

**Annual General Meeting  
of Beiersdorf AG, Hamburg  
April 17, 2014**

**Speech**

**Stefan F. Heidenreich  
Chairman of the Executive Board**

– Check against delivery –

Dear shareholders,

ladies and gentlemen,

Good morning and a very warm welcome to Beiersdorf AG's Annual General Meeting from my Executive Board colleagues and myself. We are delighted to see you here and would like to thank you for your interest in our company's performance in 2013.

2013 was a successful year for Beiersdorf. We made gains in market share and expanded our position in our relevant markets. We increased sales and improved earnings.

This positive trend is also reflected in Beiersdorf's share price. The German and international stock markets saw substantial volatility at times in the past year. This was caused by central bank policy and uncertainties surrounding economic growth in Europe and the USA. Against this background, our shares recorded significant gains. They closed the year up 19%, at 73.64 euros.

Ladies and gentlemen: In 2012, we defined our corporate goals and how to achieve them in our Blue Agenda. In 2013, we further systematically implemented the Blue Agenda.

Our brands are back. We have gained market shares in our core categories. We have become more innovative, faster, more flexible, and more customer oriented. We expanded our presence in the emerging markets and strengthened our position in Europe.

Overall, we can say that in the past year, we made good progress towards making Beiersdorf the number one skin care company in our relevant categories and markets.

But this does not mean we have reached our goal. We are on the way but our journey is not over yet.

## **Let us turn to our results:**

### **Group**

Organic Group sales rose by 7.2%. In nominal terms, sales rose by 1.7% to 6.141 billion euros thanks to the strong euro.

EBIT excluding special factors improved by 10.7% from 735 to 814 million euros, representing an EBIT margin of 13.2%, compared with 12.2% in the previous year. Profit after tax rose from 454 million euros to 543 million euros.

Both the Consumer Business Segment and tesa contributed to the upswing in the company's business.

### **Consumer**

The Consumer Business Segment recorded organic sales growth of 7.0% in financial year 2013. In nominal terms, sales rose by 1.1% – from 5.048 billion euros to 5.103 billion euros.

This positive sales trend was thanks in particular to the Group's three core brands. NIVEA increased sales by 7.5%, Eucerin by 11.5%, and La Prairie by 7.5%.

We are pleased to report that sales increased in almost all of the regions in which we have a presence.

We further stabilized our business in Europe and generated organic sales growth of 0.9%. Sales increased in Western Europe for the first time since 2008. We recorded good business growth in Germany in particular. Only in Eastern Europe were sales slightly below the prior-year level.

We also saw clear sales growth of 9% in the Americas region. Especially strong increases were achieved in Brazil.

We also recorded strong sales growth in the Africa/Asia/Australia region. Business development was especially dynamic in China, India, and Japan. The positive trend in China primarily reflects the successful relaunch of our Chinese hair care brands, SLEK and Maestro, and NIVEA's market success.

In the Consumer Business Segment, EBIT excluding special factors rose by 5.2% – from 606 million euros in the previous year to 638 million euros. The return on sales excluding special factors improved from 12% to 12.5%.

## **tesa**

The tesa Business Segment increased organic sales by 8.5% in the year under review. In nominal terms, sales increased by 4.7% – from 992 million euros to 1.038 billion euros.

EBIT excluding special factors increased by 36.3% from 129 million euros to 176 million euros, representing an EBIT margin of 16.9%, compared to last year's 13%.

The tesa Business Segment was successful in all regions. Both the consumer and the industrial businesses contributed to its strong sales growth. Especially strong growth rates were recorded in the industrial business in the US and Asia. Key

growth areas were the automotive and electronics industries. This strong performance once again demonstrates the sustainability and strength of tesa's innovative power.

Dear Shareholders: Based on these figures, the Executive Board and the Supervisory Board are today proposing a dividend of 70 euro cents for each share carrying dividend rights to the Annual General Meeting under agenda item 2.

In addition, in agenda items 3 to 5 we are asking you – as we do every year – to formally approve the actions of the members of the Executive Board and the Supervisory Board for the past financial year and to elect the auditors for the current financial year. Agenda item 6 relates to the Supervisory Board elections, which Professor Pöllath will explain in just a moment. Finally, we are asking you to approve the amendments to the existing profit and loss transfer agreements with our German affiliates in agenda item 7. Dr. Schmidt will provide you with further information on this later on.

**Ladies and gentlemen, I believe that, overall, we can be satisfied with our results for 2013. We are seeing a continuous, sustainable upward trend at Beiersdorf.**

This positive development results from the strategic decisions made in 2012, laid down in our Blue Agenda, and which we systematically implemented in 2013.

Our business activities focus on

1. strengthening our brands – first and foremost NIVEA,
2. increasing our innovative power,

3. systematically expanding our presence in the emerging markets and strengthening our position in Europe, and
4. our employees all over the world.

## **Brands**

Beiersdorf has outstanding, and globally successful brands. Above all, we have recharged the iconic NIVEA brand. Our disciplined and focused brand strategy has enabled us to sharpen the brand profile and thereby win market shares. We are continuing to concentrate on this area, because strengthening our brands is an ongoing task and the basis for our economic success.

A particular highlight was our new brand logo and packaging design for NIVEA. The move revitalized the brand core and significantly increased NIVEA's brand recognition among consumers. This has also been confirmed by representative surveys. Recently NIVEA was voted the most popular brand among Germans.

## **Innovations**

Our research and development work focuses on our consumers – and their individual, regionally specific expectations and needs. The success of our recent product launches shows that we are becoming better and better at capturing what consumers want and their outlook on life. New products such as NIVEA Deo Stress Protect, NIVEA In-Shower, and NIVEA Cellular Anti-Age generated significant market momentum in 2013. For example, NIVEA In-Shower was one of the best-selling products in the Body category in all its launch markets within a few months. We also saw growth in the Face category with NIVEA Cellular Anti-Age.

We will continue to drive forward this positive trend with the innovations we have planned for 2014 and 2015.

## **Emerging markets**

As part of the company's strategic development, we have sharpened our focus on the emerging markets – without losing sight of our traditional markets.

In the past year, we successfully expanded our position in the emerging markets and improved our structures. For the first time, over 50% of the Consumer Business Segment's total sales were generated in these regions – 52% to be precise.

We are increasingly responding to specific regional consumer needs and integrating these into our product portfolio.

The construction and operation of logistics and product development centers in China, Mexico, and India are important steps towards achieving this goal. We are currently building a regional lab for the Latin American market as well as the production facility in Silao, Mexico, which will be fully operational in mid-2014. In 2013, we expanded our existing development lab in Wuhan, China, into a local innovation center for the Far East region. We are also planning a production facility with 300 employees in India. This is expected to be completed in 2015.

## **Turning now to our employees:**

I would like to take this opportunity to thank our over 16,500 employees around the world for their hard work and their contribution to Beiersdorf's success.

We are proud to have such excellent employees: they are highly qualified and extremely dedicated. We believe that retaining these employees over the long term and attracting new talent is key to the company's continued success.

We have developed attractive career development programs, ensure integrated talent management, and offer flexible, family-friendly working models to further increase our attractiveness as an employer both in Germany and abroad.

## Outlook

Ladies and gentlemen, allow me to conclude with an outlook on financial year 2014.

We will systematically continue our profitable growth path in financial year 2014 on the basis of our Blue Agenda. Beiersdorf will continue to offer its customers and consumers compelling, strong brands and high-quality product innovations.

We expect the industrialized nations to see a slight recovery in the overall economic situation. By contrast, developing countries and emerging markets are likely to see weaker growth than in previous years. Naturally, this assumption does not account for unforeseeable political changes.

Given the varying market trends forecast in different regions, we expect Beiersdorf's Group sales to grow by 4–6% in 2014, and to outperform the market. The EBIT margin from operations is expected to be slightly above last year's.

In the Consumer business segment, we are aiming for above-market sales growth of 4–6%. The EBIT margin should slightly exceed the prior-year figure in 2014.

We expect tesa's sales growth to slightly outperform the market, which is forecast to increase by 2–3%. The EBIT margin from operations is expected to be slightly below the prior-year level.

Ladies and gentlemen, thank you for your attention. Thank you for supporting us as shareholders on this journey and for your confidence in us. We will now be pleased to take your questions.