



**Commented Slides / Earnings Conference Call Q2 2015
August 12, 2015**

Participants – Henkel representatives

Kasper Rorsted; Henkel; CEO
Carsten Knobel; Henkel; CFO
& Investor Relations Team

Participants – Active in Q&A session

Christian Faitz; Kepler Cheuvreux; Analyst
Iain Simpson; Societe Generale; Analyst
Gael Colcombet; MainFirst; Analyst
Joerg Philipp Frey; Warburg Research; Analyst
Graham Jones; HSBC; Analyst
Robert Waldschmidt; Liberum; Analyst
Guillaume Delmas; Nomura; Analyst

Participants – Total conference call = 69 analysts & investors

Participants – Total webcast = 113 analysts & investors

Disclaimer

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as "expect", "intend", "plan", "anticipate", "believe", "estimate", and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and 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 any forward-looking statements.

Operator:

Good morning and welcome to the Henkel conference call. With us today are Kasper Rorsted, CEO; Carsten Knobel, CFO; and the investor relations team. (Operator Instructions). Today's conference call is being recorded and the webcast is available at www.henkel.com/ir.

Kasper Rorsted:

Good morning, ladies and gentlemen, and welcome to our conference call. First I'd like to focus on the key developments of the second- quarter 2015.

Then Carsten will provide you with the second-quarter financials in greater detail. After that I'll close my presentation with a brief summary for Q2 and the outlook for 2015. And finally we'll be happy to take your questions.

I'd like to begin by reminding everyone that the presentation, which contains the usual formal disclaimer to forward-looking statements within the meaning of relevant US legislation, can be accessed via our website at henkel.com/ir.

Agenda

1. Key developments Q2 2015

2. Financials Q2 2015

3. Summary & outlook FY 2015

Now let me get started and I'll go straight into the key developments of the second quarter of 2015.

Q2 2015: Solid performance in a challenging environment

OSG +2.4%	Adj. EBIT margin 16.4%	Adj. EPS growth +11.2%
OSG in EM +5.1%	NWC in % of sales 6.6%	Net financial pos. € -634m

4

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



We saw an organic sales growth of 2.4%, which was lower than the first quarter and it was predominantly driven by a lower growth in Adhesives and a somewhat lower growth in the emerging markets, which we'll get to.

We saw an adjusted EBIT margin of 16.4%, a step in the right direction also with the previous quarter, and adjusted EPS growth of 11.2%. We saw organic growth in the emerging markets of 5.1%, net working capital of 6.6%.

I know Carsten will go into the details of this, but, as we said on a number of previous calls, our intention is to make progress in this area. And I think when you see the details you'll also see that we're now starting to see the results of the progress that we have achieved. We have a net financial position of approximately minus EUR600m.

Delivering on profitable growth

- Sales increasing double-digit supported by FX, organic sales growth solid
- Emerging Markets with strong organic sales growth, Mature Markets positive
- Further improvement in adjusted EBIT margin
- Double-digit adjusted EPS growth
- Three acquisitions strengthening all business units:
 - Laundry & Home Care: C-P detergents & prewash brands, Australia / New Zealand
 - Adhesive Technologies: Novamelt GmbH, hotmelt Adhesives, Europe / North America
 - Beauty Care: Xtreme hairstyling brand, Mexico / Latin America - closed in July



Overall sales increased double-digit, supported by FX, and that means the overall organic sales growth was solid. We saw emerging markets with strong organic sales growth, albeit with a different picture and contribution than we've seen previously.

The mature markets were positive. Overall we saw all our regions being positive. We saw further improvement in our adjusted EBIT margin and, as you've seen, double-digit adjusted EPS growth.

From a balance sheet standpoint we conducted three acquisitions within or around the corner. And I'll go into greater details of that, one in Laundry and Home Care, one in Adhesives and one in Beauty Care that closed early July, which means legally we are required to report for this acquisition in the second quarter. So while it says July there's a legal requirement that we report for it in the second quarter.

Environment remains challenging

- Ongoing difficult geo-political situation, social tensions in some countries
- Moderate global GDP growth and volatile environment remain
- Adhesive Technologies below expectations, mixed SBU performance



On the right-hand side, we continue to see a difficult geopolitical situation, social tensions in some countries and we are seeing that in the overall GDP growth that we are also reflecting.

Particularly Europe has also consistently been impacted because, not because of the actual situation in Greece, but because of lack of progress in remaining countries. We see moderate global GDP growth, a slight decline compared to the first quarter. And the volatility remains.

We're disappointed about the Adhesive performance, which is below our expectations. But we are seeing a mixed SBU performance, which I'll go into in detail in my presentation.

Laundry & Home Care

Solid OSG & strong margin improvement in Q2 2015



Long-term overview



Sales

- Solid OSG
- Laundry solid, Home Care strong
- Mature Markets positive
 - North America positive
- Emerging Markets very strong

Return

- Adj. EBIT margin showing strong increase
- ROCE below level of previous year (acquisitions & FX)

7

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



On our Laundry and Home Care we saw solid OSG and strong margin improvements in the second quarter of 2015. The Laundry business was solid and the Home Care business was strong.

The mature markets were positive and also North America was positive. As I've said on previous calls, one or two quarters doesn't make it out, but clearly the plan that we articulated last year we are diligently executing.

The emerging markets were very strong, contrary to prior-year quarters. We did see a slowdown in the Middle East.

Our adjusted EBIT margin continues to show a strong increase, with 40 basis points of increase. ROCE is below previous year, but it's only due to acquisitions and to FX.

Laundry & Home Care

Strengthening innovation leadership across categories

Bref Rim Blocks Escapes



- New variants with innovative fragrance, building on global success
- Inspired by "escapism": Hawaiian Plumeria Lei & Rio Carnival

New "Mileage" Positioning



- New & differentiating positioning of Value-for-Money brands in EM
- Delivers maximum yield & performance

Persil Power-Mix Caps



- New caps range with a unique combination of liquid & powder
- Delivers best performance with superiority on bleachable stains

When it comes to our innovations we continue to have a very strong innovation pipeline. Our success in the toilet, so to speak, continues to roll and we continue to bring new products into the marketplace.



The advertisement features a blue background with a green ribbon-like shape on the left, composed of a solid green line and a trail of white powder particles. In the center, a single white Persil Power-Mix Cap is shown, containing a green gel and white powder. To the right, the text reads: "NEW" in a blue box, "TWO POWERS, ZERO COMPROMISE:", and "POWDER & GEL NOW UNITED." in large white letters. Below this, a green and white tub of Persil Power-Mix Caps is displayed, with labels for "NEW", "POWDER BOOSTER", and "POWER GEL". At the bottom left, the Persil logo is followed by the slogan "Best cap on the market." and "POWER-MIX CAPS" in smaller text. The bottom of the ad contains a red line with the number "9", the date "August 12, 2015", the text "Q2 2015 – Henkel Analyst & Investor Call", and the Henkel logo.

NEW

TWO POWERS, ZERO COMPROMISE:
**POWDER & GEL
NOW UNITED.**

Persil **Best cap on the market.**
POWER-MIX CAPS

9 August 12, 2015 Q2 2015 – Henkel Analyst & Investor Call **Henkel**

And also with Persil Power-Mix Caps we were just recently awarded or reviewed as having the best performance in the marketplace.

So overall with the innovation pipeline within our Laundry business we're very happy. And that continues also to fuel the growth that we've seen now for many quarters in a row. So overall a good business, a good performance in our Laundry business in the second quarter.

Beauty Care

Positive OSG & strong margin improvement in Q2 2015



Long-term overview



Sales

- Positive OSG
- Retail solid, Hair Salon positive
- Mature Markets negative
 - North America positive
- Emerging Markets very strong

Return

- Adj. EBIT margin showing solid increase
- ROCE below level of previous year (FX)

10

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



In our Beauty Care business we saw positive organic sales growth. Retail was solid and hair salon was positive, so you're starting to see slight positive signs now in the hair salon business. You also saw it in a couple of quarters last year.

Mature markets are negative. Europe is negative due to very high promotional pressure, and North America positive, so again the plan we've articulated is being put into place. The emerging markets remains very strong.

We're also seeing a slowdown in the Middle East in this area, but continued very strong business in China. On the adjusted EBIT we continue to see an increase in our EBIT margin. And ROCE is below previous year's level, only driven by FX side.

Beauty Care

Strengthening innovation leadership across categories

Gliss Kur Oil Nutritive	Fa Fresh & Dry	Taft Ultimate
		
<ul style="list-style-type: none">• 1st Oil-Repair Range from Gliss Kur with precious Beauty-Oils & Keratin• For healthy looking, shiny hair & up to 90% less split-ends*	<ul style="list-style-type: none">• 1st 48h reliable protection & all-day freshness activation from Fa• Unique formula continuously releasing fragrance	<ul style="list-style-type: none">• 1st Taft range with hold level 6 for the strongest Taft-hold ever• Formula with liquid crystal-gloss-effect for luxuriously shiny hair

* System usage Shampoo & Conditioner

11

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Also in this area we have a very strong innovation pipeline. And I think that the key message in our innovations is the capability to roll them out quickly across the board.

All the innovations I'm showing here have been introduced this year and they've been rolled out to up to 40 countries within a six-month timeframe. So the speed at which we implement new innovations in the marketplace, I believe, is first class and we're very happy with the overall setup in this area.

Schwarzkopf
Professional HairCare for you.

**MY
ULTIMATE
STYLING!**

**STRONGEST
TAFT HOLD
AND CRYSTAL
GLOSS.**

**NEW
TAFT ULTIMATE**

The advertisement features a woman with long, wavy blonde hair on the left. In the center is a can of Schwarzkopf Taft Ultimate hair spray. The background is dark with a bokeh effect of light spots. The text is in white and gold.

12

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Adhesive Technologies

Positive OSG & high margin level in Q2 2015



Long-term overview



Sales

- Positive OSG
- Transport & Metal strong, Electronics solid
- General Industry & Packaging weak
- Mature Markets positive
- Emerging Markets solid

Return

- Adj. EBIT margin at high level, below previous year
- ROCE below level of previous year (acquisitions)

13

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



On the Adhesives we saw positive OSG. The transportation and metal business was strong and the electronics business was solid. The general industry business and the packaging business was weak.

So it's clear that the Adhesive business performed below expectations. And we do not expect any significant change in our performance for the third quarter of our Adhesive business.

The mature markets were positive and the emerging markets were solid. We did see a slowdown in China in this area. The adjusted EBIT margin was, albeit at a very high level, was 50 basis points below previous year. ROCE is below the level of previous year, but is only acquisition-driven.

Adhesive Technologies

Fostering technology leadership with impactful activities

Largest Adhesives Plant in India	Pattex One for All	Bonderite Conversion Coating
		
<ul style="list-style-type: none">• Groundbreaking of new multi-functional factory near Pune• Serving customers in automotive, metal & industrial sectors	<ul style="list-style-type: none">• New, high-performance construction Adhesive & sealant for DIY• For all applications requiring high final strength, under all conditions	<ul style="list-style-type: none">• New multi-metal pretreatment preventing flash rust, phosphate-free• Higher efficiency in production process & increased sustainability

14

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



On the Adhesives side we continue to expand not only in the product side, but also our footprint. And we've taken the groundbreaking of our newest plant in India to support the growth in India. And India is one of the countries where we've seen a pick up in the last couple of years and continue to see solid growth.



On the Bonderite side, which is addressing the surface treatment business, we continue to innovate. And we believe also here we're making good progress on our overall innovation.

Now I'd like to hand over to Carsten who will give you Q2 and further details.

Agenda

1. Key developments Q2 2015

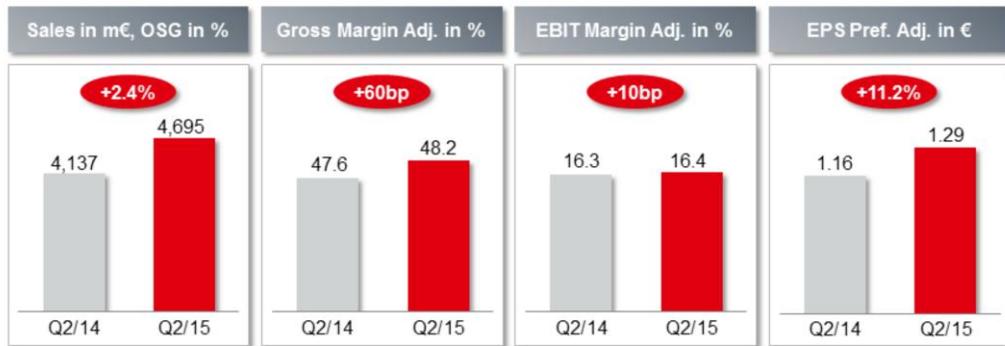
2. **Financials Q2 2015**

3. Summary & outlook FY 2015

Carsten Knobel:

Thank you, Kasper. Good morning to everyone. As stated, now I will give you the details of our financials in the quarter two. Let me start with our key performance indicators and starting here with our sales development.

Continuous commitment to profitable growth



17

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call

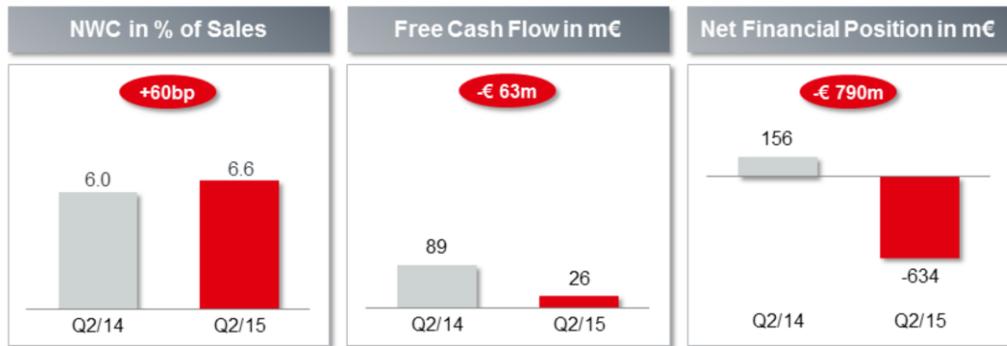


In the second quarter our sales amounted to EUR4,695m. This is showing a double-digit increase in nominal terms of 13.5%. And as you can see from the chart the 2.4% is related to the organic development.

Our adjusted gross margin came in with 48.2%. And this is an improvement of 60 basis points compared to the comparable quarter of the year before. And I will go a little bit more into the details during the presentation.

Bottom line, the adjusted EBIT margin improved again by 10 basis points, now to a level of 16.4%. And our adjusted EPS for the preferred shares came in at EUR1.29. And this is a double-digit increase, being precise, 11.2% for the quarter two.

Focus on disciplined cash management



18

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Looking on the cash KPIs, we continued our very disciplined way of creating and getting cash management. Starting with net working capital, Kasper already alluded to that net working capital came in at a level of 6.6%. This is up versus the prior year, but this is mainly due to negative currency effects of 20 basis points and acquisition effects of 50 basis points.

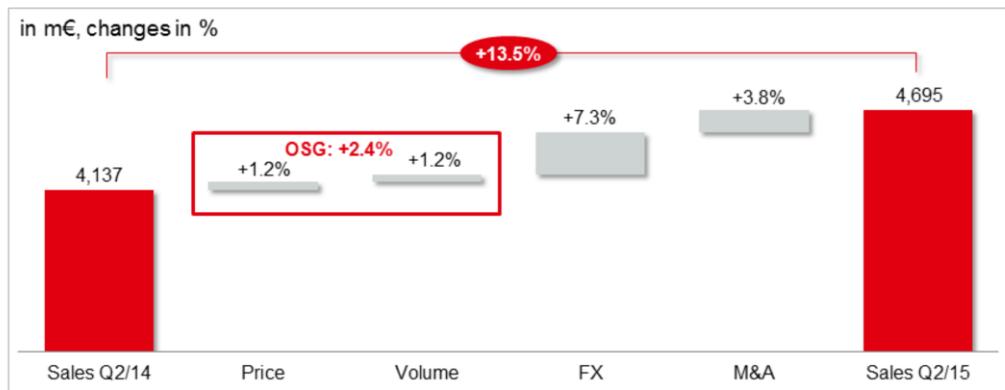
So adding these two components, 70 basis points, you see an increase of 60 basis points, so like for like we reached a level of 5.9%. And this also despite the higher pre-production for the safety stocks related to the one global supply chain launch.

For the ones who were present at the recent investor conferences, I commented on that, but reality is now we have managed better than expected to go live with our one global supply chain.

Coming now to our free cash flow, free cash flow came in at the Q2 of EUR26m, EUR63m below the comparable figure of the prior-year period. And by that it's mainly due to higher investments in CapEx.

And finally our net financial position reached a level of minus EUR634m at the end of quarter two. And this is a decrease of EUR790m. But this is mainly due to the acquisitions we did over the last 12 months and the one-time effect, which I will explain later when I'll give you more details on our financial, or net financial position.

Double-digit nominal sales growth, balanced organic sales growth



19

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



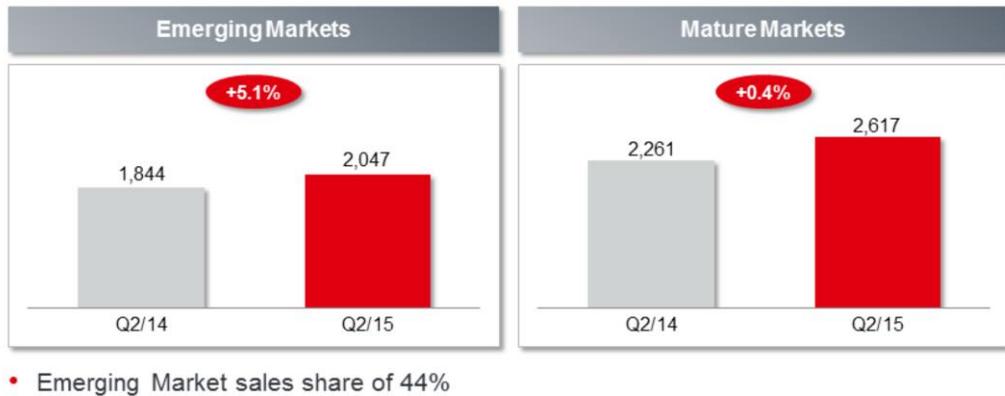
With that let me come now to some closer looks when it comes to our top line, and first starting again overall with the Company. We told you before our organic net sales growth for the quarter was 2.4%. The growth was driven in a very balanced way between price and volume. Each component amounted was 120 basis points' increase.

We had a positive FX effect of 7.3% for the quarter. The tailwind was mainly caused by the US dollar and, by that, over-compensating the depreciation of currencies in the emerging market, especially the Russian ruble.

M&A as part of our strategy amounted, well, are related to 3.8% increase for the quarter. And with that we reached the already-mentioned number of EUR4,695m in terms of euro sales and, by that, a double-digit increase in nominal terms of 13.5%.

Emerging Markets strong, Mature Markets positive

in m€, OSG in %



20

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Moving now to our regional performance, and here starting with the emerging market and mature market overview, the emerging market recorded a double-digit increase in nominal terms of 11% to EUR2,047m. This is an organic increase of 5.1%, a strong growth and the major contributor by that for sure of our overall development.

As introduced by Kasper, we saw a sequentially lower growth rate in the emerging market. Here we have to look a little bit more into the details. Looking in our HPC businesses, so Laundry and Home Care and Beauty Care, we have seen a very strong development, so with high single-digit numbers for both businesses.

The Adhesives business OSG for the emerging market was solid. But as you can see from the past this is lower than we experienced in the last quarters, and this caused the 5.1%, which is lower what we experience overall for the Group in the emerging markets.

Coming to the mature markets, we have seen a positive picture regarding a double-digit increase when it comes to the nominal sales, the increase size 15.7% increase to a level of EUR2,617m and this is related to an organic development of 0.4%. Overall emerging markets account now for 44% of our sales.

Broad-based growth across regions

in m€, OSG in %



- Mature markets with mixed dynamics
- Emerging markets driven by Mexico, Russia & India

21

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



With that I would like to dig into the details of the individual regions, and here starting with Western Europe. Western Europe remained at the level of the prior year. The top countries of Western Europe showed and recorded a positive organic growth, even also Southern Europe, which had been struggling over the last couple of quarters and years has shown in the quarter two a positive development. And it seems that we recover here slowly step by step. Negative in the quarter some countries in Northern Europe and Switzerland which could not reach the level of the prior-year quarter.

With that, moving to Eastern Europe, we have seen a strong growth in Eastern Europe regarding organic net sales development, 5.5%. This was over-proportionally driven by a high growth in Russia. Sales in Ukraine remained below the prior-year level.

Moving to Africa/Middle East, we have seen here a solid growth of 4.4%. This is driven and supported by Egypt, United Arab Emirates, Iran and Saudi Arabia. On the other hand, HPC sales growth slowed down in the countries affected especially by geopolitical topics, be it in Tunisia, in Lebanon or in Syria. This is valid for Laundry and Home Care and Beauty Care, while our Adhesives business showed a very strong development in the region for the Q2.

Moving now to North America, you see here a 0.3%, so positive organic net sales growth. This is driven by both HPC businesses, Laundry and Home Care, and Beauty Care are showing positive development in terms of OSG in North America. The situation in Adhesives, here we remain below the prior-year level, especially impacted by a soft development in the general industry business, and the packaging, here related to high price competition.

Moving to Latin America, Latin America showed in the quarter two a very strong performance, 8.4% in organic terms. We have a double-digit performance in Mexico, a very strong development in Colombia. Both developments could over-compensate a slightly negative development in Brazil, which continues to be impacted by the weak economic environment.

Finally, Asia Pacific we recorded a solid organic net sales growth of 3.7%. Kasper has already alluded to that. Looking first at China, in our Beauty Care business we continued here our very strong performance with a clear double-digit growth, while Adhesives showed an overall positive performance, but weaker than we experienced in the couple of quarters before. India with a very strong performance. Indonesia growing double-digits. And looking into the mature part of Asia, Japan also positive and a good development in both Beauty Care and Adhesives in relation to our businesses.

Laundry & Home Care

Fostering profitable growth path



- OSG driven by 0.5% in price and 3.8% in volume

22

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



With that I would like to move to our three divisions, and here starting with our Laundry and Home Care business. We have seen a double-digit increase in nominal terms when it comes to our sales development, 15.3%.

The organic growth rate is 4.3%, a very good development, driven by a price component of 0.5% and the volume development, a positive volume development of 3.8%. Our Laundry business, looking at the segments, came in with a solid growth, while Home Care grew strongly in the quarter two.

Looking into the regional performance of the Laundry and Home Care, we have the emerging markets I already told you we saw, have seen a strong, a very strong growth rate in terms of organic net sales growth in the quarter two. Here this is driven by Eastern Europe and Latin America with double-digit developments.

Africa/Middle East I already gave you an indication. We had a solid growth, but this is definitely not on the level we experienced the quarters before, and the reason I alluded to, geopolitical topics in part of Africa and Middle East.

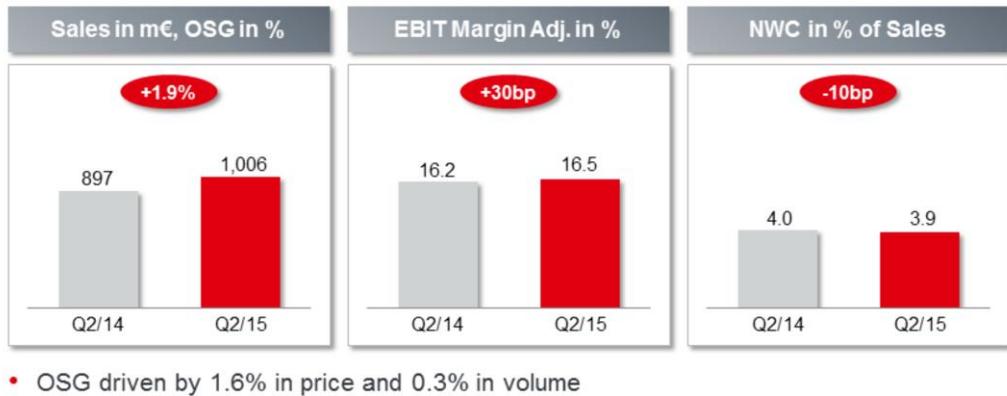
The mature markets, we have seen a positive development in the mature markets in Western Europe, with a solid growth in North America with a positive development. So all sub-regions in Laundry and Home Care in the mature markets showing a positive development.

Coming to the bottom line, as you can see from the chart, again, a strong improvement of our bottom line. Adjusted EBIT margin improved by 50 basis points to a level of 17.1%. Net working capital in percent of sales showed a good performance, minus 3.1%.

This is reported below the prior-year quarter, but we have to take acquisitions effect of 160 basis points into account. And taking a like for like we have an improvement of more than 100 basis points compared to the quarter before.

Beauty Care

Fostering profitable growth path



23

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



With that, moving to our Beauty Care business, Beauty Care business in nominal terms also improved double-digit by 12.2%. The organic growth rate came in at 1.9%, having here a price component of 160 basis points and volume being up by 30 basis points.

Both businesses, retail and hair salon, were positive in terms of organic net sales growth, being precise, retail showed a solid performance, hair salon was positive.

Looking into the markets, mature and emerging, starting with the emerging market, also here emphasizing again, like in Laundry and Home Care, we have seen overall in the emerging markets a strong, a very strong development of our top line, with double-digit contributions from Latin America and the emerging part of Asia Pacific, here predominantly driven by a very strong China business, double-digit development. Eastern Europe showed a strong organic net sales growth, with double-digit contributions from Russia and from Turkey.

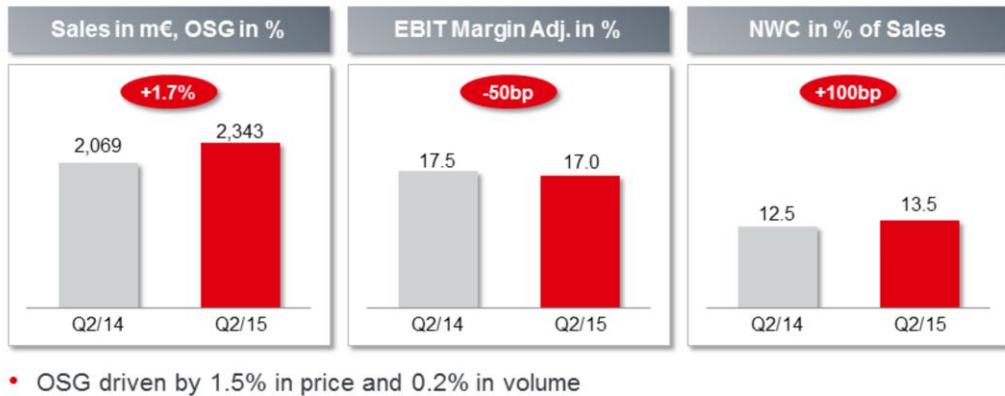
The mature part of Beauty Care showed a performance not meeting 100% the prior-year level. We had here a mixed development, while we have a negative organic net sales growth in Western Europe, especially by the price and the competitive and promotional situation. Our North American business recorded a solid organic net sales growth, here supported by the launch, also by the launch of Essence Ultime.

Bottom line, we also see in the Beauty Care business a continuous profitable growth development. That means 30 basis-point improvement in the adjusted EBIT margin now to a level of 16.5%.

Net working capital recorded the number of 3.9%, being better than the prior-year number, comparable number of 4.0%, here also taking into account FX effect of 40 basis points. So overall, like for like, the business was better roughly 50 basis points and, by that, showing a good development, exactly in line what Kasper said, that we are continuing focusing on our cash development.

Adhesive Technologies

Positive OSG, profitability below high level of previous year



24

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Moving finally now to our Adhesive technologies business. Also the technology Adhesive technologies business in nominal terms recorded a 13.3%, a double-digit growth in nominal terms, organically 1.7%, predominantly driven by price, 150 basis points, and volume by 20. And alluding to that, what Kasper said, this is definitely a performance below our expectations.

On the one side all segments showed a positive organic net sales development, but we have to differentiate. While the electronics business, with a solid growth, and transport and metal, with a strong growth, met our expectations or even exceeded that, the general industry part and the packaging, as already told you, were soft and not meeting what we thought we should or could achieve.

Looking to the regional development, starting here also with the emerging markets, we have a strong contribution in Latin America, also a very strong development in Middle East/Africa. But our performance in Asia Pacific was positive or solid in that respect. But again also here compared to comparable quarters over the last couple of reporting periods definitely significantly below these numbers.

Mature markets we have seen overall a positive development. Western Europe was positive. North America recorded a slightly negative development. And Asia Pacific, the mature part of Asia Pacific, showed a strong development.

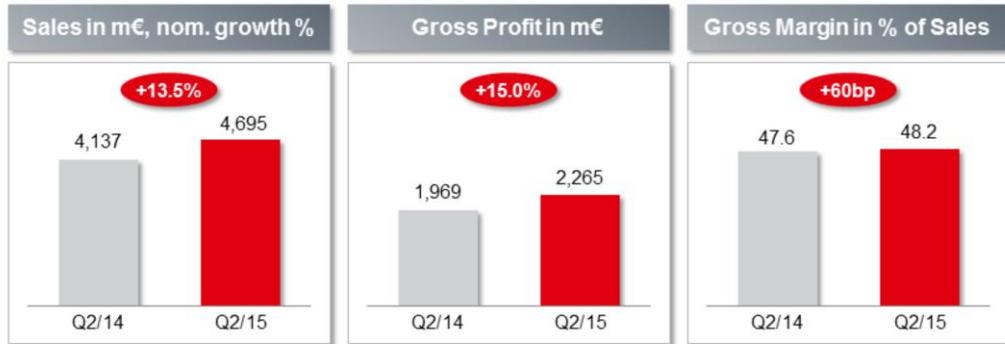
Our adjusted EBIT margin reached a level of 17%, which is 50 basis points below the prior year. And this development below our expectation was especially related to the general industry business.

As you know, we have here a quite high-margin business. And by having a softer development in top line this is impacting our mix and, by that, impacting our margin. And in the packaging development we see an ongoing and continuing price pressure which is also impacting our profitability.

To the cash side, net working capital remained low at 13.5% also in comparison to our peers, and here mainly due to effects from the acquisitions which we executed.

Gross margin with very strong improvement

Income statement adjusted



25

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



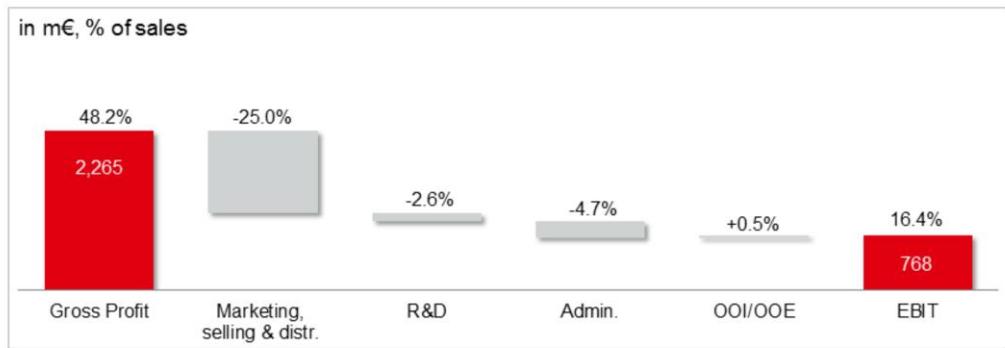
With that let me move now, and coming back to the overall situation on Henkel, and now looking into the income statement adjusted from gross margin, sorry, from sales to gross margin.

The sales development I already reported on, the 13.5% in nominal terms. We could increase our gross profit by 15% to a level now reaching in absolute terms EUR2,265m of gross profit. And this is related then to a gross margin in percent of sales to 48.2%. This is an improvement of 60 basis points. Here are three reasons behind.

First of all, lower prices for our total direct materials; second, savings from cost-reduction measures; and thirdly improvements in our production and supply chain efficiency. And these three reasons are relevant for overcompensating the negative effect of transactional FX topics occurred by an intense also promotional environment. With that, I said it before, we reached 48.2%.

Further increase in adjusted EBIT margin

Income statement adjusted



26

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call

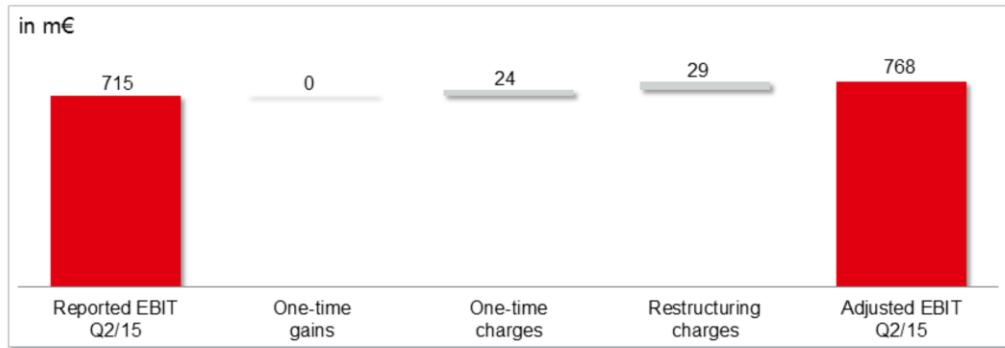


Moving further in our income statement adjusted, now looking from gross profit to EBIT, we increased our marketing, selling, distribution expenses by 40 basis points now to a level of 25%. Our marketing spend was significantly up versus the prior year and, by that, we increased investments behind our brands.

Coming to our R&D expenses, they recorded 2.6% of sales, and they were also slightly higher than in the comparable quarter of Q2 2014. Our admin expenses increase by 40 basis points now to a level of 4.7%. And this is mainly due to our acquired businesses and the FX effects.

Operating income/operating expense remained at a very low level with EUR20m. And with that we reached an adjusted EBIT margin, as pointed out before, of 16.4%. The absolute number in terms is EUR768m as adjusted EBIT. And by that we improved the adjusted EBIT margin by another 10 basis points compared to the year before.

Continuous adaptation of our structures to the market



27

August 12, 2015

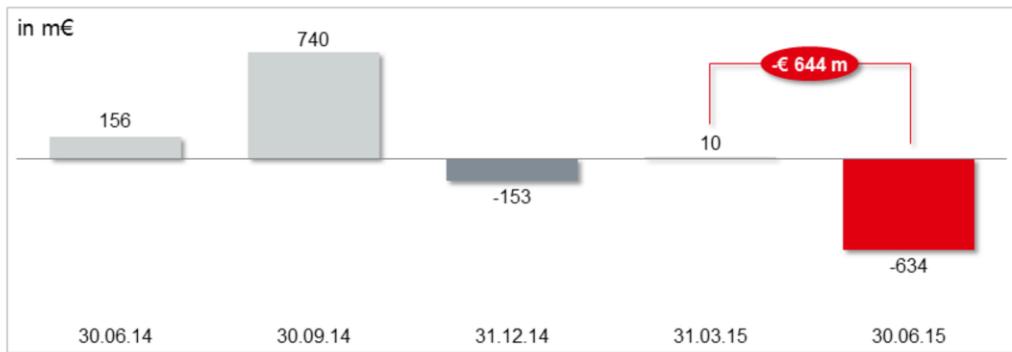
Q2 2015 – Henkel Analyst & Investor Call



Coming now to our bridge from reported to adjusted EBIT, the reported EBIT amounted in the quarter two of with EUR715m. You see we have no one-time gains. We have one-time charges of EUR24m which is mainly related to the setup of our integrated supply chain, One GSC.

And we have recorded restructuring charges of EUR29m in Q2 2015. And with that we are on track with our annual guidance of restructuring which is between EUR150m and EUR200m. With that, we reached the EUR768m which I already alluded to as the adjusted EBIT and improving that 14% above the prior-year quarter.

Net financial position affected by higher dividend payout



28

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Let me finalize the financial part with giving you some more glance on our net financial position. The net financial position at the end of June 2015 reached a number of EUR634m. Comparing that to the end of the first quarter of this year this is a reduction of EUR644m. And there are three reasons behind that development.

First, we have a one-off impact which I started -- which I alluded at the beginning of the presentation. We provisionally paid EUR109m for proceedings by antitrust authorities in Europe. As commented already, the proceedings all are related to violations which occurred between 2003 and 2006, so 10 years more than 10 years before we report here that topic. And we accrue the provision already, also reported to you, at the end of 2014.

The second impact factor is we paid dividends on an amount of EUR580m in the second quarter. And furthermore we had also the payment of our Novamelt acquisition in the Adhesives sector of roughly EUR50m.

With that I thank you and give back and hand back to Kasper.

Agenda

1. Key developments Q2 2015
2. Financials Q2 2015
- 3. Summary & outlook FY 2015**

Kasper Rorsted:

Thank you, Carsten. Now let me summarize.

Q2 2015: Delivering on profitable growth

- Sales increasing double-digit supported by FX, organic sales growth solid
- Emerging Markets with strong organic sales growth, Mature Markets positive
- Mature Markets on € 10bn sales run rate
- Further improvement in adj. EBIT margin
- Double-digit adj. EPS growth
- Executing on our strategy: three acquisitions

We saw sales increasing double-digit, supported by FX and organic sales growth we saw overall positive. Just in the overall picture we are still at a negative FX position since the start of this strategy cycle so, i.e., from we started January 1, but there's no doubt that of course we had a positive FX impact in the quarter.

We saw emerging market with strong organic sales growth, but with a different profile, as Carsten just spoke to you about. We saw a slowdown, significant slowdown in the Middle East in our consumer business where there's no doubt that the war in the region is significantly impacting the overall consumer spending.

And we saw a consistently-strong consumer business growing double-digit in China, but a slowdown in the industrial area. So we are seeing a change in the profile.

The mature markets are positive. And we are seeing the mature markets on a EUR10b sales run rate already for 2015, so one of the two EUR10b blocks we're getting closer to. We are seeing a further improvement in our adjusted EPS margin with an expansion of 10 basis points, double-digit adjusted EPS growth and we're executing on our strategy on organic and inorganic growth by executing upon three acquisitions.

Executing on our strategy: recent acquisitions

Novamelt GmbH	Leading C-P Laundry Brands	Xtreme Hairstyling Brand
		
<ul style="list-style-type: none"> • Specialized hotmelt technologies • Focus on Europe & North America • Price € 48m, closed in June • Annual sales 2014 € ~50m 	<ul style="list-style-type: none"> • Coverage of key categories • Leading positions in Australia & NZ • Price € 220m, signed in May • Annual sales 2014 € ~110m 	<ul style="list-style-type: none"> • Full range of hairstyling products • Leading positions in Mexico & LA • Price € 53m, closed in July • Annual sales 2014 € ~40m

31

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



And the three acquisitions are, let me just briefly describe them, Novamelt, which is in the hotmelt technologies business, so, and in similar area like Cytec. Cytec we acquired two years ago. So we're now having a very consolidated position in this market space. It's based in Germany, but predominant sales focus in Europe and North America. Price was EUR48m and annual sales of approximately EUR50m.

We've now established ourselves in the Laundry and Home Care -- Laundry business in Australia by buying the core brands from Colgate. And that means that we're now present in Australia in all our three business areas. And we've acquired a leading position in Australia and New Zealand. The price was EUR220m and annual sales of approximately of EUR110m, so strengthening our Laundry and Home Care business.

And we continue to do smaller add-on acquisitions in Latin America, or Middle America again, in Mexico, now with the Xtreme hairstyling brands to strengthen our Beauty Care business. Price was EUR53m and annual sales of EUR40m.

So we have added approximately EUR200m of business to our portfolio in revenue terms in the second quarter. And that will of course help us as we move forward, as all of these businesses are very much in the core of what we do and does represent opportunity for further, not only revenue growth, but of course also profitability growth.

Disciplined strategy execution continues in a volatile environment

- Moderate global GDP growth and volatile environment continuing
- Persisting geo-political tensions
- Strong innovation pipeline across all business units
- Continuous cost focus & adaptation of our structures
- Disciplined approach on acquisitions, very strong balance sheet

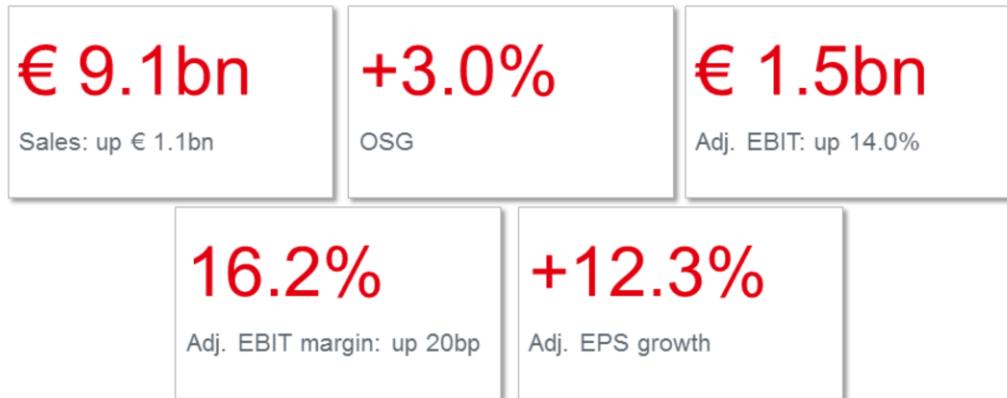
It's important that we have a disciplined strategy execution in the current environment. We continue to expect a moderate GDP growth and an unclear or volatile environment. There is no change to the current persisting in political tensions.

We believe we have a strong innovation pipeline to cross all business groups to continue to drive not only top line, but also bottom line. Pricing is coming through innovation.

On the cost focus it's clear that with a slower, slowing down in certain of the key markets we will accelerate our structures to address those markets. And that is happening as we speak, that we are consistently addressing our structures to the market, and you will see that also moving forward to ensure that we continue our EBIT expansion moving forward.

We'll continue to have a disciplined approach in our acquisitions. We have a very strong balance sheet, almost EUR5bn to spend within the current rating. And we will continue to invest appropriately and disciplined in a way that will strengthen Henkel moving forward.

Highlights 1-6 2015: on track for FY 2015 guidance



If you look upon one to six, we have revenues of EUR9.1b, up by EUR1.1b compared to last year, OSG of 3%, so within the guidance. We have adjusted EBIT of EUR1.5b for the first six months, a margin of 16.2%, up 20 basis points compared to last year, and an adjusted EPS growth of 12.3%. So our overall guidance of 3% to 5% growth, a margin of approximately 16% and EBIT growth of 16% is what we're coming to.

Guidance FY 2015 - confirmed

	Guidance FY 2015
Organic Sales Growth	3 – 5%
• Laundry & Home Care	3 – 5%
• Beauty Care	~2%
• Adhesive Technologies	3 – 5%
Emerging Markets sales share	At prior year level
Adjusted EBIT Margin	~16%
• Laundry & Home Care	
• Beauty Care	All Business Units contributing
• Adhesive Technologies	
Adjusted EPS Growth	~10%

34

August 12, 2015

Q2 2015 – Henkel Analyst & Investor Call



Now let me now get to the guidance for the full year. We are guiding 3% to 5% and we are maintaining that guidance. For our different businesses, Laundry and Home Care we're guiding 3% to 5%, Beauty 2% and Adhesive technologies between 3% and 5%. As I said earlier on the call, we do not expect any significant change in the performance of our Adhesive business in the third quarter.

We expect an adjusted EBIT margin for the full year of approximately 16% and adjusted EPS growth of 10%. So we are confirming the guidance for the full year, as we also said in our press release.

Upcoming events

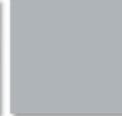
- November 11th, 2015 - Q3 2015
- February 25th, 2016 – FY & Q4 2015
- May 19th, 2016 – Q1 2016
- June 6th–7th, 2016 – Investor & Analyst Day, Adhesive Technologies, Germany



The upcoming events, we have our third-quarter numbers coming up in November 11, full year for February 25, first quarter May 19.

And we'll have our investor day in Germany next year taking place June 6 and 7 which will focus on Adhesive technologies. It will take place in Germany. Location you'll get briefed on at the right moment of time.

Thank you!



 **Henkel** Excellence is our Passion

I'd like to thank you for listening in to us for this stage. And now Carsten and I will be happy to answer any questions you might have. So we'll now go over to the question and answer side.

Q&A Session

Operator: *Christian Faitz, Kepler Cheuvreux.*

Christian Faitz: Yes, good morning, gentlemen. Just two questions from my side, please. First of all, can you please remind us of your Group sales exposure into China and Brazil respectively?

And then second of all, Laundry and Home Care, congratulations on apparently sound NAFTA performance after quite some years of troubled waters. Can you share with us some insights on how the Persil brand is taking off there since the March launch? Thank you.

Kasper Rorsted: Christian, thank you for your question. First of all, as you can see, we've been very happy with the overall performance of our Laundry and Home Care business, not only now, but for a long period of time.

I've said on a couple of occasions I believe you asked about NAFTA and North America. We have built a very solid plan for North America that we are in the context of executing. And it will be too early to say where we are with regards to Persil.

We have implemented Persil in more than 50 countries across the world, including the neighbor country, one of the neighboring countries, Mexico. And we know by experience that it takes about one to two years before we can have a solid view on what the overall performance of the Persil brand is. So far it's performing against our expectations.

The two countries you just mention, China's approximately 9% of our business and Brazil is 1%, so Brazil is, I would say, very little. China has a large exposure and, as Carsten said, we have a low single-digit growth in our industrial business and very strong double-digit growth in our consumer business.

Christian Faitz: All right. Great, thank you.

Operator: *Iain Simpson, Societe Generale.*

Iain Simpson: Thank you very much, gentlemen. So on China Adhesives, is that just driven by macro slowdown as we've seen from many other companies, or is there anything else going on there?

And secondly perhaps if you could just give us a bit of help in terms of how we think about input cost phasing as the year progresses. That normally hits you with about a six-month lag, so should we expect to see more of an input cost benefit to gross margins in the second half? Thank you very much.

Kasper Rorsted: Iain, I'll take the first one and Carsten will take the second one.

China is purely demand driven. We believe that we have a very strong market share position. And I believe we have a very strong market share position in China. We have not lost market share in any of the segments that we're in at this stage. This is purely a reflection of demand within the overall industrial setup in China.

What I do want to say is, and this is my personal perception, I think what you're going to see is you're going to see a resetting of demand where you're going to see a slowdown in the overall industrial sector to clean up any kind of inventory you have in the entire supply chain, and then you will have a more normalized run rate after a set of quarters. But this is purely demand driven. There is nothing else in it.

And by the way we don't hold any inventory of any significant size in our industrial business, so you will not find it on our side. It's inventory that is sitting at the manufacturer side. We don't hold inventory.

Carsten Knobel: Iain, good morning. When it comes to the input cost question, I think you're exactly saying what we always have said. It takes roughly six months before certain savings out of material developments coming into our P&L.

I think I was very clear we have seen that in quarter two, because the gross margin improvement of 60 basis points, one of the reasons behind that was lower direct material. So we see that and as this trend is continuing we're also expecting that this continues.

On the other side you also know that we have a high volatility and a continued uncertainty in the markets we are facing related to the direct material development or feedstock development. So feedstock prices and currency are fluctuating and, by that, we have also seen a lot of force majeure which take place in the first half year which will -- can also affect quarter three.

And therefore we have decided that we will update our guidance related to the direct materials situation in quarter three. Nevertheless, as I pointed out at the beginning, we have seen improvements based on lower direct materials in the quarter affecting positively our gross profit.

Iain Simpson: Thank you very much. And just for clarity when you say that you may update your guidance on raw materials in the third quarter I assume that if you do update that will be because raw materials has gone easier rather than any negative update to guidance in the third quarter?

Carsten Knobel: That would be my current assumption, but that was the reason why we didn't do it today, because we see this volatility and the uncertainty. But based on the current view you're right.

Iain Simpson: Very clear. Thank you very much both.

Operator: *Gael Colcombet, MainFirst.*

Gael Colcombet: Yes, good morning, gentlemen. First question on Adhesives. You keep the guidance of 3% to 5% while at the same time saying that Q3 will be more or less similar to Q2. So I know you don't guide on quarters, but just to get an idea whether you think there could be an uptick of organic growth in the Q4.

Secondly, still on Adhesives, and particularly looking at any transactional impact that could happen on profitability. You did pull out the EUR100m headwind on EBIT coming from Russia. Is that still the case?

And looking at Asia and the slowdown currently happening, in terms of profitability, are we just looking at a translation effect potentially coming out of Asia, or is there also some transactional impact potentially? Thank you.

Kasper Rorsted: Thank you very much, Gael. On guidance overall, if we change guidance, and I say that as I've said all the years I've been CEO, if we change guidance in the third quarter. Right now we're confirming guidance.

The reason why I'm saying what I'm saying on the third quarter is that, the view we have on the third quarter and our view is still that we'll be within the guidance. If we change we'll change in the fourth quarter, but I wanted to set the right expectation for the third quarter.

For the EBIT, the EUR100m that we have articulated for Russia and Ukraine, that is a mix across all businesses. And that has been an integral part of our overall guidance, so there's no change to that. So the assumptions that we've had remain unchanged.

If you look upon the ruble, the ruble weakened this week, but we still believe that the magnitude of the euro, no, the ruble Ukraine situation will be approximately EUR100m on the earnings. But it is included in the guidance and was included from day one.

From an EBIT standpoint, before I hand over to Carsten, Asia is a very strong contributor from an EBIT standpoint in our industrial business and we expect it to remain so. But, Carsten, maybe you just want to speak a bit about the translation transaction impact.

Carsten Knobel: Yes. As you know, our strategy is to produce as much as possible locally and this is reality in Asia. So therefore, yes, for sure, if currencies are changing we will have translational effects, but transactional effects other than what Kasper alluded to. Eastern Europe and especially Russia and Ukraine will not have the same effect in terms of and therefore we have also not made any comment to that.

Gael Colcombet: Thank you very much. Very clear.

Operator: *Joerg Philipp Frey, Warburg Research.*

Joerg Philipp Frey: Hello, gentlemen. Can you please elaborate a bit more on the Adhesives margins, particularly, well, if we look at it from the outside we have you actually rising your prices even a bit more than in the first quarter.

We have increasing benefits from raw material prices, yet you, nevertheless, have a margin below the prior year. Can you elaborate a bit on the divisional margins and what's the driver there?

And how much risk do you see in the inventory cycle for the Adhesive business, given that industrial production seems to slow globally?

Kasper Rorsted: Thank you very much, Joerg, for your question. Let me just try to articulate our starting point. We are within our competitive space actually leading when it comes to margins, which by no means is meant as a complacent remark, because that's not the purpose of the remark. A big driver for our margin evolution Adhesive is mix.

And as I said at the introduction where we have seen a slowdown has been, among others, in our general industry business or our Loctite business. Our Loctite is, along with our electronics business, the highest-margin business.

So when you look upon margin change over time it's clear that when you have very strong growth contribution from our transportation business which we have, and good revenue contribution from our electronics business, which is also high margin, but a lower part, but our second-largest business. But our highest-margin business is our Loctite business and that has slowed down. And that is the predominant driver for the change in our margin.

We are also seeing a somewhat slower margin in our packaging business due to pricing, but that is a price driven. But it's a slowdown in the industrial business.

On the inventory side we have two levels of inventories. We have in our general industry business we have distribution inventory where we did see a slowdown in the second quarter. But the inventory I spoke about was inventory held at manufacturers in China, so customers of ours.

And that of course we cannot judge ourselves. We don't really believe, we don't really have any inventory of significance that will have an impact on the inventory standpoint.

Joerg Philipp Frey: No, understood. I just have been looking at the inventory part from a macro side as it seems, generally been extremely high in the supply chain.

Carsten Knobel: Maybe to add on that, our inventory situation, as I told you, that we have been satisfied with net working capital development in the quarter also and this was also related to inventories.

So we have driven inventories down despite the fact I alluded to that that we had the preproduction of safety stocks for parts of global supply chain going live. So inventories are developing in the right direction.

Joerg Philipp Frey: Thanks a lot.

Kasper Rorsted: Just to be clear on what I said, so no complacency is left on this call, I said on Slide 2 our Adhesive business is performing below our expectation. And of course when I say below our expectation it means we're not happy with it. So while the margin is high I think that it's clear what I'm saying, that it's below our expectation.

Joerg Philipp Frey: Yes. Thanks a lot for the clarification.

Operator: *Graham Jones, HSBC.*

Graham Jones: Good morning, everybody. I've just got another question on Adhesives, if I may. So you're quite clear that you don't expect any improvement in Adhesive performance in Q3, but yet you've retained your full-year guidance of 3% to 5% organic sales growth for Adhesives.

So I was just wondering specifically what you're seeing coming in the fourth quarter to mean that you expect a much better organic growth rate in Adhesives in Q4.

And then my second question is on Laundry and Home Care. You had a very good volume performance in Q2, but pricing in Q2 was much weaker than the 2.3% that you delivered in Q1. So I was just wondering if there was anything specific in pricing going on in Laundry and Home Care in Q2.

Kasper Rorsted: Okay, thank you very much. What I did say was we didn't see any significant change to our performance in the third quarter. As you know, we grew I think 3.7% in the first quarter and now 1.7% and we believe that we are still within guidance. And as I also said there's no -- there's moderate change in the GDP.

So I believe part of it is market and part of it is that we're not performing to our own expectations. And we're doing whatever it takes to change that performance level up to where we believe it can and should be. I think that is as clear as I can be.

On the Laundry part overall we're extremely happy. Let me just say that. And Carsten will give you the details. It's the best quarter ever for our Laundry part on margin, on absolute size, on market share, on pretty much every metric we have. So we take the question with interest, but I'm actually not very worried about it. But I'll hand over to Carsten.

Carsten Knobel: I think, Graham, there are two topics. First of all, pricing is up and that's, first of all, positive. You cannot compare quarter to quarter because you have always different launch effects impacting that.

Nevertheless, giving you some more details regarding the pricing of Laundry, all regions in our Laundry and Home Care business showing positive price development, with one exception, and this is Western Europe.

And this is especially due to high promotional intensity, which is something which is ongoing in Western Europe. We are not alluding to that or putting that on a chart because for us it's a new normal. But nevertheless the promotional intensity is extremely high, especially also related to discounter.

And that's some more details behind. But nevertheless Kasper said it already. I think that's a very good development in Laundry and Home Care and really nothing to be criticized.

Graham Jones: Okay, thank you.

Operator: *Robert Waldschmidt, Liberum.*

Robert Waldschmidt: Good morning. Two question, please. In Europe you also referenced considerable promotional intensity and competitive pressures. And I was wondering if you could detail roughly how your market share situation looks within the Beauty space in particular.

And then in terms of, sorry to come back to it, but in terms of Adhesives North America you called out as a bit, I believe, negative in the period. And I know that's been a point of focus over recent periods.

And I didn't know if that was related more to the struggles that the US had in terms of its relative growth in the beginning of the year and if you expect that could potentially be better in second half, or if there's just a general slowdown that you're seeing there that you can relate to.

And then with respect to electronics, solid in the period, but looking forward how do we see electronics Adhesives demand going forward? Thanks.

Kasper Rorsted: I will start with the North American in the electronics part and Carsten will take the European part.

Overall we saw a slight pink picture, so to speak, for our Adhesive business in the second quarter. Overall we're happy with the development. We are seeing a very price-intensive Adhesive market in the US', a market that has a high component of the packaging business.

Packaging business is the one that has the highest level of price competition and where you're seeing the biggest price erosion in the US. So I think that we're making the progress in the US that we believe that we need to be making. And we've taken a lot of initiatives and we're executing upon those. So we're making the right progress.

On the electronics side, as you for a number of quarters now, has been positive territory. Electronics is very, quote unquote, seasonal depending on which areas of sales is on the high side. We have a very strong position in consumer electronics and consumer electronics continues to be up.

So on a global basis we expect a continued strong electronics business. I say this deliberately, because some of the ways we report our electronics numbers from a regional standpoint is actually misleading.

Because, as you know, a lot of the electronics part we are having the design taking place in North America and the cost taking place in North America, but all the manufacturing taking place outside the US.

Part of the electronics business that we also have in the US is our newly- acquired Bergquist business, where we're very happy with the performance of that. It is on or above the plans that we've made, so we're quite content with the electronics business.

That is not an area of concern of us. The area of concern, as I said before, just to reiterate, is general industry and packaging from a macro standpoint. That's where we need to get the growth back into the system.

Carsten, on the European side and Beauty Care.

Carsten Knobel: Yes. Bob, regarding to your question regarding market shares and the promotional intensity, again, promotional intensity for us is a new normal. Therefore, we don't want to emphasize on that because I think that's the way how we have today, and also in the future, to cope with the business.

And on your specific question, are we dealing with that promotional intensity, and, by that, dealing with market shares on the right side? If you look at Western Europe and look on our fast-moving businesses we have seen in Laundry and Home Care a significant increase in market shares in Western Europe and a positive development also in Beauty Care.

So both businesses have adapted themselves to the way how business is done. And that means we increase market shares in Laundry and Home Care and Beauty Care in Western Europe when, we're speaking.

Robert Waldschmidt: Thank you very much.

Operator: *Guillaume Delmas, Nomura.*

Guillaume Delmas: Good morning. A couple of questions for me, please, and I'm afraid on Adhesives. The first one, you singled out general industry and packaging as being a bit soft in the second quarter.

But if I look at the performance of Adhesives for consumer, craftsmen and building it seems that's where we're seeing a substantial slowdown, with almost no organic sales growth in Q2. And for the fourth consecutive quarter we're seeing some margin contraction for that sub-division. So what is the plan for that division and when would you expect some margin expansion again?

And then my second question is about the SG&A expenses in Adhesives going up, it seems substantially, given that your gross margin was up, but operating margin was down 50 bps. When should we expect those investments to pay off and fuel some organic sales growth acceleration? Thank you.

Kasper Rorsted: I'll take the first question and Carsten will take the second. The AC business, as you're alluding to, is one business for us that is very Eastern Europe centric. And basically what you have seen in Eastern Europe with two of our strongest countries, being Russia and Ukraine, I think gives you the explanation of it.

So we are not going to see any significant upturn on the AC business before we see a normalization of what's going to happen in Eastern Europe. So these are the two predominant markets that drive the performance for us. We are also present in Brazil and, as you know, Brazil is also slowing down. So for us this is a completely market-driven situation.

We are of course doing whatever we can to align our cost structures to the demand that we're seeing in those countries, but it's simply market driven. And it is not a -- it is -- because we have the vast majority of our business in those regions. So that's why you're seeing it.

And you allude to fourth quarter -- about fourth quarters. If you go back and look I believe the situation in Ukraine started to deteriorate the end of first quarter of 2014. So you're very precise in your observation. Carsten?

Carsten Knobel: Yes. Regarding your question to SG&A, I think it was specifically to Adhesives what you alluded to.

Guillaume Delmas: Yes.

Carsten Knobel: For sure, we have told you at the beginning of the year that we have made investments, but the impact is especially in SG&A due to acquisitions and the FX effect. And as a consequence you know that we had the general industry with a high-margin business which is, for sure, then impacting the mix.

But one thing is clear. When we are saying that we are not satisfied or that we are below our expectations that means it's related to the whole P&L. And that means that we will and need to reduce cost in order to reflect the market situation.

And this is exactly what Kasper alluded to, what we will do, because you know that we adapt our structures to the market. This is not only a sentence; this is reality. Whenever we face an issue we act accordingly.

Guillaume Delmas: Thank you very much.

Operator: *Christian Faitz, Kepler Cheuvreux.*

Christian Faitz: Yes. Hi. Thanks for taking my question again. It's a very small housekeeping item and it's been partly answered. But can you elucidate why the CapEx in both Adhesives businesses was up, I believe, something like two times the usual run rate in Q2? Thank you.

Carsten Knobel: I think --

Kasper Rorsted: Let's do the following. We will answer the question, but let's give us a couple of minutes to look into it and we'll get back to you offline. But we will of course answer it.

Christian Faitz: Okay, thank you.

Kasper Rorsted: Last question anybody?

Operator: *Iain Simpson, Societe Generale.*

Iain Simpson: Thank you very much for allowing me a follow up. Last question on Adhesives, I promise.

You talked about de-stocking needing to work its way through the supply chain particularly in China as the demand there slows a bit. Do you have -- are you able to give us any indication as to when you'd expect to see that de-stocking start to slow or come to an end so that we can get a better view of underlying demand?

And then secondly you flagged Iran as doing pretty well for Laundry. I guess Iran is probably the last big market to open up. So any commentary you can give about your position in Laundry there, or your market share, or just any color would be wonderful. Thank you very much.

Kasper Rorsted: So the de-stocking I spoke about was particularly related to the Chinese situation where you are seeing a slowdown in the overall manufacturing industry. And you're also seeing a number of moves by the Chinese state this week to boost them.

And I think this is going to take, depending on which sectors you're in, a set of quarters. But China is not the only country we're active in with Adhesives. But I think that is why you're seeing a more rapid slowdown in our numbers in China than the overall slowdown in the GDP.

So long term we continue to be bullish on China and we think an adjustment is happening at this stage. And I can't give you an indication of it, because my guess is it's going to be as good as your guess, so I apologize for this.

But, Iain, I'm deeply grateful that you ask a question about Iran, so at least we can close on a high instead of a low in this quarter, because it's one of the calls I've not enjoyed particularly much. And I can tell you we'll do whatever it takes not to have a repeat of this call.

Iran is an interesting market for us. We have a very, very strong business in the Laundry Care business. We have a very good business in the industrial business. We've been there for many years. We have very strong local management. We have good manufacturing plants.

And it's actually a business, we've been there since the '70s. We have very high expectations too and are seeing and will continue to see high growth rates on it. So it's a coming country with 80m. We have a very strong position, leading in our Laundry Care business with the highest margin and we'll continue to build it out and defend it.

With this I'd like to thank everybody for dialing in today.

With an uncertain environment we continue a disciplined execution of our strategy and delivered a quarter of solid performance. Looking ahead, the high volatility and the uncertainty in the market environment seems to remain.

However, we are still confident that our innovation strength and strong brands, coupled with the ongoing adaptation of our structures to the market and driving further operational excellence, we'll continue to outperform and are confirming our targets.

So thank you very much for dialing in today and looking forward to talking to you soon. Thank you.

Additional Information

[Additional information chart not shown during conference call]

Guidance FY 2015 for selected KPIs - confirmed

	Guidance FY 2015
Total direct materials	Stable prices
Restructuring charges	€ 150-200 m
CAPEX	€ 550-600 m

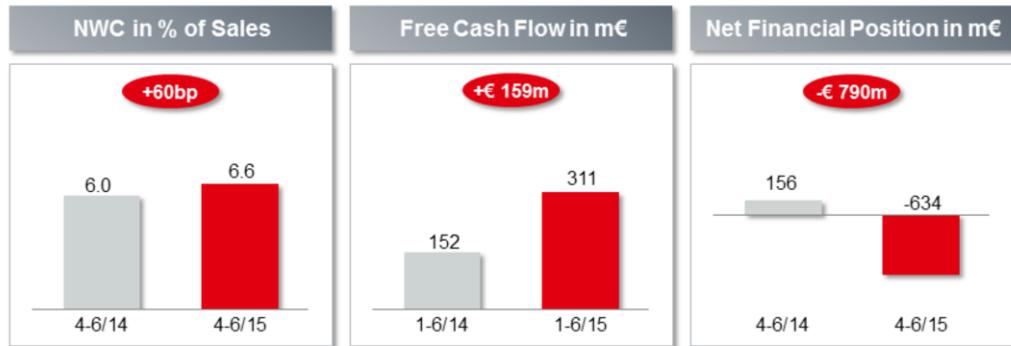
[Additional information chart not shown during conference call]

Key financials YTD 1-6 2015 (1/2)



[Additional information chart not shown during conference call]

Key financials YTD 1-6 2015 (2/2)



[Additional information chart not shown during conference call]

Sales growth - YTD 1-6 2015

Henkel



50

August 12, 2015

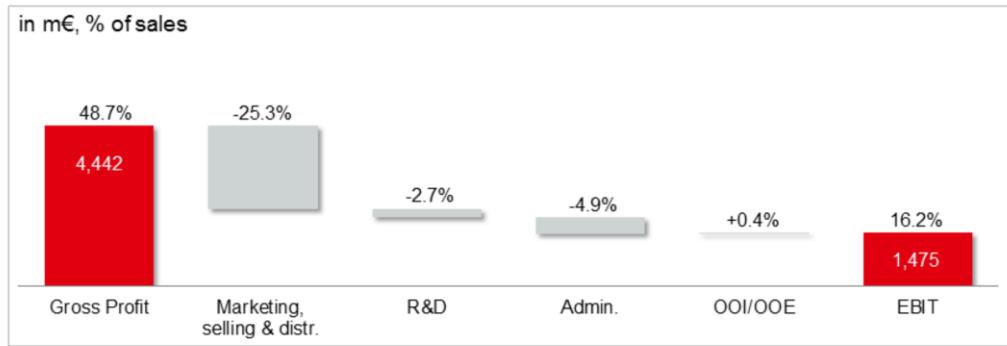
Q2 2015 – Henkel Analyst & Investor Call



[Additional information chart not shown during conference call]

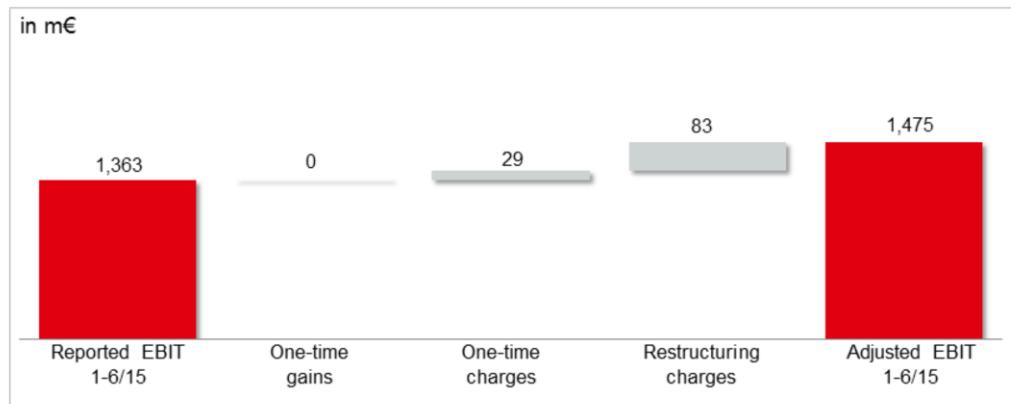
Further increase in adjusted EBIT margin

Income statement adjusted - YTD 1-6 2015



[Additional information chart not shown during conference call]

Reported to Adjusted EBIT - YTD 1-6 2015



[Additional information chart not shown during conference call]

Laundry & Home Care

Key figures YTD 1-6 2015



- OSG driven by 1.4% in price and 3.4% in volume

[Additional information chart not shown during conference call]

Beauty Care

Key figures YTD 1-6 2015



- OSG driven by 1.9% in price and 0.1% in volume

[Additional information chart not shown during conference call]

Adhesive Technologies

Key figures YTD 1-6 2015



- OSG driven by 1.4% in price and 1.1% in volume

[Additional information chart not shown during conference call]