

Press Release

May 8, 2013

Henkel reconfirms 2013 guidance

Strong earnings growth in first quarter

- Sales rise 0.6% to 4,033 million euros (organic: +2.5%)
- Adjusted operating profit: +8.9% to 600 million euros
- Adjusted EBIT margin: +1.2 percentage points to 14.9%
- Adjusted earnings per preferred share (EPS): +10.3%* to 0.96 euros
- Strong sales growth in emerging markets (organic: +8.2%)

Düsseldorf – “We increased both sales and earnings in the first quarter of 2013 despite a challenging market environment with declining markets in Western Europe and weak global industrial demand,” said Henkel CEO, Kasper Rorsted. “Both Laundry & Home Care and Beauty Care outperformed their relevant markets while our Adhesives business was affected by weaker than expected demand from industrial customers. Nevertheless, we were able to substantially improve the profitability of all our business sectors.”

Commenting on fiscal year 2013, Rorsted said: “We expect the global economic environment to remain difficult. However, we anticipate industrial demand to improve during the second half of the year. Given the challenges in our global market environment, we will continue to further simplify and accelerate our processes in order to increase our flexibility and efficiency.”

* When applying IAS 19 revised to the prior-year quarter, growth amounts to 12.9 percent.

2013 guidance confirmed

Rorsted confirmed Henkel's previously stated outlook for fiscal 2013: "We expect organic sales growth for the full fiscal year to be between 3 and 5 percent. We expect our adjusted EBIT margin to increase to around 14.5 percent and adjusted earnings per preferred share to grow by about 10 percent."

Sales and earnings performance first quarter 2013

Henkel's **sales** in the first quarter of 2013 were 4,033 million euros – an increase of 0.6 percent year on year. **Organic** sales growth, which excludes the impact of foreign exchange and acquisitions/divestments, rose by 2.5 percent.

Laundry & Home Care registered very strong organic growth of 8.0 percent. The **Beauty Care** business sector achieved solid organic sales growth amounting to 4.0 percent. In the **Adhesive Technologies** business sector sales declined organically by 1.2 percent.

After allowing for one-time gains, one-time charges and restructuring charges, **adjusted operating profit** improved by 8.9 percent, from 551 million euros to 600 million euros, with all three business sectors contributing. Reported operating profit (EBIT) was 565 million euros compared to 538 million euros in the prior-year quarter.

Adjusted return on sales (EBIT margin) showed a significant increase of 1.2 percentage points from 13.7 percent to 14.9 percent. Reported return on sales amounted to 14.0 percent after 13.4 percent in the prior-year quarter.

Henkel's **financial result** improved by 16 million euros to -30 million euros due primarily to a better net financial position and improved currency hedging results. At 24.7 percent, the **tax rate** remained close to the level of the prior-year quarter (first quarter 2012: 24.8 percent).

Net income for the quarter rose by 8.9 percent from 370 million euros to 403 million euros. After deducting 10 million euros attributable to non-controlling interests, quarterly net income amounted to 393 million euros (prior-year quarter: 361 million euros). Adjusted net income for the quarter after deducting non-controlling interests was 417 million euros compared to 369 million euros in the prior-year period. **Earnings per preferred share (EPS)** rose from 0.84 euros to 0.91 euros. The adjusted figure was 0.96 euros compared to 0.85 euros in the first quarter of 2012. Before applying IAS 19 revised, the comparable prior-year figure was 0.87 euros. Related to this figure, adjusted earnings per preferred share rose by 10.3 percent.

Net working capital relative to sales improved year on year substantially, falling to 5.8 percent. Effective March 31, 2013, Henkel's **net financial position** has changed from showing a net debt to showing a net cash investment of 114 million euros. At March 31, 2012, net debt stood at 1,159 million euros.

Business sector performance

The **Laundry & Home Care** business sector started fiscal 2013 with a very strong sales and earnings performance, further expanding its positions in its relevant markets. **Sales** increased organically by 8.0 percent year on year. Nominal sales rose by 6.3 percent to 1,177 million euros.

All regions contributed to the very strong business performance achieved. Once again the emerging markets showed the greatest growth momentum, with overall organic sales growth in the double-digit range. The regions of Eastern Europe – driven mainly by a dynamic performance in Russia and Turkey – and Africa/Middle East likewise recorded double-digit increases. Sales also grew in the mature markets, despite the ongoing negative market environment in Southern Europe, Western Europe posted positive sales growth, with France and Germany performing particularly well. North America developed positively despite a still declining market.

Adjusted operating profit rose significantly by almost 10 percent to 176 million euros. Adjusted return on sales grew compared to the first quarter of 2012 by 0.5

percentage points to 15.0 percent. Reported operating profit came in at 175 million euros compared to 157 million euros in the prior-year quarter.

The **Beauty Care** business sector again experienced a very good start to the year. At 4.0 percent, organic sales growth was once more substantially above that of the relevant markets, with market share increasing as a result. Nominal **sales** rose by 1.4 percent to reach 873 million euros.

All regions contributed to the solid sales performance achieved. As in previous quarters, growth in this business sector was driven primarily by its performance in emerging markets where the organic sales increase was double-digit. Beauty Care's performance in Asia (excluding Japan) was particularly dynamic, driven mainly by steady business expansion in China. The Africa/Middle East region also saw sales growth in the double-digit percentage range. Sales in the mature markets increased slightly. Performance in Western Europe was positive, driven by a strong growth in Germany. Sales growth in North America was solid.

Adjusted operating profit showed a significant year-on-year improvement of 5.2 percent to 130 million euros. Adjusted return on sales likewise increased significantly with a rise of 0.5 percentage points to 14.9 percent. Reported operating profit grew by 3.0 percent versus prior year to 124 million euros.

The first quarter of 2013 saw the **Adhesive Technologies** business sector impacted by the weak performance of some key industrial sectors, especially in the mature markets. **Sales** were at 1,944 million euros compared to 2,001 million euros in the prior-year quarter. Organically, sales were 1.2 percent lower compared to the first quarter 2012, with mixed regional development.

The emerging markets showed solid organic sales increase. Growth in the Latin America region was strong and the Eastern Europe region also posted solid sales growth, in spite of slowing growth momentum in the important construction sector in the wake of the poor weather. Asia (excluding Japan) exhibited positive sales

development overall, with India in particular generating strong momentum. As overall economic conditions deteriorated, sales in the mature markets were below the level of the prior-year quarter. The decline in business activity in Western Europe was particularly marked. North America and the mature Asian markets were also unable to match the sales figures of the first quarter 2012.

Once again, **adjusted operating profit** showed an improvement on prior year with double-digit growth of 10.8 percent to 320 million euros. Adjusted return on sales reached 16.5 percent for the first time, representing an improvement of 2.1 percentage points compared to the first quarter 2012. Reported operating profit rose by 10.6 percent to 314 million euros.

Regional performance

In the highly competitive market environment of **Western Europe**, sales decreased by 1.1 percent to 1,421 million euros. Organically, sales fell by 1.0 percent, due primarily to the recessive environment and the slowdown encountered in some key industrial sectors. Sales in the **Eastern Europe** region rose by 6.3 percent to 718 million euros. Organic growth was 7.3 percent, with the businesses in Russia and Turkey making a particularly significant contribution. In the **Africa/Middle East** region, nominal sales increased by 11.6 percent to 289 million euros. Although growth continued to be adversely affected by political unrest in some countries, organic sales improved by 18.2 percent with strong contributions coming from both Laundry & Home Care and Beauty Care.

In the highly competitive market of the **North America** region, sales decreased by 2.3 percent to 729 million euros. Organic sales were 0.4 percent below the figure for the prior-year quarter, mainly as a result of weaker performance by some key industrial sectors. Sales in the **Latin America** region declined nominally by 2.4 percent to 257 million euros, with organic growth at 4.5 percent. Business activity in Mexico and Brazil was particularly instrumental in this improvement. In the **Asia-Pacific** region, nominal sales fell by 1.5 percent to 580 million euros. Organically, however, sales improved by 1.3 percent. Although business performance in the

emerging markets, especially China, was solid, this was partially offset by declining sales in Japan.

Sales growth was again given a particular boost by the **emerging markets** of Eastern Europe, Africa/Middle East, Latin America and Asia (excluding Japan). Nominally, **sales** there rose by 5.4 percent to 1,728 million euros. Organic growth came in at 8.2 percent, with all business sectors contributing. The share of sales attributable to these emerging markets therefore increased from 41 percent in the prior-year quarter to 43 percent this time.

Outlook for the Henkel Group in 2013

Henkel expects to generate organic sales growth of between 3 and 5 percent in fiscal 2013. The company is confident that each business sector will grow within this range. Henkel confirms its guidance for adjusted return on sales (EBIT) of about 14.5 percent (2012: 14.1 percent) and assumes that all business sectors will contribute to the increase over the prior year. Henkel further expects an increase in adjusted earnings per preferred share of about 10 percent (2012: 3.70 euros). This guidance is based on anticipated increases in Henkel's selling prices and the ongoing adaptation of its structures to the constantly changing market conditions. Through these activities and the maintenance of its strict cost discipline, Henkel intends to more than offset the effects of rising raw material costs on its earnings.

This document 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, forecast and similar formulations. 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 forward-looking statements.

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Henkel AG & Co. KGaA

The report for the first quarter of 2013 with download material and the link to the teleconference broadcast can be found in our press folder on the internet at:

<http://www.henkel.com/press/2013-05-08-publication-report-q1-2013-40697.htm>

Key figures Q1/2013

in million euros	Sales	EBIT	EBIT margin
	Q1	Q1	Q1
Laundry & Home Care			
2013	1,177	175	14.9%
2012	1,108	157	14.2%
organic	8.0%	-	-
2013 adjusted ¹⁾	-	176	15.0%
2012 adjusted ¹⁾	-	160	14.5%
Beauty Care			
2013	873	124	14.2%
2012	861	120	14.0%
organic	4.0%	-	-
2013 adjusted ¹⁾	-	130	14.9%
2012 adjusted ¹⁾	-	124	14.4%
Adhesive Technologies			
2013	1,944	314	16.1%
2012	2,001	283	14.2%
organic	-1.2%	-	-
2013 adjusted ¹⁾	-	320	16.5%
2012 adjusted ¹⁾	-	289	14.4%
Henkel			
2013	4,033	565	14.0%
2012	4,008	538	13.4%
organic	2.5%	-	-
2013 adjusted ¹⁾	-	600	14.9%
2012 adjusted ¹⁾	-	551	13.7%

Henkel	Q1/2012	Q1/2013	Change
Earnings per preferred share in euros ²⁾	0.84	0.91	8.3%
Adjusted EPS per preferred share in euros ²⁾	0.85	0.96	12.9%
Adjusted EPS per preferred share in euros (2012 before IAS 19 revised)	0.87	0.96	10.3%

Changes on the basis of figures in thousand euros

¹⁾ Adjusted for one-time charges/gains and restructuring charges

²⁾ Q1 2012 adjusted in application of IAS 19 revised (see notes in the Quarterly financial report Q1 2013 on page 28)