

# FUCHS *Info*

The FUCHS Group · News, Views, Posts & People

January

2004



## Topical

A smooth changing of the guard from Dr. Manfred Fuchs to his son, Stefan Fuchs. After 41 years of service, Dr. Fuchs hands over the Chairmanship of the Executive Board of FUCHS PETROLUB to his son, and himself moves to the Group's Supervisory Board and Advisory Board.

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Annual Report 2002:  
One of the most attractive and industry-specific annual reports

### ■ Changing of the guard:

Farewell parties and other events for Dr. Manfred Fuchs

### ■ FUCHS ACADEMY:

Many new seminars offered in the first half of 2004



Partner for

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

**Announcement for our readers:**

For reasons of equal treatment of our readers in many countries of the world for whom FUCHS Info cannot be translated into their respective mother tongues, we have decided not to produce a French-language version as of the May issue. As we are a company with headquarters in Germany, in the future a German version will be produced, as well as an English version in line with our policy of English as the corporate language. We regret any inconvenience this may have for our employees in France and Belgium, and hope they will understand our position.

The editorial team

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# Dear Members of the Global FUCHS Team,

With the year 2003, another phase in the success story of the FUCHS Group has come to an end. You have all contributed to this success, and I would like to extend my heartfelt thanks for your contributions – also on behalf of my colleagues in the Executive Board and the Group's Executive Committee.

The external conditions of last year did not make our work any easier. Global demand for lubricants fell, base oil prices are at their highest level for many years, the strength of the euro against the US dollar has made many things more difficult and competition has become even more intense.

But difficult times are not only sent to test us, they also offer opportunities and we grasped these opportunities together in 2003! After a good year 2002, we once again expect strong results for our earnings trend and internal financing, even though there were differing developments in some regions, countries or subsidiaries of the world.

Another very positive fact, by the way, is that we were able to carry out such a successful capital increase in December 2003. Our shareholders obtained attractive subscription rights, while institutional investors gained the opportunity to participate in an attractive and substantially oversubscribed share issue, and we at FUCHS PETROLUB AG broadened our equity base by €26 million. This is good for our balance sheet and important for the successful further development of the company.

But this year we also have a whole array of changes in the Executive Board, the Group's Executive Committee and the Supervisory Board, which we announced on the occasion of our Annual Meeting in June 2003.

First of all, since June of last year we have had a new Supervisory Board Chairman, namely Professor Strube, who succeeded to Dr. Müller-Berghoff and brought with him a wealth of experience gathered in the global chemicals market.

At the end of 2003, we saw the departure of Mr. Pohl (Deputy Chairman of the Supervisory Board), Mr. Fritzsche (member of our Group Advisory Board) and Mr. Pauler (member of the Executive Board).

Within the context of farewell events we expressed our gratitude to Dr. Müller-Berghoff, Mr. Pohl, Mr. Fritzsche and Mr. Pauler, and we remain in friendly contact with them all.

After 41 years of entrepreneurial work, I myself left the Executive Board at the end of 2003, and moved over to the Supervisory Board and Advisory Board.

And finally, my son, Stefan Fuchs, became the new Executive Board Chairman on January 1, 2004; Dr. Selent became Deputy Chairman of the Executive Board; Mr. Kleinman became a member of the Executive Board and Dr. Lingg became a deputy member of the Executive Board.

The Group's Executive Committee comprises not only the four Executive Board members, Stefan Fuchs, Dr. Selent, Mr. Kleinman and Dr. Lingg, but also five other colleagues, namely Dr. Lindemann and Dr. Rheinboldt for Europe and Mr. de Manielle, Mr. Hartig and Mr. Untersteller for their respective regions in Asia-Pacific, the Indian subcontinent, the Middle East and Africa.

With this new team, which consists of executives with a proven track record, we are optimally prepared for the future and are convinced that this team will keep the FUCHS Group on a path of success. We have solid foundations and a business model fit for future!

I thank Mr. Pauler for his commitment of many years in various management duties for the Group, and I wish every success to the new Executive Board and the Group's new Executive Committee under the leadership of my son. I am of course delighted that with Stefan Fuchs we have a convincing successor in the third generation.

I myself have the great fortune that I have been able to hand over a company in very good shape. Since the company was established in 1931 and in my 41 years we have never incurred any losses, and in over 18 years of being listed at the stock exchange since the beginning of 1985 we have never disappointed our many private and institutional investors. This has only been possible as a team, and all of the Group's present 4,200 employees all over the world have made decisive contributions to this success.

I am extremely grateful to all of you for this. The experience of working together with such a competent and committed team is among my fondest memories in this period of more than four decades, and this also applies to the unity and harmony of a worldwide workforce comprising so many different cultures and nationalities.

As the principal shareholder and as a member of the Supervisory Board and the Advisory Board, I will of course remain in close contact with the company, but my role is now a different one and no longer that of management. I look forward to this new phase in my life and the coming events with great confidence and pleasure.

With kind regards, my deepest gratitude and the very best wishes



Mannheim, January 2004





Dr. Manfred Fuchs and spouse Lilo Fuchs at the farewell party...



...with representatives of the FUCHS PETROLUB supervisory boards.

## Festive farewell events for the former Executive Board Chairman



Presentation by CFO Dr. Alexander Selent of a gift to Ingo Pauler on the occasion of his retirement from the Executive Board due to old age.

In December last year, the Supervisory Board and Executive Board of FUCHS PETROLUB started a new chapter in the company's history. The official farewell to Dr. Manfred Fuchs took place at a festive evening event with members of the Group's boards. Dr. Fuchs' merits as a person and as an entrepreneur were extolled by various speakers. At the beginning of the evening, Dr. Fuchs gave thanks in his speech to Deputy Chairman of the Supervisory Board Hans-Georg Pohl and Member of the Advisory Board Michael Fritzsche, who also departed from their positions after many years of service. But Dr. Fuchs also particularly emphasized the merits of Member of the Executive Board Ingo Pauler, who stood down from his position due to old age at the end of the year. Speakers and guests at the event were agreed in their assessment of FUCHS as a company with an excellent financial performance combined with a high social potential. These are features that will be continuously enhanced with the appointment of Stefan Fuchs as the new Executive Board Chairman.



The festive evening begins with a reception for the guests. From left to right: Dr. Ralph Rheinboldt and Susanne Zurborn, Irene Annelie Pohl, Stefan Fuchs and Hans-Georg Pohl.



**Gerhard Widder, Mayor of the City of Mannheim, presents a gift to Dr. Manfred Fuchs on behalf of the city and the state of Baden-Wuerttemberg.**

Within the context of a second event, representatives from the fields of politics, science, the arts and culture in the city of Mannheim and the state of Baden-Wuerttemberg said farewell to Dr. Manfred Fuchs and welcomed Stefan Fuchs as his successor. On behalf of the Supervisory Board, Hans-Georg Pohl thanked the departing Executive Board Chairman and praised his achievements in the last 41 years. On behalf of the city of Mannheim, and also for Minister Prof. Dr. Peter

Frankenberg who was also present representing the state of Baden-Wuerttemberg, Mayor Gerhard Widder thanked Dr. Fuchs for his accomplishments and numerous activities for the city in cultural and economic functions. Dr. Fuchs and his son Stefan Fuchs concluded the festive gathering by expressing their gratitude as well as their confidence that the successful entrepreneurial principles practiced in the past would also have a bright future.



**Dr. Manfred Fuchs expresses his gratitude in a speech to the entire workforce of FUCHS EUROPE SCHMIERSTOFFE and FUCHS PETROLUB.**

Employees of all the business units of FUCHS EUROPE SCHMIERSTOFFE (FES) and the workforce of FUCHS PETROLUB witnessed the change in the company's management at another event. After the employees were greeted by Dr. Lutz Lindemann, a member of the Group's Executive Committee and Chairman of the Management of FES, in the industrial ambience of the new automatic warehouse building, Stefan Fuchs, Executive Board Chairman of FUCHS PETROLUB since January 1, 2004, and Hans-Joachim Fenzke, Chairman of the Labor Council at FES, praised the outgoing Executive Board Chairman and his achievements. Dr. Fuchs then spoke to thank the employees for their motivation and their contributions to the company's development to becoming the world's leading producer of lubricants. He also expressed his personal



gratitude to the departing Executive Board Member of FUCHS PETROLUB, Mr. Ingo Pauler, for his accomplishments and many years of loyalty to the company. In his speech, Ingo Pauler also expressed his gratitude to the company, its management and employees.

## Substantially higher nine-month earnings show the way for full-year 2003

The first nine months of 2003 were marked by challenging conditions and a difficult market: demand for lubricants decreased, on the raw-materials side base-oil prices were at a ten-year high, and the euro was on average 17.6% higher against the dollar than the average exchange rate for 2002. Nevertheless, the FUCHS PETROLUB Group generated internal growth and increased its earnings and cash flow. The company thus surpassed its results of the prior-year period by a significant margin.

Sales revenues for the period of January through September 2003 amounted to €785 million (Jan.-Sep. 2002: €811 million). Earnings for the period after goodwill amortization and after taxes amounted to €22.7 million, 19.5% higher than for the prior-year period (€19.0 million). For the first nine months of the year, this is equivalent to earnings per split share of €3.04 (€2.54). Before goodwill amortization but after taxes,

earnings for the first nine months amounted to €33.9 million (€30.4 million) and €4.61 per share (€4.14).

The prices of FUCHS' shares rose again. The value of ordinary shares increased by 97% over the nine-month period, and the value of our preference shares increased by 59%.

### Very positive results expected for 2003

The Group anticipates a slight economic recovery, which should accelerate during 2004 and lead to a moderate increase in global demand for lubricants. Sales revenues for full-year 2003 will exceed €1.0 billion. Earnings will remain good and will surpass the excellent level of €24.1 million attained in the year 2002.

## Strategically important acquisition in France financed by capital increase

Through our FUCHS subsidiary in France, last year we acquired the industrial-lubricant business of Parker Hannifin, which operates under the brand name of WYNN'S. WYNN'S industrial-lubricant business generated revenues of €22.6 million in the 2002/2003 financial year with a workforce of 76 persons. We acquired not only WYNN'S customer base and expertise, but also the company's net assets. WYNN'S industrial-lubricants business does not have its own production in France. With this takeover we will achieve a significant expansion of our business with specialty industrial lubricants in France and strengthen our position as market leader in the field of metal-working lubricants.

In order to finance this strategically important acquisition, in November 2003, the Supervisory Board approved the decision of the Executive Board to carry out a capital increase with subscription rights in December 2003 at a ratio of 13:1. The subscription price was fixed at €40 per new ordinary share and €34 per new preference share. The capital increase yielded more than €26 million, while the capital stock of FUCHS PETROLUB increased from €64.5 million to €70.7 million.



**CFO Dr. Alexander Selent and Reiner Schmidt, Director for Finance and Controlling, at the "German Mid-Cap Conference" held in Frankfurt in November last year.**

## Stronger presence of FUCHS to provide information to the capital market

In connection with the capital increase of FUCHS PETROLUB that was carried out at the end of last year, CFO Dr. Alexander Selent and his team participated in numerous finance events to satisfy the information requirements of banks, analysts and finance specialists. Continuity and trust are particularly important in phases of major corporate developments and can be promoted with an open information policy and a detailed description of processes vis-a-vis the finance community. In personal discussions and presentations, more detailed questions can be answered and specialists' need for deeper information can be fulfilled. This is an additional requirement which also corresponds with the corporate governance code that is firmly established at FUCHS.

## FUCHS Global Management Meeting with a special flair

Executives from nearly all of the internationally represented FUCHS companies gathered at the annual event for the exchange of information and experience in Mannheim in September 2003. The program of the three-day event featured lectures, talks and one-on-one discussions on current issues of FUCHS' international development. This time one of the goals was also to achieve a synergy effect for the whole Group through the intensive exchange of differing regional experience and information. In the two evening events that are traditionally a part of the program,

the focus was on getting to know one another, discussing, and maintaining friendships.

As the highpoint of the gala evening of this year's event, participants were able to take part in a particularly festive and varied program. The occasion was the recognition of the life work and achievements of Dr. Manfred Fuchs for the expansion and success of the company. This evening will certainly remain in the participants' memories as a particularly emotional event, due in no small part to the personal moderation by Stefan



**Presentations and lectures enable technological and strategic transfer within the FUCHS Group.**

Fuchs, a lecture by Dr. Alexander Selent and musical entertainment by Professor Theo Mang and Frank Kleinman. Dr. Manfred Fuchs also thanked the departing Executive Board Member, Ingo Pauler, for his special services for the company. It can be said in summary of the meeting in Mannheim that the technical and specialist skills were very high, combined with varied personalities among the participants. This was an event that serves the growth and cohesion of the FUCHS Group and is thus an important building block of corporate culture at FUCHS.



## FUCHS Executive Board meets financial analysts

Last year, leading financial analysts and representatives of banks were invited by FUCHS to take part in a traditional meeting in Vaalsbroek, just over the border from Aachen in the Netherlands. The first part of the information event was the presentation by the FUCHS Executive Board of corporate developments, which were given a very positive reception due to the good earnings trend. The second main issue, technical cooperation between the FUCHS Research and Development department and the Technical University of Aachen, was explained in a presentation by Dr. Georg Lingg, deputy member of the Executive Board since January 1, 2004 and responsible for R&D at FUCHS. The documentation of practical matters was also very convincing. A guided tour



The plenum of analysts at the presentation of corporate developments and key figures by the FUCHS Executive Board.

of the machine-tool laboratory of the Technical University of Aachen with the opportunity to observe various experimental procedures was an impressive demonstration of the high sophistication and technical standards of research work at FUCHS.

Feedback from the analysts was very positive, and was linked with the intention to recommend the purchase of FUCHS shares, which means a direct increase in the value of the company.

## FUCHS delegation in Croatia



The guests from FUCHS Petrolub looking around the redesigned premises of FUCHS MAZIVA.



Presentations on the business activities of FUCHS MAZIVA were also included in the wide-ranging program.

A delegation of the Group including Dr. Manfred Fuchs, Dr. Lutz Lindemann (Member of the Group's Executive Committee) and Wolfgang Ludwig (Export Head of FUCHS EUROPE SCHMIERSTOFFE) visited FUCHS MAZIVA in Croatia last October. The main reasons for the visit were to look around new premises and to give a presentation on the development of the global lubricant market. After being greeted by numerous employees of FUCHS from Croatia, Slovenia and Macedonia, the guests were shown around the new warehouse and office space. The final reception for informal

discussion with representatives of the Croatian government was dominated by issues of economic policy. An additional item on the agenda of the delegation of the FUCHS PETROLUB Group was participation in a symposium of the Croatian Association for the Applications of Lubricants (GOMA). Specialist from 14 countries listened with great interest to a lecture by Dr. Fuchs, who spoke as a guest of honor on the prospective development of the global lubricant and base-oil market.

## FUCHS PETROLUB and John Deere take over editorial sponsoring



**Dr. Alexander Selent introduces the FUCHS Group to the young editors at the university...**

The two Mannheim companies support the editorial team of the University of Mannheim with its weekly publication, the university page of the Mannheimer Morgen newspaper. The biggest local paper in FUCHS' hometown offers the university a platform to make issues from the scientific environment more accessible to a broader public. A strong contextual link with the industrial environment is guaranteed by cooperation with local companies. The commitment of the companies involved thus creates the possibility to improve the public's awareness of a company on the basis of high acceptance of the editorial media. At the same time, the support given is a direct connection to the educational centers and graduate recruitment for FUCHS.

At the beginning of the project, the 15 members of the university team and the responsible editor of the Mannheimer Morgen were invited to an information event at FUCHS. Dr. Alexander Selent, Deputy Chairman of the Executive Board and also responsible for human resources, presented the initial data, facts and figures. The visitors were then able to get an impression of lubricant production in practice during a tour of the plant. The thoroughly positive response of the "student journalists" means we can be optimistic of a productive collaboration and is thus a successful example of indirect public relations.

**...an expert's guided tour around the plant is a practical supplement to the new knowledge.**



## FUCHS agrees on cooperation in Japan



**Agreement is reached on cooperation (from left to right): Dr. Matthias Kiessling, Dr. Alexander Selent, Shigeki Kimura, Dr. Manfred Fuchs and Klaus Hartig.**

Within the context of the 2003 Global Management Meeting, Dr. Manfred Fuchs and Shigeki Kimura, President of NIPPON KOYU, agreed on cooperation between the two companies in the Japanese market.

For this purpose, FUCHS is to take an 11% stake in the Japanese company, which is based in Tokyo and is the third-largest manufacturer of lubricants in Japan. The Japanese market is viewed as one of the most important lubricant markets in the world.

NIPPON KOYU was founded in 1993 and is a leading supplier of sophisticated lubricants and other specialties to the steel and automotive industries, the mechanical-engineering sector and the fields of electro-technology, communication technology and precision machine tools. FUCHS, already represented in Japan through MAKOTO-FUCHS and two plants for metal-working lubricants, anti-corrosion products, industrial oils and greases, will work closely together with NIPPON KOYU in the fields of technology, procurement, production and distribution.

## A "sticking plaster" for FUCHS as a symbol of recognition for social involvement



The prize winners of this year's FUCHS development prize in the presence of the patron, Gerhard Widder, mayor of the city of Mannheim (left), and Dr. Manfred Fuchs.

"Help for People" is a development prize which was awarded for the fourth time last year by FUCHS PETROLUB within the framework of its social involvement. Support is provided for private or social facilities in Mannheim which help people or groups in need in an individual way. The support of €15,000 was allocated to three different projects within the context of an official event last October. For the assessment, the focus is on projects' own-initiative character and precise goals, targeting people's needs in various socially challenging areas. The integration of children in their social environment, pregnancy and advice on addiction or the involvement of voluntary initiatives were especially worthy of support in the opinion of the jury this year.

In this context, Dr. Manfred Fuchs and the patron of the development prize, Gerhard Widder, mayor of the city of Mannheim, expressly praised in their speeches the projects submitted as well as the strong social commitment of all the participants. The Mannheim Red Cross, one of the prize winners in 2002, had prepared an unusual expression of thanks for FUCHS. Especially for the award of the development prize, a special issue of the Red Cross employee and customer magazine was produced with the name of "Sticking Plaster", which is partially the result of a project supported by FUCHS. This and other expressions of recognition are certainly an additional encouragement to continue the social involvement which has meanwhile become a tradition at FUCHS.

## FUCHS EUROPE SCHMIERSTOFFE wins two awards

FUCHS EUROPE SCHMIERSTOFFE (FES) of Mannheim has won an award for its tremendous performance in terms of product quality, logistics and competitiveness. ThyssenKrupp Bilstein, manufacturer of shock absorbers, thus emphasized the excellence of FES as "Supplier of the Year". FES is market leader in Europe in the product segment of shock-absorber oils.



A particularly attractive prize for FUCHS EUROPE SCHMIERSTOFFE as "Supplier of the Year".

An additional prize was awarded to FES on the occasion of the 8<sup>th</sup> environment exhibition by John Deere, one of the leading manufacturers of agricultural machinery and vehicles. This prize was awarded to FES for its exemplary collaboration and tremendous achievements with support for in-house environmental protection and its environment-oriented style of management.

## ECOCOOL SCIP awarded patents



The world's first pH-neutral water-mixable cooling lubricant was successfully introduced in the German market by FUCHS in 1999. Its convincing advantages such as skin compatibility, high performance and multifunctional applications brought it special honors in 2003. The "winning formula" was granted worldwide patents, for example, US patent 6,511,946 B1 and German patent DE 198 33 894 A1.

## Prize for ALHAMRANI-FUCHS

ALHAMRANI-FUCHS PETROLEUM SAUDI ARABIA (AFPSA) was awarded the Outstanding Supplier Certificate by the Saudi Basic Industry Corporation for its continuously high standards of supply and product quality. Mutlaq H. Al Morished, Vice President of SABIC Shared Services presented the award on the occasion of the first prize-giving ceremony of the SABIC Supply Management Organization. ALHAMRANI-FUCHS has been supplying SABIC for more than 15 years with numerous lubricant products for turbines, hydraulics, gearboxes and engines. The Group has been active in the lubricant business since 1979 and became one of the leading companies in the sector after the completion of its lubricant oil and grease production facility in 1988. The company was founded in 1995 as a joint venture between FUCHS and Alhamrani United Company.



Mutlaq H. Al Morished (right), Vice President of SABIC Shared Services, hands over the prize for exceptional supplier performance to Zaki Ali Khan, Eastern Province Regional Manager at ALHAMRANI-FUCHS, at the first annual event of the SABIC Supply Management Organization.

## First place for FUCHS DO BRASIL



FUCHS DO BRASIL has been certified by the International Quality Institute for one year in two different categories:

### **Mercosul Award**

Given to companies in South America that have achieved a particularly high level of quality and technology.

### **Environment award**

For companies that pay attention to the environmental compatibility of their manufacturing processes and products. The Institute carried out a detailed analysis at FUCHS DO BRASIL leading to these esteemed awards. In fact, FUCHS DO BRASIL was given first place in the ranking, ahead of the large state-owned Brazilian oil company, Petrobrás S.A, for example.

## Annual Report 2002: "One of the most attractive and industry-specific annual reports"



The FUCHS Annual Report 2002 was given special praise for its visual appearance in the October issue of the "Infoletter", which is regularly published by the analysis team of the Mainz Polytechnic College. Every year, within the context of

Manager Magazine's "Best Annual Report" competition, the analysis team assesses the visual component of more than 200 German and international annual reports in various categories.

Not only is FUCHS PETROLUB mentioned in the Infoletter as one of the ten climbers in the visual segment of the competition, but it is also pointed out that companies like FUCHS PETROLUB have made a major contribution to the significant improvement in the creative average of the companies grouped in the S-DAX. The praise concluded with the following statement: "The FUCHS PETROLUB report was impressive, they produce one of the most attractive and industry-specific annual reports – and its prolog is exemplary."

We are pleased to pass on the compliment to agency Hübner & Sturk in Bensheim, which was responsible for the overall design of Annual Report 2002, and in particular of course photographer Matthias Müller from Ilvesheim, who is responsible for the impressive cover photograph. This also disproves the theory that – unlike "attractive" products such as cars, cosmetics or fashion articles – lubricants are unsuitable for winning competitions.

## Seven bridges to cross: A good annual report is not produced overnight

Who would suspect that the production of the FUCHS annual report (in two languages) takes in all about six months, that the initial concept has to be ready at the beginning of October and that the complete layout has to be finished by the beginning of the year? Indeed, this seems quite leisurely compared with the "sprint" of writing the texts and producing the annual financial statements (including the translation) in the final phase, which is currently in April. The high risk of errors and corrections, which grows exponentially with tight deadlines for writing texts, can with due care in fact be minimized, if not entirely eliminated, but a mistaken concept cannot be repaired at a later date.

Immediately after the announcement of Germany's highly regarded competition for the best annual reports, Public Relations and the agency sat down together in October to

discuss not only the ranking of the prior year's report but also the theme of the basic concept for the following annual report. The special topic requires intensive preparation and internal coordination at this time – every picture, every text has to be authorized and customers' approval often has to be obtained in connection with the photos, which in practice can often take months. And last but not least, the special topic has to fit into the overall concept and layout, which must be presented to the Executive Board in January at the latest.

Time flies during this phase of the process. The first drafts do not always point in the right direction. The texts, pictures, graphics, colors and layout may all be very convincing individually, but the overall impression might not adequately reflect the our corporate identity, might make a false emphasis or

might lack typical FUCHS components. In such a case the concept has to be adjusted and new proposals have to be submitted. Nothing may be left to chance, all the experience from earlier reports must be utilized and every detail has to be checked for internal and external acceptance.

### The basic concept has to be consistent

So obviously the concept of the annual report that is submitted to the Executive Board is not a raw "ill-considered" draft, but the result of previous intensive discussion and agreement. Whether it is a great "hit" that is not only accepted by the Executive Board but is received with enthusiasm depends not only on purely technical matters: Is the complete layout material attractively presented, is the photo and print quality in the initial draft already close to the final version, is it possible to summarize the concept in brief but clear sentences, are the creators of the draft convinced of its appeal themselves, and do they communicate this conviction through their own positive personal appearance and manner? Of course they prefer it if their proposal is accepted as it stands, minor changes can be carried out without any problems, but a new concept at this stage in January would be a disaster for the entire annual-report project and would suggest that the initial internal process of discussion and coordination had been neglected or that sentiment within the company had been wrongly assessed.

When the Executive Board has given the go-ahead, the pre-production phase can begin: Photos can be produced, the first pages can be prepared and laid out ready for printing. Pages with texts to be inserted later can at least be given a basic layout, and samples of the cover pages can be printed in both languages (German and English). All of this preparatory work should be completed by the end of March in order to cope with the "onslaught" of texts now arriving in rapid succession from the various divisions and departments. The texts not only have to be electronically processed and prepared for layout (the pre-printing stage), but in some cases they require large-scale editing or translation from the original English.

It would be wrong to assume that the texts, charts and graphics submitted are "end products". Revised texts often arrive from the various departments, sometimes containing substantial changes which have to be inserted into the layout and simultaneously passed on to the translator. Furthermore, a constantly updated text manuscript has to be maintained for internal use and for the auditors. In these 14 days, in which – under pressure of time – the texts have already been produced but are constantly being corrected or supplemented, the risk of error is extremely high – even when the greatest of care is taken and everyone involved in the production process works with the utmost motivation and commitment.

When this phase has been more or less happily overcome and most of the material has also been approved by the Supervisory Board, it is time to prepare the documentation for the annual press conference and finally to release the annual report for printing. Now the very last texts can be translated, because in order for an SDAX company to fulfill the Prime Standard conditions, its annual report has to be submitted to the German Stock Exchange in electronic form in the English language by the end of April (and from 2005 by the end of March due to the new corporate governance regulations).

When both language versions are then being printed, it is possible to sit back and relax for the next two weeks. Production of the printing plates, creation of a "plot" (print sample of an annual report in which final minor corrections can be made, which is important for errors that are often not discovered until after the print release), color print tests, multi-color print of all sheets, cutting, bookbinding preparation and finishing are the stages of the process that cannot be accelerated any more when quality is taken seriously, even with state-of-the-art technology. The tension is therefore even greater when the first printed versions arrive in the first half of May: Does the annual report really correspond with the effect of the first layout samples? Is it perfectly printed and processed? Do the photographs have the right depth of color? These are just a few of the quality criteria that have to be checked.

### Eagerly awaited: the final test

A difficult phase then has to be mastered when the first copies are distributed in-house and the authors, who of course check their own texts especially critically, might discover the first little errors. Spelling mistakes are seldom, a wrong word or figure may occur, or repeated facts. Things that are sometimes hard to spot when proof reading. Of course nothing more can now be altered, but cases in which an extra sheet of paper showing a correction has to be inserted are very rare. It would be wrong to answer the question often asked here, "How could that happen?", by looking for the immediate cause of the mistake; such mistakes are the price that has to be paid for the incredible pressure of time that applies to all of those persons involved in the production of an annual report, particularly in the final phase of writing the texts. The pleasure is therefore all the greater when comments are heard that the annual report makes a good impression – the first "final test" has thus been passed and copies can now be sent to banks, investors, fund managers, analysts and business partners.

Hubertus Stärk  
Head of Public Relations FUCHS PETROLUB AG



# Premiere of the FUCHS ACADEMY in China

Last year, for the first time the program of in-house further training at FUCHS was carried out on an international basis. Upon the invitation of Dr. Wu Feng, Managing Director of FUCHS LUBRICANTS (SHANGHAI), 35 employees from the locations in Shanghai, Yingkou

and Hong Kong came to Shanghai for three days to learn more about the subject of lubricants and their applications. A particular challenge for speaker Prof. Dr. Bartz was the polyphonic audience at his seminar. But with support from individual employees, the language

barrier was overcome and his talk was translated into Chinese. In combination with intensive preparatory work, this led to a successful training event which is planned to be repeated in June 2004.



FUCHS  
ACADEMY  
in Shanghai  
for the first  
time.

## Seminars offered by the FUCHS ACADEMY in the first half of 2004

Since 2001, more than 200 members of the FUCHS Group's workforce have taken part in the seminars offered by the FUCHS ACADEMY. Due to the predominantly positive feedback on these seminars, another series will be offered in 2004.

In addition to the technical seminars, "Tribology and Lubrication Technology" with Prof. Dr. W. Bartz, in autumn 2003 for the first time the FUCHS ACADEMY's program was supplemented with Mr. Eugen Erni's sales-training seminar, "Sales Excellence®".

### General information on the seminars:

The maximum number of participants per seminar is ten. Persons registering for the seminars will be considered for participation in the same sequence that their registrations are received, and will be contacted as quickly as possible. Applications can only be accepted via the Group's Human Resources department. The costs of the seminars will be covered by FUCHS PETROLUB AG. The participants' traveling and other expenses are to be paid by their own companies. We will also be pleased to consider applications for guests from our customer companies.

### Sales training:

#### "Sales-Excellence® – the basis for successful sales discussions"

with Mr. Eugen Erni

The presenter of this seminar, Mr. Eugen Erni, is the chief executive of Erni Consulting GmbH and a highly motivating trainer with many years of direct experience in sales and management. His lively presentation of the subject matter is focused on day-to-day selling techniques and can be quickly implemented in practice. He specializes in sales training for technical products, training for international corporations, and has already trained for the FUCHS Group.

Contents of the training: the methodology of a sales discussion, applied sales psychology, identifying customers' desires, professional argumentation and sales rhetoric, objections and excuses, and confidence in negotiations. Participants' requests can also be taken into consideration.

The dates will be set after consulting with the relevant participants. On request, the seminar can also be conducted in English.

Please contact the Human Resources department if you are interested in participating in the sales training!

### Technical seminars:

#### "TRIBOLOGY AND LUBRICATION TECHNOLOGY"

with Prof. Dr. Wilfried J. Bartz

Prof. Dr. Bartz, the presenter of this seminar, is the Director and Scientific Head of the Esslingen Technical Academy, has extensive experience as a trainer and is a recognized expert in the field of tribology and lubrication technology.

The following dates have already been set for the first half of 2004:

### The principles of lubricants and their application

*February 9 and 10, 2004 in Mannheim*  
Presented by: Prof. Dr. Wilfried J. Bartz

**Target group:**

Employees with only a little previous technical knowledge (physics/chemistry) as well as persons commencing a technical occupation and other new employees in the FUCHS Group.

**Seminar contents:**

Introduction to tribology – lubricant oils (mineral and synthetic, bio-oils), lubricant greases, grease lubricants and additives – important applications in industry, motor vehicles and metal working – lubricant properties and assessment of their changes.  
Introduction to the product range and the corporate structure of the FUCHS Group.

### Lubricants as a design element

*March 10 and 11, 2004 in Mannheim*  
Presented by: Prof. Dr. Wilfried J. Bartz

**Target group:**

Employees with a background of technical knowledge (physics/chemistry). Development and advising on technical applications.

**Seminar contents:**

Tribology: friction, wear, lubrication – lubricants and their properties; design of roller bearings, slide bearings and gearwheel pairs with due consideration of lubricants.  
The product range and the corporate structure of the FUCHS Group.

### Lubricant properties: classification, measurement and evaluation

*April 29, 2004 in Mannheim*  
Presented by: Prof. Dr. Wilfried J. Bartz

**Target group:**

Development, sales and advising on the technical application of lubricants.  
Previous technical/chemical knowledge is desirable.

**Seminar contents:**

the principles of tribology – classifications, specifications, standards, general standards, required standards, test standards, laboratory experiments, test bench experiments and field trials, general specifications and company specifications, specifications for industrial and automotive lubricants.

### High-performance lubricants: base oils, additives and their effects

*April 30, 2004 in Mannheim*  
Presented by: Prof. Dr. Wilfried J. Bartz

**Target group:**

Development, sales and advising on the technical application of lubricants.  
Previous technical/chemical knowledge is desirable.

**Seminar contents:**

the principles of tribology, the properties of basic lubricants, change of properties with additives, additives and their effects to improve oxidation behavior, corrosion-protection properties, foaming and air-separating properties, friction, wear and seizing properties, viscosity-temperature properties and detergent and dispersion properties.

### Damage to lubricated mechanical parts

*May 10 and 11, 2004 in Mannheim*  
Presented by: Prof. Dr. Wilfried J. Bartz

**Target group:**

Development, sales and advising on the technical application of lubricants. Previous technical and/or chemical knowledge is necessary.

**Seminar contents:**

slide bearings, roller bearings, gearwheels, damage analysis / damage catalog, damage pictures, damage mechanisms, causes of damage.

*The following technical seminars can generally be booked within the framework of the FUCHS ACADEMY:*

- The principles of lubricants and their application
- Lubricants as a design element
- Lubricant properties: classification, measurement and evaluation
- High-performance lubricants: additives and their effects
- Damage to lubricated mechanical parts
- Topic seminar "Automotive lubrication"
- Topic seminar "Refrigeration lubricants and metal-working lubricants"
- Topic seminar "Industrial lubricants and their application"
- Topic seminar "Lubricant greases and their application"

All seminars can also be conducted in English if there is a sufficient number of participants.

If you are interested in one of the above seminars, please contact the person stated below.

*Please direct any inquiries, information and registrations to:*

**FUCHS PETROLUB AG**  
Human Resources department  
Friesenheimer Str. 17  
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## T r a d e - f a i r



Trade-fair exhibits from the field of motor racing attract visitors' interest to a stand, as here at FUCHS LUBRICANTS (UK).

## Strong trade-fair presence for FUCHS LUBRICANTS (UK)

The British "Quarrying and Recycling Exhibition", a trade fair that focuses on the technologies of size reduction and recycling, took place at Hillhead Quarry, Buxton, Derbyshire in June 2003. FUCHS LUBRICANTS (UK) was represented there with the presentation of

various products such as waste-disposal service, cleaning solutions, the new Reiner grease press, 205 liter and 25 liter barrels, and lubricating systems. Furthermore, racing cars presented on the stand with the FUCHS logo created a good impression with customers and

other visitors. In order to continuously maintain good contacts with interested customers, a competition was organized to gather important customer data. The participants in the competition were rewarded with many prizes from FUCHS COMMUNICATION SERVICE.

## FUCHS LUBRITECH at HUSUMwind 2003

At the world's biggest trade fair for wind technology in Husum, FUCHS LUBRITECH was present alongside many other companies as one of the leading suppliers in the wind-energy sector. We had the opportunity to inform customers and experts on the excellent properties of our various products with regard to environmental compatibility and biological degradability – particularly interesting in a time when regulations are becoming increasingly strict. The application of lubricants the bearings and transmissions of modern wind-energy units and many years of experience with the use of the products was at the focus of interest for many business partners. The encouraging conclusion of the presentation

at HUSUMwind: FUCHS LUBRITECH will extend its leading position not least due to further innovations in the field of environmentally compatible lubricants.



## FUCHS EUROPE SCHMIERSTOFFE at IKK 2003

At the 24<sup>th</sup> international trade fair for refrigeration, air-conditioning and ventilation in Hanover, FUCHS EUROPE SCHMIERSTOFFE presented its entire range of cooling lubricants last October. The knowledgeable visitors to the trade fair were able to gain information on FUCHS' new product developments in presentations and individual discussions. This trade fair with more than 800 exhibitors is the largest of its kind in the field of refrigeration and air-conditioning technology and with its international approach it is an important forum for FUCHS as the leading specialist and producer of cooling lubricants.

## r e v i e w 2 0 0 3



## Ausrail Plus 2003 with FUCHS LUBRITECH ASIA PACIFIC

The Ausrail Plus 2003 conference with its own trade fair is organized jointly by various institutions involved in the operation and technology of railways in Australia. FUCHS LUBRITECH ASIA PACIFIC was one of the participants, alongside other companies from Europe and Asia. Visitors from various continents were particularly interested in FUCHS' range of lubricants for rail heads and points. FUCHS LUBRITECH ASIA PACIFIC therefore rated the fair a success due to the large number of new customer contacts made there.



## Taipei International Auto Salon 2003 with participation by FUCHS LUBRICANTS TAIWAN

Auto Taipei Saloon International is one of the most important trade fairs for motor cycles, sports cars and accessories in Taiwan. FUCHS LUBRICANTS TAIWAN took the opportunity to present the FUCHS Silkolene product range in an exclusive ambience there. Various activities such as the use of promotion teams and a Kawasaki racing motor cycle on the stand attracted the attention of many visitors to the FUCHS brand.

## FUCHS LUBRIFICANTI at Italy's biggest trade fair for bicycles and motor cycles



Two-wheelers of all kinds were at the focus of a trade fair in Italy last year at which FUCHS LUBRIFICANTI was also represented. Along with many other exhibitors from Europe and Asia, our Italian company was able to profit from growing numbers of visitors. Discussions with customers and journalists, as well as contact to the competition, were at the focus of our activities at this fair. In addition, last year a press conference was organized on the introduction of the new Electrosyntec technology. A good feedback from the journalists we invited and great interest from the visitors to the stand led to a distinctly positive appraisal by the employees of FUCHS LUBRIFICANTI.



Managing Director Erkki Petäjä at the stand of FUCHS OIL FINLAND.

## FUCHS OIL FINLAND at Alihankintamessut 2003

This trade fair held in Tampere, Finland, targets suppliers to the metal-working and surface processing industries. It is thus an ideal place to present the products of FUCHS OIL FINLAND, as our range of applications coincides exactly with the needs of many exhibitors. Furthermore, the company's employees had the opportunity to hold interesting detailed discussions with existing customers and to make valuable contacts with potential new customers.



The FUCHS logo as a prominent sign above the stand of FUCHS PETROCHEMA helps to strengthen our brand in Slovakia.

## FUCHS-PETROCHEMA at trade fairs in Slovakia

FUCHS-PETROCHEMA presented the range of FUCHS products at two trade fairs in Slovakia last year. An attractive stand and product presentations drew visitors' attention at the International Mechanical Engineering Exhibition and at the International Motor Show, and in numerous discussions many new contacts were made.



## A strong presence at trade fairs for FUCHS LABO AUTO



The presentation of the FUCHS brand was at the forefront of our French company's involvement in two trade fairs in France. The opportunity was taken to present the Silkolene division in a demanding competitive environment with a striking stand design at the "International 2 Wheels Exhibition". The automotive part was played by "Equip'Auto" with the involvement of FUCHS LABO AUTO. Once again, there was great interest in the presentation of FUCHS products, so that the verdict on last year's trade-fair activities is absolutely positive.



## Christmas campaign 2003 – a total success

A Group-wide positive response to the FUCHS advertising and gift articles that were specially introduced for Christmas was affirmation of the good contribution from FUCHS COMMUNICATION SERVICE to the Christmas activities carried out at the end of last year.



A very special "FUCHS representative" contributed to the success of last year's Christmas activities by FUCHS COMMUNICATION SERVICE.

As in the past, the reproduction of a painting of a winter scene by Dr. Manfred Fuchs, which was used as the motive for our Christmas card, once again attracted great interest. The FUCHS COMMUNICATION SERVICE team at FUCHS PETROLUB hopes for a repeat event this year, which applies both to the Christmas card design as well as a second issue of special Christmas advertising presents.

## FUCHS advertising material as an excellent example of unusual corporate design

The advertisement of one of FUCHS' suppliers in the field of advertising material, which appeared in "Top Kontakt" magazine with a description of various calendars published by FUCHS each year, is renewed confirmation of the high-quality standard of the company's corporate image. The magazine's target group is decision makers in industry. To be selected as a successful example means two things for the Group's Public Relations and Marketing departments: On the one hand, this substantiates the attractiveness of the advertising material for the business environment; on the other hand, it represents a further building block in the development of FUCHS' brand awareness. An example that is worthy of being copied.

The advertisement placed by the FUCHS supplier makes a statement: an image that we can be proud of.



## Maybach takes off on FUCHS oil

Its name stands for the pinnacle of German engineering and design, its technology sets the highest standards for performance and comfort: the Maybach. At the heart of this unique vehicle is its 12-cylinder engine with 5.5 liters cubic capacity and bi-turbo charging. The Maybach engineers place their trust in FUCHS TITAN engine oil for reliable protection and sustained high performance. This is a very special verdict on FUCHS quality that cannot fail to please our development engineers and technicians.



## Press conference at FUCHS on the presentation of the new Electrosyntec technology

At the end of last year, and together with Kawasaki, our cooperation partners, FUCHS EUROPE SCHMIERSTOFFE presented a new generation of engine oils to journalists from various motorcycle magazines. In presentations and follow-up discussions with specialists from our Development and Product Management departments, the guests were able to get to know the advantages of the product's properties.

**The special product advantages of Electrosyntec technology are demonstrated to the invited journalists in theory and practice.**



The final driving tests on a rolling road especially installed by Kawasaki then demonstrated in practice the enhanced performance of the new technology. A convincing argument for the specific use of FUCHS motorcycle lubricants, which, with the help of the press conference, increases the market's awareness of the FUCHS brand.

## Third management meeting of the FUCHS LUBRITECH Group with an optimistic outlook for the future

Last September, the management of the FUCHS LUBRITECH Group met in Saverne, France, with the sales managers of FUCHS LUBRITECH from Weilerbach for an exchange of experience and information. As guests, Dr. Manfred Fuchs, Mr. Ingo Pauler, Mr. Stefan Fuchs and Dr. Alexander Selent also took part on behalf of the FUCHS PETROLUB Group. In addition to a presentation by Dr. Fuchs concerning the Group's future development and potential, which was followed

with great interest, more presentations were held on goals and strategies, as well as on the finance and product policy of the FUCHS LUBRITECH Group in the year 2004. This event, which gave participants the opportunity for technical and personal discussions, emphasized once again the continuous development of FUCHS LUBRITECH's leading position among the world's specialist lubricant suppliers.

## A visit to FUCHS OIL MIDDLE EAST



Hosts and guests at last year's FUCHS OIL MIDDLE EAST conference. Sitting, from left to right: Dr. Michael Graef, Mr. Asif Rashid, Dr. Manfred Fuchs, Mr. Alf Untersteller and Mr. Ahsan Rashid.

Dr. Manfred Fuchs, Mr. Alf Untersteller (Member of the Group's Executive Committee since January 1, 2004), Dr. Michael Graef (Assistant to the Executive Board Chairman) and Mr. Ahsan Rashid (Managing Director of ALHAMRANI-FUCHS PETROLEUM SAUDI ARABIA) were guests at FUCHS OIL MIDDLE EAST in Sharjah, our distribution company for the Middle East, in October 2003. As well as discussions and exchanges of opinions with the local managers, the program also included presentations on the activities and business development of the companies in the region. Strategy and future outlook were outlined in more detail in further discussions and personal conversations. This visit expresses special recognition of the region's importance to the FUCHS Group.



## ALHAMRANI-FUCHS honors previous Executive Board Chairman

In large advertisements, newspaper supplements and reports, the company expressed its confidence in the Group's management in a very personal way. Photographs and texts show the high esteem given to leadership qualities and above all to business personalities in this region. Convincing integration

into a foreign culture in combination with a high degree of recognition for the achievements of the entrepreneur, Dr. Manfred Fuchs, are ultimately also symbolic for the continuity and lasting international reputation of the entire Group.