

Speech

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**Chairman of the Executive Board
of Beiersdorf AG**

**Title:
“On Our Way to New Strength”**

Annual General Meeting

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Check against delivery

Dear Shareholders,
Ladies and Gentlemen,

On behalf of the entire Executive Board of Beiersdorf AG I would like to welcome you warmly to this year's Annual General Meeting in the Hamburg Congress Centrum. I am delighted that so many of you have chosen to demonstrate your interest in your Company and its development by attending today.

I would like to start by saying up front that this meeting is taking place in a very special year. We are celebrating two major anniversaries in 2011. NIVEA, our most important brand, is 100 years old. In 1911, the three pioneers Oscar Troplowitz, Paul Gerson Unna, and Isaac Lifschütz succeeded for the first time in creating a stable water and oil emulsion – NIVEA Creme. Today, this is the core of a large, strong brand family that is a global success. This is something of which we can all be truly proud.

What is more, our tesa business segment also has reason to celebrate. 1936 – 75 years ago – saw the market launch of the first transparent adhesive tape, which became famous from 1941 onwards under the name of tesafilm. Since then, this brand has also performed exceptionally well and it was seldom more successful than in the last fiscal year. tesa, too, has long been a strong, classic brand on which we can build.

I will give you more details later of how we are going to celebrate NIVEA's 100th birthday this year. Before we come to that, though, allow me to explain how the Group and the Consumer and tesa business segments performed in 2010. In particular, I would like to show you how we have systematically realigned our Company in the past fiscal year and what excellent prospects Beiersdorf has for the future.

However, I must also confess that the news from and about Beiersdorf in fiscal year 2010 was not consistently positive. Our Consumer business

segment is currently in a phase of realignment and transition – and these far-reaching changes are naturally impacting the Group, its employees, and reporting about Beiersdorf.

The Consumer and tesa business segments turned in a highly mixed performance in fiscal year 2010.

The tesa business segment recovered its old strength following the economic crisis and generated the highest sales in its history. In this area we are already reaping the rewards of our rapid, systematic implementation of the right measures taken in response to the market changes during the economic crisis. In comparison to the crisis year in 2009, tesa was really able to go full steam ahead in 2010.

The Consumer business segment recorded only a slight increase in sales. Although business was better than in the previous year, which was dominated by the economic crisis, it failed to live up to our high expectations and its normal steady rate of growth.

Ladies and Gentlemen,

Last year we had to take a number of fundamental, radical decisions. After the difficult fiscal year in 2009, we had to answer a really basic question: Do we simply have to change a bit here or there and iron out a few weaknesses? Or should we make a clean break and, by doing so, create a stable basis for a long-lasting, successful future?

Merely treating the symptoms is not the style that a company like Beiersdorf, with such a rich history and focus on long-term success, should adopt, nor is it in line with the Executive Board's philosophy.

This is why we have repositioned Beiersdorf. We have realigned the Company at a strategic level with the clear goal of achieving long-term success and profitable growth. We have updated and systematically

implemented our successful strategy. This implementation process will continue to keep us busy in the current year.

This means that the Consumer business segment is not growing at its customary pace during the transitional phase in which we currently find ourselves. We are streamlining our portfolio and investing substantial sums in our strong brands. In 2010 we prepared the ground and in 2011 we shall continue to sow a large number of seeds, which will allow us to gather in good, rich harvests again in the coming years.

Dear Shareholders,

Naturally enough, this transitional phase left its mark on the Company's results. Allow me to briefly run through the most important figures here.

Consolidated sales for fiscal year 2010 amounted to €6,194 million, after €5,748 million the year before. In nominal terms, this represents a gain of 7.8 percent, while organic sales rose by 3.1 percent. The operating result – in other words EBIT – amounted to €699 million excluding special factors, after €587 million in fiscal year 2009. The EBIT margin was 11.3 percent, up from 10.2 percent in the prior year. Profit after tax excluding special factors increased to €425 million, following €380 million in 2009.

As I already mentioned, the Beiersdorf Group's two business segments performed very differently. For tesa, 2010 was the most successful year in its history. Sales rose to €873 million from €737 million in 2009, an organic increase of 13.3 percent. The EBIT margin rose from 3.9 percent in the previous year to 11.4% in 2010.

The business segment also successfully entered brand new, attractive business areas with pioneering innovations, which tesa continued to work on even in its difficult phase. These provide a stronger basis for future growth.

In the Consumer business segment, Beiersdorf increased its organic sales by 1.6% last year to €5,321 million. Performance in the global Consumer

markets was extremely varied. Whereas sales in North and Latin America saw clear double-digit growth, sales in the Africa/Asia/Australia region were up only slightly on the previous year. In Europe, only the United Kingdom and Russia achieved good growth, while the other countries failed to meet expectations. Our streamlining of the product range already had an impact on fiscal year 2010.

EBIT excluding special factors amounted to €599 million after €558 million in 2009, while the EBIT margin rose slightly from 11.1% in 2009 to 11.3%. In other words, we managed to keep the Group's key performance indicators at a high level in the first year of the transitional period.

This is why the Executive Board and the Supervisory Board are proposing to the Annual General Meeting to pay a dividend of €0.70 per share carrying dividend rights for fiscal year 2010, as in 2009. As in the past, the two Boards regard ensuring that our shareholders receive an appropriate share of earnings as an important part of our business philosophy.

Let me now briefly run through today's agenda:

The annual and consolidated financial statements and other supplementary documents have been made available to you in accordance with agenda item 1.

In agenda items 2 to 5 we are asking you – as we do every year – to approve the appropriation of the net retained profits, to formally approve the actions of the members of the Executive Board and the Supervisory Board for the past fiscal year, and to elect the auditors for the current fiscal year.

Item 6 of the agenda asks you to increase our flexibility by approving a change to the Articles of Association regarding the location of the Annual General Meeting. That having been said, our goal – as far as possible – is to continue using Hamburg as a location for the AGM in future.

Agenda item 7 comprises the proposed resolution on the amendment of the remuneration paid to the members of the Supervisory Board. Our Supervisory Board chairman, Prof. Pöllath, will provide you with further details of this later.

In agenda item 8 we are proposing, as we did last year, that you vote to approve the remuneration system for the Executive Board for fiscal year 2011. Once again, Prof. Pöllath will explain the amendments to the remuneration system for the Executive Board later on.

And now, Ladies and Gentlemen,

Let me turn to business developments at Beiersdorf's Consumer business segment, and to its strategy.

Our results for fiscal year 2010 show that we didn't do badly overall. Nevertheless, as I said, we are convinced that we can achieve a great deal more. This applies in particular to the Consumer business segment with our global brands, led by NIVEA.

I would like to say very clearly to you at this point that we have a vision to guide us. We are pursuing an ambitious goal. We want to be the best skin care company in the world. Last year, we aligned our activities and the measures we are taking with this aim. Our Company is focusing all its strength on achieving this goal.

To show you just how systematically and single-mindedly we are pursuing our aim, allow me to recapitulate on the key stages we went through last year.

The starting point for our activities was the analysis of the fundamental changes in our markets that I told you about on this occasion last year. Because of this, I shall only provide a brief recap here. We are facing the following challenges:

- Increasingly intensive local and global competition,
- Dynamically developing new markets,

- More sophisticated customers – in other words, our retail partners – who are expecting much greater commitment from us, plus first-rate cooperation at the point of sale,
- Consumers who examine products in great detail before they decide to buy them. They want to understand what they are buying, why they should buy it, and what they are getting for their money.

We then built on this analysis to update our strategy for the Consumer business. This basically consists of two elements: a focus on our core competency – skin and body care – and even greater receptiveness to regional consumer wishes throughout the world. We announced this new strategy in spring 2010 under the name of *“Focus on Skin Care. Closer to Markets.”*

Why this *Focus on Skin and Body Care*?

I am convinced that Beiersdorf could be successful on a large number of cosmetics markets. But there is nowhere where we are so strong, and nowhere where our brand credibility is so great, as in skin and body care. This is our core competency that we have built up over more than 125 years. In NIVEA, Eucerin, and La Prairie we have great global brands, and hence the best chance of achieving our ambitious growth targets for the long term.

Our brands, and particularly NIVEA, enjoy the utmost trust among consumers. In 2011, NIVEA was voted the most trusted brand in Europe for the eleventh time in a row by Reader’s Digest. The brand has 150 number one positions in markets throughout the world – and 166 if you also include lip care.

For a brand to enjoy such a strong level of trust is the best thing that could happen to it. This applies in particular in the area of skin and body care, where consumers do not switch brands so rapidly once they have found compelling products and established the trust I have spoken about.

Ladies and Gentlemen,

In other words: Given the fundamental changes on the markets, we are focusing on our strengths. We are doing what we can do particularly well.

And the more we can respond to consumers' wishes, the more successful in the process we shall be. The better we can meet their expectations. This is why the second part of our strategy is "*Closer to Markets*." In a nutshell, this means that we aim to get even stickier with our markets, and even better at researching and fulfilling our customers' and consumers' wishes.

We already have an extremely effective system for establishing consumers' needs. We use a mixture of interviews, house calls to consumers, trend analyses, and many other research methods to filter out how we can best meet consumer wishes.

But we're not satisfied yet. Last year we also took the structural measures necessary to ensure we can really implement our strategy efficiently. We have redefined the areas of responsibility for our Executive Board members and introduced clearly defined functional and regional responsibilities. In addition, there were changes to the composition of the Executive Board.

We bundled the Finance and Human Resources functions in a single Board function that reports to Dr. Ulrich Schmidt, who has been a member of the Executive Board since the beginning of 2011. Dr. Schmidt began his professional career in 1983 in Beiersdorf's Finance and Accounting department. Before joining the Executive Board, he was based in Vienna, where he was the general manager responsible for our business in Central Eastern Europe.

We amalgamated all product-related areas such as Brand Management, Supply Chain, and Research and Development and assigned them to Markus Pinger with the goal of significantly boosting the innovative power of our brands. You all know Mr. Pinger, who has been an Executive Board member

since 2005 and who successfully restructured our international supply chain during this period.

In addition, we are focusing responsibility for our regions and defined markets with specific Executive Board members. Peter Feld, who joined the Executive Board on August 1, 2010, is responsible for Europe and North America. He has extensive experience in the international consumer goods industry, and was responsible among other things for projects in Europe, China, and the United States, spending a total of twelve years abroad.

James C. Wei, whom you also already know, remains responsible for Asia and Australia. He has been an Executive Board member since 2009 and has extensive experience in the consumer goods business in the Asia-Pacific region, and particularly in China.

Ümit Subasi has been the Executive Board member responsible for Emerging Markets since March 1. He manages the growth markets of Latin America, India, Africa, the Middle East, Turkey, Russia, Ukraine, and the other CIS states. He is excellently qualified for this, as he worked for an American consumer goods group from 1993 onwards after studying in Istanbul and Paris. Here he was a general manager responsible for activities in a number of dynamic growth markets. Mr. Subasi's new Board position underlines the importance that the global growth markets have for our Company.

Pieter Nota, the Executive Board member previously responsible for brands, left the Company in the middle of last year. He asked the Supervisory Board to relieve him of his contractual duties so as to allow him to take up a senior management position in a large branded goods enterprise in his native country of the Netherlands. Dr. Bernhard Düttmann also left us at the beginning of this year to take up a new professional challenge. Dr. Düttmann's successful track record at the Beiersdorf Group spanned 21 years, the last four as CFO of Beiersdorf AG.

I would like to warmly thank both gentlemen for their exceptional skills and contributions to the Company, but also for their unwavering personal dedication and commitment to others. The entire Company has gained from this.

Ladies and Gentlemen,

The goal of this new structure is clear: Our regional structure will ensure we are even closer to consumers. This will allow us to learn more – and in particular to learn it even more quickly – about their needs and wishes and those of our customers. Clear bundling of our functions will make us faster and more flexible. This will allow us to accelerate our internal processes, and in particular to reduce the time to market for new products.

At the end of 2010 we then took a further step designed to enhance our Company's competitiveness and profitability even further. We adopted a comprehensive package of strategic measures and investments. This includes substantial investments in our skin and body care brands, the global streamlining and harmonization of our product portfolio, and the realignment of regional structures. The measures in the package cost approximately €270 million, a substantial proportion of which was already incurred in fiscal year 2010. The package will run until 2012.

This figure also contains impairment losses on intangible assets resulting from the repositioning of our Chinese business that we had to implement. This repositioning in China is one of the core tasks of the package of measures, since this country is a key market for Beiersdorf. China is one of the fastest-growing skin and body care markets, and will account for approximately ten percent of the global market in 2015. To benefit from this, we shall expand our distribution network and will establish a presence in all key distribution channels that will allow us to access the country's fast-growing middle-class consumers.

Our acquisition of C-BONS Hair Care has enabled us to more than double our base in China and provided us with excellent access to the country's

smaller cities (seen from a Chinese perspective). We shall use these structures in our distribution and sales activities to promote our NIVEA brand even more strongly than before.

Ladies and Gentlemen,

We also reviewed our entire product range in the light of our new strategic focus to establish what areas could hinder the implementation of our strategy. We came to the conclusion that it is absolutely vital to streamline the product range and have taken the following decisions:

- We are exiting the decorative cosmetics category in Germany. Other countries will decide at a local level whether they want to follow suit.
- We have divested the regional Juvena and Marlies Möller brands.
- The hair care area will remain part of our product portfolio, although we shall review both investments in the regions and individual parts of the product range.
- We shall simplify and streamline our product portfolio in all areas.

We began implementing these plans in 2010 and will finalize them in the current year. In other words, you can see that we are not satisfied with making a few isolated improvements, but are fundamentally repositioning the Company.

We, the members of Beiersdorf's Executive Board, are convinced that our strategy is the right one, and can also demonstrate that it is working. One impressive example of this is our US business. We started there five years ago by making organizational changes. After this, we streamlined our product range and discontinued categories other than skin and body care, or with which we probably could not have reached a market leadership position in the medium term.

Our success is clear to see: We have grown by an average of 13 percent in our focus categories in the United States since 2005.

Above and beyond this, Ladies and Gentlemen,

there is another reason why we are extremely confident. It is not just that we are going back to our strengths. By doing so, we are also concentrating on product segments that have excellent growth prospects. Skin and body care is the fastest-growing segment of the global cosmetic and body care market. Studies in this area expect the market as a whole to grow by approximately €6 billion by 2015. 45 percent of this figure will be attributable to face and body care.

Another aspect also offers a definite advantage for our business: Around 60 percent of sales in our Consumer business segment are in categories that are in fact growing faster than the market average as a whole. Examples include deodorants, face care, men's care, and sun protection.

In other words, we are extremely well positioned for the future.

Ladies and Gentlemen,

2011 also offers us an exceptional opportunity to decisively extend the excellent position enjoyed by our most important brand. NIVEA is celebrating its 100th anniversary. As I said at the beginning, in 1911, the three pioneers Oscar Troplowitz, Paul Gerson Unna, and Isaac Lifschütz succeeded for the first time in creating a stable water and oil emulsion – NIVEA Creme.

This is now the core of a unique brand family. NIVEA has become synonymous with skin care and reliability among consumers throughout the world. Beiersdorf's scientists have shown an acute feeling for social changes and consumer wishes over the past 100 years by regularly coming up with successful innovations.

As early as in the 1920s NIVEA recognized that men needed special skin care after shaving, and in doing so invented men's cosmetics. Shortly afterwards, we launched the first sun protection products on the market. In the 1960s, NIVEA Milk revolutionized cosmetics, while at the end of the 1970s we launched the first shower gel on the market. At the end of 1990s,

we unveiled our NIVEA Q 10 skin care, which today is sold somewhere in the world every two seconds.

Thanks to our innovation leadership, we have been offering high-quality products at fair prices for 100 years, and gaining consumer trust every year. This surely must be a reason to celebrate. And that's exactly what we're going to do, and in a manner appropriate to such a brand: globally, impressively, and uniquely!

In May, we shall be launching a global campaign entitled "NIVEA – 100 Years' Skin Care for Life," that focuses on the topic of skin care and on NIVEA's core values. This will help the brand to grow from the core in a sustainable and profitable manner.

For example, we shall be starting a communications offensive for which we have earmarked a high double-digit million euro amount in addition to the NIVEA marketing budget. This will be the first fully integrated campaign to present the NIVEA world to consumers using all available media channels.

The campaign will give NIVEA a long-lasting boost worldwide in its anniversary year, and will further cement and extend its position as the global number 1 in skin care.

We aim to attract new, young target groups for NIVEA with what will be the largest-ever digital activation campaign in the social media area to date, and which is designed to generate over one billion page impressions per week worldwide. Our cooperation with Rihanna, the international superstar whose music we shall be using for a number of activities in the campaign, will play a key role here. Very few world stars have more fans on social networks such as Facebook than Rihanna.

Since consumers make two-thirds of all purchase decisions directly in front of the retailer's shelves, we are also launching the world's largest NIVEA consulting tour. We intend to directly address more than 13 million

consumers around the world. Our goal is to hold around 1.7 million consulting sessions.

And, Ladies and Gentlemen, we have naturally also prepared an attractive present for you. To celebrate NIVEA's 100th anniversary, you will receive **the** blue tin containing everything that makes your brand desirable and successful today when you leave the Annual General Meeting.

Ladies and Gentlemen,

Our activities clearly show that, although NIVEA is celebrating its centennial, it is just as young as when it started out. The brand is an icon that suits the times – and meets consumers' wishes – better than ever before.

This can also clearly be seen in a different context: A look at the major trends today reveals a surprising degree of overlap with the values ascribed to NIVEA. Allow me to give you just two examples:

Take the topic of trust. Almost three-quarters of American consumers say that they are more skeptical today about brand promises than they were in the past. Similar results can also be seen in other countries.

And what are the attributes that consumer surveys attribute to NIVEA? 87 percent trust, plus quality, reliability, and honesty.

Or let us look at the importance placed on a sustainable lifestyle. 71 percent of consumers worldwide think it is important to adopt an ethical or sustainable lifestyle. And 58 percent also find it important to buy ethical or socially acceptable products.

This, too, excellently matches the values attributed to NIVEA by consumers, such as good care, reliability, and honesty.

Ladies and Gentlemen,

I think this makes it clear that Beiersdorf with its strong brands has an excellent chance of returning to a dynamic, profitable growth path in its Consumer business segment. We have laid the foundations for this: We are focusing on our outstanding strengths and are therefore also excellently positioned on the decisive growth markets.

However, if we are to exploit these opportunities successfully, each and every member of staff worldwide must implement the new strategy as optimally as possible. Our success depends on their motivation, their commitment, and their knowledge.

In fiscal year 2010, as I have explained, the Company underwent substantial restructuring that required staff to be willing to change and that also caused uncertainty. The new focus for the Consumer business segment was also a particular challenge for our human resources work. Our success very much depends on optimally matching employees' abilities and workplace requirements. This is why we reorganized our workflows and adapted the Company's organizational structures in line with our strategy.

At the same time, however, we need to promote diversity in the workforce: This helps us to develop innovative products for different markets and leverage our opportunities around the world. If we want to react to demand even more individually in the future, we have to rely on people with different skills, talents, goals, and interests.

One of the ways to ensure this diversity is to specifically recruit and develop young staff with an international background. Our *"BEYOND BORDERS"* trainee program, which targets qualified university graduates, has proven particularly successful here. 41 percent of the trainees recruited in fiscal year 2010 came from outside Germany.

In addition to this trainee program, Beiersdorf partners with universities to establish and maintain contact with highly qualified students early on. The success of our focus on recruiting young staff is clear to see: In 2010, Beiersdorf was the only consumer goods company to make the top ten in the

high-profile survey of top-level business students in Germany conducted by the Trendence Institute.

Ladies and Gentlemen,

Ongoing staff training and expanding employees' existing knowledge are a given at Beiersdorf. The Company provides a wide and varied program of continuous development activities.

These include on-the-job training as well as special off-site seminars. Employees in all areas receive in-depth training on an ongoing basis. Our goal is to define clear career paths and development opportunities for all staff, and to motivate them.

Beiersdorf's aim of occupying a leading position in the markets with its products is made particularly clear in its leadership training program. Our comprehensive, multi-level offering prepares staff taking on their first management position for their new role, as well as middle managers and candidates for tier one executive positions.

And because Beiersdorf is also aware of its social responsibility, we again provided vocational training for a large number of young people in fiscal year 2010.

Equally, we are adapting to the foreseeable consequences of demographic trends. Long-term employee commitment to the Company, their professional development, and the ability to combine having a family with work, play a major role here. We offer our employees an attractive environment featuring suitable offerings designed to meet their needs.

This also applies to the employment of women, which is currently a hot topic of discussion in the political arena under the motto of "quotas for women." As an international cosmetics group, we are also an attractive employer for women and already have a large percentage of women, especially among those employees not covered by collective wage agreements and also in management positions. The percentage of women in Germany is 51 percent, the percentage of women among those employees not covered by collective

wage agreements is 49 percent and the percentage of women in management positions is 20 percent.

In Beiersdorf's opinion, the current "Women in Management Positions" initiative is the right approach. This is why we naturally support the declaration on this topic resolved on March 30 by the 30 groups listed in Germany's DAX equity index. We shall now draw up the Company-specific plans for this and shall announce them in the coming months.

In addition, Beiersdorf is increasingly focusing on making it even easier to combine work and raising a family, such as offering more flexible working hours, child care, and similar measures. This is because the biggest hurdle that women face when planning their careers is how to reconcile looking after their families and having a job. Creating the environment needed to ensure equal opportunities is a job for society as a whole, and one to which Beiersdorf has made a substantial contribution for many years.

Ladies and Gentlemen,

The excellence of Beiersdorf's research and development has always been another critical success factor. Groundbreaking innovations allowed us to build a strong international position right from the beginning. We develop forward-looking products that are tailored to different consumer wishes and that offer excellent quality and outstanding tolerance.

The R&D unit was reorganized to optimally align its activities with the future requirements of Beiersdorf's updated strategy. The main goal was to create an improved structure for the various research facilities and the unit's functions.

The research performed in the Consumer business segment in fiscal year 2010 continued to focus on our core area, skin. For example, recent findings have laid the foundations for launching the first Beiersdorf products that can stimulate the formation of new aquaporin water channels, which are responsible for water transport between cells.

Beiersdorf also produced groundbreaking research results in the relatively new field of chronobiology. Our researchers were the first to demonstrate the day-night cycle in skin cells. Cell-based aging processes are another of Beiersdorf's research focuses. A team of scientists from industry and universities plan to investigate them in more detail in a new research network supported by Germany's Federal Ministry of Education and Research. Beiersdorf is coordinating this project, which includes biophysicists, biologists, chemists, and engineers. Among other things, it is designed to facilitate more effective development of products designed to combat skin aging.

Beiersdorf successfully launched the "*Pearlfinder*" innovation initiative in January 2010. This is designed to open up the Company to innovative ideas from outside. The initiative allows Beiersdorf to involve external partners in research and development for products and packaging at an early stage. Companies, research institutes, and universities as well as individual scientists and inventors can register on an Internet platform.

This enables Beiersdorf to identify previously untapped potential and the latest discoveries in the shortest possible time, further strengthening our innovative ability.

Beiersdorf's success in the field of research and development can be demonstrated by giving a few figures and examples. We applied for patents for 77 innovations in fiscal year 2010, as opposed to 50 in the previous year. These were supplemented once again by a whole range of innovative products that we launched on the markets in 2010. These include Eucerin Aquaporin Active, NIVEA FOR MEN Arctic Freeze, NIVEA FOR MEN DNAge Lift, and NIVEA Silver Protect Deo Shower, to give just a few examples. Since the beginning of 2011, Beiersdorf has responded to the long-term trend towards more natural skin care with its new "Pure & Natural" care series, which is available in Germany and a large number of other countries. The product range with its organic active ingredients comprises cleansing, face care, and body care products. All products are 95 percent natural or of

natural origin and their active ingredients are sourced from organic production.

Ladies and Gentlemen,

Sustainability is, of course, another aspect of responsible business activities. For Beiersdorf, it entails combining economic success with environmentally compatible and socially balanced activities. These three criteria are equally important and are an integral part of our corporate strategy.

Consumers expect a sustainable approach from Beiersdorf, and that our products are well tolerated by people and the environment alike. We must meet these requirements every day in order to retain the high level of trust that is placed in our brands.

Since we take this responsibility extremely seriously, we have made a number of important changes. Since 2010, the issue of sustainability has been assigned directly to the Chairman of the Executive Board: In other words, it has been given even greater importance. In addition, we have revised our strategy. We intend to focus on a small number of key areas and to achieve concrete, measurable goals.

Our progress in improving our ecological balance in recent years can clearly be seen from the figures. For example, we have reduced both energy consumption and waste generation by 26 percent in comparison to 2006. CO₂ emissions sank by one-quarter, water consumption by 18 percent, and waste water volumes by 10 percent. These results are definitely something to be proud of.

Ladies and Gentlemen,

Our corporate citizenship activities focus on “helping people to help themselves.” All activities are based on five criteria: a long-term approach, local relevance, measurability, achieving a win-win situation, and continuous improvement.

One special example of our social commitment is our partnership with the DLRG, Germany's Life Saving Association, which started more than 50 years and has developed into a broad-based, multi-faceted cooperation. Every year, the joint activities we run explain the dangers to be found in and around water to tens of thousands of children in Germany.

With Plan International as our global partner, we are aiming to create a global movement to promote learning and educational programs for children living in poverty under the motto "*We care & connect.*" Plan International is one of the oldest and globally most respected children's development organizations, and works actively to achieve a lasting improvement in children's living conditions. Numerous affiliates such as those in India, South Africa, and the Netherlands already support the organization's educational programs, and additional country partnerships are in the pipeline.

In addition, we shall mark NIVEA's 100th birthday with a special campaign. We shall donate a proportion of global sales revenues to a project being run by NIVEA and Plan in Guatemala.

Beiersdorf has also supported SOS Children's Villages for many years by holding Family Festivals in Austria and Romania. NIVEA Family Festivals have taken place in Austria for the past ten years with the help of Beiersdorf employees, among others. In the last four years alone, raffle ticket sales have generated €1 million for the SOS Children's Village. The goal is to strengthen families and hence to ensure that children have a stable and loving environment within their own families.

Ladies and Gentlemen,

At this point I would like to provide you with some information on the tesa business segment's performance in fiscal year 2010. As I already said: The tesa brand is stronger than ever before in its 75th anniversary year!

The business segment generated outstanding results in 2010 that even beat its pre-crisis levels. Business in Asia and the United States was especially

dynamic. The rapid recovery by the automotive and electronics industries was the main growth driver here.

However, our success was also driven by the restructuring measures that were completed in 2010 and by our key innovation projects, all of which are going to plan. As a result, the business segment was successful in a very wide range of markets with its innovative products.

For example, tesa developed new products for the electronics industry that respond to the trend towards using repositionable adhesive tapes for mounting electronic devices. Asia's system suppliers in particular increasingly value products with which elements can be disassembled and repositioned, repaired, or recycled during the manufacturing process.

An optimized surface protection film was well received in the automotive industry. It adheres even better to the vehicle bodywork but does not leave behind a residue when it is removed, thus protecting delicate new vehicle paintwork against damage and dirt during transport.

For the print industry, tesa introduced a new adhesive tape for use in printing packaging materials. And the first clinical samples of oral films were successfully produced in the new Pharma business area. These pharmaceutical films dissolve in the mouth without the need for additional fluids, making it easier for the ingredients to be taken.

In March, even earlier than expected, tesa received the regulatory permission to produce pharmaceutical products for the new clean room facility at tesa's Hamburg plant. This was an essential requirement for the production of innovative drug delivery systems for the pharmaceuticals industry which we can now begin in the coming months.

In the distribution business, tesa enhanced its expertise with new ranges tailored to specialist applications, thus acquiring new customer groups. Sales of products in the consumer business performed very well, too. The two strategic business areas – home improvement solutions and products for the

office supplies and stationery sector – played a role in this dynamic development.

More innovations were added to the range of environmentally friendly products that was successfully launched to retailers at the end of 2008 under the EcoLogo sub-brand. The products for the office supplies and stationery sector, which are mainly produced from recycled and biologically based raw materials, were also very well received by consumers.

Ladies and Gentlemen,

I think you will agree with me that the Beiersdorf Group has laid the foundations for a successful future. We can approach the tasks ahead of us with a great deal of confidence. This applies all the more so given our Company's substantial financial strength.

As in 2009, our equity ratio in fiscal year 2010 was an excellent 57 percent. This means we enjoy a substantial degree of trust on the part of our customers, suppliers, and investors. Net liquidity rose from €1.6 billion in 2009 to just under €2 billion.

Whereas tesa is forecasting that its above-average growth will continue this year, 2011 will be another transitional year for the Consumer business segment. We expect sales to be on a par with 2010, and that growth in our core areas will offset the effects produced by the streamlining of our product range. The EBIT margin from operations will not match the prior-year level due to the package of measures we are taking. The first few months of the year have been in line with our expectations. We shall publish our interim report for the first quarter on May 5.

However, we are absolutely convinced that we are decisively strengthening Beiersdorf's growth and profitability by focusing on our core business and increasing our closeness to our markets. We shall see the positive effects of this in 2012.

Ladies and Gentlemen,

With it we provide a basis for our future successful work. Another reason why I am convinced of the success of our strategy is that we can count on the commitment and dedication of our more than 19,000 employees worldwide, as the last year has shown. They are key guarantees of our Company's success.

This is why I would like to end – as always – by expressing my heartfelt thanks to all our staff. I am certain that I can also speak for you in this.

Thank you for listening.