

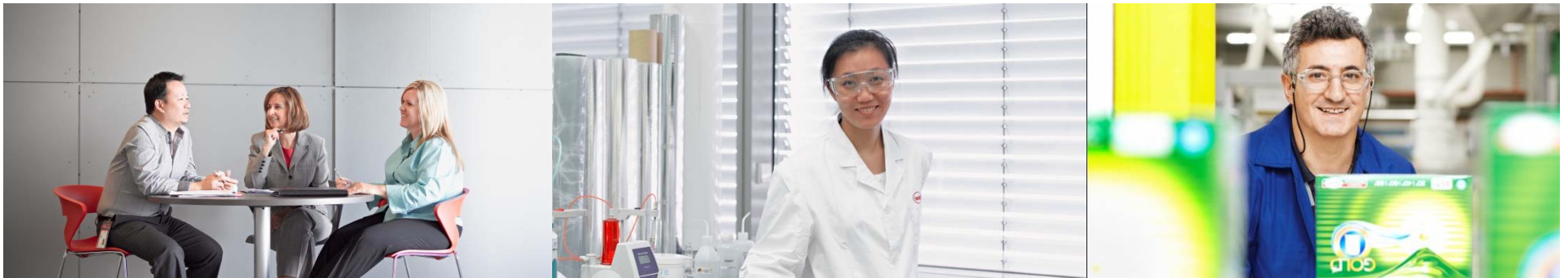
Q3/2011

Analyst & Investor Conference Call

Kasper Rorsted, CEO

Dr. Lothar Steinebach, CFO

Duesseldorf, November 9, 2011



Excellence is our Passion

Disclaimer

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and results actually achieved by Henkel AG & Co. 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.

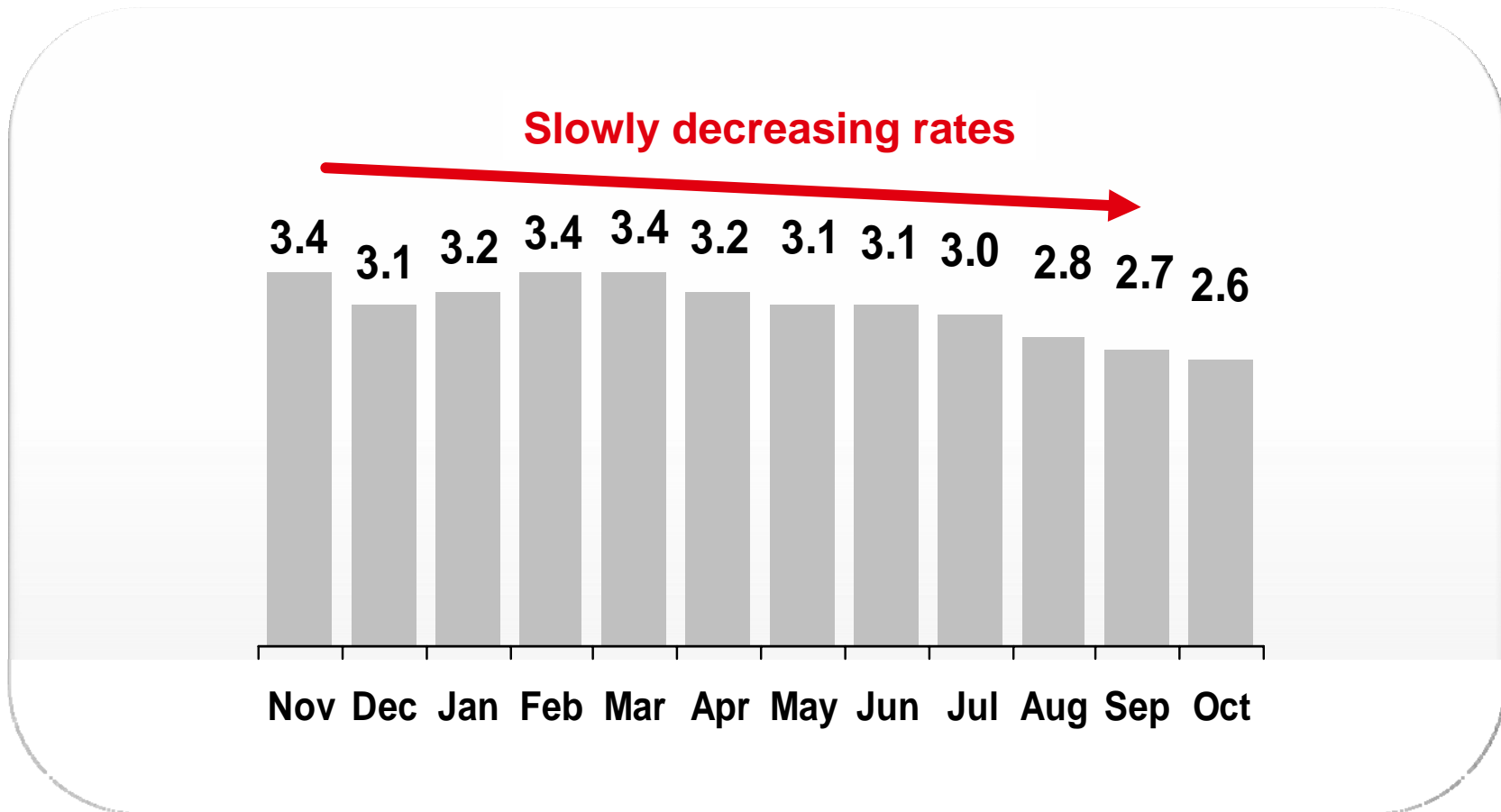
Agenda

- 1. Market Environment and Highlights Q3/2011**
2. Financials Q3/2011
3. Outlook FY 2011

Market Environment Q3/2011

- **Global economic growth** dynamics slowing down
 - **Europe** with mixed growth
 - **US**-economy only slightly growing
 - **Emerging Markets** with strong growth, **MENA** politically instable
- Still considerable expansion of **industrial** sector
- **Private consumption** on **moderate** level
- **Commodity prices** still on high level

Global GDP-Growth-Projection for 2011



Highlights Q3/2011

Henkel



- **Strong organic sales growth**
- All businesses above **14% adj. EBIT margin**
- Double digit growth in **Emerging Markets**
- **Market share gains** in all relevant markets



- Declining **gross margin**
- **Raw material prices** still on high level
- **Electronic Adhesives** slightly below previous year level

Highlights Q3/2011

Laundry & Home Care

- **Positive organic sales growth** based on price increases
- **Emerging Markets** with **high single digit** organic sales growth
- Further **market share gains**
- Gross margin **negatively impacted** by **raw material** prices
- **Adj. EBIT margin** further increased
- **Innovation rate ~40%**

› **Enhanced performance in a highly competitive environment**

Persil

Purex

Dixan

Highlights Q3/2011

Cosmetics/Toiletries

- **Strong organic sales growth** based on volume increases
- **All regions growing; Emerging Markets with double digit** organic sales growth
- **Further market share gains**
- **Gross margin negatively impacted** by **raw material** prices
- **Adj. EBIT margin** further increased
- **Innovation rate >40%**

› Strong performance in a highly competitive environment



syoss

Highlights Q3/2011

Adhesive Technologies

- **Very strong organic sales growth** based on price and volume
- **All regions growing; Emerging Markets** main growth driver, **Mature Markets** also strong
- **Further market share gains**
- **Gross margin negatively impacted** by **raw material** prices
- **Adj. EBIT margin** further increased
- **Innovation rate >25%**

› **Strong profitable growth path sustained**

LOCTITE

Teroson

technomelt

Key Financials Q3/2011

	Q3/2010	Q3/2011	Change
Sales (m€) (OSG in %)	3,961	4,028	+ 1.7% (+ 6.5%)
Adjusted Gross Margin (%)	47.0	45.7	- 130bp
Adjusted EBIT (m€)	517	541	+ 4.7%
Adjusted EBIT margin (%)	13.0	13.4	+ 40bp
Adj. EPS per pref. share	0.80	0.85	+ 6.3%
NWC / sales (%)	7.8	8.0	+ 20bp
Net Debt (m€)	2,804	1,859	- 33.7%

› Solid performance in a challenging environment

Clear Strategic Direction

Committed to 2012 Targets



> Continuous adaptation of structures to market

Shared Services



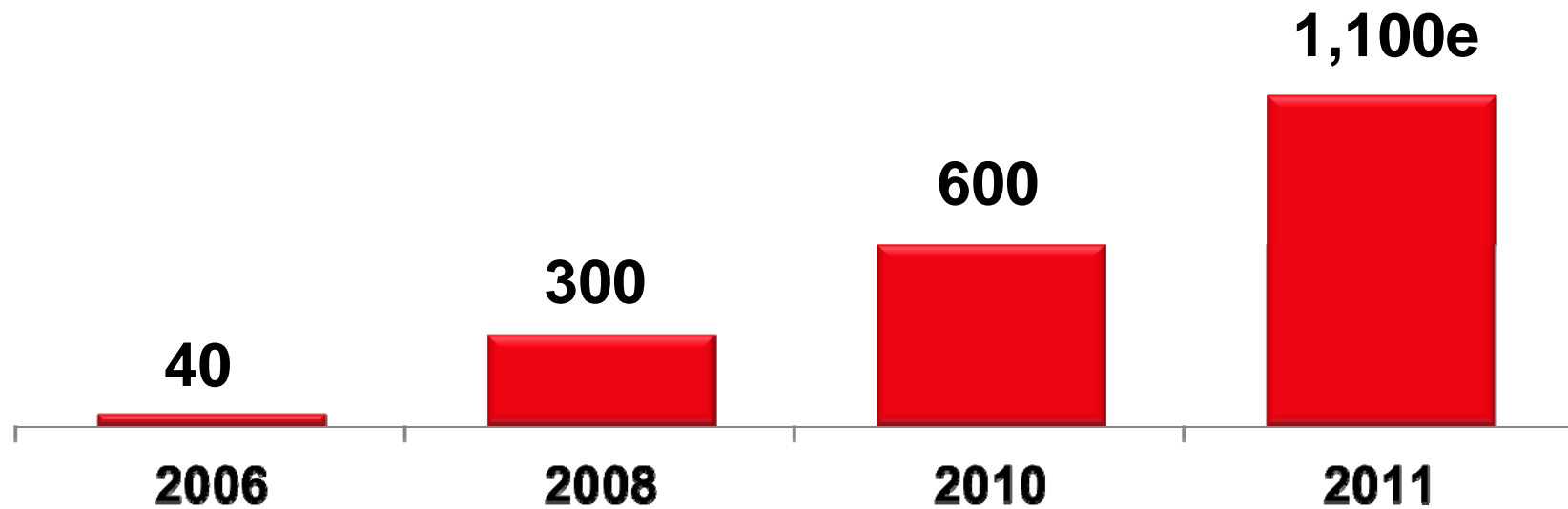
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Manila: 450



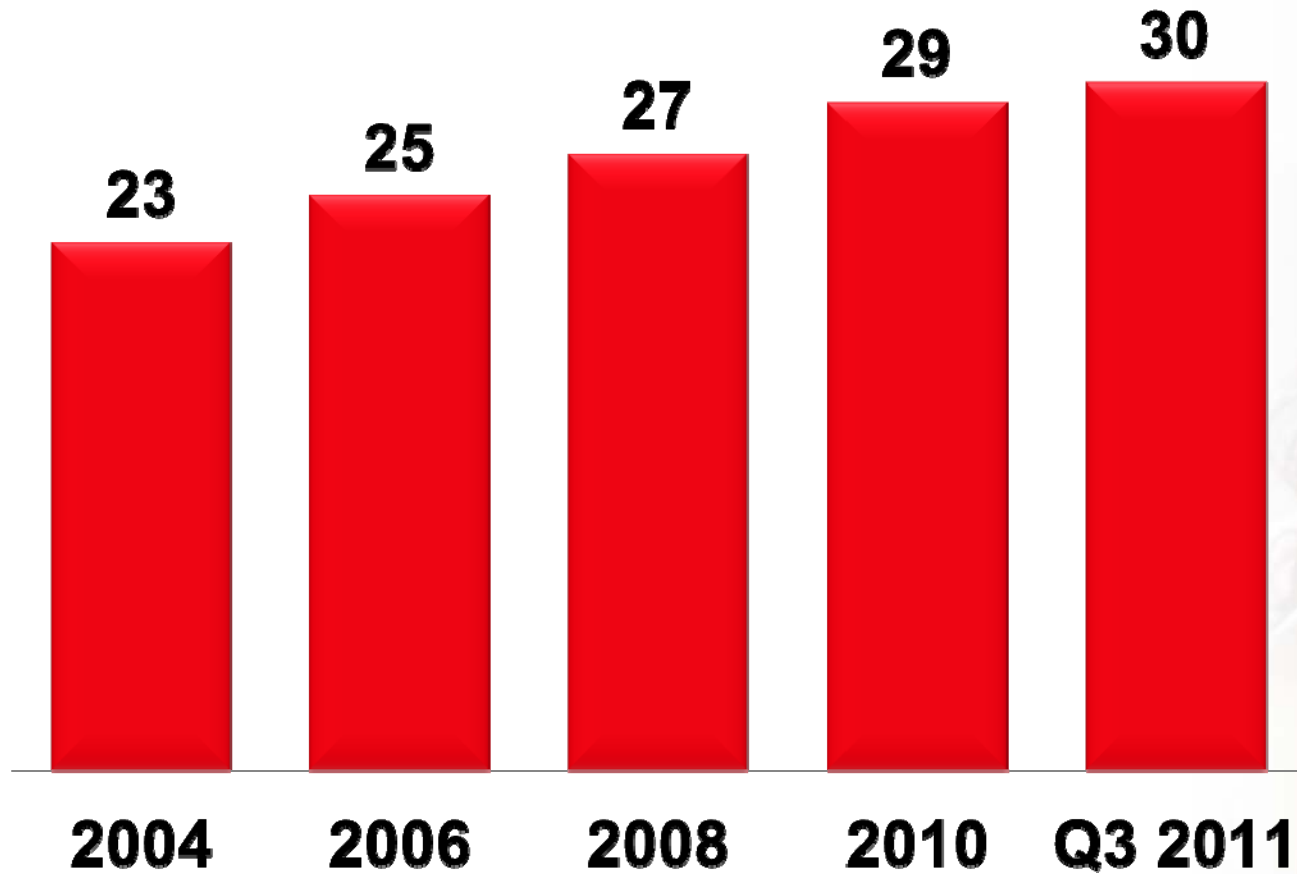
Mexico: 100



> Further projects already under implementation

Share of Women in Management Increased

In %



Kathrin Menges Appointed to the Management Board



- Executive Vice President **Human Resources**
- More than **20 years of experience** in Human Resources
- As in recent Board appointments, **promoted from within** the company

Sustainability Targets 2012 Already Achieved in 2010



Sustainability Strategy 2030

Achieving more with less:

Our 20-year goal

- Become three times more efficient – **Factor 3**
- Triple the value we create for the footprint made by our operations, products and services.



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Sales Growth by Business Sector

Q3/2011 vs. Q3/2010

in %		FX		Thereof
	Total	Impact	Organic	Price/ Volume*
Laundry & Home Care	-1.2	-4.0	3.8	3.8 / 0.0*
Cosmetics/Toiletries	1.9	-3.1	5.6	-0.7 / 6.3*
Adhesive Technologies	3.9	-4.6	8.7	6.2 / 2.5*
Total Henkel	1.7	-4.0	6.5	4.0 / 2.5*

* includes new product launches

Sales Growth by Business Sector

Q3/2011 vs. Q3/2010

in %	Total	FX Impact	Organic	Thereof Price/Volume*
Laundry & Home Care	-1.2	-4.0	3.8	3.8 / 0.0*
Cosmetics/Toiletries	1.9	-3.1	5.6	-0.7 / 6.3*
Adhesive Technologies	3.9		8.7	6.2 / 2.5*
Total H&P	6.5		6.5	4.0 / 2.5*

- Positive effect from own price increases
- Market share gains in a difficult market environment

* includes new product launches

Sales Growth by Business Sector

Q3/2011 vs. Q3/2010

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Laundry & Home Care	-1.2	-4.0	3.8	3.8 / 0.0*
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Adhesive Technologies	3.9	-4.6	8.7	6.2 / 2.5*
Total Henkel	6.5	-4.6	6.5	4.0 / 2.5*

- Negative pricing overcompensated by strongly increased volumes
- Market share gains in a difficult market environment

* includes new product launches



Sales Growth by Business Sector

Q3/2011 vs. Q3/2010

in %	Total	FX Impact	Organic	Thereof Price/Volume*
Laundry & Home Care	-1.2	-4.0	3.8	3.8 / 0.0*
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Total Henkel	1.7	-4.0	6.5	4.0 / 2.5*

- Packaging, Consumer Goods and Construction Adhesives with strongest performance
- Continued positive pricing trend

* includes new product launches



Sales Growth by Business Sector

Q3/2011 vs. Q3/2010

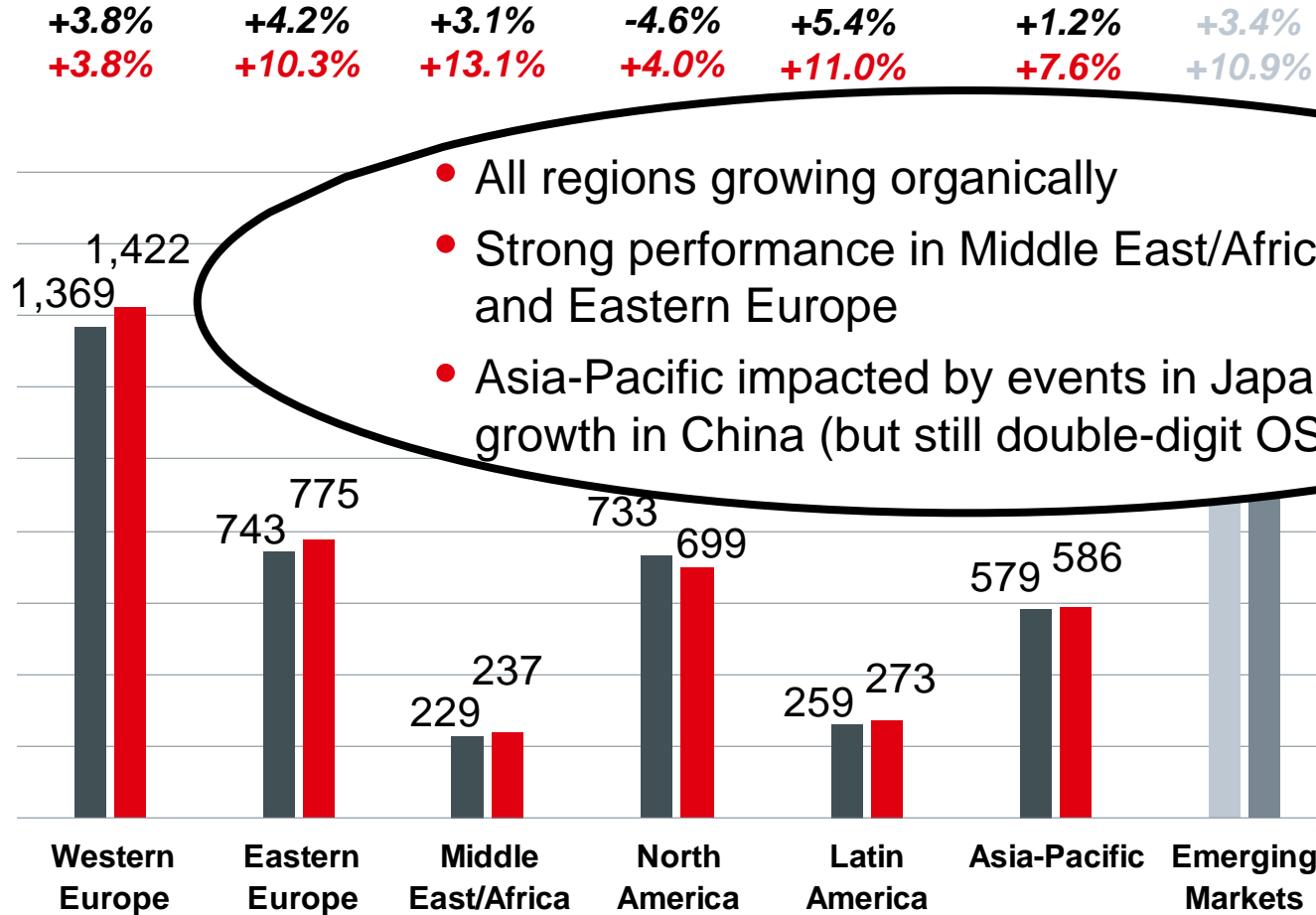
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Total Henkel	1.7	-4.0	6.5	4.0 / 2.5*

- Negative FX impact mainly from US-Dollar, Turkish Lira, Russian Ruble and Chinese Renminbi

* includes new product launches

Sales Growth by Region

Q3/2011 vs. Q3/2010*



- All regions growing organically
- Strong performance in Middle East/Africa, Latin America and Eastern Europe
- Asia-Pacific impacted by events in Japan and lower growth in China (but still double-digit OSG)

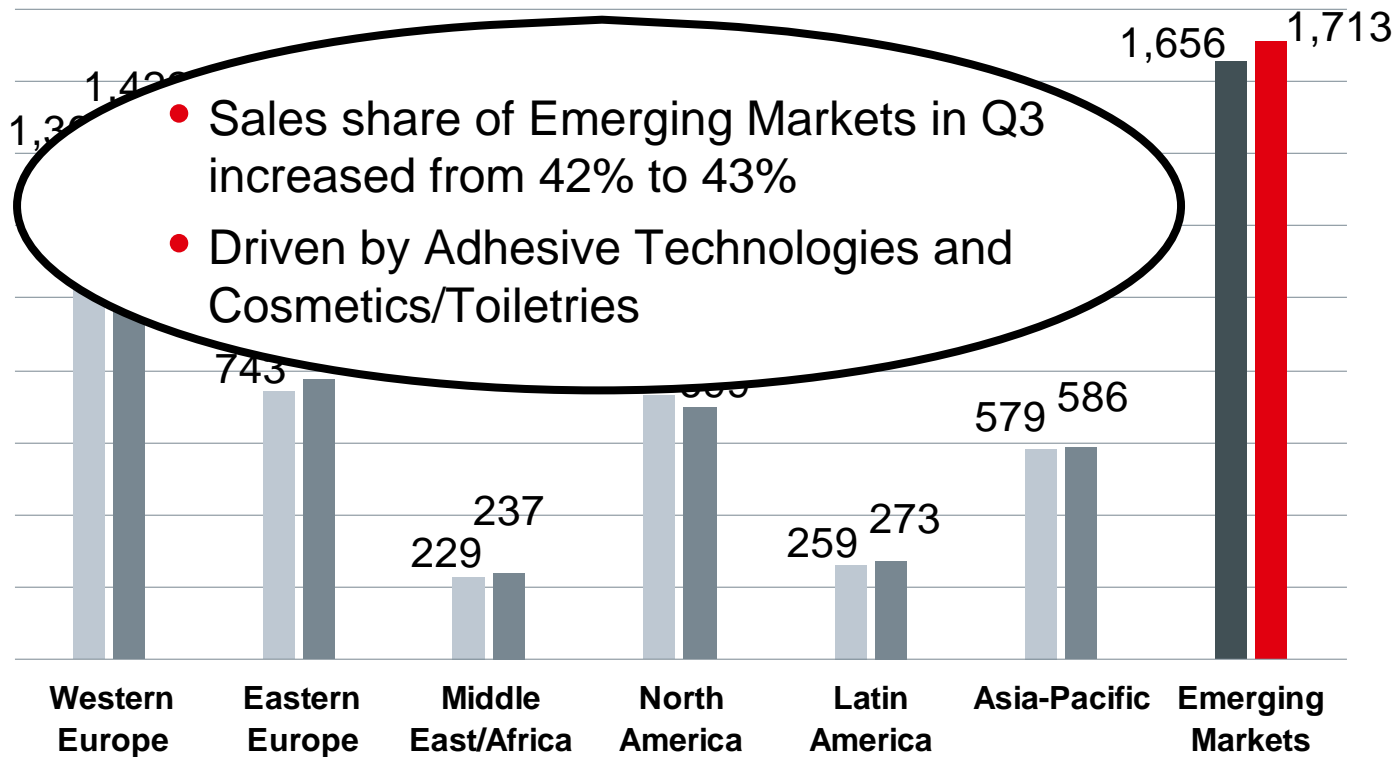
* total / organic



Sales Growth by Region

Q3/2011 vs. Q3/2010*

+3.8%	+4.2%	+3.1%	-4.6%	+5.4%	+1.2%	+3.4%
+3.8%	+10.3%	+13.1%	+4.0%	+11.0%	+7.6%	+10.9%



* total / organic

Adjusted EBIT by Business Sector

Q3/2011 vs. Q3/2010

	Adjusted EBIT		Adjusted EBIT margin	
	in m€	Change in %	in %	Change in bp
Laundry & Home Care	155	1.6	14.0	40
Cosmetics/Toiletries	123	7.0	14.3	70
Adhesive Technologies	291	8.6	14.4	60
Total Henkel	541	4.7	13.4	40

Adjusted EBIT by Business Sector

Q3/2011 vs. Q3/2010

	Adjusted EBIT		Adjusted EBIT margin	
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Laundry & Home Care	155	1.6	14.0	40
Cosmetics/Toiletries				70
Adhesive Technol.				60
Total Henkel				40

- Impact from high input costs mitigated by own price increases
- Lower cost base supports EBIT margin

Adjusted EBIT by Business Sector

Q3/2011 vs. Q3/2010

	Adjusted EBIT		Adjusted EBIT margin	
	in m€	Change in %	in %	Change in bp
Laundry & Home Care	155	1.6	14.0	40
Cosmetics/Toiletries	123	7.0	14.3	70
Adhesive Technologies	201	0.6	14.1	60
Total Henkel	380	2.2	14.1	40

• Efficiency gains and tight cost control again delivering results

Adjusted EBIT by Business Sector

Q3/2011 vs. Q3/2010

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Cosmetics/Toiletries	123	7.0	14.3	70
Adhesive Technologies	291	8.6	14.4	60
Total Henkel	541	4.7	13.4	40

• High input costs overcompensated by own price increases and efficiency gains

Income Statement Adjusted

Sales to Gross Profit

in m€

	Q3/2010	Q3/2011	Change in %
Sales	3,961	4,028	1.7
Cost of Sales	-2,098	-2,187	4.2
Gross profit	1,863	1,841	-1.2
Gross margin (in%)	47.0	45.7	-130bp

Income Statement Adjusted

Sales to Gross Profit

in m€

	Q3/2010	Q3/2011	Change in %
Sales	3,961	4,028	1.7
Cost of Sales	-2,098	-2,187	4.2
Gross profit	1,863	1,841	-1.2
Gross margin (in%)	47.0	45.7	-130bp

- Higher raw material prices impacted gross margin by ~600 bp
- ~75 % offset by own price increases and savings
- Negative mix effect due to e.g. Electronic Adhesives

Income Statement Adjusted

Sales to Adjusted EBIT

in m€

	Q3/2010	Q3/2011	Q3/11 in %	Change in bp
Sales	3,961	4,028	100.0	
Cost of Sales	-2,098	-2,187	-54.3	
Gross profit	1,863	1,841	45.7	
Marketing, selling & distrib. exp.	-1,086	-1,018	-25.3	-210
Research & development exp.	-94	-94	-2.3	
Administrative expenses	-182	-179	-4.4	-20
Net other op. income/charges	16	-9	-0.2	
Adjusted EBIT	517	541	13.4	+40

Income Statement Adjusted

Sales to Adjusted EBIT

in m€

	Q3/2010	Q3/2011	Q3/11 in %	Change in bp
Sales	3,961	4,028	100.0	
Cost of Sales	-2,098	-2,187	-54.3	
Gross profit	1,863	1,841	45.7	
Marketing, selling & distrib. exp.	-1,086	-1,018	-25.3	-210
Research & development exp.	-1,094	-1,094	-27.3	
Administrative exp.	-1,094	-1,094	-27.3	-20
Net other				
Adjusted EBIT				+40

- Increased promotional spending offset reduction of marketing budgets
- Selling & distribution costs down thanks to restructuring synergies

Income Statement Adjusted

Sales to Adjusted EBIT

in m€

	Q3/2010	Q3/2011	Q3/11 in %	Change in bp
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Gross profit	1,863	1,841	45.7	
Marketing, selling & distrib. exp.	-1,086	-1,018	-25.3	-210
Research & development exp.	-94	-94	-2.3	
Administrative expenses	-182	-179	-4.4	-20
Net other op. income/charges	10	0		
Adjusted EBIT				+40

• Extended usage of Shared Services further improved cost base

Reported to Adjusted EBIT

Q3/2011 vs. Q3/2010

in m€

	Q3/2010	Q3/2011	Change in %
EBIT (as reported)	501	451	-10.0
One-time gains	-10	0	
One-time losses	0	0	
Restructuring charges	26	90	
Adjusted EBIT	517	541	4.7

Reported to Adjusted EBIT

Q3/2011 vs. Q3/2010

in m€

- Shared Services: 30 m€
- Manufacturing Footprint & Admin Optim.: 26 m€
- Delaying Laundry & Home Care: 25 m€
- Others: 9 m€

Q3/2011

Change
in %

-10.0

90

Restructuring charges

Adjusted EBIT

517

541

4.7

Continuous adaptation of structures to market

Cash Flow Generation

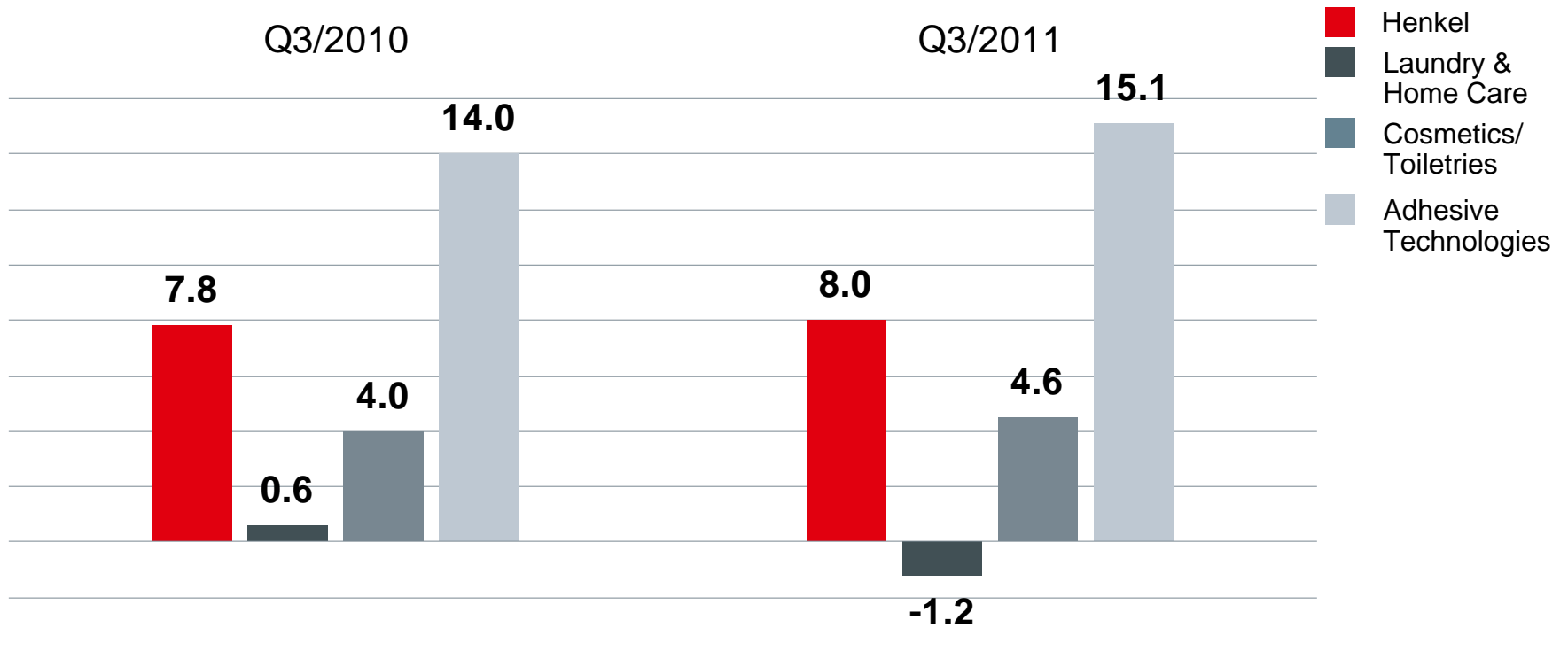
in m€

	Q3/2010	Q3/2011
Cash flow from operating activities	616	676
Free cash flow	554	515
Net Debt	2,804	1,859

> Unbroken strength of Cash Flow Generation

Development of Net Working Capital

NWC/Sales ratio* in %

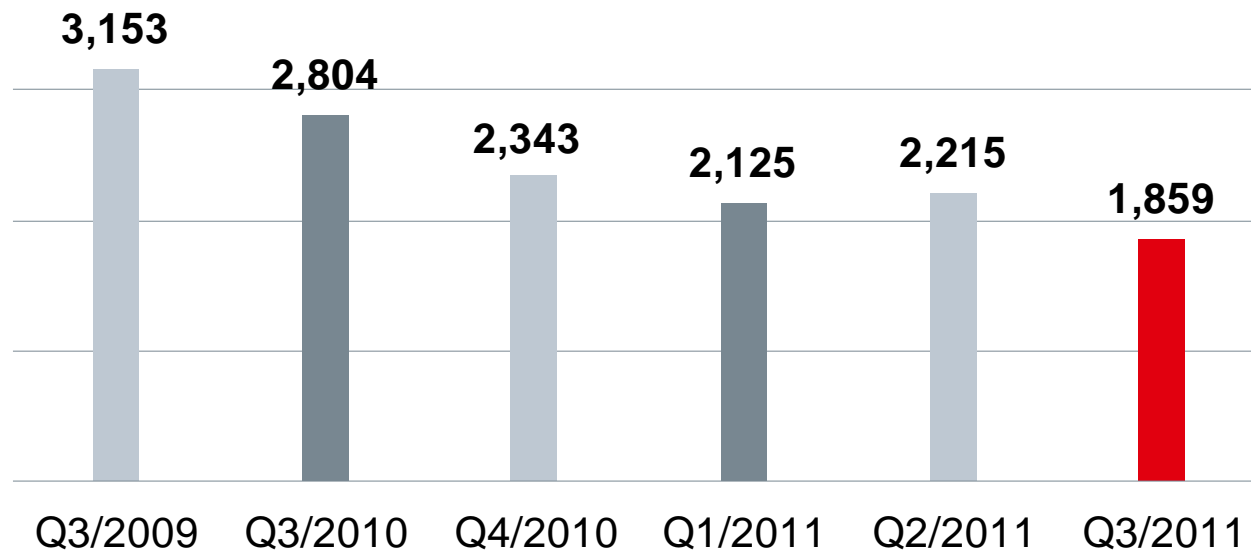


* inventories + trade accounts receivable ./ trade accounts payable

> NWC/Sales ratio* on a low sustainable level

Net Debt Development

in m€



Net debt under 2 bn. € for the first time since 2008
Reduced Net Debt by 41% in last two years

Guidance for Selected KPIs (FY 2011)

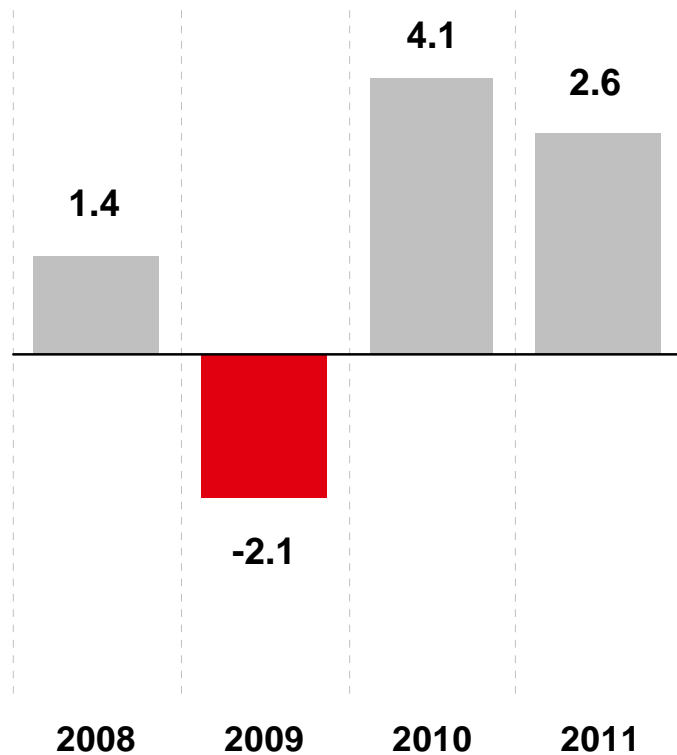
- Direct materials **increase in the low teens**
- Restructuring charges **-220m€ (updated)**
- Financial result **-160m€**
- Adjusted tax rate **~26%**
- CAPEX on PPE **below 400m€**
- NWC/sales ratio **high single digit**

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Market Environment 2011

Global GDP growth*



- Moderate economic growth
 - Industry + 6.0%*
 - Private consumption + 2.6%*
- High level of raw material costs
 - Low double-digit for Henkel basket
 - Raw material costs stabilized

› Global economy still with moderate growth prospects

* according to Feri EuroRating

Forecast FY 2011

Organic sales growth	5-6% updated (from ~5%)
Adjusted EBIT margin	~13%
Adjusted EPS growth	~+10%

**> Confirmed guidance for Financial Targets 2012
New targets beyond 2012 to be disclosed in Q4/2012**



Summary Q3/2011

- Continued **solid performance** in a challenging environment
- All **business sectors** contributing
- **Strong** organic growth with **margin improvement**
- Still **high raw material prices**
- **Gross margin** continued to be **under pressure**
- High level of **promotional activities** in Home & Personal Care

> Continued focus on efficiency gains and profitable growth

The Journey in 2011

- Focus on **profitable growth** and increase **market shares**
- Extend strong position in **Emerging Markets**
- Further **improve HPC** in **North America**
- Continue sales **price increases**
- **Strict cost control**
- **Continuous adaptation of structures to market**
 - Structural optimization of the company continuing

> 2011 – important step towards achieving 2012 financial targets

Thank you!

A global leader in brands
and technologies