

Report of the Executive Board on Item 7 of the Agenda (Resolution on the creation of Authorized Capital II):

The authorization of the Executive Board to increase the share capital in accordance with § 5 (3) of the Articles of Association (Authorized Capital II) expires on April 28, 2015. In item 7 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 and materially corresponds to the existing authorization.

Authorized Capital II also serves to meet any financing needs of the Company at short notice and with sufficient flexibility, i.e., without a lengthy, new resolution by the Annual General Meeting. Shareholders are entitled in principle to pre-emptive rights to new shares issued from authorized capital. However, the Executive Board and the Supervisory Board propose that shareholders' pre-emptive rights be disappplied in certain cases.

Please refer to the relevant disclosures in the report of the Executive Board on item 6 of the agenda regarding the proposed 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 to be authorized under agenda item 7, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in accordance with §§ 203 (1) sentence 1, 203 (2) sentence 2, and 186 (3) sentence 4 *AktG* (simplified disapplication of pre-emptive rights). 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 Executive Board in a position to exploit the financing opportunities offered by the situation on the stock exchange in each case rapidly, flexibly, and cost-effectively. This optimally strengthens 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 by taking advantage of short-term market opportunities, and new groups of shareholders to be acquired in Germany and abroad. This opportunity to optimally perform capital increases without any significant discount 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 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 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. Those shares for which shareholders' pre-emptive rights have been disappplied in accordance with § 186 (3) sentence 4 *AktG* since March 31, 2015, 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 has been utilized and/or when the authorization to sell own shares has been utilized, must be counted towards this. Overall, this ensures that, in keeping with the provisions of § 186 (3) sentence 4 *AktG*, the interests of the shareholders are adequately safeguarded if authorized capital is utilized while disapplying pre-emptive rights, and the Company is

provided with greater flexibility 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.

The Executive Board is of the opinion that, for the reasons mentioned, the disapplication of pre-emptive rights is in the Company's interest – including with respect to any potential dilutive effect.

In addition, the Executive Board may only exercise the authorizations granted under item 7 of the agenda to disapply pre-emptive rights to the extent that the total proportionate interest of the shares issued while disapplying pre-emptive rights does not exceed 20% of the share capital at the time these authorizations become effective or at the time these authorizations are exercised. Furthermore, if other authorizations to issue or sell shares in the Company or to issue rights that enable or oblige the holder to subscribe for shares in the Company are exercised while disapplying pre-emptive rights during the term of Authorized Capital II until such time as it is utilized, this is counted towards the abovementioned 20% limit. This gives shareholders additional protection against a dilution of their existing shareholdings.

There are no plans at present to utilize Authorized Capital II. The Executive Board will carefully examine in each case whether exercising the authorization to issue new shares and, if appropriate, to disapply pre-emptive rights, is in the interests of the Company and its shareholders. It will report to the Annual General Meeting on each utilization of the authorization and on the specific reasons for any disapplication of pre-emptive rights.

Hamburg, February 2015

Beiersdorf Aktiengesellschaft

Stefan F. Heidenreich

Stefan De Loecker

Ralph Gusko

Thomas Ingelfinger

Zhengrong Liu

Dr. Ulrich Schmidt