Joint Report

in Accordance with § 293a *AktG* (by way of Analogy)

by Beiersdorf Aktiengesellschaft's Executive Board

and

the management of Beiersdorf Manufacturing Waldheim GmbH

on the

Profit and Loss Transfer Agreement

Preamble

(A) Beiersdorf Aktiengesellschaft, domiciled in the Free and Hanseatic City of Hamburg, entered in the commercial register of Hamburg Local Court under the number HRB 1787 (hereinafter "**BDF**"), and Beiersdorf Manufacturing Waldheim GmbH, domiciled in Waldheim, entered in the commercial register of Chemnitz Local Court under the number HRB 101536 (hereinafter "**BDF Waldheim**"), have signed a Profit and Loss Transfer Agreement (hereinafter also the "**Agreement**").

(B) The Agreement will be submitted to BDF's ordinary Annual General Meeting on April 26, 2012, for approval in accordance with § 293 (2) *Aktiengesetz* (German Stock Corporation Act, *AktG*). The Agreement requires the approval of BDF's Annual General Meeting to take effect. Furthermore, the Agreement requires the approval of BDF Waldheim's Shareholders Meeting and entry into the commercial register at the domicile of BDF Waldheim to take effect.

BDF's Executive Board and the management of BDF Waldheim herewith jointly submit the following report concerning the Agreement to provide information to BDF's shareholders and in preparation for their resolution in accordance with § 293a *AktG*:

1 Description of BDF Waldheim

1.1 BDF Waldheim was formed by way of a shareholders' agreement on August 24, 1990. Until August 5, 1993, BDF Waldheim operated under the name of Florena Vertriebs GmbH and until January 12, 2011, under the name of Decenta Vertriebs GmbH. Today, BDF Waldheim is entered in the commercial register of Chemnitz Local Court under the number HRB 101536 and is domiciled in Waldheim.

1.2 BDF Waldheim's share capital is EUR 25,600.00. BDF Waldheim's fiscal year corresponds to the calendar year. Florena Cosmetic GmbH, Waldheim, entered in the commercial register of Chemnitz Local Court under the number HRB 100462 (hereinafter "**Florena**"), which in turn is a direct wholly-owned subsidiary of BDF, is the sole shareholder.

1.3 BDF Waldheim's business purpose is the manufacturing, distribution, and sale of cosmetic and body care products. The plan is to spin off Florena's manufacturing activities to BDF Waldheim, effective January 1, 2012. Florena manufactures cosmetic and body care products for Beiersdorf Group companies.

1.4 As a small corporation as defined by § 267 (1) *Handelsgesetzbuch* (German Commercial Code, *HBG*), BDF Waldheim has not prepared management reports for the past three fiscal years (2011, 2010, and 2009) in accordance with § 264 (1) sentence 4 *HGB*.

2 Legal and Economic Reasons for Entering into the Profit and Loss Transfer Agreement

2.1 The aim of the Agreement is to create a consolidated tax group between BDF and BDF Waldheim for corporation and trade tax purposes in accordance with §§ 14, 17 *Körperschaftsteuergesetz* (German Corporation Tax Act, *KStG*) and § 2 (2) sentence 2 *Gewerbesteuergesetz* (German Trade Tax Act, *GewStG*). The consolidated tax group for corporation and trade tax purposes will allow BDF Waldheim (the consolidated tax group subsidiary) and BDF (the consolidated tax group parent) to be taxed together. This has the advantage that BDF Waldheim's positive and negative results can be offset against the positive or negative results of BDF and other companies in the tax group. This allows tax-related cash flows within the Group and the consolidated tax expense to be optimized. The extent of the economic benefits resulting from the consolidated tax group depends on BDF Waldheim's future results, which cannot currently be forecast with reasonable assurance.

2.2 There is no economically appropriate alternative to the signing of this Agreement. In particular, the intended consolidated tax group for corporation and trade tax purposes cannot be achieved by signing a different company agreement as defined in § 292 *AktG* or a management agreement.

3 Explanation of the Profit and Loss Transfer Agreement

The Agreement contains the usual provisions required to create a consolidated tax group for corporation and trade tax purposes within the Group. The Agreement's key provisions are described below:

3.1 Section 1 of this Agreement governs BDF Waldheim's obligation to transfer its profit after tax to BDF, which is typical for a profit agreement. This means that, in compliance with § 301 sentence 1 *AktG*, the profit after tax, less any loss carried forward from the previous year and the amount that cannot be distributed in accordance with § 268 (8) *HGB*, must be transferred to BDF subject to the provisions of §§ 30 ff. of the *Gesetz betreffend die Gesellschaften mit beschränkter Haftung* (German Limited Liability Companies Act, *GmbHG*). However, BDF Waldheim may, with the approval of BDF, transfer part of the profit after tax to other retained earnings (§ 272 (3) *HGB*), whereby BDF is required to grant such approval to the extent that this is permissible under German commercial law and necessary in accordance with prudent business practice. BDF can demand the release of retained earnings established during the term of the Agreement – but not of additional paid-in capital or retained earnings established prior to the signing of the Agreement – and that they be used to offset a loss after tax, or that they be transferred as profits. The right to transfer profit arises for the first time, and for the entire profit, for the fiscal year at BDF Waldheim in which this Agreement comes into force.

3.2 Section 2 of this Agreement governs BDF's obligation in accordance with § 302 (1) *AktG* to compensate any loss after tax arising at BDF Waldheim during the term of the Agreement irrespective of the obligation to compensate the loss, to the extent that such losses cannot be compensated by withdrawals from the other retained earnings of amounts added to this item during the term of the Agreement. The obligation to absorb losses arises for the first time for the fiscal year at BDF Waldheim in which this Agreement comes into force.

3.3 In accordance with § 293 (2) *AktG*, the Agreement requires the approval of the Annual General Meeting of BDF; in addition, it requires the approval of BDF Waldheim's Shareholders Meeting in accordance with § 293 (1) *AktG*. If the Agreement is entered in the commercial register for BDF Waldheim as planned in fiscal year 2012, it will apply retroactively as from January 1, 2012. If not, it will apply retroactively for tax purposes for the period as from the start of the fiscal year in which it becomes effective.

3.4 According to section 4 (1), of the Agreement, the Agreement is entered into for an indefinite period. In accordance with section 4 (3), it can be terminated regularly by giving six months' notice to the end of BDF Waldheim's fiscal year, but not before the end of the fiscal year occurring at least five fiscal years after the point in time at which the Agreement comes into force. The above-mentioned minimum term of five years is necessary to take into account the tax requirements for the recognition of a consolidated tax group for corporation and trade tax purposes.

3.5 Section 4 (4) of the Agreement clarifies that the extraordinary right of termination in accordance with § 297 (1) *AktG* remains unaffected. The constraints on the extraordinary right of termination in accordance with § 297 (2) *AktG* are meaningless, as BDF Waldheim does not have any external shareholders. Section 4 (4) sentence 2 of the Agreement permits extraordinary termination in the event that BDF is no longer the sole shareholder of BDF Waldheim due to the sale of its interest or for other reasons, or if the bases for the inclusion of BDF Waldheim in the BDF consolidated tax group no longer apply. In addition, it refers to R 60 (6) *Körperschaftsteuer-Richtlinien 2004* (2004 Corporation Tax Guidelines), which permits the early termination of an agreement where this is not detrimental for tax purposes.

3.6 No compensation or settlement provisions in accordance with §§ 304, 305 *AktG* needed to be included in the Agreement as no external shareholders as defined in §§ 304, 305 *AktG* exist at present, nor will they do so at the time when BDF holds its Annual General Meeting. Florena, the current sole shareholder of BDF Waldheim, is not classed as an external shareholder as defined in §§ 304, 305 *AktG* since it is wholly owned by BDF. Moreover, a profit and loss transfer agreement currently exists between Florena and BDF. This company law structure was already in place when the Agreement was signed and will still be in place at the time of BDF's Annual General Meeting on April 26, 2012.

3.7 The Agreement does not need to be audited by one or more expert auditors (Agreement Auditors) in accordance with § 293b (1) *AktG*, as the shares in BDF Waldheim were held directly by BDF when the Agreement was signed because of the merger of Florena with BDF that became effective as of January 1, 2012.

4 Documents

As from the time when BDF's Annual General Meeting is convened, the following documents can be examined at the business premises of BDF, Unnastrasse 48, 20245 Hamburg, Germany and can be accessed via BDF's website at http://www.beiersdorf.de/hauptversammlung (see www.Beiersdorf.com/Annual_General_Meeting for the English translation):

the Profit and Loss Transfer Agreement between BDF and BDF Waldheim;

this Joint Report on the Agreement by the Executive Board of BDF and the management of BDF Waldheim;

BDF's annual financial statements and management reports for the past three fiscal years (2011, 2010, and 2009);

BDF Waldheim's annual financial statements for the past three fiscal years (2011, 2010, and 2009) (only available in German);

Upon request, copies of these documents will also be sent to each shareholder without delay and free of charge. The documents will also be available for inspection in the meeting room during BDF's Annual General Meeting on April 26, 2012.

Hamburg, February 28, 2012

Beiersdorf Aktiengesellschaft

The Executive Board

Waldheim, February 28, 2012

Beiersdorf Manufacturing Waldheim GmbH

The management