



## Press Release

Düsseldorf, January 2009

**Interview with Hans Van Bylen, Executive Vice President Cosmetics/Toiletries, Henkel AG & Co KGaA**

### **Schwarzkopf – Henkel’s biggest brand drives growth**

111 years ago, Hans Schwarzkopf laid the foundations for a brand name that to this day stands for quality, competence and innovation. The brand enjoys the greatest trust among hairdressers and consumers alike. Its market success is also due to a consistent focus on excellence. Over the past three years, Schwarzkopf has channeled its energies systematically into innovation. In 2008, Henkel’s strongest-selling brand once again set historic market share records, making it Europe’s fastest-growing hair cosmetics brand.

**What, in your opinion, have been the greatest milestones in Schwarzkopf’s 111-year success story?**

**Hans Van Bylen:** In Schwarzkopf’s history there have been three major stages of development: the founding years, the period after its acquisition by Henkel, and the vigorous expansion of the past few years. The basis for the business was created in the founding years through ground-breaking inventions in hair care and styling. The first powder shampoo around 1900 and the first hair spray are just two of many examples. The next stage began in 1995 when Schwarzkopf became part of Henkel. This marked the beginning of systematic brand management in both the retail and the professional hairdressing markets. The salon sector was positioned as Schwarzkopf Professional, and in the retail sector Schwarzkopf became the master brand for hair products such as Taft, Gliss, Schauma and Palette. In recent years we have further expanded Schwarzkopf’s potential by pursuing a vigorous international growth strategy. Outstanding innovations and international product launches have vastly broadened the brand’s scope. Over the past three years, Schwarzkopf has become the fastest-growing hair cosmetics brand in Europe. Since 1995, its sales have more than tripled, from 500 million euros to 1.6 billion euros in 2007. The brand’s strength is reflected in its market share gains. Shining examples of Schwarzkopf’s development are two Schwarzkopf brands, the styling expert Taft and the Palette hair coloring line, which have each achieved European market leadership in their segments.



*A Brand like a Friend*

**Schwarzkopf has developed magnificently in recent years. What are the success factors?**

**Hans Van Bylen:** Schwarzkopf's success is based on 100 years of expertise in the hair business, its consistent emphasis on understanding user needs and wishes, and its innovative strength. Consumers rightly expect top quality and innovation from Schwarzkopf – and we put our heart and soul into fulfilling these expectations everywhere. We have a strong, highly motivated and highly professional international team who are passionate about what they do. This dedication is rewarded by users and has made Schwarzkopf one of the most trusted brands in its markets.

**And how has Schwarzkopf developed internationally?**

**Hans Van Bylen:** Our concerted global expansion drive has played a major role in our success. In the retail market we hold 80 leading positions with hair cosmetics around the world. In Germany, our home market, we have been the uncontested number one for many years. We have expanded our positions in Western Europe, and our hair coloring and styling products have long dominated their markets in Eastern Europe and Russia. Through focused investments in Latin America and Asia-Pacific, we are participating in the market growth on these continents. Schwarzkopf Professional has achieved remarkable growth rates in recent years, evolving into a business with a global presence.

**How important is the Schwarzkopf brand within Henkel as a whole?**

**Hans Van Bylen:** With sales of 1.6 billion euros in 2007, Schwarzkopf is Henkel's largest brand, followed by Loctite (0.9 billion euros) and Persil (0.7 billion euros). Schwarzkopf is also the brand that has grown most strongly over the past 10 years. But the potential of this brand is by no means exhausted. In fact, Schwarzkopf continued to grow in 2008, underscoring its strategic significance to Henkel.

**The brand is present in both the retail and the salon sectors. How does one manage a brand across such different distribution channels?**

**Hans van Bylen:** Schwarzkopf stands for expertise in hair beauty and for values like modernity, high quality and innovation. This makes it the ideal umbrella for the clearly differentiated brand portfolios serving Schwarzkopf's retail and professional businesses. In the salon sector, we offer hairdressers strong, exclusive Schwarzkopf brands such as Igora for hair coloring, Bonacure haircare products, the OSIS styling series, SEAH luxury care, and the very recently launched Essensity brand. In our retail activities, the Schwarzkopf umbrella spans the Palette and Brillance hair coloring lines, Schauma and Gliss haircare products, and styling ranges such as Taft and göt2b. Schwarzkopf also offers outstanding opportunities for synergistic brand strategies. The salon and retail businesses cross-fertilize each other through their knowledge of trends and techniques and derive mutual benefit from their shared dedication to the highest standards of professionalism, empathy with the users of their respective products, and customer focus. Customer focus is a prime example illustrating the different approaches that Schwarzkopf adopts in addressing these two very different distribution channels. With its retail claim "Professional Hair Care for you," Schwarzkopf communicates its conviction to consumers that they deserve only the best. The customer focus for professional hairdressers and stylists is expressed in the claim "Together. A passion for hair." The results of recent years confirm the success of this strategy. The Schwarzkopf brand is recording above-average growth in both the retail and the professional businesses.

### **Do you have plans to expand the Schwarzkopf brand into other segments?**

**Hans Van Bylen:** Schwarzkopf is *the* hair expert par excellence – this is our domain and our passion. We still have a great many ideas for Schwarzkopf that we have not yet put into practice. We will be targeting these “white spots” and grasping the growth opportunities they offer.

### **How do you steer a megabrand like Schwarzkopf through a recession?**

**Hans Van Bylen:** With over 100 years of successful development behind it, Schwarzkopf is such a strong brand that even a recession will not throw it off balance. In fact, the chances are that Schwarzkopf will emerge from an economic slump even stronger than before. When times get difficult, people tend to cut the big expenditures out of their budgets first and treat themselves to small luxuries like a cosmetic product instead. When they do that, they tend to choose the products they trust. We offer high quality products in all price segments and fulfill people’s wishes for reliability and value for money as part of our brand promise. Schwarzkopf has a well-deserved reputation as one of the most trusted brands in the market. We have shown in the past that difficult times do not discourage us, but spur us on to greater efforts. This is why I am optimistic about Schwarzkopf’s future.

### **What is your vision for the future of the Schwarzkopf brand?**

**Hans Van Bylen:** For consumers and professional hairdressers who love hair or want to solve hair problems, I see Schwarzkopf as being the brand of choice for individual beauty all over the world.

You will find photographic images on 111 Years of Schwarzkopf on the Internet at [www.schwarzkopf.com/press](http://www.schwarzkopf.com/press), at [www.henkel.com/press](http://www.henkel.com/press) and on the enclosed photo CD.

For more than 130 years, Henkel has been a leader with brands and technologies that make people's lives easier, better and more beautiful. Henkel's hair cosmetics business which, under the Schwarzkopf brand, enjoys considerable international renown and success, offers exceptional hair competence in two segments: the consumer products business of Schwarzkopf with brands such as Taft, Schauma, Gliss and Brillance, and Schwarzkopf Professional's international hairdresser business. In fiscal 2007, Henkel generated sales of 13,074 million euros and operating profit of 1,344 million euros. Our more than 55,000 employees worldwide are dedicated to fulfilling our corporate claim, "A Brand like a Friend," and ensuring that people in more than 125 countries can trust in brands and technologies from Henkel.

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