FINANCIAL REPORT

2012

BDF ●●●●
Beiersdorf

Beiersdorf 2012

KEY FIGURES – OVERVIEW

		2011	**2012**
Group sales	(in € million)	**5,633**	**6,040**
Change (organic)	(in %)	2.1	4.7
Consumer sales	(in € million)	**4,696**	**5,048**
Change (organic)	(in %)	1.1	4.9
tesa sales	(in € million)	**937**	**992**
Change (organic)	(in %)	7.9	3.6
Operating result (EBIT, excluding special factors)	(in € million)	**646**	**735**
Operating result (EBIT)	(in € million)	431	698
Profit after tax	(in € million)	259	451
Return on sales after tax	(in %)	4.6	7.5
Earnings per share	(in €)	1.10	1.95
Total dividend	(in € million)	159	159
Dividend per share	(in €)	0.70	0.70
Gross cash flow	(in € million)	**428**	**545**
Capital expenditure	(in € million)	**86**	**151**
Research and development expenses	(in € million)	**163**	**159**
Employees	(as of Dec. 31)	**17,666**	**16,605**

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1.
TO OUR SHAREHOLDERS

Letter from the Chairman

Ladies and Gentlemen,

Our vision is to be the number one in skin care in our markets and categories. Our strategic compass is our Blue Agenda. Introduced in 2012, it defines the course we are adopting to face the challenges of tomorrow and with which we intend to reach our goals. This strategic program is focused on strengthening our brands – first and foremost NIVEA – increasing our innovative power, expanding our presence in the emerging markets, and on our dedicated employees.

We have already successfully implemented the first projects. For example, we have refocused NIVEA, our strongest brand, on its core values, gaining clarity and leveraging new potential for it. A systematic, clear approach is our path to increasing our market share. We also want to continue growing Eucerin and La Prairie in their respective segments.

tesa makes the most of its competitive advantages on the international markets for self-adhesive products and solutions with its technologically superior, market-driven products. We have high hopes for our new Health Markets business area comprising pharmaceutical plasters and films.

The numbers show that Beiersdorf made progress on its Blue Agenda journey in 2012: organic Group sales rose by 4.7%. In nominal terms, sales rose by 7.2% to €6,040 million and the operating result (EBIT, excluding special factors) rose by 13.8% to €735 million. The return on sales after tax was 7.5%.

Beiersdorf is picking up speed again. However – and I would like to make this very clear – we are only at the beginning of our journey. Our Blue Agenda has a time horizon of three to five years. We want to get even better, step by step, and to continue the company's progress sustainably and for the long term.

On behalf of the entire Executive Board, I would like to extend my thanks to all our employees for their dedication. And I would like to invite our business partners, shareholders, and friends of the company to accompany Beiersdorf on its Blue Agenda journey.

Sincerely,

STEFAN F. HEIDENREICH
Chairman of the Executive Board

Beiersdorf's Shares and Investor Relations

Beiersdorf's shares performed very positively in 2012, climbing consistently after a slight decline at the start of the year. While the euro and sovereign debt crisis had an increasingly negative impact on the capital markets, our shares remained stable. The strategic realignment of our corporate structures and processes showed the first fruits of success at an operational level in the second half of the year, giving our shares an additional boost in a positive market environment. On December 12, 2012, Beiersdorf's shares recorded their highest closing price to date: €62.50.

In the first quarter of the year, Beiersdorf's share price largely increased, although the gains seen were below those for the DAX as a whole in this period. The German benchmark index benefited in particular from a strong recovery by automotive and financial stocks. The main focus of communication with capital market participants in this period was on the details of Beiersdorf's restructuring measures, following the completion of the category and product pruning performed as part of the company's focus on skin care in the previous year.

The German equity markets were unable to match the positive performance seen in the first three months of the year in the second quarter. Sentiment on the international financial markets deteriorated due to concern about the stability of the euro. The DAX shed almost 10% of its value in the period from April to June. By contrast, Beiersdorf's shares consolidated their position. According to market observers, this was due to expectations of a decisive implementation of the Blue Agenda. The consistent focus on Beiersdorf's core competencies and greater closeness to our markets are key components of this initiative. These strategic goals and their implementation were the main focus of discussions with investors at several international conferences and at the company's Hamburg headquarters.

Measures by the European Central Bank and EU heads of state and finance ministers to support the market led to a clear rally on the European stock markets in the third quarter of the year. Beiersdorf's shares also continued to see significant gains. According to capital market participants, this positive performance was largely attributable to the communication by the Executive Board on the occasion of the announcement of the results for the first six months of 2012 on August 2. In the following months, the company's strategic direction was explained intensively in numerous meetings with international investors.

In the final three months of 2012, Beiersdorf's shares continued the positive trend seen in the previous quarter. The capital market focus on the occasion of the publication of the results for the first nine months was primarily on the increase in the outlook for full-year 2012 and the progress made in implementing the new strategy. In December, Beiersdorf's Executive Board again lifted its full-year sales forecasts for the Consumer Business Segment due to the systematic, rapid implementation of key strategic milestones and the resulting extremely healthy sales trend. In turn, this led to considerable price gains towards the end of the period under review. In a full-year comparison, our shares again significantly outperformed the DAX index and the majority of other stocks in the Household and Personal Care (HPC) sector, ending the year up more than 40% at €61.88.

For more information on Beiersdorf's shares please visit
WWW.BEIERSDORF.COM/SHARES

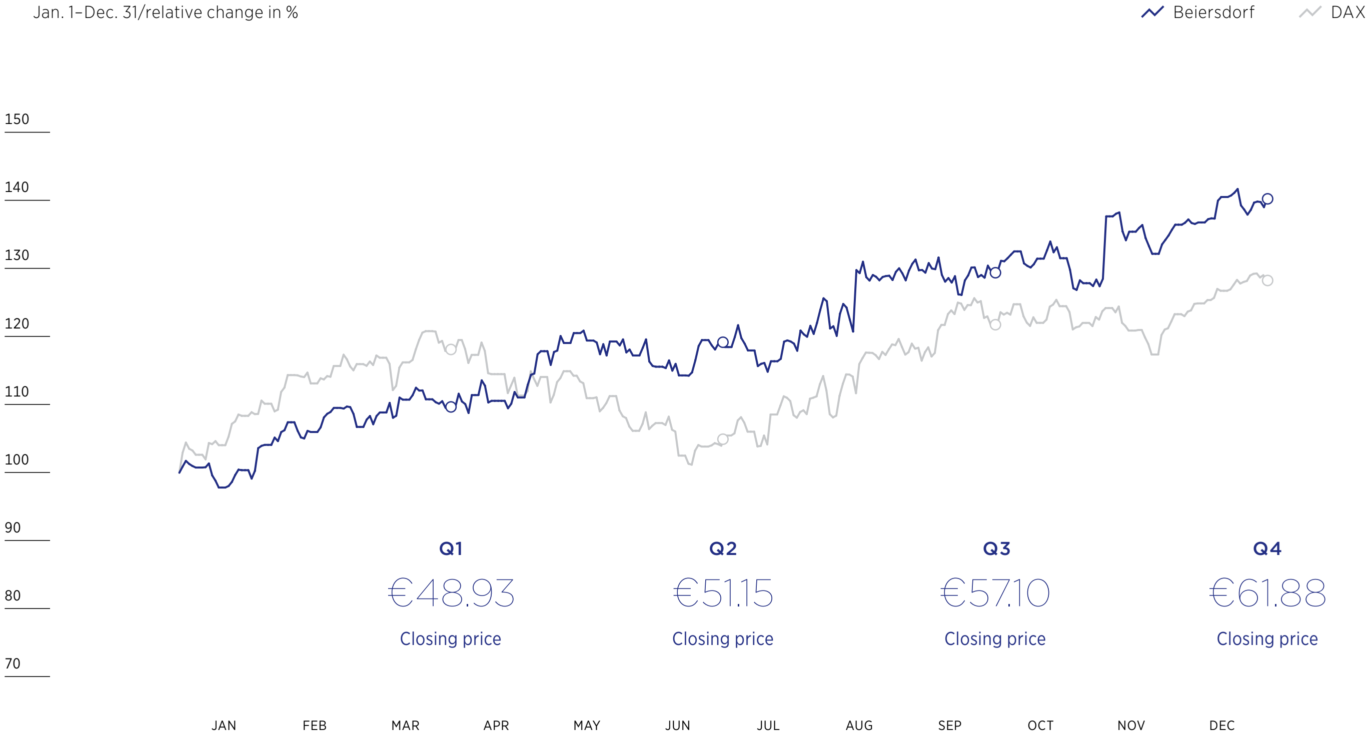
For more information on Investor Relations please visit
WWW.BEIERSDORF.COM/IR

KEY FIGURES – SHARES

		2011	**2012**
Earnings per share	€	1.10	1.95
Market capitalization as of Dec. 31	€ million	11,043	15,594
Closing price as of Dec. 31	€	43.82	61.88
High for the year	€	46.05	62.50
Low for the year	€	39.35	42.85

1.01 BEIERSDORF'S SHARE PRICE PERFORMANCE 2012

Jan. 1–Dec. 31/relative change in %

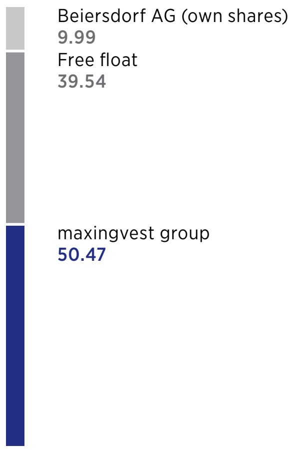


1.02 BASIC SHARE DATA

Company name	Beiersdorf Aktiengesellschaft
WKN	520000
ISIN	DE 0005200000
Stock trading venues	**Official Market:** Frankfurt/Main and Hamburg **Open Market:** Berlin, Düsseldorf, Hanover, Munich, and Stuttgart
Number of shares	252,000,000
Share capital in €	252,000,000
Class	No-par-value bearer shares
Market segment/Index	Prime Standard/DAX
Stock exchange symbol	BEI
Reuters	BEIG.DE
Bloomberg	BEI GR

1.03 SHAREHOLDER STRUCTURE (IN %)

As of Dec. 31, 2012



Report by the Supervisory Board

The Supervisory Board advised and supervised the Executive Board, who provided comprehensive written and oral reports on the company's accounting and management, and in particular on the planning and development of the business, on risk management, as well as on the company's position and the business outlook. The full Supervisory Board and its committees discussed material business transactions in detail. In the periods between meetings, the Executive Board reported to the Chairman of the Supervisory Board in particular.

The Supervisory Board's Work

Six regular and two extraordinary **Supervisory Board meetings** were held. Items regularly covered were current business developments, including the interim financial statements and significant individual transactions. We granted the necessary approvals after careful examination. No Supervisory Board members were present at less than half of the meetings held. Members of the Supervisory Board attended two company training events on internal auditing and risk management. There were no indications of potential conflicts of interest relating to Executive Board and Supervisory Board members.

On **February 6, 2012,** we determined the extent to which the Executive Board met its targets in 2011 and confirmed the annual bonus targets for 2012. In addition, we also addressed the preliminary results and annual financial statements, and tesa SE's location investment project.

On **February 23, 2012,** we adopted the 2011 annual financial statements and consolidated financial statements, resolved the Report by the Supervisory Board and the Corporate Governance Report, including the Remuneration Report, and endorsed the agenda and the motions proposed for the 2012 Annual General Meeting. We approved the construction of a new production facility in Mexico and the extension of a logistics services agreement.

We held two meetings on **April 26, 2012,** and prepared the Annual General Meeting that followed the first of them. After the Annual General Meeting, we discussed the implementation status of the Executive Board's projects. We elected Dr. Dr. Christine Martel, who had been elected to the Supervisory Board at the Annual General Meeting, to the Nomination Committee. In addition, we elected Dr. Andreas Albrod, who was to join the Supervisory Board as a replacement employee representative, to the Audit and Finance Committee as of August 1, 2012.

In the extraordinary meeting on **June 11, 2012,** we accepted Mr. Ümit Subaşı's resignation from his Executive Board contract as of July 31, 2012. At the same time, we renewed Mr. Ralph Gusko's appointment. We also addressed the remuneration of the Executive Board and the company's master real estate planning.

On **September 7, 2012,** we looked at the company's strategy, the implementation status of projects, an analysis of shareholder value, and the remuneration of the Executive Board. We approved the investment in the new tesa location and the acquisition of the shares in the Turkish affiliate previously held by a third party.

In the extraordinary meeting on **October 25, 2012,** we renewed Dr. Ulrich Schmidt's appointment as a member of the Executive Board and amended the Executive Board's schedule of responsibilities.

On **December 12, 2012,** we approved the company's annual planning for 2013 and the Executive Board members' annual bonus targets for 2013. We addressed the Executive Board's strategy, adapted the Supervisory Board's objectives for its composition to comply with the revised version of the German Corporate Governance Code, and resolved the declaration of compliance with the recommendations of the Code.

At the beginning of February **2013**, we resolved the extent to which the Executive Board had achieved its targets in, and its total remuneration for, 2012.

Committee Work

Five **committees** prepared the work to be done by the Supervisory Board and passed resolutions in its stead in individual cases. The chairs of the committees reported to the Supervisory Board on the work performed in the committees in detail. The **Presiding Committee** held five meetings in which it addressed business developments and the company's strategic focus, the remuneration of the Executive Board and Supervisory Board, and the composition of the Executive Board.

The **Audit Committee** met seven times. In particular, it performed the preliminary examination of the annual and quarterly financial statements and management reports, verified the independence of, and appointed, the auditors, and addressed the areas of emphasis for the 2012 audit. The Committee regularly discussed business developments and potential risks as well as special issues. The **Finance Committee** met four times. It addressed topics relating to internal audits, risk and compliance management, various tax issues, transfer prices, and the investment strategy.

The **Nomination Committee** met once and addressed the election of members of the Supervisory Board by the 2012 Annual General Meeting. The **Mediation Committee** did not meet.

Annual Financial Statements and Audit

The **auditors** audited the **annual financial statements** and the **consolidated financial statements for 2012**, as well as the management reports for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. The auditors issued an unqualified audit opinion on the Executive Board's report on dealings among Group companies required by § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*) due to the majority interest held by maxingvest ag, Hamburg: "Following the completion of our audit, which was carried out in accordance with professional standards, we confirm: 1. that the information contained in this report is correct; 2. that the compensation paid by the company with respect to the transactions listed in the report was not inappropriately high; and 3. that there are no circumstances which would justify, in relation to the measures specified in the report, a materially different opinion than that held by the Executive Board."

The Supervisory Board members received the 2012 annual financial statements and the management reports of the AG and the Group, the report on dealings among Group companies, and the auditors' reports immediately after their **preparation**. The auditors reported on the key findings of their audit to the Audit Committee and to the full Supervisory Board. Our examination of the annual financial statements and consolidated financial statements, the management reports for Beiersdorf AG and the Group, the report on dealings among Group companies including the concluding declaration by the Executive Board, and the auditors' reports did not raise any objections. We concurred with the auditors' findings and approved the annual financial statements of Beiersdorf AG and the consolidated financial statements for the year ending December 31, 2012. The annual financial statements of Beiersdorf AG are thus **adopted**. We endorsed the Executive Board's proposal on the appropriation of net profit.

Changes and Thanks

The Annual General Meeting elected Dr. Dr. Christine Martel and Mr. Thomas-B. Quaas to the company's Supervisory Board. This meant that Mr. Michel Perraudin, who had been appointed by the court, and alternate member Ms. Beatrice Dreyfus, who had been appointed as a replacement, left the Supervisory Board. Mr. Quaas resigned as Chairman of the Executive Board as of the end of the Annual General Meeting; we would like to thank him for his decades of successful work for Beiersdorf. We would like to thank Mr. Subaşı for his contribution to the Emerging Markets function. Our thanks also go to Ms. Dreyfus and Mr. Perraudin for their constructive work on the Supervisory Board. We wish all former governing body members all the best for the future.

We would like to thank the company's employees, the employee representatives, and the Executive Board for their successful work. Thanks to this, the company is well positioned to master the challenges facing it in 2013. Finally, we would like to thank our shareholders, our business partners, and in particular our consumers for their continued trust in us.

Hamburg, February 21, 2013
For the Supervisory Board

REINHARD PÖLLATH
Chairman

2.
CORPORATE GOVERNANCE

Corporate Governance

Corporate Governance Report 2012

Corporate governance – good corporate management and supervision – has always been a high priority at Beiersdorf. Close, efficient cooperation between the Executive and Supervisory Boards, a focus on shareholder interests, open corporate communication, proper accounting and auditing, compliance with statutory provisions and corporate guidelines, and responsible risk management are the basis of the company's success in this area.

Beiersdorf welcomes the German Corporate Governance Code (the Code). This ensures transparency with respect to the legal framework for corporate management and supervision at German listed companies and contains accepted standards for good, responsible corporate management.

The Code and its amendments did not necessitate any fundamental changes at Beiersdorf. However, we consider corporate governance to be an ongoing process and will continue to track developments carefully.

Declaration of Compliance

In April 2012, the Executive Board and Supervisory Board updated the Declaration of Compliance issued for fiscal year 2011 and at the end of December 2012 they issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2012 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfilled all the recommendations made in the Code with one exception in the period up to the end of the Annual General Meeting on April 26, 2012, as well as a large number of the suggestions. Since the end of the 2012 Annual General Meeting, Beiersdorf AG has fulfilled all the recommendations made in the Code and a large number of the suggestions.

The 2012 Declaration of Compliance was also made permanently accessible to the public on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

Declaration by the Executive Board and the Supervisory Board of Beiersdorf Aktiengesellschaft on the Recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with § 161 *AktG*

In fiscal year 2012, Beiersdorf Aktiengesellschaft complied until the end of the Annual General Meeting on April 26, 2012, with all recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated May 26, 2010, with the exception that was mentioned and explained in the updated Declaration of Compliance for fiscal year 2011 dated April 2012 (deviation from section 4.2.3 (4) on the severance payment cap in the employment contract for an Executive Board member).

Since the end of the Annual General Meeting on April 26, 2012, Beiersdorf Aktiengesellschaft has complied and continues to comply with all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated May 26, 2010, and May 15, 2012, respectively.

Hamburg, December 2012

For the Supervisory Board

PROF. DR. REINHARD PÖLLATH
Chairman of the Supervisory Board

For the Executive Board

STEFAN F. HEIDENREICH
Chairman of the Executive Board

DR. ULRICH SCHMIDT
Member of the Executive Board

General Information on Beiersdorf's Management Structure

As an international stock corporation domiciled in Hamburg, Germany, Beiersdorf AG is governed by the provisions of German stock corporation, capital market, and codetermination law, among other things, as well as by its Articles of Association. The company has a dual management and supervisory structure consisting of two bodies, the Executive Board and the Supervisory Board, as is customary in Germany. The Annual General Meeting acts as the decision-making body for shareholders and is responsible for taking fundamental decisions by the company. These three bodies are all dedicated in equal measure to the interests of the shareholders and the good of the company.

1. THE SUPERVISORY BOARD

a) General

Beiersdorf AG's Supervisory Board consists of twelve members. Six of these members are elected by the Annual General Meeting in accordance with the provisions of the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and six by the employees in accordance with the provisions of the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. The term of office of the Supervisory Board members ends at the end of the 2014 Annual General Meeting. The term of office of one court-appointed member and one alternate member ended at the end of the 2012 Ordinary Annual General Meeting.

The Supervisory Board appoints the Executive Board, advises it on the management of the company, and supervises its conduct of the company's business as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board works closely with the Executive Board for the good of the company and with the common goal of achieving sustainable value added, and is involved in decisions of fundamental importance. Certain decisions require its approval in accordance with the law and the bylaws of the Supervisory Board.

The Supervisory Board makes decisions at regular meetings – and in individual cases outside meetings – on the basis of detailed documents. It is informed by the Executive Board in a regular, timely, and comprehensive manner about all relevant matters. The Executive Board's reporting obligations to the Supervisory Board are set out in detail in the bylaws for the Executive Board. In addition, the Chairman of the Executive Board informs the Chairman of the Supervisory Board regularly and in a timely manner about important transactions and liaises with him on important decisions.

The Supervisory Board evaluates its work on a regular basis. The results are discussed by the full Board and any measures for improvement resolved. The most recent Supervisory Board efficiency review was performed in fall 2010 with the aid of external consultants.

The members of the Supervisory Board are responsible for attending the necessary training and further education measures required for their tasks. The company provides them with appropriate support in this area, such as by organizing internal training events on topics that are of relevance to Supervisory Board work.

The company has also taken out a D&O insurance policy for the members of the Supervisory Board. This includes a deductible corresponding to the statutory requirements for Executive Board member deductibles. The deductible amounts to 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the respective Supervisory Board member.

b) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete objectives for its composition in fiscal year 2012, taking into account the company's specific situation. These reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, the specification of an age limit for Supervisory Board members, diversity, and above all an appropriate degree of female representation. These concrete objectives are to be complied with and implemented initially in the period up to the end of fiscal year 2014. They will also be taken into account by the Nomination Committee when proposing candidates for the Supervisory Board. In addition, the composition of the Supervisory Board must always ensure that its members as a group possess the knowledge, ability, and specialist experience required to perform its tasks properly.

International Focus

All members of the Supervisory Board must be open to the company's international orientation. At least two members should embody this in concrete terms and should therefore have particular international experience gained due to their activities abroad or their background, for example. At least one member with such international experience should be a shareholder representative. Efforts will be made to further increase the Supervisory Board's international orientation.

Appropriate Degree of Female Representation

Diversity of composition requires an appropriate degree of female participation in the Supervisory Board. The Supervisory Board therefore aims to further increase the number and position of women on the Supervisory Board and at the least to maintain the number of women (four) represented on it at the time the new resolution on the concrete objectives for the composition of the Supervisory Board was adopted in fiscal year 2012. At least two women should be shareholder representatives. The aim is to regularly increase the number of women on the Supervisory Board in the company's interests when changes are made to the Supervisory Board.

Age Limit

The Supervisory Board has stipulated in its bylaws that Supervisory Board members should not be more than 72 years old.

Independent Focus

The Supervisory Board should include what it considers to be an appropriate number of independent members. A Supervisory Board member is not considered to be independent in particular if he/she has personal or business relations with the company, its governing bodies, a controlling shareholder, or an enterprise associated with the latter which may cause a substantial and not merely temporary conflict of interests. The Supervisory Board considers it to be adequate if at least eight of its members are independent. In this context, it assumes that the employee representatives are to be considered independent within the meaning of the Code. With respect to the shareholder representatives viewed in isolation and considering in particular the fact that Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 17 (1) *AktG*, the Supervisory Board considers it to be adequate if two of its members are independent.

Potential Conflicts of Interest

In view of Beiersdorf AG's position as a dependent company, the Supervisory Board's objective with respect to independence also takes potential conflicts of interest on the part of its members into account. In a dependent company, the Supervisory Board considers it to be good corporate governance if the Supervisory Board also includes a significant number of representatives of the majority shareholder.

Notwithstanding this, all members of the Supervisory Board shall inform the Supervisory Board, by way of a communication addressed to the Chairman of the Supervisory Board, of any conflicts of interest, and in particular those which could result from a consulting function or directorship with clients, suppliers, lenders, or other third parties or competitors of the company. Members of the Supervisory Board shall resign their office if faced with material and not merely temporary conflicts of interest.

Diversity Officers

Two Supervisory Board members (Prof. Dr. Eberhartinger and Professor Rousseau) were appointed as diversity officers in order to advance and further promote these objectives. Their role is to support the Supervisory Board at every intended election of a shareholder representative to the Supervisory Board, or of a committee member, and to issue a statement together with the Chairman of the Supervisory Board regarding the proposals made by the Nomination Committee responsible for this, after consultation with the remaining members of the Supervisory Board.

In addition to a balanced mix of professional skills within the Supervisory Board as a whole, diversity is an important criterion for the selection of Supervisory Board and committee members. Diversity is in the company's interest. This criterion was also taken into account by the Supervisory Board and the Nomination Committee responsible for the preparatory work when proposing suitable shareholder representative candidates to the 2009 and 2012 Annual General Meetings. Following the Supervisory Board elections in April 2009, women made up 25% of the Supervisory Board and accounted for three members: Prof. Dr. Eberhartinger (representing the shareholders), and Ms. Gabriel and Professor Rousseau (representing the employees). From April 2011 to April 2012, Ms. Dreyfus, who had been appointed as an alternate member of the Supervisory Board representing the shareholders by the Annual General Meeting, replaced Dr. Kunisch on the Supervisory Board. At the Annual General Meeting in April 2012, Dr. Dr. Martel, who is a French citizen, was elected as a new shareholder representative on the Supervisory Board. As a result of this, the proportion of women on the Supervisory Board was increased to over 33%. In addition, Prof. Dr. Eberhartinger became the chair of the Supervisory Board's Audit Committee effective January 1, 2011. The Supervisory Board also has four shareholder representative members – Dr. Dr. Martel, Prof. Dr. Eberhartinger, Mr. Quaas, and Prof. Dr. Pöllath – who, in addition to their particular professional skills, embody the idea of international orientation due to their background or their extensive international experience. To this extent, the Supervisory Board not only fulfills its objective with respect to its international orientation, but also achieves its aim of increasing this international orientation.

The Supervisory Board also already fulfills its target with regard to the independence of Supervisory Board members. In terms of the Supervisory Board as a whole, two-thirds of its members are independent. The shareholder representatives Dr. Dr. Martel and Prof. Dr. Eberhartinger are to be considered independent within the meaning of the Code. By contrast, as a precautionary measure the Supervisory Board will not treat Mr. Quaas as independent within the meaning of the Code until the end of the cooling-off period. Furthermore, the Supervisory Board assumes, as a highly precautionary measure, that a Supervisory Board member with relations to the controlling shareholder should no longer be regarded as independent in view of the current status of the literature on the revised version of the Code. Notwithstanding this, the Supervisory Board believes that relations to the controlling shareholder do not in themselves or necessarily pose the risk of a material and permanent conflict of interest; rather, those cases (as here) in which the parties' business activities do not overlap it assumes that the company's interests will largely coincide with those of its controlling majority shareholder.

The age limit and the rules governing the potential conflicts of interest were complied with.

c) Committees

The work of the Supervisory Board is performed at, and outside of, the meetings of the full Board as well as in the committees. The Supervisory Board has formed the following five committees:

Presiding Committee

The Presiding Committee is composed of the Chairman of the Supervisory Board, two additional Supervisory Board members from among the shareholder representatives, as well as one Supervisory Board member from among the employee representatives. The Presiding Committee prepares the Supervisory Board meetings and the Supervisory Board's human resources decisions and resolves – subject to the resolution of the full Supervisory Board specifying the total remuneration – instead of the Supervisory Board on the contracts of service and pension agreements for members of the Executive Board and on other issues involving the Executive Board. It regularly reviews the efficiency of the Supervisory Board's activities. In addition, it regularly discusses long-term succession planning for the Executive Board. Finally, the Presiding Committee can make decisions on transactions requiring Supervisory Board approval in those cases in which the Supervisory Board cannot pass a resolution in time.

Audit Committee

The Audit Committee is composed of the Chairman of the Supervisory Board, two additional Supervisory Board members from among the shareholder representatives, and two Supervisory Board members from among the employee representatives. At least one member of the Audit Committee must be an independent member of the Supervisory Board who has expertise in either accounting or auditing. The chair of the Audit Committee in particular, Prof. Dr. Eberhartinger, fulfills these statutory requirements due to her professorship at the Institute for Auditing, Trust, and Accounting at the Vienna University of Economics and Business, Austria. The Audit Committee prepares the decisions of the Supervisory Board on the approval of the annual and consolidated financial statements, the proposal to the Annual General Meeting on the election of the auditors, and the agreement with the auditors (issuing the audit engagement, stipulating the areas of emphasis of the audit, and agreeing the fee). In addition, the Audit Committee verifies the auditors' independence and conducts the preliminary examination for additional services that they provide. Finally, the Audit Committee advises and supervises the Executive Board on questions relating to accounting, the effectiveness of the internal control system, the risk management system, and the internal audit system and discusses the interim reports with the Executive Board before they are published.

Finance Committee

The Finance Committee is composed of the Chairman of the Supervisory Board, two additional Supervisory Board members from among the shareholder representatives, and two Supervisory Board members from among the employee representatives. It monitors corporate policy in the areas of finance, financial control, tax, and insurance. It decides in place of the Supervisory Board on raising and granting loans, on the assumption of liability for third-party liabilities, and on investment transactions. In addition, the Audit Committee advises and supervises the Executive Board on compliance and in relation to all items assigned to it by the Supervisory Board in general or in individual cases.

Mediation Committee

The Mediation Committee, formed in accordance with the provisions of the *MitbestG*, consists of the Chairman of the Supervisory Board, the deputy chairman, as well as one member elected to the Supervisory Board from among the employee representatives and one from among the shareholder representatives by a majority of the votes cast. It makes proposals to the Supervisory Board on the appointment of Executive Board members if the requisite two-thirds majority is not reached during the first ballot.

Nomination Committee

The Nomination Committee is composed of the Chairman of the Supervisory Board and three additional shareholder representatives. It suggests suitable candidates to the Supervisory Board for proposal for election to the Annual General Meeting.

The composition of the Supervisory Board and its committees can be found on our website at WWW.BEIERSDORF.COM/BOARDS and on page 79 f. of this Report.

2. THE EXECUTIVE BOARD

The Executive Board manages the company on a Group-wide basis on its own responsibility and conducts the company's business. It is obliged to act in the company's best interests and to increase its sustainable enterprise value. It performs its management duties as a collegiate body with collective responsibility for the company's business.

The members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board also takes diversity aspects into account when determining the composition of the Executive Board. All current Executive Board members embody the notion of international orientation due to their years of working abroad or to their special expertise in Beiersdorf's key international markets. The Supervisory Board aims to ensure appropriate representation of women as part of succession planning for the Executive Board.

The duties of the Executive Board are broken down by functions and regions. The allocation of areas of responsibility to the individual Executive Board members is set out in the schedule of responsibilities, which constitutes part of the bylaws for the Executive Board.

The Executive Board develops the corporate goals and the Group's strategy, agrees them with the Supervisory Board, ensures their implementation, and regularly discusses their implementation status with the Supervisory Board. It is responsible for managing and monitoring the Group, for corporate planning including the annual and multi-year planning, and for preparing the quarterly, annual, and consolidated financial statements as well as for Group financing. The Executive Board is also responsible for ensuring adequate risk management and risk control, and for ensuring that all statutory provisions and applicable internal corporate guidelines are observed, and works to ensure that Group companies abide by them (compliance). It provides the Supervisory Board with regular, timely, and comprehensive reports on all questions that are of relevance for the company, including explanations for discrepancies between the actual course of business and the planning and targets. Certain Executive Board measures and transactions that are of material significance for the company require the approval of the Supervisory Board.

The Executive Board also takes diversity aspects into account when filling executive positions within the company, particularly with regard to ensuring an appropriate degree of female representation. The aim is for women to account for 25–30% of senior executives by 2020.

The Executive Board passes resolutions in regular meetings that are chaired by the Chairman of the Executive Board. The members of the Executive Board work together in a collegial manner and inform one another on an ongoing basis about important measures and events in their areas of responsibility.

Executive Board members disclose potential conflicts of interest to the Supervisory Board without delay and inform their colleagues on the Executive Board of them. Material transactions between the company and members of the Executive Board and their related parties require the approval of the Supervisory Board; such transactions must comply with the standards customary in the sector. Sideline activities also require the approval of the Supervisory Board.

The company has taken out a D&O insurance policy for the members of the Executive Board that provides for a deductible in the amount of 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Executive Board member concerned.

3. THE ANNUAL GENERAL MEETING

In accordance with the Articles of Association, shareholders exercise their rights both at the Annual General Meeting and outside it. Each share entitles the holder to one vote.

Among other things, the Annual General Meeting passes resolutions on the appropriation of net retained profits, on the formal approval of Executive Board and Supervisory Board members' actions, on the election of the auditors, and on amendments to the Articles of Association.

The Ordinary Annual General Meeting takes place each year, generally during the first five months of the fiscal year. The notice convening the Annual General Meeting and its agenda are also published on the company's website, together with the reports and documentation required for the Annual General Meeting, including the annual report and forms for postal voting. They can also be dispatched electronically together with the associated documents with the consent of the individual shareholder. To assist shareholders in personally exercising their rights, the company offers its shareholders the services of a voting representative who votes in accordance with shareholders' instructions. The invitation explains how shareholders can issue instructions for exercising their voting rights. In addition, shareholders are free to appoint a proxy of their choice as their representative at the Annual General Meeting. Since the 2011 Annual General Meeting, shareholders have also been able to vote by postal ballot.

Directors' Dealings and Shareholdings of the Executive and Supervisory Boards

1. DIRECTORS' DEALINGS IN ACCORDANCE WITH § 15A *WERTPAPIERHANDELSGESETZ* (GERMAN SECURITIES TRADING ACT, *WPHG*)

In accordance with § 15a *WpHG*, the members of the Executive Board and the Supervisory Board are required to report transactions involving shares in Beiersdorf AG or related financial instruments (directors' dealings) to the company and Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) within five business days. This also applies to related parties of such persons. This requirement does not apply in cases in which the aggregate amount of transactions involving a member of the Executive Board or the Supervisory Board and the related party of such a person does not exceed the total of €5,000 in a single calendar year.

The notifications received by Beiersdorf AG for the past fiscal year were published in a due and proper manner and are available on the company's website at WWW.BEIERSDORF.COM/DIRECTORS_DEALINGS.

2. SHAREHOLDINGS OF THE EXECUTIVE AND SUPERVISORY BOARDS IN ACCORDANCE WITH SECTION 6.6 OF THE GERMAN CORPORATE GOVERNANCE CODE

According to section 6.6 of the German Corporate Governance Code, the ownership of shares of the company or related financial instruments shall be reported by Executive Board and Supervisory Board members if they directly or indirectly exceed 1% of the shares issued by the company. If the entire holdings of all members of the Executive Board and Supervisory Board exceed 1% of the shares issued by the company, these shall be reported separately according to the Executive Board and the Supervisory Board.

Michael Herz, a member of the Supervisory Board of Beiersdorf AG, has notified the company that 50.47% of the shares in the company are attributable to him. Attributing the 9.99% of the shares held by the company itself, which do not carry voting or dividend rights in accordance with § 71b *AktG*, his proportion of voting rights amounts to 60.46%. As of December 31, 2012, the remaining members of the Supervisory Board did not directly or indirectly hold shares of the company or related financial instruments. Consequently, members of the Supervisory Board held a total of 50.47% of the shares as of December 31, 2012; this corresponds to 60.46% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2012, the members of the Executive Board held a total of significantly less than 0.1% of the shares.

Further Information on Corporate Governance at Beiersdorf

Detailed information on the work of the Supervisory Board and its committees, as well as on the cooperation between the Supervisory Board and the Executive Board, can be found in the report by the Supervisory Board on page 7 f. of this Annual Report.

Beiersdorf's consolidated financial statements and interim reports are prepared in accordance with International Financial Reporting Standards (IFRSs). The annual financial statements of Beiersdorf AG are prepared in accordance with the *Handelsgesetzbuch* (German Commercial Code, *HGB*). The Annual General Meeting on April 26, 2012, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2012.

Transparency and our goal of informing our shareholders and the public quickly, comprehensively, and simultaneously are top priorities for us. That is why current developments and key company information are published on our website WWW.BEIERSDORF.COM as soon as possible. As well as detailed disclosures on corporate governance at Beiersdorf, this features additional information on the Executive Board, the Supervisory Board, and the Annual General Meeting, the company's reports (annual reports, annual financial statements, management reports, and interim reports), as well as a financial calendar with all key events and publications, ad hoc disclosures, and directors' dealings.

The Corporate Governance Statement in accordance with § 289a *Handelsgesetzbuch* (German Commercial Code, *HGB*) has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT. It includes the Declaration of Compliance in accordance with § 161 *AktG,* information on key corporate governance practices and on Executive and Supervisory Board working practices, as well as on the composition and working practices of their committees.

Hamburg, February 21, 2013
Beiersdorf Aktiengesellschaft

The Supervisory Board

The Executive Board

Remuneration Report

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 legal requirements and the recommendations of the German Corporate Governance Code and is a component of the annual financial statements of, and the management reports for, Beiersdorf AG and the Group.

1. REMUNERATION OF THE EXECUTIVE BOARD

a) Supervisory Board Resolutions Regarding the Remuneration of the Executive Board

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, in its meetings on February 6, June 11, September 7, and December 12, 2012. Moreover, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2012 on February 4, 2013. Remuneration decisions were regularly prepared by the Presiding Committee.

b) Overview

The remuneration system for the Executive Board takes into account the tasks and performance of the individual members of the Executive Board and the Executive Board as a whole, the company's economic and financial situation, its performance and outlook, as well as its peer group. The remuneration structure is geared towards sustainable enterprise development.

The remuneration of the Executive Board in fiscal year 2012 once again comprised the following four components:

- a fixed basic remuneration component,
- a Variable Bonus linked to the achievement of annual targets, consisting of
  - a short-term component (Bonus) and
  - a multi-year component based on a period of three years (Multi-year Bonus),
- a long-term bonus based on enterprise value performance (Enterprise Value Component), as well as
- customary ancillary benefits.

c) Remuneration of the Executive Board for Fiscal Year 2012 in More Detail

aa) Fixed Remuneration

The fixed annual remuneration is paid in twelve equal installments. It is reviewed regularly for appropriateness every two years.

bb) Variable Bonus for 2012

The members of the Executive Board receive a remuneration component for fiscal year 2012 that is based on the performance of the Beiersdorf Group's Consumer Business Segment (Variable Bonus for 2012). This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment basis. Unless otherwise specified by the Supervisory Board, the amount of the Variable Bonus depends on the EBIT margin (EBIT component) and sales growth (sales component), each with a weighting of 25%, as well as on the achievement of specific personal goals by individual Executive Board members (personal component), which have a weighting of 50%.

The size of the EBIT component is calculated on the basis of the return on sales. The Supervisory Board may take into account any special factors as well as changes in marketing and research & development expenses. The size of the sales component is calculated on the basis of sales growth, whereby the Supervisory Board may take special factors into account.

The personal component is composed of a number of personal goals with different weightings, which depend on the functional and regional responsibilities of each individual Executive Board member. These are set annually by the Supervisory Board for each individual Executive Board member.

Following due assessment of the circumstances, the Supervisory Board lays down target figures corresponding to percentages for target achievement of the EBIT, sales, and personal components, with intermediate figures being extrapolated on a straight-line basis.

The EBIT, sales, and personal components each lapse unless the threshold values (knockout) set by the Supervisory Board for the specific component is reached. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

The short-term part of the Variable Bonus will be paid once the 2013 Annual General Meeting has approved the actions of the Executive Board (2012 bonus). The remaining, larger, portion of the Variable Bonus (Multi-year Bonus for 2012) depends on the enterprise value performance over a period of two years after the initial year 2012. The enterprise value is calculated by adding together sales and EBIT. If the enterprise value in fiscal year 2012 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2012 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Ordinary Annual General Meetings in the years 2014 and 2015. If the enterprise value for fiscal year 2012 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2013 and 2014 corresponds at least to the enterprise value for fiscal year 2012. In this case, the installment that lapsed in the first instance will be paid out at the same time as the final installment following the 2015 Ordinary Annual General Meeting. The final installment is increased or decreased by the amount corresponding to the percentage change in the enterprise value as of the end of fiscal year 2014 as against fiscal year 2012. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2012 by up to 20% in order to take extraordinary developments into account or adjust it for inflation. Insofar as bonus entitlements are due under the Variable Bonus 2012, these can alternatively be included in the long-term virtual Enterprise Value Component (see section cc) below).

In order to maintain a balance in the durations of the various variable remuneration components in the light of the long-term nature of the Enterprise Value Component, the Supervisory Board resolved to reduce the measurement period for the Variable Bonus by one year in the case of 2011 and 2012 and by two years in the case of 2010. Accordingly, 49% (previously: 40%) of the Variable Bonus should, in future, be paid out after the Ordinary Annual General Meeting in the year following the year in which it was granted. The remainder (51%) (previously: 60%) is to be paid out in two equal tranches (previously: three) as a Multi-year Bonus starting in the second year following the initial year, in each case after the actions of the Executive Board have been officially approved by the Ordinary Annual General Meeting. Furthermore, sales figures are to be assigned a greater weighting when calculating enterprise value. However, this change does not apply to bonus payments that have already been made.

cc) Enterprise Value Component

Since fiscal year 2011, Executive Board members have shared in the increase in the company's enterprise value. For this purpose, each Executive Board member is (or was) allocated a notional share of the enterprise value (Enterprise Value Component or Base Virtual Units) at the start of his period of appointment or reappointment (January 1, 2011, for current appointments). The Supervisory Board resolves, following due assessment of the circumstances, on any increase in the Enterprise Value Component during the bonus period defined hereafter. The Supervisory Board made use of this option in the past fiscal year. The Executive Board member will be paid his share of the percentage increase in the Enterprise Value Component during his term of office once his period of appointment or reappointment has ended and following a predefined one-year vesting period (together the "bonus period"). The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier.

The increase in value is the increase in enterprise value from the beginning to the end of the bonus period. In each case, this is calculated as an average over three years. The increase in enterprise value corresponds to the percentage share of the Executive Board member's (notionally allocated) Enterprise Value Component that will be paid to him provided that the Annual General Meeting has approved his actions during and after the bonus period (insofar as they had to resolve this), with the amount being prorated depending on the relationship between his term of office and the bonus period. In individual cases, the Supervisory Board is entitled to make adjustments following due assessment of the circumstances, for instance by adjusting the performance indicators for special factors or for inflation (where this exceeds 10% in the reference period), or by increasing or decreasing the Enterprise Value Component for objective reasons by up to 20%.

The Enterprise Value Component is limited to a maximum amount for each member of the Executive Board (200% cap, corresponding to 10% p.a.). If an Executive Board member is active for a period shorter than his period of appointment, the Supervisory Board should reduce his Enterprise Value Component pro rata. There is no legal entitlement to payment of the corresponding increase in value in the event that an Executive Board member's contract is terminated prematurely at the request of the Executive Board member, or by the company for good cause.

The Supervisory Board has revised the Enterprise Value Component in fiscal year 2012 onwards and is writing this into the contracts of service for the members of the Executive Board with their agreement. Above all, as already reported last year, the Enterprise Value Component has been expanded to include a component based on voluntary personal investment by Executive Board members (Covered Virtual Units[1]). This personal investment is made either by due bonus payments being retained from the Variable Bonus or by the Executive Board member providing security by pledging assets of a suitable value. The Covered Virtual Units participate in positive and negative percentage changes in the value of the Enterprise Value Component. They are not limited to a maximum amount (cap) and vest immediately following their purchase. Covered Virtual Units are not just operands, but rather are amounts that are paid out or repaid in full after being adjusted based on enterprise value performance. For each Covered Virtual Unit, the Executive Board member receives a further Enterprise Value Component in the corresponding amount (Matching Virtual Unit[2]), which is calculated in the same way as the Base Virtual Units. Insofar as Matching Virtual Units are concerned, the payment of the Enterprise Value Component was linked to the achievement or exceeding of specific market shares in the core skin care categories for key European markets.

dd) Variable Bonus for 2010/2011

The Variable Bonus for 2010 was divided into two equally weighted target components – the EBIT component and personal targets – while the Variable Bonus 2011 consisted of an EBIT component, a sales component, and a personal component (see Variable Bonus for 2012). The Variable Bonus for 2010 and the Variable Bonus for 2011 each consisted of a short-term component (2010 Bonus/2011 Bonus) and a component dependent on enterprise value performance in the four fiscal years from 2011 to 2014 (Multi-year Bonus for 2010[3]) or in the three fiscal years from 2012 to 2014 (Multi-year Bonus for 2011), which is calculated to a large extent on the basis of the principles described for the Variable Bonus for 2012. A more detailed description is provided in the 2010 and 2011 Annual Reports. The first tranche of the Multi-year Bonus for 2010, which was scheduled to be paid out in 2012 following the 2012 Ordinary Annual General Meeting, was not paid because the preconditions for this were not met. As contractually agreed, the tranche will be paid out following the Annual General Meeting in 2013 as the average enterprise value for fiscal years 2011 and 2012 corresponds at least to the enterprise value for fiscal year 2010[4].

ee) Other

The remuneration of the Executive Board for fiscal year 2012 did not contain any stock option program or comparable securities-based incentives. Equally, the members of the Executive Board did not receive any additional remuneration for their membership of supervisory bodies of Group companies and investees.

Each Executive Board member is provided with a company car. 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.

Insofar as defined contribution pension commitments had been made to Executive Board members who were active in fiscal year 2012[5], these were converted to Covered Virtual Units (see section cc) above) at the respective nominal amount as a rule with the agreement of the Supervisory Board. In future, these will be paid annually to the relevant Executive Board members in addition to the Matching Virtual Units instead of the defined contribution pension commitments[6] that were previously paid.

In the event that the term of office of a current Executive Board member is terminated prematurely for reasons for which the Executive Board member concerned is not responsible, the contracts of service limit the severance payment to two annual salary payments (severance pay cap). Each member of the Executive Board receives a lump-sum payment of their Variable Bonus (with the amount depending on what they are entitled to) on premature termination of his office without the existence of good cause for which the Executive Board member is responsible; in this case, the Enterprise Value Component is calculated up until the point of termination and paid on a pro rata basis. No other com-

[1] Previously: Funded Share.
[2] Previously: Matching Share.
[3] As of 2011, terminology changed to "Multi-year Bonus" (previously "Long-term Bonus"); the term "Multi-year Bonus for 2010" is used in the following for reasons of consistency.
[4] See bb) above for information on changes in the duration.
[5] The pension commitments made in the past are described in greater detail in the Annual Report 2011.
[6] The Covered Virtual Units assigned p.a. are as follows: Peter Feld €100 thousand; Dr. Ulrich Schmidt €60 thousand; Ralph Gusko €50 thousand.

mitments exist in relation to the premature termination of membership of the Executive Board. Members of the Executive Board did not receive any loans or advances from the company, nor were any contingent liabilities entered into in their favor.

Mr. Ümit Subaşı, who left the Executive Board by mutual agreement effective July 31, 2012, received his contractually agreed fixed remuneration for 2012. The 2011 Bonus for his Variable Bonus for 2011 was paid out in the amount of €128 thousand as contractually agreed. The Multi-year Bonus for 2011 in the amount of €192 thousand was paid out to Mr. Subaşı in full. The Variable Bonus for 2012 will be paid out effective June 30, 2013, in accordance with his contract of service. This amount will be at least €160 thousand. With respect to the period following his departure from the Executive Board, the Variable Bonus for 2012 is €514 thousand. No Variable Bonus will be paid for 2013. All further claims were settled by payment of a lump sum of €663 thousand.

As laid down in his contract, Mr. Thomas-B. Quaas' total annual remuneration will continue to be paid at a flat annual rate of €965 thousand since his departure from the Executive Board on April 26, 2012, until the expiry of his contract on March 31, 2015, whereby any other remuneration (including Supervisory Board remuneration) will be offset against this. The determination and payment of the variable remuneration for 2010 and 2011 are governed by the general provisions. His variable remuneration accruing in the period from January 1, 2012, to April 26, 2012, was calculated pro rata as a lump sum with an assumed target achievement of 100%, and will be paid out following the 2013 Ordinary Annual General Meeting. Mr. Quaas' pension entitlements remain unaffected.

ff) Overviews of Individual Executive Board Remuneration

2.01 TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2012 (IN € THOUSAND)

Executive Board members in office in 2012

	Fixed basic remuneration		Variable Bonus: Bonus		Variable Bonus: Multi-year Bonus	
	2011	2012	2011	2012	2011	2012
Stefan F. Heidenreich (Chairman of the Executive Board)	–	1,000	–	781	–	812
Peter Feld	500	500	189	345	283	359
Ralph Gusko	200	450	54	253	81	264
Dr. Ulrich Schmidt	500	500	118	269	177	279
Thomas-B. Quaas (until April 26, 2012)	435	140	394	277	592	–
Ümit Subaşı (until July 31, 2012)	417	292	128	327[7]	192	–
Total	**2,538**[9]	**2,882**	**1,204**[9]	**2,252**	**1,704**[9]	**1,714**

[7] The entire Variable Bonus for 2012 will be paid out to Mr. Subaşı effective June 30, 2013.
[8] Claims relating to the Enterprise Value Component were settled by a single lump-sum payment: see ee) above.
[9] These totals additionally include the following payments made to members who left the Executive Board in 2011 for activities in fiscal year 2011: Dr. Bernhard Düttmann – fixed: €43 thousand, Bonus: €69 thousand, Multi-year Bonus: €0, total variable remuneration: €69 thousand, other: €162 thousand, total: €274 thousand, additions to pension provisions: €47 thousand; Markus Pinger – fixed: €163 thousand, Bonus: €91 thousand, Multi-year Bonus: €137 thousand, total variable remuneration: €228 thousand, other: €5 thousand, total: €396 thousand, additions to pension provisions: €100 thousand; James C. Wei – fixed: €280 thousand, Bonus: €161 thousand, Multi-year Bonus: €242 thousand, total variable remuneration: €403 thousand, other: €51 thousand, total: €734 thousand, additions to pension provisions: €0.

The following table shows the development of the Multi-year Bonus since its initial adoption, as well as the amount of the tranche to be paid out in each case following the 2013 Ordinary Annual General Meeting.

2.02 MULTI-YEAR BONUS (IN € THOUSAND)

Executive Board members in office in 2012

	Multi-year Bonus 2010			Multi-year Bonus 2011		
	Present values as of Dec. 31, 2011	Present values as of Dec. 31, 2012	Payment following 2013 AGM	Present values as of Dec. 31, 2011	Present values as of Dec. 31, 2012	Payment following 2013 AGM
Stefan F. Heidenreich (Chairman of the Executive Board)	–	–	–	–	–	–
Peter Feld	93	102	102	283	295	163
Ralph Gusko	–	–	–	81	84	47
Dr. Ulrich Schmidt	–	–	–	177	185	102
Thomas-B. Quaas (until April 26, 2012)	362	384	97	592	602	148
Ümit Subaşı (until July 31, 2012)	–	–	–	192	–	–[10]
Total[11]	**973**	**1,035**	**337**	**1,704**	**1,551**	**554**

[10] The entire Variable Bonus for 2011 was paid out to Mr. Subaşı as a lump sum in connection with his departure from the Executive Board.
[11] These totals additionally include the following disclosures for members who left the Executive Board in 2011: Markus Pinger – Multi-year Bonus for 2010 (present value as of Dec. 31, 2011: €285 thousand, present value as of Dec. 31, 2012: €302 thousand, payment following 2013 AGM: €76 thousand), Multi-year Bonus for 2011 (present value as of Dec. 31, 2011: €137 thousand, present value as of Dec. 31, 2012: €139 thousand, payment following 2013 AGM: €34 thousand), James C. Wei – Multi-year Bonus for 2010 (present value as of Dec. 31, 2011: €233 thousand, present value as of Dec. 31, 2012: €247 thousand, payment following 2013 AGM: €62 thousand), Multi-year Bonus for 2011 (present value as of Dec. 31, 2011: €242 thousand, present value as of Dec. 31, 2012: €246 thousand, payment following 2013 AGM: €60 thousand); in connection with his departure from the Executive Board effective February 9, 2011, Dr. Bernhard Düttmann received his Variable Bonus for 2010 in full following the 2011 Annual General Meeting and the pro rata Variable Bonus for 2011 in a lump-sum payment.

Total variable remuneration		Other (non-cash benefits arising from the provision of company cars and the payment of insurance contributions)		Total		Additions to provisions for Enterprise Value Component		Additions to pension provisions	
2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**
–	1,593	–	5	–	2,598	–	1,158	–	–
472	704	106	150	1,078	1,354	122	535	–	–
135	517	69	88	404	1,055	–	508	–	–
295	548	72	44	867	1,092	107	673	–	–
986	277	19	6	1,440	423	–	–	228	86
320	327	88	12	825	631	107	–[8]	–	–
2,908[9]	**3,966**	**572[9]**	**305**	**6,018[9]**	**7,153**	**336**	**2,874**	**375[9]**	**86**

The following table shows the Virtual Units allocated to the Executive Board members and the amounts set aside in the years since they were granted in each case.

2.03 VIRTUAL UNITS AND PROVISIONS (IN € THOUSAND)
Executive Board members in office in 2012

	2011				2012[12]			
	Base Virtual Units	Covered Virtual Units	Matching Virtual Units	Total amount set aside in fiscal year 2011	Base Virtual Units	Covered Virtual Units	Matching Virtual Units	Total amount set aside in fiscal year 2012
Stefan F. Heidenreich (Chairman of the Executive Board)	–	–	–	–	10,000	10,000	10,000	1,158
Peter Feld	5,000	–	–	122	10,000	100	100	657
Ralph Gusko	5,000	25	25	–	5,000	75	75	508
Dr. Ulrich Schmidt	5,000	60	60	107	10,000	1,120[13]	1,120	780
Thomas-B. Quaas[14] (until April 26, 2012)	–	–	–	–	–	–	–	–
Ümit Subaşı (until July 31, 2012)	5,000	–	–	107	–	–	–	–
Total	**20,000**	**85**	**85**	**336**	**35,000**	**11,295**	**11,295**	**3,103**

[12] Total Virtual Units granted as at December 31, 2012.
[13] Of this, one million Covered Virtual Units were acquired by providing securities or retaining bonuses due.
[14] In the case of Mr. Quaas, the Enterprise Value Component was not introduced.

gg) Former Members of the Executive Board and their Surviving Dependents
Payments to former members of the Executive Board and their dependents totaled €2,474 thousand (previous year: €2,394 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,463 thousand (previous year: €26,256 thousand).

2. REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board (§ 15 of the Articles of Association) takes into account the responsibilities and scope of tasks of the individual members of the Supervisory Board as well as the company's economic situation.

In addition to being reimbursed for cash expenses, Supervisory Board members also receive a fixed and a variable, dividend-based remuneration component for fiscal year 2012, which is geared towards sustainable enterprise performance, and attendance fees for Supervisory Board and committee meetings. 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 committees – with the exception of the Nomination Committee and the committee set up in accordance with § 27 (3) *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*) – 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.

The fixed remuneration component per Supervisory Board member is €40,000 for each full fiscal year. The variable remuneration is €1,000 for each cent by which the dividend per share exceeds 25 cents. 40% of this variable remuneration will be paid out after the actions of the Supervisory Board member in question have been approved by the Annual General Meeting for the fiscal year for which remuneration is being paid (initial year). The remaining amount will be paid out following the Annual General Meeting to which the annual financial statements for the third year following the initial year are submitted, insofar as the average dividend for the initial year and the three following fiscal years is not lower than the dividend for the initial year. Interest in line with current market rates will be paid on this amount until such time as it is paid out. Furthermore, members of the Supervisory Board and committees receive an attendance fee of €1,000 for participating in full at a meeting of the Supervisory Board or committee and €500 for participating in the majority of a meeting.

Subject to the resolution of the Annual General Meeting on April 18, 2013, on the dividend[15] to be distributed for 2012, the members of the Supervisory Board will receive the remuneration presented in the following table for their activities in fiscal year 2012[16]:

2.04 TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2012 (IN €)

Supervisory Board members in office in 2012

	Fixed[17]		Variable		Total	
	2011[18]	**2012**	2011[19]	**2012[20]**	2011	**2012**
Dr. Andreas Albrod[21] (since August 1, 2012)	–	31,082	– (–)	18,811 (11,287)	–	49,893
Dr. Walter Diembeck (until July 31, 2012)	56,082	40,918	55,414 (13,611)	26,189 (15,713)	111,496	67,107
Beatrice Dreyfus[22] (until April 26, 2012)	29,096	15,787	35,704 (13,611)	14,385 (8,631)	64,800	30,172
Prof. Dr. Eva Eberhartinger	71,603	91,500	55,414 (13,611)	45,000 (27,000)	127,017	136,500
Elke Gabriel	36,562	47,000	55,414 (13,611)	45,000 (27,000)	91,976	92,000
Michael Herz	59,041	70,000	55,414 (13,611)	45,000 (27,000)	114,455	115,000
Thomas Holzgreve (Deputy Chairman)	56,842	77,000	83,121 (20,416)	67,500 (40,500)	139,963	144,500
Thorsten Irtz (Deputy Chairman)	55,342	72,000	83,121 (20,416)	67,500 (40,500)	138,463	139,500
Dr. Dr. Christine Martel (since April 26, 2012)	–	30,322	– (–)	30,738 (18,443)	–	61,060
Tomas Nieber	36,562	45,500	55,414 (13,611)	45,000 (27,000)	91,976	90,500
Michel Perraudin[23] (until April 26, 2012)	14,178	15,787	12,575 (7,545)	14,385 (8,631)	26,753	30,172
Prof. Dr. Reinhard Pöllath (Chairman)	90,404	115,000	138,534 (34,027)	112,500 (67,500)	228,938	227,500
Thomas-B. Quaas[24] (since April 26, 2012)	–	–	– (–)	– (–)	–	–
Prof. Manuela Rousseau	35,562	47,000	55,414 (13,611)	45,000 (27,000)	90,976	92,000
Volker Schopnie	56,082	72,000	55,414 (13,611)	45,000 (27,000)	111,496	117,000
Total	**612,425[25]**	**770,896**	**780,734 (191,292)[25]**	**622,008 (373,205)**	**1,393,159[25]**	**1,392,904**

[15] Based on the proposal for a dividend of €0.70 per share submitted to the Annual General Meeting.
[16] Presented exclusive of value added tax.
[17] Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).
[18] Attendance fees are only included in this figure on a pro rata basis since their introduction effective July 1, 2011.
[19] The figure in brackets contains the long-term portion (60%) of the variable Supervisory Board remuneration that will be paid out after the 2015 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[20] The figure in brackets contains the long-term portion (60%) of the variable Supervisory Board remuneration that will be paid out after the 2016 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[21] Alternate employee representative member replacing Dr. Diembeck.
[22] Alternate member replacing Dr. Kunisch; left following the election of Mr. Quaas as Dr. Kunisch's successor.
[23] Court-appointed Supervisory Board member whose term of office ended on April 26, 2012.
[24] As contractually agreed, the Supervisory Board remuneration was offset against continuing entitlements from Mr. Quaas's former Executive Board activities.
[25] These totals additionally include the following payments made to members who left the Supervisory Board in 2011 for activities in fiscal year 2011:
Dr. Rolf Kunisch – fixed: €7,466, variable €19,710 (–), total: €27,176; Thomas Siemsen – fixed: €7,603, variable €20,071 (–), total: €27,674.

Members of the Supervisory Board did not receive any loans or advances from the company, nor were any contingent liabilities entered into in their favor. 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.

3. GROUP MANAGEMENT REPORT

Beiersdorf's Brands

Every day, millions of consumers trust Beiersdorf's innovative, high-quality skin and body care products. Our successful international brand portfolio is tailored to meet the individual needs and wishes of consumers, as well as regional requirements. The ongoing development of our strong brands is the basis for this closeness to consumers and markets, and hence for Beiersdorf's success.

tesa provides innovative self-adhesive products and system solutions. The manufacturer is a global market leader in a large number of application areas thanks to its many years of experience in coating technology and developing adhesive masses.

3.01 **Our Brand Portfolio**

Eucerin

NIVEA

La Prairie

Hansaplast

8x4

Labello

SLEK

Florena

atrix

tesa

Business and Strategy

Beiersdorf is a global company with more than 150 affiliates worldwide and around 17,000 employees. Our two separate business segments are responsible for operations in their respective areas. The Consumer Business Segment, whose strong brands concentrate on the international skin and body care markets, forms the focus of our business.

The tesa Business Segment with its innovative product portfolio is one of the world's leading manufacturers of self-adhesive products and solutions for industry, craft businesses, and consumers.

Consumer Business Segment

BLUE AGENDA – THE STRATEGIC COMPASS

Beiersdorf systematically continued its "Focus on Skin Care. Closer to Markets." strategy in 2012 and developed a strategic compass, its Blue Agenda. This clearly defines the company's objectives and how to implement them. Beiersdorf is reaffirming its claim to be the number 1 skin care company in the product categories and markets that are important to it. The company's strategic activities are focused on four fields: strengthening its brands – first and foremost NIVEA – as well as increasing its innovative power, systematically expanding its impact and presence in the emerging markets, and increasing the company's efficiency and speed. The Blue Agenda sets out a clear vision for Beiersdorf's future.

Fully implementing the objectives outlined in the Blue Agenda is expected to take three to five years. Clearly defined performance indicators measure the degree to which objectives have been achieved and provide a guideline to follow on the journey. Beiersdorf has made rapid progress on this path in line with its planning. Important projects have been launched and the first tasks have already been successfully completed. Its success can be seen not least by looking at its 2012 results. Beiersdorf will build on this and continue its systematic drive to further enhance its development. The goal is to make the company even more competitive.

WE ARE SKIN CARE

Skin care will be the main growth driver in the global cosmetics market in the period up to 2015, accounting for 45% of growth. Against this backdrop, our activities in recent months focused on reinvigorating the core of the NIVEA brand and implementing a uniform brand presence using a new logo and new design. This aimed to significantly enhance brand recognition and to ensure a uniform brand presence that clearly differentiates it from the competition and ensured maximum awareness in the shops. Consumers will encounter the new logo at all touchpoints with our products: from advertisements through the product range on the shelves down to the purchased product. The first products in the NIVEA Body category with the new round logo were introduced into the shops in May 2012; products from the NIVEA Face category were added starting in July and the NIVEA Hair and NIVEA Baby product categories at the end of the year. Changes to the product packaging, which will materially strengthen the brand's presence, will also be made from January 2013 onwards as part of the migration of the entire NIVEA product family to the new logo.

The reorganization of Beiersdorf's research and development activities to leverage the potential there was another key focus. Beiersdorf took specific measures to align the research and development department even more strongly with consumer expectations. For example, the research and development functions involved in the innovation process at Beiersdorf were previously organized in accordance with the steps in the process. From January 2013 onwards, the new structure for the research and development area will be focused on the six core categories – Body, Face, Sun, Men, Deo, and Shower. NIVEA Baby and NIVEA Hair play a role as tactical categories at a local level. The objective is to develop innovative products that are ideally tailored to meet consumers' different individual, and often also regional, needs quickly and using efficient structures. Adopting this approach gives Beiersdorf valuable competitive advantages, and will allow it to increase its innovative power considerably in the coming years.

CLOSEST TO MARKETS

Beiersdorf plans to systematically increase its impact and presence in the emerging markets. Its regional research centers in Silao, Mexico, and Wuhan, China, for example, mean that Beiersdorf is getting even closer to the markets. Construction of a new production center with significantly higher capacity began in Silao in 2012 to serve the rapidly growing demand in this region and simultaneously improve structures by bundling resources at a single location. A new research center is also being built in addition to the production center. In future, Silao will supply the markets in North and Central America. Overall, Beiersdorf is investing more than €100 million at this location. Production is planned to start in 2014 with around 550 employees.

In Turkey, the acquisition of all shares of the joint venture with the Eczacıbaşı Group is strengthening Beiersdorf's position in this promising market.

INCREASING EFFICIENCY AND SPEED

Increasing the company's efficiency and speed serves the overarching corporate objective of further increasing growth and earnings power. Beiersdorf works continually to make processes more efficient, speed up decisions, and optimize cost structures. 2012 saw a cultural change. The Blue Agenda builds on the trust-based corporate culture, adding the values of entrepreneurship, personal responsibility, change, and speed. In this way, Beiersdorf aims to encourage and require employees to think and act like entrepreneurs and to take a decisive approach.

tesa Business Segment

INNOVATIVE PRODUCT SOLUTIONS

The tesa Business Segment is one of the world's leading manufacturers of self-adhesive products and system solutions for industry, craft businesses, and consumers. Reliable high quality, extremely innovative thinking, and the use of superior technology are core elements of its brand philosophy and strategy. tesa focuses on developing effective solutions for its customers.

In the industrial segment, tesa primarily offers system solutions for the automotive, construction, printing, electronics, and paper industries. The main strategic focus is on establishing and expanding profitable businesses in technologically sophisticated application areas. Special ranges are offered for various customer groups in the industrial business.

A new, forward-looking business area is operated by tesa Labtec GmbH. The affiliate develops and produces transdermal systems, also called pharmaceutical plasters, and oral films – medicated foils that dissolve in the mouth without the need for additional fluids.

tesa's professional distribution business supplies dealers with constantly optimized product ranges for use by customers in crafts businesses, such as building and painting.

In the consumer segment, tesa markets innovative product solutions that are designed for daily use in the office, home, and garden. Consumers in Europe and Latin America can find a wide range of products under the tesa umbrella brand. In addition to office products such as the classic tesafilm adhesive tape, these include customized solutions for insulation, painting and masking, repairing, packaging, and temporary and permanent mounting. tesa also offers household insect protection products.

tesa's strengths lie in its in-depth knowledge of production processes, market requirements, and industry trends. Our highly qualified employees and our extremely flexible business processes, which are continuously being improved, enable us to develop intelligent solutions to problems and to turn them into needs-based products quickly and efficiently. tesa's superior, market-driven products offer it a competitive advantage.

In its international industrial business, tesa focuses on expanding its global structures, which offer customers homogeneous solutions of a consistently high quality and excellent service.

In its international consumer business, the geographical focus is on Europe and Latin America. tesa is expanding its structures in these markets so as to be able to offer international distribution partners a range of effective and market-driven solutions.

Another key success factor for tesa is defining and enforcing uniform quality standards worldwide while simultaneously incorporating environmentally friendly technology components.

Management and Control

The Executive Board manages the company and is dedicated to sustainably increasing its value. In addition to the two functional areas of responsibility within the Executive Board – Finance, Human Resources, and Supply Chain, and Brands – there are three regional areas of responsibility: Europe/North America, Asia/Australia, and Emerging Markets. This regional allocation of responsibilities in particular means the Executive Board is closely involved in the company's operational business. The Chairman of the Executive Board is responsible at an overarching level for corporate development, corporate communications, the internal audit function, and sustainability.

The tesa Business Segment is managed as an independent subgroup (see page 31 ff.).

Information on the remuneration of the Executive Board and the Supervisory Board as well as on incentive and bonus systems is provided in the Remuneration Report, which forms part of the Group Management Report. The Corporate Governance Statement in accordance with § 289a *Handelsgesetzbuch* (German Commercial Code, *HGB*) has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT. Additional information regarding management and control, the general management structure, and the Declaration of Compliance in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) is also provided in the Corporate Governance Report.

Value Management and Performance Management System

The goal of Beierdorf's business activities is to sustainably increase the company's market share by achieving qualitative growth and at the same time to expand its earnings base. The long-term key performance indicators are derived from this. In particular, Beiersdorf intends to increase its international sales growth and gain market share. In addition, the aim is to increase the Group's earnings power. This is measured using the operating result (EBIT) in conjunction with the EBIT margin (the ratio of EBIT to sales). The goal is to generate internationally competitive returns through systematic cost management and the highly efficient use of resources. In addition, Beiersdorf aims to continuously optimize its net operating capital and hence improve its return on capital (the ratio of EBIT to net operating capital).

The company has created an efficient management system in order to meet these strategic goals. Corporate management derives the business performance targets for the individual units in the Group for the coming year from the Group's strategic business goals. This planning covers all segments and affiliates. Generally, the Executive Board and Supervisory Board formally adopt the Group's planning for the following year in the fall.

Actual key performance indicators are compared with planned values and with the current forecast for the year as a whole at regular intervals during the fiscal year. These comparisons are used to manage the business in line with the objectives.

The tesa Business Segment forms a separate, independent unit within the Group. It is also managed on the basis of the sales growth, EBIT, and EBIT margin performance indicators, as well as the return on capital.

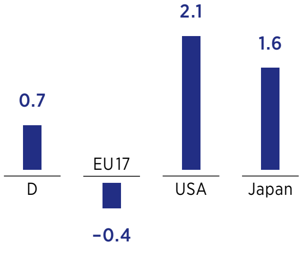
Economic Environment

General Economic Situation

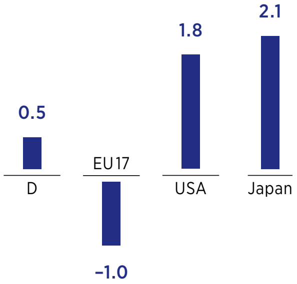
Global growth declined in 2012 and was particularly impacted by the tight economic situation in large parts of Europe. Economic development, which was dominated by the euro and sovereign debt crisis, was uncertain, leading to a decrease in public spending as well as muted private investment and consumption. In turn, this weak economic development in the industrialized nations affected the emerging economies, where it impacted growth.

Europe saw the sharpest drop in growth rates in the past year. The euro and sovereign debt crisis led to a recession in most countries in Southern Europe. This trend was intensified by rising unemployment as well as by restrictive fiscal policies, and increasingly impacted Northern and Central Europe. The bailout and stability programs instituted and announced by the eurozone states had a positive effect on the financial markets, resulting in more favorable refinancing rates for most of the affected countries, and hence a better outlook for their future economic development, over the course of the year.

3.02 **GROSS DOMESTIC PRODUCT 2012 (IN %)***
Change versus previous year



3.03 **CONSUMER SPENDING 2012 (IN %)***
Change versus previous year



* Commerzbank Research

The **German** economy grew faster than the rest of the eurozone. This performance was due in particular to the strong export sector. Continuing low interest rates and positive developments on the labor market stimulated investment and consumer spending particularly in the first half of the year. The slight deterioration in the economy over the course of the year and the slight easing on the labor market reduced growth in the second half of the year.

In the **United States**, the sluggish labor market and political gridlock led to a low level of growth. However, high rates of corporate investment and growth in residential construction in particular did provide momentum.

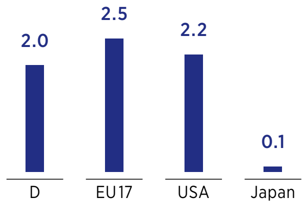
The strong growth of the **Chinese** economy eased slightly in comparison to last year, since China – as a leading exporter – was impacted by the decline in international demand. China's political leaders employed fiscal policy measures to combat the threat of inflation and strengthen the economy. Among other things, public spending on infrastructure projects was increased. The Asian economies continued to see rapid growth on the whole. Japan slowly recovered from the effects of the major natural disasters it suffered in 2011.

Sales Market Trends

The growth rate for the global cosmetics market in 2012 was roughly on a level with the previous year. The Asia, Eastern Europe, and Latin America regions continue to be growth drivers. However, the saturated markets of Europe and North America were flat. The effects of the weakening economy and the associated deterioration in consumer sentiment were felt in particular in the large Western and Southern European markets.

The performance of the industrial sales markets varied widely from region to region in 2012. Europe trended sideways overall due to the euro and sovereign debt crisis. While markets in Southern Europe declined significantly in some cases, the markets in Central and Eastern Europe, which are more strongly export-oriented, were flat or rose slightly. Asia remained the growth driver, while sales markets in North America also recorded stable market growth.

3.04 **INFLATION RATE 2012 (IN %)***
Change versus previous year



* Commerzbank Research

Procurement Market

In 2012, global procurement markets were impacted by the euro and sovereign debt crisis as well as by the weakened global economy in the United States and China in particular. The price of oil was relatively stable in 2012, but it remained at the high level of USD 110 per barrel, due in part to the continued unstable political situation in the Middle East. Increases in raw materials prices were more moderate than expected in 2012 despite highly volatile availability and price trends on the markets for specific raw materials that are used in a large number of our products. We again ensured raw materials security at our production facilities in 2012 by developing additional alternative sources of supply.

The Economic Situation – Summary

The tesa Business Segment again lifted sales in both the industrial markets and its consumer business areas. In the Consumer Business Segment, the strong performance by the emerging markets (Asia, Eastern Europe, and Latin America) had a particularly positive effect on overall growth. Sales in the saturated cosmetics markets of Germany and Western Europe were largely on a level with the previous year.

Results of Operations, Balance Sheet Structure, and Financial Position

Results of Operations – Group

3.05 INCOME STATEMENT (IN € MILLION)
Jan. 1–Dec. 31

	2011	2012	% change
Sales	**5,633**	**6,040**	**7.2**
Cost of goods sold	–2,077	–2,217	6.7
Gross profit	**3,556**	**3,823**	**7.5**
Marketing and selling expenses	–2,454	–2,539	3.6
Research and development expenses	–163	–159	–2.2
General and administrative expenses	–291	–311	6.8
Other operating result (excluding special factors)	–2	–79	–
Operating result (EBIT, excluding special factors)	**646**	**735**	**13.8**
Special factors	–215	–37	–
Operating result (EBIT)	**431**	**698**	**61.9**
Financial result	9	11	–
Profit before tax	**440**	**709**	**61.2**
Income taxes	–181	–258	42.7
Profit after tax	**259**	**451**	**72.2**

The changes in percent are calculated based on thousands of euros.

SALES

Organic Group sales in 2012 were up 4.7% on the prior-year figure. The Consumer business segment grew by 4.9%, while tesa generated a sales increase of 3.6%. At current exchange rates, Group sales rose by 7.2% as against the previous year, to €6,040 million (previous year: €5,633 million).

In Europe, sales were up 0.3% on the prior year. At current exchange rates, sales amounted to €3,441 million (previous year: €3,414 million), 0.8% above the prior-year figure.

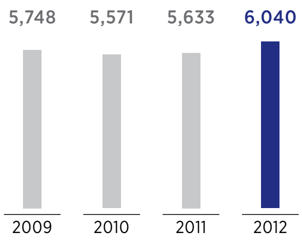
In the Americas region, sales in Latin America again achieved double-digit growth rates. Overall, growth in the Americas amounted to 12.2%. At current exchange rates, sales increased by 15.6% to €1,149 million (previous year: €993 million).

The Africa/Asia/Australia region experienced growth of 10.6%. At current exchange rates, growth of 18.3% to €1,450 million was achieved (previous year: €1,226 million).

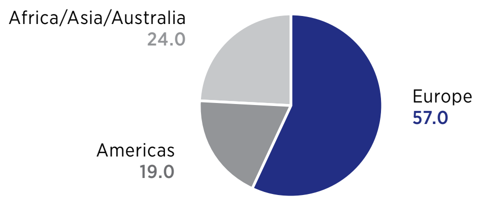
EXPENSES/OTHER OPERATING RESULT

Cost of goods sold rose by 6.7%, and hence slightly more slowly than sales. Marketing and selling expenses also rose more slowly than sales, to €2,539 million (previous year: €2,454 million). Spending on advertising, trade marketing, and similar items contained in this heading amounted to €1,460 million (previous year: €1,422 million). Research and development expenses amounted to €159 million, down 2.2% on the previous year (€163 million). General and administrative expenses rose to €311 million (previous year: €291 million). The other operating result (excluding special factors) amounted to €–79 million (previous year: €–2 million).

3.06 GROUP SALES (IN € MILLION)



3.07 GROUP SALES BY REGION (IN %)



OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)

EBIT excluding special factors rose to €735 million (previous year: €646 million), while the EBIT margin was 12.2% (previous year: 11.5%). In the Consumer business segment, EBIT excluding special factors amounted to €606 million (previous year: €537 million), while the EBIT margin was 12.0% (previous year: 11.4%). EBIT in the tesa business segment rose from €109 million in 2011 to €129 million in the past fiscal year; the EBIT margin was 13.0% (previous year: 11.6%).

The Group operating result before special factors in Europe was €565 million (previous year: €537 million). The EBIT margin was 16.4% (previous year: 15.7%). The operating result before special factors in the Americas was €78 million (previous year: €75 million), while the EBIT margin was 6.8% (previous year: 7.5%). In Africa/Asia/Australia, EBIT excluding special factors amounted to €92 million (previous year: €34 million). The EBIT margin was 6.3% (previous year: 2.8%).

SPECIAL FACTORS

Special factors of €–37 million (previous year: €–215 million) relate to non-recurring costs from the realignment of corporate structures and processes in the Consumer business segment that Beiersdorf resolved in November 2011 (€24 million). The acquisition of the shares in EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.S. (Türkei) (EBC (Turkey)) previously held by a third party resulted in a gain from the remeasurement of the existing shares of €9 million and an impairment loss on intangible assets of €15 million. Additional expenses relate to impairment losses on the Chinese hair care brands (€7 million). A small brand was discontinued.

3.08 RECONCILIATION TO EBIT EXCLUDING SPECIAL FACTORS
Jan. 1–Dec. 31

	in € million	in % of sales
Group		
Operating result (EBIT) for 2012	**698**	**11.6**
Special factors included in the other operating result	37	–
Operating result (EBIT, excluding special factors) for 2012	**735**	**12.2**
Operating result (EBIT, excluding special factors) for 2011	**646**	**11.5**
Consumer		
Operating result (EBIT) for 2012	**569**	**11.3**
Special factors included in the other operating result	37	–
Operating result (EBIT, excluding special factors) for 2012	**606**	**12.0**
Operating result (EBIT, excluding special factors) for 2011	**537**	**11.4**

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRSs and should be treated merely as voluntary additional information. The special factors listed are one-time, non-operating transactions that only affect the Consumer business segment.

OPERATING RESULT (EBIT)

EBIT rose to €698 million (previous year: €431 million). This corresponds to an EBIT margin of 11.6% (previous year: 7.7%).

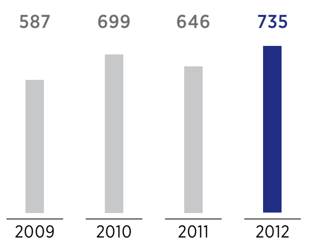
FINANCIAL RESULT

The financial result amounted to €11 million (previous year: €9 million). The main factors influencing performance in the previous year were gains from the sale of securities that had largely been recognized in other comprehensive income as of December 31, 2010. Net interest income and net income from investments improved in the past fiscal year.

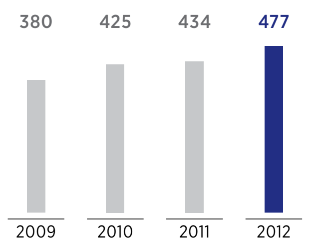
INCOME TAXES

Income taxes amounted to €258 million (previous year: €181 million). The tax rate was 36.4% (previous year: 41.2%).

3.09 GROUP EBIT (IN € MILLION)
Excluding special factors



3.10 GROUP PROFIT AFTER TAX (IN € MILLION)
Excluding special factors



PROFIT AFTER TAX

Profit after tax increased to €451 million (previous year: €259 million); the return on sales after tax was 7.5% (previous year: 4.6%). Excluding special factors, profit after tax amounted to €477 million (previous year: €434 million). The corresponding return on sales after tax was 7.9% (previous year: 7.7%).

EARNINGS PER SHARE – DIVIDENDS

Earnings per share amounted to €1.95 (previous year: €1.10). Excluding special factors, earnings per share amounted to €2.07 (previous year: €1.87). These figures were calculated on the basis of the weighted number of shares carrying dividend rights (226,818,984). The Executive Board and Supervisory Board will propose a dividend of €0.70 per share carrying dividend rights to the Annual General Meeting (previous year: €0.70).

Results of Operations – Business Segments

CONSUMER

3.11 **KEY FIGURES – CONSUMER BUSINESS SEGMENT**
Jan. 1–Dec. 31

		Europe	Americas	Africa/Asia/Australia	Total
Sales 2012	(in € million)	2,831	1,012	1,205	5,048
Sales 2011	(in € million)	2,792	875	1,029	4,696
Change (organic)	(in %)	0.6	12.6	9.9	4.9
Change (adjusted for currency translation effects)	(in %)	0.6	12.6	9.9	4.9
Change (nominal)	(in %)	1.4	15.7	17.1	7.5
EBIT 2012*	(in € million)	514	57	35	606
EBIT margin 2012*	(in %)	18.1	5.6	2.9	12.0
EBIT 2011*	(in € million)	495	55	–13	537
EBIT margin 2011*	(in %)	17.7	6.3	–1.2	11.4

* Excluding special factors (see reconciliation to EBIT excluding special factors in the section entitled "Result of Operations – Group").

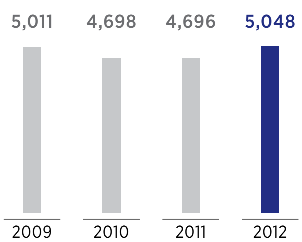
Sales by the Consumer Business Segment grew by 4.9% in 2012. At current exchange rates, sales increased by 7.5% to €5,048 million (previous year: €4,696 million).

This extremely positive growth was influenced by various factors. The new corporate strategy, manifested in the internal Blue Agenda program, showed considerable signs of success in many markets. It aims to make Beiersdorf more competitive and enhance its economic success. The success being sought can already be clearly seen from the sharp rise in sales, in particular in the emerging markets. Our three core brands – NIVEA, Eucerin, and La Prairie – all achieved very encouraging growth rates.

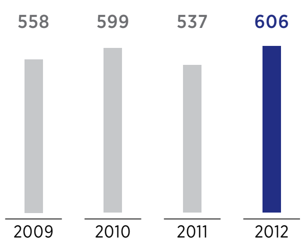
In 2012, **NIVEA** (after adjustment for NIVEA Make-up sales from 2011) achieved global growth of 6.4%. The key growth drivers were NIVEA Deo, NIVEA Body, and NIVEA Shower. Particular successes were recorded by Invisible for Black & White and the launch of Pure & Sensitive in the NIVEA Deo category, Repair & Care and In Shower in the NIVEA Body category, and the launches of Powerfruit and Pure Impact in the NIVEA Shower category. In contrast, sales of NIVEA Hair were down on the prior-year level due to the streamlining of the product range.

Our **Eucerin** brand generated strong growth of 6.6%, with the launches of Eucerin EVEN BRIGHTER and DermoCapillaire being particularly strong drivers. Sales growth in Chile, Thailand, and Sweden was particularly strong.

3.12 **CONSUMER SALES (IN € MILLION)**



3.13 **CONSUMER EBIT (IN € MILLION)**
Excluding special factors



In the exclusive cosmetics segment, our **La Prairie** brand recorded an increase in sales of 6.1%. The Caviar Collection, which launched La Prairie Skin Caviar Liquid Lift and the new La Prairie Cellular Power Charge Night, made an especially large contribution to this growth. Sales growth in China, France, and the USA was particularly strong.

Our **plaster brands** recorded sales growth of 2.8%. Healthy increases in sales were achieved in Germany and Latin America in particular, while Western Europe recorded declines in sales.

EBIT was €606 million (previous year: €537 million), while the EBIT margin rose to 12.0% (previous year: 11.4%).

EUROPE

3.14 **CONSUMER SALES IN EUROPE**

		Germany	Western Europe (excluding Germany)	Eastern Europe	Total
Sales 2012	(in € million)	713	1,507	611	2,831
Sales 2011	(in € million)	717	1,513	562	2,792
Change (organic)	(in %)	–0.6	–1.8	8.7	0.6
Change (adjusted for currency translation effects)	(in %)	–0.6	–1.8	8.7	0.6
Change (nominal)	(in %)	–0.6	–0.4	8.7	1.4

Europe recorded a slight increase, with sales in the region up 0.6% on the previous year. At current exchange rates, sales rose by 1.4% to €2,831 million (previous year: €2,792 million).

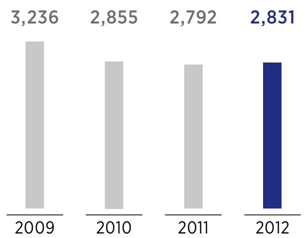
Sales of NIVEA in **Germany** were on a level with the previous year. In particular, NIVEA Deo and NIVEA Shower recorded considerable sales growth. Sales of NIVEA Sun declined due to the bad weather in the summer. Eucerin sales were up slightly in comparison to the previous year. Our Hansaplast/Hansamed plaster brands saw strong sales growth. Overall sales in Germany decreased slightly in comparison to the previous year.

Sales in **Western Europe** (excluding Germany) were down 1.8% on the prior-year figure. Alongside the streamlining of the product range in 2011, the effects of the weakening economy and the associated deterioration in consumer sentiment were felt across large parts of Europe. By contrast, the United Kingdom and Turkey turned in strong performances. Healthy sales growth was seen for NIVEA Body and NIVEA Shower, while sales of Eucerin were on a level with the previous year.

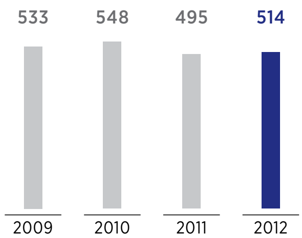
Sales in **Eastern Europe** grew by 8.7%. Russia, Poland, Ukraine and Serbia in particular saw healthy sales growth. NIVEA Body, NIVEA Deo, and NIVEA Men performed especially well in this region. In contrast, sales of NIVEA Baby declined. Eucerin saw extremely strong growth.

EBIT in Europe was €514 million (previous year: €495 million), while the EBIT margin increased to 18.1% (previous year: 17.7%).

3.15 **CONSUMER SALES IN EUROPE (IN € MILLION)**



3.16 **CONSUMER EBIT IN EUROPE (IN € MILLION)**
Excluding special factors



AMERICAS

3.17 CONSUMER SALES IN THE AMERICAS

		North America	Latin America	Total
Sales 2012	(in € million)	331	681	1,012
Sales 2011	(in € million)	298	577	875
Change (organic)	(in %)	2.7	17.7	12.6
Change (adjusted for currency translation effects)	(in %)	2.7	17.7	12.6
Change (nominal)	(in %)	11.0	18.1	15.7

Sales in the **Americas** region rose by 12.6%. At current exchange rates, they amounted to €1,012 million, up 15.7% on the previous year (€875 million).

Sales in **North America** were up 2.7% on the previous year. NIVEA Men and NIVEA Face performed well, while NIVEA Shower was down on the previous year. Eucerin further improved on its good prior-year sales.

Latin America saw sales growth of 17.7%, driven by excellent growth rates in Brazil and strong increases in most other key markets. NIVEA Deo, NIVEA Shower, and NIVEA Men performed extremely well in this focus region. Eucerin also saw very strong growth. Consumer EBIT in the Americas was €57 million (previous year: €55 million). The EBIT margin was 5.6% (previous year: 6.3%).

AFRICA/ASIA/AUSTRALIA

3.18 CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA

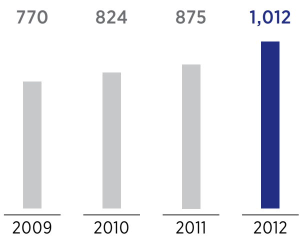
		Total
Sales 2012	(in € million)	1,205
Sales 2011	(in € million)	1,029
Change (organic)	(in %)	9.9
Change (adjusted for currency translation effects)	(in %)	9.9
Change (nominal)	(in %)	17.1

The **Africa/Asia/Australia** region recorded a 9.9% increase in sales. At current exchange rates, sales amounted to €1,205 million, an increase of 17.1% on the previous year (€1,029 million).

The affiliates in India, Thailand, and South Africa performed particularly well in this region. Sales growth was also encouraging in Japan. In line with planning, sales in China were on a level with the previous year. Across the region as a whole, NIVEA Body and NIVEA Deo in particular achieved very good growth rates. Eucerin also saw extremely good growth. Our 8x4 brand performed well in Japan.

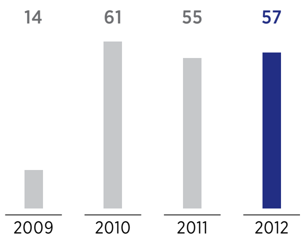
EBIT in this region rose to €35 million (previous year: €–13 million), primarily as a result of the improvement in our Chinese business. The EBIT margin increased to 2.9% (previous year: –1.2%).

3.19 CONSUMER SALES IN THE AMERICAS (IN € MILLION)



3.20 CONSUMER EBIT IN THE AMERICAS (IN € MILLION)

Excluding special factors



tesa

3.21 KEY FIGURES – tesa BUSINESS SEGMENT

		Europe	Americas	Africa/Asia/Australia	Total
Sales 2012	(in € million)	610	137	245	992
Sales 2011	(in € million)	622	118	197	937
Change (organic)	(in %)	–1.0	8.8	14.4	3.6
Change (adjusted for currency translation effects)	(in %)	–2.3	8.8	14.4	2.6
Change (nominal)	(in %)	–1.9	15.4	24.5	5.8
EBIT 2012	(in € million)	51	21	57	129
EBIT margin 2012	(in %)	8.4	15.5	23.1	13.0
EBIT 2011	(in € million)	43	19	47	109
EBIT margin 2011	(in %)	6.8	16.4	23.9	11.6

Sales by the tesa Business Segment were up 3.6% on the previous year. At current exchange rates, sales increased by 5.8% to €992 million (previous year: €937 million). EBIT rose to €129 million (previous year: €109 million). The EBIT margin was 13.0% (previous year: 11.6%).

tesa INDUSTRIAL SEGMENT

The industrial segment, which accounted for 76.6% of sales (previous year: 75.1%), again performed very well with sales growth of 3.9%. In nominal terms, sales rose by 7.8% to €766 million (previous year: €711 million). Both the direct customer business and the distribution business in all regions played a role in this. Business was especially dynamic in Asia and the United States, with the main growth drivers there again being the automotive and electronics industries.

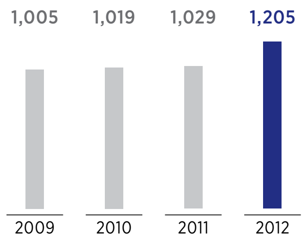
In the electronics industry business, a new range of electrically conductive and heat-dissipating adhesive tapes (including extra-thin versions) was a key source of momentum. These additional features are becoming increasingly important, because new generations of smartphones and other consumer electronics devices involve a growing number of electronic loads. In addition, our customer-specific foam and foil tapes, which are used to secure smartphone displays, continued to be a major success.

We recorded strong growth in the US automotive industry in particular with new versions of our non-woven and sleeve products for bundling and mounting wire harnesses. A range of ready-made adhesive tape cut-outs for temporarily covering brake disks was successfully introduced. These products are primarily used by American and Asian automobile manufacturers to stop brakes from getting dirty during vehicle transportation. Products for permanently sealing production-related holes in the inside bodywork remained a key driver.

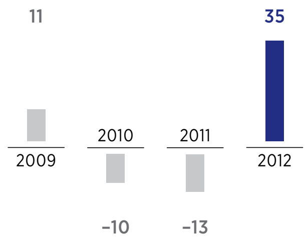
In the paper industry, new, water-soluble adhesive tapes that are calcium carbonate-resistant were very well received. This chemical compound is increasingly being used in paper production. It affects the adhesive strength and elasticity of conventional adhesives and reduces the break resistance of the rolls of paper. Primarily for the Japanese market, we launched a new version of the successful EasySplice tape for magazine printing, which prevents the print image being damaged by minuscule paper fibers.

We continued to set up our new Pharma business area by expanding our production infrastructure in line with our planning. For example, we commissioned a new facility for the secondary packaging of pharmaceutical plasters as well as an SAP system that has been tailored to the new processes. The objective is to be able to offer customers from the pharmaceutical industry an optimum service from product development through manufacturing and packaging to delivery. We started additional contract development projects with well-known customers. We granted a license to manufacture an additional medicated plaster developed at our affiliate Labtec. Production validation runs were performed without any problems. The way is now clear for the first marketable products to be delivered in 2013.

3.22 CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA (IN € MILLION)



3.23 CONSUMER EBIT IN AFRICA/ASIA/AUSTRALIA (IN € MILLION)
Excluding special factors



Our anti-counterfeiting and anti-tampering solutions business, which is bundled in the tesa scribos business area, performed extremely well. The recently introduced PrioSpot® brought us a large number of new customers. The successor to our Holospot® technology contains a large number of new and above all clearly visible authenticity features, which consumers can use to check the validity of branded goods quickly and reliably. In addition to a well-known consumer electronics manufacturer, companies from the food industry such as producers of Bordeaux wines recently started relying on PrioSpot® to protect their high-quality products and brands.

The Building Supply business area saw considerable growth in products based on the new, patented ACX technology. Our main focus is on extra-durable, high-performance bonding solutions for the building and construction industry. Among other things, our customers use the ACX^{plus} range for affixing decorative glass in refrigerators, stiffening elements in elevators, and for panels during window and door production. The adhesive tapes are weather-resistant. They can be used for both long-term indoor and outdoor applications and simplify the manufacturing process.

The introduction of the new ACX^{plus} products also boosted the distribution business, which was hit hard by the euro and sovereign debt crisis. A new range of particularly strong filament tapes, which permit heavy-duty bundling while reducing materials usage, was also very well received.

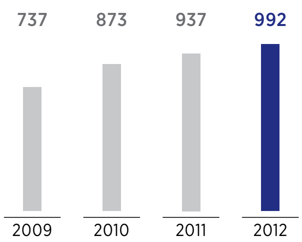
tesa CONSUMER SEGMENT

The consumer products business, which is focused on Europe and Latin America, performed positively to rise by 1.6%. Nominal sales rose by 2.6%, from €184 million in the previous year to €189 million. The area contributed 18.9% (previous year: 19.5%) of total sales by the tesa segment in the year under review.

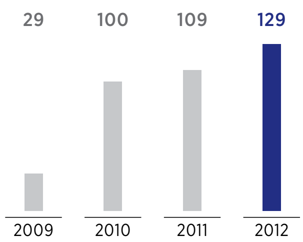
We again increased our market share in many key product groups in our two strategic business areas – home improvement solutions and products for the office supplies and stationery sector. Both product innovations and new marketing activities that are more strongly aimed at consumers in addition to specialist retailers contributed to this. We saw disproportionate growth in Eastern Europe, which allowed us to offset developments in Southern Europe, which was affected by the euro and sovereign debt crisis. The launch of a range of consumer products on the Brazilian market aimed at reaching the rapidly growing middle class there with a customized offering generated additional momentum. We also generated significant sales growth with our e-commerce partners.

Once again, the main growth drivers in the office supplies and stationery area were the particularly environmentally friendly products marketed under the EcoLogo sub-brand. These are produced from largely recycled and biologically based raw materials and reflect the trend towards a sustainable lifestyle and working environment. We expanded this successful approach to the home improvement range, where we made our mark with environmentally friendly double-sided crepe, repair, and carpet tapes. A new, high-quality Powerstrips hook range specifically targeting the sanitary area in combination with an innovative marketing concept also met with considerable approval.

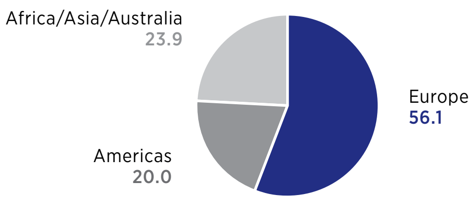
3.24 tesa SALES (IN € MILLION)



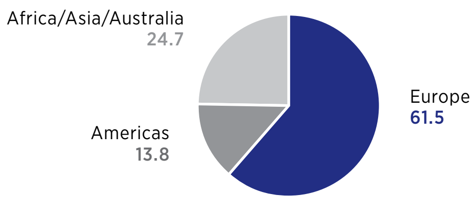
3.25 tesa EBIT (IN € MILLION)



3.26 CONSUMER SALES BY REGION (IN %)



3.27 tesa SALES BY REGION (IN %)



We convinced well-known strength athlete Patrick Baboumian to be our product and brand ambassador in a marketing cooperation for our new range of extra-strong fixing tapes. Baboumian, voted "Germany's Strongest Man" in 2011, is also the star of a new television commercial, which has been broadcast since November.

In addition, we continued our successful "Kleben Sie ein Zeichen!" campaign, which was again very well received. This involved us giving grants to support particularly meaningful private environmental projects, which were presented on the Internet and chosen by consumers.

Balance Sheet Structure – Group

3.28 **BALANCE SHEET STRUCTURE (IN € MILLION)**

Assets	Dec. 31, 2011	Dec. 31, 2012
Non-current assets	1,583	1,687
Inventories	699	734
Other current assets	2,052	2,320
Cash and cash equivalents	941	834
	5,275	**5,575**

Equity and liabilities	Dec. 31, 2011	Dec. 31, 2012
Equity	3,016	3,287
Non-current provisions	297	272
Non-current liabilities	157	175
Current provisions	527	506
Current liabilities	1,278	1,335
	5,275	**5,575**

Non-current assets increased by €104 million as against the prior-year figure to €1,687 million (previous year: €1,583 million). Long-term securities were reclassified due to shorter maturities and new purchases were made. Capital expenditure amounted to €193 million (previous year: €86 million). Of this amount, €148 million was attributable to the Consumer business segment (previous year: €63 million) and €45 million to the tesa business segment (previous year: €23 million). The increase is mainly attributable to investment in the new factory in Mexico as well as to the purchase of real estate used by Beiersdorf from the plan assets of the company's pension fund in Germany. In addition to this investment, there were additions to intangible assets in the amount of €36 million from the acquisition of the shares in EBC (Turkey) previously held by a third party. Depreciation, amortization, and impairment losses amounted to €130 million (previous year: €139 million). In addition, impairment losses of €15 million were recognized on the goodwill of EBC (Turkey) and of €7 million on the Chinese hair care brands. A small brand was discontinued. The impairment losses of €134 million recognized in the previous year also included write-downs on the Chinese hair care brands and on the goodwill for Beiersdorf Hair Care China. Inventories increased to €734 million (previous year: €699 million). Other current assets rose to €2,320 million (previous year: €2,052 million). This item includes short-term securities of €926 million (previous year: €690 million*); the increase of €236 million in comparison to the previous year was due to reclassifications of long-term securities and to additional purchases. Trade receivables rose by €45 million to €1,064 million (previous year: €1,019 million).

Cash and cash equivalents amounted to €834 million (previous year: €941 million).

3.29 **FINANCING STRUCTURE (IN %)**

* The prior-year figure has been adjusted. See the disclosures in the section of the notes to the consolidated financial statements entitled "Changes in Accounting Policies".

Net liquidity (cash and cash equivalents, and non-current and current securities, less current liabilities to banks) increased to €2,436 million (previous year: €2,222 million*). Current liabilities to banks were reduced by €63 million year-on-year and amounted to €21 million (previous year: €84 million).

At €447 million, non-current liabilities decreased by €7 million as against the prior-year figure (€454 million). The €36 million increase in current liabilities to €1,841 million (previous year: €1,805 million) resulted from the growth in trade payables due to operational factors. The equity ratio was 59% (previous year: 57%). The share of non-current liabilities amounted to 8% (previous year: 9%) and the share of current liabilities to 33% (previous year: 34%).

Financial Position – Group

3.30 **CASH FLOW STATEMENT – GROUP (IN € MILLION)**

	2011	2012
Gross cash flow	428	545
Change in working capital	17	–25
Net cash flow from operating activities	445	520
Net cash flow from investing activities	–306	–382
Free cash flow	139	138
Net cash flow from financing activities	–175	–243
Other changes	4	–2
Net change in cash and cash equivalents	–32	–107
Cash and cash equivalents as of Jan. 1	**973**	**941**
Cash and cash equivalents as of Dec. 31	**941**	**834**

Gross cash flow amounted to €545 million in the year under review, up €117 million on the prior-year value.

The change in working capital led to an outflow of €25 million (previous year: inflow of €17 million). Trade payables increased by €90 million, while current provisions and other liabilities increased by a total of €4 million. Receivables and inventories increased by €111 million.

The net cash outflow from investing activities amounted to €382 million in the year under review (previous year: €306 million). This includes funds in the amount of €25 million to increase the shares held in EBC (Turkey) from 50% to 100%. Capital expenditure of €193 million for property, plant, and equipment, and immaterial assets, as well as net payments of €234 million for the purchase of securities were partially offset by €70 million in interest income and other financial cash inflows.

Free cash flow amounted to €138 million, on a level with the previous year (€139 million). Based on the dividend of €159 million paid by Beiersdorf AG, interest and other financial cash outflows of €23 million, and higher net payments to repay financial liabilities, the net cash outflow from financing activities amounted to €243 million, €68 million above the prior-year level (previous year: €175 million).

Cash and cash equivalents amounted to €834 million (previous year: €941 million).

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 Group's basic operating and financial business. Scenarios and rolling 12-month cash flow planning are used to establish liquidity requirements.

The Group's Economic Situation – Summary

For Beiersdorf, fiscal year 2012 was another year of realignment, particularly in the Consumer Business Segment. The Group's two business segments performed extremely well. Both the Consumer Business Segment and the tesa Business Segment recorded encouraging growth rates. Group sales amounted to €6,040 million (previous year: €5,633 million). After adjustment for currency translation effects, this figure was up 4.7% on 2011 sales on a like-for-like basis. Group EBIT increased to €698 million (previous year: €431 million). After adjustment for special factors, EBIT was €735 million (previous year: €646 million). Excluding special factors, the EBIT margin was 12.2% (previous year: 11.5%).

In the Consumer segment, the new strategy manifested in the internal Blue Agenda program showed the first fruits of success in many markets. It aims to make Beiersdorf more competitive and enhance its economic success. The healthy sales increase of 4.9% slightly exceeded the targets for fiscal 2012. In line with planning, the results for fiscal year 2012 also increased.

The tesa Business Segment again recorded a positive trend in the past fiscal year. tesa's sales growth of 3.6% was on target and expectations were exceeded slightly in some business areas – proof that tesa was able to further strengthen its market position.

Judgments by Management

With the exception of the presentation of accrued interest under current financial assets, no accounting policies were applied and no related options were exercised in the consolidated financial statements that differ from those in prior years and that, if applied or exercised differently, would have had a material effect on the results of operations, balance sheet structure, and financial position. Information on the effects of the use of estimates, assumptions, and judgments by management can be found in the notes to the consolidated financial statements.

* The prior-year figure has been adjusted. See the disclosures in the section of the notes to the consolidated financial statements entitled "Changes in Accounting Policies".

Research and Development

Intensive research is a consistent factor for Beiersdorf's success – and has been for more than 130 years.

The Consumer Business Segment develops innovative products that are tailored to meet the wishes and needs of consumers worldwide and that are known for their quality, effectiveness, and outstanding tolerability.

The innovative, high-quality self-adhesive system and product solutions that tesa develops make it a world leader in its field.

965 people were employed in the Research and Development area worldwide at the end of 2012 (previous year: 967), 528 (previous year: 564) of whom were in the Consumer Business Segment and 437 (previous year: 403) in the tesa Business Segment.

Consumer

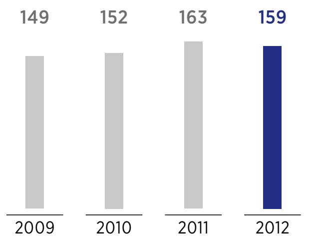
FOCUS ON SKIN

Strategically expanding our globally leading skin care expertise is one focus of our research and development work in the Consumer Business Segment. Beiersdorf's fundamental research approach can be described as "learning from the skin for the skin". In the course of this process, Beiersdorf's researchers decode the complex processes taking place in the skin. They develop an understanding of the metabolic processes from the individual skin cells right down to the skin in its entirety as an organ, and develop efficient formulas with active ingredients – both those found in the skin and those from other natural sources.

Beiersdorf also systematically enhances the existing successful products in its core categories. For instance, the nature-identical ingredient gluco-glycerol – first used by Beiersdorf for moisturizing care in 2010 – was incorporated into a large number of NIVEA products in the form of Hydra IQ. The Hydra IQ formulas help keep skin moisturized from within. Continually enhancing innovations such as Hydra IQ and expanding their use to all NIVEA Body Lotions, NIVEA Face Essentials, and almost all NIVEA Shower product categories underscores Beiersdorf's skin care expertise and is a good example of how products that are already on the market are consistently enhanced.

A key research focus addresses skin hypersensitivity – such as hyperreactive or eczema-prone skin – which affects up to 25% of the population. Together with its university research partners, Beiersdorf is investigating how different skin layers and skin cells communicate and how they affect each others' metabolic processes. Key findings about the interaction between nerve endings and skin cells were produced for the first time with the aid of a new skin model. Biochemical signals on the cells of the epidermis trigger excessive growth of nerve endings in the skin, exacerbating the negative feedback loop between skin sensation and skin irritation. This discovery is an important starting point for future product generations.

3.31 **R&D EXPENSES (IN € MILLION)**
(R&D = Research and Development)



SKIN EXPERTISE THANKS TO ANALYTICS AND BIOENGINEERING

Skin Code Reader: A world first that is used in the Eucerin Skin Institute in Hamburg is the Skin Code Reader that was developed specially for Eucerin in close cooperation with dermatologists. This uses ten parameters to determine consumers' individual skin condition (skin code). The detailed skin code then serves as a basis for a unique, individually tailored care and treatment plan.

Research into skin biomarkers: New findings about the skin are also emerging from the development and use of new analytical methods. The structure and condition of the skin can be modeled precisely with the help of mass spectrometry imaging (MALDI imaging MS). This recognizes characteristic substances – biomarkers – whose presence and distribution within the skin can contribute to the understanding of metabolic processes. Modeling biomarkers like these allows new, highly focused approaches to be identified. As a result, the success of new product concepts can be assessed directly.

THE SKIN'S BIOLOGICAL CLOCK

Skin is not just a vital organ, but also one of the most versatile. On the one hand, it has representative, communicative, and sensory functions, while on the other, it forms a barrier against germs and helps keep conditions for other important systems in the body constant in the face of frequently changing environmental influences. Challenges such as heat, cold, sunlight, or moisture have very different effects on skin depending on the time of day.

In cooperation with Charité Universitätsmedizin Berlin, Beiersdorf's researchers discovered and demonstrated that the human epidermis also has a biological clock that steers the exact timing of repair and regeneration processes in the skin.

The new findings open up the prospects of interesting approaches for both medicine and skin research. The ability to prove for the first time that the processes in the skin follow a specific rhythm is important, for example, when it comes to optimizing the ingredients in skin care products. It means that product application recommendations can be developed that reflect varying skin care needs depending on the time of day and the skin's individual biorhythms. Synchronizing skin care with people's biological clocks offers the opportunity to improve many important skin functions as well as their complexions and appearances. At the same time, care can be tailored to the many factors influencing modern lifestyles.

OPEN INNOVATION AT BEIERSDORF

Two years after its launch, the award-winning "Pearlfinder" open innovation initiative has become a regular source of innovative ideas at Beiersdorf. The platform enables open, trust-based communication with external innovation partners. The objective is to further enhance the company's innovation power – a recipe for success that Beiersdorf has been following since it was founded in

1882. The number of companies, research institutes and universities, individual scientists, and inventors on the "Pearlfinder" Web platform has increased constantly since its launch. Feedback from these external partners has been very positive thanks to their transparent involvement at an early stage in research and development for new products and packaging. In addition, the protected environment offered by "Pearlfinder" for external partners to submit their suggestions is a key factor in its success. The contact with new innovation partners is extremely helpful for Beiersdorf since it permits the identification of ideas being pursued in current research and development projects. The "Pearlfinder" offering for partners is continually being expanded. For instance, the aim is to allow them in the future to contribute their own ideas and solutions independently of Beiersdorf specific issues. Further information on "Pearlfinder" can be found at HTTP://PEARLFINDER.BEIERSDORF.COM.

FOCUS ON CONSUMER NEEDS

Beiersdorf tests all of its products on two levels that are key to market success: On the one hand, consumers need to be involved at an early stage so as to establish their needs. On the other hand, all products are tested using the latest scientific methods to ensure that they are both safe and as effective as possible.

The company has been researching consumer behavior for over ten years now using modern market research methods, as well as observing how consumers use products and systematically analyzing cosmetic markets around the world. The resulting data serves as the basis for developing new products and adapting them to meet regional conditions and requirements. The top priority for Beiersdorf's researchers is to fulfill consumers' wishes and needs.

All Beiersdorf products are subject to rigorous product application tests. Every year, over 2,500 studies involving more than 45,000 participants are conducted to demonstrate and document the effectiveness of, for example, anti-aging cosmetics. Beiersdorf is currently assisted in this by 40 external institutes around the world in Europe, Brazil, India, China, South Africa, and the USA. Only scientifically established methods are used, from study design and participant selection down to data analysis.

INNOVATIONS

The Consumer Business Segment applied for patents for 87 innovations in fiscal year 2012 (previous year: 81). Beiersdorf launches a constant stream of attractive new products on the market. Key launches in the period under review included the following:

- Concentrations of Q10 and creatine in the skin decline with age. **NIVEA Q10 plus** and **NIVEA Body Q10 Firming Lotion** are tried and trusted formulas that we are continually enhancing and adapting to meet consumer needs. The product range for the face, which comprises moisturizing day cream, serum, night cream, and products for the eyes, increases the concentration of Q10 and creatine, combating wrinkles from within. Creatine is the perfect partner for Q10; it stores energy and releases it as needed.

- **NIVEA MEN Q10 Energy After Shave Lotion** from the revamped NIVEA MEN Q10 series makes the proven Q10 and creatine energy system available to men using optimized formula systems. The formula with Q10 combats dwindling energy supplies in the mitochondria of men's skin over time, while the formula with creatine delivers energy to the skin straight away. All products in the Skin Energy series also moisturize the skin, making it look fresher and providing optimal care for men's stressed skin during and after shaving.

- **NIVEA MEN Energy After Shave Lotion with taurine**, a natural source of energy, and the antioxidant vitamin E offers effective protection against damage to the skin from radicals. The lotion is absorbed quickly and calms and protects the skin.

- The **NIVEA Hair Care & Styling** relaunch improved the positioning of these proven products, which protect, add body to, and care for different hair types. The composition of the formulas and the effectiveness of the care and styling ranges were enhanced further. Consumer tests confirmed the improved performance of the shampoos and conditioners as well as the hold and volume offered by the styling products.

- **Eucerin EVEN BRIGHTER**, the first comprehensive care range for hyperpigmentation by Eucerin available in pharmacies, reduces pigmentation marks using the cosmetic ingredient B-Resorcinol and restores a more even skin tone after four to 12 weeks. B-Resorcinol addressed the problem of melanin production at source, so that dark spots fade over time. The production of melanin is limited and dark spots are significantly reduced. This effect steadily improves the complexion when the products are used regularly.

- **Eucerin DermoCapillaire** is a full-range scalp and hair care program. The care series offers products that restore the scalp's healthy balance and provide dedicated treatments for common problems. The combination of leave-on scalp treatment and shampoo reduces microinflammations, promotes healthy hair growth, and cares for the hair. The special combinations of ingredients in the various products solve problems such as sensitive scalps, itching, and scaling.

The **La Prairie Group** in Zurich, Switzerland, expanded its Advanced Marine Biology Collection to include three new products: Foaming Mousse Cleanser, Revitalizing Emulsion, and Eye Gel. The collection's ingredients are sourced on land from aquacultures in a scientifically controlled seawater environment. All of the products in the collection contain La Prairie's exclusive Cellular Complex, which stimulates the skin's own regeneration process and optimally supports its functions.

Skin Caviar Liquid Lift is a new anti-aging serum. With its high concentration of caviar extract, the product firms and contours the skin. This process is supported by the firming effect of a heteropolysaccharide and an advanced tripeptide, which helps to prevent fine lines and smile and frown lines. In addition, a new pentapeptide promotes the healthy balance of the epidermis. A modern pump dispenser correctly mixes the ingredients immediately before application, guaranteeing their stability.

In the Cellular Power Charge Night product, La Prairie's scientists have combined Cellular Power Infusion technology with an effective anti-aging ingredient – micro-encapsulated retinol – and added a revitalizing shot of oxygen. Lack of oxygen in the skin is one of the main causes of lines, wrinkles, and declining vitality. Moreover, increasing the oxygen supply promotes epidermal cell regeneration. The structure of the skin appears finer, brighter, and more radiant overall. In addition, Swiss snow algae serve to protect the skin cells and strengthen the skin's natural regenerative power.

tesa

SOLVENT-FREE MANUFACTURING PROCESSES FOR STRUCTURAL BONDS

One focus of our development work is on continually enhancing solvent-free technologies for manufacturing double-sided adhesive tapes for particularly resilient long-term bonds in the construction area. The manufacturing processes and the composition of the high-performance adhesive tapes have been changed to facilitate strong, permanent bonding even at extreme temperatures. For example, innovative prototypes that also stick firmly and permanently to the special dirt- and adhesive-repellent paints used in the automotive industry were manufactured on the pilot production lines at the research and development center in Hamburg.

INNOVATIVE TECHNOLOGIES FOR SPECIAL PRODUCTS

tesa has also developed new adhesive films for industrial uses that can replace liquid adhesives, which are much more difficult to handle. For example, tesa's heat-activated adhesive films, which harden when subjected to heat, are already being used for high-performance bonding in the electrical industry. tesa has also developed additional heat-activated products for bonding temperature-sensitive plastics and coated metals for the new generations of smartphones and tablet PCs. The advantage of these innovative products is that they cure even at extremely low processing temperatures.

BROAD RAW MATERIALS BASE FOR THE CORE RANGE

Given ongoing high raw materials prices, securing and diversifying the raw materials used in its core product range is a constant goal of precursor and intermediate product development at tesa. Raw material sourcing can be globalized and diversified using modular material concepts and easily manageable manufacturing processes as well as the increasing integration of renewable and recycled raw materials. This means that competitive alternatives are immediately available if a particular supplier is no longer available. This applies to both adhesive masses and carrier layers made of films, paper, and tissue. For example, tesa has developed carrier films for single- and double-sided tapes based on polylactic acid from renewable sources.

For more information on Research and Development at Beiersdorf please visit WWW.BEIERSDORF.COM/RESEARCH.

Sustainability

Beiersdorf has always defined its responsibility as a company in three ways: long-term economic success, environmental protection, and corporate social responsibility. Sustainability is an integral part of our corporate culture and our business activities and is therefore firmly established in all of Beiersdorf's business processes. Growing consumer demand for sustainable products, production processes, and supply chains makes acting in a resource-friendly and socially responsible way an important success factor. A large number of projects and activities in 2012 demonstrate the importance that Beiersdorf places on an integrated approach to its business activities.

Consumer

CORPORATE SUSTAINABILITY

The "We care." sustainability strategy that Beiersdorf developed in 2011 focuses on three fields of activity: "Products", "Planet", and "People." Beiersdorf has defined clear, long-term objectives for each core area of activity; by 2020:

- 50% of its sales will be from products with a significantly reduced environmental impact (base year 2011)
- CO_2 emissions will have been reduced by 30% per product sold (base year 2005)
- we aim to reach and improve the lives of one million families (base year 2013)

The focus in 2012 was on rolling out the strategy throughout the company and on launching pilot projects that point the way to achieving our objectives. There are also many positive examples – including from affiliates – of Beiersdorf's ongoing commitment to sustainability.

PRODUCTS

Beiersdorf has launched a Group-wide project to perform systematic product life cycle assessments with the aim of better documenting product sustainability effects and integrating the findings even more effectively into the innovation process. Beiersdorf also continued its drive to reduce packaging material: for example, material usage for the new NIVEA Body products has been decreased, saving significant amounts of packaging material. In addition, the packaging shape was optimized so that more products are transported per pallet, significantly reducing CO_2 emissions.

PLANET

In 2012, Beiersdorf started designing a company-wide system for managing its sustainability performance, so as to ensure that sustainability activities are planned in and performed during all business processes.

The company also expanded its activities in the resource efficiency area. For example, combined heat and power plants were commissioned at the company's Hamburg location and additional energy efficiency measures were implemented in its research center. These measures cut CO_2 emissions.

From the beginning of 2013, Beiersdorf AG has implemented a Green Car Policy, which specifies concrete CO_2 emissions limits for all company cars, from the sales team to the Executive Board. These limits – which are strict in comparison to those in force at other companies – highlight how important sustainability is for Beiersdorf.

Beiersdorf is also aiming at least for a LEED gold certificate for the new production center it is planning in Mexico. LEED (Leadership in Energy and Environmental Design) is an internationally recognized system for classifying sustainable buildings that meet certain ecological conditions, particularly with respect to their construction and operation. The new plant will emit considerably less carbon dioxide and use significantly less water than comparable structures.

PEOPLE

ESMAS, the global Environmental Protection and Safety Management Audit Scheme, was expanded in the year under review. The audited companies now have the opportunity for continuous further development in the form of self-audits. Beiersdorf Manufacturing Berlin is one of the first production centers to successfully implement the new system in ongoing communication on the topics of environmental protection and occupational safety.

The company has also made progress in maintaining the physical and psychological wellbeing of all employees – something that is essential for successful and meaningful work. For example, Beiersdorf Manufacturing Hamburg (BMH) launched the GO BMH health campaign in 2011 as part of its BMH Strategy 2015. Its objective is to boost employees' health and performance in the long term. In the pilot project "GO-Kompakt", employees were given a day off for a thorough check-up by the company medical service, and were taught about important health-related topics such as nutrition when working shifts and relaxation techniques. This was followed up by another health exam after six or 12 months. Beiersdorf has also developed an extensive package of measures to maintain employees' psychological health. This includes a cooperation agreement with a behavioral therapy facility, management seminars to prevent burnout, and establishing a reintegration management system.

Diversity is a very important topic in a global company. This is why Beiersdorf signed the "Diversity Charter" in 2012. This initiative aims to promote the recognition, appreciation, and integration of diversity in German corporate culture. The company has also appointed a diversity manager who reports directly to the Chairman of the Executive Board. Beiersdorf is making an important contribution to improving employees' work-life balance by expanding the day care center at its Hamburg location. This provides comprehensive care for both employees' children and children from the neighborhood.

As part of its corporate social responsibility (CSR) commitment, Beiersdorf supports projects that deliver strong local benefits and that have a long-term focus. Together with Plan International, Beiersdorf has reached more than 25,000 children and their families with its 15 projects. Since social commitment works from the inside out, Beiersdorf actively involves its employees in its CSR initiatives. At the moment, the company is developing a volunteering concept that will allow employees to actively contribute to Beiersdorf's CSR activities at a personal level. This will increase motivation during day-to-day working, boost identification with the company, and make a social contribution at the same time.

To ensure its sustainability strategy can be successfully implemented and its ambitious targets achieved, Beiersdorf is showing its employees what sustainability means for them both privately and professionally, how they benefit from this, and what they can actively do to contribute. To achieve this, a Group-wide employee campaign focusing on three pillars – "inform", "involve", and "inspire" – was started in 2012. Beiersdorf firmly believes that the company can only become more sustainable with the help of its employees.

Additional information can be found at WWW.BEIERSDORF.COM/SUSTAINABILITY

tesa

HIGH LEVEL OF ENVIRONMENTAL PROTECTION

tesa made significant progress in implementing its global five-year environmental program (2007 to 2012) in 2012. It achieved the ambitious environmental objectives it set itself – such as reducing VOC (volatile organic compound) emissions and solvents, saving energy, and reducing waste and CO_2 emissions. For example, the business segment's global energy consumption fell.

In the occupational safety area, tesa maintained its very low number of work-related accidents in comparison to the rest of the sector. Key factors contributing to this include regular inspections of the facilities, harmonizing safety standards, on-site training, and enabling technical managers and safety specialists to swap experiences on an international level.

SPONSORSHIP OF UNESCO BIOSPHERE RESERVE

In the year under review, tesa intensified the long-term partnership with the UNESCO biosphere reserve in Lower Saxony's Elbe valley that it entered into in 2011. tesa employees can take part in a variety of activities, all of which contribute to maintaining this highly biodiverse, environmentally sensitive floodplain landscape. After the initial planting initiative last year, more teams of employees got involved in corporate volunteering initiatives in 2012, planting a total of 750 oak seedlings.

Following its resounding success in the previous year, the "Kleben Sie ein Zeichen!" competition entered its second round in 2012. A total of €50,000 is being used to finance projects designed to improve the environment on a local and regional level that have been founded by members of the public in Germany and Austria. Additional communication activities allowed us to reach even more people than in the previous year and encourage them to take part. A total of 122 associations, schools, kindergartens, initiatives, and private individuals from Germany and Austria submitted applications for nature conservancy, environmental protection, and resource conservation projects. A large number of consumers voted for their favorite projects at WWW.ZEICHEN-KLEBEN.DE and selected the 11 winners.

SUCCESSFUL COOPERATION IN SOCIAL PROJECTS

In 2012, tesa also took part in a large number of projects that meet the criteria laid down in its "tesa Corporate Giving Policy". The company focused mainly on helping disadvantaged children and young people by providing donations and sponsorship, and by doing voluntary work. To ensure a long-term approach, the previous year's activities were continued and expanded. Employees again took part in the "Das macht Schule e.V." initiative in 2012. This association brings together schools and companies in school renovation and organization projects that are then implemented by schoolchildren and teachers together with employees from the companies involved.

Employees at tesa's affiliate in Poland support the Center for Deaf Children in Poznán. In 2012, they paid for books and films for the Center's library and donated beanbag chairs. tesa employees in France took part in the "Heroes Race" (Course des Héros) for the third time. As well as the athletic challenge, their aim was to attract additional supporters and collect donations. tesa France donated the money raised to the "Fondation Mouvement pour les Villages d'Enfants", which provides new homes for children from difficult family backgrounds.

All tesa's activities are documented in an annual report that is available at WWW.TESA.COM/RESPONSIBILITY.

Employees

SUCCESSFUL TOGETHER

The Beiersdorf Group employed 16,605 people worldwide at the end of 2012 (previous year: 17,666). Of this figure, 5,697 (previous year: 5,889) or 34% (previous year: 33%) were employed in Germany. At the end of the fiscal year, 12,811 people worked in the Consumer Business Segment (previous year: 13,871). The tesa Business Segment accounted for 3,794 employees (previous year: 3,795).

Consumer

MANAGING CHANGES IN THE WORKPLACE

Employees are vital factors in corporate success. They manage strong brands, develop innovations, and enthuse consumers. This is how sustainable success is created. The Human Resources department's future-oriented activities support the company's development and strategy. The department analyzes trends in the workplace and the wider world, and provides the framework needed to maintain Beiersdorf's positioning as one of the most attractive employers in the consumer goods industry.

The global labor markets of tomorrow are subject to a number of megatrends that are leading to significant changes in the workplace. As in most industrialized countries, the population in Germany is aging as a result of demographic change, and even initial emerging markets – such as China – are affected by this trend. This also has implications for workforce age structures in companies, which must adapt to these changes well in advance. At the same time, continuing globalization is being accompanied by increasing mobility – especially of highly qualified employees. This megatrend is creating both opportunities and challenges for international companies such as Beiersdorf. More than ever, Beiersdorf needs employees who can move between countries, cultures, and languages. It has to position itself as an in-demand employer in order to attract these high potentials. This is the only way to develop innovative products for different markets and leverage opportunities around the world even more effectively. In addition, achieving a healthy work-life balance is becoming increasingly important. Providing flexible employment opportunities for highly qualified employees throughout all stages of their lives gives companies a competitive advantage. Beiersdorf supports this flexibility in particular by offering part-time working models that reconcile individual needs with the requirements of our business operations to a significant extent.

Beiersdorf's human resources activities address these and other workplace changes, taking a far-sighted approach for the benefit of both the company and its employees. Responsible cooperation is an essential element of long-term corporate success.

ENABLING HIGH PERFORMANCE

Beiersdorf is one of the most attractive employers in the consumer goods industry, and it intends to consolidate and expand this position using a blueprint for the period up to 2015 developed by the Human Resources department. This is derived from the company's "Blue Agenda" – the strategic compass for all of Beiersdorf's corporate activities in the coming years. The human resources strategy is based on three pillars, which are applicable all over the world:

- develop world-class, diverse talent at all levels
- drive the right core competencies within the organization
- create a motivating, high-performance working environment

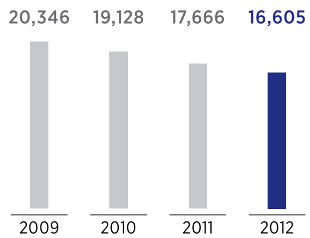
Beiersdorf aims to use its employees' skills and potential to optimally meet workplace requirements. In addition, it specifically fosters motivation and a performance-driven culture.

Key Human Resources department activities in fiscal year 2012 included the introduction of the new performance management process plus the new "Pay-for-Performance" compensation system. The number one priority was to plan thoroughly and far-sightedly for these changes, as well as to rapidly and reliably implement the measures. Ensuring that we have the right people with the right skills and abilities in the right place at the right time is the only way to successfully implement the Consumer business strategy "Focus on Skin Care. Closer to Markets."

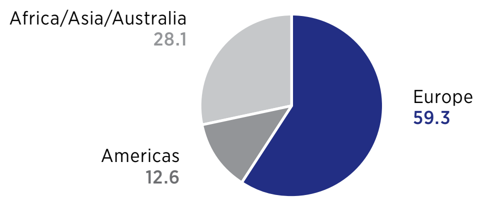
FOSTERING MOTIVATION AND A PERFORMANCE-DRIVEN CULTURE

The new performance management process is designed to foster a more performance-driven corporate culture. Making performance transparent, evaluating it fairly, and rewarding it appropriately are vital here. The criteria necessary to do this – the core competencies and criteria for measuring potential – were established in 2011. The new performance management process is directly linked to a new compensation system: "Pay for Performance" means remuneration is fair and aligned with performance. Beiersdorf is also focusing more

3.32 **GROUP EMPLOYEES**
as of Dec. 31



3.33 **EMPLOYEES BY REGION (IN %)**
as of Dec. 31, 2012; total 16,605 employees



strongly on employee development, taking individual abilities into account. The principles behind this are the ability to work independently as well as a high level of motivation and initiative. The process is flanked by frank, open dialog in an atmosphere of mutual trust – part of Beiersdorf's corporate culture. Regular, honest feedback aims to ensure that every single member of the Beiersdorf team continues to develop on an ongoing basis and continuously improves their performance.

HUMAN RESOURCES IS THE BASIS FOR CORPORATE SUCCESS

The Human Resources department's new performance management activities and pay-for-performance process strengthen and foster the performance-driven approach taken by all Beiersdorf employees, and hence the company's success worldwide. Another important strategic human resources planning tool is optimized succession management. This tracks employee potential, recognizes the need for supplementary recruitment, serves as an early warning system for critical positions, and ensures employees have the qualifications they need. The Human Resources department's tasks also include supporting managers in managing and developing their teams. Here, too, continuous professional development and lifelong learning, which are incorporated seamlessly into the Integrated Talent Management program, are a given. Beiersdorf offers a wide range of opportunities to develop professional and personal skills, from on-the-job training programs through ab initio and continuing professional development courses in specialist subjects down to management training. Employee qualifications are crucial to Beiersdorf's competitive ability – particularly since changes in the company's environment are making internal changes necessary.

tesa

PLANNING STARTED FOR NEW tesa HEADQUARTERS

tesa started with the construction of a new headquarters complex including a research and development center. Relocation is scheduled for 2015. Organizational preparations for these changes, which will affect around 800 employees, began in the year under review. The focus was on capacity planning and on the communications, planning, and discussion processes with the governing bodies involved in codetermination and with employees relating to the design of the future working environment.

NEW CONCEPT FOR EMPLOYEE DIALOG

Managers at tesa hold employee reviews once a year. The concept for these reviews was redesigned in 2012 in order to enhance tesa's open corporate culture in line with its Strategy 2015, to further improve the working atmosphere through cooperation based on mutual respect, and to foster the expansion of a strong leadership culture. The new concept promotes dialog between employees and managers. It decouples the review from the assessment of employees' variable salary components and focuses on mutual, open, and constructive feedback. This creates more transparency for employees as to how their abilities and prospects are seen. Presentations and workshops were used to train both managers and employees in how to use the new dialog concept.

MANAGEMENT DEVELOPMENT PROGRAM 2

tesa has developed and launched a second international management development program in cooperation with Northern Institute of Technology, and is aimed at experienced managers. The goal is to provide support for implementing tesa's new strategy. Key themes include intensifying international and cross-functional cooperation as well as expanding knowledge of major current and future markets for tesa. The program has a modular structure and reflects the tasks performed by managers. Senior management is actively involved in designing the content. The first 15 managers completed the program in November 2012.

Risk Report

Integrated Risk and Opportunity Management

Entrepreneurial success cannot be achieved without consciously taking risks. Risk management helps us to master 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 reasonably 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.

Accounting-related Internal Control System

An accounting-related internal control system is used to ensure the correctness of the bookkeeping and accounting as well as the reliability of the financial reporting in the consolidated financial statements and the Group Management Report. This integral element of the consolidated accounting process comprises preventive, monitoring, and detective measures designed to ensure security and control in accounting and the operational functions. The security measures embedded in the organizational structure and workflows are intended to prevent errors, while the controls aim to reduce the probability of errors occurring during processes and to discover any errors that are made. Among other things, the measures include the separation of functions, manual and IT-based approval processes such as dual controls, IT checks, access restrictions and authorization concepts for the IT system, and systems-based processes for handling Group accounting data. Procedural instructions, standardized reporting formats, and IT-based reporting and consolidation processes support Group accounting and financial reporting for the companies included in the consolidated financial statements.

Shared service centers provide uniform processing of the core accounting processes at Beiersdorf AG and its European affiliates. The basic principles and processes and the reporting structure for Group accounting are documented in an accounting and financial control manual and a risk management manual. Legislation, accounting standards, and pronouncements are analyzed for their relevance and impact and taken into account as necessary.

Independent Monitoring

Our Internal Audit department monitors risk management and compliance with the internal control system by means of systematic audits. The department is independent of the Group's operating activities, and regularly reviews our business processes and the systems and controls we have put in place. In addition, the external auditors audit the risk early warning and monitoring system. They regularly report their audit findings to the Supervisory Board and in particular to its Audit Committee (before December 2012 to the Finance Committee).

Our Risk Profile

STRATEGIC AND SECTOR-SPECIFIC RISKS

Maintaining and increasing the value of our major consumer brands with their broad appeal is 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 consumers' continued trust in our brands. We therefore perform in-depth safety assessments, which take into account consumer feedback on earlier products, when developing new products. Our products are subject to the strict criteria of our quality management 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 latter's 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. We have laid the groundwork for identifying consumer wishes and reflecting them in the products we develop even faster by developing and implementing the "Consumer Insights" process. This also counteracts 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 trademark and patent portfolio therefore plays a key role. In particular, the systematic registration and enforcement of our intellectual property rights prevents imitations and counterfeiting of our products, and thus helps safeguard and further increase the earnings potential previously created.

SUPPLY CHAIN AND IT RISKS

We counter procurement risks relating to the availability and price of raw materials, merchandise, and services by continuously monitoring our markets and suppliers and ensuring active management of our supplier portfolio, as well as appropriate contract management. Procurement strategies are reviewed regularly and adjusted to reflect internal and external requirements. 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 improvements, as well as by establishing a continuity management system that is an integrated part of our IT operations. We counter selected risks by transferring them to insurance companies.

Cooperation and contacts with universities enable us to build early links to qualified new employees, for whom we have special trainee programs to prepare them for a career at Beiersdorf. Our uniform global talent management process identifies and develops talented specialists and management personnel at all levels and supports the appointment of qualified staff in key positions throughout the company as these become vacant.

FINANCIAL RISKS

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.

Currency, interest rate, and liquidity risks are subject to active treasury management based on global guidelines. They are managed and hedged centrally to a very large extent, whereby the specific requirements for the organizational separation of the trading, settlement, and controlling functions are taken into account. Derivative financial instruments serve primarily to hedge operational activities and financial transactions essential to the business. They do not expose the Group to any material additional risks.

We limit currency risks from intragroup deliveries of goods and services using currency forwards. Generally, 75% of forecasted annual net cash flows are hedged (cash flow hedges on forecasted transactions). Currency risks from cross-border intragroup financing are generally hedged in the market by the central treasury department using currency forwards.

Potential default risks relating to the investment of the Group's liquid funds are limited by only making investments with defined, reliable counterparties. Counterparty risk is monitored on the basis of ratings and the counterparties' liable capital as well as continuously updated risk indicators. These parameters are used to determine maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared regularly with the investments actually made throughout the Group. Given the developments on the capital markets, we have invested the majority of our liquidity in low-risk investments (such as government/corporate bonds and Pfandbriefe).

We use liquidity concentration methods and tools at our affiliates in order to optimally manage our investments. Appropriate systems 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, and the conscious alignment of the instruments deployed with the requirements of our business activities.

Along with other companies, affiliates of the Beiersdorf Group in Belgium and France are involved in antitrust proceedings relating to cosmetics products on a national level. Statements of objections have now been issued in Belgium. To the extent that an outflow of resources embodying economic benefits is likely to be required to settle these obligations, provisions were established for the pending antitrust proceedings in the amount of the best estimate of the settlement value. However, no conclusive assessment of the risk from the Group perspective is possible at present. The proceedings in Germany have now been settled.

SUMMARY OF THE GROUP'S RISK SITUATION

Based on our current assessment, the Beiersdorf Group is not exposed to any risks that could endanger its continued existence.

Report by the Executive Board on Dealings among Group Companies

In accordance with § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*), the Executive Board has issued a report on 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.

Disclosures Required by Takeover Law

The disclosures required under § 315 (4) *Handelsgesetzbuch* (German Commercial Code, *HGB*) are presented below.

Please refer to the notes to the consolidated financial statements for the disclosures on the composition of the subscribed capital and the disclosures on direct or indirect interests in the share capital exceeding 10% of the voting rights. In addition to this Michael Herz, Germany, informed the Executive Board that further shares in Beiersdorf Aktiengesellschaft are attributable to him and that he directly holds shares in Beiersdorf Aktiengesellschaft. In total, the share of voting rights held by Michael Herz in Beiersdorf Aktiengesellschaft amounts to 60.46% (including 9.99% own shares held by Beiersdorf Aktiengesellschaft, which do not carry voting or dividend rights).

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) following each utilization of authorized or contingent capital.

The Annual General Meeting on April 29, 2010, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until April 28, 2015, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par-value 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 Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, preemptive rights to new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price is not materially lower than the quoted market price of the 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 have been disapplied since April 29, 2010, 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 companies, business units of companies, or equity interests in companies (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.

In addition, the Annual General Meeting on April 29, 2010, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par-value bearer shares. The contingent capital increase will be implemented only to the extent that:

1. the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation, and the contingent capital is required for this 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 as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

The Annual General Meeting on April 29, 2010, also authorized the company 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 April 28, 2015. The shares shall be purchased via the stock exchange or via a public purchase offer addressed to all shareholders. The Annual General Meeting 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, including 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 was also authorized, with the approval of the Supervisory Board, to utilize the above-mentioned own shares in whole or in part as consideration or partial consideration in the context of a merger or the acquisition of companies, equity interests in companies (including increases in equity interests), or business units of companies, while disapplying the preemptive rights of shareholders. Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize these 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. Finally, the Executive Board was 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 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

The **global** economic situation will continue to be dominated by uncertainty in 2013. The industrialized nations are likely to record only moderate growth in 2013, whereas we expect stronger growth rates in the developing countries and emerging markets.

Developments in **Europe** will mainly depend on the additional decisions to be taken on how to reorganize the eurozone. Initial indications suggest that the reforms that have been implemented, particularly in the crisis countries in Southern Europe, are working and that they could stabilize the economic situation. For example, the hardest-hit countries have reduced their government deficits and are laying the groundwork for a long-term recovery. However, the situation in 2013 is expected to remain mixed. For major exporters such as **Germany** and other Northern European countries, we are again expecting slight growth in 2013, while markets in Southern European countries are likely to continue to stagnate or decline.

We expect continued moderate growth in the **United States** in 2013. However, a range of factors such as fiscal policy and labor market and consumer spending trends are sources of uncertainty that could also lead to smaller increases in consumer spending and in corporate investment.

In **China**, we expect growth to be on a level with the previous year. Weaker export demand could be offset by fiscal policy measures and increased foreign investment. Growth is also expected to stay the same in the rest of Asia, with Indonesia, Thailand, and Vietnam in particular supporting growth in the region.

We will work together with Research and Development and Quality Management to identify alternative sources of supplies and hence continue improving raw materials security for our production facilities. This will also further reduce our dependence on individual suppliers and specific raw materials. As in the past, strategic partnerships with suppliers will secure the availability of raw materials in 2013, ensuring supplies for our production facilities. We expect price rises in the procurement markets to slow as a result of the ongoing weak global economic growth that is forecast for 2013. The procurement markets in 2013 will continue to be dominated by uncertainties surrounding the euro and sovereign debt crisis, the political situation in the Middle East, and the limited availability of specific raw materials.

Sector Developments

We anticipate that the growth rate for the global cosmetics market will be on a level with the previous year due to the ongoing euro and sovereign debt crisis and the muted global economic outlook. We continue to expect low rates of growth in the major Western European and North American markets. Asia, Eastern Europe, and Latin America will make a positive contribution to overall performance with good growth rates.

The global variations in performance that dominated the worldwide adhesive tape market in 2012 are expected to continue in 2013. Asia will probably remain the more dynamic region, although it is expected to be down slightly on previous years. North America will continue to benefit from the ongoing strong performance by the automotive industry there. The particularly successful string of project acquisitions in the Asian electronics industry looks set to continue in 2013. Growth rates in this segment will remain in double digits. The other industrial markets are likely to see moderate growth.

Our Market Opportunities

Once again, market performance was mixed in fiscal year 2012 and competition continued to increase in some markets. Our strategic program for the future, as manifested in our internal Blue Agenda program, aims to make Beiersdorf more successful and to continue to strengthen the company's competitive ability. We see strong opportunities in our regional approach to business management, our bundling of resources to focus on the emerging markets, and in our concentration on our core categories. This assessment forms the basis for our planning for the coming fiscal year.

We will build on our solid financing structure and strong earnings position together with our dedicated and highly qualified employees to continue to exploit the opportunities that our brand portfolio offers us in the future. Our extensive research and development activities that result in successful innovations, flanked by targeted marketing measures, will strengthen our brand core and create enduring confidence among our consumers.

Business Developments

Our assessment of business developments in the coming years is based on the above assumptions. Our goal is for growth in the **Group** to outperform the market in the coming years on the back of our current strategic orientation. The EBIT margin from operations should continue to rise in 2013 – a trend we expect to continue in 2014 as well.

In the **Consumer** Business Segment, we are aiming for growth to outperform the market both in 2013 and in the years thereafter. The EBIT margin from operations should exceed the prior-year level in 2013 and should continue to rise in 2014.

tesa anticipates that growth will be slightly in excess of the market in the coming years. Continued investments in innovative products in the research and development area and in production will guarantee the sustainability of this trend and further boost our market position. Earnings will benefit from this and will increase slightly.

We firmly believe that we are well positioned for the future thanks to our strong brands, innovative products, and our strategic focus, as manifested in our Blue Agenda.

Hamburg, February 5, 2013
Beiersdorf AG

The Executive Board

4. CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

(IN € MILLION)

	Note	2011	2012
Sales	**01**	**5,633**	**6,040**
Cost of goods sold	02	–2,077	–2,217
Gross profit		**3,556**	**3,823**
Marketing and selling expenses	03	–2,454	–2,539
Research and development expenses		–163	–159
General and administrative expenses	04	–291	–311
Other operating income	05	158	182
Other operating expenses	06	–375	–298
Operating result (EBIT)		**431**	**698**
Interest income	07	31	37
Interest expense	07	–19	–9
Net pension result	07	–2	–12
Other financial result	07	–1	–5
Financial result	**07**	**9**	**11**
Profit before tax		**440**	**709**
Income taxes	08	–181	–258
Profit after tax		**259**	**451**
Of which attributable to			
– Equity holders of Beiersdorf AG		250	442
– Non-controlling interests	09	9	9
Basic/diluted earnings per share (in €)	**10**	**1.10**	**1.95**

Statement of Comprehensive Income

(IN € MILLION)

	2011	2012
Profit after tax	**259**	**451**
Remeasurement gains and losses on cash flow hedges	–5	16
Deferred taxes on remeasurement gains and losses on cash flow hedges	1	–5
Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income	*–4*	*11*
Remeasurement gains and losses on available-for-sale financial assets	–7	–1
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	3	–
Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income	*–4*	*–1*
Exchange differences	13	–23
Other comprehensive income net of tax	**5**	**–13**
Total comprehensive income	**264**	**438**
Of which attributable to		
– Equity holders of Beiersdorf AG	254	432
– Non-controlling interests	10	6

Balance Sheet

(IN € MILLION)

Assets	Note	Dec. 31, 2011	Dec. 31, 2012
Intangible assets	11	172	185
Property, plant, and equipment	12	635	685
Non-current financial assets/Securities	15	686	712
Other non-current assets		3	2
Deferred tax assets	08	87	103
Non-current assets		**1,583**	**1,687**
Inventories	13	699	734
Trade receivables	14	1,019	1,064
Other current financial assets*		135	112
Income tax receivables		73	86
Other current assets		115	132
Securities*	15	690	926
Cash and cash equivalents	16	941	834
Non-current assets and disposal groups held for sale	17	20	–
Current assets		**3,692**	**3,888**
		5,275	**5,575**

Equity and liabilities	Note	Dec. 31, 2011	Dec. 31, 2012
Share capital	19	252	252
Additional paid-in capital	22	47	47
Retained earnings	23	2,700	2,983
Accumulated other comprehensive income	24	3	–7
Equity attributable to equity holders of Beiersdorf AG		**3,002**	**3,275**
Non-controlling interests	25	14	12
Equity		**3,016**	**3,287**
Provisions for pensions and other post-employment benefits	27	190	182
Other non-current provisions	28	107	90
Non-current financial liabilities	29	5	11
Other non-current liabilities	29	4	4
Deferred tax liabilities	08	148	160
Non-current liabilities		**454**	**447**
Other current provisions	28	527	506
Income tax liabilities		82	105
Trade payables	29	946	1,036
Other current financial liabilities	29	172	91
Other current liabilities	29	78	103
Current liabilities		**1,805**	**1,841**
		5,275	**5,575**

* The prior-year figures have been adjusted. See the disclosures in the section entitled "Changes in Accounting Policies."

Cash Flow Statement

(IN € MILLION)

	2011	2012
Operating result (EBIT)	**431**	**698**
Income taxes paid	–243	–258
Depreciation and amortization	273	152
Change in non-current provisions (excluding interest)	–33	–38
Gain on business combination achieved in stages*	–	–9
Gross cash flow	**428**	**545**
Change in inventories	–67	–33
Change in receivables and other assets	–62	–78
Change in liabilities and current provisions	146	86
Net cash flow from operating activities	**445**	**520**
Investments in property, plant, and equipment, and intangible assets	–86	–193
Payments for equity acquisitions (net of cash acquired)	–	–25
Proceeds from the sale of property, plant, and equipment, and intangible assets	6	41
Proceeds from divestments (net of cash disposed)	–	–3
Payments to acquire securities	–816	–1,392
Proceeds from the sale of securities	561	1,158
Interest received	29	32
Net cash flow from investing activities	**–306**	**–382**
Free cash flow	**139**	**138**
Proceeds from loans	151	29
Loan repayments	–133	–90
Interest paid	–17	–8
Other financing expenses paid	–8	–7
Cash dividends paid (Beiersdorf AG)	–159	–159
Cash dividends paid (non-controlling interests)	–9	–8
Net cash flow from financing activities	**–175**	**–243**
Effect of exchange rate fluctuations on cash held	4	–2
Net change in cash and cash equivalents	–32	–107
Cash and cash equivalents as of Jan. 1	**973**	**941**
Cash and cash equivalents as of Dec. 31	**941**	**834**

* See the disclosures in the section entitled "Consolidated Group, Acquisitions, and Divestments."

Statement of Changes in Equity

(IN € MILLION)

				Accumulated other comprehensive income					
	Share capital	Additional paid-in capital	Retained earnings*	Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets	Total attributable to equity holders	Non-controlling interests	Total
Jan. 1, 2011	**252**	**47**	**2,609**	**–1**	**–5**	**5**	**2,907**	**13**	**2,920**
Total comprehensive income for the period	–	–	250	12	–4	–4	254	10	264
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–9	–9
Dec. 31, 2011/Jan. 1, 2012	**252**	**47**	**2,700**	**11**	**–9**	**1**	**3,002**	**14**	**3,016**
Total comprehensive income for the period	–	–	442	–20	11	–1	432	6	438
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–8	–8
Dec. 31, 2012	**252**	**47**	**2,983**	**–9**	**2**	**–**	**3,275**	**12**	**3,287**

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

Segment Reporting

(IN € MILLION)

Business segments 2012		Consumer	tesa	Group
Net sales		**5,048**	**992**	**6,040**
Change (nominal)	(in %)	7.5	5.8	7.2
Change (adjusted for currency translation effects)	(in %)	4.9	2.6	4.5
Share of Group sales	(in %)	**83.6**	**16.4**	**100.0**
EBITDA		**686**	**164**	**850**
Operating result (EBIT)		**569**	**129**	**698**
As % of sales		11.3	13.0	11.6
Operating result (EBIT, excluding special factors)*		**606**	**129**	**735**
As % of sales		12.0	13.0	12.2
Gross operating capital*		**2,319**	**538**	**2,857**
Operating liabilities*		**1,553**	**186**	**1,739**
EBIT return on net operating capital*	(in %)	**74.3**	**36.7**	**62.4**
Gross cash flow		**430**	**115**	**545**
Capital expenditure**		**106**	**45**	**151**
Depreciation and amortization		**95**	**35**	**130**
Impairment losses on trademarks and goodwill		**22**	**–**	**22**
Research and development expenses		**115**	**44**	**159**
Employees	(as of Dec. 31)	**12,811**	**3,794**	**16,605**

Business segments 2011		Consumer	tesa	Group
Net sales		**4,696**	**937**	**5,633**
Change (nominal)	(in %)	0.0	7.3	1.1
Change (adjusted for currency translation effects)	(in %)	0.6	7.9	1.8
Share of Group sales	(in %)	**83.4**	**16.6**	**100.0**
EBITDA		**563**	**141**	**704**
Operating result (EBIT)		**322**	**109**	**431**
As % of sales		6.9	11.6	7.7
Operating result (EBIT, excluding special factors)*		**537**	**109**	**646**
As % of sales		11.4	11.6	11.5
Gross operating capital		**2,160**	**539**	**2,699**
Operating liabilities		**1,521**	**172**	**1,693**
EBIT return on net operating capital	(in %)	**50.5**	**29.7**	**42.9**
Gross cash flow		**318**	**110**	**428**
Capital expenditure		**63**	**23**	**86**
Depreciation and amortization		**107**	**32**	**139**
Impairment losses on trademarks and goodwill		**134**	**–**	**134**
Research and development expenses		**120**	**43**	**163**
Employees	(as of Dec. 31)	**13,871**	**3,795**	**17,666**

* See the disclosures contained in the section entitled “Notes to the Segment Reporting.”
** Figures deviate from additions to property, plant, and equipment. See the disclosures contained in Note 12 “Property, Plant, and Equipment.”

Regional Reporting

(IN € MILLION)

Regions 2012		Europe	Americas	Africa/Asia/Australia	Group
Net sales		**3,441**	**1,149**	**1,450**	**6,040**
Change (nominal)	(in %)	0.8	15.6	18.3	7.2
Change (adjusted for currency translation effects)	(in %)	0.1	12.2	10.6	4.5
Share of Group sales	(in %)	**57.0**	**19.0**	**24.0**	**100.0**
EBITDA		**653**	**83**	**114**	**850**
Operating result (EBIT)		**541**	**72**	**85**	**698**
As % of sales		15.7	6.3	5.9	11.6
Operating result (EBIT, excluding special factors)*		**565**	**78**	**92**	**735**
As % of sales		16.4	6.8	6.3	12.2
Capital expenditure**		**95**	**33**	**23**	**151**
Depreciation and amortization		**97**	**11**	**22**	**130**
Impairment losses on trademarks and goodwill		**15**	**–**	**7**	**22**
Employees	(as of Dec. 31)	**9,844**	**2,090**	**4,671**	**16,605**

Regions 2011		Europe	Americas	Africa/Asia/Australia	Group
Net sales		**3,414**	**993**	**1,226**	**5,633**
Change (nominal)	(in %)	–1.0	6.6	3.1	1.1
Change (adjusted for currency translation effects)	(in %)	–1.4	10.9	3.8	1.8
Share of Group sales	(in %)	**60.6**	**17.6**	**21.8**	**100.0**
EBITDA		**559**	**85**	**60**	**704**
Operating result (EBIT)		**455**	**74**	**–98**	**431**
As % of sales		13.3	7.5	–8.0	7.7
Operating result (EBIT, excluding special factors)*		**537**	**75**	**34**	**646**
As % of sales		15.7	7.5	2.8	11.5
Capital expenditure		**63**	**11**	**12**	**86**
Depreciation and amortization		**104**	**11**	**24**	**139**
Impairment losses on trademarks and goodwill		**–**	**–**	**134**	**134**
Employees	(as of Dec. 31)	**10,326**	**2,261**	**5,079**	**17,666**

* See the disclosures contained in the section entitled "Notes to the Segment Reporting."
** Figures deviate from additions to property, plant, and equipment. See the disclosures contained in Note 12 "Property, Plant, and Equipment."

Significant Accounting Policies

Information on the Company and on the Group

The registered office of Beiersdorf AG is at Unnastrasse 48 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. The ultimate parent of the company is maxingvest ag, Hamburg (Germany).

The activities of Beiersdorf AG and its affiliates ("Beiersdorf Group") consist primarily of the manufacture and distribution of branded consumer goods in the area of skin and body care, and of the manufacture and distribution of technical adhesive tapes.

The consolidated financial statements of Beiersdorf AG for the fiscal year from January 1 to December 31, 2012, were prepared by the Executive Board on February 5, 2013, and subsequently submitted to the Supervisory Board for examination and approval.

General Principles

The consolidated financial statements of Beiersdorf AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), including the IFRS Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the supplementary provisions of German commercial law required to be applied under § 315a (1) *Handelsgesetzbuch* (German Commercial Code, *HGB*). All IFRSs and IFRICs endorsed by the European Commission and required to be applied as of December 31, 2012, were applied.

The consolidated financial statements were prepared using the historical cost convention. Exceptions to this rule relate to financial instruments assigned to the "available for sale" and "at fair value through profit or loss" categories and derivative financial instruments, which are all measured at fair value where such fair value can be reliably determined.

The consolidated income statement was prepared using the cost of sales method. Individual line items have been summarized in the income statement and the balance sheet to aid clarity of presentation. These items are disclosed and explained separately in the notes.

Estimates and Assumptions

Preparation of the consolidated financial statements requires management to make estimates and assumptions to a limited extent that affect the amount and presentation of recognized assets and liabilities, income and expenses, and contingent liabilities. Such estimates and assumptions reflect all currently available information. Significant estimates and assumptions were made in particular in relation to the following accounting policies: impairment testing of goodwill and indefinite-lived intangible assets (Note 11 "Intangible Assets"), write-downs of doubtful receivables (Note 14 "Trade Receivables"), the parameters for the actuarial computation of the expenses for defined benefit plans as well as of the present value of pension commitments (Note 27 "Provisions for Pensions and Other Post-Employment Benefits"), the determination of the amount of eligible deferred tax assets (Note 08 "Income Taxes"), and the recognition of other provisions (Note 28 "Other Provisions"). Furthermore, estimates and assumptions are made in particular when determining the useful lives of intangible assets and property, plant, and equipment that are tested annually for impairment, and when measuring inventories.

Actual amounts may differ from these estimates. Changes to estimates are recognized in profit or loss when more recent knowledge becomes available.

Consolidation Principles

Acquisition accounting uses the purchase method, under which the cost of the business combination is allocated to the identifiable assets acquired and identifiable liabilities and contingent liabilities assumed, measured at their fair values at the acquisition date. The cost of an acquisition is the sum of the consideration transferred, measured at fair value at the acquisition date, and the non-controlling interests in the acquiree. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Any excess of the cost of the business combination over the acquirer's interest in the net fair values of identifiable assets, liabilities, and contingent liabilities is recognized as goodwill. Costs incurred in the course of the business combination are recognized as an expense.

Profit and equity of subsidiaries attributable to non-controlling interests are presented separately in the consolidated income statement and as a component of equity in the consolidated balance sheet. Losses at a subsidiary are attributed to the non-controlling interest even if this results in a negative balance. In the case of successive purchases of the shares of subsidiaries, the difference between the cost of the new shares and the non-controlling interests previously recognized in the Group for these shares is recognized in other comprehensive income. In a business combination achieved in stages, the effects from acquisition-date fair value remeasurement of previously held equity interests in the acquiree are recognized in the income statement. Subsequent adjustments of contingent consideration are recognized in the income statement.

All intercompany balances, transactions, income, and expenses, and gains and losses on intragroup transactions that are contained in the carrying amounts of assets are eliminated in full.

Currency Translation

The consolidated financial statements have been prepared in euros. The euro is Beiersdorf AG's functional and presentation currency. Unless otherwise indicated, all amounts are rounded to millions of euros (€ million). Each company in the Group defines its own functional currency. As the foreign subsidiaries operate as financially, economically, and organizationally independent entities, their functional currency is always the local currency. The items contained in the financial statements of the company concerned are measured using this functional currency. Foreign currency transactions are initially translated from the foreign currency into the functional currency at the spot rate at the transaction date. Non-monetary items that are measured at cost in a foreign currency are translated at the exchange rate at the transaction date. Exchange differences from the translation of monetary items are recognized in income. Monetary assets and liabilities in foreign currency are translated into the functional currency at the closing rate.

At the balance sheet date, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the closing rate. Income and expenses are generally translated at average exchange rates for the fiscal year. Exchange differences arising on this are recognized as a separate component of equity.

The following tables show the changes in the exchange rates for the currencies material to the consolidated financial statements:

EXCHANGE RATE CHANGES (€1 =)
Average rates

	ISO Code	2011	2012
Swiss franc	CHF	1.2320	1.2044
Chinese yuan	CNY	9.0301	8.1451
Pound sterling	GBP	0.8713	0.8119
Japanese yen	JPY	111.3208	103.4892
Polish zloty	PLN	4.1380	4.1677
US dollar	USD	1.4000	1.2932

EXCHANGE RATE CHANGES (€1 =)
Closing rates

	ISO Code	2011	2012
Swiss franc	CHF	1.2156	1.2072
Chinese yuan	CNY	8.1588	8.2207
Pound sterling	GBP	0.8353	0.8161
Japanese yen	JPY	100.2000	113.6100
Polish zloty	PLN	4.4580	4.0740
US dollar	USD	1.2939	1.3194

Changes in Accounting Policies

In contrast to the prior-year financial statements, Beiersdorf now reports accrued interest as current financial assets. In the previous year it was recognized under the securities item. This led to a retroactive correction in accordance with IAS 8.42 being made to the financial information for the previous year. The other current financial assets increased by €22 million, while the securities item decreased by the same amount.

The other accounting policies correspond in general to those applied in the previous year.

Note 31 “Contingent Liabilities, Other Financial Obligations, and Legal Risks” contains corrections of prior-year figures in accordance with IAS 8.42. The following restatements were made:

OTHER FINANCIAL OBLIGATIONS (IN € MILLION)

	2011 before restatement	Restatement	2011 after restatement
Obligations under rental and lease agreements:	106	–22	84
– due within the next year	43	–16	27
– due in 2 to 5 years	52	–7	45
– due after more than 5 years	11	1	12
Obligations under purchase commitments:	63	79	142
– due within the next year	51	58	109
– due in 2 to 5 years	12	21	33

There were no material effects on the consolidated financial statements from the mandatory first-time application of the amendments to IFRS 7 “Financial Instruments: Disclosures” and IAS 12 “Income Taxes” in fiscal year 2012.

The following standards and interpretations relevant for the Beiersdorf Group’s business operations have been issued as of December 31, 2012, but are not yet required to be applied for the fiscal year then ended:

- IFRS 7 “Financial Instruments: Disclosure” (on/after January 1, 2013)
  The revised standard was expanded to include new disclosure requirements relating to the offsetting of financial assets and financial liabilities.

- IFRS 9 “Financial Instruments: Classification and Measurement” (on/after January 1, 2015)
  The standard primarily contains rules governing the classification and measurement of financial assets and financial liabilities.

- IFRS 10 “Consolidated Financial Statements” (on/after January 1, 2014)
  The standard contains a new definition of control that must be used to identify whether investees must be consolidated. As a result, there will be a single consolidation model for all controlled entities. The standard replaces the consolidation guidance in IAS 27 and the rules laid down in SIC 12 “Consolidation – Special Purpose Entities.”

- IFRS 11 “Joint Arrangements” (on/after January 1, 2014)
  IFRS 11 specifies the accounting treatment for joint arrangements. In addition, the new definition prohibits the use of proportionate consolidation to account for joint ventures.

- IFRS 12 “Disclosure of Interests in Other Entities” (on/after January 1, 2014)
  The new standard contains all disclosure requirements for subsidiaries, joint arrangements, associates, and structured entities.

- IFRS 13 “Fair Value Measurement” (on/after January 1, 2013)
  IFRS 13 consolidates the existing guidance on fair value measurement in a single standard. It defines fair value, provides guidance on how to determine fair value, and specifies the required disclosures on fair value measurement.

- IAS 1 (2011) "Presentation of Financial Statements" (on/after July 1, 2012)
  The rules governing the presentation of other comprehensive income were changed to require the separate presentation of components that will be subsequently reclassified to profit or loss ("recycled") and those that will not be reclassified.

- IAS 19 (2011) "Employee Benefits" (on/after January 1, 2013)
  The key amendment to the revised standard is the elimination of the option to use the corridor method. In addition, the concept of the expected return on plan assets was abolished. In future, the return on plan assets required to be recognized in profit or loss will be based on the discount rate used to calculate the pension obligations. Among other things, the amendment also increases the disclosure requirements for defined benefit plans.

- IAS 27 (2011) "Separate Financial Statements" (on/after January 1, 2014)
  The amended version of IAS 27 contains changes resulting from the publication of IFRS 10. The provisions governing accounting for separate financial statements remain part of IAS 27 and have not been amended, in contrast to the other parts of IAS 27, which have been replaced by the new IFRS 10.

- IAS 28 (2011) "Investments in Associates and Joint Ventures" (on/after January 1, 2014)
  The revised IAS 28 standard contains changes resulting from the publication of IFRS 11 and IFRS 12.

- IAS 32 (2011) "Financial Instruments: Presentation" (on/after January 1, 2014)
  The changes clarify the offsetting requirements. Above and beyond this, additional guidance on offsetting financial assets and financial liabilities has been included in the standard.

- "Investment Entities" – Amendments to IFRS 10, IFRS 12, and IAS 27 (on/after January 1, 2014)
  The amendments specify the definition of an investment entity and exempt such entities from consolidation in accordance with IFRS 10. Additional disclosure requirements for investment entities are set out in IFRS 12 and IAS 27.

- "Annual Improvements 2009–2011 Cycle" (on/after January 1, 2013)
  This resulted in amendments to five IFRSs. The idea behind the Annual Improvements Project is to make non-urgent but necessary amendments to existing IFRSs that are not implemented in other major projects.

The date of the first-time application is as stated in the IASB's publications. Where the amendments or changes have already been adopted by the EU, the date given relates to the date they are required to be applied for the first time in the EU. The standards will be applied at the latest in the year in which they are first required to be applied for entities in the EU.

The effects of first-time application of the revised IAS 19 as from fiscal year 2013 are reported in Note 27 "Provisions for Pensions and Other Post-employment Benefits."

The effects of IFRS 9 are currently still being analyzed.

With the exception of additional or modified disclosure requirements, we do not expect any material effects on the consolidated financial statements to arise from the first-time application of the other new standards.

Significant Accounting Policies

Sales are recognized when goods and products are delivered and the significant risks and rewards incidental to ownership have been transferred to the buyer. Discounts, customer bonuses, and rebates are deducted from sales, as is consideration payable to trading partners in those cases in which the consideration is not matched by a distinct product or service supplied whose fair value can be estimated reliably. The probability of returns is reflected in the recognition and measurement of sales.

Cost of goods sold comprises the cost of internally produced goods sold and the purchase price of merchandise sold. The cost of internally produced goods includes directly attributable costs such as the cost of direct materials, direct labor, and energy, as well as production overheads, including depreciation of production facilities. The cost of goods sold includes write-downs of inventories.

Marketing and selling expenses comprise the cost of marketing, the sales organization, and distribution logistics. The item includes expenditure on advertising, retail (point of sale) marketing, and similar items. This item also includes write-downs of trade receivables.

Research costs are recognized in profit or loss for the period. Development costs for new products are capitalized if the recognition criteria laid down in IAS 38 are met. This is normally not the case, as the expected future economic benefits cannot be measured reliably until the products are market ready. **Other development costs** (e.g., for information systems) are capitalized as intangible assets if the recognition criteria laid down in IAS 38 are met. Once capitalized, they are amortized using the straight-line method over their expected useful lives.

Purchased **intangible assets** such as patents, trademarks, and software are measured at cost. The carrying amounts of finite-lived intangible assets are reduced by straight-line amortization over their expected useful lives. The useful lives, residual values, and amortization methods are reviewed regularly. Goodwill and indefinite-lived intangible assets are not amortized.

Property, plant, and equipment is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. The useful lives, residual values, and depreciation methods are reviewed annually. The following useful lives are generally applied to the depreciation of items of property, plant, and equipment:

USEFUL LIVES OF PROPERTY, PLANT, AND EQUIPMENT

Production buildings	25 to 33 years
Other buildings	10 to 33 years
Technical equipment and machinery	5 to 15 years
Vehicles	4 years
Office and other equipment	3 to 15 years

Production costs of internally manufactured items of property, plant, and equipment are calculated on the basis of attributable direct costs plus an appropriate share of production-related overheads. Interest on borrowings is recognized as a current expense where this does not relate to the production of qualifying assets. Repair and maintenance costs for property, plant, and equipment are also expensed as incurred. Substantial renewals or enhancements that materially increase production capacity or significantly extend the economic life of an asset are capitalized. Correspondingly, components that were previously capitalized and have been replaced by new expenditures to be capitalized are accounted for as disposals. Government grants and subsidies reduce historical cost.

Goodwill and indefinite-lived intangible assets are **tested for impairment** at least once a year; such impairment tests are only conducted for finite-lived intangible assets and property, plant, and equipment if there are indications of impairment. An impairment loss is recognized in profit or loss if the recoverable amount of the asset is lower than its carrying amount. Recoverable amount is identified separately for each asset. If an asset does not generate cash inflows that are largely independent from other assets, recoverable amount is identified on the basis of a group of assets designated as the cash-generating unit. Recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Value in use is calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using capitalization rates for equivalent risks.

If the reasons for an impairment loss recognized in previous years no longer apply, the impairment loss (except for goodwill) is reversed up to a maximum of amortized cost.

Inventories are carried at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is measured using the average cost method. Production cost is calculated as the direct costs plus an appropriate allocation of materials and production overheads, as well as production-related depreciation. It also includes the proportionate costs of company pension arrangements and voluntary social benefits, as well as production-related administrative expenses.

Non-current assets and disposal groups held for sale and directly associated provisions and liabilities are presented as separate items in the balance sheet if their sale is highly probable and they are available for immediate sale in their present condition. Non-current assets held for sale are recognized at the lower of their carrying amount and fair value less costs to sell.

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another entity. Financial assets and financial liabilities are measured at fair value on initial recognition. In the Beiersdorf Group, financial instruments are allocated to the "loans and receivables" (LaR), "held to maturity" (HtM), "available for sale" (AfS), "other financial liabilities" (OFL), and "at fair value through profit or loss" (FVPL) categories. In accordance with IAS 39, derivative financial instruments used for hedges are not assigned to a separate category; within the Beiersdorf Group, they are subsumed under "derivative financial instruments" (DFI).

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Following initial recognition they are valued at amortized cost less any impairment losses using the effective interest method.

Held to maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. They are carried at amortized cost using the effective interest method.

Financial assets available for sale are those non-derivative financial assets that do not fall under other categories and that were classified as "available for sale." They are measured at fair value. The resulting gains and losses are recognized in other comprehensive income. When these financial assets are sold or written down for impairment, the cumulative gains and losses recognized in other comprehensive income are recognized in the income statement. They are measured on the basis of appropriate market prices or by applying suitable valuation techniques. Financial investments in equity instruments for which there is no active market and whose fair value cannot be reliably determined are measured at historical cost.

Financial assets are tested for **impairment** as of each reporting date. Any impairment established or any reversal of impairment losses in subsequent periods is generally recognized immediately in profit or loss. For financial assets available for sale, an impairment loss is recognized in the case of significant or permanent impairment. Reversals of impairment losses on equity instruments are recognized directly in other comprehensive income. Appropriate valuation allowances are charged for identifiable risks relating to trade receivables and other financial assets that are classified as "loans and receivables." The estimated valuation allowance on receivables is based primarily on the results of previous payment behavior and reflects the age structure, any substantial deterioration in creditworthiness, or a high probability of debtor insolvency, as well as changes in the political and macroeconomic environment.

Other financial liabilities are carried at amortized cost using the effective interest method after their initial recognition. Gains and losses resulting from amortization using the effective interest method and from derecognition of liabilities are recognized in income. Liabilities with remaining contractual maturities of more than one year are classified as non-current.

Financial assets and financial liabilities are **derecognized** when control is lost of the contractual rights, or the obligation specified in the contract is discharged or canceled, or when it has expired.

The Beiersdorf Group uses **derivative financial instruments** to manage current and future currency risks. The instruments concerned are mainly currency forwards. Derivative financial instruments are recognized at fair value. They are reported in the balance sheet in other financial assets or other financial liabilities.

The recognition of changes in the fair values of derivative financial instruments depends on whether these instruments are used as hedging instruments and meet the criteria for hedge accounting under IAS 39. If the criteria are not met despite the existence of an economic hedge, changes in the fair values of derivative financial instruments are recognized immediately in profit or loss.

Derivatives classified as fair value hedges are measured at their fair value. Any resulting changes in fair value are recognized in profit or loss. The carrying amount of the hedged asset or liability is adjusted for the changes in fair value attributable to the hedged risk. Gains or losses resulting from changes in fair value are recognized in profit or loss for the period.

For derivative financial instruments designated as hedging instruments that qualify for hedging accounting as a cash flow hedge, the effective portion of the change in the fair value is recognized in other comprehensive income, net of the related tax effect. The ineffective portion is recognized in profit or loss. When the hedged item (underlying) is settled, the effective portion is also recognized in the income statement.

The fair value of financial instruments is determined on the basis of appropriate market prices or the application of suitable valuation techniques. The fair value of financial instruments carried at amortized cost is determined on the basis of the expected future cash flows, using the benchmark interest rates for matching risk and maturities at the balance sheet date. The fair value of derivative financial instruments is determined on the basis of the forward exchange rates, using the benchmark interest rates at the balance sheet date for matching risk and maturities.

Pension provisions for defined contribution plans are recorded in the income statement. Those recognized for defined benefit plans are calculated using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. The actuarial computation of pension provisions is based on market rates of interest as well as projected wage/salary and pension increases, and staff turnover trends.

Measurement is governed by the country-specific conditions. The amount recognized as provisions for pensions contains the sum of the present values of defined benefit obligations and the net cumulative unrecognized actuarial gains and losses, less unrecognized past service cost and the fair value of plan assets available for immediate settlement of obligations.

Actuarial gains and losses are recognized if they exceed the greater of 10% of the present value of the obligations or of the fair value of plan assets. The amounts exceeding 10% are amortized over the average remaining working lives of the employees beginning in the following year.

Other provisions take account of all identifiable future payment obligations, risks, and uncertain obligations of the Group resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably. Such other provisions are mainly due within one year. Non-current provisions expected to be settled after more than one year are discounted as far as the interest effect is material.

Provisions for partial retirement arrangements are accounted for as obligations arising from termination benefits in the consolidated financial statements. They are recognized at the present value of the expected future additional payments. Measurement of the provisions reflects the partial retirement arrangements agreed with the employees.

Provisions are recognized for restructurings if there is a detailed, formal restructuring plan and there is a valid expectation on the part of those affected that the restructurings will be implemented. Measurement of restructuring provisions only includes expenses that are necessarily entailed by the restructuring and are not associated with the ongoing activities of the entity.

Current **income tax** assets and liabilities for current and future periods are recognized at the expected amount. The tax rates and tax legislation enacted at the reporting date are used to calculate the amount.

Deferred taxes result from temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS balance sheet, and from tax loss carryforwards. Deferred taxes are measured using the balance sheet liability method on the basis of the tax rates expected to be enacted in the individual countries when the temporary differences reverse. These rates are based on the legislation in force at the balance sheet date. No deferred taxes are recognized for differences arising on the initial recognition of assets and liabilities that are not the result of business combinations and do not affect either accounting or taxable profit.

Deferred tax assets in respect of temporary differences, tax loss carryforwards, and tax credits are recognized where it is probable that sufficient taxable profit will be available in future periods against which they can be utilized. Recognized deferred taxes are tested for recoverability every year. Income taxes relating to items recognized in other comprehensive income are not recognized in the income statement but in other comprehensive income.

Current tax assets and liabilities and deferred tax assets and liabilities are offset respectively if the Group has a legally enforceable right to offset the current tax assets against current tax liabilities and these relate to income taxes levied on the same taxable entity by the same taxation authority.

Substantially all the risks and rewards incidental to ownership of the assets for which **leases** have been entered into and the Group is the lessee remain with the lessor. The leases are therefore classed as operating leases. Lease payments for operating leases are recognized on a straight-line basis over the term of the lease as expenses for the period in the consolidated income statement.

SUMMARY OF SELECTED MEASUREMENT POLICIES

Balance sheet item	Measurement policy
Assets	
Goodwill	Lower of cost or recoverable amount
Other intangible assets	
indefinite-lived	Lower of cost or recoverable amount
finite-lived	(Amortized) cost
Property, plant, and equipment	(Amortized) cost
Financial assets	
“Loans and receivables” (LaR)	(Amortized) cost
“Held to maturity” (HtM)	(Amortized) cost
“Available for sale” (AfS)	At fair value in other comprehensive income
“At fair value through profit or loss” (FVPL)	At fair value through profit or loss
Inventories	Lower of cost or net realizable value
Trade receivables	(Amortized) cost
Cash and cash equivalents	Nominal amount
Non-current assets and disposal groups held for sale	Lower of (amortized) cost or net realizable value
Equity and liabilities	
Provisions	
Provisions for pensions and other post-employment benefits	Benefit obligation method
Other provisions	Settlement amount (best estimate)
Financial liabilities	(Amortized) cost
Trade payables	(Amortized) cost
Other liabilities	Settlement amount

Notes to the Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and is classified into net cash flows from operating, investing, and financing activities.

Net cash flow from operating activities is determined using the indirect method, while net cash flows from investing and financing activities are determined using the direct method.

Cash funds are composed of cash and cash equivalents that can be converted into cash at any time and that are exposed to no more than insignificant fluctuations in value.

Notes to the Segment Reporting

Segment reporting in the Beiersdorf Group is based on the management of business operations. The breakdown of the Group into the Consumer and tesa business segments reflects the internal organizational structure and the reporting to the Executive Board and the Supervisory Board.

The Beiersdorf Group measures the success of its segments on the basis of sales growth and the operating result (EBIT, excluding special factors) in conjunction with the EBIT margin.

In order to show the global breakdown of business activities in the Beiersdorf Group, information on the geographic regions is presented in addition to the operating segments. The external sales shown for the regions are based on the domiciles of the respective companies.

Consolidated companies domiciled in Germany generated sales of €1,262 million in 2012 (previous year: €1,250 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €572 million (previous year: €509 million).

EBIT excluding special factors represents the operating result (EBIT), adjusted for non-operating one-off business transactions. A reconciliation of the operating result to EBIT excluding special factors is given in the section of the Group Management Report entitled “Results of Operations, Balance Sheet Structure, and Financial Position.”

EBITDA represents the operating result (EBIT) before depreciation, amortization, and impairment losses.

The **EBIT return on net operating capital** is the ratio of the operating result (EBIT) to net operating capital.

Gross cash flow is the excess of operating income over operating expenses before any further appropriation of funds.

Net operating capital of €1,093 million (previous year: €1,006 million) consists of gross operating capital less operating liabilities. The figures for the acquisition made towards the end of 2012 were not included in net operating capital as of the year-end, since the assets acquired did not contribute to the operating result for the year due to the fact that the acquisition was made shortly before the reporting date.

The following table shows the reconciliation of net operating capital to the balance sheet items:

(IN € MILLION)

Assets	Dec. 31, 2011	**Dec. 31, 2012**
Intangible assets	172	164
Property, plant, and equipment	635	685
Inventories	699	732
Trade receivables	1,019	1,060
Other receivables and other assets (operating portion)[1]	174	189
Gross operating capital (excluding acquisitions)	**2,699**	**2,830**
Gross operating assets attributable to acquisitions	–	27
Gross operating capital	**2,699**	**2,857**
Gross non-operating assets	2,576	2,718
Total balance sheet assets	**5,275**	**5,575**

Equity and liabilities	Dec. 31, 2011	**Dec. 31, 2012**
Other provisions (operating portion)[2]	634	596
Trade payables	946	1,036
Other liabilities (operating portion)[3]	113	105
Operating liabilities (excluding acquisitions)	**1,693**	**1,737**
Operating liabilities attributable to acquisitions	–	2
Operating liabilities	**1,693**	**1,739**
Equity	3,016	3,287
Non-operating liabilities	566	549
Total balance sheet equity and liabilities	**5,275**	**5,575**

[1] Not including tax receivables.
[2] Not including tax provisions.
[3] Not including tax liabilities.

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 18 German and 149 international companies (previous year: 20 and 146 respectively) whose financial and business policies Beiersdorf AG is able to control either directly or indirectly, and from whose activities it can derive economic benefits.

In the year under review, seven companies that are included in the consolidated financial statements were newly established. In addition, one company was wound up, one company was sold, and four companies were merged with other Group companies.

The complete list of the Group's shareholdings in accordance with § 313 (2) *Handelsgesetzbuch* (German Commercial Code, *HGB*) forms part of the consolidated financial statements and is filed with the operator of the *Bundesanzeiger* (Federal Gazette). The list is published in the online version of the Annual Report on Beiersdorf's website: WWW.ANNUALREPORT.BEIERSDORF.COM

Significant Acquisitions in 2012

On December 27, 2012, Beiersdorf acquired the at that time remaining 50% of the shares and voting rights in EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.S. (Turkey) – hereinafter "EBC (Turkey)" – for a purchase price of €29 million. The company, which was consolidated proportionately until the acquisition of the non-controlling interest, has been fully consolidated by Beiersdorf AG since the acquisition date and is allocated to the Consumer Business Segment.

The purchase price of €29 million comprises a fixed component of €25 million that was paid in cash at the time of acquisition, and a contingent purchase price component payable at the beginning of fiscal year 2014 if defined key performance indicators are met in fiscal year 2013. The four indicators largely concern achieving the business goals relating to the company's market position. The expected payment is the amount recognized at the acquisition date (€4 million). The potential payment ranges from €0–4 million.

In accordance with IFRS 3, the cost of the acquisition was adjusted for the fair value of the previously held shares in the amount of €13 million. The remeasurement of the previously held shares resulted in a gain of €9 million, which was recognized in other operating income.

Since the acquisition was made shortly before the reporting date, a preliminary purchase price allocation was performed as of December 31, 2012. The effects on the consolidated financial statements are as follows, based on preliminary purchase price allocation:

(IN € MILLION)

	preliminary acquisition-date fair value
Intangible assets	6
Inventories	3
Trade receivables and other assets	12
Assets	**21**
Trade payables	3
Current financial liabilities	3
Other current liabilities and provisions	2
Deferred taxes	1
Liabilities	**9**
Net assets in accordance with IFRS	**12**
Goodwill	30
Acquisition cost	42
Less contingent consideration	–4
Less fair value of previously held shares in the company	–13
Less cash and cash equivalents acquired	–
Net cash outflow	**25**

In the course of purchase price allocation under IFRS 3, an amount of €6 million was recognized for a reacquired exclusive sales right with a useful life of two years. In addition, non-tax deductible goodwill of €30 million was recognized. For information on the other components of goodwill, please see Note 11, "Intangible Assets."

The acquisition of the shares in EBC (Turkey) took place too close to the reporting date to have any effect on the Group's sales and operating result. If EBC (Turkey) had already been consolidated as of January 1, 2012, the Group would have reported sales of €6,057 million and a profit of €452 million.

Significant Divestments in 2012

All shares in tesa Bandfix AG (Switzerland) were sold on August 2, 2012. Cash of €3 million and other non-current and current assets in the amount of €8 million and €11 million respectively, and non-current and current provisions and liabilities in the amount of €1 million and €8 million respectively, were transferred to the buyer on the sale. The proceeds from the sale of the company amounted to €0.2 million. After adjustment for the recognition of cumulative currency gains of €3 million in profit or loss, the loss on the disposal was €10 million. tesa Bandfix AG generated non-Group sales of around €21 million in 2011.

Exercise of Exemption Options

The following German affiliates included in the consolidated financial statements of Beiersdorf AG exercised the exemption option under § 264 (3) *HGB* in fiscal year 2012:

- Beiersdorf Manufacturing Hamburg GmbH, Hamburg
- Beiersdorf Manufacturing Berlin GmbH, Berlin
- Beiersdorf Manufacturing Waldheim GmbH, Waldheim
- Florena Cosmetic GmbH, Waldheim
- La Prairie Group Deutschland GmbH, Baden-Baden
- Produits de Beauté Logistik GmbH, Baden-Baden
- Produits de Beauté Produktions GmbH, Baden-Baden
- Beiersdorf Shared Services GmbH, Hamburg
- Allgemeine Immobilien- und Verwaltungsgesellschaft m.b.H., Baden-Baden
- Phanex Handelsgesellschaft mbH, Hamburg

Notes to the Income Statement

01 Sales

Sales amounted to €6,040 million in fiscal year 2012 (previous year: €5,633 million). A breakdown of sales and their development can be found in the segment reporting and the reporting by region.

02 Cost of Goods Sold

The inventories expensed in the reporting period correspond largely to the cost of goods sold for the fiscal year in the amount of €2,217 million (previous year: €2,077 million).

03 Marketing and Selling Expenses

Marketing and selling expenses were €2,539 million (previous year: €2,454 million). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €1,460 million (previous year: €1,422 million).

04 General and Administrative Expenses

General and administrative expenses amounted to €311 million in the past fiscal year (previous year: €291 million). This item comprises personnel expenses and other administration costs, as well as the cost of external services that are not allocated internally to other functions.

05 Other Operating Income

(IN € MILLION)

	2011	**2012**
Income from the reversal of provisions	87	75
Gains on disposal of plant and equipment and other assets	15	23
Income from the remeasurement of the share of the capital of EBC (Turkey) already held	–	9
Miscellaneous other income	56	75
	158	**182**

Income from the reversal of provisions was due among other things to restructuring provisions that are no longer required and the reassessment of litigation risks and of personnel-related and other provisions. The gains from the disposal of plant and equipment and other assets were attributable to the assets disclosed in the previous year in the "non-current assets and disposal groups held for sale" item of the balance sheet, and to the sale of properties. In the previous year the item included income from the sale of the JUVENA and Marlies Möller brands, among other things. Miscellaneous other income includes prior-period income and income from the reversal of valuation allowances on receivables, among other things.

06 Other Operating Expenses

(IN € MILLION)

	2011	**2012**
Exchange losses on operating activities	16	59
Restructuring expenses	118	52
Amortization and impairment of intangible assets	138	23
Losses on disposal of non-current assets	2	3
Miscellaneous other expenses	101	161
	375	**298**

Exchange losses on operating activities include a loss of €13 million (previous year: €8 million) representing the net loss on the fair value measurement of derivative financial instruments that was previously recognized in other comprehensive income. Restructuring expenses primarily relate to personnel expenses incurred during the realignment of the company's structures and processes. The realignment entailed expenses of €37 million (previous year: €65 million). In the previous year, this item also included expenses of €29 million linked to the closure of the production facility in Baden-Baden (Germany). The impairment losses on intangible assets included write-downs of €15 million on the goodwill of EBC (Turkey) and of €7 million on the Chinese hair care brands. Miscellaneous other expenses include additions to provisions for litigation and other risks, as well as miscellaneous other operating expenses.

07 Financial Result

(IN € MILLION)

	2011	2012
Interest income	31	37
Interest expense	–19	–9
Net pension result	–2	–12
Other financial result	–1	–5
	9	**11**

Interest income primarily results from the “cash and cash equivalents”, “securities”, and “non-current financial assets/securities” positions. Interest expense primarily results from financial liabilities. Net pension result nets the interest expense on pension as well as other entitlements acquired in previous years against the return on plan assets and the amortization of unrecognized actuarial gains and losses. The other financial result relates in particular to investment income and currency gains and losses.

Immaterial gains (previous year: €9 million) were recognized on the sale of securities assigned to the “available for sale” category in the year under review. The net gains on “held to maturity” financial assets amounted to €19 million (previous year: €18 million).

08 Income Taxes

Income tax expense including deferred taxes can be broken down as follows:

(IN € MILLION)

	2011	2012
Current income taxes		
Germany	47	105
International	145	163
	192	**268**
Deferred taxes	**–11**	**–10**
	181	**258**

The deferred tax liabilities recognized in the balance sheet include €1 million (previous year: €4 million of deferred tax assets) recognized in other comprehensive income.

Deferred taxes are not recognized for retained earnings at foreign affiliates, as these profits are intended to be reinvested indefinitely in those operations from today’s perspective. Where distributions are planned, the tax consequences are deferred accordingly. The liability is calculated based on the respective withholding tax rates, taking into account the German tax rate applicable to distributed corporate dividends, where applicable. Deferred tax liabilities of €12 million (previous year: €9 million) were recognized in the year under review.

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €279 million (previous year: €245 million). Of this amount, €19 million (previous year: €16 million) can be carried forward without restriction; the remaining amount can be carried forward for a limited period of, in most cases, up to five years.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Given the positive assessments of future business development, it is assumed there is a reasonable probability that future taxable income will be sufficient to allow utilization of the deferred tax assets.

Deferred taxes relate to the following balance sheet items and matters:

ALLOCATION OF DEFERRED TAXES (IN € MILLION)

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2011	**Dec. 31, 2012**	Dec. 31, 2011	**Dec. 31, 2012**
Non-current assets	45	32	63	71
Inventories	28	26	–	–
Receivables and other current assets	11	19	15	21
Provisions for pensions and other post-employment benefits	3	3	115	121
Other provisions	34	36	27	25
Liabilities	50	58	17	1
Retained earnings	–	–	9	12
Loss carryforwards	14	20	–	–
	185	**194**	**246**	**251**
Offset deferred taxes	–98	–91	–98	–91
Deferred taxes recognized in the balance sheet	**87**	**103**	**148**	**160**

CALCULATION OF THE ACTUAL TAX EXPENSE

Given an effective tax rate of 36.4% (previous year: 41.2%), the actual tax expense is €58 million (previous year: €57 million) higher than the expected tax expense. The expected tax rate is calculated as the weighted average of the tax rates of the individual Group companies and amounts to 28.3% (previous year: 28.3%). The following table shows the reconciliation of expected to actual tax expense:

ACTUAL TAX EXPENSE (IN € MILLION)

	2011	**2012**
Expected tax expense given a tax rate of 28.3% (previous year: 28.3%)	124	200
Prior-year taxes	2	1
Tax deductions due to tax-free income	–19	–3
Tax increase due to non-deductible impairment loss on goodwill	25	3
Tax increases due to other non-deductible expenses	28	36
Tax decreases due to the utilization/recognition of previously unrecognized tax loss carryforwards	–8	–13
Tax increases due to the non-recognition of tax loss carryforwards	22	14
Other tax effects	7	20
Actual tax expense	**181**	**258**

09 Profit Attributable to Non-controlling Interests

€9 million of profit after tax is attributable to non-controlling interests (previous year: €9 million). As of the reporting date, non-controlling shareholders primarily hold interests in Nivea-Kao Co., Ltd. (Japan), P.T. Beiersdorf Indonesia (Indonesia), and Beiersdorf India Limited (India).

10 Basic/Diluted Earnings per Share

Earnings per share for 2012 amounted to €1.95 (previous year: €1.10). The basis for the calculation is the profit after tax excluding profit attributable to non-controlling interests. Beiersdorf AG holds 25,181,016 treasury shares (unchanged). These were deducted from the total of 252,000,000 shares when calculating earnings per share, which resulted in earnings being calculated on the unchanged basis of 226,818,984 shares. As there are no outstanding financial instruments that can be exchanged for shares, there is no difference between diluted and basic earnings per share.

Notes to the Balance Sheet

11 Intangible Assets

COST (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Opening balance Jan. 1, 2011	**381**	**151**	**206**	**738**
Currency translation adjustment	2	–	14	16
Additions	5	–	–	5
Disposals	–10	–	–	–10
Transfers	13	–	–13	–
Closing balance Dec. 31, 2011/Opening balance Jan. 1, 2012	**391**	**151**	**207**	**749**
Currency translation adjustment	1	–	–	1
Changes to the consolidated Group/acquisitions	6	–	30	36
Additions	7	–	–	7
Disposals	–3	–	–	–3
Transfers	–12	–	12	–
Closing balance Dec. 31, 2012	**390**	**151**	**249**	**790**

AMORTIZATION/IMPAIRMENT LOSSES (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Opening balance Jan. 1, 2011	**346**	**23**	**63**	**432**
Currency translation adjustment	1	–	5	6
Additions	15	33	101	149
Disposals	–10	–	–	–10
Transfers	13	–	–13	–
Closing balance Dec. 31, 2011/Opening balance Jan. 1, 2012	**365**	**56**	**156**	**577**
Currency translation adjustment	–1	–	–	–1
Additions	8	7	15	30
Disposals	–1	–	–	–1
Transfers	–12	–	12	–
Closing balance Dec. 31, 2012	**359**	**63**	**183**	**605**

CARRYING AMOUNTS (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2011	**26**	**95**	**51**	**172**
Dec. 31, 2012	**31**	**88**	**66**	**185**

The carrying amounts of intangible assets increased by €13 million compared with the previous year to €185 million (previous year: €172 million). The increase is mainly due to the initial recognition of the intangible assets acquired in connection with the first-time consolidation of EBC (Turkey).

INDEFINITE-LIVED INTANGIBLE ASSETS

The indefinite-lived intangible assets include the Chinese hair care brands that were acquired when the shares of the **Beiersdorf Hair Care China** Group were purchased. These trademarks have been recognized with an indefinite useful life since it is planned to continue using them for an unlimited period.

The annual impairment test resulted in an adjustment of €7 million to the carrying amount of these brands, for a total of €88 million (previous year: €95 million). The impairment charge is mainly attributable to the discontinuation in full of one Chinese hair care brand.

The impairment charge for the Beiersdorf Hair Care brands was calculated on the basis of the fair value less costs to sell approach derived from the relief from royalty method, which was higher than the corresponding value in use. Costs to sell were assumed to be 1% of the brand value (previous year: 1%). The calculation was based on a discount rate of 9.7% (previous year: 8.8%), a royalty rate of 4.0% (previous year: 5.0%) of sales, and a growth rate outside the planning horizon (growth discount) of 2.0% (previous year: 2.0%). The asset has been allocated to the Consumer Business Segment.

If the actual performance of the Chinese hair care business is lower or higher than outlined above, it may be necessary to charge impairment losses or reversals of impairment losses on Beiersdorf Hair Care China's trademarks in the future.

GOODWILL

€15 million of the increase in goodwill from €51 million to €66 million is due to the acquisition of **EBC (Turkey)** in 2012.

The goodwill items also includes the goodwill of €48 million (previous year: €48 million) attributable to **Beiersdorf AG (Switzerland)**. The goodwill is attributable in full to the Consumer Business Segment.

For the purpose of impairment testing, goodwill resulting from business combinations is allocated to the cash-generating units of the Group that are to profit from the business combination, starting at the acquisition date. The cash-generating units for the items of goodwill mentioned above correspond to the respective legal units.

The recoverable amounts of the cash-generating units were determined using cash flow projections based on the calculation of the value in use for Beiersdorf AG (Switzerland) and the fair value less costs to sell of EBC (Turkey). Costs to sell were assumed to be 1% of the fair value (previous year: 1%). EBC's fair value less costs to sell was higher than the corresponding value in use. The estimated future cash flows used for impairment testing are based on the financial planning, with a planning horizon of three years being used in the case of Beiersdorf AG (Switzerland) and ten years for EBC (Turkey). Cash flows outside the planning period are extrapolated using individual growth rates, taking relevant market information into account. The growth rate outside the planning horizon (growth discount) for Beiersdorf AG (Switzerland) was 1.0% (previous year: 1.0%). The weighted average discount rate before tax used to discount the estimated cash flows was 4.87% (previous year: 5.73%). In the case of EBC (Turkey), a growth rate of 2.0% and a discount rate after tax of 13.44% were assumed.

Planning for the cash-generating units is based on assumptions regarding the significant estimation parameters. The latter included gross margins, discount rates, commodity price trends, market share, and growth rates.

The impairment test performed on the goodwill allocated to Beiersdorf AG (Switzerland) did not reveal any evidence of impairment. In the case of Beiersdorf AG (Switzerland), the Group assumes that, although changes in these parameters are possible in principle in line with reasonable estimates, the recoverable amount will exceed the carrying amount of the goodwill.

In the case of EBC (Turkey), the impairment test revealed an impairment of €15 million. The impairment was recognized in the other operating expenses item and is attributable to the Consumer Business Segment.

As in the previous year, no internally generated intangible assets were recognized in the fiscal year under review, since the conditions for recognition under IAS 38 "Intangible Assets" were not met for the development projects.

12 Property, Plant, and Equipment

COST (IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Opening balance Jan. 1, 2011	**685**	**778**	**497**	**22**	**1,982**
Currency translation adjustment*	–18	–18	–8	–1	–45
Additions	3	15	38	25	81
Disposals*	–27	–17	–36	–3	–83
Transfers	2	4	7	–13	–
Closing balance Dec. 31, 2011/Opening balance Jan. 1, 2012	**645**	**762**	**498**	**30**	**1,935**
Currency translation adjustment	2	–2	–	–	–
Additions	55	30	41	60	186
Disposals	–13	–41	–34	–1	–89
Transfers	–8	13	7	–24	–12
Closing balance Dec. 31, 2012	**681**	**762**	**512**	**65**	**2,020**
* Of which from reclassification to non-current assets and disposal groups held for sale.	–45	–22	–13	–	–80

DEPRECIATION/IMPAIRMENT LOSSES (IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Opening balance Jan. 1, 2011	**363**	**529**	**374**	**–**	**1,266**
Currency translation adjustment*	–11	–12	–7	–	–30
Additions	28	50	46	–	124
Disposals*	–14	–13	–33	–	–60
Transfers	–	–3	3	–	–
Closing balance Dec. 31, 2011/Opening balance Jan. 1, 2012	**366**	**551**	**383**	**–**	**1,300**
Currency translation adjustment	1	–3	–	–	–2
Additions	20	54	45	3	122
Disposals	–10	–32	–31	–	–73
Transfers	–10	–2	–	–	–12
Closing balance Dec. 31, 2012	**367**	**568**	**397**	**3**	**1,335**
* Of which from reclassification to non-current assets and disposal groups held for sale.	–25	–18	–12	–	–55

CARRYING AMOUNTS (IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2011	**279**	**211**	**115**	**30**	**635**
Dec. 31, 2012	**314**	**194**	**115**	**62**	**685**

The carrying amounts of property, plant, and equipment amounted to €685 million (previous year: €635 million). Investments in property, plant, and equipment totaled €186 million (previous year: €81 million). €144 million of this amount was attributable to capital expenditures and €42 million to the acquisition by Beiersdorf AG of properties belonging to Beiersdorf's pension fund (TROMA Alters- und Hinterbliebenenstiftung, Hamburg) that were previous rented as offices. Depreciation and impairment losses amounted to €122 million (previous year: €124 million). No impairment losses were reversed in the year under review.

13 Inventories

(IN € MILLION)

	Dec. 31, 2011	**Dec. 2012**
Raw materials, consumables, and supplies	131	137
Work in progress	43	45
Finished goods and merchandise	518	538
Advance payments	7	14
	699	**734**

Inventories increased by €35 million compared with the previous year to €734 million, €101 million of which (previous year: €126 million) was carried at net realizable value. Write-downs of inventories amounted to €68 million as of the reporting date (previous year: €47 million).

14 Trade Receivables

(IN € MILLION)

			Of which not individually impaired and past due in the following time buckets				
Dec. 31, 2011	Carrying amount	Of which neither individually impaired nor past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days
Trade receivables	1,019	917	60	2	–	–	1
Dec. 31, 2012							
Trade receivables	**1,064**	**897**	**78**	**9**	**–**	**–**	**–**

The trade receivables are classified as “loans and receivables” in accordance with IAS 39. Write-downs of doubtful receivables entail estimates and assessments of individual receivables, which are based on the credit quality of the individual customers, current economic developments, and analyses of historical defaults. The following changes in specific valuation allowances on trade receivables were recorded:

(IN € MILLION)

	2011	**2012**
as of Jan. 1	**16**	**17**
Additions	11	7
Utilized	–2	–1
Reversals	–8	–9
as of Dec. 31	**17**	**14**

15 Securities

In total, Beiersdorf has invested €1,622 million in government and corporate bonds, commercial paper, and near-money market retail funds (previous year: €1,365 million*). All bonds are listed. Securities with a carrying amount of €926 million (previous year: €690 million*) are expected to be realized within 12 months after the reporting date; securities with a carrying amount of €696 million (previous year: €675 million) are expected to be realized more than 12 months after the reporting date. Government and corporate bonds and commercial paper are assigned to the “held to maturity” (HtM) category, while the near-money market retail funds are assigned to the “available for sale” (AfS) category. Please refer to Note 30 “Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments.”

* The prior-year figures have been adjusted. See the disclosures in the section entitled “Changes in Accounting Policies.”

16 Cash and Cash Equivalents

(IN € MILLION)

	Dec. 31, 2011	**Dec. 31, 2012**
Cash	911	757
Cash equivalents	30	77
	941	**834**

Cash comprises bank balances, cash-on-hand, and checks. Cash equivalents are short-term liquid investments, such as overnight funds and money market funds, that can be converted into cash at any time and are exposed to no more than insignificant fluctuations in value. In accordance with IAS 39, cash and cash equivalents are classified as “loans and receivables.”

17 Non-current Assets and Disposal Groups Held for Sale

In the previous year, the production facility in Norwalk (USA) and the facility in Münchenstein (Switzerland) were classified as “non-current assets and disposal groups held for sale” (€20 million). The sales were completed in fiscal year 2012. The non-current assets and disposal groups held for sale were attributed to the Consumer Business Segment and did not represent discontinued operations at the level of the Beiersdorf Group. As of December 31, 2011, there was no debt directly associated with the non-current assets and disposal groups held for sale.

18 Capital Management Disclosures

Beiersdorf aims to sustainably secure its capital base and generate an appropriate return on its invested capital. As of December 31, 2012, the equity ratio was 59% (previous year: 57%), while the EBIT return on average net operating capital was 62% (previous year: 43%). The total dividends distributed in fiscal year 2012 amounted to €167 million (previous year: €168 million). In the case of the dividend of €159 million (previous year: €159 million) paid by Beiersdorf AG, this corresponds to a distribution of €0.70 per no-par-value share carrying dividend rights (previous year: €0.70).

19 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 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.

20 Authorized Capital

The Annual General Meeting on April 29, 2010, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until April 28, 2015, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 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) *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 Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, preemptive rights to new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price is not materially lower than the quoted market price of the 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 have been disapplied since April 29, 2010, 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 companies, business units of companies, or equity interests in companies (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.

21 Contingent Capital

In addition, the Annual General Meeting on April 29, 2010, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par-value bearer shares. According to the resolution by the Annual General Meeting, the contingent capital increase will be implemented only to the extent that:

1. the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation, and the contingent capital is required for this 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 as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

22 Additional Paid-in Capital

Additional paid-in capital comprises the premium arising from the issue of shares by Beiersdorf AG.

23 Retained Earnings

Retained earnings comprise the net profit for the fiscal year and undistributed profits generated in prior periods by companies included in the consolidated financial statements. The retained earnings are reduced by the cost of the 25,181,016 treasury shares held by Beiersdorf AG amounting to €955 million.

24 Accumulated Other Comprehensive Income

CURRENCY TRANSLATION ADJUSTMENT

The currency translation adjustment equity account serves to recognize differences resulting from the translation of the financial statements of affiliates that do not have the euro as their functional currency.

DIFFERENCES FROM THE FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The equity account for the fair value measurement of financial instruments contains the changes in the fair value of financial derivatives designated as hedging instruments of €2 million (previous year: €–9 million), and immaterial changes in the fair value of available-for-sale financial instruments (previous year: €1 million), which are recognized in other comprehensive income after deduction of deferred taxes.

25 Non-controlling Interests

The non-controlling interests primarily exist at Nivea-Kao Co., Ltd. (Japan), P.T. Beiersdorf Indonesia (Indonesia), and Beiersdorf India Pvt. Limited (India).

26 Dividends

Under German stock corporation law, dividends are distributed from the net retained profits reported in the single-entity financial statements of Beiersdorf AG. The Executive Board and Supervisory Board will propose a dividend of €0.70 per share carrying dividend rights to the Annual General Meeting. The proposed distribution must be approved by the shareholders at the Annual General Meeting and therefore is not reported as a liability in the consolidated financial statements.

In accordance with the resolution by the Annual General Meeting on April 26, 2012, a dividend of €0.70 per share carrying dividend rights was distributed in 2012 from the net retained profits for fiscal year 2011.

27 Provisions for Pensions and Other Post-employment Benefits

The Group provides post-employment benefits for entitled employees either directly or through legally independent pension and welfare funds. Group companies provide retirement benefits under defined contribution and defined benefit plans. The structure of the plans varies depending on the legal, economic, and tax situation in the country in question, and the plans are generally based on length of service, salary, and the position held within the company, as well as the employees' own contributions. The direct and indirect obligations comprise obligations arising from existing pensions as well as future pension and retirement obligations.

The expenses for defined benefit plans and the present value of pension commitments are calculated on the basis of actuarial computations. In Germany, calculations are based on Heubeck's 2005 mortality tables, and internationally they are based on locally recognized mortality tables. The appropriate discount rate is determined using the yields of corporate bonds with an AA rating denominated in the relevant currency. The discount rate for Germany of 3.5% (previous year: 5.25%) was determined at the year-end on the basis of the information available at that time. The use of a discount rate 0.5 percentage points lower (higher) would not have an impact on the consolidated balance sheet as of the reporting date, due to the application of the corridor method. However, the present value of the defined benefit obligation would have been approximately 7% to 8% higher (lower). Defined benefit obligations react extremely sensitively to changes in these assumptions due to the complexity of measurement, the underlying assumptions, and their long-term nature. All assumptions are reviewed at each reporting date. There was no income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review.

Measurement is based on the following assumptions:

ACTUARIAL ASSUMPTIONS (IN %)

	2011		2012	
	Germany	Other countries	Germany	Other countries
Discount rates	5.25	4.27	3.50	3.46
Expected return on plan assets	5.00	4.68	5.00	4.79
Projected wage and salary growth	3.38	2.76	3.38	2.70
Projected pension growth	1.75	1.41	1.75	1.56
Projected staff turnover	2.95	5.05	2.98	4.57

With the exception of the expected return on plan assets, these parameters apply when calculating the cost of the entitlements acquired in the year under review and the interest expense on entitlements acquired in previous years. The expected return on plan assets was previously derived from historical and projected long-term returns on the plan assets. In the future the return on plan assets – regardless of the investment structure – will have to be determined on the basis of the discount rate used to calculate the present value of the defined benefit obligation and will no longer have to be explicitly calculated.

PENSION BENEFIT EXPENSES (IN € MILLION)

	2011			2012		
	Germany	Other countries	Group	Germany	Other countries	Group
Current service cost	15	10	25	15	8	23
Past service cost	1	–	1	–	–1	–1
Defined benefit expense (EBIT)	**16**	**10**	**26**	**15**	**7**	**22**
Interest expense	37	9	46	39	9	48
Expected return on plan assets	–31	–10	–41	–30	–9	–39
Amortization of actuarial gains (–) and losses (+)	–4	1	–3	–	3	3
Net interest income for defined benefit plans (net pension result)	**2**	**–**	**2**	**9**	**3**	**12**
Total expenses for defined benefit plans	**18**	**10**	**28**	**24**	**10**	**34**
Defined contribution expense (EBIT)	32	18	50	30	18	48
Total pension benefit expense	**50**	**28**	**78**	**54**	**28**	**82**

The defined benefit and defined contribution expenses are included in the costs of the respective functions. Defined contribution expenses also contain contributions to statutory or state pension insurance funds. Interest expense on obligations acquired in previous years, the return on plan assets, and the amortization of unrealized actuarial gains and losses are reported under net interest income.

Contributions totaling €9 million (previous year: €11 million) are expected to be made to the plan during the upcoming year, while payments for pension obligations are expected to be slightly above the prior-year level (€53 million).

CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS (IN € MILLION)

	2011			2012		
	Germany	Other countries	Group	Germany	Other countries	Group
Present value of defined benefit obligations, opening balance	736	219	955	752	225	977
Current service cost	15	10	25	15	8	23
Interest expense	37	9	46	39	9	48
Actuarial gains (–) and losses (+)	–4	–1	–5	215	35	250
Contributions by plan participants	4	3	7	4	2	6
Pensions benefits paid	–37	–16	–53	–39	–14	–53
Currency translation adjustment	–	4	4	–	–	–
Other changes	1	–3	–2	–	–28	–28
Present value of defined benefit obligations, closing balance	**752**	**225**	**977**	**986**	**237**	**1,223**

FUNDED STATUS OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS (IN € MILLION)

	Dec. 31, 2011			Dec. 31, 2012		
	Germany	Other countries	Group	Germany	Other countries	Group
Partly or wholly funded defined benefit obligations	747	204	951	979	215	1,194
Unfunded defined benefit obligations	5	21	26	7	22	29
Present value of defined benefit obligations	**752**	**225**	**977**	**986**	**237**	**1,223**

CHANGES IN FAIR VALUE OF PLAN ASSETS (IN € MILLION)

	2011			2012		
	Germany	Other countries	Group	Germany	Other countries	Group
Fair value of plan assets, opening balance	634	194	828	598	211	809
Expected return on plan assets	31	10	41	30	9	39
Actuarial gains (+) and losses (–)	–68	5	–63	21	7	28
Actual return on plan assets	**–37**	**15**	**–22**	**51**	**16**	**67**
Employer contributions	6	10	16	2	9	11
Contributions by plan participants	2	3	5	3	2	5
Pension benefits paid	–7	–13	–20	–8	–12	–20
Currency translation adjustment	–	4	4	–	1	1
Other changes	–	–2	–2	–	–25	–25
Fair value of plan assets, closing balance	**598**	**211**	**809**	**646**	**202**	**848**

CATEGORIES OF FAIR VALUE OF PLAN ASSETS (IN € MILLION)

	Dec. 31, 2011			Dec. 31, 2012		
	Germany	Other countries	Group	Germany	Other countries	Group
Equity instruments	219	66	285	148	71	219
Debt instruments	349	113	462	462	106	568
Real estate	30	13	43	10	11	21
Cash and cash equivalents	–	11	11	26	8	34
Other	–	8	8	–	6	6
Fair value of plan assets	**598**	**211**	**809**	**646**	**202**	**848**

RECOGNIZED PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (IN € MILLION)

	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	**Dec. 31, 2012**
Present value of defined benefit obligations	802	861	955	977	1,223
Fair value of plan assets	–755	–780	–828	–809	–848
Net obligation	**47**	**81**	**127**	**168**	**375**
Net cumulative unrecognized actuarial gains (+) and losses (–)	178	130	73	3	–208
Amounts not recognized due to asset ceiling	1	–	–	5	–
Other recognized amounts	9	10	9	14	15
Recognized provisions for pensions and other post-employment benefits	**235**	**221**	**209**	**190**	**182**

EFFECTS OF FIRST-TIME APPLICATION OF THE REVISED IAS 19

First-time application of the revised IAS 19 as from fiscal year 2013 will have the following material effects on the consolidated financial statements: In future, the return on plan assets required to be recognized in profit or loss will be based on the discount rate used to calculate the pension obligations. In the future, actuarial gains and losses must be recognized in accumulated other comprehensive income immediately and in full when they arise. The revised IAS 19 requires changes in the defined benefit obligation and in the fair value of plan assets to be recognized immediately when they arise. The option to use the corridor method available under the previous version of IAS 19 has been abolished. The revised standard mandates retroactive application and the presentation of the effects on the opening balance sheet as of January 1, 2012. The recognition of the actuarial gains and losses in accumulated other comprehensive income is expected to result in the following adjustments:

(IN € MILLION)

	Jan. 1, 2012	**Dec. 31, 2012**
Provisions for pensions and other post-employment benefits	–3	208
Deferred tax liabilities	1	–64
Equity (accumulated other comprehensive income)	2	–144

Based on a preliminary estimate, Beiersdorf expects that initial application will increase consolidated profit after tax for 2012 by €3 million and reduce other comprehensive income after tax for 2012 by €147 million. For fiscal year 2013, Beiersdorf does not expect any major changes in comparison to the adjusted figures for 2012, assuming the discount rate remains stable.

28 Other Provisions

(IN € MILLION)

	Personnel expenses	Marketing and selling expenses	Restructuring	Miscellaneous	**Total**
Opening balance Jan. 1, 2012	**160**	**133**	**100**	**241**	**634**
Of which non-current	34	1	1	71	107
Currency translation adjustment	–	–1	–	–2	–3
Additions	122	83	10	155	370
Utilized	97	78	55	100	330
Reversals	11	18	16	30	75
Closing balance Dec. 31, 2012	**174**	**119**	**39**	**264**	**596**
Of which non-current	36	1	–	53	90

Provisions for personnel expenses primarily comprise provisions for partial retirement arrangements, annual bonuses, vacation pay, severance agreements, and anniversary payments. The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances and returns. The reversal of the restructuring provisions relates primarily to provisions that are not needed in connection with the restructuring measures to optimize the regional structures in the Consumer Business Segment and the closure of the production facility in Baden-Baden (Germany). The miscellaneous other provisions include provisions for litigation risks, among other things.

29 Liabilities

The contractually agreed undiscounted interest payments on and repayments of non-current liabilities (not including deferred taxes) are as follows:

(IN € MILLION)

	2011			2012		
		Contractual maturities			Contractual maturities	
	Carrying amount Dec. 31	2013–2016	After 2016	Carrying amount Dec. 31	2014–2017	After 2017
Non-current financial liabilities	5	4	1	11	10	1
Other non-current liabilities	4	2	2	4	1	3
	9	**6**	**3**	**15**	**11**	**4**

Non-current financial liabilities include financial instruments of €11 million (previous year: €5 million) assigned to the "other financial liabilities" (OFL) category.

The following table gives a breakdown of current liabilities:

(IN € MILLION)

	Dec. 31, 2011	Dec. 31, 2012
Trade payables (OFL)	**946**	**1,036**
Other current financial liabilities	**172**	**91**
Other financial liabilities (OFL)	148	77
Negative fair value of derivatives (DFI)	24	14
Other current liabilities	**78**	**103**
Other tax liabilities	61	76
Social security liabilities	11	12
Advance payments received	6	15
	1,196	**1,230**

Other financial liabilities primarily relate to short-term bank loans amounting to €21 million (previous year: €84 million) as well as other financial obligations in the amount of €56 million (previous year: €64 million). As the current liabilities have remaining contractual maturities of less than 12 months as of the reporting date, their carrying amounts at the balance sheet date correspond approximately to their fair value.

30 Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments

(IN € MILLION)

2011	Carrying amount Dec. 31	Measurement category under IAS 39: Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	**Fair value Dec. 31**
Assets					
*Loans and receivables (LaR)**	*2,083*	*2,083*	–	–	*2,083*
Non-current financial assets	8	8	–	–	8
Trade receivables	1,019	1,019	–	–	1,019
Other current financial assets*	115	115	–	–	115
Cash and cash equivalents	941	941	–	–	941
Available-for-sale financial assets (AfS)	*323*	*3*	*320*	–	*323*
Non-current financial assets	3	3	–	–	3
Securities	320	–	320	–	320
*Held-to-maturity financial investments (HtM)**	*1,045*	*1,045*	–	–	*1,050*
Securities*	1,045	1,045	–	–	1,050
Derivative financial instruments used for hedges (DFI)	*13*	–	*9*	*4*	*13*
Derivative financial instruments not included in a hedging relationship (FVPL)	*7*	–	–	*7*	*7*
Equity and liabilities					
Other financial liabilities (OFL)	*1,099*	*1,099*	–	–	*1,099*
Non-current financial liabilities	5	5	–	–	5
Trade payables	946	946	–	–	946
Other current financial liabilities	148	148	–	–	148
Derivative financial instruments used for hedges (DFI)	*24*	–	*22*	*2*	*24*

2012	Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	**Fair value Dec. 31**
Assets					
Loans and receivables (LaR)	*2,013*	*2,013*	–	–	*2,013*
Non-current financial assets	14	14	–	–	14
Trade receivables	1,064	1,064	–	–	1,064
Other current financial assets	101	101	–	–	101
Cash and cash equivalents	834	834	–	–	834
Available-for-sale financial assets (AfS)	*87*	*2*	*85*	–	*87*
Non-current financial assets	2	2	–	–	2
Securities	85	–	85	–	85
Held-to-maturity financial investments (HtM)	*1,537*	*1,537*	–	–	*1,543*
Securities	1,537	1,537	–	–	1,543
Derivative financial instruments used for hedges (DFI)	*11*	–	*9*	*2*	*11*
Equity and liabilities					
Other financial liabilities (OFL)	*1,124*	*1,124*	–	–	*1,124*
Non-current financial liabilities	11	11	–	–	11
Trade payables	1,036	1,036	–	–	1,036
Other current financial liabilities	77	77	–	–	77
Derivative financial instruments used for hedges (DFI)	*7*	–	*6*	*1*	*7*
Derivative financial instruments not included in a hedging relationship (FVPL)	*7*	–	–	*7*	*7*

* The prior-year figures have been adjusted. See the disclosures in the section entitled “Changes in Accounting Policies.”

The existing financial instruments predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. The following hierarchy is used to determine and report the fair values of financial instruments:

- Level 1: Fair values that are determined using quoted prices in active markets.
- Level 2: Fair values that are determined using valuation techniques whose significant inputs are based on observable market data.

- Level 3: Fair values that are determined using valuation techniques whose significant inputs are not based on observable market data.

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy level 1 and derivative financial instruments to fair value hierarchy level 2.

RISK MANAGEMENT PRINCIPLES

As a result of its operations, the Beiersdorf Group is exposed to various risks such as currency risk, interest rate risk, and default risk.

Derivative financial instruments are used to hedge the operational business and material financial transactions. The transactions are conducted exclusively with marketable instruments. IFRS 7 requires sensitivity analyses, which show the effects of hypothetical changes in relevant risk variables on profit or loss and equity, to be used in presenting market risk. For the Beiersdorf Group, this mainly relates to currency risk. The effects are ascertained by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date. It is assumed that the portfolio at the reporting date is representative for the year as a whole.

CURRENCY RISK

Currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in exchange rates.

Currency risk within the meaning of IFRS 7 arises through monetary financial instruments that are reported in a currency other than the functional currency. Exchange rate differences arising from the translation of financial statements of affiliates into the Group currency are not included. Relevant risk variables are therefore basically all non-functional currencies in which financial instruments are held by the Beiersdorf Group. As a result of the Beiersdorf Group's international orientation and emphasis on the eurozone, the euro serves as the key currency. Hence, Beiersdorf is exposed to risks through financing measures and operational activities when other currencies fluctuate against the euro.

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 (fair value hedges). Owing to these hedging activities, Beiersdorf is not exposed to any significant currency risks in its financing activities as of the balance sheet date. Gains and losses on these currency forwards are offset in full by gains and losses on the hedged items.

With regard to operations, a majority of cash flows in non-functional currencies in the Beiersdorf Group are hedged up to 36 months in advance using standard currency forwards. These transactions are recorded, measured, and managed centrally in the treasury management system. As a result, Beiersdorf is not exposed to any significant currency risks in its operations as of the balance sheet date.

Since material non-derivative financial instruments are either denominated directly in the functional currency or transformed into the functional currency through the use of derivatives, changes in the exchange rate do not have any material effects on profit and loss or equity. Thus, the Beiersdorf Group is primarily only exposed to currency risk arising from currency forwards which are used as hedging instruments and which meet the criteria for recognition as cash flow hedges on forecasted transactions. Changes in market prices largely affect the hedging reserve in equity and the fair values of the hedging transactions.

The fair value of currency forwards as of the balance sheet date was €–3 million (previous year: €–4 million), and their notional value was €950 million (previous year: €1,109 million). €923 million (previous year: €1,102 million) of the forward contracts have a remaining maturity of up to one year, and €27 million (previous year: €7 million) have a remaining maturity of between one and two years. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

If the euro had appreciated by 10% against all currencies as of December 31, 2012, the hedging reserves in equity and the fair values of the currency forwards would have increased by €31 million (previous year: €30 million) and the profit would have decreased by €7 million (previous year: €8 million). If the euro had depreciated by 10%, the hedging reserves in equity and the fair values of the currency forwards would have decreased by €38 million (previous year: €37 million) and the profit would have increased by €9 million (previous year: €10 million).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates.

Because of the small volume of non-current financial instruments and the absence of derivative interest rate contracts, changes in fair values are of no more than minor significance for the Beiersdorf Group. At present, financial instruments with maturities of up to two years are held. These are subject to interest rate risk within the meaning of IFRS 7 for the entire fiscal year.

If the interest rates at the quarter-ends of the fiscal year had been 100 basis points higher (lower) in each case than the yield curve, the financial result would have been €8 million (previous year: €10 million) and accumulated other comprehensive income would have been €1 million (previous year: €1 million) higher (lower).

DEFAULT RISK

Beiersdorf is exposed to default risk within the scope of its financing activities and in its operations. In order to minimize this risk as much as possible, financing transactions are only entered into with counterparties with prime credit ratings. Receivables relating to operating activities are monitored continuously; potential defaults are accounted for using specific and collective valuation allowances. The maximum default risk can be seen from the carrying amount of each financial asset recognized in the balance sheet. The total carrying amount of the financial assets was €3,648 million as of December 31, 2012 (previous year: €3,471 million). In the area of trade receivables, default risks are partly covered by corresponding insurance policies.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulties in meeting the obligations associated with its financial liabilities. As a result of the large amount of cash and cash equivalents as well as securities held as of the balance sheet date, Beiersdorf is not currently exposed to any liquidity risk. Additionally, in order to ensure the liquidity and financial flexibility of the Beiersdorf Group at all times, liquidity reserves are maintained in the form of credit lines.

Other Disclosures

31 Contingent Liabilities, Other Financial Obligations, and Legal Risks

(IN € MILLION)

	Dec. 31, 2011	**Dec. 31, 2012**
Contingent liabilities		
Liabilities under guarantees	2	2
Other financial obligations*		
Obligations under rental and lease agreements:	84	90
– due within the next year	27	26
– due in 2 to 5 years	45	47
– due after more than 5 years	12	17
Obligations under purchase commitments:	142	173
– due within the next year	109	117
– due in 2 to 5 years	33	56

* The prior-year figures have been adjusted. See the disclosures in the section entitled "Changes in Accounting Policies."

The aggregate nominal amount of the other financial obligations was €263 million (previous year: €226 million*).

The state of São Paulo is demanding tax back payments of between €100 million and €150 million from our Brazilian subsidiaries for the years 2005 to 2009. State tax authorities allege that VAT on imports should have been paid in São Paulo State instead of the Brazilian state of landing. In our understanding the notice of infringement is the result of a tax dispute between states within the Brazilian Federation. The dispute is still in the administrative sphere. We do not consider utilization to be probable. Although we have complied with formal legislation, the outcome of this legal proceeding is uncertain and will depend on the final decision of the Brazilian supreme court.

Beiersdorf has potential obligations arising from antitrust proceedings, among other things. To the extent that an outflow of resources embodying economic benefits is likely to be required to settle these obligations, provisions were established for the pending antitrust proceedings. However, no conclusive assessment of the risk from the Group perspective is possible at present.

32 Employees and Personnel Expenses

The breakdown of employees by function is as follows:

EMPLOYEES (AS OF DEC. 31)

	2011	**2012**
Production	5,143	4,936
Marketing and sales	8,254	7,556
Other functions	4,269	4,113
	17,666	**16,605**

AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

	2011	**2012**
Production	5,382	4,977
Marketing and sales	8,378	7,828
Other functions	4,368	4,158
	18,128	**16,963**

A breakdown of employees by Beiersdorf Group segment can be found in the segment reporting. Personnel expenses amounted to €981 million (previous year: €1,000 million).

33 Auditors' Fees

The Annual General Meeting on April 26, 2012 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the auditors of Beiersdorf AG and the Beiersdorf Group for fiscal year 2012.

The following table gives an overview of the total fee charged by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft in the fiscal year.

FEES PAID TO THE GROUP AUDITORS (IN € THOUSAND)

	2011	**2012**
Audit services	1,048	1,230
Other assurance services	5	195
Tax advisory services	93	137
Other services	400	–
Total	**1,546**	**1,562**

34 Related Party Disclosures – Individuals

The requirements of IAS 24 apply to key management personnel of the company, their immediate family members, as well as the companies they control. In the Beiersdorf Group, this concerns the members of the Executive and Supervisory Boards.

For fiscal year 2012, the members of the Supervisory Board received remuneration totaling €1,393 thousand (previous year: €1,393 thousand) and the members of the Executive Board received remuneration totaling €7,153 thousand (previous year: €6,018 thousand). €1,714 thousand (previous year: €1,704 thousand) of total Executive Board remuneration relates to long-term benefits. Additions to post-termination benefits amounted to €86 thousand (previous year: €375 thousand). Additions to benefits based on enterprise value performance amounted to €2,874 thousand (previous year: €336 thousand). For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the Remuneration Report in the Corporate Governance chapter. The Remuneration Report forms part of the consolidated financial statements and the Group Management Report. Payments to former members of the Executive Board and their dependents totaled €2,474 thousand (previous year: €2,394 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,463 thousand (previous year: €26,256 thousand).

With the exception of the remuneration disclosed in the Remuneration Report, there were no material transactions between the members of Beiersdorf AG's Executive Board or Supervisory Board and the companies of the Beiersdorf Group in the fiscal year. The same applies to the immediate family members of these persons.

35 Shareholdings of the Executive Board and Supervisory Board

For the disclosures required by section 6.6 of the German Corporate Governance Code, please see subsection 2 of the "Directors' Dealings and Shareholdings of the Executive and Supervisory Boards" section of the Corporate Governance Report.

36 Related Party Disclosures – Entities

Since March 30, 2004, maxingvest ag has held more than 50% of Beiersdorf AG's share capital. Accordingly, Beiersdorf AG is a dependent company within the meaning of § 312 (1) sentence 1 in conjunction with § 17 (2) *Aktiengesetz* (German Stock Corporation Act, *AktG*). Since no control agreement exists between Beiersdorf AG and maxingvest ag, the Executive Board of Beiersdorf AG prepares a report on dealings among Group companies in accordance with § 312 (1) sentence 1 *AktG*. In fiscal year 2012, as in the previous year, Beiersdorf AG and its affiliated companies and maxingvest ag and its affiliated companies pooled purchase volumes to achieve cost benefits, as well as sourcing products from each other on a very small scale at standard market terms. There was also limited collaboration in particular with respect to marketing campaigns and in the area of market research and quality control.

Additional related party information in fiscal year 2012:

- Beiersdorf's pension fund (TROMA Alters- und Hinterbliebenenstiftung, Hamburg) sold real estate amounting to €40 million to Beiersdorf AG in an arm's-length transaction.

- As of the balance sheet date, Beiersdorf AG held maxingvest ag bonds in the amount of €16 million (previous year: €0 million), which were purchased on the capital market.

- tesa SE sold a logistics location to a company affiliated with maxingvest ag for €9.5 million in an arm's-length transaction.

37 Declaration of Compliance with the German Corporate Governance Code

In December 2012, Beiersdorf AG's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2012 in accordance with § 161 *AktG*. The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

38 Shareholdings in Beiersdorf AG

Beiersdorf AG received the following notifications by shareholders of the company in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the balance sheet (February 5, 2013):*

1.

a) Voting right notifications in accordance with § 21 (1) *WpHG* dated April 2, 2004, April 14, 2004, and April 16, 2004.
The persons subject to the disclosure requirement (the "disclosers") listed in the table below notified Beiersdorf Aktiengesellschaft on April 2, 2004, April 14, 2004, and April 16, 2004, in accordance with § 21 (1) *WpHG* that they had, for the first time, exceeded the 50% threshold and held 50.46% (42,386,400 voting rights) of Beiersdorf Aktiengesellschaft as of March 30, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution of the 9.99% (8,393,672 own shares) held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*, the disclosers in accordance with § 21 (1) *WpHG* each exceeded the 50% threshold for the first time as of February 3, 2004, and each held a 59.95% share (50,360,072 voting rights) in Beiersdorf Aktiengesellschaft as of this date. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

The disclosers' total share of voting rights as of March 30, 2004, amounted to 60.45% (50,780,072 voting rights) in each case instead of 50.46% (42,386,400 voting rights).

All shares of voting rights are attributable to the disclosers, with the exception of Tchibo Holding AG, in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*. 30.36% (25,500,805 voting rights) is attributable to Tchibo Holding AG (which now trades under the name of maxingvest ag) in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*; at the time, the company directly held 20.10% (16,884,000 voting rights).

* The following disclosures do not reflect the 1:3 share split resolved by the company's Annual General Meeting on May 17, 2006 because they were received before this date. As a result of this share split, each no-par-value bearer share of the company with a notional interest in the share capital of €2.56 was split into three no-par-value bearer shares with a notional interest in the share capital of €1.00 each (following the increase of the share capital without the issue of new shares).

The chains of controlled companies are as follows:

Discloser	Discloser's domicile and country of residence or of domicile	Disclosures in accordance with § 17 (2) *Verordnung zur Konkretisierung von Anzeige, Mitteilungs- und Veröffentlichungspflichten sowie der Pflicht zur Führung von Insiderverzeichnissen nach dem Wertpapierhandelsgesetz* (Regulation to concretize the disclosure, notification, and announcement duty as well as the duty to issue a list of insiders in accordance with the *WpHG*, *WpAIV*) (controlled companies via which the voting rights are effectively held and whose attributed share of the voting rights amounts to 3% or more) at the time of § 17 (1) no. 6 *WpAIV*
SPM Beteiligungs- und Verwaltungs GmbH	Norderstedt, Germany	Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
EH Real Grundstücksgesellschaft mbH & Co. KG (disclosed on March 12, 2008, that it held 0% (0 voting rights) as of January 15, 2007)	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
EH Real Grundstücksverwaltungs-gesellschaft mbH	Norderstedt, Germany	Scintia Vermögensverwaltungs GmbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Scintia Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Trivium Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Michael Herz	Germany	SPM Beteiligungs- und Verwaltungs GmbH, Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Wolfgang Herz	Germany	EH Real Grundstücksverwaltungsgesellschaft mbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Scintia Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Agneta Peleback-Herz (disclosed on March 11, 2008, that she held 0% (0 voting rights) as of January 15, 2007)	Germany	EH Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Ingeburg Herz GbR	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Max und Ingeburg Herz Stiftung	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Ingeburg Herz	Germany	Ingeburg Herz GbR, Max und Ingeburg Herz Stiftung, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (disclosed on August 30, 2007, that he held 0% (0 voting rights) as of January 1, 2005)	Hamburg, Germany	Coro Vermögensverwaltungsgesellschaft mbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Coro Vermögensverwaltungsgesellschaft mbH (disclosed on August 30, 2007, that it held 0% (0 voting rights) as of January 1, 2005)	Hamburg, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
maxingvest ag (trading under the name of Tchibo Holding AG until September 12, 2007)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

To clarify: The own shares held by Beiersdorf Aktiengesellschaft do not carry voting or dividend rights in accordance with § 71b *AktG*.

b) Voting right notification in accordance with § 21 (1) *WpHG* dated December 29, 2004.
   The voting right notification issued on December 29, 2004, by Tchibo Holding AG (which now trades under the name of maxingvest ag) in accordance with § 21 (1) *WpHG* disclosed that Tchibo Beteiligungsgesellschaft mbH (which now trades under the name of BBG Beteiligungsgesellschaft mbH) exceeded the 50% threshold for the first time when it acquired 20.10% of voting rights in Beiersdorf Aktiengesellschaft from Tchibo Holding AG, and that it held 50.46% (42,386,400 voting rights) in Beiersdorf Aktiengesellschaft as of December 22, 2004.

   After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* of the 9.99% (8,393,672 own shares) acquired as part of the buy-back program performed, Tchibo Beteiligungsgesellschaft mbH exceeded the 50% threshold in accordance with § 21 (1) *WpHG* for the first time as of December 22, 2004, and held 60.45% (50,780,072 voting rights) of Beiersdorf Aktiengesellschaft as of this date. A total of 40.35% (33,894,477 voting rights) was attributable to Tchibo Beteiligungsgesellschaft mbH. The chain of controlled companies is as follows: Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft. The increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

c) Voting right notification in accordance with § 21 (1) *WpHG* dated March 11, 2008.
   E.H. Real Grundstücksverwaltungsgesellschaft mbH's voting right notification dated March 11, 2008, is hereby revoked.
   E.H. Grundstücksverwaltungsgesellschaft mbH's share of voting rights also exceeded the 3, 5, 10, 15, 20, 25, 30, and 50% thresholds as of January 15, 2007, and continued to do so thereafter and, including the 9.99% held by Beiersdorf Aktiengesellschaft (25,181,016 own shares) after adjustment for the increase of the share capital from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006, continues to amount to 60.45% in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (152,340,216 voting rights after the adjustment for the increase of the share capital from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006).

2. 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 own shares held by the company do not carry voting or dividend rights in accordance with § 71b *AktG*.

Beiersdorf AG Boards

Honorary Chairman of the Company: Georg W. Claussen

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod (from August 1, 2012)	Hamburg	Manager Regulatory Affairs/ Quality Management, Beiersdorf AG	
Dr. Walter Diembeck (until July 31, 2012)	Hamburg	Research biochemist/Beiersdorf AG	
Beatrice Dreyfus (until April 26, 2012)	Frankfurt/Main	Managing Director, Novum Capital Beratungsgesellschaft mbH Managing Director, ES Plastic GmbH	
Prof. Dr. Eva Eberhartinger*	Vienna/Austria	University Professor, Vienna University of Economics and Business	
Elke Gabriel	Rosengarten	Member of the Works Council of Beiersdorf AG	
Michael Herz	Hamburg	Member of the Executive Board of maxingvest ag	Chairman of the Supervisory Board: – Tchibo GmbH Member of the Supervisory Board: – tesa SE (intragroup)
Thomas Holzgreve Deputy Chairman	Bad Oldesloe	Member of the Executive Board of maxingvest ag	Member of the Supervisory Board: – Tchibo GmbH
Thorsten Irtz Deputy Chairman	Stapelfeld	Chairman of the Works Council of Beiersdorf AG	
Dr. Dr. Christine Martel (from April 26, 2012)	Vevey/Switzerland	Head of Finance and Business Planning/Nescafé Dolce Gusto, Nestlé S.A.	Member of the Supervisory Board: - tesa SE (intragroup) (until April 26, 2012)
Tomas Nieber	Stade	Head of Department – Economic and Industry Policy, Industriegewerkschaft Bergbau, Chemie, Energie	Member of the Supervisory Board: – maxingvest ag Member of the Advisory Board: – Qualifizierungsförderwerk Chemie GmbH
Michel Perraudin (until April 26, 2012)	Nuremberg	Freelance management consultant	Chairman of the Supervisory Board: – ODLO Sports Holding AG, Switzerland – Masai Marketing & Trading AG, Switzerland (until May 24, 2012) Member of the Supervisory Board: – Tecnica Group S.p.A., Italy (until June 30, 2012) Member of the Advisory Board: – Friedrich-W. Dauphin GmbH & Co. KG
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer P+P Pöllath + Partners	Chairman of the Supervisory Board: – maxingvest ag – Wanzl GmbH & Co. Holding KG Member of the Supervisory Board: – Tchibo GmbH
Thomas-B. Quaas (from April 26, 2012)	Hamburg	Businessman	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG, Hamburg (from August 27, 2012) Member of the Supervisory Board: – La Prairie Group AG, Switzerland (intragroup) (from April 27, 2012, until April 26, 2012 president) Chairman of the Board of Directors: – Nivea-Kao Co., Ltd., Japan (intragroup)
Prof. Manuela Rousseau*	Rellingen	Head of Corporate Social Responsibility at Beiersdorf AG Professor at the Academy of Music and Theater, Hamburg	Member of the Supervisory Board: – maxingvest ag
Volker Schopnie	Halstenbek	Deputy Chairman of the Works Council of Beiersdorf AG	Member of the Supervisory Board: – maxingvest ag

*The Supervisory Board's diversity officers

SUPERVISORY BOARD COMMITTEES

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Committee	Members of the Mediation Committee
– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Michael Herz** – **Thomas Holzgreve** – **Thorsten Irtz**	– **Prof. Dr. Eva Eberhartinger** (Chairwoman) – **Dr. Andreas Albrod** (from August 1, 2012) – **Dr. Walter Diembeck** (until July 31, 2012) – **Thomas Holzgreve** – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie**	– **Thomas Holzgreve** (Chairman) – **Dr. Andreas Albrod** (from August 1, 2012) – **Dr. Walter Diembeck** (until July 31, 2012) – **Prof. Dr. Eva Eberhartinger** – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie**	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Beatrice Dreyfus** (until April 26, 2012) – **Prof. Dr. Eva Eberhartinger** – **Thomas Holzgreve** – **Dr. Dr. Christine Martel** (from April 26, 2012)	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Elke Gabriel** – **Thomas Holzgreve** – **Thorsten Irtz**

EXECUTIVE BOARD*

Name	Function/Responsibilities		Memberships
Stefan F. Heidenreich (Member of the Executive Board from January 1, 2012; Chairman of the Executive Board from April 26, 2012)	Chairman of the Executive Board	Corporate Development/Corporate Communications/ Internal Audit/Sustainability Japan, La Prairie Group Northeast and Southeast Asia, Australia (from April 26, 2012; acting) Africa, Middle East, India, Turkey, Russia, Ukraine, CIS (from August 1, 2012; acting)	
Thomas-B. Quaas (until April 26, 2012)	Chairman of the Executive Board	Corporate Development/Corporate Communications/ Internal Audit/Sustainability Japan, La Prairie Group Northeast and Southeast Asia, Australia (until April 26, 2012; acting)	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG, Hamburg (from August 27, 2012)
Peter Feld	Developed Markets	Europe/North America	
Ralph Gusko	Consumer Brands, Pharmacy and R&D	Brand Management Consumer/Research & Development Pharmacy (from January 1, 2013) Supply Chain (until December 31, 2012)	
Dr. Ulrich Schmidt	Finance, Supply Chain and Human Resources	Finance/Controlling/Legal/IT/Human Resources – Labor Relations Director – Purchasing/Production/Logistics/Quality Assurance (from January 1, 2013) Latin America (from August 1, 2012; acting)	**
Ümit Subaşı (until July 31, 2012)	Emerging Markets	Latin America, Africa, Middle East, India, Turkey, Russia/Ukraine/CIS	

* 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.
** Chairman of the Supervisory Board: tesa SE, Hamburg (intragroup)

Hamburg, February 5, 2013
Beiersdorf AG
The Executive Board

Beiersdorf AG's Shareholdings

SHAREHOLDINGS OF BEIERSDORF AG:
Beiersdorf AG holds 5% or more of the shares and/or voting rights in the companies/equity interests listed below. Companies/equity interests that are of no more than minor significance for the presentation of the results of operations, balance sheet structure, and financial position of Beiersdorf AG are not included in this list.

Germany

Name of the company	Registered office	Equity interest (in %)
Allgemeine Immobilien- und Verwaltungsgesellschaft m.b.H.	Baden-Baden	100.00
La Prairie Group Deutschland GmbH	Baden-Baden	100.00
Produits de Beauté Logistik GmbH	Baden-Baden	100.00
Produits de Beauté Produktions GmbH	Baden-Baden	100.00
Beiersdorf Manufacturing Berlin GmbH	Berlin	100.00
Beiersdorf Beteiligungs GmbH	Gallin	100.00
GUHL IKEBANA GmbH	Griesheim	10.00
BDF Immo GmbH	Hamburg	100.00
Beiersdorf Customer Supply GmbH	Hamburg	100.00
Beiersdorf Hautpflege GmbH	Hamburg	100.00
Beiersdorf Manufacturing Hamburg GmbH	Hamburg	100.00
Beiersdorf Shared Services GmbH	Hamburg	100.00
IKEBANA-Kosmetik GmbH	Hamburg	100.00
NOIMMO Erste Projekt GmbH & Co. KG	Hamburg	100.00
One tesa Bau GmbH	Hamburg	100.00
Phanex Handelsgesellschaft mbH	Hamburg	100.00
Tape International GmbH	Hamburg	100.00
tesa Converting Center GmbH	Hamburg	100.00
tesa Grundstücksverwaltungsges. mbH & Co. KG	Hamburg	100.00
tesa SE	Hamburg	100.00
tesa Werk Hamburg GmbH	Hamburg	100.00
TRADICA Pharmazeutische GmbH	Hamburg	100.00
Ultra Kosmetik GmbH	Hamburg	100.00
tesa scribos GmbH	Heidelberg	100.00
Labtec Gesellschaft für technologische Forschung und Entwicklung mbH	Langenfeld	100.00
tesa Werk Offenburg GmbH	Offenburg	100.00
Beiersdorf Manufacturing Waldheim GmbH	Waldheim	100.00

Europe

Name of the company	Registered office	Equity interest (in %)
BEIERSDORF FINANCE SCS	BE, Brussels	100.00
SA Beiersdorf NV	BE, Brussels	100.00
SA tesa	BE, Brussels	100.00
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00
tesa A/S	DK, Birkerød	100.00
Beiersdorf A/S	DK, Copenhagen	100.00
Beiersdorf OÜ	EE, Tallinn	100.00
Beiersdorf Oy	FI, Turku	100.00
tesa Oy	FI, Turku	100.00
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00
Beiersdorf Holding France Sarl	FR, Paris	100.00
Beiersdorf s.a.s.	FR, Paris	99.89
tesa s.a.s.	FR, Savigny-le-Temple	100.00
Beiersdorf Hellas AE	GR, Gerakas	100.00
tesa tape AE	GR, Gerakas	100.00
BDF Medical Ltd.	UK, Birmingham	100.00

Europe

Name of the company	Registered office	Equity interest (in %)
Beiersdorf UK Ltd.	UK, Birmingham	100.00
La Prairie (UK) Limited	UK, London	100.00
tesa UK Ltd.	UK, Milton Keynes	100.00
Beiersdorf Ireland Ltd.	IE, Dublin	100.00
Beiersdorf ehf	IS, Reykjavik	100.00
Comet SpA	IT, Concagno Solbiate	100.00
Beiersdorf SpA	IT, Milan	100.00
La Prairie S.p.A.	IT, Milan	100.00
tesa SpA	IT, Vimodrone	100.00
Beiersdorf d.o.o.	HR, Zagreb	100.00
SIA Beiersdorf	LV, Riga	100.00
Beiersdorf UAB	LT, Vilnius	100.00
Beiersdorf Macedonia DOOEL	MK, Skopje	100.00
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00
tesa Western Europe B.V.	NL, Amsterdam	100.00
Beiersdorf Holding B.V.	NL, Baarn	100.00
Beiersdorf NV	NL, Baarn	100.00
tesa BV	NL, Hilversum	100.00
Beiersdorf AS	NO, Oslo	100.00
tesa AS	NO, Oslo	100.00
Beiersdorf CEE Holding GmbH	AT, St. Pölten	100.00
Beiersdorf Ges mbH	AT, Vienna	100.00
La Prairie Group Austria GmbH	AT, Vienna	100.00
tesa GmbH	AT, Vienna	100.00
Beiersdorf Manufacturing Poznan Sp. z.o.o.	PL, Poznan	100.00
NIVEA Polska sp. z o.o.	PL, Poznan	100.00
tesa tape Sp. z.o.o	PL, Poznan	100.00
Beiersdorf Portuguesa, Limitada	PT, Queluz	100.00
tesa Portugal – Produtos Adhesivos, Lda.	PT, Queluz	100.00
Beiersdorf Romania SRL	RO, Bucharest	100.00
tesa tape SRL	RO, Cluj-Napoca	100.00
Beiersdorf LLC	RU, Moscow	100.00
La Prairie Group (RUS) LLC	RU, Moscow	100.00
tesa tape OOO	RU, Moscow	100.00
Beiersdorf Aktiebolag	SE, Gothenburg	100.00
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00
tesa AB	SE, Kungsbacka	100.00
tesa tape Schweiz AG	CH, Bergdietikon	100.00
Beiersdorf AG	CH, Reinach	100.00
La Prairie Group AG	CH, Volketswil	100.00
Laboratoires La Prairie SA	CH, Volketswil	100.00
Beiersdorf d.o.o. Beograd	RS, Belgrade	100.00
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00
Beiersdorf d.o.o.	SI, Ljubljana	100.00
tesa tape posrednisto in trgovina d.o.o.	SI, Ljubljana	100.00
Beiersdorf Manufacturing Argentona, S.L.	ES, Argentona	100.00
tesa tape, S.A.	ES, Argentona	100.00
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00
Beiersdorf Holding SL	ES, Tres Cantos	100.00
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00
Beiersdorf SA	ES, Tres Cantos	100.00
Beiersdorf spol. s r.o.	CZ, Prague	100.00
tesa tape s.r.o.	CZ, Prague	100.00

Europe

Name of the company	Registered office	Equity interest (in %)
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
Beiersdorf Ukraine LLC	UA, Kiev	100.00
Beiersdorf Kft.	HU, Budapest	100.00
Tartsay Beruházó Kft.	HU, Budapest	99.66
tesa tape Ragasztószalag Termelö ès Kereskedelmi Kft.	HU, Budapest	100.00

America

Name of the company	Registered office	Equity interest (in %)
Beiersdorf S.A.	AR, Buenos Aires	100.00
tesa tape Argentina S.R.L.	AR, Buenos Aires	99.75
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00
tesa Brasil Limitada	BR, Curitiba	100.00
Beiersdorf Industria e Comercio Ltda.	BR, Itatiba	100.00
BDF NIVEA LTDA.	BR, São Paulo	100.00
Beiersdorf S.A.	CL, Santiago de Chile	100.00
tesa tape Chile SA	CL, Santiago de Chile	100.00
BDF Costa Rica, S.A.	CR, San José	100.00
Beiersdorf, SRL	DO, Santo Domingo	100.00
Beiersdorf S.A.	EC, Quito	100.00
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00
BDF Centroamérica, S.A.	GT, Guatemala City	100.00
tesa tape Centro America S.A.	GT, Guatemala City	100.00
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00
Beiersdorf S.A.	CO, Bogotá	100.00
tesa Tape Colombia Ltda	CO, Santiago de Cali	100.00
BDF Corporativo, S.A. de C.V.	MX, Mexico City	100.00
BDF México, S.A. de C.V.	MX, Mexico City	100.00
Technical Tape Mexico SA de CV	MX, Mexico City	100.00
tesa tape Mexico SRL de CV	MX, Mexico City	100.00
Beiersdorf Manufacturing Mèxico, S.A. de C.V.	MX, Silao	100.00
Beiersdorf Manufacturing Mèxico Servicios, S.A. de C.V.	MX, Silao	100.00
BDF Panamá S.A.	PA, Panamá City	100.00
HUB LIMITED S.A.	PA, Panamá City	100.00
Beiersdorf S.A.	PY, Asunción	100.00
Beiersdorf S.A.C.	PE, Lima	99.81
Beiersdorf S.A.	UY, Montevideo	100.00
Beiersdorf S.A.	VE, Caracas	100.00
tesa tape inc.	US, Charlotte, NC	100.00
LaPrairie.com LLC	US, Edison, NJ	100.00
La Prairie, Inc.	US, New York City, NY	100.00
Beiersdorf, Inc.	US, Wilton, CT	100.00
Beiersdorf North America Inc.	US, Wilton, CT	100.00

Africa/Asia/Australia

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Australia Ltd.	AU, North Ryde, NSW	100.00
La Prairie Group Australia Pty. Ltd.	AU, North Ryde, NSW	100.00
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00
Beiersdorf Daily Chemical (Guangzhou) Co., Ltd.	CN, Guangzhou	100.00
tesa tape (Hong Kong) Ltd.	CN, Hong Kong	100.00
La Prairie (Shanghai) Co. Ltd.	CN, Shanghai	100.00
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00
tesa (Shanghai) Trading Co. Ltd.	CN, Shanghai	100.00
tesa tape (Shanghai) Co., Ltd.	CN, Shanghai	100.00
tesa Plant (Suzhou) Co. Ltd.	CN, Suzhou	100.00
Beiersdorf Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	100.00
Beiersdorf Daily Chemical (Hubei) Co., Ltd.	CN, Xiantao	100.00
Beiersdorf Ghana Ltd.	GH, Accra	100.00
Beiersdorf India Pvt. Limited	IN, Mumbai	51.00
Nivea India Pvt. Ltd.	IN, Mumbai	100.00
tesa Tapes (India) Private Limited	IN, Navi Mumbai	100.00
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00
La Prairie Japan K.K.	JP, Tokyo	100.00
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00
tesa tape K.K.	JP, Tokyo	100.00
Beiersdorf East Africa Limited	KE, Nairobi	100.00
La Prairie Korea Ltd.	KR, Seoul	100.00
NIVEA Seoul Ltd.	KR, Seoul	100.00
tesa tape Korea Ltd.	KR, Seoul	100.00
tesa tape (Malaysia) Sdn. Bhd.	MY, Kajang	100.00
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Kajang	99.99
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00
Medical-Latex (DUA) SDN. BHD.	MY, Senai	100.00
Beiersdorf S.A.	MA, Casablanca	100.00
Beiersdorf Singapore Pte. Ltd.	SG, Singapore	100.00
Singapore Plastic Products Pte. Ltd.	SG, Singapore	100.00
tesa Plant (Singapore) Pte. Ltd.	SG, Singapore	100.00
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Westville	100.00
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00
tesa tape (Thailand) Limited	TH, Bangkok	90.10
Beiersdorf Middle East FZCO	AE, Dubai	100.00
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00
Beiersdorf Vietnam LLC	VN, Ho Chi Minh City	100.00

5.
AUDITORS' REPORT AND RESPONSIBILITY STATEMENT

Auditors' Report

We have audited the consolidated financial statements prepared by Beiersdorf Aktiengesellschaft, Hamburg, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement, and notes to the consolidated financial statements, together with the Group Management Report for the fiscal year from January 1 to December 31, 2012. The preparation of the consolidated financial statements and the Group Management Report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law under § 315a (1) of the *Handelsgesetzbuch* (German Commercial Code, *HGB*) are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the Group Management Report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 *HGB* and 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 consolidated financial statements in accordance with the applicable financial reporting framework and in the Group Management Report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the Group Management Report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the annual financial statements of those entities included in the consolidated financial statements, the determination of entities to be included in consolidation, the accounting and consolidation principles used, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the Group 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 consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law under § 315a (1) *HGB*, and give a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, February 6, 2013
Ernst & Young GmbH,
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

OPASCHOWSKI
German Public Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Hamburg, February 5, 2013
The Executive Board

STEFAN F. HEIDENREICH
Chairman of the Executive Board

DR. ULRICH SCHMIDT
Member of the Executive Board

RALPH GUSKO
Member of the Executive Board

PETER FELD
Member of the Executive Board

6.
ADDITIONAL INFORMATION

Annual Financial Statements of Beiersdorf AG in Accordance with the *HGB* (Condensed)*

INCOME STATEMENT – BEIERSDORF AG (IN € MILLION)

	2011	2012
Sales	**1,048**	**1,077**
Other operating income	95	110
Cost of materials	–243	–260
Personnel expenses	–201	–200
Depreciation and amortization of property, plant, and equipment, and intangible assets	–45	–42
Other operating expenses	–520	–553
Operating result	**134**	**132**
Financial result	156	254
Result from ordinary activities	**290**	**386**
Extraordinary result	**–45**	**–6**
Income taxes	–33	–76
Profit after tax	**212**	**304**

BALANCE SHEET – BEIERSDORF AG (IN € MILLION)

Assets	Dec. 31, 2011	Dec. 31, 2012
Intangible assets	80	49
Property, plant, and equipment	52	94
Financial assets	1,390	1,489
Non-current assets	**1,522**	**1,632**
Inventories	5	2
Receivables and other assets	414	434
Securities	1,347	1,583
Cash and cash equivalents	125	81
Current assets	**1,891**	**2,100**
Prepaid expenses	**4**	**3**
Excess of plan assets over post-employment benefit liability	**2**	**3**
	3,419	**3,738**

Equity and liabilities	Dec. 31, 2011	Dec. 31, 2012
Equity	**1,558**	**1,703**
Provisions for pensions and other post-employment benefits	408	414
Other provisions	273	243
Provisions	**681**	**657**
Liabilities to banks	5	–
Trade payables	52	52
Other liabilities	1,123	1,318
Liabilities	**1,180**	**1,370**
Deferred tax liabilities	**–**	**8**
	3,419	**3,738**

* The full version of Beiersdorf AG's annual financial statements and management report, together with the unqualified audit opinion by the auditors, is published in the *Bundesanzeiger* (Federal Gazette) and is filed with the companies register. The annual financial statements and management report of Beiersdorf AG are also available online at www.Beiersdorf.com.

Ten-year Overview

TEN-YEAR OVERVIEW (IN € MILLION)
(unless otherwise stated)

		2003[1]	2004	2005	2006[2]	2007[2]	2008[2]	2009[2]	2010[2/6]	2011[2]	2012[2]
Sales		**4,435**	**4,546**	**4,776**	**5,120**	**5,507**	**5,971**	**5,748**	**5,571**	**5,633**	**6,040**
Change against prior year	(in %)	–1.3	2.5	5.1	7.2	7.6	8.4	–3.7	7.8	1.1	7.2
Consumer		3,739	3,840	4,041	4,327	4,661	5,125	5,011	4,698	4,696	5,048
tesa		696	706	735	793	846	846	737	873	937	992
Europe		3,329	3,388	3,498	3,717	3,909	4,090	3,767	3,450	3,414	3,441
Americas		638	635	687	738	782	832	851	932	993	1,149
Africa/Asia/Australia		468	523	591	665	816	1,049	1,130	1,189	1,226	1,450
EBITDA		**614**	**656**	**693**	**660**	**738**	**911**	**722**	**804**	**704**	**850**
Operating result (EBIT)		**455**	**483**	**531**	**477**	**616**	**797**	**587**	**583**	**431**	**698**
Profit before tax		**491**	**492**	**535**	**851**	**644**	**822**	**583**	**553**	**440**	**709**
Profit after tax		**301**	**302**	**335**	**668**	**442**	**567**	**380**	**326**	**259**	**451**
Return on sales after tax	(in %)	6.4	6.6	7.0	13.0	8.0	9.5	6.6	5.9	4.6	7.5
Earnings per share	(in €)	1.17	1.29	1.45	2.93	1.93	2.48	1.65	1.40	1.10	1.95
Total dividend – equity holders		121	121	129	136	159	204	159	159	159	159
Dividend per share	(in €)	0.53	0.53	0.57	0.60	0.70	0.90	0.70	0.70	0.70	0.70
Beiersdorf's shares – year-end closing price[5]		**32.07**	**28.53**	**34.64**	**49.12**	**53.00**	**42.00**	**45.93**	**41.53**	**43.82**	**61.88**
Market capitalization as of Dec. 31		8,081	7,190	8,736	12,378	13,356	10,584	11,574	10,466	11,043	15,594
Research and development expenses		**97**	**101**	**109**	**118**	**127**	**149**	**149**	**152**	**163**	**159**
as % of sales		2.2	2.2	2.3	2.3	2.3	2.5	2.6	2.7	2.9	2.6
Employees as of Dec. 31		**18,664**	**16,492**	**16,769**	**17,172**	**21,101**	**21,766**	**20,346**	**19,128**	**17,666**	**16,605**
Intangible assets		94	58	34	30	357	398	382	306	172	185
Property, plant, and equipment		876	887	882	740	699	727	725	716	635	685
Non-current financial assets[7]		94	93	5	8	7	11	10	438	686	712
Inventories		629	558	536	548	598	634	561	632	699	734
Receivables and other assets[3/7]		789	815	967	940	1,123	2,085	2,149	2,030	2,142	2,425
Cash and cash equivalents		828	290	483	1,230	1,117	613	767	973	941	834
Equity		**1,831**	**1,033**	**1,293**	**1,790**	**2,070**	**2,460**	**2,636**	**2,920**	**3,016**	**3,287**
Liabilities		**1,479**	**1,668**	**1,614**	**1,706**	**1,831**	**2,008**	**1,958**	**2,175**	**2,259**	**2,288**
Provisions		790	776	752	809	781	729	750	812	824	778
Trade payables		293	308	369	485	573	690	699	863	946	1,036
Other liabilities[4]		396	584	493	412	477	589	509	500	489	474
Total equity and liabilities		**3,310**	**2,701**	**2,907**	**3,496**	**3,901**	**4,468**	**4,594**	**5,095**	**5,275**	**5,575**
Equity ratio	(in %)	55	38	44	51	53	55	57	57	57	59

[1] Restated to reflect the new reporting structure (BSN medical at equity).
[2] Figures include special factors. For fiscal years 2011 and 2012 please refer to our disclosures on page 27 of the Group Management Report.
[3] Including non-current assets and disposal groups held for sale.
[4] Including liabilities associated with assets held for sale.
[5] Figures for 2003 to 2005 adjusted to the number of shares after the share split.
[6] The figures for fiscal year 2010 have been adjusted due to the amendment of the sales presentation format.
[7] The figures for fiscal year 2010 have been adjusted.

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This Annual Report is also available in German.
The online version of the Annual Report, and the Annual Financial Statements and Management Report of Beiersdorf AG, are available at WWW.BEIERSDORF.COM/ANNUAL_REPORT.
The interim reports can be found at WWW.BEIERSDORF.COM/INTERIM_REPORT.

Financial Calendar

2013

April 18
Annual General Meeting

April 19
Dividend Payment

May 2
Interim Report
January to March 2013

August 7
Interim Report
January to June 2013

November 5
Interim Report
January to September 2013

2014

January
Publication of
Preliminary Group Results

February / March
Publication of Annual Report 2013,
Annual Accounts Press Conference,
Financial Analyst Meeting

April
Annual General Meeting

May
Interim Report
January to March 2014

August
Interim Report
January to June 2014

November
Interim Report
January to September 2014

BDF ●●●●
Beiersdorf

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