ANNUAL REPORT

2013

Beiersdorf

Beiersdorf 2013

KEY FIGURES – OVERVIEW

		2012	2013
Group sales	(in € million)	**6,040**	**6,141**
Change (organic)	(in %)	4.7	7.2
Change (nominal)	(in %)	7.2	1.7
Consumer sales	(in € million)	**5,048**	**5,103**
Change (organic)	(in %)	4.9	7.0
Change (nominal)	(in %)	7.5	1.1
tesa sales	(in € million)	**992**	**1,038**
Change (organic)	(in %)	3.6	8.5
Change (nominal)	(in %)	5.8	4.7
Operating result (EBIT, excluding special factors)	(in € million)	**735**	**814**
Operating result (EBIT)	(in € million)	698	820
Profit after tax*	(in € million)	454	543
Return on sales after tax	(in %)	7.5	8.8
Earnings per share*	(in €)	1.96	2.35
Total dividend	(in € million)	159	159
Dividend per share	(in €)	0.70	0.70
Gross cash flow	(in € million)	**545**	**648**
Capital expenditure	(in € million)	**151**	**227**
Research and development expenses	(in € million)	**159**	**154**
Employees	(as of Dec. 31)	**16,605**	**16,708**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011).
See the disclosures in the section entitled "Changes in Accounting Policies" of the notes to the consolidated financial statements.

Contents

1. TO OUR SHAREHOLDERS

Letter from the Chairman

Ladies and Gentlemen,

Financial year 2013 was an important and successful year for Beiersdorf. We systematically continued our further development of Beiersdorf's strategy, a process that we initiated in 2012 with the Blue Agenda. And we are seeing the first successes. We have translated the potential of our brands and our company into economic success. We are especially pleased to report that this applies to both of Beiersdorf's business segments – to the Consumer Business Segment and to tesa alike. We have increased our market share in our relevant categories in both the emerging markets and the saturated markets of Europe. The past financial year shows that our company is on an economically successful path.

Beiersdorf has set itself an ambitious goal in the **Consumer** Business Segment. We will be the number 1 Skin Care company in our relevant categories and markets. How we can achieve this is outlined in our Blue Agenda. Over the next years, this long-term road map will continue to define the clear course we are adopting to successfully face the challenges of tomorrow and to reach our goals. Our business activities focus on strengthening our brands – above all NIVEA, Eucerin, and La Prairie – increasing our innovative power, systematically expanding our presence in the emerging markets, and reinforcing our position in the European markets. Additional focuses are on increasing efficiency and speed as well as on our dedicated employees.

Beiersdorf has outstanding brands. Our three core brands, NIVEA, Eucerin, and La Prairie, turned in very encouraging performances in 2013. Our disciplined brand strategy raised the profile of NIVEA, our most important brand, and filled it with new life. The outward signs of this are the new brand logo and new packaging designs, which we will have rolled out to all product categories by the end of 2014. These changes have significantly increased NIVEA's brand recognition.

Our innovative power has been the basis of our corporate success for over 130 years – and this will continue. We stood out from the crowd in the market in 2013 with strong innovations such as NIVEA In-Shower and NIVEA Cellular Anti-Age. These products were very well received by our customers and consumers. Our goal is to focus product development even more strongly on customer wishes in the future. We also aim to identify changing consumer wishes more quickly and to fulfill these as soon as possible with tailor-made products, while also incorporating regional requirements to an even greater extent. The targeted expansion of our global development and production capacities – in Mexico, China, and India, among other places – plays a significant role in this.

tesa again made an important contribution to the company's success. Its innovative and broad product portfolio meets the specific needs of a range of customer groups. tesa is systematically expanding its market position with technologically superior products, and is a leader on the international markets for self-adhesive products and solutions.

Our ability to focus on the main thing and the systematic implementation of our strategy are the foundations of our business success. Organic Group sales climbed 7.2% in 2013. In nominal terms, sales increased by 1.7% to €6,141 million. The operating result (EBIT, excluding special factors) rose 10.7% to €814 million, while the consolidated EBIT margin was 13.2%. The Consumer Business Segment saw organic sales rise by 7.0%, while nominal sales were up 1.1% to €5,103 million. Organic sales at tesa climbed 8.5%; the nominal figure was €1,038 million (+4.7%). The EBIT margin was 12.5% for the Consumer Business Segment and 16.9% for tesa.

Ladies and gentlemen, we are on the right track with our Blue Agenda. We are aware that we still have some way to go to secure the company's long-term progress and to focus it on sustainable, profitable growth. We have laid strong foundations for our success.

On behalf of the entire Executive Board, I would like to extend my thanks to all our employees for their dedication. I would like to thank our consumers, shareholders, business partners, and friends of the company for their continued trust in us.

Sincerely,

STEFAN F. HEIDENREICH
Chairman of the Executive Board

Beiersdorf's Shares and Investor Relations

Overall, Beiersdorf can again look back on a successful year on the stock markets. The share price performed positively in 2013, marking a new high of €75.25 in December. In the period under review, the main factors influencing the stock markets were central bank policy and the uncertain outlook for economic growth in Europe and the USA. Both factors led to substantial volatility on the German and international stock markets during 2013, which also affected Beiersdorf's shares.

In the first quarter of 2013, Beiersdorf's share price increased significantly. This was largely due to publication of the positive results for fiscal year 2012 and to the temporary easing of the euro and sovereign debt crisis. The Group's strong performance on the back of the Blue Agenda was the focus of discussion at the annual analyst meeting, which takes place in Hamburg every March, and in additional talks with capital market players.

Beiersdorf's shares experienced considerable volatility in the second quarter. The threat of default by Cyprus and weaker-than-expected economic data from some European countries hit the international stock markets hard, and also affected Beiersdorf's shares. The European Central Bank responded by again loosening monetary policy, easing the situation on the financial markets temporarily and allowing the DAX to rally to 8,500 points. Beiersdorf's shares could not keep pace with this rapid development by the German benchmark index and largely trended sideways. However, the DAX's temporary high came to an end towards the end of the first half of the year due to speculation about the potential tightening of monetary policy in the USA. For Beiersdorf, the implementation of the Blue Agenda remained the focus for analysts and investors in the second quarter, both at the Annual General Meeting and on publication of the first-quarter results.

At the beginning of the second half of 2013, the central banks remained the dominant factor on the stock markets. Their decision to continue their low interest rate policies in Europe and the USA was greeted by price gains on the stock markets. However, these did not last long, as the threat of military action in Syria and the US Federal Reserve's announcement that it would start reducing its monthly purchases of government bonds and mortgage securities led to significant declines on the international stock markets. The decision against military intervention and the Federal Reserve's surprising decision not to start tapering its bond purchases after all helped soothe market nerves for the longer term. Given the market's high expectations, Beiersdorf's shares came under pressure when the H1 results were published, and underperformed the DAX up until the end of the third quarter. The main focus of communication with capital market participants at investors' conferences and road shows was on NIVEA's successful product launches in the Face, Body, and Deodorant categories.

Market euphoria at the ongoing low interest rate policies in the USA and Europe continued in the final quarter of the period under review as well. In addition, the agreement reached in the US budget dispute provided additional momentum, with stock markets continuing their upward trend from the third quarter unabated. The DAX reached a new high of 9,589 points in December and Beiersdorf's shares again gained considerable ground, triggered by the extremely good results for the third quarter that were published on November 5 and the improved guidance for full-year 2013. However, Beiersdorf's shares still underperformed the DAX index at the end of the year, closing up 19% at €73.64.

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

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

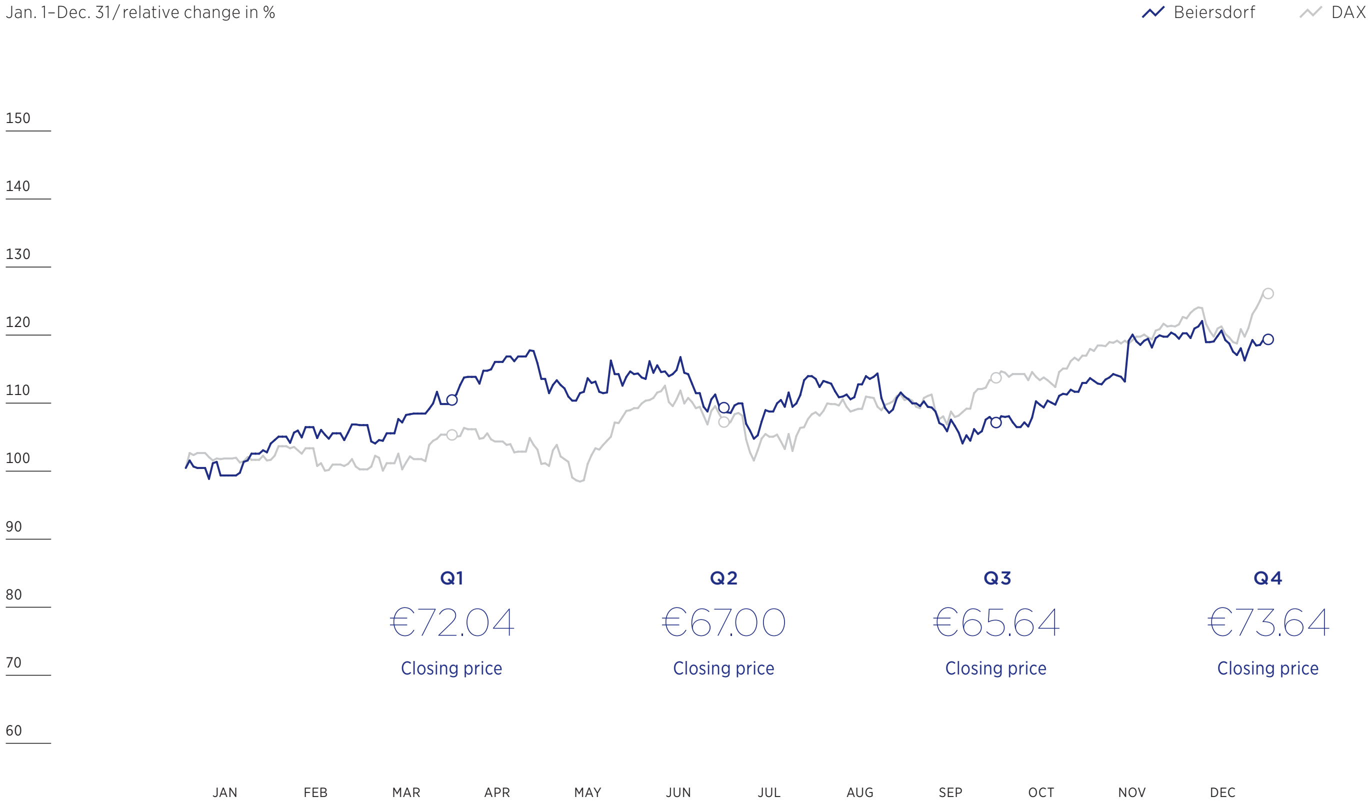
KEY FIGURES – SHARES

		2012	**2013**
Earnings per share* as of Dec. 31	(in €)	1.96	2.35
Market capitalization as of Dec. 31	(in € million)	15,594	18,557
Closing price as of Dec. 31	(in €)	61.88	73.64
High for the year	(in €)	62.50	75.25
Low for the year	(in €)	42.85	60.86

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled “Changes in Accounting Policies” of the notes to the consolidated financial statements.

BEIERSDORF'S SHARE PRICE PERFORMANCE 2013

Jan. 1–Dec. 31 / relative change in %

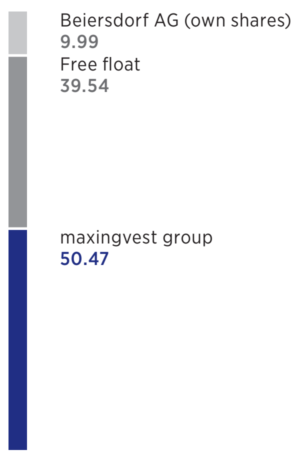


BASIC SHARE DATA

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

SHAREHOLDER STRUCTURE (IN %)

As of Dec. 31, 2013



Report by the Supervisory Board

The Supervisory Board supervised the Executive Board, focusing particularly on the latter's reports, with respect to the business policies and course of business, corporate planning, accounting, the company's position, risk management, and material business transactions. After careful examination, we granted the necessary approvals for decision proposals presented to us. The company offered the members of the Supervisory Board training events on consolidation and compliance. No Supervisory Board members were present at less than half of the meetings held. There were no indications of potential conflicts of interest relating to Executive Board and Supervisory Board members.

Supervisory Board Meetings

Items regularly covered in the **Supervisory Board meetings** were current business developments, the interim financial statements, and significant individual transactions.

On **February 4, 2013,** we discussed topics relating to the annual financial statements, determined the extent to which the Executive Board had met its targets in 2012 and the total remuneration, and confirmed the Executive Board's personal and corporate targets for 2013.

In the meeting on **February 21, 2013,** we adopted the 2012 annual financial statements and consolidated financial statements by approving them. We resolved the report by the Supervisory Board and the Corporate Governance Report and approved the Remuneration Report. We endorsed the agenda and the motions proposed for the 2013 Annual General Meeting, as well as the proposal for the utilization of the net retained profits and investment in the production facility in Mexico.

In the extraordinary meeting on **March 25, 2013,** we accepted Mr. Peter Feld's resignation as an Executive Board member effective July 31, 2013, with thanks and good wishes, and resolved the remuneration of the Executive Board.

On **April 18, 2013,** we addressed the Annual General Meeting and Executive Board issues.

On **September 6, 2013,** we discussed Executive Board remuneration, business development and strategy, and the planning for fiscal year 2014, as well as the supply chain strategy and the company's master real estate planning, the Supervisory Board's efficiency review, and changes to the German Corporate Governance Code.

On **December 11, 2013,** we approved the company's annual planning for 2014 and the Executive Board members' annual targets for 2014. We discussed the supply chain strategy and the results of the Supervisory Board's efficiency review, and resolved the declaration of compliance with the recommendations of the German Corporate Governance Code.

At the beginning of **2014**, we discussed the results of the Supervisory Board's efficiency review, extended the contract and term of office of the Chairman of the Executive Board, Stefan F. Heidenreich, and resolved the extent to which the Executive Board had reached its targets in 2013, along with its remuneration.

Committees

The five **committees** that prepare the Supervisory Board's work made decisions in place of the Supervisory Board in individual cases, to the extent permitted. The chairs of the committees reported in detail to the full Board on the work performed in the committees.

The **Presiding Committee** (four meetings) discussed business developments and the strategic focus, the remuneration of the Executive Board and Supervisory Board, and the composition of the Executive Board, as well as preparing meetings of the full Supervisory Board.

The **Audit Committee** (eight meetings) primarily addressed the preliminary examination of the annual and quarterly financial statements and management reports, verified the independence of, and appointed, the auditors, and specified the areas of emphasis for the 2013 audit. The Committee also regularly discussed current business developments, the internal control and risk management system, and the internal audit function.

The **Finance Committee** (two meetings) discussed compliance management, taxes and transfer prices, and the financing and investment strategy.

The **Nomination Committee** (one meeting) discussed the 2014 Supervisory Board election.

The **Mediation Committee** did not meet.

Annual Financial Statements and Audit

The **auditors** audited the **annual financial statements** and the **consolidated financial statements for 2013**, as well as the management reports for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. 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, received the following audit opinion: "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 received the 2013 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, 2013. The annual financial statements of Beiersdorf AG are thus **adopted**. We endorsed the Executive Board's proposal on the appropriation of net profit.

We would like to thank our consumers, employees, employee representatives, and the Executive Board for the company's success.

Hamburg, February 20, 2014
For the Supervisory Board

REINHARD PÖLLATH
Chairman

2.
CORPORATE GOVERNANCE

Corporate Governance Report 2013

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. Corporate governance is an ongoing process, above and beyond the Code as well. We will continue to track developments carefully.

Declaration of Compliance

At the end of December 2013, the Executive Board and Supervisory Board issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2013 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfills all the recommendations made in the Code with one exception, as well as a large number of the suggestions.

The 2013 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 of the *Aktiengesetz* (German Stock Corporation Act, *AktG*)

In fiscal year 2013, Beiersdorf Aktiengesellschaft complied with, and continues to comply with, all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated May 15, 2012, and May 13, 2013, respectively, with one exception:

In accordance with the reformulated section 4.2.3 (2) sentence 6 of the German Corporate Governance Code in the version dated May 13, 2013, the amount of remuneration of Executive Board members should be capped, both overall and with respect to the variable remuneration components.

The remuneration of the Executive Board members is limited by such a cap. The Enterprise Value Component granted to the members of the Executive Board, alongside the regular, variable remuneration, which is based on voluntary personal investment by the Executive Board members concerned (*Covered Virtual Units*), participates in positive and negative changes in the enterprise value and is not capped in respect of increases in value. The Supervisory Board considers it appropriate that members of the Executive Board who contribute their own money – comparable to an investment – should be allowed to participate in positive changes in enterprise value without restriction. The Supervisory Board and Executive Board have resolved, as a precautionary measure, to declare a corresponding deviation from the recommendation for periods following the entry into force of the German Corporate Governance Code in the version dated May 13, 2013.

Hamburg, December 2013

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

Beiersdorf AG is governed by 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 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 good of the company and the interests of the shareholders.

1. THE SUPERVISORY BOARD

Beiersdorf AG's Supervisory Board consists of twelve members. Half of these are elected by the Annual General Meeting in accordance with the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and half by the employees in accordance with the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. Their term of office ends at the end of the 2014 Annual General Meeting.

The Supervisory Board appoints the Executive Board, advises it on the management of the company, and supervises the conduct of the company's business as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board and the Executive Board work closely together for the good of the company and to achieve sustainable added value. Certain decisions require Supervisory Board approval in accordance with the law and the bylaws of the Supervisory Board.

As a rule, the Supervisory Board makes decisions at its meetings on the basis of detailed documents. In accordance with the bylaws of the Executive Board, the Supervisory Board is informed in a regular, timely, and comprehensive manner about all relevant matters. 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 regularly evaluates its work and resolves measures for improvement, most recently as part of the efficiency review in fall 2013.

The members of the Supervisory Board are personally responsible for ensuring they receive the necessary training and further education. 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. The deductible amounts to 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Supervisory Board member.

a) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete company-specific objectives for its composition in 2012. These reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, an age limit for Supervisory Board members, and diversity – especially an appropriate degree of female representation. The objectives initially apply until the end of 2014. They will also be taken into account by the Nomination Committee when proposing candidates for election. The Supervisory Board as a whole must 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, due to their activities abroad or their background, for example. At least one member with international experience should be a shareholder representative. Efforts are being made to further increase the Supervisory Board's international orientation.

Representation of Women

Diversity of composition requires an appropriate degree of female participation. 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 current number of women (four), of whom at least two 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 its composition.

Age Limit

According to the Supervisory Board bylaws, 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 material 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, considering 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 to an appropriate extent. 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 must inform the Supervisory Board, by way of communication addressed to the Chairman of the Supervisory Board, of any conflicts of interest, in particular those relating to a consulting function or directorship with clients, suppliers, lenders, or other third parties or competitors of the company. Members of the Supervisory Board must resign their office if faced with material and not merely temporary conflicts of interest.

Diversity Officers

Additionally, two Supervisory Board members (Prof. Dr. Eberhartinger and Professor Rousseau) have been 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 for election 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. Following the Supervisory Board elections in 2009, women made up 25% of the Supervisory Board; this figure rose to 33% as from April 2011. Since January 1, 2011, the chair of the Audit Committee has also been female. Additionally, the Supervisory Board 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.

Two-thirds of the members of the Supervisory Board as a whole are independent, and at least one-third of the shareholder representatives. 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 not be regarded as independent. Notwithstanding this, the Supervisory Board believes that relations to the controlling shareholder do not necessarily pose the risk of a material and permanent conflict of interest; rather, it assumes that the company's interests will largely coincide with those of its controlling majority shareholder in those cases in which their business activities do not overlap.

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

b) 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 shareholder representatives, and one employee representative. The Committee prepares meetings and human resources decisions and resolves – subject to the resolution of the full Board specifying the total remuneration – instead of the full 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 discusses long-term succession planning for the Executive Board. Finally, it 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 shareholder representatives, and two employee representatives. At least one member of the Audit Committee is an independent member of the Supervisory Board who has expertise in either accounting or auditing. These statutory requirements are met in particular by the chair of the Audit Committee, Prof. Dr. Eberhartinger, a professor 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 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). It verifies the auditors' independence and conducts the preliminary examination for additional services that they provide. It advises and supervises the Executive Board on questions relating to accounting and the effectiveness of the internal control system, the risk management system, and the internal audit system. In addition, it 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 shareholder representatives, and two 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 Finance Committee advises and supervises the Executive Board on compliance and on all items assigned to it by the full Board in general or in individual cases.

Mediation Committee

The Mediation Committee required under codetermination law consists of the Chairman of the Supervisory Board and the Deputy Chairman, as well as one member elected from among the employee representatives and one member elected from among the shareholder representatives by a simple majority in each case. 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 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 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 is committed to increasing 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 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 around 30% of senior executive positions in the Consumer Business Segment in Germany 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 them the services of a voting representative who votes in accordance with their 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. As from the 2014 Annual General Meeting, it will be possible to submit a postal vote, and to issue, change and revoke proxy instructions to the company's representatives via the Internet before and during the Annual General Meeting, up until the end of the general debate.

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 fur Finanzdienstleistungsaufsicht (BaFin – the 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 a 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 6.3 OF THE GERMAN CORPORATE GOVERNANCE CODE

According to section 6.3 of the German Corporate Governance Code, the ownership of shares of the company or related financial instruments must 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 for 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. Following the attribution of 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 share of the voting rights amounts to 60.46%. As of December 31, 2013, 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, 2013; this corresponds to 60.46% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2013, 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 6 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 18, 2013, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2013.

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 details of the composition and working practices of their committees.

Hamburg, February 20, 2014
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

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, on February 4 and 21, April 18, September 6, and December 11, 2013. On February 3, 2014, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2013. Remuneration decisions were 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 relevant peer group under stock corporation law and the German Corporate Governance Code. The remuneration structure is geared towards sustainable enterprise development.

The remuneration of the Executive Board in fiscal year 2013 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 Bonus and a Multi-year Bonus spanning a period of three years,
- A long-term bonus based on enterprise value performance (Enterprise Value Component / LTP), as well as
- Customary ancillary benefits.

c) Remuneration of the Executive Board for 2013 in More Detail

aa) Fixed Remuneration

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

bb) Variable Bonus

For fiscal year 2013, the members of the Executive Board receive a Variable Bonus for 2013 that is based on the performance of the Consumer Business Segment. This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment. As specified by the Supervisory Board, 15% of the Variable Bonus for fiscal year 2013 is determined by the EBIT margin (EBIT component), 20% by sales growth (sales component), 30% by market share, 15% by the achievement of human resources goals, and 20% by the achievement of specific personal goals by individual Executive Board members (personal component). The size of the EBIT component is calculated on the basis of the return on sales. In the process, the Supervisory Board makes adjustments for special factors and changes in marketing and research and development expenses. The sales component is calculated on the basis of sales growth, with the Supervisory Board again taking special factors into account. The personal component is mostly composed of two personal goals, which depend on the functional and, if applicable, 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 percentages for target achievement for each of the components, with intermediate figures being extrapolated on a straight-line basis. The individual components lapse if the knockout thresholds set by the Supervisory Board for the specific component are not reached. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

49% of the Variable Bonus will be paid as the short-term variable remuneration component once the 2014 Annual General Meeting has approved the actions of the Executive Board (2013 Bonus). The remaining 51% (Multi-year Bonus for 2013) depends on the enterprise value performance over two years after the initial year 2013. The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier. If the enterprise value in fiscal year 2013 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2013 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Annual General Meetings in the years 2015 and 2016. If the enterprise value for fiscal year 2013 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2014 and 2015 corresponds at least to the enterprise value for fiscal year 2013. 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 2016 Annual General Meeting. The final installment is increased or decreased corresponding to the percentage change in the enterprise value as of the end of fiscal year 2015 as against fiscal year 2013. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2013 by up to 20% in order to take extraordinary developments into account, or may adjust it for inflation. Bonus entitlements can also be transferred to the long-term virtual Enterprise Value Component (see section cc) below).

cc) Enterprise Value Component

Since 2011, Executive Board members have shared in the increase in the enterprise value for the Consumer Business Segment. 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 may, following due assessment of the circumstances, increase the Enterprise Value Component during its effective period. 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 set 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, with the amount being prorated by the ratio of his term of office to the bonus period. The payment is dependent on the Annual General Meeting approving the Executive Board member's actions during and after 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%.

In addition, the Executive Board members can share in the enterprise's performance by making a personal investment and acquiring Covered Virtual Units. This personal investment is made by retaining bonus payments due under the Variable Bonus, by the Executive Board member providing security by pledging assets of a suitable value, or by way of allocation.[1] The Covered Virtual Units, which are similar to an investment, participate in positive and negative percentage changes in the value of the Enterprise Value Component. They vest immediately. If they are retained or allocated, they are paid in full or in part, or not paid, after being adjusted on the basis of the enterprise value performance. For Covered Virtual Units, the Executive Board member receives a further Enterprise Value Component (Matching Virtual Unit), corresponding to the Base Virtual Units. The payment from Matching Virtual Units was linked to specific market shares in the core skin care categories for the key European markets being reached or exceeded.

As a rule, the Enterprise Value Component is limited to a maximum amount for each member of the Executive Board (200% cap, corresponding to around 10% p.a.). This does not apply to Covered Virtual Units, since the Executive Board member is also exposed to a risk of loss in this case. 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.

dd) Other

The remuneration of the Executive Board for fiscal year 2013 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. Private use of company cars and accident insurance are taxed as non-cash benefits. There were no ongoing pension commitments for the Executive Board members active in fiscal year 2013.

In the event that an Executive Board member's term of office 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 other

[1] Annually: Peter Feld €100 thousand (up to and including 2012); Dr. Ulrich Schmidt €60 thousand; Ralph Gusko €50 thousand.

than for good cause for which the Executive Board member is responsible; in this case, the Enterprise Value Component is calculated up until the date of departure and paid on a pro rata basis. No other commitments 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. Peter Feld, who left the Executive Board by mutual agreement effective July 31, 2013, will be paid his fixed remuneration for the period since his departure from the Executive Board until June 30, 2014, in the contractually agreed amount. The Variable Bonuses for 2010, 2011, and 2012 were paid out as contractually agreed after the 2013 Annual General Meeting. In addition, Mr. Feld received the outstanding amount of €479 thousand from the Multi-year Bonuses for 2011 and 2012, as well as a lump-sum settlement of other entitlements vested in the amount of €133 thousand. LTP amounts were paid out in a lump sum of €525 thousand. The 2013 Bonus will be paid out following the 2014 Annual General Meeting pro rata for the period until July 31, 2013, as contractually agreed; the target achievement is 140%. The Variable Bonus for the period from

ee) Overviews of Individual Executive Board Remuneration

TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2013 (IN € THOUSAND)

			Variable Bonus					
	Fixed basic remuneration		Bonus		Multi-year Bonus		Total variable remuneration	
	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**
Stefan F. Heidenreich (Chairman of the Executive Board)	1,000	1,000	781	776	812	808	1,593	1,584
Peter Feld (until July 31, 2013)	500	292	345	490	359	–	704	490
Ralph Gusko	450	500	253	306	264	319	517	625
Dr. Ulrich Schmidt	500	500	269	308	279	320	548	628
Total	**2,882**[2]	**2,292**	**2,252**[2]	**1,880**	**1,714**[2]	**1,447**	**3,966**[2]	**3,327**

[2] These totals additionally include the following payments made to members of the Executive Board who left in 2012 for activities in fiscal year 2012: Ümit Subaşı – fixed: €292 thousand, Bonus: €327 thousand, Multi-year Bonus: €0, total variable remuneration: €327 thousand, other: €12 thousand, total: €631 thousand, additions to pension provisions: €0 thousand; Thomas-B. Quaas – fixed: €140 thousand, Bonus: €277 thousand, Multi-year Bonus: €0 thousand, total variable remuneration: €277 thousand, other: €6 thousand, total: €423 thousand, additions to pension provisions: €86 thousand.

The following table shows the development of the Multi-year Bonuses, as well as the amount of the tranche to be paid out in each case following the 2014 Annual General Meeting.

MULTI-YEAR BONUS (IN € THOUSAND)

	Multi-year bonus 2011			Multi-year bonus 2012		
	Present values as of Dec. 31, 2012	Present values as of Dec. 31, 2013	Payment following 2014 AGM	Present values as of Dec. 31, 2012	Present values as of Dec. 31, 2013	Payment following 2014 AGM
Stefan F. Heidenreich (Chairman of the Executive Board)	–	–	–	812	909	406
Peter Feld (until July 31, 2013)[3]	295	–	–	359	–	–
Ralph Gusko	84	45	45	264	295	132
Dr. Ulrich Schmidt	185	98	98	279	313	140
Total	**1,551**[4]	**933**[4]	**385**[4]	**1,714**	**1,517**	**678**

[3] For Peter Feld, a lump sum of €479 thousand was paid out for the Multi-year Bonuses for 2011 and 2012 and a lump sum of €525 thousand for the LTP.
[4] These totals additionally include the following disclosures for members of the Executive Board who have already left the company: Markus Pinger: Multi-year Bonus for 2011 (present value as of Dec. 31, 2012: €139 thousand, present value as of Dec. 31, 2013: €111 thousand, payment following 2014 AGM: €34 thousand); James C. Wei: Multi-year Bonus for 2011 (present value as of Dec. 31, 2012: €246 thousand, present value as of Dec. 31, 2013: €197 thousand, payment following 2014 AGM: €60 thousand); Ümit Subaşı: Multi-year Bonus for 2011 €0; Thomas-B. Quaas: Multi-year Bonus for 2011 (present value as of Dec. 31, 2012: €602 thousand, present value as of Dec. 31, 2013: €482 thousand, payment following 2014 AGM: €148 thousand).

August 1, 2013, to June 30, 2014, will be paid as a lump sum of €295 thousand. Remaining claims will be settled by a lump-sum payment of €145 thousand following the 2014 Annual General Meeting.

As laid down in his contract, Mr. Thomas-B. Quaas' total annual remuneration will continue to be paid at a flat rate of €965 thousand for the period since his departure from the Executive Board on April 26, 2012, until the expiration of his contract on March 31, 2015, whereby any other remuneration (including Supervisory Board remuneration) will be offset against this. His pension entitlements remain unaffected by this.

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		
2012	**2013**	2012	**2013**	2012	**2013**	
5	73	2,598	2,657	1,158	1,668	Stefan F. Heidenreich (Chairman of the Executive Board)
150	10	1,354	792	535	–	Peter Feld (until July 31, 2013)
88	88	1,055	1,213	508	501	Ralph Gusko
44	14	1,092	1,142	673	659	Dr. Ulrich Schmidt
305[2]	**185**	**7,153**[2]	**5,804**	**2,874**	**2,828**	**Total**

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.

VIRTUAL UNITS AND PROVISIONS (IN € THOUSAND)

	2012				2013			
	Base Virtual Unit	Covered Virtual Unit[5]	Matching Virtual Unit	Total amount set aside in fiscal year 2012	Base Virtual Unit	Covered Virtual Unit[5]	Matching Virtual Unit	Total amount set aside in fiscal year 2013
Stefan F. Heidenreich (Chairman of the Executive Board)	10,000	10,000	10,000	1,158	10,000	10,000	10,000	2,826
Peter Feld (until July 31, 2013)[3]	10,000	100	100	657	–	–	–	–
Ralph Gusko	5,000	75	75	508	7,500	1,125	1,125	1,009
Dr. Ulrich Schmidt	10,000	1,120	1,120	780	10,000	1,180	1,180	1,809[6]
Total	**35,000**	**11,295**	**11,295**	**3,103**	**27,500**	**12,305**	**12,305**	**5,644**

[5] This figure not only includes the Covered Virtual Units acquired by way of personal investment, but also the Covered Virtual Units granted by converting defined contribution pension commitments (see footnote 1).
[6] This figure includes the personal investment made in the form of bonus payments due under the Variable Bonus being retained.

ff) Former Members of the Executive Board and Their Surviving Dependents
Payments to former members of the Executive Board and their dependents totaled €2,324 thousand (previous year: €2,474 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,797 thousand (previous year: €37,463 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, 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 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.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2013 (IN €)[7/8]

	Fixed[9]		Total Variable		Long term Variable (60%)		Total	
	2012	**2013**	2012[10]	**2013[11]**	2012	**2013**	2012	**2013**
Dr. Andreas Albrod	31,082	67,000	18,811	45,000	11,287	27,000	49,893	112,000
Prof. Dr. Eva Eberhartinger	91,500	90,000	45,000	45,000	27,000	27,000	136,500	135,000
Elke Gabriel	47,000	45,000	45,000	45,000	27,000	27,000	92,000	90,000
Michael Herz	70,000	67,500	45,000	45,000	27,000	27,000	115,000	112,500
Thomas Holzgreve (Deputy Chairman)	77,000	74,000	67,500	67,500	40,500	40,500	144,500	141,500
Thorsten Irtz (Deputy Chairman)	72,000	66,000	67,500	67,500	40,500	40,500	139,500	133,500
Dr. Dr. Christine Martel	30,322	44,500	30,738	45,000	18,443	27,000	61,060	89,500
Tomas Nieber	45,500	45,000	45,000	45,000	27,000	27,000	90,500	90,000
Prof. Dr. Reinhard Pöllath (Chairman)	115,000	114,000	112,500	112,500	67,500	67,500	227,500	226,500
Thomas-B. Quaas[12]	–	–	–	–	–	–	–	–
Prof. Manuela Rousseau	47,000	44,000	45,000	45,000	27,000	27,000	92,000	89,000
Volker Schopnie	72,000	67,000	45,000	45,000	27,000	27,000	117,000	112,000
Total	**770,896[13]**	**724,000**	**622,008[13]**	**607,500**	**373,205[13]**	**364,500**	**1,392,904[13]**	**1,331,500**

[7] Subject to the resolution of the Annual General Meeting on April 17, 2014, concerning the dividend to be distributed for 2013 in accordance with the proposal for a dividend of €0.70 per share.
[8] Presented exclusive of value added tax.
[9] Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).
[10] The figure contains the long-term portion (60% – see separate column) 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).
[11] The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2017 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[12] As contractually agreed, the Supervisory Board remuneration was offset against continuing entitlements from Mr. Quaas's former Executive Board activities.
[13] These totals additionally include the following payments made to members who left the Supervisory Board in 2012 for activities in fiscal year 2012: Walter Diembeck – fixed: €40,918, variable: €26,189 (long term variable: €15,713), total: €67,107; Beatrice Dreyfus – fixed: €15,787, variable: €14,385 (long term variable: €8,631), total: €30,172; Michel Perraudin – fixed: €15,787, variable: €14,385 (long term variable: €8,631), total: €30,172.

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.

Our Brand Portfolio

Business and Strategy

Beiersdorf is a global leader in the consumer goods industry with over 16,500 employees in more than 150 affiliates worldwide. We have two separate business segments.

The Consumer Business Segment, whose strong brands focus on the international skin and body care markets, is our main business.

The tesa Business Segment is a pioneering manufacturer of self-adhesive products and solutions for industry, craft businesses, and consumers.

Consumer Business Segment

BLUE AGENDA – THE STRATEGIC COMPASS

Beiersdorf will be the number 1 Skin Care company in its relevant categories and markets. Its Blue Agenda, which clearly defines the company's objectives and how to implement them, was developed in 2012 to achieve this goal. The Blue Agenda focuses on five main areas:

- Strengthening our brands – first and foremost NIVEA
- Increasing our innovative power
- Systematically expanding our impact and presence in the emerging markets as well as strengthening our home markets in Europe
- Increasing efficiency and speed
- Dedicated employees.

Completing the Blue Agenda is expected to take three to five years. Beiersdorf made substantial progress towards this objective in 2013. The results for the past year reflect this success, with sales and earnings both rising significantly. Our market share has increased and our brand presence has been strengthened in many countries – both in the emerging markets and in Europe. Our positive performance in our German home market is particularly noteworthy.

NEW BRAND AND CORPORATE IMAGE

Work on the gradual rollout of the new NIVEA logo and design, including the redesign of the NIVEA Men product category, continued in the year under review. The plan is to complete the process by the end of 2014. The brand's core has been revitalized and brand recognition fundamentally improved. It is clearly differentiated from the competition and the NIVEA umbrella brand now has a uniform image.

Once the NIVEA brand logo had been changed, the corporate logo was also revised so as to create a uniform, eye-catching corporate image. In January 2014, Beiersdorf presented the new logo with its clean, clear design. Modifying the shade of blue to match that used by NIVEA has created a link between the company and its flagship brand. The logo symbolizes the company's focus on skin care and on the future. The lettering evokes the company's focus on quality and contemporary development, building a bridge between its tradition and its future.

INNOVATIVE POWER

In addition to continued developments and support for innovations such as NIVEA's Deodorant Invisible for Black & White, new product launches – including NIVEA Deodorant Stress Protect, NIVEA In-Shower Body Lotion, and NIVEA Cellular Anti-Age face care, and Eucerin's VOLUME-FILLER – made significant contributions to the positive trend in financial year 2013.

The reorganization of the Research and Development unit, a key focus of our strategic activities in the year under review, has been successfully completed. The new Research and Development model is no longer structured to reflect broad procedural stages but is aligned with our six core categories – Body, Face, Sun, Men, Deo, and Shower. This ensures that innovations are focused even more strongly on consumer expectations, allowing us to optimally leverage existing potential, increase our innovative power, and exploit our competitive advantages.

CLOSEST TO MARKETS

We continued to push forward with the expansion of our global development and production capacities in 2013. The regional development lab for the Latin American market was constructed in Silao, Mexico, and is scheduled to become fully operational in mid-2014 as well as the production facility. The development lab for the Far East region in Wuhan, China, was also expanded further. Our regional development activities aim to get closer to consumers in the emerging markets by local adaptions. In India Beiersdorf will invest more than €30 million in constructing a production facility that is scheduled to start operations in 2015 with around 300 employees. Beiersdorf intends to use local products to consolidate its position on the rapidly growing Indian market and to gain market share.

SPEED AND EFFICIENCY

Improving the company's efficiency and speed leads to a sustainable increase in its growth and earnings power. For example, concentrating the marketing budget on initiatives with a broad reach significantly improves the efficiency of our marketing spend without increasing costs. Beiersdorf works continually to make processes more efficient, speed up decisions, and optimize cost structures.

DEDICATED EMPLOYEES

Dedicated employees are a critical success factor when it comes to preserving long-term competitiveness and innovation in a globalized world. In line with our Blue Agenda, our corporate culture now concentrates more strongly on a clear focus, entrepreneurship, and a performance-driven approach. Attractive career development programs and locations, flexible working models, and a unique corporate culture are increasingly important means of attracting talent and reinforcing long-term ties with the company. Since Beiersdorf is a global company, diversity is a crucial competitive factor. Among other things, we are working hard to provide support for women in the form of mentoring and networking programs and to offer flexible working conditions for mothers and fathers. In addition, Beiersdorf is focusing on ensuring a more internationalized workforce.

tesa Business Segment

INNOVATIVE PRODUCT SOLUTIONS

The tesa Business Segment is an independent part of the Beiersdorf Group that develops, produces, and markets self-adhesive products and system solutions for industry, craft businesses, and consumers. Consistently high quality, extremely innovative thinking, and the use of state-of-the-art technology are core elements of its brand philosophy and strategy.

tesa focuses primarily on developing effective solutions and high-quality products for a wide cross-section of customer groups. In its industrial business, tesa primarily provides system solutions for companies in the automotive, electronics, printing and paper, and construction industries. In the electrical industry, tesa adhesive systems are used in particular in mobile devices such as smartphones, tablet PCs, and MP3 players.

tesa Labtec GmbH specializes in the forward-looking Pharma business area. The affiliate develops and produces transdermal systems, also called pharmaceutical plasters, for the pharmaceutical industry. It also focuses on medicated oral films that dissolve in the mouth without the need for additional fluids.

tesa offers specialist dealers a constantly expanding product range that is continuously optimized and adapted to meet the changing needs of customers in crafts businesses, such as building.

The tesa umbrella brand provides consumers in Europe and Latin America with a comprehensive range of innovative products for use in the home, office, and garden. In addition to the classic tesafilm adhesive tape, these include innovative solutions for insulation, painting and masking, repairing, packaging, and mounting, as well as household insect protection products.

In the Craftsmen business area, tesa focuses on customized ranges and marketing concepts for professional craftsmen, such as painters and varnishers.

tesa's international industrial business is concentrating on expanding its global structures, so as to offer customers everywhere optimum solutions and first-rate service. tesa is systematically expanding its business in the markets of Europe and Latin America so as to be able to offer distribution partners a range of products tailored to their needs.

Highly qualified employees and ongoing business process optimization enable tesa to respond quickly and flexibly to market changes, to design new solutions to problems, and develop needs-based products. Knowledge of production processes, the analysis of current industry trends, and its wide range of high-quality, market-driven products offer tesa competitive advantages, ensuring its success.

Management and Control

The Executive Board manages the company and is dedicated to sustainably increasing its value. In addition to the functional areas of responsibility within the Executive Board – Finance, Human Resources, and Supply Chain, and Consumer Brands, Pharmacy, and R&D – there are regional areas of responsibility. This regional allocation of responsibilities is a key factor in ensuring 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.

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 Beiersdorf'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 – sales growth in conjunction with market share, EBIT, and the EBIT margin (the ratio of EBIT to sales) – are derived from this. The goal is to generate internationally competitive returns through systematic cost management and the highly efficient use of resources.

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 target 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 sales growth, the operating result (EBIT), and the EBIT margin.

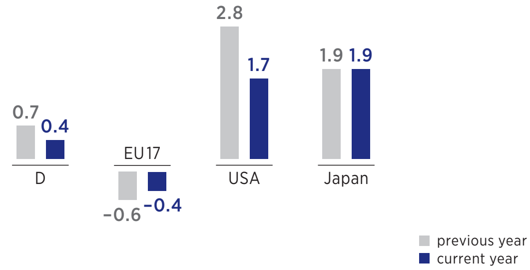
Economic Environment

General Economic Situation

Global growth was positive in 2013, though it remained down on the previous year. While parts of the eurozone moved out of recession, growth in emerging markets and developing countries was somewhat more modest than in previous years.

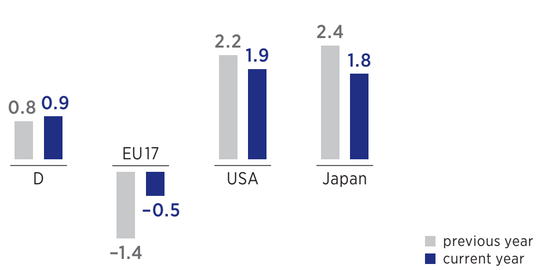
GROSS DOMESTIC PRODUCT (IN %)*

Change versus previous year



CONSUMER SPENDING (IN %)*

Change versus previous year



* Commerzbank Research

The economy in **Europe** contracted slightly in 2013. The banking crisis in Cyprus caused uncertainty at the beginning of the year. The eurozone showed positive economic growth starting in the second quarter, driven by increased exports, consumer spending, and capital expenditure. However, these favorable trends were mitigated by structural adjustments and public sector budget consolidation in many countries – measures that began during the euro and sovereign debt crisis. As a result, the economies in Southern Europe continued to decline year-on-year, though more slowly than before. Assessments of the economic situation by industry, retailers, and service providers increasingly improved over the course of the year.

The **German** economy has recovered, recording the strongest growth within the eurozone. This trend was primarily the result of initial increases in capital spending and foreign demand flanked by the expansionary monetary policy and low interest rates.

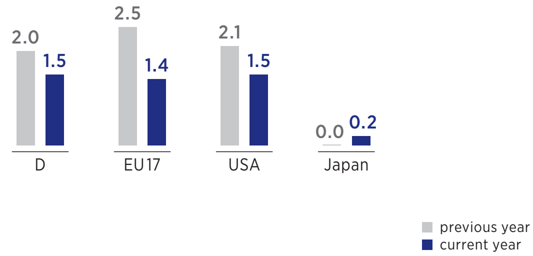
The economy in the **United States** grew only slightly in 2013. Growth was driven mainly by consumer spending, which rose as a result of the positive labor market trend. Public spending cuts and the budget dispute in the fall depressed growth.

In **Japan**, a change in monetary policy led to growth in particular in the first half of 2013. The weak yen also fueled rising exports, and thus positive economic development. The growing budget deficit had a negative impact.

Growth in **China** declined again slightly in 2013 versus the previous year. The decrease was due to weaker demand for Chinese products abroad and uncertainty relating to the Chinese central bank's tighter monetary policy.

The situation in the **other emerging markets** was mixed. Growth was flat compared with the previous year in India and declined in most of the remaining emerging markets in Southeast Asia. Brazil saw muted growth in 2013. Although investments in connection with the soccer World Cup lent strong positive momentum, unemployment rose and the rise in consumer spending slowed. Growth in Russia was also weak, as consumer spending in particular – which has been strong in recent years – eased.

INFLATION RATE (IN %)*
Change versus previous year



* Commerzbank Research

Sales Market Trends

The growth rate in the cosmetics market relevant for Beiersdorf was up slightly on the prior year in 2013 at a global level. The Asia, Middle East, and Latin America regions were the main growth drivers. However, growth in the Latin American markets was down significantly on the prior-year figure. The saturated markets in Western Europe and North America saw only slight growth year-on-year. The effects of the weak economy and the associated poor consumer sentiment were felt in the Southern European markets in particular.

Global industrial sales markets grew in 2013. China remained the growth driver, seeing a consistent increase in industrial production. Europe was dominated by what was still a relatively weak first half of the year, but has seen clear momentum since mid-year. The same applies to the Southern European countries that were particularly hard-hit by the euro and sovereign debt crisis. North and Latin America recorded robust growth in the industrial sales markets.

Procurement Market Trends

In 2013, global procurement markets were impacted by the euro and sovereign debt crisis as well as by the weakened global economy, which affected the United States and China in particular. The price of oil was relatively stable in 2013, but remained at the high level of USD 105 per barrel. This was due in part to the continued unstable political situation in the Near and Middle East. Increases in raw materials prices were more moderate than expected in 2013 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 continued to ensure raw materials security at our production facilities in 2013 by engaging in forward-looking primary materials management and by establishing additional alternative sources of supply.

The Economic Situation – Summary

In the Consumer Business Segment, the strong growth rates recorded by the cosmetics markets in Asia and Latin America in particular contributed to the healthy overall performance. Sales in the saturated cosmetics markets of Germany and parts of Western Europe also recorded encouraging growth. The tesa Business Segment once again lifted sales both in the industrial markets and in the consumer business.

Results of Operations, Net Assets, and Financial Position

Results of Operations – Group

INCOME STATEMENT (IN € MILLION)

	2012	2013	% change
Sales	**6,040**	**6,141**	**1.7**
Cost of goods sold	–2,217	–2,255	1.7
Gross profit	**3,823**	**3,886**	**1.7**
Marketing and selling expenses	–2,539	–2,605	2.6
Research and development expenses	–159	–154	–3.3
General and administrative expenses	–311	–312	0.3
Other operating result (excluding special factors)	–79	–1	–
Operating result (EBIT, excluding special factors)	**735**	**814**	**10.7**
Special factors	–37	6	–
Operating result (EBIT)	**698**	**820**	**17.4**
Financial result*	15	–5	–
Profit before tax*	**713**	**815**	**15.0**
Income taxes*	–259	–272	5.4
Profit after tax*	**454**	**543**	**20.5**

Percentage changes are calculated based on thousands of euros.

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies" of the notes to the consolidated financial statements.

SALES

Organic Group sales in 2013 were up 7.2% on the prior-year figure. The Consumer Business Segment grew by 7.0%, while tesa generated a sales increase of 8.5%. Nominal Group sales rose by 1.7% as against the previous year, to €6,141 million (previous year: €6,040 million).

In **Europe**, organic sales were up 1.1% on the prior year. Nominal sales amounted to €3,390 million (previous year: €3,417 million**), 0.8% lower than the prior-year figure.

In the **Americas** region, organic sales in Latin America again achieved double-digit growth rates. Overall, organic growth in the Americas amounted to 9.0%. Nominal sales decreased by 4.9% to €1,092 million (previous year: €1,149 million).

The **Africa / Asia / Australia** region reported organic growth of 19.8%. In nominal terms, growth of 12.5% to €1,659 million was achieved (previous year: €1,474 million**).

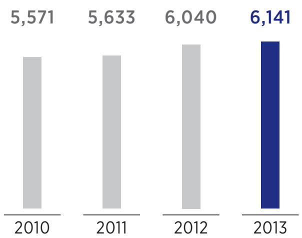
EXPENSES / OTHER OPERATING RESULT

Cost of goods sold rose by 1.7%, and hence in proportion to sales. Marketing and selling expenses rose disproportionately to sales, to €2,605 million (previous year: €2,539 million). Spending on advertising, trade marketing, and similar items contained in this heading amounted to €1,495 million (previous year: €1,460 million). Research and development expenses amounted to €154 million, down 3.3% on the previous year (€159 million). General and administrative expenses rose to €312 million (previous year: €311 million). The other operating result (excluding special factors) amounted to €–1 million (previous year: €–79 million).

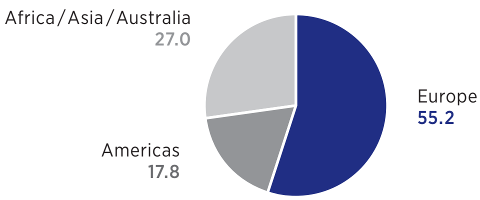
OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)

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.

GROUP SALES (IN € MILLION)



GROUP SALES BY REGION (IN %)



** The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A / A / A.

EBIT excluding special factors rose to €814 million (previous year: €735 million), while the EBIT margin was 13.2% (previous year: 12.2%). In the Consumer Business Segment, EBIT excluding special factors amounted to €638 million (previous year: €606 million), while the EBIT margin was 12.5% (previous year: 12.0%). EBIT in the tesa Business Segment rose from €129 million in 2012 to €176 million in the past fiscal year; the EBIT margin was 16.9% (previous year: 13.0%).

The Group operating result before special factors in **Europe** was €542 million (previous year: €562 million**). The EBIT margin was 16.0% (previous year: 16.5%**). The operating result before special factors in the **Americas** was €82 million (previous year: €78 million), while the EBIT margin was 7.5% (previous year: 6.8%).

In **Africa/Asia/Australia**, EBIT excluding special factors amounted to €190 million (previous year: €95 million**). The EBIT margin was 11.5% (previous year: 6.4%**).

SPECIAL FACTORS

Special factors of €6 million (previous year: €–37 million) related to both business segments in 2013. In the Consumer Business Segment, expenses of €12 million were incurred as part of the realignment of corporate structures and processes, mainly resulting from the reorganization of the business in China. In the tesa Business Segment, income of €18 million was generated in 2013 in connection with the closure of a production facility in Singapore. Special factors in the previous year related exclusively to the Consumer Business Segment and consisted of expenses incurred in the course of the realignment of corporate structures and processes (€24 million), an expense resulting from the acquisition in full of our Turkish affiliate (€6 million), and an impairment loss on the Chinese hair care brands (€7 million).

OPERATING RESULT (EBIT)

EBIT rose to €820 million (previous year: €698 million). This corresponds to an EBIT margin of 13.4% (previous year: 11.6%).

FINANCIAL RESULT

The financial result amounted to €–5 million (previous year: €15 million*). The main reasons for the change were declining interest income, higher interest expenses for pension provisions, and lower net income from investments.

INCOME TAXES

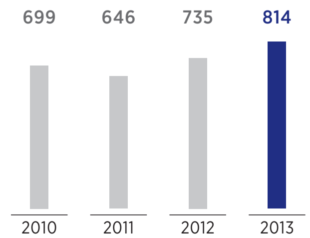
Income taxes amounted to €272 million (previous year: €259 million*). The tax rate was 33.4% (previous year: 36.4%*).

RECONCILIATION TO EBIT EXCLUDING SPECIAL FACTORS

	in € million	in % of sales
Group		
Operating result (EBIT) for 2013	820	13.4
Special factors included in the other operating result	*6*	–
Operating result (EBIT, excluding special factors) for 2013	814	13.2
Operating result (EBIT, excluding special factors) for 2012	735	12.2
Consumer		
Operating result (EBIT) for 2013	626	12.3
Special factors included in the other operating result	*–12*	–
Operating result (EBIT, excluding special factors) for 2013	638	12.5
Operating result (EBIT, excluding special factors) for 2012	606	12.0
tesa		
Operating result (EBIT) for 2013	194	18.7
Special factors included in the other operating result	*18*	–
Operating result (EBIT, excluding special factors) for 2013	176	16.9
Operating result (EBIT, excluding special factors) for 2012	129	13.0

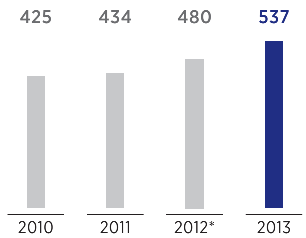
GROUP EBIT (IN € MILLION)

Excluding special factors



GROUP PROFIT AFTER TAX (IN € MILLION)

Excluding special factors



* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies" of the notes to the consolidated financial statements.
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PROFIT AFTER TAX

Profit after tax increased to €543 million (previous year: €454 million*); the return on sales after tax was 8.8% (previous year: 7.5%). Excluding special factors, profit after tax amounted to €537 million (previous year: €480 million*). The corresponding return on sales after tax was 8.7% (previous year: 8.0%*).

EARNINGS PER SHARE – DIVIDENDS

Earnings per share amounted to €2.35 (previous year: €1.96*). Excluding special factors, earnings per share amounted to €2.33 (previous year: €2.08*). 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 no-par-value share carrying dividend rights to the Annual General Meeting (previous year: €0.70). For further information on the number, type, and notional value of the shares, please refer to the section 18 "Share Capital" in the notes to the consolidated financial statements.

Results of Operations – Business Segments

CONSUMER

SALES – CONSUMER BUSINESS SEGMENT

		Europe	Americas	Africa / Asia / Australia	**Total**
Sales 2013	(in € million)	2,787	950	1,366	5,103
Sales 2012**	(in € million)	2,807	1,012	1,229	5,048
Change (organic)	(in %)	0.9	9.0	19.0	7.0
Change (nominal)	(in %)	–0.7	–6.1	11.1	1.1

Sales by the **Consumer** Business Segment grew organically by 7.0% in 2013. The strong euro led to a reduction of 6.1 percentage points in this figure as a result of negative effects from currency translation. Structural changes, which were primarily the result of the acquisition of the Turkish affiliate in the previous year, boosted growth by 0.2 percentage points. In nominal terms, sales therefore increased by 1.1% to €5,103 million (previous year: €5,048 million).

The healthy organic sales trend is proof of the systematic implementation of our corporate strategy as manifested in our internal Blue Agenda program. We increased our market share in both the saturated markets of Europe and the emerging markets and achieved double-digit growth rates in some cases, thanks to strong innovations and outstanding marketing concepts. Our three core brands – NIVEA, Eucerin, and La Prairie – achieved very encouraging growth rates.

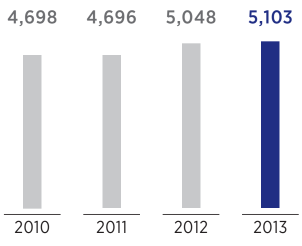
NIVEA achieved organic growth of 7.5% worldwide in 2013. The key growth drivers were NIVEA Deo, NIVEA Body, and NIVEA Sun. In the NIVEA Deo category, the launch of Stress Protect was particularly successful. This category was also boosted by strong growth in the emerging markets. Growth by NIVEA Body came from the successful launch of In-Shower as well as the complete category relaunch. The launch of Protect & Refresh Spray was a significant growth driver for NIVEA Sun. NIVEA Face also contributed to NIVEA's growth, with the launch of Cellular Anti-Age.

Our **Eucerin** brand generated strong organic growth of 11.5%, thanks in particular to the launch of Eucerin VOLUME FILLER and the development of Eucerin Even Skin. Sales growth in the USA, Latin America, and Scandinavia was particularly strong.

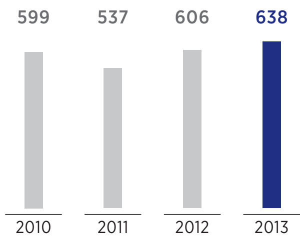
In the exclusive cosmetics segment, our **La Prairie** brand recorded an organic increase in sales of 7.5%. The Caviar Collection, with its strong core product portfolio and the launches of Skin Caviar Luxe Sleep Mask and Skin Caviar Luxe Soufflé Body Cream made a particular contribution to this growth. The White Caviar Collection was another key growth driver, with four new products. Sales growth in China and Russia was particularly strong.

EBIT was €638 million (previous year: €606 million), while the EBIT margin rose to 12.5% (previous year: 12.0%).

CONSUMER SALES (IN € MILLION)



CONSUMER EBIT (IN € MILLION)
Excluding special factors



* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011).
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** The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A/A/A.

EUROPE

CONSUMER SALES IN EUROPE

		Western Europe	Eastern Europe	Total
Sales 2013	(in € million)	2,196	591	2,787
Sales 2012*	(in € million)	2,196	611	2,807
Change (organic)	(in %)	1.2	−0.4	0.9
Change (nominal)	(in %)	0.0	−3.3	−0.7

* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A/A/A.

Organic sales in **Europe** were up 0.9% on the previous year. In nominal terms, sales declined by 0.7% to €2,787 million (previous year: €2,807 million).

Sales in **Western Europe** rose 1.2% on the prior year. Significant sales growth was achieved in the United Kingdom and Spain in particular. Sales also performed well in Germany. This was primarily due to successful innovations. The markets of Southern Europe saw the first signs of a slight economic recovery.

Encouraging sales growth was seen for NIVEA Body and NIVEA Sun, while Eucerin recorded strong growth.

Sales in **Eastern Europe** declined by 0.4%. Sales in Poland were on a level with the previous year, while Russia failed to match the prior-year sales figure due to the overall market downturn. However, we did further expand our market position in Russia. Eucerin saw extremely strong growth in the region.

AMERICAS

CONSUMER SALES IN THE AMERICAS

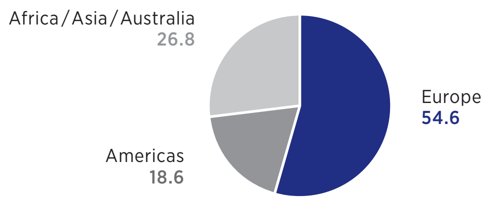
		North America	Latin America	Total
Sales 2013	(in € million)	334	616	950
Sales 2012	(in € million)	331	681	1,012
Change (organic)	(in %)	4.6	11.4	9.0
Change (nominal)	(in %)	1.1	−9.6	−6.1

Organic sales in the **Americas** region rose by 9.0%. At €950 million, nominal sales were down 6.1% on the previous year (€1,012 million), largely due to exchange rate changes for the Brazilian real, the Argentinean peso, and the Venezuelan bolivar.

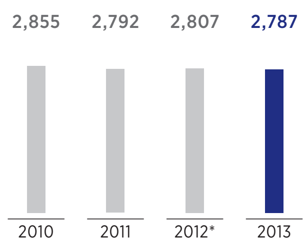
Sales in **North America** were up 4.6% on the previous year. NIVEA Shower performed well, while Eucerin saw extremely strong growth.

Latin America saw sales growth of 11.4%, driven by excellent growth rates in Brazil and strong increases in most other key markets. NIVEA Deo, NIVEA Body, and NIVEA Sun in particular performed extremely well across all markets. Eucerin also saw very strong growth.

CONSUMER SALES BY REGION (IN %)



CONSUMER SALES IN EUROPE (IN € MILLION)



* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A/A/A.

AFRICA / ASIA / AUSTRALIA

CONSUMER SALES IN AFRICA / ASIA / AUSTRALIA

		Total
Sales 2013	(in € million)	1,366
Sales 2012*	(in € million)	1,229
Change (organic)	(in %)	19.0
Change (nominal)	(in %)	11.1

* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A / A / A.

The **Africa / Asia / Australia** region recorded a 19.0% increase in organic sales. The nominal increase was 11.1%, largely due to exchange rate changes of the Japanese yen and the Indian rupee. Sales amounted to €1,366 million (previous year: €1,229 million).

China, India, and Japan turned in very good performances, and most other key markets also generated good or extremely good growth rates. Growth in China resulted particularly from the successful relaunch of our Chinese hair care brands, SLEK and Maestro, and NIVEA's strong performance. In particular, sales of NIVEA Deo and NIVEA Body increased across all markets. Eucerin also saw extremely good growth.

tesa

SALES – tesa BUSINESS SEGMENT

		Europe	Americas	Africa / Asia / Australia	Total
Sales 2013	(in € million)	603	142	293	1,038
Sales 2012	(in € million)	610	137	245	992
Change (organic)	(in %)	2.1	9.0	23.8	8.5
Change (nominal)	(in %)	–1.1	3.8	19.4	4.7

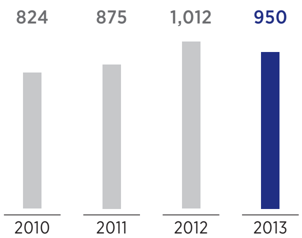
Organic sales by the **tesa** Business Segment were up 8.5% on the previous year. Exchange rate effects depressed this figure by 2.3 percentage points. Structural changes resulting from the sale of tesa Bandfix AG in the previous year reduced growth by 1.5 percentage points. In nominal terms, sales therefore rose by 4.7% to €1,038 million (previous year: €992 million). EBIT increased to €176 million (previous year: €129 million). The EBIT margin was 16.9% (previous year: 13.0%).

tesa INDUSTRIAL BUSINESS

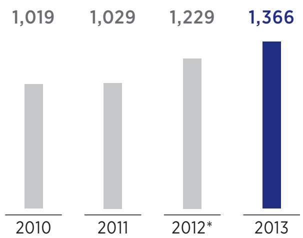
The industrial business again performed very well, with organic sales growth of 11.0%. Both the direct customer business and the distribution business in all regions played a role in this. Business growth was particularly brisk in Asia and in the USA, again driven by the electronics and automotive industries. In nominal terms, sales declined by 0.3% to €764 million (previous year: €766 million) due to a business area being transferred to the consumer business. As a result, the share of the tesa Business Segment's total sales accounted for by the industrial business decreased to 73.6% (previous year: 76.6%).

In the electronics industry business, we built on last year's success with special foam tapes, which are used to secure smartphone displays. An additional focus was on optically clear films, which are used to assemble the various layers within the displays. We manufacture these sophisticated products in the clean room unit of our Hamburg factory. Other successful products in this segment include electrically conductive adhesive tapes, which are used to conduct away the

CONSUMER SALES IN THE AMERICAS (IN € MILLION)



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



* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A / A / A.

electric charge produced in these devices, as well as adhesive tapes for mounting and removing battery packs that can be removed without leaving a residue.

In the automotive area, the introduction of innovative security labels allowing individual vehicles to be reliably identified was successful. The new system is primarily geared towards the strict statutory requirements in China. Particularly flexible adhesive tapes with very high adhesive strength for mounting cables in vehicle headliners were also very well received. The new products simplify the production process by replacing the more laborious use of liquid hot-melt adhesives. Around the world, we launched new, solvent-free coated fabric tapes for bundling and mounting wire harnesses. These new products meet the increasing requirements of the automotive industry for environmentally sustainable materials.

With regard to products for the printing industry, sales of a new variety of special foam tapes for flexographic printing performed very well. These softprint products are used to secure the plates to the plate cylinder. Our innovation ensures the edges are secured particularly soundly, preventing the plates from coming loose at these critical points during printing.

In our new Pharma business area, we finished work on establishing the production infrastructure. We implemented a comprehensive quality management system that meets the demanding requirements of both the European Union and the FDA, the US regulatory authority. We began manufacturing and delivering the first marketable products on schedule in the second half of the fiscal year. At the same time, we expanded our portfolio of contract development projects for more well-known customers.

Our anti-counterfeiting and anti-tampering solutions business, which is bundled in the tesa scribos business area, again performed well. PrioSpot® brought us additional customers from the consumer goods and technology industries.

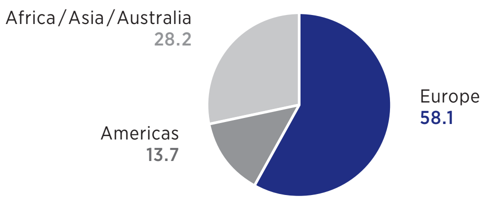
The Building Supply business area again saw considerable growth in products based on our new, patented ACX technology. The focus is on high-performance, weather-resistant, and particularly durable bonding solutions that can be used by the building and construction industry both indoors and outdoors.

tesa CONSUMER BUSINESS

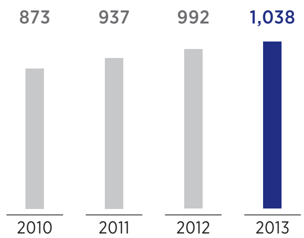
The consumer products and professional craftsmen businesses, which are focused on Europe and Latin America, performed positively. Organic sales grew by 1.0%. Nominal sales rose by 31.2%, from €189 million in the previous year to €248 million, due to the transfer of a business area from the industrial business. The consumer business contributed 23.9% (previous year: 18.9%) of total sales by the tesa Business Segment in the period under review.

We expanded our market share in the two strategic business areas that make up the consumer business – home improvement solutions and products for the office supplies and stationery sector – as well as in the Craftsmen business. Both product innovations and marketing activities, which are increasingly focusing on consumers in addition to specialist retailers, contributed to this. We recorded disproportionately strong growth in Eastern Europe and France.

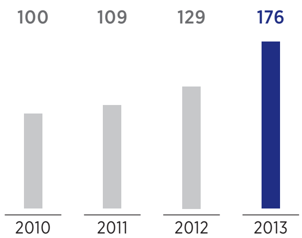
tesa SALES BY REGION (IN %)



tesa SALES (IN € MILLION)



tesa EBIT (IN € MILLION)
Excluding special factors



Net Assets – Group

NET ASSETS (IN € MILLION)

Assets	Dec. 31, 2012	Dec. 31, 2013
Non-current assets*	1,717	1,900
Inventories	734	733
Other current assets*	2,311	2,181
Cash and cash equivalents	834	984
	5,596	**5,798**

Equity and liabilities	Dec. 31, 2012	Dec. 31, 2013
Equity*	3,143	3,405
Non-current provisions*	471	470
Non-current liabilities*	141	142
Current provisions	506	527
Current liabilities	1,335	1,254
	5,596	**5,798**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011).
See the disclosures in the section entitled “Changes in Accounting Policies” of the notes to the consolidated financial statements.

Non-current assets increased by €183 million as against the prior-year figure to €1,900 million (previous year: €1,717 million). Long-term securities were reclassified due to shorter maturities and new purchases were made. Capital expenditure on property, plant, and equipment and intangible assets amounted to €227 million (previous year: €193 million). Of this amount, €147 million (previous year: €148 million) was attributable to the Consumer Business Segment and €80 million (previous year: €45 million) to the tesa Business Segment. The change is mainly attributable to investment in the Consumer Business Segment's new factory in Mexico and tesa's new headquarters near Hamburg. Depreciation, amortization, and impairment losses amounted to €106 million (previous year: €130 million). In addition, impairment losses of €15 million were recognized in the previous year on the goodwill of EBC (Turkey) and of €7 million on the Chinese hair care brands. At €733 million, inventories remained on a level with the previous year (€734 million). Other current assets decreased to €2,181 million (previous year: €2,311 million). This item includes short-term securities of €791 million (previous year: €926 million), which declined by €135 million as against the prior year. Trade receivables, which are also contained in the current assets item, rose by €38 million to €1,102 million (previous year: €1,064 million).

Cash and cash equivalents rose to €984 million (previous year: €834 million). Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) increased to €2,529 million (previous year: €2,436 million). Current liabilities to banks rose by €19 million year-on-year and amounted to €40 million (previous year: €21 million).

At €612 million, total non-current provisions and liabilities were unchanged as against the prior-year figure (€612 million). Total current provisions and liabilities decreased by €60 million to €1,781 million (previous year: €1,841 million) as a result of a decline in trade payables due to operational factors. The equity ratio was 59% (previous year: 56%). The share of non-current liabilities amounted to 10% (previous year: 11%) and the share of current liabilities to 31% (previous year: 33%).

FINANCING STRUCTURE (IN %)*

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011).
See the disclosures in the section entitled “Changes in Accounting Policies” of the notes to the consolidated financial statements.

Financial Position – Group

CASH FLOW STATEMENT – GROUP (IN € MILLION)

	2012	2013
Gross cash flow	545	648
Change in working capital	–25	–119
Net cash flow from operating activities	520	529
Net cash flow from investing activities	–382	–139
Free cash flow	138	390
Net cash flow from financing activities	–243	–195
Other changes	–2	–45
Net change in cash and cash equivalents	–107	150
Cash and cash equivalents as of Jan. 1	**941**	**834**
Cash and cash equivalents as of Dec. 31	**834**	**984**

Gross cash flow amounted to €648 million in the period under review, up €103 million on the prior-year value.

The change in working capital led to an outflow of €119 million (previous year: €25 million). This comprised the €53 million increase in receivables and other assets and the €67 million decrease in trade payables and current provisions. Inventories were on a level with the previous year.

The net cash outflow from investing activities amounted to €139 million in the period under review (previous year: €382 million). Net cash inflows of €37 million from securities, €37 million in interest and other financial income received, and proceeds of €14 million from the sale of property, plant, and equipment, and intangible assets were offset by capital expenditure of €227 million for property, plant, and equipment, and intangible assets.

Free cash flow was €390 million, up €252 million on the prior-year value (€138 million). The net cash outflow of €195 million from financing activities (previous year: €243 million) mainly comprised the Beiersdorf AG dividend payment of €159 million, and interest and other financing expenses paid in the total amount of €53 million.

Cash and cash equivalents amounted to €984 million (previous year: €834 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.

Overall Assessment of the Group's Economic Position

Business developments in 2013 show that Beiersdorf is on the right track. 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 €6,141 million (previous year: €6,040 million). Our organic sales were up 7.2% on 2012. Group EBIT increased to €820 million (previous year: €698 million). After adjustment for special factors, EBIT was €814 million (previous year: €735 million). Excluding special factors, the EBIT margin was 13.2% (previous year: 12.2%).

The **Consumer** Business Segment made successful progress thanks to the systematic implementation of the corporate strategy, which is based on our Blue Agenda. This strategic compass aims to make Beiersdorf more competitive and enhance its economic success. Its success can be seen particularly in the performance recorded by the emerging markets and the launch of new, high-selling products.

The **tesa** Business Segment once again lifted sales both in the industrial markets and in the consumer business.

COMPARISON OF ACTUAL AND FORECAST BUSINESS DEVELOPMENTS

		Forecast for 2013 in 2012 Annual Report	Forecast for 2013 in H1 2013 Report	Forecast for 2013 in 9M 2013 Report	Result in 2013
Sales growth (organic)					
Consumer	(in %)	above market	5–6	6–7	7.0
tesa	(in %)	slightly above market	4–5	6–7	8.5
Group	(in %)	above market	5–6	6–7	7.2
EBIT margin (excluding special factors)					
Consumer	(in %)	further increase	above 12	above 12	12.5
tesa	(in %)	slight improvement	approx. 14	approx. 16	16.9
Group	(in %)	further increase	12–13	approx. 13	13.2

The healthy sales growth of 7.0% in the **Consumer** Business Segment clearly exceeded the original forecast for fiscal year 2013. The expansion of our impact and presence in the emerging markets, where our progress was faster than expected, was a particular contributing factor. In addition, our expectations regarding the market success of our innovations in 2013 were exceeded. The operating result (EBIT, excluding special factors) and the EBIT margin both increased in fiscal year 2013, as forecast.

The **tesa** Business Segment again recorded a positive performance in the past fiscal year. With sales growth of 8.5%, tesa outperformed the forecasts, due in particular to the healthy trend in the automotive and electronics growth markets. Expectations for the operating result (EBIT, excluding special factors) and the EBIT margin were exceeded in fiscal year 2013.

Judgments by Management

With the exception of the initial application of IAS 19 (2011), 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, net assets, 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.

Research and Development

Beiersdorf's expertise in the area of research and development has been driving the company's success for more than 130 years.

The Consumer Business Segment develops innovative products that are tailored to meet the individual wishes and needs of consumers worldwide. Beiersdorf products offer compelling quality, effectiveness, and excellent tolerability.

The tesa Business Segment develops and markets innovative, high-quality self-adhesive system and product solutions, making it a world leader in its field.

990 people were employed in the Research and Development area worldwide at the end of 2013 (previous year: 965), 554 (previous year: 528) of whom were in the Consumer Business Segment and 436 (previous year: 437) in the tesa Business Segment.

Consumer

IN-DEPTH EXPERTISE IN SKIN CARE RESEARCH

Beiersdorf is known throughout the world for its leading-edge skin care expertise. Beiersdorf's scientists work continually to enhance their knowledge of the complex processes taking place in the skin. In addition, they make use of the latest scientific discoveries and also gain important new insights from collaborating with external partners. In the year under review, the Research and Development area focused on the complex processes involved in skin aging and on finding better approaches to this issue. How skin ages depends on an extremely wide range of factors. It is critical to find out which factors have a causative influence on the aging process and which are merely secondary. Beiersdorf is performing in-depth research into why the abilities of the epidermis and connective tissue to regenerate and repair themselves decline during the aging process. For example, it has developed a method of demonstrating the core damage caused directly by sunlight to the DNA of epidermal stem cells. In addition to looking at epidermal stem cells, Beiersdorf researchers also studied dermal stem cells. They found a specific cluster of these cells, which are critical to skin regeneration, located in the vicinity of the capillaries, the number of which also declines during the aging process. This enhanced the researchers' understanding of why the cells in older skin no longer function as efficiently.

Research on connective tissue is critical because this is responsible for wrinkles and declining elasticity. Such problems are especially common in skin that has been exposed to light. In aged connective tissue, the regular production and degradation of the connective tissue fibers collagen and elastin is impaired. According to the latest insights from Beiersdorf's research team, a specific collagen receptor called Endo 180 is one reason why damaged fibers do not degrade properly. This receptor is used by connective tissue cells to ensure the uptake of damaged collagen fragments. Acute or chronic UV damage impairs the function of Endo 180, which contributes to an excessive accumulation of these fragments.

EXPANDED SCOUTING FOR NEW IDEAS

Beiersdorf's Research and Development unit has integrated third-party knowledge for many years now. Open Innovation – systematically enhancing collaboration through the timely integration of leading research institutions, universities, and suppliers in Beiersdorf's international innovation network and its "Pearlfinder" initiative – is a central component of Beiersdorf's innovation activities. The aim is to further enhance Beiersdorf's innovative potential by integrating external ideas and solutions. Scouting for new ideas and solutions was expanded in 2013 and is now firmly anchored within the Research and Development organization. A number of teams focus on innovations from external partners and sources. Their coordinated activities and strategies enable the company to make even more effective use of new ideas from external sources. This also means systematically looking beyond the boundaries of our own industry for new and interesting product forms and ingredients.

The "Pearlfinder" Open Innovation initiative was launched back in 2011. It is based on an online platform where companies, institutions, and scientists from around the world can collaborate with Beiersdorf in a secure environment on scientific topics and questions that serve as the basis for forward-looking innovations. A growing number of external innovators are using "Pearlfinder" to provide their own ideas and solutions to these issues. Increasingly, Beiersdorf is now working with innovators it did not previously know about.

Additional Open Innovation activities with external innovators were initiated under the "Pearlfinder" umbrella in fiscal year 2013. These include preparations for an ideas contest in spring 2014 in cooperation with "in-cosmetics" – the world's largest trade fair for cosmetics ingredients. Further information on "Pearlfinder" can be found at HTTP://PEARLFINDER.BEIERSDORF.COM.

RECOGNIZING AND MEETING CONSUMERS' NEEDS

When developing new products, the top priority for Beiersdorf researchers is to meet consumers' wishes and needs. State-of-the-art consumer research methods have provided support in this area for over a decade. Based on a method developed in the past few years, consumers use visual and associative techniques to communicate the emotions they feel while they are using the products. In addition, a variety of communication channels are used to gather consumer feedback, which then flows into the development process. The resulting data and information is used to supplement the scientific work when developing new products and adapting them to meet regional conditions and requirements. Before being launched, all products are tested for safety and optimal effectiveness using the latest scientific methods. Every year, over 1,300 studies involving approximately 40,000 participants are conducted to demonstrate effectiveness, determine tolerability, and improve our understanding of consumer preferences.

EXPANSION OF REGIONAL DEVELOPMENT CENTERS

No two markets are alike. Beiersdorf continued to drive forward its global research and development activities by expanding its regional development centers so that it can provide personal care products that are tailored to meet regional needs to its consumers around the world. The regional lab for the Latin American market in Silao, Mexico, will be fully operational in mid-2014. In addition, the lab that opened in 2012 in Wuhan, China, was expanded in the year under review to become a central hub for the Far East region. Its core tasks include conducting local consumer tests, adapting formulas and packaging solutions, and regional sourcing. In the USA and Japan, Beiersdorf works to capture and efficiently implement ideas in the markets there as quickly as possible. By expanding its development labs directly in the regions, Beiersdorf is continuing to systematically implement its "Closest to Markets" strategic focus and is getting even closer to its consumers.

INNOVATIONS

The Consumer Business Segment applied for patents for 65 innovations in fiscal year 2013 (previous year: 87). Beiersdorf launches a constant stream of attractive new products on the market. Key launches in the period under review included the following:

- Beiersdorf researchers have developed an innovative anti-aging formula in the form of the **NIVEA Cellular Anti-Age** face care range. This combines the advantages of effective anti-aging ingredients with very special sensory properties.

- **NIVEA In-Shower** is a completely new application system for Beiersdorf body care products. The result of years of in-depth research and a large number of consumer studies, it marks another milestone in Beiersdorf's emulsion technology. The product is applied to wet skin in the shower and is then rinsed off. It instantly provides the care of a body lotion without needing to wait for it to be absorbed. The product range comprises the versions In-Shower Body Milk, In-Shower Body Lotion, and In-Shower Soft Milk.

- **NIVEA SUN Protect & Refresh Spray** combines effective protection against UVA and UVB radiation with a refreshing experience for the skin. The product offers a dual cooling effect: The aerosol's evaporative cooling effect and menthol interact with cold sensors in the skin to create an instantly noticeable, refreshing effect. The formula is extremely light and rapidly absorbed and, thanks to the modern aerosol spray, it can be applied upside down, allowing the user to spray difficult-to-reach patches of skin (such as the back) themselves.

- **NIVEA MEN Active Age** is a new care range designed for men aged 40 and up. It comprises three products – the Night Regenerator, Day Moisturizer, and Aftershave Balm. What is particularly innovative about the product range is that it includes the world's first night cream for men. The care range moisturizes men's skin for up to 24 hours, reduces wrinkles, enhances firmness, and protects skin from drying out.

- Beiersdorf research has spent many years intensively investigating the link between stress and sweating. This research resulted in **NIVEA Deodorant Stress Protect**, which has a highly effective combination of two different antiperspirant active ingredients, an antibacterial formula, and nurturing avocado oil. Its reliable 48-hour protection against stress-related perspiration and body odor was scientifically proven in a number of application studies and the results were published in the International Journal of Cosmetic Science*.

- **Eucerin VOLUME-FILLER** restores volume to the facial skin. Over time, skin increasingly loses its firmness and elasticity, and its tissue volume declines. The formula with highly effective magnolol increases the amount and size of volume-giving cells**, while oligopeptides stimulate the collagen network for a firmer skin structure**. Hyaluronic acid supplies skin with intensive moisture and reduces wrinkle depth.

- **Eucerin AtopiControl** is Eucerin's first intensive care series for both the episode-free and acute phases of neurodermatitis. Omega-6 fatty acids from evening primroses and grapeseed oil stabilize the skin's protective lipid layer, while Licochalcon A, which is derived from licorice root, soothes reddened skin. For skin care during acute phases, **AtopiControl Acute Care Cream**, which is even suitable for babies' especially sensitive skin, is the optimal partner product.

- **Hansaplast Elastic+ Waterproof** is the first plaster that offers the feel and flexibility of an elastic fabric plaster while protecting wounds against water. It is based on the innovative Hi-DRY TEX technology with its highly effective three-ply layering structure. The plaster is comfortable to wear and provides reliable protection against contact, dirt, and water, allowing wounds to heal unimpeded.

The **La Prairie Group** in Zurich, Switzerland, expanded its Skin Caviar Collection in 2013 to include the products Skin Caviar Luxe Sleep Mask and Luxe Soufflé Body Cream.

Skin Caviar Luxe Sleep Mask is an intensive care mask that smoothes the skin during the nightly regeneration phase and replenishes its moisture reserves. The mask supplies nutrients that help make skin look firmer. The innovative formula improves the texture and lines appear finer.

Skin Caviar Luxe Soufflé Body Cream is an intensive care product for the entire body that helps improve the skin's firmness and elasticity, providing deep-down care. In addition, it strengthens the skin's moisture barrier, preventing water loss.

* T. Schmidt-Rose, F. Lehmbeck, A. Bürger, B. Windisch, R. Keyhani, and H. Max, "Efficient sweat reduction of three different antiperspirant application forms during stress-induced sweating," International Journal of Cosmetic Science 2013 Dec; 35(6):622-631.
** In vitro study.

The La Prairie Group also expanded its anti-aging range to include an Eye and Lip Contour Cream.

The Anti-Aging Eye and Lip Contour Cream provides intensive, nourishing care to the area around the eyes and lips, which is low in moisture. The cream fills in and smoothes lines and fine wrinkles from the inside. Its anti-aging effect is created by a large number of substances that supply moisture and nutrients to the skin.

tesa

SOLVENT-FREE MANUFACTURING PROCESSES

At tesa, research in 2013 remained focused on enhancing solvent-free technologies for manufacturing particularly high-performance single- and double-sided adhesive tapes. The technology center developed a process in which even sophisticated carrier materials such as tissue and non-woven products can be coated without the use of solvents.

VALUE-ADDED SPECIAL PRODUCTS

tesa has developed a heat-activated adhesive tape that can conduct electricity for use in the electronics industry. This can be used to produce particularly strong electrically conductive bonds for flexible conductor strips in smartphones and tablet PCs, for example. Manufacturers are increasingly demanding bonding solutions for assembling electronic devices that firmly bond components while allowing easy and residue-free removal in the case of assembly errors and repairs, or so that the product can be disposed of in an environmentally responsible way at the end of its life. tesa researchers developed a new process for this.

As industrial customers' development processes become shorter, it is increasingly important for new types of adhesive tapes to be ready for series production within a very short space of time. This is why tesa is developing new lamination processes that allow all the functional layers of an adhesive tape to be assembled quickly, flexibly, and particularly firmly. These processes help meet new requirements in the automotive industry for bonding components to car bodies.

ADHESIVE MASSES THAT MEET THE HIGHEST REQUIREMENTS

New acrylate adhesive masses are a key element in offering innovative adhesive tapes for expanded requirement profiles. They are characterized by their particularly strong hold and by their extremely high resistance to aging, the weather, and chemicals. In fiscal year 2013, tesa developed highly transparent, pure adhesive masses that flow onto uneven surfaces particularly well. This allows transparent bonding of 3D components. One example of an application is bonding the printed – and hence uneven – glass displays of smartphones and tablet PCs.

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

Sustainability

For Beiersdorf, "care" is a core value and part of its core business. This encompasses not only skin care and protection, but also responsibility towards our fellow human beings and our environment. Sustainability is a living component of our corporate culture and is strategically anchored in all our business processes. Beiersdorf's goal is to continue to combine success and responsibility.

Consumer

CORPORATE SUSTAINABILITY

The "We care." sustainability strategy that Beiersdorf developed in 2011 focuses on three fields of activity: "Products," "Planet," and "People." The company has defined clear, long-term objectives for each field of activity. By 2020, Beiersdorf aims to:

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

The focus in 2013 was on continuing to roll out this strategy throughout the company and on implementing projects in all three areas.

PRODUCTS

Beiersdorf has expanded its systematic product lifecycle assessments to additional product categories so as to improve the integration of sustainability aspects in the innovation process. In addition, FSC-certified papers are being successively rolled out for all NIVEA folding boxes.

Beiersdorf has made considerable progress towards deploying to sustainable palm kernel oil. In addition to participating in the Roundtable on Sustainable Palm Oil (RSPO), the company is also active in the newly formed "Forum für nachhaltiges Palmöl" (the German Forum for Sustainable Palm Oil). By 2020, Beiersdorf intends to switch the raw materials concerned to segregated or at least mass balanced palm (kernel) oil and corresponding derivatives. Until the changeover is complete, Beiersdorf will purchase certificates on the Green Palm trading platform. In 2013, 100%* of the palm oil and palm kernel oil equivalents contained in its feedstocks were covered by certificates. In 2014, the first raw materials will be physically switched to mass balance certified palm kernel oil.

In addition, Beiersdorf has decided to discontinue its use of polyethylene particles (microparticles, scrub particles) in its care products worldwide as of the end of 2015. Although the use of this ingredient in skin care is considered harmless, extremely skin-friendly, and non-allergenic, it is viewed critically in some quarters due to the increased incidence of plastic in the world's oceans. Beiersdorf aims to help protect the environment with this precautionary decision in favor of finding alternatives to plastic particles in skin care products.

* excluding Beiersdorf Hair Care China.

PLANET

To reach its goal of reducing CO_2 emissions by 30%, Beiersdorf is systematically working to significantly increase energy efficiency at all its locations and to drive forward the use of renewable energies.

Beiersdorf's factory in Argentona (Spain) installed a photovoltaic facility at the beginning of 2013. The facility has 480 solar modules with a capacity of up to 170,000 kilowatt-hours; this corresponds to about 10% of the production facility's total annual requirements. In addition, Beiersdorf Consumer plans to meet all its electricity needs in Germany with renewable energy starting in 2016.

Beiersdorf's "Blue Building" program for constructing and using buildings aims at sustainably managing the entire lifecycle of its owner-occupied properties throughout the world. "Blue Building" helps to save energy, conserve resources, and at the same time to promote a healthy working environment for all employees.

Beiersdorf's new production center in Mexico is one of only a few facilities of its kind in the world to be planned in accordance with the LEED Platinum environmental standard. Compared with other production facilities, the new facility emits significantly less CO_2, consumes less water, and uses resources more efficiently – despite its significantly higher production capacity.

Beiersdorf is also underscoring its social and ecological commitment by building the new "Troplo-Kids" daycare center in Hamburg, the location of the company's headquarters. The new daycare facility, which offers 100 places, will help improve the work-life balance and is fully compliant with the criteria of the German Sustainable Building Council (DGNB).

In addition, Beiersdorf – as in previous years – implemented initiatives for lowering CO_2 emissions along the entire value chain. In 2008, road transports were switched to rail in Switzerland. In 2013, the concept was applied in Germany. Now, a significant amount of the volumes transported in the two countries is handled by rail. Beiersdorf also developed a new logistics concept that optimizes the use of containers, reduces the number of transports, and hence significantly lowers CO_2 emissions and cuts costs.

PEOPLE

Beiersdorf aims to reduce the number of work-related accidents and to continue to improve workplace safety with its company-wide "zero accidents" policy. For example, Behavioral Based Safety (BBS) principles have been established to make employees aware of possible sources of danger and hence develop safe working practices and optimize workplace safety. These define clear behavior patterns for avoiding accidents that are expressed in terms of "I will" and "I will not" rules. The concept will be extended to include additional countries in 2014.

In the year under review, Beiersdorf launched the "NIVEA cares for family" initiative. The latter's focus on supporting and assisting families is in keeping with the company's social traditions and corresponds to the core values of the Beiersdorf brands – first and foremost NIVEA. The objective of this initiative is to strengthen families in three areas. Under long-term local projects, children will be given access to social and academic education, among other things, and mothers will receive individual support. In addition, NIVEA wants to give families the opportunity to spend more time with each other. Employees play a leading role in successfully implementing social responsibility at Beiersdorf. During the "NIVEA Family Days" held worldwide in December, employees were able to support local families. The voluntary employee component of the CSR strategy will be strengthened in the future and expanded to include additional initiatives.

CSR at Hansaplast/Elastoplast focuses on strengthening first aid in everyday situations. It aims to offer first aid training events in the units' local regions, increasing the ability to provide first aid if needed. Hansaplast/Elastoplast units in France, Canada, and the Netherlands have already been successfully working with their local Red Cross organizations for a long time. This initiative will now be extended to other countries.

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

tesa

HIGH LEVEL OF ENVIRONMENTAL PROTECTION

Since 2001, tesa has been systematically establishing a proprietary environmental management system. It successfully completed the second phase of its environmental program in 2013 and in fact exceeded its ambitious goals, especially due to the contributions made by its production locations worldwide. CO_2 emissions have been reduced considerably since the program began. In addition, solvent usage, waste, and emissions of volatile organic compounds (VOCs) were cut significantly. Almost all facilities are certified in accordance with ISO 14001, the international environmental standard.

Currently, tesa is working to determine various ecological footprints in the production process in order to further enhance its environmental compatibility. Using the eco-balance method, entire product lifecycles are being analyzed for their environmental effects – from raw materials extraction through the materials used, the manufacturing and transportation of the products, down to disposal after use. This work can be used, for example, to check whether more environmentally friendly alternatives for individual product components or packaging are available. Among other things, the goal is to consistently increase the proportion of recyclable materials used.

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 (corporate volunteering). Following on from the joint plantings in recent years, the reserve planted oak trees on a large scale in 2013 with financial support from tesa. This is the first step towards establishing a virgin forest typical of the landscape in the reserve. In addition, a flat water area was created to underscore the area's floodplain character, supporting species conservation of cranes and black storks within the forest. Additional plantings involving employees are planned for the spring of 2014.

SUCCESSFUL COOPERATION IN SOCIAL PROJECTS

Once again, tesa took part in a large number of social projects in 2013. The company has entered into a long-term cooperation with nonprofit initiatives whose offerings are in line with the “tesa Corporate Giving Policy.” These include “Initiative Mentor – Hamburg e.V.” and the “Chancen für Kinder” foundation. tesa’s affiliates participate in their own projects. For example, tesa employees in France took part in the “Heroes Race” (Course des Héros) for the fourth time. As well as the athletic challenge, their aim was to attract additional supporters and collect donations. All employees were invited to take part in a survey in order to enhance CSR at tesa. Around 200 of them provided feedback as well as voicing wishes and suggestions for future projects that would be appropriate for tesa.

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 16,708 people worldwide at the end of 2013 (previous year: 16,605). Of this figure, 5,696 (previous year: 5,697) or 34% (previous year: 34%) were employed in Germany. At the end of the fiscal year, 12,890 people worked in the Consumer Business Segment (previous year: 12,811). The tesa Business Segment accounted for 3,818 employees (previous year: 3,794).

Consumer

MOTIVATIONAL WORKING ENVIRONMENT INCREASES COMMITMENT

Our employees are vital to our success. They manage strong brands, develop innovations, and enthuse consumers around the world with high-quality products. The Human Resources department’s forward-looking activities aim to support the strategic goals from Beiersdorf’s Blue Agenda.

In the year under review, the following topics addressed by Beiersdorf’s Human Resources department are particularly worth mentioning:

- encouraging a culture of candid feedback
- fostering creativity through diversity
- enhancing cross-border collaboration
- Integrated Talent Management

In addition, Beiersdorf’s Human Resources department is specifically focused on fostering motivation and a performance-driven culture. Dedication and enthusiasm at work are crucial for long-term corporate success.

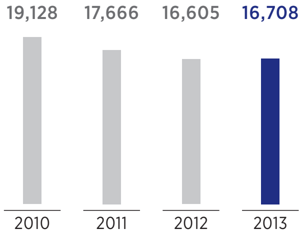
OPEN COMMUNICATION STRENGTHENS EMPLOYEES’ EMOTIONAL TIES

A key means of enhancing Beiersdorf’s corporate culture lies in fostering a culture of candid and honest feedback. Out of the many initiatives in fiscal year 2013, the introduction of a global feedback process is particularly worth mentioning: TEAMVOICE 2013 was the first global employee survey of all Beiersdorf companies, and was conducted in collaboration with an international market and opinion research company. A total of 89% of the employees surveyed provided feedback on the main factors constituting a good working environment. The survey results are made available in anonymized form within the individual teams, who discuss them together and use them to derive relevant measures for the employees concerned. The aim of this dialog is to foster openness and trust at team level, strengthening long-term employee loyalty.

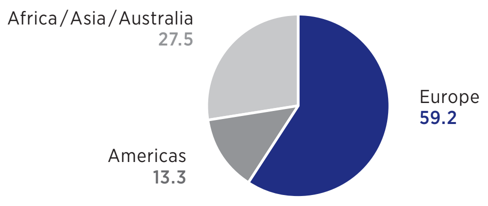
DIVERSITY FOSTERS CREATIVITY

Beiersdorf is a global company, which means that diversity is not an end in itself, but a crucial competitive advantage. Diversity fosters creativity: Beiersdorf systematically promotes diversity in its workforces. In the year under review, the Human Resources department compiled a global diversity action program with a key focus on gender and internationalization that contains clear objectives with regard to employee development and recruitment.

GROUP EMPLOYEES
as of Dec. 31



EMPLOYEES BY REGION (IN %)
as of Dec. 31; total 16,708 employees



For women, mentoring and networking programs were initiated. Creating more flexible working conditions for both men and women improves the work-life balance. These measures are already delivering initial results: The percentage of women in management positions in Germany rose from 22.5% at the end of 2012 to 25.5% at the end of 2013. We intend to systematically pursue this path over the coming years and to increase this figure to 30% by 2020.

As part of the continued internationalization of its workforce, Beiersdorf is focusing on increasing the number of international employees at its Hamburg location. The number of senior managers with international experience is to be increased throughout the Group.

GLOBAL (NET)WORKING

In the year under review, Beiersdorf created BluePlanet – a global internal platform for communication and collaboration that makes cross-border and cross-functional teamwork faster and more efficient. Employees can use this digital platform to hold direct discussions with each other, sharing knowledge and experiences. This will enable solutions for their daily work to be found and implemented faster. BluePlanet saves time and money by reducing the number of business trips, streamlining meetings, and avoiding the use of e-mail. It represents a new dimension in collaboration and brings the Beiersdorf world even closer together.

CONTINUOUS PROFESSIONAL DEVELOPMENT AND QUALIFICATIONS ENSURE SUCCESS

The Human Resources department supports team leaders in ensuring the development of their teams. Continuous professional development and knowledge acquisition are part of the Integrated Talent Management program. A wide range of opportunities for individual employees to strengthen their professional and personal skills are regularly revised in line with the company's strategy and organizational development so as to ensure that the specialized skills and management expertise needed are kept up to date as optimally as possible.

Equally typical of the company's Human Resources work are its wide variety of international initiatives: For example, Beiersdorf cooperates with local universities in Southern Europe, where the economic situation is currently extremely strained, to give talented young recruits an opportunity to make a global contribution to the Group. In Mexico, Beiersdorf's Research & Development area is collaborating with local universities to recruit qualified new staff for the new Beiersdorf development laboratory in Silao. Around 550 positions shall be created in the laboratory and the production facility in the period up to the end of 2015.

tesa

CONSTRUCTION OF NEW tesa HEADQUARTERS

Planning activities associated with the construction of the new corporate headquarters in Norderstedt near Hamburg Airport were one focus of Human Resources work in 2013. Relocation is scheduled for 2015 and affects around 800 employees. The plans focused on how the new space is to be used as well as on optimizing communication and social facilities. Preparations were made in close cooperation with the codetermination bodies and with employees.

NEW CONCEPT FOR EMPLOYEE DIALOG

The new concept for the dialog between individual employees and managers was launched in the year under review. The aim is to enhance tesa's open corporate culture in line with its Strategy 2015, to further improve the working atmosphere through dialog based on mutual respect, and to expand the leadership culture. The new concept separates the review from the assessment of employees' variable salary components and focuses on mutually open and constructive feedback. This creates more transparency for employees as to how their abilities and prospects are seen. The new concept was positively received by all involved.

FEEDBACK FROM EMPLOYEE SURVEY

Under the motto "tesa wants to know!" all employees at tesa SE were asked to provide feedback in a survey that was conducted in cooperation with a market-leading research and consulting institution. The results offer important information on how employee motivation can be further improved and their ties with the company strengthened. The tesa factory in Offenburg already conducted the survey back in 2012 and received an award for its working environment in the year under review.

SUCCESSION PLANNING AND TALENT MANAGEMENT

As a rule, tesa fills important management positions from within its own ranks. This preserves the company's expertise in relation to its customers, markets, and product applications. The succession planning and talent management process has now been revamped with the goal of identifying and developing the right talents in good time before positions become vacant. Succession planning scenarios for the most important positions in the tesa Business Segment are being developed at all organizational units based on a global process.

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. Relevant risks are identified and captured in a structured manner. They are classified based on the estimated probability of occurrence and the potential financial impact if they were to occur.

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.

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.

Since expertise-based brands require a high degree of upfront investment in innovation and marketing, the continuous expansion of our trademark and patent portfolio 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. Third-party intellectual property rights are identified and respected when developing new products.

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 by 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 through the establishment of 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.

Further information on the extent of the currency, interest rate, default, and liquidity risks described above can be found in Note 29 of the consolidated financial statements, "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

LEGAL RISKS

Along with other international companies, the Beiersdorf Consumer Business Segment's Brazilian affiliates are involved in tax proceedings on a national level. As utilization is not considered to be probable, no provisions for demands for back taxes have been established. However, no conclusive assessment of the risk from the Group perspective is possible at present.

Beiersdorf also 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.

Further information on the extent of the legal risks described above can be found in Note 30 of the consolidated financial statements, "Contingent Liabilities, Other Financial Obligations, and Legal Risks."

Overall Assessment of the Group's Risk Situation

Our assessment of the risk situation is the result of our examination of all material individual risks listed above. There have been no structural changes in the risk situation compared with the previous year. 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 taken or not taken, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the fact that measures were taken or not taken."

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 Codetermination 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 looks set to improve slightly in 2014. We expect that this trend will be driven mainly by the industrialized nations, while growth in the developing countries and emerging markets will be somewhat lower than in previous years. However, tapering of the US Federal Reserve's bond purchases entails potential uncertainties with regard to its effect on the global economy.

Europe will probably come out of recession in 2014 and the uncertainty on the markets due to the euro and sovereign debt crisis should subside. This is suggested by improved leading economic indicators for the industrial, retail, and services sectors, as well as a forecast increase in demand from abroad. Besides the uncertain effects of tapering by the US Federal Reserve, factors that could put the recovery at risk include the ongoing high unemployment in many countries and the lack of appetite for reform in France and Italy. However, we anticipate a positive trend overall, although this is likely to be relatively muted in many countries due to the still weak economy.

In **Germany**, we expect to see stronger growth than in the rest of Europe in the coming year, driven by consumer spending and increasing investment as a result of the expansionary monetary policy.

We expect slightly higher growth in the **United States** economy in 2014. Alongside increased consumer spending due to a lower unemployment rate, we anticipate higher public spending. The construction sector may provide positive momentum. However, the start of tapering and its impact on the economy and the financial markets in the form of a possible increase in interest rates remain a source of uncertainty.

In **Japan**, we expect growth to be on a level with the previous year. The Bank of Japan is likely to further loosen its already expansionary monetary policy so as to avoid depressing the market recovery as a result of the announced increase in VAT. The cheap yen is likely to boost exports and hence also support growth.

In **China**, we expect growth to be down slightly on the prior-year level. Fiscal policy and the uncertain effects of the social and environmental reforms that have been announced are particular sources of uncertainty.

Conditions in the **remaining emerging markets** will probably be less favorable. In India, we expect to see slightly higher growth than in the previous year, with continued high inflation. We anticipate slight growth in the emerging markets of Southeast Asia. Given the highly protectionist tendencies in many Latin American countries, particularly in Venezuela, Ecuador, and Argentina, developments are difficult to forecast for this area. We expect growth rates in Russia to be only slightly higher than in 2013. The positive effects of exports to the recovering eurozone and the expected increase in energy prices will be contributing factors.

Procurement Market Trends

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

Sales Market Trends

We believe that the global growth rates in the cosmetics market relevant for Beiersdorf will remain at the prior-year level in 2014. We continue to expect low but stable growth in the major European and North American markets. The emerging markets and developing countries will make a positive contribution to overall performance. Growth in Latin America is likely to weaken year-on-year, however.

The challenge for the tesa Business Segment in the coming year is likely to be to cater to different market speeds. Strong, dynamic growth in the electrical industry in Asia contrasts with relative stability in the European markets. By contrast, North America is likely to gain momentum from the automotive industry, while Latin America will participate in the positive market performance.

Our Market Opportunities

Once again, market performance was mixed in fiscal year 2013 and competition continued to increase in some markets. We will supplement our corporate strategy, as manifested in our internal Blue Agenda program, to include additional emphases in 2014, so as to meet the challenges of tomorrow and achieve our objectives. We see strong opportunities both in systematically expanding our presence in the emerging markets and in consolidating our position in our European markets. We will drive this process by strengthening our brands – especially NIVEA, Eucerin, and La Prairie – and boosting our innovative power. This analysis underpins our planning for the coming fiscal year.

We will build on our sound financial structure and strong earnings position together with our dedicated and highly qualified employees to continue exploiting the opportunities that arise in the future with our internationally successful brand portfolio. Extensive research and development activities resulting in successful, consumer-driven innovations will be flanked by targeted marketing measures, strengthening our brand core and creating enduring confidence among our consumers.

tesa continues to consider its electronics industry business as highly attractive, with double-digit growth rates predicted. Due to the project-based nature of the business, however, the risk involved is also increasing. The automotive area will maintain its status as a second growth market for global customers.

Business Developments

Our assessment of business developments in the coming year is based on the above assumptions.

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

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

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

We firmly believe that we are well positioned for the future thanks to our internationally successful brand portfolio, our innovative and high-quality products, and our dedicated employees.

Hamburg, February 5, 2014
Beiersdorf AG

The Executive Board

4. CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

(IN € MILLION)

	Note	2012	2013
Sales	**01**	**6,040**	**6,141**
Cost of goods sold	02	–2,217	–2,255
Gross profit		**3,823**	**3,886**
Marketing and selling expenses	03	–2,539	–2,605
Research and development expenses		–159	–154
General and administrative expenses	04	–311	–312
Other operating income	05	182	171
Other operating expenses	06	–298	–166
Operating result (EBIT)		**698**	**820**
Interest income	07	37	23
Interest expense	07	–9	–6
Net pension result*	07	–8	–12
Other financial result	07	–5	–10
Financial result*	**07**	**15**	**–5**
Profit before tax*		**713**	**815**
Income taxes*	08	–259	–272
Profit after tax*		**454**	**543**
Of which attributable to			
– Equity holders of Beiersdorf AG*		445	534
– Non-controlling interests	09	9	9
Basic / diluted earnings per share (in €)*	**10**	**1.96**	**2.35**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies."

Statement of Comprehensive Income

(IN € MILLION)

	2012	2013
Profit after tax*	**454**	**543**
Remeasurement gains and losses on cash flow hedges	16	2
Deferred taxes on remeasurement gains and losses on cash flow hedges	–5	–1
Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income	*11*	*1*
Remeasurement gains and losses on available-for-sale financial assets	–1	14
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	–	–4
Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income	*–1*	*10*
Exchange differences	–23	–122
Other comprehensive income that will be reclassified subsequently to profit or loss	**–13**	**–111**
Remeasurements of defined benefit pension plans*	–215	–8
Deferred taxes on remeasurements of defined benefit pension plans*	66	3
*Remeasurements of defined benefit pension plans recognized in other comprehensive income**	*–149*	*–5*
Other comprehensive income that will not be reclassified subsequently to profit or loss*	**–149**	**–5**
Other comprehensive income net of tax*	**–162**	**–116**
Total comprehensive income*	**292**	**427**
Of which attributable to		
– Equity holders of Beiersdorf AG*	286	421
– Non-controlling interests	6	6

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled “Changes in Accounting Policies.”

Balance Sheet

(IN € MILLION)

Assets	Note	Dec. 31, 2012	**Dec. 31, 2013**
Intangible assets	11	185	176
Property, plant, and equipment	12	685	785
Non-current financial assets / Securities	15	712	804
Other non-current assets		2	2
Deferred tax assets*	08	133	133
Non-current assets*		**1,717**	**1,900**
Inventories	13	734	733
Trade receivables	14	1,064	1,102
Other current financial assets		112	96
Income tax receivables		86	55
Other current assets*		123	137
Securities	15	926	791
Cash and cash equivalents	16	834	984
Current assets*		**3,879**	**3,898**
		5,596	**5,798**

Equity and liabilities	Note	Dec. 31, 2012	**Dec. 31, 2013**
Share capital	18	252	252
Additional paid-in capital	21	47	47
Retained earnings*	22	2,839	3,209
Accumulated other comprehensive income	23	–7	–115
Equity attributable to equity holders of Beiersdorf AG*		**3,131**	**3,393**
Non-controlling interests	24	12	12
Equity*		**3,143**	**3,405**
Provisions for pensions and other post-employment benefits*	26	381	388
Other non-current provisions	27	90	82
Non-current financial liabilities	28	11	5
Other non-current liabilities	28	4	3
Deferred tax liabilities*	08	126	134
Non-current liabilities*		**612**	**612**
Other current provisions	27	506	527
Income tax liabilities		105	87
Trade payables	28	1,036	973
Other current financial liabilities	28	91	104
Other current liabilities	28	103	90
Current liabilities		**1,841**	**1,781**
		5,596	**5,798**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies."

Cash Flow Statement

(IN € MILLION)

	2012	2013
Operating result (EBIT)	**698**	**820**
Income taxes paid	–258	–261
Depreciation and amortization	152	106
Change in non-current provisions (excluding interest components and changes recognized in OCI)	–38	–13
Gain / loss on disposal of property, plant, and equipment, and intangible assets	–	–4
Gain on business combination achieved in stages	–9	–
Gross cash flow	**545**	**648**
Change in inventories	–33	1
Change in receivables and other assets	–78	–53
Change in liabilities and current provisions	86	–67
Net cash flow from operating activities	**520**	**529**
Investments in property, plant, and equipment, and intangible assets	–193	–227
Payments for equity acquisitions (net of cash acquired)	–25	–
Proceeds from the sale of property, plant, and equipment, and intangible assets	41	14
Proceeds from divestments (net of cash acquired)	–3	–
Payments to acquire securities	–1,392	–971
Proceeds from the sale / final maturity of securities	1,158	1,008
Interest received	32	29
Proceeds from dividends and other financing activities	–	8
Net cash flow from investing activities	**–382**	**–139**
Free cash flow	**138**	**390**
Proceeds from loans	29	46
Loan repayments	–90	–29
Interest paid	–8	–6
Other financing expenses paid	–7	–41
Cash dividends paid (Beiersdorf AG)	–159	–159
Cash dividends paid (non-controlling interests)	–8	–6
Net cash flow from financing activities	**–243**	**–195**
Effect of exchange rate fluctuations and other changes on cash held	–2	–45
Net change in cash and cash equivalents	–107	150
Cash and cash equivalents as of Jan. 1	**941**	**834**
Cash and cash equivalents as of Dec. 31	**834**	**984**

Statement of Changes in Equity

(IN € MILLION)

	Share capital	Additional paid-in capital	Retained earnings**	Accumulated other comprehensive income: Currency translation adjustment	Accumulated other comprehensive income: Hedging instruments from cash flow hedges	Accumulated other comprehensive income: Available-for-sale financial assets	Total attributable to equity holders	Non-controlling interests	Total
Jan. 1, 2012, before adjustment	**252**	**47**	**2,700**	**11**	**–9**	**1**	**3,002**	**14**	**3,016**
Change in accounting policy due to IAS 19 (2011)	–	–	2	–	–	–	2	–	2
Jan. 1, 2012, after adjustment	**252**	**47**	**2,702**	**11**	**–9**	**1**	**3,004**	**14**	**3,018**
Total comprehensive income for the period*	–	–	296	–20	11	–1	286	6	292
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–8	–8
Dec. 31, 2012 / Jan. 1, 2013*	**252**	**47**	**2,839**	**–9**	**2**	**–**	**3,131**	**12**	**3,143**
Total comprehensive income for the period	–	–	529	–119	1	10	421	6	427
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–6	–6
Dec. 31, 2013	**252**	**47**	**3,209**	**–128**	**3**	**10**	**3,393**	**12**	**3,405**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies."
** 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 (organic)	(in %)	4.9	3.6	4.7
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***		**2,304**	**538**	**2,842**
Operating liabilities		**1,553**	**186**	**1,739**
EBIT return on net operating capital***	(in %)	75.8	36.7	63.3
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 2013		Consumer	tesa	Group
Net sales		**5,103**	**1,038**	**6,141**
Change (nominal)	(in %)	1.1	4.7	1.7
Change (organic)	(in %)	7.0	8.5	7.2
Share of Group sales	(in %)	**83.1**	**16.9**	**100.0**
EBITDA		**701**	**225**	**926**
Operating result (EBIT)		**626**	**194**	**820**
as % of sales		12.3	18.7	13.4
Operating result (EBIT, excluding special factors)*		**638**	**176**	**814**
as % of sales		12.5	16.9	13.2
Gross operating capital*		**2,361**	**595**	**2,956**
Operating liabilities*		**1,485**	**185**	**1,670**
EBIT return on net operating capital*	(in %)	71.5	47.3	63.8
Gross cash flow		**486**	**162**	**648**
Capital expenditure		**147**	**80**	**227**
Depreciation and amortization		**75**	**31**	**106**
Impairment losses on trademarks and goodwill		**–**	**–**	**–**
Research and development expenses		**112**	**42**	**154**
Employees	(as of Dec. 31)	**12,890**	**3,818**	**16,708**

* See the disclosures contained in the section entitled "Notes to Segment Reporting."
** Figures are not the same as the additions to property, plant, and equipment. See the disclosures contained in Note 12, "Property, Plant, and Equipment."
*** The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies."

Regional Reporting

(IN € MILLION)

Regions 2012***		Europe	Americas	Africa / Asia / Australia	Group
Net sales		**3,417**	**1,149**	**1,474**	**6,040**
Change (nominal)	(in %)	0.1	15.6	20.3	7.2
Change (organic)	(in %)	0.3	12.2	10.6	4.7
Share of Group sales	(in %)	**56.6**	**19.0**	**24.4**	**100.0**
EBITDA		**641**	**83**	**126**	**850**
Operating result (EBIT)		**544**	**72**	**82**	**698**
as % of sales		15.9	6.3	5.6	11.6
Operating result (EBIT, excluding special factors)*		**562**	**78**	**95**	**735**
as % of sales		16.5	6.8	6.4	12.2
Capital expenditure**		**95**	**33**	**23**	**151**
Depreciation and amortization		**97**	**11**	**22**	**130**
Impairment losses on trademarks and goodwill		**–**	**–**	**22**	**22**
Employees	(as of Dec. 31)	**9,801**	**2,090**	**4,714**	**16,605**

Regions 2013		Europe	Americas	Africa / Asia / Australia	Group
Net sales		**3,390**	**1,092**	**1,659**	**6,141**
Change (nominal)	(in %)	−0.8	−4.9	12.5	1.7
Change (organic)	(in %)	1.1	9.0	19.8	7.2
Share of Group sales	(in %)	**55.2**	**17.8**	**27.0**	**100.0**
EBITDA		**619**	**92**	**215**	**926**
Operating result (EBIT)		**544**	**82**	**194**	**820**
as % of sales		16.0	7.5	11.7	13.4
Operating result (EBIT, excluding special factors)*		**542**	**82**	**190**	**814**
as % of sales		16.0	7.5	11.5	13.2
Capital expenditure		**147**	**55**	**25**	**227**
Depreciation and amortization		**75**	**10**	**21**	**106**
Impairment losses on trademarks and goodwill		**–**	**–**	**–**	**–**
Employees	(as of Dec. 31)	**9,888**	**2,224**	**4,596**	**16,708**

* See the disclosures contained in the section entitled “Notes to Segment Reporting.”
** Figures are not the same as the additions to property, plant, and equipment. See the disclosures contained in Note 12, “Property, Plant, and Equipment.”
*** The prior-year figures have been adjusted due to the reclassification of the Consumer Business Segment’s Turkish affiliate from Western Europe to Africa / Asia / Australia.

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, 2013, were prepared by the Executive Board on February 5, 2014, 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, 2013, 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 actuarial assumptions for the defined benefit expense as well as for the present value of pension commitments (Note 26 "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 27 "Other Provisions"). Furthermore, estimates and assumptions are made in particular when determining the useful lives of intangible assets and property, plant, and equipment, 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 interests 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 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 table shows the changes in the exchange rates for the currencies material to the consolidated financial statements:

EXCHANGE RATE CHANGES (1 € =)

	Average rates		Closing rates	
	2012	**2013**	2012	**2013**
Swiss franc (CHF)	1.2044	1.2291	1.2072	1.2276
Chinese yuan (CNY)	8.1451	8.1733	8.2207	8.3491
Pound sterling (GBP)	0.8119	0.8501	0.8161	0.8337
Japanese yen (JPY)	103.4892	130.1817	113.6100	144.7200
Polish zloty (PLN)	4.1677	4.2134	4.0740	4.1543
US dollar (USD)	1.2932	1.3308	1.3194	1.3791

Changes in Accounting Policies

The Beiersdorf Group started applying the revised IAS 19 (2011) "Employee Benefits" accounting standard for the first time as of January 1, 2013. This had the following material effects on the consolidated financial statements: The net interest income / expense is recognized in income. This is the balance of the present value of the defined benefit obligation and of any plan assets at the start of the period multiplied by the discount rate used in the measurement of the obligation. This supersedes the expected return on plan assets previously recognized. Actuarial gains and losses are recognized immediately and permanently under retained earnings in consolidated equity. The revision also requires changes in defined benefit obligations and in the fair value of plan assets to be recognized immediately when they arise. Other amendments relate to new disclosures such as quantitative information on sensitivity. The option to use the corridor method available under the previous version of IAS 19 has been abolished. The standard was applied retrospectively. The first-time application of the revised IAS 19 as from fiscal year 2013 resulted in the following changes to the opening balance sheet as of January 1, 2012, and the prior-year periods presented, as well as to the income statement and the statement of comprehensive income.

INCOME STATEMENT (IN € MILLION)

	Jan. 1–Dec. 31, 2012		
	Before adjustment	Adjustment	After adjustment
Interest income	37	–	37
Interest expense	–9	–	–9
Net pension result	–12	4	–8
Other financial result	–5	–	–5
Financial result	**11**	**4**	**15**
Profit before tax	**709**	**4**	**713**
Income taxes	–258	–1	–259
Profit after tax	**451**	**3**	**454**
Of which attributable to			
– Equity holders of Beiersdorf AG	442	3	445
– Non-controlling interests	9	–	9
Basic / diluted earnings per share (in €)	**1.95**	**0.01**	**1.96**

STATEMENT OF COMPREHENSIVE INCOME (IN € MILLION)

	Jan. 1–Dec. 31, 2012		
	Before adjustment	Adjustment	After adjustment
Profit after tax	**451**	**3**	**454**
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit pension plans	–	–215	–215
Deferred taxes on remeasurements of defined benefit pension plans	–	66	66
Remeasurements of defined benefit pension plans recognized in other comprehensive income	–	*–149*	*–149*
Other comprehensive income net of tax	**–13**	**–149**	**–162**
Total comprehensive income	**438**	**–146**	**292**
Of which attributable to			
– Equity holders of Beiersdorf AG	432	–146	286
– Non-controlling interests	6	–	6

BALANCE SHEET (IN € MILLION)

	Jan. 1, 2012			Dec. 31, 2012		
	Before adjustment	Adjustment	After adjustment	Before adjustment	Adjustment	After adjustment
Total assets	5,275	1	5,276	5,575	21	5,596
Total equity	3,016	2	3,018	3,287	–144	3,143
Total liabilities	2,259	–1	2,258	2,288	165	2,453

If the Beiersdorf Group had not applied IAS 19 (2011), profit after tax for fiscal 2013 would have been €6 million lower, total comprehensive income would have been €1 million lower, and equity as of December 31, 2013, would have been €152 million higher. The Beiersdorf Group made use of the exemption contained in IAS 19 (2011) and does not provide comparative prior-year figures for the sensitivity disclosures for the defined benefit obligation.

Apart from the need for additional notes disclosures, there were no material effects on the consolidated financial statements resulting from the amendments to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities," IFRS 13 "Fair Value Measurement," and IAS 1 (2011) "Presentation of Financial Statements," which were also required to be applied for the first time in fiscal year 2013.

The voluntary early application of the amendments to IAS 36 (2013) "Impairment of Assets" in fiscal year 2013 did not have any effect. The amendments contained a correction to the disclosure requirements that were introduced into IAS 36 by the new IFRS 13. They provide that the recoverable amount of a cash-generating unit or an asset must only be disclosed if the entity has recognized or reversed an impairment loss during the reporting period.

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

The following standards and interpretations relevant for the Beiersdorf Group's business operations have been issued as of December 31, 2013, but are not yet required to be applied for the fiscal year then ended:

- IFRS 9 "Financial Instruments"
  The standard contains rules governing the classification and measurement of financial assets and financial liabilities, as well as a new general hedge accounting model. As yet, IFRS 9 does not specify a date for mandatory first-time application.

- 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.

- IAS 19 (2013) "Employee Benefits" (on/after January 1, 2014)
  The amendment contains an exemption relating to the recognition of contributions by employees or third parties to pension plans. Companies are now permitted to recognize contributions by employees or third parties as reducing the current service cost in the period in which the relevant work was performed, provided that the contributions are not dependent on the number of years of service.

- 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 incorporates 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.

- IAS 39 (2013) "Financial Instruments: Recognition and Measurement" (on/after January 1, 2014)
  The amendments are a reaction to legislative changes in the transparency requirements for, and regulation of, OTC derivatives. In future, hedges will not be treated as having been reversed or terminated where novation with a central counterparty is performed provided that such novation is required by legislation/a regulator; this applies even if a derivative has been formally derecognized.

- "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 2010–2012 Cycle” (on/after January 1, 2014)
  This resulted in amendments to seven 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.

- “Annual Improvements 2011–2013 Cycle” (on/after January 1, 2014)
  This resulted in amendments to four 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.

Where the amendments or changes have already been adopted by the EU, the date of first-time application given relates to the date they are required to be applied for the first time in the EU. Otherwise it relates to the date on which they are required to be applied for the first time that has been specified by the IASB. 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 outstanding phases of the IFRS 9 project are being monitored and their effects will be analyzed as a whole once the last phase has been finalized.

We do not expect any material effects on the consolidated financial statements to arise from the first-time application of the standards on consolidation (IFRS 10, 11, and 12) and the resulting changes to IAS 27 and IAS 28.

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 also 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

Buildings	10 to 33 years
Technical equipment and machinery	5 to 15 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 the assets 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 of the contractual rights is lost, when 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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, it is assumed that the underlying transaction on which the price is based takes place in either the principal market or the most advantageous market that the Beiersdorf Group has access to. The price is measured using the assumptions that market participants would base pricing on. All financial instruments recognized at fair value in the financial statements are categorized into the following hierarchy levels in accordance with IFRS 13:

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

Financial instruments regularly measured at fair value are reassessed at the end of the fiscal year to determine whether reclassifications have to be made between the levels of the hierarchy. 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 risks and maturities at the balance sheet date.

Provisions for pensions and other post-employment benefits comprise the provisions for defined benefit plans within the Group. Obligations are measured using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. The actuarial computation of the pension provisions is based on market rates of interest as well as projected wage / salary and pension increases, and staff turnover trends. Measurement is performed using the relevant local inputs. In Germany, the mortality rate was based on Heubeck's 2005 mortality tables, while international rates were based on locally recognized mortality tables. The various discount rates used are based on the yields of high-quality corporate bonds with appropriate maturities and currencies and a minimum of an AA rating. Actuarial reports are prepared annually. All assumptions are reviewed for appropriateness at each reporting date.

The amount recognized as a provision comprises the total present value of the defined benefit obligation less the fair value of plan assets available for immediate settlement of obligations. If the fair value of plan assets exceeds the present value of the defined benefit obligation, net assets are only recognized up to the amount of the asset ceiling.

Past service cost is recognized as a component of EBIT in line with the principle of functional allocation, while net interest income is recognized in the financial result. Actuarial gains and losses resulting from changes in actuarial assumptions and deviations between earlier actuarial assumptions and actual developments, as well as from changes in the return on plan assets, are recognized immediately and in full under retained earnings in consolidated equity. They are not recognized in profit or loss later on, but rather remain in consolidated equity.

In the case of defined contribution plans, contributions are made on a statutory, contractual, or voluntary basis to public or private pension insurance plans. The Group does not have any other payment obligations above and beyond the contributions. The contributions are recognized in profit or loss as a component of EBIT.

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 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 against each other 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) costs
Property, plant, and equipment	(Amortized) costs
Financial assets	
"Loans and receivables" (LaR)	(Amortized) costs
"Held to maturity" (HtM)	(Amortized) costs
"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) costs
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	Projected unit credit method
Other provisions	Settlement amount (best estimate)
Financial liabilities	(Amortized) costs
Trade payables	(Amortized) costs
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 Consumer Business Segment’s Turkish affiliate was reclassified from Western Europe to Africa/Asia/Australia at the start of fiscal year 2013. The information for the previous year has been adjusted accordingly. The external sales shown for the regions are based on the domiciles of the respective companies.

Group companies domiciled in Germany generated sales of €1,285 million in 2013 (previous year: €1,262 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €572 million (previous year: €572 million).

Organic sales growth is the nominal sales growth adjusted for exchange rate effects and structural effects from acquisitions and divestments.

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 €1,286 million (previous year: €1,103 million) consists of gross operating capital less operating liabilities.

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

RECONCILIATION OF NET OPERATING CAPITAL TO BALANCE SHEET ITEMS (IN € MILLION)

Assets	Dec. 31, 2012	Dec. 31, 2013
Intangible assets	185	176
Property, plant, and equipment	685	785
Inventories	734	733
Trade receivables	1,064	1,102
Other receivables and other assets (not including tax receivables)*	174	160
Gross operating capital*	**2,842**	**2,956**
Gross non-operating assets*	2,754	2,842
Total balance sheet assets*	**5,596**	**5,798**

Equity and liabilities	Dec. 31, 2012	Dec. 31, 2013
Other provisions (not including tax provisions)	596	609
Trade payables	1,036	973
Other liabilities (not including tax liabilities)	107	88
Operating liabilities	**1,739**	**1,670**
Equity*	3,143	3,405
Non-operating liabilities*	714	723
Total balance sheet equity and liabilities*	**5,596**	**5,798**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011).
See the disclosures in the section of the notes to the consolidated financial statements entitled "Changes in Accounting Policies."

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 18 German (previous year: 18) and 148 international companies (previous year: 149) 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, three companies that are included in the consolidated financial statements were newly established. In addition, three companies were wound up and one immaterial company was deconsolidated.

Beiersdorf AG's Shareholdings

The following table lists those companies / equity interests in which Beiersdorf AG holds 5% or more of the shares and / or voting rights and which are of more than minor significance for the presentation of the net assets, financial position, and results of operations of Beiersdorf AG.

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
Beiersdorf Customer Supply GmbH	Hamburg	100.00
Beiersdorf Hautpflege GmbH	Hamburg	100.00
Beiersdorf Immo 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
tesa Labtec GmbH	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 CEE Holding GmbH	AT, Vienna	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 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 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 spol. s r.o.	CZ, Prague	100.00
tesa tape s.r.o.	CZ, Prague	100.00
tesa A/S	DK, Birkerød	100.00
Beiersdorf A/S	DK, Copenhagen	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

EUROPE (continued)

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00
Beiersdorf SA	ES, Tres Cantos	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	99.91
tesa s.a.s.	FR, Savigny-le-Temple	100.00
BDF Medical Ltd.	GB, Birmingham	100.00
Beiersdorf UK Ltd.	GB, Birmingham	100.00
La Prairie (UK) Limited	GB, London	100.00
tesa UK Ltd.	GB, Milton Keynes	100.00
Beiersdorf Hellas AE	GR, Gerakas	100.00
tesa tape AE	GR, Gerakas	100.00
Beiersdorf d.o.o.	HR, Zagreb	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
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 Kazakhstan LLP	KZ, Almaty	100.00
Beiersdorf UAB	LT, Vilnius	100.00
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00
Beiersdorf Holding B.V.	NL, Amsterdam	100.00
Beiersdorf NV	NL, Amsterdam	100.00
tesa Western Europe B.V.	NL, Amsterdam	100.00
tesa BV	NL, Hilversum	100.00
Beiersdorf AS	NO, Oslo	100.00
tesa AS	NO, Oslo	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 d.o.o. Beograd	RS, Belgrade	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
Beiersdorf d.o.o.	SI, Ljubljana	100.00
tesa tape posrednisto in trgovina d.o.o.	SI, Ljubljana	100.00
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
Beiersdorf Ukraine LLC	UA, Kiev	100.00

AMERICAS

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 Canada Inc.	CA, Saint-Laurent	100.00
Beiersdorf S.A.	CL, Santiago de Chile	100.00
tesa tape Chile SA	CL, Santiago de Chile	100.00
Beiersdorf S.A.	CO, Bogotá	100.00
tesa Tape Colombia Ltda	CO, Santiago de Cali	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 Centroamérica, S.A.	GT, Guatemala City	100.00
tesa tape Centro America S.A.	GT, Guatemala City	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 México, S.A. de C.V.	MX, Silao	100.00
Beiersdorf Manufacturing México Servicios, S.A. de C.V.	MX, Silao	100.00
BDF Panamá S.A.	PA, Panama City	100.00
HUB LIMITED S.A.	PA, Panama City	100.00
Beiersdorf S.A.C.	PE, Lima	99.81
Beiersdorf S.A.	PY, Asunción	100.00
BDF El Salvador, S.A. de C.V.	SV, San Salvador	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
Beiersdorf S.A.	UY, Montevideo	100.00
Beiersdorf S.A.	VE, Caracas	100.00

AFRICA / ASIA / AUSTRALIA

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Middle East FZCO	AE, Dubai	100.00
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00
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
La Prairie Hong Kong Ltd.	CN, Hong Kong	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 Personal Care (China) Co., Ltd.	CN, Xiantao	100.00
Beiersdorf Ghana Limited	GH, Accra	100.00
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00
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
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
Beiersdorf Korea Ltd.	KR, Seoul	100.00
La Prairie Korea Ltd.	KR, Seoul	100.00
tesa tape Korea Ltd.	KR, Seoul	100.00
Beiersdorf S.A.	MA, Casablanca	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 Philippines Incorporated	PH, Bonifacio Global City	100.00
Beiersdorf Singapore Pte Limited	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 (Thailand) Co., Ltd.	TH, Bangkok	100.00
tesa tape (Thailand) Limited	TH, Bangkok	90.10
Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00

Significant Acquisitions

The Beiersdorf Group did not make any significant acquisitions in the period under review.

In the previous year, Beiersdorf had acquired the remaining 50% of the shares and voting rights in EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.S. (Turkey) – now: NIVEA Beiersdorf Turkey (Turkey). The purchase price amounted to €29 million and the net cash outflow was €25 million. The net assets acquired (€12 million) comprised assets acquired of €21 million and liabilities assumed of €9 million. Since the acquisition was made shortly before the reporting date, a preliminary purchase price allocation was performed as of December 31, 2012. In the course of purchase price allocation in accordance with IFRS 3, an amount of €6 million was recognized for a reacquired exclusive sales right, and goodwill of €30 million was recognized. Purchase price allocation was finalized on June 30, 2013, and did not result in any adjustments in comparison with the preliminary purchase price allocation.

Significant Divestments

The Beiersdorf Group did not make any significant divestments in the period under review.

In the previous year, all shares in tesa Bandfix AG (Switzerland) were sold at a loss of €10 million.

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 2013:

- Beiersdorf Manufacturing Hamburg GmbH, Hamburg
- Beiersdorf Manufacturing Berlin GmbH, Berlin
- Beiersdorf Manufacturing Waldheim 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 mbH, Baden-Baden
- Phanex Handelsgesellschaft mbH, Hamburg

Notes to the Income Statement

01 Sales

Sales amounted to €6,141 million in fiscal year 2013 (previous year: €6,040 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 €2,255 million (previous year: €2,217 million).

03 Marketing and Selling Expenses

Marketing and selling expenses were €2,605 million (previous year: €2,539 million). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €1,495 million (previous year: €1,460 million).

04 General and Administrative Expenses

General and administrative expenses amounted to €312 million in the past fiscal year (previous year: €311 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)

	2012	**2013**
Income from the reversal of provisions	75	75
Gains on disposals of plant and equipment and other assets	23	8
Income from the remeasurement of the share of the capital of NIVEA Beiersdorf Turkey (Turkey) already held	9	–
Miscellaneous other income	75	88
	182	**171**

Income from the reversal of provisions was due among other things to restructuring provisions that are no longer required and to the reassessment of litigation risks and of personnel-related and other provisions. The gains on the disposal of plant and equipment and other assets in the previous year were attributable to the assets reported in fiscal 2011 under the “non-current assets and disposal groups held for sale” item of the balance sheet, and to the sale of properties. Miscellaneous other income includes prior-period income and income from the reversal of valuation allowances on receivables, among other things. In addition, the item includes income in connection with the closure of a tesa production facility in Singapore.

06 Other Operating Expenses

(IN € MILLION)

	2012	2013
Exchange losses on operating activities	59	2
Restructuring expenses	52	24
Amortization and impairment of intangible assets	23	7
Losses on disposal of non-current assets	3	2
Miscellaneous other expenses	161	131
	298	**166**

Exchange losses on operating activities include income of €3 million (previous year: loss of €13 million) representing the net gain on the fair value measurement of derivative financial instruments that was previously recognized in other comprehensive income. Restructuring expenses of €15 million (previous year: €37 million) relate to expenses in connection with the realignment of corporate structures and processes, which was largely attributable to the restructuring of the China business. The prior-year amortization and impairment losses on intangible assets related to 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)

	2012	2013
Interest income	37	23
Interest expense	–9	–6
Net pension result*	–8	–12
Other financial result	–5	–10
	15	**–5**

Interest income primarily results from the “cash and cash equivalents,” “securities,” and “non-current financial assets / securities” positions. The net income from held-to-maturity financial assets contained in this item amounted to €13 million (previous year: €19 million). Interest expense primarily results from financial liabilities. The net pension result contains unwinding of the discount on the net pension benefit that vested in previous years. The other financial result contains currency gains and losses and effects resulting from net income from investments.

08 Income Taxes

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

(IN € MILLION)

	2012	2013
Current income taxes		
Germany	105	110
International	163	165
	268	**275**
Deferred taxes*	**–9**	**–3**
	259	**272**

CALCULATION OF THE EFFECTIVE TAX EXPENSE

Given an effective tax rate of 33.4% (previous year: 36.4%), the effective tax expense is €57 million (previous year: €58 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 26.4% (previous year: 28.3%).

The following table shows the reconciliation of expected to effective tax expense:

EFFECTIVE TAX EXPENSE (IN € MILLION)

	2012	2013
Expected tax expense given a tax rate of 26.4% (previous year: 28.3%*)	201	215
Prior-year taxes	1	–2
Tax deductions due to tax-free income	–3	–3
Tax increase due to non-deductible impairment loss on goodwill	3	–
Tax increases due to other non-deductible expenses	36	47
Tax decreases due to the utilization / recognition of previously unrecognized tax loss carryforwards	–13	–1
Tax increase due to non-recognition of tax loss carryforwards	14	7
Other tax effects	20	9
Effective tax expense	**259**	**272**

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled “Changes in Accounting Policies.”

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €247 million (previous year: €279 million), whose expiration dates are given below.

EXPIRATION DATES OF TAX LOSS CARRYFORWARDS AND UNUSED TAX CREDITS (IN € MILLION)

	Dec. 31, 2012	Dec. 31, 2013
Expiration date within		
1 year	6	24
2 years	20	45
3 years	23	52
more than 3 years	211	106
can be carried forward for an unlimited period	19	20
	279	**247**

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, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013
Non-current assets	32	36	71	68
Inventories	26	24	–	–
Receivables and other current assets	19	12	21	16
Provisions for pensions and other post-employment benefits*	14	6	68	65
Other provisions	36	38	25	24
Liabilities	58	53	1	2
Retained earnings	–	–	12	13
Loss carryforwards	20	18	–	–
	205	**187**	**198**	**188**
Offset deferred taxes*	–72	–54	–72	–54
Deferred taxes recognized in the balance sheet*	**133**	**133**	**126**	**134**

The deferred taxes recognized in the balance sheet include a cumulative amount of €62 million (previous year: €64 million) recognized as an increase in equity in other comprehensive income. This resulted from income of €68 million (previous year: €65 million*) from the remeasurement of defined benefit obligations, an expense of €2 million (previous year: €1 million) from the fair value measurement of cash flow hedges, and an expense of €4 million (previous year: insignificant) from the fair value measurement of available-for-sale financial assets. Consequently, deferred taxes in the amount of €-2 million (previous year: €61 million) were recognized in other comprehensive income in the fiscal year.

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, their tax consequences are deferred accordingly. The liability is calculated based on the withholding tax rates applicable in each case, taking into account the German tax rate applicable to distributed corporate dividends, where appropriate. Deferred tax liabilities of €13 million (previous year: €12 million) were recognized for this in the year under review.

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 2013 amounted to €2.35 (previous year: €1.96*). 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.

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies."

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, 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 / Opening balance Jan. 1, 2013	**390**	**151**	**249**	**790**
Currency translation adjustment	–4	–	–10	–14
Additions	10	–	–	10
Disposals	–24	–	–	–24
Transfers	1	–	–	1
Closing balance Dec. 31, 2013	**373**	**151**	**239**	**763**

AMORTIZATION / IMPAIRMENT LOSSES (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
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 / Opening balance Jan. 1, 2013	**359**	**63**	**183**	**605**
Currency translation adjustment	–1	–	–7	–8
Additions	14	–	–	14
Disposals	–24	–	–	–24
Transfers	–	–	–	–
Closing balance Dec. 31, 2013	**348**	**63**	**176**	**587**

CARRYING AMOUNTS (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2012	**31**	**88**	**66**	**185**
Dec. 31, 2013	**25**	**88**	**63**	**176**

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 have been recognized with an indefinite useful life since it is planned to continue using them for an unlimited period.

The annual impairment test did not result in an adjustment to the carrying amount of these brands, which amounted to €88 million (previous year: €88 million).

The value of the Beiersdorf Hair Care brands was calculated on the basis of fair value less costs to sell derived from the relief from royalty method, which was higher than the corresponding value in use. Costs to sell were assumed to be 1.0% of the brand value (previous year: 1.0%). The calculation was based on a discount rate of 9.6% (previous year: 9.7%), a royalty rate of 4.0% (previous year: 4.0%) 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 the assumptions used in the calculation, it may be necessary to charge impairment losses or reversals of impairment losses on Beiersdorf Hair Care China's trademarks in the future.

GOODWILL

The carrying amounts of goodwill decreased by €3 million compared with the previous year to €63 million (previous year: €66 million).

Goodwill primarily comprises the goodwill of €48 million (previous year: €48 million) attributable to Beiersdorf AG (Switzerland) and the goodwill of €12 million (previous year: €15 million) attributable to NIVEA Beiersdorf Turkey (Turkey). 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 synergy effects of 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 NIVEA Beiersdorf Turkey (Turkey). Expected costs to sell were assumed to be 1.0% of the fair value (previous year: 1.0%). 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 of nine years for NIVEA Beiersdorf Turkey (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 6.6% (previous year: 4.9%). In the case of NIVEA Beiersdorf Turkey (Turkey), a growth rate outside the planning horizon (growth discount) of 2.0% (previous year: 2.0%) and a discount rate after tax of 13.7% (previous year: 13.4%) were assumed. Based on the inputs to the valuation techniques used, the fair value measurement was classified as a Level 3 fair value in accordance with IFRS 13.

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 tests performed on the goodwill allocated to Beiersdorf AG (Switzerland) and NIVEA Beiersdorf Turkey (Turkey) did not reveal any evidence of impairment. In the case of both cash-generating units, 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.

As in the previous year, no internally generated intangible assets were recognized in the fiscal year under review, since the conditions for recognition set out in 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, 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 / Opening balance Jan. 1, 2013	**681**	**762**	**512**	**65**	**2,020**
Currency translation adjustment	–9	–9	–11	–5	–34
Additions	10	29	44	134	217
Disposals	–28	–39	–51	–5	–123
Transfers	–	15	12	–29	–2
Closing balance Dec. 31, 2013	**654**	**758**	**506**	**160**	**2,078**

DEPRECIATION / IMPAIRMENT LOSS (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, 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 / Opening balance Jan. 1, 2013	**367**	**568**	**397**	**3**	**1,335**
Currency translation adjustment	–4	–6	–9	–1	–20
Additions	20	34	40	–2	92
Disposals	–27	–38	–49	–	–114
Transfers	–	–	–	–	–
Closing balance Dec. 31, 2013	**356**	**558**	**379**	**–**	**1,293**

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, 2012	**314**	**194**	**115**	**62**	**685**
Dec. 31, 2013	**298**	**200**	**127**	**160**	**785**

The carrying amounts of property, plant, and equipment amounted to €785 million (previous year: €685 million). Investments in property, plant, and equipment totaled €217 million (previous year: €186 million). In the prior year, €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 previously leased as offices. Depreciation and impairment losses amounted to €92 million (previous year: €122 million).

13 Inventories

(IN € MILLION)

	Dec. 31, 2012	**Dec. 31, 2013**
Raw material, consumables, and supplies	137	150
Work in progress	45	50
Finished goods and merchandise	538	525
Advance payments	14	8
	734	**733**

Inventories decreased by €1 million compared with the previous year to €733 million, €111 million of which (previous year: €101 million) was carried at net realizable value. Write-downs of inventories amounted to €58 million as of the reporting date (previous year: €68 million).

14 Trade Receivables

(IN € MILLION)

	Dec. 31, 2012	**Dec. 31, 2013**
Carrying amount	**1,064**	**1,102**
Of which neither individually impaired nor past due	897	982
Of which past due but not individually impaired	87	105
1 to 30 days	78	81
31 to 60 days	9	6
61 to 90 days	–	2
91 to 120 days	–	4
more than 120 days	–	12

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:

CHANGES IN SPECIFIC VALUATION ALLOWANCES (IN € MILLION)

	2012	**2013**
as of Jan. 1	**17**	**14**
Currency translation adjustment	–	1
Additions	7	11
Utilized	–1	–1
Reversals	–9	–5
as of Dec. 31	**14**	**20**

15 Securities

In total, the Beiersdorf Group holds €1,585 million (previous year: €1,622 million) in government and corporate bonds, commercial paper, near-money market retail funds, and equity funds. All bonds are listed. Securities with a carrying amount of €791 million (previous year: €926 million) are expected to be realized within 12 months after the reporting date; securities with a carrying amount of €794 million (previous year: €696 million) are expected to be realized more than 12 months after the reporting date. The majority of the government and corporate bonds and commercial paper are assigned to the “held to maturity” (HtM) category, while the near-money market retail funds, the equity funds, and certain government bonds are assigned to the “available for sale” (AfS) category. Please refer to Note 29 “Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments.”

16 Cash and Cash Equivalents

(IN € MILLION)

	Dec. 31, 2012	**Dec. 31, 2013**
Cash	757	880
Cash equivalents	77	104
	834	**984**

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 Capital Management Disclosures

The Beiersdorf Group aims to sustainably secure its capital base and generate an appropriate return on its invested capital. As of December 31, 2013, the equity ratio was 59% (previous year: 56%*), while the EBIT return on average net operating capital was 64% (previous year: 63%*). The total dividends distributed in fiscal year 2013 amounted to €165 million (previous year: €167 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).

18 Share Capital

The share capital amounts to €252 million (previous year: €252 million) and is composed of 252 million no-par value bearer shares, each with a equal share of the company’s share capital. Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf Aktiengesellschaft has held 25,181,016 no-par-value bearer shares, corresponding to 9.99% of the company’s share capital.

19 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 mil-

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled “Changes in Accounting Policies.”

lion) 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.

20 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. In accordance with the resolution by the Annual General Meeting, the contingent capital increase will be implemented only if:

1. The holders or creditors of conversion and / or 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.

21 Additional Paid-in Capital

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

22 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. In addition, this item contains the actuarial gains and losses on remeasurements of defined benefit pension plans. The retained earnings are reduced by the cost of the 25,181,016 treasury shares held by Beiersdorf AG amounting to €955 million.

23 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.

DIFFERENCE 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 €3 million (previous year: €2 million), and changes in the fair value of available-for-sale financial instruments in the amount of €10 million (previous year: immaterial changes), which are recognized in other comprehensive income after deduction of deferred taxes.

24 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).

25 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 18, 2013, a dividend of €0.70 per share carrying dividend rights was distributed in 2013 from the net retained profits for fiscal year 2012.

26 Provisions for Pensions and Other Post-employment Benefits*

Group companies provide retirement benefits under both defined contribution and defined benefit plans. With the exception of the net interest income, the defined benefit and defined contribution expenses are included in the costs of the respective functions. Unwinding of the discount on the net pension benefit that vested in previous years is reported in the financial result.

Defined contribution expenses also contain contributions to statutory or state pension insurance funds. There was no material income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review.

PENSION BENEFIT EXPENSES (IN € MILLION)

	2012			**2013**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Current service cost	15	8	23	23	8	31
Past service cost	–	–1	–1	–	–	–
Defined benefit expenses (EBIT)	**15**	**7**	**22**	**23**	**8**	**31**
Net interest income attributable to defined benefit plans (pension expense (+) / pension income (–))	**7**	**1**	**8**	**11**	**1**	**12**
Total expenses for defined benefit plans	**22**	**8**	**30**	**34**	**9**	**43**
Defined contribution expense (EBIT)	30	18	48	29	18	47
Total pension benefit expense	**52**	**26**	**78**	**63**	**27**	**90**

DEFINED BENEFIT PENSION 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 the employees' length of service, salary, and status, as well as their own contributions. The largest plans are to be found at the German companies.

International defined benefit plans are largely spread across the following countries: the Netherlands, the United Kingdom, Switzerland, and the USA. The present value of the defined benefit obligations and the balance sheet provisions were attributable to Germany and the other countries as follows as of the reporting date:

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

	Dec. 31, 2012			**Dec. 31, 2013**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Present value of defined benefit obligations	986	237	1,223	1,026	229	1,255
Fair value of plan assets	–646	–202	–848	–663	–214	–877
Net obligation	**340**	**35**	**375**	**363**	**15**	**378**
Amounts not recognized due to asset ceiling	–	–	–	–	–	–
Other recognized amounts	–	6	6	–	10	10
Recognized provisions for pensions and other post-employment benefits	**340**	**41**	**381**	**363**	**25**	**388**

A majority of the defined benefit obligations within the Beiersdorf Group relate to employees in Germany. These are primarily obligations in relation to retirement pensions, disability pensions, and surviving dependents' pensions granted as a supplement to the statutory pension insurance. Pension commitments in Germany largely consist of direct and indirect commitments by Beiersdorf AG and direct commitments by tesa SE. The benefits depend on the employees' length of service and their average salary over the three years immediately preceding the date on which the pension becomes payable. The pension payments to the beneficiaries are adjusted for inflation by at least 1% per annum; this is performed annually in some cases or at the latest every three years.

Defined benefit obligations are funded exclusively by employer payments. Although there is no minimum funding requirement in Germany, both Beiersdorf AG and tesa SE have transferred plan assets to a separate entity. In addition, the benefit plans are protected against the consequences of insolvency in accordance with the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (*BetrAVG*, German Occupational Pensions Improvement Act); annual contributions are made to the *Pensions-Sicherungs-Verein* (German Pension Protection Fund) for this.

Beiersdorf AG has transferred plan assets to an entity with the legal form of a foundation (TROMA Alters- und Hinterbliebenenstiftung, Hamburg). The board of trustees of the foundation is composed of representatives of the company and of the Works Council. The board of trustees delegates the setting and implementation of the investment strategy to an investment committee and reviews it at regular intervals. The investment committee also consists of company representatives and members of the Works Council.

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See the disclosures in the section entitled "Changes in Accounting Policies."

tesa SE's plan assets are invested and managed by an independent trustee via a contractual trust agreement (CTA). An investment committee consisting of representatives of the company and of the Works Council sets the investment strategy. Portfolio performance and the current situation are analyzed at regular intervals and, where necessary, the investment strategy is amended to reflect changed conditions.

To mitigate the risk of changes in capital market conditions and demographic developments, the old pension plans were closed to tesa employees in 2005 and to Beiersdorf employees in 2008. Employees joining the companies after this date can join employee-financed benefit plans. Under these plans, they can save part of their pensionable pay and also receive an employer contribution. The plan assets are invested and managed by independent trustees via a contractual trust agreement (CTA). The employer guarantees a minimum return on contributions of 3.25% per annum until retirement. The pension can be paid in the form of an annuity or as a lump sum.

The expenses for defined benefit plans and the present value of pension commitments are determined on the basis of actuarial calculations.

Measurement is based on the following assumptions:

ACTUARIAL ASSUMPTIONS (IN %)

	2012		**2013**	
	Germany	Other countries	**Germany**	**Other countries**
Discount rates	3.50	3.46	3.50	3.53
Projected wage and salary growth	3.38	2.70	3.49	2.75
Projected pension growth	1.75	1.56	2.01	2.00
Projected staff turnover	2.98	8.38	2.12	8.54

The figures given are averages. The local parameters were weighted using the present values of the relevant defined benefit obligations.

During the period under review, the present value of the defined benefit obligations changed as follows:

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

	2012			**2013**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Present value of defined benefit obligations, opening balance	752	225	977	986	237	1,223
Current service cost	15	8	23	23	8	31
Net interest expense	39	9	48	34	8	42
Actuarial gains (–) and losses (+)	215	35	250	18	–10	8
of which experience adjustments	–2	2	–	–3	–1	–4
of which due to changes in financial assumptions	217	31	248	21	–9	12
of which due to changes in demographic assumptions	–	2	2	–	–	–
Contributions by plan participants	4	2	6	5	1	6
Pension benefits paid	–39	–14	–53	–40	–8	–48
Currency translation adjustment	–	–	–	–	–6	–6
Other changes	–	–28	–28	–	–1	–1
Present value of defined benefit obligations, closing balance	**986**	**237**	**1,223**	**1,026**	**229**	**1,255**

The funded status of the present value of the Group's defined benefit obligations as of the reporting date was as follows:

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

	Dec. 31, 2012			**Dec. 31, 2013**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Partly or wholly funded defined benefit obligations	979	215	1,194	1,019	216	1,235
Unfunded defined benefit obligations	7	22	29	7	13	20
Present value of defined benefit obligations	**986**	**237**	**1,223**	**1,026**	**229**	**1,255**

The change in plan assets during the period under review was as follows:

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

	2012			2013		
	Germany	Other countries	Group	Germany	Other countries	Group
Fair value of plan assets, opening balance	598	211	809	646	202	848
Return on plan assets	32	8	40	23	7	30
Actuarial gains (+) and losses (–)	19	8	27	–7	7	–
Actual return on plan assets	**51**	**16**	**67**	**16**	**14**	**30**
Employer contribution	2	9	11	6	8	14
Contributions by plan participants	3	2	5	3	2	5
Pension benefits paid	–8	–12	–20	–8	–7	–15
Currency translation adjustment	–	1	1	–	–5	–5
Other changes	–	–25	–25	–	–	–
Fair value of plan assets, closing balance	**646**	**202**	**848**	**663**	**214**	**877**

In fiscal year 2014, employer additions to plan assets are expected to amount to €11 million. The breakdown of the plan assets as of the reporting date was as follows:

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

	Dec. 31, 2012			Dec. 31, 2013		
	Germany	Other countries	Group	Germany	Other countries	Group
Equity instruments	148	71	219	158	65	223
Debt instruments	462	106	568	368	117	485
Real estate	10	11	21	41	15	56
Cash and cash equivalents	26	8	34	94	5	99
Other	–	6	6	2	12	14
Fair value of plan assets	**646**	**202**	**848**	**663**	**214**	**877**

The plan assets serve exclusively to meet the benefit obligations. The funding provided for these benefit obligations represents a provision for future cash outflows. The overarching investment policy and investment strategy are based on the goal of generating a return on plan assets in the medium term which, taken together with the contributions, is sufficient to meet the pension obligations. The plan assets are invested in a variety of different asset classes so as to avoid risk clusters.

The equity instruments comprise investments in equity funds and direct investments. In general, these have quoted market prices in a liquid market. Passive index tracker equities funds may contain a limited number of Beiersdorf shares. No Beiersdorf shares are held directly. Of the equity instruments in Germany, 73% are attributable to the saturated markets and 27% to the emerging markets.

Debt instruments may comprise investments in funds and direct investments in bonds. In general, these have quoted market prices in a liquid market. In Germany 34% are attributable to corporate bonds and 66% to government bonds.

The real estate consists of residential and commercial properties. Investments can take the form of both investments in listed real estate funds and directly held properties. Directly held properties are valued annually using expert appraisals. The portfolio did not include any owner-occupied buildings as of the reporting date.

Cash and cash equivalents comprise both cash at banks and units in money market funds.

The following overview provides a breakdown of the weighted average duration of the present values of the defined benefit obligations and a maturity analysis of expected pension payments.

DURATION AND MATURITY ANALYSIS

	Dec. 31, 2013		
	Germany	Other countries	Group
Duration of the present value of the pension obligations (in years)	**16**	**17**	**16**
Maturity analysis of the expected pension payments (in € million)			
up to 1 year	41	7	48
more than 1 and up to 2 years	43	7	50
more than 2 and up to 5 years	133	22	155
more than 5 and up to 10 years	242	46	288

The following sensitivity analysis shows the effect of individual changes in assumptions on the present value of the defined benefit obligations.

SENSITIVITY OF THE DEFINED BENEFIT OBLIGATIONS (IN € MILLION)

Change in present value of defined benefit obligations

	Dec. 31, 2013		
	Germany	Other countries	Group
Discount rate			
+0,50%	–75	–17	–92
–0,50%	85	19	104
Projected wage and salary growth			
+0,25%	4	2	6
–0,25%	–4	–2	–6
Projected pension growth			
+0,25%	24	4	28
–0,25%	–23	–3	–26
Projected staff turnover			
+0,25%	–1	–	–1
–0,25%	1	–	1
Life expectancy			
Increase of one year	39	4	43
Decrease of one year	–37	–4	–41

The sensitivity analysis is based on realistic potential changes as of the end of the year under review. It was performed using a methodology that extrapolates the effect of realistic changes in the key assumptions at the end of the year under review on the defined benefit obligation. Each change in the key actuarial assumptions was analyzed separately. No interdependencies were taken into account.

27 Other Providers

(IN € MILLION)

	Personnel expenses	Marketing and selling expenses	Restructuring	Miscellaneous	Total
Opening balance Jan. 1, 2013	**174**	**119**	**39**	**264**	**596**
Of which non-current	36	1	–	53	90
Currency translation adjustment	–4	–11	–	–13	–28
Additions	118	121	10	134	383
Utilized	106	81	27	53	267
Reversals	13	11	5	46	75
Closing balance Dec. 31, 2013	**169**	**137**	**17**	**286**	**609**
Of which non-current	37	1	–	44	82

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 miscellaneous other provisions include provisions for litigation risks, among other things.

28 Liabilities

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

NON-CURRENT LIABILITIES (IN € MILLION)

2012	Non-current financial liabilities	Other non-current liabilities	Total
Contractual maturities			
2014–2017	10	1	11
After 2017	1	3	4
Carrying amount Dec. 31, 2012	**11**	**4**	**15**
2013			
Contractual maturities			
2015–2018	5	1	6
After 2018	1	2	3
Carrying amount Dec. 31, 2013	**5**	**3**	**8**

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

The following table gives a breakdown of current liabilities:

CURRENT LIABILITIES (IN € MILLION)

	Dec. 31, 2012	Dec. 31, 2013
Trade payables (OFL)	**1,036**	**973**
Other current financial liabilities	**91**	**104**
Other financial liabilities (OFL)	77	94
Negative fair value of derivatives (DFI)	14	10
Other current liabilities	**103**	**90**
Other tax liabilities	76	71
Social security liabilities	12	11
Advance payments received	15	8
	1,230	**1,167**

Other financial liabilities primarily relate to short-term bank loans amounting to €40 million (previous year: €21 million) as well as other financial obligations in the amount of €54 million (previous year: €56 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.

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

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

(IN € MILLION)

2012	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)	*2,013*	*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*
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*

2013	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)	*2,176*	*2,176*	–	–	*2,176*
Non-current financial assets	7	7	–	–	7
Trade receivables	1,102	1,102	–	–	1,102
Other current financial assets	83	83	–	–	83
Cash and cash equivalents	984	984	–	–	984
Available-for-sale financial assets (AfS)	*304*	*3*	*301*	–	*304*
Non-current financial assets	3	3	–	–	3
Securities	301	–	301	–	301
Held-to-maturity financial investments (HtM)	*1,284*	*1,284*	–	–	*1,286*
Securities	1,284	1,284	–	–	1,286
Derivative financial instruments used for hedges (DFI)	*13*	–	*10*	*3*	*13*
Liabilities					
Other financial liabilities (OFL)	*1,072*	*1,072*	–	–	*1,072*
Non-current financial liabilities	5	5	–	–	5
Trade payables	973	973	–	–	973
Other current financial liabilities	94	94	–	–	94
Derivative financial instruments used for hedges (DFI)	*7*	–	*5*	*2*	*7*
Derivative financial instruments not included in a hedging relationship (FVPL)	*3*	–	–	*3*	*3*

The following overview shows the IFRS 13 fair value hierarchy levels used to classify financial instruments that are measured at fair value on a recurring basis.

(IN € MILLION)

	Fair value hierarchy under IFRS 13			
Dec. 31, 2012	Level 1	Level 2	Level 3	**Total**
Assets				
Available-for-sale financial assets (AfS)	*85*	–	–	*85*
Securities	85	–	–	85
Derivative financial instruments used for hedges (DFI)	–	*11*	–	*11*
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	*7*	–	*7*
Derivative financial instruments not included in a hedging relationship (FVPL)	–	*7*	–	*7*
Dec. 31, 2013				
Assets				
Available-for-sale financial assets (AfS)	*301*	–	–	*301*
Securities	301	–	–	301
Derivative financial instruments used for hedges (DFI)	–	*13*	–	*13*
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	*7*	–	*7*
Derivative financial instruments not included in a hedging relationship (FVPL)	–	*3*	–	*3*

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

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

No transfers between hierarchy levels took place in the fiscal year.

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

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. Consequently, the Beiersdorf Group 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, the Beiersdorf Group 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 generally 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, the Beiersdorf Group 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. Consequently, the Beiersdorf Group is primarily only exposed to currency risk arising from currency forwards which are designated 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: €–3 million), and their notional value was €793 million (previous year: €950 million). €767 million (previous year: €923 million) of the forward contracts have a remaining maturity of up to one year, and €26 million (previous year: €27 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, 2013, the hedging reserves in equity and the fair values of the currency forwards would have increased by €28 million (previous year: €31 million) and profit would have decreased by €7 million (previous year: €7 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 €34 million (previous year: €38 million) and profit would have increased by €9 million (previous year: €9 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 four 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 €10 million (previous year: €8 million) and accumulated other comprehensive income would have been €0 million (previous year: €1 million) higher (lower).

DEFAULT RISK

The Beiersdorf Group 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 €3,777 million as of December 31, 2013 (previous year: €3,648 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, the Beiersdorf Group 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

30 Contigent Liabilities, Other Financial Obligations, and Legal Risks

(IN € MILLION)

	Dec. 31, 2012	Dec. 31, 2013
Contingent liabilities		
Liabilities under guarantees	2	22
Other financial obligations		
Obligations under rental and lease agreements:	90	78
– due within the next year	26	27
– due in 1 to 5 years	47	45
– due after more than 5 years	17	6
Obligations under purchase commitments:	173	338
– due within the next year	117	177
– due in 1 to 5 years	56	161

The aggregate nominal amount of the other financial obligations was €416 million (previous year: €263 million).

The state of São Paulo is demanding retroactive tax payments of approximately €130 million from our Consumer Business Segment's 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. The authorities reached final decisions on two proceedings in 2013 and the remaining decisions are expected to be made in 2014. One case has already been transferred to financial court proceedings; the others are expected to follow in 2014. Guarantees in the amount of the dispute must be furnished in order to initiate financial court proceedings. The court can also demand a surcharge of 20% of the value of the dispute. Further retroactive tax payments notices of a similar amount are expected for the years 2010 to 2013. We do not consider utilization to be probable in any of these cases. The Brazilian courts are not expected to reach a final decision for a number of years.

Along with other companies, the Consumer Business Segment's affiliates in Belgium and France are involved in antitrust proceedings relating to cosmetics products on a national level. The statements of objection have now been issued. 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.

31 Employees and Personnel Expenses

The breakdown of employees by function is as follows:

EMPLOYEES (AS OF DEC. 31)

	2012	2013
Production	4,936	4,899
Marketing and sales	7,556	7,614
Other functions	4,113	4,195
	16,605	**16,708**

AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

	2012	2013
Production	4,977	4,859
Marketing and sales	7,828	7,580
Other functions	4,158	4,134
	16,963	**16,573**

A breakdown of employees by Beiersdorf Group segment can be found in the segment reporting. Personnel expenses amounted to €1,025 million (previous year: €981 million).

32 Auditor's Fees

The Annual General Meeting on April 18, 2013 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the auditors of Beiersdorf AG and the Beiersdorf Group for fiscal year 2013.

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)

	2012	2013
Audit services	1,230	1,403
Other assurance services	195	7
Tax advisory services	137	164
	1,562	**1,574**

33 Declaration of Compliance with the German Corporate Governance Code

In December 2013, 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 2013 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

34 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.

35 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 2013, the members of the Supervisory Board received remuneration totaling €1,332 thousand (previous year: €1,393 thousand) and the members of the Executive Board received remuneration totaling €5,804 thousand (previous year: €7,153 thousand). €1,447 thousand (previous year: €1,714 thousand) of total Executive Board remuneration relates to long-term benefits. Additions to benefits based on enterprise value performance amounted to €2,828 thousand (previous year: €2,874 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 €2,324 thousand (previous year: €2,474 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,797 thousand (previous year: €37,463 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.

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) *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 2013, 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:

- As of the balance sheet date, Beiersdorf AG and tesa SE held maxingvest ag bonds in the amount of €26 million (previous year: €16 million), which were purchased on the capital market.
- In the previous year, 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.
- In the previous year, tesa SE sold a logistics location to a company affiliated with maxingvest ag for €9.5 million in an arm's-length transaction.

37 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, 2014):*

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 setting out in detail the disclosure, notification, and announcement duties as well as the duty to maintain 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 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 Beteiligungs-gesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Ingeburg Herz GbR (disclosed on May 31, 2013, that it held 0% (0 voting rights))	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
maxingvest ag (trading under the name of Tchibo Holding AG until September 12, 2007)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

* The following parties have since disclosed that they hold 0% (0 voting rights): EH Real Grundstücksgesellschaft mbH & Co. KG (Norderstedt, Germany); Agneta Peleback-Herz (Germany); Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (Hamburg, Germany); Coro Vermögensverwaltungsgesellschaft mbH (Hamburg, Germany).

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) of 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% of the voting rights in Beiersdorf Aktiengesellschaft (50,780,072 voting rights) 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.

a) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on September 30, 2013, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on September 26, 2013, and amounted to 3.01% (corresponding to 7,592,586 voting rights) on that date. 3.01% of the voting rights (corresponding to 7,592,586 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

b) In accordance with § 21 (1) *WpHG*, BlackRock Financial Management, Inc., New York, NY, USA, informed us on November 12, 2013, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on November 8, 2013, and amounted to 3.01% (corresponding to 7,581,707 voting rights) on that date. 3.01% of the voting rights (corresponding to 7,581,707 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

c) In accordance with § 21 (1) *WpHG*, BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on November 12, 2013, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on November 8, 2013, and amounted to 3.01% (corresponding to 7,581,707 voting rights) on that date. 3.01% of the voting rights (corresponding to 7,581,707 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

d) In accordance with § 21 (1) *WpHG*, BlackRock Financial Management, Inc., New York, NY, USA, informed us on January 3, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on December 30, 2013, and amounted to 2.9997% (corresponding to 7,559,158 voting rights) on that date. 2.9997% of the voting rights (corresponding to 7,559,158 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

e) In accordance with § 21 (1) *WpHG*, BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on January 3, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on December 30, 2013, and amounted to 2.9997% (corresponding to 7,559,158 voting rights) on that date. 2.9997% of the voting rights (corresponding to 7,559,158 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

f) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on January 10, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on January 8, 2014, and amounted to 2.99% (corresponding to 7,523,377 voting rights) on that date. 2.99% of the voting rights (corresponding to 7,523,377 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

g) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on January 17, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on January 15, 2014, and amounted to 3.02% (corresponding to 7,611,419 voting rights) on that date. 3.02% of the voting rights (corresponding to 7,611,419 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

h) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on January 21, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on January 17, 2014, and amounted to 2.94% (corresponding to 7,421,310 voting rights) on that date. 2.94% of the voting rights (corresponding to 7,421,310 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

i) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on February 4, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on January 31, 2014, and amounted to 3.02% (corresponding to 7,610,043 voting rights) on that date. 3.02% of the voting rights (corresponding to 7,610,043 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

3. In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 *WpHG* (former version), Beiersdorf Aktiengesellschaft 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

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod	Hamburg	Manager Regulatory Affairs / Quality Management, Beiersdorf AG	
Prof. Dr. Eva Eberhartinger*	Vienna / Austria	University Professor, Vienna University of Economics and Business	Deputy Chairwoman of the Supervisory Board: – Österreichische Bundesfinanzierungsagentur GmbH, Austria (from May 6, 2013)
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	Copenhagen / Denmark	Business Manager, Nescafé Dolce Gusto Nordics, Nestlé S.A.	
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
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer P+P Pöllath + Partners, Munich	Chairman of the Supervisory Board: – maxingvest ag Member of the Supervisory Board: – Tchibo GmbH – Wanzl GmbH & Co. Holding KG
Thomas-B. Quaas	Hamburg	Businessman	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG, Hamburg Member of the Supervisory Board: – La Prairie Group AG, Switzerland, (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)	– **Prof. Dr. Eva Eberhartinger** (Chairwoman)	– **Thomas Holzgreve** (Chairman)	– **Prof. Dr. Reinhard Pöllath** (Chairman)	– **Prof. Dr. Reinhard Pöllath** (Chairman)
– **Michael Herz**	– **Dr. Andreas Albrod**	– **Dr. Andreas Albrod**	– **Prof. Dr. Eva Eberhartinger**	– **Elke Gabriel**
– **Thomas Holzgreve**	– **Thomas Holzgreve**	– **Prof. Dr. Eva Eberhartinger**	– **Thomas Holzgreve**	– **Thomas Holzgreve**
– **Thorsten Irtz**	– **Prof. Dr. Reinhard Pöllath**	– **Prof. Dr. Reinhard Pöllath**	– **Dr. Dr. Christine Martel**	– **Thorsten Irtz**
	– **Volker Schopnie**	– **Volker Schopnie**		

EXECUTIVE BOARD*

Name	Function / Responsibilities		Memberships
Stefan F. Heidenreich	Chairman of the Executive Board	Corporate Development / Corporate Communication / Internal Audit / Sustainability Japan, La Prairie Group Europe / North America (from August 1, 2013 acting) Northeast and Southeast Asia, Australia (acting) Africa, Middle East, India, Turkey, Russia, Ukraine, CIS (acting)	Member of the Supervisory Board: – Coca-Cola HBC AG, Switzerland (from June 19, 2013)
Peter Feld (until July 31, 2013)	Developed Markets	Europe / North America	
Ralph Gusko	Consumer Brands, Pharmacy and R&D	Brand Management Consumer / Pharmacy / Research & Development	
Dr. Ulrich Schmidt	Finance, Supply Chain and Human Resources	Finance / Controlling / Legal / IT / Purchasing / Production / Logistics / Quality Assurance / Human Resources – Labor Relations Director – Latin America (acting)	**

* 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, 2014
Beiersdorf AG
The Executive Board

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, 2013. 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 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, 2014
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

LUDWIG
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, 2014

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

6. ADDITIONAL INFORMATION

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

INCOME STATEMENT – BEIERSDORF AG (IN € MILLION)

	2012	2013
Sales	**1,077**	**1,088**
Other operating income	110	107
Cost of materials	–260	–268
Personnel expenses	–200	–232
Depreciation and amortization of property, plant, and equipment, and intangible assets	–42	–24
Other operating expenses	–553	–541
Operating result	**132**	**130**
Financial result	254	431
Result from ordinary activities	**386**	**561**
Extraordinary result	**–6**	**2**
Income taxes	–76	–74
Profit after tax	**304**	**489**

BALANCE SHEET – BEIERSDORF AG (IN € MILLION)

Assets	Dec. 31, 2012	Dec. 31, 2013
Intangible assets	49	34
Property, plant, and equipment	94	97
Financial assets	1,489	1,579
Non-current assets	**1,632**	**1,710**
Inventories	2	3
Receivables and other assets	434	432
Securities	1,583	1,540
Cash and cash equivalents	81	258
Current assets	**2,100**	**2,233**
Prepaid expenses	**3**	**3**
Excess of plan assets over post-employment benefit liability	**3**	**6**
	3,738	**3,952**

Equity and liabilities	Dec. 31, 2012	Dec. 31, 2013
Equity	**1,703**	**2,033**
Provisions for pensions and other post-employment benefits	414	441
Other provisions	243	198
Provisions	**657**	**639**
Trade payables	52	47
Other liabilities	1,318	1,231
Liabilities	**1,370**	**1,278**
Deferred tax liabilities	**8**	**2**
	3,738	**3,952**

* 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 the management report of Beiersdorf AG are also available online at WWW.BEIERSDORF.COM.

Ten-year Overview

(IN € MILLION)
(unless otherwise stated)

		2004	2005	2006[1]	2007[1]	2008[1]	2009[1]	2010[1/3]	2011[1]	2012[1]	2013[1]
Sales		**4,546**	**4,776**	**5,120**	**5,507**	**5,971**	**5,748**	**5,571**	**5,633**	**6,040**	**6,141**
Change against prior year (nominal)	(in %)	2.5	5.1	7.2	7.6	8.4	–3.7	7.8	1.1	7.2	1.7
Consumer		3,840	4,041	4,327	4,661	5,125	5,011	4,698	4,696	5,048	5,103
tesa		706	735	793	846	846	737	873	937	992	1,038
Europe[5]		3,388	3,498	3,717	3,909	4,090	3,767	3,450	3,414	3,417	3,390
Americas		635	687	738	782	832	851	932	993	1,149	1,092
Africa / Asia / Australia[5]		523	591	665	816	1,049	1,130	1,189	1,226	1,474	1,659
EBITDA		**656**	**693**	**660**	**738**	**911**	**722**	**804**	**704**	**850**	**926**
Operating result (EBIT)		**483**	**531**	**477**	**616**	**797**	**587**	**583**	**431**	**698**	**820**
Profit before tax[4]		**492**	**535**	**851**	**644**	**822**	**583**	**553**	**440**	**713**	**815**
Profit after tax[4]		**302**	**335**	**668**	**442**	**567**	**380**	**326**	**259**	**454**	**543**
Return on sales after tax	(in %)	6.6	7.0	13.0	8.0	9.5	6.6	5.9	4.6	7.5	8.8
Earnings per share[4]	(in €)	1.29	1.45	2.93	1.93	2.48	1.65	1.40	1.10	1.96	2.35
Total dividend – equity holders		121	129	136	159	204	159	159	159	159	159
Dividend per share	(in €)	0.53	0.57	0.60	0.70	0.90	0.70	0.70	0.70	0.70	0.70
Beiersdorf's shares – year-end closing price[2]		**28.53**	**34.64**	**49.12**	**53.00**	**42.00**	**45.93**	**41.53**	**43.82**	**61.88**	**73.64**
Market capitalization as of Dec. 31		7,190	8,736	12,378	13,356	10,584	11,574	10,466	11,043	15,594	18,557
Research and development expenses		**101**	**109**	**118**	**127**	**149**	**149**	**152**	**163**	**159**	**154**
as % of sales		2.2	2.3	2.3	2.3	2.5	2.6	2.7	2.9	2.6	2.5
Employees as of Dec. 31		**16,492**	**16,769**	**17,172**	**21,101**	**21,766**	**20,346**	**19,128**	**17,666**	**16,605**	**16,708**
Intangible assets		58	34	30	357	398	382	306	172	185	176
Property, plant, and equipment		887	882	740	699	727	725	716	635	685	785
Non-current financial assets		93	5	8	7	11	10	438	686	712	804
Inventories		558	536	548	598	634	561	632	699	734	733
Receivables and other assets[4]		815	967	940	1,123	2,085	2,149	2,030	2,142	2,446	2,316
Cash and cash equivalents		290	483	1,230	1,117	613	767	973	941	834	984
Equity[4]		**1,033**	**1,293**	**1,790**	**2,070**	**2,460**	**2,636**	**2,920**	**3,016**	**3,143**	**3,405**
Liabilities[4]		**1,668**	**1,614**	**1,706**	**1,831**	**2,008**	**1,958**	**2,175**	**2,259**	**2,453**	**2,393**
Provisions[4]		777	752	809	781	729	750	812	824	977	997
Trade payables		308	369	485	573	690	699	863	946	1,036	973
Other liabilities[4]		583	493	412	477	589	509	500	489	440	423
Total equity and liabilities[4]		**2,701**	**2,907**	**3,496**	**3,901**	**4,468**	**4,594**	**5,095**	**5,275**	**5,596**	**5,798**
Equity ratio[4]	(in %)	38	44	51	53	55	57	57	57	56	59

[1] Figures include special factors. For fiscal years 2012 and 2013, please refer to the disclosures in the section "Result of Operations – Group" of the Group Management Report.
[2] Figures for 2004 and 2005 adjusted to the number of shares after the share split.
[3] The figures for fiscal year 2010 have been adjusted due to the amendment of the sales presentation format.
[4] The figures for fiscal year 2012 have been adjusted due to the retrospective application of IAS 19 (2011).
[5] The figures for fiscal year 2012 have been adjusted due to the reclassification of the Consumer Business Segment's Turkish affiliate from Western Europe to Africa / Asia / Australia.

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The interim reports can be found at WWW.BEIERSDORF.COM/INTERIM_REPORT.

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Financial Calendar

2014

April 17
Annual General Meeting

April 22
Dividend Payment

May 8
**Interim Report
January to March 2014**

August 7
**Interim Report
January to June 2014**

November 6
**Interim Report
January to September 2014**

2015

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

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

March
Annual General Meeting

May
**Interim Report
January to March 2015**

August
**Interim Report
January to June 2015**

November
**Interim Report
January to September 2015**

Beiersdorf

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