

**Statement by Kasper Rorsted
Chairman of the Management Board
Conference-Call
May 7, 2014, 10.30 a.m.**

Ladies and Gentlemen:

Welcome to our teleconference today.

This morning we sent out our press release and quarterly report informing you of our business performance for the first three months of 2014.

I would like to briefly recap on the key financials now and then update you on our guidance for the current year. Our CFO, Carsten Knobel, and I will then be glad to take your questions.

Ladies and Gentlemen,

The first quarter was marked by continued difficult political and economic conditions, with some countries in the emerging markets particularly affected.

The situation in Eastern Europe especially has remained uncertain. The political unrests in Africa and the Middle East have also continued. As a result, some currencies remained under pressure. Additionally, the US dollar devalued against the euro.

This reinforced the trend that had already become clearly apparent in previous quarters. In Henkel's case, the negative foreign exchange movements were significantly more noticeable than at the beginning of the previous fiscal year.

Despite this difficult market environment, Henkel had a good start to the fiscal year 2014. All our business units reported organic sales growth and improved profitability. We delivered a very strong performance in our emerging markets, while we also grew in our mature markets.

Let me now walk you through the most important numbers in the first quarter.

Between January and March 2014, Henkel generated sales of 3.9 billion euros, 2.6 percent below the level of the previous year.

The decline was due exclusively to negative foreign exchange effects. These caused sales to decline by almost 7 percent or nearly 270 million euros.

However, we are very satisfied with the organic development of our business. Adjusted for foreign exchange, acquisitions and divestments, Group sales rose by 4.3 percent, with all our business units contributing.

Laundry & Home Care generated a strong increase in organic sales of 6.0 percent. In the Beauty Care business unit, organic growth was a solid 3.0 percent. And Adhesive Technologies likewise posted solid organic growth of 4.1 percent.

A look at our regional breakdown shows that we were able to increase sales in Western Europe despite strong competition. A slight decline in Southern Europe was offset by growth in almost all other markets in this region. Overall, we performed better in Western Europe than in North America, where the market environment remained exceptionally challenging.

As in previous quarters, the emerging markets played an important role in our business development. We registered a very strong organic growth rate of 9.2 percent in the region.

In China – our third-largest market – we achieved double-digit organic sales growth. Overall, all other Asian markets also grew organically.

In Eastern Europe, organic sales were 5.4 percent up despite recent political unrest. Business performance was particularly good in Russia and Turkey.

Our operations in Latin America generated growth of 8.4 percent. Business in Africa/Middle East was particularly gratifying and, although the political situation in some countries had a negative influence, we still generated organic growth of 17.9 percent in the region.

Operating profit adjusted for one-time gains, one-time charges and restructuring charges grew by 3.3 percent to 619 million euros. As a result, adjusted return on sales increased by a very strong 0.9 percentage points to 15.8 percent, again with all our business units making a notable contribution.

Adjusted net income for the quarter reached 452 million euros, representing an increase of 8.4 percent.

Adjusted earnings per preferred share rose by 8.3 percent to 1 euro 4 cents, in line with our guidance for EPS for the current fiscal year.

Henkel also performed well with respect to other financial metrics. The ratio of net working capital to sales further improved with a decrease to 4.8 percent compared to the prior-year quarter. Henkel's net financial position at the end of March was 923 million euros – a plus of 809 euros compared to the prior-year quarter.

That brings me to our outlook for the current fiscal year.

We anticipate that the environment will remain difficult, with the global economy only growing at a moderate pace. We expect growth in the mature markets to come in at 2 percent against around 4 percent in the emerging markets.

The strongest momentum is likely to come from Asia (excluding Japan) where we expect a rise in economic output of around 5 percent.

However, current political developments in Eastern Europe are creating additional uncertainty in the markets. This makes it difficult to forecast economic developments for the year ahead.

These continuing uncertainties are also affecting foreign exchange rates, which we don't see will improve in the short term.

Operating in this volatile environment, we rely on our competitiveness. This stems from our strong brands, our innovative strengths and our market position, which we intend to consolidate and expand.

A high degree of agility and flexibility are essential if we are to retain our position within the competitive environment. We will therefore continue to simplify and accelerate our processes and structures.

We confirm our guidance for the current fiscal year.

We expect organic sales growth of 3 to 5 percent in fiscal 2014, with each business unit generating organic growth within this range. In line with our 2016 strategy, we expect a slightly higher share of sales to come from our emerging markets.

We expect adjusted return on sales to rise to around 15.5 percent.

And we anticipate an increase in adjusted earnings per preferred share in the high single digits.

Ladies and Gentlemen,

Many thanks for your attention.

Carsten Knobel and I are now ready for your questions.

This information contains forward-looking statements which are based on the current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate, etc. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update any forward-looking statements.