Statement by

Kasper Rorsted

Chairman of the Management Board

Annual General Meeting – April 15, 2013

- Check against delivery -

Statement by Kasper Rorsted
Chairman of the Management Board
Annual General Meeting on April 15, 2013

Ladies and Gentlemen,
Esteemed Shareholders, Guests and Friends of the Henkel company,

On behalf of the Management Board and our employees, I would like to warmly welcome you to our Annual General Meeting.

This is the fifth occasion that I am speaking to you at the AGM as Chairman of the Henkel Management Board. The first time I stood on this podium was in April 2009. We found ourselves facing an extremely difficult economic situation, with the financial crisis impacting on the real economy and many countries facing economic downturn.

Just a few months before, we had announced our strategy and financial targets for the period through to 2012. Many capital market experts expressed considerable skepticism. They considered our targets to be unrealistic, too ambitious or simply unachievable.

In the four years that followed, the underlying economic conditions turned out to be worse than we anticipated in 2008. Following the failure of several banks in the US and Great Britain, the focus turned onto the high levels of indebtedness of states and financial institutions in the Eurozone. Generally, the banking and financial sector had become a burden instead of a support to economic development. In many countries, economic recovery was significantly slower than expected. Consumer confidence was shaken by increasing unemployment rates, foreclosure sales and sharp austerity measures cutting into state budgets. The situation was further burdened during the last four years by major natural disasters such as the tsunami and the subsequent nuclear accident in Japan. And economic development was also adversely affected by upheavals and unrest in North Africa and the Middle East.

None of these seismic events were foreseeable when, in November 2008, we presented our targets for 2012. So it would have been easy – by referring to these crises' – to renege on our ambitions.

However, we stayed on track and implemented our strategy. Despite all the headwinds, we succeeded in achieving our targets and – even exceeding them!

We consistently focused on and pursued our strategic priorities:

- To achieve our full business potential,
- To focus more on our customers and
- To strengthen our global team.

Today we – and by that I mean all Henkel's employees around the world – are very proud of what we achieved together between 2008 and 2012:

- Henkel has grown considerably: with sales increasing from around 14 billion euros to 16.5 billion euros. This represents an annual average organic growth rate of 3.3 percent.
- We have become significantly more profitable: our adjusted EBIT margin has risen from 10.3 to 14.1 percent.
- We have increased our earnings, with adjusted earnings per preferred share growing from 2.19 euros to 3.70 euros. This represents an average annual growth in adjusted earnings per preferred share of 14 percent.
- As a result, we have been able to increase our dividend payout, from 53 eurocents per preferred share to 95 eurocents, the figure we are proposing to the AGM today.
- And all this has also been reflected in the very successful development of the Henkel share price – with a rise overall from around 22 euros at the end of 2008 to more than 62 euros per preferred share at the end of 2012 – almost a tripling of the 2008 figure.

This is a major success. And I would like to thank all our employees for their huge contribution. Without their commitment, this would never have been possible.

Henkel builds its future on a successful history reaching back136 years. Today, our company is better positioned than ever before – not just in terms of our financials. Since 2008, we have also significantly strengthened Henkel both structurally and culturally, we have globalized our company and have become more competitive.

- We now have a stronger focus. Today we generate around 44 percent of our total sales with our top ten brands. At the end of 2008, the comparable figure was just 28 percent.
- We have become more international: now, we generate 43 percent of our sales in emerging markets. At the end of 2008, the comparable figure was 37 percent. And already 55 percent of our people are working in emerging markets.
- We have become closer to our customers and markets, having strengthened relationships with our customers that are served by both our consumer and industrial businesses.
- We have become more efficient and more flexible. We have steadily adapted our structures and standardized and digitalized many processes.
- We have firmly established a corporate culture aligned to performance and success with a clear vision and shared values.

We have thus laid a strong foundation for further growth – with a clear strategy and new financial targets for 2016, which I will also be explaining to you in detail today. However, before I move on to our objectives for the next four years, I would like to look back to the past fiscal year:

2012 was a very good year for Henkel. This is all the more gratifying when you consider the economic environment. In 2012, many countries in Western and Southern Europe experienced a recession. There was also concern at slowing growth in China. While the USA underwent a degree of economic recovery in the course of the year, its unemployment rate remained high. The situation in the Middle East and North America became ever more serious. Economic performance in many countries of South America was poor, although Mexico did undergo positive development.

Nevertheless, all our business sectors generated profitable growth and were able to expand their market shares in all our relevant markets.

So what did we specifically achieve in 2012?

- Sales rose by 5.8 percent to 16.5 billion euros. Organic growth – without the impact of foreign exchange, acquisitions and divestments – was 3.8 percent.
- We increased adjusted operating profit by 15.1 percent to 2.3 billion euros. The corresponding return on sales figure was significantly increased, from 13 percent in the previous year to 14.1 percent. This particularly underlines the successful progress that Henkel has made. Throughout the company, we have worked hard and long to achieve this milestone.
- Adjusted net income for the year rose to 1.6 billion euros.
- We achieved a 17.8 percent improvement in adjusted earnings per preferred share, increasing this metric to 3.70 euros. That too is a new record high.
- Thanks to our excellent performance and strict cost discipline, our free cash flow more than doubled to currently over 2 billion euros.
- At the same time, we reduced our net debt to 85 million euros. After the acquisition of the National Starch businesses in 2008, the figure was around 3.8 billion euros.

In short, 2012 was an excellent year for Henkel. We achieved all our 2012 targets or exceeded them.

Ladies and Gentlemen,

Since 2008, shareholder dividends have risen by around 80 percent. And since the IPO in 1985, Henkel has not just paid out a dividend every year, we have also always either increased that dividend or at least held it at the prior-year level.

This year too, we want you to participate in Henkel's success. Hence we are proposing to the Annual General Meeting to increase the dividend per preferred share from 0.80 euros 0.95 euros and the dividend per ordinary share from 78 cents to 93 cents. This amounts to a total payout of about 410 million euros.

While return on shareholder investment is made up in part by dividends received, share price development is also an important yardstick. Here again, the progress made in 2012 was very encouraging. In the course of the year, the price of both our ordinary and our preferred shares rose by around 40 percent. Over the same period, the DAX increased by around 30 percent. And in the first three months of the current fiscal year, Henkel share prices have continued to trend upward.

Ladies and Gentlemen,

Our success is founded on the performance of our three business sectors, and I would now like to provide some detail of their development.

Sales at Laundry & Home Care last year increased sales organically by 4.7 percent, significantly outstripping growth in the relevant markets. In nominal terms, sales rose by 5.9 percent to 4.6 billion euros with all regions contributing, making 2012 the best year so far for Laundry & Home Care.

In Western Europe, we generated positive organic sales growth despite the difficult market environment prevailing in the Southern European countries. The region profited significantly from the very solid performance registered in Germany, France and Italy. Sales growth in North America was likewise solid, despite a highly competitive and still declining market, while sales in emerging markets increased by a high single-digit percentage overall.

Adjusted operating profit increased substantially, by 15.5 percent to 659 million euros. Adjusted return on sales likewise improved significantly, by 1.3 percentage points to 14.5 percent. Reported operating profit came in at 621 million euros compared to 419 million euros in the previous year.

Strong brands and innovations made an appreciably contribution to the success of Laundry & Home Care last year, with our top ten brand clusters generating 84 percent of 2012 sales. We were likewise able to further increase our innovation rate. In the Laundry & Home Care business sector, we now generate 42 percent of sales with products launched onto the market within the last three years.

Continuing the trend of previous years, Beauty Care – our Cosmetics business – again generated profitable growth in 2012. Organically, sales rose by 3.1 percent, once more significantly exceeding growth in the relevant markets. Our innovations made a particular contribution to this solid performance. In nominal terms, sales rose by 4.2 percent to reach 3.5 billion euros.

We were particularly successful in the emerging markets. Thanks to our performance in China, the Asia region registered a solid double-digit growth rate. Our expansion rate in the Africa/ Middle East region was likewise double-digit. Sales also rose in the mature markets with developments in North America particularly pleasing. In Europe, we were able to keep sales at the prior-year level despite the euro crisis and poor development in Southern Europe.

Adjusted operating profit increased significantly by 6.8 percent year on year to 514 million euros – the business sector’s highest earnings figure to date. As a result, adjusted return on sales also rose by 0.3 percentage points to 14.5 percent, likewise reaching a new high. Reported operating profit increased versus prior year by 2.6 percent to 483 million euros. Our Beauty Care business is based on strong brands and innovations. Through target-led portfolio management and marketing activities, we have further strengthened our top ten brands. They now represent over 90 percent of sales in the Beauty Care business. Compared to the previous year, our innovation rate in this business sector rose by 2 percentage points to 45 percent.

The Adhesive Technologies business sector likewise achieved further profitable growth in 2012. Despite economic activity slowing overall during the course of the year, sales increased above the 8 billion euro mark for the first time, reaching a new high of 8.3 billion euros. Organic sales growth amounted to 3.6 percent, with on-going portfolio alignment toward innovative customer solutions contributing to this solid performance.

The emerging markets registered particularly strong sales growth. The Africa/Middle East region accounted for the largest increase with sales rising by double-digits. There was also an increase in sales in the mature markets, thanks primarily to the strong performance in North America compensating for the effects of the negative economic conditions encountered in Western Europe and particularly in the countries of Southern Europe.

Adjusted operating profit increased by 15.9 percent, reaching a new high of 1.2 billion euros. Adjusted return on sales rose by 1.2 percentage points to 15.1 percent, likewise a new record. Reported operating profit grew 18.9 percent to 1.2 billion euros.

2012 also saw an improvement in our innovation rate in the Adhesives business. After reaching a figure of around 30 percent in the previous year, it now lies at 32 percent. In order to better guide and serve our industrial customers in all the sectors that we serve going forward, we have subdivided our industrial business into five brand clusters, each of which represents a special set of technologies and applications. In the consumer adhesives business, our focus is very much aligned to strengthening our top brands.

Ladies and Gentlemen,

With our successful development during the last four years and a record year in 2012, we have laid a strong foundation for the next four years through 2016.

In the following, let me highlight the main aspects of our new strategy and also the financial targets derived from these.

The foundation for our strategy was an analysis of the long-term market trends which will affect our businesses in the coming years. We reviewed our three business sectors against these trends to determine how they are positioned in their respective markets.

As a result, we identified considerable potential for organic growth and increased profitability in each of our business areas. Hence, we intend to further expand all our activities in these areas. This will involve increasing our investments, with capex rising to a total of around 2 billion euros between now and the end of 2016, an increase of more than 40 percent compared to the four-year period from 2008 through 2012.

What do we want to achieve by the end of 2016?
We intend to outperform our competition as a globalized company with simplified operations and a highly inspired team – this is the essence of our new strategy.

And what are the financial targets that we have incorporated within this?
By the end of 2016, we want to have increased sales to 20 billion euros. Of this, 10 billion euros is to come from emerging markets and 10 billion from our mature markets. In adjusted earnings per preferred share, we have targeted an average annual growth rate of 10 percent through to the end of 2016.

Hence, in simplified terms, our targets read: “20 – 10 – 10.”

These financial targets are based on organic growth. In other words, based on active portfolio optimization with smaller and mid-sized acquisitions.

We are also planning to divest or discontinue over the next four years, non-strategic activities representing a current total sales volume of around 500 million euros.

As mentioned, the prospect of acquisitions has been integrated into our new strategy. We have defined clear selection criteria against which we will assess possible purchases. However, acquisitions cannot be planned. Each potential acquisition will be looked at with respect to strategic fit, financial attractiveness and implementability.

In case of potential major acquisitions, we will adjust our growth and earnings targets accordingly for the period through 2016.

How do we intend to achieve our ambitious targets by year-end 2016?

For this, we have formulated four strategic priorities under the headings:
Outperform – Globalize – Simplify – Inspire

What do we understand by outperform? We want to leverage our full business potential in the relevant categories. We intend to achieve this through active portfolio management, and by strengthening our top brands, launching powerful innovations and focusing on customers and consumers.

On the portfolio side, we intend to strengthen our leading positions in our core categories. In the growth categories, we want to achieve disproportionate growth in both existing and in new segments. In the value categories, we intend to further increase profitability. We will also continue to focus on our strong brands: by the end of 2016, the top ten brands are expected to generate around 60 percent of total sales. Today, the figure stands at 44 percent.

I have already spoken of innovations as important drivers of our success. Going forward, we intend to align innovation more specifically to our customer base in emerging markets. To this end, we will be opening seven new research and development facilities: in Poona (India), Seoul (South Korea), Dubai, Moscow, Johannesburg, Sao Paulo and Toluca (Mexico).

That brings me to the second cornerstone of our strategy: Globalize.
We will continue the successful globalization of our company and concentrate on regions offering high potential. We intend to expand our existing category positions in emerging markets while accelerating growth in countries where we already have a strong presence. In addition, we also plan to enter new markets on a selective basis. By 2016, we expect twelve out of Henkel's top twenty countries to be in the emerging markets.

In the mature markets, too, we want to leverage our strengths and generate profitable growth through increased investments in our strong brands backed up by our continued cost focus. Our objective through 2016 is to gain more top positions while increasing profitability.

We will also continue to invest where our customers are located and where the greatest growth opportunities lie. In order to meet the increasing demand for our industrial adhesives in Asia, we are currently building near Shanghai the most advanced and biggest adhesives factory in the world – with an annual capacity of around 428,000 metric tons. We will also build a further adhesives production facility in Russia, and we will be further expanding our detergents factories in Mexico and Egypt.

Additionally, we invested a total of more than 100 million into our operations in Germany in 2012, which means that Germany accounts for the highest capital expenditure within the Henkel Group.

At our Düsseldorf site alone, capex last year amounted to 50 million euros. A further 35 million euros has been earmarked for a new, state of the art central detergents warehouse due to be built on our site here.

The third cornerstone of our strategy is: Simplify. Our aim here is to further facilitate, improve and accelerate our business operations. To this end, we intend to further standardize and digitalize our processes and further expanding our shared services. Adding to the existing four shared service centers, we intend to establish another two: one in the Middle East for the Arabic-speaking region and one serving Greater China and North-East Asia. The number of employees working in our shared service centers is expected to increase to more than 3,000 by 2016.

To make our business operations more efficient, we will be investing an additional 140 million euros in a new global IT platform between now and the end of 2016. We also see potential for improving our processes in Purchasing. In future, we intend to manage procurement through global centers, expand our electronically based sourcing activities and, by 2016, reduce our number of suppliers globally by around 40 percent.

We are also endeavoring to reduce the ratio of administrative costs to sales revenue. And we will continue to consolidate our global manufacturing footprint.

All these measures will contribute to further increasing our already high cash flow from operating activities and strengthening our potential for future investments in growth.

That brings me to the fourth cornerstone of our strategy, the one that deals with our employees. Inspire describes our ambition to further strengthen our global team, focusing on the three areas: Leadership, Talents & Performance, and Diversity.

A successful team needs strong leadership. Consequently, we have defined a new set of leadership principles. Their purpose is to assist our managers in meeting the high demands that increasing, global competition is placing on each of them. These leadership principles are globally applicable and a constituent component in the assessment and development of our managerial staff. We are also further expanding our training and development programs in this domain.

We will further strengthen Henkel as an employer brand as a further means of attracting talents from around the world, and retaining them on a long-term basis. That means offering competitive and performance-related compensation systems while also providing interesting development and further training opportunities.

A proof of the progress we have made in this area is the number of internal promotions. Last year, for example, we promoted a total of around 100 employees within the first three management tiers below Board level. Over 80 percent of vacancies were filled from within the company. Across all our management levels, we have actually promoted over 1,000 employees.

Our attractiveness as an employer is regularly acknowledged. And again in 2012 – for the third year in succession – Henkel was awarded first place as the “Top Employer in Germany” in an annual study performed by the renowned CRF Institute.

A further factor for success on which we have been focusing for many years is the active promotion of diversity within the company. We are convinced that an employee structure comprised of different cultural and professional backgrounds offers competitive advantages. Around the world, Henkel employs people from 123 nations, and in Düsseldorf alone we have employees from 55 nations.

We specifically encourage diversity in relation to internationality, age, professional experience and gender, with the aim of further improving in each of these dimensions. Women in managerial positions is a subject of particularly intense public debate. We welcome such discussions. However, we have adopted a clear position with respect to any possible quota arrangement: we are in favor of the sustained encouragement of women to progress within the company, but we are very much against the imposition of a rigid quota. In our view, qualification is the only criterion when it comes to filling a vacancy. And more work needs to be done in order to create the kind of conditions that enable our employees to effectively reconcile their professional and their family obligations.

With women accounting for 31 percent of Henkel's managerial staff, we already occupy a leading position within the DAX in this regard. However, this is no reason to be complacent and our intention is to continue raising this ratio by 1 to 2 percentage points year on year.

Part of our approach here involves promoting variable worktime models. The Management Board and leading executives have signed a declaration in the form of our "Work-Life Flexibility Charter," thus making a clear commitment toward giving our employees the opportunities to balance their private life with their professional duties at Henkel.

Henkel also makes an important contribution in this regard by providing high-quality childcare facilities. And we are particularly pleased to announce that, in addition to the "Gerda Henkel" and the "Kleine Löwen" childcare facilities, a third children's daycare center with 80 places is due to be opened here in Düsseldorf in the summer of 2013: the "Waschbären" facility.

Ladies and Gentlemen,

Developing a strategy is one thing. Successfully implementing it is another – with the communication of said strategy inside the company taking on huge importance. Between the official announcement in November and the end of 2012, we wanted to ensure that all our employees were thoroughly informed about the new strategy. As a major part of the ensuing campaign, a series of information events were held around the world. In total, those six weeks saw more than 70 so-called town hall meetings take place. Of these, 28 were chaired by members of the Management Board. Via all channels of internal communications we ensured that all our 47,000 employees have been informed on our new strategy. Employee feedback regarding the strategy itself and the communication campaign was very positive. And we also received recognition and approval from the capital market for our new strategy and our ambitious financial targets.

One topic not expressly mentioned in our strategy for 2016 is that of sustainability. However, ensuring that our company continues to be managed on the basis of sustainable development remains very important for us. Indeed, in one of our five corporate values, we have committed to leadership in sustainability.

With this as our basis, I took the opportunity last year to announce to you in detail our sustainability strategy through 2030. Our aim is to achieve more with less and to triple our resource efficiency in the next 18 years. We refer to this goal as “Factor 3” for short. Initially, our aim is to increase resource efficiency through to the end of 2015 by around 30 percent, with all businesses and functions within the company contributing.

Last year, we discussed our sustainability strategy with our employees in around 670 workshops held across the world. This led to the formulation of around 6,000 specific measures designed to assist in the strategy’s implementation.

But it is not only our employees who show a clear understanding of what we want to achieve in the sustainability field. Our customers and business partners also appreciate our clearly defined objectives and our long-term aspirations.

Over the years, numerous international ratings have served to confirm our leading position in the field of sustainability. For twelve years, for example, Henkel has been listed in the FTSE4Good index. And in 2012, we were named sector leader in the Dow Jones Sustainability Index for the sixth consecutive year, as well as being included in the list of the “World’s Most Ethical Companies” for the fifth year in a row.

We published our Sustainability Report at the same time as our Annual Report, both appearing in printed and online versions. There you will find many additional examples of our achievements in this area, together with a comprehensive array of facts and figures.

We are proud of our successes and our tradition in the field of sustainable development. And we intend to continue working hard in order to extend our leading position – through our people, our products and our partners. We regard this as an obligation to society as well as providing competitive advantage to us as a company.

Ladies and Gentlemen,

I would now like to say a few words about the current fiscal year. Looking forward, the global economic environment will remain difficult. The political situation in the Middle East remains unstable. And the economic situation in various countries of Western and Southern Europe continues to present difficulties. We do not expect the Eurozone to undergo any tangible improvement in the current year. Indeed, things are likely to get worse before they get better.

In the course of the year we expect to see an upturn in economic development in North America, despite the on-going problems with the federal budget. We also expect the emerging markets to return to robust economic growth in 2013, with Asia as the strongest region followed by Latin America, Africa and the Middle East.

A number of major industrial sectors recorded weaker growth than expected during the first months of 2013. However, we expect an improving development during the second half of the year.

Despite the overall difficult market conditions, we confirm our guidance for 2013:

- We expect Henkel to generate organic sales growth of 3 to 5 percent.
- We expect our adjusted return on sales to rise to around 14.5 percent.
- And we expect our adjusted earnings per preferred share to increase by around 10 percent.

On May 8, we will be presenting our report for the first quarter of 2013 indicating in detail how the year has started for Henkel.

To conclude, let me summarize:

- 2012 was an excellent year for Henkel with new record sales and earnings.
- We fully achieved the 2012 financial targets that we set ourselves in 2008.
- In this intervening period, we did not allow the difficult macroeconomic conditions to deflect us from our targets.
- All the company's businesses and functions contributed to Henkel's successful development – an exceptional performance achieved by a strong global team.
- Henkel has further developed both structurally and culturally. Today we are better equipped than ever in all dimensions to meet the demands of international competition.
- Building on this successful foundation, we have established our strategy and targets for the next four years.
- We feel that we are well positioned to engage with the new challenges that are bound to come our way.
- Consequently, we are confident of also achieving our new targets. In brief: 20-10-10.

Ladies and gentlemen,

In addition to thanking all our employees for their contribution to our success – as I did at the beginning – I would like to extend the special gratitude of the entire Management Board to our Supervisory Boards, the members of the

Shareholders’ Committee and the employee representative bodies for their constructive cooperation over the past year.

Ladies and Gentlemen, Esteemed Shareholders,

I hope I have been able to provide you with a cogent picture of the successful development undergone by our company and – even more important – the successful future that lies before us.

We look forward to your continued trust and support as investors in and friends of the Henkel company as we move forward to those new horizons.

Thank you very much for your attention.