



Henkel

A Brand Like a friend

Adhesive Electronics Overview

Feb 2010

Henkel Headquarters in Düsseldorf



A Brand like a friend



Management Board



A Brand like a Friend



Dr. Friedrich Stara
Laundry &
Home Care

Thomas Geitner
Adhesive
Technologies

Kasper Rorsted
Chief Executive
Officer and
responsible for
Human Resources/
Infrastructure Services

Dr. Lothar Steinebach
Finance/Purchasing/
Information Technology/
Law

Hans Van Bylen
Cosmetics/
Toiletries

Key Financial



Figures in mill. euros	2007	2008	+ / -
Sales	13,074	14,131	8.1 %
Operating profit (EBIT)	1,344	779	-42.0 %
Return on sales (EBIT) in %	10.3	5.5	-4.8 pp
Net earnings	941	1,233	31.0 %
Earnings after minority interests	921	1,221	32.6 %
Earnings per preferred share in euros	2.14	2.83	32.2 %
Return on capital employed (ROCE) in %	15.4	6.9	-8.5 pp
Capital expenditures on property, plant and equipment	470	473	0.6 %
Research and development expenses	350	429¹⁾	22.6 %
Employees (annual average) number	52,303	55,513	6.1 %

¹⁾ includes restructuring charges of 52 million euros

pp = percentage points

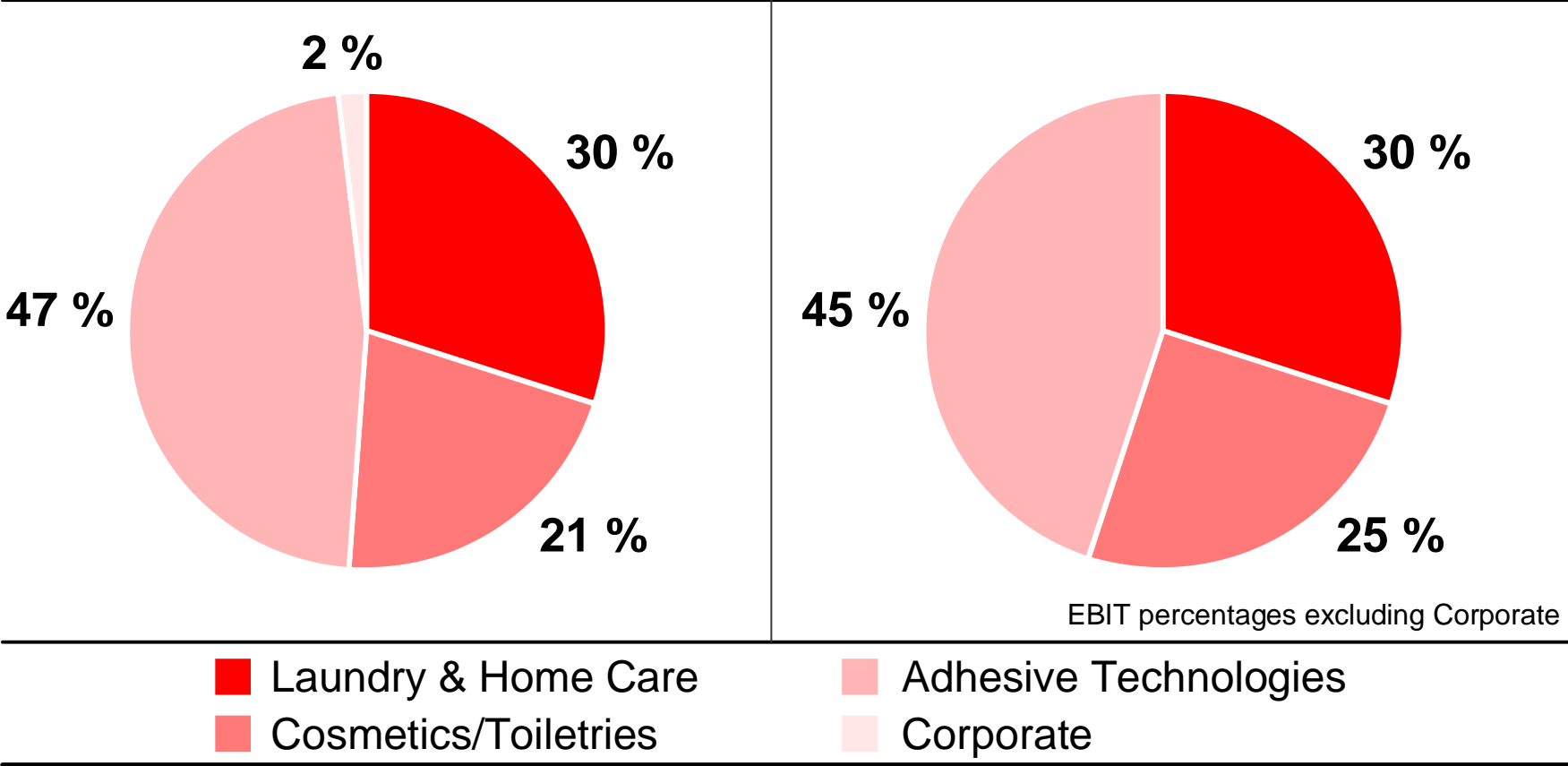
Business Portfolio



Sales and EBIT by business sector 2008

Sales: 14,131 mill. euros

Adjusted EBIT: 1,460 mill. euros



Adhesive Technologies Electronics



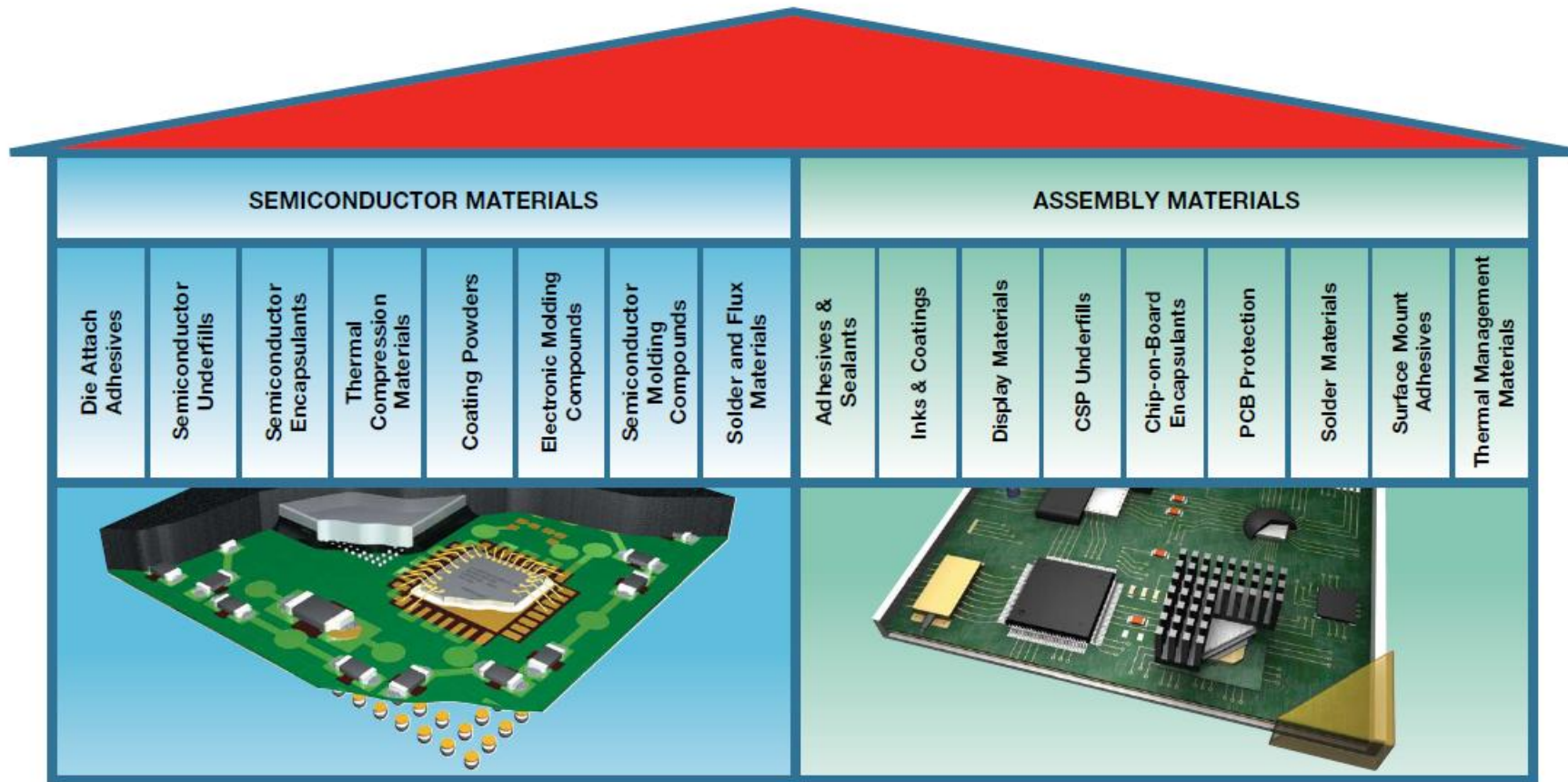
Alan Syzdek
Corp. Sr. VP Adhesive
Electronics

Headquarters
Irvine,
California

Product Portfolio



- Product Portfolio harmonization combines the best technologies from both organizations – delivering value to customers.



Our Vision – *Become the partner of choice for the innovation leaders in the electronics industry*



- **We** are a seamless, agile, global organization.
- **We** capture value in selected markets and have the #1 or #2 market position or are the innovation leader.
- **We** are respected by our customers as a reliable, quality supplier.
- **We** attract and retain the brightest and the best people with a passion for technology.
- **We** make substantial contributions to sustainability and safety in the electronics industry and our work place.

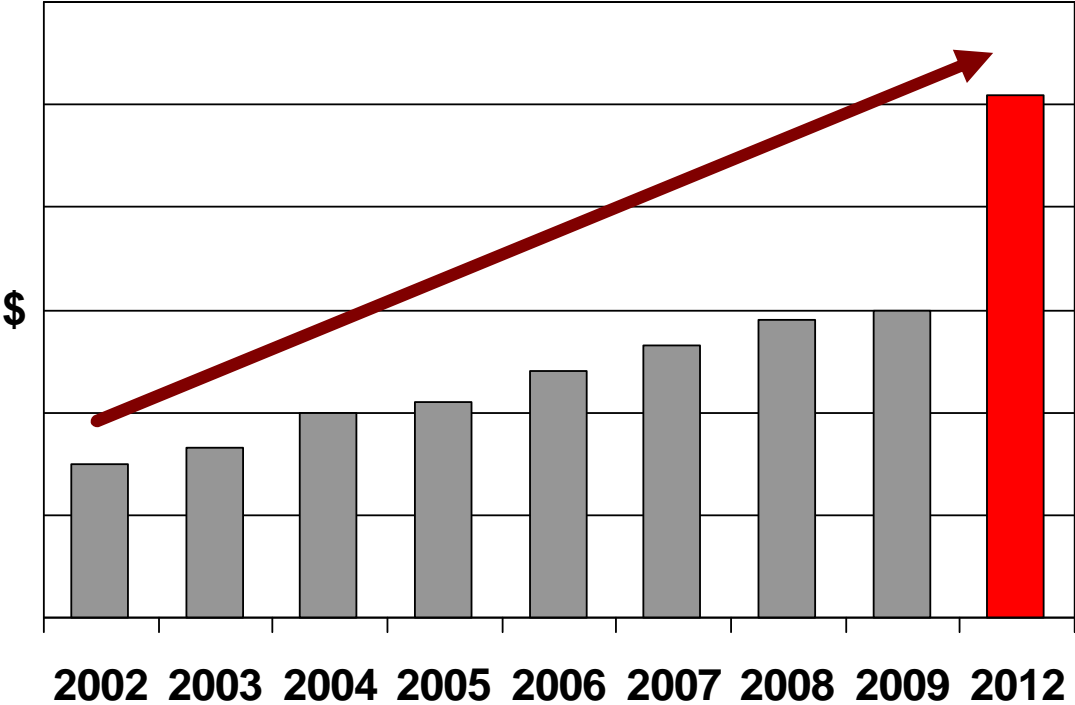


Achieve \$1,000,000,000 Sales by 2012

Adhesive Electronics



Projected Over \$1 Billion by 2012





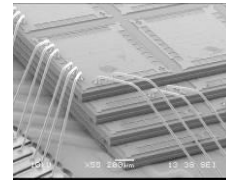
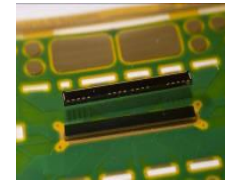
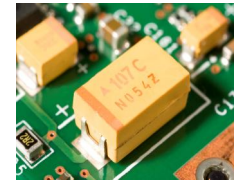


Continuous Sales Growth Above Electronics Market Composite

*Combined and NSC businesses

Seven Market Segments



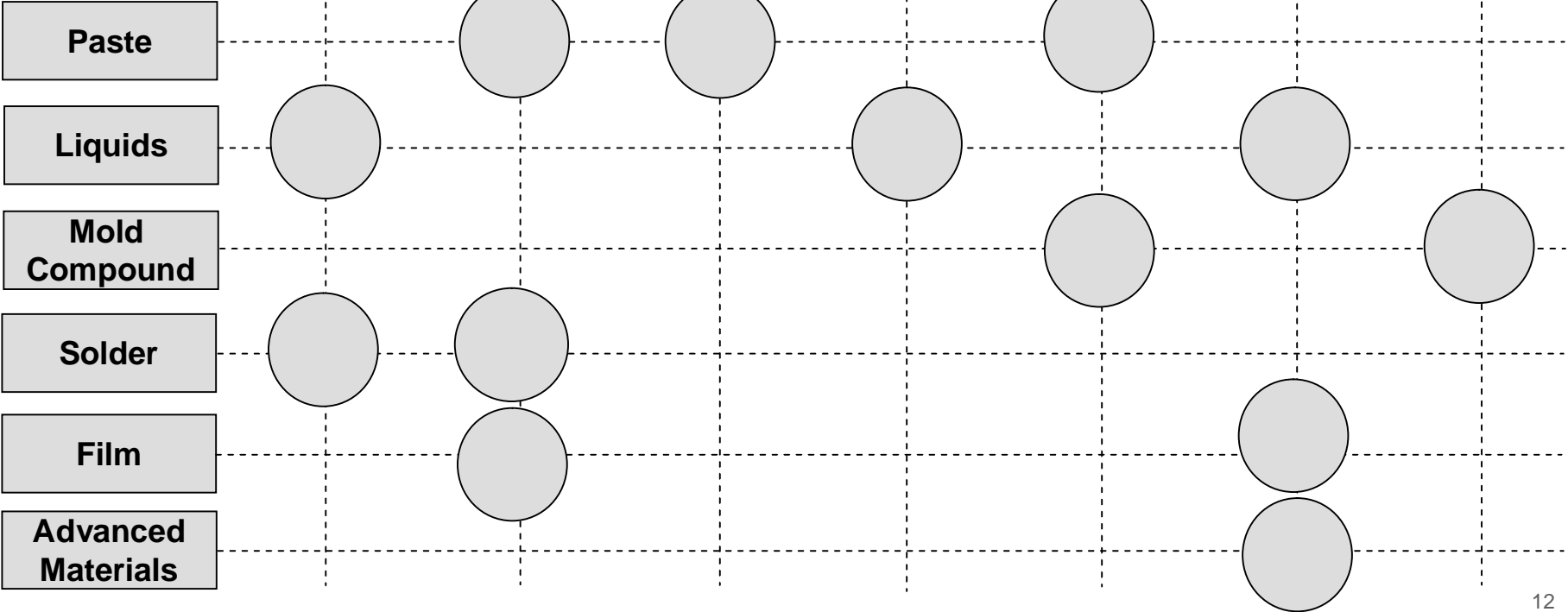
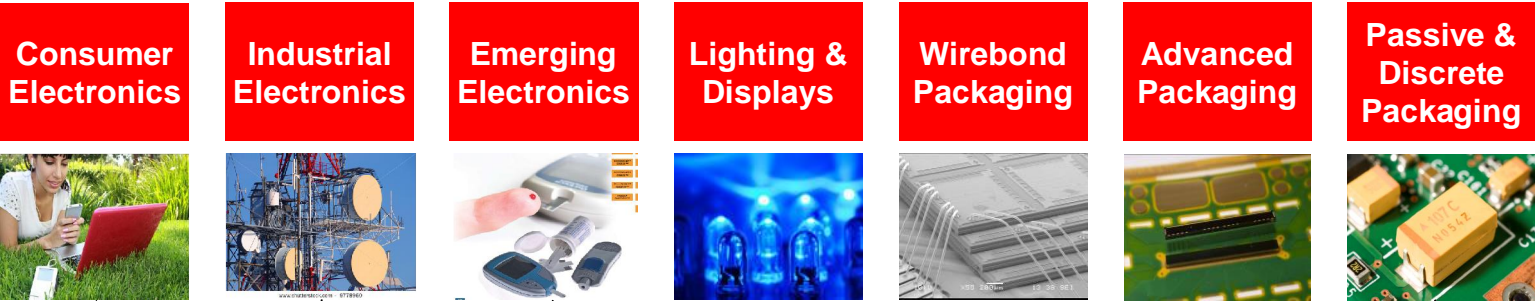
Consumer Electronics	Industrial Electronics	Emerging Electronics	Lighting & Displays	Wirebond Packaging	Advanced Packaging	Passive & Discrete Packaging
						
<ul style="list-style-type: none"> • Handheld Device Assembly • Consumer Appliance Assembly • Digital Printing Assembly 	<ul style="list-style-type: none"> • Defense & Aerospace • Wireless Data Infrastructure (WDI) • Automotive Electronics Assembly • RFID & Components Assembly 	<ul style="list-style-type: none"> • Medical • Green & Portable Energy (GAPE) 	<ul style="list-style-type: none"> • Lighting • Displays 	<ul style="list-style-type: none"> • Leaded Packages • Laminate Packages • Smart Card, CMOS & RF Module 	<ul style="list-style-type: none"> • High Performance Packages (HPP) • Memory packages • Optoelectronic devices 	<ul style="list-style-type: none"> • Passive • Discrete

Six Product Lines



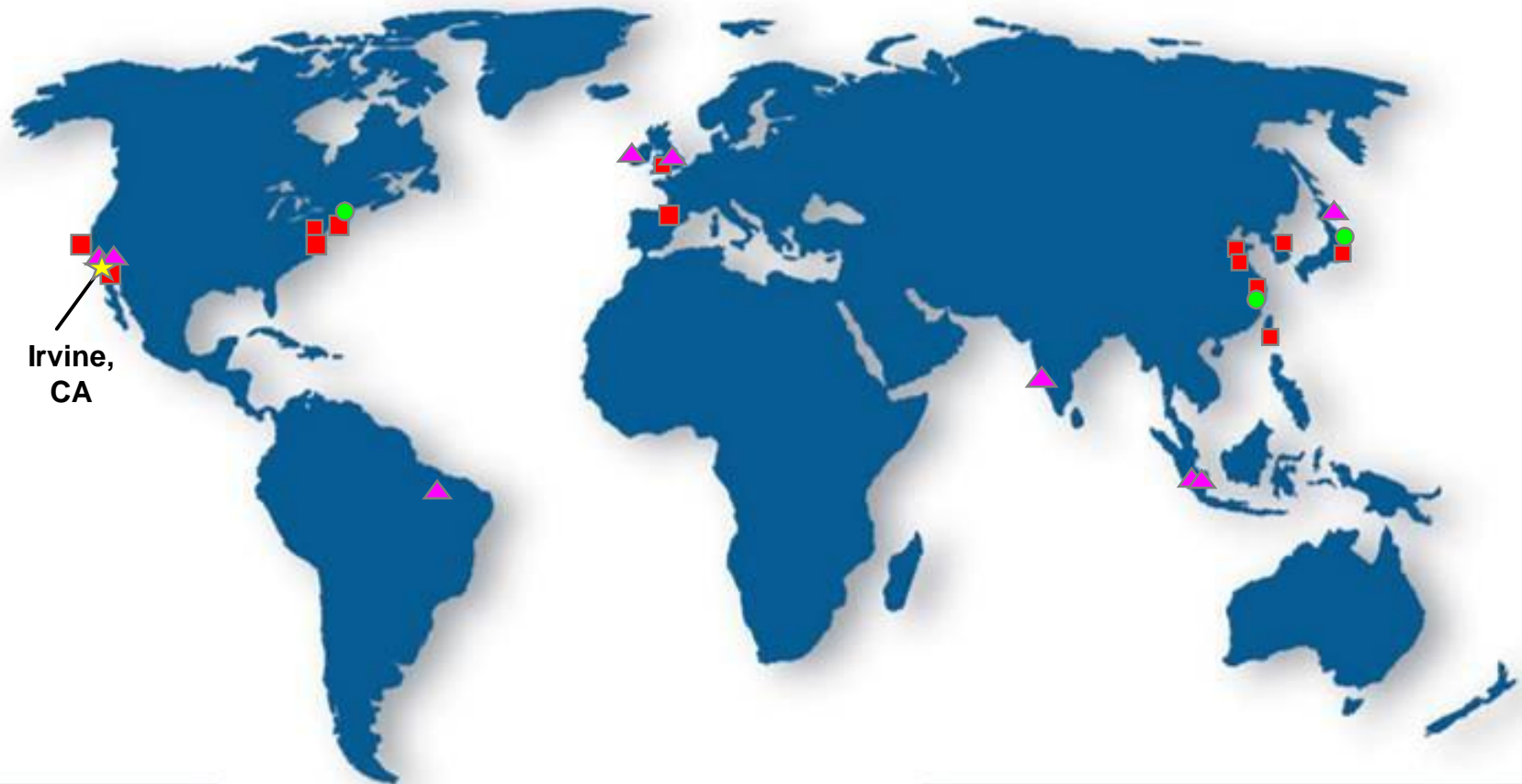
Liquids	Mold Compound	Solder	Films	Paste	Advanced Materials
<ul style="list-style-type: none"> Underfills Sealants Circuit Board Protection (CBP) Encapsulants Light cure adhesives 	<ul style="list-style-type: none"> Mold Compound Powders Macromelt brand 	<ul style="list-style-type: none"> Solder-paste Spheres Flux Wire and bar 	<ul style="list-style-type: none"> Assembly Film Die Attach Film Thermal Interface Material Films Conductive DAF B-staged materials 	<ul style="list-style-type: none"> Electrically Conductive Adhesives (ECA) Die Attach Paste Noncond. Adhesives Inks TIM (Paste) 	<ul style="list-style-type: none"> Advanced Packages Cleaners, Spray Fuel Cells, MEMS WBC

AE Market Segments and Product Lines



Global Reach

- Henkel has a global presence with a footprint in every geography.
- Globally aligned infrastructure to serve our customers locally.



• Estimated Employees: 3,200

- ★ Headquarters/Product Development
- Product Development/Manufacturing
- Product Development
- ▲ Manufacturing

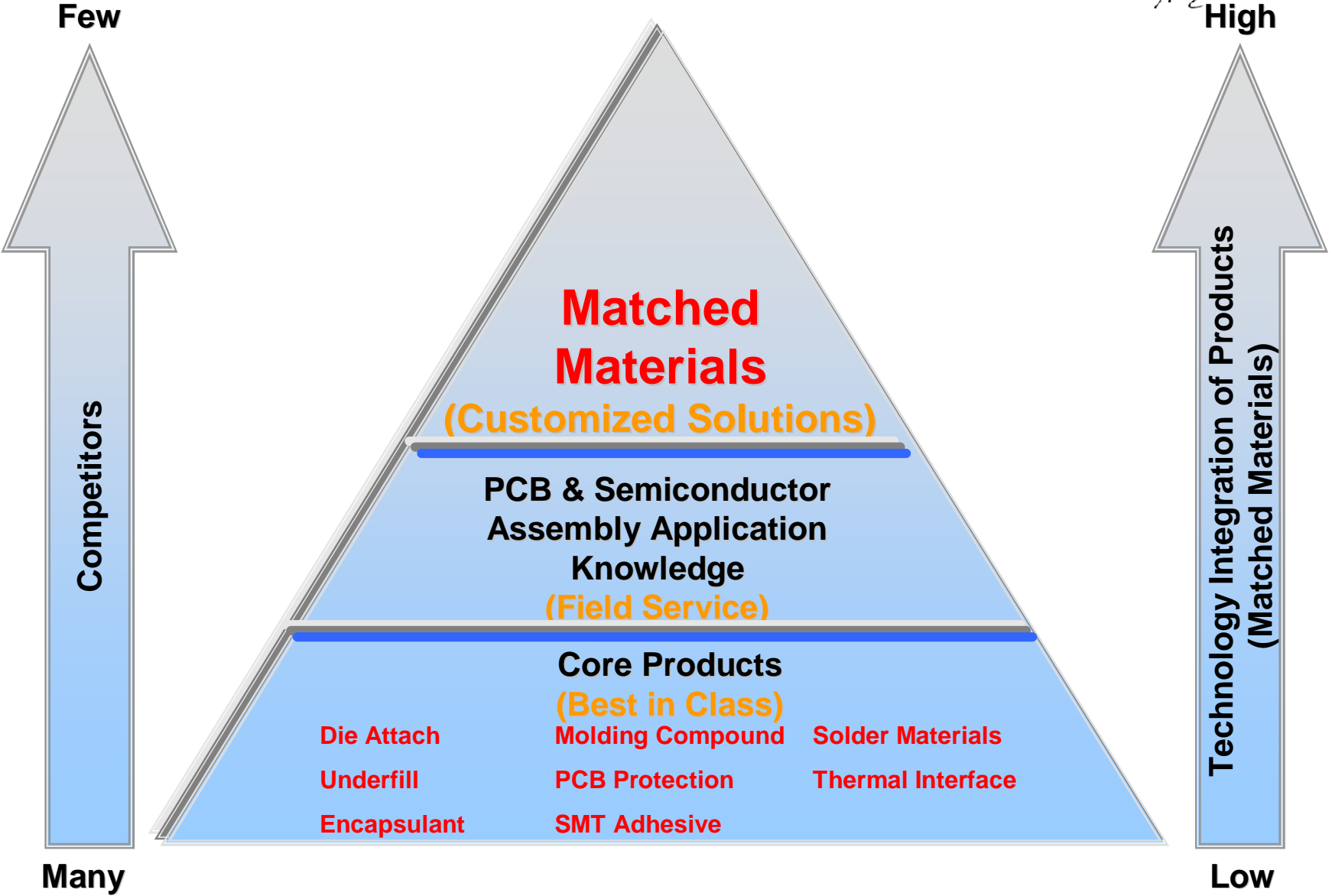
Henkel's Growth in Electronic Markets through Successful Acquisitions and Organic Growth



Ablestik 2008	Semiconductor Assembly
Emerson & Cuming 2008	Printed Circuit Board (PCB)
Accurus 2006	Solder Spheres and Fine Pitch Powder
Huawei 2005	Semiconductor Assembly Mold Compound
Dexter/Hysol 2000	Semiconductor & PCB Assembly
Power Devices 2000	PCB & Semi Thermal Management
Multicore 2000	PCB Assembly, Solder Material
Loctite 1997	Printed Circuit Board (PCB)



Henkel's Matched Material Strategy



Innovation / R&D



Advanced Capabilities and Resources



- In conducting our research and development, we utilize **various innovation sources** and resources available around the world to ensure the sustainable success of the Company.
- We use both **internal** and **external** expertise to strengthen and expand our product portfolio and to develop new markets.
- **Over 300** employees in Advanced Research, Product Development and Engineering

Innovation / R&D

Universities & Joint Ventures

- Long Term Projects
- Industry & University Collaboration
- Polymers Development
- Materials Science
- Disruptive Technology

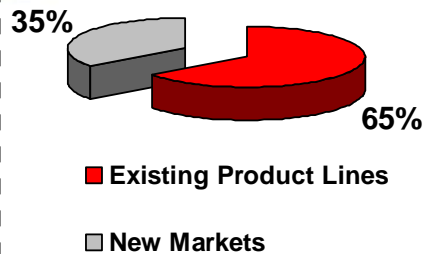


Advanced Research

- New Chemistry Innovation
- New Market Focus
- Unique Assembly Process Technology

Product Development

- Formulation Development
- Customer Focus
- Materials Sets



7% of total sales invested in R&D

10

5

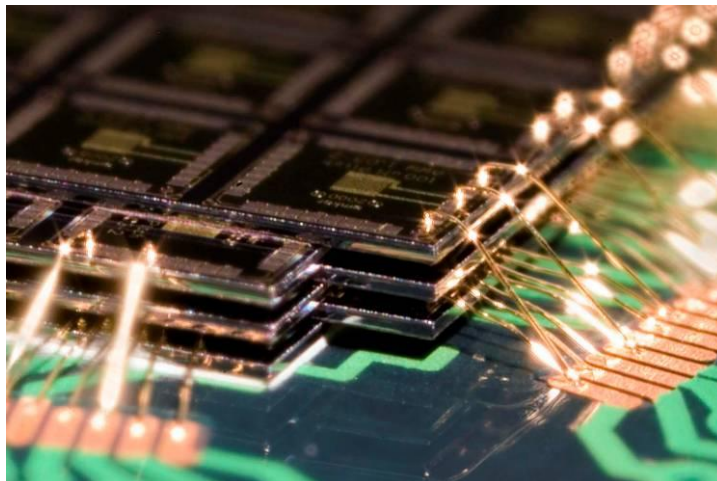
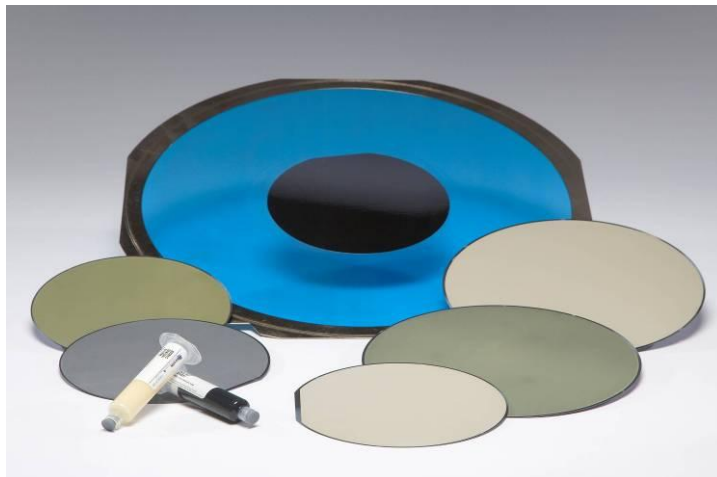
2

Years

Innovation / R&D



- The combined technologies of Henkel and NSC brings an unmatched Technology Toolbox for next generation development.



Chemistries

- | | |
|--------------------|------------------------|
| • BMI Resins | • Cyanate Ester Resins |
| • Polyester Resins | • Fillers |
| • Epoxy Resins | • Acrylates |

Product Form Classifications

- | | |
|-----------|-----------|
| • Films | • Metals |
| • B-Stage | • Powders |
| • Liquids | • Pastes |

Patents - 50% of products

- | | |
|--------------------|-------------------|
| • BMI Resins | • Polymer Fillers |
| • Polyester Resins | • Alloys |

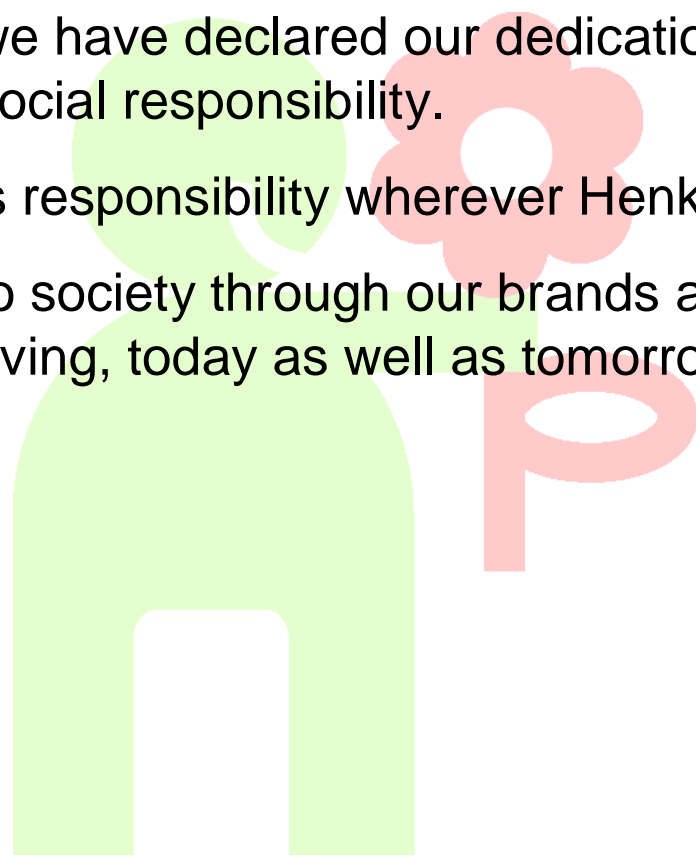


Henkel's Commitment to Sustainability

We are Dedicated to Sustainability and Corporate Social Responsibility



- In our Values, we have declared our dedication to sustainability and corporate social responsibility.
- We assume this responsibility wherever Henkel operates.
- We contribute to society through our brands and technologies – for a life worth living, today as well as tomorrow.



Our Focal Areas



Energy and climate

» We utilize energy resources more efficiently, and hence protect the climate.



Water and wastewater

» We conserve the globally available water resources.



Materials and waste

» We utilize the available raw materials more efficiently and avoid waste.



Health and safety

» We help to achieve a safe and healthy environment for our customers, consumers, employees and neighbors.



Social progress

» We support social progress for our employees, customers and consumers, and all countries in which we operate.

Through our business activities and our products, we make important contributions to sustainable development

Implementation within the Company – Product Safety



- Product safety and ecological compatibility have always been essential to first-class quality from Henkel
- Each new product and process is subject to a risk assessment, basis for precautionary and protective measures
- Updated as soon as new scientific data are available

Our History: Sustainability Performance 2004 – 2008



Sustainability performance from 2004 to 2008

Environmental indicators per metric ton of output*

Wastewater load (COD emissions)	-4%	↘
Carbon dioxide (CO ₂)	-6%	↘
Energy	-11%	↘
Volatile organic compounds (VOC)**	-24%	↘
Heavy metals	-29%	↘
Waste	-30%	↘
Water	-35%	↘
Sulfur dioxide (SO ₂)	-41%	↘
Occupational accidents***	-63%	↘

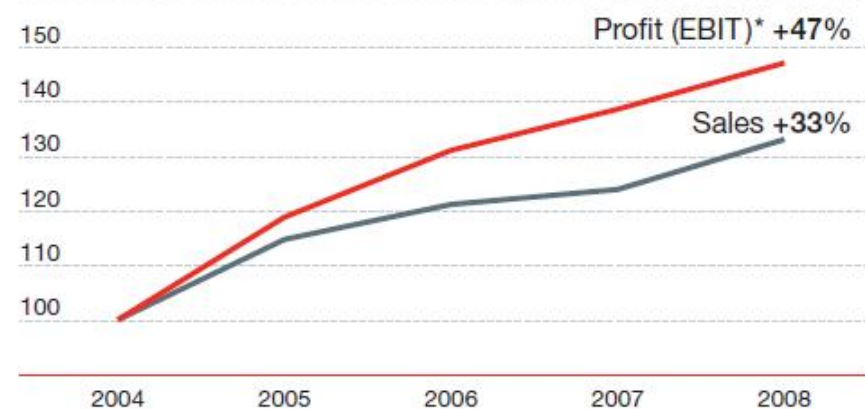
* Environmental indicators, including the National Starch businesses (since April 2008)

** Volatile organic compounds, excluding the National Starch businesses

*** Occupational accidents per million hours worked

Business performance from 2004 to 2008

Percent; index 2004



*2008: operating profit (EBIT) after adjusting for one-time expenditures and gains as well as restructuring costs

Our Future: Company Objectives until 2012



-15%

A further 15 percent **reduction in energy consumption** per metric ton of output by 2012 – and in the associated carbon dioxide emissions (base year 2007).

-10%

A further 10 percent **reduction in water consumption** per metric ton of output by 2012 (base year 2007).

-10%

A further 10 percent **reduction in the amount of waste generated** per metric ton of output by 2012 (base year 2007).

-20%

Long-term objective: **Zero occupational accidents**. Interim target: A further reduction of 20 percent by 2012 (base year 2007).

External Rating



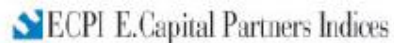
- **Zurich / New York:** In 2008, Henkel was again listed in the Dow Jones Sustainability Indexes DJSI World (worldwide) and DJSI STOXX (Europe) as the sustainability leader in the Nondurable Household Products sector.



- **London:** For the eighth consecutive year, Henkel was included in the international FTSE4Good ethical index.



- **Paris:** In 2008, as in previous years, Henkel was again one of the 200 companies worldwide listed in the Thiel Sustainability Index, in the Pioneer class.



- **Milan:** Henkel was again included in the ECPI Ethical Index EURO and the ECPI Ethical Index GLOBAL. E. Capital Partners established the two ethical indexes in 1999.



- **Basel:** In 2008, the Bank Sarasin again assessed our corporate sustainability performance as "high."

More to Serve YOU!



Henkel effectively brings together advanced technology capabilities, global manufacturing infrastructure and unmatched quality materials.

- Local support with Global coordination
- Unmatched Portfolio
- More know-how
- Commitment to Quality and Safety
- Sustainable Company