

**Statement by Prof. Dr. Ulrich Lehner Chairman of the Management Board
Henkel Conference Call, August 3, 2005, 3.00 p.m.
- Check against delivery -**

Ladies and gentlemen:

Welcome to our conference call regarding today's release of our second quarter results for 2005. Lothar Steinebach, CFO of the Henkel Group, and I will give you the opportunity to discuss with us our Q2 performance and our expectations for the full fiscal year.

I would like to begin by reminding everyone that copies of this speech and presentation which contain the usual formal disclosure to forward-looking statements within the meaning of relevant US legislation can be accessed via our website at www.ir.henkel.com. The presentation and discussions are conducted subject to disclaimer. I will not read the disclaimer, but propose we take it as read into the records for the purpose of this conference call.

Following a good start in 2005, for Henkel the second quarter continued along the same upward path.

- We increased sales, adjusted for foreign exchange, by 10 percent.
- Organic growth – after adjusting for foreign exchange, acquisitions and divestments – more than doubled to 3.3 percent after an increase of 1.5 percent in the first quarter. With this, we were able to outperform the market, with all our business sectors successfully contributing.
- Organic growth has led to an increase in operating profit. However, gross margin has declined due to the fact that we have not been able to fully pass on the increase in raw material prices. Despite further investments in our markets, EBIT adjusted for foreign exchange rose above the comparable prior-year figure by 14 percent to 296 million euros. Savings achieved through the scheduled implementation of our restructuring measures also benefited profitability. I would like to underline here, too, that all business sectors increased EBIT.
- Quarterly net earnings, after minority interests, likewise increased above the comparable level for the previous year, or by 0.5 percent to 196 million euros.
- Earnings per share increased from 1 euro 37 cents in the prior-year quarter to 1 euro 38 cents, a rise of 0.7 percent.

I should also underline the fact that we have achieved our growth through the introduction of a number of strong product innovations and our investments in the growth markets.

I would now like to provide you with a few examples of recent innovations with which we intend to further strengthen our current market positions:

In the Laundry & Home Care segment, we launched a new stain pretreatment product onto the market, Sil OXI Perfect 2. Thanks to a dual-chamber system, the two formulations – the OXI Energy component and the stain remover – are only mixed when applied, thus developing their highly effective action as they come into direct contact with the stain.

In the Cosmetics segment, we expanded our U.S. trend and styling brand got2be, now also successfully launched in Europe, through the introduction of a hair care line comprising various shampoos and conditioners.

At Consumer and Craftsmen Adhesives, we are launching a new and versatile product onto the market in the form of Sista “Seal & Fix”. For the first time, it will be possible to fix and simultaneously seal components with one single product.

In the industrial segment, we are launching a new generation of laminating adhesives under the Liofol brand. This laminating adhesive used for food packaging will, in the future, offer the advantage of a much faster curing ability, saving valuable time in the manufacturing processes of our customers.

Our strategy of reducing our dependency on Western Europe and Germany – but without neglecting these markets – and of investing more in North America and in the growth markets, has proven to be both correct and successful. We are currently generating around 26 percent of our total sales in the growth regions such as Eastern Europe, Asia and Latin America, where we achieve double-digit percentage growth rates.

One challenge that we – like many others – are currently facing is that of raw material price increases, which have not yet been completely offset. We are continuing to counter these developments with price increases, product optimizations and the ongoing scheduled implementation of our “Advanced Restructuring” measures.

With all these activities and our strengthened market positions, I am confident we will achieve our targets for 2005.

- We continue to expect organic sales, adjusted for foreign exchange and acquisitions/divestments, to increase by 3 to 4 percent;
- an increase in operating profit, adjusted for foreign exchange, in the high teens percentage range;
- and earnings per share to remain at the same high level of the previous year, namely 5.21 euros.

Before I hand over to Lothar Steinebach, allow me to briefly summarize:

We have been able to follow the good start into the new fiscal year with a strong second quarter, giving us good reason to look forward with optimism to the results for the entire year.

We are very pleased about the fact that our organic sales growth was generated by innovations from all our business sectors. Same applies to the development of our operating profit.

We registered double-digit sales growth rates in North America, Latin America, Eastern Europe and Asia-Pacific.

It is also worth noting that sales in Europe again markedly increased and that the gratifying upward trend has also continued in Germany.

Ladies and Gentlemen, we thus have every reason to look forward with confidence.

Thank you for your attention. Lothar Steinebach will now provide you with the financial details characterizing the second quarter 2005.

This document contains forward-looking statements which are based on the current estimates and assumptions made by the corporate management of Henkel KGaA. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Henkel KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update any forward-looking statements.