

**Statement by Kasper Rorsted
Chairman of the Management Board
Conference-Call
November 9, 2011, 10.30 a.m.**

Ladies and Gentlemen:

Welcome to our Q3 conference call.

You will no doubt have taken the details of Henkel's third quarter performance from our press release and quarterly report, both of which were made public this morning.

Therefore, I would like to concentrate briefly on the most important developments characterizing the third quarter and then talk about our expectations for the full fiscal year. Following that, our Chief Financial Officer, Lothar Steinebach, and I will be happy to answer your questions.

Ladies and Gentlemen,

World economic growth slackened in the third quarter of 2011. While global GDP was rising by more than 3 percent at the beginning of the year, the growth rates now have fallen below the 3 percent mark.

In Europe, economic development proceeded at varying speeds, with Germany maintaining its special positive position. The US economy grew only slightly, while GDP in the growth markets continued to expand apace.

Again in the third quarter of 2011, the main momentum for growth in the world economy emanated from the industrial sector. By comparison, private consumption remained rather sluggish overall.

The third quarter of 2011 was again characterized by a high degree of political and economic uncertainty. Political unrest in the Middle East continued to adversely affect economic development in the region.

As a consequence of the terrible natural disaster and the nuclear accident, the economic situation in Japan is still difficult.

Persistently high risks such as the debt crisis in Europe and North America adversely affected economic development and reinforced uncertainties with respect to the future development of the world economy.

Raw material prices persisted at a high level while the intensity of competition in the consumer goods markets was undiminished.

While the current underlying economic conditions are challenging, the present situation does not compare with the crisis of 2008. At that time we had a global recession. Today, most forecasts predict further growth, even if the economic development will slow down this year and the next.

Today, Henkel is significantly better positioned and we can therefore also deal more effectively with difficult macro-economic conditions.

This is confirmed by the positive development in the third quarter of 2011, all the more if one considers the outlined economic environment.

As in previous quarters, Henkel continued its good performance in Q3. Again, we achieved organic sales growth of more than 6 percent, once more exceeding that of our relevant markets, with all our business sectors contributing.

With ongoing double-digit sales expansion in the growth markets, the share of sales accounted for by our growth regions increased by one percentage point to 43 percent.

Despite the influence of further rising raw material prices, we managed to improve the profitability of all our business sectors. For the first time, each business sector succeeded in posting an adjusted EBIT margin of 14 percent or more.

In addition to the increase in our prices, implemented on the back of our strong brands and innovations in all our business sectors, a growth in sales volumes also contributed to this good result.

Our ongoing measures to enhance efficiency and flexibility likewise made a contribution to our positive performance. We continue to adapt our structures to the requirements of our markets and are driving forward the standardization of our processes. Added to this, we are determined to maintain our strict cost discipline.

One particular focal point of our activities has been the further expansion of our central services with the purpose of simplifying our work processes and making them more transparent. We have pooled in our Shared Service Centers standardized processes from our corporate units Finance, Procurement and Human Resources, and have now also included those from our operating business sectors.

In addition to the existing Shared Service Centers in Bratislava and Manila, we have now opened a third center in Mexico serving the Latin America region. By the end of 2011, the number of employees in these central services will increase to around 1,100.

I would now like to turn specifically to the numbers characterizing our third quarter of 2011.

Henkel's sales rose by 1.7 percent to just above 4 billion euros. Organically, that is to say after adjusting for foreign exchange, acquisitions and divestments, sales again increased significantly with a plus of 6.5 percent, with all three business sectors gaining market share in their relevant markets. This is a notable success – especially in light of the difficult market conditions – confirming that we are on the right way.

Adjusted operating profit – i.e. our EBIT figure after allowing for one-time charges, one-time gains and also restructuring charges – rose by 4.7 percent to 541 million euros.

Adjusted return on sales rose 0.4 percentage points to 13.4 percent, with all our business sectors contributing.

Operating profit came in at 451 million euros, following 501 million euros in the same quarter last year. The cause for the decrease lies in higher restructuring charges compared to the prior-year quarter.

Adjusted net earnings for the quarter increased by 5.1 percent to 373 million euros.

Adjusted earnings per preferred share rose from 80 eurocents to 85 eurocents, representing an increase of 6.3 percent.

Our net debt as of the end of the third quarter amounted to around 1.86 billion euros, some half a billion euros below the level as of year-end 2010. For the first time since the acquisition of the National Starch businesses, moreover, this takes us below the 2 billion euro mark, underlining our financial strength.

Another topic which, for decades, has been of major importance to Henkel is that of sustainability. We achieved our 2012 targets in this domain already back in 2010.

That gave us good reason to turn our attention to further developing our long-term sustainability strategy with the formulation of a new set of targets, our aim being to further extend our already leading position in this field.

At the center of our strategy lies the aspiration of “achieving more with less”. Over the next 20 years, we intend to triple our economic value in relation to the carbon footprint left by our business processes, products and services. And we have dubbed this target of becoming three times more efficient “Factor 3”.

I look forward to reporting to you our progress on this front in the future.

Ladies and Gentlemen:

This brings me to our outlook for full fiscal 2011.

The economic environment remains challenging. In addition to intense competition and high raw material prices, the debt crisis in the euro zone is bringing additional uncertainty into the markets.

The latest developments once again clearly indicate how quickly and unexpectedly the trading conditions underlying our markets can change. It appears that increasing volatility in our markets is increasingly becoming the norm.

Against this background, it is as important as ever that we keep all our options open so that we can respond flexibly to the economic developments encountered in our markets. We want to steadily further improve our competitiveness by developing our existing structures and work processes, driving innovation and generally becoming more efficient and faster in all that we do.

Our guidance for full fiscal 2011 is based on the assumption that the world economy will have grown by something close to 3 percent by the end of the year.

Following the first three quarters of 2011, we are confident that Henkel will once again outperform its relevant markets in the full fiscal year.

We have slightly raised our outlook for organic sales growth. We now expect organic sales growth for the full fiscal year to be between 5 and 6 percent. Previously, we expected the increase to be around 5 percent.

We confirm our previous guidance with respect to return on sales and earnings per share.

We expect adjusted return on sales to increase to around 13 percent, and we expect to increase adjusted earnings per preferred share by around 10 percent.

Ladies and gentlemen,

We remain firmly focused on our strategic priorities and are confident of being able to achieve our 2012 targets.

Thank you

Lothar Steinebach and I are now ready to take your questions.

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