

Half-year financial report as at June 30, 2019

H1 / 2019



**Sales revenues
down by – 1 % at
€1,296 million**

- Weak market environment, particularly in the automotive business, is reflected in decreasing business
- Earnings (EBIT) down 19 % at €157 million

**Outlook adjusted, market
upturn in second half of year
currently not foreseeable:**

- Growth in sales revenues between –3 % and +0 % (previously between +2 % and +4 %)
- EBIT decline between –30 % and –20 % (previously between –8 % and –5 %)

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The half-year financial report fulfills the requirements of the German Securities Trading Act (WpHG) regarding half-year financial reports and comprises a half-year management report, condensed half-year financial statements and a responsibility statement as per Section 115 (2) of the German Securities Trading Act (WpHG). The half-year financial report should be read together with the annual report for the financial year 2018 and the additional information contained therein.

FUCHS at a glance

in € million	H1 2019	H1 2018 ¹	Change in %
Sales revenues²	1,296	1,311	-1
Europe, Middle East, Africa	799	829	-4
Asia-Pacific	355	369	-4
North and South America	212	199	7
Consolidation	-70	-86	-
Earnings before interest and tax (EBIT)	157	193	-19
Earnings after tax	112	140	-20
Capital expenditure	76	41	85
Free cash flow before acquisitions	16	85	-81
Earnings per share in €			
Ordinary share	0.80	1.00	-20
Preference share	0.81	1.01	-20
Employees (as at June 30)	5,573	5,287	5

¹ Prior-year figures adjusted.

² By company location.

“The first half of 2019 was disappointing for FUCHS. After a weak first quarter in Europe and Asia, the decline in sales revenues in the second quarter has now also impacted North and South America, and thus all our key markets. The lower sales revenues combined with the planned cost increase led to an EBIT of 19 % below the previous year, which was far below our expectations. Nevertheless, we still achieved a respectable EBIT margin of 12.1 % thanks to our extremely solid economic base.

We do not expect the global general economic situation to improve over the remainder of the year. In particular, we no longer anticipate an upturn in the automotive sector, which is important for us. In this context, we are revising our forecast for the current year downward significantly.

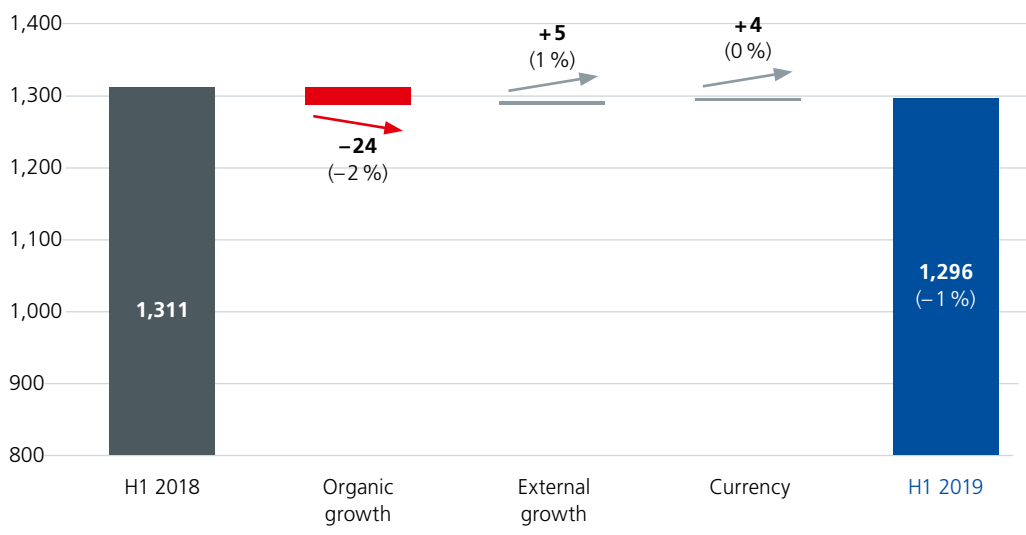
FUCHS is reacting carefully to the changed situation and has already taken measures to reduce costs. Wherever possible, we will continue to reduce our expenses with a sense of proportion and for the time being will not further increase our workforce as planned. Despite of all these adversities, we continue working on the basis for future growth with determination: the modernization and expansion of our plants will continue as well as our FUCHS 2025 initiative, which engages with the topics culture, strategy and structure.”

Stefan Fuchs, Chairman of the Executive Board of FUCHS PETROLUB SE

1. Half-year management report

1.1 Development of sales revenues in the Group

Development of sales revenues in the Group
(in € million)



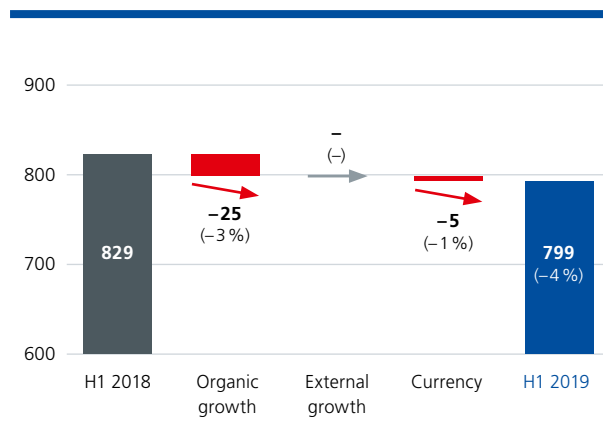
- Group sales revenues down slightly by 1 % (€– 15 million) at €1,296 million
- Lack of an upturn in the automotive markets still influencing Germany and China, resulting in continued decline in sales revenues in the EMEA (Europe, Middle East, Africa) and Asia-Pacific regions
- In addition, North and South America region also affected by organic decline in sales revenues in the second quarter

1.2 Development of sales revenues by region/segment

Segments adjusted in line with the Group's internal organization and reporting structure from the financial year 2019; previous year stated like-for-like.

Europe, Middle East, Africa (EMEA)

(in € million)

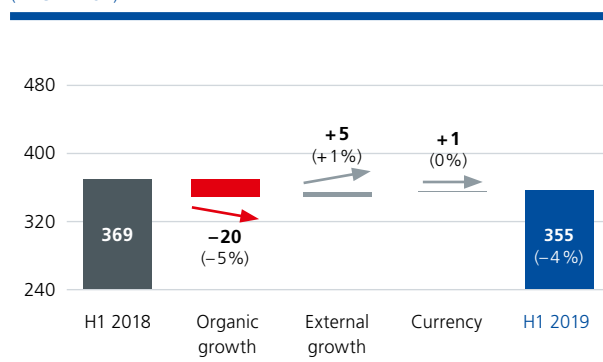


EMEA records decline in sales revenues of 4 % to €799 million (829)

- Development of sales revenues in Germany impacted by weak automotive market
- Weaker economy in China affecting German business
- Negative currency effects, mainly from the South African rand and the Swedish krona

Asia-Pacific

(in € million)

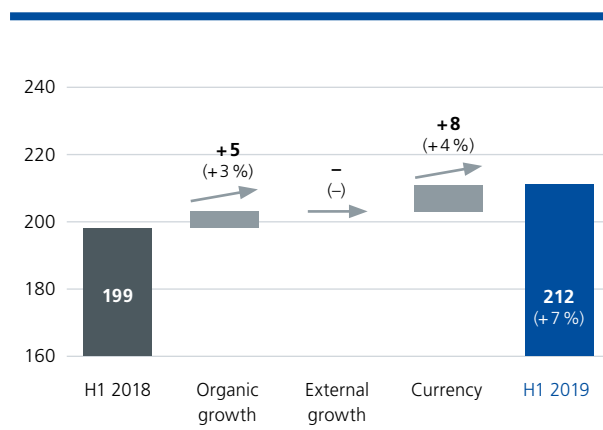


Asia-Pacific down 4 % year-on-year at €355 million (369)

- Significant declines in sales revenues in China due to continuing weakness of the automotive industry
- External growth thanks to an acquisition of an Australian manufacturer of lubricants for the automotive retail sector

North and South America

(in € million)



North and South America increase sales revenues by 7 % to €212 million (199)

- Decline in sales revenues in North America in second quarter reduces organic growth in first half of year to €5 million
- Positive currency effects in North America more than compensate for negative effects in South America

1.3 Group results of operations

Income statement

in € million	H1 2019	H1 2018
Sales revenues	1,296	1,311
Cost of sales	– 855	– 847
Gross profit	441	464
Selling and distribution expenses	– 191	– 185
Administrative expenses	– 70	– 64
Research and development expenses	– 28	– 27
Other operating income and expenses	0	0
EBIT before income from companies consolidated at equity	152	188
Income from companies consolidated at equity	5	5
Earnings before interest and tax (EBIT)	157	193
Financial result	– 2	– 1
Earnings before tax (EBT)	155	192
Income taxes	– 43	– 52
Earnings after tax	112	140
Thereof		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	112	140
Earnings per share in €¹		
Ordinary share	0.80	1.00
Preference share	0.81	1.01

¹ Basic and diluted in both cases.

- Sales revenues down €15 million (– 1 %) year-on-year at €1,296 million (1,311).
- Gross profit down by €23 million at €441 million (464). This decrease of 5 % is larger than the decrease in sales revenues and is attributable to the product mix and to higher manufacturing costs, particularly staff costs and amortization/depreciation, as a result of the growth initiative
- Gross margin of 34.0 % (35.4) is higher than in the first quarter (33.7 %) but below the first half of 2018
- Growth initiative also impacts other function costs which are up €13 million (5 %) year-on-year at €289 million (276) despite cost savings
- At equity income of €5 million (5) at previous year's level
- EBIT falls significantly by 19 % (€36 million) to €157 million (193) due to declining sales revenues along with increased costs
- Earnings after interest and tax down by €28 million or 20 % compared to previous year (€140 million)
- Earnings per ordinary share decrease from €1.00 to €0.80, earnings per preference share decrease from €1.01 to €0.81

1.4 Results of operations of the regions / segments (previous year comparable)

in € million	EMEA	Asia-Pacific	North and South America	Holding including consolidation	FUCHS Group
H1 2019					
Sales revenues by company location	799	355	212	-70	1,296
EBIT before income from companies consolidated at equity	75	44	29	4	152
<i>in % of sales</i>	9.4%	12.4%	13.7%	-	11.7%
Income from companies consolidated at equity	5	-	-	-	5
Segment earnings (EBIT)	80	44	29	4	157
Investments in non-current assets	49	16	10	1	76
Number of employees as at June 30 ¹	3,799	949	701	124	5,573
H1 2018²					
Sales revenues by company location	829	369	199	-86	1,311
EBIT before income from companies consolidated at equity	95	56	30	7	188
<i>in % of sales</i>	11.5%	15.2%	15.1%	-	14.3%
Income from companies consolidated at equity	6	-	-	-1	5
Segment earnings (EBIT)	101	56	30	6	193
Investments in non-current assets	20	14	7	0	41
Number of employees as at June 30 ¹	3,662	855	660	110	5,287

¹ Including trainees.

² Prior-year figures adjusted.

EMEA (Europe, Middle East, Africa) records EBIT decline of 21 % to €80 million (101)

- Decreases in almost all countries
- Biggest decreases in Germany, which is particularly suffering from the flagging automotive industry
- At equity income stable despite sale of shares in Swiss sales joint venture
- Hardly any currency effects

Asia-Pacific records EBIT of €44 million (56), down by €12 million or 21 % year-on-year

- Decreases in almost all countries here, too, but especially in China
- Only small currency effects

North and South America now also affected by decline; EBIT down by €1 million year-on-year at €29 million (30)

- Weak second quarter erodes growth of first three months
- South America with pleasing growth
- North America, on the other hand, with significant EBIT declines due to planned higher costs
- Positive currency effect from North America

1.5 Net assets and financial position

Balance sheet structure

in € million	June 30, 2019		Dec 31, 2018	
Assets				
Non-current assets	948	50 %	873	46 %
Current assets	953	50 %	1,018	54 %
Total assets	1,901	100 %	1,891	100 %
Equity and liabilities				
Shareholder's equity	1,438	76 %	1,456	77 %
Non-current liabilities	88	4 %	66	3 %
Current liabilities	375	20 %	369	20 %
Total equity and liabilities	1,901	100 %	1,891	100 %

- Stable net assets and financial position
- Property, plant and equipment up by €68 million, mainly due to the investment initiative
- Development of current assets influenced by dividend payment and opposite effect from increase in trade receivables
- Equity ratio slightly lower than at the end of previous year, but still at a very high level of 76 % (77 % on December 31, 2018)
- Recalculation of pension provisions due to interest rate cuts and increase in financial liabilities on the basis of IFRS 16 result in a €22 million increase in non-current liabilities

Cash flow

in € million	H1 2019	H1 2018
Earnings after tax	112	140
Depreciation and amortization	36	28
Change in NOWC	-20	-32
Other changes	-36	-10
Investments in non-current assets	-76	-41
Free cash flow before acquisitions	16	85
Acquisitions	-10	-1
Free cash flow	6	84

- Free cash flow before acquisitions down significantly on previous year
- Significant negative impact on free cash flow from reduced earnings and increased investments
- Positive effects from slower increase in working capital
- Other changes, closing date related, affected by higher tax receivables and lower tax liabilities

1.6 Opportunities and risks

On pages 44 to 53 of the 2018 annual report, FUCHS PETROLUB provided a detailed report on the opportunities and risks resulting from its international business operations. There have been no significant changes to these statements since that time. On the basis of the information currently available, we take the view that no significant individual risks exist for the FUCHS Group now or in the foreseeable future. The sum of all risks or combinations of risks also do not threaten the continued existence of the Group.

1.7 Outlook

After an initial correction in January, the IMF lowered its forecast for global economic growth again in the second quarter to 3.3 %. Trade disputes between the US and China and the European Union are particularly impacting the automotive sector, which is important for FUCHS. Contrary to the original assumptions, the industry associations VDA and ACEA expect global car sales to fall by 2 % in 2019 instead of growing by 1 %. FUCHS is therefore revising the forecast it made in the first half of 2019 and no longer anticipates an upturn in the markets in the second half of the year.

In view of these gloomier prospects, the FUCHS Group is adjusting its forecast for the current year:

- Growth in sales revenues between –3 % and +0 % for the full year
(previously between +2 % and +4 %)
- EBIT decline between –30 % and –20 % (previously between –8 % and –5 %)
EBIT comparable – before previous year's one-off income – decline between –27 % and –17 %
- Free cash flow before acquisitions: between €70 million and €90 million
(previously around €100 million)
- FVA: between €130 million and €160 million (previously around €200 million)

2. Half-year financial statements

2.1 Consolidated financial statements

Income statement

in € million	H1 2019	H1 2018
Sales revenues	1,296	1,311
Cost of sales	-855	-847
Gross profit	441	464
Selling and distribution expenses	-191	-185
Administrative expenses	-70	-64
Research and development expenses	-28	-27
Other operating income and expenses	0	0
EBIT before income from companies consolidated at equity	152	188
Income from companies consolidated at equity	5	5
Earnings before interest and tax (EBIT)	157	193
Financial result	-2	-1
Earnings before tax (EBT)	155	192
Income taxes	-43	-52
Earnings after tax	112	140
Thereof		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	112	140
Earnings per share in €¹		
Ordinary share	0.80	1.00
Preference share	0.81	1.01

¹ Basic and diluted in both cases.

Statement of comprehensive income

in € million	H1 2019	H1 2018
Earnings after tax	112	140
Other comprehensive income		
Amounts of other comprehensive income that may be reclassified to profit or loss in future periods		
Change in foreign currency translation adjustments		
Foreign subsidiaries	7	-6
Shares in companies consolidated at equity	0	0
Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods		
Remeasurements of defined benefit pension commitments	-8	0
Fair value changes of equity instruments	0	0
Deferred taxes on these amounts	2	0
Total other comprehensive income	1	-6
Total income and expenses for the period	113	134
Thereof		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	113	134

Balance sheet

in € million	June 30, 2019	Dec 31, 2018
Assets		
Intangible assets	278	279
Property, plant and equipment	589	521
Shares in companies consolidated at equity	42	38
Other financial assets	9	8
Deferred tax assets	29	26
Other receivables and other assets	1	1
Non-current assets	948	873
Inventories	414	410
Trade receivables	412	379
Tax receivables	11	6
Other receivables and other assets	42	28
Cash and cash equivalents	74	195
Current assets	953	1,018
Total assets	1,901	1,891
Equity and liabilities		
Subscribed capital	139	139
Group reserves	1,186	1,028
Group profits	112	288
Equity of shareholders of FUCHS PETROLUB SE	1,437	1,455
Non-controlling interests	1	1
Total equity	1,438	1,456
Pension provisions	34	25
Other provisions	4	4
Deferred tax liabilities	35	34
Financial liabilities	13	0
Other liabilities	2	3
Non-current liabilities	88	66
Trade payables	223	213
Other provisions	23	24
Tax liabilities	23	29
Financial liabilities	19	4
Other liabilities	87	99
Current liabilities	375	369
Total equity and liabilities	1,901	1,891

Statement of cash flows

in € million	H1 2019	H1 2018
Earnings after tax	112	140
Depreciation and amortization of non-current assets	36	28
Change in non-current provisions and in other non-current assets (covering funds)	0	1
Change in deferred taxes	0	1
Non-cash income from shares in companies consolidated at equity	-5	-5
Dividends received from companies consolidated at equity	0	1
Gross cash flow	143	166
Gross cash flow	143	166
Change in inventories	2	-19
Change in trade receivables	-29	-55
Change in trade payables	7	42
Change in other assets and other liabilities (excluding financial liabilities)	-31	-8
Net gain/loss on disposal of non-current assets	0	0
Cash flow from operating activities	92	126
Investments in non-current assets	-76	-41
Proceeds from the disposal of non-current assets	0	0
Cash paid for acquisitions	-11	-1
Cash acquired through acquisitions	1	0
Cash flow from investing activities	-86	-42
Free cash flow before acquisitions ¹	16	85
Free cash flow	6	84
Dividends paid for previous year	-131	-126
Changes in financial liabilities	3	12
Cash flow from financing activities	-128	-114
Cash and cash equivalents as at Dec 31 of the previous year	195	161
Cash flow from operating activities	92	126
Cash flow from investing activities	-86	-42
Cash flow from financing activities	-128	-114
Effect of currency translations	1	0
Cash and cash equivalents at the end of the period	74	131

¹ Free cash flow before cash paid for acquisitions and before cash acquired through acquisitions.

Statement of changes in equity

in € million	Outstanding shares (units)	Subscribed capital FUCHS PETROLUB SE	Capital reserves FUCHS PETROLUB SE	Equity capital generated in the Group	Differences arising from currency translation ¹	Equity of shareholders of FUCHS PETROLUB SE	Non-controlling interests	Total equity
As at December 31, 2017	139,000,000	139	97	1,090	-20	1,306	1	1,307
Adjustments IFRS 9 "Financial Instruments"				5		5	0	5
Adjustments IAS 29 "Hyperinflationary economies"				1		1		1
As at January 1, 2018	139,000,000	139	97	1,096	-20	1,312	1	1,313
Dividend payments				-126		-126	0	-126
Earnings after tax H1 2018				140		140	0	140
Change in other comprehensive income				0 ²	-6	-6		-6
As at June 30, 2018	139,000,000	139	97	1,110	-26	1,320	1	1,321
As at December 31, 2018	139,000,000	139	97	1,255	-36	1,455	1	1,456
Dividend payments				-131		-131	0	-131
Earnings after tax H1 2019				112		112	0	112
Change in other comprehensive income				-6 ²	7	1		1
As at June 30, 2019	139,000,000	139	97	1,230	-29	1,437	1	1,438

¹ Income and expenses recognized in equity of shareholders of FUCHS PETROLUB SE.

² Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods consist of remeasurements of defined benefit pension commitments and from year 2018 onwards of fair value changes of equity instruments. These amounts are included in the equity capital generated in the Group.

Segments

in € million	EMEA	Asia-Pacific	North and South America	Holding including consolidation	FUCHS Group
H1 2019					
Sales revenues by company location	799	355	212	-70	1,296
EBIT before income from companies consolidated at equity	75	44	29	4	152
<i>in % of sales</i>	9.4%	12.4%	13.7%	-	11.7%
Income from companies consolidated at equity	5	-	-	-	5
Segment earnings (EBIT)	80	44	29	4	157
Investments in non-current assets	49	16	10	1	76
Number of employees as at June 30 ¹	3,799	949	701	124	5,573
H1 2018²					
Sales revenues by company location	829	369	199	-86	1,311
EBIT before income from companies consolidated at equity	95	56	30	7	188
<i>in % of sales</i>	11.5%	15.2%	15.1%	-	14.3%
Income from companies consolidated at equity	6	-	-	-1	5
Segment earnings (EBIT)	101	56	30	6	193
Investments in non-current assets	20	14	7	0	41
Number of employees as at June 30 ¹	3,662	855	660	110	5,287

¹ Including trainees.

² Prior-year figures adjusted.

2.2 Notes to the consolidated financial statements

The half-year financial statements of FUCHS PETROLUB SE, Mannheim, are prepared in accordance with the principles of the International Financial Reporting Standards (IFRS). They take account of the standards and interpretations of the International Accounting Standards Board (IASB), London, applicable at the end of the reporting period, as adopted by the EU. The half-year financial statements have been prepared in accordance with the rules of International Accounting Standard 34 (IAS 34) in abridged form. The accounting policies and calculation methods applied remained unchanged from the consolidated financial statements for 2018, except for the application of new accounting standards outlined; we therefore refer to the notes to the consolidated financial statements made there.

The half-year financial statements and the half-year management report were not subject to examination by the auditor.

Application of new accounting standards

The accounting standards relevant for the FUCHS Group and to be applied for the first time are outlined in the following section.

IFRS 16 – Leases

IFRS 16 “Leases” is applicable from January 1, 2019, and replaces the existing IAS 17 guidelines for leases. IFRS 16 provides a uniform accounting model requiring lessees to recognize leases in their balance sheet. Lessees recognize a right-of-use asset that constitutes a right to use the underlying asset and a lease liability representing their obligation to make lease payments. There are exemptions for short-term leases and leases for low-value assets which the FUCHS Group utilizes. The new provisions on accounting for leases affect the FUCHS Group as a lessee, particularly for leases of real estate and vehicles. Accounting for the lessor, which does not have any material relevance for the FUCHS Group, is comparable with the regulations of IAS 17.

The transition to IFRS 16 in the FUCHS Group took place in line with the modified retrospective method, with the cumulative transitional effect recognized as of January 1, 2019. The comparative figures from the previous year have not been adjusted.

The lease liabilities to be recognized from 2019 onward for leases with FUCHS as the lessee are reported at the present value of the outstanding lease payments. The weighted average interest rate used for discounting existing leases on January 1, 2019, was 3.1 %. At the transition date as of January 1, 2019, the carrying amount of the rights of use recognized under property, plant and equipment at €22 million (comprising €15 million for real estate and €7 million for vehicles) corresponds in the balance sheet of the Group to the total amount of recognized lease liabilities of €22 million, of which €14 million was recognized under non-current financial liabilities and €8 million under current financial liabilities.

The difference between the other financial obligations from future minimum lease payments for operating leases recognized as of December 31, 2018, in the amount of €31 million and the lease liabilities recognized for the first time in the amount of €22 million (undiscounted: €23 million) as of January 1, 2019, is mainly attributable to the simplified application options utilized for short-term leases and leases of low-value assets.

In contrast to the previous approach of fully recognizing expenses from operating leases in the respective function costs, the interest portion from the interest accrued on lease liabilities – which is however of immaterial significance at FUCHS (first half of 2019: rounded €0 million) – is recognized in the financial result. A division between lease and non-lease components is generally made (e. g. between financing and service installments for vehicles), meaning that the non-lease components remain directly in current expenses. The amortization of €4 million on rights of use for the first half of 2019 is recognized under the respective function costs.

In the statement of cash flows, the FUCHS Group recognized the interest portion in the cash flow from operating activities and the repayment portion in the cash flow from financing activities with regard to the change in lease liabilities. Lease payments in connection with short-term leases, leases of low-value assets and non-lease components continue to be reported in cash flow from operating activities.

Acquisitions

With effect from April 1, 2019, FUCHS LUBRICANTS (AUSTRALASIA) PTY. LTD., Sunshine-Melbourne, Australia, acquired all shares in NULON PRODUCTS AUSTRALIA PTY. LTD. The acquisition is part of FUCHS AUSTRALASIA's expansion into the automotive retail business and will complement the existing business in the automotive, mining, industrial and OEM sectors.

The purchase price of €11 million is mainly attributable to acquired intangible assets (€3 million), particularly the NULON brand and customer relationships, and to property, plant and equipment (€2 million), net operating working capital (€3 million), deferred tax liabilities (€1 million) and goodwill (€4 million), which is not tax-deductible. Sales revenues amounted to €5 million in the period from April to June 2019 and are estimated at around €16 million for the period from April to December 2019. Taking account of the integration and amortization from the purchase price allocation, the EBIT contribution for both of the above periods of 2019 is expected to come to €0 million. The purchase price allocation is based on estimates and should be regarded as provisional.

In early June 2019, FUCHS PETROLUB SE acquired a share of 48 % or around €0.3 million in the newly established company Penna Pura Oil Tanzania, Limited in Tanzania, which is recognized under shares in companies consolidated at equity. This will make it possible for customers and dealers to procure high-quality lubricants directly in the future. In the past years, the Tanzanian market was served via a license partner of FUCHS.

Significant discretionary decisions, estimates and assumptions

The general statements made in the notes to the consolidated financial statements as at December 31, 2018, continue to apply.

Actuarial losses from defined benefit pension commitments and similar obligations were incurred in the amount of €8 million for the first half of 2019. After taking deferred taxes of €2 million into account, a sum of €6 million was offset against equity directly. The actuarial losses result from changes in actuarial assumptions for the calculation of pension provisions.

Sales revenues

Sales revenues can be broken down by product group and geographic region as follows:

H1 2019

	EMEA		Asia-Pacific		North and South America		FUCHS Group	
	€ million	%	€ million	%	€ million	%	€ million	%
Automotive lubricants	336	46	209	59	36	17	581	45
Industrial lubricants and specialties	357	49	145	41	173	82	675	52
Other products	37	5	1	0	2	1	40	3
	730	100	355	100	211	100	1,296	100

H1 2018

	EMEA		Asia-Pacific		North and South America		FUCHS Group	
	€ million	%	€ million	%	€ million	%	€ million	%
Automotive lubricants	353	47	215	58	33	17	601	46
Industrial lubricants and specialties	363	49	151	41	162	82	676	51
Other products	29	4	3	1	2	1	34	3
	745	100	369	100	197	100	1,311	100

The automotive lubricants category particularly includes engine oils, gear oils and shock-absorber fluids. The industrial lubricants and specialties product group mainly comprises metalworking fluids, corrosion preventatives, hydraulic and gear oils, greases, and other specialties.

Other operating income and expenses

Other operating income and expenses include the following items:

in € million	H1 2019	H1 2018
Net amount of currency gains/losses	0	0
Write-downs of receivables	-2	-1
Net amount of miscellaneous items	2	1
Other operating income and expenses	0	0

Financial result

The financial result includes the following items:

in € million	H1 2019	H1 2018
Interest income	0	0
Interest expense (excluding pensions)	-2	-1
Net interest expense from defined benefit plans	0	0
Interest expense from leases	0	0
Financial result	-2	-1

The net interest expenses from defined pension plans are the balance of

- interest expenses from the interest accrued on pension obligations of €1 million (1)
- interest income of €1 million (1) from the return on plan assets.

Income taxes

Income taxes break down as follows:

in € million	H1 2019	H1 2018
Germany	-18	-23
International	-25	-29
Income taxes	-43	-52
Adjusted rate of taxation (in %)¹	29	28

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

Dividend distribution

In accordance with the resolution of the Annual General Meeting on May 7, 2019, FUCHS PETROLUB SE distributed the following dividend from the unappropriated profit for the financial year 2018:

Dividend distribution

in €

Distribution of a dividend of €0.94 for each ordinary share entitled to dividend payments on the balance sheet date; these are 69,500,000 shares	65,330,000.00
Distribution of a dividend of €0.95 for each preference share entitled to dividend payments on the balance sheet date; these are 69,500,000 shares	66,025,000.00
Total distribution	131,355,000.00

Contingent liabilities and other financial obligations

Contractual obligations of around €68 million for the purchase of property, plant, and equipment are in place on June 30, 2019 (€76 million as at December 31, 2018). These essentially relate to our subsidiaries in Germany, the US, the UK, Russia, Sweden and China. Besides this, there were no significant changes as compared to the contingent liabilities described and disclosed in the 2018 annual report. A large portion of the other financial obligations from rental agreements and leases are recognized as lease liabilities due to the initial application of IFRS 16 starting from the financial year 2019.

Financial instruments

The FUCHS Group's financial assets and financial liabilities measured at fair value through profit and loss consist exclusively of forward currency transactions, which are used to hedge foreign currency receivables and liabilities. Their valuation is based on generally recognized valuation models using the latest market data. As of June 30, 2019, the forward currency transactions display positive fair values of €1 million (as of December 31, 2018: 0), which are disclosed under other short-term assets, and negative fair values of €-1 million (as of December 31, 2018: 0), which are disclosed under other short-term liabilities.

Relationships with related parties

The FUCHS Group has trade receivables of €3 million (December 31, 2018: 2) and other receivables of €0 million (December 31, 2018: 0) from companies consolidated at equity. The non-consolidated portion of sales revenues from deliveries of goods to companies consolidated at equity was €7 million (8) in the first half of 2019. The corresponding portion of other operating income was €0 million (0) in the first half of 2019.

Exchange rate development

The exchange rates that have a significant impact on the consolidated financial statements have moved against the euro as follows:

Closing rate (€1)	June 30, 2019	Dec 31, 2018
US dollar	1.137	1.146
British pound	0.896	0.899
Chinese renminbi yuan	7.806	7.883
Australian dollar	1.620	1.625
South African rand	16.024	16.462
Polish zloty	4.243	4.288
Brazilian real	4.369	4.451
Argentinean peso	48.298	43.173
Russian ruble	71.873	79.900
South Korean won	1,314.740	1,277.710
Swedish krona	10.556	10.153

Average exchange rate (€1)	H1 2019	H1 2018
US dollar	1.130	1.211
British pound	0.873	0.880
Chinese renminbi yuan	7.667	7.710
Australian dollar	1.600	1.570
South African rand	16.034	14.884
Polish zloty	4.291	4.221
Brazilian real	4.340	4.145
Argentinean peso	46.846	26.095
Russian ruble	73.659	71.903
South Korean won	1,294.380	1,303.310
Swedish krona	10.518	10.156

Events after the reporting period

No significant events occurred after the reporting period.

3. Responsibility statement

To the best of our knowledge we declare that, in accordance with the applicable accounting principles for half-year financial reporting, the half-year financial statements give a true and fair view of the net assets, financial position, and results of operations of the FUCHS Group, and the half-year management report of the FUCHS Group includes a fair view of the development and performance of the business and the position of the FUCHS Group, together with a description of the principal opportunities and risks associated with the expected development of the FUCHS Group for the remaining months of the financial year.

Mannheim, July 31, 2019
FUCHS PETROLUB SE

The Executive Board

S. Fuchs

D. Steinert

Dr. L. Lindemann

Dr. R. Rheinboldt

Dr. T. Reister

Financial calendar

DATES 2019

August 1	Half-year financial report 2019
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October 30	Quarterly statement Q3 2019
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DATES 2020

March 19	Annual report 2019
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May 5	Annual General Meeting in Mannheim
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The financial calendar is updated regularly. You can find the latest dates on the webpage at www.fuchs.com/financial-calendar

Contact and imprint

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NOTE REGARDING THE HALF-YEAR FINANCIAL REPORT

In case of deviations between this English translation and the original German version of this half-year financial report, the original German version takes precedence.

NOTE ON ROUNDING

Due to rounding, numbers presented in this half-year financial report may not add up precisely to totals provided, and percentages stated may not precisely reflect the absolute figures to which they refer.

DISCLAIMER

This half-year financial report for the first half year contains statements about future developments that are based on assumptions and estimates by the management of FUCHS PETROLUB SE. Statements about future developments are all statements that do not refer to historical facts and events and contain such forward-looking formulations as "believes," "estimates," "assumes," "expects," "anticipates," "forecasts," "intends," "could," "will," "should," or similar formulations. Even if the management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. These factors can, for example, include changes in the overall economic climate, changes in procurement prices, changes to exchange rates and interest rates, and changes within the lubricants industry. FUCHS PETROLUB SE provides no guarantee that future developments and the results actually achieved in the future will match the assumptions and estimates set out in this half-year financial report and assumes no liability for such. We do not assume any obligation to update the future-oriented statements made in this half-year financial report.