

Press release

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New plant in Shanghai to serve customers in emerging Asian markets

Henkel opens world's largest adhesives factory in China

Henkel has today inaugurated the world's largest adhesives factory in Shanghai. With this new production facility the company is expanding its production capacity in a major emerging market and will deliver its innovative adhesive technologies more quickly to the growing number of customers based in China and the Asian region.

The new factory, which is also known as the "Dragon Plant" at Henkel, comprises 150,000 square meters of space and is now the central production site for industrial adhesives in China and the Asia-Pacific region. Customers being served by the new adhesives plant include enterprises in the automotive industry and various consumer goods sectors. Annual output is forecast to reach up to 428,000 metric tons of adhesives.

"This new adhesives factory will contribute significantly to the achievement of our strategy 2016: It will enable our Adhesives business to expand and leverage its global reach, and win market share in emerging markets," said Kasper Rorsted, Chairman of the Management Board of the Henkel Group. The inaugural ceremony was attended by numerous Chinese politicians and businesspeople and also by Dr. Simone Bagel-Trah, Chairwoman of the Supervisory Board and of the Shareholders' Committee. Henkel is already generating 45 percent of its total sales in emerging markets and 55 percent of its employees are based in these countries. One of Henkel's financial targets for the year 2016 is to increase the sales generated in emerging markets to 10 billion euros while aiming for total sales of 20 billion euros.



“The inauguration of the ‘Dragon Plant’ is an important milestone for us and our customers,” said Jan-Dirk Auris, Executive Vice President Adhesive Technologies at Henkel. “Having this larger production facility brings us closer to our customers in the region, not just geographically but also by reinforcing our commitment to partnering for innovation and mutual success.”

Henkel will be concentrating its existing adhesives production operations in the greater Shanghai region at the new site in the Shanghai Chemical Industry Park and thus significantly expanding its capacities for current and future technologies. This move is part of the company’s ongoing program to consolidate and optimize its global production network.

Rising demand for adhesives in the Asia-Pacific region

Henkel has invested more than 50 million euros in the plant and will employ about 600 people there. With this factory, Henkel – the world’s largest adhesives manufacturer – is responding to the rising demand for industrial adhesive technologies in China and the entire Asia-Pacific region.

China has already advanced to become the largest car market in the world, with a rapidly expanding domestic production base. The country is also one of the major producers of sports equipment and electronic products. In these and many other industries, adhesives are being used more and more as they make the products lighter and enhance their performance while helping to make production processes more sustainable.

Sustainability in production

The “Dragon Plant” is a model for sustainability and efficiency. Compared to a traditional production plant, it uses only half the amount of water thanks to condensed water recovery systems, while recycling has reduced the volume of packaging materials by 60 percent, and electricity usage for factory lighting has been cut by 90 percent due to special translucent roofs which let the daylight in. There is also a system for recovering waste heat, and the factory includes innovative filling equipment designed to prevent leaks and spills of adhesives.

As a supplier to many different industries, Henkel already opened its first production facility in China back in 1990, just two years after entering the market. From that first factory Henkel served industrial customers who had begun at this early stage to establish their own manufacturing operations in China. Ever since then, Henkel has continued to produce adhesives in this East Asian country with constantly rising sales.

Henkel operates worldwide with leading brands and technologies in three business areas: Laundry & Home Care, Beauty Care and Adhesive Technologies. Founded in 1876, Henkel holds globally leading market positions both in the consumer and industrial businesses with well-known brands such as Persil, Schwarzkopf and Loctite. Henkel employs about 47,000 people and reported sales of 16,510 million euros and adjusted operating profit of 2,335 million euros in fiscal 2012. Henkel's preferred shares are listed in the German stock index DAX.

Photo material is available at www.henkel.com/press

More information is available at www.henkel.com/press/dossier-dragon-plant.htm

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Henkel AG & Co. KGaA



The new production site „Dragon Plant“



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