

**Annual General Meeting
of Beiersdorf AG, Hamburg
March 31, 2015**

**Speech by Stefan F. Heidenreich
Chairman of the Executive Board
– Check against delivery –**

Dear shareholders,
ladies and gentlemen,

Good morning and a very warm welcome to Beiersdorf AG's Annual General Meeting from my Executive Board colleagues and myself. Thank you for joining us today.

I would like to start by looking at Beiersdorf's performance in financial year 2014. I will also provide an outlook for 2015. Our CFO Dr. Ulrich Schmidt will then present and discuss the key financial figures in detail.

Ladies and gentlemen, 2014 was a difficult year for the entire consumer goods industry.

Beiersdorf continued its sustainable upward trend in this challenging environment **in 2014** thanks to the **high degree of stability and strength** achieved by our company. This means that we can grow profitably and outperform the market even in a difficult macroeconomic environment.

Beiersdorf's sustainable positive performance is rooted in our **focused business strategy, the Blue Agenda developed by the Executive Board, and its systematic implementation.**

It is thanks to this that our **brands have regained their strength and shine. And we are increasingly translating their high potential into business success.**

We **significantly exceeded sales growth** of the competition in 2014 – Beiersdorf grew faster than all of its competitors. As a relatively small company with large, powerful competitors, we feel this is something to be proud of.

Earnings excluding special factors **improved once again.**

We **increased our market share** in the past financial year. And we did so in both the emerging markets and the saturated markets in Europe, including Germany.

We have also become even **more innovative, more flexible, and faster**. We have successfully put our consumers' expectations and wishes at the center of the company's research and development work. We have **further sharpened our competitive edge**.

Beiersdorf's strong performance is clearly reflected in its key figures for 2014.

Turning to our figures:

We **increased organic Group sales by 4.7%**. In nominal terms, sales rose by 2.3% to **6.285 billion euros**, after 6.141 billion euros last year.

EBIT excluding special factors improved by 5.9% – from 814 million euros to **861 million euros**. **Excluding special factors**, the **EBIT margin** was **13.7%**, compared with 13.2% in the previous year.

Profit after tax excluding special factors rose from 537 million euros to 581 million euros.

The Executive Board and Supervisory Board are proposing a **dividend of 70 euro cents per no-par value share bearing dividend rights** to the Annual General Meeting under agenda item 2.

In addition, **in agenda items 3 to 5** we are asking you – as we do every year – to **formally approve the actions of the members of the Executive Board and the Supervisory Board for the past financial year** and to **elect the auditors for the current financial year**. Agenda items 6 to 9 relate to the creation of authorized capital and the authorization to issue convertible bonds and/or bonds with warrants. These global authorizations are necessary to give Beiersdorf the same, vital financial flexibility in the future as we have previously had, since the current authorizations expire in April this year. The same applies to the renewal of the company's authorization to purchase and utilize its own shares under agenda item 10.

Consumer Business Segment

The Consumer Business Segment, which bundles Beiersdorf's skin care activities, generated **organic sales growth of 4.8%**. In nominal terms, sales rose by 2.1% – from 5.103 billion euros to **5.209 billion euros**.

This positive sales trend was thanks in particular to the Group's three core brands. NIVEA increased sales by 6.2%, Eucerin by 6.0%, and La Prairie by 5.1%.

EBIT excluding special factors rose by 6.3% – from 638 million euros in the previous year to **678 million euros**. The **EBIT margin excluding special factors** improved from 12.5% to **13.0%**.

All regions contributed to the increase in sales.

In **Europe**, we strengthened our market position and lifted **sales by 2.0%**.

Sales in Western Europe rose by 1.6% against the prior-year. We are especially pleased to report that Beiersdorf also increased both its sales and its market share in its home market of Germany.

In Eastern Europe, sales grew by 3.6%.

In the **Americas region**, we increased sales by **6.2%**. Sales rose by 4.6% in North America and by 7.1% in Latin America.

We continued to see strong growth in the **Africa/Asia/Australia** region. The growth rate here was **9.6%**. Many markets in the region generated good or very good growth rates, although economic growth has eased in Thailand, Japan, and China. Unsatisfactory sales growth by our Chinese hair care brands in China negatively impacted the region's growth rate.

tesa Business Segment

tesa achieved **organic sales growth of 4.4%** in 2014. Nominal sales rose by 3.6% – from 1.038 billion euros in the previous year to **1.076 billion euros**. This meant that the business segment again played a major role in Beiersdorf's success. The tesa business segment is highly innovative and competitive, and meets the specific needs of different customer groups for self-adhesive products and system solutions. Sales rose in both the industrial and the consumer business last year. Growth was once again driven by the electrical and automotive industries in the Americas and Asia.

EBIT excluding special factors rose by 4.3% – from 176 million euros to **183 million euros**. This means our **EBIT margin was 17.0%**, compared with 16.9% in the previous year.

Ladies and gentlemen, to summarize our results for the past financial year:

Beiersdorf remained on track in 2014 and proved to be very robust. The foundations we have laid over the past few years, and the work we did to strengthen the company, paid off in a difficult year. In short: Our business strategy is paving the way for profitable growth.

This business strategy focuses on:

1. strengthening our brands
2. increasing our innovation power
3. expanding our presence in the emerging markets while strengthening our position in Europe
4. and, above all, on our employees.

Strengthening our brands

Beiersdorf has an **outstanding, globally successful brand portfolio, headed by the iconic NIVEA brand**. Our **disciplined brand strategy** is unlocking the full economic potential of these brands.

We further strengthened the visibility of our core brand – NIVEA – in the past financial year. This is especially true for our long-standing flagship product – NIVEA Creme. I would like to share a few impressions from around the world with you to allow you to experience this directly.

Video

We also drove forward development of Eucerin and La Prairie and expanded their market positions.

Our other business activities concentrated on the **Labello, 8x4, Hidrofugal, and Florena** brands. The company has made these brands a **much higher priority**. Our aim is to specifically leverage the economic potential of these brands in the future under the common umbrella of a new “Pearl Brands” unit, which we established in 2014.

Increasing our innovation power

Beiersdorf’s ability to develop and successfully market new products is one of the keys to its success. More than ever, our research and development activities focus on meeting our consumers’ expectations and wishes. And we are increasingly concentrating on specific regional requirements when developing products.

We drove forward the development of new products in financial year 2014. At the same time, we used long-term marketing to support our major innovations and hence extend our innovation cycles.

The success of this strategy can be seen from the double-digit growth rates for **NIVEA Deo Black&White, NIVEA Body In-Shower, and NIVEA Face Cellular Anti-Age**. We have set sustainable trends and established new market segments with these products. We launched another new product – **NIVEA Q10 Pearls** – at the end of 2014. This is a highly effective anti-wrinkle serum. The new product makes pearl technology accessible to the mass market. Until now, this technology was limited to the higher-priced premium segment.

Beiersdorf will continue to drive the market in 2015 with further high-impact innovations. We can confidently say that we are well positioned in this respect.

Expanding our presence in the emerging markets and consolidating our market position in Europe

Beiersdorf remains firmly focused on the **European market**. The company extended its market position in the saturated markets of Europe in 2014, **increasing both its sales and its market share**. As I said before, this includes our home market of Germany.

At the same time, expanding our presence in the **emerging markets** is vital to Beiersdorf's future and business success. These markets will continue to generate high growth rates in the future, although their economic development is expected to be more volatile.

The **emerging markets accounted for 52% of the Consumer Business Segment's total sales** in financial year 2014.

In the past year, we **actively expanded our development and production capacities in the emerging markets** with a view to Beiersdorf's future. We will focus product development even more strongly on specific regional consumer wishes in the future. In July 2014, Beiersdorf opened a production facility and a regional laboratory in Silao, Mexico, to meet growing demand in the Latin American market. In addition, we have begun construction of a production facility in

Ahmedabad to strengthen our local footprint in India. This is expected to open in mid-2015. And we are also in the process of expanding our production facility in Santiago de Chile. This is expected to be completed in mid-2015.

Employees and core values

Ladies and gentlemen, despite all these business successes and the delight we understandably take in them, we have not forgotten who is behind this: Beiersdorf's 17,000 or so employees around the world. Their specialist expertise, their motivation, and their commitment have made Beiersdorf that little bit better and more competitive every day. And I would like to extend my sincere thanks to all of them on behalf of the Executive Board.

What links us all are our common core values that have been rooted in Beiersdorf's culture for 130 years: **care, simplicity, courage, and trust**. Last year, our employees and managers worked together on concepts for putting these values into practice in our day-to-day business even more effectively, and to ensure they are lived. These values are firmly anchored in our consciousness.

Outlook

Ladies and gentlemen, allow me to conclude with a look at **financial year 2015**.

Macroeconomic conditions around the world are expected to see moderate improvement at best in 2015. Growth will be driven by the industrialized nations, whereas we expect momentum to slow in the developing countries and emerging markets.

However, we continue to see good growth opportunities for our company. All the same, we are aware of the growing political and macroeconomic challenges in individual markets and are observing these very closely.

We are forecasting **above-market sales growth of 3–5%** for the Consumer Business Segment in financial year 2015.

Growth in the first three months of 2015 will be comparatively moderate due to the strong first quarter in 2014.

The **EBIT margin from operations** should **slightly exceed the prior-year figure**.

tesa is also expected to generate **sales growth of 3–5%**. The **EBIT margin from operations** for this segment is forecast to be **down slightly on the previous year**.

Based on the forecasts for the two business segments, we are expecting **Group sales to grow by 3–5%**. The consolidated **EBIT margin** from operations should **slightly exceed the prior-year figure**.

Ladies and gentlemen, thank you for your attention. On behalf of the Executive Board, I would like to thank you for supporting us as shareholders, and for your confidence in us. I would now like to hand over to Beiersdorf's CFO, my colleague Dr. Ulrich Schmidt.