

**Explanatory report by the Executive Board in accordance with § 120 (3) sentence 2 *Aktiengesetz* (German Stock Corporation Act) on disclosures in accordance with § 289 (4) and § 315 (4) *Handelsgesetzbuch* (German Commercial Code) in the management reports for Beiersdorf Aktiengesellschaft and the Group for fiscal year 2008**

In accordance with § 120 (3) *Aktiengesetz* (German Stock Corporation Act) the Executive Board of Beiersdorf Aktiengesellschaft has prepared the following explanatory report on the disclosures in the management report in accordance with § 289 (4) and § 315 (4) *Handelsgesetzbuch* (German Commercial Code) (page 60 ff. of the 2008 Annual Report):

1. The Company's subscribed capital (Share Capital) is unchanged at €252 million. It is composed of 252 million no-par value bearer shares that each have a notional value of €1 in the Company's share capital and that convey the same rights – in particular the same voting rights. No shareholder or group of shareholders holds any special rights.
2. The shareholders of Beiersdorf Aktiengesellschaft are not restricted by the Articles of Association in respect of the acquisition or sale of shares of the Company. In particular, the acquisition and sale of shares do not require the approval of the Company's executive bodies to be effective. The Executive Board is not aware of any other restrictions affecting the transferability of shares of the Company.

To the knowledge of the Company's Executive Board, the shareholders' voting rights are not subject to any restrictions other than any possible statutory prohibitions on voting rights. The voting rights are not limited to a certain number of shares or a certain number of votes. All shareholders who have registered to attend the Annual General Meeting in due time and who have proved that they are entitled to attend the Annual General Meeting and to exercise their voting rights are entitled to exercise the voting rights conveyed by all the shares held and registered by them. The 25,181,016 no-par value shares (totaling approx. 9.99% of the Company's share capital) currently held by Beiersdorf Aktiengesellschaft do not carry voting or dividend rights in accordance with § 71b *Aktiengesetz* (German Stock Corporation Act).

3. To the Executive Board's knowledge, Tchibo Beteiligungsgesellschaft mbH, Hamburg, has directly held 50.46% of the voting rights of Beiersdorf Aktiengesellschaft since August 9, 2005. These voting rights are attributable in full to maxingvest ag (formerly Tchibo Holding AG), Hamburg, in accordance with § 22 (1) sentence 1 no. 1, sentence 3, (3) *Wertpapierhandelsgesetz* (German Securities Trading Act).

These voting rights are also attributable in full to the following persons and companies in accordance with § 22 (1) sentence 1 no. 1, sentence 3, (3) *Wertpapierhandelsgesetz* (German Securities Trading Act):

- SPM Beteiligungs- und Verwaltungs GmbH, Norderstedt, Germany
- Scintia Vermögensverwaltungs GmbH, Norderstedt, Germany

- Trivium Vermögensverwaltungs GmbH, Norderstedt, Germany
- Michael Herz, Germany
- Wolfgang Herz, Germany
- Ingeburg Herz GbR, Norderstedt, Germany
- Max und Ingeburg Herz Stiftung, Norderstedt, Germany
- Ingeburg Herz, Germany

To the Executive Board's knowledge, there are no other direct or indirect interests in the share capital exceeding 10% of the voting rights.

4. The Company has not issued any shares with special rights conveying powers of control.
5. In addition, there are no interests held by employees in the share capital under which employees cannot exercise their control rights directly.
6. The members of the Executive Board are appointed and dismissed in accordance with § 84 and § 85 *Aktiengesetz* (German Stock Corporation Act), § 31 *Mitbestimmungsgesetz* (German Co-Determination Act) as well as § 7 of the Articles of Association. Under these provisions, the Supervisory Board appoints the members of the Executive Board for a maximum period of five years. Members may be reappointed for periods of a maximum of five years in each case. In accordance with § 7 of the Articles of Association, the Executive Board consists of at least three persons; apart from this provision, the Supervisory Board determines the number of members of the Executive Board. Pursuant to § 31 *Mitbestimmungsgesetz* (German Co-Determination Act) a majority of two third of the members of the Supervisory Board is required for the appointment of the members of the Executive Board. If such majority is not achieved the Mediation Committee of the Supervisory Board has to make a proposal for the appointments within one month after the first round of voting. Afterwards the Supervisory Board appoints the members of the Executive with the majority of its members. If also hereafter such appointment fails, the Chairman of the Supervisory Board has two votes in a new round of voting.

The Articles of Association are amended in accordance with § 179 and § 133 *Aktiengesetz* (German Stock Corporation Act) as well as § 16 of the Articles of Association; in accordance with the statutory provisions, this requires a resolution of the Annual General Meeting that must be resolved by a simple majority of votes and by a majority of three quarters of the share capital represented during the vote on the resolution. Amendments to the Articles of Association become effective when they are entered in the commercial register. Under § 16 of the Articles of Association, the Supervisory Board is authorized to resolve amendments and additions to the Articles of Association that concern the latter's wording only. Under § 5 (6) of the Articles of Association, the Supervisory Board is authorized in particular to amend and reformulate § 5 of the Articles of Association (*Share Capital*) correspondingly following each utilization of authorized or contingent capital.

7. On May 18, 2005, the Annual General Meeting authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until May 17, 2010 by up to a total of €87 million by issuing new bearer

shares on one or several occasions. This authorized capital may be utilized up to an amount of €45 million of the share capital (Authorized Capital I) and up to a further amount of €21 million of the share capital (Authorized Capital II) against cash contributions, and up to a further amount of €21 million of the share capital (Authorized Capital III) against cash or non-cash contributions. The dividend rights for new shares may be determined differently to the provisions of § 60 (2) *Aktiengesetz* (German Stock Corporation Act).

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

- (1) to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
- (2) to the extent necessary to grant the holders/creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, preemptive rights to new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);
- (3) to issue new shares at an issue price that is not materially lower than the quoted market price of existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed; in the context of the restriction of this authorization to a total of 10% of the share capital, those shares must be included for which the preemptive rights of shareholders are disappplied in accordance with § 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act) when the authorization to sell own shares is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is utilized (Authorized Capital II);
- (4) in the case of capital increases against non-cash contributions, for the purpose of acquiring enterprises or equity interests in businesses (Authorized Capital III).

The Executive Board was also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

The Annual General Meeting on May 18, 2005 also resolved to contingently increase the share capital by up to a total of €40 million. In addition, the Annual General Meeting on May 17, 2006 resolved a capital increase from retained earnings. In accordance with § 218 sentence 1 *Aktiengesetz* (German Stock Corporation Act), the contingent capital has been increased by the same proportion as a result. It therefore now amounts to €46,875,000. In accordance with the resolution by the Annual General Meeting, the contingent capital increase will be implemented only if:

- (1) the holders or creditors of conversion rights and/or options attached to convertible bonds and/or bonds with warrants issued in the period until May 17, 2010 by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

(2) the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until May 17, 2010 by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this purpose as specified in the bond terms and conditions.

The new shares carry dividend rights from the beginning of the fiscal year in which they are created via the exercise of conversion or option rights or as a result of compliance with a conversion obligation.

No convertible bounds or bonds with warrants as described above have yet been issued.

By way of a resolution of the Annual General Meeting on April 30, 2008, Beiersdorf Aktiengesellschaft was authorized in accordance with § 71 (1) no. 8 *Aktien-gesetz* (German Stock Corporation Act) to purchase own shares in the total amount of up to 10% of the existing share capital in the period until October 29, 2009. The authorization can be exercised in whole or in part once or several times. The shares purchased pursuant to this authorization, together with other shares of the Company that the Company has already purchased and still holds or that are attributable to the Company in accordance with §§ 71a ff. *AktG*, may not account for more than 10% of the share capital of the Company.

The shares shall be purchased via the stock exchange or via a public offer addressed to all shareholders. Where the shares are purchased via the stock exchange, the paid purchase price (excluding incidental costs) per share may not exceed or fall below the average price of Beiersdorf's shares in the closing auction in the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the five stock exchange trading days preceding the purchase by more than 5%. Where the shares are purchased via a public offer addressed to all shareholders, the purchase price or the limits of the price range per share (in each case excluding incidental costs) may not exceed or fall below the average price of Beiersdorf's shares in the closing auction in the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the ten stock exchange trading days preceding the publication of the decision to issue the purchase offer by more than 20%. The volume of the offer may be limited. If the total number of shares tendered under the offer exceeds this volume, the shares must be accepted proportionately.

The Executive Board may, with the approval of the Supervisory Board where necessary, sell purchased own shares via the stock exchange or via a public offer to all shareholders. By way of a resolution dated April 30, 2008, the Annual General Meeting also authorized the Executive Board, with the approval of the Supervisory Board, to sell in whole or in part the own shares purchased on the basis of the above-mentioned or a prior authorization while disapplying the shareholders' preemptive rights in a way other than via the stock exchange or via a purchase offer to all shareholders, to the extent that these shares are sold for cash consideration at a price that does not fall materially below the market price of the same class of shares of the Company at the time of the sale. The applicable market price as defined in the provision above is the average price of

Beiersdorf's shares in the closing auction on the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the five stock exchange trading days preceding the sale of the own shares. This authorization is limited to a total of no more than 10% of the share capital existing at the time this authorization comes into effect and at the time it is exercised, whereby, if own shares are sold in line with the above-mentioned provisions, those shares must be included for which the preemptive rights of shareholders are also disapplied in accordance with § 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act) when the Authorized Capital is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is exercised.

The Executive Board was also authorized, with the approval of the Supervisory Board, to utilize the above-mentioned own shares in whole or in part as consideration or partial consideration in the context of a merger or the acquisition of companies, equity interests in companies (including increases in equity interests), or business units of companies, while disappling the preemptive rights of shareholders. Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize the above-mentioned own shares in whole or in part, while disappling the preemptive rights of shareholders, in order to satisfy the subscription and/or conversion rights from convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft or companies in which it holds a direct or indirect majority interest. Furthermore, the Executive Board is authorized, with the approval of the Supervisory Board, to retire the above-mentioned own shares without requiring an additional resolution by the Annual General Meeting. The authorization to retire the shares can be exercised in whole or in part, i.e. also several times.

The creation of the authorized and contingent capital is intended to put the Company in the position of being able to react to growth opportunities and favorable capital market situations quickly and flexibly. The authorization to purchase and utilize own shares enables the Company in particular to also offer shares of the Company to institutional or other investors and/or to expand the shareholder base of the Company, as well as to utilize the purchased own shares as consideration or partial consideration for the acquisition of companies or equity interests in companies (including increases in equity interests), or as part of a merger, i.e. against non-cash consideration.

8. There are no material agreements of the Company that take effect in the event of a change of control following a takeover bid.
9. There are no compensation agreements agreed by the Company with the members of the Executive Board or employees in the event of a takeover bid.

Hamburg, March 2009

Beiersdorf Aktiengesellschaft

The Executive Board