



Market

Henkel is one of the leading international manufacturers and vendors of brand name products and system solutions in over 75 international markets, and has more than 50,000 employees. The company's portfolio is extremely diverse, including laundry detergents and home care products, cosmetics and toiletries, consumer & craftsmen adhesives and technologies.

In Romania, Henkel was established in 1994 as a local division of Henkel Austria. Ever since, Henkel Romania has successfully launched a series of famous brands from Henkel's international portfolio onto the Romanian market. Henkel Romania has been particularly successful in laundry detergents, liquid dishwashing products and home care products, such as Fa, Palette, Taft, Gliss, Schauma, Bac; as well as in adhesives and technologies, including brands such as Ceresit, Thomsit, Loctite, Teroson, Moment and Henkel Technologies.

Achievements

Henkel Romania has always been aware of the distinctiveness of the Romanian market and has therefore introduced products that have been especially conceived for Romanian consumers, for example, the detergents and cleaning products from the REX product line. Likewise, the Pur brand is extremely well known and appreciated by Romanian consumers, along with other brands such as Persil, Clin, Bref and Silan.

With regard to cosmetic products, Henkel Romania has also responded to the tendency of local consumers for trying new and modern products. To this end, Henkel Romania has kept up with the latest cosmetic products launched by Henkel in recent years at European level: the Gliss range (including Gliss Silk), Palette Permanent Natural Colors, the re-launch of Palette Deluxe, the launch of the Taft Silk, Taft Infiniflex, Taft Power and Taft Complete lines, the launch of Fa Yoghurt range (shower gel, liquid and solid soap) and the launch of the Fa Asia collection.

In 2005, Henkel Romania consolidated its position on the Romanian market, reaching a



turnover of 283 million RON, an increase of 20% compared to the previous year. This upwards trend is the result of the performance enjoyed by all of Henkel Romania's divisions - detergents and cleaning products, cosmetic and toiletries, commercial and industrial adhesives and technologies (including Loctite).

Similarly, within the framework of the Henkel CEE Company, Henkel Romania has occupied the third place (out of 30 countries) in terms of the growth rate for 2005, following Ukraine and Bulgaria, and coming ahead of Russia, which took the fourth position.

At the 2005 Excellency Gala in Public Relations, Henkel Romania received the Golden PR Award for Excellency for the public relations campaign entitled "Together for a Clean Delta".



History

The year 2006 marked 130 years since Henkel's beginnings in 1876, when Fritz Henkel founded the first laundry detergents factory in Aachen, Germany. In 1878, the company saw its first success on the market with its Laundry Soda product, and moved to Düsseldorf. Ten years later, Henkel inaugurated its first branch outside Germany, in Vienna, and in 1889, the company attracted its first clients from Holland and Switzerland.

The launch of the first powder-shampoo, Schaumpon by Schwarzkopf, took place in 1903, with the label of the product depicting a distinctive black head logo. Prior to this date, people could only wash their hair with soap or olive oil. The black head logo became a trademark in May 1904.

Persil came onto the market in 1907, marking a revolution in modern laundry detergents: housewives of the period could, for the first time, enjoy perfectly clean clothes after a single boil-wash, without scrubbing or bleaching. The success of Persil exceeded all expectations; annual production reached 4,700 tones and the staff increased by 50% after just one year on the market.

1922 saw the creation of one of the most famous characters from the Persil commercials, "The lady in white", who can be seen on posters, billboards, street clocks, and various other objects from the 1920s right up until the 1960s.

The period between 1954/1969 was particularly productive for Henkel. It was the time of the launch of the soap brand Fa, and after 1970, the Fa collection, which included deodorants, shower gels and bath foam. The period also saw the launch of Pritt, the first glue-stick, as well as the launch of the fabric conditioners Silan and Persil 70.

In 1986, Henkel KgaA took over Dattelner Bitumenwerke GmbH, leading to the spectacular growth of Ceresit on the construction materials market.

1990 marked the downfall of the communist regimes in Central and Eastern Europe, which gave rise to many opportunities for Henkel. Henkel Austria was the coordinating office for the enlargement process in Central and Eastern Europe.

In 1991, Persil Color, the first detergent for coloured clothes, was launched in Germany and then, across Europe.

Henkel Romania was created in August 1994.

In 1995, Henkel took over the renowned cosmetic company Hans Schwarzkopf GmbH and, in 1997, Henkel made a share purchase in the Loctite Corporation, one of world's major commercial and industrial adhesives producers.

In 1998, Henkel Austria Group changed its name to Henkel Central Eastern Europe.

From 2000, Henkel further strengthened its position on the market by setting up new companies in Japan, China and the US. In 2001, Henkel celebrated 125 years from its establishment. In recognition of this moment, the company sponsored 125 projects dedicated to children in 125 countries. Among these projects is the Daily Centre for Children in Petrila, Romania, initiated by Henkel Romania in partnership with the Save the Children foundation. Also in 2001, Henkel reformulated its global strategy on the basis of two essential elements: brands and technologies. The new strategy is reflected in the new slogan - "A brand like a friend" - a new vision and ten brand values.

Between 2001/2005, the company continued its expansion in the Eastern countries, with the company annexing Ukraine, the divisions for

detergents, adhesives and technologies in Russia, and the detergents division in Turkey, to Henkel CEE.

Henkel was established in Romania in August 1994, as a branch of Henkel Austria Vienna, which became Henkel Central Eastern Europe in 1998.



July 2000 was a significant year for Henkel Romania, since it saw the inauguration of the Henkel Bautechnik adhesive factory, which manufactures Ceresit adhesives. Ceresit today holds a leading position on the construction adhesives market in Romania.

In June 2005, Henkel Bautechnik Romania inaugurated its third production unit in Bucharest, following an investment of over 3.5 million euros. The result of this investment was an increase in the production capacity to 200,000 tons per year. Moreover, the entire value of the investments exceeds 10 million euros.



Product

Henkel is one of the main global competitors on the laundry & home care market, promoting brands that enjoy worldwide recognition, such as Persil, Silan/Vernel, Rex, Perwoll, Bref, Clin and Pur. Henkel is reputed as a home care specialist in this field, holding top positions on key markets for laundry detergents, as well as special detergents, fabric softeners, dishwashing detergents, washable surface & lavatory care products.

On the cosmetics & toiletries market, Henkel ranks among the top ten global manufacturers, boasting famous brands such as Fa, Schwarzkopf, Taft, and Schauma. Henkel moreover holds a leading position in many of the international market segments of the company's strategic business units, especially in the fields of hair styling and care, toiletries, skin care, oral hygiene and fragrances.

In the sector of consumer & craftsmen adhesives, Henkel holds an important position, offering an extensive range of product brands for the household, office, and for the do-it-yourself home improvement market. Among the leading brands, there are Ceresit, Thomsit, Moment, Loctite, Pritt, Super Attack.

Large companies in the industrial field are well acquainted with the industrial adhesives & technologies provided by Henkel. The market segments in which Henkel operates include the automotive & aerospace industries, the electronics industry, durable goods, such as household appliances and home electronics, consumer goods, and particularly the food and beverage industry, in which Henkel established a new generation of hot melt adhesives for applications in packaging and labelling, medical appliances, industrial maintenance, and the repair and overhaul sector. In terms of the latter sector, Henkel's portfolio includes cost-effective solutions for the repair and protection of wear-susceptible equipment in the mining, water treatment and power generation industries. Loctite, Teroson and Liofol are just some of the brands that enjoy an excellent reputation worldwide.



Recent Developments

Innovation represents the key factor for the success of a company that operates globally. With Henkel, approximately 3,000 employees worldwide are active in the field of research and development and applied engineering, in order to ensure innovative products, intended to satisfy the toughest requests of consumers. In 2005, Henkel invested 2.7% of its turnover in research and development, holding fifteen centres for research and development and running 200 research projects in collaboration with foreign partners.

The year 2006 was designated The Year of Innovation within the Henkel group. 130 years since the beginnings of the company were marked by an innovating offensive at all levels, in all countries and in all areas of activity.

Promotion

Henkel Romania continues to invest heavily in promoting its brands, being one of the key investors in the Romanian media to mainly target TV and the printed press. Besides such media promotion, Henkel carries out intense merchandising and category management activities, as well as various points of sale promotions across the country.

Having been a responsible member of the Romanian society for eleven years, Henkel Romania has been involved in sponsoring many cultural projects, charity activities and educational missions. In line with its policy, the company supports various fields of activity such as culture, art, sport, education and charity.

In 2004, to mark ten years of activity, Henkel Romania began a project entitled "Together for a Clean Delta", dedicated to waste recycling in the Danube Delta, developed in partnership with the Administration of the Danube Delta's Biosphere Reservation. Besides investing in equipment for waste collection and recycling, Henkel Romania also took part in a public education campaign regarding attitudes to waste. The project was extended in 2005 through the development of an educational program in six schools in the Danube Delta, with the goal of creating early awareness concerning the importance of waste collection.

In 2005, Henkel Romania and The Red Cross Romania made donations to the floods victims in the most affected counties, offering detergents and cleaning products with a value of approximately 20,000 euros.

Brand Values

"Henkel - A Brand like a Friend" represents the company's slogan. Henkel's vision is to be a world leader with brands and technologies that make people's lives easier, better and more beautiful. From this vision come the company's ten fundamental values: Henkel is customer



driven; Henkel develops superior brands and technologies; Henkel aspires to excellence in quality; Henkel strives for innovation; Henkel embraces change; Henkel is successful thanks to its people; Henkel is committed to shareholder value; Henkel is dedicated to sustainability and corporate social responsibility; Henkel communicates openly and actively; Henkel preserves the tradition of an open, family company.

www.henkel.com
www.henkel-cee.com



THINGS YOU DIDN'T KNOW ABOUT

Henkel

- Henkel used to sell tea, between 1887 and 1913
- The company logo – the name Henkel within a red oval – dates back to 1920
- The name Persil comes from the main components of the detergent, PERborate and SILicate
- In 1927, Schwarzkopf inaugurated the first training centre for stylists in Germany, called The Institute for Hair Hygiene
- In 1947, Henkel Cosmetics launched the first liquid hair dye for home use, named Polycolor. The packaging depicted Venus of Botticelli, nude and let loose. This first pack was considered scandalous in Germany after the World War II
- In 1993, Persil was launched in Syria. The name of the detergent has become synonymous with the word 'detergent' in Arabic
- In 1998, Henkel launched Poly Re-Nature, the first hair dye to return grey hair to its natural colour
- Henkel owns Fa, Schwarzkopf, Persil, Pur, which are all Superbrands in Romania