Information for Our Shareholders

Q2

April – June 2009

Half Year Financial Report 2009

Henkel

A Brand like a Friend

Driving Change

Henkel: Financial Highlights

in million euros		Q2/2008	Q2/2009	Change[1]	1–6/2008	1–6/2009	Change[1]
Sales		3,668	3,485	–5.0 %	6,830	6,743	–1.3 %
Operating profit (EBIT)		113	279	>100.0 %	433	497	14.6 %
Laundry & Home Care		92	119	28.8 %	192	226	18.0 %
Cosmetics / Toiletries		98	100	2.8 %	185	191	3.4 %
Adhesive Technologies		192	95	–50.8 %	342	142	–58.5 %
Return on sales (EBIT)	in %	3.1	8.0	4.9 pp	6.3	7.4	1.1 pp
Earnings before tax		53	219	>100.0 %	354	385	8.8 %
Net earnings		42	150	>100.0 %	265	271	2.3 %
Net earnings after minority interests		38	143	>100.0 %	257	260	1.2 %
Earnings per preferred share	in euros	0.09	0.33	>100.0 %	0.60	0.61	1.5 %
Earnings per ordinary share	in euros	0.09	0.33	>100.0 %	0.59	0.60	1.5 %
Return on capital employed (ROCE)	in %	5.0	9.1	4.1 pp	9.9	8.2	–1.7 pp
Capital expenditures on property, plant and equipment		126	100	–20.6 %	234	185	–20.9 %
Research and development expenses		98	103	5.1 %	184	202	9.8 %
Number of employees (as of June 30)		57,593[2]	51,819	–10.0 %	57,593[2]	51,819	–10.0 %

[1] Calculated on the basis of units of 1,000 euros
[2] Prior-year figures adjusted; basis: permanent employees excluding trainees

pp = percentage points

Adjusted earnings figures

in million euros		Q2/2008	Q2/2009	Change[1]	1–6/2008	1–6/2009	Change[1]
Adjusted operating profit (EBIT)[2]		372	308	–17.2 %	690	543	–21.3 %
Adjusted return on sales (EBIT)[2]	in %	10.1	8.7	–1.4 pp	10.1	8.1	–2.0 pp
Adjusted earnings before tax[2]		312	248	–20.5 %	611	431	–29.5 %
Adjusted net earnings after minority interests[2]		227	162	–28.6 %	445	292	–34.4 %
Adjusted earnings per preferred share[2]	in euros	0.52	0.37	–28.8 %	1.03	0.68	–34.0 %

[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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Highlights Second Quarter 2009

Key Financials

Organic sales:
minus 5.3 percent
» Laundry & Home Care: plus 6.3 percent
» Cosmetics/Toiletries: plus 3.5 percent
» Adhesive Technologies: minus 15.4 percent

Adjusted[1] operating profit (EBIT):
minus 17.2 percent

Adjusted[1] earnings per preferred share (EPS):
minus 28.8 percent

[1] Adjusted for one-time gains (0 million euros), one-time charges (4 million euros) and restructuring charges (25 million euros)

Key Facts

Laundry & Home Care with strong profit growth

Cosmetics/Toiletries with continued good sales and profits performance

Adhesive Technologies with negative organic sales growth but slight improvement on first quarter performance

Growth regions with positive organic sales development

Net working capital improved by 1.4 percentage points to 11.7 percent of sales

Sale of the consumer adhesive brands Duck, Painter's Mate Green and Easy Liner in the USA and Canada

Innovations

Purex Complete 3-in-1

Launched in the USA, innovative Purex Complete 3-in-1 laundry sheets combine the performance of a detergent along with heat-activated softener and anti-static ingredients that are released in the drier to prevent electrostatic accumulation in the wash load.

Schwarzkopf Drei Wetter Taft Ultra Silk Touch

With Schwarzkopf Drei Wetter Taft Ultra Silk Touch, Europe's styling market leader Taft has succeeded in combining seemingly incompatible opposites: a 24-hour ultra-strong hold and silky-smooth hair. The new styling line includes a hair spray, a styling foam, a cream gel and a wax.

Loctite 5188

Loctite 5188 flange sealant is particularly suitable for engines, gears and pumps. It remains highly flexible even under prolonged thermal and chemical loading, offering excellent adhesion to metallic substrates – especially aluminum. Its extensibility compensates for micro motions resulting from vibration and pressure or temperature fluctuations.

Major Events

Dipl.-Ing. Albrecht Woeste, Chairman of the Supervisory Board and of the Shareholders' Committee of Henkel AG & Co. KGaA, announced at the company's Annual General Meeting of April 20, 2009 that he would be resigning his positions in these corporate bodies in September 2009. He has recommended that Dr. Simone Bagel-Trah be elected as his successor.

Henkel has once again been recognized as an ethical company. For the second time in succession, the Ethisphere Institute and Forbes Magazine, both of the USA, have included Henkel in their "World's Most Ethical Companies" ranking. Aside from Henkel, there is only one other German company in the list, for which the selection criteria include corporate social responsibility, management style and innovative strength.

Share Performance

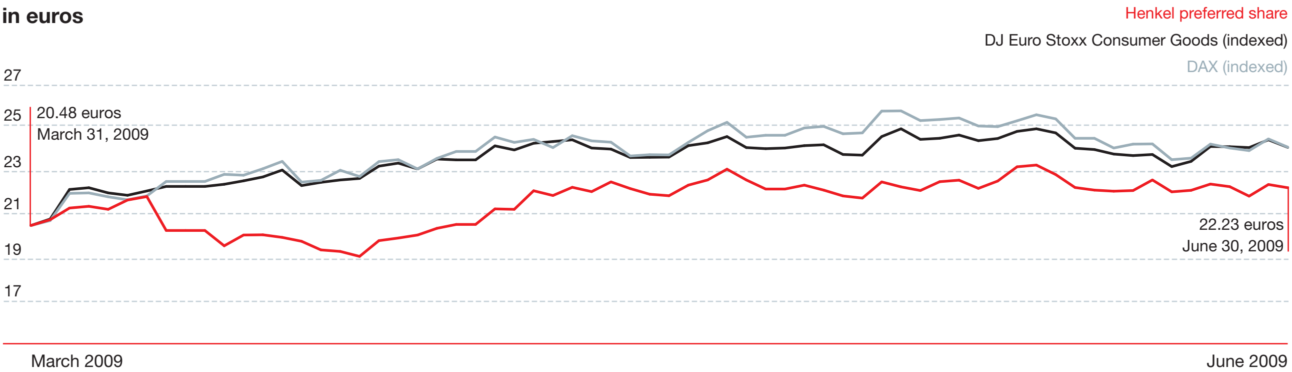
The second quarter of 2009 saw significant increases in share prices on the world's stock exchanges, with the DAX gaining 17.7 percent.

In the brightening market environment, Henkel's preferred shares also posted an increase, rising by 8.5 percent from 20.48 euros to 22.23 euros. This meant that our shares underperformed compared to their peers in the consumer goods sector, as reflected by the rise of 17.7 percent in the Dow Jones Euro Stoxx Consumer Goods Index.

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 at www *www.henkel.com/ir*.

Performance of Henkel Preferred Share Versus Market in Q2 2009

in euros



Report Second Quarter 2009

Business Performance Second Quarter 2009

In a persistently difficult market environment, our 2009 second quarter sales came in at 3,485 million euros, 5.0 percent below the figure for the prior-year period. After adjusting for foreign exchange, sales declined by 4.8 percent. In organic terms, i.e. after adjusting for foreign exchange and acquisitions/divestments, sales improved slightly compared to the first quarter of this year, but remained 5.3 percent below the level of the second quarter of 2008.

The performance of our business sectors was very mixed. Our consumer businesses Laundry & Home Care and Cosmetics/Toiletries were able to successfully continue the positive trend of previous quarters with organic growth rates of 6.3 percent and 3.5 percent respectively. The performance of the Cosmetics/Toiletries business sector once again matched the strong growth posted in the first quarter. The increase achieved by Laundry & Home Care is the highest since the first quarter of 2007. The decline in organic sales at Adhesive Technologies amounted to 15.4 percent and is due to the volume decrease suffered by its major customer industries. Compared to the first quarter of 2009, however, this constitutes an improvement of 2.8 percentage points.

Gross margin increased compared to the second quarter of 2008 by 3.9 percentage points to 45.3 percent. While it was positively influenced by the decrease in raw material prices, the still low level of capacity utilization at Adhesive Technologies had a negative effect. The gross margin of the prior-year quarter was burdened by major restructuring charges.

Marketing, selling and distribution expenses decreased by 5.3 percent. After adjusting for restructuring charges, they remained at the prior-year level. We spent a total of 103 million euros on research and development, corresponding to a share of sales of 3.0 percent (plus 0.3 percentage points). Administrative expenses decreased by 24.8 percent. After adjusting for restructuring charges, the decline was 3.2 percent. Restructuring charges were 25 million euros; in the prior-year quarter these amounted to 256 million euros as a result of the "Global Excellence" program and the integration of the National Starch businesses. Of this figure, 6 million euros was attributable to the integration of the National Starch businesses and 19 million euros to ordinary activities. The distribution of the restructuring charges between the various expense items in the income statement is explained on Q2 *page 16*. The positive balance of other operating income and charges decreased from 9 million euros to 1 million euros.

Due primarily to the restructuring charges burden on the prior-year quarter, operating profit (EBIT) rose by 145 percent, from 113 million euros to 279 million euros. After adjusting for restructuring charges (25 million euros) and one-time expenses (4 million euros in consultancy charges related to the integration of the National Starch businesses), adjusted operating profit ("adjusted EBIT") decreased by 17.2 percent, from 372 million euros to 308 million euros. This is primarily attributable to the decrease in earnings at the Adhesive Technologies business sector.

Price and volume effects[1]

in percent	Organic sales growth	of which price	of which volume
Laundry & Home Care	6.3	5.1	1.2
Cosmetics/Toiletries	3.5	1.1	2.4
Adhesive Technologies	–15.4	5.7	–21.1
Henkel Group	**–5.3**	**4.5**	**–9.8**

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

Sales[1)]

in million euros	Q2	1 – 6
2009	**3,485**	**6,743**
2008	**3,668**	**6,830**
Change versus previous year	–5.0 %	–1.3 %

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

Sales development[1)]

in percent	Q2	1 – 6
Change versus previous year	**–5.0**	**–1.3**
Foreign exchange	–0.2	–0.5
After adjusting for foreign exchange	**–4.8**	**–0.8**
Acquisitions/divestments	0.5	5.3
Organic	**–5.3**	**–6.1**

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

EBIT[1)]

in million euros	Q2	1 – 6
2009	**279**	**497**
2008	**113**	**433**
Change versus previous year	>100 %	14.6 %
After adjusting for foreign exchange	>100 %	17.4 %

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

Return on sales (EBIT)

in percent	Q2	1 – 6
2009	**8.0**	**7.4**
2008	**3.1**	**6.3**
Change versus previous year	4.9 pp	1.1 pp

pp = percentage points

Net earnings for the quarter/half year after minority interests

in million euros	Q2	1 – 6
2009	**143**	**260**
2008	**38**	**257**
Change versus previous year	>100 %	1.2 %

Earnings per preferred share

in euros	Q2	1 – 6
2009	**0.33**	**0.61**
2008	**0.09**	**0.60**
Change versus previous year	>100 %	1.5 %

Return on sales (EBIT margin) amounted to 8.0 percent. Adjusted return on sales (“adjusted EBIT margin”) fell from 10.1 percent to 8.7 percent. Return on capital employed (ROCE) increased from 5.0 percent to 9.1 percent.

Our investment result fell from 24 million euros to –4 million euros. This decline is essentially the result of the sale of our participation in Ecolab in November 2008. Net interest expense improved by 28 million euros from –84 million euros to –56 million euros, largely due to lower interest rates compared to the previous year. The financial result remained stable overall at –60 million euros. Our tax rate amounted to 31.5 percent.

Due to the increase in EBIT, net earnings for the quarter improved by 257 percent from 42 million euros to 150 million euros. After minority interests totaling 7 million euros, net earnings for the quarter amounted to 143 million euros (prior-year quarter: 38 million euros). Adjusted quarterly net earnings after minority interests amounted to 162 million euros compared to 227 million euros in the same period last year. Earnings per preferred share (EPS) increased from 0.09 euros to 0.33 euros. The adjusted figure was 0.37 euros compared to 0.52 euros in the prior-year quarter.

Regional Performance

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

in million euros Regions	Europe/ Africa/ Middle East	North America	Latin America	Asia-Pacific	Corporate	Henkel
Sales April – June 2009	**2,113**	**677**	**210**	**430**	**55**	**3,485**
Sales April – June 2008	2,283	690	202	432	61	3,668
Change versus previous year	–7.5 %	–1.9 %	3.8 %	–0.4 %	–	–5.0 %
After adjusting for foreign exchange	–3.1 %	–13.5 %	10.7 %	–6.6 %	–	–4.8 %
Proportion of Henkel sales April – June 2009	**61 %**	**19 %**	**6 %**	**12 %**	**2 %**	**100 %**
Proportion of Henkel sales April – June 2008	62 %	19 %	5 %	12 %	2 %	100 %
EBIT April – June 2009	**202**	**48**	**17**	**47**	**–35**	**279**
EBIT April – June 2008[2]	241	76	19	46	–269[3]	113
Change versus previous year	–16.0 %	–37.2 %	–13.2 %	0.7 %		>100 %
After adjusting for foreign exchange	–8.6 %	–42.9 %	–3.0 %	–8.7 %		>100 %
Return on sales (EBIT) April – June 2009	**9.6 %**	**7.1 %**	**7.8 %**	**10.9 %**	**–**	**8.0 %**
Return on sales (EBIT) April – June 2008[2]	10.6 %	11.1 %	9.3 %	10.8 %	–	3.1 %

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

[2] The allocation of the centrally incurred functional overhead costs to the individual regions resulted for the second quarter of 2008 in 11 million euros being added back to the operating profit (EBIT) of the Europe/Africa/Middle East region. For the other regions, it resulted in a burden in the same amount, the split being 6 million euros for North America, 1 million euros for Latin America and 4 million euros for Asia-Pacific

[3] In the previous year, the costs of Corporate Research were allocated to the regions for the first time. In the second quarter of 2008, a total of 8 million euros in Corporate Research expenses was distributed from the Corporate segment to the regions as follows: Europe/Africa/Middle East 6 million euros; North America 1 million euros; Latin America 1 million euros

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

in million euros Regions	Europe/ Africa/ Middle East	North America	Latin America	Asia-Pacific	Corporate	Henkel
Sales January – June 2009	**4,109**	**1,341**	**398**	**784**	**111**	**6,743**
Sales January – June 2008	4,402	1,249	371	688	120	6,830
Change versus previous year	–6.7 %	7.4 %	7.3 %	13.9 %	–	–1.3 %
After adjusting for foreign exchange	–2.2 %	–5.2 %	15.7 %	8.0 %	–	–0.8 %
Proportion of Henkel sales January – June 2009	**61 %**	**20 %**	**6 %**	**11 %**	**2 %**	**100 %**
Proportion of Henkel sales January – June 2008	65 %	18 %	5 %	10 %	2%	100 %
EBIT January – June 2009	**393**	**81**	**27**	**58**	**–62**	**497**
EBIT January – June 2008[2]	493	133	34	59	–286[3]	433
Change versus previous year	–20.3 %	–39.2 %	–20.4 %	–2.2 %		14.6 %
After adjusting for foreign exchange	–14.6 %	–46.0 %	–9.2 %	–10.3 %		17.4 %
Return on sales (EBIT) January – June 2009	**9.6 %**	**6.0 %**	**6.7 %**	**7.4 %**	**–**	**7.4 %**
Return on sales (EBIT) January – June 2008[2]	11.2 %	10.6 %	9.0 %	8.6 %	–	6.3 %

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

[2] The allocation of the centrally incurred functional overhead costs to the individual regions resulted for the first half of 2008 in 21 million euros being added back to the operating profit (EBIT) of the Europe/Africa/Middle East region. For the other regions, it resulted in a burden in the same amount, the split being 11 million euros for North America, 3 million euros for Latin America and 7 million euros for Asia-Pacific

[3] In the previous year, the costs of Corporate Research were allocated to the regions for the first time. In the first half of 2008, a total of 17 million euros in Corporate Research expenses was distributed from the Corporate segment to the regions as follows: Europe/Africa/Middle East 12 million euros; North America 3 million euros; Latin America 1 million euros; Asia-Pacific 1 million euros

In the **Europe/Africa/Middle East** region, organic sales were 3.7 percent below the level for the second quarter of 2008. While Laundry & Home Care and Cosmetics/Toiletries were able to achieve a gratifying increase in their respective sales figures, Adhesive Technologies posted a decline in the double-digit percentage range. In Africa/Middle East, we once again achieved double-digit organic growth, while performance in Western Europe including Germany was regressive. The growth rate in Eastern Europe recovered slightly compared to the first quarter. Operating profit attributable to the Europe/Africa/Middle East region fell by 8.6 percent after adjusting for foreign exchange. Return on sales decreased by 1.0 percentage points to 9.6 percent due to developments in the Adhesive Technologies business sector.

Organic sales in **North America** decreased by 10.2 percent. The difficult market environment prevailing in the region led to Adhesive Technologies posting a substantial decline in sales. Developments at Cosmetics/Toiletries were slightly regressive. Sales of the Laundry & Home Care business sector showed an encouraging increase. Operating profit adjusted for foreign exchange fell by 42.9 percent. There was a decrease in the return on sales of all three business sectors, the overall figure easing 4.0 percentage points to 7.1 percent.

Organic sales in the **Latin America** region increased by 3.9 percent with all business sectors contributing. Operating profit, on the other hand, decreased by 3.0 percent after adjusting for foreign exchange. Return on sales fell by 1.5 percentage points to 7.8 percent, due to developments at Adhesive Technologies and Cosmetics/Toiletries.

In the **Asia-Pacific** region, organic sales fell by 10.0 percent compared to the second quarter of 2008. A gratifying increase in sales at the Cosmetics/Toiletries business sector was offset by a significant decline at Adhesive Technologies. With the closure of our Laundry & Home Care operations in China at the beginning of the year, sales of this business sector also declined. Operating profit adjusted for foreign exchange decreased by 8.7 percent. Due to the good performance of the Laundry & Home Care business sector, return on sales came in at 10.9 percent, matching the level of the prior-year quarter.

In our **growth regions** of Eastern Europe, Africa/Middle East, Latin America and Asia (excluding Japan), sales fell by 1.5 percent to 1,317 million euros, representing 37.8 percent of consolidated sales. Organic growth amounted to 2.3 percent. While our Laundry & Home Care and Cosmetics/Toiletries businesses continued to post double-digit organic sales growth, sales generated by Adhesive Technologies showed a substantial decrease due to weaknesses in Eastern Europe and Asia.

Laundry & Home Care

Sales[1)]

in million euros	Q2	1 – 6
2009	1,058	2,071
2008	1,012	2,043
Change versus previous year	4.4 %	1.3 %

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

Sales development[1)]

in percent	Q2	1 – 6
Change versus previous year	4.4	1.3
Foreign exchange	–1.9	–2.0
After adjusting for foreign exchange	6.3	3.3
Acquisitions/divestments	–	–
Organic	6.3	3.3

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

EBIT[1)]

in million euros	Q2	1 – 6
2009	119	226
2008	92	192
Change versus previous year	28.8 %	18.0 %
After adjusting for foreign exchange	34.1 %	21.4 %

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

Return on sales (EBIT)

in percent	Q2	1 – 6
2009	11.2	10.9
2008	9.1	9.4
Change versus previous year	2.1 pp	1.5 pp

pp = percentage points

In the second quarter of 2009, **Laundry & Home Care** posted the highest rise in organic sales – 6.3 percent – since the first quarter of 2007, significantly outperforming our relevant markets. Foreign exchange exerted a negative impact of 1.9 percent. The growth regions of Eastern Europe, Africa/Middle East and Latin America continued to deliver strong sales with, in some cases, double-digit rates of increase. Following a sluggish start to the year, we also posted a gratifying rise in organic sales in Western Europe and North America.

Operating profit (EBIT) increased by 28.8 percent to 119 million euros. After adjusting for foreign exchange, the rise was an even more respectable 34.1 percent. While the prior-year quarter was characterized by appreciably increasing material costs, raw material prices continued to ease in the period under review. Selling price increases implemented in a number of markets together with our successful measures to reduce costs and enhance efficiency also contributed to the improvement achieved. With this strong increase in earnings, return on sales also improved compared to the second quarter of the previous year – by 2.1 percentage points to 11.2 percent. Return on capital employed (ROCE) likewise increased significantly, by 3.3 percentage points to 17.8 percent.

Sales reported by our *Laundry* segment showed a substantial rise. In particular, our biggest brands worldwide, Persil and Purex, posted disproportionate organic improvement. Purex benefited from the successful launch of Purex Complete 3-in-1 in the USA. These innovative laundry sheets combine the performance of a detergent along with heat-activated softener and anti-static ingredients that are released in the drier to prevent electrostatic accumulation in the wash load.

Sales of the *Home Care* segment likewise continued to follow an upward trend, with the fastest rates of increase occurring in Eastern Europe and Africa/Middle East. In particular, our largest dishwashing detergent brand Pril saw sales rise in both regions, making a substantial contribution to the improvement achieved. And in the case of our machine dishwashing detergents marketed in Western Europe, we were able – with the launch of Somat 9 offering an odor neutralizer and an extra-dry effect – to expand the number of functions available to consumers.

Outlook

Given the current difficult environment, 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	Q2	1 – 6
2009	790	**1,510**
2008	779	**1,487**
Change versus previous year	1.5 %	1.6 %

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

Sales development[1)]

in percent	Q2	1 – 6
Change versus previous year	**1.5**	**1.6**
Foreign exchange	– 0.9	– 1.1
After adjusting for foreign exchange	**2.4**	**2.7**
Acquisitions/divestments	– 1.1	– 0.8
Organic	**3.5**	**3.5**

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

EBIT[1)]

in million euros	Q2	1 – 6
2009	100	**191**
2008	98	**185**
Change versus previous year	2.8 %	3.4 %
After adjusting for foreign exchange	4.2 %	4.5 %

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

Return on sales (EBIT)

in percent	Q2	1 – 6
2009	12.7	**12.6**
2008	12.5	**12.4**
Change versus previous year	0.2 pp	0.2 pp

pp = percentage points

With an organic growth rate of 3.5 percent in the second quarter of 2009 versus an already very strong prior-year quarter, the **Cosmetics/Toiletries** business sector again continued the positive trend of recent years. We significantly outperformed our relevant markets, which exhibited negative development overall in a very difficult economic environment. After adjusting for foreign exchange, growth amounted to 2.4 percent. In the regions of Eastern Europe, Asia and Latin America especially, growth remained strong. The increase achieved in Western Europe was also noteworthy.

This business success was further reflected in an increase in operating profit to 100 million euros, a rise of 4.2 percent after adjusting for foreign exchange. Return on sales grew compared to the already high prior-year quarter by 0.2 percentage points to 12.7 percent. Return on capital employed (ROCE) amounted to 18.3 percent.

The *Hair Cosmetics* segment continued to perform very well with further expansion in our market positions in all categories and gains in market share to record levels. The Hair Care and Colorants businesses turned in a particularly positive performance, aided by the continuing roll-out of the new brand Syoss, the new Gliss line Asia Straight and the new Schauma shampoo Hairactive for Men. The positive trend in the Colorants category continued with the support of our Essential Colors innovation and the market launch of Palette 10 Minutes Coloration.

In the *Body Care* segment, our Dial brand in the USA continued to do exceptionally well. Worthy of particular mention is the continuing progress being made with the roll-out of our Anti Oxidant body wash and also the enduring success of our 3D Odor Defense body wash from Dial for Men. Also very successful in the body wash segment was the Fa brand which generated significant revenue and market share increases in Europe following the introduction of the shower products Cream & Oil and Fresh & Oil.

In the *Skin Care* segment, the focus was on the launch of the new Diadermine line Dr. Caspari.

And in the *Oral Care* segment, the launch of the new Theramed variant Arctic White generated positive momentum.

With increasingly negative development characterizing the global professional hairdressing market, our *Hair Salon* business significantly outperformed its sector. Here, the focus of our activities was on the relaunch of Bonacure and the introduction of two new sublines from Igora. We continued to drive the successful international roll-out of our innovative Essensity brand.

Outlook

Given the current difficult environment, 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	Q2	1 – 6
2009	**1,582**	**3,051**
2008	**1,816**	**3,180**
Change versus previous year	–12.9 %	–4.1 %

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

Sales development[1)]

in percent	Q2	1 – 6
Change versus previous year	**–12.9**	**–4.1**
Foreign exchange	1.0	0.8
After adjusting for foreign exchange	**–13.9**	**–4.9**
Acquisitions/divestments	1.5	11.7
Organic	**–15.4**	**–16.6**

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

EBIT[1)]

in million euros	Q2	1 – 6
2009	**95**	**142**
2008	**192**	**342**
Change versus previous year	–50.8 %	–58.5 %
After adjusting for foreign exchange	–48.2 %	–55.8 %

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

Return on sales (EBIT)

in percent	Q2	1 – 6
2009	**6.0**	**4.7**
2008	**10.7**	**10.8**
Change versus previous year	–4.7 pp	–6.1 pp

pp = percentage points

With the markets stabilizing, albeit at a low level, the **Adhesive Technologies** business sector was able to substantially improve the quality of its results in this second quarter compared to the first quarter of 2009.

Sales adjusted for foreign exchange decreased by 13.9 percent and organically by 15.4 percent compared to the second quarter of 2008, the reporting period that featured the acquired National Starch businesses for the very first time. Sales in all regions – with the exception of Latin America – remained below prior-year levels.

Due to volume decreases and the attendant lower capacity utilization levels, operating profit adjusted for foreign exchange fell by 48.2 percent. Included in this figure is 4 million euros in consultancy charges resulting from the integration of the National Starch businesses. The early introduction of measures to adapt capacity and reduce costs, and also the launch of a number of innovative products, served to significantly improve earnings compared to the first quarter. Year-on-year return on sales fell by 4.7 percentage points to 6.0 percent and return on capital employed (ROCE) decreased by 13.2 percentage points to 5.1 percent.

The performance of the *Adhesives for Craftsmen and Consumers* segment was impacted by the continuing recession in the building industry and particularly the slump in activity encountered in the UK, Spain and the USA.

The generally lower level of construction activity also adversely influenced developments in the *Building Adhesives* segment, although business in the Middle East region continued to improve.

The decline in the *Packaging, Consumer Goods and Construction Adhesives* segment was relatively minor. The slight decrease in demand for consumer goods was, however, also reflected in our business performance here.

The global reduction in manufacturing output among our industrial customers again significantly impacted the development of our *Specialty Adhesives and Surface Treatment* segment. However, in this difficult environment especially, we were able to benefit from our position – acknowledged in the market – as a supplier of innovative problem solutions. In April, for example, our metal pretreatment product TecTalis received the PACE Award as the ecologically and economically most significant automotive ancillaries innovation of 2008.

Our *Electronics* segment continued to suffer from the general market weakness affecting the semiconductors industry.

Outlook

Our objective in 2009 is again to outperform our relevant markets. The synergies arising from the integration of the National Starch businesses and the improvement in our cost structure brought about by the measures implemented in 2008 will support the development of our operating profit.

Half Year Financial Report 2009

Underlying Economic Conditions

The first half of 2009 saw a significant fall in economic activity.

The decline has been especially apparent in the developed markets of North America, Western Europe and Japan. The emerging economies presented a mixed picture: although some countries in Asia and Eastern Europe likewise suffered under the influences of the economic and financial crisis, the performance of China and India remained robust. With the exception of Mexico, Latin America was also less adversely affected.

The prevailing crisis is particularly noticeable in the industrial sector, with significant rates of decline in output being registered in most countries. While consumer spending also suffered under the effects of the recession, this sector has assumed the role of economic stabilizer. Apart from some luxury items and more expensive consumer goods, for which there was a substantial fall in demand, private consumption remained relatively stable. However, the share of products marketed under private labels further increased.

Inflation rates and raw material prices declined.

Sectors of Importance for Henkel

The crisis in the automotive industry remains especially severe. Although Germany and other countries have been able to generate a temporary revival in the market with their scrappage and similar support programs, a substantial overall decline in automobile production could not be avoided.

The mechanical engineering and metal industries also experienced a heavy decrease in production output.

The electronics sector, on the other hand, has been able to recover slightly in the course of the year, albeit from a very low base. Chip production has been expanding for a few months now.

The packaging industry has suffered no more than moderate decreases in production, with the consumer-aligned segments in particular faring relatively well.

The crisis in the construction industry has continued in many countries of Europe, while in the USA there are gradual signs of an end to the lengthy building slump.

Business Performance First Half 2009

Statement of Income

Despite the difficult market situation, we achieved sales of 6,743 million euros in the first half of 2009, just 1.3 percent below the level for the first half of 2008. A major contributor in this regard was the National Starch businesses consolidated since April 3, 2008. After adjusting for foreign exchange, sales fell by 0.8 percent, and by 6.1 percent organically (i.e. adjusted for foreign exchange and acquisitions/divestments).

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, posting organic growth rates of 3.3 percent and 3.5 percent respectively, sales of the Adhesive Technologies business sector decreased organically by 16.6 percent as a result of the difficult situation encountered by major customer industries around the world.

Gross margin increased compared to the prior-year period by 1.0 percentage points to 44.8 percent. While it was positively influenced by the decrease in raw material prices, the low level of capacity utilization at Adhesive Technologies had a negative effect. The gross margin of the prior-year period was burdened by major restructuring charges.

Marketing, selling and distribution expenses decreased by 1.4 percent with their share of sales remaining stable at 29 percent. We spent a total of 202 million euros on research and development, corresponding to a share of sales of 3.0 percent (+0.3 percentage points). Administrative expenses decreased by 11.0 percent. After adjusting for restructuring charges, they rose by 2.3 per-

Price and volume effects[1]

in percent	Organic sales growth	of which price	of which volume
Laundry & Home Care	3.3	6.3	–3.0
Cosmetics/Toiletries	3.5	1.1	2.4
Adhesive Technologies	–16.6	5.2	–21.8
Henkel Group	**–6.1**	**4.5**	**–10.6**

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

cent. It should be noted in this regard that the National Starch businesses acquired on April 3, 2008 were not included in the financials for the first quarter of last year. Restructuring charges fell from 262 million euros to 41 million euros. Of this amount, 17 million euros was attributable to the integration of the National Starch businesses and 24 million euros to ordinary activities. The distribution of the restructuring charges between the various expense items in the income statement is explained on Q2 *page 17*. The positive balance of other operating income and charges decreased from 26 million euros to 5 million euros. Included in other operating income is 3 million euros arising from the release of provisions for pensions and similar obligations.

Despite the decrease in earnings in the Adhesive Technologies business sector, operating profit (EBIT) increased by 14.6 percent from 433 million euros to 497 million euros. The prior-year period was characterized by restructuring charges and the first-time consolidation of the National Starch businesses effective April 3, 2008. After adjusting for restructuring charges (41 million euros) and one-time expenses (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), adjusted operating profit ("adjusted EBIT") decreased by 21.3 percent from 690 million euros to 543 million euros.

Return on sales (EBIT margin) amounted to 7.4 percent. Adjusted return on sales ("adjusted EBIT margin") decreased from 10.1 percent to 8.1 percent. This is primarily attributable to the significant decline in earnings at the Adhesive Technologies business sector already mentioned above. Return on capital employed (ROCE) eased accordingly, from 9.9 percent to 8.2 percent.

Our investment result fell from 43 million euros to −4 million euros, essentially due to the sale of our participation in Ecolab in November 2008. Net interest expense improved by 14 million euros from −122 million euros to −108 million euros. This is largely due to lower interest rates compared to the previous year. The financial result decreased from −79 million euros to −112 million euros. The tax rate amounted to 29.6 percent.

Net earnings for the half year rose by 2.3 percent to 271 million euros. After minority interests totaling 11 million euros, net earnings for the half year were 260 million euros (first half year 2008: 257 million euros). Adjusted half-yearly net earnings after minority interests amounted to 292 million euros compared to 445 million euros in the first six months of 2008. Earnings per preferred share (EPS) rose by 1.5 percent to 0.61 euros. The adjusted figure was 0.68 euros compared to 1.03 euros in the first half of 2008.

Balance Sheet

Compared to the end of 2008, the balance sheet total increased slightly by 105 million euros to 16,278 million euros. While **non-current assets** remained largely constant, **current assets** rose by 111 million euros to 4,924 million euros. Liquid funds/marketable securities grew significantly from 338 million euros to 709 million euros. There was a substantial decrease in assets held for sale following the disposal of the afore-mentioned consumer adhesive brands in the USA and Canada in the second quarter.

Shareholders' equity including minority interests decreased from 6,535 million euros to 6,408 million euros. This was due to earnings for the half year amounting to 271 million euros being offset by negative translation differences of 71 million euros, actuarial losses in respect of pension obligations amounting to 67 million euros, valuation losses on derivative hedging transactions recognized in equity in the amount of 8 million euros, and other changes that yielded a net decrease of 20 million euros. The dividend payout for the previous fiscal year amounting to 232 million euros (of which Henkel AG & Co. KGaA 224 million euros) further reduced shareholders' equity. The equity ratio (shareholders' equity including minority interests as a percentage of total assets) showed a slight decline of 0.9 percentage points to 39.4 percent.

Under **non-current liabilities**, the senior bond issued in March 2009 in the amount of 1.0 billion euros and the floating rate note resulted in an increase totaling some 1.4 billion euros. The proceeds were used to redeem short-term borrowings and boost our 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 short-term provisions for taxes is primarily due to the tax payment arising from the sale of our Ecolab participation in November 2008.

Net debt increased versus the end of the previous year by 122 million euros to 3,914 million euros. Compared to the end of the first quarter, net debt declined by 176 million euros. We define net debt as borrowings less liquid funds and – commencing with the present interim report as of June 30, 2009 – less any positive or plus any negative fair value of hedging contracts covering those borrowings. In taking into account the current fair value of such hedging instruments, we are able to improve the informative content of the net debt metric. As of June 30, 2009, the net positive fair value of these derivatives amounted to 144 million euros (December 31, 2008: 89 million euros).

Cash Flow Statement

Cash flow from operating activities increased compared to the prior-year period by 378 million euros to 440 million euros. Positive developments in our net working capital, particularly with respect to inventories, resulted in a significant inflow of funds.

Cash flow from investing activities (–151 million euros) remained roughly at the level of the prior-year period after adjusting for the high level of outflows that occurred in the first six months of 2008 as a result of the acquisition of the National Starch businesses. During the period under review, the outflow of funds was reduced compared to the previous year by virtue of lower investments in property, plant and equipment and higher proceeds from asset disposals.

Cash flow from financing activities (87 million euros) resulted from an outflow of funds due to dividend and interest payments that were slightly above the level of the prior-year period, offset by an inflow of short-term finance. In the previous year, cash flow from financing activities was heavily influenced by the one-time effect arising from loans taken out to finance the acquisition of the National Starch businesses.

Capital Expenditures

Capital expenditures on property, plant and equipment for continuing operations amounted to 185 million euros, compared to 234 million euros in the previous year. In addition, we invested a total of 13 million euros in intangible assets (previous year: 9 million euros).

Acquisitions and Divestments

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 of Hickory, North Carolina, USA.

Employees

As of June 30, 2009, we had 51,819 employees (June 30, 2008: 57,593). This represents a decrease of 10.0 percent. The proportion of employees working outside Germany was 81.7 percent.

Research and Development

Expenses for research and development increased to 202 million euros (+9.8 percent), corresponding to an R&D ratio of 3.0 percent of sales (previous year: 2.7 percent).

Outlook

Underlying Economic Conditions

We continue to expect 2009 to be a year of pronounced recession. There are still no clear signs of any imminent upturn. The news and indicators available still do not provide a uniform picture. Order intake continues to decline – albeit at a slower rate than before – indicating that industrial production is still on a downward slope. Consumers are also likely to be reluctant to make major purchases due to apprehension at the prospect of an increase in unemployment. On the positive side, the low inflation rates and declining energy prices are stabilizing the real income of private households, with economic packages also being introduced to stimulate national economies.

Although private consumption has served to cushion the economic downturn, this support could – despite the still currently positive consumer climate indicators –

dwindle in some regions during the second half of 2009, particularly in Europe where increasing unemployment is expected. On the other hand, the economic stimulus program introduced in the USA will primarily benefit private consumption, with tax breaks underpinning the purchasing power of many consumers.

The automotive industry is unlikely to climb its way out of the current crisis in the short term. The stimulus packages introduced in various countries are not expected to generate any enduring momentum.

The mechanical engineering sector will need to adjust to further decreases in production in some countries in view of the persistently low level of orders received. The prospects for the electronics industry have slightly improved. However, production levels are still very low following the heavy decline of earlier months.

In the coming months, the packaging sector will likely continue to be supported by the relatively non-cyclical food and semiluxuries segments. The metals industry, which has been heavily impacted by the recession, can be expected to recover slightly from its current low volume levels.

The outlook for the building sector remains gloomy on a global scale. While the USA may have bottomed out, the construction industry in Western Europe is likely to further contract to a degree. The prospects in the growth regions are somewhat more favorable. With the economic cycle there moving into an upturn, a revival in construction activity can be expected.

Opportunities and Risks

Despite the worldwide recession, we see opportunities emanating from a large number of innovative products which all three of our business sectors will be launching onto the market. The decline in raw material prices compared to the previous year will also have a positive effect. Opportunities should likewise arise from our determination to pursue our three strategic priorities, which are to:

» 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. There are additional risks that 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.

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

We expect that the difficult market conditions currently prevailing in the real economy and also in the financial markets will persist through 2009. The general economic climate and its further development remain rather difficult to predict.

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

For the third quarter of 2009 we expect our consumer businesses to continue to perform well – albeit with a degree of deceleration. Our expectation for the Adhesive Technologies business sector is that it will develop similarly to or slightly better than in the second quarter of 2009.

The outlook for the fourth quarter of 2009 is unclear due to continuing uncertainties regarding the likely development of the economic parameters governing the markets of relevance for Henkel. This also reduces the reliability of any forecast made with respect to the year as a whole. As soon as our markets allow properly reasoned assumptions, we will communicate quantified expectations for full fiscal 2009.

Consolidated Statement of Income

in million euros	Q2/2008	%	Q2/2009	%	Change
Sales	**3,668**	**100.0**	**3,485**	**100.0**	**–5.0 %**
Cost of sales[1]	–2,149	–58.6	–1,906	–54.7	–11.3 %
Gross profit	**1,519**	**41.4**	**1,579**	**45.3**	**3.9 %**
Marketing, selling and distribution expenses[1]	–1,063	–29.0	–1,007	–28.8	–5.3 %
Research and development expenses	–98	–2.7	–103	–3.0	5.1 %
Administrative expenses[1]	–254	–6.9	–191	–5.5	–24.8 %
Other operating income	37	1.0	33	0.9	–10.8 %
Other operating charges	–28	–0.7	–32	–0.9	14.3 %
Operating profit (EBIT)	**113**	**3.1**	**279**	**8.0**	**>100.0 %**
Investment result	24	0.7	–4	–0.1	>100.0 %
Net interest	–84	–2.3	–56	–1.6	–33.3 %
Financial result	**–60**	**–1.6**	**–60**	**–1.7**	**–**
Earnings before tax	**53**	**1.5**	**219**	**6.3**	**>100.0 %**
Taxes on income	–11	–0.3	–69	–2.0	>100.0 %
Net earnings	**42**	**1.2**	**150**	**4.3**	**>100.0 %**
– Attributable to minority shareholders	4	–0.1	7	–0.2	75.0 %
– Attributable to shareholders of Henkel AG & Co. KGaA	38	1.1	143	4.1	>100.0 %

[1] Restructuring charges second quarter 2009: 25 million euros (comparative figures for the prior-year period in parentheses: 256 million euros), of which: cost of sales 12 million euros (129 million euros); marketing, selling and distribution expenses 7 million euros (61 million euros); research and development expenses 2 million euros (1 million euros); administrative expenses 4 million euros (65 million euros)

Earnings per share (basic)

in euros	Q2/2008	Q2/2009	Change
Ordinary shares	0.09	0.33	>100.0 %
Non-voting preferred shares	0.09	0.33	>100.0 %

Earnings per share (diluted)

in euros	Q2/2008	Q2/2009	Change
Ordinary shares	0.07	0.33	>100.0 %
Non-voting preferred shares	0.08	0.33	>100.0 %

Adjusted earnings figures

in million euros		Q2/2008	Q2/2009
EBIT (as reported)		**113**	**279**
One-time gains		–3	–
One-time charges		6	4
Restructuring charges[1]		256	25
Adjusted EBIT		**372**	**308**
Adjusted return on sales (EBIT)	*in %*	***10.1***	***8.7***
Adjusted net earnings after minority interests		**227**	**162**
Adjusted earnings per preferred share	in euros	**0.52**	**0.37**

[1] In Q2/2009: 6 million euros from the integration of the National Starch businesses and 19 million euros from ordinary activities

Consolidated Statement of Income

in million euros	1–6/2008	%	1–6/2009	%	Change
Sales	**6,830**	**100.0**	**6,743**	**100.0**	**–1.3 %**
Cost of sales[1]	–3,836	–56.2	–3,720	–55.2	–3.0 %
Gross profit	**2,994**	**43.8**	**3,023**	**44.8**	**1.0 %**
Marketing, selling and distribution expenses[1]	–1,983	–29.1	–1,955	–29.0	–1.4 %
Research and development expenses	–184	–2.7	–202	–3.0	9.8 %
Administrative expenses[1]	–420	–6.1	–374	–5.5	–11.0 %
Other operating income	68	1.0	55	0.8	–19.1 %
Other operating charges	–42	–0.6	–50	–0.7	19.0 %
Operating profit (EBIT)	**433**	**6.3**	**497**	**7.4**	**14.6 %**
Investment result	43	0.7	–4	–0.1	>100.0 %
Net interest	–122	–1.8	–108	–1.6	–11.5 %
Financial result	**–79**	**–1.1**	**–112**	**–1.7**	**41.8 %**
Earnings before tax	**354**	**5.2**	**385**	**5.7**	**8.8 %**
Taxes on income	–89	–1.3	–114	–1.7	28.1 %
Net earnings for the half year	**265**	**3.9**	**271**	**4.0**	**2.3 %**
– Attributable to minority shareholders	8	–0.1	11	–0.2	37.5 %
– Attributable to shareholders of Henkel AG & Co. KGaA	257	3.8	260	3.8	1.2 %

[1] Restructuring charges first half year 2009: 41 million euros (comparative figures for the prior-year period in parentheses: 262 million euros), of which: cost of sales 21 million euros (130 million euros); marketing, selling and distribution expenses 11 million euros (62 million euros); research and development expenses 2 million euros (1 million euros); administrative expenses 7 million euros (69 million euros)

Earnings per share (basic)

in euros	1–6/2008	1–6/2009	Change
Ordinary shares	0.59	0.60	1.5 %
Non-voting preferred shares	0.60	0.61	1.5 %

Earnings per share (diluted)

in euros	1–6/2008	1–6/2009	Change
Ordinary shares	0.57	0.60	4.2 %
Non-voting preferred shares	0.58	0.61	4.1 %

Adjusted earnings figures

in million euros		1–6/2008	1–6/2009
EBIT (as reported)		**433**	**497**
One-time gains		–11	–3
One-time charges		6	8
Restructuring charges[1]		262	41
Adjusted EBIT		**690**	**543**
Adjusted return on sales (EBIT)	*in %*	***10.1***	***8.1***
Adjusted half-yearly net earnings after minority interests		**445**	**292**
Adjusted earnings per preferred share	**in euros**	**1.03**	**0.68**

[1] In the first half of 2009: 17 million euros from the integration of the National Starch businesses and 24 million euros from ordinary activities

Consolidated Balance Sheet

Assets

in million euros	Dec. 31, 2008[1]	%	June 30, 2009	%
Intangible assets	8,491	52.5	8,411	51.7
Property, plant and equipment	2,361	14.6	2,338	14.4
Financial assets	24	0.1	23	0.1
Other financial assets	172	1.1	206	1.3
Income tax refund claims	3	–	2	–
Other non-current assets	4	–	18	0.1
Deferred taxes	305	1.9	356	2.2
Non-current assets	**11,360**	**70.2**	**11,354**	**69.8**
Inventories	1,482	9.2	1,334	8.2
Trade accounts receivable	1,847	11.4	1,967	12.1
Other financial assets	575	3.6	561	3.4
Other current assets	256	1.6	169	1.0
Income tax refund claims	202	1.2	154	0.9
Liquid funds/Marketable securities	338	2.1	709	4.4
Assets held for sale	113	0.7	30	0.2
Current assets	**4,813**	**29.8**	**4,924**	**30.2**
Total assets	**16,173**	**100.0**	**16,278**	**100.0**

Shareholders' equity and liabilities

in million euros	Dec. 31, 2008[1]	%	June 30, 2009	%
Subscribed capital	438	2.7	438	2.7
Capital reserve	652	4.0	652	4.0
Retained earnings	6,805	42.0	6,747	41.4
Gains and losses recognized in equity	–1,411	–8.7	–1,489	–9.1
Equity excluding minority interests	**6,484**	**40.0**	**6,348**	**39.0**
Minority interests	51	0.3	60	0.4
Equity including minority interests	**6,535**	**40.3**	**6,408**	**39.4**
Pensions and similar obligations	833	5.2	878	5.4
Long-term income tax provisions	177	1.1	122	0.7
Other long-term provisions	336	2.1	298	1.8
Long-term borrowings	2,402	14.9	3,768	23.1
Non-current financial liabilities	77	0.5	92	0.6
Other non-current liabilities	9	0.1	32	0.2
Deferred taxes	413	2.5	470	2.9
Non-current liabilities	**4,247**	**26.4**	**5,660**	**34.7**
Current income tax provisions	343	2.1	200	1.2
Other current provisions	964	5.9	926	5.7
Short-term borrowings	1,817	11.2	999	6.1
Trade accounts payable	1,678	10.4	1,673	10.3
Current financial liabilities	272	1.7	155	1.0
Other current liabilities	306	1.9	239	1.5
Income tax liabilities	11	0.1	18	0.1
Current liabilities	**5,391**	**33.3**	**4,210**	**25.9**
Total equity and liabilities	**16,173**	**100.0**	**16,278**	**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	1–6/2008	1–6/2009
Operating profit (EBIT)	**433**	**497**
Income taxes paid	–196	–218
Amortization/depreciation/write-ups of non-current assets (excluding financial assets)	243	218
Net gains/losses on disposal of non-current assets (excluding financial assets)	–8	–
Change in inventories	–89	165
Change in trade accounts receivable	–241	–115
Change in other receivables and miscellaneous assets	–154	–29
Change in trade accounts payable	–26	–2
Change in other liabilities and provisions	100	–76
Cash flow from operating activities	**62**	**440**
Purchase of intangible assets	–9	–13
Purchase of property, plant and equipment	–234	–185
Purchase of financial assets/acquisitions	–3,625	–62
Proceeds on disposal of subsidiaries and business units	56	75
Proceeds on disposal of other non-current assets	19	34
Realization of net investment hedge	119	–
Cash flow from investing activities/acquisitions	**–3,674**	**–151**
Henkel AG & Co. KGaA dividends	–224	–224
Subsidiary company dividends (to other shareholders)	–3	–8
Interest received	48	56
Dividends received	15	–
Interest paid	–230	–237
Dividends and interest paid and received	*–394*	*–413*
Change in borrowings	2,937	500
Other financing transactions	4	–
Cash flow from financing activities	**2,547**	**87**
Change in cash and cash equivalents due to movements in funds	**–1,065**	**376**
Change in cash and cash equivalents due to exchange rate movements	–19	–5
Change in liquid funds and marketable securities	**–1,084**	**371**
Liquid funds and marketable securities as of January 1	1,440	338
Liquid funds and marketable securities as of June 30	356	709

Consolidated Statement of Recognized Income and Expense

in million euros	1 – 6/2008	1 – 6/2009
Net earnings for the half year	**265**	**271**
Foreign exchange effects	–235	–71
Financial instruments	–56	–8
Actuarial gains/losses	–36	–67
Share of net profits of associates	14	–
Other gains and losses recognized in equity	5	–
Gains and losses recognized directly in equity	**–308**	**–146**
Total earnings for the period	**–43**	**125**
– Attributable to minority shareholders	–2	10
– Attributable to shareholders of Henkel AG & Co. KGaA	–41	115

Statement of Changes in Equity

in million euros						Gains and losses recognized in equity			
	Ordinary shares	Pre-ferred shares	Trea-sury stock	Capital reserve	Re-tained earn-ings	Transla-tion differ-ences	Financial instru-ments	Minority interests	Total
At January 1, 2008	**260**	**178**	**–119**	**652**	**6,082**	**–1,298**	**–112**	**63**	**5,706**
Distributions	–	–	–	–	–224	–	–	–3	–227
Sale of treasury stock	–	–	3	–	–	–	–	–	3
Net earnings	–	–	–	–	257	–	–	8	265
Foreign exchange effects	–	–	–	–	–	–226	–	–9	–235
Financial instruments	–	–	–	–	–	–	–56	–	–56
Actuarial gains and losses	–	–	–	–	–36	–	–	–	–36
Other gains and losses recognized in equity	–	–	–	–	22	–	–	–2	20
At June 30, 2008	**260**	**178**	**–116**	**652**	**6,101**	**–1,524**	**–168**	**57**	**5,440**
At December 31, 2008/ January 1, 2009	**260**	**178**	**–115**	**652**	**6,920**	**–1,199**	**–212**	**51**	**6,535**
Distributions	–	–	–	–	–224	–	–	–8	–232
Sale of treasury stock	–	–	–	–	–	–	–	–	–
Net earnings	–	–	–	–	260	–	–	11	271
Foreign exchange effects	–	–	–	–	–	–70	–	–1	–71
Financial instruments	–	–	–	–	–	–	–8	–	–8
Actuarial gains and losses	–		–	–	–67	–	–	–	–67
Other gains and losses recognized in equity	–	–	–	–	–27	–	–	7	–20
At June 30, 2009	**260**	**178**	**–115**	**652**	**6,862**	**–1,269**	**–220**	**60**	**6,408**

Group Segment Report by Business Sector[1)]

Second quarter 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 April – June 2009	**1,058**	**790**	**467**	**1,115**	**1,582**	**3,430**	**55**	**3,485**
Change from previous year	4.4 %	1.5 %	–14.4 %	–12.2 %	–12.9 %	–4.9 %	–	–5.0 %
Proportion of Group sales	30 %	23 %	13 %	32 %	45 %	98 %	2 %	100 %
Sales April – June 2008	1,012	779	546	1,270	1,816	3,607	61	3,668
EBITDA April – June 2009	**146**	**112**	**62**	**94**	**156**	**414**	**–30**	**384**
EBITDA April – June 2008	119	110	71	168	239	468	–194	274
Change from previous year	22.3 %	2.3 %	–12.9 %	–44.3 %	–34.9 %	–11.6 %	–	39.7 %
Return on sales (EBITDA) April – June 2009	**13.8 %**	**14.1 %**	**13.4 %**	**8.4 %**	**9.9 %**	**12.1 %**	**–**	**11.0 %**
Return on sales (EBITDA) April – June 2008	11.8 %	14.0 %	13.2 %	13.2 %	13.2 %	13.0 %	–	7.5 %
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment April – June 2009	**27**	**12**	**12**	**49**	**61**	**100**	**5**	**105**
of which impairment losses April – June 2009	**1**	**–**	**–**	**–**	**–**	**1**	**–**	**1**
of which write-ups April – June 2009	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment April – June 2008	27	12	12	35	47	86	75	161
of which impairment losses April – June 2008	17	–	1	4	5	22	48	70
of which write-ups April – June 2008	–	–	–	–	–	–	–	–
EBIT April – June 2009	**119**	**100**	**50**	**45**	**95**	**314**	**–35[4)]**	**279**
EBIT April – June 2008	92	98	59	133	192	382	–269[5)]	113
Change from previous year	28.8 %	2.8 %	–15.5 %	–66.6 %	–50.8 %	–18.0 %	–	>100 %
Return on sales (EBIT) April – June 2009	**11.2 %**	**12.7 %**	**10.9 %**	**4.0 %**	**6.0 %**	**9.2 %**	**–**	**8.0 %**
Return on sales (EBIT) April – June 2008	9.1 %	12.5 %	11.0 %	10.5 %	10.7 %	10.6 %	–	3.1 %
Capital employed April – June 2009[2)]	**2,653**	**2,186**	**1,240**	**6,277**	**7,517**	**12,356**	**–161**	**12,195**
Capital employed April – June 2008[2)]	2,532	2,133	1,306	2,914	4,220	8,885	191	9,076
Change from previous year	4.8 %	2.5 %	–5.1 %	>100 %	14.6 %	39.1 %	–	34.4 %
Return on capital employed (ROCE) April – June 2009	**17.8 %**	**18.3 %**	**16.4 %**	**2.8 %**	**5.1 %**	**10.2 %**	**–**	**9.1 %**
Return on capital employed (ROCE) April – June 2008	14.5 %	18.3 %	18.4 %	18.3 %	18.3 %	17.2 %	–	5.0 %
Capital expenditures (excl. financial assets) April – June 2009	**47**	**11**	**18**	**20**	**38**	**96**	**16**	**112**
Capital expenditures (excl. financial assets) April – June 2008	25	1	19	35	54	80	49	129
Operating assets April – June 2009[3)]	**3,902**	**2,772**	**1,523**	**7,101**	**8,624**	**15,298**	**371**	**15,669**
Operating liabilities April – June 2009	**1,092**	**785**	**359**	**1,143**	**1,502**	**3,379**	**532**	**3,911**
Net operating assets employed April – June 2009[3)]	**2,810**	**1,987**	**1,164**	**5,958**	**7,122**	**11,919**	**–161**	**11,758**
Operating assets April – June 2008[3)]	3,771	2,717	1,631	4,120	5,751	12,239	499	12,738
Operating liabilities April – June 2008	1,120	796	408	1,468	1,876	3,792	306	4,098
Net operating assets employed April – June 2008[3)]	2,651	1,921	1,223	2,652	3,875	8,447	193	8,640

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 6 million euros for the National Starch businesses. The ordinary restructuring charges are allocated to the operating business sectors
5) In the previous year, the costs of Corporate Research were allocated to the business sectors for the first time. In the second quarter of 2008, a total of 8 million euros in Corporate Research expenses was distributed from the Corporate segment to the business sectors as follows: Laundry & Home Care 3 million euros; Cosmetics/Toiletries 2 million euros; Adhesive Technologies 3 million euros

Group Segment Report by Business Sector[1)]

January – June 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 January – June 2009	**2,071**	**1,510**	**877**	**2,174**	**3,051**	**6,632**	**111**	**6,743**
Change from previous year	1.3 %	1.6 %	–14.3 %	0.8 %	–4.1 %	–1.2 %	–	–1.3 %
Proportion of Group sales	31 %	22 %	13 %	32 %	45 %	98 %	2 %	100 %
Sales January – June 2008	2,043	1,487	1,023	2,157	3,180	6,710	120	6,830
EBITDA January – June 2009	**280**	**214**	**105**	**160**	**265**	**759**	**–44**	**715**
EBITDA January – June 2008	246	209	125	300	425	880	–204	676
Change from previous year	13.7 %	2.9 %	–16.0 %	–46.8 %	–37.7 %	–13.7 %	–	5.7 %
Return on sales (EBITDA) January – June 2009	**13.5 %**	**14.1 %**	**12.0 %**	**7.3 %**	**8.7 %**	**11.4 %**	**–**	**10.6 %**
Return on sales (EBITDA) January – June 2008	12.1 %	14.0 %	12.3 %	13.9 %	13.4 %	13.1 %	–	9.9 %
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment January – June 2009	**54**	**23**	**24**	**99**	**123**	**200**	**18**	**218**
of which impairment losses January – June 2009	**1**	**–**	**2**	**6**	**8**	**9**	**–**	**9**
of which write-ups January – June 2009	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amortization/depreciation and write-ups of trademark rights, other rights and property, plant and equipment January – June 2008	54	24	24	59	83	161	82	243
of which impairment losses January – June 2008	18	–	1	4	5	23	48	71
of which write-ups January – June 2008	–	–	–	–	–	–	–	–
EBIT January – June 2009	**226**	**191**	**81**	**61**	**142**	**559**	**–62[4)]**	**497**
EBIT January – June 2008	192	185	101	241	342	719	–286[5)]	433
Change from previous year	18.0 %	3.4 %	–20.2 %	–74.7 %	–58.5 %	–22.3 %	–	14.6 %
Return on sales (EBIT) January – June 2009	**10.9 %**	**12.6 %**	**9.3 %**	**2.8 %**	**4.7 %**	**8.4 %**	**–**	**7.4 %**
Return on sales (EBIT) January – June 2008	9.4 %	12.4 %	10.0 %	11.2 %	10.8 %	10.7 %	–	6.3 %
Capital employed January – June 2009[2)]	**2,700**	**2,236**	**1,259**	**6,198**	**7,457**	**12,393**	**–199**	**12,194**
Capital employed January – June 2008[2)]	2,549	2,133	1,289	2,590	3,879	8,561	152	8,713
Change from previous year	5.9 %	4.8 %	–2.4 %	>100 %	92.2 %	44.8 %	–	40.0 %
Return on capital employed (ROCE) January – June 2009	**16.7 %**	**17.1 %**	**12.9 %**	**2.0 %**	**3.8 %**	**9.0 %**	**–**	**8.2 %**
Return on capital employed (ROCE) January – June 2008	15.0 %	17.3 %	15.8 %	18.6 %	17.7 %	16.8 %	–	9.9 %
Capital expenditures (excl. financial assets) January – June 2009	**83**	**22**	**31**	**67**	**98**	**203**	**23**	**226**
Capital expenditures (excl. financial assets) January – June 2008	68	21	36	62	98	187	56	243
Operating assets January – June 2009[3)]	**3,967**	**2,815**	**1,541**	**7,054**	**8,595**	**15,377**	**366**	**15,743**
Operating liabilities January – June 2009	**1,107**	**777**	**358**	**1,166**	**1,524**	**3,408**	**565**	**3,973**
Net operating assets employed January – June 2009[3)]	**2,860**	**2,038**	**1,183**	**5,888**	**7,071**	**11,969**	**–199**	**11,770**
Operating assets January – June 2008[3)]	3,818	2,721	1,614	3,529	5,143	11,682	425	12,107
Operating liabilities January – June 2008	1,146	798	407	1,212	1,619	3,563	273	3,836
Net operating assets employed January – June 2008[3)]	2,672	1,923	1,207	2,317	3,524	8,119	152	8,271

[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 17 million euros for the National Starch businesses. The ordinary restructuring charges are allocated to the operating business sectors
[5)] In the previous year, the costs of Corporate Research were allocated to the business sectors for the first time. In the first half of 2008, a total of 17 million euros in Corporate Research expenses was distributed from the Corporate segment to the business sectors as follows: Laundry & Home Care 8 million euros; Cosmetics/Toiletries 3 million euros; Adhesive Technologies 6 million euros

Earnings per Share

In calculating earnings per share for the period January through June 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 June 30, there was no dilutive effect arising from the Stock Incentive Plan.

Earnings per share

		1 – 6/2008	1 – 6/2009
Net earnings for the half year after minority interests	**in mill. euros**	**257**	**260**
Number of outstanding ordinary shares		259,795,875	259,795,875
Basic earnings per ordinary share	**in euros**	**0.59**	**0.60**
Number of outstanding preferred shares[1]		173,207,498	173,332,771
Basic earnings per preferred share	**in euros**	**0.60**	**0.61**
Dilutive effect arising from Stock Incentive Plan		487,725	–
Number of potentially outstanding preferred shares[2]		173,695,223	173,332,771
Diluted earnings per ordinary share	**in euros**	**0.57**	**0.60**
Diluted earnings per preferred shared	**in euros**	**0.58**	**0.61**

[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 June 30, 2009 amounted to 4,828,155 preferred shares. This represents 1.10 percent of the 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 June 2009 by 6,615 preferred shares, representing a proportional nominal value of 0.006 million euros (0.002 percent of capital stock).

Accounting and Valuation Policies

The unaudited interim consolidated financial statements of the Henkel Group for the half year have been prepared in accordance with Section 37w WpHG (Securities Trading Act) and with International Financial Reporting Standards (IFRS) for interim financial information effective within the European Union. The same accounting and valuation principles have been applied as in the case of the 2008 consolidated annual financial statements. The half year financial report comprising condensed interim consolidated financial statements and interim Group management report was not subjected to a review in accordance with Section 37w (5) sentence 1 WpHG (Securities Trading Act) or an audit as defined in Section 317 HGB (German Commercial Code).

Scope of Consolidation

In addition to Henkel AG & Co. KGaA, the consolidated financial statements as of June 30, 2009 include 10 domestic German and 215 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.

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 half year 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**

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Düsseldorf, July 31, 2009

Henkel Management AG,
Personally Liable Partner of
Henkel AG & Co. KGaA

The Management Board

Kasper Rorsted   Dr. Lothar Steinebach

Dr. Friedrich Stara   Hans Van Bylen   Thomas Geitner

Report of the Audit Committee of the Supervisory Board

In the meeting of August 3, 2009, the Audit Committee was provided explanatory details by the Management Board and the external auditors KPMG concerning the half year financial report, and also the review report prepared by KPMG as commissioned by the Management Board in compliance with the International Standard on Review Engagements (ISRE 2410). This review gave rise to no reservations or objections. The Audit Committee has approved and endorses the half year financial report.

Düsseldorf, August 3, 2009

Chairman of the Audit Committee
Bernhard Walter

Credits

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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.

Calendar

Publication of Report for the Third Quarter/Nine Months 2009: Wednesday, November 11, 2009

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

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

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