

Report of the Executive Board on Item 8 of the Agenda (Resolution on the creation of Authorized Capital II) 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 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' preemptive rights in accordance with §§ 203 (1) sentence 1, (2) sentence 2, 186 (3) sentence 4 *Aktiengesetz* (German Stock Corporation Act, *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.

Hamburg, February 2010

Beiersdorf Aktiengesellschaft

The Executive Board