A worthwhile investment

25 years of Henkel preferred shares

Düsseldorf – For those who first subscribed to Henkel preferred shares in October 1985, there is no doubt that the investment has paid off handsomely, for since that time, those shares have increased more than eight-fold in value. After adding the dividend payouts of the intervening years, an investor who has held on to Henkel preferred shares acquired in 1985 will have earned an average annual return of 10.4 percent.

Henkel preferred shares were first traded on the stock exchange a quarter of a century ago, on October 11, 1985. This meant that, for the first time, people outside the family could invest in the company. It was decided that the stock exchange launch should be based on the preferred share which, although not granting its holder voting rights at the annual general meeting, does promise a higher dividend than that accruing to voting ordinary shares. Initially, the ordinary shares remained in the hands of the Henkel family.

“In pursuing this stock market issuance, Henkel was able to attract outside investors while still maintaining the character of a family enterprise. Financial performance and family – these values are as relevant today as they were then, serving as they do to secure our long-term viability,” explains Henkel CFO Dr. Lothar Steinebach. Today, more than 50 percent of the ordinary shares are held by members of the families of the descendants of Fritz Henkel, the company's founder.

Twenty-five years ago, Henkel was just about to embark on a journey of international expansion. The share issue was intended to provide the company with a stronger financial base and more scope for pursuing acquisitions. Many investors were convinced that success was inevitable and consequently this new stock generated a great deal of interest – which is why the first quotation of DM 390 substantially
exceeded the subscription price of DM 285. This Henkel listing also represented the biggest new issue of preferred shares ever to take place on the German stock exchange up to that time.

Although Henkel preferred shares are today traded on the stock markets for around 40 euros, the investment has still been worthwhile. Because today's Henkel share is no longer comparable with that of 1985. The switch to the euro and several share splits have created the illusion that the price has decreased. However, a preferred share of 1985 corresponds to 30 of the present day version. Which means that, all in all, its value has increased eight-fold since 1985, from the equivalent to 4.86 euros then to 39.40 euros now. Ownership of Henkel preferred shares is fully diversified. In fact, the vast majority of the approx. 178 million shares are held by institutional investors with internationally widespread portfolios.

Since the stock exchange launch, Henkel has enjoyed improved access to the capital market for numerous acquisitions, substantially extending its national and international market presence in the process. The company's sales have risen from 4.7 billion euros in 1985 to 13.6 billion euros last year. Twenty-five years ago, Henkel generated more that two thirds of its revenue outside Germany. Today the figure is over 85 percent and rising. That makes Henkel one of the most internationally aligned corporations in Germany.

Henkel operates worldwide with leading brands and technologies in three business areas: Laundry & Home Care, Cosmetics/Toiletries and Adhesive Technologies. Founded in 1876, Henkel holds globally leading market positions both in the consumer and industrial businesses with well-known brands such as Persil, Schwarzkopf and Loctite. Henkel employs about 50,000 people and reported sales of 13,573 million euros and adjusted operating profit of 1,364 million euros in fiscal 2009. Henkel's preferred shares are listed in the German stock index DAX and the company ranks among the Fortune Global 500.

Contact:

Oliver Luckenbach
☎ +49-2 11-7 97 16 31
Fax: +49-2 11-7 98 28 63
oliver.luckenbach@henkel.com

Constance Spitzer
☎ +49-2 11-7 97 89 33
Fax: +49-2 11-7 98 28 63
constance.spitzer@henkel.com

Christian Wietfeld
☎ +49-2 11-7 97 36 09
Fax: +49-2 11-7 98 28 63
christian.wietfeld@henkel.com

Stefan de Diego
☎ +49 2 11-7 97 15 10
Fax: +49-2 11-7 98 28 63
stefan.dediego@henkel.com

Andrea Haschke
☎ +49-2 11-7 97 21 66
Fax: +49-2 11-7 98 28 63
andrea.haschke@henkel.com

Ines Göldner
☎ +49-2 11-7 97 39 37
Fax: +49-2 11-7 98 28 63
ines.goeldner@henkel.com