



Press release

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Interview with Stefan Strenger, Market Segment Manager Flexible Packaging EMEA

“Flexible packaging market set to grow over the medium term”

For more than 40 years, Henkel has been producing specialty adhesives for the lamination of a broad range of materials used in flexible packaging. In this interview, Stefan Strenger – Market Segment Manager Flexible Packaging EMEA – speaks of the impact of the economic crisis, and of changes and development trends in this sector.

To what extent has the market for flexible packaging been affected by the economic crisis?

Strenger: “The use of flexible packaging has grown significantly over the last few years. By the end of 2008, however, it was apparent that the crisis was also impacting this segment. Nevertheless, it is not nearly as heavily affected as many other industrial sectors. Although there is no current consensus as to how the future is likely to pan out, I reckon that this year we are looking at a decrease in demand of around 5 to 10 percent with the premium sector really feeling the pinch. Added to this is the fact that the growth engines of Central and Eastern Europe are currently running at a substantially reduced rpm. But in my opinion this is just a short-term phenomenon. Over the medium term, the market for flexible packaging is clearly set for further growth. And we expect to already begin seeing a revival in demand by the end of the year.”

What makes flexible packaging so popular?

Strenger: “The advantages of this technology are obvious: flexible packaging offers a maximum in functionality coupled with low material costs and a low weight. Compared to cans, for example, modern stand-up pouches are not only cheaper to

manufacture, they also reduce storage and transportation costs. And naturally, that exerts a further positive effect on the carbon footprint of this type of packaging. From the point of view of its consumer profile, the popularity of flexible packaging is also due to some extent to the growing number of single and senior households, with a concomitant trend toward single and small-portion packs. This grouping is making more and more use of convenience products for which flexible packaging constitutes the ideal solution. And last but not least, with this technology it is possible to offer a wide range of packaging designs with huge differentiation possibilities and functional attributes. A current example is those weld-in valves incorporated in drink packs which have become so popular with consumers."

How have the expectations of packaging manufacturers changed with respect to their suppliers?

Strenger: "Particularly in times of crisis it is apparent how important supplier flexibility can be. Many packaging manufacturers have recently optimized their days of inventory and, as a consequence, reduced their raw material and finished goods stocking levels. For a supplier of packaging adhesives, this means that customers have to be provided with the materials they need at short notice, with speed and with the utmost reliability. Financially secure companies also have a certain advantage over their less stable peers, of course. In addition, it is becoming ever more important to offer the single-source supply of a variety of adhesive-based solutions for differing flexible packaging applications. Henkel is able to deliver the full range of laminating adhesives and allied products – from contact and heat-sealing lacquers, and hotmelts for resealing, to primers, coatings and cleaners. And recently, of course, this comprehensive portfolio has been further strengthened through the acquisition of National Starch."

The issue of sustainability has become very important in the packaging industry. What contribution do modern laminating adhesives make within this context?

Strenger: "The development of modern, sustainable adhesive systems has become a major factor for success throughout the packaging market. For example, demand is constantly growing for adhesives which, at least in part, are based on renewable raw materials. There is also an increasing trend toward solvent-free two-pack bonding technologies. But food safety is also a key factor. The food industry is a major user of flexible packaging. Nowadays it places high safety demands on its suppliers in order to reliably eliminate any danger of the food product being contaminated by substances leached from the packaging material. Modern laminating adhesives, such as our fourth-generation Liofol range, are blazing a trail here, especially with their exceptionally short curing times."

Further material is available at <http://www.henkel.com/press>

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 operates in three business areas – Home Care, Personal Care, and Adhesive Technologies – and is ranked among the Fortune Global 500 companies. More than 60 percent of Henkel's sales are in consumer goods, while the industrial business accounts for almost 40 percent of the company's total sales. In fiscal 2008, Henkel generated sales of 14 131 million euros and an adjusted operating profit of 1460 million euros. More than 52 000 employees worldwide are dedicated to fulfilling Henkel's 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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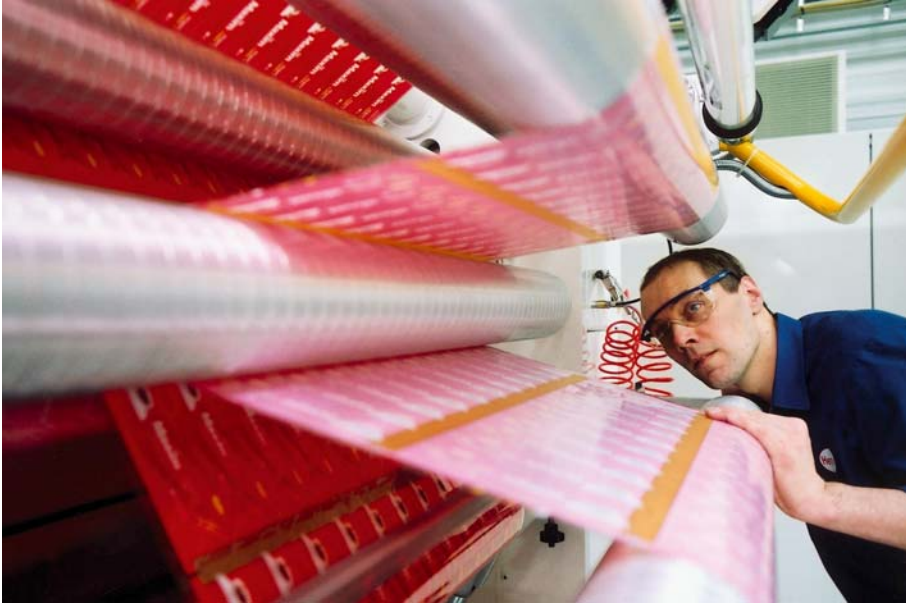
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Following images are available:



Stefan Strenger, Market Segment Manager Flexible Packaging EMEA at Henkel.



Producer of flexible packaging can count on increased growth rate in the future.