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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**FORM 8-K**

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

October 30, 2012  
Date of Report (Date of earliest event reported)

**QUAKER CHEMICAL CORPORATION**  
(Exact name of Registrant as specified in its charter)

Commission File Number 001-12019

PENNSYLVANIA  
(State or other jurisdiction of  
incorporation or organization)

No. 23-0993790  
(I.R.S. Employer  
Identification No.)

One Quaker Park  
901 E. Hector Street  
Conshohocken, Pennsylvania 19428  
(Address of principal executive offices)  
(Zip Code)

(610) 832-4000  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## INFORMATION TO BE INCLUDED IN THE REPORT

### Item 2.02. Results of Operations and Financial Condition.

On October 30, 2012, Quaker Chemical Corporation announced its results of operations for the third quarter ended September 30, 2012 in a press release, the text of which is included as Exhibit 99.1 hereto. Supplemental information related to the same period is also included as Exhibit 99.2 hereto.

### Item 9.01. Financial Statements and Exhibits.

The following exhibits are included as part of this report:

Exhibit No.

- |      |   |
|------|---|
| 99.1 | Press Release of Quaker Chemical Corporation dated October 30, 2012.        |
| 99.2 | Supplemental Information related to third quarter ended September 30, 2012. |
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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUAKER CHEMICAL CORPORATION  
Registrant

Date: October 30, 2012

By: /s/ MARGARET M. LOEBL  
Margaret M. Loebel  
Vice President, Chief Financial  
Officer and Treasurer

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**Contact:**

Margaret M. Loebel  
Vice President, Chief Financial Officer & Treasurer  
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**For Release: Immediate**

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## **QUAKER CHEMICAL CORPORATION ANNOUNCES THIRD QUARTER 2012 RESULTS**

- Acquisitions and business strategies drive Company to record product volumes
- Revenue down slightly due to foreign exchange impacts
- Strong balance sheet and net operating cash flow
- Solid earnings despite challenging environment

October 30, 2012

CONSHOHOCKEN, PA – Quaker Chemical Corporation (NYSE: KWR) today announced net sales of \$180.9 million for the third quarter of 2012, compared to third quarter 2011 net sales of \$182.3 million. Earnings per diluted share were \$0.80 for the third quarter of 2012, compared to earnings per diluted share of \$1.03 for the third quarter of 2011 or \$0.81 excluding a non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate of \$0.22 per diluted share. The third quarter of 2012 includes certain uncommon expenses totaling \$0.05 per diluted share largely consisting of severance and Brand launch costs. In addition, changes in foreign exchange rates negatively impacted the third quarter net sales by \$10.6 million, or 6%, and net income by \$0.04 per diluted share.

Michael F. Barry, Chairman, Chief Executive Officer and President, commented, “We are very pleased to announce record product volumes, solid earnings and strong cash flow again this quarter. The global markets remain challenging for us and we are being negatively impacted by a stronger dollar and weaker demand in several geographical areas such as Europe, China, Brazil and India. Despite these headwinds, we delivered record product volumes this quarter by continuing to grow through additional new business and our recent acquisitions.”

Mr. Barry continued, “As we look to the fourth quarter, we expect the challenging global economic environment to continue as well as some negative seasonality impacts around the holidays at year end. However, we remain committed to delivering good results through the execution of our business strategies. Overall, our expectations and guidance have not changed for our full year results and we expect 2012 to be another good year for Quaker.”

Mr. Barry also noted, “With our strong balance sheet, we are able to continue actively pursuing acquisitions consistent with our third quarter acquisition of NP Coil Dexter, closed in July. This is the fifth acquisition we have made during the past two years as we continue to add new adjacent product lines which we can leverage on our global platform. In addition, we launched a revised Brand for Quaker. Building on our 94-year history, we are committed to take the Company to the next level. Our revitalized Brand highlights this commitment by more clearly communicating our competitive advantage: formulating products and service solutions for our customers through the innovation, expertise and experience of our people.”

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### **Third Quarter 2012 Summary**

Net sales for the third quarter of 2012 were \$180.9 million, a decrease of less than 1% from \$182.3 million in the third quarter of 2011. Foreign exchange rate translation decreased revenues by approximately 6%, which more than offset increases due to product volumes of approximately 5%, including acquisitions.

Gross profit decreased by approximately \$0.4 million, or less than 1%, from the third quarter of 2011. The third quarter of 2012 gross margin increased slightly to 32.7% from 32.6% for the third quarter of 2011. The decrease in gross profit is consistent with the decrease in net sales noted above.

Selling, general and administrative expenses ("SG&A") increased approximately \$1.3 million compared to the third quarter of 2011, primarily related to acquisitions and higher selling, inflationary and other labor related costs which were partially offset by decreases due to foreign exchange rate translation. SG&A for the third quarter of 2012 includes certain uncommon charges totaling \$0.05 per diluted share largely consisting of severance and related items and costs related to the Company's new Brand launch. As a result, the third quarter of 2012 SG&A, as a percentage of sales, increased to 23.9% compared to 23.0% for the third quarter of 2011.

The decrease in interest expense was due to lower average borrowings, partially offset by increases related to the accretion of certain acquisition-related liabilities.

The decrease in other income in the third quarter of 2012 was primarily due to a \$2.7 million, or \$0.22 per diluted share, non-cash gain recorded in the third quarter of 2011 due to the revaluation of the Company's previously held ownership interest in its Mexican equity affiliate to its fair value, which was related to the Company's third quarter of 2011 purchase of the remaining ownership interest in this entity.

### **Year-to-Date Summary**

Net sales for the first nine months of 2012 were \$535.4 million, an increase of 5% from \$510.0 million for the first nine months of 2011. Product volumes, including acquisitions, were higher by approximately 6%, and selling price and mix increased revenues by 4%, while foreign exchange rate translation decreased revenues by approximately 5%.

Gross profit increased by approximately \$13.6 million, or 8%, from the first nine months of 2011, with gross margin increasing to 33.5% from 32.5%, for the first nine months of 2011, reflecting the Company's initiative to restore margins to more acceptable levels through price increases and the mix effects noted above.

SG&A increased by approximately \$10.6 million compared to the first nine months of 2011, primarily related to acquisitions and higher selling, inflationary and other costs on increased business activity, which were partially offset by decreases due to foreign exchange rate translation. The first nine months of 2012 SG&A includes charges of \$0.06 per diluted share for certain customer bankruptcies in the U.S., \$0.03 per diluted share related to CFO transition costs and other certain charges of \$0.05 per diluted share, noted above. SG&A, as a percentage of sales, increased to 24.3% from 23.4% for the first nine months of 2011.

The decrease in interest expense was due to lower average borrowings, partially offset by increases related to the accretion of certain acquisition-related liabilities.

Other income decreased in the first nine months of 2012 primarily due to the non-cash gain recorded in the first nine months of 2011 related to the revaluation of the Company's previously held ownership interest in its Mexican affiliate to its fair value, as discussed above. In addition, the Company experienced higher foreign exchange losses in the first nine months of 2012 and, also, received lower third party license fees in the first nine months of 2012, primarily as a result of the prior year purchase of the remaining ownership interest in the Company's Mexican affiliate, as discussed above.

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The Company's year-to-date 2012 and 2011 effective tax rates of 26.9% and 27.1%, respectively, reflect decreases in reserves for uncertain tax positions due to the expiration of applicable statutes of limitations for certain tax years of approximately \$0.15 and \$0.14 per diluted share, respectively. The Company has experienced and expects to further experience volatility in its effective tax rates due to the varying timing of tax audits and the expiration of applicable statutes of limitations as they relate to uncertain tax positions, among other factors.

The first nine months of 2012 earnings per diluted share of \$2.52 reflect an approximate \$0.11 per share dilutive effect as a result of the Company's equity offering in May of 2011.

#### **Balance Sheet and Cash Flow Items**

In the first nine months of 2012, the Company's net cash provided by operating activities was \$41.8 million, which surpasses any previous full year result. Net operating cash flow of \$19.8 million was generated in the third quarter of 2012, primarily led by the Company's third quarter net income and an improved working capital position. The Company's consolidated leverage ratio remains strong at less than one times EBITDA. In July 2012, the Company acquired NP Coil Dexter Industries, S.r.l. for net cash consideration of approximately \$2.7 million.

#### **Non-GAAP Measures**

Included in this public release is a non-GAAP financial measure of earnings per diluted share excluding a non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate. The Company believes this non-GAAP measure enhances a reader's understanding of the financial performance of the Company, is more indicative of the future performance of the Company and facilitates a better comparison among fiscal periods. Non-GAAP results are presented for supplemental informational purposes only, and should not be considered a substitute for the financial information presented in accordance with GAAP. The following is a reconciliation between the non-GAAP (unaudited) financial measure of earnings per diluted share excluding a non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate to its most comparable GAAP measure (in thousands):

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Earnings per diluted share attributable to Quaker Chemical Corporation	\$ 0.80	\$ 1.03	\$ 2.52	\$ 2.73
Non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate per diluted share	—	(0.22)	—	(0.22)
Earnings per diluted share excluding a non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate	<u>\$ 0.80</u>	<u>\$ 0.81</u>	<u>\$ 2.52</u>	<u>\$ 2.51</u>

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### **Forward-Looking Statements**

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. A major risk is that the Company's demand is largely derived from the demand for its customers' products, which subjects the Company to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, future terrorist attacks and other acts of violence. Other factors could also adversely affect us. Therefore, we caution you not to place undue reliance on our forward-looking statements. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

### **Conference Call**

As previously announced, Quaker Chemical's investor conference call to discuss third quarter results is scheduled for October 31, 2012 at 8:30 a.m. (ET). A live webcast of the conference call, together with supplemental information, can be accessed through the Company's Investor Relations Web site at <http://www.quakerchem.com>. You can also access the conference call by dialing 877-270-2148.

### **About Quaker**

Quaker Chemical is a leading global provider of process fluids, chemical specialties, and technical expertise to a wide range of industries, including steel, aluminum, automotive, mining, aerospace, tube and pipe, cans, and others. For nearly 100 years, Quaker has helped customers around the world achieve production efficiency, improve product quality, and lower costs through a combination of innovative technology, process knowledge, and customized services. Headquartered in Conshohocken, Pennsylvania USA, Quaker serves businesses worldwide with a network of dedicated and experienced professionals whose mission is to make a difference.

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**Quaker Chemical Corporation**  
**Condensed Consolidated Statement of Income**  
**(Dollars in thousands, except per share data)**

	(Unaudited)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net sales	\$ 180,923	\$ 182,313	\$ 535,358	\$ 509,970
Cost of goods sold	121,797	122,827	355,801	343,984
Gross profit	59,126	59,486	179,557	165,986
%	32.7%	32.6%	33.5%	32.5%
Selling, general and administrative expenses	43,263	41,982	130,009	119,441
Operating income	15,863	17,504	49,548	46,545
%	8.8%	9.6%	9.3%	9.1%
Other income, net	322	2,740	529	4,070
Interest expense	(1,034)	(1,166)	(3,359)	(3,584)
Interest income	149	262	409	805
Income before taxes and equity in net income of associated companies	15,300	19,340	47,127	47,836
Taxes on income before equity in net income of associated companies	4,373	5,640	12,692	12,961
	10,927	13,700	34,435	34,875
Equity in net income of associated companies	257	105	612	715
Net income	11,184	13,805	35,047	35,590
Less: Net income attributable to noncontrolling interest	698	447	2,075	1,791
Net income attributable to Quaker Chemical Corporation	\$ 10,486	\$ 13,358	\$ 32,972	\$ 33,799
%	5.8%	7.3%	6.2%	6.6%
<b>Per share data:</b>				
Net income attributable to Quaker Chemical Corporation Common Shareholders - basic	\$ 0.80	\$ 1.04	\$ 2.54	\$ 2.77
Net income attributable to Quaker Chemical Corporation Common Shareholders - diluted	\$ 0.80	\$ 1.03	\$ 2.52	\$ 2.73

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**Quaker Chemical Corporation**  
**Condensed Consolidated Balance Sheet**  
**(Dollars in thousands, except par value and share amounts)**

	(Unaudited)	
	September 30, 2012	December 31, 2011
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 30,172	\$ 16,909
Accounts receivable, net	155,878	150,676
Inventories, net	76,434	74,758
Prepaid expenses and other current assets	18,576	17,206
Total current assets	281,060	259,549
Property, plant and equipment, net	84,309	82,916
Goodwill	59,461	58,152
Other intangible assets, net	33,563	31,783
Investments in associated companies	8,302	7,942
Deferred income taxes	27,855	29,823
Other assets	36,191	35,356
Total assets	\$ 530,741	\$ 505,521
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 576	\$ 636
Accounts and other payables	74,277	68,125
Accrued compensation	14,390	16,987
Other current liabilities	22,812	20,901
Total current liabilities	112,055	106,649
Long-term debt	37,980	46,701
Deferred income taxes	9,319	7,094
Other non-current liabilities	86,162	89,351
Total liabilities	245,516	249,795
Equity		
Common stock, \$1 par value; authorized 30,000,000 shares; issued 13,081,917 shares	13,082	12,912
Capital in excess of par value	93,845	89,725
Retained earnings	199,388	175,932
Accumulated other comprehensive loss	(30,206)	(29,820)
Total Quaker shareholders' equity	276,109	248,749
Noncontrolling interest	9,116	6,977
Total shareholders' equity	285,225	255,726
Total liabilities and equity	\$ 530,741	\$ 505,521

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**Quaker Chemical Corporation**  
**Condensed Consolidated Statement of Cash Flows**  
**For the nine months ended September 30,**  
**(Dollars in thousands)**

	(Unaudited)	
	2012	2011
<b>Cash flows from operating activities</b>		
Net income	\$ 35,047	\$ 35,590
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,001	8,527
Amortization	2,283	1,596
Equity in undistributed earnings of associated companies, net of dividends	(428)	(136)
Deferred compensation and other, net	1,848	6,987
Stock-based compensation	2,954	2,675
Non-cash gain from purchase of equity affiliate	—	(2,718)
Gain on disposal of property, plant and equipment	(75)	(61)
Insurance settlement realized	(1,074)	(1,242)
Pension and other postretirement benefits	(1,823)	(4,099)
(Decrease) increase in cash from changes in current assets and current liabilities, net of acquisitions:		
Accounts receivable	(1,381)	(29,390)
Inventories	(875)	(16,334)
Prepaid expenses and other current assets	(1,976)	(3,061)
Accounts payable and accrued liabilities	(1,731)	6,196
Net cash provided by operating activities	<u>41,770</u>	<u>4,530</u>
<b>Cash flows from investing activities</b>		
Investments in property, plant and equipment	(8,757)	(8,914)
Payments related to acquisitions, net of cash acquired	(2,635)	(10,981)
Proceeds from disposition of assets	193	221
Insurance settlement received and interest earned	53	61
Change in restricted cash, net	1,021	1,181
Net cash used in investing activities	<u>(10,125)</u>	<u>(18,432)</u>
<b>Cash flows from financing activities</b>		
Net decrease in short-term borrowings	—	(185)
Proceeds from long-term debt	—	—
Repayments of long-term debt	(9,672)	(30,613)
Dividends paid	(9,410)	(8,492)
Stock options exercised, other	(828)	629
Excess tax benefit related to stock option exercises	2,164	153
Proceeds from sale of common stock, net of related expenses	—	48,143
Distributions to noncontrolling shareholders	(30)	—
Net cash (used in) provided by financing activities	<u>(17,776)</u>	<u>9,635</u>
<b>Effect of exchange rate changes on cash</b>		
Net increase (decrease) in cash and cash equivalents	(606)	(920)
Cash and cash equivalents at the beginning of the period	13,263	(5,187)
Cash and cash equivalents at the end of the period	<u>\$ 16,909</u>	<u>\$ 25,766</u>
	<u>\$ 30,172</u>	<u>\$ 20,579</u>

***Quaker Chemical Corporation***

***October 31, 2012***

***Investor Conference Call  
Third Quarter 2012***



# Risks and Uncertainties Statement



## **Regulation G**

The attached charts include Company information that does not conform to generally accepted accounting principles (GAAP). Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other Companies.

This data should be read in conjunction with the Company's third quarter earnings news release dated October 30, 2012, which has been furnished to the SEC on Form 8-K, and the Company's Form 10-Q for the quarterly period ended September 30, 2012, which has been filed with the SEC.

## **Forward-Looking Statements**

This presentation may contain 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. A major risk is that the Company's demand is largely derived from the demand for its customers' products, which subjects the Company to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, future terrorist attacks and other acts of violence. Other factors could also adversely affect us. Therefore, we caution you not to place undue reliance on our forward-looking statements. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

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## Third Quarter 2012 Headlines

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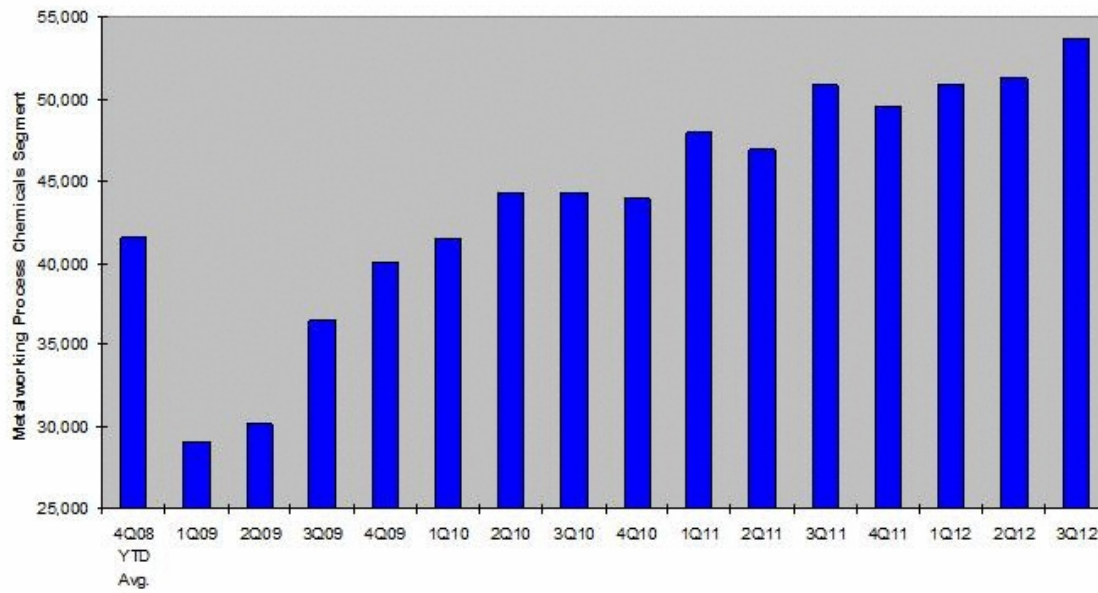
- Acquisitions and business strategies drive Company to record product volumes
  - Revenue down slightly due to foreign exchange impacts
  - Strong balance sheet and net operating cash flow
  - Solid earnings despite challenging environment
  - Closed NP Coil Dexter acquisition in Q3 2012
-

## Third Quarter 2012 Summary Results



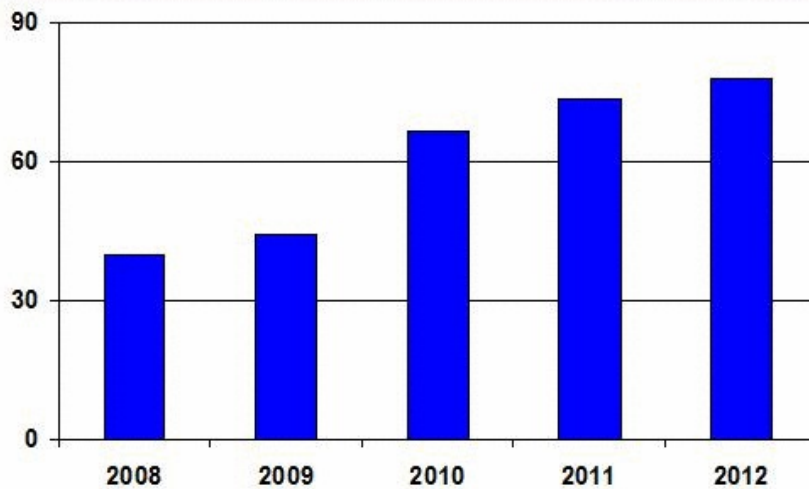
- **\$19.8 million of operating cash flow generated in Q3 2012**
  - **Balance sheet remains strong despite global challenges**
    - Paid down \$9.7 million of debt since year-end; Leverage ratio of approximately 0.5 X at September 30, 2012, improved over prior quarter end and year end 2011
  - **Net Sales of \$180.9 million down slightly compared to Q3 2011**
    - Foreign exchange rate decreases of 6% more than offset a 5% increase in product volumes, including acquisitions
  - **Gross profit down less than 1% from Q3 2011, with gross margin slightly improving**
    - Changes in gross profit and gross margin consistent with sales decreases noted above
  - **SG&A % of sales of 23.9% up from Q3 2011 on higher acquisition related costs and additional selling and other labor related costs, net of decreases due to foreign exchange**
  - **EPS of \$0.80 compared to \$1.03 in Q3 2011 or \$0.81, excluding a non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate of \$0.22**
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# Product Volume by Quarter



**Acquisitions assisting with volume growth during 2012**

## Run Rate of Adjusted EBITDA



Note: Excludes restructuring, transition costs related to key employees, equity affiliate out-of-period charge, non-cash gain from purchase of equity affiliate, non-income tax contingency charge and U.S. bankruptcy charges. 2012 Adjusted EBITDA is the total of the three months ended December 31, 2011 plus the nine months ended September 30, 2012.

**2012 Trailing Twelve Month EBITDA tracking ahead of Full Year 2011**



# Adjusted EBITDA and Trailing Twelve Month Reconciliation



	2008	2009	2010	2011	A Three Months Ended December 31, 2011	B Nine Months Ended September 30, 2012	A+B Trailing Twelve Months
Net income attributable to Quaker Chemical Corporation	11,132	16,220	31,807	43,569	9,770	32,972	42,742
Add / (subtract):							
Depreciation	10,879	9,525	9,867	11,455	2,928	9,001	11,929
Amortization	1,177	1,078	988	2,338	742	2,283	3,025
Interest expense	5,509	5,533	5,225	4,666	1,082	3,359	4,441
Taxes on income	4,977	7,065	12,616	14,256	1,295	12,692	13,987
Restructuring and related activities	2,916	2,289	-	-	-	-	-
Non-income tax contingency charge	-	-	4,132	-	-	-	-
Mexico out-of-period charge	-	-	564	-	-	-	-
Transition costs related to key employees	3,505	2,443	1,317	-	-	558	558
Non-cash gain from purchase of equity affiliate	-	-	-	(2,718)	-	-	-
U.S. Customer Bankruptcies	-	-	-	-	-	1,156	1,156
Adjusted EBITDA	40,095	44,153	66,516	73,566	15,817	62,021	77,838

## Non-GAAP Diluted Earnings Per Share Reconciliation



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Earnings per diluted share attributable to Quaker Chemical Corporation	0.80	1.03	2.52	2.73
Non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate per diluted share	—	(0.22)	—	(0.22)
Earnings per diluted share excluding a non-cash gain on the revaluation of a previously held ownership interest in a Mexican affiliate	<u>0.80</u>	<u>0.81</u>	<u>2.52</u>	<u>2.51</u>