

Report of the Executive Board to the Annual General Meeting on Item 6 of the Agenda (Resolution on the Authorization to Purchase and Utilize Own Shares) in accordance with § 71 (1) no. 8 *Aktiengesetz* (German Stock Corporation Act) in conjunction with § 186 (3) sentence 4 and § 186 (4) sentence 2 *Aktiengesetz* (German Stock Corporation Act)

The Company purchased 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 *Aktiengesetz* (German Stock Corporation Act) as part of a public acquisition offer directed to all Beiersdorf shareholders. No own shares were purchased on the basis of the authorizations of the Annual General Meeting on June 3, 2004, May 18, 2005, May 17, 2006, April 26, 2007 and April 30, 2008. The proposed renewal of the authorization under agenda item 6 is intended to continue to enable the Company to purchase 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 *Aktiengesetz* (German Stock Corporation Act), the shares purchased pursuant to this authorization, together with other shares of the Company that the Company has already purchased and still holds or that are attributable to the Company in accordance with §§ 71a ff. *AktG*, may not account for more than 10% 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 purchased pursuant to this or a prior authorization in whole or in part while disapplying the pre-emptive rights of shareholders.

Based on legal provisions, the own shares purchased 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 purchased 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 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 sale. This authorization, which amounts to the disapplication of shareholders' pre-emptive rights, enables the Company to take advantage of the simplified option for disapplying shareholders' pre-emptive rights allowed by § 71 (1) no. 8 sentence 5 *Aktiengesetz* (German Stock Corporation Act) in conjunction with § 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act). This 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 also put the Company in the position of being able to react to favorable stock market situations quickly and flexibly. The interests of the shareholders are taken into account in that the shares may only be sold at a price that does not fall materially below the market price of the shares of the Company at the time of the disposal. The fixing of an average price for the applicable market price is intended to ensure that the interests of the shareholders of the Company are not adversely affected by random pricing. The authorization to sell own shares for cash

consideration is limited to a total of no more than 10% of the Company's existing share capital at the time this authorization comes into effect and at the time it is exercised, including shares for which the shareholders' pre-emptive rights are disapplied in accordance with § 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act) when Authorized Capital is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is exercised. The inclusion in the limit ensures that purchased own shares are not sold subject to the simplified disapplication of shareholders' pre-emptive rights in accordance with § 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act), if this would lead to shareholders' pre-emptive rights being disapplied as a result of the direct or indirect application of § 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act) for a total of more than 10% of the share capital. This limitation is in the interests of shareholders who wish to retain their share of the equity interest held as far as possible. Thus the shareholders are in principle able to maintain their shareholding by purchasing Beiersdorf shares on the stock market.

The Executive Board, with the approval of the Supervisory Board, should also be authorized to utilize the own shares purchased on the basis of the proposed or a prior authorization as consideration or partial consideration for the acquisition of businesses, equity interests in businesses (including the increase of equity interests) or business units of companies, or as part of mergers, i.e. in return for contribution in kind. To compete internationally, the Company is increasingly being required to provide this type of financing for acquisitions. Against this backdrop, it remains highly important for the continued development and consolidation of the Company's market position that it has the opportunity to acquire suitable equity interests in the course of its investment strategy, not only by making cash payments but also by way of non-cash consideration in the form of the transfer of shares in the Company. The Company also currently has the Authorized Capital III laid down in § 5 (4) of its Articles of Association at its disposal for the acquisition of companies or equity interests in companies. To this extent, the proposed authorization for the use of own shares represents a supplement to the Authorized Capital III in the Articles of Association of the Company. This authorization is intended to put the Company in the position of being able to quickly and flexibly take advantage of acquisition opportunities as they present themselves even without having to implement capital increases. As the purchased own shares generally have to be utilized at short notice and in competition with other potential buyers, and the necessary secrecy requirements have to be observed, the authorization to dispose of purchased own shares by means other than via the stock exchange or via a public purchase offer to all shareholders is necessary. The proposed disapplication of the shareholders' pre-emptive rights is in line with this requirement. The Executive Board will carefully examine in each individual case whether to exercise this authorization as soon as the opportunity to purchase an equity interest takes shape. To this extent, it will only disapply shareholders' pre-emptive rights if the acquisition is within the remit of the Company's investment strategy and if the acquisition in return for shares in the Company is in the best interests of the Company. When specifying the pricing ratios the Executive Board will ensure that shareholders' interests are safeguarded appropriately and that, as a result, the authorization will only be exercised to the extent that the value of the equity interest to be acquired is in reasonable proportion to the value of Beiersdorf's shares to be exchanged for it. The Supervisory Board will only grant the necessary approval for the disposal of the purchased own shares by

means other than via the stock exchange or via an offer to all shareholders if these preconditions are met.

Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize the own shares purchased on the basis of the above-mentioned or a prior authorization, while disapplying the pre-emptive 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. It may be appropriate, instead of utilizing contingent capital, to utilize own shares in whole or in part to fulfill conversion rights or options, or conversion obligations.

Finally, the own shares purchased on the basis of the above-mentioned or a prior authorization may be retired by the Company without an additional resolution by the Annual General Meeting.

The Executive Board will report on the exercise of the authorization to purchase and utilize own shares in the next Annual General Meeting.

The present report on agenda item 6 is available for inspection by shareholders at the Company's business premises (Unnastrasse 48, 20245 Hamburg, Germany) as of the date on which the Annual General Meeting is convened. It is also available on the Company's German website at www.Beiersdorf.de/Hauptversammlung (see www.Beiersdorf.com/Annual_General_Meeting for the English translation) and will be available at the Annual General Meeting. All shareholders will also be sent a copy of the report free of charge and without delay upon request.

Hamburg, March 2009

Beiersdorf Aktiengesellschaft

The Executive Board