

# Invitation

to the Ordinary Annual General Meeting  
on April 29, 2010 in Hamburg

Beiersdorf Aktiengesellschaft, Hamburg  
Wertpapier-Kennnummer 520000  
ISIN DE0005200000



Beiersdorf Aktiengesellschaft shareholders are hereby invited to attend the **Company's Ordinary Annual General Meeting** to be held on **Thursday, April 29, 2010 at 10.30 a.m.** (doors open at 9.30 a.m.) in the Congress Centrum Hamburg, Room 1, Am Dammtor/Marseiller Strasse in Hamburg.

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Dear Shareholders,

We are delighted to be able to report on fiscal year 2009 and warmly invite you to this year's Ordinary Annual General Meeting of Beiersdorf Aktiengesellschaft, which will be held on Thursday, April 29, 2010, at 10.30 a.m. (doors open at 9.30 a.m.) in the Congress Centrum Hamburg, Room 1, Am Dammtor/Marseiller Strasse.

The Executive Board and the Supervisory Board propose under agenda item 2 a dividend of €0.70 to the Annual General Meeting for each share carrying dividend rights.

The proposal listed under agenda item 6 provides for the renewal of the authorization of the Company to purchase and utilize own shares. Agenda items 7 to 10 relate to the creation of new authorized and contingent capital and the new authorization to issue convertible bonds and/or bonds with warrants, as the current authorizations expire in the middle of the year. Under agenda item 11 the amendments to the Articles of Association to comply with the *Gesetz zur Umsetzung der Aktionärsrechterichtlinie* (Act Implementing the Shareholder Rights Directive, *ARUG*) shall be decided on. Finally we ask under agenda item 12 for the approval of the system for the remuneration of the Executive Board members.

With best wishes,



THOMAS-B. QUAAS  
Chairman of the Executive Board



DR. BERNHARD DÜTTMANN  
Chief Financial Officer

Beiersdorf Aktiengesellschaft  
Unnastraße 48  
20245 Hamburg, Germany  
Commercial Register Hamburg  
HRB 1787

Executive Board:  
Thomas-B. Quaas (Chairman),  
Dr. Bernhard Düttmann,  
Peter Kleinschmidt, Pieter Nota,  
Markus Pinger, James C. Wei  
Chairman of the Supervisory Board:  
Prof. Dr. Reinhard Pöllath

## Agenda

1. Presentation of the adopted annual financial statements of Beiersdorf Aktiengesellschaft and the approved consolidated financial statements together with the management reports of Beiersdorf Aktiengesellschaft and the Group for fiscal year 2009, the report of the Supervisory Board, and the explanatory report by the Executive Board on the information provided in accordance with §§ 289 (4), 315 (4) *Handelsgesetzbuch* (German Commercial Code, *HGB*)

The Supervisory Board approved the annual financial statements for Beiersdorf Aktiengesellschaft prepared by the Executive Board and the consolidated financial statements for fiscal year 2009 in accordance with §§ 172, 173 *Aktiengesetz* (German Stock Corporation Act, *AktG*) on February 25, 2010 and thus adopted the annual financial statements. A resolution by the Annual General Meeting is therefore not required.

The adopted annual financial statements of Beiersdorf Aktiengesellschaft and the approved consolidated financial statements together with the management reports of Beiersdorf Aktiengesellschaft and the Group for fiscal year 2009, the report by the Supervisory Board and the explanatory report by the Executive Board on the information provided in accordance with §§ 289 (4), 315 (4) *HGB* must be made available to the Annual General Meeting, even though it is not required to resolve on this. The above-mentioned documents are available for inspection by shareholders at the headquarters of Beiersdorf Aktiengesellschaft, Unnastrasse 48, 20245 Hamburg, Germany, and are also available on the Company's German website at [www.Beiersdorf.de/Hauptversammlung](http://www.Beiersdorf.de/Hauptversammlung) (see [www.Beiersdorf.com/Annual\\_General\\_Meeting](http://www.Beiersdorf.com/Annual_General_Meeting) for the English translation). Upon request, copies of these documents will also be sent to shareholders free of charge and without delay. They will also be available at the Annual General Meeting.

## 2. Resolution on the utilization of net retained profits

The Executive Board and the Supervisory Board propose that the net retained profits for fiscal year 2009 in the amount of €190,517,406.18 be utilized as follows:

IN €

Distribution of a dividend totaling €0.70 per no-par value bearer share carrying dividend rights (226,818,984 no-par value bearer shares carrying dividend rights)	158,773,288.80
Transfer to other retained earnings	31,744,117.38
<b>Net retained profits</b>	<b>190,517,406.18</b>

The shares carrying dividend rights at the time of the proposal on the utilization of the net retained profits have been reflected in the amounts specified for the total dividend and for the transfer to other retained earnings. The own shares held by the Company do not carry dividend rights in accordance with § 71b *AktG*.

If the number of own shares held by the Company at the time of the resolution by the Annual General Meeting on the utilization of the net retained profits is higher or lower than at the time of the proposal on the utilization of the profits, the total amount to be distributed to the shareholders shall be reduced or increased by the portion of the dividend attributable to the difference in the number of shares. The amount to be appropriated to other retained earnings shall be adjusted inversely by the same amount. In contrast, the dividend to be distributed per no-par value bearer share carrying dividend rights shall remain unchanged. If necessary, an appropriately modified draft resolution on the utilization of the net retained profits will be presented to the Annual General Meeting.

### 3. Resolution on the official approval of the actions of the members of the Executive Board

The Executive Board and the Supervisory Board propose approving the actions of the members of the Executive Board for fiscal year 2009.

### 4. Resolution on the official approval of the actions of the members of the Supervisory Board

The Executive Board and the Supervisory Board propose approving the actions of the members of the Supervisory Board for fiscal year 2009.

### 5. Election of the auditors for fiscal year 2010

On the recommendation of its Audit and Finance Committee, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be elected the auditors for Beiersdorf Aktiengesellschaft and the Beiersdorf Group for fiscal year 2010.

### 6. Resolution on the authorization to purchase and utilize own shares

As the authorization to purchase own shares granted by the Annual General Meeting on April 30, 2009 for a maximum period of 18 months expires on October 29, 2010, a new authorization resolution is to be proposed to the Annual General Meeting. In accordance with § 71 (1) no. 8 *AktG*, as amended by the *Gesetz zur Umsetzung der Aktionärsrechterichtlinie* (Act Implementing

the Shareholder Rights Directive, *ARUG*) dated July 30, 2009, the authorization to purchase own shares can now be granted for up to five years.

The Executive Board and the Supervisory Board therefore propose to resolve as follows:

a) The existing authorization to purchase own shares granted by the Annual General Meeting on April 30, 2009 under agenda item 6 b) for a limited period up until October 29, 2010 shall be cancelled upon entry into force of the authorization under b).

b) The Company is authorized 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 until April 28, 2015. The authorization can be exercised in whole or in part once or several times. 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.

The shares shall be purchased via the stock exchange or via a public offer addressed to all shareholders. Where the shares are purchased via the stock exchange, the paid purchase price (excluding incidental costs) per share may not exceed or fall below the average price of Beiersdorf's shares in the closing auction in the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the five stock exchange trading days preceding the purchase by more than 5%. Where the shares are purchased via a public purchase offer addressed to all shareholders, the purchase price or the limits of the price range per share (in each case excluding incidental costs) may not exceed or fall below the average price of Beiersdorf's shares in the closing auction in the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the ten stock exchange trading days preceding the publication of the decision to issue the purchase offer by more than 20%. If, after publication of the formal purchase offer, significant differences arise between the relevant price and the purchase price offered or the limits of the price range offered, the offer may be adjusted. In this case, the corresponding average price over the last ten stock exchange trading days before publication of any adjustment will be used. The volume of the offer may be limited. If the total number of shares tendered under the offer exceeds this volume, the shares must be accepted proportionately.

c) The Executive Board is authorized, 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' pre-emptive rights also in a way other than via the stock exchange or by way of 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 applicable market price as defined in the provision above is the average price of Beiersdorf's shares in the closing auction in the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the five stock exchange trading days preceding the sale of the own shares. This authorization is limited to a total of no more than 10% of the share capital existing at the time this authorization comes into effect and at the time it is exercised, whereby, if own shares are sold in line with the above-mentioned provisions, those shares must be included for which the pre-emptive rights of shareholders are also disappplied in accordance with § 186 (3) sentence 4 AktG when the Authorized Capital is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is exercised.

The Executive Board is also authorized, with the approval of the Supervisory Board, to utilize the own shares purchased on the basis of the above (under b)) or a prior authorization in whole or in part as consideration or partial consideration as part of a merger or the acquisition of businesses, equity interests in businesses (including the increase of equity interests), or business units of companies, while disapplying the pre-emptive rights of shareholders.

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 (under b)) or a prior authorization in whole or in part, 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.

Furthermore, the Executive Board is authorized, with the approval of the Supervisory Board, to retire own shares purchased on the basis of the above (under b)) or a prior authorization without requiring an additional resolution by the Annual General Meeting. The authorization to retire the shares can be exercised in whole or in part, i.e. also several times.

7. Resolution on the cancellation of the existing Authorized Capital I in accordance with § 5 (2) of the Articles of Association, and on the creation of a new Authorized Capital I; amendment to the Articles of Association

The Executive Board and the Supervisory Board propose that the following resolution be adopted:

- a) The authorization of the Executive Board, in line with § 5 (2) of the Articles of Association to increase the share capital in the period until May 17, 2010 by up to a total of €45,000,000.00, with the approval of the Supervisory Board, shall be cancelled upon the entry into force of the authorization under b) below.
- b) The Executive Board is authorized, 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 €42,000,000.00 by issuing new no-par value bearer shares against cash contributions on one or several occasions (Authorized Capital I). In this context, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases;
2. to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive 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.

The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

c) § 5 (2) of the Articles of Association of the Company shall be amended to read as follows:

“The Executive Board is authorized, 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 €42,000,000.00 by issuing new

no-par value bearer shares against cash contributions on one or several occasions (Authorized Capital I). In this context, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases;
2. to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive 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.

The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation."

#### 8. Resolution on the cancellation of the existing Authorized Capital II in accordance with § 5 (3) of the Articles of Association, and on the creation of new Authorized Capital II; amendment to the Articles of Association

The Executive Board and the Supervisory Board propose that the following resolution be adopted:

- a) The authorization of the Executive Board in line with § 5 (3) of the Articles of Association to increase the share capital in the period until May 17, 2010 by up to a total of €21,000,000.00, with the approval of the Supervisory Board, shall be cancelled upon the entry into force of the authorization under b) below.
- b) The Executive Board is authorized, 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 €25,000,000.00 by issuing new no-par value bearer shares against cash contributions on one or several occasions (Authorized Capital II). In this context, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory

Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases;
2. to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive 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;
3. if the total amount of share capital attributable to the new shares for which pre-emptive 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 of the new shares is not materially lower than the quoted market price of 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 pre-emptive rights of shareholders have been disapplied as of April 29, 2010 in accordance with § 186 (3) sentence 4 *AktG* when the authorization to sell own shares was utilized, and/or when the authorization to issue convertible bonds and/or bonds with warrants was utilized.

The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

c) § 5 (3) of the Articles of Association of the Company shall be amended to read as follows:

“The Executive Board is authorized, 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 € 25,000,000.00 by issuing new no-par value bearer shares against cash contributions on one or several occasions (Authorized Capital II). In this context, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) *AktG*.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the

following cases:

1. to eliminate fractions created as a result of capital increases;
2. to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive 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;
3. if the total amount of share capital attributable to the new shares for which pre-emptive 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 new shares are issued and the issue price is not materially lower than the quoted market price of 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 pre-emptive rights of shareholders have been disapplied as of April 29, 2010 in accordance with § 186 (3) sentence 4 *AktG* when the authorization to sell own shares was utilized, and/or when the authorization to issue convertible bonds and/or bonds with warrants was utilized.

The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.”

#### 9. Resolution on the cancellation of the existing Authorized Capital III in accordance with § 5 (4) of the Articles of Association, and on the creation of a new Authorized Capital III; amendment to the Articles of Association

The Executive Board and the Supervisory Board propose that the following resolution be adopted:

- a) The authorization of the Executive Board in line with § 5 (4) of the Articles of Association to increase the share capital, with the approval of the Supervisory Board, in the period until May 17, 2010 by up to a total of €21,000,000.00, shall be cancelled upon the entry into force of the authorization under b) below.
- b) The Executive Board is authorized, 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 €25,000,000.00 by issuing new no-par value bearer shares against cash or non-cash contributions on one or several occasions (Authorized Capital III). In this context, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions;
2. to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive 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;
3. in the case of capital increases against non-cash contributions, for the purpose of acquiring businesses, business units of companies, or equity interests in businesses.

The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

c) § 5 (4) of the Articles of Association of the Company shall be amended to read as follows:

“The Executive Board is authorized, 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 €25,000,000.00 by issuing new no-par value bearer shares against cash or non-cash contributions on one or several occasions (Authorized Capital III). In this context, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions;
2. to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive 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;
3. in the case of capital increases against non-cash contributions, for the purpose of acquiring businesses, business units of companies, or equity interests in businesses.

The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.”

10. Resolution on the cancellation of the existing authorization to issue convertible bonds and/or bonds with warrants and of the existing contingent capital in accordance with § 5 (5) of the Articles of Association, and on the renewed authorization to issue convertible bonds and/or bonds with warrants and the creation of a new contingent capital; amendment to the Articles of Association

The Executive Board and the Supervisory Board propose that the following be resolved:

- a) Cancellation of the existing authorization to issue convertible bonds and/or bonds with warrants and of the existing contingent capital in accordance with § 5 (5) of the Articles of Association

The existing authorization of the Executive Board to issue convertible bonds and/or bonds with warrants granted by the Annual General Meeting on May 18, 2005 for a limited period ending on May 17, 2010 shall be cancelled upon the entry into force of the authorization under b) below. As no convertible bonds or bonds with warrants were issued under the authorization granted by the Annual General Meeting on May 18, 2005, the existing contingent capital of up to a maximum of €46,875,000.00 in § 5 (5) of the Articles of Association shall also be cancelled upon entry into force of the authorization under c) below and replaced by new contingent capital.

b) Authorization to issue convertible bonds and/or bonds with warrants

The Executive Board is authorized on one or several occasions in the period until April 28, 2015 to issue bearer and/or registered convertible bonds and/or bonds with warrants with a total principal amount of up to €1,000,000,000.00 with a term of 20 years at the most, and to grant to the holders or creditors of convertible bonds conversion rights and to the holders or creditors of bonds with warrants option rights on no-par value bearer shares of Beiersdorf Aktiengesellschaft with a notional interest in the share capital of up to a total of €42,000,000.00 as specified in more detail in the terms and conditions of the convertible bonds and/or bonds with warrants.

Apart from in euros, the convertible bonds and/or bonds with warrants (bonds) may also be issued in the official currency of an OECD country – provided that they are limited to the equivalent value in euros – and by companies in which Beiersdorf Aktiengesellschaft holds a direct or indirect majority interest. In this case Beiersdorf Aktiengesellschaft's Executive Board is authorized to assume, on behalf of the corresponding company, the guarantee for the convertible bonds and/or bonds with warrants, and to grant the holders of such convertible bonds and/or bonds with warrants conversion or option rights on shares in Beiersdorf Aktiengesellschaft.

The convertible bonds and/or bonds with warrants can also be acquired by a credit institution or a syndicate of credit institutions, with the obligation to offer them to shareholders for subscription. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights, to the extent that it arrives, after due examination, at the opinion that the issue price of the convertible bonds and/or bonds with warrants is not materially lower than the theoretical market value calculated by recognized methods, and in particular by financial methods. However, this only applies to bonds with a conversion or option right, or with a conversion obligation for shares with a notional interest in the share capital of up to a total of 10% of the share capital in existence at the time that this authorization comes into effect or, in the event that this amount is lower, at the time the authorization is exercised. In this context, those shares for which the pre-emptive rights of shareholders are disapplied in accordance with § 186 (3) sentence 4 AktG during the term of this authorization to issue convertible bonds and/or bonds with warrants must be included when the authorization to sell own shares is utilized, and/or when Authorized Capital II is utilized. The

Executive Board is also authorized, with the approval of the Supervisory Board, to eliminate fractions from shareholders' pre-emptive rights, and also to disapply pre-emptive rights to the extent necessary to grant the holders/creditors of convertible bonds and/or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, pre-emptive rights to new convertible bonds and/or bonds with warrants in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligations, in order to compensate for dilution.

When convertible bonds are issued, the holders or creditors of the bonds acquire the right to convert their bonds into shares in the Company, as specified in more detail in the convertible bond terms and conditions. The conversion ratio is calculated by dividing the nominal amount of a bond by the conversion price for a share in the Company. The conversion ratio can also be calculated by dividing an issue price that is less than the nominal amount of a bond by the conversion price determined for a share in the Company. A variable conversion ratio may be foreseen, and the conversion price may be specified as falling within a range to be determined on the basis of the share price development during the term of the bond. The conversion ratio may be rounded up or down to a whole figure in all cases; an additional cash payment may also be specified. Provision may also be made for fractions to be combined and/or paid out in money. The terms and conditions of the convertible bond may also create a conversion obligation at the end of the term (or at another time). The term of the convertible bonds may not exceed 20 years.

When bonds with warrants are issued, one or more warrants are attached to each bond, which entitle the holder to subscribe for shares in the Company as specified in greater detail in the option terms and conditions to be determined by the Executive Board. The interest in the share capital accounted for by the shares that can be subscribed per bond may not exceed the nominal amount of the bonds with warrants. The maximum term of the option right is 20 years.

The terms and conditions of the bond may also permit, at the Company's discretion, the convertible bonds and/or bonds with warrants to be converted into own shares of the Company instead of into new shares from contingent capital, or that options can be serviced by the delivery of such shares, and that such shares can also be granted where conversion obligations are fulfilled. Finally, the terms and conditions of the bond may also provide that, where

bonds are converted or options exercised, the Company shall not grant the persons entitled to perform the conversion or exercise the option shares in the Company, but shall pay the equivalent amount in money; as specified in more detail in the bond terms and conditions, this shall correspond to the average price of Beiersdorf's shares in the closing auction on the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the first to tenth stock exchange trading days before the declaration of conversion is made or the options exercised. The notional interest in the share capital of the shares to be issued as a result of conversion or the exercise of the options may not exceed the nominal amount of the convertible bonds and/or bonds with warrants.

The conversion or option prices for a share to be determined must amount even in the case of a variable conversion ratio/conversion price to a minimum of either 80% of the average price of Beiersdorf Aktiengesellschaft's shares in the closing auction on the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the ten stock exchange trading days preceding the date of the resolution by the Executive Board on the issue of convertible bonds and/or bonds with warrants, or of 80% of the average market price in the closing auction on the Frankfurt Stock Exchange's Xetra trading system (or a comparable successor system) on the days when the pre-emptive rights are traded on the Frankfurt Stock Exchange (with the exception of the final two days of pre-emptive rights trading).

In order to ensure adequate protection against dilution, the conversion or option price can be reduced without prejudice to the provisions of § 9 (1) *AktG* on the basis of an antidilution clause as specified in more detail in the terms and conditions of the convertible bonds and/or bonds with warrants – by way of payment of the appropriate amount in cash when the conversion rights are exercised or the conversion obligation is fulfilled, or by way of a reduction of the additional payment, if, during the conversion or option period, the Company increases its share capital and/or issues further convertible bonds or bonds with warrants, or grants other options and in doing so grants its shareholders pre-emptive rights and the holders of the convertible bonds or warrants are not granted pre-emptive rights in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligations. Instead of a cash payment or a reduction of the additional payment, the conversion ratio may, to the extent possible, be adjusted by dividing it by the reduced conversion price. The terms and conditions of the bond may also provide for an adjustment of the conversion or option price in the

case of a capital reduction or other capital measures, restructuring measures, extraordinary dividends, or other comparable measures which may lead to a dilution of the value of the shares.

The Executive Board is authorized to determine the further details of the issue and terms of the convertible bonds and/or bonds with warrants, and in particular the interest rate, issue price, term and denomination, conversion or option price, and conversion or option period, or to do so in agreement with the executive bodies of the companies in which Beiersdorf Aktiengesellschaft holds a direct or indirect majority interest, issuing the convertible bonds and/or bonds with warrants.

#### c) Creation of new contingent capital

The share capital shall be contingently increased by up to a total of €42,000,000.00, composed of up to 42,000,000 no-par value bearer shares. The contingent capital increase serves to grant rights to, or found duties by, the holders or creditors of convertible bonds and/or bonds with warrants issued by the Company or by companies in which the Company holds a direct or indirect majority interest in accordance with the above-mentioned authorization under b) in the period until April 28, 2015.

The shares shall be issued at the conversion/option prices to be specified in each case in accordance with the above-mentioned authorizing resolution as described in b). The contingent capital increase shall be implemented only to the extent that the holders/creditors of such convertible bonds and/or bonds with warrants choose to exercise their conversion or option rights, or fulfill their conversion obligation, and the contingent capital is required for this purpose in compliance with the terms and conditions of the bond. The new shares carry dividend rights from the beginning of the fiscal year in which they are created via the exercise of conversion or option rights, or as a result of compliance with conversion obligations.

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

#### d) Amendment to the Articles of Association

§ 5 (5) of the Articles of Association of the Company shall be amended to read as follows:

“The share capital has been contingently increased by up to a total of €42,000,000.00, composed of up to 42,000,000 no-par value

bearer shares. The contingent capital increase shall be implemented only to the extent that:

1. the holders or creditors of conversion rights and/or options 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 purpose as specified in the bond terms and conditions.

The new shares carry dividend rights from the beginning of the fiscal year in which they are created via the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

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

#### 11. Resolution on amendments to the Articles of Association to comply with the *ARUG*

The *ARUG* dated July 30, 2009 led to changes in the deadlines under stock corporation law for registration for the Annual General Meeting and for providing proof of entitlement to attend. The provisions applicable to the exercise of voting rights via a proxy have also been changed. Furthermore, the *ARUG* now allows the shareholders to avail themselves of and exercise their rights even if they do not attend the Annual General Meeting by submitting votes by post. Beiersdorf Aktiengesellschaft’s Articles of Association are to be amended in line with these changes in the law.

The Executive Board and the Supervisory Board therefore propose that the following resolutions be passed:

a) § 17 (2) of the Articles of Association shall be amended to read as follows:

“(2) The Annual General Meeting shall be convened by the Executive Board and, where required by law, by the Supervisory

Board or a shareholder minority. The Annual General Meeting must be convened at least 30 days before the date of the meeting. The convening period shall be extended by the registration period (§ 18 (1)).”

- b) § 18 (1) and (2) of the Articles of Association shall be amended to read as follows:

“(1) Shareholders wishing to participate in the Annual General Meeting or exercise their voting rights must register for the Annual General Meeting and provide proof of their entitlement. The registration and the proof of entitlement must be received by the Company at the address given for this in the invitation no later than six days prior to the date of the Annual General Meeting (registration period). The Executive Board – or the Supervisory Board where this convenes the Annual General Meeting – is entitled to specify a shorter period for registration and proof of entitlement, to be measured in days, in the invitation to the Annual General Meeting.

(2) Separate written proof of share ownership furnished in German or English by the custodian bank is sufficient proof of entitlement to attend the Annual General Meeting or exercise voting rights in accordance with (1). This proof must refer to the beginning of the twenty-first day prior to the Annual General Meeting.”

- c) § 18 of the Articles of Association shall be supplemented by the following paragraph (4):

“(4) The Executive Board is authorized to provide for shareholders to vote in writing or electronically without attending the Annual General Meeting (postal vote). The Executive Board is entitled to specify the details of the postal vote procedure.”

- d) § 20 (2) of the Articles of Association shall be amended to read as follows:

“(2) Voting rights may be exercised by a proxy. Proxies can also be sent to the Company electronically in a manner to be specified in more detail by the Executive Board. Details of how to grant and revoke proxies and how to substantiate them as against the Company will be announced with the convening of the Annual General Meeting.”

## 12. Resolution on the approval of the system for the remuneration of the Executive Board members

The remuneration system for Beiersdorf Aktiengesellschaft's Executive Board members for fiscal year 2010 has been modified in line with the *Gesetz zur Angemessenheit der Vorstandsvergütung* (Act on the Appropriateness of Executive Board Remuneration, *VorstAG*), which came into force on August 5, 2009. The new remuneration system for 2010 is presented on pages 62 and 63 of the 2009 Annual Report under section 1. d) aa) of the Remuneration Report (part of the Corporate Governance Report in the Corporate Governance Statement). This 2010 remuneration system is to be presented to the Annual General Meeting for approval as provided for in the option created by the *VorstAG* in § 120 (4) *AktG*.

The Executive Board and the Supervisory Board propose that the system for the remuneration of Beiersdorf Aktiengesellschaft's Executive Board members for fiscal year 2010 be approved.

Reports of the Executive Board to the Annual General Meeting on Items 6 to 10 of the Agenda in accordance with § 71 (1) no. 8 *AktG* in conjunction with § 186 (3) sentence 4, (4) sentence 2 *AktG* and §§ 203 (1) sentence 1, (2) sentence 2, 186 (3) sentence 4, (4) sentence 2 *AktG*, §§ 221 (4) sentence 2, 186 (3) sentence 4, (4) sentence 2 *AktG*

The Executive Board prepared the following reports on items 6 to 10 of the agenda in accordance with §§ 71 (1) no. 8 sentence 5, § 186 (3) sentence 4, (4) sentence 2 *AktG*, §§ 203 (1) sentence 1, (2) sentence 2, 186 (3) sentence 4, (4) sentence 2 *AktG*, §§ 221 (4) sentence 2, 186 (3) sentence 4, (4) sentence 2 *AktG* detailing the reasons for the authorization granted to the Executive Board, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in connection with the sale of own shares in the Company, capital increases from Authorized Capital I, II and III, and the issue of convertible bonds and/or bonds with warrants.

The reports on items 6 to 10 of the agenda are 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 and are available on the Company's German website at [www.Beiersdorf.de/Hauptversammlung](http://www.Beiersdorf.de/Hauptversammlung) (see [www.Beiersdorf.com/Annual\\_General\\_Meeting](http://www.Beiersdorf.com/Annual_General_Meeting) for the English translation). In addition, they will be available at the Annual General Meeting. All shareholders will also be sent copies of these reports free of charge and without delay upon request. The reports contain the following:

#### 1. Report of the Executive Board on Item 6 of the Agenda for the Annual General Meeting (resolution on the authorization to purchase and utilize own shares)

The Company purchased own shares amounting to approximately 9.99% of its share capital based on the authorization by 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. No own shares were purchased on the basis of the authorizations by the Annual General Meetings on June 3, 2004, May 18, 2005, May 17, 2006, April 26, 2007, April 30, 2008, and April 30, 2009. 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. The authorization is to be granted for the new legally permitted maximum duration of five years. Such a multiyear authorization will not only avoid

authorizations expiring between two Annual General Meetings and therefore needing to be extended ahead of schedule in future, but will in particular also give the Executive Board an appropriate level of additional flexibility when deploying share buybacks for various purposes in the Company's interests. The Aktiengesetz also provides for authorizations with terms of up to five years in other comparable contexts such as in the case of Authorized Capital (§ 202 (1) AktG) or to issue convertible bonds (§ 221 (2) AktG).

In accordance with § 71 (2) sentence 1 AktG, 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 AktG in conjunction with § 186 (3) sentence 4 AktG. 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 or, in the event that this amount is lower, at the time the authorization is exercised, including shares for which the shareholders' pre-emptive rights are disapplied in accordance with § 186 (3) sentence 4 *AktG* 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 *AktG*, 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 *AktG* 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, also is to 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. Although this expires on May 17, 2010, it is to be renewed by the Annual General Meeting for a further five years in accordance with the draft resolution by the Executive Board and the Supervisory Board contained in agenda item 9. 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.

## 2. Report of the Executive Board on Item 7 of the Agenda (Resolution on the Creation of Authorized Capital I):

The Authorized Capital I 2005 in § 5 (2) of the Articles of Association expires on May 17, 2010. In item 7 of the agenda, the Executive Board and the Supervisory Board therefore propose the creation of a new Authorized Capital I, which authorizes the issue of new shares against cash contributions.

The authorized capital is intended to enable the Company to react quickly and flexibly on changing markets in the interests of its shareholders. As decisions on how to meet its capital requirements generally need to be made at short notice, it is important that the Company is not dependent on the cycle laid down by Annual General Meetings or the long convening period for an Extraordinary General Meeting. Legislators have created the instrument of authorized capital to do justice to this situation. The most common reasons for utilizing authorized capital are to strengthen a company's equity base and to finance the acquisition of equity interests.

If the authorized capital is utilized, we intend to grant our shareholders pre-emptive rights.

The authorization to disapply pre-emptive rights for fractions serves to ensure a practicable subscription ratio with regard to the amount of the capital increase in each case. Fractions result from the size of the issue volume in question and the presentation of a practicable subscription ratio. Not disapplying pre-emptive rights regarding fractions would make the technical implementation of a capital increase, and the exercising of pre-emptive rights, significantly more difficult, particularly in the case of a capital increase involving round amounts. The new shares that are excluded from shareholders' pre-emptive rights as unallotted fractions will be utilized at the best possible terms for the Company either through sale via the stock exchange or in another way.

In addition, shareholders' pre-emptive rights should continue to be disappplied in favor of holders of convertible bonds and/or bonds with warrants. The authorization to disapply shareholders' pre-emptive rights for the benefit of holders of convertible bonds and/or bonds with warrants is designed to ensure that, in the case that this authorization is utilized, the conversion or option price need not be reduced in line with the antidilution clauses of the conversion or option terms and conditions; rather, the holders of the convertible bonds and/or bonds with warrants may also be granted pre-emptive rights in the amount to which they would be entitled after exercising their conversion or option rights, or after

fulfilling their conversion obligations. The authorization gives the Executive Board the opportunity to choose between these two alternatives when utilizing the authorized capitals, after careful consideration of the interests. This serves to facilitate bond placement and thus the interests of the Company and its shareholders in having an optimal financing structure for the Company.

### 3. Report of the Executive Board on Item 8 of the Agenda (Resolution on the creation of Authorized Capital II):

The Authorized Capital II 2005 in § 5 (3) of the Articles of Association expires on May 17, 2010. In item 8 of the agenda, the Executive Board and the Supervisory Board therefore propose the creation of a new Authorized Capital II, which authorizes the issue of new shares against cash contributions.

Please refer to the Report of the Executive Board on item 7 of the agenda regarding the authorization to disapply shareholders' pre-emptive rights for fractions and for holders of convertible bonds and/or bonds with warrants.

In addition, the management is authorized under agenda item 8 to disapply shareholders' pre-emptive rights in accordance with §§ 203 (1) sentence 1, (2) sentence 2, 186 (3) sentence 4 *AktG*. This option to disapply shareholders' pre-emptive rights serves the interests of the Company in achieving the best possible issue price when issuing new shares. The statutory simplified disapplication option for pre-emptive rights in accordance with § 186 (3) sentence 4 *AktG* puts the management in a position to exploit the financing opportunities offered by the stock exchange situation in each case rapidly, flexibly, and cost-effectively. This permits the optimal strengthening of shareholders' equity in the interests of the Company and all shareholders. The waiver of the lengthy and costly process of settling pre-emptive rights allows capital requirements to be met promptly from short-notice market opportunities, and new groups of shareholders to be attracted both within Germany and abroad. This opportunity to perform capital increases under optimum conditions and without any significant reduction for pre-emptive rights is particularly important for the Company as it must be able to exploit opportunities in rapidly changing and new markets quickly and flexibly, and hence to meet the resulting capital requirements in the very short term if necessary.

The issuing price and therefore the funds accruing to the Company for the new shares will be based on the market price of the shares already listed and will not fall materially below the current market price (i.e., not by more than 5% in any case). When making use of this authorization, the Executive Board shall keep

any discount to the then-quoted market price as low as possible given the prevailing market conditions at the time when the issue price is finalized. This ability to disapply pre-emptive rights is limited to a maximum of 10% of the share capital existing at the time that the authorization comes into effect or, in the event that this amount is lower, at the time the authorization is exercised, whereby those shares must be included for which the pre-emptive rights of shareholders have been disapplied in accordance with § 186 (3) sentence 4 *AktG* since April 29, 2010, i.e., since the day on which the creation of new Authorized Capital II was resolved, when the authorization to issue convertible bonds and/or bonds with warrants was utilized and/or when the authorization to sell own shares was utilized. This ensures overall that, in compliance with the purpose of § 186 (3) sentence 4 *AktG*, the interests of the shareholders are adequately preserved when authorized capital is utilized and their pre-emptive rights disapplied, while the Company is provided with greater room to maneuver in the interests of all shareholders. As the new shares are placed at a price that is close to the market price, any shareholder wishing to maintain their proportionate equity interest can acquire shares on highly similar terms.

#### 4. Report of the Executive Board on Item 9 of the Agenda (Resolution on the Creation of Authorized Capital III):

The Authorized Capital III 2005 in § 5 (4) of the Articles of Association expires on May 17, 2010. In item 9 of the agenda, the Executive Board and the Supervisory Board therefore propose the creation of a new Authorized Capital III, which authorizes the issue of new shares against cash contributions.

Please refer to the Report of the Executive Board on item 7 of the agenda regarding the authorization to disapply shareholders' pre-emptive rights for fractions and for holders of convertible bonds and/or bonds with warrants.

In addition, the Executive Board is authorized under item 9, with the approval of the Supervisory Board, when increasing capital against non-cash contributions to resolve on the disapplication of shareholders' statutory pre-emptive rights. The intention is to put the Executive Board in a position to selectively expand the Company's market position through further acquisitions of businesses, equity interests in businesses, or business units of companies in order to strengthen its competitiveness and increase earnings and the Company's enterprise value.

In the opinion of both the Executive Board and the Supervisory Board, it is justified to use the proposed creation of authorized

capital against non-cash contributions to enable the Executive Board to decide, with the approval of the Supervisory Board, on the disapplication of shareholders' pre-emptive rights. Given international competition and the globalization of the economy, it is absolutely vital 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. It is evident that mergers and the acquisition of companies, business units of companies, or equity interests in companies often involve relatively large entities and the consideration that has to be paid is in many cases substantial. Frequently, this cannot or should not be paid in cash. In particular, in order not to impact the company's liquidity it may be more convenient if the consideration that the company must pay consists in whole or in part of new shares in the acquiror. Practice also shows that the provision of shares of the acquiror is often required as consideration for attractive targets on both the international and national markets. For these reasons, Beiersdorf Aktiengesellschaft must be given the opportunity to grant new shares as consideration during mergers or the acquisition of businesses, business units of companies, or equity interests in businesses; in some cases the number of shares involved may be substantial. The Company is not disadvantaged by this as the issue of shares in return for non-cash contributions always requires the value of the non-cash contribution to be in reasonable proportion to the value of the shares. Where such opportunities become apparent, the capital increase generally has to be implemented at short notice and in competition with other potential buyers, and the necessary secrecy requirements have to be observed; as a result, in the opinion of both the Executive Board and the Supervisory Board, it is necessary to create authorized capital allowing for the disapplication of pre-emptive rights.

The Executive Board will carefully examine in each individual case whether to make use of this authorization to increase the capital while disapplying shareholders' pre-emptive rights as soon as a concrete opportunity to purchase equity interests emerges. 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, properly understood, in the 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 utilized to the extent that the value of the equity interest to be acquired is in reasonable proportion to

the value of the Beiersdorf shares to be exchanged for it. The Supervisory Board will only grant the necessary approval for the utilization of the authorized capital if these preconditions are met. The Executive Board will report on the details of all utilizations of authorized capital to the Annual General Meeting following the acquisition of an equity interest in return for shares of the Company.

The authorization to disapply the pre-emptive rights is limited to just under 10% of the current share capital. In view of the considerable growth potential in the business areas in which the Company is active, the extent of the authorization to disapply pre-emptive rights is appropriate overall; it is also necessary to ensure prompt and flexible business decisions in the interests of the Company, and is therefore in the interests of the shareholders.

#### 5. Report of the Executive Board on Item 10 of the Agenda (Resolution on the authorization to issue convertible bonds and/or bonds with warrants and on the creation of Contingent Capital):

As the previous Annual General Meeting authorization to issue convertible bonds and/or bonds with warrants contained in § 5 (5) of Articles of Association is set to expire, a new authorization is to be created in agenda item 10 that has been adapted to business developments and the Company's current financial situation. To service the subscription and/or conversion rights from convertible bonds and/or bonds with warrants if the authorization is utilized, new contingent capital is also to be resolved and the current contingent capital in accordance with § 5 (5) of the Articles of Association is to be cancelled.

In addition to the traditional options of raising debt capital and equity, the authorization to issue convertible bonds and/or bonds with warrants allows the Company to take advantage of attractive financing opportunities, depending on the market conditions pertaining at the time, so as to access capital at attractive interest rates and hence ensure an adequate capital base. The possibility of providing for a conversion obligation in the case of convertible bonds broadens the scope for structuring such financing tools. This includes the ability of the Company, via its investees, if appropriate, to access the German or international capital markets, depending on market conditions.

In principle, shareholders are entitled to the statutory pre-emptive rights attached to subscription and/or conversion rights from convertible bonds and/or bonds with warrants (§ 221 (4) in conjunction with § 186 (1) *AktG*). In order to facilitate settlement, the option to issue bonds to a credit institution or a syndicate of credit

institutions on condition that the bonds are offered to shareholders in accordance with their pre-emptive rights is to be utilized (indirect pre-emptive rights within the meaning of § 186 (5) *AktG*).

However, pre-emptive rights may be disapplied with the approval of the Supervisory Board if the convertible bonds and/or bonds with warrants are issued in each case at a price that, according to the Executive Board's due examination, is not materially lower than the theoretical market value of the bonds calculated by recognized methods, and in particular by financial methods. The ability to disapply pre-emptive rights allows the Company to take advantage of favorable market opportunities quickly and flexibly and to achieve better conditions when the interest rates and issue prices of bonds are determined by ensuring that the conditions are in line with the market.

According to § 221 (4) sentence 2 *AktG*, the provision laid down in § 186 (3) sentence 4 *AktG* applies *mutatis mutandis* to the disapplication of pre-emptive rights. In order to comply with the limit that this specifies for disapplying pre-emptive rights to a maximum of 10% of the share capital, the issue without pre-emptive rights of convertible bonds and/or bonds with warrants with conversion or option rights or with a conversion obligation in relation to shares with a notional interest in the share capital is limited to a total of up to 10% at the time that the authorization comes into effect or, in the event that this amount is lower, at the time the authorization is exercised. Furthermore, this is only permissible to the extent that this limit has not already been exhausted by the utilization of Authorized Capital II and/or by the utilization of the authorization to sell own shares in accordance with § 186 (3) sentence 4 *AktG*.

In addition, § 186 (3) sentence 4 *AktG* requires that the issue price may not be significantly lower than the market price. This is intended to ensure that there is no significant economic dilution of the value of shareholders' shares (discount to the market value). The likelihood of such a dilutive effect can be calculated by comparing the theoretical market value of the bond with the issue price. The Executive Board is obliged to guarantee, by means of due examination, that the theoretical market value of the bond is calculated by recognized methods, and in particular by financial methods. In this context, the Executive Board may obtain the support of experts, if it deems it necessary in a particular situation to obtain professional advice. If the issue price is not materially (i.e., not more than 5% less) lower the theoretical market value calculated by the methods mentioned above at the time of issue of the convertible bonds or bonds with warrants, disapplication of

pre-emptive rights is permitted within the meaning and purpose of § 186 (3) sentence 4 *AktG* due to the only insignificant nature of the discount. When making use of this authorization, the Executive Board will keep any discount to the then-quoted market price as low as possible given the prevailing market conditions at the time when the issue price is finalized. This takes account of the need to protect shareholders against a dilution of their shareholdings. The provision in the authorization that the final issue price must not be significantly below the theoretical market value, means that the value of the pre-emptive rights is reduced to almost zero, which means that shareholders are not economically disadvantaged by the disapplication of the pre-emptive rights.

Please refer to the Report of the Executive Board on item 7 of the agenda regarding the authorization to disapply shareholders' pre-emptive rights for fractions and for holders of convertible bonds and/or bonds with warrants.

The contingent capital is required to service the conversion or option rights, or conversion obligations relating to the convertible bonds and/or bonds with warrants with Beiersdorf shares, if the Company exercises its discretion not to utilize own shares. The conversion or option price for a share may not fall below 80% of the average market price of the shares on the ten stock exchange trading days preceding the resolution on the issue. Alternatively, the conversion or option price for a share can be determined on the basis of the average market price of the shares during the first trading days for the pre-emptive rights. Furthermore, provision may be made for the conversion ratio and/or the conversion price specified in the conversion terms and conditions to be variable, and for the conversion price to be determined within a range to be specified depending on the share price development during the term of the bond. These options make it possible for the terms of the issue to be as close to the market as possible.

As a result of the *ARUG*, which largely came into force on September 1, 2009, the revised version of § 193 (2) no. 3 *AktG* has clarified that it is sufficient to determine the minimum issue price or the basis for finalizing the issue price or the minimum issue price in the resolution by the Annual General Meeting on a contingent capital increase designed to issue convertible bonds (§192 (2) no. 1 *AktG*) or in the associated resolution in accordance with § 221 *AktG*. This amendment also corresponds to the current interpretation of the law by the *Bundesgerichtshof* (German Federal Supreme Court), which states that the Executive Board of an *Aktiengesellschaft* (German stock corporation) can be authorized by the Annual General Meeting to determine the issue price

of new shares in line with current capital market conditions when issuing convertible bonds. This enables the Executive Board to make flexible use of convertible bonds. The proposed authorization is in line with current legislation and the current interpretation of the law by the *Bundesgerichtshof*, which give the Executive Board the necessary freedom when issuing convertible bonds and/or bonds with warrants and therefore provides for a minimum issue price of 80% of the market price, which is defined in detail, at the time the bonds are issued.

## Attendance at the Annual General Meeting

At the time of convening the Annual General Meeting, the share capital of the Company is composed of 252,000,000 no-par value shares with a matching number of voting rights. At the time of convening the Annual General Meeting, the Company's own stock totaled 25,181,016 shares, for the number of which the Company does not hold voting rights. Therefore, the total number of Beiersdorf Aktiengesellschaft's shares carrying participation and voting rights amounted to 226,818,984 at the time of convening this Annual General Meeting.

### Entitlement to attend by way of registration and proof of share ownership

According to § 18 of the Company's current Articles of Association shareholders are entitled to attend the Annual General Meeting and to exercise their voting rights if they have registered for the Annual General Meeting and submitted special proof of their share ownership prepared in *Textform* (written proof according to § 126b *Bürgerliches Gesetzbuch* (German Civil Code, *BGB*)) in German or English language by their custodian bank to the Company at the following address:

Beiersdorf Aktiengesellschaft; c/o HV AG;  
Georgenstrasse 20; 92224 Amberg; Germany  
Fax: +49 (0) 40 4909-187603  
E-mail: HV-Anmeldung@Beiersdorf.com

The proof of share ownership must refer to the beginning of April 8, 2010 (0.00 hrs, the so-called record date) and must be received by the Company together with the registration for the Annual General Meeting under the above mentioned address by April 22, 2010 (24.00 hrs) at the latest.

In relation to the Company, only shareholders who have provided proof of ownership can attend the Annual General Meeting and vote. The entitlement to vote and the extent of the voting rights are determined solely by the shareholder's shareholdings on the record date. Although the record date does not impose a freeze on the acquisition or sale of shares, shares acquired or purchased after the record date do not affect the entitlement to vote or the extent of voting rights. The record date does not affect dividend entitlements.

After the registration and the proof of ownership have been entered at the above address, the eligible shareholders will receive entry cards indicating the number of votes to which the owner is entitled. To ensure the timely receipt of the entry cards, we request that shareholders take care to submit their registration for

the Annual General Meeting and the proof of their share ownership to the Company in good time.

### Proxy voting

This year, we are again offering our shareholders the opportunity to be represented by a proxy appointed by the Company, who will vote in accordance with their instructions. A proxy is an employee of the Company who will vote on the individual agenda items in accordance with instructions by shareholders based on a power of attorney issued to him or her by shareholders. To do so, the proxy must be granted power of attorney over and issued with express and clear instructions on how to exercise the shareholder's voting rights in regard to each relevant item of the agenda. The proxy undertakes to vote as instructed and may not exercise voting rights at his or her discretion. As far as express and clear instructions are not issued, the proxy appointed by the Company will vote "Abstain". The power of attorney and instructions to the proxy appointed by the Company concerning the exercise of voting rights can be issued in writing (Beiersdorf Aktiengesellschaft, Investor Relations (Bf. 86), Unnastrasse 48, 20245 Hamburg, Germany), by fax (+49 (0) 40 4909-187603), or by e-mail (HV-Anmeldung@Beiersdorf.com) using the proxy and instruction forms included with the entry cards to the Annual General Meeting and made available on the Company's website at **www.Beiersdorf.de/Hauptversammlung**. The Company must receive powers of attorney and instructions no later than the end of April 27, 2010 (24.00 hrs). Thank you for understanding that we cannot honor powers of attorney and instructions received after this date. Shareholders must submit their registration for the Annual General Meeting and the proof of share ownership in the manner described above by the deadline also if they plan to appoint the proxy appointed by the Company. Shareholders will receive further details of how to issue a power of attorney and how to instruct the proxy appointed by the Company together with their entry card after they have registered for the Annual General Meeting and submitted proof of ownership; this information is also available on the Company's German website at **www.Beiersdorf.de/Hauptversammlung** (see [www.Beiersdorf.com/Annual\\_General\\_Meeting](http://www.Beiersdorf.com/Annual_General_Meeting) for the English translation).

Of course, this offer to grant power of attorney to the proxy appointed by the Company does not affect any previously valid means of attending the Annual General Meeting, such as participation via an authorized representative, e.g. a credit institution or shareholders' association, which remain in full force. In these cases, too, shareholders must submit their registrations for the Annual General Meeting and provide proof of share ownership in

the manner described above by the deadline. If the power of attorney is not issued to a credit institution, shareholders' association, or other persons or institutions with equivalent status to these under the provisions of stock corporation law, it, its revocation, and proof of power of attorney must be issued in *Textform* (written proof according to § 126b BGB). If a shareholder grants powers of attorney to more than one person, the Company can reject one or more of these. To issue a power of attorney, we ask our shareholders to use the proxy form included with their entry card or the proxy form available on the Company's website at [www.Beiersdorf.de/Hauptversammlung](http://www.Beiersdorf.de/Hauptversammlung). The company will also send a proxy form to shareholders on request.

Credit institutions, shareholders' associations, or other persons or institutions with equivalent status to these under the provisions of stock corporation law may stipulate different regulations for being issued with powers of attorney.

Proof of power of attorney (issued to the representative) can be provided by the representative presenting the power of attorney at the point of access control on the day of the Annual General Meeting. It can also be sent to the Company in advance up to the end of April 27, 2010 (24.00 hrs) by fax (+49 (0) 40 4909-187603) or by e-mail (HV-Anmeldung@Beiersdorf.com).

### Shareholders' rights

#### Motions to add items to the agenda in accordance with § 122 (2) AktG

Shareholders whose shares, when taken together, amount to one twentieth of the share capital or €500,000 (500,000 shares) can demand that items be tabled on the agenda and announced. The reasons for each new item must be given or the item must be accompanied by a proposal for resolution. The request is to be directed to Beiersdorf Aktiengesellschaft's Executive Board in writing and must have been received by the Company at the following address no later than the end of March 29, 2010 (24.00 hrs):

Beiersdorf Aktiengesellschaft; Executive Board;  
Unnastrasse 48; 20245 Hamburg; Germany

#### Shareholders' countermotions and proposals for elections in accordance with §§ 126 (1), 127 AktG

Shareholders can also submit countermotions to the Company to proposals made by the Executive Board and the Supervisory Board on specific agenda items. The reasons for countermotions must be given and the motions must be submitted exclusively to the following address. Countermotions that are otherwise addressed cannot be considered.

Beiersdorf Aktiengesellschaft; Investor Relations (Bf. 86)  
 Unnastrasse 48; 20245 Hamburg; Germany  
 Fax: +49 (0) 40 4909-185000  
 E-mail: [Investor.Relations@Beiersdorf.com](mailto:Investor.Relations@Beiersdorf.com)

Shareholder agenda motions that must be made available will be published immediately on the Company's German website at [www.Beiersdorf.de/Hauptversammlung](http://www.Beiersdorf.de/Hauptversammlung) (see [www.Beiersdorf.com/Annual\\_General\\_Meeting](http://www.Beiersdorf.com/Annual_General_Meeting) for the English translation) together with the shareholder's name and the reasons for the motions requiring to be published provided the motions together with the reasons for them are received by the Company no later than the end of April 14, 2010 (24.00 hrs). Any management statements will also be published on the above-mentioned website.

The information provided above also applies to shareholder proposals for the election of Supervisory Board members or auditors in accordance with § 127 *AktG* and to the publication of such proposals. However no reasons must be given for shareholder election proposals.

#### Right to information in accordance with § 131 (1) *AktG*

Any shareholder who requests information on Company matters from the Executive Board at the Annual General Meeting must be provided with such information to the extent that it is required for an adequate judgment of the agenda. The obligation to provide information also applies to the legal and business relationships of the Company with an affiliated company, to the extent that this is required for an adequate judgment of the agenda.

#### Publication in the *elektronischer Bundesanzeiger* (electronic Federal Gazette) and information on the Company's website

This notification of the convening of the Annual General Meeting was published in the *elektronischer Bundesanzeiger* (electronic Federal Gazette) on March 12, 2010. This notification of the convening of the Annual General Meeting, the documents required to be published, and additional information, particularly more detailed explanations on the rights of the shareholders pursuant to §§ 122 (2), 126 (1), 127, and 131 (1) *AktG*, can also be accessed at the Company's website at [www.Beiersdorf.de/Hauptversammlung](http://www.Beiersdorf.de/Hauptversammlung) (see [www.Beiersdorf.com/Annual\\_General\\_Meeting](http://www.Beiersdorf.com/Annual_General_Meeting) for the English translation).

Hamburg, March 2010

Beiersdorf Aktiengesellschaft  
 The Executive Board

## Location Plan Congress Centrum Hamburg



We would like to support the use of public transport; to your entry card we will enclose a free ticket for Hamburg's public transport system (Hamburger Verkehrsverbund) on the day of the Annual General Meeting. If you wish to arrive by car, you can of course have your parking ticket for the CCH parking garage stamped as usual at the entrance to the room in which the Annual General Meeting is being held.

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## Contact Information

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E-mail: [Investor.Relations@Beiersdorf.com](mailto:Investor.Relations@Beiersdorf.com)**Beiersdorf on the Internet:**[www.Beiersdorf.com](http://www.Beiersdorf.com)