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**Statement by Kasper Rorsted,  
Henkel CEO,  
Conference Call (PRESS)  
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- Check against delivery -**

Ladies and Gentlemen:

Welcome to our Conference Call.

I would like to give you an overview of our performance in the second quarter of 2008, and tell you our expectations for the year as a whole. After that, Lothar Steinebach, our CFO, and I will be glad to answer your questions.

All forward-looking statements are subject to the usual disclaimers.

Before I comment on the quarter, I would like to mention three factors that are of major importance to me when evaluating our financials.

First: The economic environment has continued to deteriorate

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in the second quarter. America is not the only area of concern.

In Western Europe and Germany the economy is likewise cooling off. Added to this are higher raw material costs and the still weak US dollar. These are difficult underlying conditions – for us, too.

Second: We increased our organic sales in the second quarter by a solid 6.1 percent. This is primarily attributable to our strong presence in the growth regions – from Eastern Europe via the Middle East and Asia to Latin America, where we increased our sales by 15.7 percent in organic terms. The growth regions' share of total sales thus increased to 36 percent – a figure that many of our competitors rightly envy. In contrast, our sales in Western Europe and Germany slightly declined.

Third: The restrained sales development in Western Europe underlines the necessity to be faster, more efficient and leaner. With our “Global Excellence” program, we are responding to the structural deterioration of the underlying economic conditions.



And this program is progressing much faster on an international level than originally planned.

Our business development in the second quarter also reflects two exceptional items.

First, the acquisition of the National Starch businesses added a substantial boost to our sales.

And second, our operating profit was impacted by high restructuring charges. These are due to the implementation of our efficiency enhancement program and the integration of the National Starch businesses.

I would first like to talk about the integration process.

As you know, we closed the acquisition of the Adhesives and Electronic Materials businesses of National Starch on April 3 of this year.

Since that time, the sales and results of these operations have



been attributable to Henkel. In other words, these businesses were consolidated for the first time in the second quarter of this year.

Project teams with employees from both organizations have been working hard on the realization of the associated synergies. Having now analyzed the business data in detail, we continue to expect annual synergies of some 250 million euros to accrue from 2011 onward.

We anticipate that the merger of our businesses will already yield savings of around 20 million euros in this year alone.

That is 10 million euros more than previously expected and provides a further indication of the good progress that we are making.

During the next phase of the integration, we will fully concentrate on implementing the individual measures identified.

But the merger brings us far more than just cost advantages. It



also provides us, the world's largest adhesives supplier, with additional growth opportunities.

Allow me now to say a few words on our worldwide efficiency enhancement program. In February, we identified the cornerstones of this initiative for optimizing our processes and structures.

We defined measures and activities to be implemented in all our business sectors, regions and functions.

Our aim is to strengthen the earning capability and long-term competitiveness of Henkel on a permanent, sustainable basis.

And here, too, we have repeatedly emphasized the fact that it is not just about reducing costs.

Our aim is to establish future-capable processes and structures that enhance the competitive capabilities of Henkel and secure our long-term success.

In the Laundry & Home Care business sector, for example,



there has been a profound and extensive reorganization on a global scale. We are now in a position to address our customers more effectively and to develop our markets more efficiently.

Another example relates to the reorganization of our Corporate Research division.

We have decided to pool our research and development resources within those functions and locations that offer the greatest proximity to our consumers and customers.

Consequently, we are integrating the previously centralized R&D capability within our operating business sectors.

We expect this to yield an even faster rate of information transfer, shortening the development time for new and innovative products. As a result, we will be able to offer added value for our customers and, at the same time, strengthen our position within the competitive environment.

We are also working hard on optimizing our production



network and further expanding our shared services organization.

We are – for example – concentrating our European detergent production activities at our major sites.

Because of their central location and the proximity to our customers, transportation costs are significantly lower.

In Germany, for example, this means we are concentrating all our detergent production operations at our Düsseldorf site. In Spain, we are concentrating on the Montornés site.

And we are also combining certain European financial activities within our Slovakian Shared Service Center.

As you know, the initiative as a whole will require a one-time charge of around 500 million euros and this will be taken to income this year.

Of the total of around 260 million euros in restructuring charges in the second quarter, some 230 million euros are



attributable to the various individual elements of this program.

As a result of this program, however, around 150 million euros in annual savings are expected to be realized from 2011 onward.

Moreover, we expect the major proportion of these savings to begin accruing in 2009. For the current financial year, we now expect to generate savings in the order of 30 million euros compared to the 10 million euros previously anticipated.

Before I deal with the financials for the second quarter, allow me to say some additional words on the underlying economic conditions mentioned before and in particular the impact of the weak dollar and rising raw material costs.

Changes in foreign exchange parities had a negative impact in excess of 200 million euros on the sales of our business sectors in the second quarter. Higher raw material costs also had an appreciable effect on operating profit with a total negative impact exceeding 100 million euros.



So it is all the more important that the integration of the National Starch businesses and the implementation of our efficiency enhancement program are both progressing well.

Let me now give you the specific financials:

We increased quarterly sales by 11.4 percent to around 3.7 billion euros.

This significant rise is due to good organic growth and the first-time consolidation of the acquired National Starch businesses.

In organic terms – that is, after adjusting for foreign exchange, acquisitions and divestments – sales also underwent a significant rise of 6.1 percent compared to the prior-year quarter.

Our organic growth was supported by all our business sectors.

The improvements emanated primarily from our growth regions, while development in Western Europe was restrained.



After adjusting for foreign exchange sales increased by a substantial 17.7 percent.

As already explained, our operating profit – the EBIT figure – was impacted by high restructuring charges and was at 113 million euros.

However, if we eliminate the exceptional items, the picture is quite different.

After adjusting for restructuring charges and one-time gains and charges, we succeeded in improving our operating profit by 7.8 percent to 372 million euros.

Our growth regions once again present an encouraging picture.

In these regions we were able to increase sales by 19.5 percent to over 1.3 billion euros, corresponding to a 36 percent share of consolidated sales. Organic growth also amounted to a very good 15.7 percent.



Ladies and Gentlemen, allow me now to briefly summarize:

- Within a difficult economic environment, we were able to achieve a very gratifying rate of organic sales growth thanks to our strong presence in the growth regions.
- The integration of the National Starch businesses and the implementation of our efficiency enhancement measures are progressing very well.

Both projects provide an essential basis for sustainably strengthening our competitiveness and generating profitable growth.

Now I would like to come to our expectations for full fiscal 2008. We expect to maintain the positive trend of the first six months with respect to organic sales growth, with further momentum being generated in the second half year by our innovations.

As a result of price increases of our own and the implementation of additional countermeasures, we expect to



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keep in check the effect of higher raw material costs on our businesses.

We have specified our outlook in the light of these activities and the business developments that have taken place in the first half of 2008.

For a detailed analysis, please refer to our quarterly report. I would, however, like to highlight two points:

First, we expect our organic sales growth to develop slightly better than previously indicated, and have therefore raised our forecast to the 3 to 5 percent range.

Second, with respect to operating profit after adjusting for restructuring charges and one-time gains and charges, we expect a growth rate in the lower mid teens percentage range.

Ladies and Gentlemen, that brings me to the end of my summary and I thank you for your attention.



Lothar Steinebach and I will now be glad to answer your questions.

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