

# Q1 2014

INTERIM REPORT JANUARY-MARCH

# Contents

## GENERAL

Business Developments - Overview	3
Beiersdorf's Shares	4

## INTERIM MANAGEMENT REPORT – GROUP

Results of Operations - Group	5
Results of Operations - Business Segments	6
Net Assets - Group	9
Financial Position - Group	10
Employees	11
Other Disclosures	11
Opportunities and Risks	11
Outlook for 2014	12

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement	13
Statement of Comprehensive Income	14
Balance Sheet	15
Cash Flow Statement	16
Statement of Changes in Equity	17
Segment Reporting	18
Selected Explanatory Notes	19

# Business Developments – Overview

## Beiersdorf continues on its growth path

- Group sales rise 6.7%
- Consumer sales up 6.3% on the previous year
- tesa grows by 8.7%
- Group EBIT margin increases to 14.7%

## Outlook for fiscal year 2014

- Consumer sales growth at 4–6%
- Slight improvement in Consumer EBIT margin on previous year
- tesa sales growth slightly above market
- tesa EBIT margin down slightly on the prior-year level

## Beiersdorf at a Glance

		Jan. 1–Mar. 31, 2013	Jan. 1–Mar. 31, 2014
<b>Group sales</b>	(in € million)	<b>1,577</b>	<b>1,596</b>
Change (organic)	(in %)	5.4	6.7
Change (nominal)	(in %)	2.9	1.2
<b>Consumer sales</b>	(in € million)	<b>1,318</b>	<b>1,323</b>
Change (organic)	(in %)	5.7	6.3
Change (nominal)	(in %)	3.2	0.4
<b>tesa sales</b>	(in € million)	<b>259</b>	<b>273</b>
Change (organic)	(in %)	3.6	8.7
Change (nominal)	(in %)	1.2	5.3
<b>Operating result (EBIT, excluding special factors)</b>	(in € million)	<b>215</b>	<b>235</b>
Operating result (EBIT)	(in € million)	215	235
Profit after tax	(in € million)	155	166
Return on sales after tax	(in %)	9.8	10.4
Earnings per share	(in €)	0.68	0.72
<b>Gross cash flow</b>	(in € million)	<b>184</b>	<b>174</b>
<b>Capital expenditure</b>	(in € million)	<b>47</b>	<b>62</b>
<b>Research and development expenses</b>	(in € million)	<b>39</b>	<b>40</b>
<b>Employees</b>	(number as of Mar. 31)	<b>16,354</b>	<b>16,837</b>

Percentage changes are calculated based on thousands of euros.

### GROUP SALES (IN € MILLION)



### PROFIT AFTER TAX (IN € MILLION)



# Beiersdorf's Shares

The first quarter of 2014 was dominated by high volatility on the international stock markets. At the beginning of the year, Germany's benchmark index, the DAX, initially continued the positive trend from the previous year, reaching an all-time high on January 17. Besides the healthy results reported by German companies, this rally was also triggered by the World Bank's positive outlook for global development. However, a significant weakening of emerging market currencies led stock market prices to fall back in the same month. The situation on the international stock markets eased in February thanks to the US Federal Reserve's decision to continue its low interest rate policy. However, the decline in China's export sector and Crimea's incorporation into the Russian Federation pushed markets back into negative territory in the second half of the quarter. They then regained momentum at the end of the reporting period, as concerns about the Crimea conflict escalating were not borne out for the time being. The global uncertainties in the first quarter had a significant impact on Beiersdorf's shares, which largely tracked the German benchmark index.

Beiersdorf AG's annual financial analyst meeting was held in Hamburg on March 4, 2014. Investors and analysts focused on the successful implementation of the Blue Agenda and the outlook for 2014 in their discussion with the Executive Board.

Beiersdorf's shares closed the first quarter at €70.80.

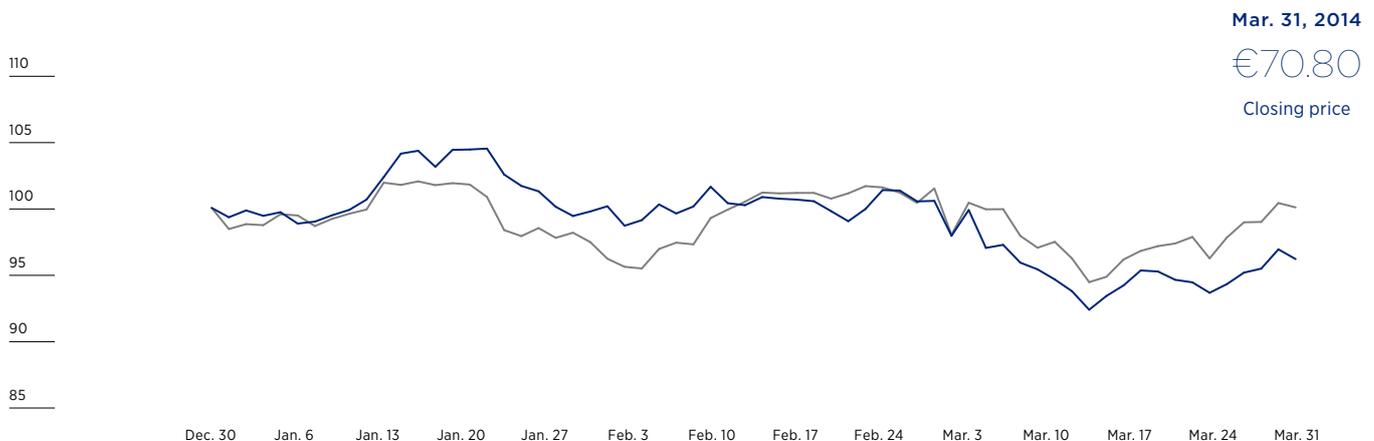
## KEY FIGURES - SHARES

		2013	2014
Earnings per share as of Mar. 31	(in €)	0.68	0.72
Market capitalization as of Mar. 31	(in € million)	18,154	17,842
Closing price as of Mar. 31	(in €)	72.04	70.80
High for the period Jan. 1-Mar. 31	(in €)	72.04	76.93
Low for the period Jan. 1-Mar. 31	(in €)	60.86	67.99

## BEIERSDORF'S SHARE PRICE PERFORMANCE

January 1-March 31, 2014 / relative change in %

Beiersdorf DAX



# Interim Management Report – Group Results of Operations – Group

- Group sales rise 6.7%
- EBIT margin increases to 14.7%
- Profit after tax of €166 million

Organic Group sales in the first three months were up 6.7% on the prior year. Growth was reduced by 5.4 percentage points due to exchange rate effects and by 0.1 percentage points due to divestments. Nominal Group sales were up 1.2% on the previous year, at €1,596 million (previous year: €1,577 million). The Consumer Business Segment recorded organic growth of 6.3%, while tesa grew organically by 8.7%.

In **Europe**, sales were up 1.8% on the prior year. In nominal terms, sales amounted to €887 million (previous year: €886 million), 0.1% higher than the prior-year figure.

Growth in the **Americas** region amounted to 6.6%. Nominal sales decreased by 2.9% to €263 million (previous year: €270 million).

The **Africa / Asia / Australia (A / A / A)** region reported growth of 17.3%. Nominal growth of 6.1% to €446 million was achieved (previous year: €421 million).

## INCOME STATEMENT (IN € MILLION)

	Jan. 1–Mar. 31, 2013	Jan. 1–Mar. 31, 2014	Change in %
<b>Sales</b>	<b>1,577</b>	<b>1,596</b>	<b>1.2</b>
Cost of goods sold	–572	–581	1.4
<b>Gross profit</b>	<b>1,005</b>	<b>1,015</b>	<b>1.0</b>
Marketing and selling expenses	–660	–654	–0.9
Research and development expenses	–39	–40	2.7
General and administrative expenses	–80	–83	3.5
Other operating result	–11	–3	–
<b>Operating result (EBIT, excluding special factors)</b>	<b>215</b>	<b>235</b>	<b>9.5</b>
Special factors	–	–	–
<b>Operating result (EBIT)</b>	<b>215</b>	<b>235</b>	<b>9.5</b>
Financial result	3	4	–
<b>Profit before tax</b>	<b>218</b>	<b>239</b>	<b>9.6</b>
Income taxes	–63	–73	15.9
<b>Profit after tax</b>	<b>155</b>	<b>166</b>	<b>7.1</b>
<b>Basic / diluted earnings per share (in €)</b>	<b>0.68</b>	<b>0.72</b>	–

The operating result (EBIT, excluding special factors) increased to €235 million (previous year: €215 million). The EBIT margin (excluding special factors) for the first quarter was 14.7% (previous year: 13.6%). This trend was positively impacted by non-recurring income recognized for prior periods of €10 million in the Consumer Business Segment from the sale of real estate.

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRSs and should be treated merely as voluntary additional information.

The financial result amounted to €4 million (previous year: €3 million). The change was possible due to a slightly higher other financial result, while net interest income was stable.

Profit after tax increased to €166 million (previous year: €155 million). The corresponding return on sales after tax was 10.4% (previous year: 9.8%). There were no special factors impacting profit after tax, meaning that profit after tax excluding special factors was also €166 million (previous year: €155 million). The corresponding return on sales after tax was 10.4% (previous year: 9.8%).

Earnings per share were €0.72, calculated on the basis of 226,818,984 shares (previous year: €0.68). Excluding special factors they amounted to €0.72 (previous year: €0.68).

## Results of Operations – Business Segments

### Consumer

#### CONSUMER

Jan. 1–Mar. 31

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2014	(in € million)	724	228	371	1,323
Sales 2013*	(in € million)	730	235	353	1,318
Change (organic)	(in %)	0.9	6.9	17.5	6.3
Change (nominal)	(in %)	–0.9	–2.9	5.2	0.4

The **Consumer** Business Segment recorded organic sales growth of 6.3% in the first three months. The strong euro led to a reduction in this figure of 5.8 percentage points as a result of negative effects from currency translation. Structural changes reduced growth by 0.1 percentage points. In nominal terms, sales therefore rose by 0.4% to €1,323 million (previous year: €1,318 million).

The encouraging organic sales growth is due to the continuing high growth rates in most emerging markets. However, strong growth rates were achieved and market share was increased around the world in many saturated markets, too. The main driver here was the continued development of our strong innovations.

**NIVEA** sales rose by 7.6% compared with the previous year. The key growth drivers were NIVEA Body, NIVEA Shower, and NIVEA Men. **Eucerin** continued its strong sales trend, recording a 10.3% increase in sales. **La Prairie** recorded sales growth of 3.4%.

EBIT rose to €193 million (previous year: €178 million), while the EBIT margin increased to 14.6% (previous year: 13.5%). This trend was positively impacted by non-recurring income recognized for prior periods of €10 million from the sale of office buildings used by the company to Beiersdorf's pension fund.

#### CONSUMER SALES IN EUROPE

Jan. 1–Mar. 31

		Western Europe	Eastern Europe	Total
Sales 2014	(in € million)	588	136	724
Sales 2013	(in € million)	581	149	730
Change (organic)	(in %)	0.9	0.7	0.9
Change (nominal)	(in %)	1.1	–9.0	–0.8

Sales in **Europe** were up 0.9% on the prior-year figure. At €724 million, nominal sales were down 0.9% on the previous year (€730 million).

Sales in **Western Europe** rose 0.9% on the prior year. Significant sales growth was achieved in Germany, Spain, and Switzerland in particular. The markets of Southern Europe continued to see signs of economic recovery. In contrast, sales in France were down on the previous year. Across the region as a whole, NIVEA Men and NIVEA Shower performed particularly well.

Sales in **Eastern Europe** rose 0.7% on the previous year. Poland achieved an increase in sales, while Russia failed to match prior-year sales levels due to the overall market downturn. However, we were able to further expand our market position.

#### CONSUMER SALES IN THE AMERICAS

Jan. 1–Mar. 31

		North America	Latin America	Total
Sales 2014	(in € million)	93	135	228
Sales 2013	(in € million)	91	144	235
Change (organic)	(in %)	7.5	6.5	6.9
Change (nominal)	(in %)	2.0	–6.0	–2.9

Organic sales in the **Americas** region rose by 6.9%. At €228 million, nominal sales were down 2.9% on the previous year (€235 million), largely due to exchange rate changes for the US dollar and the key South American currencies.

Sales in **North America** were up 7.5% on the prior year. NIVEA Body and Eucerin saw strong growth in particular.

**Latin America** saw sales growth of 6.5%, driven by excellent growth rates in Brazil and strong increases in most other key markets. NIVEA Deo performed extremely well across all markets, while NIVEA Shower and NIVEA Body recorded healthy growth.

#### CONSUMER SALES IN AFRICA / ASIA / AUSTRALIA

Jan. 1–Mar. 31

		Total
Sales 2014	(in € million)	371
Sales 2013*	(in € million)	353
Change (organic)	(in %)	17.5
Change (nominal)	(in %)	5.2

The **Africa / Asia / Australia** region recorded a 17.5% increase in organic sales. The nominal increase was only 5.2% due to exchange rate changes for the Japanese yen, the Australian dollar, and the Thai baht. Sales amounted to €371 million (previous year: €353 million).

Sales growth in China was very good. Most other key markets also generated good or extremely good growth rates. In particular, sales of NIVEA Deo and NIVEA Body increased significantly across all markets. Eucerin also saw strong growth.

## tesa

**tesa**

Jan. 1-Mar. 31

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2014	(in € million)	163	35	75	273
Sales 2013	(in € million)	156	35	68	259
Change (organic)	(in %)	6.3	4.4	16.6	8.7
Change (nominal)	(in %)	4.8	-3.1	10.8	5.3

The **tesa** Business Segment recorded organic sales growth of 8.7% in the first three months of 2014. Exchange rate effects depressed this figure by 3.4 percentage points. In nominal terms, tesa's sales therefore increased by 5.3% to €273 million (previous year: €259 million).

The positive sales trend of the previous year continued in the first quarter. Sales were lifted in both the industrial business and the consumer business. Business in Europe saw a boost. The Americas and Asia regions continued to achieve sales growth, particularly from customers in the automotive and electrical industries.

EBIT in the tesa Business Segment rose to €42 million (previous year: €37 million), while the EBIT margin amounted to 15.5% (previous year: 14.2%). All regions contributed to the higher results.

## Net Assets – Group

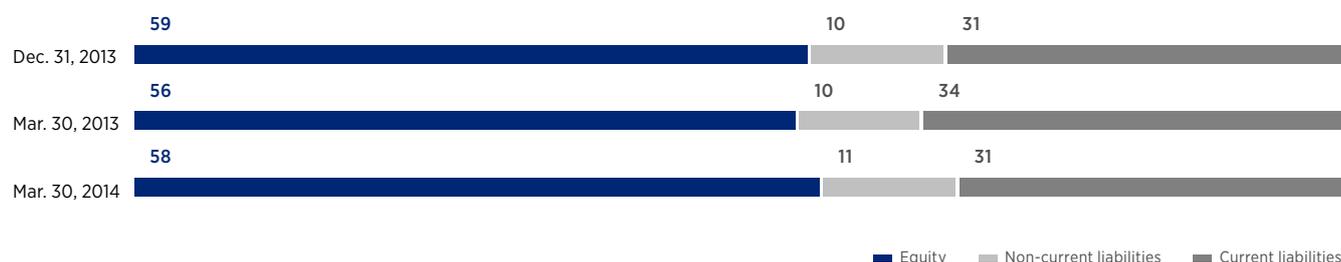
<b>NET ASSETS (IN € MILLION)</b>			
Assets	Dec. 31, 2013	Mar. 31, 2013	Mar. 31, 2014
Non-current assets	1,900	1,673	2,032
Inventories	733	763	756
Other current assets	2,181	2,450	2,349
Cash and cash equivalents	984	995	975
	<b>5,798</b>	<b>5,881</b>	<b>6,112</b>
Equity and Liabilities	Dec. 31, 2013	Mar. 31, 2013	Mar. 31, 2014
Equity	3,405	3,285	3,531
Non-current provisions	470	471	510
Non-current liabilities	142	139	137
Current provisions	527	591	551
Current liabilities	1,254	1,395	1,383
	<b>5,798</b>	<b>5,881</b>	<b>6,112</b>

Non-current assets increased by €132 million as against December 31, 2013, to €2,032 million. Long-term securities were reclassified due to shorter maturities and new purchases were made. Capital expenditure for property, plant, and equipment, and intangible assets in the first three months of 2014 amounted to €62 million (previous year: €47 million). Of this amount, €49 million was attributable to the Consumer Business Segment (previous year: €28 million) and €13 million to the tesa Business Segment (previous year: €19 million). The investments mainly relate to the Consumer Business Segment's new factory in Mexico and tesa's new headquarters. Depreciation, amortization, and impairment losses amounted to €25 million (previous year: €28 million). Inventories rose by €23 million as against December 31, 2013, to €756 million. Other current assets increased by €168 million as against December 31, 2013, to €2,349 million. This item includes short-term securities of €742 million, a decrease of €49 million as against the 2013 year-end. Trade receivables increased by €183 million compared with the figure for December 31, 2013, to €1,285 million, due to seasonal factors.

Cash and cash equivalents decreased by €9 million as against December 31, 2013, to €975 million. Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) increased by €39 million compared with the figure for December 31, 2013, to €2,568 million. Current liabilities to banks decreased by €11 million and amounted to €29 million on the reporting date.

At €647 million, total non-current provisions and liabilities increased by €35 million since December 31, 2013, mainly due to a lower discount rate for pension provisions. The growth in total current provisions and liabilities to €1,934 million primarily resulted from the €24 million increase in other provisions due to operational factors.

### FINANCING STRUCTURE (IN %)



# Financial Position – Group

## CASH FLOW STATEMENT (IN € MILLION)

	Jan. 1–Mar. 31, 2013	Jan. 1–Mar. 31, 2014
Gross cash flow	184	174
Change in working capital	–110	–85
Net cash flow from operating activities	74	89
Net cash flow from investing activities	104	–70
Free cash flow	178	19
Net cash flow from financing activities	–15	–22
Other changes	–2	–6
Net change in cash and cash equivalents	161	–9
<b>Cash and cash equivalents as of Jan. 1</b>	<b>834</b>	<b>984</b>
<b>Cash and cash equivalents as of Mar. 31</b>	<b>995</b>	<b>975</b>

Gross cash flow amounted to €174 million, down €10 million on the prior-year value. The cash outflow from the change in working capital was €85 million (previous year: €110 million). The increases in receivables and other assets of €209 million and in inventories of €23 million were partially matched by a €147 million rise in liabilities and provisions. Overall, the net cash flow from operating activities totaled €89 million (previous year: €74 million).

The net cash outflow from investing activities amounted to €70 million (previous year: net cash inflow of €104 million). Net cash outflows of €36 million were recognized for the purchase of securities, while interest received and other financial cash inflows were €10 million, and proceeds from the sale of property, plant, and equipment, and intangible assets totaled €18 million. Capital expenditure for property, plant, and equipment, and intangible assets amounted to €62 million.

Free cash flow was €19 million, down €159 million on the prior-year value (€178 million). The net cash outflow from financing activities amounted to €22 million (previous year: €15 million).

Cash and cash equivalents amounted to €975 million (previous year: €995 million).

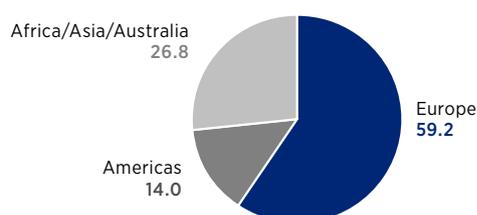
## Employees

The number of employees increased by 129 compared with the figure on December 31, 2013, from 16,708 to 16,837. As of March 31, 2014, 12,952 employees worked in the Consumer Business Segment and 3,885 at tesa.

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### EMPLOYEES BY REGION (IN %)

as of March 31, 2014; total 16,837 employees



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## Other Disclosures

### Changes in the Supervisory Board

The term of office of all Supervisory Board members ended at the end of the company's Annual General Meeting on April 17, 2014.

The Annual General Meeting re-elected Dr. Dr. Martel, Mr. Herz, Mr. Holzgreve, and Prof. Dr. Pöllath to the Supervisory Board as shareholder representatives. Ms. Parize and Mr. Weihrauch were elected for the first time. Ms. Dreyfus was again elected by the Annual General Meeting as an alternate member for the shareholder representatives on the Supervisory Board.

Prof. Rousseau, Dr. Albrod, Mr. Ganschow, Mr. Irtz, Mr. Locher, and Mr. Nieber were elected to the Supervisory Board as employee representatives.

## Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report as of December 31, 2013. There were no significant changes in opportunities and risks as of March 31, 2014.

# Outlook for 2014

## Expected Macroeconomic Developments

The **global** economic situation looks set to improve slightly in 2014. We expect that this trend will be driven mainly by the industrialized nations, while growth in the developing countries and emerging markets will be somewhat lower than in previous years.

**Europe** will probably come out of recession in 2014 and the uncertainty on the markets should subside. Factors that could put the recovery at risk include the ongoing high unemployment in many countries and the uncertain economic development in France and Italy. However, we anticipate a cautiously positive trend overall. In **Germany**, we are assuming that we will see stronger growth than in the rest of Europe in the coming year, driven by consumer spending and increasing capital expenditure. We expect slightly higher growth in the **United States** economy in 2014. Alongside increased consumer spending due to a lower unemployment rate, we anticipate higher public spending. In **Japan**, we expect growth to be on a level with the previous year. The cheap yen is likely to boost exports and hence support growth. In **China**, we expect growth to be down slightly on the prior-year level. Fiscal policy and the uncertain effects of the social and environmental reforms that have been announced are particular sources of uncertainty. Conditions in the **remaining emerging markets** will probably be less favorable. We anticipate slight growth in India and the emerging markets of Southeast Asia. Given the highly protectionist tendencies in many Latin American countries, developments are difficult to forecast for this area. We expect growth rates in Russia to be only slightly higher than in 2013. However, a potential escalation of the political situation and additional sanctions against Russia are sources of uncertainty.

We will work together with Research and Development and Quality Management to identify alternative sources of supplies and to define more open specifications, further improving raw materials security for our production facilities. This will also continue to reduce our dependence on individual suppliers and specific raw materials. As in the past, strategic partnerships with suppliers will secure the availability of raw materials in 2014, ensuring supplies for our production facilities. In 2014, the price of oil will probably continue to remain at a high but stable level of just over USD 100 per barrel. Overall, we expect moderate increases in the commodities markets and will take targeted measures in the area of procurement to further minimize them.

## Business Developments

We are expecting sales growth in the **Consumer** Business Segment to outperform the market in fiscal 2014, at 4–6%. The EBIT margin from operations is expected to slightly exceed the prior-year figure.

The **tesa** Business Segment is anticipating sales growth to be slightly in excess of the market in 2014, with market growth estimated at 2–3%. The EBIT margin from operations is expected to be slightly below the prior-year level.

Based on the forecasts for the two business segments, we expect **Group** sales to grow by 4–6%. The consolidated EBIT margin from operations is expected to be up slightly on the previous year.

We firmly believe that we are well positioned for the future thanks to our strong brands, innovative products, and the enhancement of our Blue Agenda.

Hamburg, May 2014  
Beiersdorf AG

The Executive Board

# Interim Consolidated Financial Statements

## Income Statement

(IN € MILLION)

	Jan. 1 –Mar. 31, 2013	Jan. 1 –Mar. 31, 2014
<b>Sales</b>	<b>1,577</b>	<b>1,596</b>
Cost of goods sold	–572	–581
<b>Gross profit</b>	<b>1,005</b>	<b>1,015</b>
Marketing and selling expenses	–660	–654
Research and development expenses	–39	–40
General and administrative expenses	–80	–83
Other operating result	–11	–3
<b>Operating result (EBIT)</b>	<b>215</b>	<b>235</b>
Interest income	6	6
Interest expense	–1	–1
Net pension result	–3	–3
Other financial result	1	2
<b>Profit before tax</b>	<b>218</b>	<b>239</b>
Income taxes	–63	–73
<b>Profit after tax</b>	<b>155</b>	<b>166</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	153	164
– Non-controlling interests	2	2
<b>Basic / diluted earnings per share (in €)</b>	<b>0.68</b>	<b>0.72</b>

# Statement of Comprehensive Income

<b>(IN € MILLION)</b>	Jan. 1–Mar. 31, 2013	Jan. 1–Mar. 31, 2014
<b>Profit after tax</b>	<b>155</b>	<b>166</b>
Remeasurement gains and losses on cash flow hedges	–3	–4
Deferred taxes on remeasurement gains and losses on cash flow hedges	1	2
<i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i>	–2	–2
Remeasurement gains and losses on available-for-sale financial assets	–	2
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	–	–1
<i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i>	–	1
Exchange differences	–5	–3
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>	<b>–7</b>	<b>–4</b>
Remeasurements of defined benefit pension plans	1	–41
Deferred taxes on remeasurements of defined benefit pension plans	–	13
<i>Remeasurements of defined benefit pension plans recognized in other comprehensive income</i>	1	–28
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>	<b>1</b>	<b>–28</b>
<b>Other comprehensive income net of tax</b>	<b>–6</b>	<b>–32</b>
<b>Total comprehensive income</b>	<b>149</b>	<b>134</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	147	132
– Non-controlling interests	2	2

# Balance Sheet

<b>(IN € MILLION)</b>			
	Dec. 31, 2013	Mar. 31, 2013	Mar. 31, 2014
<b>Assets</b>			
Intangible assets	176	184	176
Property, plant, and equipment	785	709	812
Non-current financial assets / securities	804	635	890
Other non-current assets	2	3	2
Deferred tax assets	133	142	152
<b>Non-current assets</b>	<b>1,900</b>	<b>1,673</b>	<b>2,032</b>
Inventories	733	763	756
Trade receivables	1,102	1,258	1,285
Other current financial assets	96	114	97
Income tax receivables	55	81	69
Other current assets	137	134	156
Securities	791	863	742
Cash and cash equivalents	984	995	975
<b>Current assets</b>	<b>3,898</b>	<b>4,208</b>	<b>4,080</b>
	<b>5,798</b>	<b>5,881</b>	<b>6,112</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of Beiersdorf AG	3,393	3,278	3,525
Non-controlling interests	12	7	6
<b>Equity</b>	<b>3,405</b>	<b>3,285</b>	<b>3,531</b>
Provisions for pensions and other post-employment benefits	388	381	428
Other non-current provisions	82	90	82
Non-current financial liabilities	5	11	5
Other non-current liabilities	3	4	3
Deferred tax liabilities	134	124	129
<b>Non-current liabilities</b>	<b>612</b>	<b>610</b>	<b>647</b>
Other current provisions	527	591	551
Income tax liabilities	87	113	104
Trade payables	973	1,042	1,049
Other current financial liabilities	104	108	104
Other current liabilities	90	132	126
<b>Current liabilities</b>	<b>1,781</b>	<b>1,986</b>	<b>1,934</b>
	<b>5,798</b>	<b>5,881</b>	<b>6,112</b>

# Cash Flow Statement

(IN € MILLION)

	Jan. 1–Mar. 31, 2013	Jan. 1–Mar. 31, 2014
<b>Operating result (EBIT)</b>	<b>215</b>	<b>235</b>
Income taxes paid	–56	–80
Depreciation and amortization	28	25
Change in non-current provisions (excluding interest components and changes recognized in OCI)	–3	3
Gain/loss on disposal of property, plant, and equipment, and intangible assets	–	–9
<b>Gross cash flow</b>	<b>184</b>	<b>174</b>
Change in inventories	–29	–23
Change in receivables and other assets	–209	–209
Change in liabilities and current provisions	128	147
<b>Net cash flow from operating activities</b>	<b>74</b>	<b>89</b>
Investments in property, plant, and equipment, and intangible assets	–47	–62
Proceeds from the sale of property, plant, and equipment, and intangible assets	4	18
Payments to acquire securities	–316	–259
Proceeds from the sale/final maturity of securities	452	223
Interest received	10	6
Proceeds from dividends and other financing activities	1	4
<b>Net cash flow from investing activities</b>	<b>104</b>	<b>–70</b>
<b>Free cash flow</b>	<b>178</b>	<b>19</b>
Proceeds from loans	14	36
Loan repayments	–9	–46
Interest paid	–1	–1
Other financing expenses paid	–19	–11
<b>Net cash flow from financing activities</b>	<b>–15</b>	<b>–22</b>
Effect of exchange rate fluctuations and other changes on cash held	–2	–6
Net change in cash and cash equivalents	161	–9
<b>Cash and cash equivalents as of Jan. 1</b>	<b>834</b>	<b>984</b>
<b>Cash and cash equivalents as of Mar. 31</b>	<b>995</b>	<b>975</b>

# Statement of Changes in Equity

(IN € MILLION)

	Share capital	Additional paid-in capital	Retained earnings*	Accumulated other comprehensive income			Total attributable to equity holders	Non-controlling interests	Total
				Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets			
<b>Jan. 1, 2013</b>	<b>252</b>	<b>47</b>	<b>2,839</b>	<b>-9</b>	<b>2</b>	<b>-</b>	<b>3,131</b>	<b>12</b>	<b>3,143</b>
Total comprehensive income for the period	-	-	154	-5	-2	-	147	2	149
Dividend of Beiersdorf AG for previous year	-	-	-	-	-	-	-	-	-
Dividend of non-controlling interests for previous year	-	-	-	-	-	-	-	-7	-7
<b>Mar. 31, 2013</b>	<b>252</b>	<b>47</b>	<b>2,993</b>	<b>-14</b>	<b>-</b>	<b>-</b>	<b>3,278</b>	<b>7</b>	<b>3,285</b>
<b>Jan. 1, 2014</b>	<b>252</b>	<b>47</b>	<b>3,209</b>	<b>-128</b>	<b>3</b>	<b>10</b>	<b>3,393</b>	<b>12</b>	<b>3,405</b>
Total comprehensive income for the period	-	-	136	-3	-2	1	132	2	134
Dividend of Beiersdorf AG for previous year	-	-	-	-	-	-	-	-	-
Dividend of non-controlling interests for previous year	-	-	-	-	-	-	-	-8	-8
<b>Mar. 31, 2014</b>	<b>252</b>	<b>47</b>	<b>3,345</b>	<b>-131</b>	<b>1</b>	<b>11</b>	<b>3,525</b>	<b>6</b>	<b>3,531</b>

\* The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

# Segment Reporting

## Business Developments by Business Segment

SALES (IN € MILLION)	Jan. 1-Mar. 31, 2013		Jan. 1-Mar. 31, 2014		Change in %	
		% of total		% of total	nominal	organic
Consumer	1,318	83.6	1,323	82.9	0.4	6.3
tesa	259	16.4	273	17.1	5.3	8.7
<b>Total</b>	<b>1,577</b>	<b>100.0</b>	<b>1,596</b>	<b>100.0</b>	<b>1.2</b>	<b>6.7</b>

EBITDA (IN € MILLION)	Jan. 1-Mar. 31, 2013		Jan. 1-Mar. 31, 2014		Change in %	
		% of sales		% of sales	nominal	
Consumer	200	15.1	212	16.0	6.1	
tesa	43	16.6	48	17.8	12.8	
<b>Total</b>	<b>243</b>	<b>15.4</b>	<b>260</b>	<b>16.3</b>	<b>7.3</b>	

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	Jan. 1-Mar. 31, 2013		Jan. 1-Mar. 31, 2014		Change in %	
		% of sales		% of sales	nominal	
Consumer	178	13.5	193	14.6	8.5	
tesa	37	14.2	42	15.5	14.7	
<b>Total</b>	<b>215</b>	<b>13.6</b>	<b>235</b>	<b>14.7</b>	<b>9.5</b>	

GROSS CASH FLOW (IN € MILLION)	Jan. 1-Mar. 31, 2013		Jan. 1-Mar. 31, 2014		Change in %	
		% of sales		% of sales	nominal	
Consumer	156	11.8	149	11.3	-4.2	
tesa	28	11.0	25	9.4	-9.8	
<b>Total</b>	<b>184</b>	<b>11.7</b>	<b>174</b>	<b>10.9</b>	<b>-5.1</b>	

## Business Developments by Region

SALES (IN € MILLION)	Jan. 1-Mar. 31, 2013		Jan. 1-Mar. 31, 2014		Change in %	
		% of total		% of total	nominal	organic
Europe	886	56.2	887	55.6	0.1	1.8
Americas	270	17.1	263	16.4	-2.9	6.6
Africa / Asia / Australia	421	26.7	446	28.0	6.1	17.3
<b>Total</b>	<b>1,577</b>	<b>100.0</b>	<b>1,596</b>	<b>100.0</b>	<b>1.2</b>	<b>6.7</b>

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	Jan. 1-Mar. 31, 2013		Jan. 1-Mar. 31, 2014		Change in %	
		% of sales		% of sales	nominal	
Europe	151	17.0	151	17.0	0.0	
Americas	16	5.9	28	10.7	76.6	
Africa / Asia / Australia	48	11.4	56	12.5	17.1	
<b>Total</b>	<b>215</b>	<b>13.6</b>	<b>235</b>	<b>14.7</b>	<b>9.5</b>	

\* For details regarding the special factors please refer to page 5.

# Selected Explanatory Notes

## Information on the Company and on the Group

The registered office of Beiersdorf AG is at Unnastrasse 48 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. The ultimate parent of the company is maxingvest ag. The activities of Beiersdorf AG and its affiliates (“Beiersdorf Group”) consist primarily of the manufacture and distribution of branded consumer goods in the area of skin care, and of the manufacture and distribution of technical adhesive tapes.

## Basis of Preparation

The interim consolidated financial statements for the period from January 1 to March 31, 2014, were prepared in accordance with IAS 34 “Interim Financial Reporting.” The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2013.

## Accounting Policies

The figures disclosed in this interim report were prepared in accordance with International Financial Reporting Standards (IFRSs). The same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2013. The intraperiod income tax expense was calculated on the basis of the estimated effective tax rate for the full year. The interim report was not audited or reviewed.

## Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2013, for related party disclosures. There were no significant changes as of March 31, 2014.

## Corporate Governance

The declaration of compliance issued by the Supervisory Board and the Executive Board for fiscal year 2013 regarding the recommendations of the German Corporate Governance Code in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) was published at the end of December 2013 and is permanently available on our website at [WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML](http://WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML).

## Events after the Reporting Date

No significant events occurred after the balance sheet date that would have a material effect on the Beiersdorf Group’s business development.

## Additional Disclosures on Financial Instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments.

(IN € MILLION)

Dec. 31, 2013	Carrying amount	Measurement under IAS 39		Fair value	
		Amortized cost	Fair value recognized in OCI		Fair value through profit or loss
<b>Assets</b>					
<i>Loans and receivables (LaR)</i>	2,176	2,176	–	–	2,176
Non-current financial assets	7	7	–	–	7
Trade receivables	1,102	1,102	–	–	1,102
Other current financial assets	83	83	–	–	83
Cash and cash equivalents	984	984	–	–	984
<i>Available-for-sale financial assets (AfS)</i>	304	3	301	–	304
Non-current financial assets	3	3	–	–	3
Securities	301	–	301	–	301
<i>Held-to-maturity financial investments (HtM)</i>	1,284	1,284	–	–	1,286
Securities	1,284	1,284	–	–	1,286
<i>Derivative financial instruments used for hedges (DFI)</i>	13	–	10	3	13
<b>Liabilities</b>					
<i>Other financial liabilities (OFL)</i>	1,072	1,072	–	–	1,072
Non-current financial liabilities	5	5	–	–	5
Trade payables	973	973	–	–	973
Other current financial liabilities	94	94	–	–	94
<i>Derivative financial instruments used for hedges (DFI)</i>	7	–	5	2	7
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	3	–	–	3	3
Mar. 31, 2014					
<b>Assets</b>					
<i>Loans and receivables (LaR)</i>	2,357	2,357	–	–	2,357
Non-current financial assets	8	8	–	–	8
Trade receivables	1,285	1,285	–	–	1,285
Other current financial assets	89	89	–	–	89
Cash and cash equivalents	975	975	–	–	975
<i>Available-for-sale financial assets (AfS)</i>	476	2	474	–	476
Non-current financial assets	2	2	–	–	2
Securities	474	–	474	–	474
<i>Held-to-maturity financial investments (HtM)</i>	1,148	1,148	–	–	1,154
Securities	1,148	1,148	–	–	1,154
<i>Derivative financial instruments used for hedges (DFI)</i>	8	–	7	1	8
<b>Liabilities</b>					
<i>Other financial liabilities (OFL)</i>	1,149	1,149	–	–	1,149
Non-current financial liabilities	5	5	–	–	5
Trade payables	1,049	1,049	–	–	1,049
Other current financial liabilities	95	95	–	–	95
<i>Derivative financial instruments used for hedges (DFI)</i>	7	–	6	1	7
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	2	–	–	2	2

The following hierarchy levels under IFRS 13 are used to measure and report the fair values of financial instruments:

- Level 1: Fair values that are measured using quoted prices in active markets
- Level 2: Fair values that are measured using valuation techniques whose significant inputs are based on directly or indirectly observable market data
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data

The following overview shows the hierarchy levels used to categorize financial instruments that are measured at fair value on a recurring basis.

(IN € MILLION)	Fair value hierarchy under IFRS 13			Total
	Level 1	Level 2	Level 3	
Dec. 31, 2013				
<b>Assets</b>				
<i>Available-for-sale financial assets (AFS)</i>	301	-	-	301
Securities	301	-	-	301
<i>Derivative financial instruments used for hedges (DFI)</i>	-	13	-	13
<b>Liabilities</b>				
<i>Derivative financial instruments used for hedges (DFI)</i>	-	7	-	7
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	-	3	-	3
Mar. 31, 2014				
<b>Assets</b>				
<i>Available-for-sale financial assets (AFS)</i>	474	-	-	474
Securities	474	-	-	474
<i>Derivative financial instruments used for hedges (DFI)</i>	-	8	-	8
<b>Liabilities</b>				
<i>Derivative financial instruments used for hedges (DFI)</i>	-	7	-	7
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	-	2	-	2

No transfers between hierarchy levels took place in the first quarter of 2014.

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy level 1 and are measured at quoted prices on the balance sheet date.

Derivative financial instruments are assigned to fair value hierarchy level 2. The fair values of currency forwards are calculated using the exchange rate as of the reporting date and discounted to the reporting date on the basis of their respective yield curves.

Financial instruments that are not measured at fair value predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. Securities classified as “held to maturity (HtM)” are an exception. The fair values for this item have been assigned to fair value hierarchy Level 1.

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## → Note

The Interim Report is also available in German.

The online version is available at [WWW.BEIERSDORF.COM/INTERIM\\_REPORT](http://WWW.BEIERSDORF.COM/INTERIM_REPORT).

# Financial Calendar

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## 2014

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August 7

—  
**Interim Report  
January to June 2014**

November 6

—  
**Interim Report  
January to September 2014**

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## 2015

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January

—  
**Publication of  
Preliminary Group Results 2014 (Sales)**

February

—  
**Publication of Annual Report 2014,  
Annual Accounts Press Conference,  
Financial Analyst Meeting**

March

—  
**Annual General Meeting**

May

—  
**Interim Report  
January to March 2015**

August

—  
**Interim Report  
January to June 2015**

November

—  
**Interim Report  
January to September 2015**

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