

## Press Release

June 25, 2014

### Henkel celebrates 40 years in Indonesia

Jakarta – In 1974, Henkel opened an office in Indonesia and began selling adhesives to customers. Today, Indonesia is one of the fastest growing market for Henkel and is a strong pillar of the company’s strategy in emerging markets. Besides its adhesive business, Henkel Indonesia is an active player in the retail and professional hair businesses.

“We are proud to have been in Indonesia for 40 years,” said Allan Yong, President of Henkel Indonesia. “During this time, we have strengthened our manufacturing and innovation capabilities in line with our customers’ needs as well as our market positions through having a strong team. We are also committed to being a good citizen by contributing to the needs of the communities in the areas where we operate.”

Henkel Indonesia has achieved strong profitable double-digit growth year-on-year over the past five years, with its net sales reaching a record high in 2013. With its Adhesive Technologies global brands – Loctite, Technomelt, Teroson and Bonderite – Henkel Indonesia has achieved strong market positions in a variety of industries, such as automotive, consumer, packaging, shoes and general industries.

With the rapid rise of the middle class and affluent consumers, Henkel’s Beauty Care business sector entered the retail hair market in 2013 with five successful international product lines under the SYOSS and Schwarzkopf brands. In early 2014, it further expanded the market reach of its Beauty Care Professional hair business by partnering with a local distributor.

#### Strategy

Henkel Indonesia’ strategy is aligned with Henkel’s global strategy, which is **“We will outperform our competition as a globalized company with simplified operations and a highly inspired team!”**

“We are committed to being the partner of choice to our customers and the employer of choice to our employees and potential employees,” Allan said. “Being a global

company, we have the ability to leverage our global capabilities to not only meet customer needs, but also work with our customers and value-chain partners in setting new benchmark in innovation and sustainability.”

Additionally, Henkel Indonesia has been increasing investments through capital expenditures. For example, in the first quarter, Henkel Indonesia installed new equipment and technologies and added capacities at its Tangerang and Pasuruan adhesives plants.

Furthermore, in line with the global strategic priority ‘Inspire’, Henkel Indonesia is accelerating its efforts to develop its high potential employees and the next-generation of leaders. Between 2011 and 2013, the number of employees in managerial positions increased by around 50 per cent while the share of women in management positions doubled.

### **Social engagement**

Employees of Henkel Indonesia have been involved in various community projects over the years. In January 2014, when Jakarta was hit with its worst flooding in years, Henkel Indonesia aided the victims in a remote village in Tangerang. Within five days, employees gathered 500 packages—consisting of food, clothes, shampoos, shoes and stationery—for the victims in the isolated village of Desa Cirumpak.

On June 18, employees from the Tangerang adhesive plant participated in a blood donation drive, in support of World Blood Donor Day.

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 16.4 billion euros and adjusted operating profit of 2.5 billion euros in fiscal 2013. Henkel's preferred shares are listed in the German stock index DAX.

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