

# Consolidated financial statements

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## Consolidated statement of financial position

### Assets

in million euros	Note	2012	%	2013	%
Intangible assets	1	8,645	44.3	8,189	42.3
Property, plant and equipment	2	2,314	11.9	2,295	11.9
Other financial assets	3	258	1.3	148	0.8
Income tax refund claims		1	–	6	–
Other assets	4	117	0.6	116	0.6
Deferred tax assets	5	592	3.0	606	3.1
<b>Non-current assets</b>		<b>11,927</b>	<b>61.1</b>	<b>11,360</b>	<b>58.7</b>
Inventories	6	1,478	7.6	1,494	7.7
Trade accounts receivable	7	2,021	10.4	2,370	12.3
Other financial assets	3	2,443	12.5	2,664	13.8
Income tax refund claims		164	0.8	128	0.7
Other assets	4	216	1.1	241	1.2
Cash and cash equivalents	8	1,238	6.3	1,051	5.4
Assets held for sale	9	38	0.2	36	0.2
<b>Current assets</b>		<b>7,598</b>	<b>38.9</b>	<b>7,984</b>	<b>41.3</b>
<b>Total assets</b>		<b>19,525</b>	<b>100.0</b>	<b>19,344</b>	<b>100.0</b>

## Equity and liabilities

in million euros	Note	2012	%	2013	%
Issued capital	10	438	2.2	438	2.3
Capital reserve	11	652	3.4	652	3.4
Treasury shares		-91	-0.5	-91	-0.5
Retained earnings	12	9,381	48.0	10,561	54.5
Other components of equity	13	-1,004	-5.1	-1,516	-7.8
<b>Equity attributable to shareholders of Henkel AG &amp; Co. KGaA</b>		<b>9,376</b>	<b>48.0</b>	<b>10,044</b>	<b>51.9</b>
Non-controlling interests	14	135	0.7	114	0.6
<b>Equity</b>		<b>9,511</b>	<b>48.7</b>	<b>10,158</b>	<b>52.5</b>
Pension obligations	15	960	4.9	820	4.2
Income tax provisions	16	66	0.3	78	0.4
Other provisions	16	265	1.4	335	1.7
Borrowings	17	2,454	12.6	1,386	7.2
Other financial liabilities	18	16	0.1	2	-
Other liabilities	19	18	0.1	14	0.1
Deferred tax liabilities	5	449	2.3	457	2.4
<b>Non-current liabilities</b>		<b>4,228</b>	<b>21.7</b>	<b>3,092</b>	<b>16.0</b>
Income tax provisions	16	189	1.0	172	1.0
Other provisions	16	1,264	6.5	1,454	7.5
Borrowings	17	1,320	6.7	1,230	6.4
Trade accounts payable	20	2,647	13.6	2,872	14.8
Other financial liabilities	18	111	0.6	87	0.4
Other liabilities	19	219	1.1	230	1.2
Income tax liabilities		27	0.1	20	0.1
Liabilities held for sale	9	9	-	29	0.1
<b>Current liabilities</b>		<b>5,786</b>	<b>29.6</b>	<b>6,094</b>	<b>31.5</b>
<b>Total equity and liabilities</b>		<b>19,525</b>	<b>100.0</b>	<b>19,344</b>	<b>100.0</b>

## Consolidated statement of income

in million euros	Note	2012 <sup>1</sup>	%	2013	%	Change
<b>Sales</b>	22	<b>16,510</b>	<b>100.0</b>	<b>16,355</b>	<b>100.0</b>	-0.9%
Cost of sales <sup>2</sup>	23	-8,778	-53.2	-8,546	-52.3	-2.6%
<b>Gross profit</b>		<b>7,732</b>	<b>46.8</b>	<b>7,809</b>	<b>47.7</b>	<b>1.0%</b>
Marketing, selling and distribution expenses <sup>2</sup>	24	-4,302	-26.1	-4,242	-25.9	-1.4%
Research and development expenses <sup>2</sup>	25	-408	-2.5	-415	-2.6	1.7%
Administrative expenses <sup>2</sup>	26	-785	-4.7	-842	-5.1	7.3%
Other operating income	27	109	0.7	122	0.7	11.9%
Other operating charges	28	-147	-0.9	-147	-0.8	0.0%
<b>Operating profit (EBIT)</b>		<b>2,199</b>	<b>13.3</b>	<b>2,285</b>	<b>14.0</b>	<b>3.9%</b>
Interest income		50	0.3	65	0.4	30.0%
Interest expense		-232	-1.4	-178	-1.1	-23.3%
Interest result		-182	-1.1	-113	-0.7	-37.9%
Investment result		1	-	-	-	-100.0%
<b>Financial result</b>	29	<b>-181</b>	<b>-1.1</b>	<b>-113</b>	<b>-0.7</b>	<b>-37.6%</b>
<b>Income before tax</b>		<b>2,018</b>	<b>12.2</b>	<b>2,172</b>	<b>13.3</b>	<b>7.6%</b>
Taxes on income	30	-492	-3.0	-547	-3.4	11.2%
<i>Tax rate in %</i>		<i>24.4</i>		<i>25.2</i>		
<b>Net income</b>		<b>1,526</b>	<b>9.2</b>	<b>1,625</b>	<b>9.9</b>	<b>6.5%</b>
- Attributable to non-controlling interests	31	-46	-0.3	-36	-0.2	-21.7%
- Attributable to shareholders of Henkel AG & Co. KGaA		1,480	8.9	1,589	9.7	7.4%
Earnings per ordinary share – basic and diluted		in euros	3.40	3.65		7.4%
Earnings per preferred share – basic and diluted		in euros	3.42	3.67		7.3%
Earnings per ordinary share – basic and diluted (2012 before IAS 19 revised)		in euros	3.47	3.65		5.2%
Earnings per preferred share – basic and diluted (2012 before IAS 19 revised)		in euros	3.49	3.67		5.2%

### Additional voluntary information

in million euros		2012 <sup>1</sup>	2013	Change
<b>EBIT (as reported)</b>		<b>2,199</b>	<b>2,285</b>	<b>3.9%</b>
One-time gains <sup>3</sup>		-	-10	-
One-time charges <sup>4</sup>		12	82	-
Restructuring charges		124	159	-
<b>Adjusted EBIT</b>		<b>2,335</b>	<b>2,516</b>	<b>7.8%</b>
<i>Adjusted return on sales</i>	<i>in %</i>	<i>14.1</i>	<i>15.4</i>	<i>1.3 pp</i>
<i>Adjusted tax rate</i>	<i>in %</i>	<i>24.8</i>	<i>25.1</i>	<i>0.3 pp</i>
<b>Adjusted net income – Attributable to shareholders of Henkel AG &amp; Co. KGaA</b>		<b>1,573</b>	<b>1,764</b>	<b>12.1%</b>
<b>Adjusted earnings per ordinary share</b>	<b>in euros</b>	<b>3.61</b>	<b>4.05</b>	<b>12.2%</b>
<b>Adjusted earnings per preferred share</b>	<b>in euros</b>	<b>3.63</b>	<b>4.07</b>	<b>12.1%</b>
<b>Adjusted net income – Attributable to shareholders of Henkel AG &amp; Co. KGaA (2012 before IAS 19 revised)</b>		<b>1,603</b>	<b>1,764</b>	<b>10.0%</b>
<b>Adjusted earnings per ordinary share (2012 before IAS 19 revised)</b>	<b>in euros</b>	<b>3.68</b>	<b>4.05</b>	<b>10.1%</b>
<b>Adjusted earnings per preferred share (2012 before IAS 19 revised)</b>	<b>in euros</b>	<b>3.70</b>	<b>4.07</b>	<b>10.0%</b>

<sup>1</sup> Adjusted in application of IAS 19 revised (see notes on page 116).

<sup>2</sup> Restructuring expenses 2013: 159 million euros (2012: 124 million euros), of which: cost of sales 49 million euros (2012: 40 million euros); marketing, selling and distribution expenses 43 million euros (2012: 24 million euros); research and development expenses 1 million euros (2012: 2 million euros); administrative expenses 66 million euros (2012: 58 million euros).

<sup>3</sup> Gain from the sale of enzyme production technologies in the Laundry & Home Care business unit.

<sup>4</sup> Of which 35 million euros impairment of assets held for sale of our companies in Iran, and 20 million euros expense from dispute settlement with former joint venture partner.

## Consolidated statement of comprehensive income

See Notes 15 and 21 for further explanatory information

in million euros	2012 <sup>1</sup>	2013
<b>Net income</b>	<b>1,526</b>	<b>1,625</b>
<i>Components to be reclassified to income:</i>		
Exchange differences on translation of foreign operations	- 145	- 544
Gains from derivative financial instruments (hedge reserve per IAS 39)	79	17
Gains/losses from financial instruments in the available-for-sale category (Available-for-sale reserve)	3	1
<i>Components not to be reclassified to income:</i>		
Remeasurements from defined benefit plans	- 243	95
<b>Other comprehensive income (net of taxes)</b>	<b>- 306</b>	<b>- 431</b>
<b>Total comprehensive income for the period</b>	<b>1,220</b>	<b>1,194</b>
- Attributable to non-controlling interests	45	22
- Attributable to shareholders of Henkel AG & Co. KGaA	1,175	1,172

<sup>1</sup> Adjusted in application of IAS 19 revised (see notes on page 116).

## Consolidated statement of changes in equity

See Notes 10 to 14 for further explanatory information

in million euros	Issued capital		Capital reserve	Treasury shares	Retained earnings	Other components of equity			Shareholders of Henkel AG & Co. KGaA	Non-controlling interests	Total
	Ordinary shares	Preferred shares				Currency translation	Hedge reserve per IAS 39	Available-for-sale reserve			
<b>At January 1, 2012</b>	<b>260</b>	<b>178</b>	<b>652</b>	<b>-93</b>	<b>8,494</b>	<b>-662</b>	<b>-278</b>	<b>-2</b>	<b>8,549</b>	<b>121</b>	<b>8,670</b>
Net income <sup>1</sup>	-	-	-	-	1,480	-	-	-	1,480	46	1,526
Other comprehensive income <sup>1</sup>	-	-	-	-	- 243	- 144	79	3	- 305	- 1	- 306
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,237</b>	<b>- 144</b>	<b>79</b>	<b>3</b>	<b>1,175</b>	<b>45</b>	<b>1,220</b>
Dividends	-	-	-	-	- 342	-	-	-	- 342	- 27	- 369
Sale of treasury shares	-	-	-	2	3	-	-	-	5	-	5
Changes in ownership interest with no change in control	-	-	-	-	- 4	-	-	-	- 4	- 6	- 10
Other changes in equity	-	-	-	-	- 7	-	-	-	- 7	2	- 5
<b>At December 31, 2012/ January 1, 2013</b>	<b>260</b>	<b>178</b>	<b>652</b>	<b>-91</b>	<b>9,381</b>	<b>- 806</b>	<b>- 199</b>	<b>1</b>	<b>9,376</b>	<b>135</b>	<b>9,511</b>
Net income	-	-	-	-	1,589	-	-	-	1,589	36	1,625
Other comprehensive income	-	-	-	-	95	- 530	17	1	- 417	- 14	- 431
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,684</b>	<b>- 530</b>	<b>17</b>	<b>1</b>	<b>1,172</b>	<b>22</b>	<b>1,194</b>
Dividends	-	-	-	-	- 407	-	-	-	- 407	- 25	- 432
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest with no change in control	-	-	-	-	- 95	-	-	-	- 95	- 18	- 113
Other changes in equity	-	-	-	-	- 2	-	-	-	- 2	-	- 2
<b>At December 31, 2013</b>	<b>260</b>	<b>178</b>	<b>652</b>	<b>-91</b>	<b>10,561</b>	<b>- 1,336</b>	<b>- 182</b>	<b>2</b>	<b>10,044</b>	<b>114</b>	<b>10,158</b>

<sup>1</sup> Adjusted in application of IAS 19 revised (see notes on page 116).

## Consolidated statement of cash flows

See Note 36 for further explanatory information

in million euros	2012	2013
<b>Operating profit (EBIT)</b>	<b>2,199</b>	<b>2,285</b>
Income taxes paid	- 588	- 534
Amortization / depreciation / impairment / write-ups of intangible assets and property, plant and equipment <sup>1</sup>	409	420
Net gains / losses on disposal of intangible assets and property, plant and equipment, and from divestments	- 12	- 35
Change in inventories	64	- 128
Change in trade accounts receivable	- 37	- 101
Change in other assets	- 18	- 6
Change in trade accounts payable	256	342
Change in other liabilities and provisions	361	- 127
<b>Cash flow from operating activities</b>	<b>2,634</b>	<b>2,116</b>
Purchase of intangible assets and property, plant and equipment	- 422	- 436
Acquisition of subsidiaries and other business units	- 113	- 31
Purchase of associated companies and joint ventures held at equity	- 5	-
Proceeds on disposal of subsidiaries and other business units	3	24
Proceeds on disposal of intangible assets and property, plant and equipment	58	62
<b>Cash flow from investing activities</b>	<b>- 479</b>	<b>- 381</b>
Dividends paid to shareholders of Henkel AG & Co. KGaA	- 342	- 407
Dividends paid to non-controlling shareholders	- 27	- 25
Interest received	213	235
Interest paid	- 358	- 286
<i>Dividends and interest paid and received</i>	<i>- 514</i>	<i>- 483</i>
Repayment of bonds	-	- 1,000
Other changes in borrowings	- 131	- 59
Allocation to pension funds	- 247	- 62
Other changes in pension obligations	- 102	- 75
Purchase of non-controlling interests with no change of control	- 10	- 69
Other financing transactions <sup>2</sup>	- 1,854	- 101
<b>Cash flow from financing activities</b>	<b>- 2,858</b>	<b>- 1,849</b>
Net change in cash and cash equivalents	- 703	- 114
Effect of exchange rates on cash and cash equivalents	- 39	- 63
<b>Change in cash and cash equivalents</b>	<b>- 742</b>	<b>- 177</b>
Cash and cash equivalents at January 1	1,980	1,238
<b>Cash and cash equivalents at December 31</b>	<b>1,238</b>	<b>1,061</b>
Less cash and cash equivalents classified as "held for sale"	-	10
<b>Cash and cash equivalents at December 31 (Consolidated statement of financial position)</b>	<b>1,238</b>	<b>1,051</b>

<sup>1</sup> Of which impairment in fiscal 2013: 33 million euros (fiscal 2012: 12 million euros).

<sup>2</sup> Other financing transactions in fiscal 2013 include payments of - 1,482 million euros for the purchase of short-term securities and time deposits (fiscal 2012: - 1,849 million euros).

### Additional voluntary information

#### Reconciliation to free cash flow

in million euros	2012	2013
Cash flow from operating activities	2,634	2,116
Purchase of intangible assets and property, plant and equipment	- 422	- 436
Proceeds on disposal of intangible assets and property, plant and equipment	58	62
Net interest paid	- 145	- 51
Other changes in pension obligations	- 102	- 75
<b>Free cash flow</b>	<b>2,023</b>	<b>1,616</b>