We also expect the following developments in 2012:
- Increase in the prices for raw materials, packaging, contract manufacturing and traded goods in the mid-single-digit percentage range.
- Restructuring charges of around 100 million euros.
- Investments in property, plant and equipment of around 410 million euros.

Further specific expectations are discussed in the individual business sector reports starting on AR page 76.

Financial targets for 2012

Annual organic sales growth (average):
3–5 percent

Adjusted return on sales (EBIT):
14 percent

Annual growth in adjusted earnings per preferred share (average):
> 10 percent

Dividends

In keeping with our financial strategy, the dividend payout should be around 25 percent of net income attributable to shareholders of Henkel AG & Co. KGaA. Based on the anticipated increase in earnings, we therefore expect to further increase dividends paid for 2012.

Capital expenditures

We are planning to increase our investments in property, plant and equipment to around 410 million euros in 2012. In so doing, we will be increasing our focus on investment in our emerging markets. For structural reasons, the majority of our capital expenditures will be in Europe and North America.

Major investments in production facilities for the manufacture of innovative products are planned for the business sectors Laundry & Home Care and Cosmetics/Toiletries. Another major area lies in production plant optimization and capacity expansion. The focus of our Adhesive Technologies business sector in 2012 will be on consolidating and rationalizing our production footprint. As part of this process, in 2011 we laid the foundations in China for the construction of our largest industrial adhesives production facility worldwide. In the emerging markets of Eastern Europe and South America, our investment activities will concentrate on expanding production capacity.

Acquisitions, financing and liquidity

We plan to further reduce our net debt in fiscal 2012. We intend to maintain a sufficient balance of liquid funds in order to enhance our financial flexibility. We are further aiming at renewing the credit line, which expires in 2012, safeguarding our commercial paper program.

Thanks to continuing good business performance and our improved financial profile, we regained our target ratings of “A flat” (Standard & Poor’s) and “A2” (Moody’s) in the second quarter of 2011. Looking forward we intend not to jeopardize our target ratings in the long term when assessing possible acquisitions.

Post-2012 outlook

Diligent pursuit of our strategic priorities formulated in 2008 has led to a significant improvement in our key financials, with the trend remaining upward. We will again be aiming to achieve profitable growth in 2013. We will be presenting specific financial targets for the years after 2012 at the end of fiscal 2012.

Subsequent events

There have been no notifiable events.