

Henkel Central Eastern Europe

# 2011 in Brief



## Our VISION

A global leader in brands and technologies.

## Our VALUES

We put our **customers** at the center of what we do.

We value, challenge and reward our **people**.

We drive excellent sustainable **financial performance**.

We are committed to leadership in **sustainability**.

We build our future on our **family business** foundation.



Excellence is our Passion

## Editorial

# Entrepreneurial thinking as the key to success



**“Build the New Europe” – our future lies in these new emerging countries and markets! This corporate motto has become a deep-seated conviction which Henkel Central Eastern Europe has lived by for 20 years.**

In this period of time, individual companies have been fused to form a broad-based group spanning the entire region. It accounts for about 20 percent of Henkel's total global revenues. Economic growth in Central and Eastern Europe will continue to serve as a driving force underlying Henkel's success.

Every day, the high level of commitment demonstrated on a daily basis by the close to 9,500 Henkel CEE employees in 32 countries ensures high performance business operations, thus laying the groundwork for the company's success. We all comprise Henkel CEE. We work for it, use its products and stand for the quality of its brands and adherence to the company's values.

It is people themselves who develop visions and achieve goals – the employees, colleagues, fellow citizens and all the people who stand for our company and our brands.

Günter Thumser  
President Henkel Central Eastern Europe

### Henkel actively operates globally in three strategic business areas:

- I Adhesive Technologies
- I Laundry & Home Care
- I Cosmetics/Toiletries

The publicly listed family enterprise headquartered in Dusseldorf, Germany employs approx. 48,000 people world-wide. Sales in 2010 amounted to 15.092 billion euros. Henkel CEE is part of the Henkel Group.

### Targeting 500 million consumers

Henkel CEE has management responsibility for coordinating business operations in 32 Central and Eastern European countries as well as in the Central Asia-Caucasus region.

In addition to Austria, this includes Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Mongolia, Montenegro, Poland, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

### Strong market position

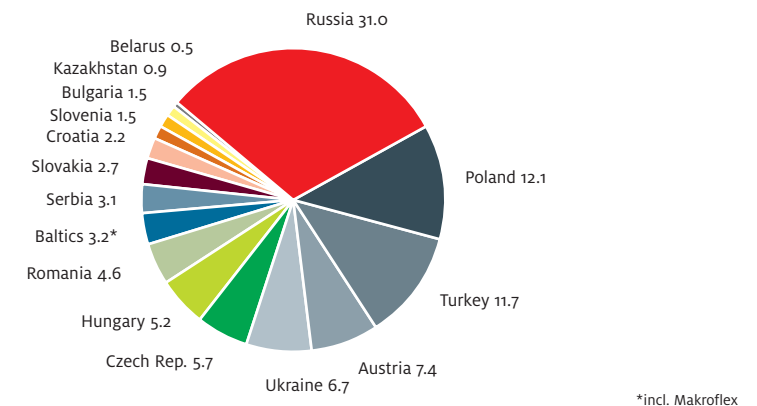
Henkel CEE is a top provider of detergents, cleaners and cosmetic brands and is the regional market leader for hair cosmetics and adhesives as well as surface technology. The most well-known Henkel brands in Eastern Europe include Bref, Ceresit, Fa, Loctite, Palette, Pattex, Persil, Schwarzkopf and Silan.

## Henkel CEE in 2010

<b>Sales:</b>	2.880 billion euros*
	+ 12.2 percent in euros vs. 2009
	+ 6.4 percent in the local currency vs. 2009
<b>Employees:</b>	9,500
<b>Sales in Austria:</b>	214 million euros (+ 6 percent vs. 2009)
<b>Employees in Austria:</b>	850

\*Financial responsibility

### Sales distribution by country in %



### Management

Günter Thumser	President, Henkel CEE, Laundry & Home Care
Hermann Deitzer	Adhesive Technologies
Georg Höbenstreit	Cosmetics/Toiletries
Alois Höger	Finances, Information Systems
Karl W. Gladt	Legal
Zuzana Halkova	Human Resources
Johann Seif	Supply Chain Management

### Selected areas

Peter Truzla	Human Resources Austria
Matthias Lügen	Research and Development/Laundry & Home Care
Sabine Schauer	Corporate Communications

## Laundry & Home Care Business Area



### Günter Thumser

#### How did the past year shape up?

It was characterized by restrained consumer spending and strong competitive pressure. Nevertheless we were able to further expand our market position.

#### Which new products were particularly successful in 2010?

Our innovation highlights were Persil "with the fresh pearls of Silan", the new premium line "Perfume Essence" from Silan/Vernel and the innovative "power crystals" concept for our hand dishwashing detergent Pur/Pril.

#### What are the strengths of your business area?

There are several success factors in our business, including a great "team spirit", the openness to change, flexibility and "entrepreneurship" of every employee, the excellent cooperation throughout the region, an absolute growth-oriented approach as well as a balanced brand and product portfolio, in which ongoing innovation takes account of the latest trends.

## Adhesive Technologies Business Area

### Hermann Deitzer

#### How did the past year shape up?

We mastered the economic crisis quite well and once again posted double-digit percentage growth.

#### Which new products were particularly successful in 2010?

Our innovation highlights were our Microprotect system for Ceresit tile adhesives, joint mortar and joint sealants, the Bioprotect system for Ceresit's complete heat protection products and the success of Ekon, a "value for money" brand for consumer adhesives.

#### What are the strengths of your business area?

We are building upon a good mix of global and local brands as well as our extensive innovative strength. Moreover, with its technical competence Henkel is wholeheartedly focused on the support of its customers. And last but not least it is our highly motivated, enthusiastic and committed team in which considerable importance is attached to entrepreneurial thinking which accounts for our mutual success.



### Laundry & Home Care

Henkel is an international leader in the Laundry & Home Care segment. The extensive product offering ranges from universal detergents, fabric conditioners, special detergents and household cleaners to bathroom, glass and toilet cleaners.

### The most important brands in Central and Eastern Europe:\*

Bref, Clin, Laska, Losk, Mer, Merix, Pemolux, Persil, Perwoll, Pril, Pur, Rex, Silan, Somat, Tomi, Tursil, Vernel

\*Alphabetical order

### Adhesive Technologies

Henkel is the world market leader for adhesives, sealants and in the field of surface technologies. The company boasts a balanced portfolio and offers a diverse range of applications to meet the needs of the various target groups – consumers just as much as craftsmen and industrial users.

### The most important brands in Central and Eastern Europe:\*

Adhesin, Bonderite, Ceresit, Cimsec, Dorus, Hysol, Liofol, Loctite, Makroflex, Metylan, Moment, P3, Pattex, Ponal, Pritt, Tangit, Technomelt, Teroson, Thomsit

\*Alphabetical order

## Cosmetics/Toiletries Business Area



### Georg Höbenstreit

#### How did the past year shape up?

Despite the stagnating economy and greater price aggressiveness, our growth in 2010 exceeded the overall performance of the market. We could further increase our market share.

#### Which new products were particularly successful in 2010?

Our innovation highlights were the launch of Syoss Styling and Syoss Color, the launch of Perfect Mousse, the first permanent mousse coloration, as well as Right Guard, which strengthened our position in the men's body care segment.

#### What are the strengths of your business area?

Three success criteria apply to the Cosmetics/Toiletries business. The first is "outinnovation". With our innovations we succeed again and again in making our markets grow sustainably. Second, we support this growth by correspondingly high advertising expenditures. Third, naturally our professional, experienced, dedicated and top motivated team is an important guarantor enabling us to stay on the road to success.

#### Cosmetics/Toiletries

Henkel ranks among the top global companies in the Cosmetics/Toiletries segment. In addition to hair cosmetics marketed under the umbrella brand Schwarzkopf and also under the Syoss brand, the portfolio encompasses body care, skin care and oral care products. Henkel is also successful in the professional hair styling segment with its Schwarzkopf Professional product lines.

#### The most important brands in Central and Eastern Europe:\*

Retail: Aok, Brilliance, Diadem, Diadermine, Fa, Glem Vital, Gliss Kur, got2b, Palette, Perfect Mousse, Poly Color, Right Guard, Schauma, Schwarzkopf, Syoss, Taft Looks, Theramde, Vademecum, 3 Weather Taft Professional: BC Bonacure, BLONDME, Essensity, Igora, OSIS, SEAH

\*Alphabetical order

## The History of Henkel CEE

On September 26, 1876, Fritz Henkel founded the laundry detergent factory Henkel & Cie. in Germany. Soon afterwards, the first Henkel products were also being sold in Austria.

1886	First sale of Henkel products in Austria
1908	Launch of Persil in Austria
1926	First Persil factory established in Hungary
1927	Persil Company founded in Vienna-Erdberg
1929	First Persil subsidiary in Czechoslovakia; market launch of the cleansing agent Imi and the scouring agent Ata
1931	First Persil factory in Yugoslavia; founding of Persil Polska in Bydgoszcz Bromberg
1957	Adhesives products added to portfolio
1958	Product range expanded to include cosmetics
1970	Launch of Thompson products in Austria
1982	Persil Company name changed to Henkel Austria
1984	First exports to Eastern Europe
1985	Launch of "Green Persil", the first phosphate-free detergent, in Austria
1987	Henkel Budapest established
1990/91	Henkel subsidiaries set up in Czechoslovakia, Hungary and Yugoslavia (Slovenia, Croatia)
1992	Hungarian business concentrated in Henkel Magyarorszá
1993	Management responsibility for Henkel Polska (Laundry & Home Care, Cosmetics/Toiletries)
1994	Company restructured in Henkel Austria and Henkel Austria Group; Henkel Romania established
1996	Henkel Jugoslavija founded; integration of Schwarzkopf business
1997	Henkel-Palma renamed Henkel Slovensko; Slovenian operations (Henkel-Zlatorog) renamed Henkel Slovenija; integration of Loctite
1998	Henkel Austria Group renamed Henkel Central Eastern Europe; management responsibility for adhesives business in Poland, the detergents and cosmetics segments in the Baltics; Henkel Bulgaria established
1999	Henkel Bautechnik Romania set up
2000	Management responsibility for detergents business in the Ukraine
2001	Henkel Ukraine set up in Kiev
2002	Stake acquired in Merima, Serbia's largest detergents producer based in Krusevac; now uses the name Henkel Merima
2003	Management responsibility for detergent, adhesives segments in Russia
2004	Market responsibility for the CIS, Albania and Mongolia; founding of Henkel Bautechnik Belarus
2005	Opening of the central storage facility in Vienna-Meidling; innovation of the year: development of the first frost-free concentrated fabric softener for the CEE region
2006	Management responsibility for the detergents business in Turkey; opening of Henkel CAC (Central Asia & Caucasus) headquartered in Almaty, Kazakhstan; acquisition of the brand Cimsec with a factory in Ebensee, Upper Austria
2007	Henkel merges the adhesives and technology business effective April 1; five new production facilities created for Adhesive Technologies in Bulgaria, Romania, Russia, Serbia and Ukraine; the Shared Service Center Finances opened at the Bratislava site
2008	Henkel's first plant in the Central Asia-Caucasus region; a Bautechnik factory near Almaty, Kazakhstan commences production
2009	Official opening of the new detergents plant in Ankara, Turkey
2010	Expansion of the factory and storage facility in Vienna



1927

#### Henkel in Austria

Henkel products have been sold in Austria for more than 120 years. The production site in Vienna-Erdberg has been operating since 1927. A plant for tile adhesives, joint sealants and joint mortar in Ebensee, Upper Austria was added in 2006. A central storage facility for Central and Eastern Europe in Vienna-Meidling was also put into operation. Henkel CEE headquarters in Vienna is responsible for 32 countries in the Region Central and Eastern Europe (CEE). Henkel's most important brands\* in Austria are Cimsec, Dixan, Fewa, Glem Vital, Gliss Kur, Loctite, Pattex, Persil, Schwarzkopf, Taft, Teroson and Weisser Riese.

\*Alphabetical order

2009



### **Henkel on the Internet**

Henkel in Austria	<a href="http://www.henkel.at">www.henkel.at</a>
Henkel in Eastern Europe	<a href="http://www.henkel-cee.com">www.henkel-cee.com</a>
Henkel globally	<a href="http://www.henkel.com">www.henkel.com</a>
Henkel in Germany	<a href="http://www.henkel.de">www.henkel.de</a>

Henkel in Croatia	<a href="http://www.henkel.hr">www.henkel.hr</a>
Henkel in the Czech Republic	<a href="http://www.henkel.cz">www.henkel.cz</a>
Henkel in Estonia	<a href="http://www.henkel.ee">www.henkel.ee</a>
Henkel in Hungary	<a href="http://www.henkel.hu">www.henkel.hu</a>
Henkel in Latvia	<a href="http://www.henkel.lv">www.henkel.lv</a>
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Henkel in Poland	<a href="http://www.henkel.pl">www.henkel.pl</a>
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Henkel in Turkey	<a href="http://www.henkel.com.tr">www.henkel.com.tr</a>
Henkel in Ukraine	<a href="http://www.henkel.ua">www.henkel.ua</a>

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