



Investor Relations News

Düsseldorf, August 6, 2007

Agreement reached on transaction value

Henkel takes further step towards acquisition of National Starch businesses

Henkel has reached an agreement with Akzo Nobel on the value of a back-to-back transaction. The transaction envisages that Henkel will acquire the adhesives and electronic materials businesses of National Starch, a subsidiary company of ICI. The agreed transaction value is 2.7 billion GBP (close to 4 billion euros). The signing of the back-to-back agreement is still subject to the approval of the Henkel Shareholders' Committee. The transaction is conditional on the successful completion of the takeover of ICI by Akzo Nobel.

“With this agreement, we have taken a major step towards the successful conclusion of the planned acquisition. We consider the agreed transaction value to be a fair price, since the new businesses offer exceptional complementarity with our portfolio,” says Ulrich Lehner, Chairman of the Management Board of Henkel. “Moreover, we expect significant synergies and a substantial improvement of our growth and profit prospects to arise from the planned combination.”



Düsseldorf – Henkel KGaA and Akzo Nobel N.V., Arnhem, The Netherlands, have reached an agreement on the value of a back-to-back transaction on August 6, 2007. The transaction envisages that Henkel will acquire the adhesives and electronic materials businesses of National Starch and Chemical Company, Bridgewater, N.J., USA, a subsidiary company of ICI plc, London, UK. The transaction value of these businesses is 2.7 billion GBP (close to 4 billion euros). Signing of the agreement on the back-to-back transaction is still pending. It is intended to execute the agreement, which is still subject to the approval of the Henkel Shareholders' Committee, immediately prior to the announcement of a formal offer by Akzo Nobel for ICI. The transaction is conditional on the successful completion of the takeover of ICI by Akzo Nobel.

With this acquisition, Henkel would strengthen its existing leading position in the global adhesives market, particularly in the industrial business. The National Starch businesses to be acquired realized sales of about 1.26 billion GBP (about 1.85 billion euros) in 2006 and would increase sales of the Adhesives Technologies business sector to approximately 7.3 billion euros - around half the total sales of Henkel.

Strategic fit

The businesses to be acquired from National Starch offer high complementarity with the existing Henkel portfolio of the Adhesives Technologies business sector. This applies with regard to the exceptional geographical and technological as well as market segment complementarity of the respective businesses.

Significant synergies

Henkel expects significant synergies to arise from this combination of 240 to 260 million euros per year. The main portion would be derived from cost synergies. Due to the complementary businesses, Henkel also expects revenue synergies. Henkel anticipates that, following the closing of the acquisition and adjusted for restructuring costs, the transaction will be earnings accretive in the first year.

Solid financing structure

To finance the acquisition, Henkel is considering a combination of debt and/or equity capital and/or the possible divestiture of non-core assets. It is Henkel's declared aim to retain a rating in the "A" category. The planned acquisition will improve Henkel's cash flow position enabling a rapid reduction of debt despite the associated restructuring costs.

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 Adhesives Technologies – and ranks among the Fortune Global 500 companies. In fiscal 2006, Henkel generated sales of 12.740 billion euros and operating profit of 1,298 million euros. Our 52,000 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.

This document contains forward-looking statements which are based on the current estimates and assumptions made by the corporate management of Henkel 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 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.

Under the provisions of Rule 8.3 of the Takeover Code (the "Code"), if any person is, or becomes, "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of ICI, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of ICI, they will be deemed to be a single person for the purposes of Rule 8.3 of the Code.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of ICI by Akzo Nobel or ICI, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8 of the Code, you should consult the Panel.

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