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**Beiersdorf**

Interim Report  
January – June 2008



Eucerin: Successful Growth with Anti-Aging Products.

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### About the cover:

The new Eucerin DermoDENSIFYER face care has been developed specially for the skin of women over 55. Inspired by dermatological cell-renewing treatments such as chemical peeling, Eucerin's anti-age researchers have developed a product that stimulates the skin's own cell-renewal process, assisting natural regeneration. DermoDENSIFYER thus improves skin density and visibly reduces wrinkles. After the success of Eucerin Hyaluron-Filler, the new skin care line consisting of a day cream, a night cream, and an eye and lip contour cream aims to strengthen Beiersdorf's position in the dermocosmetics segment: Face care products are the largest category here, with anti-aging products being the key growth driver.

## Business Developments – Overview

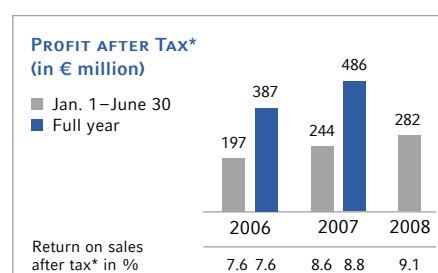
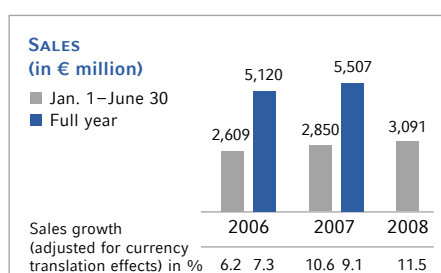
### Strong Sales Growth Continues

- Sales rise 11.5% (adjusted for currency translation effects)
- Operating result (EBIT)\* at 12.7%
- Profit after tax\* €282 million

### Outlook for Fiscal Year 2008

- Sales to grow faster than the market
- EBIT margin\* (without acquisitions) up on previous year

BEIERSDORF AT A GLANCE		
	Jan. 1–June 30, 2007	Jan. 1–June 30, 2008
in € million (unless otherwise stated)		
<b>Sales</b>	<b>2,850</b>	<b>3,091</b>
Change in % (adjusted for currency translation effects)	10.6	11.5
Change in % (organic)	10.6	8.3
Change in % (nominal)	9.2	8.5
Consumer	2,426	2,649
tesa	424	442
Operating result (EBIT)	315	407
<b>Operating result (EBIT, excluding special factors)*</b>	<b>373</b>	<b>392</b>
Profit after tax	206	292
<b>Profit after tax (excluding special factors)*</b>	<b>244</b>	<b>282</b>
Return on sales after tax in %	7.2	9.4
<b>Return on sales after tax in % (excluding special factors)*</b>	<b>8.6</b>	<b>9.1</b>
Earnings per share in €	0.90	1.28
<b>Earnings per share in € (excluding special factors)*</b>	<b>1.07</b>	<b>1.24</b>
Gross cash flow	251	292
Capital expenditure (incl. financial assets)	46	65
Research and development expenses	61	72
Employees (as of June 30)	16,990	22,296



\*Excluding special factors due to the realignment of the Consumer Supply Chain (exclusively in Europe).

# Segment Overview

## Business Developments by Business Segment

SALES (in € million)	Apr. 1–June 30, 2007		Apr. 1–June 30, 2008		Jan. 1–June 30, 2007		Jan. 1–June 30, 2008		Change in % adj. for curr. nominal trans. effects	
	% of total		% of total		% of total		% of total			
Consumer	1,252	85.6	1,350	86.1	2,426	85.1	2,649	85.7	9.2	12.4
tesa	211	14.4	218	13.9	424	14.9	442	14.3	4.4	6.6
<b>Total</b>	<b>1,463</b>	<b>100.0</b>	<b>1,568</b>	<b>100.0</b>	<b>2,850</b>	<b>100.0</b>	<b>3,091</b>	<b>100.0</b>	<b>8.5</b>	<b>11.5</b>

EBITDA (in € million)	Apr. 1–June 30, 2007		Apr. 1–June 30, 2008		Jan. 1–June 30, 2007		Jan. 1–June 30, 2008		Change in % nominal
	% of sales		% of sales		% of sales		% of sales		
Consumer	154	12.3	207	15.3	324	13.4	399	15.1	23.0
tesa	29	14.1	30	13.9	58	13.7	60	13.6	3.3
<b>Total</b>	<b>183</b>	<b>12.5</b>	<b>237</b>	<b>15.1</b>	<b>382</b>	<b>13.4</b>	<b>459</b>	<b>14.8</b>	<b>20.0</b>

OPERATING RESULT (EBIT) (in € million)	Apr. 1–June 30, 2007		Apr. 1–June 30, 2008		Jan. 1–June 30, 2007		Jan. 1–June 30, 2008		Change in % nominal
	% of sales		% of sales		% of sales		% of sales		
Consumer	119	9.5	185	13.7	268	11.1	358	13.5	33.5
<i>Consumer (excluding special factors)*</i>	167	13.3	172	12.7	326	13.4	343	12.9	5.2
tesa	24	11.3	25	11.3	47	11.0	49	11.1	4.9
<b>Total</b>	<b>143</b>	<b>9.8</b>	<b>210</b>	<b>13.4</b>	<b>315</b>	<b>11.1</b>	<b>407</b>	<b>13.2</b>	<b>29.3</b>
<i>Total (excluding special factors)*</i>	<i>191</i>	<i>13.0</i>	<i>197</i>	<i>12.5</i>	<i>373</i>	<i>13.1</i>	<i>392</i>	<i>12.7</i>	<i>5.2</i>

GROSS CASH FLOW (in € million)	Apr. 1–June 30, 2007		Apr. 1–June 30, 2008		Jan. 1–June 30, 2007		Jan. 1–June 30, 2008		Change in % nominal
	% of sales		% of sales		% of sales		% of sales		
Consumer	95	7.6	99	7.3	209	8.6	247	9.3	17.8
tesa	22	10.1	22	10.4	42	9.8	45	10.2	8.6
<b>Total</b>	<b>117</b>	<b>8.0</b>	<b>121</b>	<b>7.7</b>	<b>251</b>	<b>8.8</b>	<b>292</b>	<b>9.4</b>	<b>16.3</b>

## Business Developments by Region

SALES (in € million)	Apr. 1–June 30, 2007		Apr. 1–June 30, 2008		Jan. 1–June 30, 2007		Jan. 1–June 30, 2008		Change in % adj. for curr. nominal trans. effects	
	% of total		% of total		% of total		% of total			
Europe	1,077	73.6	1,118	71.3	2,084	73.1	2,195	71.0	5.4	6.0
Americas	188	12.8	194	12.4	375	13.2	390	12.6	4.0	13.4
Africa/Asia/Australia	198	13.6	256	16.3	391	13.7	506	16.4	29.3	39.6
<b>Total</b>	<b>1,463</b>	<b>100.0</b>	<b>1,568</b>	<b>100.0</b>	<b>2,850</b>	<b>100.0</b>	<b>3,091</b>	<b>100.0</b>	<b>8.5</b>	<b>11.5</b>

OPERATING RESULT (EBIT) (in € million)	Apr. 1–June 30, 2007		Apr. 1–June 30, 2008		Jan. 1–June 30, 2007		Jan. 1–June 30, 2008		Change in % nominal
	% of sales		% of sales		% of sales		% of sales		
Europe	123	11.4	196	17.6	275	13.2	373	17.0	35.7
<i>Europe (excluding special factors)*</i>	171	15.8	183	16.4	333	16.0	358	16.3	7.5
Americas	5	2.8	2	0.8	11	3.0	6	1.5	-49.6
Africa/Asia/Australia	15	7.5	12	4.7	29	7.4	28	5.7	-0.8
<b>Total</b>	<b>143</b>	<b>9.8</b>	<b>210</b>	<b>13.4</b>	<b>315</b>	<b>11.1</b>	<b>407</b>	<b>13.2</b>	<b>29.3</b>
<i>Total (excluding special factors)*</i>	<i>191</i>	<i>13.0</i>	<i>197</i>	<i>12.5</i>	<i>373</i>	<i>13.1</i>	<i>392</i>	<i>12.7</i>	<i>5.2</i>

\*Excluding special factors due to the realignment of the Consumer Supply Chain.

Figures in percent are calculated based on thousands of euros.

## Top Topics



### USA: Successful Change of Strategy

The US skin and beauty care market is characterized by strong competitive pressure due to its innovative strength. Following a fundamental strategy change in 2006, Beiersdorf has focused in the USA on its core skin care brands NIVEA hand and body and Eucerin/Aquaphor, generating significant organic growth in these segments in 2007. NIVEA body's sales generated an outstanding increase in sales, while Eucerin/Aquaphor recorded a double-digit growth. This positive trend continued in the first half of 2008. The strategy change is accompanied by a new marketing strategy with the emotional slogan "Touch and Be Touched". The second half 2008 will see the launch of the first product line after the strategic change: NIVEA Lip Care. The goal is to make NIVEA Lip Care the number 1 in lip care in the USA.



### India: NIVEA FOR MEN Whitening Range Expanded

NIVEA FOR MEN is expanding its successful whitening range in India by launching NIVEA FOR MEN Whitening Oil Control. This skin care product has been developed specially for men with oily skin and at the same time fulfills our customers' wishes for a product that lightens the skin. Studies have found that over 60% of Indian men rate light facial skin as very important. The first NIVEA FOR MEN whitening products were launched in May 2007. Just six months later, NIVEA FOR MEN Whitening Moisturizer was the best-selling product in the modern trade segment – modern supermarkets that are becoming increasingly important as distribution channels. NIVEA FOR MEN is the market leader in this segment. The launch of the new Whitening product is expected to further strengthen and expand this position.



### 8x4: Relaunch of a Classic Deodorant

In February 2008, the 8x4 deodorant brand was given a younger and higher-quality look – including new formulas and a modernized design. 8x4 offers a variety of scents that underline individual style – hence the brand's new motto: "Live Your Style." Communications activities center around the 8x4 STYLEBOX, which you can create at [www.8x4.com](http://www.8x4.com) to present your individual style. In Germany, 8x4 is cooperating closely with the VIVA music channel to promote the STYLEBOX. Other activities include distributing product samples in clubs and bars as well as print and online adverts and retail displays. There are also three new products: "Satin Feeling" and the special editions "Xite" and "Break Free" aimed specifically at younger target groups.



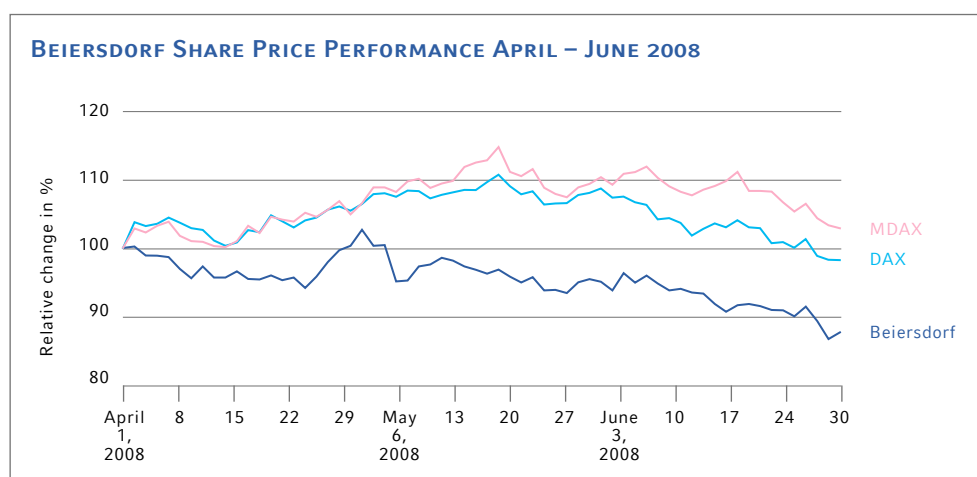
Further Company information can be found on the Internet at [www.Beiersdorf.com](http://www.Beiersdorf.com).

## The Beiersdorf Share

Sharp rises in the price of oil and other raw materials increased inflationary pressure on markets worldwide. The oil price, which has almost doubled in the past twelve months, led to significant price increases. Rising long-term interest rates put downward pressure on the stock markets and largely neutralized the positive effect of investors' renewed appetite for risk. The global economy continued to be affected by the tight financial markets, although some market segments have now stabilized. The emerging markets, where strong domestic demand is driving growth, remained an important support for the global economy. As a result, the international stock markets showed varying developments: Although the beginning of the second quarter saw a marked improvement, a large number of stocks and indices subsequently entered negative territory. The DAX was similarly affected, firstly improving by more than 10% as compared with the beginning of the quarter before closing below its opening level, at 6,418 points.

The consumer goods manufacturers in the European HPC (Household and Personal Care) index published their quarterly figures in April and May. Despite better than expected growth in most cases, investors remained cautious due to the uncertain economic outlook. The HPC index largely mirrored the course of the DAX and other indices, clearly trailing Germany's bellwether index overall.

After a very strong first quarter, Beiersdorf's share price clearly underperformed the indices in the second quarter. Although the quarterly results presented in a conference call in May revealed very strong sales growth, profits were slightly lower than market expectations; as a result, there was no positive momentum for the share price. During the past quarter, Beiersdorf's management outlined the successful implementation of the Company's Consumer Business Strategy and the major marketing, supply chain, and finance projects at investor conferences and roadshows in Scandinavia and France. Towards the end of the quarter, our share price largely performed in parallel with the market, closing at €46.77.



# Interim Management Report – Group

## Results of Operations – Group

- Sales growth of 11.5%
- EBIT margin (excluding special factors) at 12.7%
- Profit after tax (excluding special factors) up significantly on previous year

In the first half of the year, the Group achieved sales growth of 11.5% (adjusted for currency translation effects). The Consumer business segment contributed to this excellent result with sales growth of 12.4%, while tesa sales rose by 6.6%. Growth excluding the acquisitions made at the end of 2007 (C-BONS Hair Care, 50% Beiersdorf AG Switzerland) amounted to 8.3%. At current exchange rates, sales rose by 8.5% to €3,091 million (previous year: €2,850 million).

<b>INCOME STATEMENT</b>			
(in € million)	Jan. 1–June 30, 2007	Jan. 1–June 30, 2008	Change in %
<b>Sales</b>	<b>2,850</b>	<b>3,091</b>	<b>8.5</b>
Cost of goods sold	–920	–994	8.1
<b>Gross profit</b>	<b>1,930</b>	<b>2,097</b>	<b>8.6</b>
Marketing and selling expenses	–1,342	–1,467	9.3
Research and development expenses	–61	–72	18.7
General and administrative expenses	–126	–142	12.6
Other operating expenses (net)	–28	–24	–16.1
<b>Operating result (EBIT, excluding special factors)</b>	<b>373</b>	<b>392</b>	<b>5.2</b>
Special factors due to the realignment of the Consumer Supply Chain	–58	15	-
<b>Operating result (EBIT)</b>	<b>315</b>	<b>407</b>	<b>29.3</b>
Financial result	14	20	41.9
<b>Profit before tax</b>	<b>329</b>	<b>427</b>	<b>29.8</b>
Income taxes	–123	–135	9.8
<b>Profit after tax</b>	<b>206</b>	<b>292</b>	<b>41.8</b>
<b>Basic/diluted earnings per share (in €)</b>	<b>0.90</b>	<b>1.28</b>	<b>42.2</b>

The operating result excluding special factors relating to the realignment of the Consumer Supply Chain increased from €373 million to €392 million. The corresponding EBIT margin was 12.7% (previous year: 13.1%). Without consideration of our acquisitions which took place at the end of 2007 EBIT margin was 13.1%.

Proceeds from sales of production and logistics locations relating to the realignment of the Consumer Supply Chain, especially Beiersdorf AG's production site in Hamburg Hausbruch, exceeded the expenses incurred. Therefore, an income of €15 million was achieved (previous year: expenses of €58 million). Income and expenses still expected in this context will primarily be offset in the remaining year.

Profit after tax amounted to €292 million (previous year: €206 million). Profit after tax excluding special factors amounted to €282 million (previous year: €244 million); the corresponding return on sales after tax was 9.1% (previous year: 8.6%).

Earnings per share rose to €1.28 (previous year: €0.90). Earnings per share excluding special factors rose to €1.24 (previous year: €1.07).

## Results of Operations – Business Segments

### Consumer

- Consumer business segment up 12.4% on previous year
- Consumer EBIT margin (excluding special factors) at 12.9%

<b>CONSUMER</b> (Jan. – June) (in € million)	Europe	Americas	Africa/Asia/ Australia	Total
Sales 2008	1,865	345	439	2,649
Change (adjusted for currency translation effects)	6.5%	13.2%	43.4%	12.4%
Change (organic)*	5.1%	13.2%	22.9%	8.6%
Change (nominal)	5.8%	3.9%	32.6%	9.2%
EBIT 2008**	324	2	17	343
EBIT margin 2008**	17.3%	0.7%	3.9%	12.9%
EBIT 2007**	298	7	21	326
EBIT margin 2007**	16.9%	2.2%	6.2%	13.4%

\* Excluding sales of business acquired at the end of 2007 (C-BONS Hair Care, 50% Beiersdorf AG Switzerland).

\*\* Excluding special factors due to the realignment of the Consumer Supply Chain (Europe only).

Sales rose significantly by 12.4% (adjusted for currency translation effects) in the first half of the year. At current exchange rates, the Consumer business segment increased sales by 9.2% to €2,649 million (previous year: €2,426 million). Excluding the acquisition of C-BONS Hair Care Group in China at the end of 2007 and the increase in the interest in Beiersdorf AG (Switzerland) to 100%, sales grew 8.6%.

Global NIVEA sales rose by 10.4%. This positive development was driven primarily by strong sales growth for NIVEA DEODORANT, NIVEA Hair Care, and NIVEA FOR MEN. Sales growth for the Eucerin and la prairie brands achieved double-digit growth rates in the first half year as well.

Consumer EBIT (excluding special factors) rose to €343 million (previous year: €326 million). The corresponding EBIT margin was 12.9% (previous year: 13.4%). EBIT margin without influence of acquisitions was, at 13.5%, slightly above the previous year.



<b>CONSUMER SALES IN EUROPE</b>				
(Jan. – June) (in € million)	Germany	Western Europe (not including Germany)	Eastern Europe	<b>Total</b>
Sales 2008	499	1,029	337	1,865
Change (adjusted for currency translation effects)	0.6%	5.9%	19.0%	6.5%
Change (nominal)	0.6%	4.5%	19.4%	5.8%

In **Europe**, sales in the Consumer business segment grew by 6.5% in comparison with the previous year (adjusted for currency translation effects). At current exchange rates, sales rose by 5.8% to €1,865 million (previous year: €1,763 million).

Sales in **Germany** were up 0.6% on the previous year. Our Florena brand developed well, as did NIVEA BEAUTÉ, NIVEA Hair Care, and NIVEA DEODORANT. NIVEA VISAGE and Hansaplast generated good growth rates following their relaunch. By contrast, sales of Eucerin and NIVEA body products remained below the previous year's level.

Sales in **Western Europe** rose by 5.9% (adjusted for currency translation effects). Greece (+10.9%), Portugal (+5.5%), and the Benelux/France Group (+5.4%) made particularly strong contributions to this growth. Our Eucerin brand again generated double-digit growth. NIVEA Hair Care and NIVEA DEODORANT contributed significantly to sales. Excluding the newly acquired share of sales in Switzerland, growth in Western Europe amounted to 3.4%.

**Eastern Europe** again generated strong sales growth of 19.0%. We again recorded double-digit growth rates in Russia, Poland, and almost all other Eastern European markets.

In Russia, NIVEA VISAGE, NIVEA DEODORANT, and NIVEA Hair Care performed extremely well. In Poland, NIVEA Hair Care, NIVEA FOR MEN, and NIVEA Baby made particularly strong contributions to growth.

Consumer EBIT in Europe (excluding special factors) increased to €324 million (previous year: €298 million). The corresponding EBIT margin rose to 17.3% (previous year: 16.9%).

<b>CONSUMER SALES IN THE AMERICAS</b>			
(Jan. – June) (in € million)	North America	Latin America	<b>Total</b>
Sales 2008	149	196	345
Change (adjusted for currency translation effects)	1.2%	25.3%	13.2%
Change (nominal)	-11.4%	19.7%	3.9%

In the **Americas** region, sales increased by 13.2% (adjusted for currency translation effects). At current exchange rates, sales amounted to €345 million, up 3.9% on the previous year (€332 million).

In **North America**, sales (adjusted for currency translation effects) were up 1.2% on the prior-year period. Our focus categories NIVEA body, NIVEA FOR MEN, Eucerin, and la prairie performed well and offset the decline in sales due to the phase-out of NIVEA VISAGE and the plaster business sold in 2007.

We recorded 25.3% sales growth in **Latin America** (adjusted for currency translation effects). All major markets contributed to this development with double-digit growth. In addition to the key markets of Mexico (+19.4%) and Brazil (+25.3%), Argentina (+50.2%) and Venezuela (+45.9%) in particular recorded strong growth rates. NIVEA DEODORANT, NIVEA FOR MEN, and Eucerin performed especially well in this key region.

Consumer EBIT in America was €2 million (previous year: €7 million). The EBIT margin was 0.7% (previous year: 2.2%).

<b>CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA</b>	
(Jan. – June) (in € million)	<b>Africa/Asia/Australia</b>
Sales 2008	439
Change (adjusted for currency translation effects)	43.4%
Change (nominal)	32.6%

At 43.4%, **Africa/Asia/Australia** achieved excellent sales growth (adjusted for currency translation effects). At current exchange rates, sales amounted to €439 million, up 32.6% on the previous year (€331 million). Not including sales generated by the Chinese C-BONS Hair Care Group, acquired at the end of 2007, sales in this region increased by 22.9% (adjusted for currency translation effects).

Sales by our NIVEA company in China were up 43.8%. In addition, our companies in the Middle East (+39.6%) and in Africa (+39.4%) significantly boosted sales growth in this region.

In China, NIVEA body, NIVEA FOR MEN, and NIVEA DEODORANT, as well as the C-BONS Hair Care brands were extremely successful. In the Middle East, NIVEA SUN, NIVEA body, and NIVEA VISAGE performed very well. Growth in Africa was driven by NIVEA body and NIVEA FOR MEN in particular. In Japan, increased growth by NIVEA FOR MEN and NIVEA SUN failed to completely offset declines in sales of NIVEA body and our 8x4 brand, which dominates the market.

EBIT growth in this region was impacted by expanded marketing investments by C-BONS Hair Care. EBIT in the region amounted to €17 million (previous year: €21 million). The EBIT margin was 3.9% (previous year: 6.2%).

**tesa**

- tesa business segment grows by 4.4%
- tesa EBIT margin climbs to 11.1%

<b>tesa</b> (Jan. – June) (in € million)	Europe	Americas	Africa/Asia/ Australia	<b>Total</b>
Sales 2008	330	45	67	442
Change (adjusted for currency translation effects)	3.2%	15.0%	18.8%	6.6%
Change (organic)	3.2%	15.0%	18.8%	6.6%
Change (nominal)	3.1%	4.3%	11.2%	4.4%
EBIT 2008	34	3	12	49
EBIT margin 2008	10.4%	6.8%	17.2%	11.1%
EBIT 2007	35	4	8	47
EBIT margin 2007	10.8%	9.0%	13.7%	11.0%

tesa sales were up 6.6% (adjusted for currency translation effects) on the previous year. At current exchange rates, tesa achieved sales of €442 million, an increase of 4.4% in comparison with the previous year (€424 million).

The positive trend continued in both tesa’s industrial and consumer businesses in the first half of 2008. In the industrial business, highest sales growth was achieved with solutions for the automotive industry and with customers from the electrical and electronics industry. The consumer business developed very positively, too. In a weaker environment market shares could be won.

The Eastern European (+13.1%), Latin American (+31.7%), and Africa/Asia/Australia (+18.8%) regions in particular recorded double-digit sales growth in the tesa segment (adjusted for currency translation effects).

EBIT climbed to €49 million (previous year: €47 million), while the EBIT margin increased to 11.1% (previous year: 11.0%).

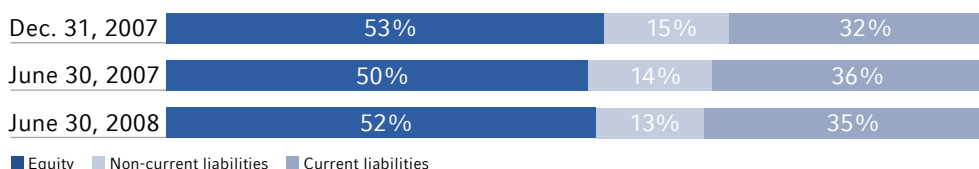
## Balance Sheet Structure – Group

<b>BALANCE SHEET</b>			
<b>Assets (in € million)</b>	<b>Dec. 31, 2007</b>	<b>June 30, 2007</b>	<b>June 30, 2008</b>
Non-current assets	1,081	792	1,093
Inventories	598	570	663
Other current assets	1,088	1,137	1,272
Cash and cash equivalents	1,117	1,217	1,136
	<b>3,884</b>	<b>3,716</b>	<b>4,164</b>
<b>Equity and liabilities (in € million)</b>	<b>Dec. 31, 2007</b>	<b>June 30, 2007</b>	<b>June 30, 2008</b>
Equity	2,070	1,850	2,176
Non-current liabilities	561	527	555
Current liabilities	1,253	1,339	1,433
	<b>3,884</b>	<b>3,716</b>	<b>4,164</b>

Non-current assets increased by €12 million to €1,093 million compared to December 31, 2007. In the first half of 2008, capital expenditure amounted to €65 million (previous year: €45 million). €53 million (previous year: €37 million) of this figure was attributable to the Consumer business segment and €12 million (previous year: €8 million) to tesa. Depreciation amounted to €52 million (previous year: €67 million). The positive sales trend resulted in higher trade receivables and thus in a significant increase in other current assets to €1,272 million.

Non-current liabilities have decreased slightly by €6 million to €555 million since December 31, 2007. The increase in other provisions resulting from operating activities and higher trade payables caused current liabilities to swell to €1,433 million.

### FINANCING STRUCTURE



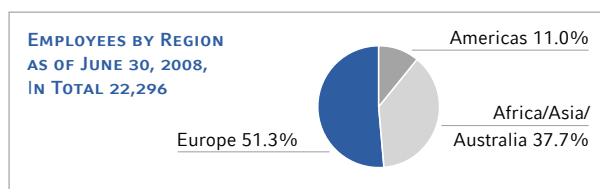
## Financial Position – Group

CASH FLOW STATEMENT		
(in € million)	Jan. 1–June 30, 2007	Jan. 1–June 30, 2008
Gross cash flow	251	292
Change in working capital	–101	–152
Net cash flow from operating activities	150	140
Net cash flow from investing activities	–1	50
Free cash flow	149	190
Net cash flow from financing activities	–161	–163
Exchange rate and other changes	–1	–8
Net change in cash and cash equivalents	–13	19
<b>Cash and cash equivalents as of Jan. 1</b>	<b>1,230</b>	<b>1,117</b>
<b>Cash and cash equivalents as of June 30</b>	<b>1,217</b>	<b>1,136</b>

Gross cash flow reached €292 million. The cash outflow from the change of working capital amounted to €152 million. This was primarily due to an increase in trade receivables caused by positive business development. Overall, net cash flow from operating activities amounted to €140 million. Net cash inflow from investing activities was €50 million. Capital expenditure of €65 million was faced by cash inflows from the sale of fixed assets of €91 million and interest and other financial cash inflows of €24 million. Free cash flow amounted to €190 million. The net cash outflow from financing activities amounted to €163 million, due to the dividend payment of €159 million as well as interest and other financing expenses in the amount of €4million. Cash and cash equivalents amounted to €1,136 million.

## Employees

The number of employees grew by 1,195 compared with the figure on December 31, 2007, to 22,296. As of June 30, 18,395 employees worked in the Consumer business segment and 3,901 at tesa.



## Other Disclosures

### Investigating Strategic Alternatives for BODE Chemie

As part of the ongoing implementation of its Consumer Business Strategy, Beiersdorf is looking for strategic alternatives for its German subsidiary BODE Chemie.

BODE Chemie produces and sells disinfectants for hands, skin, instruments, and surfaces. This segment is very different from the rest of Beiersdorf's Consumer business due to its focus on hospitals and wholesalers. BODE Chemie generated sales of around €70 million in 2007.

## Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report as of December 31, 2007.

In addition, the following matter has since arisen:

Along with other companies, affiliates of the Beiersdorf Group in Belgium, France, Germany, Great Britain, and the Netherlands are involved in national antitrust proceedings relating to cosmetic products. Beiersdorf is cooperating fully with the authorities in all cases. In Germany, the *Bundeskartellamt* (Federal Cartel Office) has instituted monetary fine proceedings. The preliminary investigations in the other countries are still at a very early stage. At present no reliable assessment of the overall risk is possible from the Group's perspective.

## Outlook for 2008

### Expected Macroeconomic Developments

We expect that the economic outlook for 2008 will continue to be impacted by the sharp rise in energy prices, ongoing uncertainty on the financial markets, and the weaker US economy.

The global cosmetics market is expected to continue its long-term trend growth of 3% to 4% this year.

We are anticipating moderate growth in the major Western European markets. On the other hand, we expect significant increases in growth in Eastern Europe, Latin America, and Asia.

As in previous years, we are forecasting substantial regional variations in performance for tesa's industry and consumer markets. We see high to medium single-digit growth rates in Asia and Eastern Europe, while low single-digit growth rates are likely in more mature markets.

For the raw materials and procurement market, we expect that prices will continue to rise.

### Expected Business Developments

Following on from its continuing strong business development in the first half of 2008, the **Beiersdorf Group** expects to generate organic sales growth in excess of the respective market rates.

The EBIT margin is expected to increase further on a comparable basis. As a result of the marketing investments made by our new affiliate C-BONS Hair Care, acquired at the end of 2007, EBIT growth for the Group will be lower.

As already reported in the interim report for the first quarter, we are expecting gains of approximately €15 million from the realignment of the Consumer Supply Chain. The planned total expenditures for the realignment of the Consumer Supply Chain will now be less than €200 million. We continue to assume that the remaining extraordinary financial effects will primarily be incurred in 2008, and that only minor expenses are likely to occur in the first half of 2009. The estimated cost savings that are expected to be achieved from 2009 onwards remain unchanged, at €100 million.

We continue to see organic growth in the **Consumer** business segment reaching over 8%. The business activities acquired in China and Switzerland will accelerate this sales growth. We are forecasting especially strong growth rates in China, Russia, Brazil, and India. Based on organic growth, the EBIT margin is expected to increase further. Additional marketing investments by the C-BONS Hair Care Group will reduce our EBIT growth.

The **tesa** business segment aims to generate above-market sales growth while slightly increasing its EBIT margin.

# Interim Consolidated Financial Statements

<b>INCOME STATEMENT</b>				
(in € million)	Apr. 1–June 30, 2007	Apr. 1–June 30, 2008	Jan. 1–June 30, 2007	Jan. 1–June 30, 2008
<b>Sales</b>	1,463	1,568	2,850	3,091
Cost of goods sold	-486	-516	-920	-994
<b>Gross profit</b>	977	1,052	1,930	2,097
Marketing and selling expenses	-685	-743	-1,342	-1,467
Research and development expenses	-31	-38	-61	-72
General and administrative expenses	-62	-71	-126	-142
Other operating expenses (net)	-8	-3	-28	-24
<b>Operating result (EBIT, excluding special factors)</b>	191	197	373	392
Special factors due to the realignment of the Consumer Supply Chain	-48	13	-58	15
<b>Operating result (EBIT)</b>	143	210	315	407
Other financial result	8	10	14	20
<b>Profit before tax</b>	151	220	329	427
Income taxes	-57	-72	-123	-135
<b>Profit after tax</b>	94	148	206	292
Profit attributable to equity holders	93	147	204	290
Profit attributable to minority interests	1	1	2	2
<b>Basic/diluted earnings per share (in €)</b>	0.41	0.65	0.90	1.28

<b>BALANCE SHEET</b>			
Assets (in € million)	Dec. 31, 2007	June 30, 2007	June 30, 2008
Intangible assets	350	28	347
Property, plant, and equipment	687	717	699
Other non-current assets	10	13	9
Deferred tax assets	34	34	38
<b>Non-current assets</b>	1,081	792	1,093
Inventories	598	570	663
Trade receivables	823	937	1,020
Income tax receivables	38	19	36
Other current assets	170	179	204
Cash and cash equivalents	1,117	1,217	1,136
Non-current assets and disposal groups held for sale	57	2	12
<b>Current assets</b>	2,803	2,924	3,071
	3,884	3,716	4,164

Equity and liabilities (in € million)	Dec. 31, 2007	June 30, 2007	June 30, 2008
Equity attributable to equity holders of Beiersdorf AG	2,061	1,843	2,170
Minority interests	9	7	6
<b>Equity</b>	2,070	1,850	2,176
Non-current provisions	407	412	384
Non-current financial liabilities	1	7	1
Other non-current liabilities	58	10	57
Deferred tax liabilities	95	98	113
<b>Non-current liabilities</b>	561	527	555
Current provisions	505	619	627
Trade payables	529	518	557
Current financial liabilities	82	56	91
Other current liabilities	137	146	158
<b>Liabilities held for sale</b>	-	-	-
<b>Current liabilities</b>	1,253	1,339	1,433
	3,884	3,716	4,164



<b>CASH FLOW STATEMENT</b>		
(in € million)	Jan. 1– June 30, 2007	Jan. 1– June 30, 2008
<b>Operating result (EBIT)</b>	<b>315</b>	<b>407</b>
Income taxes paid	–113	–106
Depreciation and amortization	67	52
Change in non-current provisions (excluding interest)	–8	–18
Gain/loss on disposal of property, plant, and equipment, and intangible assets	–10	–43
<b>Gross cash flow</b>	<b>251</b>	<b>292</b>
Change in inventories	–22	–65
Change in trade receivables and other assets	–246	–243
Change in liabilities and current provisions	167	156
<b>Net cash flow from operating activities</b>	<b>150</b>	<b>140</b>
Investments	–46	–65
Proceeds from divestments	14	91
Proceeds from interest, dividends, and other financing activities	31	24
<b>Net cash flow from investing activities</b>	<b>–1</b>	<b>50</b>
<b>Free cash flow</b>	<b>149</b>	<b>190</b>
Proceeds from loans	56	91
Loan repayments	–62	–82
Interest and other financing expenses paid	–19	–13
Cash dividends paid (Beiersdorf AG)	–136	–159
<b>Net cash flow from financing activities</b>	<b>–161</b>	<b>–163</b>
Effect of exchange rate fluctuations on cash held	–1	–8
<b>Net change in cash and cash equivalents</b>	<b>–13</b>	<b>19</b>
<b>Cash and cash equivalents as of Jan. 1</b>	<b>1,230</b>	<b>1,117</b>
<b>Cash and cash equivalents as of June 30</b>	<b>1,217</b>	<b>1,136</b>

<b>STATEMENT OF CHANGES IN EQUITY</b>							
<b>JANUARY – JUNE 2008</b>							
(in € million)	Share capital	Additional paid-in capital	Retained earnings*	Currency translation adjustment	Fair value measurement financial instruments	Minority interests	<b>Total</b>
<b>Jan. 1, 2008</b>	<b>252</b>	<b>47</b>	<b>1,879</b>	<b>-123</b>	<b>6</b>	<b>9</b>	<b>2,070</b>
Net result from cash flow hedges	-	-	-	-	-3	-	-3
Currency translation adjustment	-	-	-	-14	-	-	-14
Other changes	-	-	-6	-	-	-4	-10
<i>Total income and expense recognized directly in equity</i>	-	-	-6	-14	-3	-4	-27
<i>Profit after tax</i>	-	-	290	-	-	2	292
<i>Total earnings for the period</i>	-	-	284	-14	-3	-2	265
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-159
<b>June 30, 2008</b>	<b>252</b>	<b>47</b>	<b>2,004</b>	<b>-137</b>	<b>3</b>	<b>7</b>	<b>2,176</b>
<b>JANUARY – JUNE 2007</b>							
<b>Jan. 1, 2007</b>	<b>252</b>	<b>47</b>	<b>1,587</b>	<b>-93</b>	<b>-12</b>	<b>9</b>	<b>1,790</b>
Net result from cash flow hedges	-	-	-	-	-1	-	1
Currency translation adjustment	-	-	-	-14	-	-	-14
Other changes	-	-	-5	-	14	-4	5
<i>Total income and expense recognized directly in equity</i>	-	-	-5	-14	13	-4	-10
<i>Profit after tax</i>	-	-	204	-	-	2	206
<i>Total earnings for the period</i>	-	-	199	-14	13	-2	196
Dividend of Beiersdorf AG for previous year	-	-	-136	-	-	-	-136
<b>June 30, 2007</b>	<b>252</b>	<b>47</b>	<b>1,650</b>	<b>-107</b>	<b>1</b>	<b>7</b>	<b>1,850</b>

\*The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

<b>STATEMENT OF RECOGNIZED INCOME AND EXPENSE</b>		
(in € million)	Jan. 1–June 30, 2007	Jan. 1–June 30, 2008
Net result from cash flow hedges	-1	-3
Exchange differences	-14	-14
Deferred taxes on measurement gains and losses recognized directly in equity	-	-
Other income and expense recognized directly in equity	5	-10
<b>Total income and expense recognized directly in equity</b>	<b>-10</b>	<b>-27</b>
<b>Profit after tax</b>	<b>206</b>	<b>292</b>
<b>Total recognized income and expense</b>	<b>196</b>	<b>265</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	198	267
– Minority interests	-2	-2

## Selected Explanatory Notes

### Information on the Company and on the Group

The registered office of Beiersdorf AG is at Unnastrasse 48 in Hamburg (Germany) and the Company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. The ultimate parent of the Company is maxingvest ag (formerly: Tchibo Holding AG). The activities of Beiersdorf AG and its affiliates ("Beiersdorf Group") consist primarily of the manufacture and distribution of branded consumer goods in the areas of skin and beauty care, and of the manufacture and distribution of technical adhesive tapes.

### Basis of Preparation

The interim consolidated financial statements for the period from January 1 to June 30, 2008, were prepared in accordance with IAS 34 "Interim Financial Reporting." The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2007.

### Accounting Policies

The figures disclosed in this interim report were prepared in accordance with International Financial Reporting Standards (IFRSs). The same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2007. The interim report was not audited or reviewed.

### Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2007, for related party disclosures. There were no significant changes in the first half of 2008.

### Corporate Governance

The declaration of compliance issued by the Supervisory Board and the Executive Board for fiscal year 2007 regarding the recommendations of the German Corporate Governance Code in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act) was published at the end of December 2007 and is permanently available on our website at [www.Beiersdorf.com](http://www.Beiersdorf.com).

### Events After the Balance Sheet Date

No significant events occurred after the balance sheet date that would have a material effect on the Beiersdorf Group's business developments.

## Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Hamburg, August 2008

Beiersdorf AG

The Executive Board

# Financial Calendar

<b>November 4, 2008</b>	Interim Report January to September 2008, Financial Analyst Meeting
<b>January 2009</b>	Publication of Preliminary Group Results
<b>February/March 2009</b>	Publication of Annual Report 2008, Annual Accounts Press Conference, Financial Analyst Meeting
<b>April 30, 2009</b>	Annual General Meeting
<b>May 2009</b>	Interim Report January to March 2009
<b>August 2009</b>	Interim Report January to June 2009
<b>November 2009</b>	Interim Report January to September 2009, Financial Analyst Meeting



The Interim Report is also available in German and a digital version is available on the Internet at [www.Beiersdorf.com/interim\\_report](http://www.Beiersdorf.com/interim_report).

Commercial Register Hamburg HRB 1787

**BDF ●●●●**  
**Beiersdorf**

Passion for Skin & Beauty Care



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