % to € 24.1 million. The return on capital employed was increased to 15.5 %, thus creating concomitant shareholder value. We also achieved a high level of free cash flow, so that the net financial liabilities have been reduced by € 44 million.

Expenditure on research and development was substantially increased – not least due to first-time full consolidation of FUCHS EUROPE SCHMIERSTOFFE – in 2002, as were investments in the brand.

The initiatives for streamlining and rationalizing the group were continued last year, and will be progressed, so as to keep the company proactively responsive to future market situations and to enhance its competitive vigor and overall profitability.

Capital expenditure on tangible and intangible assets totaled € 28.8 million in 2002, and was thus at the preceding year's level. The worldwide workforce rose to 4,081 people, due primarily to consolidation factors. FUCHS PETROLUB AG as parent company reported a net income for 2002 of € 16.8 million, and will be proposing to the shareholders an increase of € 0.50 in the dividends, to € 4.37 per ordinary share and € 4.88 per preference share.

The ongoing business year has begun well. Sales in the first quarter of 2003 came to € 263.4 million, and were thus slightly below the preceding year's figure, with adverse currency translation effects outweighing significant internal growth.

For 2003 as a whole, without factoring in any acquisitions, we have budgeted for sales of about € 1.1 bn, and, subject to any further effects of the war in Iraq, expect a good earnings situation. Capital expenditure on tangible assets has been budgeted at a relatively low level, since the plants worldwide are in good shape.

The stock market responded to the company's good performance in 2002 with rising share prices. The FUCHS ordinary share was up by 7.2 %, and the FUCHS preference share by 12.1 %, while all major stock market indexes fell to a greater or lesser degree. The FUCHS shares have continued to rise this year, though the price-earnings ratio continues to be very moderate. In 2002 it was 6.9, and that after acquisition goodwill had for the first time been written down with full effect on earnings.

I would like to take this opportunity to thank you for your commitment and successful hard work throughout the year 2002.

Yours most sincerely,

**Dr. Manfred Fuchs,**  
Chairman of the Executive Board

# International Schiller Days in Mannheim

The people of Mannheim love their theatre and their Schiller



Schiller ... Schiller? A vague recollection going back to our school days? Wasn't he one of those boring classics in one of those more or less thick yellow booklets that are of no concern today? The International Schiller Days at the Mannheim State Theatre have thoroughly dispelled such prejudices over the past years. This unique presentation of a single classical author is not an exclusive get-together for theatre directors and Schiller scholars, but rather an eventful theatre festival for an entire region, a fest of encounters and lively debates with room enough for discussion and celebration; a festival that combines classics with the modern era in an unparallel fashion and proves the uninterrupted relevance of Schiller's plays and the vividness of his characters under many different aspects. From June 18 – 24, the International Schiller Days are taking place for the 12<sup>th</sup> time – in part thanks to FUCHS PETROLUB AG.

## Two premieres of "The Robbers"

Two "Robber" premieres of the Mannheim State Theatre are the centre of this year's International Schiller Days (the opening-night performance premiering in Mannheim and the Verdi opera "I masnadieri" on closing night) as well as ten guest performances from at home and abroad that provide an insight into the way Schiller's dramatic works are being received today. The stages that have been invited to the festival include the Bayerische Staatsschauspiel Residenztheater of Munich and the Thalia Theater from Hamburg who will present two fundamentally different interpretations of "Intrigue and Love", as well as the National Theatre of Weimar and the Kampnagel of Hamburg with two equally varying productions of "The Maid of Orleans". International flair is provided this year through guest performances from the Royal Theatre of Copenhagen ("Intrigue and Love"), the City Theatre of

Bruenn ("The Parasite"), and the Luzernertheater from Switzerland with a cheeky interpretation of "William Tell" entitled "there was a great people (in the hinterland)".

In addition to these guest performances, the National Theatre is hosting a Schiller workshop in which exciting young directors and theatre troupes from around Europe get together before and during the festival to examine their respective Schiller "national drama". The widely varying results will be presented in the evenings on the studio stage: experimental workshop productions, performances, scene-related installations, and readings. During the daily "Pathos Forum", such notables as Gregor Gysi or Reinhold Messner will be examining the subject "Pathos: on the difficulty of dealing with feelings" under a variety of aspects. This series is being presented in conjunction with the SWR 2 Forum.

## Fringe programme with nightly highlights

To make the festival complete, a diverse fringe programme is being offered, including an authors' day in cooperation with the Premiere Theatre of Berlin, a pathos media centre on the square in front of the theatre in collaboration with "Studio p: a place for pathos research", projects from the children and youth theatre Schnawwl, an off-theatre festival of the TiG7, a cooperation project with the Mannheim School of Design, and, last but not least, the "schill"-out every evening with live music in the Schiller lounge and in the artists' room of the Werkhaus. Nightly highlights include the scene-related installation project Schiller by Night/Landscapes, presented by the multinational group "Faim de Siècle" in the rehearsal stage centre Neckarau as well as the finale "Il Corso" presented by the group PanOptikum.

## Widespread support in the region

The fact that the Schiller Days are taking place at all this year borders on a theatre miracle: they were supposed to take place at the National Theatre of Weimar, which has been alternating with Mannheim in hosting the festival since 1997. Weimar, however, was forced to cancel for financial reasons. In order not to endanger the Schiller Days as an institution – and this just before the two major Schiller anniversaries coming up in 2005 and 2009 – the Mannheim National Theatre jumped in on short notice, without financial support and well knowing that additional public funds were hardly to be expected. For this reason, the drive "Robbing for Schiller" was called into existence one year ago and it met with widespread support. Not only the federal government but also the regional state institution Baden-Wuerttemberg agreed to provide support, but also foundations, private individuals, and in particular companies from the region such as FUCHS PETROLUB AG.

This tremendous echo proves that Mannheim continues to be a great theatre city: the people of Mannheim (and others, too, of course) just love their theatre and their Schiller, perhaps the most famous son of the region. In order to express this love in a contemporary fashion, the National Theatre of Mannheim

founded a Schiller fan club in advance of the festival: "1. FC Schiller", for all Schiller fans and with all fans. Members have a number of advantages, for example an open air Schiller festival in the lower Luisenpark in Mannheim on May 18, at 3 p.m., attractive Schiller fan paraphernalia, as well as a chance to secure advance tickets to the popular guest performances in June. And fans who have accumulated sufficient bonus points will even have a chance at winning the main prize (perhaps a trip in the footsteps of Schiller's protagonists?).

FUCHS group employees can join the 1. FC Schiller fan club at a reduced rate of € 5.00.

For further information about the club, please visit mail to [nationaltheater.marketing@mannheim.de](mailto:nationaltheater.marketing@mannheim.de) or call the fan hotline at +49 (0)621 – 1680 500.

*Christian Schönfelder, National Theatre of Mannheim*

# Performance Schedule – 12<sup>th</sup> International Schiller Days

*(Titles and venues are in German for easier local orientation)*

## Guest Performances

### **Kampnagel Hamburg: Die Jungfrau von Orleans**

Wednesday, June 18, 8:30-10.00 p.m. Malersaal in the Werkhaus

### **Bayerisches Staatsschauspiel (München): Kabale und Liebe**

Thursday, June 19, 7:00-9:15 p.m. Schauspielhaus

### **luzernertheater: es war ein grosses volk (hinten im lande),**

according to Wilhelm Tell

Friday, June 20, 7:30 p.m. Schauspielhaus

### **Deutsches Theater Göttingen: Die Räuber**

Saturday, June 21, 7:30 p.m. Schauspielhaus

### **Thalia Theater Hamburg: Kabale und Liebe**

Saturday, June 21, 8:00 p.m. Opernhaus

### **Schauspiel Nürnberg:**

#### **Der Parasit oder Die Kunst, sein Glück zu machen**

Sunday, June 22, 3:00 p.m. Schauspielhaus

**National Theatre  
Weimar: "The Maid  
of Orleans"**



### **Mestské divadlo Brno (City Theatre Bruenn): Parazit**

Sunday, June 22, 8:30 p.m. Schauspielhaus

– Performance in Czech with simultaneous interpretation to German –

### **Altes Schauspielhaus Stuttgart: Maria Stuart**

Monday, June 23, 8:00 p.m. Schauspielhaus

### **Nationaltheater Weimar: Die Jungfrau von Orleans**

Monday, June 23, 8:00 p.m. Opernhaus

### **Det Kongelige Teater Copenhagen (Royal Theatre of Copenhagen):**

#### **Kabale og kærlighed / Kabale und Liebe**

Tuesday, June 24, 8:00 p.m. Schauspielhaus

– Performance in Danish with simultaneous interpretation to German –



German Theatre Göttingen: "The Robbers"



Lucerne Theatre: Tell interpretation "there was a great people (in the hinterland)"

## The Premieres

**Schauspiel Nationaltheater Mannheim: Die Räuber**  
Wednesday, June 18 (première), 8:00 p.m. Schauspielhaus

**Oper Nationaltheater Mannheim: I Masnadieri von Giuseppe Verdi**  
Tuesday, June 24 (première), 8:00 p.m. Opernhaus  
- Symphony performance in Italian with German toptitles -

## The Schiller Workshop

**Center of Contemporary Arts DAX, Kiev: Demetrius-Material (UA)**  
By Klim based on a fragment by Friedrich Schiller –  
– Performance in Russian with simultaneous interpretation to German –  
Thursday, June 19, 3:00 p.m. and 8:00 p.m.

**Compagnie Là Hors de, Lyon: Playing Schiller**  
Scene-based installation  
– Performance in French, English, German, and Italian –  
Friday, June 20, 4:00 p.m. and 9:30 p.m. (première)

**In cooperation with the Nouveau Théâtre de Besançon:**  
**Die Jungfrau von Orleans**  
Scene-based reading  
– Performance in French and German –  
Saturday, June 21, 4:00 p.m. and 8:00 p.m.

**Wenn der Soldat ins Leben zurückkehrt**  
Project by Harald Fuhrmann based on Schiller's Wallenstein  
Monday June 23, 4:00 p.m. and 8:00 p.m.

**Third Angel, Sheffield: Maria Stuart**  
Tuesday, June 24, 4:00 p.m. and 8:00 p.m.

## Schiller by Night/Landscapes

**Faim de Siècle Company, New York, Paris:**  
**Schiller by Night/Landscapes (UA)**

Project based on Schiller's Wilhelm Tell and Heiner Müller –  
Thu 19<sup>th</sup>, Fr 20<sup>th</sup>, Sa 21<sup>st</sup>, Su 22<sup>nd</sup>, Mo 23<sup>rd</sup> June, at 11:00 p.m. nightly in  
the Probebühnenzentrum Neckarau (bus shuttle from the Werkhaus at  
10.30 p.m.)

## The Forum

**The Pathos of the Theatre**  
Wednesday, June 18, 5:30 p.m. Oberes Foyer  
**The Pathos of Politics**  
Thursday, June 19, 5:00 p.m. Unteres Foyer  
**The Pathos of Sports**  
Friday, June 20, 5:30 p.m. Oberes Foyer  
**The Pathos of Every Day Life**  
Saturday, June 21, 5:30 p.m. Oberes Foyer  
**The Pathos or the Art of Suffering**  
Sunday, June 22, 5:30 p.m. Oberes Foyer  
**The Pathos of the Law**  
Monday, June 23, 6:00 p.m. Oberes Foyer  
**The Pathos of Opera**  
Tuesday, June 24, 6:00 p.m. Oberes Foyer

## The Finale

**Il Corso**  
Spectacle of the PanOptikum Company  
Tuesday, June 24, 11:00 p.m. lower Luisenpark

*Advanced ticket sales begin on Sunday, May 18 at the Schiller Folk Festival in the lower Luisenpark (for members of the fan club).*

*Advanced ticket sales at the box office starting Monday, May 19*

*Ticket line: +49 (0) 621 / 1680-150*

*Ticket fax: +49 (0) 621 / 1680-258*

*E-mail: [Nationaltheater.kasse@mannheim.de](mailto:Nationaltheater.kasse@mannheim.de)*

## First Mannheim Capital Market Forum



Capital Market Forum in the Stamitz Room of the Mannheim Rosengarten Congress Centre.

The first Capital Market Forum hosted by the five Mannheim companies that are listed on the stock market met with great interest on the part of private investors. On January 16, over 200 visitors attended the forum at the Mannheim Congress Centre Rosengarten. The managing boards of Bilfinger + Berger AG, Fuchs Petrolub AG, Mannheimer Holding AG, MVV Energie AG, and Südzucker AG briefly presented their respective companies and then opened the floor to questions from the audience. The event was made possible in conjunction with the companies themselves, local banks, and the city marketing board of Mannheim. Based on the extremely positive response on the part of investors, a second Capital Market Forum is planned for the fall.

## Equity Information Day in Dresden

Dr. Manfred Fuchs is a guest at the Gläserne Manufaktur



The VW production site Gläserne Manufaktur in Dresden. A well-suited place for this event related to the automotive industry.



The impressive interior combines automobile production with a comfortable atmosphere in a very special way.

West LB Panmure had issued the invitations to the Gläserne Manufaktur, the production site of VW in Dresden. In addition to high-ranking representatives from the automotive components supplying industry, the event was attended by representatives from selected savings banks responsible for equities. As the central bank of savings banks in North-Rhine Westphalia and Brandenburg, West LB regularly organizes special theme days with the object of marketing equities to private investors in the best possible fashion.

Dr. Manfred Fuchs was pleased to use this occasion to present the company and to convince the competent audience present of the investment value of the group with the help of operating figures and strategic development plans. One of the essential components of FUCHS' investor-relations work is to provide optimal information to the opinion-makers in the private investment segment. "From our point of view, this

clientele is to be treated as though they were our customers," said Dr. Fuchs.

The good impression of the event was complemented by a visit to the impressive production site of the Phaeton, flagship of the VW model range and an expression of living customer orientation within the group.

Dr. Manfred Fuchs peeked a high level interest among equities experts with his presentation.



## “FUCHS Information System” Installed on the Intranet

In order to utilize the advantages associated with it, corporate controlling has now installed the “FUCHS Information System” on the Intranet. In doing so, close attention was paid to user friendliness and adaptation to regional corporate structures. With this information system, various levels of management, i.e. the corporate managing board, regional managing directors, as well as local managers and controllers, can access extensive financial reports on the companies that have been generated by corporate controlling. In addition to evaluations of the profit-and-loss statements in local currencies and in euros, reports with useful operating figures for evaluating the efficiency of respective companies are now available on the Intranet.

Further steps have been planned to increasingly collect data from the companies via the Intranet and to feed the data directly into the database system of the holding company. In terms of corporate controlling, the FUCHS Intranet is an ideal platform for exchanging information with the individual companies. The advantages of the FUCHS Intranet lie in its easy accessibility for all companies worldwide, in the real-time transmission of data, as well as in the possibility of mutual data exchange. Corporate controlling’s long-term vision is to create an information system that allows for data transfer largely without interfaces and to provide management with the required evaluations online in order to steer the companies. In this way, added value is created for the entire group.

The FUCHS Information System is available in the FUCHS Intranet ([www.fpint.com](http://www.fpint.com)) under the heading “Finance”.

## Chinese Delegation with Official Representatives of the City of Hefei Guests in Mannheim

“Hefei, the capital of the province of Anhui, is an old but also very young city. When we say it is an old city, we mean that it looks back on over 2000 years of history and is famous as a historical site from the era of the three kingdoms and as the birthplace of Lord Bao. When we say it is a young city, we mean that it is a rising industrial metropolis. Many companies that are well known both at home and abroad have their production sites here and develop household appliances, chemical products, and machine parts at a high level of technology,” says mayor Guo on the city’s website.

In early April, six representatives of the municipal government as well as the centre for economic development travelled all the way from Hefei in the North-east of China to Mannheim. FUCHS PETROLUB had invited them to obtain first-hand information on the

group. Since the FUCHS production site in Hefei was already well known to the guests, the focus of the Mannheim visit was to get to know the FUCHS group and its Chinese involvement. The delegates were provided with a comprehensive view of FUCHS’ activities through presentations and a tour of the plant. However, a historic impression of our region could not possibly be left out so the guests from Hefei were escorted on a tour of Heidelberg, followed by a dinner.

Mayor Guo put it this way on the website of Hefei: “We extend our warmest wishes to friends who visit our city and wish us a successful future. Hefei greets its friends with a smile.”



The Chinese delegation with hosts Klaus Hartig (left) und Dr. Alexander Selent (third from right).

# FUCHS Silkolene Racing Bike Oils Now Available in Germany



Within the framework of the cooperation agreement between FUCHS EUROPE and Kawasaki Germany, a website especially for motorcycle riders was created and can be viewed at [www.fuchs-silkolene.com](http://www.fuchs-silkolene.com). On the one hand, the page is designed to strengthen the presence of our products on the Internet and hence with consumers, on the other hand it provides advertising for those Kawasaki dealers who distribute FUCHS Silkolene lubricants. This promotion is already being used by one quarter of all Kawasaki dealerships in Germany. In the near future, our motorcycle lubricants will be distributed all over Germany exclusively by competent specialists. Consumers who cannot or will not purchase their lubricants directly at a Kawasaki dealership can order small quantities online.

Kawasaki

Home Company Motorsport

## Motorsport

- MotoGP
- World Supersport
- IDM
- Moto Cross
- Team Green Events

**FUCHS Silkolene**  
Racing Bike Oils

Unser Schmierstoffpartner FUCHS SILKOLENE bietet sich der größten am Markt verfügbaren Programmen für Zwerge, Schwenk- und Enduros an.

Um die optimale Leistung mit Kawasaki-Motoren zu erzielen, empfehlen wir Kawasaki-Motorenfahrer das Schmierstoffprogramm von FUCHS SILKOLENE zu wählen.

Kawasaki Germany also points to our website via a number of interesting links. Together with the manufacturer recommended lubricant on the Kawasaki customer service and maintenance passports, this will ensure increased demand from Kawasaki riders.

Within the framework of our cooperation with the German motorcycle manufacturer MZ, our website will soon be linked to theirs as well. FUCHS Silkolene is the main 2003 sponsor of the very successful MZ Youngster Cup, which offers young talents an excellent access platform to Supermoto racing sport. The new Internet page will be advertised on the Cup bikes, too, which enjoy extensive media coverage.

## FUCHS Know-how Conference in Bad Dürkheim

Know-how: that is the central theme of the now traditional FUCHS PETROLUB know-how meeting. For the 23<sup>rd</sup> time, representatives of the world-wide FUCHS companies met from April 6 – 8 in order to exchange knowledge. In the past, the conference focussed largely on the technological side; today it includes marketing themes and issues.

From Canada to Argentina, or China to the USA, the 100 participants from 32 countries were happy to travel to Bad Dürkheim for three days in order to hear about new developments in the group and obtain information on a variety of subjects. The varied programme started with an introduction given by member of the managing board Ingo Pauler. In a subsequent presentation, Dr. Manfred Fuchs informed guests on the development and prognostics for the group. The talks given by guest lecturers Prof. Dr. Reinhard Töpfer and Prof. Dr. Fritz Klocke, as well as further presentations on internal subjects such as personnel development rounded off the informative morning.

Group photo of the participants at the Know-how Meeting in Bad Dürkheim.



Participants then had the opportunity to actively work on a subject in one of three workshops. At the end of the day, the results from each group were presented and discussed in summary.

On the second day of the event, too, presentations alternated with workshops so that this day was fully used to exchange information and draw common conclusions on the FUCHS-specific topics being discussed.

Dr. Georg Lingg, head of technology at group headquarters, officially closed the 23<sup>rd</sup> Know-how Meeting with his

impressions and summarization.

On request, the international product managers were available on the third day for one-on-one discussions in order to meet the individual information requirements of the guests as well.

The success of this year's Know-how Meeting is an important building block in maintaining and improving a high level of technical specialization within the FUCHS group and is therefore an essential component of FUCHS' excellent market position.

## Executive Committee in China



The Executive Committee of FUCHS PETROLUB together with the employees of FUCHS LUBRICANTS (YINGKOU) in front of the new building.

The Executive Committee visited the three companies and production sites in China to discuss the further business and growth perspectives. The Committee met both with the Chinese managing directors and employees and with official representatives of the city administration and province governments of Yingkou and Hefei. On the occasion of Dr. Manfred Fuchs' visit in Yingkou, the honorary citizenship was bestowed on him and he was given the golden key of Yingkou.

# FUCHS ACADEMY – Dates for the 2<sup>nd</sup> half of 2003

## Technical Seminars in Mannheim with Prof. Dr. Wilfried J. Bartz "Tribology and Lubrication"



In the first half of 2003, employees already participated in the Technical Seminars "Tribology and Lubrication Engineering" at the FUCHS ACADEMY with Prof. Dr. Wilfried J. Bartz. Now, we will offer another set of Technical Seminars in the second half of 2003.

In the 2<sup>nd</sup> half of 2003, we are again offering Technical Seminars in English. Information on the seminar modules is provided below.

The seminars will take place at the corporate head office in Mannheim. The expenses for the seminars proper (organization, lecturer etc.) are borne

by the head office, travel expenses (e.g. flight, hotel) must be paid by the sending company.

We also offer seminars in German. If you are interested in attending these German seminars, please contact Mrs Fischer at her address below.

For further information, registration or questions please contact Ms. Katja Fischer at the Group's Human Resources Department in Mannheim  
**(phone: ++ 49/621/3802-163,**  
**fax: ++ 49/621/3802-169 or**  
**e-mail: [katja.fischer@fuchs-oil.de](mailto:katja.fischer@fuchs-oil.de)).**

### Basics of Lubricants and Their Application

*June 16-17, 2003 or  
 September 25-26, 2003 in Mannheim  
 Prof. Dr. Wilfried J. Bartz*

#### Target group:

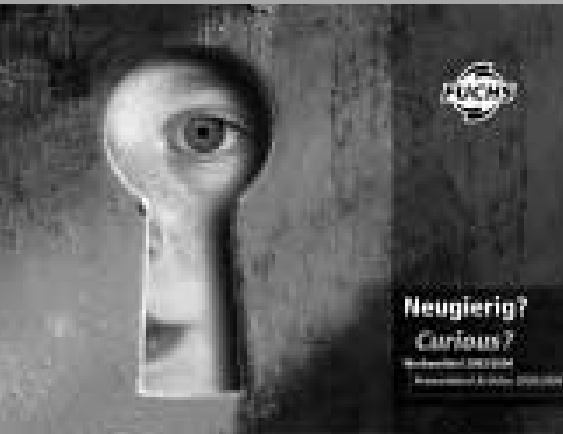
Employees with little or no previous knowledge of technical/physical or chemical principles, as well as technical job beginners and new employees of the FUCHS Group.

Maximum number of participants: 10

#### Seminar content:

Introduction to tribology – lubricating oils (mineral and synthetic, biological oils), lubricating grease, solid lubricants and additives – important applications in industry, automotive, and metal working – properties of lubricants and evaluation of their changes; introduction to the product range and the structure of the FUCHS Group.

**Registration deadline: August 4, 2003**



Eagerly awaited by many, the new advertising catalogue 2003/2004 is out and has been revamped. It offers a suitable gift for every occasion at attractive prices. In addition to old favourites, many new products and

## New Advertising Catalogue with Attractive Offerings

some with a new design have been incorporated in the catalogue.

For example, a shower or sports towel that fits in every manager's travel bag is now part of the product range. The practical tool kit for the handyman as well as for every car driver is a must. But you will not only find the perfect gift for him: the new cosmetics bag by Picard is the ideal gift for her.

We have also extended our product range in the high-end gifts. Not only can you now order a Samsonite belt, but also a Picard travel bag. Both items are suitable advertising gifts for him or her – a sure way to please your long-term business partners.

## FUCHS Silkolene Advertising Teasers for the Motor Sports Sector

Unchanged product range for FUCHS Silkolene brand-name advertising as well as motor sports and trade fair articles.



The current selection of advertising articles can be used this year, too, at trade fairs or other presentations of Silkolene products. The inexpensive items, from posters to pens and wind-breakers, have been updated and can be ordered via a separate advertising brochure or via the Intranet ([www.fpint.com](http://www.fpint.com)).

## FUCHS International Company Directory 2003

Updated 2003 version now available.



Since a large number of FUCHS companies notified of a change of address last year, we updated the FUCHS International Company Directory 2003 in April. It can be ordered immediately via FUCHS Communication Service or via the Intranet ([www.fpint.com](http://www.fpint.com)).

## Annual Report 2002

The 2002 Annual Report has been available in German since mid-May. The English version will be ready within the next few days. This time, the special theme deals with development partnerships with our customers. The reports too may be ordered via FUCHS Communication Service or via the Intranet ([www.fpint.com](http://www.fpint.com)).





## FUCHS – The World’s Leading Independent Lubricants Supplier By Far

### A proud balance after 72 company history

Springtime is annual reporting time, a time at which companies make the operating results of the previous year public. The good ones celebrate while the poor ones seek justifications. What is the indicator for the state of the economy to politics is the direct answer to investors – both institutionalized and private – on whether their personal investment strategies were right or not. Anti-cyclical is the buzzword today with which the financial world, looking for exceptions to the rule, can be attracted. The most frequent question investors ask FUCHS is how can one work successfully in a worldwide recessive environment. This clearly illustrates the financial markets’ hope that, finally, a turnaround might be achieved with the help of individual promising companies.

After the big wake-up call on the stock market and the even faster demise of the Neue Markt, the search for “pearls” is as relevant as ever. Where are the companies with long-term perspective, sustainable technologies, and convincing sales concepts? Although it has always been important to take a closer look at these points, it is more worthwhile to do so today than in times when yields that “old economy” companies could barely offer over an entire year could be cashed in on the Neue Markt within a week. In this context, FUCHS is now playing its aces: a company with growing results that, thanks to streamlined structures and global representation, seems to be well prepared for a demanding future and promises long-term stability, that possesses a good measure of

economic strength, without losing sight of its investors that it rewards with consistently high dividend yields.

### Solidly run companies wanted again

Following the laws of logic, FUCHS has peeked the interest of the financial market. All of a sudden, financial studies and analyses are being conducted again in which, after many years respite, it is determined almost with surprise that underneath it all there is a solidly run company at work offering investors everything they have been looking for after so many disappointments on the stock market. “Buy” or “overweight” is now the verdict being churned out in analysts’ recommendations, which are picked up by numerous economic and financial media and thus multiplied in terms of their effect. FUCHS PETROLUB has thus recently become a “fashionable” share, so to speak, that is being reported on weekly in various forms. So what exactly does it mean when we hear that FUCHS is the world’s leading independent lubricants manufacturer by far and thus gives rise to its interesting perspectives?

Let us look at a few facts: Founded in 1931 by Rudolph Fuchs – the father of the current chairman of the managing board, Dr. Manfred Fuchs, and who met an early death in 1959 – the company has been able to at least double the



Many media representatives showed an interest in the company's good results and came to the press conference in Mannheim.

sales of lubricants during every decade of its existence. During the 1950's, sales multiplied almost seven times and in the 1970's almost three times. FUCHS currently sells well above 700,000 tonnes of lubricants, which corresponds to over 2% of worldwide lubricant demand. With revenues significantly above the 1 billion Euro mark in the year 2000, FUCHS is certainly among the leaders on the world market as an independent group.

### World market leader in strategically important market segments

Among the approximately 1,200 independent lubricant companies in the world (that do not belong to any of the major oil companies), FUCHS is by far number one. When the major oil companies are included, i.e. among a total of approximately 1,380 manufacturing market players, FUCHS ranks number eight. In terms of strategically important market segments and niches, the group is either world market leader or number two or three. The difference in sales volume between the many manufacturers is enormous: worldwide, 1% of the manufacturers of finished lubricants – including FUCHS – share over 60% of the market. The remaining 99% share less than 40% of the market.

Within this environment, FUCHS is concentrating on high-end market segments – the Neue Markt would have called this a business plan. It is founded on the recognition that the battle on the price front of mass production cannot be won. Our focus therefore lies on high-performance lubricants, speciality products, as well as standard quality lubricants and brand-name lubricants, that generate a high – and in certain segments a very high – value added.

The high-performance lubricants and the speciality products alone represent 35% of FUCHS' worldwide sales volume, over 45% of sales revenue, and approximately 52% of gross yield – a unique situation among global lubricant manufacturers. An operative profit margin of 8% means that FUCHS is working from a healthy position for the company and its employees on the world market.

This position is currently being carried by 4,200 employees of which 28% are at home in Germany, 38% in other European countries, 19% in Pacific Asia and Africa, and 15% in America. Typical for the high degree of specialization of the group is the above-average proportion of employees in the R&D department (more than 8%). Most of our colleagues, however, work in the technical/production department (39%) and in marketing/sales (34%). The 4,200 employees of the group are currently spread over 76 companies in 45 countries. 52 of these are production sites. This structure ensures service and shipment to 113,000 customers in over 150 countries of the world. It is therefore hardly surprising that as a lubricant specialist, FUCHS stocks several thousand products in order to meet the specific demands of its worldwide customers.

Let us turn back to the investors for a moment: here, too, there have been significant changes over the past years. The shareholders have grown to number over 8,000, the capital share of the private investors has doubled to 40% since 1995, and the holding of funds has also significantly increased. Transparent reporting and its preferred shares guarantee FUCHS PETROLUB's membership in the newly created Prime Standard of the Deutsche Börse in Frankfurt. Here, 160 of the companies listed on the stock market in Germany are summarized in various segments that are willing to voluntarily provide high-quality reporting. Liquidity is also ensured: the turnover of up to 5,000 preferred shares per day is no longer an anomaly.

All in all, the FUCHS group is very healthy indeed. The company is of a respectable size, is well equipped for the future, and, at the same time, disposes of solid structures that ensure long-term success. The company truly is the "pearl" that analysts and investors both institutionalized and private are looking for. After many years "in the shadows", it is surely legitimate to be proud of a company that has not only found its place on the world market, but has attracted public interest through generally strong perspectives at a time when good news is not a daily commodity.

## FUCHS AUSTRIA at the AUTO ZUM in Salzburg

AUTO ZUM, the largest automotive accessories fair in Austria, was once again a huge success for FUCHS AUSTRIA. During the three-day fair, 370 customer contacts, including 78 new customer contacts were registered at the FUCHS stand. Of these new contacts, 27 have already placed orders. The FUCHS team was continuously occupied with answering questions and explaining the latest product developments. An additional highlight that FUCHS AUSTRIA offered visitors to the trade fair was an autograph session with Franky Zorn, the renowned ice speedway driver. A brief report on this event was broadcast on Austrian television.



A well-attended FUCHS AUSTRIA stand at the AUTO ZUM in Salzburg.



The new trade fair stand at Metalform in Rosemont.

## At Metalform in Rosemont with a New Trade Fair Stand

In March, FUCHS LUBRICANTS in USA participated in Metalform 2003 in Rosemont, Illinois. Metalform is the leading trade show for the metal working industry at which suppliers and purchasers can exchange ideas on the latest developments. FUCHS' trade fair stand was updated for the show to reflect FUCHS' innovation, technology and global presence.

## FUCHS LUBRITECH FRANCE with the New gleitmo Product Range at the SITS Trade Fair

FUCHS LUBRITECH FRANCE was represented with a stand at the bi-annual international trade fair for surface technology (SITS) in Paris. SITS is the most important trade show for the areas of galvanotechnology and surface treatments. FUCHS LUBRITECH, who participated in this fair for the first time, thus underlined its presence on this market and used the opportunity to introduce the gleitmo product range.



The trade show team in front of the FUCHS LUBRITECH stand.

## FUCHS OIL (CZ) at the Motocykl 2003



For the fifth time, FUCHS CZ participated in the Motocykl in Prag in March as an exhibitor. In addition to motorcycles from the world over, the corresponding accessories such as tires, replacement parts, clothing etc. were on display. Approximately 50,000 visitors came to the four-day event to obtain information on new products. The 20 m<sup>2</sup> FUCHS stand largely presented the Silkolene products, but also polishes from the Lippert-Unipol product range.

A large number of interested visitors were welcomed at the FUCHS stand at the Motocykl.

## Recommendations from the "National Lubricating Grease Institute" (NLGI)

In its December 2002 edition, the NLGI pointed out that the FUCHS product Renolit CL2X is the only one that meets the demands of the British army and thus the only one given the corresponding licence. This once again serves to highlight FUCHS' successful specialization and niche-market policy.

## New Certifications and Awards

- FUCHS ARGENTINA was successfully certified as ISO 14000 compliant in December 2002.
- Our Indian subsidiary, FUCHS LUBRICANTS (INDIA), was certified ISO 9001:2000 compliant and is now in a position to strengthen its business relationship with partners who value certification.
- FUCHS LUBRICANTS in South Africa was nominated one of the "top performers" in the country for the third year in a row and will thus be included in the 2003 edition of "300 top companies of South Africa".
- Sabic (Saudi Basic Industries Group), one of the largest Saudi organizations, awarded ALHAMRANI-FUCHS (AFPSA) with the title "Outstanding Supplier 2002" and thus underlined the excellent performance of AFPSA as a supplier of lubricants.

## Extraordinary Innovations by an Excellent Team

In December of last year, the FUCHS Chemical Process Management Team were presented with the BAE Systems Chairman's Bronze Award for Innovation. Together with BAE experts, representatives of FUCHS LUBRICANTS (UK) had worked on a solution for BAE's cooling problems.

BAE Systems, who manufacture components for the Eurofighter Typhoon, were experiencing coolant degradation on their Advanced Contouring Machines (ACM). This was caused by contamination from tramp oil and small metal particles, high evaporation rates due to a fluctuation in temperature and a build up in calcium and chloride salts. Subsequently, these concerns generated excessive costs through the increased maintenance of the machines, continual replacement of the coolant and high

rejection rates due to quality issues. The team received the award after twelve months of hard work. A quick solution was required since thousands of pounds were being lost daily due to production downtimes. "After a series of tests, we were in a position to point out several things to BAE," said Chris Morros, FUCHS manager of the BAE team. "We came to the conclusion that different special devices were needed, as well as a new type of fluid, in order to improve the quality and efficiency of the expensive machines."

The answer was the introduction of a revolutionary new cutting fluid, ECOCOOOL SCIP, a Chiller Unit and a Coalescing Unit, which have drastically reduced evaporation rates, the amount of degradation within the machine and its coolant consumption. Since

introducing SCIP, BAE have seen a 60% reduction in the amount of coolant used. In the meantime, 25% of all cooling systems at BAE are using Ecocool SCIP.



## Third Sales Executives Conference of FUCHS EUROPE and FUCHS EUROPE SCHMIERSTOFFE

The third annual FUCHS EUROPE sales executives conference took place at the end of February 2003. This conference provided an opportunity to bring together all sales executives from FUCHS EUROPE and FUCHS EUROPE SCHMIERSTOFFE for the first time. Under the direction of Stephan Fuchs and the FUCHS EUROPE executive committee, the 23 leading sales executives from all western European countries met in the vicinity of Mannheim.

As has been the case in previous years, the winners of the European sales competition received their awards. This year, first prize went to Ted Cox (automotive lubricants UK), who was honoured for the largest increase in gross yield over the previous year. Second place went to Dr. Bruno Seuillet (industrial lubricants France), who participated in the competition for the first time. Third prize went to Claude Constant (automotive lubricants France). The prize for the greatest percentage increase in gross yield went to Cesare Villa (automotive lubricants Italy).

The conference provided an opportunity to look back at the previous fiscal year, which showed good results for both FUCHS EUROPE and FUCHS EUROPE SCHMIERSTOFFE. At the same time, the increase of retail prices for finished products



Sales Executives Conference (from left to right): Manuel Rojas, Dr. Bruno Seuillet, Dr. Ralph Rheinboldt, Ted Cox, Cesare Villa, Stefan Fuchs, Claude Constant, Thomas Schultz.

stood at the centre of the discussion concerning the prognosis for 2003. In light of the increase in the cost for raw materials and packaging material which is already known, it became evident that significant price hikes are the only way to hit target budgets i.e. achieve better results compared with 2002.

## Workshop of the LUBRODAL Section in Portugal

On invitation from the managing director of FUCHS LUBRIFICANTES, Paul Cezanne, this year's workshop "Lubricants and Separating Agents in Thermoforming" took place in Portugal. Dr. Helmut Seidel, head of the LUBRODAL section, and Johann Kaltenecker, product manager for forming lubricants – both from FUCHS LUBRITECH – were responsible for practical implementation

as well as the theoretical part of the training. The intensive all-day product training session was specifically complemented by application-specific consulting in industry. The technical section under Carlos M. Braga prepared a challenging programme that focused on aluminium die-casting and brass forging.



From left to right: Júlio Marques, Francisco Oliveira, Johann Kaltenecker, Carlos M. Braga, Joao Oliveira, Dr. Helmut Seidel, Luís Araújo, Paul H. Cezanne.

## RAVENOL Being Sold

In June 2003, the economic goods of RAVENSBERGER SCHMIERSTOFFVERTRIEB in Werter are being transferred to RIMOL whereby the brand name RAVENOL and 90% of turnover – with the exception of the OPTIMA line – will be divested. Heinz-Georg Trage, managing director at RAVENSBERGER, is now in a position to concentrate on managing WISURA in Bremen.

## National Sales Executives Meeting in the US



Alexander von Griesheim (LUBRICANTES FUCHS DE MEXICO), Antonio Oliveria (FUCHS ARGENTINA), and Kipp Kofsky (FUCHS LUBRICANTS) exchange information at the meeting.



Albino Cardoso congratulates Ingo Pauler for his many years of service.

The annual sales executives meeting took place in Illinois in February. The participants included Dr. Manfred Fuchs, Stefan Fuchs, Ingo Pauler and Dr. Georg Lingg from FUCHS PETROLUB, Dr. Alexander von Griesheim and Jorge Meymar from LUBRICANTES FUCHS DE MEXICO, Albino Cardoso and Abel Laranjeira from FUCHS DO BRASIL, Antonio Oliveria from FUCHS ARGENTINA, and Ron Gelens and

Daniel Woo from FUCHS LUBRICANTS CANADA. This year's meeting focused on honoring the top sales performers and managers of 2002. Ingo Pauler was also honored at the meeting for the dedicated support he has given to FUCHS in the Americas over many years. The meeting ended with an optimistic view to the future and the goal of working successfully once again in the year 2003.

## Field Workers' Meeting of FUCHS LUBRITECH in Bad Kissingen

At the beginning of March, the field worker team of the industrial and construction sectors of FUCHS LUBRITECH met under the direction of the managing directors Klaus Heinlein and Dr. Christian Busch for their first meeting in Bad Kissingen. Management honoured last year's performances and saw them as an incentive for the current year.

While the focal theme at the construction meeting was the successful application of FUCHS LUBRITECH special products in the difficult construction sector and many of the participants could take home new ideas on how to increase business, the main topic at the industry meeting was rail lubrication, an

area in which FUCHS LUBRITECH has belonged to the leading suppliers on the market for years.

All participants are sure to remember the Western Evening where the male vocal group "Gnadenlos" from Würzburg provided a fantastic atmosphere with their Oldies Medley Show. The group was introduced with "At the concrete pre-fab plant yesterday and on our stage today!" By the time they struck up the song "Alice", the crowd was on its feet and the standing ovation never ended.

## The Dohna Plant of FUCHS LUBRITECH Celebrates 100 Years of Existence

It was a very special celebration in Dohna indeed. After all, it is not every day that 100 years of graphite processing in Dohna are on the agenda.

“At all times and to this day, management and employees have mastered the tasks entrusted to them with their hearts and their hands, with clever thinking and endless dedication,” wrote the then managing director, Reinhard Alig, for the 75-year anniversary. Today, 25 years later, we find this quote again in the commemorative publication. All are in agreement: that the plant has fared for so long is largely thanks to the people of Dohna, and later those of Weilerbach and Mannheim, too.

These people, employees, former employees, their families, the managing board of FUCHS LUBRITECH from Weilerbach, as well as representatives from the corporate headquarters of FUCHS PETROLUB, are also those that came to Krebs near Dohna on the afternoon of April 4 to the Polterhof. The event began in a rustic and familiar atmosphere. During his presentation, Klaus Heinlein, managing director of FUCHS LUBRITECH, spoke primarily of the historic milestones in the development of the graphite plant in Dohna. The honouring of the special performances of individuals and particularly the merits of Dieter Gaudig during his 31-year career at the plant were the focal point of the presentation.

In this context, Ralf Käseberg, plant manager since January 1, 2003, was welcomed to his new position by Klaus Heinlein with the best wishes for his career future. Dr. Christian Busch, managing director of FUCHS LUBRITECH, presented the LUBRITECH

Group, its areas of operations and products, as well as its international locations and their importance.

Dr. Manfred Fuchs, chairman of the Executive Board of FUCHS PETROLUB, gave the participants an insight into both the development and the roots of the group. As an essential factor of past and future development, he particularly stressed the commitment and motivation of the employees. At the end of the ceremony, representatives from politics and economics of the region, Friedhelm Putzke, mayor of the town of Dohna, as well as Wolfram Schnelle, managing director for industry and foreign trade of the Dresden Chamber of Industry and Trade, praised

the commitment of the company for maintaining the site and thus the existence of the people in the region.

The excellent regional cuisine finally offered ample opportunity to exchange personal experiences and memories. The nomination ceremony for the “graphite pope” Gaudig and the accompanying music by the employees’ choir were further highlights of the evening.

The long employment years of the team and the 100<sup>th</sup> anniversary of the plant indicate a timeless connection and the pride of the Dohna employees for their “black” site, a lasting impression that visitors are not likely to forget soon.



The team in Dohna celebrates the 100<sup>th</sup> anniversary of the plant together with Klaus Heinlein and Dr. Manfred Fuchs.

## New Distributor in Vietnam

GlobalTraco International (GT) is a leading company in Singapore that distributes tires in the entire Asia-Pacific region. FUCHS LUBRICANTS in Singapore nominated GT to be the chief distributor for titanium and Silkolene products in Vietnam, with a special emphasis on tire dealerships, motorcycle garages, and leasing companies. GT has had a subsidiary in Ho Chi Minh City for several years and disposes of a significant market share of the tire business.

The FUCHS group and in particular the Silkolene product range were introduced at a distributors conference. Over 120 tire and retail distributors attended the conference and were impressed by the products.



(From left to right: Michael So, FUCHS Singapore – Sandy Heng, GlobalTraco International Singapore – Tung, GlobalTraco International Ho Chi Minh, Vietnam – Frank Lim, GlobalTraco International Singapore – Nick Turner, FUCHS Silkolene Asia-Pacific – Philip Tan, FUCHS Singapore – Lien, GlobalTraco International Ho Chi Minh City – Chau, GlobalTraco International Ho Chi Minh City – Cuong, GlobalTraco International Ho Chi Minh City).

## Advertising Campaign in Saudi-Arabia

ALHAMRANI-FUCHS PETROLEUM launched Titan Truck Diesel motor oil on the Arab retail market. Eight new Mercedes Benz Sprinters that sell the products directly to oil-change outlets were painted with the corresponding Titan design. At the same time, an extensive advertising campaign with corresponding marketing measures was started in order to win over the retail sector.



## FUCHS Has a New Plant in Indonesia

FUCHS once again managed to make strategic use of the liberalization of the south-east Asian markets and to build a new plant for the production of automotive and industrial lubricants in Indonesia. Indonesia has the world's fourth-largest population with 230 million inhabitants and shows a growing demand for lubricants of presently 600,000 tons per year (for comparison: Germany has an annual demand of 1.1 million tons). As early as in 1986, FUCHS was for example the first foreign company to begin producing lubricants in China.

With the inauguration of the new plant in Jakarta the FUCHS group further expands its net of production sites, now comprising 13 lubricants production plants in the Asia-Pacific region. PT FUCHS INDONESIA achieved € 8.8 million sales last year with almost 50 employees. FUCHS plans to use the strategic advantage to increase its market share in Indonesia to 5 %. Until two years ago it was only possible to import specialty lubes. In 2001, however, the government deregulated the lubricant industry and thus ended the state-owned monopoly for the lubricants production.

Dr. Michel Behar, before leaving his position as Member of the Executive Committee and responsible for the Asia-Pacific region, saw great possibilities to further penetrate the Indonesian lubricants market: "We have used our operating flexibility and know-how in lubricants to be the first foreign lubricants company that can prove its technology, its high standard of service and customer-orientation in a free and competitive market. The demand for higher quality lubricants in Indonesia is growing and is making up for lost time

due to the political crises in the past years." Not only the dominant product sector of automotive lubricants is expected to grow but also the significance of high-quality industrial lubricants will increase. On Borneo for example, a large mining company is one of the major industrial customers of FUCHS.



## New Division at FUCHS LUBRICANTS in the USA

The speciality products department will carry the name FUCHS LUBRITECH Division in future. It comprises the Grafo Colloids Division, Glass Technology International, NFO Technologies, and Damex Industrial Lubricants. This step was taken in order to coordinate the

marketing and sales activities of FUCHS LUBRITECH in Germany with those in the USA. We thus hope to achieve a worldwide uniform presentation of the FUCHS group's speciality products.