

Report of the Executive Board on Item 7 of the Agenda (Resolution on the Creation of Authorized Capital I) in accordance with §§ 203 (1) sentence 1, (2) sentence 2, 186 (3) sentence 4, (4) sentence 2 Aktiengesetz (German Stock Corporation Act, AktG)

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 preemptive 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.

Hamburg, February 2010

Beiersdorf Aktiengesellschaft

The Executive Board