



## Quaker Chemical Announces Second Quarter Results

July 18, 2002

CONSHOHOCKEN, Pa., Jul 18, 2002 /PRNewswire-FirstCall via COMTEX/ -- Quaker Chemical Corporation (NYSE: KWR) today announced earnings for the three months ended June 30, 2002, of \$3.2 million or \$0.35 per diluted share. The results for the quarter represent a 35% improvement over the first quarter of 2002 earnings of \$0.26 per diluted share. Earnings for the second quarter of 2001 were \$4.1 million or \$0.45 per diluted share. Net sales for the second quarter were \$69.5 million versus \$59.9 million for the first quarter of 2002 and \$65.1 million for the second quarter of 2001. Excluding the revenue from the two acquisitions made in 2002, net sales for the second quarter would have been \$64.2 million. Increased SG&A expenses in the quarter were primarily due to the recent acquisitions of United Lubricants and Epmar, which accounted for approximately one half of the quarterly increase, as well as higher pension, insurance, and other administrative costs. Foreign exchange fluctuations did not significantly impact the above comparisons with 2001.

Earnings for the first half of 2002 were \$5.6 million or \$0.60 per diluted share. During the first half of 2001, earnings were \$8.1 million or \$0.90 per diluted share. Net sales for the first half of 2002 were essentially flat with the first half of 2001 at \$129 million. Excluding the revenue from the two acquisitions made in 2002, net sales for the first half would have been \$123 million.

Ronald J. Naples, Chairman and Chief Executive Officer, stated, "So far, the year has progressed largely as expected, as we've managed significant sequential quarterly progress. We entered 2002 in a very tough industrial production environment throughout the globe. In March we began to see a pickup in our business activity, which has continued at improved levels in the second quarter. In addition, our two recent acquisitions are performing well and have contributed a bit to our bottom line, as well as, of course, to our top line. Looking ahead, based on our current expectations for industrial production levels and market share expansion, we believe we will be back on track in the third quarter showing favorable quarterly earnings growth versus the prior year. This takes us to the expectation of an up year in 2002 as we have previously noted."

Quaker Chemical Corporation, headquartered in Conshohocken, Pennsylvania, is a worldwide developer, producer, and marketer of custom-formulated chemical specialty products and a provider of chemical management services for manufacturers around the globe, primarily in the steel and automotive industries.

This release contains forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. Such risks and uncertainties include, but are not limited to, further downturns in our customers' businesses, significant increases in raw material costs, worldwide economic and political conditions, foreign currency fluctuations, and future terrorist attacks such as those that occurred on September 11, 2001.

As previously announced, Quaker Chemical's investor conference to discuss second quarter earnings results is scheduled for Friday, July 19, 2002, at 2:30 p.m. (ET). Access the conference by calling 800-922-0755 or visit Quaker's Web site at <http://www.quakerchem.com> for a live webcast.

### Quaker Chemical Corporation

#### Condensed Consolidated Statement of Income For the period ended June 30,

Unaudited  
Dollars in thousands except per share data

	Second Quarter		Six Months	
	2002	2001	2002	2001
Net sales	\$69,457	\$65,073	\$129,384	\$129,288
Cost of goods sold	40,495	37,988	76,065	76,381
Gross margin	28,962	27,085	53,319	52,907
%	41.7%	41.6%	41.2%	40.9%
Selling, general and administrative expenses	23,279	20,126	43,303	39,849
Operating income	5,683	6,959	10,016	13,058
%	8.2%	10.7%	7.7%	10.1%
Other (expense) income,				

net	(28)	379	252	1,159
Interest expense, net	(112)	(293)	(278)	(514)
Income before taxes	5,543	7,045	9,990	13,703
Taxes on income	1,774	2,184	3,197	4,248
	3,769	4,861	6,793	9,455
Equity in net income of associated companies	201	216	184	496
Minority interest in net income of subsidiaries	(734)	(963)	(1,383)	(1,824)
Net income	\$3,236	\$4,114	\$5,594	\$8,127
%	4.7%	6.3%	4.3%	6.3%
Per share data:				
Net income -- basic	\$0.35	\$0.45	\$0.61	\$0.90
Net income -- diluted	\$0.35	\$0.45	\$0.60	\$0.90
Shares Outstanding:				
Basic	9,249,925	9,064,679	9,202,378	8,983,623
Diluted	9,308,678	9,124,642	9,262,025	9,044,729
Other Information:				
Depreciation and Amortization	\$1,341	\$1,582 A	\$2,652	\$3,106 A

A Upon adopting SFAS No. 142, "Goodwill and Other Intangible Assets," effective January 1, 2002, the Company no longer amortizes goodwill. The Company recorded goodwill amortization of \$255 or \$.02 per diluted share and \$517 or \$.04 per diluted share in the second quarter and six months ended June 30, 2001, respectively.

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CONTACT: Michael F. Barry, Vice President and Chief Financial Officer of Quaker Chemical Corporation, +1-610-832-8500

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