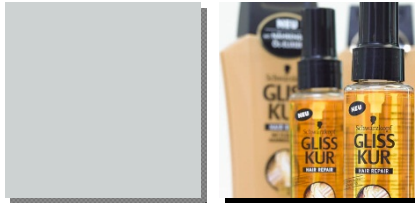


Henkel Annual Results Press Conference

Kasper Rorsted
Carsten Knobel
Kathrin Menges

Düsseldorf
Feb 20, 2014



Disclaimer

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and 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.

Agenda

- 1** Key developments 2013
- 2 Strategy 2016 - progress in 2013
- 3 Financials FY 2013 & excellence in value creation
- 4 Sustainability as success factor
- 5 Summary & outlook FY 2014

Key figures FY 2013

OSG

+3.5%

Adj. EBIT margin

15.4%

Adj. EPS growth

+10.0%

NWC in % of sales

2.3%

Net financial pos.

959 m€

Div. payout ratio

30%

2013 Guidance achieved

	Guidance FY 2013	FY 2013
Organic sales growth	3 - 5%	3.5%
Adjusted EBIT margin	~ 15.0%	15.4%
Adjusted EPS growth	~ 10%	10.0%

 All financial targets achieved

Achievements 2013

Henkel

- Solid organic sales growth driven by all businesses & regions
- Emerging Markets with very strong organic sales growth
- Adj. EBIT margin at all-time high, supported by all businesses
- Net debt changed to net cash position
- Increase in dividend payout ratio
- Successful first step in 2016 strategy execution



Challenges 2013

Henkel

- Pressure from FX headwind, especially in second half 2013
- Continued geo-political and social unrest in some countries
- Western Europe affected by weak Southern Europe
- North America & Japan below expectations
- Electronic Adhesives & Hair Salon with negative organic sales growth
- High promotional pressure in HPC



Laundry & Home Care

Key developments 2013



Sales

- Strong OSG
- Laundry solid, Home Care very strong
- Emerging Markets OSG double-digit
- Mature Markets OSG slightly negative

Return

- Adj. EBIT margin showing excellent increase
- ROCE further increased

Laundry & Home Care

Key activities 2013

Persil Duo-Caps



- 1st to launch multi-chamber caps in Europe
- Successful global roll-out

Bref Power Active



- Trend-setter in toilet care segment
- Further roll-out of successful innovation

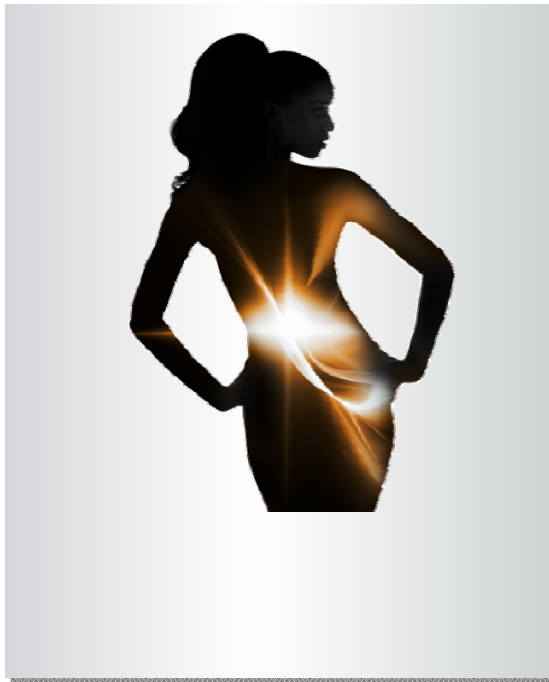
Somat/Pril Gel Caps



- In-depth cleaning and exceptional shine
- Global roll-out started in 2013

Beauty Care

Key developments 2013



Sales

- Solid OSG
- Retail solid, Hair Salon negative
- Emerging Markets very strong
- Mature Markets OSG positive

Return

- Adj. EBIT margin showing strong increase
- ROCE increased

Beauty Care

Key activities 2013

Gliss Kur Ultimate Oil Elixir



- 1st care with nourishing golden oil elixir

Dial Coconut Water



- 1st body wash with nutrient rich coconut water

Syoss Oleo Intense



- 1st permanent oil coloration from Syoss
- Unique, non-dripping oil-in-cream formula

Adhesive Technologies

Key developments 2013



Sales

- Solid OSG
- Emerging Markets OSG strong
- Mature Markets OSG positive

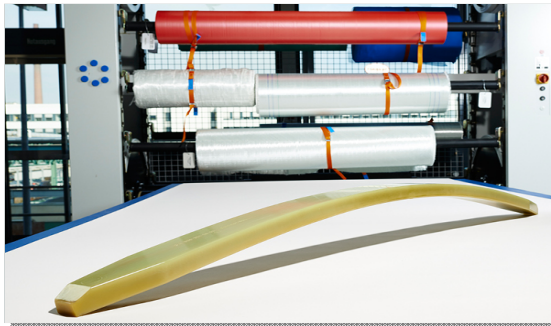
Return

- Adj. EBIT margin showing excellent increase
- ROCE further increased

Adhesive Technologies

Key activities 2013

Loctite MAX 2



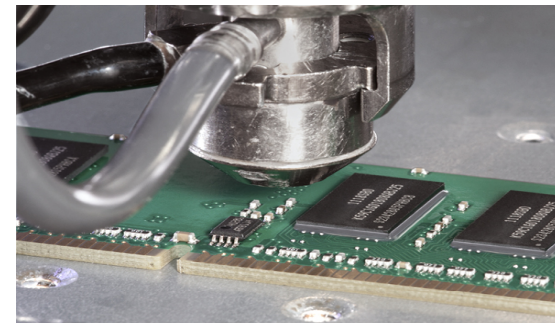
- Matrix resin for fiberglass-reinforced leaf spring
- Substitution of steel leads to 65% weight reduction

Alliance with Nordson



- Innovative solution for increased efficiency and energy saving
- Global roll-out

Loctite UF3808



- 1st halogen-free underfill adhesive
- Exceptional impact and shock protection

Agenda

- 1 Key developments 2013
- 2 Strategy 2016 - progress in 2013**
- 3 Financials FY 2013 & excellence in value creation
- 4 Sustainability as success factor
- 5 Summary & outlook FY 2014

Strategy & financial targets 2016



Outperform – Build on strong base



Top Brands



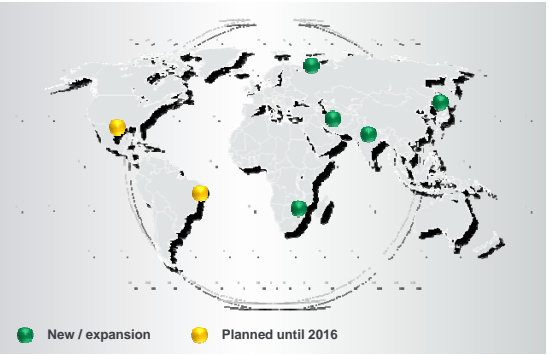
- Top 10: 57% of sales (2012: 44%)
- Schwarzkopf reaches 2bn € sales

Powerful Innovations



- Continuous flow of innovations
- Innovation rate further increased

Consumer Proximity



- Opening / significant expansion of 5 R&D centers in emerging markets

Globalize – Focus on regions with high potential



Mature Markets: Leverage strength



- High-tech development center near Munich
- Automated high-bay central warehouse in Düsseldorf

Emerging Markets: Focused approach



- Consistent very strong growth
- Sales Share of Emerging Markets increased to 44%

Emerging Markets: Go deep



- China now within top 5 countries Beauty Care
- Largest adhesives factory opened in Shanghai

Simplify – Drive operational excellence



Best-in-Class Processes



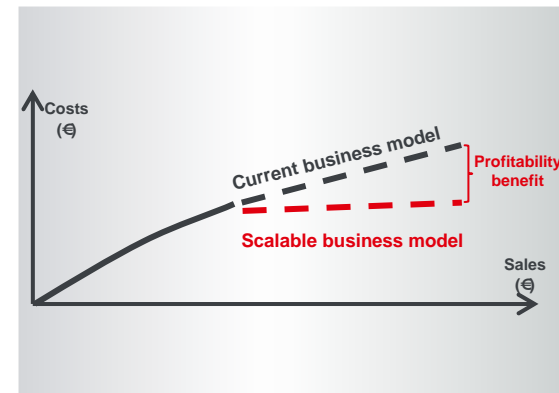
- >2,000 employees in Shared Services
- New IBS organization

IT Focus



- Consolidation of various IT systems into one SAP platform in Asia (Horizon)

Cost Efficiency



- Preparing for an integrated global supply chain

Building a scalable business model

Inspire – Strengthen our global team



Leadership



- Introduction of new Leadership Principles
- 6,800 managers trained in 350 workshops

Talent & Performance



- Promotion of >1,000 managers
- Review of long-term incentive scheme

Diversity

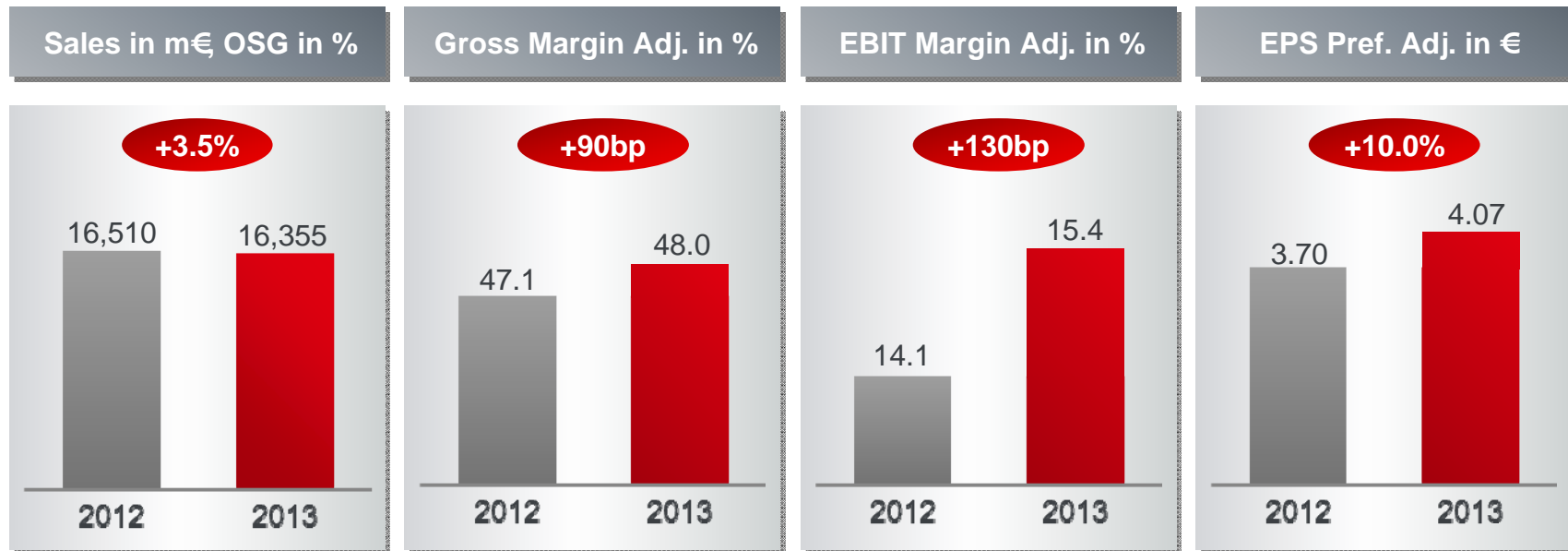


- 32% of managers are women
- 31% of managers work in Emerging Markets

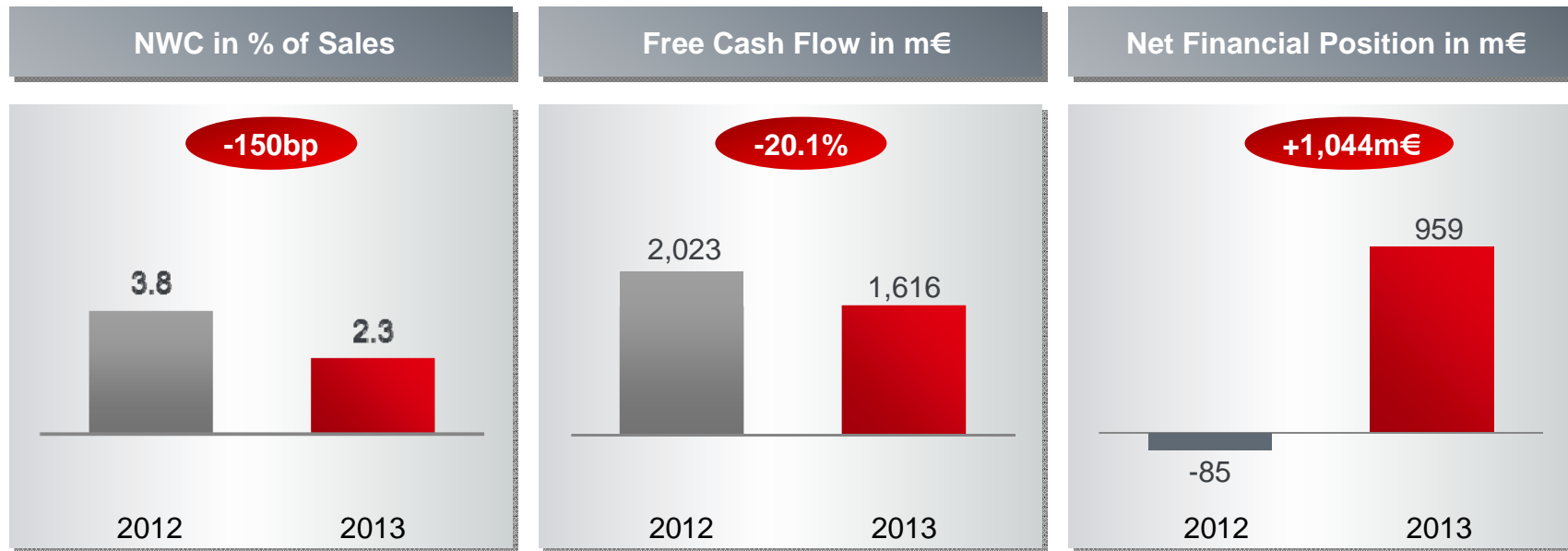
Agenda

- 1 Key developments 2013
- 2 Strategy 2016 - progress in 2013
- 3 Financials FY 2013 & excellence in value creation**
- 4 Sustainability as success factor
- 5 Summary & outlook FY 2014

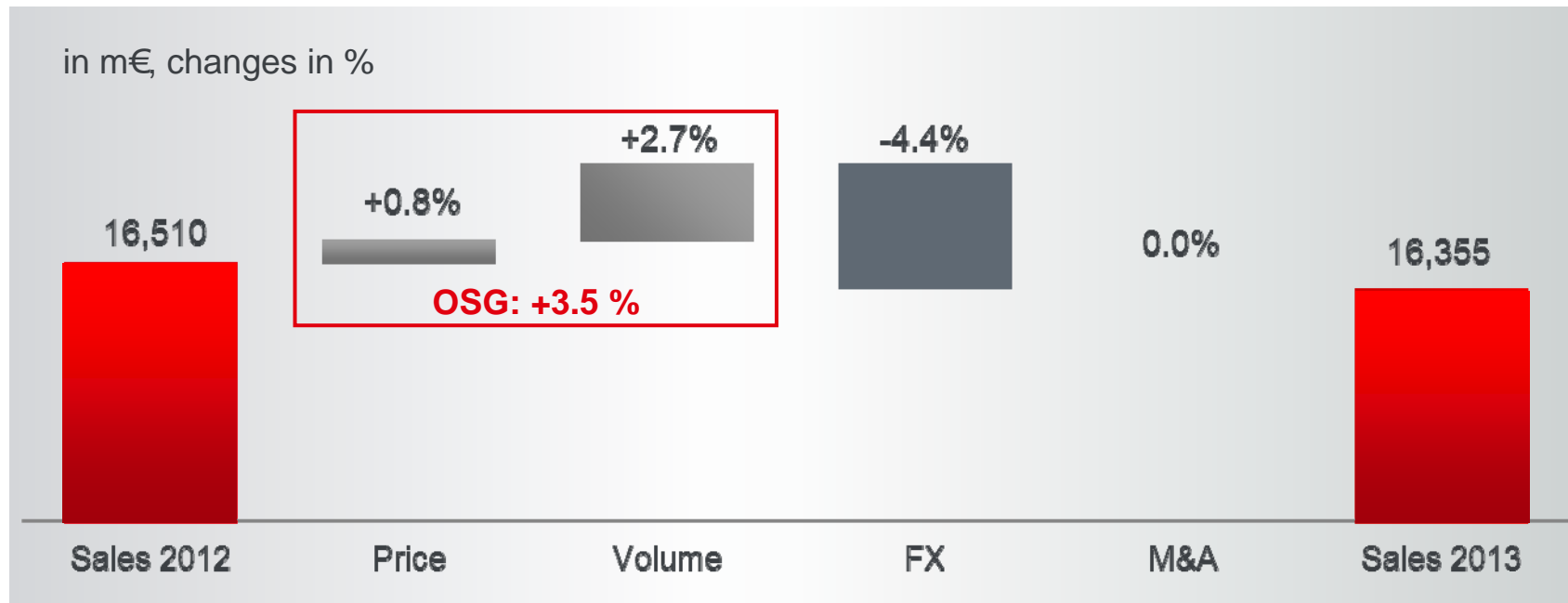
Key financials 2013 (1/2)



Key financials 2013 (2/2)



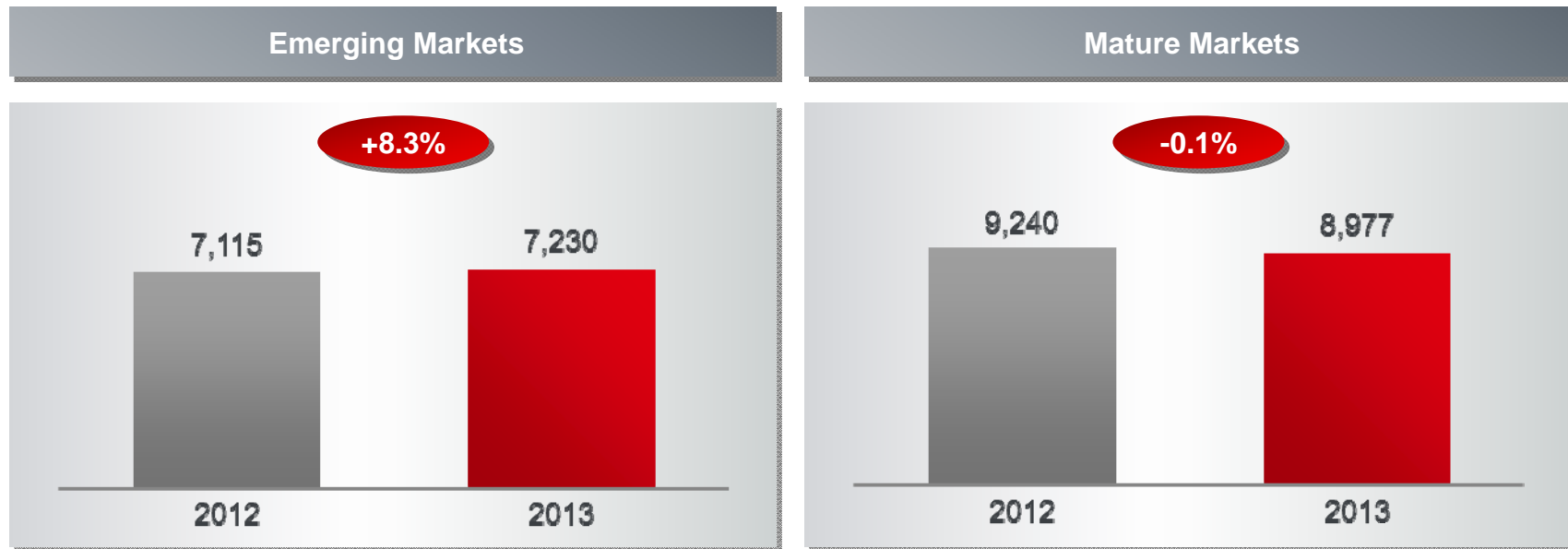
Sales growth



- Pressure from FX: mainly US Dollar and Emerging Markets currencies

Sales growth by region

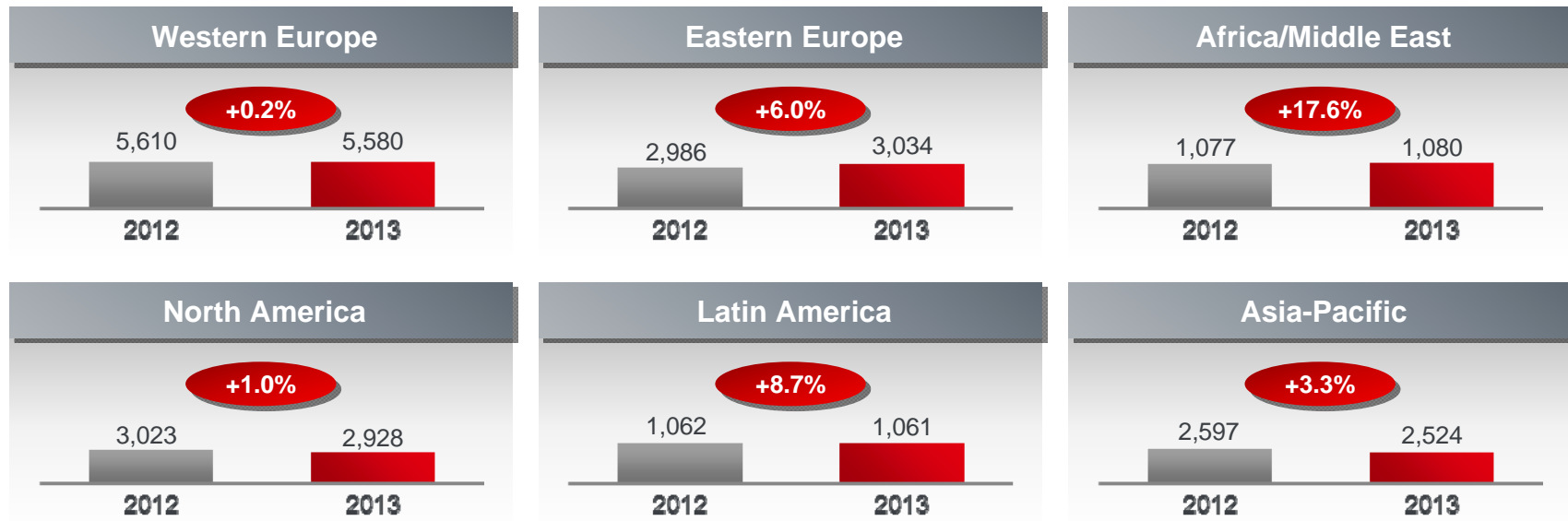
in m€, OSG in %



- Continuous balanced and focused approach in Emerging Markets

Sales growth by region

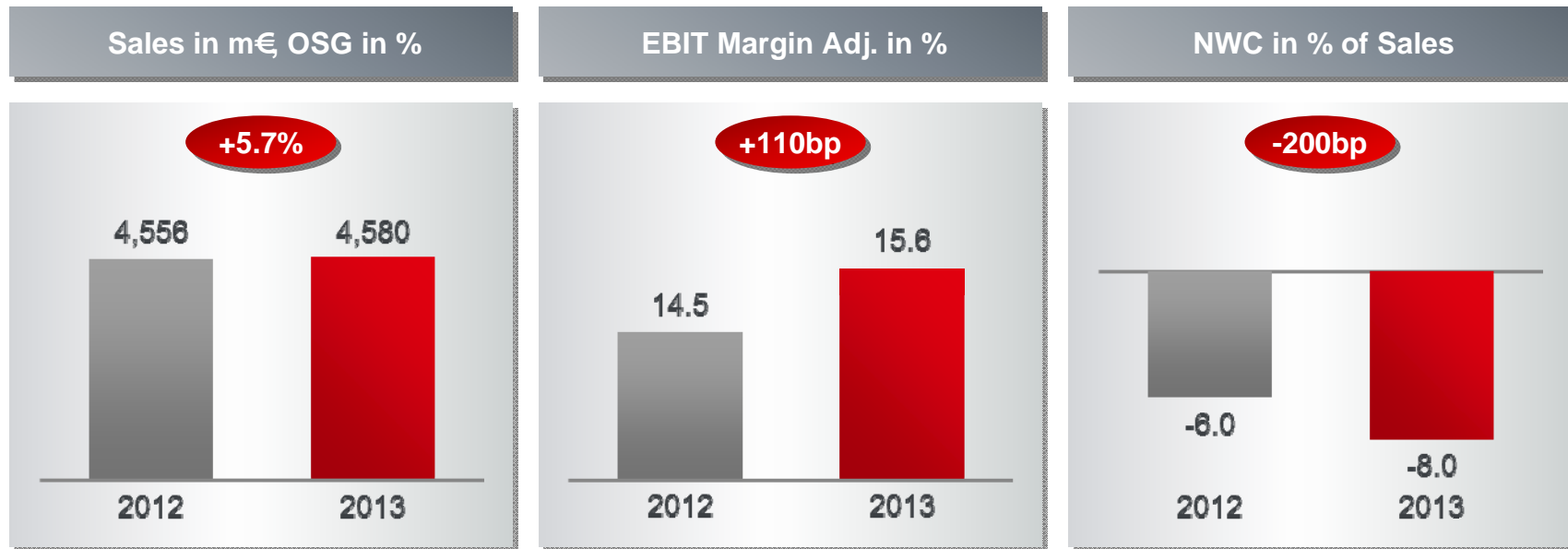
in m€, OSG in %



- BRIC very strong, Emerging Markets in Asia strong
- Southern Europe and Japan with continued weakness

Laundry & Home Care

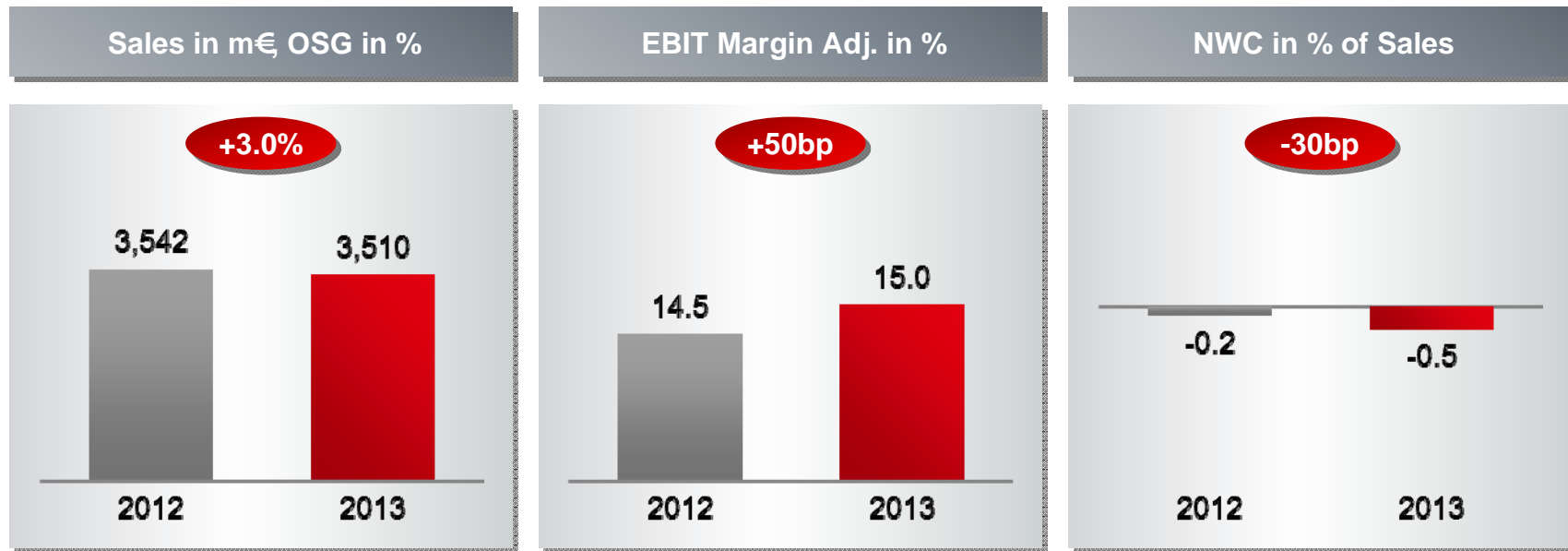
Key figures 2013



- Excellent EBIT margin increase driven by innovation and efficiency gains

Beauty Care

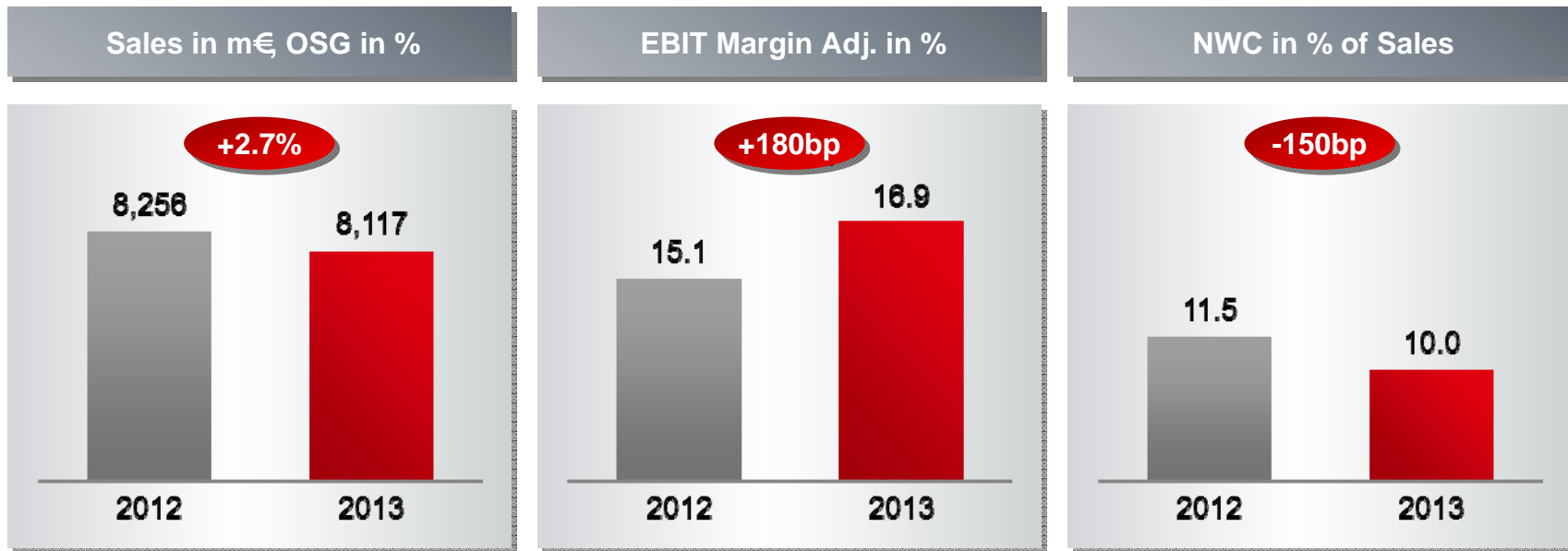
Key figures 2013



- Strong EBIT margin increase driven by innovation and efficiency gains

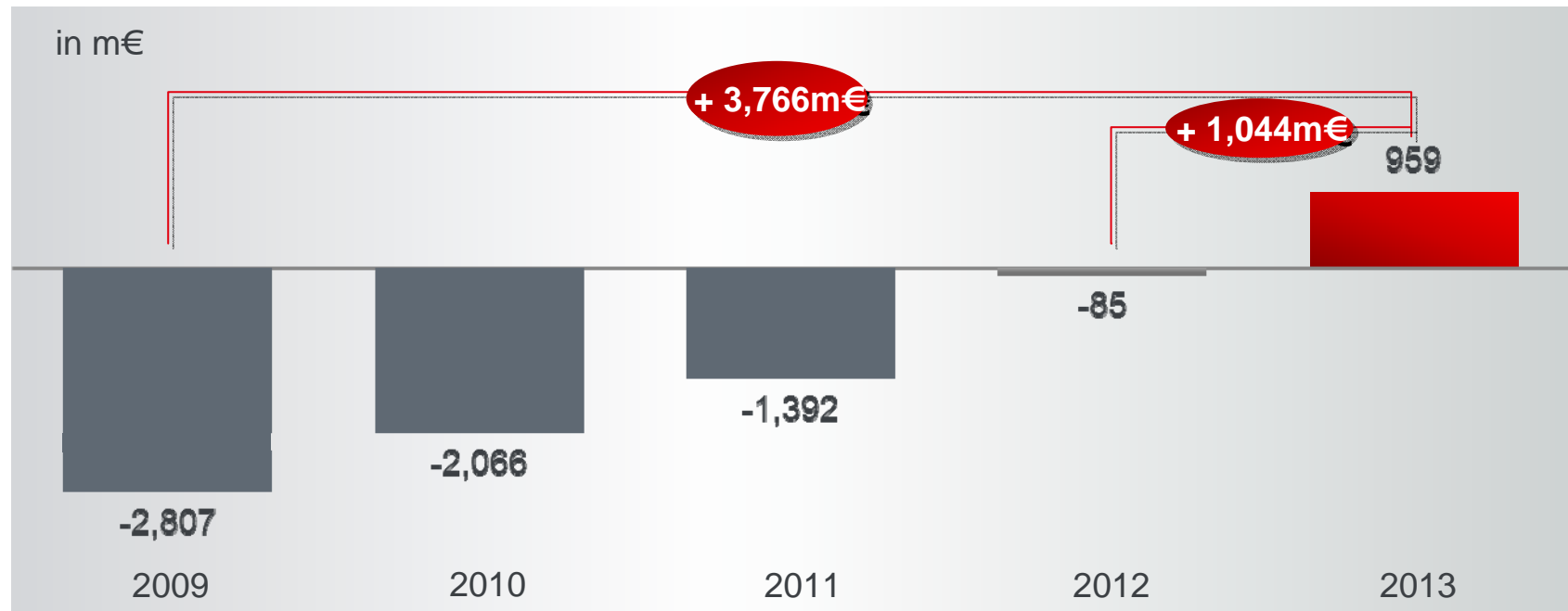
Adhesive Technologies

Key figures 2013



- Excellent EBIT margin increase driven by portfolio optimization and efficiency gains

Development of net financial position



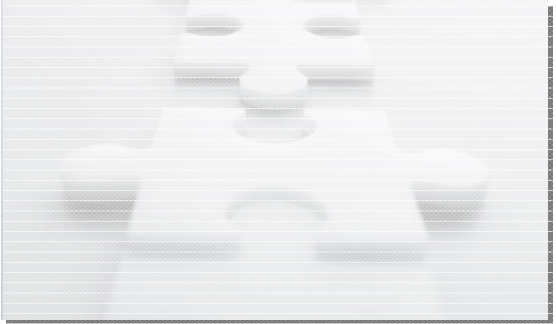
Excellence in value creation

Organic Performance



- CAPEX on PPE 404 m€
- Building a scalable business model

Acquisitions

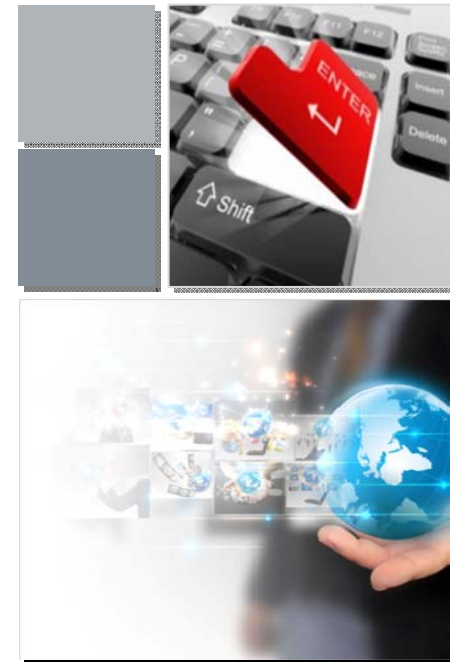
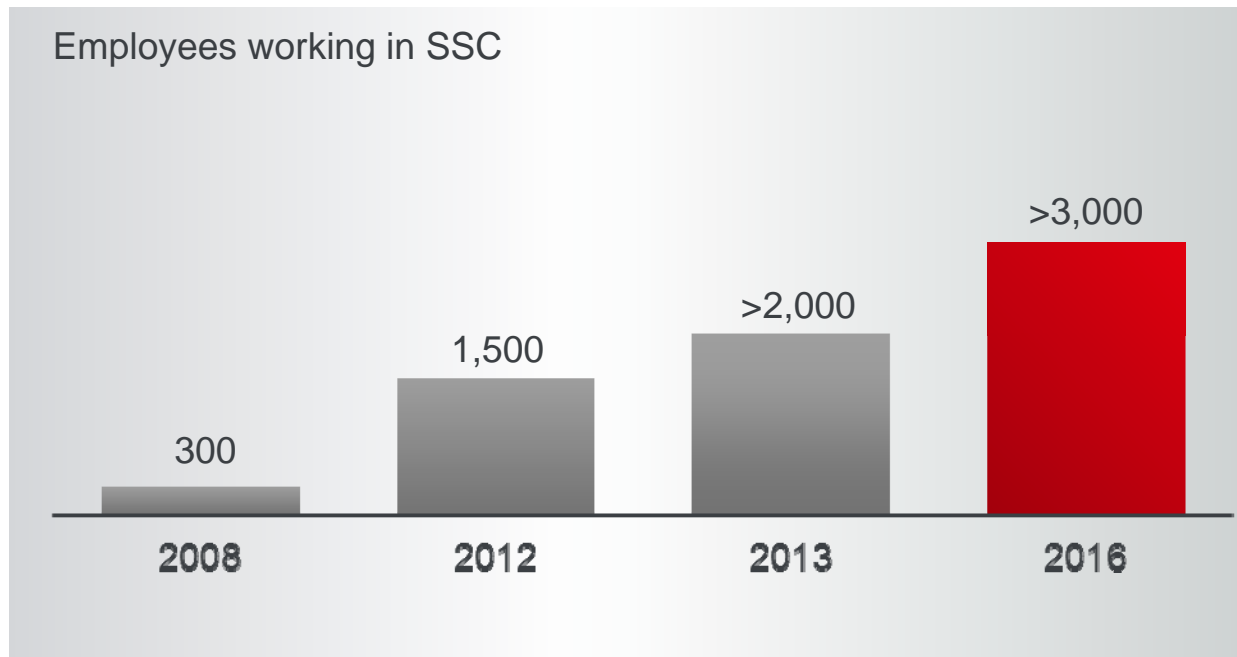


Cash-Return Options



Building a scalable business model

IBS - combining Shared Services & IT



> Two more Shared Service centers planned until 2016


Building a scalable business model

Horizon – successful implementation in APAC

Horizon: all businesses & countries on one IT platform

- System consolidation: from 21 to 1 system
- Number of processes: reduction by >50%
- Standardization: 4,500 users on Horizon
- Progress: 95% completed by 2013



 Leverage Horizon platform for further roll-out worldwide

Building a scalable business model


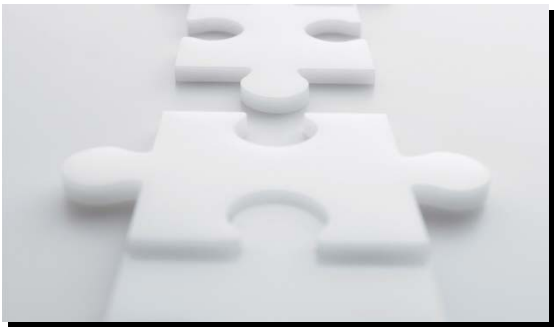

Integrated global supply chain

- Integrated global supply chain including purchasing
- Process standardization across business units
- One IT platform (Horizon) leveraging Shared Services
- Improving customer service level


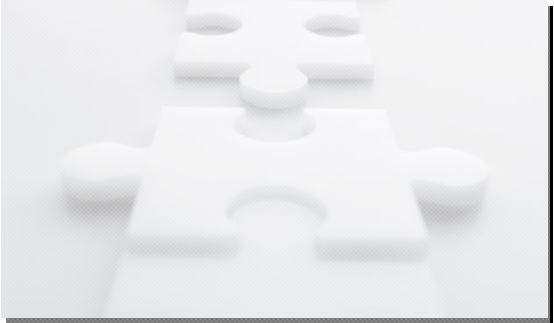



Increased competitiveness with higher service level & efficiency

Excellence in value creation

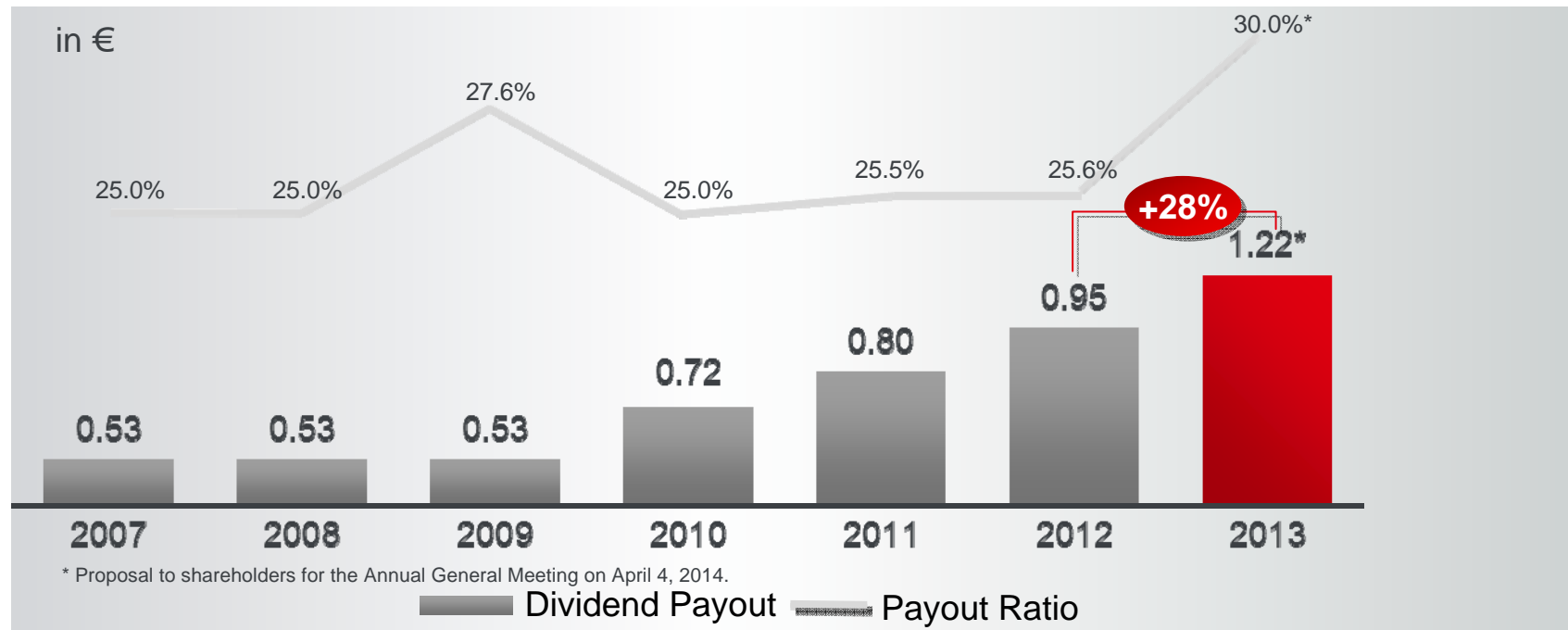
Organic Performance	Acquisitions	Cash-Return Options
		
<ul style="list-style-type: none">• CAPEX on PPE 404 m€• Building a scalable business model	<ul style="list-style-type: none">• Disciplined & focused approach• Portfolio optimization	

Excellence in value creation

Organic Performance	Acquisitions	Cash-Return Options
		
<ul style="list-style-type: none">• CAPEX on PPE 404 m€• Building a scalable business model	<ul style="list-style-type: none">• Disciplined & focused approach• Portfolio optimization	<ul style="list-style-type: none">• Dividend Payout Ratio: 30%* for 2013• New policy: 25%-35%

* Proposal to shareholders for the Annual General Meeting on April 4, 2014.

Dividend development & payout ratio 2007-2013




> New policy: 25%-35% dividend payout ratio in the future

Agenda


- 1 Key developments 2013
- 2 Strategy 2016 - progress in 2013
- 3 Financials FY 2013 & excellence in value creation
- 4 Sustainability as success factor**
- 5 Summary & outlook FY 2014

Global trends confirm the Henkel sustainability strategy


Decouple growth from resource consumption

A photograph showing a cityscape with several tall buildings. In the background, a large plume of white smoke or steam rises from an industrial area, partially obscuring the sky and distant mountains.


Global Transparency in “Real Time”

A photograph of an industrial interior, possibly a factory or warehouse, with a high ceiling and structural beams. Overlaid on the right side of the image are three social media icons: Facebook (blue square with white 'f'), YouTube (red and white play button), and Twitter (blue square with white bird).

Increasing regulation

A photograph showing a stack of several white papers on the left. To the right is a computer monitor displaying a data visualization with a green line graph and various numerical data points.

Consumers aware but not willing to compromise

A photograph of a silver car parked at an electric vehicle charging station. A red charging cable is plugged into the car's charging port. The station is a tall, grey, vertical structure.

Strategy 2013: Achieving more with less

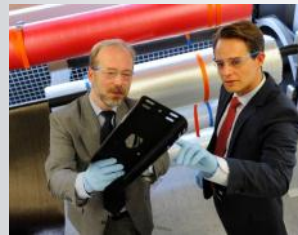
Factor **3**

Triple the value we create for the footprint made by our operations by 2030

Six focal areas:



Three strategic principles:



Products



Partners



People

Measure success

Sustainable product innovations

Laundry & Home Care



Somat Gel Caps

- Less packaging and improved shine, even with short dishwashing programs

Beauty Care



Gliss Kur Daily Oil Elixir

- Fewer raw materials due to concentrated oil-formula while providing high care

Adhesive Technologies



Two step process for auto body surface treatment

- Resource-efficient pre-treatment of bodies with high aluminum content

Cooperation with our customers

Support



Develop



Educate



We develop sustainable solutions together with and for our customers

Our employees as sustainability ambassadors

Become ambassador



Act globally

>1500 Henkel sustainability ambassadors

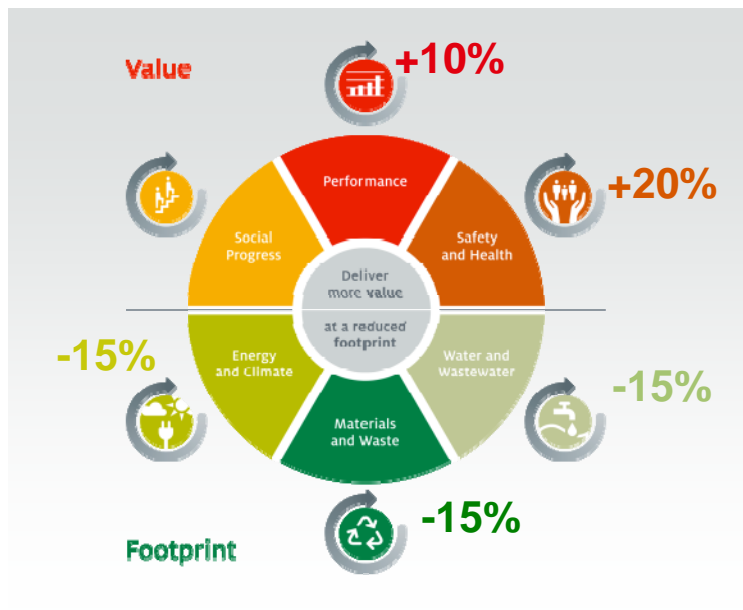
Share knowledge



Employees are important ambassadors and key in implementing our strategy

Our success

Targets



Ratings & Rankings

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

2013 **WORLD'S MOST ETHICAL COMPANIES**
 WWW.ETHISPHERE.COM

ROBECOSAM Sustainability Award Gold Class 2013

Corporate Responsibility **Prime**

rated by **oekom research**

SUSTAINALYTICS

ETHIBEL member of the INVESTMENT REGISTER
 PIONEER & EXCELLENCE

NYSE Euronext vigeo

Global Challenges Index

FTSE4Good

Significant progress and external recognition confirm our success

Agenda

- 1 Key developments 2013
- 2 Strategy 2016 - progress in 2013
- 3 Financials FY 2013 & excellence in value creation
- 4 Sustainability as success factor
- 5 Summary & outlook FY 2014**

Summary 2013

- All financial targets achieved in 2013
- Solid organic sales growth
- Emerging Markets increased to 44% of sales
- Net debt changed to net cash position
- Increase in dividend payout ratio



Successful first step in 2016 strategy execution

Outlook 2014

- Pick-up in GDP growth
- Persisting FX headwind, particularly in the first half 2014
- Sustainable savings from ongoing efficiency measures
- Strong innovation pipeline
- Focused and balanced investment in growth initiatives

Guidance FY 2014

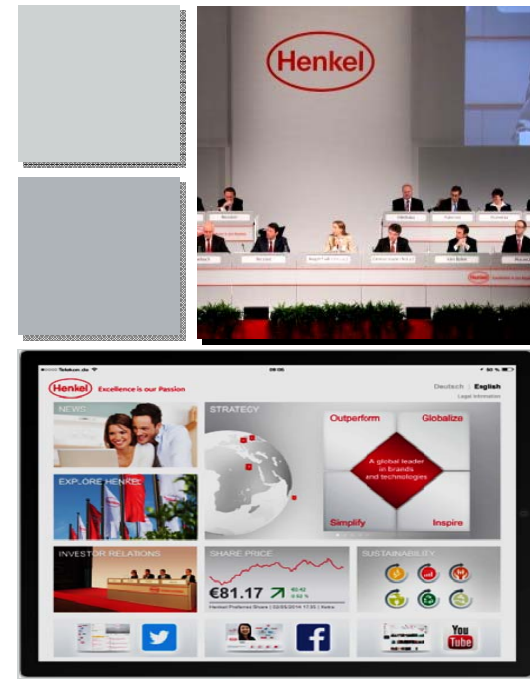
	Guidance FY 2014
Organic Sales Growth <ul style="list-style-type: none"> - Laundry & Home Care - Beauty Care - Adhesive Technologies 	3 - 5% All Business Units 3 - 5%
Emerging Markets sales share	Slight increase
Adjusted EBIT Margin <ul style="list-style-type: none"> - Laundry & Home Care - Beauty Care - Adhesive Technologies 	~15.5% All Business Units contributing
Adjusted EPS Growth	High single-digit



We will continue to adapt our structures to the market

Upcoming events

- April 4th, 2014
Annual General Meeting
- May 7th, 2014
Q1 2014 Financials
- August 12th, 2014
Q2 2014 Financials
- November 11th, 2014
Q3 2014 Financials



Thank You!

