

**Statement by Kasper Rorsted  
Chairman of the Management Board  
Conference-Call  
November 11, 2015, 10.30 a.m.**

Ladies and Gentlemen,

Welcome to our conference call today.

As you will have seen, this morning we sent out our news release and our financial report informing you of our performance in the third quarter and the first nine months of 2015.

I would therefore just like to take you through the most important facts and figures and give you our updated guidance for the current year. Our CFO Carsten Knobel and I will then be glad to take your questions.

Ladies and Gentlemen,

The global economy continues to grow just moderately, with growth being driven by the US and Asia. However, China's growth dynamics have eased significantly. Western Europe has stabilized but we can't yet talk of any real upturn. The economy is stagnating in Latin America and Eastern Europe, Brazil and Russia are even in recession.

We are also still facing a high level of political tension. The conflict in Syria particularly has triggered an influx of refugees that is presenting Europe with a major challenge.

All these uncertainties have, of course, an impact on the financial markets. The foreign exchange markets, for example, experienced major fluctuations again in the

third quarter. While some currencies in emerging markets further devalued, the dollar appreciated against the euro in comparison with the prior-year period.

In this environment, Henkel delivered a strong performance in the third quarter. We significantly increased sales and earnings across all business units.

The emerging markets, with a strong organic increase in sales of 6.5 percent, once again made an above-average contribution to growth.

The mature markets also continued to grow in the third quarter, mainly driven by the good business performance in North America, where we have now posted three consecutive quarters of growth this year. This shows that the measures introduced, such as the changes in our management team, our product portfolio and our internal processes, have made an impact. We intend to continue driving this successful development.

Overall, we reached new record levels in adjusted operating profit and adjusted EBIT margin. All three business units also posted higher adjusted EBIT and adjusted EBIT margin than in the prior-year quarter.

So let's now look at the key financials of the third quarter:

Sales increased significantly, by 8.4 percent to almost 4.6 billion euros.

Organic sales growth was 3.2 percent. Foreign exchange effects added another 2.3 percent. However, the positive currency effects in the last quarter were significantly weaker than in the first two quarters of 2015. Finally, acquisitions and divestments accounted for 2.9 percent of sales growth in the third quarter.

All three business sectors again contributed to the organic growth achieved in the third quarter. Laundry & Home Care recorded a strong organic increase in sales of 5.5 percent. Beauty Care grew organically by 2.1 percent. And Adhesive

Technologies posted organic growth of 2.3 percent, which is below our target growth range of 3 to 5 percent.

A glance at the regions shows that we achieved organic growth everywhere. The only exception was Western Europe where organic sales were slightly below the level of the prior-year quarter.

We achieved solid organic growth of 3.2 percent in North America. All three business units contributed to this performance.

In the Asia/Pacific region, sales grew by 0.8 percent organically. In China, the slowing economic dynamics was noticeable, where sales fell slightly short of the figure for the prior-year quarter.

That said, our Beauty Care business posted further double-digit growth in the third quarter. In the industrial adhesives business, on the other hand, we felt the effects of weaker demand.

These latest developments do not, however, change anything with respect to our long-term forecast for the Chinese market. China is Henkel's third-biggest market and has been a growth driver for many years.

We believe that China will continue to grow. We have a strong, local team and we are continually investing in our businesses there.

Sales in Eastern Europe grew organically by 9.7 percent, despite persistently challenging market conditions. Our performance was particularly good in Russia, where we posted double-digit growth.

We also generated double-digit organic growth in Latin America, with an increase of 10.9 percent. The improvement was due in particular to our businesses in Mexico.

Organic sales growth in Africa/Middle East was 5.9 percent, despite the political situation further impacting business in some countries.

Adjusted for one-time gains, one-time charges and restructuring charges, operating profit across the group increased significantly – by 12.3 percent to 778 million euros.

Adjusted return on sales likewise showed strong growth, rising 0.5 percentage point to 16.9 percent. These two financial figures have never been higher in a single quarter.

Adjusted net income for the quarter after deducting non-controlling interests grew by 11.0 percent to 564 million euros.

Adjusted earnings per preferred share increased by 11.1 percent to 1 euro 30 cents.

Our net financial position at the end of September was -336 million euros. The decline versus year-end 2014 was primarily due to the higher dividend payout.

Ladies and Gentlemen,

The strong business performance in the third quarter shows that we can also be successful in a challenging environment.

Agility and high flexibility remain key success factors for us. This confirms our strategy of continuously adapting and simplifying our processes and structures in line with the changing market conditions.

Against the background of the latest economic developments, we decided in the third quarter to accelerate already planned measures to adapt our structures in the Adhesives division. The goal is to adjust our cost levels to changing growth momentum. The changes are expected to be completed during the second quarter of 2016.

That brings me to our outlook for the current fiscal year.

We expect the economic environment to remain challenging with markets continuing to show high volatility.

We are specifying our guidance for the full fiscal year as follows.

We now expect organic sales growth of approximately 3 percent. Organic sales growth in Laundry & Home Care is expected to be between 4 and 5 percent.

For Beauty Care we continue to expect organic sales growth of approximately 2 percent.

Due in particular to the slowdown in China, we now anticipate organic sales growth in the Adhesive Technologies business unit to be between 2 and 3 percent.

The share of sales coming from emerging markets is expected to remain constant.

We continue to expect adjusted return on sales to increase to approximately 16 percent, with all three business units contributing.

We are raising our guidance for growth in adjusted earnings per preferred share and now expect an increase of more than 10 percent. Previously, we anticipated growth of approximately 10 percent.

Ladies and Gentlemen,

Based on the solid performance in the first nine months of the fiscal year 2015, we are confident of successfully concluding this third year in our four-year strategy cycle.

We increased sales in the first nine months of the fiscal year 2015 by 11.5 percent to 13.7 billion euros. Organic sales growth rose by 3.1 percent compared to the first

nine months of 2014, with above-average growth of 6.4 percent in the emerging markets.

Adjusted EBIT increased by 13.4 percent to around 2.3 billion euros and adjusted EBIT margin rose to 16.4 percent in the first nine months – both reaching record levels.

Adjusted earnings per preferred share (EPS) improved by almost 12 percent in the first nine months, exceeding our long-term guidance of 10 percent by 2016.

Results were therefore excellent both for the third quarter and the first nine months of 2015.

Aside from our solid financial performance, we have also made good progress with important strategic projects. Significant advancements have been made in the fields of digitalization and the consolidation of our IT systems. The implementation of a global supply chain organization is also progressing well. In expanding our shared services, we have already increased the number of employees to 3,000, a level that we planned to attain in 2016.

We will continue to consequently implement our strategy 2016, thus creating the platform for the successful development of Henkel beyond 2016.

Ladies and Gentlemen,

Thank you for listening.

Carsten Knobel and I are now ready to take your questions.

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