



Investor Relations News

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Adhesives business significantly strengthened

Henkel closes acquisition of National Starch businesses

Henkel has taken over from Akzo Nobel the Adhesives and Electronic Materials businesses previously owned by National Starch. “This acquisition represents a milestone in our 130-plus-year corporate history and points Henkel clearly in the direction of further profitable growth,” said Ulrich Lehner, Chairman of the Management Board of Henkel KGaA. The acquisition was preceded by the carve-out of the businesses to be acquired by Henkel and the requisite antitrust and anticompetitive investigations by the relevant authorities.

In 2007, these two business segments of National Starch generated sales of 1.25 billion GBP (about 1.83 billion euros). The purchase price was 2.7 billion GBP (about 3.7 billion euros). Following the integration, annualized sales of Henkel’s Adhesives Technologies business sector will increase to about 7.5 billion euros. Henkel expects synergies from the acquisition of 240 to 260 million euros per year and anticipates it will realize the full synergy potential from 2011 on.

“We will do everything in our power to integrate this excellent company with its outstanding employees and products quickly and smoothly”, added Ulrich Lehner.



Henkel will provide an update on the integration process in connection with the publication of the Q1 figures on May 7, 2008.

Market position strengthened

By acquiring the Adhesives and Electronic Materials businesses of National Starch, Henkel substantially further strengthens its leading position in the global adhesives markets, particularly in the industrial segment. The businesses of National Starch and the existing Henkel Adhesives Technologies portfolio excellently complement each other.

Within Henkel's Adhesives Technologies business sector, the acquisition will have a particular impact on the packaging and wood adhesives businesses, as well as on the electronics business. Henkel, for example, has very good market positions in the laminating adhesives segment used in the manufacture of flexible packaging for food products, while National Starch is a leader in pressure-sensitive adhesives. As a result of the merger, these technologies will be accessible to a larger number of customers, while new areas of application are expected to be developed. In the electronics field, National Starch offers a specialty adhesive with which electronic chips can be bonded on – for example – credit cards, while Henkel markets solutions for the protection of these sensitive chips against damaging environmental influences such as heat or sun radiation. The combination of the two businesses now enables customers to source both solutions from a single supplier.

Henkel also sees a significant strengthening of its regional market positions. The share of sales accounted for by the Asia-Pacific region will, with the acquisition of the National Starch businesses, increase from 8 percent to around 12 percent, and the share of sales of the adhesives business per se in this region will actually double due to the already strong position of both companies. At the same time, the strong market position enjoyed by Henkel in Europe, particularly in the growth region of Eastern Europe, can be leveraged to accelerate expansion by enabling brands and technologies from National Starch to be marketed via the Henkel sales and distribution network already established in this region.

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 2007, Henkel generated sales of 13,074 million euros and operating profit of 1,344 million euros. Our 53,000 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 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.

Contact:

Oliver Luckenbach

☎ +49-2 11-7 97 16 31

Fax: +49-2 11-7 98 28 63

oliver.luckenbach@henkel.com

Sabine Katterbach

☎ +49-2 11-7 97 36 09

Fax: +49-2 11-7 98 136 09

sabine.katterbach@henkel.com

Tim Lange

☎ +49-2 11-7 97 15 10

Fax: +49-2 11-7 98 115 10

tim.lange@henkel.com

Andrea Haschke

☎ +49-2 11-7 97 21 66

Fax: +49-2 11-7 98 121 66

andrea.haschke@henkel.com

Maria Dominguez Parra

☎ +49-2 11-7 97 72 78

Fax: +49-2 11-7 98 172 78

maria.dominguezparra@henkel.com

Ines Göldner

☎ +49-2 11-7 97 39 37

Fax: +49-2 11-7 98 127 77

ines.goeldner@henkel.com