ANNUAL REPORT

2015

Beiersdorf

Beiersdorf 2015

KEY FIGURES – OVERVIEW

		2014	2015
Group sales	(in € million)	6,285	6,686
Change (organic)	(in %)	4.7	3.0
Change (nominal)	(in %)	2.3	6.4
Consumer sales	(in € million)	5,209	5,546
Change (organic)	(in %)	4.8	3.6
Change (nominal)	(in %)	2.1	6.5
tesa sales	(in € million)	1,076	1,140
Change (organic)	(in %)	4.4	0.4
Change (nominal)	(in %)	3.6	5.9
Operating result (EBIT, excluding special factors)	(in € million)	861	962
Operating result (EBIT)	(in € million)	796	962
Profit after tax	(in € million)	537	671
Return on sales after tax	(in %)	8.5	10.0
Earnings per share	(in €)	2.33	2.91
Total dividend	(in € million)	159	159
Dividend per share	(in €)	0.70	0.70
Gross cash flow	(in € million)	598	770
Capital expenditure	(in € million)	301	249
Research and development expenses	(in € million)	168	183
Employees	(as of Dec. 31)	17,398	17,659

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1. TO OUR SHAREHOLDERS

Letter from the Chairman

Ladies and Gentlemen,

2015 was a successful year for Beiersdorf. We continued on our sustainable, profitable growth path of the past years. And we have gained further momentum delivering significant increases in sales and earnings. Our consolidated EBIT margin marked a new record level for Beiersdorf. In other words: we achieved what we set out to do in 2015.

We also made further progress in increasing the efficiency of Beiersdorf. We have become faster, more powerful, and thus more competitive, and we have made Beiersdorf significantly more resistant to influences from the economic environment. All this shows that Beiersdorf has now attained a degree of stability that enables us to continue on our profitable growth path even under challenging economic conditions.

The foundation of our business activities and success is and will continue to be the Blue Agenda – our strategic compass since 2012. The pillars of our business strategy are: strengthening our brands, increasing our innovative power, expanding our presence in the emerging markets, and the people at Beiersdorf. Over the last few years we have consequently focused on our strategic pillars, and the results of our efforts clearly show: We are on the right track.

The strengthening of our brands, especially NIVEA, and our focus on major innovations both contributed significantly to our success in 2015. We support our successful innovations long-term through tailor-made marketing for growth drivers such as NIVEA Deo Invisible for Black & White or NIVEA Body In-Shower. At the same time, we pursue the development of new products: in 2015 we once again demonstrated our high innovative power with NIVEA Care and NIVEA MEN Creme – both products emphasize our skin care expertise and our aim to obtain a leading international position in our segments.

The continuous expansion of our presence in the emerging markets has played a key role in our sustainable upward trend over the last few years. In 2015, we increased our local footprint on the Indian market by opening a production facility and a regional laboratory in Sanand. Shifting production and product development to locations with direct proximity to our consumers allows us to identify specific local consumer needs even more quickly and to incorporate them accordingly into our product portfolio. The fact that we now earn more than 50% of our sales in the Consumer Business Segment in emerging markets underlines the importance of an increasing local footprint, and this share will grow further in the future.

tesa showed a stable performance in 2015 and expanded its position in many important markets. tesa's innovative products fulfill the needs of a variety of customer groups: its self-adhesive products and system solutions are successful in industrial business, particularly with customers in the automotive industry, but also in consumer business. The foundation of tesa's market strength remains its sustained innovative power.

Our 2015 financials reflect the economic success of our strategic decisions: organic Group sales rose by 3.0%. Adjusted for currency effects, we achieved nominal growth of 6.4% to €6,686 million. The operating result (EBIT, excluding special factors) increased by 11.6% to €962 million. The consolidated EBIT margin improved to 14.4%, up from last year's 13.7%. Sales in the Consumer Business Segment grew organically by 3.6%. In nominal terms, sales rose by 6.5% to €5,546 million. tesa generated organic sales growth of 0.4%, representing nominal growth of 5.9% to €1,140 million. The EBIT margin was 13.9% for the Consumer Business Segment and 16.8% for tesa.

An important key to our success is our corporate culture, which is shaped substantially by our employees. Each one of them lives our Core Values every day, and through their high level of motivation, passion, and hard work, they contribute to Beiersdorf's success. I would like to extend my sincere thanks to all our employees for their commitment in the past year.

Ladies and gentlemen, we have built a solid foundation for further economic success in 2016. We hope that you as our consumers, shareholders, business partners, and friends of Beiersdorf will continue to support us, and I would like to thank you for your trust.

Sincerely,

STEFAN F. HEIDENREICH
Chairman of the Executive Board

Beiersdorf's Shares and Investor Relations

In 2015, one of the main factors affecting the performance of Beiersdorf's shares was the systematic implementation of our Blue Agenda, which led to profitable growth for the company. We met the challenging targets set for 2015, which helped our shares to a significant above-average gain of nearly 25% at year-end.

The German benchmark index DAX was off to a very good start in the first quarter of 2015, when it traded above 12,000 points for the first time in its history. Three factors led to the index's performance: the European Central Bank's bond buying program, good corporate results, and sustained low oil prices. With respect to the euro, the ECB's announcement that it would start buying up bonds from eurozone countries put the common currency under such pressure that it approached parity with the US dollar for the first time in a long time. Expectations that the US Federal Reserve would raise interest rates in 2016 for the first time in ten years also contributed to the euro's loss in value. Moreover, the headlines were dominated for months by the possibility that Greece would abandon the euro – events that came on the heels of the Ukraine crisis, which came to a head in February before political consensus was reached and the situation relaxed again. Beiersdorf's shares were already up by 20% in the first quarter of 2015, exceeding the €80 mark for the first time. At the end of March, the Annual General Meeting of Beiersdorf AG was held in Hamburg. Discussions between the Executive Board and investors and analysts focused on innovations and the outlook for global growth in 2015 in addition to the good results posted for 2014.

The second quarter was increasingly impacted by political risks in the eurozone. Concerns about Greece leaving the euro as well as expectations of the US Federal Reserve raising the key interest rate led to increased volatility on the financial markets. As a result, ten-year German Bund yields reached a record low of almost 0%, and yields were actually negative for German government bonds with shorter maturities. The sharp correction seen in Chinese stocks led to extreme unrest on the markets that was reminiscent of the global financial crisis in 2008. After hitting a new all-time high at the beginning of the quarter, the DAX shed some of the strong gains made the previous quarter. In early May, the Executive Board discussed the results for the first quarter in a conference call. Despite modest sales growth in the Consumer Business, analysts raised their share price targets based on the growth outlook. Beiersdorf's shares therefore reached an all-time high of nearly €84 in a nervous market climate, before profit taking led to our stock broadly mirroring the DAX. The Executive Board provided details of the company's next strategic steps in achieving profitable growth at investor conferences in New York and Paris.

The relief felt at the beginning of the third quarter that Greece would remain in the eurozone was short-lived, only lasting until the corrections on the Chinese stock exchange turned into an all-out price collapse that drew in the international financial markets. Fears of a significant economic slowdown in China and other emerging economies led commodity prices to drop to their lowest level in many years. Moreover, the expected hike by the US Federal Reserve in the key interest rate, which had already been priced in by the markets, failed to materialize. At first, these developments were assessed positively by market participants until transforming into doubts about the economic recovery of the United States. Performance of the DAX fluctuated widely in this negative environment, and the German benchmark index forfeited all of the gains made in the first half. Beiersdorf's half-year results were received positively by market participants given the good operating result and strong sales performance in key emerging markets such as Russia and Brazil. Optimism that business would accelerate further towards year-end resulted in the company's stock withstanding the negative market trend: Beiersdorf's shares outperformed the competitors in the Household and Personal Care sector.

The plunge in commodity prices and the ensuing uncertainty regarding the situation in the emerging economies induced the International Monetary Fund and other leading economic institutions to lower their global economic forecasts for 2015 and 2016 in the fourth quarter. While the economic indicators for the Chinese economy continued to deteriorate, the United States proved to be robust enough for the US Federal Reserve to announce a long-awaited interest-rate increase in December. In that environment, Beiersdorf reported a sharp acceleration in sales and issued a more detailed forecast for full-year 2015, which beat expectations of market observers and led to the company's stock reaching a new annual high of €89.13. However, year-end profit taking resulted in stock market declines as well as increased fluctuation in our shares, which nonetheless ended the year 2015 well above the DAX with a gain of nearly 25% and a closing price of €84.16.

For more information on Beiersdorf's shares please visit WWW.BEIERSDORF.COM/SHARES.

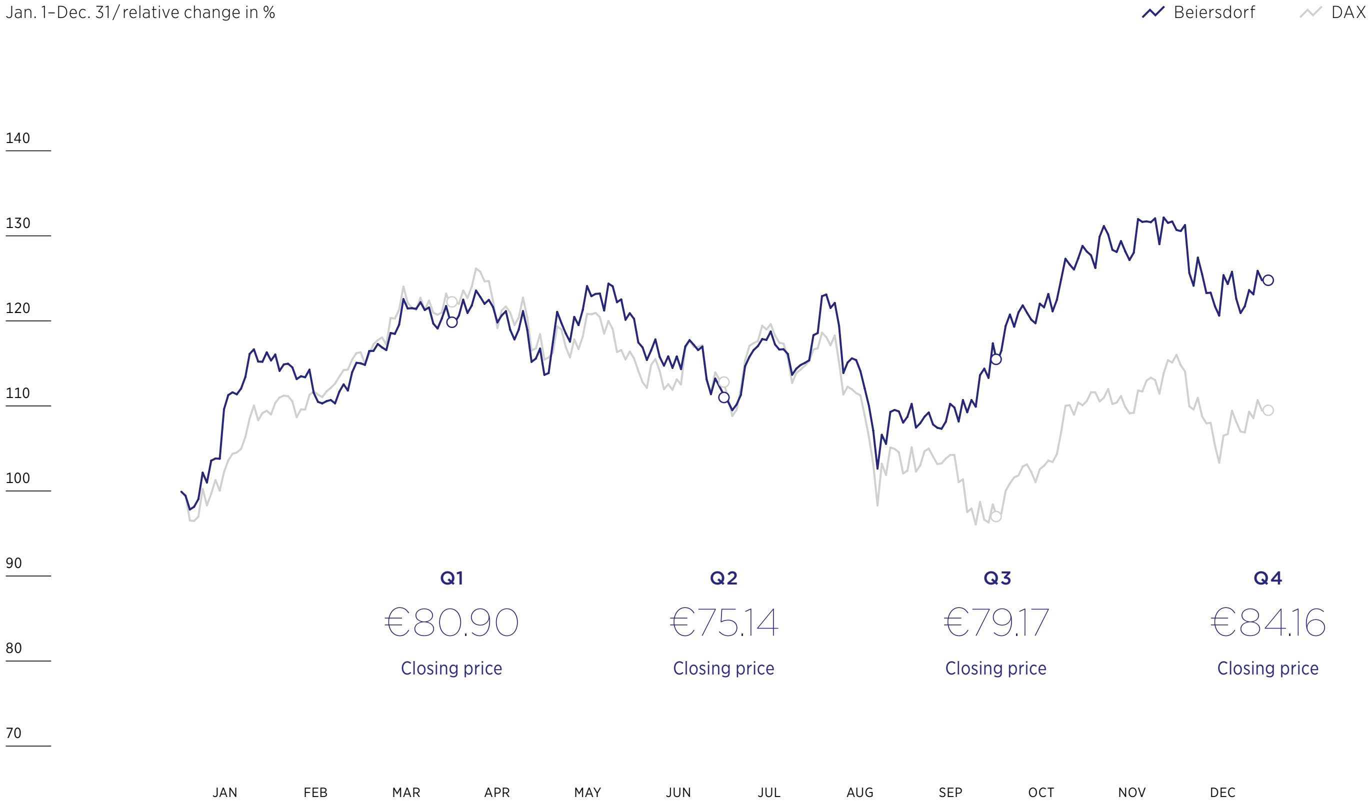
For more information on Investor Relations please visit WWW.BEIERSDORF.COM/INVESTORS.

KEY FIGURES – SHARES

		2014	**2015**
Earnings per share as of Dec. 31	(in €)	2.33	2.91
Market capitalization as of Dec. 31	(in € million)	16,990	21,208
Closing price as of Dec. 31	(in €)	67.42	84.16
High for the year	(in €)	76.93	89.13
Low for the year	(in €)	61.59	66.01

BEIERSDORF'S SHARE PRICE PERFORMANCE 2015

Jan. 1–Dec. 31 / relative change in %

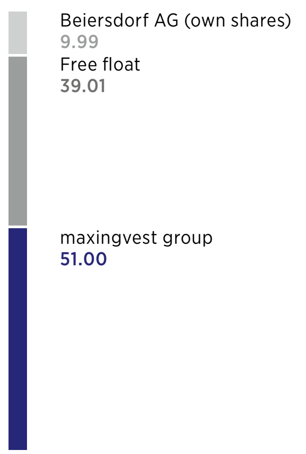


BASIC SHARE DATA

Company name	Beiersdorf Aktiengesellschaft
Admission year	1928
WKN	520000
ISIN	DE0005200000
Stock trading venues	**Official Market:** Frankfurt/Main and Hamburg **Open Market:** Berlin, Düsseldorf, Hanover, Munich, and Stuttgart
Number of shares	252,000,000
Share capital in €	252,000,000
Class	No-par-value bearer shares
Market segment / index	Prime Standard / DAX
Stock exchange symbol	BEI
Reuters	BEIG.DE
Bloomberg	BEI GR

SHAREHOLDER STRUCTURE (IN %)

As of Dec. 31, 2015



Report by the Supervisory Board

The Supervisory Board performed its duties in accordance with the law, the Articles of Association, the German Corporate Governance Code, and the bylaws. It supervised and advised the Executive Board, focusing particularly on the course of business and business policies, corporate planning, accounting, the company's position and outlook, and risk management. The Executive Board reported to us regularly during and between our meetings, both in writing and orally. The Supervisory Board and its committees discussed and examined material business transactions.

The company offered members of the Supervisory Board training on the provisions of capital market law as well as on brand protection. Following the end of the reporting year, Ms. Isabelle Parize resigned from her position on the Supervisory Board due to an imminent long-term conflict of interest. Otherwise, there were no indications of conflicts of interest relating to Executive Board or Supervisory Board members. Mr. Poul Weihrauch attended fewer than half of the Supervisory Board meetings held. No other member of the Supervisory Board attended only half or fewer than half of the Supervisory Board meetings or the meetings of committees to which the member belongs. Members' overall attendance rate at the meetings of the Supervisory Board and committees exceeded 90%.

Supervisory Board Meetings

The **Supervisory Board meetings** regularly addressed business developments, the interim financial statements, and significant individual transactions. After careful examination and discussion, we approved the proposals for decision presented to us.

On **February 12, 2015,** we discussed the achievement of the targets set for the Executive Board for 2014, determined its remuneration, and substantiated its targets for 2015. We approved the annual financial statements and consolidated statements for 2014, and thereby adopted them. We resolved the report by the Supervisory Board and the corporate governance report and approved the remuneration report. We endorsed the agenda and the motions proposed for the 2015 Annual General Meeting, as well as the proposal for the utilization of the net retained profits.

In our meeting of **March 31, 2015,** we initially prepared for the upcoming Annual General Meeting. Afterward, we addressed Group-wide diversity and the requirements of the new act on equal participation of women and men in management positions.

In an extraordinary meeting held on **April 30, 2015,** we appointed Jesper Andersen as a member of the Executive Board as of May 18, 2015, and also addressed questions of diversity.

On **September 3, 2015,** we discussed the strategy, the product pipeline, and current personnel topics. We decided on a target for the share of women in the Executive Board and amended the bylaws for the Executive Board accordingly. We elected Frédéric Pflanz to succeed Thomas Holzgreve as Deputy Chairman and in various committees. We also conferred on changes to the German Corporate Governance Code.

On **December 8, 2015,** we approved in principle the corporate planning for 2016 and established the targets for the Executive Board members for 2016. We resolved targets for the Supervisory Board's composition and the declaration of compliance with the recommendations of the German Corporate Governance Code.

In **early 2016,** we resolved the extent to which the Executive Board had achieved its targets in 2015 as well as its remuneration for that year. We also approved the annual financial statements and consolidated statements for 2015 and the related reports, and approved the proposals for resolution for the Annual General Meeting.

Committees

Five **committees** made decisions in individual cases in place of the Supervisory Board, to the extent permitted. The chairs of the committees reported in detail to the full Supervisory Board on the work performed in the committees.

The **Presiding Committee** (four meetings) discussed business developments and strategy, the remuneration of the Executive Board and the Supervisory Board, and contracts that are subject to approval, as well as preparing meetings of the full Supervisory Board.

The **Audit Committee** (seven meetings) primarily performed the preliminary examination of the annual and interim financial statements and management reports, verified the independence of, and appointed, the auditors, and specified the areas of emphasis for the 2015 audit. In addition, business developments, the internal control system, risk management, and the Internal Audit function were regularly discussed.

The **Finance Committee** (four meetings) addressed, in particular, the investment strategy and compliance management.

There were no meetings of the **Nomination Committee** or the **Mediation Committee.**

Annual Financial Statements and Audit

The **auditors** audited the **annual financial statements** and **management reports for 2015** for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. The Executive Board's report on dealings among Group companies required by § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*) due to the majority interest held by maxingvest ag, Hamburg, received the following audit opinion: "Following the completion of our audit, which was carried out in accordance with professional standards, we confirm: 1. that the information contained in this report is correct; 2. that the compensation paid by the company with respect to the transactions listed in the report was not inappropriately high; and 3. that there are no circumstances which would justify, in relation to the measures specified in the report, a materially different opinion than that held by the Executive Board."

The Supervisory Board received the 2015 annual financial statements and management reports for Beiersdorf AG and the Group, the report on dealings among Group companies, and the auditors' reports immediately after their **preparation**. The auditors reported on the key findings of their audit to the Audit Committee and to the full Supervisory Board. Our examination of the annual financial statements and management reports for Beiersdorf AG and the Group, the report on dealings among Group companies, including the concluding declaration by the Executive Board, and the auditors' reports did not raise any objections. We concurred with the auditors' findings and approved the annual financial statements of Beiersdorf AG and the consolidated financial statements for the year ending December 31, 2015. The annual financial statements of Beiersdorf AG are thus **adopted.** We endorsed the Executive Board's proposal on the appropriation of net profit.

We would like to thank our employees, the employee representatives, and the Executive Board for their contributions to the company's success, and our shareholders, business partners, and in particular our consumers for their continued trust in us.

Hamburg, February 11, 2016
For the Supervisory Board

Reinhard Pöllath

REINHARD PÖLLATH
Chairman

2.
CORPORATE GOVERNANCE

Corporate Governance Report 2015

Corporate governance – good corporate management and supervision – has always been a high priority at Beiersdorf. Close, efficient cooperation between the Executive and Supervisory Boards, a focus on shareholder interests, open corporate communication, proper accounting and auditing, compliance with statutory provisions and corporate guidelines, and responsible risk management are the basis of the company's success in this area.

Beiersdorf welcomes the German Corporate Governance Code (the Code). This ensures transparency with respect to the legal framework for corporate management and supervision at German listed companies and contains accepted standards for good, responsible corporate management. The Code and its amendments did not necessitate any fundamental changes at Beiersdorf. Corporate governance is an ongoing process, above and beyond the Code as well. We will continue to track developments carefully.

Declaration of Compliance

At the end of December 2015, the Executive Board and Supervisory Board issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2015 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfills all the recommendations made in the Code with one exception, as well as a large number of the suggestions.

The 2015 Declaration of Compliance was also made permanently accessible to the public on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

Declaration by the Executive Board and the Supervisory Board of Beiersdorf Aktiengesellschaft on the Recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with § 161 of the *Aktiengesetz* (German Stock Corporation Act, *AktG*)

In fiscal year 2015, Beiersdorf Aktiengesellschaft has complied and continues to comply with all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated June 24, 2014, and May 5, 2015, respectively, with one exception:

In accordance with section 4.2.3 (2) sentence 6 of the German Corporate Governance Code, the amount of remuneration of Executive Board members should be capped, both overall and with respect to the variable remuneration components.

The remuneration of the Executive Board members is limited by such a cap. The Enterprise Value Component granted to the members of the Executive Board, alongside the regular, variable remuneration, which is based on voluntary personal investment by the Executive Board members concerned (Covered Virtual Units), participates in positive and negative changes in the enterprise value and is not capped in respect of increases in value. The Supervisory Board considers it appropriate that members of the Executive Board who contribute their own money – comparable to an investment – should be allowed to participate in positive changes in enterprise value without restriction. The Supervisory Board and Executive Board have resolved to declare a corresponding deviation from the recommendation of the German Corporate Governance Code.

Hamburg, December 2015

For the Supervisory Board

PROF. DR. REINHARD PÖLLATH
Chairman of the Supervisory Board

For the Executive Board

STEFAN F. HEIDENREICH
Chairman of the Executive Board

DR. ULRICH SCHMIDT
Member of the Executive Board

Management Structure

Beiersdorf AG is governed by German stock corporation, capital market, and codetermination law, among other things, as well as by its Articles of Association. The company has a dual management and supervisory structure consisting of the Executive Board and the Supervisory Board, as is customary in Germany. The Annual General Meeting acts as the decision-making body for shareholders and is responsible for taking fundamental decisions by the company. These three bodies are all dedicated in equal measure to the good of the company and the interests of the shareholders.

1. SUPERVISORY BOARD

Beiersdorf AG's Supervisory Board consists of 12 members. Half of these are elected by the Annual General Meeting in accordance with the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and half by the employees in accordance with the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. Their regular term of office expires at the end of the Annual General Meeting resolving on the approval of their activities for fiscal year 2018. The term of office of one court-appointed member expires at the end of the 2016 Annual General Meeting.

The Supervisory Board appoints, advises, and supervises the Executive Board as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board and Executive Board work closely together for the good of the company and to achieve sustainable added value. Certain decisions require the approval of the Supervisory Board.

The Supervisory Board regularly makes decisions at its meetings on the basis of detailed documents. It is informed in a regular, timely, and comprehensive manner about all relevant matters. In addition, the Chairman of the Executive Board informs the Chairman of the Supervisory Board regularly and in a timely manner about important transactions and liaises with him on important decisions.

The Supervisory Board regularly evaluates its work and resolves measures for improvement, most recently in fall 2013 and again at present.

The members of the Supervisory Board are personally responsible for ensuring they receive the necessary training and further education. The company provides them with appropriate support in this area, such as by organizing internal training events on topics that are of relevance to Supervisory Board work.

The company has also taken out a D&O insurance policy for the members of the Supervisory Board. The deductible amounts to 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Supervisory Board member.

a) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete company-specific objectives for its composition in December 2014. It amended these in December 2015 in response to the changes to the Code decided during the year. The objectives reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, regular limits on age and length of membership for Supervisory Board members, and diversity – especially an appropriate degree of female representation. The objectives initially apply until the end of 2018. They will also be taken into account by the Nomination Committee when proposing candidates for election. The Supervisory Board as a whole must possess the knowledge, ability, and specialist experience required to perform its tasks properly.

International Focus

All members of the Supervisory Board must be open to the company's international orientation. At least three members should embody this in concrete terms and should therefore have particular international experience due to their activities abroad or their background, for example. At least two members with international experience should be shareholder representatives. Efforts are being made to further increase the Supervisory Board's international orientation.

Representation of Women

Diversity of composition requires an appropriate degree of female participation. The Supervisory Board's goal is therefore to further strengthen the number and position of women on the Supervisory Board and to achieve four female members (30%) in line with the objective it set for itself in December 2014. At least two women should be shareholder representatives. The aim is to regularly increase the number of women on the Supervisory Board in the company's interests when changes are made to its composition. As a listed company subject to codetermination on a basis of parity, Beiersdorf AG is subject to the statutory gender quota, which requires women and men respectively to comprise at least 30% of the Supervisory Board.

Regular Limits on Age and Length of Membership

According to the Supervisory Board bylaws, members should generally retire at the Annual General Meeting following their 72nd birthday. The Supervisory Board has also determined that membership should regularly be limited to a maximum of 20 years.

Independent Focus

The Supervisory Board should include what it considers to be an appropriate number of independent members. A Supervisory Board member is not considered to be independent in particular if he or she has personal or business relations with the company, its governing bodies, a controlling shareholder, or an enterprise associated with the latter which may cause a material and not merely temporary conflict of interests. The Supervisory Board considers it to be adequate if at least eight of its members are independent. In this context, it assumes that the employee representatives are to be considered independent within the meaning of the Code. With respect to the shareholder representatives, considering the fact that Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 17 (1) *AktG*, the Supervisory Board considers it to be adequate if at least two of its members are independent.

Potential Conflicts of Interest

The Supervisory Board's objective with respect to independence also takes potential conflicts of interest on the part of its members into account to an appropriate extent. In a dependent company, the Supervisory Board considers it to be good corporate governance if the Supervisory Board also includes a significant number of representatives of the majority shareholder.

Notwithstanding this, all members of the Supervisory Board must inform the Supervisory Board, by way of communication addressed to the Chairman of the Supervisory Board, of any conflicts of interest, in particular those relating to a consulting function or directorship with clients, suppliers, lenders, or other third parties or competitors of the company. Members of the Supervisory Board must resign their office if faced with material and not merely temporary conflicts of interest.

Diversity Officers

Additionally, two Supervisory Board members have been appointed as diversity officers in order to advance and promote these objectives: Dr. Dr. Martel and Professor Rousseau. Their role is to support the Supervisory Board at every intended election of a shareholder representative to the Supervisory Board, or of a committee member, and to issue a statement together with the Chairman of the Supervisory Board regarding the proposals for election made by the Nomination Committee responsible for this, after consultation with the remaining members of the Supervisory Board.

In addition to a balanced mix of professional skills within the Supervisory Board as a whole, diversity is an important criterion for the selection of Supervisory Board and committee members in the company's best interests. Following the Supervisory Board elections in 2014, there are now three female Supervisory Board members in total, including the Chair of the Audit Committee: Professor Rousseau as an employee representative, and Dr. Dr. Martel and Ms. Parize (until January 28, 2016) / Ms. Dreyfus (from January 29, 2016) as shareholder representatives. The statutory gender quota for the composition of the Supervisory Board is applicable to all elections from January 1, 2016, onward. Existing mandates may continue until their scheduled expiry. In addition to their particular professional skills, all the shareholder representative members embody the idea of international orientation by virtue of their background or extensive international experience.

Three-quarters of the members of the Supervisory Board as a whole are independent, and at least one-half of the shareholder representatives. The Supervisory Board assumes, as a highly precautionary measure, that a Supervisory Board member with relations to the controlling shareholder should not be regarded as independent. Notwithstanding this, the Supervisory Board believes that relations to the controlling shareholder do not in themselves pose the risk of a material and permanent conflict of interest; rather, it assumes that the company's interests will largely coincide with those of its majority shareholder in those cases in which their business activities do not overlap.

In fiscal year 2015, one Supervisory Board member, Mr. Michael Herz, reached the regular age limit set out in the bylaws of the Supervisory Board. Given Mr. Herz's knowledge and experience, the Supervisory Board has made a reasonable exception for this member. The regular limit for length of membership and the rules governing potential conflicts of interest were complied with.

b) Committees

The work of the Supervisory Board is performed at, and outside of, the meetings of the full Board as well as in the committees. The Supervisory Board has formed the following five committees:

Presiding Committee

The Presiding Committee is composed of the Chairman of the Supervisory Board, two additional shareholder representatives, and one employee representative. The Committee prepares meetings and human-resources decisions and resolves – subject to the resolution of the full Board specifying the total remuneration – instead of the full Board on the contracts of service and pension agreements for members of the Executive Board and on other issues involving the Executive Board. It regularly discusses long-term succession planning for the Executive Board. Finally, it can make decisions on transactions requiring Supervisory Board approval in those cases in which the Supervisory Board cannot pass a resolution in time.

Audit Committee

The Audit Committee is composed of the Chairman of the Supervisory Board, two shareholder representatives, and two additional employee representatives. At least one member of the Audit Committee is an independent member of the Supervisory Board who has expertise in either accounting or auditing. This requirement is met in particular by the Chair of the Audit Committee, Dr. Dr. Martel. The Audit Committee prepares the decisions of the Supervisory Board on the annual and consolidated financial statements, the proposal to the Annual General Meeting on the election of the auditors, and the agreement with the auditors (issuing the audit engagement, stipulating the areas of emphasis of the audit, and agreeing on the fee). It verifies the auditors' independence and conducts the preliminary examination for additional services that they provide. It advises and supervises the Executive Board on questions relating to accounting and the effectiveness of the internal control system, the risk management system, and the internal audit system. In addition, it discusses the interim reports with the Executive Board before they are published.

Finance Committee

The Finance Committee is composed of the Chairman of the Supervisory Board, two additional shareholder representatives, and two employee representatives. It monitors corporate policy in the areas of finance, financial control, tax, and insurance. It decides in place of the Supervisory Board on approval for raising and granting loans, on the assumption of liability for third-party liabilities, and on investment transactions. In addition, the Finance Committee advises and supervises the Executive Board on compliance and on all items assigned to it by the full Board in general or in individual cases.

Mediation Committee

The Mediation Committee required under codetermination law consists of the Chairman of the Supervisory Board and the Deputy Chairman, as well as one member elected from among the employee representatives and one member elected from among the shareholder representatives. It makes proposals on the appointment of Executive Board members if the requisite two-thirds majority is not reached during the first ballot.

Nomination Committee

The Nomination Committee is composed of the Chairman of the Supervisory Board and three additional shareholder representatives. It suggests candidates to the Supervisory Board for proposal for election to the Annual General Meeting.

The composition of the Supervisory Board and its committees can be found on our website at WWW.BEIERSDORF.COM/BOARDS and on page 78 f. of this report.

2. EXECUTIVE BOARD

The Executive Board manages the company on its own responsibility and conducts the company's business. It is obliged to act in the company's best interests and is committed to increasing its sustainable enterprise value. It performs its management duties as a collegiate body with collective responsibility.

The members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board also takes diversity aspects into account when determining the composition of the Executive Board. All current Executive Board members embody the notion of international orientation due to their years of working abroad or to their special expertise in Beiersdorf's key international markets. The Supervisory Board aims to ensure appropriate representation of women as part of succession planning for the Executive Board. In September 2015 in accordance with statutory provisions, the Supervisory Board set a target for the share of women on the Executive Board of 10%, to be achieved by June 30, 2017.

The duties of the Executive Board are broken down by functions and regions. The schedule of responsibilities constitutes part of the bylaws for the Executive Board.

The Executive Board develops the corporate goals and the Group's strategy, agrees them with the Supervisory Board, ensures their implementation, and regularly discusses their implementation status with the Supervisory Board. It is responsible for managing and monitoring the Group, for corporate planning including the annual and multi-year planning, and for preparing the interim, annual, and consolidated financial statements as well as for Group financing. The Executive Board is also responsible for ensuring adequate risk management and risk control, and for ensuring that all statutory provisions and internal corporate guidelines are observed, and works to ensure that Group companies abide by them (compliance). It provides the Supervisory Board with regular, timely, and comprehensive reports on all questions that are of relevance for the company, including explanations for discrepancies between the actual course of business and the planning and targets. Certain Executive Board measures and transactions that are of particular significance for the company require the approval of the Supervisory Board or its committees.

The Executive Board also takes diversity aspects into account when filling executive positions within the company, particularly with regard to ensuring an appropriate degree of female representation. In August 2015 in accordance with the new statutory provisions, the Executive Board set a target of 30% for the share of women at Beiersdorf AG's first management level below the Executive Board, and a target of 38% for the second management level, both to be achieved by June 30, 2017. Germany-wide, the aim is for women to account for around 30% of senior executive positions in the Consumer Business Segment by 2020 (as decided in 2012).

The Executive Board passes resolutions in regular meetings that are chaired by the Chairman of the Executive Board. The members of the Executive Board work together in a collegial manner and inform one another on an ongoing basis about important measures and events in their areas of responsibility.

Executive Board members disclose potential conflicts of interest to the Supervisory Board without delay and inform their colleagues on the Executive Board. Material transactions between the company and members of the Executive Board and their related parties require the approval of the Supervisory Board and must comply with the standards customary in the sector. Sideline activities also require the approval of the Supervisory Board.

The company has taken out a D&O insurance policy for the members of the Executive Board that provides for a deductible in the amount of 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Executive Board member concerned.

3. ANNUAL GENERAL MEETING

In accordance with the Articles of Association, shareholders exercise their rights both at the Annual General Meeting and outside it. Each share entitles the holder to one vote.

Among other things, the Annual General Meeting passes resolutions on the appropriation of net retained profits, on the formal approval of Executive Board and Supervisory Board members' actions, on the election of the auditors, and on amendments to the Articles of Association.

The Ordinary Annual General Meeting takes place each year, generally during the first five months of the fiscal year. The notice convening the Annual General Meeting and its agenda are also published on the company's website, together with the reports and documentation required for the Annual General Meeting, including the annual report and forms for postal voting. It can also be dispatched electronically together with the associated documents with the consent of the individual shareholder. To assist shareholders in personally exercising their rights, the company offers them the services of a voting representative who votes in accordance with their instructions. The invitation explains how shareholders can issue instructions for exercising their voting rights. In addition, shareholders are free to appoint a proxy holder of their choice as their representative at the Annual General Meeting. Since the 2014 Annual General Meeting, it has also been possible to submit postal votes, and to issue, change, and revoke proxy instructions to the voting representative appointed by the company, via the Internet before and during the Annual General Meeting.

Directors' Dealings and Shareholdings of the Executive and Supervisory Boards

1. DIRECTORS' DEALINGS (§ 15A *WERTPAPIERHANDELSGESETZ* (GERMAN SECURITIES TRADING ACT, *WPHG*))

In accordance with § 15a *WpHG*, the members of the Executive Board and the Supervisory Board are required to report transactions involving shares in Beiersdorf AG or related financial instruments (directors' dealings) to the company and *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin* – the Federal Financial Supervisory Authority) within five business days. This also applies to related parties of such persons. This requirement does not apply in cases in which the aggregate amount of transactions involving a member of the Executive Board or the Supervisory Board and the related parties of such a person is less than a total of €5,000 in a single calendar year.

The notifications received by Beiersdorf AG are published in a due and proper manner and are available on the company's website at WWW.BEIERSDORF.COM/DIRECTORS_DEALINGS.

2. SHAREHOLDINGS (SECTION 6.2 OF THE CODE)

The ownership of shares of the company or related financial instruments must be reported by Executive Board and Supervisory Board members if they directly or indirectly exceed 1% of the shares issued by the company (section 6.2 of the Code). If the entire holdings of all members of the Executive Board and the

Supervisory Board exceed 1% of the shares issued by the company, these shall be reported separately for the Executive Board and the Supervisory Board.

Michael Herz, a member of the Supervisory Board, has notified the company that 51% of the shares in the company are attributable to him. Following the attribution of the 9.99% of the shares held by the company itself, which do not bear voting or dividend rights in accordance with § 71b *AktG*, his share of the voting rights amounts to 60.99%. As of December 31, 2015, the remaining members of the Supervisory Board did not directly or indirectly hold shares of the company or related financial instruments. Consequently, members of the Supervisory Board held a total of 51% of the shares as of December 31, 2015; this corresponds to 60.99% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2015, the members of the Executive Board held a total of significantly less than 0.1% of the shares.

Further Information on Corporate Governance

Detailed information on the work of the Supervisory Board and its committees, as well as on the cooperation between the Supervisory Board and the Executive Board, can be found in the report by the Supervisory Board on page 6 of this report.

The consolidated financial statements and interim reports are prepared in accordance with International Financial Reporting Standards (IFRSs). The annual financial statements of Beiersdorf AG are prepared in accordance with the *Handelsgesetzbuch* (German Commercial Code, *HGB*). The Annual General Meeting on March 31, 2015, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2015.

Current developments and key company information are published on our website, WWW.BEIERSDORF.COM, as soon as possible. As well as detailed disclosures on corporate governance at Beiersdorf, this features additional information on the Executive Board, the Supervisory Board, and the Annual General Meeting, the company's reports (annual reports, annual financial statements, management reports, and interim reports), as well as a financial calendar with all key events and publications, ad hoc disclosures, and directors' dealings.

The Corporate Governance Statement in accordance with § 289a *HGB*) has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT. It includes the Declaration of Compliance in accordance with § 161 *AktG* as well as information on key corporate governance practices, on Executive and Supervisory Board working practices and the composition and working practices of their committees, and on the statutory requirements for the equal participation of women and men in leadership positions.

Hamburg, February 11, 2016
Beiersdorf Aktiengesellschaft

The Supervisory Board — The Executive Board

Remuneration Report

The remuneration report explains the structure and amount of the remuneration paid to the members of the Executive Board and the Supervisory Board. It takes into account the legal requirements and the recommendations of the German Corporate Governance Code and is a component of the annual financial statements of, and the management reports for, Beiersdorf AG and the Group.

1. REMUNERATION OF THE EXECUTIVE BOARD

a) Supervisory Board Resolutions

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, on February 12, March 31, April 30, September 3, and December 8, 2015. On January 29, 2016, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2015. Remuneration decisions were prepared by the Presiding Committee.

b) Overview

The remuneration system for the Executive Board takes into account the tasks and performance of the individual members of the Executive Board and the Executive Board as a whole, the company's economic and financial situation, its performance and outlook, as well as its relevant peer group under stock corporation law and the German Corporate Governance Code. The remuneration structure is geared towards sustainable enterprise development.

The remuneration of the Executive Board in fiscal year 2015 comprised the following four components:

- a fixed basic remuneration component,
- a Variable Bonus linked to the achievement of annual targets, consisting of a short-term bonus and a multi-year Bonus spanning a period of three years,
- a long-term bonus based on enterprise value performance (Enterprise Value Component / LTP), as well as
- customary ancillary benefits.

c) Remuneration of the Executive Board for 2015 in More Detail

aa) Fixed Remuneration

The fixed annual remuneration is paid in 12 equal installments. It is reviewed for appropriateness every two years.

bb) Variable Bonus

For fiscal year 2015, the members of the Executive Board receive a Variable Bonus for 2015 that is based on the performance of the Consumer Business Segment. This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment. As specified by the Supervisory Board and depending on the level of goal achievement in each case, 15% of the Variable Bonus for fiscal year 2015 is determined by the EBIT margin (EBIT component), 20% by sales growth (sales component), 30% by market share, 15% by the achievement of human resources goals, and 20% by the achievement of specific personal goals by individual Executive Board members (personal component). The size of the EBIT component is calculated on the basis of the return on sales. In the process, the Supervisory Board makes adjustments for special factors and deviations from plan for marketing and research and development expenses. The sales component is calculated on the basis of sales growth, with the Supervisory Board again taking special factors into account. The personal component is mostly composed of two personal goals, which depend on the functional and, if applicable, regional responsibilities of each individual Executive Board member. These are set annually by the Supervisory Board for each individual Executive Board member. Following due assessment of the circumstances, the Supervisory Board lays down percentages for target achievement for each of the components, with intermediate figures being extrapolated on a straight-line basis. The individual components lapse if goal achievement is less than 70%. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

49% of the Variable Bonus will be paid as the short-term variable remuneration component once the 2016 Annual General Meeting has approved the actions of the Executive Board (2015 Bonus). The remaining 51% (Multi-year Bonus for 2015) depends on the enterprise value performance over two years after the initial year 2015. The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier. If the enterprise value in fiscal year 2015 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2015 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Annual General Meetings in the years 2017 and 2018. If the enterprise value for fiscal year 2015 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2016 and 2017 corresponds at least to the enterprise value for fiscal year 2015. In this case, the installment that lapsed in the first instance will be paid out at the same time as the final installment following the 2018 Annual General Meeting. The final installment is increased or decreased corresponding to the percentage change in the enterprise value as of the end of fiscal year 2017 as against fiscal year 2015. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2015 by up to 20% in order to take extraordinary developments into account, or may adjust it for inflation. Bonus entitlements can also be transferred to the long-term Enterprise Value Component (see section cc)).

cc) Enterprise Value Component

Since 2011, Executive Board members have shared in the increase in the enterprise value for the Consumer Business Segment. For this purpose, each Executive Board member is allocated a notional share of the enterprise value (Enterprise Value Component or Base Virtual Units) at the start of his period of appointment or reappointment. The Supervisory Board may, following due assessment of the circumstances, increase the Enterprise Value Component. The Executive Board member will be paid his share of the percentage increase in the Enterprise Value Component during his term of office once his period of appointment or reappointment has ended and following a one-year vesting period (together the "bonus period"). The enterprise value is calculated as a multiple of sales and EBIT as reported in the consolidated financial statements.

The increase in value is the increase in enterprise value from the beginning to the end of the bonus period. In each case, this is calculated as an average over three years. The increase in enterprise value corresponds to the percentage share of the Executive Board member's (notionally allocated) Enterprise Value Component that will be paid to him, with the amount being prorated by the ratio of his term of office to the bonus period. The payment is dependent on the Annual General Meeting approving the Executive Board member's actions during and after the expiration of the bonus period. In individual cases, the Supervisory Board is entitled to make adjustments following due assessment of the circumstances, for instance by adjusting for special factors or for inflation (where this exceeds 10 % in the reference period), or by increasing or decreasing the Enterprise Value Component for objective reasons by up to 20 %.

In addition, the Executive Board members can share in the enterprise's performance by making a personal investment and acquiring Covered Virtual Units. This personal investment is made by retaining bonus payments due under the Variable Bonus, by the Executive member providing collateral by pledging assets of a suitable value, or by way of allocation.[1] The Covered Virtual Units participate in positive and negative percentage changes in the value of the Enterprise Value Component. They vest immediately. If they are retained or allocated, they are paid out in full or in part, or not paid out, after being adjusted on the basis of the enterprise value performance. For Covered Virtual Units, the Executive Board member receives a further Enterprise Value Component in the same amount (Matching Virtual Unit), corresponding to the Base Virtual Units. The payment from Matching Virtual Units was linked to specific market shares in the core skin care categories for the key European markets being reached or exceeded.

As a rule, the Enterprise Value Component is limited to a maximum amount for each member of the Executive Board (200% cap, corresponding to around 10% p.a.). This does not apply to Covered Virtual Units, since the Executive Board member is also exposed to a risk of loss in this case. If an Executive Board member is active for a period shorter than his period of appointment, the Supervisory Board should reduce his Enterprise Value Component pro rata. There is no legal entitlement to payment of the corresponding increase in value in the event that an Executive Board member's contract is terminated prematurely at the request of the Executive Board member, or by the company for good cause.

dd) Other

The remuneration of the Executive Board for fiscal year 2015 did not contain any stock option program or comparable securities-based incentives. Equally, the members of the Executive Board did not receive any additional remuneration for their membership of supervisory bodies of Group companies and investees. Private use of company cars and accident insurance are taxed as non-cash benefits. There were no ongoing pension commitments for the Executive Board members active in fiscal year 2015.

In the event that an Executive Board member's term of office is terminated prematurely for reasons for which the Executive Board member concerned is not responsible, the contracts of service limit the severance payment to two annual salary payments (severance pay cap). Each member of the Executive Board receives a lump-sum payment of their Variable Bonus (with the amount depending on what they are entitled to) on premature termination of his office other than for good cause for which the Executive Board member is responsible; in this case, the Enterprise Value Component is calculated up until the date of departure and paid on a pro rata basis. No other commitments exist in relation to the premature termination of membership of the Executive Board. Members of the Executive Board did not receive any loans or advances from the company, nor were any contingent liabilities entered into in their favor.

[1] Annually: Jesper Andersen €30 thousand; Ralph Gusko €50 thousand; Thomas Ingelfinger €60 thousand; Zhengrong Liu €75 thousand; Stefan De Loecker €50 thousand; Dr. Ulrich Schmidt €60 thousand.

ee) Overviews of Individual Executive Board Remuneration

TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2015 (IN € THOUSAND)

		Stefan F. Heidenreich (Chairman)	Jesper Andersen (from May 18, 2015)	Ralph Gusko	Thomas Ingelfinger	Zhengrong Liu	Stefan De Loecker	Dr. Ulrich Schmidt	Total
Fixed basic remuneration	2014	1,000	–	500	225	238	210	500	**2,673**
	2015	1,250	299	500	450	475	540	500	**4,014**
Variable Bonus									
Bonus	2014	676	–	260	114	95	119	257	**1,521**
	2015	858	120	245	189	191	274	255	**2,132**
Multi-year Bonus	2014	704	–	270	118	99	123	267	**1,581**
	2015	892	124	255	196	199	286	265	**2,217**
Total variable remuneration	2014	1,380	–	530	232	194	242	524	**3,102**
	2015	1,750	244	500	385	390	560	520	**4,349**
Other remuneration[2]	2014	44	–	155	57	6	52	15	**329**
	2015	321	201	117	49	12	517	15	**1,232**
Sum	2014	2,424	–	1,185	514	438	504	1,039	**6,104**
	2015	3,321	744	1,117	884	877	1,617	1,035	**9,595**
Additions to provisions for Enterprise Value Component	2014	5,167[4]	–	522	182	272	210	843	**7,196**
	2015	4,727	192	1,469	458	663	886	936	**9,331**
Total[3]	**2014**	**7,591[4]**	**–**	**1,707**	**696**	**710**	**714**	**1,882**	**13,300**
	2015	**8,048**	**936**	**2,586**	**1,342[5]**	**1,540**	**2,503[6]**	**1,971**	**18,926**

The following table shows the Virtual Units allocated to the Executive Board members and the amounts set aside in the years since they were granted in each case.

VIRTUAL UNITS AND PROVISIONS (IN € THOUSAND)

	2014				**2015**			
	Base Virtual Unit	Covered Virtual Unit[7]	Matching Virtual Unit	Total amount set aside in fiscal year 2014	**Base Virtual Unit**	**Covered Virtual Unit[7]**	**Matching Virtual Unit**	**Total amount set aside in fiscal year 2015**
Stefan F. Heidenreich (Chairman of the Executive Board)	10,000	10,000	40,000[8]	7,993[9]	10,000	10,000	40,000	12,720
Jesper Andersen (from May 18, 2015)	–	–	–	–	5,000	30	30	192
Ralph Gusko	7,500	1,275	1,275	1,663[10]	10,000	1,350	1,350	3,286[10]
Thomas Ingelfinger	5,500	530	530	182	5,500	620	620	640
Zhengrong Liu	9,000	38	–	272	9,000	150	–	935
Stefan De Loecker	7,500	25	25	210	10,000	1,100	1,100	1,096
Dr. Ulrich Schmidt	20,000	2,240	2,240	2,663[10]	20,000	2,300	2,300	3,599[10]
Total	**59,500**	**14,108**	**44,070**	**12,983**	**69,500**	**15,550**	**45,400**	**22,468**

[2] Other remuneration includes the costs of / non-cash benefits arising from non-cash remuneration components and other ancillary benefits, such as the provision of a company car, insurance in line with standard market terms, and accommodation / relocation expenses, including any taxes assumed on these items. The other remuneration of Stefan F. Heidenreich also includes a bonus of €313 thousand following his reappointment, and the other remuneration of Stefan De Loecker includes a bonus of €350 thousand following his appointment.
[3] Payment of the amounts set aside for Enterprise Value Components included in the total remuneration is linked to a number of preconditions, and in particular to a corresponding sustainable increase in the company's enterprise value and to approval of the Executive Board member's actions (see page 13, section cc)).
[4] Stefan F. Heidenreich was granted an additional Matching Virtual Unit in the amount of €30,000 thousand following his reappointment for the period beginning January 1, 2015. The provision in the amount of €3,996 thousand established for this purpose is included in this figure.
[5] €56 thousand of this amount (previous year: €38 thousand) was paid to Thomas Ingelfinger as remuneration for his activities at Group companies.
[6] €1,754 thousand of this amount (previous year: €689 thousand) was granted to Stefan De Loecker as remuneration for his activities at Group companies.
[7] This figure includes both the Covered Virtual Units acquired by way of personal investment and the Covered Virtual Units granted by way of allocation (see footnote 1).
[8] This figure includes the additional Matching Virtual Unit in the amount of €30,000 thousand granted to Stefan F. Heidenreich following his reappointment for the period beginning January 1, 2015.
[9] This figure includes a provision in the amount of €3,996 thousand for the additional Matching Unit in the amount of €30,000 thousand (see footnote 4).
[10] This figure includes the personal investments made in the form of retained bonus payments due under the Variable Bonus.

The following tables show the benefits granted and allocations for each member of the Executive Board in fiscal year 2015 in accordance with the recommendations of section 4.2.5 (3) and (4) of the German Corporate Governance Code.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND)

Stefan F. Heidenreich
Chairman of the Executive Board
Date joined: January 1, 2012 (Chairman since April 26, 2012)

	Benefits granted				Allocation[11]	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	1,000	1,250	1,250	1,250	1,000	1,250
Fringe benefits / ancillary benefits[12]	44	321	321	321	44	321
Total	**1,044**	**1,571**	**1,571**	**1,571**	**1,044**	**1,571**
One-year variable remuneration (49% Variable Bonus)	490	613	–	1,225	676	858
Multi-year variable remuneration						
Multi-year-Bonus 2012 (term January 1, 2013–December 31, 2014)	–	–	–	–	469	–
Multi-year-Bonus 2013 (term January 1, 2014–December 31, 2015)	–	–	–	–	404	465
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	510	–	–	–	–	352
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	637	–	1,275	–	–
LTP – Base Virtual Unit[13]	500	500	–	1,000	–	–
LTP – Covered Virtual Unit[13/14]	500	500	–	1,000	–	–
LTP – Matching Virtual Unit[13]	2,000[15]	2,000	–	4,000	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**5,044**	**5,821**	**1,571**	**10,071**	**2,593**	**3,246**
Service cost	–	–	–	–	–	–
Total remuneration	**5,044**	**5,821**	**1,571**	**10,071**	**2,593**	**3,246**

Jesper Andersen
Member of the Executive Board / CFO
Date joined: May 18, 2015

	Benefits granted				Allocation[11]	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	–	299	299	299	–	299
Fringe benefits / ancillary benefits[12]	–	201	201	201	–	201
Total	**–**	**500**	**500**	**500**	**–**	**500**
One-year variable remuneration (49% Variable Bonus)	–	92	–	184	–	120
Multi-year variable remuneration						
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	96	–	191	–	–
LTP – Base Virtual Unit[13]	–	250	–	500	–	–
LTP – Covered Virtual Unit[13/14]	–	31	–	32	–	–
LTP – Matching Virtual Unit[13]	–	1	–	2	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**–**	**970**	**500**	**1,409**	**–**	**620**
Service cost	–	–	–	–	–	–
Total remuneration	**–**	**970**	**500**	**1,409**	**–**	**620**

[11] The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.
[12] The ancillary benefits include the costs of / non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2). The ancillary benefits of Stefan F. Heidenreich also include a bonus of €313 thousand following his reappointment.
[13] The planned terms of the Virtual Units are as follows: for Stefan F. Heidenreich from 2012 to after the 2021 Annual General Meeting; for Jesper Andersen from 2015 to after the 2020 Annual General Meeting.
[14] Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.
[15] This figure includes corresponding provisions for the additional Matching Virtual Unit in the amount of €30,000 thousand granted to Stefan F. Heidenreich following his reappointment for the period beginning January 1, 2015.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND, CONTINUED)

Ralph Gusko
Member of the Executive Board
Date joined: July 1, 2011

	Benefits granted				Allocation[16]	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	500	500	500	500	500	500
Fringe benefits / ancillary benefits[17]	155	117	117	117	55	217
Total	**655**	**617**	**617**	**617**	**555**	**717**
One-year variable remuneration (49% Variable Bonus)	196	196	–	392	260	245
Multi-year variable remuneration						
Multi-year-Bonus 2012 (term January 1, 2013–December 31, 2014)	–	–	–	–	–[20]	–
Multi-year-Bonus 2013 (term January 1, 2014–December 31, 2015)	–	–	–	–	159	183
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	204	–	–	–	–	135
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	204	–	408	–	–
LTP – Base Virtual Unit[18]	375	500	–	1,000	–	–
LTP – Covered Virtual Unit[18/19]	214	118	–	185	–	–
LTP – Matching Virtual Unit[18]	64	68	–	135	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**1,708**	**1,703**	**617**	**2,737**	**974**	**1,280**
Service cost	–	–	–	–	–	–
Total remuneration	**1,708**	**1,703**	**617**	**2,737**	**974**	**1,280**

Thomas Ingelfinger
Member of the Executive Board
Date joined: July 1, 2014

	Benefits granted				Allocation[16]	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	225	450	450	450	225	450
Fringe benefits / ancillary benefits[17]	57	49	49	49	57	49
Total	**282**	**499**	**499**	**499**	**282**	**499**
One-year variable remuneration (49% Variable Bonus)	86	172	–	343	114	189
Multi-year variable remuneration						
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	89	–	–	–	–	59
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	178	–	357	–	–
LTP – Base Virtual Unit[18]	138	275	–	550	–	–
LTP – Covered Virtual Unit[18/19]	44	91	–	122	–	–
LTP – Matching Virtual Unit[18]	14	31	–	62	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**653**	**1,246**	**499**	**1,933**	**396**	**747**
Service cost	–	–	–	–	–	–
Total remuneration[21]	**653**	**1,246**	**499**	**1,933**	**396**	**747**

[16] The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.
[17] The ancillary benefits include the costs of / non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2).
[18] The planned terms of the Virtual Units are as follows: for Ralph Gusko from 2011 to after the 2020 Annual General Meeting; for Thomas Ingelfinger from 2014 to after the 2019 Annual General Meeting.
[19] Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.
[20] This figure does not include / disclose payments due under the Variable Bonus that were retained as the personal investment for the respective Covered Virtual Units.
[21] €56 thousand (previous year: €38 thousand) of these total amounts is granted / paid to Thomas Ingelfinger in each case as remuneration for his activities at Group companies.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND, CONTINUED)

Zhengrong Liu
Member of the Executive Board / Labor Relations Director
Date joined: July 1, 2014

	Benefits granted				Allocation[22]	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	238	475	475	475	238	475
Fringe benefits / ancillary benefits[23]	6	12	12	12	6	12
Total	**244**	**487**	**487**	**487**	**244**	**487**
One-year variable remuneration (49% Variable Bonus)	74	147	–	294	95	191
Multi-year variable remuneration						
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	76	–	–	–	–	50
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	153	–	306	–	–
LTP – Base Virtual Unit[24]	225	450	–	900	–	–
LTP – Covered Virtual Unit[24/25]	39	79	–	83	–	–
LTP – Matching Virtual Unit[24]	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**658**	**1,316**	**487**	**2,070**	**339**	**728**
Service cost	–	–	–	–	–	–
Total remuneration	**658**	**1,316**	**487**	**2,070**	**339**	**728**

Stefan De Loecker
Member of the Executive Board
Date joined: July 1, 2014

	Benefits granted				Allocation[22]	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	210	540	540	540	210	540
Fringe benefits / ancillary benefits[23]	52	517	517	517	52	517
Total	**262**	**1,057**	**1,057**	**1,057**	**262**	**1,057**
One-year variable remuneration (49% Variable Bonus)	86	196	–	392	153	274
Multi-year variable remuneration						
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	89	–	–	–	–	62
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	204	–	408	–	–
LTP – Base Virtual Unit[24]	188	500	–	1,000	–	–
LTP – Covered Virtual Unit[24/25]	26	105	–	160	–	–
LTP – Matching Virtual Unit[24]	1	55	–	110	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**652**	**2,117**	**1,057**	**3,127**	**415**	**1,393**
Service cost	–	–	–	–	–	–
Total remuneration[26]	**652**	**2,117**	**1,057**	**3,127**	**415**	**1,393**

[22] The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.

[23] The ancillary benefits include the costs of / non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2). The ancillary benefits of Stefan De Loecker also include a bonus of €350 thousand following his appointment.

[24] The planned terms of the Virtual Units are as follows: for Zhengrong Liu from 2014 to after the 2021 Annual General Meeting; for Stefan De Loecker from 2014 to after the 2020 Annual General Meeting.

[25] Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.

[26] Of these total amounts, €1,522 thousand / target amount (previous year: €627 thousand), €886 thousand / min. p.a. (previous year: €237 thousand), and €2,128 thousand / max. p.a. (previous year: €993 thousand) were granted and €1,087 thousand / allocation (previous year: €237 thousand) paid to Stefan De Loecker as remuneration for his activities at Group companies.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND, CONTINUED)

Dr. Ulrich Schmidt
Member of the Executive Board / CFO
Date joined: January 1, 2011

	Benefits granted				Allocation[27]	
	2014 Target amount	**2015 Target amount**	**2015 (min. p.a.)**	**2015 (max. p.a.)**	2014	**2015**
Fixed remuneration	500	500	500	500	500	500
Fringe benefits / ancillary benefits[28]	15	15	15	15	15	15
Total	**515**	**515**	**515**	**515**	**515**	**515**
One-year variable remuneration (49% Variable Bonus)	196	196	–	392	257	255
Multi-year variable remuneration						
Multi-year-Bonus 2012 (term January 1, 2013–December 31, 2014)	–	–	–	–	162	–
Multi-year-Bonus 2013 (term January 1, 2014–December 31, 2015)	–	–	–	–	160	184
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	204	–	–	–	–	134
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	204	–	408	–	–
LTP – Base Virtual Unit[29]	1,000	1,000	–	2,000	–	1,390
LTP – Covered Virtual Unit[29/30]	172	175	–	290	–	816[31]
LTP – Matching Virtual Unit[29]	112	115	–	230	–	136
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**2,199**	**2,205**	**515**	**3,835**	**1,094**	**3,430**
Service cost	–	–	–	–	–	–
Total remuneration	**2,199**	**2,205**	**515**	**3,835**	**1,094**	**3,430**

[27] The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.
[28] The ancillary benefits include the costs of / non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2).
[29] The planned terms of the Virtual Units are as follows: for Dr. Ulrich Schmidt from 2011 to after the Annual General Meetings in 2016 and 2018.
[30] Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.
[31] This figure includes payments totaling €500 thousand under the Variable Bonus for the years 2011 and 2012 that were retained as the personal investment for the Covered Virtual Units.

ff) Former Members of the Executive Board and Their Surviving Dependents

Payments to former members of the Executive Board and their surviving dependents totaled €2,283 thousand (previous year: €2,267 thousand). Provisions for pension commitments to former members of the Executive Board and their surviving dependents totaled €40,381 thousand (previous year: €40,402 thousand).

2. REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board (§ 15 of the Articles of Association) takes into account the responsibilities and scope of tasks of the individual members of the Supervisory Board as well as the company's economic situation.

In addition to being reimbursed for cash expenses, Supervisory Board members also receive a fixed and a variable dividend-based remuneration component, which is geared towards sustainable enterprise performance, and attendance fees for Supervisory Board and committee meetings. The Chairman of the Supervisory Board receives two-and-a-half times the standard Supervisory Board remuneration and his two deputies each receive one-and-a-half times the standard Supervisory Board remuneration. Members of committees – with the exception of the Nomination Committee and the committee set up in accordance with § 27 (3) *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*) – receive additional compensation for their work in these committees. If a member of the Supervisory Board simultaneously holds several offices for which increased remuneration is granted, he or she shall only receive the remuneration for the highest-paying office.

The fixed remuneration component per Supervisory Board member is €40,000 for each full fiscal year. The variable remuneration is €1,000 for each cent by which the dividend per share exceeds €0.25. 40% of this will be paid out after the actions of the Supervisory Board member in question have been approved by the Annual General Meeting for the fiscal year for which remuneration is being paid (initial year). The remaining amount will be paid out following the Annual General Meeting to which the annual financial statements for the third fiscal year following the initial year are submitted, insofar as the average dividend for the initial year and the three following fiscal years is not lower than the dividend for the initial year. Interest in line with current market rates will be paid on this amount until such time as it is paid out. Furthermore, members of the Supervisory Board and committees receive an attendance fee of €1,000 for participating in full at a meeting of the Supervisory Board or committee and €500 for participating in the majority of a meeting.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2015 (IN €)[1/2]

	Fixed[3]		Total Variable		Long term Variable (60%)		Total	
	2014	**2015**	2014[4]	**2015[5]**	2014	**2015**	2014	**2015**
Dr. Andreas Albrod	71,000	69,000	45,000	45,000	27,000	27,000	116,000	114,000
Frank Ganschow	32,384	45,000	31,932	45,000	19,159	27,000	64,316	90,000
Michael Herz	68,500	67,000	45,000	45,000	27,000	27,000	113,500	112,000
Thomas Holzgreve (Deputy Chairman until August 31, 2015)	74,000	47,945	67,500	44,938	40,500	26,963	141,500	92,883
Thorsten Irtz (Deputy Chairman)	68,000	67,500	67,500	67,500	40,500	40,500	135,500	135,000
Matthias Locher	32,384	45,000	31,932	45,000	19,159	27,000	64,316	90,000
Dr. Dr. Christine Martel	76,384	88,000	45,000	45,000	27,000	27,000	121,384	133,000
Tomas Nieber	64,192	69,000	45,000	45,000	27,000	27,000	109,192	114,000
Isabelle Parize	30,884	42,500	31,932	45,000	19,159	27,000	62,816	87,500
Frédéric Pflanz (from September 1, 2015, Deputy Chairman)	–	24,055	–	22,562	–	13,537	–	46,617
Prof. Dr. Reinhard Pöllath (Chairman)	114,000	110,500	112,500	112,500	67,500	67,500	226,500	223,000
Prof. Manuela Rousseau	47,000	45,000	45,000	45,000	27,000	27,000	92,000	90,000
Poul Weihrauch	30,884	41,000	31,932	45,000	19,159	27,000	62,816	86,000
Total	**773,379[6]**	**761,500**	**639,804[6]**	**652,500**	**383,881[6]**	**391,500**	**1,413,183[6]**	**1,414,000**

[1] Subject to the resolution of the Annual General Meeting on March 31, 2016, concerning the dividend to be distributed for 2015 in accordance with the proposal for a dividend of €0.70 per share.
[2] Presented exclusive of value added tax.
[3] Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).
[4] The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2018 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[5] The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2019 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[6] These totals additionally include the following payments made to members of the Supervisory Board who left in 2014 for activities in fiscal year 2014: Prof. Dr. Eva Eberhartinger – fixed: €25,452, variable: €13,192 (long-term variable: €7,915), total: €38,644; Elke Gabriel – fixed: €15,726, variable: €13,192 (long-term variable: €7,915), total: €28,918; Thomas-B. Quaas – as contractually agreed, Thomas-B. Quaas' Supervisory Board remuneration was offset against his total annual remuneration of €965 thousand from his former Executive Board activities; Volker Schopnie – fixed: €22,589, variable: €13,192 (long-term variable: €7,915), total: €35,781.

Members of the Supervisory Board did not receive any loans or advances from the company, nor were any contingent liabilities entered into in their favor. In addition, members of the Supervisory Board did not receive any compensation or benefits for services provided on a personal basis, such as advisory or agency services.

3. GROUP MANAGEMENT REPORT

Beiersdorf's Brands

Every day, millions of consumers worldwide trust Beiersdorf's innovative, high-quality skin and body care products. Our successful international brand portfolio is tailored to meet the individual needs and wishes of consumers, as well as local requirements. The ongoing development of our strong brands is the basis for this closeness to consumers and markets, and hence for Beiersdorf's sustainable success.

tesa provides innovative self-adhesive products and system solutions. The manufacturer is a global market leader in a large number of application areas due to its many years of experience in coating technology and developing adhesive masses.

Our Brand Portfolio

Business and Strategy

Beiersdorf is a global leader in the consumer goods industry with a total of over 17,000 employees in more than 150 affiliates. It is divided into two business segments:

- The Consumer Business Segment, whose strong brands focus on the international skin and body care markets, is the main business.

- The tesa Business Segment is a pioneering manufacturer of self-adhesive products and solutions for industry, craft businesses, and consumers.

Consumer Business Segment

Beiersdorf aims to be the No. 1 skin care company in its relevant categories and markets. The Blue Agenda sets the strategic direction to achieve this goal and fully leverage the growth potential of our strong brands. It consists of the following strategic focuses:

- Strengthening our brands – first and foremost NIVEA
- Increasing our innovative power
- Expanding our presence in emerging markets and consolidating our market position in Europe
- The people at Beiersdorf

The Core Values describe what Beiersdorf stands for and shape the work of each one of our employees: Care, Simplicity, Courage, and Trust. During the year under review, we further substantiated our strategic framework. We defined the topics that Beiersdorf will focus on in the next few years in order to ensure the company's sustainable success: people, brands, innovations, localization, digitalization, sales, and efficiency.

The performance of our business shows that our strategy is paying off. Beiersdorf picked up further momentum in the reporting period and continued its profitable growth path. Earnings excluding special factors hit a record level in 2015, as did the EBIT margin. With strong brands, product innovations, and an increased presence in emerging markets, the company gained further market share and built on its strong position.

BRANDS

The strength of our brands, and particularly of NIVEA, plays a decisive part in our economic success. Beiersdorf's brands embody trust, quality, and consistency, and precisely meet consumers' needs. In our core business of skin care, for example, NIVEA was again voted Europe's most trusted brand in 2015*. Our disciplined brand strategy has managed to sustainably expand our brands' impact. The good performance of NIVEA, Eucerin, and La Prairie over the past fiscal year clearly underlines this success.

INNOVATIONS

In order to further increase its innovation capacity, Beiersdorf is pursuing a long-term strategy that is clearly aimed at sustainable growth. This means introducing new products with great potential to be future growth drivers, as well as extending innovation cycles to make optimum use of the growth of our major innovations. Combining these two aspects is key to Beiersdorf's success, as is reflected in the development of innovations in the year under review. The all-purpose skin creams introduced in 2015 – NIVEA Care and NIVEA MEN Creme – are the result of the latest skin care research technologies and offer outstanding value for money. With these two entry-level skin care products, we are not only tapping new consumer groups for our most important core brand, but are also once again setting new market trends. The figures in 2015 underline the potential of both creams to drive long-term growth: they achieved double-digit market share in many markets only a short time after their launch.

Major innovations such as NIVEA Deo Black & White, NIVEA Body In-Shower, NIVEA Face Cellular Anti-Age, and NIVEA Face Q10 Pearls saw continued growth and significantly contributed to the success of the business in 2015. This consistently strong performance shows that our products not only deliver outstanding quality, but unique added value for our consumers, too.

MARKETS

In order to market products successfully, having a precise knowledge of consumers' specific needs is essential. When it comes to customers' expectations of products, there are sometimes major differences from region to region. Being close to consumers at a local level is crucial in order to incorporate changing expectations into product development flexibly and quickly. This is the only way to secure market share in the long term. In the year under review, Beiersdorf continued its targeted investments in local development and production capacity in order to further improve our presence and impact in important emerging markets. We were also able to further build on our strong position in the established European and North American markets.

India is an important growth market for Beiersdorf. The opening of a production facility and regional laboratory in Sanand in May 2015 has given us greater proximity to Indian consumers. The facility was completed just one and a half years after the decision to build it was made. It manufactures various care products in mini bottles and sachets: the perfect match for Indian consumers' requirement for good value products in small packaging units.

PEOPLE

The successes of 2015 are first and foremost the achievement of our committed employees. We worked together over the reporting period to further simplify our cost structures and processes, putting the company on a considerably more efficient foundation. In the coming years, we will focus on further improving Beiersdorf's competitiveness and impact.

In order to integrate the culture of feedback and dialog even more closely into the day-to-day work of every employee, we launched a brand new dialog format in 2015: "CEO Direct" is a moderated question and answer session, in which the Chairman of the Executive Board regularly takes questions from employees on a particular focus issue.

tesa Business Segment

The tesa Business Segment is an independent part of the Beiersdorf Group that develops, produces, and markets self-adhesive products and system solutions for industry, craft businesses, and consumers. Consistently high quality, extremely innovative thinking, and the use of state-of-the-art technology are core elements of its brand philosophy and strategy. tesa's priorities lie in finding effective solutions and high-quality products with a focus on the following customer groups:

- tesa primarily provides system solutions for the automotive, electronics, printing and paper, and construction industries. In the electronics industry, tesa's adhesive systems are used in mobile devices such as smartphones, tablet PCs, and MP3 players.

- tesa's affiliate tesa Labtec GmbH develops and produces transdermal systems, also called pharmaceutical plasters, for the pharmaceutical industry. It also focuses on medicated oral films that dissolve in the mouth without the need for additional fluids.

* Reader's Digest, European Trusted Brands Study, 2015

- tesa offers specialist dealers a broad and constantly expanding product range that is continuously optimized and adapted to meet the changing needs of customers in crafts businesses, including construction.

- The tesa umbrella brand provides consumers in Europe and Latin America with a comprehensive range of innovative products for use in the home, office, and garden. In addition to the classic tesafilm adhesive tape, these include innovative solutions for insulation, painting and masking, repairing, packaging, and mounting, as well as household insect-protection products.

- In the Craftsmen business area, tesa focuses on customized product ranges for professional craftsmen, such as painters and varnishers.

Highly qualified employees and ongoing business process optimization enable tesa to respond quickly and flexibly to market changes, to design new solutions to problems, and to develop needs-based products. tesa's knowledge of production processes, analysis of current industry trends, and wide range of high-quality, market-driven products provide competitive advantages, ensuring the long-term success of the business segment.

Management and Control

The Executive Board manages the company and is dedicated to sustainably increasing its value. In addition to the functional areas of responsibility within the Executive Board, there are regional areas of responsibility. The Executive Board is closely involved in the company's operational business in particular through the allocation of responsibilities for the regions and markets. A breakdown of the Executive Board's areas of responsibility can be found in the chapter "Beiersdorf AG Boards" of the Notes to the Consolidated Financial Statements. The tesa Business Segment is managed as an independent subgroup.

Information on the remuneration of the Executive and Supervisory Boards as well as on incentive and bonus systems is provided in the remuneration report, which forms part of the Group Management Report. The Corporate Governance Statement in accordance with § 289a *Handelsgesetzbuch* (German Commercial Code, *HGB*) has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT. Additional information regarding management and control, the general management structure, and the Declaration of Compliance in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) is also provided in the Corporate Governance Report.

Value Management and Performance Management System

The goal of Beiersdorf's business activities is to sustainably increase the company's market share by achieving qualitative growth and, at the same time, to expand its earnings base. The long-term key performance indicators – organic sales growth in conjunction with market share, EBIT, and the EBIT margin before special factors (the ratio of EBIT to sales) – are derived from this. The aim is to generate internationally competitive returns through systematic cost management and the highly efficient use of resources.

The company has created an efficient management system in order to meet these strategic goals. Corporate management derives business performance targets for the individual units in the Group for the coming year from the Group's strategic business goals. This planning covers all segments and affiliates. Formal adoption by the Executive Board and Supervisory Board of the Group's planning for the following year is generally in the fall.

Actual key performance indicators are compared with target values and with the current forecast for the year as a whole at regular intervals during the fiscal year. These comparisons are used to manage the business in line with the objectives.

The tesa Business Segment forms a separate, independent unit within the Group. It is also managed on the basis of sales growth, the operating result (EBIT), and the EBIT margin.

In addition to the key financial performance indicators shown above, the company employs a number of non-financial indicators that are described in the chapters "Research and Development," "People at Beiersdorf," and "Sustainability" of the Group Management Report.

Economic Environment

General Economic Situation

Global economic growth in 2015 was at the previous year's level. However, the outlook increasingly deteriorated over the course of the year as a result of weak growth in emerging markets. While economic performance further improved in industrialized countries, commodity-rich emerging markets were hit by lower energy and commodity prices.

The **European** economy continued its recovery and achieved slightly higher growth than in the previous year on the back of comparatively low commodity costs, the depreciation of the euro, and the low interest rate level. Growing demand within the eurozone compensated for a fall in demand from emerging markets.

The **German** economy benefited from the healthy labor market, low interest rates, and positive consumer sentiment. However, the advancing slowdown in key emerging markets and falling demand in China adversely affected performance. Overall, the German economy experienced moderate growth.

The economy in the **United States** recorded a positive performance in 2015. Growth was bolstered by the positive trend on the labor market and rising domestic demand. There was a moderate key interest rate increase in December.

Japan saw only moderate economic growth in 2015. The economy was affected by weak domestic demand and the economic slowdown in China.

The picture in the **emerging markets** was mixed. Economic growth in **China** fell short of expectations in 2015. The growth rate was at its lowest since 2009. Rising concern about a downturn caused the overheated Chinese stock market to crash. Reforms in **India** had a positive effect on economic development. The country's export momentum declined, however. In **Brazil**, the economic situation remained difficult due to poor domestic demand and low commodity prices. The country's output fell.

The ongoing geopolitical conflict between Russia and Ukraine, and the rapid drop in crude oil prices, led to a recession and hit the region's development.

Sales Market Trends

The global growth rate in the cosmetics market – the market relevant for Beiersdorf – was at the prior-year level. The Asia and Latin America regions were the main growth drivers. The saturated markets in North America and Western Europe continued on the previous year's growth path. Southern Europe saw an easing of the negative trend.

In the industrial sales markets relevant for tesa, 2015 was marked by stable growth in Europe and America together with a sharp slowdown in some cases in the largest Asian markets. Eastern European and Latin American countries were growth drivers. The trend in North America was also positive.

Procurement Market Trends

In 2015, raw material and packaging prices overall moved slightly lower. The commodity environment was generally favorable, especially concerning the oil price development. However, as the prices of the refined materials and plastic resins are most strongly affected by supply and demand in their respective markets, only a limited positive effect on procurement costs emerged.

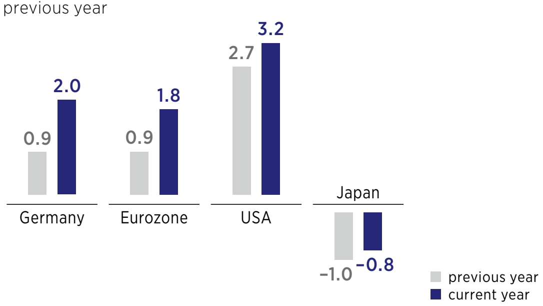
Some material market prices remained very robust. In particular the markets for palm oil derivatives and for plastic resins on the European market were very resilient.

Overall Assessment of the Economic Environment

Macroeconomic growth in 2015 was positive, despite momentum slowing in the course of the year. The global cosmetics market maintained the previous year's level of growth, although growth rates in some individual markets eased. The Consumer Business Segment recorded another increase in sales in this challenging economic environment. The tesa Business Segment slightly increased its sales in 2015. While the market for consumer electronics stagnated, the automotive industry performed well. The US market also saw a positive trend and drove growth along with Europe. At the same time, market conditions in China worsened as a result of the local economic situation. The consumer market in Europe has seen further improvement year-on-year.

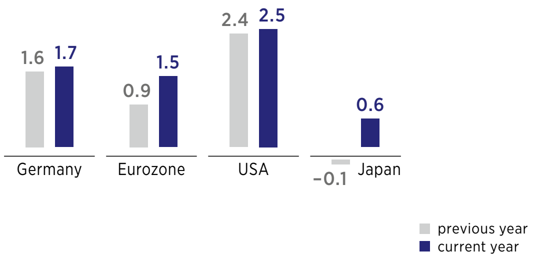
CONSUMER SPENDING (IN %)*

Change versus previous year



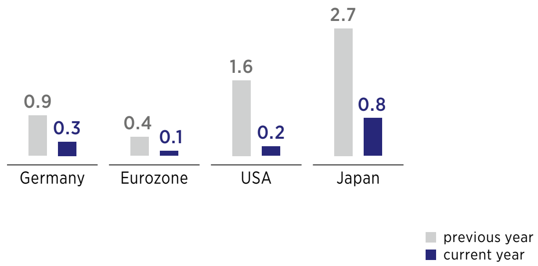
GROSS DOMESTIC PRODUCT (IN %)*

Change versus previous year



INFLATION RATE (IN %)*

Change versus previous year



* Commerzbank Research

Results of Operations, Net Assets, and Financial Position

Results of Operations – Group

INCOME STATEMENT (IN € MILLION)

	2014	2015	% change**
Sales	**6,285**	**6,686**	**6.4**
Cost of goods sold*	–2,671	–2,785	4.3
Gross profit*	**3,614**	**3,901**	**7.9**
Marketing and selling expenses*	–2,300	–2,430	5.6
Research and development expenses	–168	–183	9.2
General and administrative expenses	–330	–366	10.9
Other operating result (excluding special factors)	45	40	–
Operating result (EBIT, excluding special factors)	**861**	**962**	**11.6**
Special factors	–65	–	–
Operating result (EBIT)	**796**	**962**	**20.8**
Financial result	15	6	–
Profit before tax	**811**	**968**	**19.2**
Income taxes	–274	–297	8.2
Profit after tax	**537**	**671**	**24.9**

* Change in presentation (cf. p. 54, Significant Accounting Policies).
** Percentage changes are calculated based on thousands of euros.

SALES

Organic Group sales in 2015 were up 3.0% on the prior-year figure. The Consumer Business Segment grew by 3.6%, while tesa generated a sales increase of 0.4%. Nominal Group sales rose by 6.4% as against the previous year, to €6,686 million (previous year: €6,285 million).

In **Europe**, organic sales were up 1.3% on the prior year. In nominal terms, sales amounted to €3,447 million (previous year: €3,421 million), 0.8% higher than the prior-year figure.

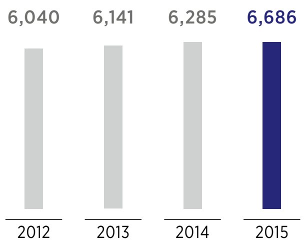
Organic growth in the **Americas** amounted to 8.1%. In nominal terms, sales increased by 11.4% to €1,243 million (previous year: €1,116 million).

The **Africa/Asia/Australia** region reported organic growth of 3.1%. In nominal terms, growth of 14.1% to €1,996 million was achieved (previous year: €1,748 million).

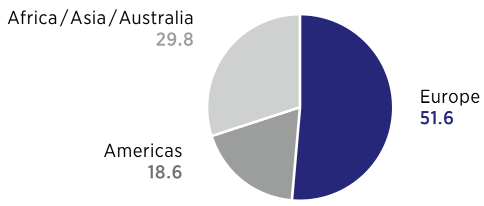
EXPENSES/OTHER OPERATING RESULT

Cost of goods sold rose by 4.3%, and hence not as fast as sales. Projects to enhance efficiency in production and logistics, the favorable trend in commodity and energy prices, as well as product-mix effects all had a bearing on this positive development. Thanks to the efficient use of resources, marketing and selling expenses rose by just 5.6% to €2,430 million (previous year: €2,300 million*) and thus also at a slower rate than sales. The advertising and trade marketing expenses included in this item amounted to €1,529 million (previous year: €1,486 million*). Research and development expenditure was increased to €183 million (previous year: €168 million) in order to safeguard the future of the concern. The increase in general and administrative expenses to €366 million (previous year: €330 million) reflects the work carried out to improve existing software systems, especially in the Consumer Business Segment. The other operating result (excluding special factors) amounted to €40 million (previous year: €45 million).

GROUP SALES (IN € MILLION)



GROUP SALES BY REGION (IN %)



OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)

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. The special factors listed are one-time, non-operating transactions.

EBIT excluding special factors rose to €962 million (previous year: €861 million), while the EBIT margin was 14.4% (previous year: 13.7%). The Consumer Business Segment generated EBIT excluding special factors of €771 million (previous year: €678 million); the EBIT margin reached 13.9% (previous year: 13.0%). EBIT in the tesa Business Segment rose from €183 million in the prior year to €191 million in the past fiscal year; the EBIT margin was 16.8% (previous year: 17.0%).

The Group operating result before special factors in **Europe** was €618 million (previous year: €589 million). The EBIT margin was 17.9% (previous year: 17.2%). The operating result before special factors in the **Americas** amounted to €104 million (previous year: €80 million). The EBIT margin was 8.4% (previous year: 7.1%). In **Africa / Asia / Australia**, EBIT excluding special factors amounted to €240 million (previous year: €192 million). The EBIT margin was 12.0% (previous year: 11.0%).

SPECIAL FACTORS

No special factors required recognition in the 2015 fiscal year. The special factors of €–65 million in the previous year concerned the Consumer Business Segment and included a write-down of €67 million on our Chinese hair care brands, and the reversal of provisions in connection with the realignment of corporate structures.

OPERATING RESULT (EBIT)

EBIT including special factors was €962 million (previous year: €796 million). This corresponds to an EBIT margin of 14.4% (previous year: 12.7%).

FINANCIAL RESULT

The financial result amounted to €6 million (previous year: €15 million). Against a backdrop of stable interest income from financial assets and interest expenditure from financial liabilities, this decrease was the result of an expense item of €7 million from a tax reassessment (as compared with a refund of €9 million in the previous year). Thanks to gains from financial assets, the other financial result was €6 million above the prior-year figure despite unfavorable currency-exchange effects.

INCOME TAXES

Income taxes amounted to €297 million (previous year: €274 million). The tax rate was 30.7% (previous year: 33.8%).

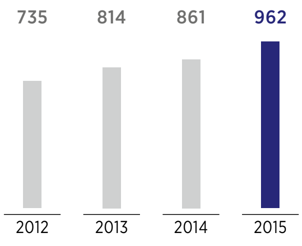
PROFIT AFTER TAX

Profit after tax increased to €671 million (previous year: €537 million; excluding special factors: €581 million); the return on sales after tax was 10.0% (previous year: 8.5%; excluding special factors: 9.2%).

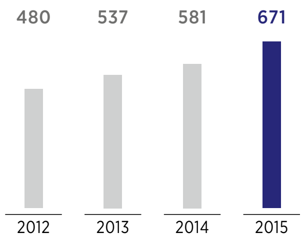
EARNINGS PER SHARE – DIVIDENDS

Earnings per share were €2.91 (previous year: €2.33; excluding special factors: €2.53). These figures were calculated on the basis of the weighted number of shares bearing dividend rights (226,818,984). The Executive Board and Supervisory Board will propose a dividend of €0.70 per no-par value share bearing dividend rights to the Annual General Meeting (previous year: €0.70). For further information on the number, type, and notional value of the shares, please refer to note 17 "Share Capital" in the notes to the consolidated financial statements.

GROUP EBIT (IN € MILLION)
Excluding special factors



GROUP PROFIT AFTER TAX (IN € MILLION)
Excluding special factors



Results of Operations – Business Segments

CONSUMER

SALES – CONSUMER BUSINESS SEGMENT

		Europe	Americas	Africa / Asia / Australia	Total
Sales 2015	(in € million)	2,816	1,076	1,654	5,546
Sales 2014	(in € million)	2,799	973	1,437	5,209
Change (organic)	(in %)	1.3	8.4	4.8	3.6
Change (nominal)	(in %)	0.7	10.6	15.1	6.5

Sales by the **Consumer** Business Segment grew organically by 3.6% in 2015. The weak euro on average during the year led to an increase of 3.1 percentage points in this figure as a result of positive effects from currency translation. Structural changes reduced growth by 0.2 percentage points. In nominal terms, sales increased by 6.5% to €5,546 million (previous year: €5,209 million).

The healthy organic sales trend is proof of the systematic implementation of our business strategy, the Blue Agenda. Thanks to our strong innovations and outstanding marketing concepts, we increased our market share in both the saturated markets of Europe and the emerging markets, where we achieved double-digit growth rates in some cases. Our core brands, NIVEA and Eucerin, once again produced very encouraging growth rates.

NIVEA achieved global organic growth of 4.5% in 2015. The key growth drivers were NIVEA Deo, NIVEA Shower and the NIVEA All-Purpose Creams. In the NIVEA Deo category, NIVEA Black & White and NIVEA Fresh remained particularly strong, generating double-digit growth once again. The successful introduction of NIVEA Protect & Care in the Latin American market also fueled growth. The launch of NIVEA Active Clean and NIVEA Cream Smooth was a significant growth driver for NIVEA Shower. The growth in the category of NIVEA All-Purpose Creams was generated in particular by the newly introduced product NIVEA Care Cream.

Overall, NIVEA gained market shares in the core categories and a large majority of our key markets. In the NIVEA Deo category, we extended our market share particularly in Thailand, the United Kingdom, and Russia. In our NIVEA Hand and Body category, growth in Japan, Russia, and Brazil had a positive impact on our market share. In the NIVEA Sun category, we continued to see negative market share trends particularly in Italy and Japan. At the country level, very good growth in market share was achieved in South Africa, Spain, Russia, Japan, and the United Kingdom. A negative trend was seen in Italy, China, and Thailand.

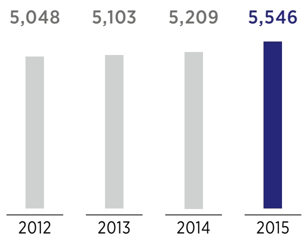
Our **Eucerin** brand generated organic growth of 5.4%. The Eucerin Face and the Eucerin Sun categories made particularly strong contributions to this positive performance. Sales were especially strong in France, Spain, South Africa, and Korea.

In the exclusive cosmetics segment, our **La Prairie** brand recorded an organic increase in sales of 1.2%. This was driven in particular by the Caviar Collection as well as the launch of the Anti-Aging Rapid Response Booster and the Skin Caviar Concealer Foundation. Meanwhile, a reduction in the travel retail business had a negative impact on growth.

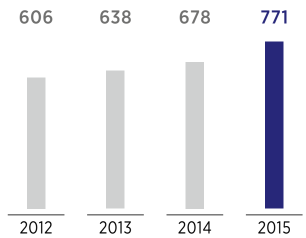
Results of operations in the European markets were very stable. Further investments in brand building and strengthening our position were made in the emerging markets, even though this led to losses in a few markets.

EBIT excluding special factors was €771 million (previous year: €678 million), while the corresponding EBIT margin increased to 13.9% (previous year: 13.0%).

CONSUMER SALES (IN € MILLION)



CONSUMER EBIT (IN € MILLION)
Excluding special factors



EUROPE

CONSUMER SALES IN EUROPE

		Western Europe	Eastern Europe	Total
Sales 2015	(in € million)	2,281	535	2,816
Sales 2014	(in € million)	2,244	555	2,799
Change (organic)	(in %)	−0.3	7.9	1.3
Change (nominal)	(in %)	1.7	−3.5	0.7

Sales in **Europe** were up 1.3% on the prior-year figure despite challenging market conditions in some cases. In nominal terms, sales increased by 0.7% to €2,816 million (previous year: €2,799 million).

In **Western Europe**, sales were down 0.3% on the previous year. While strong sales growth was achieved in Germany, Spain, and the United Kingdom in particular, a number of other markets, including Italy and Switzerland, were unable to repeat their prior-year performance. Sales of NIVEA Deo and NIVEA All-Purpose Creams performed well. Eucerin also saw strong growth.

Sales in **Eastern Europe** rose by 7.9%. Growth was mainly driven by the very healthy trend in Russia, which recorded a rise in both sales and market share. Sales and market share also increased in Ukraine. NIVEA Deo, NIVEA MEN, and NIVEA All-Purpose Creams in particular performed extremely well. La Prairie saw extremely strong growth in the region. In contrast, Eucerin was unable to reach the previous year's level.

AMERICAS

CONSUMER SALES IN THE AMERICAS

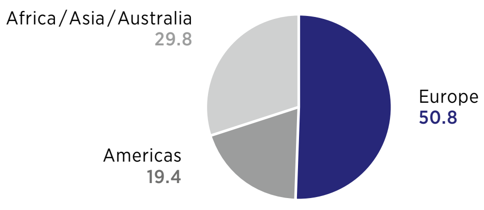
		North America	Latin America	Total
Sales 2015	(in € million)	426	650	1,076
Sales 2014	(in € million)	349	624	973
Change (organic)	(in %)	3.9	10.9	8.4
Change (nominal)	(in %)	22.0	4.1	10.6

Organic sales in the **Americas** region rose by 8.4%. At €1,076 million, nominal sales were up 10.6% on the previous year (€973 million) due to exchange rate changes affecting the US dollar.

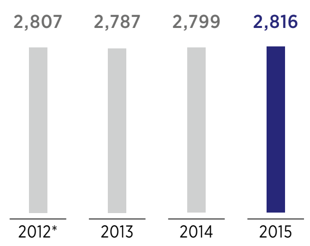
Sales in **North America** were up 3.9% on the previous year. Good sales growth was produced particularly in the United States. NIVEA Body performed very well. Eucerin Aquaphor and La Prairie also generated good growth.

Sales in **Latin America** were up by 10.9%, fueled by very good growth rates in Argentina, Columbia, Peru, and Mexico. Growth rates were negatively impacted by developments in Venezuela. NIVEA Deo and NIVEA Shower performed extremely well. Eucerin also saw very strong growth.

CONSUMER SALES BY REGION (IN %)



CONSUMER SALES IN EUROPE (IN € MILLION)



* The Turkish affiliate was reclassified from Western Europe to Africa / Asia / Australia in 2013 and the prior-year figures adjusted accordingly.

AFRICA / ASIA / AUSTRALIA

CONSUMER SALES IN AFRICA / ASIA / AUSTRALIA

		Total
Sales 2015	(in € million)	1,654
Sales 2014	(in € million)	1,437
Change (organic)	(in %)	4.8
Change (nominal)	(in %)	15.1

The **Africa / Asia / Australia** region recorded a 4.8% increase in organic sales. A nominal rise of 15.1% was achieved due to the positive performance of almost all of the region's currencies against the euro. Sales amounted to €1,654 million (previous year: €1,437 million).

Stabilizing sales in China and our continued excellent performance in South Africa, Japan, India, and Turkey were the basis for the improved sales performance. NIVEA Deo, NIVEA Shower and NIVEA All-Purpose Creams in particular performed extremely well. Eucerin and La Prairie also experienced very good growth.

tesa

SALES – tesa BUSINESS SEGMENT

		Europe	Americas	Africa / Asia / Australia	Total
Sales 2015	(in € million)	631	167	342	1,140
Sales 2014	(in € million)	622	143	311	1,076
Change (organic)	(in %)	1.3	6.4	−4.3	0.4
Change (nominal)	(in %)	1.4	17.3	9.7	5.9

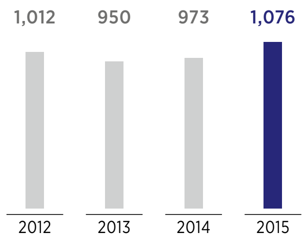
Organic sales by the **tesa** Business Segment were up 0.4% on the previous year. Exchange rate effects increased this figure by 5.5 percentage points. In nominal terms, sales therefore rose by 5.9% to €1,140 million (previous year: €1,076 million). EBIT increased to €191 million (previous year: €183 million). The EBIT margin was 16.8% (previous year: 17.0%).

tesa INDUSTRIAL BUSINESS

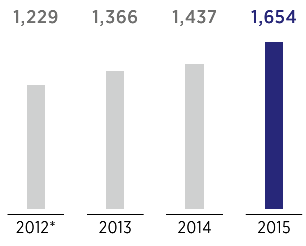
Industrial business sales grew organically by 0.1%. Business in the Americas generated strong growth. In Asia, however, tesa saw a sharp decline in its sales, which are primarily generated from project business. In nominal terms, sales rose by 7.6% to €854 million (previous year: €793 million). The share of the Industrial Business in total sales was 74.9% (previous year: 73.7%).

In the electronics industry business, tesa strengthened its market-leading position with removable adhesive tapes of the Bond&Detach® series for use in bonding batteries to smartphones. The new versions deliver even better performance, particularly under shock conditions. The successful market introduction of barrier tapes for flexible displays based on OLED technology shows particular promise. In spite of these successes, the business area was impacted by market weakness and the increasing saturation of the smartphone market in Asia.

CONSUMER SALES IN THE AMERICAS (IN € MILLION)



CONSUMER SALES IN AFRICA / ASIA / AUSTRALIA (IN € MILLION)



* The Turkish affiliate was reclassified from Western Europe to Africa / Asia / Australia in 2013 and the prior-year figures adjusted accordingly.

Many new products and strong international sales activities generated important momentum in the automotive area. One example of this is the new version of ACXplus, a high-performance adhesive tape with viscoelastic material properties. It is used to secure auto components like emblems, molding, and antennas. For two-tone painting of car bodies, tesa offers complete masking systems with applicator, establishing new benchmarks in the technical implementation of this trend.

tesa is also setting the pace in the printing and paper business. A key sales driver was the product line for flexographic printing, a range that is about to be relaunched. This process is used in such areas as the printing of flexible packaging made of such materials as plastic. The work to optimize tesa's products involves improving process features, streamlining assemble technology, as well as working with new sealing hardness levels and altered bonding agents. The exceptional printing qualities are unaffected in the process.

The Pharma business area generated growth in contract manufacturing. In addition, the production capacities of medicated plasters and fast-dissolving oral films were significantly expanded. As a result, the European market introduction for two new products could be prepared. The delivery of products for Canada began. In addition, development agreements that will secure future growth were concluded in the North America region.

In the area of tesa scribos®, tesa produces comprehensive and tailored solutions for anti-counterfeiting and anti-tampering products for customers in a broad range of businesses. We further expanded our market share, in both existing markets and in other segments as well. One reason for this growth was contracts with a leading Chinese manufacturer of e-cigarettes that began to protect its products with tesa VeoMark® coded labels in 2015. In addition, newly developed security seals like tesa® HighPerSeal Tape were successfully introduced to the market.

In the Building Supply business area, an expanding base of customers for ACXplus products and PE foams were a key driver of new growth. Products based on the patented ACXplus technology are especially well-suited for securing windows and doors made of PVC, wood, and aluminum. tesa also offers system solutions for constructive bonding applications. As a result, energy-saving or design-related plans like the combination of different materials can be easily carried out. This business also focuses on providing solutions that create weather-resistant bonds of facade components.

Although its industrial distribution business during the fiscal year was shaped in particular by competitive pressure exerted by discounters, tesa performed steadily during the period. A driver of its business was the expansion of its product range for innovative mounting tapes, especially ACXplus products. Intensive contact with specialized technical retailers generated further growth as well.

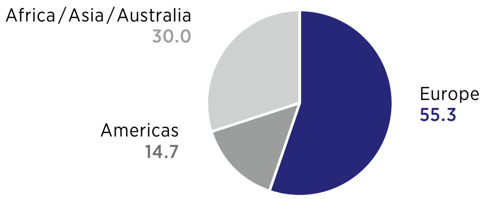
tesa CONSUMER BUSINESS

The consumer products and professional craftsmen business, which is focused on Europe and Latin America, performed well, with organic sales growth of 2.8%. In nominal terms, sales increased by 2.8% to €264 million (previous year: €257 million). As a result, the consumer business contributed 23.1% (previous year: 23.8%) of total sales by the tesa Business Segment.

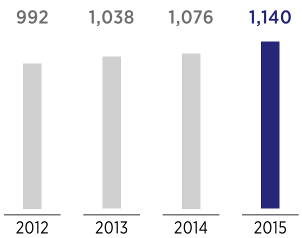
tesa strengthened its market position in the two strategic business areas and in all regions making up the Consumer & Craftsmen segment. This applied both to its DIY solutions and products for the office supplies and stationery sector in the consumer business and to its offering for professional craftsmen in the craftsmen business area. A key contribution to this performance was made by an international branding campaign that was successfully continued in 2015.

The tense political situation in Russia and Greece continued to impact business there. In contrast, tesa initiated new customer projects with high growth potential in such markets as the United Kingdom, France, Belgium, the Netherlands, and Luxembourg.

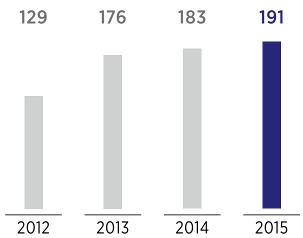
tesa SALES BY REGION (IN %)



tesa SALES (IN € MILLION)



tesa EBIT (IN € MILLION)
Excluding special factors



Net Assets – Group

NET ASSETS (IN € MILLION)

Assets	Dec. 31, 2014	**Dec. 31, 2015**
Non-current assets	2,340	2,685
Inventories	786	772
Other current assets	2,228	2,498
Cash and cash equivalents	976	918
	6,330	**6,873**

Equity and liabilities	Dec. 31, 2014	**Dec. 31, 2015**
Equity	3,640	4,201
Non-current provisions	700	655
Non-current liabilities	73	91
Current provisions	466	419
Current liabilities	1,451	1,507
	6,330	**6,873**

Non-current assets increased by €345 million to €2,685 million (previous year: €2,340 million). Long-term securities were reclassified to current assets due to shorter maturities and new purchases were made. This item increased by €256 million to €1,297 million (previous year: €1,041 million). Capital expenditure on property, plant, and equipment, and intangible assets amounted to €249 million (previous year: €301 million). Of this amount, €135 million (previous year: €201 million) related to the Consumer Business Segment and €114 million (previous year: €100 million) to the tesa Business Segment. The change is mainly attributable to investment in new Consumer and tesa factories and tesa's new headquarters. Group depreciation, amortization, and impairment losses amounted to €129 million (previous year: €179 million). The prior-year figure includes impairment losses of €67 million on our Chinese hair care brands. Inventories fell by €14 million to €772 million (previous year: €786 million). Other current assets increased to €2,498 million (previous year: €2,228 million). This item includes short-term securities of €858 million (previous year: €562 million). Trade receivables fell by €17 million to €1,258 million (previous year: €1,275 million). Income tax receivables fell by €13 million to €100 million, while other current assets decreased by €3 million to €167 million.

Cash and cash equivalents declined to €918 million (previous year: €976 million). Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) increased by €509 million to €3,036 million (previous year: €2,527 million). Current liabilities to banks fell by €15 million to €37 million (previous year: €52 million).

Total non-current provisions and liabilities decreased year-on-year to €746 million (previous year: €773 million). This change was caused by two counteracting effects. Provisions for pensions and other post-employment benefits fell to €574 million (previous year: €627 million) due to a slight increase in the discount rate, while deferred tax liabilities rose to €88 million (previous year: €69 million). Total current provisions and liabilities rose by €9 million to €1,926 million (previous year: €1,917 million) as a result of an increase in trade payables due to operational factors. The equity ratio increased to 61% (previous year: 58%). Non-current liabilities accounted for 11% (previous year: 12%) and current liabilities for 28% (previous year: 30%).

FINANCING STRUCTURE (IN %)

Financial Position – Group

CASH FLOW STATEMENT – GROUP (IN € MILLION)

	2014	**2015**
Gross cash flow	598	770
Change in working capital	–201	30
Net cash flow from operating activities	397	800
Net cash flow from investing activities	–230	–655
Free cash flow	167	145
Net cash flow from financing activities	–192	–210
Other changes	17	7
Net change in cash and cash equivalents	–8	–58
Cash and cash equivalents as of Jan. 1	**984**	**976**
Cash and cash equivalents as of Dec. 31	**976**	**918**

Gross cash flow amounted to €770 million in the period under review, up €172 million on the prior-year value.

The change in working capital led to an inflow of €30 million (previous year: outflow of €201 million). This comprised a €2 million increase in receivables and other assets and an €18 million increase in trade payables and current provisions. Inventories fell by €14 million.

The net cash outflow from investing activities amounted to €655 million in the period under review (previous year: €230 million). Net cash outflows from securities of €551 million and capital expenditure of €249 million on property, plant, and equipment, and intangible assets were offset by €72 million in interest and other financial income received, and proceeds of €73 million from the sale of property, plant, and equipment, and intangible assets.

Free cash flow was €145 million, down €22 million on the prior-year value (€167 million). The net cash outflow of €210 million from financing activities (previous year: €192 million) mainly comprised the Beiersdorf AG dividend payment of €159 million, and interest and other financing expenses paid in the amount of €36 million.

Cash and cash equivalents amounted to €918 million (previous year: €976 million).

Financing and Liquidity Provision

The primary goal of financial management at Beiersdorf is to safeguard liquidity. The type and volume of transactions are in line with the Group's basic operating and financial business. Scenarios and rolling 12-month cash flow planning are used to establish liquidity requirements.

Overall Assessment of the Group's Economic Position

Business developments in 2015 show that Beiersdorf is on the right track. The **Group's** two business segments performed well. Group sales amounted to €6,686 million (previous year: €6,285 million). Organic growth amounted to 3.0% (previous year: 4.7%). EBIT excluding special factors amounted to €962 million (previous year: €861 million). The EBIT margin excluding special factors amounted to 14.4% (previous year: 13.7%).

The **Consumer** Business Segment made successful progress thanks to the systematic implementation of the business strategy, which is based on the Blue Agenda. This strategic compass aims to make Beiersdorf more competitive and to enhance its economic success. Its success can be seen particularly in the performance recorded by the emerging markets and the launch of new, high-selling products.

Although the **tesa** Business Segment managed to expand business both in the industrial markets and in the consumer business, it did record a decline in sales from project business in Asia.

COMPARISON OF ACTUAL AND FORECAST BUSINESS DEVELOPMENTS

		Forecast for 2015 2014 Annual Report	Forecast for 2015 H1 2015 Report	Forecast for 2015 9M 2015 Report	Result in 2015
Sales growth (organic)					
Consumer	(in %)	3-5	3-5	3-4	3.6
tesa	(in %)	3-5	1-3	at prior-year level	0.4
Group	(in %)	3–5	3-5	3-4	3.0
EBIT margin (excluding special factors)					
Consumer	(in %)	slightly above prior year (13.0)	slightly above prior year (13.0)	significantly above prior year (13.0)	13.9
tesa	(in %)	slightly below prior year (17.0)	slightly above prior year (17.0)	at prior-year level (17.0)	16.8
Group	(in %)	slightly above prior year (13.7)	slightly above prior year (13.7)	significantly above prior year (13.7)	14.4

At 3.6%, sales growth in the **Consumer** Business Segment was in the middle of the target range of 3–5% that was forecast for fiscal year 2015. This was due in particular to the healthy trend in the growth markets. The operating result (EBIT, excluding special factors) and the EBIT margin both increased in fiscal year 2015 as forecast.

The **tesa** Business Segment again recorded a positive performance in the past fiscal year. With sales growth of 0.4%, it managed to equal the previous year's high level. The operating result (EBIT, excluding special factors) and the EBIT margin both remained at the prior-year level in fiscal year 2015 as forecast.

Judgments by Management

No accounting policies were applied and no related options were exercised in the consolidated financial statements that differ from those in prior years and that, if applied or exercised differently, would have had a material effect on the results of operations, net assets, and financial position. Information on the effects of the use of estimates, assumptions, and judgments by management can be found in the notes to the consolidated financial statements.

Research and Development

Beiersdorf's expertise in the area of research and development has been driving our company's success for more than 130 years.

- The Consumer Business Segment develops innovative, high-quality skin care products that are tailored to the needs and wishes of consumers worldwide.
- The tesa Business Segment develops high-performance self-adhesive system and product solutions, and is a world leader in its field.

At the end of 2015, 1,108 people were employed in Beiersdorf's Research and Development area (previous year: 1,071). Of this total, 637 (previous year: 602) worked in the Consumer Business Segment and 471 (previous year: 469) in the tesa Business Segment.

Consumer

LEADING-EDGE SKIN CARE EXPERTISE

Beiersdorf is globally known for its leading skin care expertise. Our research and development activities aim to define skin care of the future. The effort focuses on addressing consumer demand for efficacious yet mild products more than ever before.

In the year under review, a Beiersdorf research cooperation with the Swiss Federal Institute of Technology in Zurich (ETH) showed how skin cells naturally protect themselves against stress caused by environmental influences. The researchers discovered that skin cells defend themselves by using the "first line response," a key rapid change in skin cell metabolism. This mechanism enables skin cells to counteract within minutes stress caused by, for example, solar radiation or oxidative stress. This important insight can be used to develop future skin care products to prevent environmentally induced skin sensitivity and aging by fortifying the identified natural skin function. The work was highlighted by "Molecular Cell", one of the most highly respected science journals.

Also during the reporting period, a cooperative project between researchers from the French Institute of Health and Medical Research (INSERM) in Nice and Beiersdorf discovered a molecular mechanism that leads to melasma, one of the most common discolorations that affects consumers with darker complexions. The research group is currently exploiting this discovery to deliver solutions for this skin disorder.

Sensitive skin is another major skin disorder that Beiersdorf's research focuses on. Many people with sensitive skin suffer from skin inflammation. Our researchers found effective soothing agents that helped develop skin-calming cosmetic products. In 2015, one highly recognized result involved Licochalcone A, a substance contained in licorice that has a positive effect on a key inflammatory pathway in the skin. The active ingredient with its antioxidant properties also helps the skin activate its own defenses against UV stress.

At Beiersdorf, product safety and tolerability are our top priority. Remarkable progress has been made in the core methods for cosmetic safety, eye irritation, skin sensitization and genotoxicity. Alternative methods for these endpoints are now undergoing the official acceptance process at the Organization for Economic Co-operation and Development (OECD) and the Scientific Committee on Consumer Safety (SCCS) of the European Commission. We also achieved progress in our work to identify skin-irritating substances at an early stage of our research and thus prevent the possibility of allergic reactions.

OPEN TO IDEAS FROM THE OUTSIDE

Beiersdorf's Research and Development unit drives the integration of internal as well as external knowledge and ideas to create outstanding products. This objective is achieved through close relationships with leading research institutes, universities, and suppliers as well as through our Open Innovation network Pearlfinder, where Beiersdorf scientists post technical challenges and our external partners submit possible solutions.

Examples of our Open Innovation activities in 2015 included:

- The launch of the new NIVEA Protect & Shave Razor, which was the result of a close, long-term partnership between our Research and Development unit and the Japanese razor blade manufacturer Kai.

- In its second year, the Beiersdorf Innovation Pitch attracted many ideas from exhibitors at the "in-cosmetics" trade fair in Barcelona, Spain. The three winning contributions now have an opportunity to develop their projects through our strong brands NIVEA and Eucerin.

- With our new Open Innovation format Supplier Fair, we opened the doors of our Research and Development unit for the first time, welcoming three long-standing strategic partners to present functional raw materials and their application in our particular categories.

- Our Open Innovation initiative was intensified with a focus on regional development laboratories. The closeness to innovation hot spots and consumers in the respective regions led to some unique products and innovation partner relationships.

EXPANSION OF REGIONAL DEVELOPMENT LABORATORIES

To best meet consumers' needs around the world, we further strengthened our regional and local development activities. We conduct regional consumer tests to customize product formulas and design specified packaging solutions. Being close to the market allows a fast and precise adoption of the local needs and the development of regional innovations.

In 2015, we expanded the development laboratories for the Far East in Wuhan, China, which is now our biggest development location outside Beiersdorf's headquarters laboratories in Hamburg. In Sanand, India, we opened a development laboratory located on the premises of the new production facility. Solutions are developed there for the Near East region, which has a distinct market diversity and large outreach within our global network. One of the first tasks of the newly completed laboratory was to test and refine the formulation and packaging for the NIVEA MEN Body Deodorizer. The product was especially created for Indian consumers and provides day-long control of body odor through a single application per day.

Another expansion of activities in the regions took place in Silao, Mexico. In the year under review, the team began working in new, fully equipped laboratories to develop innovations for Latin America and North America. The focus here is on deodorant, body, sun, and cleansing products specifically designed for the local markets. A good example from Silao is the development and launch of NIVEA Aclarado Natural Deodorant, which is designed to help recover the natural skin tone of the armpit.

CLOSE TO CONSUMERS

Beiersdorf's approach to localization goes hand in hand with our intention to further integrate consumers' needs and wishes into all steps of product development, from idea creation to post-launch assessment. Through our consumer integration approach, Beiersdorf employees connect with and observe consumers, e.g. while they shop and under special product-use conditions, using traditional as well as state-of-the-art digital research technologies. In the year under review, Beiersdorf conducted about 1,800 studies with approximately 38,000 participants in all regions.

INNOVATIONS

The Consumer Business Segment filed patents for 61 innovations in the year under review (previous year: 76), and its products repeatedly set significant new market trends.

In 2015, key innovations included:

- **NIVEA Care Creme** for face, body, and hands offers intensive nourishment for more than 24 hours, providing a light and soft skin feeling without greasiness. The new NIVEA Care range addresses the specific needs of our female consumers. It consists of an intensively nourishing cream, a product for an improved skin tone, and an anti-aging cream. All three products were launched in 2015 in different markets.

- **NIVEA CELLular Anti-Age** is one of the most popular anti-aging care product ranges in Europe, having won the 2015 Nielsen European Breakthrough Innovation Award among more than 8,000 initiatives launched in Europe. The new line extension **NIVEA CELLular Radiance** continues this success and provides a more youthful radiance with both instant and long-term visible results. The benefit agents support skin functions on a cellular level and the soft pigments deliver instant improved skin appearance.

- As a result of continuous research to identify a superior and skin-friendly deodorant, NIVEA launched the first set of products with an innovative technology to meet the growing consumer demand for aluminum-free and yet highly effective deodorants: aluminum-free **NIVEA Fresh Deodorants** with 48-hour odor protection. Both the roll-on and spray versions fight malodor formation at its root, delivering reliable, scientifically proven 48-hour deodorant protection.

- The first all-purpose cream for men, **NIVEA MEN Creme**, gives male skin a boost of hydration and prevents it from drying out. It offers a masculine, fresh scent, and is ideal for the face, body, and hands. The light formula is non-greasy, non-sticky, and absorbs quickly. The cream tin was awarded the 2015 German Packaging Prize in the category "Retail Packaging / Hygiene & Cosmetics."

- **NIVEA MEN Active Clean Shower** and **NIVEA MEN Active Clean Shampoo** are the first body and hair cleansing products containing activated charcoal by NIVEA. Thanks to the innovative formula with activated charcoal, body and hair are thoroughly cleaned.

- **Eucerin Sun Gel-Creme Oil Control Dry Touch SPF 30/50+** is a daily sunscreen with a high sun protection factor specifically developed for oily and acne-prone facial skin. It leaves a dry-touch feeling to the skin due to pigment technology. Additionally, it combines special photo protection against sun-induced skin damage and an active solution to help improve the skin's condition.

- **Hansaplast** launched the high performance **Blister Plaster** as a result of a continuous research program. High-tech hydrocolloid materials from professional wound care combined with easy-to-use product design provide outstanding protection over several days plus immediate pain reduction and faster healing via an active gel cushion.

- In 2015, **La Prairie** launched the **Anti-Aging Rapid Response Booster**. An active delivery system targets the cells that are responsible for younger-looking skin and precisely delivers anti-wrinkle ingredients to those areas where the skin needs them most. La Prairie also expanded its successful Skin Caviar Collection with the light-textured **Skin Caviar Luxe Cream Sheer**.

tesa

BARRIER TAPES FOR FLEXIBLE DISPLAYS

In 2015, tesa developed new technologies for barrier tapes with unusually high resistance to humidity. We are receiving an increasing number of requests, especially from the electronics industry, for technologies that enable products such as organic light-emitting diode (OLED) displays to be made sufficiently durable. As part of a project supported by the German Federal Ministry of Education and Research, tesa worked with the technology companies Schott and Von Ardenne to develop new technologies for the use of ultra-thin glass on roll in future OLED applications.

We have also worked on new adhesive tapes that ensure even more secure bonding of frames and displays in cell phones and tablet PCs. Between the adhesive layers, these tapes contain additional foamed layers that provide very high mechanical strength.

ADHESIVE MASSES FOR TECHNOLOGICAL PROGRESS

tesa also made progress in developing new adhesive masses to meet evolving requirements in 2015. One example of such requirements is the need for even greater adhesive strength on problematic surfaces, such as dirt-repellant car finishes or the very non-polar plastics used in the electronics industry. Targeted composition of polymer chains for acrylate-based adhesive masses plays an important role here. To this end, we have further developed existing polymerization processes and combined them with new technologies. The new processes have been successfully tested on a pilot scale and are now being moved to production scale.

HIGH BONDING STRENGTH IN CONTACT WITH CHEMICALS

Another example is the development of adhesive mass systems with very high resistance to a wide range of chemicals. This is an important property whenever electronic products like smartphones, tablet PCs, and wearables come into contact with the skin or household chemicals such as cleaning agents. The new adhesive masses maintain their adhesive strength even under these difficult conditions.

For more information on research and development at Beiersdorf, please visit WWW.BEIERSDORF.COM/RESEARCH.

Sustainability

At Beiersdorf, "Care" is not only part of our core business, but also one of our Core Values. It describes our responsibility towards our fellow human beings and the environment. Beiersdorf's commitment to care sets out to inspire people both inside and outside the company and to strengthen the company's relationships with employees, suppliers, and consumers.

Consumer

Beiersdorf's "We care." sustainability strategy gives the company a clear focus on sustainable, responsible growth. We have defined objectives for the three areas of activity "Products," "Planet," and "People," which we aim to fulfill by 2020. We regularly review our progress using environmental and social performance indicators to ensure that our commitment is far-reaching, has a long-term impact, and supports the objectives of Beiersdorf's business strategy, the Blue Agenda.

We already exceeded one of our sustainability goals: CO_2 emissions per sold product were cut sharply. As a result, we reached our objective well before the target date of 2020. We are currently formulating a new target for the "Planet" area of activity in order to continue improving our environmental performance.

By 2020, we aim for the areas "Products" and "People" to:

- generate 50% of our sales from products with a significantly reduced environmental impact (base year 2011), and

- reach and improve the lives of one million families (base year 2013).

We pushed ahead with measures throughout the company during the reporting period in order to swiftly achieve these targets.

PRODUCTS

Beiersdorf uses life cycle assessments to measure and reduce the environmental impact of products. This method is based on data relating to raw materials, our own manufacturing processes, transportation, product use, recycling, and disposal. In 2015, we developed a simulation tool for packaging design, which enables us to easily evaluate the environmental impact of alternative packaging.

In addition to packaging, we also analyze the environmental compatibility of the raw materials used in our products' formulas. We worked closely with suppliers in the year under review to elaborate sustainability criteria that will be applied in formula development from 2016 onward. This will enable us to improve the environmental compatibility of future products at an early stage of development.

Beiersdorf has also made progress in transitioning to sustainable palm (kernel) oil. Our aim is to use only ingredients from proven sustainable sources (Certified Sustainable Palm Kernel Oil). By 2020, we intend to switch the respective ingredients to segregated or at least mass balanced palm (kernel) oil and corresponding derivatives. Until the transition is complete, we will offset the share of raw materials that have not yet been converted with "GreenPalm" certificates. We have already sourced seven mass balanced raw materials in 2015. At the same time, we have initiated multi-site certification in accordance with the supply chain certification standard defined by the Roundtable on Sustainable Palm Oil (RSPO). Beiersdorf remains a member of the revamped Forum for Sustainable Palm Oil (FONAP).

PLANET

In order to better identify and reduce logistics emissions, we began using a new software to calculate transport emissions in Europe in 2014. In the year under review, the software was rolled out in the regions Latin America and the Far East.

Our facility management is also based on the principle of resource efficiency. The German production facilities in Hamburg, Berlin, and Waldheim were certified according to the ISO 50001 standard in 2014. The required recertification took place in 2015, demonstrating the high level of energy efficiency and energy management at Beiersdorf.

The factory we opened in Sanand, India, in 2015 comprises an extremely efficient water treatment system, which cleans sewage to such a high standard that it can be reused in the production process to reduce total water consumption, or be allowed to drain away naturally on the site. We also planted around 650 trees at the Sanand facility. These help the soil to absorb water and also make a contribution to reforestation.

We achieved gold "Leadership in Energy and Environmental Design" (LEED) certification with the expansion of our facility in Chile. Key factors contributing to this excellent rating included the building's energy efficiency, optimal use of daylight, and efficient ventilation systems.

PEOPLE

Our long-standing commitment to families is deeply rooted in Beiersdorf's Core Values and those of our brands, especially NIVEA. NIVEA supports families all over the world with locally relevant, long-term projects through its global "NIVEA cares for family" initiative. This initiative focuses on three areas:

- developing children's skills,
- supporting mothers,
- giving families the opportunity to spend time with each other.

NIVEA India has launched the "Mom's Touch" initiative as part of "NIVEA cares for family." Together with the strategic partner Aseema, NIVEA is helping mothers with low incomes ensure that their children can go to school. The initiative supports these mothers and their families with a monthly food parcel. The project is accompanied by workshops and communication initiatives exploring how the mothers can act as a role model. The "Mom's Touch" initiative is continuing in Mumbai and also being expanded to schools in Ahmedabad – the region where NIVEA India recently opened a new production facility. Five hundred families had participated in the project by the end of 2015.

To enable local families to spend time together and promote children's development, NIVEA Poland has built or repaired 40 playgrounds. A broad publicity campaign called on Polish consumers to nominate the 40 sites where playgrounds should be renovated or newly built. With many playgrounds in poor condition, the campaign met with a great response: 3.6 million people, or around 10% of Poland's population, took part in the vote.

"99% of the time nothing happens, but a first aid course is 100% worthwhile": this was the guiding principle behind Hansaplast's "Bringing First Aid Home" initiative in 2015. The aim was to motivate as many people as possible to take part in a first aid course. Since 2013, Hansaplast has been collaborating worldwide with national branches of the Red Cross to improve first aid knowledge and skills as well as people's confidence in using them. A particular focus is on boosting children's knowledge of first aid.

Beiersdorf aims to further reduce the number of work-related accidents with its company-wide "Zero Accident" initiative. We are continually improving workplace safety using a range of approaches. In 2015, we introduced "Safety Weeks" at our European locations, for example. Our occupational health and safety experts inspect facilities for possible sources of danger that could cause serious accidents, then work to eliminate these.

Additional information can be found at WWW.BEIERSDORF.COM/SUSTAINABILITY.

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RESPONSIBILITY

Corporate responsibility toward society and the environment was once again the focus of tesa's sustainable business strategy in 2015. We attach great importance to making a significant contribution to social development and enhancing our environmental management system.

As an environmentally aware business, we are constantly examining whether there are more environmentally friendly alternatives for certain raw materials used in the production process. We have been consistently developing our environmental management system since 2001 and have regularly outperformed our ambitious targets for protecting the environment throughout this period. For example, our production locations around the world have more than halved their emissions of volatile organic compounds (VOCs) since 2001, and have significantly reduced the amount of waste produced, CO_2 emissions, and solvent usage. All of the company's production facilities are certified in accordance with ISO 14001, the international environmental standard.

tesa's environmental management activities in the year under review focused on improving energy management and reducing CO_2 emissions.

Energy management at our two largest production facilities in Offenburg and Hamburg were certified in accordance with ISO 50001 in 2015. tesa's new headquarters in Norderstedt, built in compliance with the new German Energy Saving Regulation (ENEV 2014), will follow in 2016.

The environmentally friendly electricity generated by a combined heat and power plant at the Offenburg location since late 2014 has already led to substantial reductions in CO_2 emissions in the year under review. This state-of-the-art technology will be implemented at tesa's Hamburg location in 2016 and will also be examined as an option for other production facilities.

Taking social responsibility is a core component of tesa's corporate policy. We are therefore supporting a host of diverse projects under the motto "tesa connects" as part of our worldwide corporate citizenship program.

- Our employees provide practical support to communities with our "tesa helps" initiative and support social, environmental, and cultural organizations with various projects at tesa locations. In Hamburg, for example, we successfully continued our work with the "tatkräftig – Hände für Hamburg" initiative, which helps to match potential volunteers with organizations that need help. In Belgium, employees helped athletes with intellectual disabilities to participate in the Special Olympics National Games sponsored by tesa.

- "tesa donates" supports the work of a number of institutions with donations in kind and financial contributions. tesa also donates to disaster aid. Earthquake victims in Nepal were among the beneficiaries in the year under review.

- As a technology-based company, we understand the importance of education. That is why we cooperate with the "Initiative Naturwissenschaft und Technik" (Science and Technology Initiative, NAT) under "tesa fosters." In the year under review, we supported about 20 senior grade students at a Hamburg secondary school, who had chosen studies focused on science and technology.

- The "tesa protects" initiative is part of a long-term partnership supporting the UNESCO biosphere reserve Niedersächsische Elbtalaue. The most important aspect of this is the voluntary commitment of tesa employees. Their practical work includes planting young oak trees, for example, in order to maintain this highly biodiverse and environmentally sensitive floodplain landscape.

All our sustainability activities are documented in an annual progress report that is available at WWW.TESA.COM/RESPONSIBILITY.

People at Beiersdorf

As a clear sign of confidence in business growth and international expansion, the Beiersdorf Group created 261 new jobs worldwide in 2015. By the end of December 2015 we employed 17,659 people globally (2014: 17,398). Of this figure, 5,962 (2014: 5,860), or 34% (2014: 34%), were employed in Germany. A total of 13,549 people worked in the Consumer Business Segment (2014: 13,317) and 4,110 in the tesa Business Segment (2014: 4,081).

Consumer

A CARING EMPLOYER

Everyone counts. This is the Beiersdorf philosophy of caring about people. We are determined to support people's well-being and promote their personal and professional growth. Offering encouragement and inspiration so that all employees can continuously learn and develop themselves is our objective, one that we pursue with dedicated programs at the global, regional, and country levels.

At Beiersdorf, we believe that a committed workforce is essential to achieving both efficiency and innovation. Across all the markets in which we operate, we are known for being a caring employer that attends to all major aspects of an employment relationship. Our employee services and programs are customized to meet specific local needs and include child care, elderly care, health management, sport, catering, transportation, and, of course, flexible working arrangements. In Germany we practice more than 300 different working-time models that include working from home, job sharing, and very flexible part-time work customized to meet the needs of individuals and teams.

At the same time, we believe at Beiersdorf that being a caring employer also means challenging our employees. We cultivate a working environment in which individuals are encouraged to take ownership and try new ideas. This is reflected in our many successful business and organizational projects carried out across borders and functions. Our large number of international assignments is another example of our approach of "caring through challenging."

LIVING OUR CORE VALUES

Beiersdorf's four Core Values – Care, Simplicity, Courage, and Trust – have been the defining principles of our company for more than 130 years. In 2014, they formed the basis of a long-term culture project that continues to involve all our affiliates and employees. Results from the 2015 global employee survey showed a very high level of identification of our employees with these values. The Core Value initiative has established itself as an excellent global platform to discuss, review and improve leadership quality and management effectiveness.

In 2015, we also integrated our Core Values into such key HR management tools as performance management, employee dialog, or assessment tools. In this area, we have focused on encouraging employees to take action rather than on establishing formal processes, and we fostered initiatives to further enhance an open and insightful feedback culture within the company. At Beiersdorf, feedback is always both top-down and bottom-up. Feedback as we understand and practice it not only comprises having the courage to talk, but also the skill and ability to listen. We find this understanding reflected in our Core Values "Trust" and "Courage" and the management practices related to it. During 2015, we increased the frequency and the variety of formats on mutual feedback between managers and employees. Instead of a one-size-fits-all method that is used once a year, we encourage and help our people talk about things they truly care about – any subject at any time.

We take a more pragmatic approach regarding the proof of success in areas like values and culture. Interpersonal relationships and interactions at work involve such complicated brain processes that they can hardly be measured directly, even less so in a 12-month interval. Instead of artificially creating key performance indicators (KPIs) for these fields, we believe the agility and resilience shown by our global workforce in a highly challenging business environment like 2015 was the best evidence that our people, our values, and our culture are the engines behind Beiersdorf's continuous business success.

DEVELOPING LEADERS

Leadership development has no secret recipes and does not require new campaigns each and every year. Reliability and consistency are by far more relevant success factors. In 2015, we continued practicing what we believe in as part of our Blue Agenda and Core Values framework:

- Authenticity: Self-awareness and self-reflection are essential traits for leaders at Beiersdorf. Only those able to be truthful to themselves can develop trust and act as role models in their day-to-day management activities.

- Inspiring: Being authentic is not the only important trait of leaders at Beiersdorf. True leadership means influencing and motivating others to give their best by actively managing individual working relationships.

- Living Core Values: Managers at Beiersdorf serve as role models for living our Core Values, putting them into practice in their work-life practices.

- Performance: Our managers know they do not merely "drive" performance. Sustaining a high level of performance is the natural outcome of authentic role modeling, empowerment, and individual coaching of employees.

All our leadership programs worldwide, regardless whether they are formal or informal, draw from these leading principles. Developing true leaders within the company requires this high level of conviction, clarity, consistency, and patience in the years to come as well.

GUIDING CAREER GROWTH

Every single employee makes a significant contribution to Beiersdorf's economic success with his or her individual skills. In 2015, we took our first step toward demonstrating a clear commitment to all our talented employees in terms of understanding and appreciating "Career@Beiersdorf":

- CAREER refers to an overall professional life that today often spans four or more decades: Take a long-term view.

- CAREER is not THE purpose of life, but rather one of the possible rewards of it: Don't be a "career seeker," do your best, always.

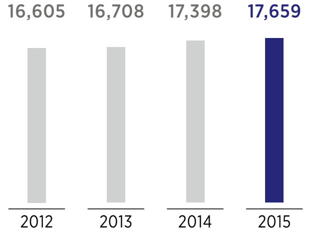
- CAREER encompasses many unknowns and surprises, despite all the plans: Be open, be flexible.

- Your CAREER will have many helpers: The one that steers it is always you.

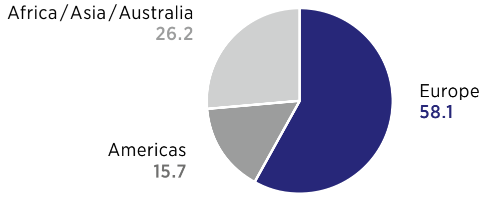
As a global employer, we not only emphasize long-term thinking in our business practices and our people: We are also proud of having a long and proven track record of implementing this approach.

Our extensive investment in fostering the capabilities and skills of our employees, regardless of their level, function, and location in the company, continued in 2015. This was also true of our global processes for talent reviews and succession planning. The revived spirit of "Career@Beiersdorf" will enhance the effectiveness of all these investments in the years to come. Today's caring employer does not just rely on appropriate development tools and programs alone. We also do our best to stimulate our employees' individual sense of ownership of their careers. In addition, we believe it is important to be open and honest about the risks and uncertainties that can arise along a person's career path.

GROUP EMPLOYEES
as of Dec. 31



EMPLOYEES BY REGION (IN %)
as of Dec. 31; total 17,659 employees



The long-term reward for being a caring employer is the greater number of emotionally engaged employees who are self-confident about their own professional growth and show self-initiative in this area.

ACHIEVING HIGH EMPLOYEE ENGAGEMENT

For the third consecutive year we invited all our employees worldwide to participate in our employee engagement survey. A total of 93% responded within the two-week survey period, marking a new all-time high. In almost all categories covered by the survey, be it working conditions, communication and feedback, or personal development, we again achieved above-average gains. The overall results were presented throughout the company and publicly discussed. Results for individual teams were intentionally made available only to the respective team. In taking this approach, we ensure a trusting environment in which open discussions could take place and relevant improvements be made. For the same reason, improvement of survey results at the team level was not allowed to be part of individual annual target setting.

We do measure engagement. But we are not preoccupied with numbers. In other words: more focus on improvement measures than improvement of numbers. With that, higher employee engagement has been, and will remain, a natural outcome.

PROMOTING DIVERSITY

Each year, we reach consumers in over 170 countries with our skin care products. Diversity is in our DNA.

Above all else, we value diversity in the sense of bringing together the largest possible mix of experiences, points of view, and individuals under the Beiersdorf roof. Within this context, we consider diversity in, for example, gender, internationality, and age a contribution to Beiersdorf's ongoing worldwide success.

Further progress was made regarding diversity in 2015, including:

- Gender diversity: In 2015, the new legislation on equal participation of women and men in management positions was introduced in Germany. Three years prior to this legislation, Beiersdorf had already committed itself to increasing the share of women in senior executive positions in Germany from 22.5% at the time of this decision to 30% by 2020. By the end of 2015, this figure had risen to 27.5%. The definition of "management levels" according to the new law deviates slightly from the definition Beiersdorf had been employing. Consequently, we have adjusted our figures, and they are now in full accordance with the law. At the end of 2015, 26% of managers on the first management level below the Executive Board were women. We aim to raise this figure to 30% by the end of June 2017. On the second management level, 38% of managers were women at the end of 2015. Our goal is to at least maintain this high level through the end of June 2017. On the basis of what we have achieved in terms of gender diversity since 2012, these two new commitments put Beiersdorf in a leading position among the companies governed by the new federal law. One example of how we improved diversity by taking specific measures: In 2015, we almost doubled the number of job-sharing positions for women in leadership compared to the previous year.

- International diversity: Our already competitive international mobility policy was further modified in 2015 to provide improved support to individual families as well as for re-integration after an assignment. Further, we increased the number of international employees at Hamburg headquarters to 14% in 2015 (2014: 13%). The number of employees with several years of international experience is far higher than revealed by nationality statistics alone. At the most senior level of management, for example, more than half of the current managers have experience of at least two foreign assignments lasting several years.

- Generational dialog: To foster exchange among the various generations of people working at Beiersdorf, we have established an initiative to enable our apprentices to become "buddies" to senior employees in order to explore such topics as IT and social media.

Additional information can be found at WWW.BEIERSDORF.COM/CAREER.

tesa

MOVE TO THE NEW TESA HEADQUARTERS

The company's move to Norderstedt was a milestone for tesa in 2015. This took place in three stages: The technology center was the first to move to the new location, followed by headquarters and then the research center. We equipped the new head office with modern workstations designed to encourage interaction among employees from different parts of the business. The move also marked the start of the "It's for you!" health program, which includes the tesa sports club; a sports, fitness, and health area; and advice on ergonomics. Various programs are also available in the area of healthy eating.

SUCCESSION PLANNING AND TALENT MANAGEMENT

Succession planning and talent management are core elements of our HR strategy at tesa. They support us in filling as many management vacancies as possible from within our company's own ranks. In the reporting period, a dedicated tesa competency model was developed that involved managers from all regions. The first step was to apply the new model to feedback discussions involving senior-level managers.

A MOTIVATING WORKING ENVIRONMENT

Employee surveys took place in North America, Asia, and Western Europe in 2015, creating a basis for continuous improvement of the working environment as well as of employee commitment. The very positive results of the survey have been spurring us on to make further enhancements. Surveys will take place in the remaining regions from 2016 on and will be repeated at regular intervals in the future.

INTERNATIONAL TRAINING

For many years, we have used a global training program to successfully prepare all our sales and purchasing staff for their national and international responsibilities. This approach is to be extended to the tesa Supply Network in the future. As a result, the reporting period saw extensive work to develop the relevant program. Our aim is to develop a shared understanding of how to smoothly manage international sales projects.

NEW FOCUS ON VARIABLE REMUNERATION

We also agreed to the Compensation and Benefit Guideline in 2015 and began to implement it internationally. The most important change concerns variable remuneration, which is to move away from individual targets toward targets at the company and team levels. With an increasing number of sales projects being implemented by international teams, this is a more effective approach to measuring and rewarding performance.

Risk Report

Integrated Risk and Opportunity Management

Entrepreneurial success cannot be achieved without consciously taking risks. Risk management helps us to master the risks associated with the strategic objectives of the business and to maximize our strategic potential. Regular strategy reviews ensure that opportunities and risks are reasonably balanced. We incur risks only if there is a corresponding opportunity for an appropriate increase in value and if they can be managed using established methods and measures within our organization. Relevant risks are identified and captured in a structured manner. They are classified based on the estimated probability of occurrence and the potential financial impact if they were to occur.

Risk management is an integral part of central and local planning, management, and control processes, and conforms to consistent standards across the Group. Our open communications policy, the risk inventory carried out at regular intervals, and the planning and management system ensure that our risk situation is presented transparently. Risk management is coordinated at Group headquarters. Our risk management structures and workflows are documented in a dedicated manual.

Accounting-related Internal Control System

An accounting-related internal control system is used to ensure the correctness of the bookkeeping and accounting as well as the reliability of the financial reporting in the consolidated financial statements and the Group Management Report. This integral element of the consolidated accounting process comprises preventive, monitoring, and detective measures designed to ensure security and control in accounting and the operational functions. The security measures and controls reduce the probability of errors occurring and uncover any that are made at an early stage. Among other things, the measures include the separation of functions, manual and IT-based approval processes using the dual control principle, IT checks, access restrictions and authorization concepts for the IT system, and systems-based processes for handling Group accounting data. Procedural instructions, standardized reporting formats, and IT-based reporting and consolidation processes support Group accounting and financial reporting for the companies included in the consolidated financial statements.

Shared service centers provide uniform processing of the core accounting processes at Beiersdorf AG and most of its affiliates. The year of 2015 saw the successful completion of a global roll-out project in relation to this. The basic principles and processes and the reporting structure for Group accounting are documented in an accounting and financial control manual. Legislation, accounting standards, and pronouncements are analyzed for their relevance and impact and taken into account as necessary.

Independent Monitoring

Our Internal Audit department – which serves as the Executive Board's financial control function – monitors risk management and the internal control system by means of systematic and regular audits. The department is independent of the Group's operating activities and uses a risk-based approach to reviewing our business processes and the systems and controls we have put in place. In addition, the external auditors audit the risk early-warning and monitoring system. Both the Internal Audit department and external auditors regularly report their audit findings to the Supervisory Board and, in particular, to its Audit Committee.

Our Risk Profile

STRATEGIC AND SECTOR-SPECIFIC RISKS

Maintaining and increasing the value of our major consumer brands with their broad appeal is of central importance for Beiersdorf's business development. We have geared our risk management system towards protecting the value of our brands. Our compliance with high standards of product quality and safety is the basis for our consumers' continued trust in our brands. We therefore perform in-depth safety assessments, which take into account consumer feedback on earlier products, when developing new products. Our products are subject to the strict criteria of our quality management system throughout the entire procurement, production, and distribution process.

Innovations based on strong research and development are a precondition for consumer acceptance of our products and for the latter's appeal. Prudent brand management captures consumer trends as well as the results of in-depth market and competitive analyses, and at the same time ensures that the brand's core remains intact and is carefully enhanced.

Strong brands that balance innovation and continuity are our response to fierce global competition on price, quality, and innovation. We have laid the groundwork for identifying consumer wishes and reflecting them in the products we develop even faster by developing and implementing the Consumer Insights process. Direct communication with consumers via digital social media is becoming an increasingly important aspect of this. These efforts also counteract the growing retail concentration and the regional emergence of private label products.

Since expertise-based brands require a high degree of upfront investment in innovation and marketing, the continuous expansion of our trademark and patent portfolio plays a key role. In particular, the systematic registration and enforcement of our intellectual property rights prevents imitations and counterfeiting of our products, and thus helps safeguard and further increase the earnings potential previously created. Third-party intellectual property rights are identified and respected when developing new products.

Our management focus on the long-term success of our market activities ensures that we invest in promising markets in terms of both products and regions. At the same time, we ensure that we are generating the funds needed for this in the long term.

SUPPLY CHAIN AND IT RISKS

We counter procurement risks relating to the availability and price of raw materials, merchandise, and services by continuously monitoring our markets and suppliers and ensuring active management of our supplier portfolio as well as by appropriate contract management. Procurement strategies are reviewed regularly and adjusted to reflect internal and external requirements. We counter compliance risks by providing clear management structures and through efficient organizational measures. Occupational safety and environmental and business interruption risks in our production and logistics activities are minimized by process control checks and location-specific audits. We minimize risks relating to the availability, reliability, and efficiency of our IT systems through continuous monitoring and improvements as well as through the establishment of a continuity management system that is an integrated part of our IT operations. We counter selected risks by transferring them to insurance companies.

Cooperation and contacts with universities enable us to build early links to qualified new employees, for whom we have special trainee programs to prepare them for a career at Beiersdorf. Our uniform global talent management process identifies and develops talented specialists and management personnel at all levels and supports the appointment of qualified staff in key positions throughout the company as these become vacant.

FINANCIAL RISKS

We counter the risk of bad debts through detailed monitoring of our customer relationships, active receivables management, and the selective use of trade credit insurance.

Currency, interest rate, and liquidity risks are subject to active treasury management based on global guidelines. They are managed and hedged centrally to a very large extent, whereby the specific requirements for the organizational separation of the trading, settlement, and controlling functions are taken into account. Derivative financial instruments serve primarily to hedge operational activities and financial transactions essential to the business. They do not expose the Group to any additional material risks.

We limit currency risks from intragroup deliveries of goods and services using currency forwards. Generally, 75% of forecasted annual net cash flows are hedged (cash flow hedges on forecasted transactions). Currency risks from cross-border intragroup financing are generally hedged in the market by the central treasury department using currency forwards.

Potential default risks relating to the investment of the Group's liquid funds are limited by only making investments with defined, reliable counterparties. Counterparty risk is monitored on the basis of ratings and the counterparties' liable capital as well as continuously updated risk indicators. These parameters are used to determine maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared regularly with the investments actually made throughout the Group. We have invested the majority of our liquidity in low-risk investments (such as government/corporate bonds and *Pfandbriefe*).

We use liquidity concentration methods and tools at our affiliates in order to optimally manage our investments. Appropriate systems ensure we have transparency concerning our affiliates' remaining funds. Positive balances are registered with central counterparty risk management. Our financial risk management is characterized by the clear allocation of responsibilities, central rules for limiting financial risks as a matter of principle, and the conscious alignment of the instruments deployed with the requirements of our business activities.

Further information on the extent of the currency, interest rate, default, and liquidity risks described above can be found in Note 27 of the consolidated financial statements, "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

LEGAL RISKS

Along with other international companies, the Beiersdorf Consumer Business Segment's Brazilian affiliates are involved in tax proceedings on a national level. However, no conclusive assessment of the risk from the Group perspective is possible at present.

External tax audits can result in additional tax payments at individual companies, potentially with financial penalties and interest payments.

Further information on the extent of the legal risks described above can be found in Note 28 of the consolidated financial statements, "Contingent Liabilities, Other Financial Obligations, and Legal Risks."

OVERALL ASSESSMENT OF THE GROUP'S RISK SITUATION

Our assessment of the risk situation is the result of our examination of all material individual risks listed above. There have been no structural changes in the risk situation compared with the previous year. Based on our current assessment, the Beiersdorf Group is not exposed to any risks that could endanger its continued existence.

Report by the Executive Board on Dealings among Group Companies

In accordance with § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG),* the Executive Board has issued a report on dealings among Group companies which contains the following concluding declaration: "According to the circumstances known to us at the time the transactions were executed or measures were taken or not taken, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the fact that measures were taken or not taken."

Report on Post-Balance Sheet Date Events

No significant events occurred after the end of the fiscal year.

Disclosures Required by Takeover Law

The disclosures required under § 315 (4) *Handelsgesetzbuch* (German Commercial Code, *HGB*) are presented below.

Please refer to the notes to the consolidated financial statements for the disclosures on the composition of the subscribed capital and the disclosures on direct or indirect interests in the share capital exceeding 10% of the voting rights. In addition to this, Michael Herz, Germany, has informed the Executive Board that further shares in Beiersdorf Aktiengesellschaft are attributable to him and that he directly holds shares in Beiersdorf Aktiengesellschaft. In total, the share of voting rights held by Michael Herz in Beiersdorf Aktiengesellschaft amounts to 60.99% (including 9.99% own shares held by Beiersdorf Aktiengesellschaft, which do not bear voting or dividend rights).

The appointment and removal from office of members of the Executive Board are governed by §§ 84 and 85 *Aktiengesetz* (German Stock Corporation Act, *AktG*), § 31 *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*), and § 7 of the Articles of Association. In accordance with § 7 of the Articles of Association, the Executive Board consists of at least three persons; apart from this provision, the Supervisory Board determines the number of members of the Executive Board. The Articles of Association may be amended in accordance with §§ 179 and 133 *AktG* and with § 16 of the Articles of Association. Under § 16 of the Articles of Association, the Supervisory Board is authorized to resolve amendments and additions to the Articles of Association that concern the latter's wording only. Under § 5 (6) of the Articles of Association, the Supervisory Board is authorized in particular to amend and reformulate § 5 of the Articles of Association (Share Capital) following each utilization of authorized or contingent capital.

The Annual General Meeting on March 31, 2015, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until March 30, 2020, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par-value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);

2. to the extent necessary to grant the holders / creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, 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 preemptive rights pursuant to or in accordance with § 186 (3) sentence 4 *AktG*, this must be counted toward the above-mentioned 10% limit (Authorized Capital II);

4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board was also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

In addition, the Annual General Meeting on March 31, 2015, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par value bearer shares. The contingent capital increase will be implemented only to the extent that:

1. the holders or creditors of conversion and / or option rights attached to convertible bonds and / or bonds with warrants issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

The Annual General Meeting on March 31, 2015, also authorized the company in accordance with § 71 (1) no. 8 *AktG* to purchase own shares in the total amount of up to 10% of the existing share capital in the period up to March 30, 2020. The shares shall be purchased via the stock exchange or via a public purchase offer addressed to all shareholders, or a public invitation to tender shares. The Annual General Meeting authorized the Executive Board, with the approval of the Supervisory Board, to sell in whole or in part the own shares purchased on the basis of the above-mentioned or a prior authorization while disapplying the shareholders' preemptive rights, including in a way other than via the stock exchange or via a purchase offer to all shareholders, to the extent that these shares are sold for cash at a price that does not fall materially below the market price of the same class of shares of the company at the time of the sale. The Executive Board was also authorized, with the approval of the Supervisory Board, to sell in whole or in part the own shares acquired in accordance with the above-mentioned or a previous authorization against non-cash consideration while disapplying the preemptive rights of shareholders, particularly to utilize them as consideration or partial consideration in the context of a merger or the acquisition of companies, equity interests in companies (including increases in equity interests), or business units of companies. Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize these own shares in whole or in part, while disapplying the preemptive rights of shareholders, in order to satisfy the subscription and / or conversion rights from convertible bonds and / or bonds with warrants issued by the company or companies in which it holds a direct or indirect majority interest. The Executive Board is further authorized, in the event that own shares are sold to all shareholders, to disapply the preemptive rights of shareholders where this is necessary to eliminate any fractions that may arise. The Executive Board may only make use of the above authorizations to disapply preemptive rights when utilizing own shares to the extent that the total proportion of shares utilized without preemptive rights does not exceed 20% of the share capital either at the time of the resolution by the Annual General Meeting or at the time these authorizations are exercised. If, during the term of this authorization to utilize own shares, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to acquire shares in the company are exercised while disapplying preemptive rights, this must be counted toward the above-mentioned limit. Finally, the Executive Board was authorized, with the approval of the Supervisory Board, to retire the own shares acquired in accordance with the above-mentioned or a prior authorization without requiring an additional resolution by the Annual General Meeting.

The creation of the authorized and contingent capital is intended to put the company in the position of being able to react to growth opportunities and capital market situations quickly and flexibly. The authorization to purchase and utilize own shares enables the company in particular to also offer shares of the company to institutional or other investors and / or to expand the shareholder base of the company, as well as to utilize the purchased own shares as consideration for the acquisition of companies or equity interests in companies (including increases in equity interests), or as part of a merger, i.e. against non-cash consideration.

Report on Expected Developments

Expected Macroeconomic Developments

The **global** economic situation seems on the verge of seeing only moderate improvement in 2016. On the whole, we expect performance to vary greatly. While the industrial countries will benefit from expansive monetary policies and reduced energy prices, we anticipate a slowdown in momentum in the emerging markets. The debt situation in the emerging markets will be negatively impacted by the US Federal Reserve's hike in the key interest rate, the continued rise of the US dollar, and low oil prices. In terms of global economic growth, geopolitical unrest coupled with the unclear economic trend in China are causing substantial uncertainty.

In the **eurozone,** we expect growth in 2016 to be up slightly on the prior year on the back of expansionary monetary policies, low oil prices, and the relatively weak euro. Factors that could put the recovery at risk include ongoing high unemployment in many countries, a lack of appetite for reform in combination with high debt levels in certain European countries, and geopolitical unrest. We anticipate a relatively mixed trend overall, with growth remaining modest due to the still weak economy in some countries.

In **Germany**, we expect growth to outstrip that of the rest of Europe. The stable employment market, low interest rates, and the low price of oil will positively impact consumer spending.

In the **United States**, we expect the economy to grow in 2016. Consumer spending is set to rise as a result of the further decline in unemployment. The increased confidence of American companies and the favorable economic environment are likely to be reflected in an increase in capital expenditure. However, tapering of bond sales and the planned increase in interest rates are a source of uncertainty for the economy and the financial markets.

In **Japan**, we expect growth to be slightly higher than in the previous year due to increases in wage levels and higher consumer spending. Factors that could hold back growth include weak export demand and scheduled fiscal reforms.

In the **growth markets**, we continue to anticipate difficult conditions and a cooling off of the economy. In **China**, we expect growth to be down 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. In **India**, we expect to see slightly higher growth than in the previous year, with continued high single-digit inflation. We likewise anticipate a slight growth increase in the emerging markets of Southeast Asia. In **Brazil**, we expect the recession to continue in 2016 as a result of political uncertainty, a lack of investor confidence, necessary budget reforms, and restrictive fiscal policies aimed at combating inflation. Given the highly protectionist tendencies in many Latin American countries, particularly in Venezuela, Ecuador, and Argentina, developments are difficult to forecast for this area. The Russian economy is being negatively impacted by the fall in oil prices, the depreciation of the ruble, and the consequences of continuing international sanctions. In light of the above factors and a lack of structural reforms, forecasts expect the recession to ease only slightly.

Procurement Market Trends

Commodity markets are expected to remain weak in 2016, with low oil prices persisting and weak demand from China and other regions limiting inflationary pressure in the core material industries that feed Beiersdorf's suppliers of raw and packaging materials. In addition, Beiersdorf has established a strong program of sourcing cost reduction. The combination of these two effects is expected to lead to further overall reductions in material prices in 2016.

Sales Market Trends

We believe that the global growth rate in the cosmetics market – the market relevant for Beiersdorf – will rise only minimally above the prior-year level in 2016. We continue to expect low but stable growth in the major European and North American markets. The emerging markets will make a positive contribution to overall performance, although momentum is likely to continue easing year-on-year.

As in the previous year, geopolitical risks and their impact on the macroeconomic trend will impact tesa's long-term business in 2016. However, stable growth is projected for Europe overall, although the Ukraine conflict and the crisis in Greece may continue to have negative effects on the markets. By contrast, we expect North America to gain significant momentum from the automotive industry in particular. Moreover, we assess the trend in Latin America as positive. Brazil represents an element of uncertainty due to its sustained economic crisis. Our expectations for Asia are highly dependent on the performance of the Chinese economy. For 2016, tesa anticipates moderate growth in Asia, primarily in the automotive segment.

Our Market Opportunities

Market performance will remain mixed in 2016 and competition will continue to increase in some markets. The business strategy set out in the Blue Agenda will allow us to meet the challenges of tomorrow and hence to achieve our objectives. We see strong opportunities both in systematically expanding our presence in the emerging markets and in consolidating our position in our European markets. We aim to drive this process by strengthening our brands – especially NIVEA, Eucerin, and La Prairie – and boosting our innovation power. This analysis underpins our planning for 2016.

We will build on our sound financial structure and strong earnings position together with our dedicated and highly qualified employees to continue exploiting future opportunities with our internationally successful brand portfolio. Extensive research and development activities resulting in successful, consumer-driven innovations will be flanked by targeted marketing measures, strengthening our brand core and creating enduring confidence among our consumers.

tesa's electronics industry business in the Asian region continues to appear attractive. However, only slight growth is projected for that customer segment due to increased competition. The automotive area will maintain its status as an important growth market for global customers. Strategically, we are focusing in particular on developing and expanding high-margin business lines in technologically challenging areas of application. The pharmaceuticals industry continues to represent a new, forward-looking business segment for tesa.

Business Developments

Our assessment of business developments in the coming year is based on the above assumptions.

In light of the macroeconomic forecasts, Beiersdorf is expecting sales growth in the **Consumer** Business Segment to outperform the market at 3–4% in fiscal year 2016. The EBIT margin from operations is expected to slightly exceed the prior-year figure.

In the **tesa** Business Segment, we are predicting sales growth of 2–4% for 2016. The EBIT margin from operations is expected to be similar to the prior-year level.

Building on the forecasts for the two business segments, we are expecting **Group** sales to grow by 3–4%. The consolidated EBIT margin from operations should slightly exceed the prior-year figure.

We firmly believe we are well positioned for the future thanks to our internationally successful brand portfolio, our innovative and high-quality products, and our dedicated employees.

Hamburg, February 2, 2016
Beiersdorf AG

The Executive Board

4. CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

(IN € MILLION)

	Note	2014	2015
Sales	**01**	**6,285**	**6,686**
Cost of goods sold*	02	–2,671	–2,785
Gross profit*		**3,614**	**3,901**
Marketing and selling expenses*	03	–2,300	–2,430
Research and development expenses		–168	–183
General and administrative expenses	04	–330	–366
Other operating income	05	183	186
Other operating expenses	06	–203	–146
Operating result (EBIT)		**796**	**962**
Interest income	07	32	25
Interest expense	07	–7	–14
Net pension result	07	–12	–13
Other financial result	07	2	8
Financial result	**07**	**15**	**6**
Profit before tax		**811**	**968**
Income taxes	08	–274	–297
Profit after tax		**537**	**671**
Of which attributable to			
– Equity holders of Beiersdorf AG		529	660
– Non-controlling interests		8	11
Basic/diluted earnings per share (in €)	**09**	**2.33**	**2.91**

* Change in presentation (cf. p. 54, Significant Accounting Policies).

Statement of Comprehensive Income

(IN € MILLION)

	2014	2015
Profit after tax	**537**	**671**
Remeasurement gains and losses on cash flow hedges	–10	5
Deferred taxes on remeasurement gains and losses on cash flow hedges	4	–2
Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income	*–6*	*3*
Remeasurement gains and losses on available-for-sale financial assets	5	2
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	–2	–1
Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income	*3*	*1*
Exchange differences	35	14
Other comprehensive income that will be reclassified subsequently to profit or loss	**32**	**18**
Remeasurements of defined benefit pension plans	–243	61
Deferred taxes on remeasurements of defined benefit pension plans	77	–20
Remeasurements of defined benefit pension plans recognized in other comprehensive income	*–166*	*41*
Other comprehensive income that will not be reclassified subsequently to profit or loss	**–166**	**41**
Other comprehensive income net of tax	**–134**	**59**
Total comprehensive income	**403**	**730**
Of which attributable to		
– Equity holders of Beiersdorf AG	395	718
– Non-controlling interests	8	12

Balance Sheet

(IN € MILLION)

Assets	Note	Dec. 31, 2014	**Dec. 31, 2015**
Intangible assets	10	119	119
Property, plant, and equipment	11	964	1,054
Non-current financial assets / Securities	14	1,059	1,318
Other non-current assets		3	3
Deferred tax assets	08	195	191
Non-current assets		**2,340**	**2,685**
Inventories	12	786	772
Trade receivables	13	1,275	1,258
Other current financial assets		108	115
Income tax receivables		113	100
Other current assets		170	167
Securities	14	562	858
Cash and cash equivalents	15	976	918
Current assets		**3,990**	**4,188**
		6,330	**6,873**

Equity and liabilities	Note	Dec. 31, 2014	**Dec. 31, 2015**
Share capital	17	252	252
Additional paid-in capital	20	47	47
Retained earnings	21	3,413	3,955
Accumulated other comprehensive income	22	–83	–66
Equity attributable to equity holders of Beiersdorf AG		**3,629**	**4,188**
Non-controlling interests		11	13
Equity		**3,640**	**4,201**
Provisions for pensions and other post-employment benefits	24	627	574
Other non-current provisions	25	73	81
Non-current financial liabilities	26	1	1
Other non-current liabilities	26	3	2
Deferred tax liabilities	08	69	88
Non-current liabilities		**773**	**746**
Other current provisions	25	466	419
Income tax liabilities		130	145
Trade payables	26	1,022	1,152
Other current financial liabilities	26	135	109
Other current liabilities	26	164	101
Current liabilities		**1,917**	**1,926**
		6,330	**6,873**

Cash Flow Statement

(IN € MILLION)

	2014	2015
Profit after tax	**537**	**671**
Reconciliation of profit after tax to net cash flow from operating activities		
Income taxes	274	297
Financial result	–15	–6
Income taxes paid	–335	–277
Depreciation and amortization	179	129
Change in non-current provisions (excluding interest components and changes recognized in OCI)	–25	1
Gain / loss on disposal of property, plant, and equipment, and intangible assets	–17	–45
Gross cash flow	**598**	**770**
Change in inventories	–53	14
Change in receivables and other assets	–213	–2
Change in liabilities and current provisions	65	18
Net cash flow from operating activities	**397**	**800**
Investments in property, plant, and equipment, and intangible assets	–301	–249
Proceeds from the sale of property, plant, and equipment, and intangible assets	33	73
Payments to acquire securities	–816	–839
Proceeds from the sale / final maturity of securities	799	288
Interest received	39	39
Proceeds from dividends and other financing activities	16	33
Net cash flow from investing activities	**–230**	**–655**
Free cash flow	**167**	**145**
Proceeds from loans	56	44
Loan repayments	–47	–59
Interest paid	–7	–13
Other financing expenses paid	–26	–13
Cash dividends paid (Beiersdorf AG)	–159	–159
Cash dividends paid (non-controlling interests)	–9	–10
Net cash flow from financing activities	**–192**	**–210**
Effect of exchange rate fluctuations and other changes on cash held	17	7
Net change in cash and cash equivalents	–8	–58
Cash and cash equivalents as of Jan. 1	**984**	**976**
Cash and cash equivalents as of Dec. 31	**976**	**918**

Statement of Changes in Equity

(IN € MILLION)

				Accumulated other comprehensive income					
	Share capital	Additional paid-in capital	Retained earnings*	Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets	Total attributable to equity holders	Non-controlling interests	**Total**
Jan. 1, 2014	**252**	**47**	**3,209**	**–128**	**3**	**10**	**3,393**	**12**	**3,405**
Total comprehensive income for the period	–	–	363	35	–6	3	395	8	403
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–9	–9
Dec. 31, 2014/Jan. 1, 2015	**252**	**47**	**3,413**	**–93**	**–3**	**13**	**3,629**	**11**	**3,640**
Total comprehensive income for the period	–	–	701	13	3	1	718	12	730
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–10	–10
Dec. 31, 2015	**252**	**47**	**3,955**	**–80**	**–**	**14**	**4,188**	**13**	**4,201**

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

Segment Reporting

(IN € MILLION)

Business segments 2014		Consumer	tesa	Group
Net sales		**5,209**	**1,076**	**6,285**
Change (nominal)	(in %)	2.1	3.6	2.3
Change (organic)	(in %)	4.8	4.4	4.7
Share of Group sales	(in %)	**82.9**	**17.1**	**100.0**
EBITDA		**766**	**209**	**975**
Operating result (EBIT)		**613**	**183**	**796**
as % of sales		11.8	17.0	12.7
Operating result (EBIT, excluding special factors)*		**678**	**183**	**861**
as % of sales		13.0	17.0	13.7
Gross operating capital*		**2,626**	**704**	**3,330**
Operating liabilities*		**1,534**	**203**	**1,737**
EBIT return on net operating capital*	(in %)	56.1	36.6	50.0
Gross cash flow		**455**	**143**	**598**
Capital expenditure**		**201**	**100**	**301**
Depreciation and amortization		**83**	**26**	**109**
Impairment losses on trademarks and goodwill		**70**	**–**	**70**
Research and development expenses		**122**	**46**	**168**
Employees	(as of Dec. 31)	**13,317**	**4,081**	**17,398**

Business segments 2015		Consumer	tesa	Group
Net sales		**5,546**	**1,140**	**6,686**
Change (nominal)	(in %)	6.5	5.9	6.4
Change (organic)	(in %)	3.6	0.4	3.0
Share of Group sales	(in %)	**83.0**	**17.0**	**100.0**
EBITDA		**871**	**220**	**1,091**
Operating result (EBIT)		**771**	**191**	**962**
as % of sales		13.9	16.8	14.4
Operating result (EBIT, excluding special factors)*		**771**	**191**	**962**
as % of sales		13.9	16.8	14.4
Gross operating capital*		**2,584**	**810**	**3,394**
Operating liabilities*		**1,528**	**218**	**1,746**
EBIT return on net operating capital*	(in %)	72.9	32.3	58.4
Gross cash flow		**598**	**172**	**770**
Capital expenditure**		**135**	**114**	**249**
Depreciation and amortization		**100**	**29**	**129**
Impairment losses on trademarks and goodwill		**–**	**–**	**–**
Research and development expenses		**132**	**51**	**183**
Employees	(as of Dec. 31)	**13,549**	**4,110**	**17,659**

* See the disclosures contained in the section entitled "Notes to the Segment Reporting."
** Figures comprise investments in intangible assets and property, plant, and equipment.

Regional Reporting

(IN € MILLION)

Regions 2014		Europe	Americas	Africa / Asia / Australia	Group
Net sales		**3,421**	**1,116**	**1,748**	**6,285**
Change (nominal)	(in %)	0.9	2.2	5.4	2.3
Change (organic)	(in %)	2.4	5.6	9.0	4.7
Share of Group sales	(in %)	**54.4**	**17.8**	**27.8**	**100.0**
EBITDA		**663**	**92**	**220**	**975**
Operating result (EBIT)		**586**	**80**	**130**	**796**
as % of sales		17.1	7.1	7.4	12.7
Operating result (EBIT, excluding special factors)*		**589**	**80**	**192**	**861**
as % of sales		17.2	7.1	11.0	13.7
Capital expenditure**		**196**	**64**	**41**	**301**
Depreciation and amortization		**75**	**12**	**22**	**109**
Impairment losses on trademarks and goodwill		**3**	**–**	**67**	**70**
Employees	(as of Dec. 31)	**10,206**	**2,619**	**4,573**	**17,398**

Regions 2015		Europe	Americas	Africa / Asia / Australia	Group
Net sales		**3,447**	**1,243**	**1,996**	**6,686**
Change (nominal)	(in %)	0.8	11.4	14.1	6.4
Change (organic)	(in %)	1.3	8.1	3.1	3.0
Share of Group sales	(in %)	**51.6**	**18.6**	**29.8**	**100.0**
EBITDA		**707**	**120**	**264**	**1,091**
Operating result (EBIT)		**618**	**104**	**240**	**962**
as % of sales		17.9	8.4	12.0	14.4
Operating result (EBIT, excluding special factors)*		**618**	**104**	**240**	**962**
as % of sales		17.9	8.4	12.0	14.4
Capital expenditure**		**180**	**31**	**38**	**249**
Depreciation and amortization		**89**	**16**	**24**	**129**
Impairment losses on trademarks and goodwill		**–**	**–**	**–**	**–**
Employees	(as of Dec. 31)	**10,255**	**2,770**	**4,634**	**17,659**

* See the disclosures contained in the section entitled "Notes to the Segment Reporting."
** Figures comprise investments in intangible assets and property, plant, and equipment.

Significant Accounting Policies

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, Hamburg (Germany).

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 and body care, and of the manufacture and distribution of technical adhesive tapes.

The consolidated financial statements of Beiersdorf AG for the fiscal year from January 1 to December 31, 2015, were prepared by the Executive Board on February 2, 2016, and subsequently submitted to the Supervisory Board for examination and approval.

General Principles

The consolidated financial statements of Beiersdorf AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), including the IFRS Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the supplementary provisions of German commercial law whose application is required under § 315a (1) *Handelsgesetzbuch* (German Commercial Code, *HGB*). All IFRSs and IFRICs endorsed by the European Commission and required to be applied as of December 31, 2015, were applied.

The consolidated financial statements were prepared using the historical cost convention. Exceptions to this rule relate to financial instruments assigned to the "available for sale" and "at fair value through profit or loss" categories and derivative financial instruments, which are all measured at fair value where such fair value can be reliably determined.

The consolidated income statement was prepared using the cost of sales method. Individual line items have been summarized in the income statement and the balance sheet to aid clarity of presentation. These items are disclosed and explained separately in the notes.

Estimates and Assumptions

Preparation of the consolidated financial statements requires management to make estimates and assumptions to a limited extent that affect the amount and presentation of recognized assets and liabilities, income and expenses, and contingent liabilities. Such estimates and assumptions reflect all currently available information. Significant estimates and assumptions were made in particular in relation to the following accounting policies: impairment testing of goodwill and indefinite-lived intangible assets (Note 10 "Intangible Assets"), write-downs of doubtful receivables (Note 13 "Trade Receivables"), the actuarial assumptions for the defined benefit expense as well as for the present value of pension commitments (Note 24 "Provisions for Pensions and Other Post-Employment Benefits"), the determination of the amount of eligible deferred tax assets (Note 08 "Income Taxes"), and the recognition of other provisions (Note 25 "Other Provisions"). Furthermore, estimates and assumptions are made in particular when determining the useful lives of intangible assets and property, plant, and equipment, and when measuring inventories.

Actual amounts may differ from these estimates. Changes to estimates are recognized in profit or loss when more recent knowledge becomes available.

Consolidation Principles

Acquisition accounting uses the purchase method, under which the cost of the business combination is allocated to the identifiable assets acquired and identifiable liabilities and contingent liabilities assumed, measured at their fair values at the acquisition date. The cost of an acquisition is the sum of the consideration transferred, measured at fair value at the acquisition date, and the non-controlling interests in the acquiree. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Any excess of the cost of the business combination over the acquirer's interest in the net fair values of identifiable assets, liabilities, and contingent liabilities is recognized as goodwill. Costs incurred in the course of the business combination are recognized as an expense.

Profit and equity of subsidiaries attributable to non-controlling interests are presented separately in the consolidated income statement and as a component of equity in the consolidated balance sheet. Losses at a subsidiary are attributed to the non-controlling interests even if this results in a negative balance. In the case of successive purchases of the shares of subsidiaries, the difference between the cost of the new shares and the non-controlling interests previously recognized in the Group for these shares is recognized in other comprehensive income. In a business combination achieved in stages, the effects from acquisition-date fair value remeasurement of previously held equity interests in the acquiree are recognized in the income statement. Subsequent adjustments of contingent consideration are recognized in the income statement.

All intragroup balances, transactions, income, and expenses, and gains and losses on intragroup transactions that are contained in the carrying amounts of assets are eliminated in full.

The consolidated financial statements include Beiersdorf AG and the subsidiaries over which it has control within the meaning of IFRS 10. Control over an investee exists if Beiersdorf AG has direct or indirect power over the investee, is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Currency Translation

The consolidated financial statements have been prepared in euros. The euro is Beiersdorf AG's functional and presentation currency. Unless otherwise indicated, all amounts are rounded to millions of euros (€ million). Each company in the Group defines its own functional currency. As the foreign subsidiaries operate as financially, economically, and organizationally independent entities, their functional currency is always the local currency. The items contained in the financial statements of the company concerned are measured using this functional currency. Foreign currency transactions are initially translated at the spot rate at the transaction date. Non-monetary items that are measured at cost in a foreign currency are translated at the exchange rate at the transaction date. Exchange differences from the translation of monetary items are recognized in income. Monetary assets and liabilities in foreign currency are translated into the functional currency at the closing rate.

At the balance sheet date, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the closing rate. Income and expenses are generally translated at average exchange rates for the fiscal year. Exchange differences arising on this are recognized as a separate component of equity.

The following table shows the changes in the exchange rates for the currencies material to the consolidated financial statements:

EXCHANGE RATE CHANGES (€1 =)

	Average rates		Closing rates	
	2014	**2015**	2014	**2015**
Brazilian real (BRL)	3.1093	3.7426	3.2207	4.3117
Swiss franc (CHF)	1.2127	1.0646	1.2024	1.0835
Chinese yuan (CNY)	8.1543	6.9471	7.5358	7.0608
Pound sterling (GBP)	0.8031	0.7242	0.7789	0.7340
Japanese yen (JPY)	140.5025	133.6308	145.2300	131.0700
Russian ruble (RUB)	51.9326	68.7681	72.3370	80.6736
Thai baht (THB)	42.9878	38.0033	39.9100	39.2480
US dollar (USD)	1.3211	1.1046	1.2141	1.0887

Changes in Accounting Policies

There were no new standards relevant to the Group's business operations to be applied for the first time in 2015. The accounting policies correspond to those applied in the previous year.

The following standards and interpretations relevant for the Beiersdorf Group's business operations have been issued as of December 31, 2015, but are not yet required to be applied for the fiscal year then ended:

- IAS 1 "Presentation of Financial Statements" (on / after January 1, 2016)
  In December 2014, the IASB made changes to IAS 1 "Presentation of Financial Statements" as part of a Disclosure Initiative. The changes provide for the application of the principle of materiality to the whole of the financial statements, even if a standard provides for specific disclosures. We expect the first application of these changes to influence the disclosures in the notes.

- IFRS 9 "Financial Instruments" (on / after January 1, 2018)
  The IASB published the final version of IFRS 9 "Financial Instruments" in July 2014. The new standard harmonizes guidance on the classification and measurement of financial assets and financial liabilities, and introduces a new impairment model for financial assets. In addition, the new hedge accounting requirements published in November 2013 were included in the final version of IFRS 9. These replace the requirements of IAS 39. The effects of the standard are currently being analyzed.

- IFRS 15 "Revenue from Contracts with Customers" (on / after January 1, 2018)
  The IASB issued IFRS 15 in May 2014. The new standard includes a five-step model that must be applied when recognizing revenue from all contracts with customers. It determines the point in time (or period over time) and amount at which revenue must be recognized. The standard also introduces new, extensive disclosures in the notes. Due to an amendment issued in September 2015, the effective date has been deferred by one year until January 1, 2018. The effects of the standard are currently being analyzed. We do not expect any material effects on the consolidated financial statements to arise from the first application of this standard.

Where the amendments or changes have already been adopted by the EU, the date of initial application given relates to the date they are required to be applied for the first time in the EU. Otherwise it relates to the date on which they are required to be applied for the first time that has been specified by the IASB. The standards will be applied at the latest in the year in which they are first required to be applied for entities in the EU.

The IASB has also revised or issued further standards and interpretations that must be applied in future. However, these will have no material effects on the consolidated financial statements.

Change in Income Statement Presentation

Effective as of the beginning of fiscal year 2015, direct expenses for distribution logistics are reported under "cost of goods sold" (previously: "marketing and selling expenses") so as to enhance international comparability of the cost structure. These expenses mainly comprise operating expenses for distribution centers and freight shipments to customers. The prior-year figures have been adjusted accordingly. The change in presentation has no effect on the operating result.

(in € MILLION)

	Jan. 1–Dec. 31, 2014 (old)	Reclassification	**Jan. 1–Dec. 31, 2014 (new)**
Cost of goods sold	–2,367	–304	–2,671
Gross profit	**3,918**	**–304**	**3,614**
Marketing and selling expenses	–2,604	304	–2,300

Significant Accounting Policies

Sales are recognized when goods and products are delivered and the significant risks and rewards incidental to ownership have been transferred to the buyer. Discounts, customer bonuses, and rebates are deducted from sales, as is consideration payable to trading partners in those cases in which the consideration is not matched by a distinct product or service supplied whose fair value can be estimated reliably. The probability of returns is reflected in the recognition and measurement of sales.

Cost of goods sold comprises the cost of internally produced goods sold and the purchase price of merchandise sold. The cost of internally produced goods includes directly attributable costs such as the cost of direct materials, direct labor, and energy, as well as production overheads, including depreciation of production facilities. The cost of goods sold also includes write-downs of inventories. Due to the change in presentation, operating expenses for distribution centers and freight shipments to customers are included in cost of goods sold.

Marketing and selling expenses comprise expenditure on advertising, retail (point of sale) marketing, and similar items. This item also includes write-downs of trade receivables.

Research costs are recognized in profit or loss for the period. Development costs for new products are capitalized if the recognition criteria laid down in IAS 38 are met. This is normally not the case, as the expected future economic benefits cannot be measured reliably until the products are market ready. **Other development costs** (e.g. for information systems) are capitalized as intangible assets if the recognition criteria laid down in IAS 38 are met. Once capitalized, they are amortized using the straight-line method over their expected useful lives.

Purchased **intangible assets** such as patents, trademarks, and software are measured at cost. The carrying amounts of finite-lived intangible assets are reduced by straight-line amortization over their expected useful lives. The useful lives, residual values, and amortization methods are reviewed regularly. Goodwill and indefinite-lived intangible assets are not amortized.

Property, plant, and equipment is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. The useful lives, residual values, and depreciation methods are reviewed annually. The following useful lives are generally applied to the depreciation of items of property, plant, and equipment:

USEFUL LIVES OF PROPERTY, PLANT, AND EQUIPMENT

Buildings	10 to 33 years
Technical equipment and machinery	5 to 15 years
Office and other equipment	3 to 15 years

Production costs of internally manufactured items of property, plant, and equipment are calculated on the basis of attributable direct costs plus an appropriate share of production-related overheads. Interest on borrowings is recognized as a current expense where this does not relate to the production of qualifying assets. Repair and maintenance costs for property, plant, and equipment are also expensed as incurred. Substantial renewals or enhancements that materially increase production capacity or significantly extend the economic life of an asset are capitalized. Correspondingly, components that were previously capitalized and have been replaced by new expenditures to be capitalized are accounted for as disposals. Government grants and subsidies reduce historical cost.

Goodwill and indefinite-lived intangible assets are **tested for impairment** at least once a year; such impairment tests are only conducted for finite-lived intangible assets and property, plant, and equipment if there are indications of impairment. An impairment loss is recognized in profit or loss if the recoverable amount of the asset is lower than its carrying amount. Recoverable amount is identified separately for each asset. If an asset does not generate cash inflows that are largely independent from other assets, recoverable amount is identified on the basis of a group of assets designated as the cash-generating unit. Recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Value in use is calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using capitalization rates for equivalent risks.

If the reasons for an impairment loss recognized in previous years no longer apply, the impairment loss (except for goodwill) is reversed up to a maximum of amortized cost.

Inventories are carried at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is measured using the average cost method. Production cost is calculated as the direct costs plus an appropriate allocation of materials and production overheads, as well as production-related depreciation. It also includes the proportionate costs of company pension arrangements and voluntary social benefits, as well as production-related administrative expenses.

Cash comprises bank balances, cash-on-hand, and checks. **Cash equivalents** are short-term liquid investments that can be converted into a specified amount of cash at any time and are exposed to no more than insignificant fluctuations in value. In accordance with IAS 39, cash and cash equivalents are classified as "loans and receivables."

Non-current assets and disposal groups held for sale and directly associated provisions and liabilities are presented as separate items in the balance sheet if their sale is highly probable and the assets are available for immediate sale in their present condition. Non-current assets held for sale are recognized at the lower of their carrying amount and fair value less costs to sell.

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another entity. Financial assets and financial liabilities are measured at fair value on initial recognition. In the Beiersdorf Group, financial instruments are allocated to the "loans and receivables" (LaR), "held to maturity" (HtM), "available for sale" (AfS), "other financial liabilities" (OFL), and "at fair value through profit or loss" (FVPL) categories. In accordance with IAS 39, derivative financial instruments used for hedges are not assigned to a separate category; within the Beiersdorf Group, they are subsumed under "derivative financial instruments" (DFI).

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Following initial recognition they are valued at amortized cost less any impairment losses using the effective interest method.

Held to maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. They are carried at amortized cost using the effective interest method.

Financial assets available for sale are those non-derivative financial assets that do not fall under other categories and that were classified as "available for sale." They are measured at fair value. The resulting gains and losses are recognized in other comprehensive income. When these financial assets are sold or written down for impairment, the cumulative gains and losses recognized in other comprehensive income are recognized in the income statement. They are measured on the basis of appropriate market prices or by applying suitable valuation techniques. Financial investments in equity instruments for which there is no active market and whose fair value cannot be reliably determined are measured at historical cost.

Financial assets are **tested for impairment** as of each reporting date. Any impairment established or any reversal of impairment losses in subsequent periods is generally recognized immediately in profit or loss. For financial assets available for sale, an impairment loss is recognized in the case of significant or permanent impairment. Reversals of impairment losses on equity instruments are recognized directly in other comprehensive income. Appropriate valuation allowances are charged for identifiable risks relating to trade receivables and other financial assets that are classified as "loans and receivables." The estimated valuation allowance on receivables is based primarily on the results of previous payment behavior and reflects the age structure, any substantial deterioration in creditworthiness, or a high probability of debtor insolvency, as well as changes in the political and macroeconomic environment.

Other financial liabilities are carried at amortized cost using the effective interest method after their initial recognition. Gains and losses resulting from amortization using the effective interest method and from derecognition of liabilities are recognized in income. Liabilities with remaining contractual maturities of more than one year are classified as non-current.

Financial assets and financial liabilities are derecognized when control of the contractual rights is lost, when the obligation specified in the contract is discharged or canceled, or when it has expired.

The Beiersdorf Group uses **derivative financial instruments** to manage current and future currency risks. The instruments concerned are mainly currency forwards. Derivative financial instruments are recognized at fair value. They are reported in the balance sheet in other financial assets or other financial liabilities.

The recognition of changes in the fair values of derivative financial instruments depends on whether these instruments are used as hedging instruments and meet the criteria for hedge accounting under IAS 39. If the criteria are not met despite the existence of an economic hedge, changes in the fair values of derivative financial instruments are recognized immediately in profit or loss.

Derivatives classified as fair value hedges are measured at their fair value. Any resulting changes in fair value are recognized in profit or loss. The carrying amount of the hedged asset or liability is adjusted for the changes in fair value attributable to the hedged risk. Gains or losses resulting from changes in fair value are recognized in profit or loss for the period.

For derivative financial instruments designated as hedging instruments that qualify for hedging accounting as a cash flow hedge, the effective portion of the change in the fair value is recognized in other comprehensive income, net of the related tax effect. The ineffective portion is recognized in profit or loss. When the hedged item (underlying) is settled, the effective portion is also recognized in the income statement.

The **fair value of financial instruments** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, it is assumed that the underlying transaction on which the price is based takes place in either the principal market or the most advantageous market that the Beiersdorf Group has access to. The price is measured using the assumptions that market participants would base pricing on. All financial instruments recognized at fair value in the financial statements are categorized into the following hierarchy levels in accordance with IFRS 13:

- 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.

Financial instruments regularly measured at fair value are reassessed at the end of the fiscal year to determine whether reclassifications have to be made between the levels of the hierarchy. The fair value of financial instruments carried at amortized cost is determined on the basis of the expected future cash flows, using the benchmark interest rates for matching risks and maturities at the balance sheet date.

Provisions for pensions and other post-employment benefits comprise the provisions for defined benefit plans within the Group. Obligations are measured using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. The actuarial computation of the pension provisions is based on market rates of interest as well as projected wage / salary and pension increases, and staff turnover trends. Measurement is performed using the relevant local inputs. In Germany, the mortality rate was based on Heubeck's 2005 mortality tables, while international rates were based on locally recognized mortality tables. The various discount rates used are based on the yields of high-quality corporate bonds with appropriate maturities and currencies and a minimum of an AA rating. Actuarial reports are prepared annually. All assumptions are reviewed for appropriateness at each reporting date.

The amount recognized as a provision comprises the total present value of the defined benefit obligation less the fair value of plan assets available for immediate settlement of obligations. If the fair value of plan assets exceeds the present value of the defined benefit obligation, net assets are only recognized up to the amount of the asset ceiling.

Past service cost is recognized as a component of EBIT in line with the principle of functional allocation, while net interest income is recognized in the financial result. Actuarial gains and losses resulting from changes in actuarial assumptions and deviations between earlier actuarial assumptions and actual developments, as well as from changes in the return on plan assets, are recognized immediately and in full under retained earnings in consolidated equity. They are not recognized in profit or loss later on, but rather remain in consolidated equity.

In the case of defined contribution plans, contributions are made on a statutory, contractual, or voluntary basis to public or private pension insurance plans. The Group does not have any other payment obligations above and beyond the contributions. The contributions are recognized in profit or loss as a component of EBIT.

Other provisions take account of all identifiable future payment obligations, risks, and uncertain obligations of the Group resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably. Such other provisions are mainly due within one year. Non-current provisions expected to be settled after more than one year are discounted as far as the interest effect is material.

Provisions are recognized for restructurings if there is a detailed, formal restructuring plan and there is a valid expectation on the part of those affected that the restructurings will be implemented. Measurement of restructuring provisions only includes expenses that are necessarily entailed by the restructuring and are not associated with the ongoing activities of the entity.

Current **income tax** assets and liabilities for current and future periods are recognized at the expected amount. The tax rates and tax legislation enacted at the reporting date are used to calculate the amount.

Deferred taxes result from temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS balance sheet, and from tax loss carryforwards. Deferred taxes are measured using the balance sheet liability method on the basis of the tax rates expected to be enacted in the individual countries when the temporary differences reverse. These rates are based on the legislation in force at the balance sheet date. No deferred taxes are recognized for differences arising on the initial recognition of assets and liabilities that are not the result of business combinations and do not affect either accountng or taxable profit.

Deferred tax assets in respect of temporary differences, tax loss carryforwards, and tax credits are recognized where it is probable that sufficient taxable profit will be available in future periods against which they can be utilized. Recognized deferred taxes are tested for recoverability every year. Income taxes relating to items recognized in other comprehensive income are not recognized in the income statement but in other comprehensive income.

Current tax assets and liabilities, and deferred tax assets and liabilities, are offset against each other if the Group has a legally enforceable right to offset the current tax assets against current tax liabilities and these relate to income taxes levied on the same taxable entity by the same taxation authority.

Substantially all the risks and rewards incidental to ownership of the assets for which leases have been entered into and the Group is the **lessee** remain with the lessor. The leases are therefore classed as operating leases. Lease payments for operating leases are recognized on a straight-line basis over the term of the lease as expenses for the period in the consolidated income statement.

SUMMARY OF SELECTED MEASUREMENT POLICIES

Balance sheet item	Measurement policy
Assets	
Goodwill	Lower of cost or recoverable amount
Other intangible assets	
indefinite-lived	Lower of cost or recoverable amount
finite-lived	(Amortized) costs
Property, plant, and equipment	(Amortized) costs
Financial assets	
"Loans and receivables" (LaR)	(Amortized) costs
"Held to maturity" (HtM)	(Amortized) costs
"Available for sale" (AfS)	At fair value in other comprehensive income
"At fair value through profit or loss" (FVPL)	At fair value through profit or loss
Inventories	Lower of cost or net realizable value
Trade receivables	(Amortized) costs
Cash and cash equivalents	Nominal amount
Non-current assets and disposal groups held for sale	Lower of (amortized) cost or net realizable value
Equity and liabilities	
Provisions	
Provisions for pensions and other post-employment benefits	Projected unit credit method
Other provisions	Settlement amount (best estimate)
Financial liabilities	(Amortized) costs
Trade payables	(Amortized) costs
Other liabilities	Settlement amount

Notes to the Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and is classified into net cash flows from operating, investing, and financing activities.

Net cash flow from operating activities is determined using the indirect method, while net cash flows from investing and financing activities are determined using the direct method.

Cash funds are composed of cash and cash equivalents that can be converted into cash at any time and that are exposed to no more than insignificant fluctuations in value.

Notes to the Segment Reporting

Segment reporting in the Beiersdorf Group is based on the management of business operations. The breakdown of the Group into the Consumer and tesa business segments reflects the internal organizational structure and the reporting to the Executive Board and the Supervisory Board.

The Beiersdorf Group measures the success of its segments on the basis of sales growth and the operating result (EBIT, excluding special factors) in conjunction with the EBIT margin.

In order to show the global breakdown of business activities in the Beiersdorf Group, information on the geographic regions is presented in addition to the operating segments. The external sales shown for the regions are based on the domiciles of the respective companies.

Group companies domiciled in Germany generated sales of €1,338 million in 2015 (previous year: €1,325 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €752 million (previous year: €664 million).

Organic sales growth is the nominal sales growth adjusted for exchange rate effects and structural effects from acquisitions and divestments.

EBIT excluding special factors represents the operating result (EBIT), adjusted for non-operating one-off business transactions. A reconciliation of the operating result to EBIT excluding special factors is given in the section of the Group Management Report entitled “Results of Operations, Net Assets, and Financial Position.”

EBITDA represents the operating result (EBIT) before depreciation, amortization, and impairment losses.

The **EBIT return on net operating capital** is the ratio of the operating result (EBIT) to net operating capital.

Gross cash flow is the excess of operating income over operating expenses before any further appropriation of funds.

Net operating capital of €1,648 million (previous year: €1,593 million) consists of gross operating capital less operating liabilities. The following table shows the reconciliation of net operating capital to the balance sheet items:

RECONCILIATION OF NET OPERATING CAPITAL TO BALANCE SHEET ITEMS (IN € MILLION)

Assets	Dec. 31, 2014	**Dec. 31, 2015**
Intangible assets	119	119
Property, plant, and equipment	964	1,054
Inventories	786	772
Trade receivables	1,275	1,258
Other receivables and other assets (not including tax receivables)	186	191
Gross operating capital	**3,330**	**3,394**
Gross non-operating assets	3,000	3,479
Total balance sheet assets	**6,330**	**6,873**

Equity and liabilities	Dec. 31, 2014	**Dec. 31, 2015**
Other provisions (not including tax provisions)	539	500
Trade payables	1,022	1,152
Other liabilities (not including tax liabilities)	176	94
Operating liabilities	**1,737**	**1,746**
Equity	3,640	4,201
Non-operating liabilities	953	926
Total balance sheet equity and liabilities	**6,330**	**6,873**

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 18 (previous year: 17) German and 145 (previous year: 146) international companies whose financial and business policies Beiersdorf AG is able to control either directly or indirectly, and from whose activities it can derive economic benefits.

In the year under review, two companies that are included in the consolidated financial statements were newly established. In addition, one company was wound up and one company was sold.

Beiersdorf AG's Shareholdings

Disclosures of Beiersdorf AG's shareholdings are made in the section entitled "Additional Information." The list shows those companies/equity interests in which Beiersdorf AG holds 5 % or more of the shares and/or voting rights.

Significant Acquisitions

The Beiersdorf Group did not make any significant acquisitions in the period under review.

Significant Divestments

The Beiersdorf Group did not make any significant divestments in the period under review.

Exercise of Exemption Options

The following German affiliates included in the consolidated financial statements of Beiersdorf AG exercised the exemption option under § 264 (3) *HGB* in fiscal year 2015:

- Beiersdorf Manufacturing Hamburg GmbH, Hamburg
- Beiersdorf Manufacturing Berlin GmbH, Berlin
- Beiersdorf Manufacturing Waldheim GmbH, Waldheim
- La Prairie Group Deutschland GmbH, Baden-Baden
- Produits de Beauté Logistik GmbH, Baden-Baden
- Produits de Beauté Produktions GmbH, Baden-Baden
- Beiersdorf Shared Services GmbH, Hamburg
- Phanex Handelsgesellschaft mbH, Hamburg

Notes to the Income Statement

01 Sales

Sales amounted to €6,686 million in fiscal year 2015 (previous year: €6,285 million). A breakdown of sales and their development can be found in the segment reporting and reporting by region sections of the management report.

02 Cost of Goods Sold

The cost of goods sold amounted to €2,785 million (previous year: €2,671 million*). This item includes inventories expensed in the reporting period as well as direct expenses for distribution logistics.

03 Marketing and Selling Expenses

Marketing and selling expenses were €2,430 million (previous year: €2,300 million*). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €1,529 million (previous year: €1,486* million).

04 General and Administrative Expenses

General and administrative expenses amounted to €366 million in the past fiscal year (previous year: €330 million). This item comprises personnel expenses and other administration costs, as well as the cost of external services that are not allocated internally to other functions.

* See page 54 on the change in presentation in the income statement.

05 Other Operating Income

(IN € MILLION)

	2014	2015
Gains on disposals of plant and equipment, and other assets	21	54
Income from the reversal of provisions	77	47
Miscellaneous other income	85	85
	183	**186**

Gains on disposals of plant and equipment, and other assets were primarily attributable to the sale to TROMA Alters- und Hinterbliebenenstiftung of office buildings held and used by Beiersdorf AG (€34 million). Income from the reversal of provisions was due among other things to personnel risk provisions, litigation risk provisions, and other provisions that are no longer required. Miscellaneous other income includes prior-period income and income from the reversal of valuation allowances on receivables, among other things.

06 Other Operating Expenses

(IN € MILLION)

	2014	2015
Restructuring expenses	19	28
Exchange losses on operating activities	8	15
Amortization and impairment of intangible assets	73	1
Losses on disposal of non-current assets	2	8
Miscellaneous other expenses	101	94
	203	**146**

Restructuring expenses were largely attributable to ongoing restructurings. Exchange losses on operating activities include a loss of €5 million (previous year: a profit of €5 million) representing the net gain on the fair value measurement of derivative financial instruments that was previously recognized in other comprehensive income. The amortization and impairment losses on intangible assets in the previous year related primarily to write-downs of €67 million on the Chinese hair care brands. Miscellaneous other expenses include additions to provisions for litigation and other risks, as well as miscellaneous other operating expenses.

07 Financial Result

(IN € MILLION)

	2014	2015
Interest income	32	25
Interest expense	–7	–14
Net pension result	–12	–13
Other financial result	2	8
	15	**6**

Interest income primarily results from the “cash and cash equivalents,” “securities,” and “non-current financial assets / securities” positions. The net income from held-to-maturity financial assets contained in this item amounted to €10 million (previous year: €13 million). The prior-year figure contained €9 million in interest income relating to a tax refund. Interest expense primarily results from financial liabilities and expenditure of €7 million resulting from a tax reassessment. The net pension result contains expenses from unwinding the discount on the net pension obligation incurred in previous years. The other financial result contains gains from financial assets, currency gains and losses, and income from investments.

08 Income Taxes

Income tax expense including deferred taxes can be broken down as follows:

(IN € MILLION)

	2014	2015
Current income taxes		
Germany	100	103
International	220	202
	320	305
Deferred taxes	**–46**	**–8**
	274	**297**

RECONCILIATION TO EFFECTIVE TAX EXPENSE

Given an effective tax rate of 30.7% (previous year: 33.8%), the effective tax expense is €38 million (previous year: €59 million) higher than the expected tax expense. The expected tax rate is calculated as the weighted average of the tax rates of the individual Group companies and amounts to 26.8% (previous year: 26.5%).

The following table shows the reconciliation of expected to effective tax expense:

EFFECTIVE TAX EXPENSE (IN € MILLION)

	2014	2015
Expected tax expense given a tax rate of 26.8% (previous year: 26.5%)	215	259
Prior-year taxes	29	2
Tax deductions due to tax-free income	–5	–5
Tax increases due to other non-deductible expenses	47	28
Tax decreases due to the utilization / recognition of previously unrecognized tax loss carryforwards	–19	–5
Tax increases due to non-recognition of tax loss carryforwards	14	8
Other tax effects	–7	10
Effective tax expense	**274**	**297**

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €208 million (previous year: €151 million), whose expiration dates are given below.

EXPIRATION DATES OF TAX LOSS CARRYFORWARDS AND UNUSED TAX CREDITS (IN € MILLION)

	Dec. 31, 2014	Dec. 31, 2015
Expiration date within		
1 year	15	48
2 years	44	17
3 years	20	9
more than 3 years	55	107
Unlimited carryforward period	17	27
	151	**208**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Given the positive assessments of future business development, it is assumed there is a reasonable probability that future taxable income will be sufficient to allow utilization of the deferred tax assets.

Deferred taxes relate to the following balance sheet items and matters:

ALLOCATION OF DEFERRED TAXES (IN € MILLION)

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015
Non-current assets	39	42	45	43
Inventories	24	20	–	–
Receivables and other current assets	12	17	18	22
Provisions for pensions and other post-employment benefits	27	26	12	27
Other provisions	42	47	23	34
Liabilities	60	61	2	2
Retained earnings	–	–	14	16
Loss carryforwards	36	34	–	–
	240	247	114	144
Offset deferred taxes	–45	–56	–45	–56
Deferred taxes recognized in the balance sheet	**195**	**191**	**69**	**88**

The deferred taxes recognized in the balance sheet include a cumulative amount of €118 million (previous year: €141 million) recognized as an increase in equity in other comprehensive income. This resulted from income of €125 million (previous year: €145 million) from the remeasurement of defined benefit obligations, income of €0 million (previous year: €2 million) from the fair value measurement of cash flow hedges, and expenses of €7 million (previous year: €6 million) from the fair value measurement of available-for-sale financial assets. Consequently, deferred taxes in the amount of €–23 million (previous year: €79 million) were recognized in other comprehensive income in the fiscal year.

Deferred taxes are not recognized for retained earnings at foreign affiliates, as these profits are intended to be reinvested indefinitely in those operations from today's perspective. Where distributions are planned, their tax consequences are deferred. The liability is calculated based on the withholding tax rates applicable in each case, taking into account the German tax rate applicable to distributed corporate dividends, where appropriate. Deferred tax liabilities of €16 million (previous year: €14 million) were recognized for this in the reporting period.

09 Basic / Diluted Earnings per Share

Earnings per share for 2015 amounted to €2.91 (previous year: €2.33). The basis for the calculation is the profit after tax excluding profit attributable to non-controlling interests. Beiersdorf AG holds 25,181,016 treasury shares (unchanged). These were deducted from the total of 252,000,000 shares when calculating earnings per share, which resulted in earnings being calculated on the unchanged basis of 226,818,984 shares. As there are no outstanding financial instruments that can be exchanged for shares, there is no difference between diluted and basic earnings per share.

Notes to the Balance Sheet

10 Intangible Assets

COST (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Opening balance Jan. 1, 2014	**373**	**151**	**239**	**763**
Currency translation adjustment	4	–	3	7
Additions	18	–	–	18
Disposals	–9	–	–163	–172
Transfers	6	–	–	6
Closing balance Dec. 31, 2014/Opening balance Jan. 1, 2015	**392**	**151**	**79**	**622**
Currency translation adjustment	–	–	2	2
Additions	8	–	–	8
Disposals	–6	–	–	–6
Transfers	1	–	–	1
Closing balance Dec. 31, 2015	**395**	**151**	**81**	**627**

AMORTIZATION / IMPAIRMENT LOSSES (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Opening balance Jan. 1, 2014	**348**	**63**	**176**	**587**
Currency translation adjustment	3	–	2	5
Additions	12	67	3	82
Disposals	–8	–	–163	–171
Transfers	–	–	–	–
Closing balance Dec. 31, 2014/Opening balance Jan. 1, 2015	**355**	**130**	**18**	**503**
Currency translation adjustment	1	–	–2	–1
Additions	11	–	–	11
Disposals	–5	–	–	–5
Transfers	–	–	–	–
Closing balance Dec. 31, 2015	**362**	**130**	**16**	**508**

CARRYING AMOUNTS (IN € MILLION)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2014	**37**	**21**	**61**	**119**
Dec. 31, 2015	**33**	**21**	**65**	**119**

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 annual impairment test did not result in any adjustment to the carrying amount of these trademarks. The carrying amount was €21 million (previous year: €21 million).

The value of the Beiersdorf Hair Care China's trademarks was calculated on the basis of fair value less costs to sell derived from 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 is based on a discount rate after tax of 7.9% (previous year: 8.8%), a royalty rate of 1.5% (previous year: 1.5%) of sales, and a growth rate outside the planning horizon (growth discount) of 1.0% (previous year: 1.0%). 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 impairment losses or reversals of impairment losses on Beiersdorf Hair Care China's trademarks in the future.

GOODWILL

The carrying amounts of goodwill increased by €4 million compared with the previous year to €65 million (previous year: €61 million) as a result of exchange rate effects.

Goodwill primarily comprises the goodwill of €54 million (previous year: €49 million) attributable to Beiersdorf AG (Switzerland) and the goodwill of €11 million (previous year: €12 million) attributable to NIVEA Beiersdorf Turkey (Turkey). The goodwill is attributable in full to the Consumer Business Segment.

For the purpose of impairment testing, goodwill resulting from business combinations is allocated to the cash-generating units of the Group that are to profit from the synergy effects of the business combination, starting at the acquisition date. The cash-generating units for the items of goodwill mentioned above correspond to the respective legal units.

The recoverable amounts of the cash-generating units were determined using cash flow projections based on the calculation of the value in use for Beiersdorf AG (Switzerland) and the fair value less costs to sell of NIVEA Beiersdorf Turkey (Turkey). Expected costs to sell were assumed to be 1.0% of the fair value (previous year: 1.0%). The estimated future cash flows used for impairment testing are based on the financial planning, with a planning horizon of three years being used in the case of Beiersdorf AG (Switzerland) and of seven years for NIVEA Beiersdorf Turkey (Turkey). Cash flows outside the planning period are extrapolated using individual growth rates, taking relevant market information into account. The growth rate outside the planning horizon (growth discount) for Beiersdorf AG (Switzerland) was 1.0% (previous year: 1.0%). The weighted average discount rate before tax used to discount the estimated cash flows was 6.7% (previous year: 6.5%). In the case of NIVEA Beiersdorf Turkey (Turkey), a growth rate outside the planning horizon (growth discount) of 2.0% (previous year: 2.0%) and a discount rate after tax of 13.5% (previous year: 13.6%) were assumed. Based on the inputs to the valuation techniques used, the fair value measurement was classified as a Level 3 fair value in accordance with IFRS 13.

Planning for the cash-generating units is based on assumptions regarding the significant estimation parameters. The latter included gross margins, discount rates, commodity price trends, market share, and growth rates.

The impairment tests performed on the goodwill allocated to Beiersdorf AG (Switzerland) and NIVEA Beiersdorf Turkey (Turkey) did not reveal any evidence of impairment. In the case of both cash-generating units, the Group assumes that, although changes in these parameters are possible in principle in line with reasonable estimates, the recoverable amount will exceed the carrying amount of the goodwill.

As in the previous year, no internally generated intangible assets were recognized in the fiscal year under review, since the conditions for recognition set out in IAS 38 "Intangible Assets" were not met for the development projects.

11 Property, Plant, and Equipment

COST (IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Opening balance Jan. 1, 2014	**654**	**758**	**506**	**160**	**2,078**
Currency translation adjustment	9	7	5	2	23
Additions	63	49	64	107	283
Disposals	–15	–16	–27	–2	–60
Transfers	3	17	10	–36	–6
Closing balance Dec. 31, 2014/Opening balance Jan. 1, 2015	**714**	**815**	**558**	**231**	**2,318**
Currency translation adjustment	2	7	2	–1	10
Additions	74	57	48	62	241
Disposals	–58	–60	–51	–4	–173
Transfers	72	70	28	–174	–4
Closing balance Dec. 31, 2015	**804**	**889**	**585**	**114**	**2,392**

DEPRECIATION / IMPAIRMENT LOSS (IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Opening balance Jan. 1, 2014	**356**	**558**	**379**	**–**	**1,293**
Currency translation adjustment	4	3	4	–	11
Additions	18	39	40	–	97
Disposals	–9	–12	–24	–	–45
Transfers	–	–1	–1	–	–2
Closing balance Dec. 31, 2014/Opening balance Jan. 1, 2015	**369**	**587**	**398**	**–**	**1,354**
Currency translation adjustment	3	7	1	–	11
Additions	21	45	52	–	118
Disposals	–45	–54	–46	–	–145
Transfers	–	1	–1	–	–
Closing balance Dec. 31, 2015	**348**	**586**	**404**	**–**	**1,338**

CARRYING AMOUNTS (IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2014	**345**	**228**	**160**	**231**	**964**
Dec. 31, 2015	**456**	**303**	**181**	**114**	**1,054**

The carrying amounts of property, plant, and equipment amounted to €1,054 million (previous year: €964 million). Investments in property, plant, and equipment totaled €241 million (previous year: €283 million). Capital expenditures primarily related to Consumer and tesa factories as well as tesa's new headquarters. Depreciation and impairment losses amounted to €118 million (previous year: €97 million).

12 Inventories

(IN € MILLION)

	Dec. 31, 2014	**Dec. 31, 2015**
Raw materials, consumables, and supplies	164	160
Work in progress	52	49
Finished goods and merchandise	560	556
Advance payments	10	7
	786	**772**

Inventories decreased by €14 million compared with the previous year to €772 million, €94 million of which (previous year: €115 million) was carried at net realizable value. Write-downs of inventories amounted to €56 million as of the reporting date (previous year: €61 million).

13 Trade Receivables

(IN € MILLION)

	Dec. 31, 2014	**Dec. 31, 2015**
Carrying amount	**1,275**	**1,258**
Of which neither individually impaired nor past due	1,132	1,083
Of which past due but not individually impaired	132	158
1 to 30 days	100	117
31 to 60 days	10	17
61 to 90 days	–	–
91 to 120 days	6	5
more than 120 days	16	19

The trade receivables are classified as "loans and receivables" in accordance with IAS 39. Write-downs of doubtful receivables entail estimates and assessments of individual receivables, which are based on the credit quality of the individual customers, current economic developments, and analyses of historical defaults. The following changes in specific valuation allowances on trade receivables were recorded:

CHANGES IN SPECIFIC VALUATION ALLOWANCES (IN € MILLION)

	2014	**2015**
as of Jan. 1	**20**	**20**
Currency translation adjustment	1	–1
Additions	6	2
Utilized	–1	–1
Reversals	–6	–5
as of Dec. 31	**20**	**15**

14 Securities

In total, the Beiersdorf Group holds €2,155 million (previous year: €1,603 million) in government and corporate bonds, commercial paper, near-money market retail funds, and equity funds. All bonds are listed. Securities with a carrying amount of €858 million (previous year: €562 million) are expected to be realized within 12 months after the reporting date; securities with a carrying amount of €1,297 million (previous year: €1,041 million) are expected to be realized more than 12 months after the reporting date. The majority of the government and corporate bonds and commercial paper are assigned to the "held to maturity" (HtM) category, while the near-money market retail funds, the equity funds, and certain government bonds are assigned to the "available for sale" (AfS) category. Please refer to Note 27 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

15 Cash and Cash Equivalents

(IN € MILLION)

	Dec. 31, 2014	**Dec. 31, 2015**
Cash	899	898
Cash equivalents	77	20
	976	**918**

Cash comprises bank balances, cash-on-hand, and checks. Cash equivalents are short-term liquid investments, such as money market funds, that can be converted into cash at any time and are exposed to no more than insignificant fluctuations in value.

16 Capital Management Disclosures

The Beiersdorf Group aims to sustainably secure its capital base and generate an appropriate return on its invested capital. As of December 31, 2015, the equity ratio was 61% (previous year: 58%), while the EBIT return on average net operating capital was 58% (previous year: 50%). The total dividends distributed in fiscal year 2015 amounted to €169 million (previous year: €168 million). In the case of the dividend of €159 million (previous year: €159 million) paid by Beiersdorf AG, this corresponds to a distribution of €0.70 per no-par value share bearing dividend rights (previous year: €0.70).

17 Share Capital

The share capital amounts to €252 million (previous year: €252 million) and is composed of 252 million no-par value bearer shares, each with an equal share of the company's share capital. Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf Aktiengesellschaft has held 25,181,016 no-par value shares, corresponding to 9.99% of the company's share capital.

18 Authorized Capital

The Annual General Meeting on March 31, 2015, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until March 30, 2020, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);

2. to the extent necessary to grant the holders / creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, 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 preemptive rights pursuant to or in accordance with § 186 (3) sentence 4 *AktG*, this must be counted toward the above-mentioned 10% limit (Authorized Capital II);

4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board may only make use of the above authorizations to disapply preemptive rights when utilizing own shares to the extent that the total proportion of shares issued without preemptive rights does not exceed 20% of the share capital either on the effective date of these authorizations or when they are exercised. If, during the term of the authorized capital up to its utilization, other authorizations to issue or sell shares of the company or to issue rights that enable or oblige the holder to acquire shares of the company are exercised while disapplying preemptive rights, this must be counted toward the above-mentioned limit.

The Executive Board was also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

19 Contingent Capital

In addition, the Annual General Meeting on March 31, 2015, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par value bearer shares. In accordance with the resolution by the Annual General Meeting, the contingent capital increase will be implemented only if:

1. the holders or creditors of conversion and / or option rights attached to convertible bonds and / or bonds with warrants issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

20 Additional Paid-in Capital

Additional paid-in capital comprises the premium arising from the issue of shares by Beiersdorf AG.

21 Retained Earnings

Retained earnings comprise the net profit for the fiscal year and undistributed profits generated in prior periods by companies included in the consolidated financial statements. In addition, this item contains the actuarial gains and losses on remeasurements of defined benefit pension plans in previous years. The retained earnings are reduced by the cost of the 25,181,016 treasury shares held by Beiersdorf AG amounting to €955 million.

22 Accumulated Other Comprehensive Income

CURRENCY TRANSLATION ADJUSTMENT

The currency translation adjustment equity account serves to recognize differences resulting from the translation of the financial statements of affiliates that do not have the euro as their functional currency.

DIFFERENCE FROM THE FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The equity account for the fair value measurement of financial instruments contains the changes in the fair value of financial derivatives designated as hedging instruments of €0 million (previous year: €–3 million), and changes in the fair value of available-for-sale financial instruments in the amount of €14 million (previous year: €13 million), which are recognized in other comprehensive income after deduction of deferred taxes.

23 Dividends

Under German stock corporation law, dividends are distributed from the net retained profits reported in the single-entity financial statements of Beiersdorf AG. The Executive Board and Supervisory Board will propose a dividend of €0.70 per no-par value share bearing dividend rights to the Annual General Meeting. The proposed distribution must be approved by the shareholders at the Annual General Meeting and therefore is not reported as a liability in the consolidated financial statements.

In accordance with the resolution by the Annual General Meeting on March 31, 2015, a dividend of €0.70 per no-par value share bearing dividend rights was distributed in 2015 from the net retained profits for fiscal year 2014.

24 Provisions for Pensions and Other Post-employment Benefits

Group companies provide retirement benefits under both defined contribution and defined benefit plans. With the exception of the net interest income, the defined benefit and defined contribution expenses are included in the costs of the respective functions. Unwinding of the discount on the net pension obligation that was incurred in previous years is reported in the financial result.

Defined contribution expenses also contain contributions to statutory or state pension insurance funds. There was no material income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review.

PENSION BENEFIT EXPENSES (IN € MILLION)

	2014			**2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Current service cost	22	8	30	31	9	40
Past service cost	–	–1	–1	–	–1	–1
Defined benefit expense (EBIT)	**22**	**7**	**29**	**31**	**8**	**39**
Net interest income attributable to defined benefit plans (pension expense (+)/pension income (–))	**12**	**–**	**12**	**13**	**–**	**13**
Total expenses for defined benefit plans	**34**	**7**	**41**	**44**	**8**	**52**
Defined contribution expense (EBIT)	32	18	50	33	20	53
Total pension benefit expense	**66**	**25**	**91**	**77**	**28**	**105**

DEFINED BENEFIT PENSION PLANS

The structure of the plans varies depending on the legal, economic, and tax situation in the country in question, and the plans are generally based on the employees' length of service, salary, and status, as well as their own contributions. The largest plans are to be found at the German companies.

International defined benefit plans are largely spread across the following countries: the United Kingdom, Switzerland, and the United States. The defined benefit plans in the Netherlands have been settled and replaced by defined contributions plans. The present value of the defined benefit obligations and the balance sheet provisions were attributable to Germany and the other countries as follows as of the reporting date:

RECOGNIZED PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (IN € MILLION)

	Dec. 31, 2014			**Dec. 31, 2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Present value of defined benefit obligations	1,278	276	1,554	1,256	195	1,451
Fair value of plan assets	–681	–256	–937	–710	–179	–889
Net obligation	**597**	**20**	**617**	**546**	**16**	**562**
Amounts not recognized due to asset ceiling	–	1	1	–	2	2
Other recognized amounts	–	9	9	–	10	10
Recognized provisions for pensions and other post-employment benefits	**597**	**30**	**627**	**546**	**28**	**574**

A majority of the defined benefit obligations within the Beiersdorf Group relate to employees in Germany. These are primarily obligations in relation to retirement pensions, disability pensions, and surviving dependents' pensions granted as a supplement to the statutory pension insurance. Pension commitments in Germany largely consist of direct and indirect commitments by Beiersdorf AG and direct commitments by tesa SE. The benefits depend on the employees' length of service and their average salary over the three years immediately preceding the date on which the pension becomes payable. The pension payments to the beneficiaries are adjusted for inflation by at least 1% per annum; this is performed annually in some cases or at the latest every three years.

Defined benefit obligations are funded exclusively by employer payments. Although there is no minimum funding requirement in Germany, both Beiersdorf AG and tesa SE have transferred plan assets to a separate entity. In addition, the benefit plans are protected against the consequences of insolvency in accordance with the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (*BetrAVG*, German Occupational Pensions Improvement Act); annual contributions are made to the *Pensions-Sicherungs-Verein* (German Pension Protection Fund) for this.

Beiersdorf AG has transferred plan assets to an entity with the legal form of a foundation (TROMA Alters- und Hinterbliebenenstiftung, Hamburg). The board of trustees of the foundation is composed of representatives of the company and of the Works Council. The board of trustees delegates the setting and implementation of the investment strategy to an investment committee and reviews it at regular intervals. The investment committee also consists of company representatives and members of the Works Council.

tesa SE's plan assets are invested and managed by an independent trustee via a contractual trust agreement (CTA). An investment committee consisting of representatives of the company and of the Works Council sets the investment strategy. Portfolio performance and the current situation are analyzed at regular intervals and, where necessary, the investment strategy is amended to reflect changed conditions.

To mitigate the risk of changes in capital market conditions and demographic developments, the old pension plans were closed to tesa employees in 2005 and to Beiersdorf employees in 2008. Employees joining the companies after this date can join employee-financed benefit plans. Under these plans, they can save part of their pensionable pay and also receive an employer contribution. The plan assets are invested and managed by independent trustees via a contractual trust agreement (CTA). The employer guarantees a minimum return on contributions of 3.25% per annum until retirement. The pension can be paid in the form of an annuity or as a lump sum.

The expenses for defined benefit plans and the present value of pension commitments are determined on the basis of actuarial calculations.

Measurement is based on the following assumptions:

ACTUARIAL ASSUMPTIONS (IN %)

	2014		**2015**	
	Germany	Other countries	**Germany**	**Other countries**
Discount rates	2.15	2.64	2.25	2.79
Projected wage and salary growth	3.49	2.68	3.49	2.75
Projected pension growth	1.75	2.05	1.75	2.10
Projected staff turnover	2.13	5.82	2.13	6.93

The figures given are averages. The local parameters were weighted using the present values of the relevant defined benefit obligations.

During the period under review, the present value of the defined benefit obligations changed as follows:

CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS (IN € MILLION)

	2014			**2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Present value of defined benefit obligations as of Jan. 1	1,026	229	1,255	1,278	276	1,554
Current service cost	22	8	30	31	9	40
Net interest expense	35	8	43	28	7	35
Actuarial gains (–) and losses (+)	229	34	263	–46	–9	–55
of which experience adjustments	1	1	2	–22	–5	–27
of which due to changes in financial assumptions	227	36	263	–24	–2	–26
of which due to changes in demographic assumptions	1	–3	–2	–	–2	–2
Contributions by plan participants	6	1	7	7	2	9
Pension benefits paid	–40	–10	–50	–42	–12	–54
Currency translation adjustment	–	7	7	–	12	12
Settlement and other changes	–	–1	–1	–	–90	–90
Present value of defined benefit obligations as of Dec. 31	**1,278**	**276**	**1,554**	**1,256**	**195**	**1,451**

"Settlement and other changes" includes €89 million from the plan settlement in the Netherlands.

The funded status of the present value of the Group's defined benefit obligations as of the reporting date was as follows:

FUNDED STATUS OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS (IN € MILLION)

	Dec. 31, 2014			**Dec. 31, 2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Partly or wholly funded defined benefit obligations	1,271	261	1,532	1,248	181	1,429
Unfunded defined benefit obligations	7	15	22	8	14	22
Present value of defined benefit obligations	**1,278**	**276**	**1,554**	**1,256**	**195**	**1,451**

The change in plan assets during the period under review was as follows:

CHANGES IN FAIR VALUE OF PLAN ASSETS (IN € MILLION)

	2014			**2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Fair value of plan assets as of Jan. 1	663	214	877	681	256	937
Return on plan assets	23	8	31	15	7	22
Actuarial gains (+) and losses (–)	–6	27	21	12	–3	9
Actual return on plan assets	**17**	**35**	**52**	**27**	**4**	**31**
Employer contribution	5	6	11	4	7	11
Contributions by plan participants	4	2	6	6	2	8
Pension benefits paid	–8	–8	–16	–8	–11	–19
Currency translation adjustment	–	8	8	–	12	12
Settlement and other changes	–	–1	–1	–	–91	–91
Fair value of plan assets as of Dec. 31	**681**	**256**	**937**	**710**	**179**	**889**

"Settlement and other changes" includes €90 million from the plan settlement in the Netherlands.

In fiscal year 2016, employer additions to plan assets are expected to amount to €13 million. The breakdown of the plan assets as of the reporting date was as follows:

CATEGORIES OF FAIR VALUE OF PLAN ASSETS (IN € MILLION)

	Dec. 31, 2014			**Dec. 31, 2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Equity instruments	155	73	228	128	57	185
Debt instruments	383	156	539	364	92	456
Real estate	96	17	113	154	20	174
Cash and cash equivalents	44	7	51	57	8	65
Other	3	3	6	7	2	9
Fair value of plan assets	**681**	**256**	**937**	**710**	**179**	**889**

The plan assets serve exclusively to meet the benefit obligations. The funding provided for these benefit obligations represents a provision for future cash outflows. The overarching investment policy and investment strategy are based on the goal of generating a return on plan assets in the medium term which, taken together with the contributions, is sufficient to meet the pension obligations. The plan assets are invested in a variety of different asset classes so as to avoid risk clusters.

The equity instruments comprise investments in equity funds and direct investments. In general, these have quoted market prices in a liquid market. Passive index tracker equities funds may contain a limited number of Beiersdorf shares. No Beiersdorf shares are held directly. Of the equity instruments in Germany, 100% are attributable to the mature markets.

Debt instruments may comprise investments in funds and direct investments in bonds. In general, these have quoted market prices in a liquid market. In Germany 52% are attributable to corporate bonds and 48% to government bonds.

The real estate consists of residential and commercial properties. Investments can take the form of both investments in listed real estate funds and directly held properties. Directly held properties are valued annually using expert appraisals. The portfolio included buildings held and used in the amount of €52 million as of the reporting date.

Cash and cash equivalents comprise both cash at banks and units in money market funds.

The following overview provides a breakdown of the weighted average duration of the present values of the defined benefit obligations and a maturity analysis of expected pension payments:

DURATION AND MATURITY ANALYSIS

	Dec. 31, 2014			**Dec. 31, 2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Duration of the present value of the pension obligations (in years)	**15**	**17**	**16**	**18**	**18**	**18**
Maturity analysis of the expected pension payments (in € million)						
up to 1 year	42	7	49	45	5	50
more than 1 and up to 2 years	42	7	49	46	5	51
more than 2 and up to 5 years	134	23	157	149	17	166
more than 5 and up to 10 years	244	43	287	273	39	312

The following sensitivity analysis shows the effect of individual changes in assumptions on the present value of the defined benefit obligations:

SENSITIVITY OF THE DEFINED BENEFIT OBLIGATIONS (IN € MILLION)
Change in present value of defined benefit obligations

	Dec. 31, 2014			**Dec. 31, 2015**		
	Germany	Other countries	Group	**Germany**	**Other countries**	**Group**
Discount rate						
+0.50%	–101	–20	–121	–115	–13	–128
–0.50%	116	22	138	132	15	147
Projected wage and salary growth						
+0.25%	7	1	8	6	1	7
–0.25%	–6	–1	–7	–5	–1	–6
Projected pension growth						
+0.25%	31	4	35	34	4	38
–0.25%	–30	–2	–32	–32	–2	–34
Projected staff turnover						
+0.25%	–1	–	–1	–1	–	–1
–0.25%	1	–	1	1	–	1
Life expectancy						
Increase of one year	51	5	56	55	–	55
Decrease of one year	–49	–5	–54	–53	–	–53

The sensitivity analysis is based on realistic potential changes as of the end of the reporting period. It was performed using a methodology that extrapolates the effect of realistic changes in the key assumptions at the end of the reporting period on the defined benefit obligation. Each change in the key actuarial assumptions was analyzed separately. No interdependencies were taken into account.

25 Other Provisions

(IN € MILLION)

	Personnel expenses	Marketing and selling expenses	Restructuring	Miscellaneous	Total
Opening balance Jan. 1, 2015	**194**	**116**	**5**	**224**	**539**
Of which non-current	*48*	–	–	*25*	*73*
Currency translation adjustment	–1	2	1	–3	–1
Additions	153	12	12	102	279
Utilized	112	72	3	83	270
Reversals	12	3	2	30	47
Closing balance Dec. 31, 2015	**222**	**55**	**13**	**210**	**500**
Of which non-current	*53*	*1*	–	*27*	*81*

Provisions for personnel expenses primarily comprise provisions for annual bonuses, vacation pay, anniversary payments, and severance agreements. The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances. The miscellaneous other provisions include provisions for patent risks amounting to €18 million (previous year: €19 million) and for risks relating to other legal disputes of €68 million (previous year: €62 million); these mainly relate to disputes with other authorities.

26 Liabilities

The contractually agreed undiscounted interest payments on and repayments of non-current liabilities (not including deferred taxes) are as follows:

NON-CURRENT LIABILITIES (IN € MILLION)

2014	Non-current financial liabilities	Other non-current liabilities	Total
Contractual maturities			
2016 – 2019	1	1	2
After 2019	–	2	2
Carrying amount Dec. 31, 2014	**1**	**3**	**4**
2015			
Contractual maturities			
2017 – 2020	1	1	2
After 2020	–	1	1
Carrying amount Dec. 31, 2015	**1**	**2**	**3**

Non-current financial liabilities include financial instruments of €1 million (previous year: €1 million) assigned to the “other financial liabilities” (OFL) category.

The following table gives a breakdown of current liabilities:

CURRENT LIABILITIES (IN € MILLION)

	Dec. 31, 2014	Dec. 31, 2015
Trade payables (OFL)	**1,022**	**1,152**
Other current financial liabilities	**135**	**109**
Other financial liabilities (OFL)	112	95
Negative fair value of derivatives (DFI)	23	14
Other current liabilities	**164**	**101**
Other tax liabilities	73	83
Social security liabilities	11	11
Other miscellaneous liabilities	80	7
	1,321	**1,362**

Other financial liabilities primarily relate to short-term bank loans amounting to €37 million (previous year: €52 million) as well as other financial obligations in the amount of €58 million (previous year: €60 million). As the current liabilities have remaining contractual maturities of less than 12 months as of the reporting date, their carrying amounts at the balance sheet date correspond approximately to their fair value.

27 Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments

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

(IN € MILLION)

		Measurement category under IAS 39			
2014	Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	**Fair value Dec. 31**
Assets					
Loans and receivables (LaR)	*2,345*	*2,345*	–	–	*2,345*
Non-current financial assets	8	8	–	–	8
Trade receivables	1,275	1,275	–	–	1,275
Other current financial assets	86	86	–	–	86
Cash and cash equivalents	976	976	–	–	976
Available-for-sale financial assets (AfS)	*334*	*10*	*324*	–	*334*
Non-current financial assets	10	10	–	–	10
Securities	324	–	324	–	324
Held-to-maturity financial investments (HtM)	*1,279*	*1,279*	–	–	*1,352*
Securities	1,279	1,279	–	–	1,352
Derivative financial instruments used for hedges (DFI)	*19*	–	*16*	*3*	*19*
Derivative financial instruments not included in a hedging relationship (FVPL)	*3*	–	–	*3*	*3*
Liabilities					
Other financial liabilities (OFL)	*1,135*	*1,135*	–	–	*1,135*
Non-current financial liabilities	1	1	–	–	1
Trade payables	1,022	1,022	–	–	1,022
Other current financial liabilities	112	112	–	–	112
Derivative financial instruments used for hedges (DFI)	*23*	–	*21*	*2*	*23*
2015					
Assets					
Loans and receivables (LaR)	*2,283*	*2,283*	–	–	*2,283*
Non-current financial assets	12	12	–	–	12
Trade receivables	1,258	1,258	–	–	1,258
Other current financial assets	95	95	–	–	95
Cash and cash equivalents	918	918	–	–	918
Available-for-sale financial assets (AfS)	*552*	*10*	*542*	–	*552*
Non-current financial assets	10	10	–	–	10
Securities	542	–	542	–	542
Held-to-maturity financial investments (HtM)	*1,612*	–	*1,612*	–	*1,622*
Securities	1,612	–	1,612	–	1,622
Derivative financial instruments used for hedges (DFI)	*18*	–	*13*	*5*	*18*
Derivative financial instruments not included in a hedging relationship (FVPL)	*2*	–	–	*2*	*2*
Liabilities					
Other financial liabilities (OFL)	*1,247*	*1,247*	–	–	*1,247*
Non-current financial liabilities	–	–	–	–	–
Trade payables	1,152	1,152	–	–	1,152
Other current financial liabilities	95	95	–	–	95
Derivative financial instruments used for hedges (DFI)	*14*	–	*13*	*1*	*14*
Derivative financial instruments not included in a hedging relationship (FVPL)	*1*	–	–	*1*	*1*

The following overview shows the IFRS 13 fair value hierarchy levels used to classify financial instruments that are measured at fair value on a recurring basis:

(IN € MILLION)

	Fair value hierarchy under IFRS 13			
Dec. 31, 2014	Level 1	Level 2	Level 3	**Total**
Assets				
Available-for-sale financial assets (AfS)	*324*	–	–	*324*
Securities	324	–	–	324
Derivative financial instruments used for hedges (DFI)	–	*19*	–	*19*
Derivative financial instruments not included in a hedging relationship (FVPL)	–	*3*	–	*3*
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	*23*	–	*23*
Dec. 31, 2015				
Assets				
Available-for-sale financial assets (AfS)	*542*	–	–	*542*
Securities	542	–	–	542
Derivative financial instruments used for hedges (DFI)	–	*18*	–	*18*
Derivative financial instruments not included in a hedging relationship (FVPL)	–	*2*	–	*2*
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	*14*	–	*14*
Derivative financial instruments not included in a hedging relationship (FVPL)	–	*1*	–	*1*

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.

No transfers between hierarchy levels took place in the fiscal year.

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.

RISK MANAGEMENT PRINCIPLES

As a result of its operations, the Beiersdorf Group is exposed to various risks such as currency risk, interest rate risk, and default risk.

Derivative financial instruments are used to hedge the operational business and material financial transactions. The transactions are conducted exclusively with marketable instruments. IFRS 7 requires sensitivity analyses, which show the effects of hypothetical changes in relevant risk variables on profit or loss and equity, to be used in presenting market risk. For the Beiersdorf Group, this mainly relates to currency risk. The effects are ascertained by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date. It is assumed that the portfolio at the reporting date is representative for the year as a whole.

CURRENCY RISK

Currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in exchange rates.

Currency risk within the meaning of IFRS 7 arises through monetary financial instruments that are reported in a currency other than the functional currency.

Exchange rate differences arising from the translation of financial statements of affiliates into the Group currency are not included. Relevant risk variables are therefore basically all non-functional currencies in which financial instruments are held by the Beiersdorf Group. As a result of the Beiersdorf Group's international orientation and emphasis on the eurozone, the euro serves as the key currency. Consequently, the Beiersdorf Group is exposed to risks through financing measures and operational activities when other currencies fluctuate against the euro.

As a matter of principle, currency risks relating to cross-border intragroup financing are hedged centrally in full and at matching maturities using currency forwards (fair value hedges). Owing to these hedging activities, the Beiersdorf Group is not exposed to any significant currency risks in its financing activities as of the balance sheet date. Gains and losses on these currency forwards are offset in full by gains and losses on the hedged items.

With regard to operations, a majority of cash flows in non-functional currencies in the Beiersdorf Group are generally hedged up to 36 months in advance using standard currency forwards. These transactions are recorded, measured, and managed centrally in the treasury management system. As a result, the Beiersdorf Group is not exposed to any significant currency risks in its operations as of the balance sheet date.

Since material non-derivative financial instruments are either denominated directly in the functional currency or transformed into the functional currency through the use of derivatives, changes in the exchange rate do not have any material effects on profit and loss or equity. Consequently, the Beiersdorf Group is primarily only exposed to currency risk arising from currency forwards which are designated as hedging instruments and which meet the criteria for recognition as cash flow hedges on forecasted transactions. Changes in market prices largely affect the hedging reserve in equity and the fair values of the hedging transactions.

The fair value of the currency forwards at the balance sheet date was €5 million (previous year: €–1 million), and their notional value was €1,422 million (previous year: €1,167 million). €1,414 million (previous year: €1,144 million) of the forward contracts have a remaining maturity of up to one year, and €8 million (previous year: €23 million) have a remaining maturity of between one and two years. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

If the euro had appreciated by 10% against all currencies as of December 31, 2015, the hedging reserves in equity and the fair values of the currency forwards would have increased by €29 million (previous year: €38 million) and profit would have decreased by €8 million (previous year: €4 million). If the euro had depreciated by 10%, the hedging reserves in equity and the fair values of the currency forwards would have decreased by €38 million (previous year: €47 million) and profit would have increased by €10 million (previous year: €5 million).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates.

Because of the small volume of non-current financial instruments and the absence of derivative interest rate contracts, changes in fair values are of no more than minor significance for the Beiersdorf Group. At present, financial instruments with maturities of up to four years are held. These are subject to interest rate risk within the meaning of IFRS 7 for the entire fiscal year.

If the interest rates at the quarter-ends of the fiscal year had been 100 basis points higher (lower) in each case than the yield curve, the financial result would have been €9 million (previous year: €9 million) and accumulated other comprehensive income would have been €0 million (previous year: €0 million) higher (lower).

DEFAULT RISK

The Beiersdorf Group is exposed to default risk within the scope of its financing activities and in its operations. In order to minimize this risk as much as possible, financing transactions are only entered into with counterparties with prime credit ratings. Receivables relating to operating activities are monitored continuously; potential defaults are accounted for using specific and collective valuation allowances. The maximum default risk can be seen from the carrying amount of each financial asset recognized in the balance sheet. The total carrying amount of the financial assets was €4,467 million as of December 31, 2015 (previous year: €3,980 million). In the area of trade receivables, default risks are partly covered by corresponding insurance policies.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulties in meeting the obligations associated with its financial liabilities. As a result of the large amount of cash and cash equivalents as well as securities held as of the balance sheet date, the Beiersdorf Group is not currently exposed to any liquidity risk. Additionally, in order to ensure the liquidity and financial flexibility of the Beiersdorf Group at all times, liquidity reserves are maintained in the form of credit lines.

Other Disclosures

28 Contingent Liabilities, Other Financial Obligations, and Legal Risks

(IN € MILLION)

	Dec. 31, 2014	Dec. 31, 2015
Contingent liabilities		
Liabilities under guarantees	36	73
Other financial obligations		
Obligations under rental and lease agreements:	75	138
– due within the next year	26	37
– due in 1 to 5 years	41	89
– due after more than 5 years	8	12
Obligations under purchase commitments:	297	241
– due within the next year	174	124
– due in 1 to 5 years	123	117

The aggregate nominal amount of the other financial obligations was €378 million (previous year: €372 million).

The state of São Paulo is demanding retroactive tax payments of approximately €100 million (previous year: €150 million) from our Consumer Business Segment's Brazilian subsidiaries for the years 2005 to 2009. The amount is lower compared with the previous year due to exchange rate changes. State tax authorities allege that VAT on imports should have been paid in São Paulo state instead of the Brazilian state of landing. The authorities have reached final decisions on all five proceedings. All cases have now been transferred to financial court proceedings. Further retroactive tax payment notices of a similar amount may be issued for the years 2011 to 2015. Potential claims for back taxes for the year 2010 are now time-barred. We do not consider utilization to be probable in any of these cases. The Brazilian courts are not expected to reach a final decision for a number of years.

Some of our affiliates are currently undergoing tax audits. This may lead to expenses in the future. Precise information as to their amount is not yet available.

29 Employees and Personnel Expenses

The breakdown of employees by function is as follows:

EMPLOYEES (AS OF DEC. 31)

	2014	2015
Production	5,230	5,380
Marketing and sales	7,842	7,904
Other functions	4,326	4,375
	17,398	**17,659**

AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

	2014	2015
Production	5,114	5,381
Marketing and sales	7,794	7,937
Other functions	4,249	4,391
	17,157	**17,709**

A breakdown of employees by Beiersdorf Group segment can be found in the segment reporting. Personnel expenses amounted to €1,170 million (previous year: €1,106 million).

30 Auditor's Fees

The Annual General Meeting on March 31, 2015, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the auditors of Beiersdorf AG and the Beiersdorf Group for fiscal year 2015.

The following table gives an overview of the total fee charged by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft:

FEES PAID TO THE GROUP AUDITORS (IN € THOUSAND)

	2014	2015
Audit services	1,318	1,309
Other assurance services	20	25
Tax advisory services	134	187
Other services	–	495
	1,472	**2,016**

31 Declaration of Compliance with the German Corporate Governance Code

In December 2015, Beiersdorf AG's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2015 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

32 Shareholdings of the Executive Board and Supervisory Board

For the disclosures required by section 6.2 of the German Corporate Governance Code, please see subsection 2 of the Directors' Dealings and Shareholdings of the Executive and Supervisory Boards section of the corporate governance report.

33 Related Party Disclosures – Individuals

The requirements of IAS 24 apply to key management personnel of the company, their immediate family members, as well as the companies they control. In the Beiersdorf Group, this concerns the members of the Executive and Supervisory Boards.

For fiscal year 2015, the members of the Supervisory Board received remuneration totaling €1,414 thousand (previous year: €1,413 thousand) and the members of the Executive Board received remuneration totaling €18,926 thousand (previous year: €13,300 thousand). €2,217 thousand (previous year: €1,581 thousand) of the Executive Board's total remuneration relates to long-term benefits (Multi-year Bonus) and €9,331 thousand (previous year: €7,196 thousand) to additions to the provisions for Enterprise Value Components. The short-term employee benefits (fixed basic remuneration and Bonus) including ancillary benefits amounted to €7,378 thousand (previous year: €4,523 thousand). For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the remuneration report in the section entitled "Corporate Governance." The remuneration report forms part of the consolidated financial statements and the Group management report. Payments to former members of the Executive Board and their dependents totaled €2,283 thousand (previous year: €2,267 thousand). Provisions for pension obligations to former members of the Executive Board and their dependents totaled €40,381 thousand (previous year: €40,402 thousand).

With the exception of the remuneration disclosed in the remuneration report, there were no material transactions between the members of Beiersdorf AG's Executive Board or Supervisory Board and the companies of the Beiersdorf Group in the fiscal year. The same applies to the immediate family members of these persons.

34 Related Party Disclosures – Entities

Since March 30, 2004, maxingvest ag has held more than 50% of Beiersdorf AG's share capital. Accordingly, Beiersdorf AG is a dependent company within the meaning of § 312 (1) sentence 1 in conjunction with § 17 (2) *AktG*. Since no control agreement exists between Beiersdorf AG and maxingvest ag, the Executive Board of Beiersdorf AG prepares a report on dealings among Group companies in accordance with § 312 (1) sentence 1 *AktG*. In fiscal year 2015, as in the previous year, Beiersdorf AG and its affiliated companies and maxingvest ag and its affiliated companies pooled purchase volumes to achieve cost benefits, as well as sourcing products from each other on a very small scale at standard market terms. There was also limited collaboration in particular with respect to marketing campaigns and in the area of market research and quality control.

Additional related party information:

Beiersdorf AG sold real estate amounting to €34 million to TROMA Alters- und Hinterbliebenenstiftung in an arm's length transaction.

35 Shareholdings in Beiersdorf AG

Beiersdorf AG received the following notifications in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the balance sheet (February 2, 2016).* In each case, the disclosures represent the disclosers' most recent notification to the company, to the extent that additional notifications are not required to be provided for reasons of transparency.

1.

a) Voting right notifications in accordance with § 21 (1) *WpHG* dated April 2, 2004, April 14, 2004, and April 16, 2004.
   The persons subject to the disclosure requirement (the "disclosers") listed in the table below notified Beiersdorf Aktiengesellschaft on April 2, 2004, April 14, 2004, and April 16, 2004, in accordance with § 21 (1) *WpHG* that they had, for the first time, exceeded the 50% threshold and held 50.46% (42,386,400 voting rights) of Beiersdorf Aktiengesellschaft as of March 30, 2004.

   After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution of the 9.99% (8,393,672 own shares) held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*, the disclosers in accordance with § 21 (1) *WpHG* each exceeded the 50% threshold for the first time as of February 3, 2004, and each held a 59.95% share (50,360,072 voting rights) in Beiersdorf Aktiengesellschaft as of this date. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

   The disclosers' total share of voting rights as of March 30, 2004, amounted to 60.45% (50,780,072 voting rights) in each case instead of 50.46% (42,386,400 voting rights).

   All shares of voting rights are attributable to the disclosers, with the exception of Tchibo Holding AG, in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*. 30.36% (25,500,805 voting rights) is attributable to Tchibo Holding AG (which now trades under the name of maxingvest ag) in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*; at the time, it directly held 20.10% (16,884,000 voting rights).

* The following disclosures do not reflect the 1:3 share split resolved by the company's Annual General Meeting on May 17, 2006, because they were received before this date. As a result of this share split, each no-par value share of the company with a notional interest in the share capital of €2.56 was split into three no-par value shares with a notional interest in the share capital of €1.00 each (following the increase of the share capital without the issue of new shares).

The chains of controlled companies are as follows:

Discloser*	Discloser's domicile and country of residence or of domicile	Disclosures in accordance with § 17 (2) *Verordnung zur Konkretisierung von Anzeige, Mitteilungs- und Veröffentlichungspflichten sowie der Pflicht zur Führung von Insiderverzeichnissen nach dem Wertpapierhandelsgesetz* (Regulation setting out in detail the disclosure, notification, and announcement duties as well as the duty to maintain a list of insiders in accordance with the *WpHG, WpAIV*) (controlled companies via which the voting rights are effectively held and whose attributed share of the voting rights amounts to 3% or more) at the time of § 17 (1) no. 6 *WpAIV*
SPM Beteiligungs- und Verwaltungs GmbH	Norderstedt, Germany	Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
EH Real Grundstücksverwaltungs-gesellschaft mbH	Norderstedt, Germany	Scintia Vermögensverwaltungs GmbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Scintia Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Trivium Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Michael Herz	Germany	SPM Beteiligungs- und Verwaltungs GmbH, Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Wolfgang Herz	Germany	EH Real Grundstücksverwaltungsgesellschaft mbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Scintia Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Max und Ingeburg Herz Stiftung	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
maxingvest ag (up to September 12, 2007 trading under the name of Tchibo Holding AG)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

* The following parties have since disclosed that they hold 0% (0 voting rights): EH Real Grundstücksgesellschaft mbH & Co. KG (Norderstedt, Germany); Agneta Peleback-Herz (Germany); Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (Hamburg, Germany); Coro Vermögensverwaltungsgesellschaft mbH (Hamburg, Germany); Ingeburg Herz GbR (Norderstedt, Germany). Ingeburg Herz passed away during financial year 2015.

To clarify: The own shares held by Beiersdorf Aktiengesellschaft do not bear voting or dividend rights in accordance with § 71b *AktG*.

b) Voting right notification in accordance with § 21 (1) *WpHG* dated December 29, 2004. The voting right notification issued on December 29, 2004, by Tchibo Holding AG (which now trades under the name of maxingvest ag) in accordance with § 21 (1) *WpHG* disclosed that Tchibo Beteiligungsgesellschaft mbH (which now trades under the name of BBG Beteiligungsgesellschaft mbH) exceeded the 50% threshold for the first time when it acquired 20.10% of the voting rights in Beiersdorf Aktiengesellschaft from Tchibo Holding AG, and that it held 50.46% (42,386,400 voting rights) of Beiersdorf Aktiengesellschaft as of December 22, 2004.

   After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* of the 9.99% (8,393,672 own shares) acquired as part of the buy-back program, Tchibo Beteiligungsgesellschaft mbH exceeded the 50% threshold in accordance with § 21 (1) *WpHG* for the first time as of December 22, 2004, and held 60.45% of the voting rights in Beiersdorf Aktiengesellschaft (50,780,072 voting rights) as of this date. A total of 40.35% (33,894,477 voting rights) was attributable to Tchibo Beteiligungsgesellschaft mbH. The chain of controlled companies is as follows: Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

c) Voting right notification in accordance with § 21 (1) *WpHG* dated March 11, 2008. E.H. Real Grundstücksverwaltungsgesellschaft mbH's voting right notification dated March 11, 2008, is hereby revoked. E.H. Grundstücksverwaltungsgesellschaft mbH's share of voting rights also exceeded the 3, 5, 10, 15, 20, 25, 30, and 50% thresholds as of January 15, 2007, and continued to do so thereafter and, including the 9.99% held by Beiersdorf Aktiengesellschaft (25,181,016 own shares) after adjustment for the increase of the share capital from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006, continues to amount to 60.45% in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (152,340,216 voting rights after the adjustment for the increase of the share capital from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006).

2.

In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 *WpHG* (former version), Beiersdorf Aktiengesellschaft also announced that it had exceeded the threshold of 5% of the voting rights in its own company on February 3, 2004, and that a share of 9.99% has been attributable to it since then. The own shares held by the company do not bear voting or dividend rights in accordance with § 71b *AktG*.

Beiersdorf AG Boards

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod	Seevetal	Manager Regulatory Affairs / Quality Management, Beiersdorf AG	
Beatrice Dreyfus (from January 29, 2016)	Frankfurt am Main	Investment Manager, Novum Capital Beratungsgesellschaft mbH	Member of the Supervisory Board: – Stylepark AG
Frank Ganschow	Kiebitzreihe	Chairman of the Works Council of tesa SE	Member of the Supervisory Board: – tesa SE (intragroup)
Michael Herz	Hamburg	Member of the Executive Board of maxingvest ag	Chairman of the Supervisory Board: – Tchibo GmbH Member of the Supervisory Board: – tesa SE (intragroup)
Thomas Holzgreve Deputy Chairman (until August 31, 2015)	Bad Oldesloe	Member of the Executive Board of maxingvest ag	Member of the Supervisory Board: – Tchibo GmbH
Thorsten Irtz Deputy Chairman	Stapelfeld	Chairman of the Works Council of Beiersdorf AG	
Matthias Locher	Offenburg	Supplier Development, tesa Werk Offenburg GmbH	Member of the Supervisory Board: – tesa SE (intragroup)
Dr. Dr. Christine Martel*	Frederiksberg, Denmark	Business Manager, Nescafé Dolce Gusto Nordics, Nestlé Danmark A/S, Denmark	
Tomas Nieber	Stade	Head of Department – Economic and Industry Policy, Industriegewerkschaft Bergbau, Chemie, Energie	Member of the Supervisory Board: – maxingvest ag Member of the Advisory Board: – Qualifizierungsförderwerk Chemie GmbH
Isabelle Parize (until January 28, 2016)	Orcq, Belgium	Chief Executive Officer of Nocibé SAS, France Managing Director, Parfümerie Douglas GmbH, Southern Europe and Private Labels	Member of the Conseil d'Administration: – Air France-KLM Group S.A., France
Frédéric Pflanz (from September 1, 2015) Deputy Chairman	Hamburg	Member of the Executive Board of maxingvest ag	
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer, P+P Pöllath + Partners, Munich	Chairman of the Supervisory Board: – maxingvest ag Member of the Supervisory Board: – Tchibo GmbH – Wanzl GmbH & Co. Holding KG
Prof. Manuela Rousseau*	Rellingen	Head of Corporate Social Responsibility at Beiersdorf AG Headquarters Professor at the Academy of Music and Theater, Hamburg	Member of the Supervisory Board: – maxingvest ag
Poul Weihrauch	Waterloo, Belgium	Member of the Management, Mars, Inc., USA, Global President Petcare	

* The Supervisory Board's diversity officers.

SUPERVISORY BOARD COMMITTEES

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Committee	Members of the Mediation Committee
– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Michael Herz** – **Thomas Holzgreve** (until August 31, 2015) – **Thorsten Irtz** – **Frédéric Pflanz** (from September 3, 2015)	– **Dr. Dr. Christine Martel** (Chairwoman) – **Dr. Andreas Albrod** – **Thomas Holzgreve** (until August 31, 2015) – **Tomas Nieber** – **Frédéric Pflanz** (from September 3, 2015) – **Prof. Dr. Reinhard Pöllath**	– **Thomas Holzgreve** (Chairman until August 31, 2015) – **Frédéric Pflanz** (Chairman since September 3, 2015) – **Dr. Andreas Albrod** – **Dr. Dr. Christine Martel** – **Tomas Nieber** – **Prof. Dr. Reinhard Pöllath**	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Thomas Holzgreve** (until August 31, 2015) – **Dr. Dr. Christine Martel** – **Isabelle Parize** (until January 28, 2016) – **Frédéric Pflanz** (from September 3, 2015)	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Dr. Andreas Albrod** – **Thomas Holzgreve** (until August 31, 2015) – **Thorsten Irtz** – **Frédéric Pflanz** (from September 3, 2015)

EXECUTIVE BOARD*

Name	Function / Responsibilities		Memberships
Stefan F. Heidenreich	Chairman	Corporate Development, Internal Audit, Pharmacy Japan, La Prairie Group Germany / Switzerland, China, North America Supply Chain (Purchasing, Production, Logistics, Quality Assurance) (acting)	
Jesper Andersen (from May 18, 2015)	Finance	Finance, Controlling, Legal, Compliance, IT	
Ralph Gusko	Consumer Brands, R&D	Brand Management Consumer, Research & Development Far East (Northeast and Southeast Asia (excluding China and Japan), Australia) (acting)	
Thomas Ingelfinger	Europe	Europe (excluding Germany / Switzerland)	Member of the consiglio di amministrazione: – Davide Campari-Milano S.p.A., Italy
Zhengrong Liu	Human Resources, Corporate Communication	Human Resources, Corporate Communication, Sustainability – Labor Relations Director –	
Stefan De Loecker	Near East	Africa, Near East, Middle East, India, Turkey, Russia / Ukraine / CIS	
Dr. Ulrich Schmidt	Finance	Finance, Controlling, Legal, Compliance, IT Latin America (acting)	**

*In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf AG also hold offices in comparable supervisory bodies at Group companies and investees.
**Chairman of the Supervisory Board: tesa SE, Hamburg (intragroup).

Hamburg, February 2, 2016
Beiersdorf AG

The Executive Board

5. AUDITORS’ REPORT AND RESPONSIBILITY STATEMENT

Auditors' Report

We have audited the consolidated financial statements prepared by Beiersdorf Aktiengesellschaft, Hamburg, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement, and notes to the consolidated financial statements, together with the Group Management Report for the fiscal year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the Group Management Report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law under § 315a (1) of the *Handelsgesetzbuch* (German Commercial Code, *HGB*) are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the Group Management Report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 *HGB* and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (Institute of Public Auditors in Germany, *IDW*). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group Management Report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group Management Report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the annual financial statements of those entities included in the consolidated financial statements, the determination of entities to be included in consolidation, the accounting and consolidation principles used, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law under § 315a (1) *HGB*, and give a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the consolidated financial statements, as a whole provides a suitable view of the Group's position, and suitably presents the opportunities and risks of future development.

Hamburg, February 3, 2016
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

LUDWIG
German Public Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Hamburg, February 2, 2016
The Executive Board

STEFAN F. HEIDENREICH
Chairman of the
Executive Board

DR. ULRICH SCHMIDT
Member of the
Executive Board

JESPER ANDERSEN
Member of the
Executive Board

RALPH GUSKO
Member of the
Executive Board

THOMAS INGELFINGER
Member of the
Executive Board

STEFAN DE LOECKER
Member of the
Executive Board

ZHENGRONG LIU
Member of the
Executive Board

6.
ADDITIONAL INFORMATION

Annual Financial Statements of Beiersdorf AG in Accordance with the *HGB* (Condensed)*

INCOME STATEMENT – BEIERSDORF AG (IN € MILLION)

	2014	2015
Sales	**1,138**	**1,161**
Other operating income	114	127
Cost of materials	–274	–273
Personnel expenses	–235	–273
Depreciation and amortization of property, plant, and equipment, and intangible assets	–25	–19
Other operating expenses	–553	–574
Operating result	**165**	**149**
Financial result	281	262
Result from ordinary activities	**446**	**411**
Extraordinary result	**–**	**–**
Income taxes	–64	–74
Profit after tax	**382**	**337**

BALANCE SHEET – BEIERSDORF AG (IN € MILLION)

Assets	Dec. 31, 2014	Dec. 31, 2015
Intangible assets	20	12
Property, plant, and equipment	97	96
Financial assets	1,608	1,623
Non-current assets	**1,725**	**1,731**
Inventories	4	5
Receivables and other assets	598	645
Securities	1,579	2,127
Cash and cash equivalents	271	155
Current assets	**2,452**	**2,932**
Prepaid expenses	**3**	**6**
Deferred tax assets	**9**	**19**
Excess of plan assets over post-employment benefit liability	**3**	**–**
	4,192	**4,688**

Equity and liabilities	Dec. 31, 2014	Dec. 31, 2015
Equity	**2,257**	**2,435**
Provisions for pensions and other post-employment benefits	449	475
Other provisions	184	235
Provisions	**633**	**710**
Liabilities to banks	–	–
Trade payables	54	61
Other liabilities	1,248	1,482
Liabilities	**1,302**	**1,543**
Deferred tax liabilities	**–**	**–**
	4,192	**4,688**

* The full version of Beiersdorf AG's annual financial statements and management report, together with the unqualified audit opinion by the auditors, is published in the *Bundesanzeiger* (Federal Gazette) and is filed with the companies register. The annual financial statements and the management report of Beiersdorf AG are also available online at WWW.BEIERSDORF.COM.

Ten-year Overview

(IN € MILLION)
(unless otherwise stated)

		2006	2007[1]	2008[1]	2009[1]	2010[1/2]	2011[1]	2012[1]	2013[1]	2014[1]	2015
Sales		**5,120**	**5,507**	**5,971**	**5,748**	**5,571**	**5,633**	**6,040**	**6,141**	**6,285**	**6,686**
Change against prior year (nominal)	(in %)	7.2	7.6	8.4	–3.7	7.8	1.1	7.2	1.7	2.3	6.4
Consumer		4,327	4,661	5,125	5,011	4,698	4,696	5,048	5,103	5,209	5,546
tesa		793	846	846	737	873	937	992	1,038	1,076	1,140
Europe[4]		3,717	3,909	4,090	3,767	3,450	3,414	3,417	3,390	3,421	3,447
Americas		738	782	832	851	932	993	1,149	1,092	1,116	1,243
Africa / Asia / Australia[4]		665	816	1,049	1,130	1,189	1,226	1,474	1,659	1,748	1,996
EBITDA		**660**	**738**	**911**	**722**	**804**	**704**	**850**	**926**	**975**	**1,091**
Operating result (EBIT)		**477**	**616**	**797**	**587**	**583**	**431**	**698**	**820**	**796**	**962**
Profit before tax[3]		**851**	**644**	**822**	**583**	**553**	**440**	**713**	**815**	**811**	**968**
Profit after tax[3]		**668**	**442**	**567**	**380**	**326**	**259**	**454**	**543**	**537**	**671**
Return on sales after tax	(in %)	13.0	8.0	9.5	6.6	5.9	4.6	7.5	8.8	8.5	10.0
Earnings per share[3]	(in €)	2.93	1.93	2.48	1.65	1.40	1.10	1.96	2.35	2.33	2.91
Total dividend – equity holders		136	159	204	159	159	159	159	159	159	159
Dividend per share	(in €)	0.60	0.70	0.90	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Beiersdorf's shares – year-end closing price		**49.12**	**53.00**	**42.00**	**45.93**	**41.53**	**43.82**	**61.88**	**73.64**	**67.42**	**84.16**
Market capitalization as of Dec. 31		12,378	13,356	10,584	11,574	10,466	11,043	15,594	18,557	16,990	21,208
Research and development expenses		**118**	**127**	**149**	**149**	**152**	**163**	**159**	**154**	**168**	**183**
as % of sales		2.3	2.3	2.5	2.6	2.7	2.9	2.6	2.5	2.7	2.7
Employees as of Dec. 31		**17,172**	**21,101**	**21,766**	**20,346**	**19,128**	**17,666**	**16,605**	**16,708**	**17,398**	**17,659**
Intangible assets		30	357	398	382	306	172	185	176	119	119
Property, plant, and equipment		740	699	727	725	716	635	685	785	964	1,054
Non-current financial assets		8	7	11	10	438	686	712	804	1,059	1,318
Inventories		548	598	634	561	632	699	734	733	786	772
Receivables and other assets[3]		940	1,123	2,085	2,149	2,030	2,142	2,446	2,316	2,426	2,692
Cash and cash equivalents		1,230	1,117	613	767	973	941	834	984	976	918
Equity[3]		**1,790**	**2,070**	**2,460**	**2,636**	**2,920**	**3,016**	**3,143**	**3,405**	**3,640**	**4,201**
Liabilities[3]		**1,706**	**1,831**	**2,008**	**1,958**	**2,175**	**2,259**	**2,453**	**2,393**	**2,690**	**2,672**
Provisions[3]		809	781	729	750	812	824	977	997	1,166	1,074
Trade payables		485	573	690	699	863	946	1,036	973	1,022	1,152
Other liabilities[3]		412	477	589	509	500	489	440	423	502	446
Total equity and liabilities[3]		**3,496**	**3,901**	**4,468**	**4,594**	**5,095**	**5,275**	**5,596**	**5,798**	**6,330**	**6,873**
Equity ratio[3]	(in %)	51	53	55	57	57	57	56	59	58	61

[1] Figures include special factors. For fiscal years 2014 and 2015, please refer to the disclosures in the section "Result of Operations – Group" of the Group Management Report.
[2] The figures from fiscal year 2010 onwards reflect an amended definition of sales and are not fully comparable with the previous years.
[3] The figures for fiscal year 2012 have been adjusted due to the retrospective application of IAS 19 (2011).
[4] The figures for fiscal year 2012 have been adjusted due to the reclassification of the Consumer Business Segment's Turkish affiliate from Western Europe to Africa / Asia / Australia.

Beiersdorf AG's Shareholdings

GERMANY

Name of the company	Registered office	Equity interest (in %)
La Prairie Group Deutschland GmbH	Baden-Baden	100.00
Produits de Beauté Logistik GmbH	Baden-Baden	100.00
Produits de Beauté Produktions GmbH	Baden-Baden	100.00
Beiersdorf Manufacturing Berlin GmbH	Berlin	100.00
GUHL IKEBANA GmbH	Darmstadt	10.00
Beiersdorf Beteiligungs GmbH	Gallin	100.00
Beiersdorf Customer Supply GmbH	Hamburg	100.00
Beiersdorf Dermo Medical GmbH	Hamburg	100.00
Beiersdorf Hautpflege GmbH	Hamburg	100.00
Beiersdorf Immo GmbH	Hamburg	100.00
Beiersdorf Immobilienentwicklungs GmbH	Hamburg	100.00
Beiersdorf Manufacturing Hamburg GmbH	Hamburg	100.00
Beiersdorf Shared Services GmbH	Hamburg	100.00
NOIMMO Erste Projekt GmbH & Co. KG	Hamburg	100.00
one tesa Bau GmbH	Norderstedt	100.00
Phanex Handelsgesellschaft mbH	Hamburg	100.00
Tape International GmbH	Gallin	100.00
tesa Converting Center GmbH	Hamburg	100.00
tesa Grundstücksverwaltungsges. mbH & Co. KG	Hamburg	100.00
tesa SE	Norderstedt	100.00
tesa Werk Hamburg GmbH	Hamburg	100.00
Ultra Kosmetik GmbH	Hamburg	100.00
tesa scribos GmbH	Heidelberg	100.00
tesa Labtec GmbH	Langenfeld	100.00
tesa Werk Offenburg GmbH	Offenburg	100.00
Beiersdorf Manufacturing Waldheim GmbH	Waldheim	100.00

EUROPE

Name of the company	Registered office	Equity interest (in %)
Beiersdorf CEE Holding GmbH	AT, Vienna	100.00
Beiersdorf Ges mbH	AT, Vienna	100.00
La Prairie Group Austria GmbH	AT, Vienna	100.00
tesa GmbH	AT, Vienna	100.00
SA Beiersdorf NV	BE, Brussels	100.00
SA tesa	BE, Brussels	100.00
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00
tesa tape Schweiz AG	CH, Bergdietikon	100.00
Beiersdorf AG	CH, Reinach	100.00
La Prairie Group AG	CH, Volketswil	100.00
Laboratoires La Prairie SA	CH, Volketswil	100.00
Beiersdorf spol. s.r.o.	CZ, Prague	100.00
tesa tape s.r.o.	CZ, Prague	100.00
tesa A/S	DK, Birkerød	100.00
Beiersdorf A/S	DK, Copenhagen	100.00
Beiersdorf Manufacturing Argentona, S.L.	ES, Argentona	100.00
tesa tape, S.A.	ES, Argentona	100.00
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00

EUROPE (continued)

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Holding SL	ES, Tres Cantos	100.00
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00
Beiersdorf SA	ES, Tres Cantos	100.00
Beiersdorf Oy	FI, Turku	100.00
tesa Oy	FI, Turku	100.00
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00
Beiersdorf Holding France	FR, Paris	100.00
Beiersdorf s.a.s.	FR, Paris	99.91
tesa s.a.s.	FR, Savigny-le-Temple	100.00
BDF Medical Ltd.	GB, Birmingham	100.00
Beiersdorf UK Ltd.	GB, Birmingham	100.00
La Prairie (UK) Limited	GB, London	100.00
tesa UK Ltd.	GB, Milton Keynes	100.00
Beiersdorf Hellas AE	GR, Gerakas	100.00
tesa tape AE	GR, Gerakas	100.00
Beiersdorf d.o.o.	HR, Zagreb	100.00
Beiersdorf Kft.	HU, Budapest	100.00
Tartsay Beruházó Kft.	HU, Budapest	100.00
tesa tape Ragasztószalag Termelö ès Kereskedelmi Kft.	HU, Budapest	100.00
Beiersdorf ehf	IS, Reykjavík	100.00
Comet SpA	IT, Concagno Solbiate	100.00
Beiersdorf SpA	IT, Milan	100.00
La Prairie S.p.A.	IT, Milan	100.00
tesa SpA	IT, Vimodrone	100.00
Beiersdorf Kazakhstan LLP	KZ, Almaty	100.00
tesa tape UAB	LT, Vilnius	100.00
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00
Beiersdorf Holding B.V.	NL, Amsterdam	100.00
Beiersdorf NV	NL, Amsterdam	100.00
tesa Western Europe B.V.	NL, Amsterdam	100.00
tesa BV	NL, Hilversum	100.00
Beiersdorf AS	NO, Oslo	100.00
tesa AS	NO, Oslo	100.00
Beiersdorf Manufacturing Poznan Sp. z o.o.	PL, Poznan	100.00
NIVEA Polska Sp. z o.o.	PL, Poznan	100.00
tesa tape Sp. z o.o	PL, Poznan	100.00
Beiersdorf Portuguesa, Limitada	PT, Queluz	100.00
tesa Portugal – Produtos Adhesivos, Lda.	PT, Queluz	100.00
Beiersdorf Romania SRL	RO, Bucharest	100.00
tesa tape SRL	RO, Cluj-Napoca	100.00
Beiersdorf d.o.o.	RS, Belgrade	100.00
Beiersdorf LLC	RU, Moscow	100.00
La Prairie Group (RUS) LLC	RU, Moscow	100.00
tesa tape OOO	RU, Moscow	100.00
Beiersdorf Aktiebolag	SE, Gothenburg	100.00
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00
tesa AB	SE, Kungsbacka	100.00
Beiersdorf d.o.o.	SI, Ljubljana	100.00

EUROPA (continued)

Name of the company	Registered office	Equity interest (in %)
tesa tape posrednistvo in trgovina d.o.o.	SI, Ljubljana	100.00
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
Beiersdorf Ukraine LLC	UA, Kiev	100.00

AMERICAS

Name of the company	Registered office	Equity interest (in %)
Beiersdorf S.A.	AR, Buenos Aires	100.00
tesa tape Argentina S.R.L.	AR, Buenos Aires	99.75
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00
tesa Brasil Limitada	BR, Curitiba	100.00
Beiersdorf Industria e Comercio Ltda.	BR, Itatiba	100.00
BDF NIVEA LTDA.	BR, São Paulo	100.00
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00
Beiersdorf Chile S.A.	CL, Santiago de Chile	100.00
Beiersdorf S.A.	CL, Santiago de Chile	100.00
tesa tape Chile S.A.	CL, Santiago de Chile	100.00
Beiersdorf S.A.	CO, Bogotá	100.00
tesa tape Colombia Ltda	CO, Santiago de Cali	100.00
BDF Costa Rica, S.A.	CR, San José	100.00
Beiersdorf, SRL	DO, Santo Domingo	100.00
Beiersdorf S.A.	EC, Quito	100.00
BDF Centroamérica, S.A.	GT, Guatemala City	100.00
tesa tape Centro America S.A.	GT, Guatemala City	100.00
BDF Corporativo, S.A. de C.V.	MX, Mexico City	100.00
BDF México, S.A. de C.V.	MX, Mexico City	100.00
Technical Tape Mexico SA de CV	MX, Mexico City	100.00
tesa tape Mexico SRL de CV	MX, Mexico City	100.00
Beiersdorf Manufacturing México, S.A. de C.V.	MX, Silao	100.00
Beiersdorf Manufacturing México Servicios, S.A. de C.V.	MX, Silao	100.00
BDF Panamá S.A.	PA, Panama City	100.00
HUB LIMITED S.A.	PA, Panama City	100.00
Beiersdorf S.A.C.	PE, Lima	99.81
Beiersdorf S.A.	PY, Asunción	100.00
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00
tesa tape inc.	US, Charlotte, NC	100.00
LaPrairie.com LLC	US, Edison, NJ	100.00
La Prairie, Inc.	US, New York City, NY	100.00
Beiersdorf, Inc.	US, Wilton, CT	100.00
Beiersdorf North America Inc.	US, Wilton, CT	100.00
Beiersdorf S.A.	UY, Montevideo	100.00
Beiersdorf S.A.	VE, Caracas	100.00

AFRICA / ASIA / AUSTRALIA

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Middle East FZCO	AE, Dubai	100.00
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00
Beiersdorf Australia Ltd	AU, North Ryde, NSW	100.00
La Prairie Group Australia Pty. Ltd.	AU, North Ryde, NSW	100.00
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00
Beiersdorf Daily Chemical (Guangzhou) Co., Ltd.	CN, Guangzhou	100.00
La Prairie Hong Kong Ltd.	CN, Hong Kong	100.00
tesa tape (Hong Kong) Ltd.	CN, Hong Kong	100.00
La Prairie (Shanghai) Co. Ltd.	CN, Shanghai	100.00
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00
tesa (Shanghai) Trading Co. Ltd.	CN, Shanghai	100.00
tesa Plant (Suzhou) Co. Ltd.	CN, Suzhou	100.00
Beiersdorf Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	100.00
Beiersdorf Personal Care (China) Co., Ltd.	CN, Xiantao	100.00
Beiersdorf Ghana Limited	GH, Accra	100.00
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00
Beiersdorf India Pvt. Limited	IN, Mumbai	51.00
Nivea India Pvt. Ltd.	IN, Mumbai	100.00
tesa tapes (India) Private Limited	IN, Navi Mumbai	100.00
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00
La Prairie Japan K.K.	JP, Tokyo	100.00
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00
tesa tape K.K.	JP, Tokyo	100.00
Beiersdorf East Africa Limited	KE, Nairobi	100.00
Alkynes Co. Ltd.	KR, Gyeonggi-do	25.01
Beiersdorf Korea Ltd.	KR, Seoul	100.00
La Prairie Korea Ltd	KR, Seoul	100.00
tesa tape Korea Ltd.	KR, Seoul	100.00
Beiersdorf S.A.	MA, Casablanca	100.00
tesa tape (Malaysia) Sdn. Bhd.	MY, Kajang	100.00
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Kajang	99.99
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00
Beiersdorf Philippines Incorporated	PH, Bonifacio Global City	100.00
Beiersdorf Singapore Pte Limited	SG, Singapore	100.00
tesa Plant (Singapore) Pte. Ltd.	SG, Singapore	100.00
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00
Beiersdorf Manufacturing (Thailand) Co., Ltd.	TH, Samutprakarn	100.00
tesa tape (Thailand) Limited	TH, Bangkok	90.10
Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00
Beiersdorf Vietnam LLC	VN, Ho Chi Minh City	100.00
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Umhlanga	100.00

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Financial Calendar

2016

March 31
Annual General Meeting

April 1
Dividend Payment

May 4
Quarterly Statement
January to March 2016

August 4
Half-Year Report
2016

November 3
Quarterly Statement
January to September 2016

2017

January
Publication of
Preliminary Group Results 2016 (Sales)

February
Publication of Annual Report 2016,
Annual Accounts Press Conference,
Financial Analyst Meeting

April
Annual General Meeting

May
Quarterly Statement
January to March 2017

August
Half-Year Report
2017

November
Quarterly Statement
January to September 2017

Beiersdorf

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