

**Statement by Ulrich Lehner,
Chairman of the Management Board of Henkel KGaA, at the
Analyst Conference for Fiscal 2007 on February 27, 2008**

- Check against delivery –

Ladies and Gentlemen:

Welcome to our analyst and investor meeting for fiscal 2007, coinciding with the publication of our results for the 2007 financial year.

Before I give you an overview of Henkel's performance during the past year, I would like to address two current topics. You have learned that we have decided the basics of a program designed both to enhance our efficiency and to optimize our processes and structures.

We have taken this decision against the background of changing market conditions, especially with regard to ever stronger competition and increasing cost pressure. This way, we prepare for oncoming developments and ensure the future viability of our company from a position of strength.

The program, which will be initiated on a worldwide level, is to define projects in all business sectors, regions and functions with the aim to sustainably strengthen both Henkel's profitability and long-term competitiveness.

The initiative, with a volume of about 500 million euros, is designed to generate annual savings of around 150 million euros from 2011. Based on experience from similar programs carried through in the past, these measures could result in the reduction of about 3,000 jobs.

We are fully aware of the particular responsibility entailed especially with this part of the considerations. The program is not about mere reduction of costs, but about an investment in processes and structures with future viability to which we are committed due to our corporate responsibility. As in the past, and in accordance with our tradition and values, possible job reductions will be carried out in a socially responsible manner.

We will finalize the details of the program following the development of single project ideas and the subsequent discussions with both the works councils and the employees likely to be affected.

Another topic that I would like to address is our intention to either fully or partly divest our stake in Ecolab. We have decided to start a corresponding process. This decision must be seen in connection with the financing of the planned acquisition of the National Starch businesses. No final decision has been taken at this time as to the size, the timing and the method of any such divestiture, which would be carried out in accordance with the Stockholder's Agreement between Henkel and Ecolab.

We will keep you informed on the next relevant steps of this process.

Ladies and Gentlemen, I will now give you an overview of Henkel's performance during the past year, going into a little more detail with respect to certain important financials. Next, I will address some specific topics along with an outlook of what we expect to see developing in fiscal 2008. My colleague Lothar Steinebach will then give you a more detailed presentation of our financial performance.

Wolfgang Gawrisch, our Chief Technology Officer, will later be giving a presentation outlining our leading role in the field of sustainability. Afterwards, we will give you the opportunity to discuss with us our 2007 financials and our expectations for full fiscal 2008.

Let's start with a review of the year just passed, the 131st in Henkel's history.

Ladies and gentlemen, we were again able to continue our good development in fiscal 2007. We were encouraged by our organic sales growth and further increase in profits.

The details are as follows:

Sales increased by 2.6 percent to 13.07 billion euros.

In organic terms, total sales, adjusted for foreign exchange, acquisitions and divestments, rose by 5.8 percent, with all our business sectors and regions making a contribution. We were again pleased with the development of our growth regions Eastern Europe, Africa, Middle East, Latin America and Asia-Pacific.

We increased operating profit – EBIT – by 46 million euros to 1,344 million euros, an improvement of 3.5 percent. And again, all our business sectors contributed to this growth in earnings. After adjusting for foreign exchange, the rise was 5.8 percent.

Net earnings rose from 871 to 941 million euros. Earnings per preferred share increased from 1 euro 99 cents to 2 euros 14 cents.

In view of this strong performance, we will propose to the Annual General Meeting on April 14 that it approve a dividend increase of 3 cents per share. That means a dividend payout of 53 cents per preferred share and 51 cents per ordinary share.

I would now like to address some other topics that are of particular importance to us.

Henkel today is already one of the world's most internationally aligned companies. Our world of customers encompasses more than 125 countries in which retailers, distributors and industry all trust in our brands and technologies. Being internationally active also means recruiting our employees and top management personnel from within the international recruitment marketplace. Within this context, the structure of our company – where at least one person from the Management Board has to bear an unlimited liability for the full debt burden of the company – must be regarded as outdated.

Therefore, we intend to establish a joint stock corporation, Henkel Management AG, which will function as our personally liable partner. This will have no effect either on the identity of our company or the rights of the Supervisory Board, the Shareholders' Committee or our shareholders themselves. The only thing that will change will be our name. In future we will be known as "Henkel AG & Co KGaA" instead of "Henkel KGaA".

A further advantage of appointing a joint stock entity as the personally liable partner lies in the permanency of its existence. In future, there will no longer be any risk that, due to unforeseen circumstances, the company might suddenly find itself without a personally liable partner.

The changes to the Articles of Association associated with this measure will be presented to this year's Annual General Meeting for approval.

Fiscal 2007 was once again characterized by our innovations. We will continue our innovation offensive, successfully begun in 2006, through 2008. Our goal is to become the innovation leader in all our markets.

In 2007, the initiative focused on simplifying, aligning and optimizing the processes that had been instituted, enabling us to select and pursue the best innovation projects from the large number of ideas submitted. To achieve this goal, we established the so-called "Henkel Inno Gate" process. Through it we have succeeded in making our innovation projects more transparent across the company, enabling them to be more systematically analyzed and effectively prioritized. This year, the emphasis will be on further increasing the quality of our innovations. To this end, we also intend to intensify our external collaboration activities in the firm belief that our developmental future lies in project-based cooperation. The guiding principle is to acquire knowledge from whatever sources come to light.

The success of our efforts in this area is demonstrated by the fact that today our share of sales from products that have been in the market for less than three years already exceeds our initial target of 30 percent.

Innovation prowess and sustainable development together are also key to the future viability of Henkel. Consequently, we are continually scrutinizing our processes to ensure they satisfy the sustainability criterion.

In order to be able to meet our own exacting ambitions, we need to ensure the success of our company going forward. For only healthy businesses have a future, are able to employ people and can meet their social responsibilities. Hence we will again be aiming to further improve our financial performance in 2008.

We expect the planned acquisition of the Adhesives and Electronic Materials businesses from National Starch to make a major contribution to this improvement.

Following the approval of the North American antitrust authorities, we also received the consent of the European cartel authorities on February 15, 2008, taking us a further step toward a successful closing of this transaction. We envisage completing the takeover as planned, at the beginning of April.

We will be doing everything in our power to combine these excellent businesses, with their outstanding employees and products, quickly and smoothly with our organization.

Back in August last year, we agreed with Akzo Nobel on a purchase price of 2.7 billion pounds sterling for the National Starch businesses. This is equivalent to around 4 billion euros.

We intend to initially finance the purchase with a bridging loan, the conditions of which were negotiated with a syndicate of banks in December 2007.

Ladies and gentlemen, I would now like to review our outlook for 2008.

Overall, we intend to continue to achieve profitable growth as we move forward, which means increases in operating profit – EBIT – and earnings per preferred share – EPS – in excess of sales growth.

For 2008, this means:

We expect to achieve organic sales growth – after adjusting for foreign exchange and acquisitions/divestments – of 3 to 4 percent.

We expect an increase in operating profit – adjusted for foreign exchange – in excess of organic sales growth.

We likewise expect an increase in earnings per preferred share in excess of organic sales growth.

This guidance does not take into account the effects of our planned acquisition of the Adhesives and Electronic Materials businesses of National Starch.

We anticipate today that we will be able to concretize in early May both the effects of this acquisition and the influence of the two afore-mentioned current topics on our outlook.

Let me now summarize what I have presented:

2007 was another successful year for Henkel. Thanks to strong organic growth, we were able to further increase both sales and profits as well as further expand our presence in the major growth regions of the world. We achieved all this in what was often a difficult market environment, due not least to both increasingly stronger competition and increasing cost pressure.

These positive developments re-affirm our strategy of striving to attain the position of innovation leader in all our markets while remaining true to the concept of sustainable development – a core component of our corporate philosophy – right along the value chain.

We have also made important preparations for our future. The planned acquisition of the National Starch businesses will substantially strengthen our portfolio.

Together with the announced efficiency enhancements measures, this move will significantly improve our competitive position as well as our prospects for growth and earnings.

Plus, the change I have described to you with respect to our corporate structure will extend the scope of our flexibility and further strengthen our competitiveness in the search for managerial talent.

Even if we do not expect to achieve our target EBIT margin of 12% in 2008, we have established an excellent platform for further profitable growth through the measures I have described. We are therefore optimistic as we look ahead, and I am confident we will exceed the 12% mark in the near future.

And with that, I would now like to hand over the platform to Lothar Steinebach who will describe for you in more detail the financial facts and figures relating to fiscal 2007.

This information 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.