

Report of the Executive Board on Item 11 of the Agenda (Resolution on the authorization to purchase and utilize own shares) in accordance with §§ 71 (1) no. 8 sentence 5, 186 (3) sentence 4, (4) sentence 2 Aktiengesetz (German Stock Corporation Act, AktG)

The Company repurchased own shares amounting to approximately 9.99% of its share capital based on the authorization of the Annual General Meeting of June 11, 2003 in accordance with § 71 (1) no. 8 AktG as part of a public acquisition offer directed to all Beiersdorf shareholders. The proposed extension of the authorization under agenda item 11 is intended to continue to enable the Company to acquire own shares if it were to reduce the number of own shares held in the future. This is standard procedure at nearly all major listed companies. In accordance with § 71 (2) sentence 1 AktG, the shares repurchased pursuant to this authorization together with other shares of the Company that the Company has already acquired and still holds, may not account for more than ten percent of the share capital of the Company. According to this proposed resolution, the Company is also entitled to sell or to issue the own shares repurchased pursuant to this or a prior authorization in whole or in part while disapplying the pre-emptive rights of shareholders, whereby the authorization to disapply the shareholders' pre-emptive rights previously issued by the Annual General Meeting is expanded in individual aspects.

Based on the legal provisions, the own shares repurchased by Beiersdorf Aktiengesellschaft can be sold via the stock exchange or by way of a public purchase offer to all shareholders. These options for selling the shares fulfill the shareholders' right to equal treatment in the event that the shares are re-issued.

The proposed resolution stipulates that the Executive Board can, with the approval of the Supervisory Board, sell the own shares repurchased on the basis of the proposed or a prior authorization by the Annual General Meeting in a way other than via the stock exchange or by way of a public purchase offer to all shareholders if the own shares are sold in return for cash or non-cash consideration that does not fall materially below the market price of the same class of shares of the Company at the time of sale. This is intended to take the interests of the shareholders into account. The authorization for such a sale, which amounts to the disapplication of the shareholders' pre-emptive rights, is intended to serve the interests of the Company in particular by creating the opportunity for the Company to offer shares of the Company to institutional or other investors and/or to expand the shareholder base of the Company. The intention here is to put the Company in the position of being able to react to favorable stock market situations quickly and flexibly. The fixing of an average price for the applicable market price shall ensure that the interests of the shareholders of the Company are not adversely affected by random pricing. The authorization to sell own shares in return for cash consideration is limited to a total of no more than 10% of the Company's share capital existing at the time that the authorization comes into effect and at the time it is exercised, including shares for which the shareholders' pre-emptive rights are disappplied in accordance with § 186 (3) sentence 4 AktG when Authorized Capital II is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is utilized. To this extent, this authorization enables the Company to take advantage of the simplified option for disapplying shareholders' pre-emptive rights allowed by § 71 (1) no. 8 sentence 5 in conjunction with § 186 (3) sentence 4 AktG.

The Executive Board, with the approval of the Supervisory Board, is also to be authorized to utilize the own shares repurchased on the basis of the proposed or a prior authorization as consideration or partial consideration for the acquisition of businesses, equity interests in businesses, or business units, or as part of mergers. The Company also has Authorized Capital III under item 9 of the agenda at its disposal. To this extent, the proposed

authorization for the use of own shares represents a supplement to Authorized Capital III. Please refer to the Report of the Executive Board on item 9 of the agenda for an explanation of the reasons for the disapplication of pre-emptive rights.

The authorization also provides that own shares may be utilized with the approval of the Supervisory Board while disapplying shareholders' pre-emptive rights in order to satisfy conversion and/or option rights or conversion obligations relating to convertible bonds and/or bonds with warrants issued by the Company or companies in which it holds a direct or indirect majority interest. It may be appropriate, instead of utilizing contingent capital, to utilize own shares in whole or in part to fulfill conversion or option rights, or conversion obligations.

Hamburg, March 2005

Beiersdorf Aktiengesellschaft

The Executive Board

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