



Quaker Chemical Announces First Quarter Results

April 24, 2002

CONSHOHOCKEN, Pa., Apr 24, 2002 /PRNewswire-FirstCall via COMTEX/ -- Quaker Chemical Corporation (NYSE: KWR) today announced earnings for the three months ended March 31, 2002, of \$2.4 million or \$0.26 per diluted share. This result is consistent with previous guidance and is an improvement over the fourth quarter 2001 earnings of \$0.20 per diluted share (excluding special items). Earnings for the first quarter of 2001 were \$4.0 million or \$0.45 per diluted share. Foreign exchange rate fluctuations and an additional provision for doubtful accounts each negatively impacted earnings this quarter by \$0.03 per share as compared to the first quarter 2001. In addition, the company adopted FAS Statement No. 142, "Goodwill and Other Intangible Assets," which favorably impacted earnings by \$0.02 per share this quarter by reducing amortization expense.

Net sales for the first quarter were \$59.9 million versus \$58.3 million for the fourth quarter 2001 and \$64.2 million for first quarter of 2001. Excluding the impact of the stronger dollar, net sales for the first quarter would have been \$62.7 million.

Ronald J. Naples, Chairman and Chief Executive Officer, stated, "We have started the year as we had projected. January was a slow month but by March we were seeing improvement in our businesses, with an increase in the level of activity in our steel and automotive markets in Europe and the U.S. In addition, we have recently completed two acquisitions that strategically enhance our existing strong positions in the steel and aerospace industries, and expect that they'll be slightly accretive to earnings this year."

Mr. Naples further added, "We expect continued progress in sequential quarterly earnings, such as we saw in the first quarter, and believe we are on track for moderate earnings growth in 2002 versus 2001 (excluding special items) as projected at the beginning of the year. We are disappointed that our first quarter operating results fall short of last year, but we believe strongly that our globally integrated approach to customers, strategic initiatives, and continued cost containment efforts position us well for future profitability. In addition, our balance sheet and cash flow generation remain strong, which allows us to grow through acquisition while remaining committed to our dividend practice. In fact, we recently announced our 30th consecutive annual dividend increase."

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 first quarter earnings results is scheduled for Thursday, April 25, 2002, at 2:30 p.m. (ET). Access the conference by calling 800-633-8540 or visit Quaker's Web site at www.quakerchem.com for a live webcast.

QUAKER CHEMICAL CORPORATION

Condensed Consolidated Statement of Operations For the period ended March 31,

Unaudited

Dollars in thousands except per share data

	First Quarter	
	2002	2001 (A)
Net sales	\$59,927	\$64,215
Cost of goods sold	35,570	38,393
Gross Margin	24,357	25,822
%	40.6%	40.2%
Selling, general and administrative	20,024	19,723
Operating income	4,333	6,099
%	7.2%	9.5%

Other income, net	280	780
Interest expense, net	(166)	(221)
Income before taxes	4,447	6,658
Taxes on income	1,423	2,064
	3,024	4,594
Equity in net income (loss) of associated companies	(17)	280
Minority interest in net income of subsidiaries	(649)	(861)
Net income	\$2,358	\$4,013
%	3.9%	6.2%
Per share data:		
Net income - basic	\$0.26	\$0.45
Net income - diluted	\$0.26	\$0.45
Shares Outstanding:		
Basic	9,154,303	8,901,667
Diluted	9,212,700	8,963,929
Other Information:		
Depreciation and Amortization (A)	\$1,311	\$1,524

(A) -- Upon adopting SFAS No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002, the Company no longer amortizes goodwill. The Company recorded \$262,000 of goodwill amortization or \$0.02 per diluted share in the first quarter of 2001.

Note: Certain reclassifications have been made to prior year data to conform to current presentation.

SOURCE Quaker Chemical Corporation

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