

9M 2014

INTERIM REPORT JANUARY-SEPTEMBER

Contents

GENERAL

Business Developments - Overview	3
Beiersdorf's Shares	4

INTERIM MANAGEMENT REPORT – GROUP

Results of Operations - Group	5
Results of Operations - Business Segments	7
Net Assets - Group	10
Financial Position - Group	11
Employees	12
Opportunities and Risks	12
Outlook for 2014	13

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement	14
Statement of Comprehensive Income	15
Balance Sheet	16
Cash Flow Statement	17
Statement of Changes in Equity	18
Segment Reporting	19
Selected Explanatory Notes	20

Business Developments – Overview

Beiersdorf grows in difficult market environment

- Group sales rise 4.3%
- Consumer sales up 4.2 % on the previous year
- tesa grows by 4.3%
- Group EBIT margin increases to 14.2 %

Outlook for fiscal year 2014

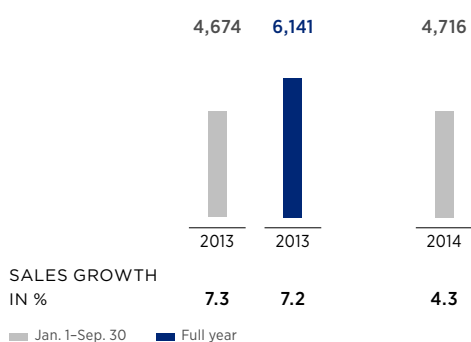
- Consumer sales growth at 4–6%
- Consumer EBIT margin about 13 %
- tesa sales growth approximately 4 %
- tesa EBIT margin around 16 %

Beiersdorf at a Glance

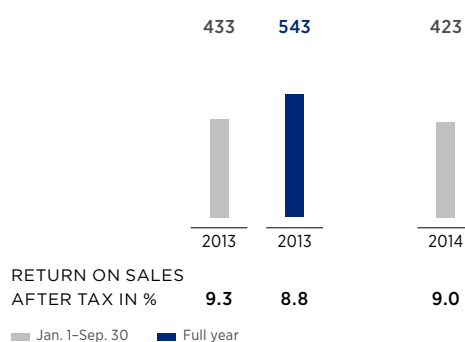
		Jan. 1–Sep. 30, 2013	Jan. 1–Sep. 30, 2014
Group sales	(in € million)	4,674	4,716
Change (organic)	(in %)	7.3	4.3
Change (nominal)	(in %)	2.4	0.9
Consumer sales	(in € million)	3,883	3,905
Change (organic)	(in %)	6.9	4.2
Change (nominal)	(in %)	1.7	0.6
tesa sales	(in € million)	791	811
Change (organic)	(in %)	9.3	4.3
Change (nominal)	(in %)	5.5	2.5
Operating result (EBIT, excluding special factors)	(in € million)	650	671
Operating result (EBIT)	(in € million)	650	608
Profit after tax	(in € million)	433	423
Return on sales after tax	(in %)	9.3	9.0
Earnings per share	(in €)	1.88	1.84
Gross cash flow	(in € million)	509	485
Capital expenditure	(in € million)	145	198
Research and development expenses	(in € million)	114	125
Employees	(number as of Sep. 30)	16,550	17,293

Percentage changes are calculated based on thousands of euros.

GROUP SALES (IN € MILLION)



PROFIT AFTER TAX (IN € MILLION)



Beiersdorf's Shares

The international stock markets continued to experience instability at the beginning of the second half of the year. The markets were initially boosted by healthy economic data from the USA and China before the focus turned to geopolitical risks. The USA and Europe increased political pressure on Russia and expanded their sanctions against the country over the Ukraine crisis. For the first time, these measures also targeted Russian companies, which led to a clear drop in stock market prices. At the beginning of the reporting season in August, a number of European companies issued profit warnings, leading to further corrections in the markets. Russia responded to the previously imposed sanctions with import bans on various goods; however, market participants considered it unlikely that the situation in Eastern Europe would escalate further, ending the downturn on the stock markets. The European Central Bank's unexpected announcement to reduce the benchmark interest rate to a new record low and introduce a broad-based securities buyback program triggered a turnaround. This led to a longer recovery phase, followed by a sideways movement in September. Beiersdorf's shares largely tracked the German benchmark index, first diverging towards the end of the reporting period.

On August 7, Beiersdorf presented its results for the first half of the year; these were explained by the Executive Board in a conference call and in other investor meetings. The widespread slowdown of market and sales growth – particularly in the emerging markets – and the resulting uncertainty among market participants negatively affected our share price.

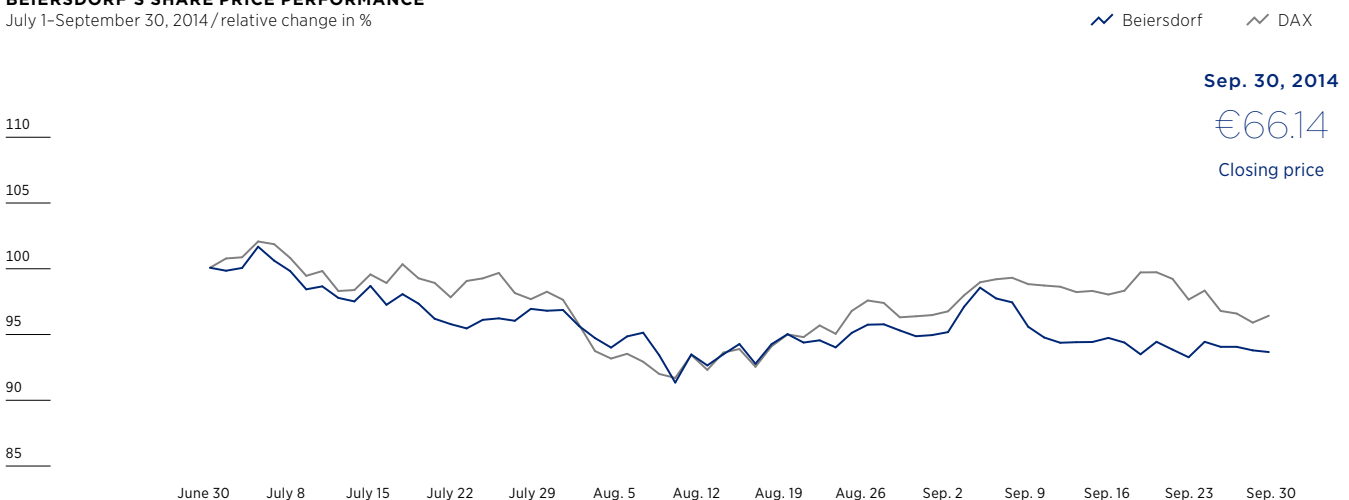
Beiersdorf's shares closed the third quarter at €66.14.

KEY FIGURES – SHARES

		2013	2014
Earnings per share as of Sep. 30	(in €)	1.88	1.84
Market capitalization as of Sep. 30	(in € million)	16,541	16,667
Closing price as of Sep. 30	(in €)	65.64	66.14
High for the period Jan. 1–Sep. 30	(in €)	72.60	76.93
Low for the period Jan. 1–Sep. 30	(in €)	60.86	64.50

BEIERSDORF'S SHARE PRICE PERFORMANCE

July 1–September 30, 2014 / relative change in %



Interim Management Report – Group

Results of Operations – Group

- Group sales rise 4.3%
- EBIT margin* increases to 14.2%
- Profit after tax* of €465 million

Organic Group sales in the first nine months of 2014 were up 4.3% on the prior year. Exchange rate effects depressed this figure by 3.4 percentage points. Nominal Group sales were therefore up 0.9% on the previous year, at €4,716 million (previous year: €4,674 million). The Consumer Business Segment recorded organic growth of 4.2%, while tesa grew organically by 4.3%.

In **Europe**, sales were up 2.2% on the prior year. In nominal terms, sales amounted to €2,625 million (previous year: €2,598 million), 1.1% higher than the prior-year figure.

Growth in the **Americas** region amounted to 5.0%. Nominal sales decreased by 0.8% to €799 million (previous year: €804 million).

The **Africa/Asia/Australia** region reported growth of 8.0%. A nominal increase of 1.6% to €1,292 million was achieved (previous year: €1,272 million).

INCOME STATEMENT (IN € MILLION)

	Jan. 1–Sep. 30, 2013	Jan. 1–Sep. 30, 2014	Change in %
Sales	4,674	4,716	0.9
Cost of goods sold	–1,682	–1,741	3.5
Gross profit	2,992	2,975	–0.6
Marketing and selling expenses	–1,946	–1,936	–0.5
Research and development expenses	–114	–125	9.4
General and administrative expenses	–235	–246	4.6
Other operating result	–47	3	–
Operating result (EBIT, excluding special factors)	650	671	3.2
Special factors	–	–63	–
Operating result (EBIT)	650	608	–6.4
Financial result	1	9	–
Profit before tax	651	617	–5.2
Income taxes	–218	–194	–10.8
Profit after tax	433	423	–2.3
Basic/diluted earnings per share (in €)	1.88	1.84	–2.1

The operating result (EBIT, excluding special factors) increased to €671 million (previous year: €650 million). Excluding special factors, the EBIT margin was 14.2% (previous year: 13.9%).

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRSs and should be treated merely as voluntary additional information.

Special factors of €–63 million (previous year: €0 million) related to the Consumer Business Segment. Due to an adjustment to the long-term sales and earnings outlook for our Chinese hair care business, we performed an impairment test as of September 30, 2014. This led to our hair care brands being written down by €66 million, to €22 million. In addition, provisions that had been recognized in connection with the realignment of our corporate structures but were no longer required were reversed.

* excluding special factors

Reconciliation to EBIT Excluding Special Factors

Jan. 1-Sep. 30

	in € million	in % of sales
Group		
Operating result (EBIT) 2014	608	12.9
Special factors included in the other operating result	-63	
Operating result (EBIT, excluding special factors) 2014	671	14.2
Operating result (EBIT, excluding special factors) 2013	650	12.7
Consumer		
Operating result (EBIT) 2014	466	11.9
Special factors included in the other operating result	-63	
Operating result (EBIT, excluding special factors) 2014	529	13.5
Operating result (EBIT, excluding special factors) 2013	510	12.8

The financial result amounted to €9 million (previous year: €1 million). The increase was achieved as a result of higher income from other financial assets and an improvement in net income from investments, while net interest income was stable.

At €423 million, profit after tax was below the prior-year figure (€433 million). The corresponding return on sales after tax was 9.0% (previous year: 9.3%). Special factors reduced profit after tax by €42 million; as a result, profit after tax excluding special factors was €465 million (previous year: €433 million). The corresponding return on sales after tax was 9.9% (previous year: 9.3%).

Earnings per share were €1.84, calculated on the basis of 226,818,984 shares (previous year: €1.88). Excluding special factors, earnings per share amounted to €2.02 (previous year: €1.88).

Results of Operations – Business Segments

Consumer

CONSUMER

Jan. 1–Sep. 30

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2014	(in € million)	2,151	693	1,061	3,905
Sales 2013	(in € million)	2,139	696	1,048	3,883
Change (organic)	(in %)	1.8	5.4	8.5	4.2
Change (nominal)	(in %)	0.6	–0.5	1.3	0.6

The **Consumer** Business Segment recorded organic sales growth of 4.2% in the first nine months of the year. The strong euro led to a reduction in this figure of 3.5 percentage points as a result of negative effects from currency translation. Structural changes reduced growth by 0.1 percentage points. In nominal terms, sales therefore rose by 0.6% to €3,905 million (previous year: €3,883 million).

Organic sales growth was encouraging overall, and is due to the positive trend in most emerging markets, although growth has eased over the past few months in some markets. Additionally, stable growth rates were achieved and market share was increased around the world in many saturated markets. The continued development of our major innovations was the main driver here.

NIVEA sales rose by 5.7% compared with the previous year. **Eucerin** continued its strong prior-year sales performance, recording a 6.7% increase in sales. **La Prairie** recorded sales growth of 4.0%.

EBIT rose to €529 million (previous year: €510 million), while the EBIT margin increased to 13.5% (previous year: 13.1%).

CONSUMER SALES IN EUROPE

Jan. 1–Sep. 30

		Western Europe	Eastern Europe	Total
Sales 2014	(in € million)	1,733	418	2,151
Sales 2013	(in € million)	1,708	431	2,139
Change (organic)	(in %)	1.0	5.1	1.8
Change (nominal)	(in %)	1.5	–2.9	0.6

Sales in **Europe** were up 1.8% on the prior-year figure. At €2,151 million, nominal sales were up 0.6% on the previous year (€2,139 million).

Sales in **Western Europe** rose 1.0% compared with the previous year. While strong sales growth was achieved in Germany, Spain, and the United Kingdom in particular, some of the markets in this region were unable to repeat their prior-year performance.

Sales in **Eastern Europe** were up 5.1% on the prior-year figure. Growth was mainly driven by the healthy trend in Russia, which recorded a rise in both sales and market share. Sales in Poland declined slightly.

CONSUMER SALES IN THE AMERICAS

Jan. 1–Sep. 30

		North America	Latin America	Total
Sales 2014	(in € million)	248	445	693
Sales 2013	(in € million)	247	449	696
Change (organic)	(in %)	3.6	6.5	5.4
Change (nominal)	(in %)	0.3	–1.0	–0.5

Organic sales in the **Americas** region rose by 5.4%. At €693 million, nominal sales were down 0.5% on the previous year (€696 million), due to exchange rate changes for the US dollar and the key South American currencies.

Sales in **North America** were up 3.6% on the previous year.

Latin America saw sales growth of 6.5%, driven by extremely good growth in Brazil and strong increases in other key markets. Growth rates were negatively impacted by developments in Venezuela and Argentina.

CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA

Jan. 1–Sep. 30

		Total
Sales 2014	(in € million)	1,061
Sales 2013	(in € million)	1,048
Change (organic)	(in %)	8.5
Change (nominal)	(in %)	1.3

The **Africa/Asia/Australia** region recorded an 8.5% increase in organic sales. The nominal increase was only 1.3% due to exchange rate changes for the Japanese yen, the Australian dollar, and the Thai baht. Sales amounted to €1,061 million (previous year: €1,048 million).

Many countries generated good or extremely good growth rates, although growth has eased in some of the markets in the region, including in Thailand, Japan, and China. Weak sales growth in China negatively impacted the region's growth rate.

tesa

tesa

Jan. 1–Sep. 30

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2014	(in € million)	474	106	231	811
Sales 2013	(in € million)	459	108	224	791
Change (organic)	(in %)	4.1	2.0	5.8	4.3
Change (nominal)	(in %)	3.2	–2.1	3.3	2.5

The **tesa** Business Segment recorded organic sales growth of 4.3% in the first nine months of 2014. Exchange rate effects reduced this figure by 1.8 percentage points. In nominal terms, tesa's sales therefore increased by 2.5% to €811 million (previous year: €791 million).

The positive sales trend continued in the third quarter. Sales were lifted in both the industrial business and the consumer business. Europe continued the positive trend seen in the first half of the year. The Americas and Asia regions continued to achieve good sales growth, particularly from customers in the automotive and electrical industries.

EBIT in the tesa Business Segment rose to €142 million (previous year: €140 million), while the EBIT margin amounted to 17.5% (previous year: 17.7%).

Net Assets – Group

NET ASSETS (IN € MILLION)			
Assets	Dec. 31, 2013	Sep. 30, 2013	Sep. 30, 2014
Non-current assets	1,900	1,922	2,129
Inventories	733	764	802
Other current assets	2,181	2,184	2,385
Cash and cash equivalents	984	976	993
	5,798	5,846	6,309
Equity and Liabilities	Dec. 31, 2013	Sep. 30, 2013	Sep. 30, 2014
Equity	3,405	3,325	3,577
Non-current provisions	470	475	655
Non-current liabilities	142	145	96
Current provisions	527	573	548
Current liabilities	1,254	1,328	1,433
	5,798	5,846	6,309

Non-current assets increased by €229 million as against December 31, 2013, to €2,129 million. Long-term securities were reclassified to current assets due to shorter maturities and new purchases were made. Capital expenditure on property, plant, and equipment, and intangible assets amounted to €198 million (previous year: €145 million). Of this amount, €128 million was attributable to the Consumer Business Segment (previous year: €102 million) and €70 million to the tesa Business Segment (previous year: €43 million). The investments mainly related to the Consumer Business Segment's new factory in Mexico and tesa's new headquarters. Group depreciation, amortization, and impairment losses amounted to €146 million (previous year: €80 million). This includes impairment losses of €66 million on our Chinese hair care brands. Inventories rose by €69 million as against December 31, 2013, to €802 million. Other current assets increased by €204 million as against December 31, 2013, to €2,385 million. This item includes short-term securities of €708 million, a decrease of €83 million as against the 2013 year-end. Trade receivables increased by €197 million compared with the figure for December 31, 2013, to €1,299 million, due to seasonal factors.

Cash and cash equivalents rose by €9 million as against December 31, 2013, to €993 million. Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) increased by €35 million compared with the figure for December 31, 2013, to €2,564 million. Current liabilities to banks rose by €3 million and amounted to €43 million on the reporting date.

Total non-current provisions and liabilities have increased by €139 million to €751 million since December 31, 2013, mainly due to a lower discount rate for pension provisions. The growth in current liabilities to €1,433 million was largely the result of the €113 million increase in trade payables due to operational factors.

FINANCING STRUCTURE (IN %)



Financial Position – Group

CASH FLOW STATEMENT (IN € MILLION)

	Jan. 1–Sep. 30, 2013	Jan. 1–Sep. 30, 2014
Gross cash flow	509	485
Change in working capital	–99	–140
Net cash flow from operating activities	410	345
Net cash flow from investing activities	–24	–160
Free cash flow	386	185
Net cash flow from financing activities	–211	–200
Other changes	–33	24
Net change in cash and cash equivalents	142	9
Cash and cash equivalents as of Jan. 1	834	984
Cash and cash equivalents as of Sep. 30	976	993

Gross cash flow amounted to €485 million, down €24 million on the prior-year value. The cash outflow from the change in working capital was €140 million (previous year: €99 million). The increases in receivables and other assets of €243 million and in inventories of €69 million were partially matched by a €200 million rise in liabilities and provisions. Overall, the net cash flow from operating activities totaled €345 million (previous year: €410 million).

The net cash outflow from investing activities amounted to €160 million (previous year: €24 million). Interest and other financial income received of €46 million and proceeds of €20 million from the sale of intangible assets and property, plant, and equipment were offset by net cash outflows of €28 million for the purchase of securities as well as capital expenditure of €198 million for intangible assets and property, plant, and equipment.

Free cash flow was therefore €185 million, down €201 million on the prior-year value (€386 million). The net cash outflow from financing activities amounted to €200 million (previous year: €211 million).

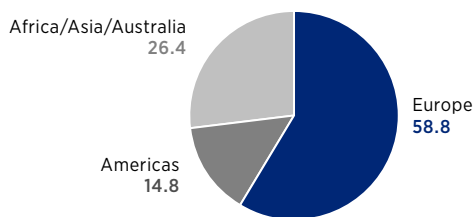
Cash and cash equivalents amounted to €993 million (previous year: €976 million).

Employees

The number of employees increased by 585 compared with the figure on December 31, 2013, from 16,708 to 17,293. The new factory in Mexico opened in July, creating new positions. In the tesa Business Segment, the structures in Marketing and Sales and in Research and Development were adjusted in line with the new requirements in order to safeguard the growth of recent years. As of September 30, 2014, 13,253 employees worked in the Consumer Business Segment and 4,040 at tesa.

EMPLOYEES BY REGION (IN %)

as of Sep. 30, 2014; total 17,293 employees



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, 2013. There were no significant changes in opportunities and risks as of September 30, 2014.

Outlook for 2014

Expected Macroeconomic Developments

The **global** economic situation will continue to be influenced by the current crises in the coming months.

In **Europe**, market performance will be dominated by uncertainty over economic developments. Many countries, particularly France and Italy, continue to see high unemployment and uncertain economic development. However, we are anticipating a cautiously positive trend overall for Europe as a whole. In **Germany**, we are assuming higher growth than in the rest of Europe in the current year, driven by consumer spending and capital expenditure. We expect to see slightly stronger growth in the **United States** economy. Alongside increased consumer spending due to a lower unemployment rate, we anticipate higher public spending. In **Japan**, we expect growth to be on a level with the previous year. The cheap yen is likely to boost exports and hence support growth. In **China**, we expect growth to be down slightly on the prior-year level. Fiscal policy and the uncertain effects of the social and environmental reforms that have been announced are particular sources of uncertainty here. Conditions in the **remaining emerging markets** will probably be less favorable. We anticipate a slight increase in economic growth in India and the emerging markets of Southeast Asia. Given the highly protectionist tendencies in many Latin American countries, developments are difficult to forecast for this area. We expect growth rates in Russia to be only slightly higher than in 2013. A potential further escalation of the political situation in the conflict with Ukraine and the effect of the sanctions against Russia are sources of uncertainty.

Purchasing will work together with Research and Development and Quality Management to identify alternative sources of supplies and to define more open specifications so as to continuously improve raw materials security for our production facilities. An additional goal is to further reduce our dependence on individual suppliers and specific raw materials. As in the past, strategic partnerships with suppliers will secure the availability of raw materials in 2014, ensuring supplies for our production facilities. We expect moderate increases in the price of commodities for the year as a whole despite lower oil prices, and will take targeted measures in the area of procurement to minimize them.

Business Developments

We are expecting sales growth in the **Consumer** Business Segment to outperform the market in 2014, at 4–6%. The EBIT margin from operations is expected to be around 13%.

The **tesa** Business Segment is anticipating sales growth of about 4% in 2014, with market growth estimated at 2–3%. The EBIT margin from operations is expected to be about 16%.

Based on the forecasts for the two business segments, we expect **Group** sales to grow by 4–6%. The consolidated EBIT margin from operations is expected to be above 13%.

We firmly believe that we are well positioned for the future thanks to our strong brands, innovative products, and the enhancement of our Blue Agenda.

Hamburg, November 2014
Beiersdorf AG

The Executive Board

Interim Consolidated Financial Statements

Income Statement

(IN € MILLION)	July 1-Sep. 30, 2013	July 1-Sep. 30, 2014	Jan. 1 -Sep. 30, 2013	Jan. 1 -Sep. 30, 2014
Sales	1,511	1,545	4,674	4,716
Cost of goods sold	-544	-578	-1,682	-1,741
Gross profit	967	967	2,992	2,975
Marketing and selling expenses	-616	-615	-1,946	-1,936
Research and development expenses	-38	-43	-114	-125
General and administrative expenses	-73	-87	-235	-246
Other operating result	-24	-66	-47	-60
Operating result (EBIT)	216	156	650	608
Interest income	5	5	16	16
Interest expense	-1	-1	-3	-4
Net pension result	-3	-3	-9	-9
Other financial result	-	4	-3	6
Profit before tax	217	161	651	617
Income taxes	-71	-47	-218	-194
Profit after tax	146	114	433	423
Of which attributable to				
- Equity holders of Beiersdorf AG	143	111	426	417
- Non-controlling interests	3	3	7	6
Basic/diluted earnings per share (in €)	0.63	0.49	1.88	1.84

Statement of Comprehensive Income

(IN € MILLION)	July 1–Sep. 30, 2013	July 1–Sep. 30, 2014	Jan. 1–Sep. 30, 2013	Jan. 1–Sep. 30, 2014
Profit after tax	146	114	433	423
Remeasurement gains and losses on cash flow hedges	–4	–7	1	–17
Deferred taxes on remeasurement gains and losses on cash flow hedges	2	2	–	6
<i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i>	–2	–5	1	–11
Remeasurement gains and losses on available-for-sale financial assets	8	–8	6	3
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	–3	3	–2	–1
<i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i>	5	–5	4	2
Exchange differences	–28	33	–89	47
Other comprehensive income that will be reclassified subsequently to profit or loss	–25	23	–84	38
Remeasurements of defined benefit pension plans	10	–89	–1	–176
Deferred taxes on remeasurements of defined benefit pension plans	–4	28	–	55
<i>Remeasurements of defined benefit pension plans recognized in other comprehensive income</i>	6	–61	–1	–121
Other comprehensive income that will not be reclassified subsequently to profit or loss	6	–61	–1	–121
Other comprehensive income net of tax	–19	–38	–85	–83
Total comprehensive income	127	76	348	340
Of which attributable to				
– Equity holders of Beiersdorf AG	125	73	343	334
– Non-controlling interests	2	3	5	6

Balance Sheet

(IN € MILLION)

Assets	Dec. 31, 2013	Sep. 30, 2013	Sep. 30, 2014
Intangible assets	176	177	111
Property, plant, and equipment	785	737	907
Non-current financial assets/securities	804	862	925
Other non-current assets	2	3	3
Deferred tax assets	133	143	183
Non-current assets	1,900	1,922	2,129
Inventories	733	764	802
Trade receivables	1,102	1,173	1,299
Other current financial assets	96	114	109
Income tax receivables	55	75	106
Other current assets	137	127	163
Securities	791	695	708
Cash and cash equivalents	984	976	993
Current assets	3,898	3,924	4,180
	5,798	5,846	6,309
Equity and liabilities	Dec. 31, 2013	Sep. 30, 2013	Sep. 30, 2014
Equity attributable to equity holders of Beiersdorf AG	3,393	3,315	3,568
Non-controlling interests	12	10	9
Equity	3,405	3,325	3,577
Provisions for pensions and other post-employment benefits	388	383	567
Other non-current provisions	82	92	88
Non-current financial liabilities	5	8	7
Other non-current liabilities	3	3	3
Deferred tax liabilities	134	134	86
Non-current liabilities	612	620	751
Other current provisions	527	573	548
Income tax liabilities	87	108	105
Trade payables	973	1,034	1,086
Other current financial liabilities	104	83	128
Other current liabilities	90	103	114
Current liabilities	1,781	1,901	1,981
	5,798	5,846	6,309

Cash Flow Statement

(IN € MILLION)

	Jan. 1–Sep. 30, 2013	Jan. 1–Sep. 30, 2014
Operating result (EBIT)	650	608
Income taxes paid	–212	–261
Depreciation and amortization	80	146
Change in non-current provisions (excluding interest components and changes recognized in OCI)	–6	1
Gain/loss on disposal of property, plant, and equipment, and intangible assets	–3	–9
Gross cash flow	509	485
Change in inventories	–30	–69
Change in receivables and other assets	–135	–243
Change in liabilities and current provisions	66	172
Net cash flow from operating activities	410	345
Investments in property, plant, and equipment, and intangible assets	–145	–198
Proceeds from the sale of property, plant, and equipment, and intangible assets	10	20
Payments to acquire securities	–831	–754
Proceeds from the sale/final maturity of securities	908	726
Interest received	23	23
Proceeds from dividends and other financing activities	11	23
Net cash flow from investing activities	–24	–160
Free cash flow	386	185
Proceeds from loans	18	35
Loan repayments	–28	–33
Interest paid	–2	–3
Other financing expenses paid	–40	–40
Cash dividends paid (Beiersdorf AG)	–159	–159
Net cash flow from financing activities	–211	–200
Effect of exchange rate fluctuations and other changes on cash held	–33	24
Net change in cash and cash equivalents	142	9
Cash and cash equivalents as of Jan. 1	834	984
Cash and cash equivalents as of Sep. 30	976	993

Statement of Changes in Equity

(IN € MILLION)

	Share capital	Additional paid-in capital	Retained earnings*	Accumulated other comprehensive income			Total attributable to equity holders	Non-controlling interests	Total
				Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets			
Jan. 1, 2013	252	47	2,839	-9	2	-	3,131	12	3,143
Total comprehensive income for the period	-	-	425	-87	1	4	343	5	348
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-159	-	-159
Dividend of non-controlling interests for previous year	-	-	-	-	-	-	-	-7	-7
Sep. 30, 2013	252	47	3,105	-96	3	4	3,315	10	3,325
Jan. 1, 2014	252	47	3,209	-128	3	10	3,393	12	3,405
Total comprehensive income for the period	-	-	296	47	-11	2	334	6	340
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-159	-	-159
Dividend of non-controlling interests for previous year	-	-	-	-	-	-	-	-9	-9
Sep. 30, 2014	252	47	3,346	-81	-8	12	3,568	9	3,577

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

Segment Reporting

Business Developments by Business Segment

SALES (IN € MILLION)	July 1–Sep. 30, 2013		July 1–Sep. 30, 2014		Jan. 1–Sep. 30, 2013		Jan. 1–Sep. 30, 2014		Change in %	
		% of total		% of total		% of total		% of total	nominal	organic
Consumer	1,242	82.2	1,268	82.1	3,883	83.1	3,905	82.8	0.6	4.2
tesa	269	17.8	277	17.9	791	16.9	811	17.2	2.5	4.3
Total	1,511	100.0	1,545	100.0	4,674	100.0	4,716	100.0	0.9	4.3

EBITDA (IN € MILLION)	July 1–Sep. 30, 2013		July 1–Sep. 30, 2014		Jan. 1–Sep. 30, 2013		Jan. 1–Sep. 30, 2014		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	180	14.5	186	14.7	572	14.7	593	15.2	3.7	
tesa	63	23.4	64	23.1	158	20.0	161	19.9	1.7	
Total	243	16.1	250	16.2	730	15.6	754	16.0	3.3	

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	July 1–Sep. 30, 2013		July 1–Sep. 30, 2014		Jan. 1–Sep. 30, 2013		Jan. 1–Sep. 30, 2014		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	159	12.8	162	12.7	510	13.1	529	13.5	3.8	
tesa	57	21.2	57	20.7	140	17.7	142	17.5	1.3	
Total	216	14.3	219	14.1	650	13.9	671	14.2	3.2	

GROSS CASH FLOW (IN € MILLION)	July 1–Sep. 30, 2013		July 1–Sep. 30, 2014		Jan. 1–Sep. 30, 2013		Jan. 1–Sep. 30, 2014		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	154	12.4	144	9.6	403	10.4	371	9.5	–8.1	
tesa	44	16.5	55	19.1	106	13.4	114	14.1	7.8	
Total	198	13.1	199	11.3	509	10.9	485	10.3	–4.8	

Regional Reporting

SALES (IN € MILLION)	July 1–Sep. 30, 2013		July 1–Sep. 30, 2014		Jan. 1–Sep. 30, 2013		Jan. 1–Sep. 30, 2014		Change in %	
		% of total		% of total		% of total		% of total	nominal	organic
Europe	823	54.5	830	53.8	2,598	55.6	2,625	55.7	1.1	2.2
Americas	268	17.8	283	18.3	804	17.2	799	16.9	–0.8	5.0
Africa/Asia/Australia	420	27.7	432	27.9	1,272	27.2	1,292	27.4	1.6	8.0
Total	1,511	100.0	1,545	100.0	4,674	100.0	4,716	100.0	0.9	4.3

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	July 1–Sep. 30, 2013		July 1–Sep. 30, 2014		Jan. 1–Sep. 30, 2013		Jan. 1–Sep. 30, 2014		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Europe	125	15.1	139	16.7	425	16.4	468	17.8	10.1	
Americas	28	10.7	31	10.9	75	9.4	75	9.4	–0.4	
Africa/Asia/Australia	63	14.9	49	11.3	150	11.8	128	9.9	–14.4	
Total	216	14.3	219	14.1	650	13.9	671	14.2	3.2	

* For details regarding the special factors please refer to page 5 f.

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. The activities of Beiersdorf AG and its affiliates (“Beiersdorf Group”) consist primarily of the manufacture and distribution of branded consumer goods in the area of skin 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 September 30, 2014, 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, 2013.

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 2013. The intraperiod income tax expense was calculated on the basis of the estimated effective tax rate for the full year. The interim report was not audited or reviewed.

Indefinite Lived Intangible Assets

The indefinite-lived intangible assets include the Chinese hair care brands that were acquired when the shares of the Beiersdorf Hair Care China Group were purchased. These have been recognized with an indefinite useful life since it is planned to continue using them for an unlimited period.

The Chinese business was revalued due to the current negative trend on the Chinese hair care market. The measurement parameters were also adjusted. As a result, the hair care brands were written down by €66 million, to €22 million.

The value of the Beiersdorf Hair Care brands was calculated on the basis of fair value less costs to sell derived using the relief from royalty method, which was higher than the corresponding value in use. Costs to sell were assumed to be 1.0% of the brand value (previous year: 1.0%). The calculation was based on a discount rate of 8.8% (previous year: 9.6%), a royalty rate of 1.5% (previous year: 4.0%) of sales, and a growth rate outside the planning horizon (growth discount) of 1.0% (previous year: 2.0%). The asset has been allocated to the Consumer Business Segment.

If the actual performance of the Chinese hair care business is lower or higher than the assumptions used in the calculation, it may be necessary to charge additional impairment losses or reversals of impairment losses on Beiersdorf Hair Care China’s trademarks in the future.

Additional Disclosures on Financial Instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments.

(IN € MILLION)

Dec. 31, 2013	Carrying amount	Measurement under IAS 39		Fair value through profit or loss	Fair value
		Amortized cost	Fair value recognized in OCI		
Assets					
<i>Loans and receivables (LaR)</i>	2,176	2,176	–	–	2,176
Non-current financial assets	7	7	–	–	7
Trade receivables	1,102	1,102	–	–	1,102
Other current financial assets	83	83	–	–	83
Cash and cash equivalents	984	984	–	–	984
<i>Available-for-sale financial assets (AFS)</i>	304	3	301	–	304
Non-current financial assets	3	3	–	–	3
Securities	301	–	301	–	301
<i>Held-to-maturity financial investments (HtM)</i>	1,284	1,284	–	–	1,286
Securities	1,284	1,284	–	–	1,286
<i>Derivative financial instruments used for hedges (DFI)</i>	13	–	10	3	13
Liabilities					
<i>Other financial liabilities (OFL)</i>	1,072	1,072	–	–	1,072
Non-current financial liabilities	5	5	–	–	5
Trade payables	973	973	–	–	973
Other current financial liabilities	94	94	–	–	94
<i>Derivative financial instruments used for hedges (DFI)</i>	7	–	5	2	7
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	3	–	–	3	3
Sep. 30, 2014					
Assets					
<i>Loans and receivables (LaR)</i>	2,401	2,401	–	–	2,401
Non-current financial assets	9	9	–	–	9
Trade receivables	1,299	1,299	–	–	1,299
Other current financial assets	100	100	–	–	100
Cash and cash equivalents	993	993	–	–	993
<i>Available-for-sale financial assets (AFS)</i>	373	10	363	–	373
Non-current financial assets	10	10	–	–	10
Securities	363	–	363	–	363
<i>Held-to-maturity financial investments (HtM)</i>	1,251	1,251	–	–	1,264
Securities	1,251	1,251	–	–	1,264
<i>Derivative financial instruments used for hedges (DFI)</i>	8	–	6	2	8
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	1	–	–	1	1
Liabilities					
<i>Other financial liabilities (OFL)</i>	1,201	1,201	–	–	1,201
Non-current financial liabilities	5	5	–	–	5
Trade payables	1,086	1,086	–	–	1,086
Other current financial liabilities	110	110	–	–	110
<i>Derivative financial instruments used for hedges (DFI)</i>	20	–	18	2	20

The following hierarchy levels under IFRS 13 are used to measure and report the fair values of financial instruments:

- Level 1: Fair values that are measured using quoted prices in active markets
- Level 2: Fair values that are measured using valuation techniques whose significant inputs are based on directly or indirectly observable market data
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data

The following overview shows the hierarchy levels used to categorize financial instruments that are measured at fair value on a recurring basis.

(IN € MILLION)	Fair value hierarchy under IFRS 13			Total
	Level 1	Level 2	Level 3	
Dec. 31, 2013				
Assets				
<i>Available-for-sale financial assets (AfS)</i>	301	–	–	301
Securities	301	–	–	301
<i>Derivative financial instruments used for hedges (DFI)</i>	–	13	–	13
Liabilities				
<i>Derivative financial instruments used for hedges (DFI)</i>	–	7	–	7
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	–	3	–	3
Sep. 30, 2014				
Assets				
<i>Available-for-sale financial assets (AfS)</i>	363	–	–	363
Securities	363	–	–	363
<i>Derivative financial instruments used for hedges (DFI)</i>	–	8	–	8
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	–	1	–	1
Liabilities				
<i>Derivative financial instruments used for hedges (DFI)</i>	–	20	–	20

No transfers between hierarchy levels took place in the first three quarters of 2014.

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy level 1 and are measured at quoted prices on the balance sheet date.

Derivative financial instruments are assigned to fair value hierarchy level 2. The fair values of currency forwards are calculated using the exchange rate as of the reporting date and discounted to the reporting date on the basis of their respective yield curves.

Financial instruments that are not measured at fair value predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. Securities classified as “held to maturity (HtM)” are an exception. The fair values for this item have been assigned to fair value hierarchy level 1.

Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2013, for related party disclosures. There were no significant changes as of September 30, 2014.

Corporate Governance

The declaration of compliance with the recommendations of the German Corporate Governance Code issued by the Supervisory Board and the Executive Board for fiscal year 2013 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, AktG) was published at the end of December 2013 and is permanently available on our website at

WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML.

Events after the Reporting Date

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

Financial Calendar

2015

January 15

Publication of
Preliminary Group Results 2014 (Sales)

February 13

Publication of Annual Report 2014,
Annual Accounts Press Conference,
Financial Analyst Meeting

March 31

Annual General Meeting

May 7

Interim Report
January to March 2015

August 5

Interim Report
January to June 2015

November 4

Interim Report
January to September 2015

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→ Note

The Interim Report is also available in German.

The online version is available at WWW.BEIERSDORF.COM/INTERIM_REPORT.