

PRESS RELEASE

Strategic Partnership with NetEase Kaola: Beiersdorf Expands eCommerce Presence in China

- Beiersdorf enters strategic partnership with the largest online retail platform for imports in China
- Kaola alliance opens access to more than 900 million users for Beiersdorf with NIVEA
- Hamburg's First Mayor Dr. Peter Tschentscher emphasizes the importance of the trade relations between Hamburg's economy and China

Hamburg, May 14, 2018 – After the successful cooperation with JD.com and Alibaba, Beiersdorf is now entering a strategic partnership with NetEase Kaola, China's leading online platform for cross-border trade. The boom in import goods in China has brought Kaola high double-digit growth rates since its founding just three years ago. The partnership gives Beiersdorf with its NIVEA brand access to this market, which grew by 80.6% in 2017 compared to the previous year¹. Today NetEase Kaola CEO Zhang Lei and Beiersdorf Board Member for Asia & Brands Ralph Gusko met in the Hamburg City Hall in order to seal their strategic alliance in the presence of Hamburg mayor Peter Tschentscher.

“The Senate supports and promotes trade relations between the Hamburg economy and China. Today's strategic partnership between Hamburg's Dax company, Beiersdorf, and China's largest cross-border eCommerce platform, Kaola.com, represents a major step forward in trade between our Hanseatic city and Asia's largest economy,” said Peter Tschentscher, First Mayor of the Free and Hanseatic City of Hamburg. Particularly in the area of eCommerce China offers enormous potential, that Beiersdorf is taking advantage of more and more through long-term partnerships with local industry leaders. “Through the cooperation with NetEase Kaola we can further expand our online presence in the important Chinese market and move closer to local consumers,” Ralph

¹ General Administration of Customs (GAC) China, February 2018

Gusko, Beiersdorf Board Member for Asia & Brands, explained. eCommerce is one of the essential drivers of Beiersdorf's growth. Viewed as a country, eCommerce will rank among the 5 highest-revenue affiliates of Beiersdorf this year. "In the mass market in particular this is an above average result. The partnership with Kaola takes us to the next level," Gusko continued. In the last year, NIVEA's cross-border eCommerce business in China achieved significant above-market growth.

For Zhang Lei, CEO of NetEase Kaola, the cooperation with the world's largest skin care brand* NIVEA means another important step in expanding trade relations with Europe: "For Western countries entering the complex Chinese market is often associated with hurdles. We are pleased and very proud to be able to build bridges for a globally successful and popular brand like NIVEA." In China "Made in Germany" brands stand for especially high quality and reliability. This is a trend that supports Beiersdorf's growth in China and that the company can use for its other brands, too. "In addition to NIVEA we have other strong brands in our portfolio," Gusko said. "Our partnership is just beginning. We look forward to continuing to develop it together with Kaola in the future."

About Kaola.com

Since its founding in 2015 Kaola (www.kaola.com) has become the leading cross-border online retail platform in China. Kaola wants to offer Chinese consumers the highest quality products in the world through a secure supply chain that protects the intellectual property of the manufacturer and prevents the trade of fake goods. On Kaola.com more than 3,000 brands from over 80 countries are sold. Kaola has 12 subsidiaries in China, Germany, the U.S., Italy, Japan, South Korea and Australia. Kaola is a subsidiary of NetEase, one of China's largest internet companies.

About Beiersdorf AG

Beiersdorf AG is a leading provider of innovative, high-quality skin care products and has over 135 years of experience in this market segment. The Hamburg-based company has about 19,000 employees worldwide and is listed on the DAX, the German benchmark equities index. Beiersdorf generated sales of €7.1 billion in financial year 2017. Its product portfolio comprises strong, international leading skin and body care brands including NIVEA – the world's largest skin care brand* – Eucerin, Hansaplast/Elastoplast, and La Prairie. Millions of people around the world choose the Beiersdorf brands every day for its innovative, high-quality products. Further renowned brands such as Labello, Florena, 8x4, Hidrofugal, arix, Aquaphor, SLEK, and Maestro round off the extensive portfolio. Beiersdorf's wholly owned affiliate tesa SE, another

globally leading manufacturer in its field, supplies self-adhesive products and system solutions to industry, craft businesses, and consumers.

* Source: Euromonitor International Limited; NIVEA by umbrella brand name in the categories Body Care, Face Care, and Hand Care; in retail value terms, 2016.

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