BDF ●●●●
Beiersdorf

Passion for Skin & Beauty Care

# Beiersdorf AG

## Annual Financial Statements and Management Report as of Dec. 31, 2008

# Strong Brands

## The Beiersdorf Brand World

### 01• NIVEA

NIVEA is the best-known and most successful skin and beauty care brand in the world* and enjoys a level of consumer trust that is unmatched by almost any other brand.

### 02• Eucerin

Eucerin is one of the leading medical skin care brands in many countries.

### 03• La Prairie

La Prairie is among the leading international brands for exclusive, luxurious, state-of-the-art anti-aging face care.

### 04• NIVEA FOR MEN

NIVEA FOR MEN is the No. 1 in men's face care worldwide.

### 05• SBT

SBT Skin Biology Therapy, with its biological mechanism of action gives sensitive skin a radiant, younger appearance.

### 06• SLEK

SLEK is one of the leading local hair care brands in China and has been allowed to call itself "China Famous Brand" since 2003.

### 07• Florena

Florena stands for naturalness and uncomplicated skin care with select natural ingredients which are processed in a particularly gentle way.

### 08• Labello

In many European countries, Labello is synonymous with lip-care itself, as well as being the market leader in this category.

### 09• 8x4

8x4 is a highly effective deodorant that offers a broad range of products with long-lasting protection.

### 10• Hansaplast

Hansaplast, Beiersdorf's plaster and wound care brand, is the market leader in a number of countries worldwide.

### 11• tesa

tesa is one of the world's leading manufacturers of self-adhesive product and system solutions for industry, craft businesses, and consumers.

* Euromonitor, Cosmetics & toiletries excluding fragrances and haircolourants by retail sales value, 2008.

# Contents

# Business and Environment

## Structure and organization

Based in Hamburg, Beiersdorf AG is a leading international branded consumer goods company whose Consumer business segment develops, produces, and markets skin and beauty care products. Its products are sold under the core brands NIVEA, Eucerin, La Prairie, JUVENA, SBT Skin Biology Therapy, SLEK, Labello, 8x4, Hansaplast/Elastoplast, and Florena.

Beiersdorf AG is responsible for the German Consumer business and provides services to foreign affiliates. A European production and logistics network is being set up as part of the realignment of the Consumer Supply Chain. In this connection, Beiersdorf Manufacturing Hamburg GmbH took over production in Hamburg as of January 1, 2008, while Beiersdorf Customer Supply GmbH assumed responsibility for distribution logistics activities as of the same date. Both companies are wholly-owned affiliates of Beiersdorf AG. In addition to its own operating activities, Beiersdorf AG manages an extensive investment portfolio and is the direct or indirect parent company of over 150 affiliates worldwide. Beiersdorf AG also performs central Planning/Controlling, Treasury, and Human Resources functions as well as a large proportion of research and development activities for the Consumer business.

## Management and Control

Beiersdorf AG's Executive Board is also the Beiersdorf Group's management body and is dedicated to increasing its sustainable enterprise value. The areas of responsibility of the individual members of the Executive Board – brands, finance, human resources, and supply chain – reflect the Group's functional organization. The Chairman of the Executive Board is responsible at an overarching level for corporate development and corporate communication. In addition, the members of the Executive Board are responsible for developments in their regions. This means they are closely involved with operations in the Beiersdorf affiliates.

The Supervisory Board advises the Executive Board on the management of the Company and cooperates closely with it for the benefit of the Company. It supervises the conduct of the Company's business within the framework laid down by law, the Articles of Association, and the bylaws as well as taking into consideration the recommendations of the German Corporate Governance Code, and is involved in decisions of fundamental importance. Information on the remuneration of the Executive Board and Supervisory Board and on incentive and bonus systems is provided in the management report and in Note 31.

## Value Management and Performance Management System

The goal of our business activities is to sustainably increase our market share in terms of qualitative growth and at the same time to expand our earnings base. Our key performance indicators are derived from this. In addition to lifting sales, we want to increase the Company's earnings power at an even faster rate. This is measured using the operating result (EBIT) in conjunction with the EBIT margin (the ratio of EBIT to sales), calculated in accordance with the IFRSs. We aim to generate internationally competitive returns through active cost management and the highly efficient use of resources. In addition, we want to continuously optimize our net operating capital and hence improve our return on capital (the ratio of EBIT to net operating capital).

We have created an efficient controlling system in order to meet our strategic goals. Management derives the parameters for planning business peformance by the individual units in the Group from our strategic goals in the coming year. This planning covers all segments and affiliates. Generally, the Executive Board and Supervisory Board formally adopt the planning in the fall. Monthly comparisons of actual key performance indicators with planned values and current forecasts for the year as a whole are performed during the fiscal year. This allows an adequate management of the business.

# Economic Environment

## General Economic Situation

The global economy initially appeared to be relatively resistant in 2008 to the continuing fears regarding the creditworthiness of financial market products and institutions in the USA and Europe. However, rising commodity prices and the extremely weak dollar increased growth risks. Concerns regarding price stability prompted many central banks, including the European Central Bank, to increase interest rates in the summer.

In the late summer, increasing tensions on the financial markets led to speculation regarding liquidity problems at some financial market institutions in both the USA and Europe. To cap it all, the insolvency of a major American investment bank rocked the stability of the global financial sector. Governments and central banks then immediately issued guarantees for financial institutions and savings deposits running into the billions and provided the money markets with liquidity.

Nevertheless, the pronounced uncertainty as to how the crisis would play out quickly had a negative effect on investor and, to some extent, consumer activity in the real economy. This was exacerbated by restrictive lending policies on the part of the banks. The slowdown in growth led to a recession in almost all developed economies. The combination of a recession in the real economy, a growing financial market crisis, and emerging fears of deflation prompted central banks to make historically large interest rate cuts in the final months of 2008.

Continental European economies were badly hit by these developments, recording significantly lower growth rates in 2008. At the same time, inflation increased, fuelled in particular by the rocketing oil and energy prices at the beginning of the year. The picture is similar in the USA, where economic growth continued to slow in 2008, while inflation rose sharply. Even the rapid rate of expansion of the Chinese market declined significantly to just under 10% in 2008, from approximately 12% in the previous year. Although Continental Asian countries recorded reduced, but still positive growth in 2008, Japan's economic output declined slightly. The pace of growth in Latin America and Eastern Europe remained essentially stable at approximately 5% and approximately 6% respectively.

## Sales Market Developments

The cosmetics market saw global growth of just under 3% in 2008, slightly below the long-term trend. Once again, developments differed greatly by region: North America showed a significant decline, whereas the major Western European markets recorded slightly positive growth. By contrast, the markets in Asia and, to an even greater extent, Eastern Europe and Latin America were able to continue their above-average growth.

## Procurement Market

Developments on the procurement market were dominated in 2008 by high volatility, especially in individual raw materials submarkets. Procurement was confronted with substantial demands for price rises in the first half of the year in particular – the result of the enormous price increases for materials depending directly and indirectly on the crude oil market. Growing shortages in certain submarkets exacerbated this development. The trend towards rising commodities prices slowed in the last quarter of the year, but did not come to a complete stop.

Beiersdorf was also affected by these market developments; however, although the strategic procurement was optimized we were only able to slow down significant increases in the cost of materials by systematically enhancing and applying the procurement strategies and tools that we have developed over the past few years.

# Results of Operations – Beiersdorf AG

(in € million)

| | 2007 | 2008 |
|---|---|---|
| **Sales** | **1,447** | **1,050** |
| Stock movements | –5 | - |
| Other operating income | 74 | 121 |
| Cost of materials | –547 | –228 |
| Personnel expenses | –246 | –213 |
| Depreciation and amortization of property, plant, and equipment, and intangible assets | –28 | –46 |
| Other operating expenses | –550 | –578 |
| Special factors relating to the realignment of the Consumer Supply Chain | –23 | 35 |
| **Operating result** | **122** | **141** |
| Net income from investments | 177 | 237 |
| Net interest expense | –9 | –10 |
| Other financial result | –6 | –14 |
| **Financial result** | **162** | **213** |
| **Result from ordinary activities** | **284** | **354** |
| Taxes on income | –72 | –61 |
| **Profit after tax** | **212** | **293** |
| Transfer to other retained earnings | –36 | –66 |
| **Net retained profits** | **176** | **227** |

Adjusted for the structural effects from the realignment of the Consumer Supply Chain (–€436 million), Beiersdorf AG's sales in the year under review rose by €39 million to €1,050 million (previous year: €1,447 million). Sales of NIVEA DEODORANT, NIVEA Hair Care, NIVEA Make-up, and NIVEA VISAGE performed extremely well. Sales of €851 million were generated in Germany and €199 million abroad (previous year: €820 million and €627 million respectively).

Personnel expenses were reduced by €33 million to €213 million following the spin-off of production in Hamburg to a separate legal entity.

In the year under review, Beiersdorf AG recorded income of €35 million from the realignment of the Consumer Supply Chain (previous year: expense of €23 million). This improved the operating result by €19 million to €141 million.

The financial result increased by €51 million year-on-year to €213 million (previous year: €162 million). In the year under review, net income from investments contained the gain on the sale of BODE Chemie GmbH & Co. KG in the amount of €31 million. There was also a marked increase in dividends distributed by affiliated companies.

The result from ordinary activities was €354 million, up €70 million on the previous year. The operating result contributed €19 million to this figure, while the financial result contributed €51 million. Taxes on income fell by €11 million as a result of the change in the tax rate following the business tax reform in Germany. Profit after tax amounted to €293 million (previous year: €212 million).

The Executive Board and Supervisory Board will propose the following dividend to the Annual General Meeting: €0.70 (as in the previous year) plus an extraordinary amount of €0.20, for a total of €0.90 for each share carrying dividend rights. This amount shall enable the shareholders to participate in the special gains from the divestments of the previous years in an appropriate way.

# Balance Sheet Structure and Financial Position – Beiersdorf AG

(in € million)

| ASSETS | Dec. 31, 2007 | Dec. 31, 2008 |
|---|---|---|
| Intangible assets | 142 | 115 |
| Property, plant, and equipment | 116 | 66 |
| Financial assets | 1,538 | 1,201 |
| **Fixed assets** | **1,796** | **1,382** |
| Inventories | 76 | 1 |
| Receivables and other assets | 331 | 336 |
| Securities | 1,005 | 1,816 |
| Cash and cash equivalents | 56 | 235 |
| **Current assets** | **1,468** | **2,388** |
| **Prepaid expenses** | **1** | **3** |
| | **3,265** | **3,773** |

| EQUITY AND LIABILITIES | Dec. 31, 2007 | Dec. 31, 2008 |
|---|---|---|
| Share capital | 252 | 252 |
| Additional paid-in capital | 47 | 47 |
| Retained earnings | 1,447 | 1,530 |
| Net retained profits | 176 | 227 |
| **Equity** | **1,922** | **2,056** |
| **Special reserve with an equity portion** | **-** | **40** |
| Provisions for pensions and other employee benefits | 511 | 519 |
| Other provisions | 276 | 255 |
| **Provisions** | **787** | **774** |
| Trade payables | 37 | 26 |
| Other liabilities | 519 | 877 |
| **Liabilities** | **556** | **903** |
| | **3,265** | **3,773** |

## Balance Sheet Structure

The reduction in property, plant, and equipment is due to the intra-Group transfer of the production facilities and to the sale to a third party of the logistics center in Hamburg. Financial assets declined by €337 million owing to a capital reduction at Beiersdorf Finance SCS and to the sale of the investment in BODE Chemie GmbH & Co. KG.

The securities item increased to €1,816 million. As in the previous year, this includes own shares of Beiersdorf AG in the amount of €955 million and short-term investments of €861 million in European government and corporate bonds, near-money market retail funds, and commercial paper.

There was a €21 million decline in other provisions. Trade payables fell by €11 million to €26 million. Other liabilities include liabilities to affiliated companies in the amount of €860 million (previous year: €506 million). This increase is related to financial liabilities and results from increased pooling of our affiliates' liquidity. Of the total assets of €3,773 million (previous year: €3,265 million) shown in the balance sheet, €2,056 million (previous year: €1,922 million) or 54% (previous year: 59%) are financed by equity.

## Financing and Liquidity Provision

The primary goal of financial management at Beiersdorf is to safeguard liquidity. The type and volume of transactions are in line with the basic operating and financial business. Scenarios and rolling 12-month cash flow planning are used to establish liquidity requirements.

# Research and Development

The success of our products is based on many years of experience in research and development. In this key area of our company we develop pioneering product innovations offering outstanding quality and excellent tolerability. As a result Beiersdorf consistently sets new trends in the skin and beauty care market around the world. In the year under review, we invested a total of €108 million in research and development (previous year: €89 million). As of December 31, 2008, a total of 465 staff (previous year: 415) were employed in research and development at Beiersdorf AG.

## Innovative Skin and Beauty Care

By researching skin, discovering the active ingredients that occur naturally in it, and closely observing active ingredients' effect on skin, we are able to develop innovative and highly effective product formulations that are successful globally. Most of our research takes place at our Skin Research Center in Hamburg which, with more than 450 scientists, is one of the largest and most advanced research centers in Germany, and one of the most important in the world. Our fields of activity include both basic dermatological research and the development of new products on the basis of an in-depth understanding of our consumers' wishes and needs.

Our research uses a comprehensive range of state-of-the-art biotechnology methods to meet consumers' wishes for effective cosmetic solutions as optimally as possible. In face care, this allowed us to develop a new, effective face-lifting effect using biotechnologically produced plant peptides in the year under review, and to launch it on the market as the NIVEA VISAGE Expert Lift face care range for women over the age of 50. The product range achieved remarkable results in anti-aging studies. In addition to our traditionally strong position in skin research, we achieved excellent results in the hair care segment. Our cell metabolism research, which has been ongoing for many years, demonstrated that a combination of creatine and carnitine stimulates hair growth. The men's product which is based on this, NIVEA FOR MEN Hair Recharge, has been on the shelves since the fall of 2008. We were also able to launch a series of other key innovations. Our high innovation rate was reflected in 100 newly developed products in 2008, and our innovation quality in 87 patent applications. Some of the most successful new developments were:

- NIVEA Hair Care Diamond Gloss range: The innovative care range for long hair is enriched with diamond particles and calla extract, giving hair a diamond gloss and making it feel smoother.
- NIVEA DEODORANT Double Effect: The deodorant offers a combination of antiperspirant protection and beauty care. The high proportion of avocado extract leaves skin and hair softer and thus supports a close shave – underarms stay smooth for longer.
- NIVEA body My Silhouette: The figure care gel tightens and smoothes the skin, improving its elasticity. The formula with the highly effective ingredients white tea and anise extract produces visible and measurable results in only four weeks.
- NIVEA FOR MEN Extreme Comfort After Shave Balsam and Shaving Gel: Both care products were developed for men who want the best possible skin care without skin irritations. They are anti-inflammatory and alleviate skin microlesions.
- Eucerin DermoDENSIFYER: The anti-aging innovation for women over the age of 55 renews and concentrates skin cells by stimulating the production of new collagen. The range consists of day and night creams, and an eye and lip contour cream.

La Prairie Group's research center in Zurich (Switzerland) carries out research for our exclusive La Prairie, JUVENA, Marlies Möller, and SBT Skin Biology Therapy brands. Restructuring of activities continued successfully in 2008, with the development of formulas and packaging being bundled to optimize synergy effects. Safety monitoring and quality management were also expanded and now actively drive registration processes worldwide.

Around 6,000 cosmetic formulations were tested for tolerance, effectiveness, and sensory properties in 2008. The tests were performed both in Beiersdorf's own Test Center, which forms part of the Hamburg Research Center (900 studies, 27,000 test persons) as well as in 50 external test institutes around the world (approximately 950 studies, 30,000 test persons). The direct contact with the test persons also gives us information about specific consumer wishes that help in the product optimization process.

Beiersdorf does not test cosmetic products on animals. For 20 years we have been one of the leading and best-accepted research-driven companies around the world when it comes to developing in vitro alternatives to tests on animals – in some cases in cooperation with other international cosmetics manufacturers and professional bodies. A further success factor for Beiersdorf products around the world is our in-depth focus on the specifics of regional markets. Since 2005, Beiersdorf has had a special Asia Laboratory in which skin care products are developed to meet the needs of Asian consumers and the climatic requirements in this region. This facility was joined in 2007 by a LATAM Laboratory that develops products for Brazil and other Latin American countries. Research and development for our Chinese hair care and styling brands take place locally. The rapid knowledge gain and the fact that today know-how is to be found all around the world is reflected in a wide range of open innovation activities. These cover the various forms of cooperation with an extremely wide range of external partners and experts throughout the world. Our Research and Development unit has established an efficient international network of partners and experts over the years.

We further increased the number of cooperative projects with suppliers, universities, and research institutes in 2008 to a total of 550. This network enabled us to achieve the following results in the year under review, among others: The “Project House” initiative serves to intensify our cooperation with selected partners under one roof. For example, employees from two major perfume manufacturers have been working hand in hand with our development laboratory in our Research Center since January 2008. In addition, employees from major research-driven companies have been working together with our scientists in a specially established “Incubation Lab” since October 2008 to jointly solve questions relating to the formulation of beauty products.

The success of these activities won us a prize from the Fraunhofer Institute IPT in the fall of 2008. Over 600 European companies were surveyed, with Beiersdorf being the only consumer goods company to receive an award for its research and development activities – for “Best Practice in Technology Management”.

# Sustainability

Corporate responsibility has been one of Beiersdorf's core values ever since the Company was founded. Our responsibility extends beyond our employees and our economic success. Our actions are also determined by our active approach to environmental protection and occupational safety, and by our commitment to society. Economic, ecological, and social responsibility are therefore always on an equal footing at Beiersdorf.

The Sustainability Advisory Board (SAB) – a special steering committee which was initiated by the Executive Board – ensures the global coordination of all sustainability activities. This committee compiled our new Sustainability Guidelines that were formally adopted in 2008. These include our economic, ecological, and social responsibility, and serve as a basis for a worldwide uniform understanding of responsible conduct at Beiersdorf.

One important aspect for us when aligning our sustainability activities is an in-depth and continuous dialog with our stakeholders – employees, consumers, business partners, non-governmental organizations (NGOs), capital markets, and representatives of academia, politics, and the media. In order to achieve the greatest level of transparency we publish our sustainability activities on an annual basis. The latest Sustainability Report, "Our Responsibility", is available on the Internet at **www.Beiersdorf.com/Sustainability**. As in the previous year, this publication is oriented on the international "Global Reporting Initiative" guidelines, and presents all of the activities relating to products, environmental protection and occupational safety, employees, society, and the economy in detail. It also gives an outlook on future sustainability activities.

## Environmental Protection and Occupational Safety

Our consumers expect a sustainable approach from us. Our products in particular should be well tolerated – by people and the environment alike. To retain their trust in our brands we satisfy this aim every day. With this awareness, we are working systematically to reduce the use of resources and to cut waste volumes and disposal costs in production. At the same time, we arrange an ongoing global exchange of experience to guarantee an internationally uniform and high standard. Twenty-five environmental protection and occupational safety experts from 13 Beiersdorf production affiliates met at the second international CEOS conference (Corporate Environmental Protection, Occupational Safety and Security) in 2008 to develop a uniform understanding of, and consistent goals for, sustainable action in the areas of environmental protection and occupational safety.

Our proven, trusted three-tier environmental protection and occupational safety concept is integrated in all business processes from product development through production to environmentally friendly disposal management. It complies with the principles of the international "Responsible Care" initiative and is the basis for implementing our vision of "zero accidents". A program to prevent behavior-related accidents at work was launched in 2008 at our location in Hamburg. Under the concept, all employees use a standard checklist when inspecting their areas of work, thus improving their behavior in regard to the safety, orderliness, and cleanliness of their workplaces. Beiersdorf also supports the "ArbeitsschutzPartnerschaft Hamburg" ("Partnership for Occupational Safety in Hamburg") at its location in Hamburg – spreading the idea of safer and healthier workplaces to small and medium-sized companies via a partnership-based network. This encourages the safety and health of employees within companies and strengthens competitiveness and Hamburg as an economic location – a place that Beiersdorf identifies very closely with.

Our database-driven CEOS management system enabled us to collect environmental protection and occupational safety performance indicators for all our production affiliates during the year under review. The establishment of a contact network between the responsible people in the international production companies was an important precondition for the coordination of future goals in environmental protection and occupational safety. The CEOS goals are an essential element of sustainability at Beiersdorf, and will in future include measurable, location-specific goals for reducing energy and water usage, $CO^2$ emissions, wastewater and waste volumes, as well as the number of accidents within a certain period of time.

In addition, the system documents our Company's guidelines and minimum standards, and provides a discussion forum for exchanging technical information on important aspects of environmental protection and occupational safety. In parallel, we enhanced our internal ESMAS program (Environmental Protection and Safety Management Audit Scheme) for environmental protection and occupational safety audits. The program has been validated by the DQS, the German Association for the Certification of Management Systems, according to the internationally recognized ISO 14001 and OHSAS 18001 standards. The final production location for our exclusive cosmetics brands La Prairie and JUVENA in Baden-Baden (Germany) and the production affiliate for our Hansaplast and Elastoplast plaster brands in Argentona (Spain) were audited for the second time. The positive result: high standards in practice and efficient management of environmental protection and occupational health and safety. Our Florena production facility in Waldheim (Germany) was also classed as having these high standards. Particular mention should be made of the exemplary training, fire prevention measures, and the entire warehouse equipment. This brings the number of Beiersdorf Group's production locations that are ESMAS-certified to 14.

A method to analyze qualification requirements for employees in the Group was developed in preparation for pending changes to the international regulations of dangerous goods for sea transport. As part of the changes, employee training must be carried out and documented worldwide as of 2010.

## Social Responsibility

Beiersdorf's social commitment goes back to when the Company was founded. We are active in this area everywhere in the world where we do business, on the basis of an effective strategy. Our activities focus on education, family, and culture. These areas are essential for a life that is truly worth living – both now and in the future. This clear focus allows us to concentrate and hone our social commitment. In addition, we defined a key project for each field. These key projects – which have all been adapted to local requirements – are designed to be implemented around the world with the help of affiliates. When implementing our projects, we orient ourselves on the criteria of a long-term approach, local relevance, measurability, and continuous improvement. In order to act in a truly sustainable manner, we only enter into long-term cooperations that also benefit both parties. We regularly review the relevance of projects and continuously adapt and improve our goals and the measures taken in an ongoing dialog with our stakeholders.

# Employees

Personal commitment, professional expertise, and a high degree of identification are the key to our employees' professional success and the basis of our Company's positive development. In order to ensure this for the long term, we challenge and encourage our employees by providing a range of measures and offers. As of December 31, 2008, Beiersdorf AG employed a total of 1,978 staff (previous year: 2,538). The number of vocational training positions and trainees was 352 (previous year: 339). The decline in the workforce is due to the spin-off of our production and distribution logistics operations to legally independent, wholly-owned affiliates as of January 1, 2008.

The target of our Human Resources activities is to assist the implementation of the Consumer Business Strategy within the Company by providing advisory, organizational, and process-oriented support. Over and above the development and training of all employees Human Resources focuses on investing in a targeted manner in the identification of managerial talent as well as in the development and promotion of leadership skills. We lay the foundations for increasing employee commitment and motivation even further via a transparent compensation and bonus system. In order to fulfill this task as optimally as possible in the future, too, we realigned the Human Resources department during the past fiscal year. The new organization systematically reflects our corporate structure and symbolizes the changes taking place throughout the Company. It enables Human Resources managers to be closer to operations in the business segments and supports them in their changed task profiles and structures better, faster, and more efficiently. Since April 2008, all functions have been assigned "Business Partners" who will be involved in key processes from the outset. They will also ensure a closer cooperation between local HR managers and Group headquarters. In cooperation with the Business Partners, the "Centers of Excellence" will devise and implement the strategic global Human Resources topics.

To continue on our course for success, we depend on qualified employees and applicants who will continue to drive forward the implementation of our Consumer Business Strategy with their expertise, good ideas, and a winner's mentality. Since the end of 2008, Beiersdorf has been meeting the fierce competition for qualified staff with a global strategy to set ourselves apart from our competitors and to strengthen our image as an attractive global employer. We have taken the following measures as part of our "Employer Branding" project:

- We have developed an international positioning for Beiersdorf as an employer,
- we have put together a portfolio of activities to improve Beiersdorf's recognition and attractiveness as an employer, and
- we have developed a globally uniform communication concept and materials.

In addition to the systematic alignment of all internal Human Resources processes with the newly defined employer brand, one of the main goals of the "Employer Branding Strategy" is to expand university recruiting activities. Top universities both in Germany and abroad were selected and cooperative activities such as guest lectures and case studies were agreed. The international rollout of our "CLOSE2B" outreach program, which enables Beiersdorf to remain in close contact with particularly talented students until they finish their studies and start their careers, is another of the tools we use. Our support of SIFE (Students In Free Enterprise), an international, socially committed initiative comprising students and business leaders from the private sector and universities, is another example of how we get to know highly qualified students with a global mindset early on.

All of these activities are supported by an international communication concept which allows all countries involved to strengthen their local Human Resources marketing. The focus of this concept is the systematic expansion of our career websites – both in Germany and in the affiliates – and the targeted use of the opportunities the Internet offers to position Beiersdorf as an employer. The online activities are supplemented by templates for uniform global advertisements, posters, presentations, and giveaways, which can be locally adapted. This uniform global framework strengthens the recognition value of Beiersdorf as an international employer. The implementation of these measures at our affiliates will take place in 2009.

Intensive employee qualification was another Human Resources focus in 2008. Practically oriented measures ensured targeted initial training and further education for specialists and managers. The most important measures in 2008 included:

- "Integrated Innovation Management" (IIM): We use a number of training modules to support the implementation of our innovation processes, in which we focus on fewer, but larger and more significant, product innovations.
- "INTOUCH with Consumers": This training program demonstrates how Beiersdorf's "Consumer Insights" are identified, defined, and evaluated. This is our foundation for continuing to develop successful products and communication activities.
- "INTOUCH with Shoppers": This program focuses on the consumer as a shopper and identifies, defines, and evaluates topical shopper insights. This forms the basis for the implementation of all category management and point of sale activities with our retail partners.
- "Winning with Shopper Marketing": This three-day training program is based on Beiersdorf's Global Shopper & Customer Marketing Strategy and supports the development and implementation of specific marketing activities for trade partners. Concepts are developed on the basis of locally defined case studies that build on our brand strategy, the strategy of our retail partners, and the attitude as well as the behavior of shoppers to ensure effective and efficient measures at the point of sale.

For managers there are especially coordinated programs for training activities and further education. Beiersdorf has introduced an additional global program for experienced managers in addition to the "Learn to Lead" program for young managers, which has been running successfully for many years. The Senior Leaders Development Program, "Courage to Lead", builds on a workshop lasting several days that systematically analyzes the key aspects of the further development of all participants. As a part of this program, the participants are given the opportunity, in the form of numerous goal-driven exercises, to extend their individual leadership abilities and to increase their personal contribution to the Company's success.

# Remuneration Report – Beiersdorf AG

The Remuneration Report explains the structure and amount of the remuneration paid to the members of the Executive Board and the Supervisory Board. It takes into account the recommendations of the German Corporate Governance Code and the commercial law requirements as amended by the *Gesetz über die Offenlegung der Vorstandsvergütungen* (German Act on Disclosure of Executive Board Remuneration).

## Remuneration of the Executive Board

The Executive Committee of the Supervisory Board discusses and reviews the remuneration system for the Executive Board at regular intervals and resolves any necessary adjustments; in addition, it regularly presents the remuneration system, including the key contractual elements, to the Supervisory Board for review and resolution. For example, the remuneration system for the Executive Board, including the key contractual elements, was reviewed and approved by the Supervisory Board in November 2008.

The remuneration system focuses primarily on the tasks and performance of the individual members of the Executive Board, as well as on the entire Executive Board's performance and the Company's economic and financial situation, performance, and future prospects, including in comparison with its peer group.

The remuneration of the Executive Board comprises the following key non-performance-related and performance-related components:

- a fixed basic remuneration component and
- a variable remuneration component linked to the achievement of certain targets, which in turn comprises the following two elements:
  - an annually payable short-term remuneration element (short-term incentive, STI), and
  - a long-term, risk-oriented remuneration element covering a five-year period (long-term incentive, LTI).

Where the target bonus for the variable remuneration specified by the Executive Committee for each Executive Board member is reached, the ratio of fixed to variable remuneration is generally 1:2.

The fixed basic annual remuneration is paid in twelve equal monthly installments. It is reviewed regularly for appropriateness by the Executive Committee every two years.

To provide additional support for Beiersdorf's Consumer Business Strategy, "Passion for Success", the variable component of the Executive Board's remuneration was linked more closely to the Executive Board's performance, the development of the Company, and the rise in its sustained enterprise value. The variable remuneration – STI and LTI – depends on the extent to which predefined corporate targets and specific personal targets for individual Executive Board members are met; in line with the Company's strategic focus, these targets relate primarily to the Consumer business. The corporate targets relate to sales growth (adjusted for currency translation effects) and EVA® (Economic Value Added); these can be adjusted by the Executive Committee to take account of extraordinary factors. The Executive Committee lays down the corporate and personal targets before the fiscal year begins. After the end of the fiscal year, the Executive Committee establishes the basic variable remuneration for each Executive Board member depending on the extent to which the corporate targets have been reached, using consolidated profit as a basis; this basic amount is then increased or reduced within predefined limits depending on the extent to which the Executive Board member's personal targets have been reached.

The individual variable remuneration determined in this way for each Executive Board member is subject to an upper limit (cap). For a period of three years (i.e., including fiscal year 2008) during the transition from the previous dividend-based to the new, performance-related, variable remuneration – which was introduced in fiscal year 2006 – an annually declining portion of the target bonus was guaranteed as a minimum amount (2006: 75% of the target bonus; 2007: 50% of the target bonus; 2008: 25% of the target bonus).

Part of the variable remuneration can be paid out annually in cash, as the STI. The amount of the annual payout is determined by the Executive Committee individually for each Executive Board member before the start of the fiscal year in question. The payout is limited to a maximum of 80% of the annual variable remuneration up to the amount of the target bonus and a maximum of 50% of the amount in excess of the target bonus.

The remaining amount counts towards the LTI; this is designed to cover a five-year period and rewards the contribution made by individual Executive Board members to sustainably increasing the Company's enterprise value. A new LTI is produced each calendar year for each Executive Board member. The development of the LTI depends on the growth in the enterprise value (compound annual growth rate, or CAGR); this is calculated on the basis of sales and EBIT multiples that are kept constant throughout the duration of the LTI. The Executive Committee can adjust the development of the enterprise value as calculated to take extraordinary effects into account. The LTI provides for a cash payment to be made at the end of every five years, provided that the enterprise value exceeds a predefined minimum threshold. If this minimum threshold is not reached, the entire LTI lapses.

The remuneration of the Executive Board does not contain any stock option program or comparable securities-based incentives. Equally, the members of the Executive Board do not receive any additional remuneration for their membership of supervisory bodies of Group companies and investees.

Each Executive Board member is also provided with a company car in addition to his fixed and variable remuneration. In addition, Beiersdorf AG has taken out accident insurance for the Executive Board members. These non-cash remuneration components are taxed as non-cash benefits.

In addition, pension commitments have been made to the individual Executive Board members. The pension benefits are determined as a percentage of a fixed amount that generally corresponds to the respective fixed remuneration of the individual Executive Board members. The pension commitment is not linked to the performance-related remuneration components. The percentage increases in line with the length of service of the Executive Board member and is limited to 50% of this fixed amount. Additions to pension provisions comprise current service cost and interest expense.

The contracts of service for the Executive Board members do not contain any change-of-control clauses. If the contract of the Chairman of the Executive Board is terminated early by mutual consent for reasons for which the Chairman is not responsible, he has been promised compensation in the amount of the fixed remuneration due until the end of his contract plus a fixed amount of €500 thousand per year representing the variable remuneration. No other commitments exist in relation to the termination of membership of the Executive Board.

Members of the Executive Board did not receive any loans from the Company.

## TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN THE FISCAL YEAR

(in €, figures for previous fiscal year in brackets)

| | Basic fixed remuneration | Variable remuneration[1] | | Other[4] | Total | Additions to pension provisions |
|---|---|---|---|---|---|---|
| | | STI[2] | LTI[3] | | | |
| Thomas-B. Quaas | **420,000**<br>(420,000) | **716,400**<br>(1,003,600) | **180,878**<br>(400,624) | **15,858**<br>(15,858) | **1,333,136**<br>(1,840,082) | **152,204**<br>(172,245) |
| Dr. Bernhard Düttmann | **250,000**<br>(240,000) | **416,550**<br>(524,736) | **169,822**<br>(280,884) | **9,709**<br>(9,294) | **846,081**<br>(1,054,914) | **74,639**<br>(104,987) |
| Peter Kleinschmidt | **260,000**<br>(250,000) | **473,980**<br>(593,500) | **123,936**<br>(224,567) | **14,262**<br>(12,804) | **872,178**<br>(1,080,871) | **93,143**<br>(103,216) |
| Pieter Nota | **315,000**<br>(315,000) | **393,200**<br>(426,240) | **191,896**<br>(301,891) | **11,842**<br>(11,842) | **911,938**<br>(1,054,973) | **80,280**<br>(114,748) |
| Markus Pinger | **250,000**<br>(250,000) | **423,500**<br>(631,500) | **94,494**<br>(253,642) | **11,352**<br>(12,681) | **779,346**<br>(1,147,823) | **70,824**<br>(103,107) |
| Gesamt | **1,495,000**<br>(1,475,000) | **2,423,630**<br>(3,179,576) | **761,026**<br>(1,461,608) | **63,023**<br>(62,479) | **4,742,679**<br>(6,178,663) | **471,090**<br>(598,303) |

[1] The variable remuneration for fiscal year 2008 was adopted in the Executive Committee meeting on January 21, 2009.

[2] The amount of the annual payout is determined individually for each Executive Board member by the Executive Committee before the start of the fiscal year in question. The payout is limited to a maximum of 80% of the annual variable remuneration up to the amount of the target bonus and a maximum of 50% of the amount in excess of the target bonus.

[3] The LTI for fiscal year 2008 will not be paid out until after the end of fiscal year 2013, assuming that the specified minimum threshold is reached. Until this point the development of the LTI is dependent on the growth in the enterprise value (CAGR).

[4] The Other column refers to non-cash benefits arising from the provision of company cars and the payment of insurance contributions.

The existing LTI figures can be seen from the following table:

(in €)

| | LTI[1] Fiscal year 2006[2] | | LTI[1] Fiscal year 2007[3] | | **LTI[1] Fiscal year 2008[4]** |
|---|---|---|---|---|---|
| | 2007 | **2008** | 2007 | **2008** | |
| Thomas-B. Quaas | 936,950 | **1,108,629** | 400,624 | **497,047** | **180,878** |
| Dr. Bernhard Düttmann | - | **-** | 280,884 | **348,487** | **169,822** |
| Peter Kleinschmidt | 393,902 | **466,078** | 224,567 | **278,616** | **123,936** |
| Pieter Nota | 626,971 | **741,853** | 301,891 | **374,551** | **191,896** |
| Markus Pinger | 557,307 | **659,424** | 253,642 | **314,689** | **94,494** |
| Gesamt | 2,515,130 | **2,975,984** | 1,461,608 | **1,813,390** | **761,026** |

[1] The respective LTIs lapse if the enterprise value does not exceed a predefined minimum threshold after five years.

[2] To be paid after the end of fiscal year 2011.

[3] To be paid after the end of fiscal year 2012.

[4] To be paid after the end of fiscal year 2013.

Payments to former members of the Executive Board and their dependants totaled €2,018 thousand (previous year: €1,952 thousand). Total provisions for pension commitments to former members of the Executive Board and their dependants amounted to €23,755 thousand (previous year: €24,576 thousand).

## Remuneration of the Supervisory Board

The basic principles governing the remuneration of the Supervisory Board were laid down by the Annual General Meeting in § 15 of the Articles of Association. The remuneration of the Supervisory Board takes into account the responsibilities and scope of tasks of the individual members of the Supervisory Board as well as the economic situation of the Company.

In addition to being reimbursed for cash expenses, Supervisory Board members receive a fixed and a variable, dividend-based remuneration component. The ratio of the fixed to the variable remuneration component is balanced.

Each Supervisory Board member receives fixed remuneration in the amount of €25,000 for each full fiscal year and variable remuneration of €1,200 for each cent by which the dividend per share distributed exceeds the amount of 15 cents. No attendance fees are paid. In line with the recommendation of the German Corporate Governance Code that the remuneration should reflect the responsibility assumed and the scope of the duties performed by the respective member of the Supervisory Board, and that the chairmanship of the Supervisory Board should be given special consideration, the Chairman of the Supervisory Board receives two-and-a-half times the standard Supervisory Board remuneration and his two deputies each receive one-and-a-half times the standard Supervisory Board remuneration. Members of the Executive Committee as well as the Audit and Finance Committee receive additional compensation for their work in these committees. If a member of the Supervisory Board simultaneously holds several offices for which increased remuneration is granted, he or she shall only receive the remuneration for the highest-paying office.

Members of the Supervisory Board did not receive any loans from the Company. In addition, members of the Supervisory Board did not receive any compensation or benefits for services provided on a personal basis, such as advisory or agency services.

Subject to the resolution of the Annual General Meeting on April 30, 2009 on the dividend to be distributed for fiscal year 2008, the members of the Supervisory Board will receive the remuneration presented in the following table for their activities in fiscal year 2008:

**TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN THE FISCAL YEAR** (in €)

| | Fixed[1] | | Variable | | Total | |
|---|---|---|---|---|---|---|
| | 2007 | **2008** | 2007 | **2008** | 2007 | **2008** |
| Prof. Dr. Reinhard Pöllath[2] | 37,500 | **54,303** | 99,000 | **195,492** | 136,500 | **249,795** |
| Thorsten Irtz | 37,500 | **37,500** | 99,000 | **135,000** | 136,500 | **172,500** |
| Dr. Arno Mahlert[3] | 55,000 | **43,320** | 66,000 | **120,246** | 121,000 | **163,566** |
| Dieter Ammer[4] | 62,500 | **47,439** | 165,000 | **134,631** | 227,500 | **182,070** |
| Dr. Walter Diembeck | 40,000 | **40,000** | 66,000 | **90,000** | 106,000 | **130,000** |
| Frank Ganschow | 25,000 | **25,000** | 66,000 | **90,000** | 91,000 | **115,000** |
| Michael Herz | 50,000 | **50,000** | 66,000 | **90,000** | 116,000 | **140,000** |
| Dr. Rolf Kunisch | 25,000 | **25,000** | 66,000 | **90,000** | 91,000 | **115,000** |
| Tomas Nieber | 25,000 | **25,000** | 66,000 | **90,000** | 91,000 | **115,000** |
| Stefan Pfander | 25,000 | **25,000** | 66,000 | **90,000** | 91,000 | **115,000** |
| Ulrich Plechinger | 25,000 | **25,000** | 66,000 | **90,000** | 91,000 | **115,000** |
| Prof. Manuela Rousseau | 25,000 | **25,000** | 66,000 | **90,000** | 91,000 | **115,000** |
| Total | 432,500 | **422,562** | 957,000 | **1,305,369** | 1,389,500 | **1,727,931** |

[1] This includes the fixed remuneration component and the additional remuneration of membership of Supervisory Board committees and for the chairmanship and deputy chairmanship of the Supervisory Board.

[2] Prof. Dr. Reinhard Pöllath has been the Chairman of the Supervisory Board and of the Executive, Nomination, and Mediation Committees since the end of the Annual General Meeting on April 30, 2008; he was Deputy Chairman of the Supervisory Board until the end of the Annual General Meeting on April 30, 2008.

[3] Dr. Arno Mahlert has been the Deputy Chairman of the Supervisory Board since the end of the Annual General Meeting on April 30, 2008.

[4] Dieter Ammer was the Chairman of the Supervisory Board and of the Executive, Nomination, and Mediation Committees until the end of the Annual General Meeting on April 30, 2008.

## Directors' Dealings and Shareholdings of the Executive and Supervisory Boards

In accordance with § 15a *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), the members of the Company's Executive Board and Supervisory Board are legally obliged to promptly disclose the acquisition or disposal of shares in Beiersdorf AG to the Company. This also applies to related parties of such persons. Beiersdorf AG received the following notifications in the past fiscal year.

| Date and location of the transaction | Name of the person subject to the disclosure requirement | Position | Description of financial instrument | WKN/ISIN | Type of transaction | Number of shares | Price per share € | Total amount traded € |
|---|---|---|---|---|---|---|---|---|
| June 20, 2008 Xetra | Cornelia Herz | Spouse of Supervisory Board member | No-par value bearer shares | DE0005200000 | buy | 500 | 48.679 | 24,560.06 |
| July 17, 2008 Xetra | Cornelia Herz | Spouse of Supervisory Board member | No-par value bearer shares | DE0005200000 | buy | 250 | 41.879 | 10,469.75 |
| Aug. 6, 2008 Xetra | Cornelia Herz | Spouse of Supervisory Board member | No-par value bearer shares | DE0005200000 | buy | 250 | 39.00 | 9,750.00 |
| Sept. 30, 2008 Xetra | Stefan Pfander | Supervisory Board member | No-par value bearer shares | DE0005200000 | buy | 9,320 | 42.91 | 400,000.00 |
| Oct. 13, 2008 Hamburg | Cornelia Herz | Spouse of Supervisory Board member | No-par value bearer shares | DE0005200000 | buy | 790 | 38.27 | 30,233.30 |

The members of the Executive Board of Beiersdorf AG hold no shares in the Company. The total shareholdings of the members of the Supervisory Board amount to 50.46% of the shares issued by the Company. Michael Herz, a member of the Supervisory Board of Beiersdorf AG, notified the Company in accordance with § 21 (1) *WpHG* that his share of voting rights in the Company has amounted to 50.46% since March 30, 2004, and that these are fully attributable to him in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (indirect ownership of shares). The other members of the Supervisory Board hold less than 1% of the shares issued by the Company.

# Risk Report

## Integrated Risk and Opportunity Management

Entrepreneurial success cannot be achieved without consciously taking risks. Risk management helps us to control the risks associated with the strategic objectives of the business and to maximize our strategic potential. Regular strategy reviews ensure that opportunities and risks are well balanced. We incur risks only if there is a corresponding opportunity for an appropriate increase in value and if they can be managed using established methods and measures within our organization.

Risk management is an integral part of central and local planning, management, and control processes, and conforms to consistent standards across the Group. Our open communications policy, the risk inventory carried out at regular intervals, and the planning and management system ensure that our risk situation is presented transparently. Risk management is coordinated at Group headquarters.

Our Internal Audit department monitors compliance with the internal control system by means of systematic audits. The department is independent of the Group's operating activities, thus guaranteeing the integrity of our business processes and the effectiveness of the systems and controls we have put in place. In addition, the external auditors audit the risk early warning and monitoring systems. They report their audit findings to the Group Executive Board and to the Audit and Finance Committee of the Supervisory Board, which regularly focuses on the topic of risk management.

## Our Risk Profile

Maintaining and increasing the value of our major consumer brands with their broad appeal are of central importance for Beiersdorf's business development. We have geared our risk management system towards protecting the value of our brands. Our compliance with high standards of product quality and safety is the basis for our customers' continued trust in our brands. We therefore perform in-depth safety assessments when developing new products. Our products are subject to the strict criteria of our quality assurance system throughout the entire procurement, production, and distribution process.

Innovations based on strong research and development are a precondition for consumer acceptance of our products, and for the latters' appeal. Prudent brand management captures consumer trends as well as the results of in-depth market and competitive analyses, and at the same time ensures that the brand's core remains intact and is carefully enhanced. Strong brands that balance innovation and continuity are our response to fierce global competition on price, quality, and innovation. By developing and implementing the "Consumer Insights" process we have laid the groundwork for ensuring that we are able to identify consumer wishes even faster and to reflect them in the products we develop. Strong brands also counteract the growing retail concentration and the regional emergence of private label products.

Expertise-based brands require a high degree of upfront investment in innovation and marketing. The continuous expansion of our patent and trademark portfolio therefore plays a key role. In particular, the systematic registration and enforcement of our intellectual property rights prevents the imitation and counterfeiting of our products, and thus helps safeguard and further increase the earnings potential previously created.

We counter procurement risks relating to the availability and price of raw materials, merchandise, and services by continuously monitoring our markets and ensuring active management of our supplier portfolio, as well as appropriate contract management. The project launched in 2006 to bundle Beiersdorf's procurement activities more intensively worldwide, and to further improve their quality and costs, was completed ahead of schedule in 2008.

We counter compliance risks by providing clear management structures and through efficient organizational measures. Occupational safety, environmental, and business interruption risks in our production and logistics activities are minimized by process control checks and location-specific audits.

We minimize risks relating to the availability, reliability, and efficiency of our IT systems through continuous monitoring and process improvements, as well as emergency training. We transfer selected risks to insurance companies, when economically appropriate.

Along with other companies, affiliates of the Beiersdorf Group are involved in antitrust proceedings relating to cosmetic products on a national level in Europe. Due to the early stage of the preliminary investigations, at present no reliable assessment of the overall risk is possible from the Group's perspective.

Currency, interest rate, and liquidity risks are subject to active treasury management based on global guidelines. In most cases they are managed and hedged centrally. In this context, the specific requirements for the organizational separation of the trading, settlement, and controlling functions are taken into account. Derivative financial instruments serve solely to hedge operational activities and financial transactions essential to the business. They do not expose the Group to any additional risks. We limit currency risks from intragroup deliveries of goods and services using currency forwards. About 75% of forecasted annual net cash flows are hedged (cash flow hedges of forecasted transactions). Currency risks from cross-border intragroup financing are fully hedged in the market by the central treasury department using currency forwards.

The Company limits potential default risks relating to the investment of the Group's liquid funds by only making short-term investments with prime-rated counterparties. Counterparty risk is monitored on the basis of credit ratings and the counterparties' liable capital as well as our own risk-bearing capacity. In addition, we monitor counterparties' relative credit ratings using methods that provide up-to-the-minute assessments of market participants. With the help of these parameters, maximum amounts are determined for investments with each partner bank (counterparty limits) and are regularly compared with investments actually made across the Group. Given the developments in the capital markets, we invested more than half of our liquidity in low-risk liquid investments (such as government and corporate bonds) during the second half of the year.

In order to optimally manage our investments, we made increased use of stronger methods and instruments for concentrating our affiliates' liquidity. Organizational measures ensure we have transparency concerning our affiliates' remaining funds. Positive balances are registered with central counterparty risk management. Our financial risk management is characterized by the clear allocation of responsibilities, central rules for limiting financial risks as a matter of principle, the conscious alignment of the instruments deployed with the requirements of our business activities, and separate monitoring by a Treasury Committee that includes international members. We counter the risk of bad debts through detailed monitoring of our customer relationships, active receivables management, and the selective use of trade credit insurance.

We maintain contacts with universities to recruit qualified specialists and management personnel. We develop management trainees and employees internally using special international training programs and continuing education measures.

In view of the general economic uncertainty in our markets resulting from the global financial crisis, no reliable assessment can be given from today's perspective of the extent to which the associated risks may impact the net assets, financial position, and results of operations of Beiersdorf AG.

# Report by the Executive Board Regarding Dealings among Group Companies

In accordance with § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*), the Executive Board has issued a report regarding dealings among group companies which contains the following concluding declaration: "According to the circumstances known to us at the time the transactions were executed, or measures were implemented or omitted, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the implementation or omission of any measures."

# Report on Post-Balance Sheet Date Events

No significant events occurred after the end of the fiscal year that would have a material effect on Beiersdorf AG's business development.

# Disclosure Requirements in Accordance with § 289 (4) *HGB*

The Company's share capital amounts to €252 million and is composed of 252 million no-par value bearer shares. Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf AG has held 25,181,016 no-par value bearer shares, corresponding to 9.99% of the Company's share capital.

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

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) *WpHG*:

– 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

The appointment and removal from office of members of the Executive Board are governed by §§ 84 and 85 *Aktiengesetz* (German Stock Corporation Act, *AktG*), § 31 *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*), and § 7 of the Articles of Association. 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. The Articles of Association may be amended in accordance with §§ 179 and 133 *AktG* and with § 16 of the Articles of Association. 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.

The Annual General Meeting on May 18, 2005 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 (Authorized Capital I: €45 million; Authorized Capital II: €21 million; Authorized Capital III: €21 million) by issuing new bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

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 AG, 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 disapplied in accordance with § 186 (3) sentence 4 *AktG* 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 *AktG*, contingent capital is increased by the same proportion. 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 and/or options rights attached to convertible bonds and/or bonds with warrants issued in the period until May 17, 2010 by Beiersdorf AG, 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 AG, or companies in which it holds a direct or indirect majority interest, comply with such obligation, and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

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

By way of a resolution of the Annual General Meeting on April 30, 2008, Beiersdorf AG was authorized in accordance with § 71 (1) no. 8 *AktG* to purchase own shares in the total amount of up to 10% of the existing share capital in the period up to October 29, 2009. The shares shall be purchased via the stock exchange or via a public purchase offer addressed 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 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 Executive Board is 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 disapplying 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 disapplying 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 the Company or companies in which it holds a direct or indirect majority interest. Furthermore, the Executive Board is also 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 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 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.

# Report on Expected Developments

## Expected Macroeconomic Developments

Assessing economic developments in the coming years is subject to considerable uncertainty. There are no reliable, generally accepted forecasts as to the future course of economic developments. Our planning is based on a significant decline in global economic growth. However, we are not currently able to predict the scale, duration, and regional breakdown of the crisis.

The following scenario appears probable to us: We expect very low levels of growth in 2009 for the USA, Western Europe, and Germany. A decline in economic output is also possible in individual countries. With respect to the growth regions – Eastern Europe, Asia (excluding Japan), and Latin America – we expect an interruption to the relatively long phase of stable, strong growth and a clear drop in the pace of growth over the short term.

We expect that the economic slump will only start impacting consumer spending after a delay. The effects are already being felt in key industrial segments, such as the automotive industry.

## Sector Developments

In our opinion, growth on the global cosmetics market will be slightly below the long-term trend as a result of the current economic situation. We are anticipating very low levels of growth, possibly even market contraction, in the major, saturated markets in Western Europe and the USA. In the growth regions of Eastern Europe, Asia (excluding Japan), and Latin America growth will probably be slower.

## Our Market Opportunities

Despite the economic situation described above, Beiersdorf still has opportunities for business development. These are based on our internationally oriented strategic positioning, and particularly on our increased focus on our brands and our increasing presence in growth markets. This process combines sales growth, long-term earnings power, a solid financing structure, and the stabilization of our innovation lead through our extensive research and development activities. We are continuing to build on our stock of powerful innovations. The careful and sustainable development of our brands plays a crucial role in establishing consumer trust in our products: NIVEA was again voted the "Most Trusted Brand" by Reader's Digest in 2008 – a competitive advantage that offers particular opportunities given current sector developments. This, together with the dedication and excellence of our employees, forms the basis for our ability to identify and exploit potential opportunities.

## Business Developments

Our assessment of business developments in the coming years is based on the above assumptions. In spite of the turbulent outlook for the global economy, Beiersdorf AG is well positioned to succeed in the global competitive environment. In view of this, we expect the coming year's sales to be roughly on a level with the year under review.

We also expect the operating result, after adjustment for special factors, to be comparable with that reported in the year under review. With respect to the financial result, the improvement in net interest income will not be able to completely offset the special factor relating to the sale of an investment. In view of this, we expect profit after tax to fall.

We firmly believe that we are extremely well positioned to meet the challenges facing us, thanks to our strong brands, innovative products, process optimizations, and strategic focus.

The Executive Board

# Income Statement – Beiersdorf AG

(in € million)

| | Notes | 2007 | 2008 |
|---|---|---|---|
| **Sales** | 01 | **1,447** | **1,050** |
| Stock movements | | –5 | - |
| Other operating income | 02 | 74 | 121 |
| Cost of materials | 03 | –547 | –228 |
| Personnel expenses | 04 | –246 | –213 |
| Depreciation and amortization of property, plant, and equipment, and intangible assets | 05 | –28 | –46 |
| Other operating expenses | 06 | –550 | –578 |
| Special factors relating to the realignment of the Consumer Supply Chain | 07 | –23 | 35 |
| **Operating result** | | **122** | **141** |
| Net income from investments | 08 | 177 | 237 |
| Net interest expense | 09 | –9 | –10 |
| Other financial result | 10 | –6 | –14 |
| **Financial result** | | **162** | **213** |
| **Result from ordinary activities** | | **284** | **354** |
| Taxes on income | 11 | –72 | –61 |
| **Profit after tax** | | **212** | **293** |
| Transfer to other retained earnings | | –36 | –66 |
| **Net retained profits** | | **176** | **227** |

# Balance Sheet – Beiersdorf AG

(in € million)

| **ASSETS** | Notes | Dec. 31, 2007 | **Dec. 31, 2008** |
|---|---|---|---|
| Intangible assets | 14 | 142 | 115 |
| Property, plant, and equipment | 15 | 116 | 66 |
| Financial assets | 16 | 1,538 | 1,201 |
| **Fixed assets** | | **1,796** | **1,382** |
| Inventories | 17 | 76 | 1 |
| Receivables and other assets | 18 | 331 | 336 |
| Securities | 19 | 1,005 | 1,816 |
| Cash and cash equivalents | | 56 | 235 |
| **Current assets** | | **1,468** | **2,388** |
| **Prepaid expenses** | | **1** | **3** |
| | | **3,265** | **3,773** |

| **EQUITY AND LIABILITIES** | Notes | Dec. 31, 2007 | **Dec. 31, 2008** |
|---|---|---|---|
| Share capital | 20, 21, 22 | 252 | 252 |
| Additional paid-in capital | | 47 | 47 |
| Retained earnings | 23 | 1,447 | 1,530 |
| Net retained profits | | 176 | 227 |
| **Equity** | | **1,922** | **2,056** |
| **Special reserve with an equity portion** | 24 | - | **40** |
| Provisions for pensions and other employee benefits | 25 | 511 | 519 |
| Other provisions | 26 | 276 | 255 |
| **Provisions** | | **787** | **774** |
| Trade payables | | 37 | 26 |
| Other liabilities | | 519 | 877 |
| **Liabilities** | 27 | **556** | **903** |
| | | **3,265** | **3,773** |

# Basis of Preparation of Beiersdorf AG's Financial Statements

The annual financial statements of Beiersdorf AG are prepared in accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code, *HGB*) and the *Aktiengesetz* (German Stock Corporation Act, *AktG*). The recommendations of the German Corporate Governance Code that are relevant to the annual financial statements were taken into account.

Where items in the balance sheet and the income statement have been summarized to aid clarity, they are disclosed and explained separately in the notes. The annual financial statements are prepared in euros (€); amounts are given in millions of euros (€ million).

As a parent company, Beiersdorf AG prepares its own consolidated financial statements. Beiersdorf's consolidated financial statements are also included in the consolidated financial statements of maxingvest ag, Hamburg, which prepares the consolidated financial statements for the largest Group of companies. Both sets of consolidated financial statements are published in the electronic *Bundesanzeiger* (Federal Gazette).

# Notes to the Income Statement

## 01 • Sales

Beiersdorf AG is responsible for business in Germany with branded consumer products for skin and beauty care, which are bundled in the Consumer business segment. It also provides services to foreign affiliates in the course of its ordinary activities. As part of the realignment of the Consumer Supply Chain, distribution logistics, inventories of finished goods and merchandise, and the sale of goods to our foreign affiliates were transferred to Beiersdorf Customer Supply GmbH effective January 1, 2008. This reduced Beiersdorf AG's sales by €397 million to €1,050 million in the year under review (previous year: €1,447 million). Adjusted for this structural factor, sales rose by €39 million.

SALES BY REGION (in € million)

| | 2007 | 2008 |
|---|---|---|
| Germany | 820 | 851 |
| Rest of Europe | 494 | 132 |
| Americas | 47 | 30 |
| Africa/Asia/Australia | 86 | 37 |
| | 1,447 | 1,050 |

## 02 • Other Operating Income

Other operating income rose from €74 million to €121 million. It consists of income from business disposals of €19 million, gains on fixed asset disposals of €4 million (previous year: €9 million), income from the reversal of provisions of €20 million (previous year: €20 million), foreign exchange gains on trade receivables and payables of €3 million (previous year: €2 million), income from the reversal of special reserves with an equity portion of €5 million, income from services provided to affiliated companies of €58 million (previous year: €31 million), and other income of €12 million (previous year: €11 million).

## 03 • Cost of Materials

(in € million)

| | 2007 | 2008 |
|---|---|---|
| Cost of raw materials, consumables, and supplies, and of purchased goods | 536 | 228 |
| Cost of purchased services | 11 | - |
| | 547 | 228 |

As part of the realignment of the Consumer Supply Chain, Beiersdorf AG's production, distribution logistics, and inventories were transferred to legally independent affiliates. The cost of materials reported in the year under review includes the acquisition cost of the goods sold.

## 04 • Personnel Expenses

(in € million)

| | 2007 | 2008 |
|---|---|---|
| Wages and salaries | 184 | 162 |
| Social security contributions and other benefits | 28 | 23 |
| Pension expenses | 34 | 28 |
| | 246 | 213 |

Personnel expenses declined by €33 million to €213 million as a result of the production operations at the Hamburg site becoming legally independent.

## 05 • Depreciation and Amortization of Property, Plant, and Equipment, and Intangible Assets

In addition to depreciation and amortization, accelerated tax writedowns of €5 million were recognized in the fiscal year on the basis of § 6b *Einkommensteuergesetz* (German Income Tax Act, *EStG*).

## 06 • Other Operating Expenses

Other operating expenses rose from €550 million to €578 million. They consist of marketing expenses of €342 million (previous year: €330 million), maintenance costs totaling €9 million (previous year: €18 million), outgoing freight in the amount of €8 million (previous year: €12 million), foreign exchange losses on trade receivables and payables of €3 million (previous year: €4 million), writedowns on receivables of €2 million (previous year: €1 million), expenses resulting from transfers to the special reserve with an equity portion of €45 million, costs of services charged to affiliated companies of €35 million (previous year: €47 million), other taxes of €2 million (previous year: €2 million), and other expenses totaling €132 million (previous year: €136 million).

## 07 • Special factors relating to the realignment of the Consumer Supply Chain

The activities in connection with the realignment of the Consumer Supply Chain, particularly the sale of the site in Hamburg-Hausbruch, resulted in one-time income of €35 million for Beiersdorf AG in the year under review (previous year: one-time expenses of €23 million).

## 08 • Net Income from Investments

(in € million)

| | 2007 | 2008 |
|---|---|---|
| Income from investments<br>(thereof from affiliated companies) | 131<br>(121) | 144<br>(143) |
| Income from profit transfer agreements<br>(thereof from affiliated companies) | 48<br>(48) | 59<br>(59) |
| Write-downs on investments | 1 | 3 |
| Gains on the disposal of investments | - | 31 |
| Losses on the disposal of investments | –3 | - |
| | **177** | **237** |

The €31 million gain on the disposal of investments resulted from the sale of BODE Chemie GmbH & Co. KG, Hamburg.

## 09 • Net Interest Expense

(in € million)

| | 2007 | 2008 |
|---|---|---|
| Other interest and similar income<br>(thereof from affiliated companies) | 10<br>(2) | 15<br>(4) |
| Interest and similar expenses<br>(thereof to affiliated companies) | –19<br>(–16) | –25<br>(–23) |
| | **–9** | **–10** |

## 10 • Other Financial Result

(in € million)

| | 2007 | 2008 |
|---|---|---|
| Other financial income | 21 | 85 |
| Other financial expenses | –27 | –99 |
| | **–6** | **–14** |

Other financial income consists of foreign exchange gains on financial items of €84 million (previous year: €21 million). Other financial expenses comprise foreign exchange losses on financial items of €99 million (previous year: €27 million).

## 11 • Taxes on Income

Corporation tax, the solidarity surcharge, trade income tax, and paid withholding tax are reported as income tax expenses.

## 12 • Other Taxes

Other taxes are reported under other operating expenses. They amounted to €2 million (previous year: €2 million).

## 13 • Disclosure in Accordance with § 285 (5) *HGB*

Beiersdorf AG's profit after tax declined by €31 million due to accelerated tax writedowns and to income and expense resulting from the change in the special reserves with an equity portion.

# Notes to the Balance Sheet

## 14 • Intangible Assets

(in € million)

| | Patents, licenses, trademarks, and similar rights and assets | Advance payments | Total |
|---|---|---|---|
| **Cost** | | | |
| **Opening balance Jan. 1, 2008** | **372** | **-** | **372** |
| Additions | 1 | - | 1 |
| Disposals | –46 | - | –46 |
| Transfers | - | - | - |
| **Closing balance Dec. 31, 2008** | **327** | **-** | **327** |
| **Amortization** | | | |
| **Opening balance Jan. 1, 2008** | **230** | **-** | **230** |
| Additions | 28 | - | 28 |
| Disposals/transfers | –46 | - | –46 |
| **Closing balance Dec. 31, 2008** | **212** | **-** | **212** |
| **Carrying amount Dec. 31, 2008** | **115** | **-** | **115** |
| Carrying amount Dec. 31, 2007 | 142 | - | 142 |

Purchased intangible assets are carried at cost less straight-line amortization. Intangible assets are generally amortized over a period of five years, and in exceptional cases over three to ten years.

## 15 • Property, Plant, and Equipment

(in € million)

| | Land, land rights, and buildings | Technical equipment and machinery | Office and other equipment | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **Opening balance Jan. 1, 2008** | **240** | **160** | **164** | **4** | **568** |
| Additions | 5 | 1 | 11 | 2 | 19 |
| Disposals | –62 | –154 | –70 | –2 | –288 |
| Transfers | 1 | - | 1 | –2 | - |
| **Closing balance Dec. 31, 2008** | **184** | **7** | **106** | **2** | **299** |
| **Depreciation** | | | | | |
| **Opening balance Jan. 1, 2008** | **187** | **130** | **135** | **-** | **452** |
| Additions | 9 | - | 9 | - | 18 |
| Disposals/transfers | –55 | –124 | –58 | - | –237 |
| **Closing balance Dec. 31, 2008** | **141** | **6** | **86** | **-** | **233** |
| **Carrying amount Dec. 31, 2008** | **43** | **1** | **20** | **2** | **66** |
| Carrying amount Dec. 31, 2007 | 53 | 30 | 29 | 4 | 116 |

Property, plant, and equipment is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. Buildings are depreciated on a straight-line basis over a useful life of 25 to 50 years. Movable assets are generally depreciated using the declining-balance method at first, and subsequently using the straight-line method of depreciation.

New additions in the reporting period are depreciated on a straight-line basis. The useful life of technical equipment and machinery, and office and other equipment, is generally ten years, in exceptional cases three to fifteen years. We write off low-value assets in full in the year of acquisition.

## 16 • Financial Assets

(in € million)

| | Investments in affiliated companies | Other investments | Investment securities | Other loans | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **Opening balance Jan. 1, 2008** | **1,569** | **3** | **1** | **-** | **1,573** |
| Additions | 62 | - | 2 | - | 64 |
| Disposals | –404 | - | - | - | –404 |
| Transfers | - | - | - | - | - |
| **Closing balance Dec. 31, 2008** | **1,227** | **3** | **3** | **-** | **1,233** |
| **Write-downs** | | | | | |
| **Opening balance Jan. 1, 2008** | **35** | **-** | **-** | **-** | **35** |
| Write-downs/reversals of write-downs | –3 | - | - | - | –3 |
| Disposals/transfers | - | - | - | - | - |
| **Closing balance Dec. 31, 2008** | **32** | **-** | **-** | **-** | **32** |
| **Carrying amount Dec. 31, 2008** | **1,195** | **3** | **3** | **-** | **1,201** |
| Carrying amount Dec. 31, 2007 | 1,534 | 3 | 1 | - | 1,538 |

Financial assets are carried at cost. Write-downs to a lower value at the balance sheet date are charged if the impairment is expected to be permanent. Write-downs are reversed up to cost if the reasons for permanent impairment no longer apply. Additions to investments dating from before the *Aktiengesetz* (German Stock Corporation Act, *AktG*) came into force in 1965 are carried as pro mem items.

The additions to investments in affiliated companies relate primarily to Beiersdorf Manufacturing Hamburg GmbH, Beiersdorf Customer Supply GmbH, and Beiersdorf Manufacturing Poznan Sp. z.o.o.

The disposals of investments in affiliated companies are the result of a capital decrease at BDF Finance SCS and the sale of BODE Chemie GmbH & Co. KG.

## 17 • Inventories

As part of the realignment of the Consumer Supply Chain in Europe, raw materials, consumables, and supplies and work in progress were sold to the newly established Beiersdorf Manufacturing Hamburg GmbH, and finished goods and merchandise to the newly established Beiersdorf Customer Supply GmbH, effective January 1, 2008.

## 18 • Receivables and Other Assets

(in € million)

| | Dec 31, 2007 | Dec 31, 2008 |
|---|---|---|
| Trade receivables<br>(thereof due after more than one year) | 88<br>(-) | 88<br>(-) |
| Receivables from affiliated companies<br>(thereof due after more than one year) | 201<br>(-) | 220<br>(-) |
| Receivables from associated companies<br>(thereof due after more than one year) | 3<br>(-) | 1<br>(-) |
| Other assets<br>(thereof due after more than one year) | 39<br>(-) | 27<br>(-) |
| | **331** | **336** |

Receivables and other assets are carried at their nominal value. In addition to appropriate individual valuation adjustments for identifiable individual risks, general valuation adjustments are charged to take account of general credit risk.

Receivables in foreign currencies are carried at the exchange rate at the date on which the transaction is recorded or at the lower closing rate. If foreign currency receivables are hedged, these are carried at the hedge rate.

Receivables from affiliated companies comprise financial receivables of €132 million and trade receivables of €88 million.

## 19 • Securities

The securities item comprises own shares amounting to €955 million (previous year: €955 million) and short-term investments totaling €861 million in European government and corporate bonds, commercial paper, and near-money market retail funds.

8,393,672 own shares were acquired on February 3, 2004 as part of the share buyback program implemented from December 23, 2003 to January 23, 2004 at a price of €113.76 per no-par value bearer share. On the one hand, the share buyback program was designed to help stabilize the ownership interests at Beiersdorf, thus ensuring the continuation of our successful growth model. On the other hand, it enabled the acquisition of an additional currency in the form of own shares that can be used in certain circumstances as non-cash consideration for potential acquisitions. After the 1:3 share split on July 17, 2006, the original 8,393,672 own shares resulted in 25,181,016 new shares.

## 20 • Share Capital

The share capital amounts to €252 million and is composed of 252 million no-par value bearer shares.

Since the settlement of the share buyback program on February 3, 2004, and following the implementation of the share split in 2006, Beiersdorf AG has held 25,181,016 no par-value bearer shares, corresponding to 9.99% of the Company's share capital.

## 21 • Authorized Capital

The Annual General Meeting on May 18, 2005 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 (Authorized Capital I: €45 million; Authorized Capital II: €21 million; Authorized Capital III: €21 million) by issuing new bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) of the *Aktiengesetz* (German Stock Corporation Act, *AktG*).

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 AG, 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 disapplied in accordance with § 186 (3) sentence 4 *AktG* 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.

## 22 • Contingent Capital

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 *AktG*, contingent capital is therefore increased by the same proportion. 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 AG, 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 AG, or companies in which it holds a direct or indirect majority interest, comply with such obligation, and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

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

## 23 • Retained Earnings

(in Mio. €)

| | Dec. 31, 2007 | Dec. 31, 2008 |
|---|---|---|
| Legal reserve | 4 | 4 |
| Reserve for own shares | 955 | 955 |
| Other retained earnings | 488 | 571 |
| | **1,447** | **1,530** |

The Annual General Meeting on April 30, 2008 resolved to transfer €17 million from net retained profits for fiscal year 2007 to other retained earnings. €66 million of the profit after tax for fiscal year 2008 was transferred to other retained earnings.

## 24 • Special Reserve with an Equity Portion

In the year under review, an amount of €45 million was transferred from disposal gains to the special reserve with an equity portion in accordance with § 6b *EStG*. At the end of the year, €5 million of this was allocated to newly acquired land and buildings.

## 25 • Provisions for Pensions and Other Employee Benefits

Pension provisions cover maintenance obligations to former and current employees. They are measured using the projected unit credit method required by IAS 19, taking into account future wage, salary, and pension increases and a current rate of interest. Actuarial gains and losses are recognized as income or expense if the net cumulative unrecognized actuarial gains and losses at the end of the previous year exceed 10% of the defined benefit obligation. These gains and losses are then recognized over the expected average remaining working life of the employees covered (15.8 years; previous year: 15.6 years).

Pension provisions are calculated according to actuarial principles, based on an interest rate of 6.25% (previous year: 5.5%), a wage and salary increase of 3.5% (previous year: 3.0%), and a pension increase of 2.0% (previous year: 1.75%) and using K. Heubeck's 2005 G mortality tables.

The amount recognized as pension provisions as of the reporting date (€519 million; previous year: €511 million) is the present value of the defined benefit obligations (€417 million; previous year: €428 million) plus unrecognized actuarial gains of €102 million (previous year: €83 million).

## 26 • Other Provisions

(in € million)

| | Dec. 31, 2007 | Dec. 31, 2008 |
|---|---|---|
| Provisions for taxes | 24 | 24 |
| Miscellaneous provisions | 252 | 231 |
| | **276** | **255** |

Miscellaneous provisions include all identifiable future payment obligations, risks, and uncertain obligations of the Company. They relate to compensation under collective wage agreements and voluntary compensation for the workforce, expenses for part-time schemes for employees approaching retirement and severance agreements, contributions to occupational health and safety agencies, expenses for sales commissions, outstanding invoices, litigation risks, and other risks.

## 27 • Liabilities

(in € million)

| | Dec. 31, 2007 | Dec. 31, 2008 |
|---|---|---|
| Trade payables | 37 | 26 |
| Liabilities to affiliated companies | 506 | 860 |
| Other liabilities | 13 | 17 |
| (thereof tax liabilities) | (8) | (8) |
| (thereof social security liabilities) | (3) | (3) |
| | **556** | **903** |

Liabilities in foreign currencies are carried at the exchange rate at the date on which the transaction is recorded or at the higher closing rate. If foreign currency liabilities are hedged, these are carried at the hedge rate.

Liabilities to affiliated companies comprise financial liabilities of €809 million and trade payables of €51 million.

Of the other liabilities, €2 million is due in more than one year (of which €1 million is due in more than five years). The liabilities are not collateralized.

# Other Disclosures

## 28 • Contingent Liabilities and Other Financial Obligations

(in € million)

| | Dec. 31, 2007 | Dec. 31, 2008 |
|---|---|---|
| **Contingent liabilities** | | |
| Liabilities under guarantees | 57 | 56 |
| (thereof for liabilities of affiliated companies) | (56) | (55) |
| **Other financial obligations** | | |
| Obligations under rental agreements and leases | 8 | 10 |
| Obligations under purchase commitments for investments | 7 | 2 |
| | **15** | **12** |

Guarantees for Group companies include guarantees of €48 million (previous year: €48 million) for Beiersdorf CEE Holding, Austria, in connection with the acquisition of C-BONS Hair Care shares. Obligations from rental agreements and leases are reported at the total amount due until the earliest termination deadline.

## 29 • Derivative Financial Instruments

Beiersdorf AG's corporate treasury centrally handles the Beiersdorf Group's currency and interest rate management, and thus all transactions involving financial derivatives. Derivative financial instruments are used to hedge the Company's operating business and significant financial transactions that are important to the Company. Beiersdorf AG is not exposed to any additional risks as a result. The transactions are performed exclusively using standard market instruments (currency forwards only), as in the prior year.

Because of the small volume of non-current financial liabilities, interest rate risk is of no more than minor significance for the Beiersdorf Group. As a result, no interest rate hedges are entered into at present.

Beiersdorf AG uses currency forwards to hedge the risk of changes in exchange rates. Currency hedges relate primarily to intragroup deliveries of goods and services. In general, 75% of the planned net cash flows are hedged externally using currency forwards around three to six months before the start of the year; these currency forwards are then largely passed on at matching maturities to Group companies. As a matter of principle, currency risks relating to cross-border intragroup financing are hedged centrally in full and at matching maturities using currency forwards.

All these transactions are centrally recorded, measured, and managed in the treasury management system.

The notional value of the currency forwards at the balance sheet date was €1,266 million (previous year: €871 million). Of this amount, €1,170 million is due within one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not offset.

The fair value of the currency forwards at the balance sheet date was €2 million (previous year: –€2 million). The fair value is calculated by measuring the outstanding items at market rates at the balance sheet date. At Beiersdorf AG, hedge accounting is used for derivatives entered into with banks and the respective underlying transactions passed on to the subsidiaries. As a result, no provisions need to be set up.

The positive fair values of derivatives include the default risk relating to the nonfulfillment of contractual obligations by counterparties. Our external counterparties are banks for which we consider the risk of default to be extremely low.

## 30 • Employees by Function

(Average number during the year)

| | 2007 | 2008 |
|---|---|---|
| Research and development | 417 | 450 |
| Supply Chain | 1,060 | 449 |
| Sales and marketing | 491 | 507 |
| Other functions | 565 | 566 |
| | **2,533** | **1,972** |

The decline in the number of employees in the Supply Chain function is the result of production and distribution logistics becoming legally independent as part of the realignment of the Consumer Supply Chain.

## 31 • Disclosures on the Supervisory and Executive Boards

For fiscal year 2008, the members of the Supervisory Board received remuneration totaling €1,728 thousand (previous year: €1,390 thousand) and the Executive Board remuneration totaling €4,743 thousand (previous year: €6,179 thousand). For information on the system of Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the Remuneration Report in the Management Report (pages 14–18).

Payments to former members of the Executive Board and their dependants totaled €2,018 thousand (previous year: €1,952 thousand). Provisions for pension commitments to former members of the Executive Board and their dependants totaled €23,755 thousand (previous year: €24,576 thousand).

Members of the Executive and Supervisory Boards did not receive any loans from the Company.

## 32 • Audit

The Annual General Meeting on April 30, 2008 elected Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft as auditors for fiscal year 2008. The following table gives an overview of the fees paid to the auditors, Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, and recognized as expenses in the fiscal year:

**FEES PAID TO THE AUDITORS** (in € thousand)

| | 2007 | 2008 |
|---|---|---|
| Audit services | 300 | 327 |
| Other assurance services | 9 | 105 |
| Tax advisory services | 81 | 102 |
| | **390** | **534** |

## 33 • Shareholdings of Beiersdorf AG

A complete list of Beiersdorf AG's shareholdings is issued separately.

## 34 • Shareholdings in Beiersdorf AG

In accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), Beiersdorf AG received the following notifications by shareholders of the Company by the preparation date of the balance sheet (February 4, 2009):

Allianz SE, Munich, Germany, informed us in accordance with § 21 (1) *WpHG* that Allianz Aktiengesellschaft, Munich, Germany, had revealed on February 3, 2004, that its share of voting rights in our Company had fallen below the threshold of 10% and that it amounted to 7.85% as of this date (this corresponds to 6,593,491 voting rights out of the total of 84,000,000 voting rights at that time). The transformation of Allianz Aktiengesellschaft into Allianz SE was entered in the commercial register on October 13, 2006. Consequently, Allianz SE's share of voting rights in our Company continued to amount to more than 5% on October 13, 2006 and totaled 7.20% (corresponding to 18,133,974 voting rights) as of this date. 1.09% (corresponding to 2,736,357 voting rights) of these were attributable to Allianz SE in accordance with § 22 (1) sentence 1 no. 1 *WpHG*.

Allianz SE, Munich, Germany, also informed us in accordance with § 21 (1) *WpHG* in conjunction with § 24 *WpHG* that, due to an intra-Group transfer, the share of voting rights held by AZ-Arges Vermögensverwaltungsgesellschaft mbH, Munich, Germany, in our Company exceeded the thresholds of 3% and 5% on June 13, 2008, and that it amounted to 5.65% (14,246,917 voting rights) as of this date. There have been no changes to Allianz SE's share of the voting rights in our Company that are subject to mandatory reporting.

Capital Research and Management Company, Los Angeles, USA, informed us in accordance with § 21 (1) *WpHG* that its share of voting rights in our Company exceeded the threshold of 3% on November 3, 2008. As of this date, Capital Research and Management Company held 3.11% of the voting rights in Beiersdorf AG (voting rights from 7,849,457 ordinary shares). These 3.11% of the voting rights (voting rights from 7,849,457 ordinary shares) were attributed to Capital Research and Management Company in accordance with § 22 (1) sentence 1 no. 6 *WpHG*.

maxingvest ag, Hamburg, Germany, informed us in accordance with § 21 (1) *WpHG* that Tchibo Holding AG's Annual General Meeting held on July 5, 2007 resolved to change the company's name to "maxingvest ag" and that the new name was entered in the commercial register on September 12, 2007. Consequently, maxingvest ag's share of the voting rights in our Company continued to amount to more than 50% on September 12, 2007 and totals 50.46% (corresponding to 127,154,415 voting rights). As before, 50.46% (corresponding to 127,154,415 voting rights) is attributable to maxingvest ag via Tchibo Beteiligungsgesellschaft mbH in accordance with § 22 (1) sentence 1 no. 1 *WpHG*.

In addition, the following persons and companies listed below informed us in accordance with § 21 (1) *WpHG* that their share of voting rights had each exceeded the threshold of 50% on March 30, 2004, and that they were each entitled to 50.46% of voting rights, which are fully attributable to each of them in accordance with § 22 (1) sentence 1 no. 1, sentence 3, (3) *WpHG*:

- 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

Agneta Peleback-Herz, Germany, E.H. Real Grundstücksgesellschaft mbH & Co. KG, Norderstedt, Germany, and E.H. Real Grundstücksgesellschaft mbH, Norderstedt, Germany, all informed us on March 11, 2008 in accordance with § 21 (1) sentence 1 *WpHG* that their share of the voting rights in our Company fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5%, and 3% as of January 15, 2007, and amounts to 0% (corresponding to 0 votes).

In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 *WpHG* (former version), Beiersdorf AG also announced that it had exceeded the threshold of 5% of the voting rights in its own company on February 3, 2004 and that a share of 9.99% has been attributable to it since then. The treasury shares held by the Company do not carry voting or dividend rights in accordance with § 71b *Aktiengesetz* (German Stock Corporation Act, *AktG*).

## 35 • Declaration of Compliance with the German Corporate Governance Code

The Executive and Supervisory Boards of Beiersdorf AG submitted their declaration of compliance with the recommendations of the Government Commission on the German Corporate Governance Code in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) at the end of December 2008 and made this declaration permanently accessible to shareholders on the Company's website at **www.Beiersdorf.com**.

## 36 • Proposal on the Utilization of Beiersdorf AG's Net Retained Profits

(in €)

| | 2008 |
|---|---|
| Profit after tax of Beiersdorf AG | 293,247,546.04 |
| Transfer to other retained earnings | –66,447,546.04 |
| **Net retained profits** | **226,800,000.00** |

At the Annual General Meeting, the Executive Board and Supervisory Board will propose that the net retained profits for fiscal year 2008 of €226,800,000.00 million be utilized as follows:

(in €)

| | 2008 |
|---|---|
| Distribution of a dividend of €0.90 (€0.70 plus €0.20) per no-par value share carrying dividend rights (226,818,984 no-par value shares) | 204,137,085.60 |
| Transfer to other retained earnings | 22,662,914.40 |
| **Net retained profits** | **226,800,000.00** |

The amounts specified for the total dividend and for the transfer to other retained earnings reflect the shares carrying dividend rights at the time of the Executive Board's proposal on the utilization of the net retained profits. The treasury shares held by the Company do not carry dividend rights in accordance with § 71b *Aktiengesetz* (German Stock Corporation Act, *AktG*).

If the number of treasury shares held by the Company at the time of the resolution by the Annual General Meeting on the utilization of the net retained profits is higher or lower than at the time of the Executive Board's proposal on the utilization of the net retained profits, the total amount to be distributed to the shareholders shall be reduced or increased by the portion of the dividend attributable to the difference in the number of shares. The amount to be appropriated to the other retained earnings shall be adjusted inversely by the same amount. In contrast, the dividend to be distributed per no-par value share carrying dividend rights remains unchanged. If necessary, an appropriately modified draft resolution will be presented to the Annual General Meeting.

Hamburg, February 4, 2009

The Executive Board

# Beiersdorf AG Boards

## Honorary Chairman of the Company
**Georg W. Claussen**

## Supervisory Board

**Prof. Dr. Reinhard Pöllath**, Munich

Chairman (since April 30, 2008, previously Deputy Chairman)

Lawyer P+P Pöllath + Partners

Chairman of the Supervisory Board
- maxingvest ag
- SinnerSchrader AG
- Escada AG (since July 9, 2008)

Member of the Supervisory Board
- Primera AG (since July 31, 2008)
- Tchibo GmbH
- Top Holding AG (until June 30, 2008)
- Wanzl GmbH & Co. Holding KG

Member of the Board of Directors
- Tisbury Capital Limited, London

**Thorsten Irtz**, Stapelfeld

Deputy Chairman

Chairman of the Works Council of Beiersdorf AG

Member of the Supervisory Board
- maxingvest ag

**Dr. Arno Mahlert**, Hamburg

Deputy Chairman (since April 30, 2008)

Chairman of the Executive Board of maxingvest ag

Chairman of the Supervisory Board
- GfK AG (since September 27, 2008, previously Deputy Chairman)
- Tchibo GmbH

Deputy Chairman of the Supervisory Board
- Saarbrücker Zeitung GmbH

Chairman of the Board
- Springer Science + Business Media S.A., Luxembourg

**Dieter Ammer**, Hamburg

(Chairman until April 30, 2008)

Chairman of the Executive Board of Conergy AG

Member of the Supervisory Board
- GEA Group AG
- Heraeus Holding GmbH
- IKB Deutsche Industriebank AG (until November 30, 2008)

**Dr. Walter Diembeck**, Hamburg

Head of Biocompatibility, Research & Development of Beiersdorf AG

Member of the Supervisory Board
- maxingvest ag (since April 4, 2008)

**Frank Ganschow**, Kiebitzreihe

Chairman of the Works Council of tesa AG

Member of the Supervisory Board
- tesa AG (in the future: tesa SE; intragroup)

**Michael Herz**, Hamburg

Merchant

Member of the Supervisory Board
- maxingvest ag
- Tchibo GmbH
- tesa AG (in the future: tesa SE; intragroup)

**Dr. Rolf Kunisch**, Überlingen

Former Chairman of the Executive Board of Beiersdorf AG

Member of the Supervisory Board
- maxingvest ag (since June 19, 2008)

Member of the Advisory Board
- Dr. August Oetker Nahrungsmittel KG

**Tomas Nieber,** Bad Münder

Head of the Division Economic Policy – Industry Groups of Industriegewerkschaft Bergbau, Chemie, Energie

Member of the Supervisory Board
- BP Refining & Petrochemicals GmbH (until June 26, 2008)
- Evonik Degussa GmbH (since August 4, 2008)
- maxingvest ag

Member of the Advisory Board
- Qualifizierungsförderwerk Chemie GmbH

**Stefan Pfander**, Berg

Management Consultant

Deputy Chairman of the Supervisory Board
- GfK AG (since September 26, 2008, previously Member)

Member of the Supervisory Board
- maxingvest ag (until April 30, 2008)
- Tchibo GmbH

Member of the Board of Directors
- Barry Callebaut AG, Zürich
- GfK e.V. (until January 27, 2009)

**Ulrich Plechinger**, Hamburg

Head of Corporate Pension and Insurance Management of Beiersdorf AG

**Prof. Manuela Rousseau**, Rellingen

Head of Corporate Social Responsibility of Beiersdorf AG
- Professor at the Academy of Music and Theater, Hamburg

## Supervisory Board Committees

### Members of the Executive Committee

Prof. Dr. Reinhard Pöllath (Chairman since April 30, 2008)
Michael Herz
Thorsten Irtz
Dr. Arno Mahlert (since April 30, 2008)
Dieter Ammer (until April 30, 2008, previously Chairman)

### Members of the Audit and Finance Committee

Dr. Arno Mahlert (Chairman)
Dieter Ammer
Dr. Walter Diembeck
Prof. Dr. Reinhard Pöllath

### Members of the Nomination Committee

Prof. Dr. Reinhard Pöllath (since April 30, 2008, Chairman)
Dr. Rolf Kunisch
Dr. Arno Mahlert
Stefan Pfander
Dieter Ammer (until April 30, 2008, previously Chairman)

### Members of the Mediation Committee

Prof. Dr. Reinhard Pöllath (Chairman since April 30, 2008)
Thorsten Irtz
Dr. Arno Mahlert (since April 30, 2008)
Ulrich Plechinger
Dieter Ammer (until April 30, 2008, previously Chairman)

## Executive Board*

**Thomas-B. Quaas**
Chairman

Chairman of the Supervisory Board
- tesa AG (in the future: tesa SE; intragroup)

Member of the Supervisory Board
- Euler Hermes Kreditversicherungs-AG

**Dr. Bernhard Düttmann**
Finance – Finance/Controlling/Legal/IT

Deputy Chairman of the Supervisory Board
- tesa AG (in the future: tesa SE; intragroup)

**Peter Kleinschmidt**
Human Resources – Human Resources/Sustainability – Labor Director

**Pieter Nota**
Brands – Marketing/Research & Development/Sales

Member of the Board of Directors
- GfK e.V.

**Markus Pinger**
Supply Chain – Procurement/Production/Logistics/Quality Management

*In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf AG also hold offices in comparable supervisory bodies at Group companies and investees.

# Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement, and the notes to the annual financial statements, together with the bookkeeping system and the management report of Beiersdorf Aktiengesellschaft, Hamburg, for the fiscal year from January 1 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 *Handelsgesetzbuch* (German Commercial Code, *HGB*) and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements, and the management report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the statutory requirements and give a true and fair view of the net assets, financial position, and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hamburg, February 5, 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

| | |
|---|---|
| **LUDWIG**<br>GERMAN PUBLIC AUDITOR | **OPASCHOWSKI**<br>GERMAN PUBLIC AUDITOR |

# Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Hamburg, February 4, 2009

The Executive Board

# Financial Calendar

DATES

| | |
|---|---|
| April 30, 2009 | Annual General Meeting |
| May 4, 2009 | Dividend Payment |
| May 5, 2009 | Interim Report January to March 2009 |
| August 4, 2009 | Interim Report January to June 2009 |
| November 3, 2009 | Interim Report January to September 2009, Financial Analyst Meeting |
| January 2010 | Publication of Preliminary Group Results |
| February/March 2010 | Publication of Annual Report 2009, Annual Accounts Press Conference, Financial Analyst Meeting |
| April 29, 2010 | Annual General Meeting |
| May 2010 | Interim Report January to March 2010 |
| August 2010 | Interim Report January to June 2010 |
| November 2010 | Interim Report January to September 2010, Financial Analyst Meeting |

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NOTE

The online version of the Annual Financial Statements as well as the Annual Report of Beiersdorf AG are available on the Internet at **www.Beiersdorf.com/Annual_Report.**

BDF ●●●●

Beiersdorf

Passion for Skin & Beauty Care

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