Information for Our Shareholders

Q3

July – September 2009

Nine-Month Financial Report 2009

Henkel

A Brand like a Friend

Driving Change

Henkel: Financial Highlights

in million euros		Q3/2008	Q3/2009	Change[1]	1–9/2008	1–9/2009	Change[1]
Sales		**3,760**	**3,485**	**–7.3 %**	**10,590**	**10,228**	**–3.4 %**
Operating profit (EBIT)		**191**	**290**	**51.8 %**	**624**	**787**	**26.1 %**
Laundry & Home Care		117	137	17.0 %	309	363	17.6 %
Cosmetics / Toiletries		96	99	3.3 %	281	290	3.4 %
Adhesive Technologies		169	89	–47.0 %	511	231	–54.7 %
Return on sales (EBIT)	**in %**	**5.1**	**8.3**	**3.2 pp**	**5.9**	**7.7**	**1.8 pp**
Earnings before tax		**143**	**250**	**74.8 %**	**497**	**635**	**27.8 %**
Net earnings		**107**	**180**	**68.2 %**	**372**	**451**	**21.2 %**
Net earnings after minority interests		**101**	**172**	**70.3 %**	**358**	**432**	**20.7 %**
Earnings per ordinary share	**in euros**	**0.23**	**0.39**	**70.2 %**	**0.82**	**0.99**	**20.9 %**
Earnings per preferred share	**in euros**	**0.23**	**0.39**	**74.6 %**	**0.83**	**1.00**	**21.7 %**
Return on capital employed (ROCE)	**in %**	**8.3**	**10.2**	**1.9 pp**	**9.4**	**8.8**	**–0.6 pp**
Capital expenditures on property, plant and equipment		**117**	**82**	**–29.9 %**	**351**	**267**	**–23.9 %**
Research and development expenses		**149**	**99**	**–33.6 %**	**333**	**301**	**–9.6 %**
Number of employees (as of September 30)		**57,157**	**50,948**	**–10.8 %**	**57,157**	**50,948**	**–10.8 %**

[1] Calculated on the basis of units of 1,000 euros

pp = percentage points

Adjusted earnings figures

in million euros		Q3/2008	Q3/2009	Change[1]	1–9/2008	1–9/2009	Change[1]
Adjusted operating profit (EBIT)[2]		**391**	**385**	**–1.5 %**	**1,081**	**928**	**–14.2 %**
Adjusted return on sales (EBIT)[2]	**in %**	**10.4**	**11.0**	**0.6 pp**	**10.2**	**9.1**	**–1.1 pp**
Adjusted earnings before tax[2]		**343**	**345**	**0.6 %**	**954**	**776**	**–18.7 %**
Adjusted net earnings after minority interests[2]		**251**	**240**	**–4.4 %**	**696**	**532**	**–23.6 %**
Adjusted earnings per preferred share[2]	**in euros**	**0.59**	**0.55**	**–6.8 %**	**1.62**	**1.23**	**–24.1 %**

[1] Calculated on the basis of units of 1,000 euros

[2] Adjusted for one-time gains/charges and restructuring charges

pp = percentage points

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Key Financials

Organic sales:
minus 2.5 percent
» Laundry & Home Care: plus 2.4 percent
» Cosmetics/Toiletries: plus 3.7 percent
» Adhesive Technologies: minus 7.6 percent

Adjusted[1] operating profit (EBIT):
minus 1.5 percent

Adjusted[1] EBIT margin: plus 0.6 percentage points to 11.0 percent

Adjusted[1] earnings per preferred share (EPS):
minus 6.8 percent

[1] Adjusted for one-time gains (0 million euros), one-time charges (24 million euros) and restructuring charges (71 million euros)

Key Facts

Consumer businesses maintain strong sales and profit performance

Adhesive Technologies continues sequential improvement

Growth regions with further increase in organic sales development

Net working capital improved by 2.5 percentage points to 10.3 percent of sales

Net debt reduced to 3.2 billion euros

Innovations

Persil ActicPower
Diminutive, powerful and convenient, Persil ActicPower is the most advanced liquid detergent in the Persil portfolio. Available in a small, handy bottle – Color for bright rainbow shades and Universal for gleaming whites – it is very high-yielding and superbly effective at just 15 degrees Celsius.

Schwarzkopf Gliss Kur Hair Active
Schwarzkopf Gliss Kur Hair Active takes the bar a notch higher – an innovative hair care system that activates the roots and reduces hair loss due to breakage. The high-performance formula repairs and strengthens the hair without adding weight – ensuring both volume and resilience.

Technomelt Supra Cool 130
This newly developed hotmelt adhesive for packaging applications unifies the best of both worlds: substantially reduced power consumption levels resulting from a processing temperature of just 130 degrees Celsius, i.e. 40 degrees Celsius less on average than previous Supra hotmelts, combined with the advantages of Henkel's Supra technology: exceptionally high bonding strength, outstanding flowability and an appreciably wider range of application suitability.

Major Events

The long-standing Chairman of Henkel's Shareholders' Committee and Supervisory Board, Dipl.-Ing. Albrecht Woeste, resigned both offices in September as had been previously advised. On September 18, the Shareholders' Committee of Henkel AG & Co. KGaA elected Dr. Simone Bagel-Trah as his successor and their new Chairwoman. On September 22, the Supervisory Board of Henkel AG & Co. KGaA also elected her as their Chairwoman.

Henkel was once again included as industry leader in the fast-moving consumer goods market segment of the Dow Jones Sustainability World Index (DJSI World). The index is comprised of companies that operate according to the principles of sustainable development. Only ten percent of the world's 2,500 largest companies are accepted in the DJSI World index.

Share Performance

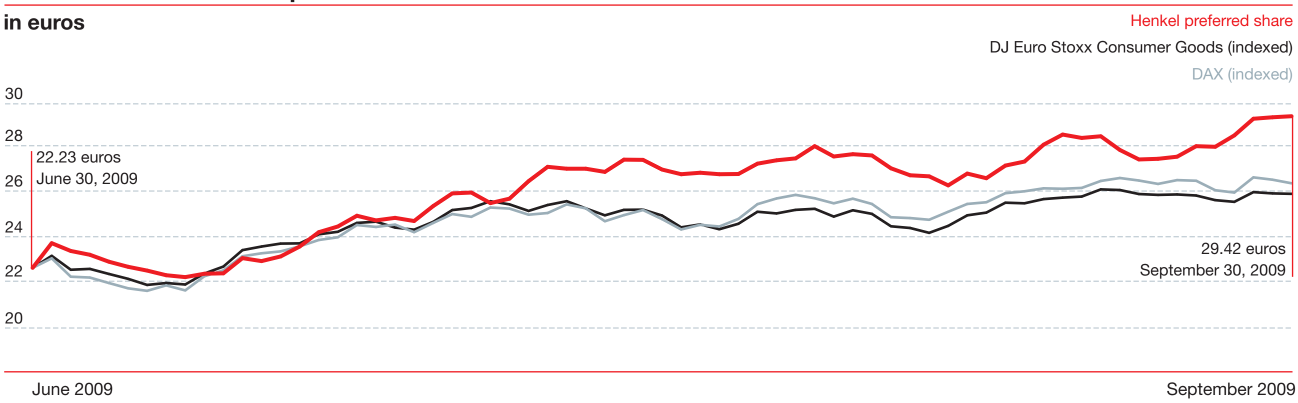
The stock markets registered substantial share price increases during the third quarter of 2009, with the DAX gaining 18.0 percent during this period.

Within this brightening market environment, the price of Henkel preferred shares also increased appreciably, from 22.23 euros to 29.42 euros – a gain of 32.3 percent. With this, our stock not only outperformed the DAX but also its peers within the consumer goods segment. The shares included in the Dow Jones Euro Stoxx Consumer Goods Index rose by 15.8 percent.

The annual report, our quarterly reports, current data on Henkel shares as well as company news, financial reports and company presentations can be found on the Investor Relations website:
www.henkel.com/ir

Performance of Henkel preferred share versus market in Q3/2009

in euros



Report Third Quarter 2009

Business Performance Third Quarter 2009

Earnings Position

Our sales in the third quarter of 2009 amounted to 3,485 million euros. With the market environment remaining difficult, this figure represents a decrease of 7.3 percent compared to the prior-year quarter. After adjusting for foreign exchange, sales declined by 3.9 percent. Organic sales (i.e. sales adjusted for foreign exchange and acquisitions/divestments) exhibited a further improvement compared to the first two quarters of 2009, although remaining 2.5 percent below the figure for the third quarter of 2008.

The growth rates exhibited by our business sectors varied significantly. From a high base achieved in the second quarter of 2009, Laundry & Home Care continued to perform well with organic growth of 2.4 percent. The Cosmetics/Toiletries business sector, meanwhile, recorded an even higher organic growth rate of 3.7 percent in the third quarter than it had in the first two quarters of the year. Due to the decline in volumes encountered in major customer industries, the Adhesive Technologies business sector saw organic sales decrease by 7.6 percent. However, this decrease was less than half that recorded for organic sales in the second quarter of 2009.

Compared to the third quarter of 2008, gross margin increased by 4.2 percentage points to 46.0 percent. While positive influences emanated from the reduction in raw material prices, the lower level of capacity utilization at Adhesive Technologies compared to the prior-year period continued to exert a negative effect. The gross margin of the prior-year quarter had been burdened by major restructuring charges.

Marketing, selling and distribution expenses decreased by 3.6 percent, although their share of sales rose from 27.6 percent to 28.8 percent. We spent a total of 99 million euros on research and development, representing 2.8 percent of sales. Administrative expenses decreased by 8.4 percent. Restructuring charges amounted to 71 million euros; in the prior-year quarter, these totaled 181 million euros due to the “Global Excellence” program and the integration of the National Starch businesses. Of this latest figure, 27 million euros was attributable to the further integration of the National Starch businesses and 33 million euros to the reorganization of the Adhesive Technologies operation in Europe, with 11 million euros arising out of ordinary activities.

The distribution of the restructuring charges between the various expense items in the income statement is explained on Q3 *page 17*. The balance of other operating income and charges decreased from 21 million euros to −16 million euros. Other operating charges include 24 million euros of valuation losses on assets held for sale of the Adhesive Technologies business sector.

Due primarily to the burden of restructuring charges on the results of the prior-year quarter, operating profit (EBIT) rose by 51.8 percent, from 191 million euros to 290 million euros. After adjusting for restructuring charges (71 million euros) and one-time charges (24 million euros), adjusted operating profit (“adjusted EBIT”) decreased slightly by 1.5 percent, from 391 million euros to 385 million euros.

Return on sales (EBIT margin) amounted to 8.3 percent. Adjusted return on sales (“adjusted EBIT margin”) rose from 10.4 percent to 11.0 percent. Return on

Sales[1]

in million euros	Q3	1 – 9
2009	**3,485**	**10,228**
2008	**3,760**	**10,590**
Change versus previous year	–7.3 %	–3.4 %

[1] Calculated on the basis of units of 1,000 euros

Sales development[1]

in percent	Q3	1 – 9
Change versus previous year	**–7.3**	**–3.4**
Foreign exchange	–3.4	–1.5
After adjusting for foreign exchange	**–3.9**	**–1.9**
Acquisitions/divestments	–1.4	2.9
Organic	**–2.5**	**–4.8**

[1] Calculated on the basis of units of 1,000 euros

EBIT[1]

in million euros	Q3	1 – 9
2009	**290**	**787**
2008	**191**	**624**
Change versus previous year	51.8 %	26.1 %
After adjusting for foreign exchange	60.1 %	30.4 %

[1] Calculated on the basis of units of 1,000 euros

Return on sales (EBIT)

in percent	Q3	1 – 9
2009	**8.3**	**7.7**
2008	**5.1**	**5.9**
Change versus previous year	3.2 pp	1.8 pp

pp = percentage points

Net earnings after minority interests

in million euros	Q3	1 – 9
2009	**172**	**432**
2008	**101**	**358**
Change versus previous year	70.3 %	20.7 %

Earnings per preferred share

in euros	Q3	1 – 9
2009	**0.39**	**1.00**
2008	**0.23**	**0.83**
Change versus previous year	74.6 %	21.7 %

capital employed (ROCE) increased from 8.3 percent to 10.2 percent.

Our investment result fell from 24 million euros to 0 million euros due to the sale of our stake in Ecolab in November 2008. Net interest expense improved by 32 million euros, from –72 million euros to –40 million euros, largely attributable to lower interest rates compared to the previous year. Consequently, the financial result improved from –48 million euros to –40 million euros. The tax rate amounted to 28.0 percent.

With the increase in EBIT, net earnings for the quarter recovered 68.2 percent, rising from 107 million euros to 180 million euros. After minority interests totaling 8 million euros, net earnings for the quarter were 172 million euros (prior-year quarter: 101 million euros). Adjusted quarterly net earnings after minority interests amounted to 240 million euros compared to 251 million euros in the same period last year. Earnings per preferred share (EPS) increased from 0.23 euros to 0.39 euros. The adjusted figure was 0.55 euros compared to 0.59 euros in the prior-year quarter.

Regional Performance

Henkel: Key figures by region[1], third quarter 2009

in million euros Regions	Europe/ Africa/ Middle East	North America	Latin America	Asia-Pacific	Corporate	Henkel
Sales July – September 2009	**2,154**	**628**	**209**	**438**	**56**	**3,485**
Sales July – September 2008	2,319	727	215	437	62	3,760
Change versus prior-year quarter	–7.1 %	–13.7 %	–2.5 %	0.4 %	–	–7.3 %
After adjusting for foreign exchange	–0.8 %	–17.1 %	8.0 %	–3.3 %	–	–3.9 %
Organic	–0.9 %	–7.8 %	2.7 %	–3.7 %	–	–2.5 %
Proportion of Henkel sales July – September 2009	**62 %**	**18 %**	**6 %**	**12 %**	**2 %**	**100 %**
Proportion of Henkel sales July – September 2008	62 %	19 %	6 %	11 %	2 %	100 %
EBIT July – September 2009	**209**	**41**	**17**	**58**	**–35**	**290**
EBIT July – September 2008[2]	247	75	16	44	–191	191
Change versus prior-year quarter	–15.5 %	–44.5 %	4.4 %	34.3 %	–	51.8 %
After adjusting for foreign exchange	–5.0 %	–51.8 %	25.4 %	25.3 %	–	60.1 %
Return on sales (EBIT) July – September 2009	**9.7 %**	**6.7 %**	**8.1 %**	**13.3 %**	**–**	**8.3 %**
Return on sales (EBIT) July – September 2008[2]	10.6 %	10.4 %	7.6 %	10.0 %	–	5.1 %

[1] Calculated on the basis of units of 1,000 euros

[2] From 2009, the corporate charges incurred with respect to regional business control are to be allocated to the individual regions. The prior-year figures (2008) for operating profit (EBIT) have been adjusted accordingly. Consequently, the EBIT for Europe/Africa/Middle East is 12 million euros higher than previously stated, while that of the other regions is lower – by 7 million euros for North America, 2 million euros for Latin America and 3 million euros for Asia-Pacific.

Henkel: Key figures by region[1], January – September 2009

in million euros Regions	Europe/ Africa/ Middle East	North America	Latin America	Asia-Pacific	Corporate	Henkel
Sales January – September 2009	**6,263**	**1,969**	**607**	**1,222**	**167**	**10,228**
Sales January – September 2008	6,721	1,976	586	1,125	182	10,590
Change versus prior-year period	–6.8 %	–0.4 %	3.7 %	8.7 %	–	–3.4 %
After adjusting for foreign exchange	–1.7 %	–9.6 %	12.9 %	3.6 %	–	–1.9 %
Organic	–3.0 %	–10.4 %	3.8 %	–9.9 %	–	–4.8 %
Proportion of Henkel sales January – September 2009	**61 %**	**19 %**	**6 %**	**12 %**	**2 %**	**100 %**
Proportion of Henkel sales January – September 2008	63 %	19 %	5 %	11 %	2%	100 %
EBIT January – September 2009	**602**	**122**	**44**	**116**	**–97**	**787**
EBIT January – September 2008[2]	740	208	50	103	–477	624
Change versus prior-year period	–18.7 %	–41.1 %	–12.3 %	13.3 %	–	26.1 %
After adjusting for foreign exchange	–11.4 %	–48.1 %	2.2 %	4.8 %	–	30.4 %
Return on sales (EBIT) January – September 2009	**9.6 %**	**6.2 %**	**7.2 %**	**9.5 %**	**–**	**7.7 %**
Return on sales (EBIT) January – September 2008[2]	11.0 %	10.5 %	8.5 %	9.1 %	–	5.9 %

[1] Calculated on the basis of units of 1,000 euros

[2] From 2009, the corporate charges incurred with respect to regional business control are to be allocated to the individual regions. The prior-year figures (2008) for operating profit (EBIT) have been adjusted accordingly. Consequently, the EBIT for Europe/Africa/Middle East is 33 million euros higher than previously stated, while that of the other regions is lower – by 18 million euros for North America, 5 million euros for Latin America and 10 million euros for Asia-Pacific.

In the **Europe/Africa/Middle East** region, sales further improved compared to the second quarter of 2009, although organically they were 0.9 percent below the level of the third quarter of 2008. While the Laundry & Home Care and Cosmetics/Toiletries business sectors were able to achieve a gratifying increase in their respective sales figures, Adhesive Technologies posted a decrease in the single-digit percentage range. In Africa/Middle East we achieved organic growth in the single-digit percentage range, while performance in Western Europe including Germany experienced a decline. The growth rate in Eastern Europe further recovered in comparison to the first two quarters of this year. Operating profit attributable to the Europe/Africa/Middle East region fell by 5.0 percent after adjusting for foreign exchange. Due to the EBIT decline suffered by the Adhesive Technologies business sector, return on sales decreased by 0.9 percentage points to 9.7 percent.

Organic sales in the **North America** region declined by 7.8 percent. In a challenging market environment, sales of the Adhesive Technologies business sector fell considerably; developments at the consumer businesses Laundry & Home Care and Cosmetics/Toiletries were also slightly down. Operating profit adjusted for foreign exchange fell by 51.8 percent. Return on sales eased by 3.7 percentage points to 6.7 percent due to the decline suffered by the Adhesive Technologies business sector.

The **Latin America** region saw organic sales increase by 2.7 percent, driven by our consumer businesses and particularly Cosmetics/Toiletries which posted a double-digit rate of growth. Sales of the Adhesive Technologies business sector remained stable. Operating profit after adjusting for foreign exchange rose by 25.4 percent. Return on sales improved by 0.5 percentage points to 8.1 percent in the wake of encouraging developments at Laundry & Home Care.

In the **Asia-Pacific** region, organic sales fell by 3.7 percent compared to the third quarter of 2008. A gratifying increase in performance at the Cosmetics/Toiletries business sector was offset by the decrease at Laundry & Home Care arising from the closure of its business operation in China at the end of 2008. The organic sales development of the Adhesive Technologies business sector likewise showed a decline, although there was an improvement compared to the second quarter of 2009. Operating profit after adjusting for foreign exchange increased by 25.3 percent. With gratifying developments in margin at Adhesive Technologies, return on sales increased compared to the prior-year quarter by 3.3 percentage points to 13.3 percent.

In our **growth regions** of Eastern Europe, Africa/Middle East, Latin America and Asia (excluding Japan), sales fell by 5.2 percent to 1,372 million euros, a figure that represents 39.4 percent of sales (prior-year period: 38.5 percent). Organic growth amounted to plus 4.1 percent, marking a further improvement compared to the second quarter of 2009. While our Laundry & Home Care and Cosmetics/Toiletries businesses continued to post almost double-digit organic sales growth, sales generated by Adhesive Technologies experienced a slight decline. However, the business sector's performance was well above that of the second quarter of 2009.

Laundry & Home Care

Sales[1)]

in million euros	Q3	1–9
2009	**1,035**	**3,106**
2008	**1,068**	**3,111**
Change versus previous year	–2.9 %	–0.1 %

[1)] Calculated on the basis of units of 1,000 euros

Sales development[1)]

in percent	Q3	1–9
Change versus previous year	**–2.9**	**–0.1**
Foreign exchange	–5.3	–3.1
After adjusting for foreign exchange	**2.4**	**3.0**
Acquisitions/divestments	–	–
Organic	**2.4**	**3.0**

[1)] Calculated on the basis of units of 1,000 euros

EBIT[1)]

in million euros	Q3	1–9
2009	**137**	**363**
2008	**117**	**309**
Change versus previous year	17.0 %	17.6 %
After adjusting for foreign exchange	23.7 %	22.2 %

[1)] Calculated on the basis of units of 1,000 euros

Return on sales (EBIT)

in percent	Q3	1–9
2009	**13.2**	**11.7**
2008	**11.0**	**9.9**
Change versus previous year	2.2 pp	1.8 pp

pp = percentage points

In the third quarter of 2009, **Laundry & Home Care** posted an increase in organic sales of 2.4 percent versus the prior-year quarter. Foreign exchange had a negative impact of 5.3 percent. The generally encouraging improvement in organic sales was primarily driven by the growth regions of Eastern Europe, Africa/Middle East and Latin America, with many countries again delivering double-digit percentage increases. In Western Europe and North America, on the other hand, the difficult market environment continued to impact sales performance, with both regions unable to reach the sales levels of the prior-year quarter.

Operating profit (EBIT) for the past quarter rose by 17.0 percent to 137 million euros. After adjusting for foreign exchange, the rise was an even more respectable 23.7 percent. Reflected in this result are not only the stability of our selling prices but also the measures successfully introduced to reduce cost and enhance efficiency. Raw material prices likewise continued to ease in the period under review. We responded to the difficult overall economic situation by increasing our advertising spend and further strengthening our innovation offensive. Return on sales improved by 2.2 percentage points to 13.2 percent. Return on capital employed (ROCE) likewise significantly increased by 4.2 percentage points to 22.1 percent.

Our *Laundry* segment made a disproportionately high contribution to the rise in sales. In regional terms, the greatest growth momentum was again generated in Eastern Europe and Africa/Middle East. Sales were also boosted in all regions by successful innovations. For instance, in some countries of Western Europe, we launched Persil ActicPower, the most advanced detergent available from within the Persil portfolio, our biggest global brand family. Persil ActicPower requires just half the previous quantity per wash and develops its laundry power at just 15 degrees Celsius.

The *Home Care* segment likewise posted a positive sales performance, with the growth regions of Eastern Europe and Africa/Middle East again leading the way. The main increase came from sales of our dishwashing products. Latin America saw the launch of a new chlorine-free disinfecting cleaner under the Bref brand. This reliably kills bacteria and viruses while also affording a unique 24-hour protection against the formation of new germs.

Outlook

With the economic environment remaining difficult, we intend to expand our market positions in 2009 and once again outperform our relevant markets. Implemented cost-reducing measures, particularly those relating to the "Global Excellence" restructuring program, will support the development of our operating profit.

Cosmetics/Toiletries

Sales[1]

in million euros	Q3	1 – 9
2009	**764**	**2,274**
2008	**770**	**2,257**
Change versus previous year	−0.9 %	0.7 %

[1] Calculated on the basis of units of 1,000 euros

Sales development[1]

in percent	Q3	1 – 9
Change versus previous year	**−0.9**	**0.7**
Foreign exchange	−3.3	−1.9
After adjusting for foreign exchange	**2.4**	**2.6**
Acquisitions/divestments	−1.3	−1.0
Organic	**3.7**	**3.6**

[1] Calculated on the basis of units of 1,000 euros

EBIT[1]

in million euros	Q3	1 – 9
2009	**99**	**290**
2008	**96**	**281**
Change versus previous year	3.3 %	3.4 %
After adjusting for foreign exchange	6.8 %	5.3 %

[1] Calculated on the basis of units of 1,000 euros

Return on sales (EBIT)

in percent	Q3	1 – 9
2009	**13.0**	**12.8**
2008	**12.5**	**12.4**
Change versus previous year	0.5 pp	0.4 pp

pp = percentage points

With organic sales growth of 3.7 percent, the **Cosmetics/Toiletries** business sector continued its consistently strong development in the third quarter. The increase achieved was well above the level of growth generally encountered in the associated markets as they continued to bear the impact of the economic downturn. After adjusting for foreign exchange, growth amounted to 2.4 percent. The contributions made by the growth regions of Eastern Europe, Asia-Pacific and Latin America were particularly noticeable. However, the positive growth experienced in Western Europe was also noteworthy.

This encouraging sales performance was also reflected in an increase in operating profit to 99 million euros, a gain of 6.8 percent after adjusting for foreign exchange, with our marketing investments also undergoing a significant rise. Return on sales rose by 0.5 percentage points to 13.0 percent. Return on capital employed (ROCE) improved by 0.9 percentage points to 19.1 percent.

The *Hair Cosmetics* segment continued to perform successfully. The Hair Care business developed very well as a result of the further roll-out of our new Syoss brand and the introduction of the new variants Schwarzkopf Gliss Kur Hair Active and Schauma Hair Activator. Product launches in the form of Essential Color and Poly Palette 10 Minutes Coloration, together with the relaunch of Diadem with Q10 greatly boosted the results posted in the Colorants category. The Styling segment continued to garner success, this time with innovations in the Göt2b series and the new Drei Wetter Taft line 10 Carat Gloss. In the *Body Care* segment, the Dial brand consolidated its ongoing success in the USA. The body wash product Dial Anti-Oxidant introduced in January has developed into one of the most successful launches ever seen in this market segment. In Europe too, the shower gels/body wash products marketed under the Fa brand performed very well, achieving one of the fastest growth rates in this category.

In the *Skin Care* business, the focus was on the launch of the new Diadermine 3D Wrinkle Expert, specially formulated for deep wrinkles.

In the *Oral Care* segment, the launch of the new Theramed Arctic White toothpaste generated positive momentum.

Our *Hair Salon* business had to contend with a continuing market decline. Despite these adverse conditions, however, Schwarzkopf Professional was able to successfully consolidate its position and win important new customers. The focus of its activities was on the relaunch of Bonacure Time Restore and also the introduction of new products in the form of sublines Igora Color 10 and Seah Cashmere Cream Shampoo.

Outlook

With the economic environment remaining difficult, we intend to expand our market positions in 2009 and once again outperform our relevant markets. Implemented cost-reducing measures, particularly those relating to the "Global Excellence" restructuring program, will support the development of our operating profit.

Adhesive Technologies

Sales[1)]

in million euros	Q3	1 – 9
2009	**1,630**	**4,681**
2008	**1,860**	**5,040**
Change versus previous year	–12.4 %	–7.1 %

[1)] Calculated on the basis of units of 1,000 euros

Sales development[1)]

in percent	Q3	1 – 9
Change versus previous year	**–12.4**	**–7.1**
Foreign exchange	–2.5	–0.4
After adjusting for foreign exchange	**–9.9**	**–6.7**
Acquisitions/divestments	–2.3	6.6
Organic	**–7.6**	**–13.3**

[1)] Calculated on the basis of units of 1,000 euros

EBIT[1)]

in million euros	Q3	1 – 9
2009	**89**	**231**
2008	**169**	**511**
Change versus previous year	–47.0 %	–54.7 %
After adjusting for foreign exchange	–42.0 %	–51.3 %

[1)] Calculated on the basis of units of 1,000 euros

Return on sales (EBIT)

in percent	Q3	1 – 9
2009	**5.5**	**4.9**
2008	**9.1**	**10.1**
Change versus previous year	–3.6 pp	–5.2 pp

pp = percentage points

In the period under review, the **Adhesive Technologies** business sector made further progress along the road of recovery embarked upon in the second quarter from a previous low base, with the quality of its earnings significantly improving.

The third quarter saw a reorganization of our European operation. This included transferring responsibility for production and supply chain management to the strategic business units. With this, we have succeeded in reducing complexity and cost while enhancing customer focus.

Organic sales decreased by 7.6 percent versus prior year. After adjusting for foreign exchange, the decline was 9.9 percent. The decreases were, however, reduced in all regions compared to recent quarters. The regions of Latin America and Africa/Middle East have already begun to show moderate growth after adjusting for foreign exchange.

Operating profit fell by 47.0 percent. Included in this figure are one-time charges of 24 million euros of valuation losses on assets held for sale, and restructuring charges amounting to 37 million euros. Consequently, adjusted operating profit (“adjusted EBIT”) only decreased by 20.6 percent to 150 million euros versus prior year, and compared to the previous quarter it actually increased by 32 percent. Reflected in this significant improvement are the accelerated process of synergy realization arising from the integration of the National Starch businesses, and the benefits accruing from the “Global Excellence” program.

The performance of the *Adhesives for Craftsmen and Consumers* segment and also that of the *Building Adhesives* business improved compared to the second quarter of 2009. In Asia-Pacific, Eastern Europe and Africa/Middle East, certain significant increases were achieved in the Building Adhesives category compared to the prior-year quarter.

Sluggish consumer demand in the developed countries impacted on the business performance of the *Packaging, Consumer Goods and Construction Adhesives* segment. Here, however, substantial increases in sales compared to the prior-year quarter were registered in the growth regions of Eastern Europe, Latin America and Africa/Middle East.

There was also a slight recovery in various industries served by the *Specialty Adhesives and Surface Treatment* segment. Overall, however, sales remained significantly below the prior-year levels, particularly with respect to the automotive and metal industries.

The *Electronics* segment has experienced a revival due to the recovery of the semiconductors industry. This business therefore succeeded in significantly increasing sales versus the second quarter results, substantially reducing the rate of decline compared to the prior-year quarter.

Outlook

With the economic environment remaining difficult, we intend to expand our market positions in 2009 and once again outperform our relevant markets. The synergies arising from the integration of the National Starch businesses and the improvement in the cost structure achieved through measures already implemented will support the development of our operating profit.

Nine-Month Financial Report 2009

Underlying Economic Conditions

Developments in the world economy were appreciably regressive over the first nine months of 2009, although there have been slight signs of recovery in recent months.

The biggest decline in economic growth occurred in the developed regions of North America, Western Europe and Japan, each registering substantial reductions in production output. The growth regions presented a rather more mixed picture. Within Eastern Europe, the countries more remote from the EU were more heavily impacted by the crisis. This applies particularly to Ukraine. By contrast, most of the EU member states were spared any major economic collapse. The economies of the Middle East appear to have overcome the effects of the recession, which in any case were less serious there than in other regions. Although many countries in Asia have been hit by the crisis, the economies of China and India have shown themselves to be very robust. With the exception of Mexico, Latin America has also been less affected by the recession.

Consumer demand in the developed countries either stagnated or underwent a slight decline. Nevertheless, consumer spending has assumed the role of economic stabilizer. While luxury items and more expensive consumer goods were less in demand, the share of products marketed under private labels further increased.

Inflation rates and interest levels have remained low. The US dollar further weakened in the course of the year. At the same time, many raw material prices began to increase significantly, with crude oil for example rising to around 70 US dollars per barrel. Unemployment has risen, especially in Western Europe and North America. Given the severity of the recession, however, the levels of unemployment encountered are still relatively moderate.

Sectors of Importance for Henkel

In recent months, industrial production has stabilized at a low level. The fall in output compared with the previous year nevertheless remains substantial. Despite a slight improvement, industries such as metal machining and processing have registered steep rates of decline. The automotive sector also remains in a critical condition. Although the financial incentives provided out of state funds have been effective, the benefits are only temporary and regionally restricted.

The electronics industry has continued its process of recovery from its previous low base. Due to the heavy decline in demand at the beginning of the year – for example in the chip industry – the market revenue figures being generated are still below those of the previous year.

The packaging industry with its consumer-aligned segments is less sensitive to cyclical economic trends and has therefore registered correspondingly less severe decreases in production output than industries in the capital goods and primary materials categories.

The crisis in the construction industry appears to have passed its high point, thanks in part to state-funded stimulation packages which are now – with some delay – beginning to take effect.

Worldwide retail sales were slightly regressive. While the revenues of the US retail trade stabilized at a low level, retail sales in Europe declined somewhat. Discounters too were affected by an increasing reluctance among consumers to spend.

Business Performance
January through September 2009

Earnings Position

In the first nine months of fiscal 2009, we generated sales of 10,228 million euros. In organic terms (i.e. after adjusting for foreign exchange and acquisitions/divestments), this was only 4.8 percent below the figure for the prior-year period.

Business sector performance was very mixed: while the consumer businesses Laundry & Home Care and Cosmetics/Toiletries were able to successfully continue their positive growth trend with organic increases of 3.0 percent and 3.6 percent respectively, sales of the Adhesive Technologies business sector decreased organically by 13.3 percent as a result of the difficult situation confronting major customer industries around the world.

Gross margin improved compared to the prior-year period by 2.1 percentage points to 45.2 percent. While positive influences emanated from the reduction in raw material prices, the lower level of capacity utilization at Adhesive Technologies compared to the prior-year period continued to exert a negative effect. The gross margin of the prior-year period was burdened by major restructuring charges.

Marketing, selling and distribution expenses decreased by 2.2 percent, although their share of sales rose from 28.5 percent to 28.9 percent. We spent a total of 301 million euros on research and development, representing a 2.9 percent share of sales. Administrative expenses decreased by 10.1 percent. Restructuring charges fell from 443 million euros to 112 million euros. Of this amount, 44 million euros was attributable to the integration of the National Starch businesses and 33 million euros to the reorganization of our Adhesive Technologies operation in Europe, with 35 million euros arising out of ordinary activities. The distribution of the restructuring charges between the various expense items in the income statement is explained on Q3 *page 18*. The balance of other operating income and charges decreased from 47 million euros to −11 million euros. Included in other operating income is 3 million euros arising from the release of provisions for pensions and similar obligations. Other operating charges include 24 million euros of valuation losses on assets held for sale of the Adhesive Technologies business sector.

Operating profit (EBIT) increased by 26.1 percent, from 624 million euros to 787 million euros. Operating profit for the prior-year period had been impacted by high restructuring charges. Adjusted operating profit (“adjusted EBIT”) decreased from 1,081 million euros to 928 million euros. Eliminated in the adjustment are restructuring charges of 112 million euros, specific one-time charges (24 million euros of valuation losses on assets held for sale of the Adhesive Technologies business sector, and 8 million euros in consultancy costs related to the integration of the National Starch businesses) and also one-time gains (3 million euros from the release of provisions for pensions and similar obligations).

Return on sales (EBIT margin) amounted to 7.7 percent. Adjusted return on sales (“adjusted EBIT margin”) decreased from 10.2 percent to 9.1 percent. This is primarily attributable to the decline in earnings at the Adhesive Technologies business sector. Return on capital employed (ROCE) eased from 9.4 percent to 8.8 percent.

Our investment result fell from 67 million euros to −4 million euros due essentially to the sale of our stake in Ecolab in November 2008. Net interest expense improved by 46 million euros, from −194 million euros to −148 million euros, largely as a result of lower interest rates compared to the previous year. The financial result decreased from −127 million euros to −152 million euros. The tax rate amounted to 29.0 percent.

Net earnings for the nine months rose by 21.2 percent, from 372 million euros to 451 million euros. After minority interests totaling 19 million euros, net earnings for the nine months were 432 million euros (previous year: 358 million euros). Adjusted net earnings for the nine months after minority interests amounted to 532 million euros compared to 696 million euros in the same period last year. Earnings per preferred share (EPS) rose by 21.7 percent to 1.00 euros. The adjusted figure was 1.23 euros compared to 1.62 euros for the same period in the previous year.

Assets Position

Compared to year-end 2008, the balance sheet total decreased slightly by 72 million euros to 16,101 million euros. **Non-current assets** fell by 245 million euros, due primarily to the effect of currency translation as of the balance sheet date. Conversely, current assets increased by 173 million euros to 4,986 million euros. Boosted by a stronger cash flow from operating activities, liquid funds/marketable securities underwent a significant rise from 338 million euros to 990 million euros. There was a substantial reduction in assets held for sale following the disposal of certain consumer adhesive brands in the USA and Canada in the second quarter.

Shareholders’ equity including minority interests decreased from 6,535 million euros to 6,427 million euros. The individual components involved in the change in shareholders’ equity are shown in the statement on Q3 *page 21*. The actuarial losses were incurred as a result of requisite interim adjustments of the valuation discount rates applicable to pension obligations in line with the reduced rates of interest now prevailing. The negative effect of the exchange rates is primarily reflective of the low value of the US dollar which has persisted since the beginning of the year. The equity ratio (shareholders' equity including minority interests as a percentage of total assets) showed a slight decline of 0.4 percentage points to 39.9 percent.

The senior bond issued in March 2009 in the amount of 1.0 billion euros and the floating rate note likewise recognized under long-term borrowings resulted in an increase in **non-current liabilities** totaling some 1.4 billion euros. The proceeds were used to redeem short-term borrowings and to build up liquid funds. These capital market transactions have enabled us to cover our entire foreseeable financing requirement of the next few years with long-term borrowings.

The decrease in tax provisions from 343 million euros to 223 million euros under **current liabilities** is due primarily to the tax payments arising from the sale of our Ecolab stake in November 2008.

At 3,153 million euros, **net debt** decreased substantially in comparison to both the previous year and the end of the second quarter of this year. Reflected in these reductions is the strong cash flow achieved, particularly in the third quarter. As of September 30, 2009, the net positive fair value of the derivative hedging instruments taken into account in the calculation of net debt amounted to 217 million euros (December 31, 2008: 89 million euros).

Financial Position

Cash flow from operating activities in the first three quarters increased compared to the prior-year period by 569 million euros to 1,181 million euros. Positive developments in net working capital, especially with respect to inventories, made a significant contribution to the increase in funds inflowing.

Cash flow from investing activities in the first three quarters (−230 million euros) eased compared to the previous year due to lower investments in property, plant and equipment and higher proceeds from asset disposals. The figure for the prior-year period was also heavily distorted by the large outflow of funds arising from the acquisition of the National Starch businesses.

Cash flow from financing activities (−290 million euros) resulted from dividend and interest payments that were slightly below the level of the prior-year period being offset by an inflow of short-term borrowings. In the previous year, cash flow from financing activities was heavily influenced by the loans taken out to finance the acquisition of the National Starch businesses.

Liquid funds/marketable securities increased in the first three quarters by 652 million euros to 990 million euros. This is one of the consequences of the strong cash flow generated from operating activities, especially in the third quarter.

Financial and Liquidity Management

The finances of the Group are, to a large extent, centrally managed by Henkel AG & Co. KGaA. Financial funds constitute a global resource and are, as a rule, centrally procured and then distributed within the Group. The primary goals of financial management are to secure the liquidity and creditworthiness of the Group and to achieve a sustainable increase in shareholder value. Our capital requirements and capital procurement activities are coordinated to ensure a balanced approach to meeting the demands of income generation, liquidity, security and independence. The cash flow not required for capital expenditures, dividends and interest payments is used to reduce net debt. Our short-term financing requirement is primarily met through commercial papers and bank loans. Bonds outstanding serve to cover our long-term financing requirements.

Capital Expenditures

Capital expenditures on property, plant and equipment for continuing operations amounted to 267 million euros, compared to 351 million euros in the previous year. In addition, we invested a total of 21 million euros in intangible assets (previous year: 11 million euros). A major proportion of these investments are attributable to the Adhesive Technologies and Laundry & Home Care business sectors.

Acquisitions and Divestments

During the third quarter of 2009, we spent a total of 24 million euros on completing the acquisition of outstanding minority interests in two foreign subsidiaries.

On May 29, 2009, we sold our operations involving the consumer adhesive brands Duck, Painter's Mate Green and Easy Liner in the USA and Canada to Shurtape Technologies, LLC in Hickory, North Carolina, USA.

Henkel intends not to pursue any further acquisitions in 2009. Instead, we will be concentrating on reducing net debt and improving our financial situation.

Employees

As of September 30, 2009, we had 50,948 employees (September 30, 2008: 57,157). This decrease is due to the restructuring programs implemented and restrictions we have placed on hiring.

The proportion of employees working outside Germany was 81.6 percent.

Research and Development

Expenses for research and development amounted to 301 million euros, corresponding to an R&D ratio of 2.9 percent of sales. This figure is slightly above the long-term average of 2.7 percent due to the presence of restructuring charges.

Our future plans envision an R&D ratio of around 2.7 percent.

Outlook

Anticipated Economic Developments

It appears that world economic output in the fourth quarter of this year is again going to be below the prior-year level, albeit with a lower percentage decline than in recent quarters. There are still no clear signs of any imminent economic upturn, although the markets have stabilized at a low level. With a decline of 2.5 percent in 2009, the world economy is likely to have recorded the biggest decrease in gross domestic product (GDP) for several decades.

The recent slight improvement in confidence is more likely to stimulate the previously heavily impacted industrial sector rather than private consumption. In view of the predicted deterioration in the labor market, there is unlikely to be any change in the current reluctance to buy among consumers. On the other hand, real incomes are rising due to the high level of price stability prevailing, and this is preventing a more pronounced downturn in consumption.

Over the coming few months, industrial production is likely to slowly recover from its current low base. However, the rates of change compared to the prior-year levels will remain negative. The slight revival will primarily benefit the capital goods and primary materials segments which had previously suffered disproportionately from the recession.

Consumer-related industries such as food and semi-luxuries, and also the packaging segment, which were able to avoid major decline during the recession, will undergo a degree of sluggish growth.

With the discontinuation of the state-funded financial incentives to consumers, the recently observed upward trend in the automotive industry is expected to slow down.

Sustained recovery is also unlikely to occur in the machine construction segment. The conditions for the electronics industry look a little more positive, however.

Metal processing, which likewise counts among the industries heavily impacted by the recession, will see a slight increase in production as time progresses.

The outlook for the construction industry has improved somewhat. However, given the steep decline experienced in some countries, the moderate rise forecast will be too small to return the sector to former production levels.

Opportunities and Risks

We see opportunities emanating from our well filled pipeline of innovative products, with major launches having either already been initiated or set to take place in all three of our business sectors. The decline in raw material prices compared to the average for the previous year should also exert a positive influence, even though these prices have recently risen again quite sharply. Opportunities should likewise arise from the progress being made in our pursuit of our three strategic priorities:

» Achieve our full business potential
» Focus more on our customers
» Strengthen our global team

We see particular risk in any persistence of the recession beyond 2009, although the probability of this has recently diminished. Additional risks arise from the global trend among our customers toward consolidation, and in the possibility of increasing competition, to which we would need to respond with a further increase in our market investments.

At the time of writing this report, there are no identifiable risks relating to future developments that could endanger the existence either of the holding company or of the Group as a going concern.

Further specific opportunities and risks are discussed in the individual business sector reports in our AR *Annual Report 2008*.

Sales and Profits Forecast for 2009

Despite the recently apparent stabilization of the markets at their low level of activity, it remains difficult to assess the overall economic situation and how it is likely to develop going forward.

Nevertheless, we are confident of again outperforming our relevant markets in terms of organic sales growth (i.e. after adjusting for foreign exchange and acquisitions/divestments). We have introduced a number of measures on the operational side, from which we expect further positive momentum to develop. These activities and also relief from easing raw material prices will support the development of operating profit (EBIT) and earnings per preferred share (EPS), adjusted in each case for one-time gains/charges and restructuring charges.

We expect our consumer businesses to continue to perform well in the fourth quarter as they have in the first nine months of this year, albeit with a degree of deceleration. We anticipate that the performance of our Adhesive Technologies business sector will be an improvement on that of the first nine months.

Subsequent Events

After September 30, 2009, there were no notifiable events likely to materially affect the net assets, financial position and results of operations of the Group.

Consolidated Statement of Income

in million euros	Q3/2008	%	Q3/2009	%	Change
Sales	**3,760**	**100.0**	**3,485**	**100.0**	**–7.3 %**
Cost of sales[1]	–2,188	–58.2	–1,882	–54.0	–14.0 %
Gross profit	**1,572**	**41.8**	**1,603**	**46.0**	**2.0 %**
Marketing, selling and distribution expenses[1]	–1,039	–27.6	–1,002	–28.8	–3.6 %
Research and development expenses[1]	–149	–4.0	–99	–2.8	–33.6 %
Administrative expenses[1]	–214	–5.7	–196	–5.6	– 8.4 %
Other operating income	41	1.1	32	0.9	–22.0 %
Other operating charges	–20	–0.5	–48	–1.4	>100.0 %
Operating profit (EBIT)	**191**	**5.1**	**290**	**8.3**	**51.8 %**
Investment result	24	0.6	–	–	–100.0 %
Net interest	–72	–1.9	–40	–1.1	–44.4 %
Financial result	**–48**	**–1.3**	**–40**	**–1.1**	**–16.7 %**
Earnings before tax	**143**	**3.8**	**250**	**7.2**	**74.8 %**
Taxes on income	–36	–1.0	–70	–2.0	94.4 %
Net earnings	**107**	**2.8**	**180**	**5.2**	**68.2 %**
– Attributable to minority shareholders	–6	–0.2	–8	–0.2	33.3 %
– Attributable to shareholders of Henkel AG & Co. KGaA	101	2.6	172	5.0	70.3 %

[1] Restructuring charges third quarter 2009: 71 million euros (comparative figures for the prior-year period in parentheses: 181 million euros), of which: cost of sales 35 million euros (98 million euros); marketing, selling and distribution expenses 21 million euros (17 million euros); research and development expenses 2 million euros (45 million euros); administrative expenses 13 million euros (21 million euros)

Earnings per share (basic)

in euros	Q3/2008	Q3/2009	Change
Ordinary shares	0.23	0.39	70.2 %
Non-voting preferred shares	0.23	0.39	74.6 %

Earnings per share (diluted)

in euros	Q3/2008	Q3/2009	Change
Ordinary shares	0.23	0.39	69.2 %
Non-voting preferred shares	0.23	0.39	71.8 %

Adjusted earnings figures

in million euros		Q3/2008	Q3/2009
EBIT (as reported)		**191**	**290**
One-time gains		–	–
One-time charges		19	24
Restructuring charges[1]		181	71
Adjusted EBIT		**391**	**385**
Adjusted return on sales (EBIT)	*in %*	***10.4***	***11.0***
Adjusted quarterly net earnings after minority interests		**251**	**240**
Adjusted earnings per preferred share	**in euros**	**0.59**	**0.55**

[1] In Q3/2009: 27 million euros from the integration of the National Starch businesses, 33 million euros from the reorganization of the Adhesive Technologies operation in Europe and 11 million euros from ordinary activities

Consolidated Statement of Income

in million euros	1 – 9/2008	%	1 – 9/2009	%	Change
Sales	**10,590**	**100.0**	**10,228**	**100.0**	**–3.4 %**
Cost of sales[1]	–6,024	–56.9	–5,602	–54.8	–7.0 %
Gross profit	**4,566**	**43.1**	**4,626**	**45.2**	**1.3 %**
Marketing, selling and distribution expenses[1]	–3,022	–28.5	–2,957	–28.9	–2.2 %
Research and development expenses[1]	–333	–3.1	–301	–2.9	–9.6 %
Administrative expenses[1]	–634	–6.0	–570	–5.6	–10.1 %
Other operating income	109	1.0	87	0.9	–20.2 %
Other operating charges	–62	–0.6	–98	–1.0	58.1 %
Operating profit (EBIT)	**624**	**5.9**	**787**	**7.7**	**26.1 %**
Investment result	67	0.6	–4	–	>100.0 %
Net interest	–194	–1.8	–148	–1.4	–23.7 %
Financial result	**–127**	**–1.2**	**–152**	**–1.4**	**19.7 %**
Earnings before tax	**497**	**4.7**	**635**	**6.3**	**27.8 %**
Taxes on income	–125	–1.2	–184	–1.8	47.2 %
Net earnings	**372**	**3.5**	**451**	**4.5**	**21.2 %**
– Attributable to minority shareholders	–14	–0.1	–19	–0.2	35.7 %
– Attributable to shareholders of Henkel AG & Co. KGaA	358	3.4	432	4.3	20.7 %

[1] Restructuring charges first nine months 2009: 112 million euros (comparative figures for the prior-year period in parentheses: 443 million euros), of which: cost of sales 56 million euros (228 million euros); marketing, selling and distribution expenses 32 million euros (79 million euros); research and development expenses 4 million euros (46 million euros); administrative expenses 20 million euros (90 million euros)

Earnings per share (basic)

in euros	1 – 9/2008	1 – 9/2009	Change
Ordinary shares	0.82	0.99	20.9 %
Non-voting preferred shares	0.83	1.00	21.7 %

Earnings per share (diluted)

in euros	1 – 9/2008	1 – 9/2009	Change
Ordinary shares	0.81	0.99	22.9 %
Non-voting preferred shares	0.82	1.00	22.3 %

Adjusted earnings figures

in million euros		1 – 9/2008	1 – 9/2009
EBIT (as reported)		**624**	**787**
One-time gains		–11	–3
One-time charges		25	32
Restructuring charges[1]		443	112
Adjusted EBIT		**1,081**	**928**
Adjusted return on sales (EBIT)	***in %***	***10.2***	***9.1***
Adjusted nine months net earnings after minority interests		**696**	**532**
Adjusted earnings per preferred share	**in euros**	**1.62**	**1.23**

[1] In Q1 – Q3/2009: 44 million euros from the integration of the National Starch businesses, 33 million euros from the reorganization of the Adhesive Technologies operation in Europe and 35 million euros from ordinary activities

Consolidated Balance Sheet

Assets

in million euros	Dec. 31, 2008[1]	%	Sept. 30, 2009	%
Intangible assets	8,491	52.5	8,143	50.6
Property, plant and equipment	2,361	14.6	2,290	14.2
Financial assets	24	0.1	37	0.2
Other financial assets	172	1.1	271	1.7
Income tax refund claims	3	–	–	–
Other non-current assets	4	–	65	0.4
Deferred taxes	305	1.9	309	1.9
Non-current assets	**11,360**	**70.2**	**11,115**	**69.0**
Inventories	1,482	9.2	1,294	8.0
Trade accounts receivable	1,847	11.4	1,918	11.9
Other financial assets	575	3.6	444	2.9
Other current assets	256	1.6	183	1.1
Income tax refund claims	202	1.2	128	0.8
Liquid funds/Marketable securities	338	2.1	990	6.1
Assets held for sale	113	0.7	29	0.2
Current assets	**4,813**	**29.8**	**4,986**	**31.0**
Total assets	**16,173**	**100.0**	**16,101**	**100.0**

Shareholders' equity and liabilities

in million euros	Dec. 31, 2008[1]	%	Sept. 30, 2009	%
Subscribed capital	438	2.7	438	2.7
Capital reserve	652	4.0	652	4.0
Retained earnings	6,805	42.0	6,900	42.9
Gains and losses recognized in equity	–1,411	–8.7	–1,629	–10.1
Equity excluding minority interests	**6,484**	**40.0**	**6,361**	**39.5**
Minority interests	51	0.3	66	0.4
Equity including minority interests	**6,535**	**40.3**	**6,427**	**39.9**
Pensions and similar obligations	833	5.2	895	5.6
Long-term income tax provisions	177	1.1	122	0.8
Other long-term provisions	336	2.1	288	1.8
Long-term borrowings	2,402	14.9	3,691	22.8
Non-current financial liabilities	77	0.5	89	0.6
Other non-current liabilities	9	0.1	9	0.1
Deferred taxes	413	2.5	377	2.3
Non-current liabilities	**4,247**	**26.4**	**5,471**	**34.0**
Current income tax provisions	343	2.1	223	1.4
Other short-term provisions	964	5.9	1,067	6.6
Short-term borrowings	1,817	11.2	669	4.2
Trade accounts payable	1,678	10.4	1,778	11.0
Current financial liabilities	272	1.7	167	1.0
Other current liabilities	306	1.9	282	1.8
Income tax liabilities	11	0.1	17	0.1
Current liabilities	**5,391**	**33.3**	**4,203**	**26.1**
Total equity and liabilities	**16,173**	**100.0**	**16,101**	**100.0**

[1] Adjusted due to changes in the provisional purchase price allocation pertaining to the acquisition of the National Starch businesses

Consolidated Cash Flow Statement

in million euros	Q3/2008	Q3/2009	1–9/2008	1–9/2009
Operating profit (EBIT)	**191**	**290**	**624**	**787**
Income taxes paid	–51	–18	–247	–236
Amortization/depreciation/write-ups of non-current assets (excluding financial assets)	126	123	369	341
Net gains/losses on disposal of non-current assets (excluding financial assets)	2	4	–6	4
Change in inventories	–36	19	–125	184
Change in trade accounts receivable	–3	34	–244	–81
Change in other receivables and miscellaneous assets	–25	–31	–179	–60
Change in trade accounts payable	151	115	125	113
Change in other liabilities and provisions	195	205	295	129
Cash flow from operating activities	**550**	**741**	**612**	**1,181**
Purchase of intangible assets	–2	–8	–11	–21
Purchase of property, plant and equipment	–117	–82	–351	–267
Purchase of financial assets/acquisitions	–26	–14	–3,651	–76
Proceeds on disposal of subsidiaries and business units	3	15	59	90
Proceeds on disposal of other non-current assets	13	10	32	44
Realization of net investment hedge	–	–	119	–
Cash flow from investing activities/acquisitions	**–129**	**–79**	**–3,803**	**–230**
Henkel AG & Co. KGaA dividends	–	–	–224	–224
Subsidiary company dividends (to other shareholders)	–2	–3	–5	–11
Interest received	12	31	60	87
Dividends received	5	–	20	–
Interest paid	–119	–91	–349	–328
Dividends and interest paid and received	*–104*	*–63*	*–498*	*–476*
Change in borrowings	–33	–418	2,904	82
Other financing transactions	–	104	4	104
Cash flow from financing activities	**–137**	**–377**	**2,410**	**–290**
Change in cash and cash equivalents due to movements in funds	**284**	**285**	**–781**	**661**
Change in cash and cash equivalents due to exchange rate movements	14	–4	–5	–9
Change in liquid funds and marketable securities	**298**	**281**	**–786**	**652**
Liquid funds and marketable securities as of July 1/January 1	356	709	1,440	338
Liquid funds and marketable securities as of September 30	654	990	654	990

Consolidated Statement of Recognized Income and Expense

in million euros	Q3/2008	Q3/2009	1 – 9/2008	1 – 9/2009
Net earnings	**107**	**180**	**372**	**451**
Foreign exchange effects	271	–129	36	–200
Financial instruments	–76	–13	–132	–21
Actuarial gains/losses	165	–22	129	–89
Share of net profits of associates	37	–	51	–
Other gains and losses recognized in equity	4	–	9	–
Gains and losses recognized directly in equity	**401**	**–164**	**93**	**–310**
Total earnings for the period	**508**	**16**	**465**	**141**
– Attributable to minority shareholders	19	6	17	16
– Attributable to shareholders of Henkel AG & Co. KGaA	489	10	448	125

Statement of Changes in Equity

in million euros						Gains and losses recognized in equity			
	Ordinary shares	Preferred shares	Capital reserve	Treasury stock	Retained earnings	Translation differences	Financial instruments	Minority interests	Total
At January 1, 2008	**260**	**178**	**652**	**–119**	**6,082**	**–1,298**	**–112**	**63**	**5,706**
Distributions	–	–	–	–	–224	–	–	–5	–229
Net earnings	–	–	–	–	358	–	–	14	372
Actuarial gains and losses	–	–	–	–	129	–	–	–	129
Foreign exchange effects	–	–	–	–	–	31	–	5	36
Sale of treasury stock	–	–	–	–	4	–	–	–	4
Financial instruments	–	–	–	–	–	–	–132	–	–132
Other gains and losses recognized in equity	–	–	–	–	62	–	–	–2	60
At September 30, 2008	**260**	**178**	**652**	**–119**	**6,411**	**–1,267**	**–244**	**75**	**5,946**
At December 31, 2008/ January 1, 2009	**260**	**178**	**652**	**–115**	**6,920**	**–1,199**	**–212**	**51**	**6,535**
Distributions	–	–	–	–	–224	–	–	–11	–235
Net earnings	–	–	–	–	432	–	–	19	451
Actuarial gains and losses	–	–	–	–	–89	–	–	–	–89
Foreign exchange effects	–	–	–	–	–	–197	–	–3	–200
Sale of treasury stock	–	–	–	–	1	–	–	–	1
Financial instruments	–	–	–	–	–	–	–21	–	–21
Other gains and losses recognized in equity	–	–	–	–	–25	–	–	10	–15
At September 30, 2009	**260**	**178**	**652**	**–115**	**7,015**	**–1,396**	**–233**	**66**	**6,427**

Group Segment Report by Business Sector[1)]

Third quarter 2009

in million euros	Laundry & Home Care	Cosmetics/ Toiletries	*Adhesives for Crafts-men and Consumers*	*Industrial Adhesives*	Total Adhesive Tech-nologies	Operating business sectors total	Corporate	Henkel
Sales July – September 2009	**1,035**	**764**	**473**	**1,157**	**1,630**	**3,429**	**56**	**3,485**
Change from previous year	–2.9 %	–0.9 %	–20.7 %	–8.5 %	–12.4 %	–7.3 %	–	–7.3 %
Proportion of Henkel sales	29 %	22 %	14 %	33 %	47 %	98 %	2 %	100 %
Sales July – September 2008	1,068	770	596	1,264	1,860	3,698	62	3,760
EBITDA July – September 2009	**166**	**110**	**56**	**97**	**153**	**429**	**–16**	**413**
EBITDA July – September 2008	145	109	96	121	217	471	–154	317
Change from previous year	14.5 %	2.0 %	–42.4 %	–19.3 %	–29.5 %	–8.7 %	–	30.2 %
Return on sales (EBITDA) July – September 2009	**16.0 %**	**14.5 %**	**11.7 %**	**8.4 %**	**9.4 %**	**12.5 %**	**–**	**11.8 %**
Return on sales (EBITDA) July – September 2008	13.6 %	14.1 %	16.1 %	9.6 %	11.7 %	12.7 %	–	8.4 %
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment July – September 2009	**29**	**11**	**12**	**52**	**64**	**104**	**19**	**123**
of which impairment losses July – September 2009	**–**	**–**	**–**	**–**	**–**	**–**	**18**	**18**
of which write-ups July – September 2009	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment July– September 2008	28	13	11	37	48	89	37	126
of which impairment losses July – September 2008	–	–	–	–	–	–	37	37
of which write-ups July – September 2008	–	–	–	–	–	–	–	–
EBIT July – September 2009	**137**	**99**	**44**	**45**	**89[5)]**	**325**	**–35[4)]**	**290**
EBIT July – September 2008	117	96	85	84	169	382	–191	191
Change from previous year	17.0 %	3.3 %	–48.1 %	–46.0 %	–47.0 %	–14.7 %	–	51.8 %
Return on sales (EBIT) July – September 2009	**13.2 %**	**13.0 %**	**9.2 %**	**3.9 %**	**5.5 %**	**9.5 %**	**–**	**8.3 %**
Return on sales (EBIT) July – September 2008	11.0 %	12.5 %	14.1 %	6.7 %	9.1 %	10.3 %	–	5.1 %
Capital employed July – September 2009[2)]	**2,482**	**2,089**	**1,140**	**5,922**	**7,062**	**11,633**	**–217**	**11,416**
Capital employed July – September 2008[2)]	2,614	2,118	1,334	3,300	4,634	9,366	–208	9,158
Change from previous year	–5.0 %	–1.3 %	–14.6 %	79.5 %	52.4 %	24.2 %	–	24.7 %
Return on capital employed (ROCE) July – September 2009	**22.1 %**	**19.1 %**	**15.3 %**	**3.1 %**	**5.1 %**	**11.2 %**	**–**	**10.2 %**
Return on capital employed (ROCE) July – September 2008	17.9 %	18.2 %	25.2 %	10.2 %	14.5 %	16.3 %	–	8.3 %
Capital expenditures (excl. financial assets) July – September 2009	**72**	**11**	**–**	**12**	**12**	**95**	**–4**	**91**
Capital expenditures (excl. financial assets) July – September 2008	60	44	23	28	51	155	–36	119
Operating assets July – September 2009[3)]	**3,767**	**2,686**	**1,452**	**6,849**	**8,301**	**14,754**	**314**	**15,068**
Operating liabilities July – September 2009	**1,132**	**800**	**376**	**1,109**	**1,485**	**3,417**	**531**	**3,948**
Net operating assets employed July – September 2009[3)]	**2,635**	**1,886**	**1,076**	**5,740**	**6,816**	**11,337**	**–217**	**11,120**
Operating assets July – September 2008[3)]	3,896	2,731	1,690	4,467	6,157	12,784	294	13,078
Operating liabilities July – September 2008	1,142	821	439	1,465	1,904	3,867	502	4,369
Net operating assets employed July – September 2008[3)]	2,754	1,910	1,251	3,002	4,253	8,917	–208	8,709

[1)] Calculated on the basis of units of 1,000 euros [2)] Including goodwill at cost prior to any accumulated amortization in accordance with IFRS 3.79b [3)] Including goodwill at net book value [4)] Including the restructuring charges of 27 million euros for the National Starch businesses. The ordinary restructuring charges are allocated to the operating business sectors [5)] Included in the EBIT amount are 24 million euros of valuation losses on assets held for sale of the Adhesive Technologies business sector, and 33 million euros in expenses arising out of the reorganization of the Adhesive Technologies operation in Europe.

Group Segment Report by Business Sector[1)]

January – September 2009

in million euros	Laundry & Home Care	Cosmetics/ Toiletries	*Adhesives for Craftsmen and Consumers*	*Industrial Adhesives*	Total Adhesive Technologies	Operating business sectors total	Corporate	Henkel
Sales January – September 2009	**3,106**	**2,274**	**1,350**	**3,331**	**4,681**	**10,061**	**167**	**10,228**
Change from previous year	–0.1 %	0.7 %	–16.7 %	–2.6 %	–7.1 %	–3.3 %	–	–3.4 %
Proportion of Henkel sales	30 %	22 %	13 %	33 %	46 %	98 %	2 %	100 %
Sales January – September 2008	3,111	2,257	1,619	3,421	5,040	10,408	182	10,590
EBITDA January – September 2009	**446**	**324**	**161**	**257**	**418**	**1,188**	**–60**	**1,128**
EBITDA January – September 2008	391	316	222	421	643	1,350	–357	993
Change from previous year	14.0 %	2.6 %	–27.4 %	–38.9 %	–35.0 %	–12.0 %	–	13.5 %
Return on sales (EBITDA) January – September 2009	**14.3 %**	**14.3 %**	**11.9 %**	**7.7 %**	**8.9 %**	**11.8 %**	**–**	**11.0 %**
Return on sales (EBITDA) January – September 2008	12.6 %	14.0 %	13.7 %	12.3 %	12.8 %	13.0 %	–	9.4 %
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment January – September 2009	**83**	**34**	**36**	**151**	**187**	**304**	**37**	**341**
of which impairment losses January – September 2009	**1**	**–**	**2**	**6**	**8**	**9**	**18**	**27**
of which write-ups January – September 2009	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment January – September 2008	82	35	36	96	132	249	120	369
of which impairment losses January – September 2008	18	–	1	4	5	23	85	108
of which write-ups January – September 2008	–	–	–	–	–	–	–	–
EBIT January – September 2009	**363**	**290**	**125**	**106**	**231[5)]**	**884**	**–97[4)]**	**787**
EBIT January – September 2008	309	281	186	325	511	1,101	–477	624
Change from previous year	17.6 %	3.4 %	–32.8 %	–67.3 %	–54.7 %	–19.6 %	–	26.1 %
Return on sales (EBIT) January – September 2009	**11.7 %**	**12.8 %**	**9.3 %**	**3.2 %**	**4.9 %**	**8.8 %**	**–**	**7.7 %**
Return on sales (EBIT) January – September 2008	9.9 %	12.4 %	11.5 %	9.5 %	10.1 %	10.6 %	–	5.9 %
Capital employed January – September 2009[2)]	**2,628**	**2,187**	**1,219**	**6,106**	**7,325**	**12,140**	**–205**	**11,935**
Capital employed January – September 2008[2)]	2,571	2,127	1,305	2,826	4,131	8,829	32	8,861
Change from previous year	2.2 %	2.8 %	–6.5 %	>100 %	77.3 %	37.5 %	–	34.7 %
Return on capital employed (ROCE) January – September 2009	**18.4 %**	**17.7 %**	**13.7 %**	**2.3 %**	**4.2 %**	**9.7 %**	**–**	**8.8 %**
Return on capital employed (ROCE) January – September 2008	16.0 %	17.6 %	19.0 %	15.4 %	16.5 %	16.6 %	–	9.4 %
Capital expenditures (excl. financial assets) January – September 2009	**155**	**33**	**31**	**79**	**110**	**298**	**19**	**317**
Capital expenditures (excl. financial assets) January – September 2008	128	65	59	90	149	342	20	362
Operating assets January – September 2009[3)]	**3,901**	**2,772**	**1,511**	**6,986**	**8,497**	**15,170**	**349**	**15,519**
Operating liabilities January – September 2009	**1,115**	**785**	**364**	**1,147**	**1,511**	**3,411**	**554**	**3,965**
Net operating assets employed January – September 2009[3)]	**2,786**	**1,987**	**1,147**	**5,839**	**6,986**	**11,759**	**–205**	**11,554**
Operating assets January – September 2008[3)]	3,844	2,725	1,639	3,842	5,481	12,050	381	12,431
Operating liabilities January – September 2008	1,145	806	418	1,296	1,714	3,665	349	4,014
Net operating assets employed January – September 2008[3)]	2,699	1,919	1,221	2,546	3,767	8,385	32	8,417

[1)] Calculated on the basis of units of 1,000 euros [2)] Including goodwill at cost prior to any accumulated amortization in accordance with IFRS 3.79b [3)] Including goodwill at net book value [4)] Including the restructuring charges of 44 million euros for the National Starch businesses. The ordinary restructuring charges are allocated to the operating business sectors [5)] Included in the EBIT amount are 24 million euros of valuation losses on assets held for sale of the Adhesive Technologies business sector, and 33 million euros in expenses arising out of the reorganization of the Adhesive Technologies operation in Europe.

Earnings per Share

In calculating earnings per share for the period January through September 2009, a proportionate dividend was assumed on the basis of the payout made by Henkel AG & Co. KGaA for fiscal 2008, as there are no resolutions on the distribution of unappropriated profit during the year.

As of September 30, 2009, there was no dilutive effect arising from the Stock Incentive Plan. The dilutive effect from preferred shares potentially flowing back into the market has been outweighed by adding back, in accordance with International Accounting Standard (IAS) 33.33 (c), the expense from provisions allocated for the 4th tranche of the Stock Option Plan.

Earnings per share

		1–9/2008	1–9/2009
Net earnings for the nine months, after minority interests	**in mill. euros**	**358**	**432**
Number of outstanding ordinary shares		259,795,875	259,795,875
Basic earnings per ordinary share	**in euros**	**0.82**	**0.99**
Number of outstanding preferred shares[1]		173,237,742	173,344,218
Basic earnings per preferred share	**in euros**	**0.83**	**1.00**
Dilutive effect arising from Stock Incentive Plan		413,405	–
Number of potentially outstanding preferred shares with no voting rights[2]		173,651,147	173,344,218
Diluted earnings per ordinary share	**in euros**	**0.81**	**0.99**
Diluted earnings per preferred share	**in euros**	**0.82**	**1.00**

[1] Weighted average of preferred shares
[2] Weighted average of preferred shares (adjusted for the potential number of shares arising from the Stock Incentive Plan)

Changes in Treasury Stock

The treasury stock held by the company as of September 30, 2009 amounted to 4,793,915 preferred shares. This represents 1.09 percent of our capital stock and a proportional nominal value of 4.8 million euros.

As a result of the options exercised under the Stock Incentive Plan, treasury stock decreased during the period January through September 2009 by 40,855 preferred shares, representing a proportional nominal value of 0.041 million euros (0.009 percent of capital stock).

Accounting and Valuation Policies

The interim financial report and interim consolidated financial statements of the Henkel Group for the quarter and for the first nine months of the year have been prepared in accordance with International Financial Reporting Standards (IFRS) as effective within the European Union, and consequently in compliance with IAS 34 “Interim Financial Reporting”. The same accounting and valuation principles have been applied as for the 2008 consolidated financial statements. In order to simplify interim financial reporting, IAS 34.41 allows certain estimates and assumptions to be made beyond the scope permitted for annual financial statements, on condition that all material financial information is appropriately presented to enable a proper assessment of the net assets, financial position and results of operations of the enterprise. In calculating taxes on income, the interim tax expense is determined on the basis of the estimated effective income tax rate for the current financial year.

The financial report for the first nine months of the year comprised of condensed consolidated financial statements and an interim Group management report were not subjected to an auditors’ review.

Scope of Consolidation

In addition to Henkel AG & Co. KGaA, the scope of consolidation as of September 30, 2009 includes nine domestic German and 206 foreign companies in which Henkel AG & Co. KGaA has the power to exert a dominant influence, based on the concept of control. This is generally the case where Henkel AG & Co. KGaA holds, directly or indirectly, a majority of the voting rights. Companies in which not more than half of the shares are held are fully consolidated if Henkel AG & Co. KGaA has the power, directly or indirectly, to govern their financial and operating policies. Compared to December 31, 2008, four companies have been included anew in the scope of consolidation, 22 companies have been merged and 11 companies have been eliminated from the scope of consolidation.

Assets Held for Sale

The consumer adhesive brands Duck, Painter's Mate Green and Easy Liner previously disclosed under this balance sheet item were sold in the period under review.

The associated reclassification from miscellaneous assets to this heading resulted in the recognition of an impairment charge amounting to 24 million euros.

Basis of Segment Report

Since the consolidated financial statements for December 31, 2008, there have been no changes in the basis of the segment report or in the presentation of the segment results.

Contingent Liabilities

Effective September 30, 2009, liabilities under guarantee and warrantee agreements totaled 8 million euros. On December 31, 2008, these liabilities amounted to 10 million euros.

Rent, Leasehold and Lease Commitments

Effective September 30, rent, leasehold and lease commitments totaled 139 million euros. On December 31, 2008, these commitments amounted to 153 million euros in total.

Voting Rights, Related Party Transactions

Henkel AG & Co. KGaA, Düsseldorf, Germany, has been notified that the share of voting rights of the parties to the Henkel share-pooling agreement at June 30, 2009 represented in total 52.57 percent of the voting rights (136,570,802 votes) in Henkel AG & Co. KGaA. Silchester International Investors Limited, headquartered in London, Great Britain, has informed us that its share of voting rights in Henkel AG & Co. KGaA exceeded the 3 percent threshold on June 23, 2008 and stood at 3.01 percent on that day, with 7,824,150 voting rights. All voting rights are attributed to Silchester International Investors Limited pursuant to Clause 22 (1) Sentence 1, No. 6 WpHG (German Securities Trading Act).

Acquisition of the National Starch Businesses

On April 3, 2008, we acquired the Adhesives and Electronic Materials divisions of the National Starch & Chemicals Company following the takeover of the latter by Akzo Nobel. The purchase price according to the contract dated August 13, 2007, a so-called back-to-back agreement, was 3.7 billion euros (2.7 billion pounds sterling).

The acquired National Starch businesses and the associated assets and liabilities have been disclosed at fair value in this present nine-month financial report in accordance with IFRS 3 "Business Combinations". The allocation of the acquisition costs to the acquired assets, liabilities and contingent liabilities (purchase price allocation) has now been completed based on IFRS 3.

Reconciliation of purchase price with goodwill as of April 3, 2008

in million euros	
Purchase price	3,676
Purchase price adjustments based on provisions of the sale agreement	272
Fair value of cash flow hedge	–332
Adjusted purchase price	3,616
Incidental acquisition costs	26
Cost of acquisition of the National Starch businesses	3,642
Book values of the acquired assets and liabilities	–640
Difference	**3,002**
Customer relationships	289
Technologies	215
Trademarks and brands	98
Other intangible assets	61
Other assets and liabilities	3
Deferred taxes	–227
Goodwill	**2,563**

Credits

Published by:
Henkel AG & Co. KGaA
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Date of publication of this report:
November 11, 2009

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The collage on the cover is a mosaic. It is composed of more than 300 portraits of Henkel employees as well as logos and photos of products of our top brands. We would like to thank all of the employees who agreed to let us take their picture.

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Calendar

**Press Conference for Fiscal 2009
and Analysts' Conference 2010:
Thursday, February 25, 2010**

**Annual General Meeting of
Henkel AG & Co. KGaA 2010:
Monday, April 19, 2010**

**Publication of Report
for the First Quarter 2010:
Wednesday, May 5, 2010**

**Publication of Report
for the Second Quarter/Half Year 2010:
Wednesday, August 4, 2010**

**Publication of Report
for the Third Quarter/Nine Months 2010:
Wednesday, November 10, 2010**

Up-to-date facts and figures on Henkel also available on the internet: www *www.henkel.com*

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