ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT

AS OF DECEMBER 31, 2012

BDF

Beiersdorf

Our Brands

Beiersdorf's outstanding brands are at home all over the world.

The NIVEA brand has enjoyed market success for over 100 years and is the world's largest skin care brand* today. Our success in all skin care categories and market segments is attributable not only to NIVEA but also to our other leading brands: Eucerin for medical skin care and La Prairie for luxurious anti-aging skin care. Other brands – including Hansaplast, 8x4, Florena, Labello, atrix, and SLEK – round out our portfolio and are specially geared towards regional markets, individual consumer needs, and specific areas of application.

* Source: Euromonitor International Limited; NIVEA by global brand name in the categories Body Care, Face Care and Hand Care; in retail value terms, 2011.

Contents

Report by the Supervisory Board

The Supervisory Board advised and supervised the Executive Board, who provided comprehensive written and oral reports on the company's accounting and management, and in particular on the planning and development of the business, on risk management, as well as on the company's position and the business outlook. The full Supervisory Board and its committees discussed material business transactions in detail. In the periods between meetings, the Executive Board reported to the Chairman of the Supervisory Board in particular.

THE SUPERVISORY BOARD'S WORK

Six regular and two extraordinary **Supervisory Board meetings** were held. Items regularly covered were current business developments, including the interim financial statements and significant individual transactions. We granted the necessary approvals after careful examination. No Supervisory Board members were present at less than half of the meetings held. Members of the Supervisory Board attended two company training events on internal auditing and risk management. There were no indications of potential conflicts of interest relating to Executive Board and Supervisory Board members.

On **February 6, 2012**, we determined the extent to which the Executive Board met its targets in 2011 and confirmed the annual bonus targets for 2012. In addition, we also addressed the preliminary results and annual financial statements, and tesa SE's location investment project.

On **February 23, 2012**, we adopted the 2011 annual financial statements and consolidated financial statements, resolved the Report by the Supervisory Board and the Corporate Governance Report, including the Remuneration Report, and endorsed the agenda and the motions proposed for the 2012 Annual General Meeting. We approved the construction of a new production facility in Mexico and the extension of a logistics services agreement.

We held two meetings on **April 26, 2012**, and prepared the Annual General Meeting that followed the first of them. After the Annual General Meeting, we discussed the implementation status of the Executive Board's projects. We elected Dr. Dr. Christine Martel, who had been elected to the Supervisory Board at the Annual General Meeting, to the Nomination Committee. In addition, we elected Dr. Andreas Albrod, who was to join the Supervisory Board as a replacement employee representative, to the Audit and Finance Committee as of August 1, 2012.

In the extraordinary meeting on **June 11, 2012**, we accepted Mr. Ümit Subaşı's resignation from his Executive Board contract as of July 31, 2012. At the same time, we renewed Mr. Ralph Gusko's appointment. We also addressed the remuneration of the Executive Board and the company's master real estate planning.

On **September 7, 2012**, we looked at the company's strategy, the implementation status of projects, an analysis of shareholder value, and the remuneration of the Executive Board. We approved the investment in the new tesa location and the acquisition of the shares in the Turkish affiliate previously held by a third party.

In the extraordinary meeting on **October 25, 2012**, we renewed Dr. Ulrich Schmidt's appointment as a member of the Executive Board and amended the Executive Board's schedule of responsibilities.

On **December 12, 2012**, we approved the company's annual planning for 2013 and the Executive Board members' annual bonus targets for 2013. We addressed the Executive Board's strategy, adapted the Supervisory Board's objectives for its composition to comply with the revised version of the German Corporate Governance Code, and resolved the declaration of compliance with the recommendations of the Code.

At the beginning of February **2013**, we resolved the extent to which the Executive Board had achieved its targets in, and its total remuneration for, 2012.

COMMITTEE WORK

Five **committees** prepared the work to be done by the Supervisory Board and passed resolutions in its stead in individual cases. The chairs of the committees reported to the Supervisory Board on the work performed in the committees in detail. The **Presiding Committee** held five meetings in which it addressed business developments and the company's strategic focus, the remuneration of the Executive Board and Supervisory Board, and the composition of the Executive Board.

The **Audit Committee** met seven times. In particular, it performed the preliminary examination of the annual and quarterly financial statements and management reports, verified the independence of, and appointed, the auditors, and addressed the areas of emphasis for the 2012 audit. The Committee regularly discussed business developments and potential risks as well as special issues. The **Finance Committee** met four times. It addressed topics relating to internal audits, risk and compliance management, various tax issues, transfer prices, and the investment strategy.

The **Nomination Committee** met once and addressed the election of members of the Supervisory Board by the 2012 Annual General Meeting. The **Mediation Committee** did not meet.

ANNUAL FINANCIAL STATEMENTS AND AUDIT

The **auditors** audited the **annual financial statements** and the **consolidated financial statements for 2012**, as well as the management reports for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. The auditors issued an unqualified audit opinion on 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: "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 members received the 2012 annual financial statements and the management reports of the 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 consolidated financial statements, the 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, 2012. The annual financial statements of Beiersdorf AG are thus **adopted**. We endorsed the Executive Board's proposal on the appropriation of net profit.

CHANGES AND THANKS

The Annual General Meeting elected Dr. Dr. Christine Martel and Mr. Thomas-B. Quaas to the company's Supervisory Board. This meant that Mr. Michel Perraudin, who had been appointed by the court, and alternate member Ms. Beatrice Dreyfus, who had been appointed as a replacement, left the Supervisory Board. Mr. Quaas resigned as Chairman of the Executive Board as of the end of the Annual General Meeting; we would like to thank him for his decades of successful work for Beiersdorf. We would like to thank Mr. Subaşı for his contribution to the Emerging Markets function. Our thanks also go to Ms. Dreyfus and Mr. Perraudin for their constructive work on the Supervisory Board. We wish all former governing body members all the best for the future.

We would like to thank the company's employees, the employee representatives, and the Executive Board for their successful work. Thanks to this, the company is well positioned to master the challenges facing it in 2013. Finally, we would like to thank our shareholders, our business partners, and in particular our consumers for their continued trust in us.

Hamburg, February 21, 2013
For the Supervisory Board

REINHARD PÖLLATH
CHAIRMAN

Corporate Governance

Corporate Governance Report 2012

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. However, we consider corporate governance to be an ongoing process and will continue to track developments carefully.

Declaration of Compliance

In April 2012, the Executive Board and Supervisory Board updated the Declaration of Compliance issued for fiscal year 2011 and at the end of December 2012 they issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2012 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfilled all the recommendations made in the Code with one exception in the period up to the end of the Annual General Meeting on April 26, 2012, as well as a large number of the suggestions. Since the end of the 2012 Annual General Meeting, Beiersdorf AG has fulfilled all the recommendations made in the Code and a large number of the suggestions.

The 2012 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 *AktG*

In fiscal year 2012, Beiersdorf Aktiengesellschaft complied until the end of the Annual General Meeting on April 26, 2012, with all recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated May 26, 2010, with the exception that was mentioned and explained in the updated Declaration of Compliance for fiscal year 2011 dated April 2012 (deviation from section 4.2.3 (4) on the severance payment cap in the employment contract for an Executive Board member).

Since the end of the Annual General Meeting on April 26, 2012, 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 May 26, 2010, and May 15, 2012, respectively.

Hamburg, December 2012

For the Supervisory Board

Reinhard Pöllath

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

General Information on Beiersdorf's Management Structure

As an international stock corporation domiciled in Hamburg, Germany, Beiersdorf AG is governed by the provisions of 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 two bodies, 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 interests of the shareholders and the good of the company.

1. THE SUPERVISORY BOARD

a) General

Beiersdorf AG's Supervisory Board consists of twelve members. Six of these members are elected by the Annual General Meeting in accordance with the provisions of the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and six by the employees in accordance with the provisions of the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. The term of office of the Supervisory Board members ends at the end of the 2014 Annual General Meeting. The term of office of one court-appointed member and one alternate member ended at the end of the 2012 Ordinary Annual General Meeting.

The Supervisory Board appoints the Executive Board, advises it on the management of the company, and supervises its conduct of the company's business as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board works closely with the Executive Board for the good of the company and with the common goal of achieving sustainable value added, and is involved in decisions of fundamental importance. Certain decisions require its approval in accordance with the law and the bylaws of the Supervisory Board.

The Supervisory Board makes decisions at regular meetings – and in individual cases outside meetings – on the basis of detailed documents. It is informed by the Executive Board in a regular, timely, and comprehensive manner about all relevant matters. The Executive Board's reporting obligations to the Supervisory Board are set out in detail in the bylaws for the Executive Board. 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 evaluates its work on a regular basis. The results are discussed by the full Board and any measures for improvement resolved. The most recent Supervisory Board efficiency review was performed in fall 2010 with the aid of external consultants.

The members of the Supervisory Board are responsible for attending the necessary training and further education measures required for their tasks. 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. This includes a deductible corresponding to the statutory requirements for Executive Board member deductibles. The deductible amounts to 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the respective Supervisory Board member.

b) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete objectives for its composition in fiscal year 2012, taking into account the company's specific situation. These reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, the specification of an age limit for Supervisory Board members, diversity, and above all an appropriate degree of female representation. These concrete objectives are to be complied with and implemented initially in the period up to the end of fiscal year 2014. They will also be taken into account by the Nomination Committee when proposing candidates for the Supervisory Board. In addition, the composition of the Supervisory Board must always ensure that its members as a group 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 two members should embody this in concrete terms and should therefore have particular international experience gained due to their activities abroad or their background, for example. At least one member with such international experience should be a shareholder representative. Efforts will be made to further increase the Supervisory Board's international orientation.

Appropriate Degree of Female Representation

Diversity of composition requires an appropriate degree of female participation in the Supervisory Board. The Supervisory Board therefore aims to further increase the number and position of women on the Supervisory Board and at the least to maintain the number of women (four) represented on it at the time the new resolution on the concrete objectives for the composition of the Supervisory Board was adopted in fiscal year 2012. 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 the Supervisory Board.

Age Limit

The Supervisory Board has stipulated in its bylaws that Supervisory Board members should not be more than 72 years old.

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/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 substantial 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 viewed in isolation and considering in particular 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 two of its members are independent.

Potential Conflicts of Interest

In view of Beiersdorf AG's position as a dependent company, the Supervisory Board's objective with respect to independence also takes potential conflicts of interest on the part of its members into account. 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 shall inform the Supervisory Board, by way of a communication addressed to the Chairman of the Supervisory Board, of any conflicts of interest, and in particular those which could result from a consulting function or directorship with clients, suppliers, lenders, or other third parties or competitors of the company. Members of the Supervisory Board shall resign their office if faced with material and not merely temporary conflicts of interest.

Diversity Officers

Two Supervisory Board members (Prof. Dr. Eberhartinger and Professor Rousseau) were appointed as diversity officers in order to advance and further promote these objectives. 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 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. Diversity is in the company's interest. This criterion was also taken into account by the Supervisory Board and the Nomination Committee responsible for the preparatory work when proposing suitable shareholder representative candidates to the 2009 and 2012 Annual General Meetings. Following the Supervisory Board elections in April 2009, women made up 25% of the Supervisory Board and accounted for three members: Prof. Dr. Eberhartinger (representing the shareholders), and Ms. Gabriel and Professor Rousseau (representing the employees). From April 2011 to April 2012, Ms. Dreyfus, who had been appointed as an alternate member of the Supervisory Board representing the shareholders by the Annual General Meeting, replaced Dr. Kunisch on the Supervisory Board. At the Annual General Meeting in April 2012, Dr. Dr. Martel, who is a French citizen, was elected as a new shareholder representative on the Supervisory Board. As a result of this, the proportion of women on the Supervisory Board was increased to over 33%. In addition, Prof. Dr. Eberhartinger became the chair of the Supervisory Board's Audit Committee effective January 1, 2011. The Supervisory Board also has four shareholder representative members – Dr. Dr. Martel, Prof. Dr. Eberhartinger, Mr. Quaas, and Prof. Dr. Pöllath – who, in addition to their particular professional skills, embody the idea of international orientation due to their background or their extensive international experience. To this extent, the Supervisory Board not only fulfills its objective with respect to its international orientation, but also achieves its aim of increasing this international orientation.

The Supervisory Board also already fulfills its target with regard to the independence of Supervisory Board members. In terms of the Supervisory Board as a whole, two-thirds of its members are independent. The shareholder representatives Dr. Dr. Martel and Prof. Dr. Eberhartinger are to be considered independent within the meaning of the Code. By contrast, as a precautionary measure the Supervisory Board will not treat Mr. Quaas as independent within the meaning of the Code until the end of the cooling-off period. Furthermore, the Supervisory Board assumes, as a highly precautionary measure, that a Supervisory Board member with relations to the controlling shareholder should no longer be regarded as independent in view of the current status of the literature on the revised version of the Code. Notwithstanding this, the Supervisory Board believes that relations to the controlling shareholder do not in themselves or necessarily pose the risk of a material and permanent conflict of interest; rather, those cases (as here) in which the parties' business activities do not overlap it assumes that the company's interests will largely coincide with those of its controlling majority shareholder.

The age limit and the rules governing the potential conflicts of interest were complied with.

c) 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 Supervisory Board members from among the shareholder representatives, as well as one Supervisory Board member from among the employee representatives. The Presiding Committee prepares the Supervisory Board meetings and the Supervisory Board's human resources decisions and resolves – subject to the resolution of the full Supervisory Board specifying the total remuneration – instead of the Supervisory 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 reviews the efficiency of the Supervisory Board's activities. In addition, it regularly discusses long-term succession planning for the Executive Board. Finally, the Presiding Committee 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 additional Supervisory Board members from among the shareholder representatives, and two Supervisory Board members from among the employee representatives. At least one member of the Audit Committee must be an independent member of the Supervisory Board who has expertise in either accounting or auditing. The chair of the Audit Committee in particular, Prof. Dr. Eberhartinger, fulfills these statutory requirements due to her professorship at the Institute for Auditing, Trust, and Accounting at the Vienna University of Economics and Business, Austria. The Audit Committee prepares the decisions of the Supervisory Board on the approval of 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 the fee). In addition, the Audit Committee verifies the auditors' independence and conducts the preliminary examination for additional services that they provide. Finally, the Audit Committee advises and supervises the Executive Board on questions relating to accounting, the effectiveness of the internal control system, the risk management system, and the internal audit system and 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 Supervisory Board members from among the shareholder representatives, and two Supervisory Board members from among the 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 raising and granting loans, on the assumption of liability for third-party liabilities, and on investment transactions. In addition, the Audit Committee advises and supervises the Executive Board on compliance and in relation to all items assigned to it by the Supervisory Board in general or in individual cases.

Mediation Committee

The Mediation Committee, formed in accordance with the provisions of the *MitbestG*, consists of the Chairman of the Supervisory Board, the deputy chairman, as well as one member elected to the Supervisory Board from among the employee representatives and one from among the shareholder representatives by a majority of the votes cast. It makes proposals to the Supervisory Board 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 suitable 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 60 f. of this Report.

2. THE EXECUTIVE BOARD

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

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.

The duties of the Executive Board are broken down by functions and regions. The allocation of areas of responsibility to the individual Executive Board members is set out in the schedule of responsibilities, which 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 quarterly, 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 applicable 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 material significance for the company require the approval of the Supervisory Board.

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. The aim is for women to account for 25–30% of senior executives by 2020.

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 of them. Material transactions between the company and members of the Executive Board and their related parties require the approval of the Supervisory Board; such transactions 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. THE 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. They 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 its shareholders the services of a voting representative who votes in accordance with shareholders' instructions. The invitation explains how shareholders can issue instructions for exercising their voting rights. In addition, shareholders are free to appoint a proxy of their choice as their representative at the Annual General Meeting. Since the 2011 Annual General Meeting, shareholders have also been able to vote by postal ballot.

Directors' Dealings and Shareholdings of the Executive and Supervisory Boards

1. DIRECTORS' DEALINGS IN ACCORDANCE WITH § 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* – 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 party of such a person does not exceed the total of €5,000 in a single calendar year.

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

2. SHAREHOLDINGS OF THE EXECUTIVE AND SUPERVISORY BOARDS IN ACCORDANCE WITH SECTION 6.6 OF THE GERMAN CORPORATE GOVERNANCE CODE

According to section 6.6 of the German Corporate Governance Code, the ownership of shares of the company or related financial instruments shall be reported by Executive Board and Supervisory Board members if they directly or indirectly exceed 1% of the shares issued by the company. If the entire holdings of all members of the Executive Board and Supervisory Board exceed 1% of the shares issued by the company, these shall be reported separately according to the Executive Board and the Supervisory Board.

Michael Herz, a member of the Supervisory Board of Beiersdorf AG, has notified the company that 50.47% of the shares in the company are attributable to him. Attributing the 9.99% of the shares held by the company itself, which do not carry voting or dividend rights in accordance with § 71b *AktG*, his proportion of voting rights amounts to 60.46%. As of December 31, 2012, 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 50.47% of the shares as of December 31, 2012; this corresponds to 60.46% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2012, the members of the Executive Board held a total of significantly less than 0.1% of the shares.

Further Information on Corporate Governance at Beiersdorf

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 4 f. of this report.

Beiersdorf's 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 April 26, 2012, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2012.

Transparency and our goal of informing our shareholders and the public quickly, comprehensively, and simultaneously are top priorities for us. That is why 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 *Handelsgesetzbuch* (German Commercial Code, *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*, information on key corporate governance practices and on Executive and Supervisory Board working practices, as well as on the composition and working practices of their committees.

Hamburg, February 21, 2013
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 Regarding the Remuneration of the Executive Board

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, in its meetings on February 6, June 11, September 7, and December 12, 2012. Moreover, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2012 on February 4, 2013. Remuneration decisions were regularly 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 peer group. The remuneration structure is geared towards sustainable enterprise development.

The remuneration of the Executive Board in fiscal year 2012 once again 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 component (Bonus) and
  - a multi-year component based on a period of three years (Multi-year Bonus),
- a long-term bonus based on enterprise value performance (Enterprise Value Component), as well as
- customary ancillary benefits.

c) Remuneration of the Executive Board for Fiscal Year 2012 in More Detail

aa) Fixed Remuneration

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

bb) Variable Bonus for 2012

The members of the Executive Board receive a remuneration component for fiscal year 2012 that is based on the performance of the Beiersdorf Group's Consumer Business Segment (Variable Bonus for 2012). This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment basis. Unless otherwise specified by the Supervisory Board, the amount of the Variable Bonus depends on the EBIT margin (EBIT component) and sales growth (sales component), each with a weighting of 25%, as well as on the achievement of specific personal goals by individual Executive Board members (personal component), which have a weighting of 50%.

The size of the EBIT component is calculated on the basis of the return on sales. The Supervisory Board may take into account any special factors as well as changes in marketing and research & development expenses. The size of the sales component is calculated on the basis of sales growth, whereby the Supervisory Board may take special factors into account.

The personal component is composed of a number of personal goals with different weightings, which depend on the functional and 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 target figures corresponding to percentages for target achievement of the EBIT, sales, and personal components, with intermediate figures being extrapolated on a straight-line basis.

The EBIT, sales, and personal components each lapse unless the threshold values (knockout) set by the Supervisory Board for the specific component is reached. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

The short-term part of the Variable Bonus will be paid once the 2013 Annual General Meeting has approved the actions of the Executive Board (2012 bonus). The remaining, larger, portion of the Variable Bonus (Multi-year Bonus for 2012) depends on the enterprise value performance over a period of two years after the initial year 2012. The enterprise value is calculated by adding together sales and EBIT. If the enterprise value in fiscal year 2012 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2012 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Ordinary Annual General Meetings in the years 2014 and 2015. If the enterprise value for fiscal year 2012 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2013 and 2014 corresponds at least to the enterprise value for fiscal year 2012. 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 2015 Ordinary Annual General Meeting. The final installment is increased or decreased by the amount corresponding to the percentage change in the enterprise value as of the end of fiscal year 2014 as against fiscal year 2012. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2012 by up to 20% in order to take extraordinary developments into account or adjust it for inflation. Insofar as bonus entitlements are due under the Variable Bonus 2012, these can alternatively be included in the long-term virtual Enterprise Value Component (see section cc) below).

In order to maintain a balance in the durations of the various variable remuneration components in the light of the long-term nature of the Enterprise Value Component, the Supervisory Board resolved to reduce the measurement period for the Variable Bonus by one year in the case of 2011 and 2012 and by two years in the case of 2010. Accordingly, 49% (previously: 40%) of the Variable Bonus should, in future, be paid out after the Ordinary Annual General Meeting in the year following the year in which it was granted. The remainder (51%) (previously: 60%) is to be paid out in two equal tranches (previously: three) as a Multi-year Bonus starting in the second year following the initial year, in each case after the actions of the Executive Board have been officially approved by the Ordinary Annual General Meeting. Furthermore, sales figures are to be assigned a greater weighting when calculating enterprise value. However, this change does not apply to bonus payments that have already been made.

cc) Enterprise Value Component

Since fiscal year 2011, Executive Board members have shared in the increase in the company's enterprise value. For this purpose, each Executive Board member is (or was) 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 (January 1, 2011, for current appointments). The Supervisory Board resolves, following due assessment of the circumstances, on any increase in the Enterprise Value Component during the bonus period defined hereafter. The Supervisory Board made use of this option in the past fiscal year. 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 predefined one-year vesting period (together the "bonus period"). The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier.

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 provided that the Annual General Meeting has approved his actions during and after the bonus period (insofar as they had to resolve this), with the amount being prorated depending on the relationship between his term of office and the bonus period. In individual cases, the Supervisory Board is entitled to make adjustments following due assessment of the circumstances, for instance by adjusting the performance indicators 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%.

The Enterprise Value Component is limited to a maximum amount for each member of the Executive Board (200% cap, corresponding to 10% p.a.). 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.

The Supervisory Board has revised the Enterprise Value Component in fiscal year 2012 onwards and is writing this into the contracts of service for the members of the Executive Board with their agreement. Above all, as already reported last year, the Enterprise Value Component has been expanded to include a component based on voluntary personal investment by Executive Board members (Covered Virtual Units[1]). This personal investment is made either by due bonus payments being retained from the Variable Bonus or by the Executive Board member providing security by pledging assets of a suitable value. The Covered Virtual Units participate in positive and negative percentage changes in the value of the Enterprise Value Component. They are not limited to a maximum amount (cap) and vest immediately following their purchase. Covered Virtual Units are not just operands, but rather are amounts that are paid out or repaid in full after being adjusted based on enterprise value performance. For each Covered Virtual Unit, the Executive Board member receives a further Enterprise Value Component in the corresponding amount (Matching Virtual Unit[2]), which is calculated in the same way as the Base Virtual Units. Insofar as Matching Virtual Units are concerned, the payment of the Enterprise Value Component was linked to the achievement or exceeding of specific market shares in the core skin care categories for key European markets.

dd) Variable Bonus for 2010/2011

The Variable Bonus for 2010 was divided into two equally weighted target components – the EBIT component and personal targets – while the Variable Bonus 2011 consisted of an EBIT component, a sales component, and a personal component (see Variable Bonus for 2012). The Variable Bonus for 2010 and the Variable Bonus for 2011 each consisted of a short-term component (2010 Bonus/2011 Bonus) and a component dependent on enterprise value performance in the four fiscal years from 2011 to 2014 (Multi-year Bonus for 2010[3]) or in the three fiscal years from 2012 to 2014 (Multi-year Bonus for 2011), which is calculated to a large extent on the basis of the principles described for the Variable Bonus for 2012. A more detailed description is provided in the 2010 and 2011 Annual Reports. The first tranche of the Multi-year Bonus for 2010, which was scheduled to be paid out in 2012 following the 2012 Ordinary Annual General Meeting, was not paid because the preconditions for this were not met. As contractually agreed, the tranche will be paid out following the Annual General Meeting in 2013 as the average enterprise value for fiscal years 2011 and 2012 corresponds at least to the enterprise value for fiscal year 2010[4].

ee) Other

The remuneration of the Executive Board for fiscal year 2012 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.

Each Executive Board member is provided with a company car. In addition, Beiersdorf AG has taken out accident insurance for the Executive Board members. These non-cash remuneration components are taxed as non-cash benefits.

Insofar as defined contribution pension commitments had been made to Executive Board members who were active in fiscal year 2012[5], these were converted to Covered Virtual Units (see section cc) above) at the respective nominal amount as a rule with the agreement of the Supervisory Board. In future, these will be paid annually to the relevant Executive Board members in addition to the Matching Virtual Units instead of the defined contribution pension commitments[6] that were previously paid.

In the event that the term of office of a current Executive Board member 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 without the existence of good cause for which the Executive Board member is responsible; in this case, the Enterprise Value Component is calculated up until the point of termination 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.

Mr. Ümit Subaşı, who left the Executive Board by mutual agreement effective July 31, 2012, received his contractually agreed fixed remuneration for 2012. The 2011 Bonus for his Variable Bonus for 2011 was paid out in the amount of €128 thousand as contractually agreed. The Multi-year Bonus for 2011 in the amount of €192 thousand was paid out to Mr. Subaşı in full. The Variable Bonus for 2012 will be paid out effective June 30, 2013, in accordance with his contract of service. This amount will be at least €160 thousand. With respect to the period following his departure from the Executive Board, the Variable Bonus for 2012 is €514 thousand. No Variable Bonus will be paid for 2013. All further claims were settled by payment of a lump sum of €663 thousand.

[1] Previously: Funded Share.
[2] Previously: Matching Share.
[3] As of 2011, terminology changed to “Multi-year Bonus” (previously “Long-term Bonus”); the term “Multi-year Bonus for 2010” is used in the following for reasons of consistency.
[4] See bb) above for information on changes in the duration.
[5] The pension commitments made in the past are described in greater detail in the Annual Report 2011.
[6] The Covered Virtual Units assigned p.a. are as follows: Peter Feld €100 thousand; Dr. Ulrich Schmidt €60 thousand; Ralph Gusko €50 thousand.

As laid down in his contract, Mr. Thomas-B. Quaas' total annual remuneration will continue to be paid at a flat annual rate of €965 thousand since his departure from the Executive Board on April 26, 2012, until the expiry of his contract on March 31, 2015, whereby any other remuneration (including Supervisory Board remuneration) will be offset against this. The determination and payment of the variable remuneration for 2010 and 2011 are governed by the general provisions. His variable remuneration accruing in the period from January 1, 2012, to April 26, 2012, was calculated pro rata as a lump sum with an assumed target achievement of 100%, and will be paid out following the 2013 Ordinary Annual General Meeting. Mr. Quaas' pension entitlements remain unaffected.

ff) Overviews of Individual Executive Board Remuneration

TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2012 (IN € THOUSAND)
Executive Board members in office in 2012

	Fixed basic remuneration		Variable Bonus: Bonus		Variable Bonus: Multi-year Bonus	
	2011	**2012**	2011	**2012**	2011	**2012**
Stefan F. Heidenreich (Chairman of the Executive Board)	–	1,000	–	781	–	812
Peter Feld	500	500	189	345	283	359
Ralph Gusko	200	450	54	253	81	264
Dr. Ulrich Schmidt	500	500	118	269	177	279
Thomas-B. Quaas (until April 26, 2012)	435	140	394	277	592	–
Ümit Subaşı (until July 31, 2012)	417	292	128	327[7]	192	–
Total	**2,538**[9]	**2,882**	**1,204**[9]	**2,252**	**1,704**[9]	**1,714**

[7] The entire Variable Bonus for 2012 will be paid out to Mr. Subaşı effective June 30, 2013.
[8] Claims relating to the Enterprise Value Component were settled by a single lump-sum payment: see ee) above.
[9] These totals additionally include the following payments made to members who left the Executive Board in 2011 for activities in fiscal year 2011:
Dr. Bernhard Düttmann – fixed: €43 thousand, Bonus: €69 thousand, Multi-year Bonus: €0, total variable remuneration: €69 thousand, other: €162 thousand, total: €274 thousand, additions to pension provisions: €47 thousand; Markus Pinger – fixed: €163 thousand, Bonus: €91 thousand, Multi-year Bonus: €137 thousand, total variable remuneration: €228 thousand, other: €5 thousand, total: €396 thousand, additions to pension provisions: €100 thousand; James C. Wei – fixed: €280 thousand, Bonus: €161 thousand, Multi-year Bonus: €242 thousand, total variable remuneration: €403 thousand, other: €51 thousand, total: €734 thousand, additions to pension provisions: €0.

The following table shows the development of the Multi-year Bonus since its initial adoption, as well as the amount of the tranche to be paid out in each case following the 2013 Ordinary Annual General Meeting.

MULTI-YEAR BONUS (IN € THOUSAND)
Executive Board members in office in 2012

	Multi-year Bonus 2010			Multi-year Bonus 2011		
	Present values as of Dec. 31, 2011	Present values as of Dec. 31, 2012	Payment following 2013 AGM	Present values as of Dec. 31, 2011	Present values as of Dec. 31, 2012	Payment following 2013 AGM
Stefan F. Heidenreich (Chairman of the Executive Board)	–	–	–	–	–	–
Peter Feld	93	102	102	283	295	163
Ralph Gusko	–	–	–	81	84	47
Dr. Ulrich Schmidt	–	–	–	177	185	102
Thomas-B. Quaas (until April 26, 2012)	362	384	97	592	602	148
Ümit Subaşı (until July 31, 2012)	–	–	–	192	–	–[10]
Total[11]	**973**	**1,035**	**337**	**1,704**	**1,551**	**554**

[10] The entire Variable Bonus for 2011 was paid out to Mr. Subaşı as a lump sum in connection with his departure from the Executive Board.
[11] These totals additionally include the following disclosures for members who left the Executive Board in 2011: Markus Pinger – Multi-year Bonus for 2010 (present value as of Dec. 31, 2011: €285 thousand, present value as of Dec. 31, 2012: €302 thousand, payment following 2013 AGM: €76 thousand), Multi-year Bonus for 2011 (present value as of Dec. 31, 2011: €137 thousand, present value as of Dec. 31, 2012: €139 thousand, payment following 2013 AGM: €34 thousand), James C. Wei – Multi-year Bonus for 2010 (present value as of Dec. 31, 2011: €233 thousand, present value as of Dec. 31, 2012: €247 thousand, payment following 2013 AGM: €62 thousand), Multi-year Bonus for 2011 (present value as of Dec. 31, 2011: €242 thousand, present value as of Dec. 31, 2012: €246 thousand, payment following 2013 AGM: €60 thousand); in connection with his departure from the Executive Board effective February 9, 2011, Dr. Bernhard Düttmann received his Variable Bonus for 2010 in full following the 2011 Annual General Meeting and the pro rata Variable Bonus for 2011 in a lump-sum payment.

	Total variable remuneration		Other (non-cash benefits arising from the provision of company cars and the payment of insurance contributions)		Total		Additions to provisions for Enterprise Value Component		Additions to pension provisions	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	–	1,593	–	5	–	2,598	–	1,158	–	–
	472	704	106	150	1,078	1,354	122	535	–	–
	135	517	69	88	404	1,055	–	508	–	–
	295	548	72	44	867	1,092	107	673	–	–
	986	277	19	6	1,440	423	–	–	228	86
	320	327	88	12	825	631	107	–[8]	–	–
	2,908[9]	**3,966**	**572[9]**	**305**	**6,018[9]**	**7,153**	**336**	**2,874**	**375[9]**	**86**

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)
Executive Board members in office in 2012

	2011				2012[12]			
	Base Virtual Units	Covered Virtual Units	Matching Virtual Units	Total amount set aside in fiscal year 2011	Base Virtual Units	Covered Virtual Units	Matching Virtual Units	Total amount set aside in fiscal year 2012
Stefan F. Heidenreich (Chairman of the Executive Board)	–	–	–	–	10,000	10,000	10,000	1,158
Peter Feld	5,000	–	–	122	10,000	100	100	657
Ralph Gusko	5,000	25	25	–	5,000	75	75	508
Dr. Ulrich Schmidt	5,000	60	60	107	10,000	1,120[13]	1,120	780
Thomas-B. Quaas[14] (until April 26, 2012)	–	–	–	–	–	–	–	–
Ümit Subaşı (until July 31, 2012)	5,000	–	–	107	–	–	–	–
Total	**20,000**	**85**	**85**	**336**	**35,000**	**11,295**	**11,295**	**3,103**

[12] Total Virtual Units granted as at December 31, 2012.
[13] Of this, one million Covered Virtual Units were acquired by providing securities or retaining bonuses due.
[14] In the case of Mr. Quaas, the Enterprise Value Component was not introduced.

gg) Former Members of the Executive Board and their Surviving Dependents

Payments to former members of the Executive Board and their dependents totaled €2,474 thousand (previous year: €2,394 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,463 thousand (previous year: €26,256 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 for fiscal year 2012, 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 25 cents. 40% of this variable remuneration 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 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.

Subject to the resolution of the Annual General Meeting on April 18, 2013, on the dividend[15] to be distributed for 2012, the members of the Supervisory Board will receive the remuneration presented in the following table for their activities in fiscal year 2012[16]:

[15] Based on the proposal for a dividend of €0.70 per share submitted to the Annual General Meeting.
[16] Presented exclusive of value added tax.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2012 (IN €)

Supervisory Board members in office in 2012

	Fixed[17]		Variable		Total	
	2011[18]	**2012**	2011[19]	**2012[20]**	2011	**2012**
Dr. Andreas Albrod[21] (since August 1, 2012)	–	31,082	– (–)	18,811 (11,287)	–	49,893
Dr. Walter Diembeck (until July 31, 2012)	56,082	40,918	55,414 (13,611)	26,189 (15,713)	111,496	67,107
Beatrice Dreyfus[22] (until April 26, 2012)	29,096	15,787	35,704 (13,611)	14,385 (8,631)	64,800	30,172
Prof. Dr. Eva Eberhartinger	71,603	91,500	55,414 (13,611)	45,000 (27,000)	127,017	136,500
Elke Gabriel	36,562	47,000	55,414 (13,611)	45,000 (27,000)	91,976	92,000
Michael Herz	59,041	70,000	55,414 (13,611)	45,000 (27,000)	114,455	115,000
Thomas Holzgreve (Deputy Chairman)	56,842	77,000	83,121 (20,416)	67,500 (40,500)	139,963	144,500
Thorsten Irtz (Deputy Chairman)	55,342	72,000	83,121 (20,416)	67,500 (40,500)	138,463	139,500
Dr. Dr. Christine Martel (since April 26, 2012)	–	30,322	– (–)	30,738 (18,443)	–	61,060
Tomas Nieber	36,562	45,500	55,414 (13,611)	45,000 (27,000)	91,976	90,500
Michel Perraudin[23] (until April 26, 2012)	14,178	15,787	12,575 (7,545)	14,385 (8,631)	26,753	30,172
Prof. Dr. Reinhard Pöllath (Chairman)	90,404	115,000	138,534 (34,027)	112,500 (67,500)	228,938	227,500
Thomas-B. Quaas[24] (since April 26, 2012)	–	–	– (–)	– (–)	–	–
Prof. Manuela Rousseau	35,562	47,000	55,414 (13,611)	45,000 (27,000)	90,976	92,000
Volker Schopnie	56,082	72,000	55,414 (13,611)	45,000 (27,000)	111,496	117,000
Total	**612,425[25]**	**770,896**	**780,734 (191,292)[25]**	**622,008 (373,205)**	**1,393,159[25]**	**1,392,904**

[17] Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).
[18] Attendance fees are only included in this figure on a pro rata basis since their introduction effective July 1, 2011.
[19] The figure in brackets contains the long-term portion (60%) of the variable Supervisory Board remuneration that will be paid out after the 2015 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[20] The figure in brackets contains the long-term portion (60%) of the variable Supervisory Board remuneration that will be paid out after the 2016 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
[21] Alternate employee representative member replacing Dr. Diembeck.
[22] Alternate member replacing Dr. Kunisch; left following the election of Mr. Quaas as Dr. Kunisch's successor.
[23] Court-appointed Supervisory Board member whose term of office ended on April 26, 2012.
[24] As contractually agreed, the Supervisory Board remuneration was offset against continuing entitlements from Mr. Quaas's former Executive Board activities.
[25] These totals additionally include the following payments made to members who left the Supervisory Board in 2011 for activities in fiscal year 2011:
Dr. Rolf Kunisch – fixed: €7,466, variable €19,710 (–), total: €27,176; Thomas Siemsen – fixed: €7,603, variable €20,071 (–), total: €27,674.

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.

Business and Strategy

Structure and Organization

Based in Hamburg, Germany, Beiersdorf AG is a leading international branded goods company whose Consumer Business Segment develops and markets skin and body care products. Its products are sold under the core brands NIVEA, Eucerin, La Prairie, Hansaplast, 8x4, Labello, SLEK, Florena, and Atrix.

Beiersdorf AG is responsible for the German Consumer Business and provides typical holding company services to affiliates. In addition to its own operating activities, Beiersdorf AG manages an extensive investment portfolio and is the direct or indirect parent company of over 150 affiliates worldwide. Beiersdorf AG also performs central planning/controlling, treasury, and human resources functions, as well as a large proportion of research and development activities for the Consumer Business.

BLUE AGENDA – THE STRATEGIC COMPASS

Beiersdorf systematically continued its “Focus on Skin Care. Closer to Markets.” strategy in 2012 and developed a strategic compass, its Blue Agenda. This clearly defines the company’s objectives and how to implement them. Beiersdorf is reaffirming its claim to be the number 1 skin care company in the product categories and markets that are important to it. The company’s strategic activities are focused on four fields: strengthening its brands – first and foremost NIVEA – as well as increasing its innovative power, systematically expanding its impact and presence in the emerging markets, and increasing the company’s efficiency and speed. The Blue Agenda sets out a clear vision for Beiersdorf’s future.

Fully implementing the objectives outlined in the Blue Agenda is expected to take three to five years. Clearly defined performance indicators measure the degree to which objectives have been achieved and provide a guideline to follow on the journey. Beiersdorf has made rapid progress on this path in line with its planning. Important projects have been launched and the first tasks have already been successfully completed. Its success can be seen not least by looking at its 2012 results. Beiersdorf will build on this and continue its systematic drive to further enhance its development. The goal is to make the company even more competitive.

WE ARE SKIN CARE

Skin care will be the main growth driver in the global cosmetics market in the period up to 2015, accounting for 45% of growth. Against this backdrop, our activities in recent months focused on reinvigorating the core of the NIVEA brand and implementing a uniform brand presence using a new logo and new design. This aimed to significantly enhance brand recognition and to ensure a uniform brand presence that clearly differentiates it from the competition and ensured maximum awareness in the shops. Consumers will encounter the new logo at all touchpoints with our products: from advertisements through the product range on the shelves down to the purchased product. The first products in the NIVEA Body category with the new round logo were introduced into the shops in May 2012; products from the NIVEA Face category were added starting in July and the NIVEA Hair and NIVEA Baby product categories at the end of the year. Changes to the product packaging, which will materially strengthen the brand’s presence, will also be made from January 2013 onwards as part of the migration of the entire NIVEA product family to the new logo.

The reorganization of Beiersdorf’s research and development activities to leverage the potential there was another key focus. Beiersdorf took specific measures to align the research and development department even more strongly with consumer expectations. For example, the research and development functions involved in the innovation process at Beiersdorf were previously organized in accordance with the steps in the process. From January 2013 onwards, the new structure for the research and development area will be focused on the six core categories – Body, Face, Sun, Men, Deo, and Shower. NIVEA Baby and NIVEA Hair play a role as tactical categories at a local level. The objective is to develop innovative products that are ideally tailored to meet consumers’ different individual, and often also regional, needs quickly and using efficient structures. Adopting this approach gives Beiersdorf valuable competitive advantages, and will allow it to increase its innovative power considerably in the coming years.

CLOSEST TO MARKETS

Beiersdorf plans to systematically increase its impact and presence in the emerging markets. Its regional research centers in Silao, Mexico, and Wuhan, China, for example, mean that Beiersdorf is getting even closer to the markets. Construction of a new production center with significantly higher capacity began in Silao in 2012 to serve the rapidly growing demand in this region and simultaneously improve structures by bundling resources at a single location. A new research center is also being built in addition to the production center. In future, Silao will supply the markets in North and Central America. Overall, Beiersdorf is investing more than €100 million at this location. Production is planned to start in 2014 with around 550 employees.

In Turkey, the acquisition of all shares of the joint venture with the Eczacıbaşı Group is strengthening Beiersdorf’s position in this promising market.

INCREASING EFFICIENCY AND SPEED

Increasing the company’s efficiency and speed serves the overarching corporate objective of further increasing growth and earnings power. Beiersdorf works continually to make processes more efficient, speed up decisions, and optimize cost structures. 2012 saw a cultural change. The Blue Agenda builds on the trust-based corporate culture, adding the values of entrepreneurship, personal responsibility, change, and speed. In this way, Beiersdorf aims to encourage and require employees to think and act like entrepreneurs and to take a decisive approach.

Management and Control

Beiersdorf AG's Executive Board is also the management body for the Beiersdorf Group and is dedicated to increasing its sustainable enterprise value. In addition to the two functional areas of responsibility within the Executive Board – Finance, Human Resources, and Supply Chain, and Brands – there are three regional areas of responsibility: Europe/North America, Asia/Australia, and Emerging Markets. This regional allocation of responsibilities in particular means the Executive Board is closely involved in the company's operational business. The Chairman of the Executive Board is responsible at an overarching level for corporate development, corporate communications, the internal audit function, and sustainability.

The tesa Business Segment is managed as an independent subgroup.

Information on the remuneration of the Executive Board and the Supervisory Board as well as on incentive and bonus systems is provided in the chapter entitled "Corporate Governance" in the Remuneration Report, which forms part of the Management Report and the Annual Financial Statements. 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 are derived from this. In particular, Beiersdorf intends to increase its international sales growth and gain market share. In addition, the aim is to increase the Group's earnings power. This is measured using the operating result (EBIT) in conjunction with the EBIT margin (the ratio of EBIT to sales). The goal is to generate internationally competitive returns through active cost management and the highly efficient use of resources. In addition, Beiersdorf aims to continuously optimize its net operating capital and hence improve its return on capital (the ratio of EBIT to net operating capital).

The company has created an efficient management system in order to meet these strategic goals. Corporate management derives the 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. Generally, the Executive Board and Supervisory Board formally adopt the Group's planning for the following year in the fall.

Actual key performance indicators are compared with planned 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 the sales growth, EBIT, and EBIT margin performance indicators, as well as the return on capital.

Economic Environment

General Economic Situation

Global growth declined in 2012 and was particularly impacted by the tight economic situation in large parts of Europe. Economic development, which was dominated by the euro and sovereign debt crisis, was uncertain, leading to a decrease in public spending as well as muted private investment and consumption. In turn, this weak economic development in the industrialized nations affected the emerging economies, where it impacted growth.

Europe saw the sharpest drop in growth rates in the past year. The euro and sovereign debt crisis led to a recession in most countries in Southern Europe. This trend was intensified by rising unemployment as well as by restrictive fiscal policies, and increasingly impacted Northern and Central Europe. The bailout and stability programs instituted and announced by the eurozone states had a positive effect on the financial markets, resulting in more favorable refinancing rates for most of the affected countries, and hence a better outlook for their future economic development, over the course of the year.

The **German** economy grew faster than the rest of the eurozone. This performance was due in particular to the strong export sector. Continuing low interest rates and positive developments on the labor market stimulated investment and consumer spending particularly in the first half of the year. The slight deterioration in the economy over the course of the year and the slight easing on the labor market reduced growth in the second half of the year.

In the **United States**, the sluggish labor market and political gridlock led to a low level of growth. However, high rates of corporate investment and growth in residential construction in particular did provide momentum.

The strong growth of the **Chinese** economy eased slightly in comparison to last year, since China – as a leading exporter – was impacted by the decline in international demand. China's political leaders employed fiscal policy measures to combat the threat of inflation and strengthen the economy. Among other things, public spending on infrastructure projects was increased. The Asian economies continued to see rapid growth on the whole. Japan slowly recovered from the effects of the major natural disasters it suffered in 2011.

Sales Market Trends

The growth rate for the global cosmetics market in 2012 was roughly on a level with the previous year. The Asia, Eastern Europe, and Latin America regions continue to be growth drivers. However, the saturated markets of Europe and North America were flat. The effects of the weakening economy and the associated deterioration in consumer sentiment were felt in particular in the large Western and Southern European markets.

Procurement Market

In 2012, global procurement markets were impacted by the euro and sovereign debt crisis as well as by the weakened global economy in the United States and China in particular. The price of oil was relatively stable in 2012, but it remained at the high level of USD 110 per barrel, due in part to the continued unstable political situation in the Middle East. Increases in raw materials prices were more moderate than expected in 2012 despite highly volatile availability and price trends on the markets for specific raw materials that are used in a large number of our products. We again ensured raw materials security at our production facilities in 2012 by developing additional alternative sources of supply.

The Economic Situation – Summary

In the Consumer Business Segment, the strong performance by the emerging markets (Asia, Eastern Europe, and Latin America) had a particularly positive effect on overall growth. Sales in the saturated cosmetics markets of Germany and Western Europe were largely on a level with the previous year.

Results of Operations – Beiersdorf AG

(IN € MILLION)

	2011	**2012**
Sales	**1,048**	**1,077**
Other operating income	95	110
Cost of materials	–243	–260
Personnel expenses	–201	–200
Depreciation and amortization of property, plant, and equipment, and intangible assets	–45	–42
Other operating expenses	–520	–553
Operating result	**134**	**132**
Net income from investments	165	249
Net interest expense	–13	–1
Other financial result	4	**6**
Financial result	**156**	**254**
Result from ordinary activities	**290**	**386**
Extraordinary result	**–45**	**–6**
Income taxes	–33	–76
Profit after tax	**212**	**304**
Transfer to other retained earnings	–36	–128
Net retained profits	**176**	**176**

Beiersdorf AG's sales increased by €29 million to €1,077 million in the year under review (previous year: €1,048 million), mainly as a result of the merger of the Florena business and increased license revenue. Sales of NIVEA Men and NIVEA Body Cleansing performed well. Sales of €848 million (previous year: €819 million) were generated in Germany and €229 million (previous year: €229 million) abroad.

Other operating income rose by €15 million compared with the previous year. This increase is attributable to reversals of write-downs on receivables and higher income from services provided to affiliated companies.

The financial result increased by €98 million compared with the previous year to €254 million (previous year: €156 million). This rise is the result of a sharp increase in net income from investments (€84 million) and an improvement in net interest expense (€12 million).

The result from ordinary activities was €386 million, up €96 million on the previous year. The operating result was more or less flat at €132 million, while the financial result increased by a significant €98 million.

The extraordinary result primarily comprises non-recurring costs of €15 million from the merger of Florena Cosmetic GmbH, Waldheim/Germany, as well as income of €12 million from the reversal of provisions that were established at the level of Beiersdorf AG during the realignment of corporate structures and processes.

Profit after tax amounted to €304 million (previous year: €212 million), up by €92 million.

The Executive Board and Supervisory Board will propose a dividend to the Annual General Meeting of €0.70 per no-par value share carrying dividend rights (previous year: €0.70).

Balance Sheet Structure and Financial Position – Beiersdorf AG

(IN € MILLION)

Assets	Dec. 31, 2011	Dec. 31, 2012
Intangible assets	80	49
Property, plant, and equipment	52	94
Financial assets	1,390	1,489
Fixed assets	**1,522**	**1,632**
Inventories	5	2
Receivables and other assets*	436	434
Securities*	1,325	1,583
Cash and cash equivalents	125	81
Current assets	**1,891**	**2,100**
Prepaid expenses	**4**	**3**
Excess of plan assets over post-employment benefit liability	**2**	**3**
	3,419	**3,738**

Equity and liabilities	Dec. 31, 2011	Dec. 31, 2012
Equity	**1,558**	**1,703**
Provisions for pensions and other post-employment benefits	408	414
Other provisions	273	243
Provisions	**681**	**657**
Liabilities	**1,180**	**1,370**
Deferred tax liabilities	**0**	**8**
	3,419	**3,738**

BALANCE SHEET STRUCTURE

The increase in financial assets of €98 million mainly reflects the acquisition of all the remaining shares in the former joint venture with the Turkish Eczacıbaşı Group, the formation of two affiliates in connection with the construction of the new factory in Mexico, and capital increases at existing affiliates. Investments of €53 million in property, plant, and equipment were partially offset by depreciation of €10 million. Receivables include receivables from affiliated companies of €264 million (previous year: €308 million). The securities item rose by €258 million. As of December 31, 2012, Beiersdorf AG had invested €1,583 million (previous year: €1,325 million*) in government and corporate bonds, Pfandbriefe, and near-money market retail funds. €887 million (previous year: €650 million*) of the securities have a remaining maturity of up to one year, and €696 million (previous year: €675 million) have a remaining maturity of between one and four years.

Pension provisions rose slightly by €6 million. The offsetting of plan assets against defined contribution pension obligations led to an excess of plan assets over post-employment benefit liability of €3 million (previous year: €2 million). Liabilities to affiliated companies increased to €1,295 million (previous year: €1,116 million) as a result of the expansion of intragroup financing. The increase relates primarily to financial liabilities. Of the total assets of €3,738 million (previous year: €3,419 million) shown in the balance sheet, €1,703 million (previous year: €1,558 million) or 46% (previous year: 46%) are financed by equity.

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.

*The prior-year figures have been adjusted. See the disclosures in the section entitled "Basis of Preparation of Beiersdorf AG's Financial Statements."

Research and Development

Intensive research is a consistent factor for Beiersdorf's success – and has been for more than 130 years.

In the year under review, we invested a total of €108 million in research and development (previous year: €112 million). As of December 31, 2012, a total of 445 staff (previous year: 484) were employed in research and development at Beiersdorf AG.

FOCUS ON SKIN

Strategically expanding our globally leading skin care expertise is one focus of our research and development work in the Consumer Business Segment. Beiersdorf's fundamental research approach can be described as "learning from the skin for the skin". In the course of this process, Beiersdorf's researchers decode the complex processes taking place in the skin. They develop an understanding of the metabolic processes from the individual skin cells right down to the skin in its entirety as an organ, and develop efficient formulas with active ingredients – both those found in the skin and those from other natural sources.

Beiersdorf also systematically enhances the existing successful products in its core categories. For instance, in 2012 the nature-identical ingredient gluco-glycerol – first used by Beiersdorf for moisturizing care in 2010 – was incorporated into a large number of NIVEA products in the form of Hydra IQ. The Hydra IQ formulas help keep skin moisturized from within. Continually enhancing innovations such as Hydra IQ and expanding their use to all NIVEA Body Lotions, NIVEA Face Essentials, and almost all NIVEA Shower product categories underscores Beiersdorf's skin care expertise and is a good example of how products that are already on the market are consistently enhanced.

A key research focus addresses skin hypersensitivity – such as hyperreactive or eczema-prone skin – which affects up to 25% of the population. Together with its university research partners, Beiersdorf is investigating how different skin layers and skin cells communicate and how they affect each others' metabolic processes. Key findings about the interaction between nerve endings and skin cells were produced for the first time with the aid of a new skin model. Biochemical signals on the cells of the epidermis trigger excessive growth of nerve endings in the skin, exacerbating the negative feedback loop between skin sensation and skin irritation. This discovery is an important starting point for future product generations.

SKIN EXPERTISE THANKS TO ANALYTICS AND BIOENGINEERING

Skin Code Reader: A world first that is used in the Eucerin Skin Institute in Hamburg is the Skin Code Reader that was developed specially for Eucerin in close cooperation with dermatologists. This uses ten parameters to determine consumers' individual skin condition (skin code). The detailed skin code then serves as a basis for a unique, individually tailored care and treatment plan.

Research into skin biomarkers: New findings about the skin are also emerging from the development and use of new analytical methods. The structure and condition of the skin can be modeled precisely with the help of mass spectrometry imaging (MALDI imaging MS). This recognizes characteristic substances – biomarkers – whose presence and distribution within the skin can contribute to the understanding of metabolic processes. Modeling biomarkers like these allows new, highly focused approaches to be identified. As a result, the success of new product concepts can be assessed directly.

THE SKIN'S BIOLOGICAL CLOCK

Skin is not just a vital organ, but also one of the most versatile. On the one hand, it has representative, communicative, and sensory functions, while on the other, it forms a barrier against germs and helps keep conditions for other important systems in the body constant in the face of frequently changing environmental influences. Challenges such as heat, cold, sunlight, or moisture have very different effects on skin depending on the time of day.

In cooperation with Charité Universitätsmedizin Berlin, Beiersdorf's researchers discovered and demonstrated that the human epidermis also has a biological clock that steers the exact timing of repair and regeneration processes in the skin.

The new findings open up the prospects of interesting approaches for both medicine and skin research. The ability to prove for the first time that the processes in the skin follow a specific rhythm is important, for example, when it comes to optimizing the ingredients in skin care products. It means that product application recommendations can be developed that reflect varying skin care needs depending on the time of day and the skin's individual biorhythms. Synchronizing skin care with people's biological clocks offers the opportunity to improve many important skin functions as well as their complexions and appearances. At the same time, care can be tailored to the many factors influencing modern lifestyles.

OPEN INNOVATION AT BEIERSDORF

Two years after its launch, the award-winning "Pearlfinder" open innovation initiative has become a regular source of innovative ideas at Beiersdorf. The platform enables open, trust-based communication with external innovation partners. The objective is to further enhance the company's innovation power – a recipe for success that Beiersdorf has been following since it was founded in 1882. The number of companies, research institutes and universities, individual scientists, and inventors on the "Pearlfinder" Web platform has increased constantly since its launch. Feedback from these external partners has been very positive thanks to their transparent involvement at an early stage in research and development for new products and packaging. In addition, the protected environment offered by "Pearlfinder" for external partners to submit their suggestions is a key factor in its success. The contact with new innovation partners is extremely helpful for Beiersdorf since it permits the identification of ideas being pursued in current research and development projects. The "Pearlfinder" offering for partners is continually being expanded. For instance, the aim is to allow them in the future to contribute their own ideas and solutions independently of Beiersdorf specific issues. Further information on "Pearlfinder" can be found at HTTP://PEARLFINDER.BEIERSDORF.COM.

FOCUS ON CONSUMER NEEDS

Beiersdorf tests all of its products on two levels that are key to market success: On the one hand, consumers need to be involved at an early stage so as to establish their needs. On the other hand, all products are tested using the latest scientific methods to ensure that they are both safe and as effective as possible.

The company has been researching consumer behavior for over ten years now using modern market research methods, as well as observing how consumers use products and systematically analyzing cosmetic markets around the world. The resulting data serves as the basis for developing new products and adapting them to meet regional conditions and requirements. The top priority for Beiersdorf's researchers is to fulfill consumers' wishes and needs.

All Beiersdorf products are subject to rigorous product application tests. Every year, over 2,500 studies involving more than 45,000 participants are conducted to demonstrate and document the effectiveness of, for example, anti-aging cosmetics. Beiersdorf is currently assisted in this by 40 external institutes around the world in Europe, Brazil, India, China, South Africa, and the USA. Only scientifically established methods are used, from study design and participant selection down to data analysis.

INNOVATIONS

The Consumer Business Segment applied for patents for 87 innovations in fiscal year 2012 (previous year: 81). Beiersdorf launches a constant stream of attractive new products on the market. Key launches in the period under review included the following:

- Concentrations of Q10 and creatine in the skin decline with age. **NIVEA Q10 plus** and **NIVEA Body Q10 Firming Lotion** are tried and trusted formulas that we are continually enhancing and adapting to meet consumer needs. The product range for the face, which comprises moisturizing day cream, serum, night cream, and products for the eyes with Q10 and creatine, combats wrinkles from within. Creatine is the perfect partner for Q10; it stores energy and releases it as needed.

- **NIVEA MEN Q10 Energy After Shave Lotion** from the revamped NIVEA MEN Q10 series makes the proven Q10 and creatine energy system available to men using optimized formula systems. The formula with Q10 combats dwindling energy supplies in the mitochondria of men's skin over time, while the formula with creatine delivers energy to the skin straight away. All products in the Skin Energy series also moisturize the skin, making it look fresher and providing optimal care for men's stressed skin during and after shaving.

- **NIVEA MEN Energy After Shave Lotion with taurine**, a natural source of energy, and the antioxidant vitamin E offers effective protection against damage to the skin from radicals. The lotion is absorbed quickly and calms and protects the skin.

- The **NIVEA Hair Care & Styling** relaunch improved the positioning of these proven products, which protect, add body to, and care for different hair types. The composition of the formulas and the effectiveness of the care and styling ranges were enhanced further. Consumer tests confirmed the improved performance of the shampoos and conditioners as well as the hold and volume offered by the styling products.

- **Eucerin EVEN BRIGHTER**, the first comprehensive care range for hyperpigmentation by Eucerin available in pharmacies, reduces pigmentation marks using the cosmetic ingredient B-Resorcinol and restores a more even skin tone after four to 12 weeks. B-Resorcinol addresses the problem of melanin production at source, so that dark spots fade over time. The production of melanin is limited and dark spots are significantly reduced. This effect steadily improves the complexion when the products are used regularly.

- **Eucerin DermoCapillaire** is a full-range scalp and hair care program. The care series offers products that restore the scalp's healthy balance and provide dedicated treatments for common problems. The combination of leave-on scalp treatment and shampoo reduces microinflammations, promotes healthy hair growth, and cares for the hair. The special combinations of ingredients in the various products solve problems such as sensitive scalps, itching, and scaling.

The **La Prairie Group** in Zurich, Switzerland, expanded its Advanced Marine Biology Collection to include three new products: Foaming Mousse Cleanser, Revitalizing Emulsion, and Eye Gel. The collection's ingredients are sourced on land from aquacultures in a scientifically controlled seawater environment. All of the products in the collection contain La Prairie's exclusive Cellular Complex, which stimulates the skin's own regeneration process and optimally supports its functions.

Skin Caviar Liquid Lift is a new anti-aging serum. With its high concentration of caviar extract, the product firms and contours the skin. This process is supported by the firming effect of a heteropolysaccharide and an advanced tripeptide, which helps to prevent fine lines and smile and frown lines. In addition, a new pentapeptide promotes the healthy balance of the epidermis. A modern pump dispenser correctly mixes the ingredients immediately before application, guaranteeing their stability.

In the Cellular Power Charge Night product, La Prairie's scientists have combined Cellular Power Infusion technology with an effective anti-aging ingredient – micro-encapsulated retinol – and added a revitalizing shot of oxygen. Lack of oxygen in the skin is one of the main causes of lines, wrinkles, and declining vitality. Moreover, increasing the oxygen supply promotes epidermal cell regeneration. The structure of the skin appears finer, brighter, and more radiant overall. In addition, Swiss snow algae serve to protect the skin cells and strengthen the skin's natural regenerative power.

Sustainability

Beiersdorf has always defined its responsibility as a company in three ways: long-term economic success, environmental protection, and corporate social responsibility. Sustainability is an integral part of our corporate culture and our business activities and is therefore firmly established in all of Beiersdorf's business processes. Growing consumer demand for sustainable products, production processes, and supply chains makes acting in a resource-friendly and socially responsible way an important success factor. A large number of projects and activities in 2012 demonstrate the importance that Beiersdorf places on an integrated approach to its business activities.

CORPORATE SUSTAINABILITY

The "We care." sustainability strategy that Beiersdorf developed in 2011 focuses on three fields of activity: "Products", "Planet", and "People." Beiersdorf has defined clear, long-term objectives for each core area of activity; by 2020:

- 50% of its sales will be from products with a significantly reduced environmental impact (base year 2011)
- CO_2 emissions will have been reduced by 30% per product sold (base year 2005)
- we aim to reach and improve the lives of one million families (base year 2013)

The focus in 2012 was on rolling out the strategy throughout the company and on launching pilot projects that point the way to achieving our objectives. There are also many positive examples – including from affiliates – of Beiersdorf's ongoing commitment to sustainability.

PRODUCTS

Beiersdorf has launched a Group-wide project to perform systematic product life cycle assessments with the aim of better documenting product sustainability effects and integrating the findings even more effectively into the innovation process. Beiersdorf also continued its drive to reduce packaging material: for example, material usage for the new NIVEA Body products has been decreased, saving significant amounts of packaging material. In addition, the packaging shape was optimized so that more products are transported per pallet, significantly reducing CO_2 emissions.

PLANET

In 2012, Beiersdorf started designing a company-wide system for managing its sustainability performance, so as to ensure that sustainability activities are planned in and performed during all business processes.

The company also expanded its activities in the resource efficiency area. For example, combined heat and power plants were commissioned at the company's Hamburg location and additional energy efficiency measures were implemented in its research center. These measures cut CO_2 emissions.

From the beginning of 2013, Beiersdorf AG has implemented a Green Car Policy, which specifies concrete CO_2 emissions limits for all company cars, from the sales team to the Executive Board. These limits – which are strict in comparison to those in force at other companies – highlight how important sustainability is for Beiersdorf.

Beiersdorf is also aiming at least for a LEED gold certificate for the new production center it is planning in Mexico. LEED (Leadership in Energy and Environmental Design) is an internationally recognized system for classifying sustainable buildings that meet certain ecological conditions, particularly with respect to their construction and operation. The new plant will emit considerably less carbon dioxide and use significantly less water than comparable structures.

PEOPLE

ESMAS, the global Environmental Protection and Safety Management Audit Scheme, was expanded in the year under review. The audited companies now have the opportunity for continuous further development in the form of self-audits. Beiersdorf Manufacturing Berlin is one of the first production centers to successfully implement the new system in ongoing communication on the topics of environmental protection and occupational safety.

The company has also made progress in maintaining the physical and psychological wellbeing of all employees – something that is essential for successful and meaningful work. For example, Beiersdorf Manufacturing Hamburg (BMH) launched the GO BMH health campaign in 2011 as part of its BMH Strategy 2015. Its objective is to boost employees' health and performance in the long term. In the pilot project "GO-Kompakt", employees were given a day off for a thorough check-up by the company medical service, and were taught about important health-related topics such as nutrition when working shifts and relaxation techniques. This was followed up by another health exam after six or 12 months. Beiersdorf has also developed an extensive package of measures to maintain employees' psychological health. This includes a cooperation agreement with a behavioral therapy facility, management seminars to prevent burnout, and establishing a reintegration management system.

Diversity is a very important topic in a global company. This is why Beiersdorf signed the "Diversity Charter" in 2012. This initiative aims to promote the recognition, appreciation, and integration of diversity in German corporate culture. The company has also appointed a diversity manager who reports directly to the Chairman of the Executive Board. Beiersdorf is making an important contribution to improving employees' work-life balance by expanding the day care center at its Hamburg location. This provides comprehensive care for both employees' children and children from the neighborhood.

As part of its corporate social responsibility (CSR) commitment, Beiersdorf supports projects that deliver strong local benefits and that have a long-term focus. Together with Plan International, Beiersdorf has reached more than 25,000 children and their families with its 15 projects. Since social commitment works from the inside out, Beiersdorf actively involves its employees in its CSR initiatives. At the moment, the company is developing a volunteering concept that will allow employees to actively contribute to Beiersdorf's CSR activities at a personal level. This will increase motivation during day-to-day working, boost identification with the company, and make a social contribution at the same time.

To ensure its sustainability strategy can be successfully implemented and its ambitious targets achieved, Beiersdorf is showing its employees what sustainability means for them both privately and professionally, how they benefit from this, and what they can actively do to contribute. To achieve this, a Group-wide employee campaign focusing on three pillars – "inform", "involve", and "inspire" – was started in 2012. Beiersdorf firmly believes that the company can only become more sustainable with the help of its employees.

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

Employees

SUCCESSFUL TOGETHER

As of December 31, 2012, Beiersdorf AG employed 1,800 people (previous year: 1,912). There were 283 vocational training positions and traineeships (previous year: 329).

MANAGING CHANGES IN THE WORKPLACE

Employees are vital factors in corporate success. They manage strong brands, develop innovations, and enthuse consumers. This is how sustainable success is created. The Human Resources department's future-oriented activities support the company's development and strategy. The department analyzes trends in the workplace and the wider world, and provides the framework needed to maintain Beiersdorf's positioning as one of the most attractive employers in the consumer goods industry.

The global labor markets of tomorrow are subject to a number of megatrends that are leading to significant changes in the workplace. As in most industrialized countries, the population in Germany is aging as a result of demographic change, and even initial emerging markets – such as China – are affected by this trend. This also has implications for workforce age structures in companies, which must adapt to these changes well in advance. At the same time, continuing globalization is being accompanied by increasing mobility – especially of highly qualified employees. This megatrend is creating both opportunities and challenges for international companies such as Beiersdorf. More than ever, Beiersdorf needs employees who can move between countries, cultures, and languages. It has to position itself as an in-demand employer in order to attract these high potentials. This is the only way to develop innovative products for different markets and leverage opportunities around the world even more effectively. In addition, achieving a healthy work-life balance is becoming increasingly important. Providing flexible employment opportunities for highly qualified employees throughout all stages of their lives gives companies a competitive advantage. Beiersdorf supports this flexibility in particular by offering part-time working models that reconcile individual needs with the requirements of our business operations to a significant extent.

Beiersdorf's human resources activities address these and other workplace changes, taking a far-sighted approach for the benefit of both the company and its employees. Responsible cooperation is an essential element of long-term corporate success.

ENABLING HIGH PERFORMANCE

Beiersdorf is one of the most attractive employers in the consumer goods industry, and it intends to consolidate and expand this position using a blueprint for the period up to 2015 developed by the Human Resources department. This is derived from the company's "Blue Agenda" – the strategic compass for all of Beiersdorf's corporate activities in the coming years. The human resources strategy is based on three pillars, which are applicable all over the world:

- develop world-class, diverse talent at all levels
- drive the right core competencies within the organization
- create a motivating, high-performance working environment

Beiersdorf aims to use its employees' skills and potential to optimally meet workplace requirements. In addition, it specifically fosters motivation and a performance-driven culture.

Key Human Resources department activities in fiscal year 2012 included the introduction of the new performance management process plus the new "Pay for Performance" compensation system. The number one priority was to plan thoroughly and far-sightedly for these changes, as well as to rapidly and reliably implement the measures. Ensuring that we have the right people with the right skills and abilities in the right place at the right time is the only way to successfully implement the Consumer business strategy "Focus on Skin Care. Closer to Markets."

FOSTERING MOTIVATION AND A PERFORMANCE-DRIVEN CULTURE

The new performance management process is designed to foster a more performance-driven corporate culture. Making performance transparent, evaluating it fairly, and rewarding it appropriately are vital here. The criteria necessary to do this – the core competencies and criteria for measuring potential – were established in 2011. The new performance management process is directly linked to a new compensation system: "Pay for Performance" means remuneration is fair and aligned with performance. Beiersdorf is also focusing more strongly on employee development, taking individual abilities into account. The principles behind this are the ability to work independently as well as a high level of motivation and initiative. The process is flanked by frank, open dialog in an atmosphere of mutual trust – part of Beiersdorf's corporate culture. Regular, honest feedback aims to ensure that every single member of the Beiersdorf team continues to develop on an ongoing basis and continuously improves their performance.

HUMAN RESOURCES IS THE BASIS FOR CORPORATE SUCCESS

The Human Resources department's new performance management activities and pay-for-performance process strengthen and foster the performance-driven approach taken by all Beiersdorf employees, and hence the company's success worldwide. Another important strategic human resources planning tool is optimized succession management. This tracks employee potential, recognizes the need for supplementary recruitment, serves as an early warning system for critical positions, and ensures employees have the qualifications they need. The Human Resources department's tasks also include supporting managers in managing and developing their teams. Here, too, continuous professional development and lifelong learning, which are incorporated seamlessly into the Integrated Talent Management program, are a given. Beiersdorf offers a wide range of opportunities to develop professional and personal skills, from on-the-job training programs through ab initio and continuing professional development courses in specialist subjects down to management training. Employee qualifications are crucial to Beiersdorf's competitive ability – particularly since changes in the company's environment are making internal changes necessary.

Remuneration of the Executive and Supervisory Boards

For information on the main features of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the Remuneration Report in the chapter entitled "Corporate Governance," starting on page 12. The Remuneration Report forms part of the Annual Financial Statements and the Management Report.

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.

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.

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 annual financial statements and the Management Report. This integral element of the accounting process comprises preventive, monitoring, and detective measures designed to ensure security and control in accounting and the operational functions. The security measures embedded in the organizational structure and workflows are intended to prevent errors, while the controls aim to reduce the probability of errors occurring during processes and to discover any errors that are made. Among other things, the measures include the separation of functions, manual and IT-based approval processes such as dual controls, IT checks, access restrictions and authorization concepts for the IT system, and systems-based processes for handling accounting data.

The core accounting processes at Beiersdorf AG are handled by a shared service center. The basic principles and processes and the reporting structure for accounting are documented in an accounting and financial control manual and a risk management 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 monitors risk management and compliance with the internal control system by means of systematic audits. The department is independent of the Group's operating activities, and regularly reviews 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. They regularly report their audit findings to the Supervisory Board and in particular to its Audit Committee (before December 2012 to the Finance 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. This also counteracts the growing retail concentration and the regional emergence of private label products.

Expertise-based brands require a high degree of upfront investment in innovation and marketing. The continuous expansion of our trademark and patent portfolio therefore 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.

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 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, 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 by establishing 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 material additional 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. Given the developments on the capital markets, 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.

Along with other companies, affiliates of the Beiersdorf Group in Belgium and France are involved in antitrust proceedings relating to cosmetics products on a national level. Statements of objections have now been issued in Belgium. To the extent that an outflow of resources embodying economic benefits is likely to be required to settle these obligations, provisions were established for the pending antitrust proceedings in the amount of the best estimate of the settlement value. However, no conclusive assessment of the risk is possible at present. The proceedings in Germany have now been settled.

Summary of Beiersdorf AG's Risk Situation

Based on our current assessment, Beiersdorf AG 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 implemented or omitted, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the implementation or omission of any measures."

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 § 289 (4) *Handelsgesetzbuch* (German Commercial Code, *HGB*) are presented below.

Please refer to the notes to the 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, 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 60.46% (including 9.99% own shares held by Beiersdorf Aktiengesellschaft, which do not carry 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 April 29, 2010, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until April 28, 2015, 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, preemptive rights to 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 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. In the context of the restriction of this authorization to a total of 10% of the share capital, those shares must be included for which the preemptive rights of shareholders have been disapplied since April 29, 2010, in accordance with § 186 (3) sentence 4 *AktG* when the authorization to sell own shares is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is utilized (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 April 29, 2010, 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 April 28, 2015, 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 April 28, 2015, 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 carry 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 April 29, 2010, 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 April 28, 2015. The shares shall be purchased via the stock exchange or via a public purchase offer addressed to all shareholders. 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 utilize the above-mentioned own shares in whole or in part 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, while disapplying the preemptive rights of shareholders. 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. Finally, the Executive Board was authorized, with the approval of the Supervisory Board, to retire the above-mentioned own shares 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 will continue to be dominated by uncertainty in 2013. The industrialized nations are likely to record weaker growth in 2013, whereas we expect stronger growth rates in the developing countries and emerging markets.

Developments in **Europe** will mainly depend on the additional decisions to be taken on how to reorganize the eurozone. Initial indications suggest that the reforms that have been implemented, particularly in the crisis countries in Southern Europe, are working and that they could stabilize the economic situation. For example, the hardest-hit countries have reduced their government deficits and are laying the groundwork for a long-term recovery. However, the situation in 2013 is expected to remain mixed. For major exporters such as **Germany** and other Northern European countries, we are again expecting slight growth in 2013, while markets in Southern European countries are likely to continue to stagnate or decline.

We expect continued moderate growth in the **United States** in 2013. However, a range of factors such as fiscal policy and labor market and consumer spending trends are sources of uncertainty that could also lead to smaller increases in consumer spending and in corporate investment.

In **China**, we expect growth to be on a level with the previous year. Weaker export demand could be offset by fiscal policy measures and increased foreign investment. Growth is also expected to stay the same in the rest of Asia, with Indonesia, Thailand, and Vietnam in particular supporting growth in the region.

We will work together with Research and Development and Quality Management to identify alternative sources of supplies and hence continue improving raw materials security for our production facilities. This will also further reduce our dependence on individual suppliers and specific raw materials. As in the past, strategic partnerships with suppliers will secure the availability of raw materials in 2013, ensuring supplies for our production facilities. We expect price rises in the procurement markets to slow as a result of the ongoing weak global economic growth that is forecast for 2013. The procurement markets in 2013 will continue to be dominated by uncertainties surrounding the euro and sovereign debt crisis, the political situation in the Middle East, and the limited availability of specific raw materials.

Sector Developments

We anticipate that the growth rate for the global cosmetics market will be on a level with the previous year due to the ongoing euro and sovereign debt crisis and the muted global economic outlook. We continue to expect low rates of growth in the major Western European and North American markets. Asia, Eastern Europe, and Latin America will make a positive contribution to overall performance with good growth rates.

Our Market Opportunities

Once again, market performance was mixed in fiscal year 2012 and competition continued to increase in some markets. Our strategic program for the future, as manifested in our internal Blue Agenda program, aims to make Beiersdorf more successful and to continue to strengthen the company's competitive ability. We see strong opportunities in our regional approach to business management, our bundling of resources to focus on the emerging markets, and in our concentration on our core categories. This assessment forms the basis for our planning for the coming fiscal year.

We will build on our solid financing structure and strong earnings position together with our dedicated and highly qualified employees to continue to exploit the opportunities that our brand portfolio offers us in the future. Our extensive research and development activities that result in successful innovations, flanked by targeted marketing measures, will strengthen our brand core and create enduring confidence among our consumers.

Business Developments

Our assessment of business developments in the coming years is based on the above assumptions. In the year under review, we saw the first positive effects of the restructuring measures taken to optimize the regional structures and realign the company's headquarters in Hamburg.

On this basis, we expect sales to increase moderately in 2013 and for this trend to continue in 2014.

With respect to Beiersdorf AG's normalized operating result, we are planning a higher operating margin in 2013 due to the planned reduction in the amortization charged on trademarks. For 2014, we are aiming for an operating margin on a level with 2013. We expect dividend income to be considerably higher in 2013 than in 2012 as a result of one-off structural measures within the Group. It should be noted in this context that both Beiersdorf AG's operating result and its financial result are influenced by effects arising from its provision of typical holding company services to Group companies.

We firmly believe that we are well positioned for the future thanks to our strong brands, innovative products, and our strategic focus, as manifested in our Blue Agenda.

Hamburg, February 5, 2013
Beiersdorf AG

The Executive Board

Income Statement – Beiersdorf AG

(IN € MILLION)

	Note	2011	2012
Sales	01	**1,048**	**1,077**
Other operating income	02	95	110
Cost of materials	03	–243	–260
Personnel expenses	04	–201	–200
Depreciation and amortization of property, plant, and equipment, and intangible assets	05	–45	–42
Other operating expenses	06	–520	–553
Operating result		**134**	**132**
Net income from investments	07	165	249
Net interest expense	08	–13	–1
Other financial result	09	4	6
Financial result		**156**	**254**
Result from ordinary activities		**290**	**386**
Extraordinary result	10	**–45**	**–6**
Income taxes	11	–33	–76
Profit after tax		**212**	**304**
Transfer to other retained earnings	31	–36	–128
Net retained profits		**176**	**176**

Balance Sheet – Beiersdorf AG

(IN € MILLION)

Assets	Note	Dec. 31, 2011	Dec. 31, 2012
Intangible assets	13	80	49
Property, plant, and equipment	14	52	94
Financial assets	15	1,390	1,489
Fixed assets		**1,522**	**1,632**
Inventories		5	2
Receivables and other assets*	16	436	434
Securities*	17	1,325	1,583
Cash and cash equivalents	18	125	81
Current assets		**1,891**	**2,100**
Prepaid expenses		**4**	**3**
Excess of plan assets over post-employment benefit liability	20	**2**	**3**
		3,419	**3,738**

Equity and liabilities	Note	Dec. 31, 2011	Dec. 31, 2012
Share capital		252	252
Own shares		–25	–25
Issued capital		227	227
Additional paid-in capital		47	47
Retained earnings		1,108	1,253
Net retained profits		176	176
Equity	19	**1,558**	**1,703**
Provisions for pensions and other post-employment benefits	20	408	414
Other provisions	21	273	243
Provisions		**681**	**657**
Liabilities to banks		5	0
Trade payables		52	52
Other liabilities		1,123	1,318
Liabilities	22	**1,180**	**1,370**
Deferred tax liabilities	11	**0**	**8**
		3,419	**3,738**

* The prior-year figures have been adjusted. See the disclosures in the section entitled “Basis of Preparation of Beiersdorf AG’s Financial Statements.”

Basis of Preparation of Beiersdorf AG's Financial Statements

The annual financial statements of Beiersdorf AG are prepared in accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code, *HGB*) as amended by the *Bilanzrechtsmodernisierungsgesetz* (German Accounting Law Modernization Act, *BilMoG*) and the *Aktiengesetz* (German Stock Corporation Act, *AktG*). The recommendations of the German Corporate Governance Code that are relevant to the annual financial statements were taken into account.

The financial statements comprise the balance sheet, the income statement, and the notes. The income statement was prepared using the total cost (nature of expense) method. Where items in the balance sheet and the income statement have been summarized to aid clarity, they are disclosed and explained separately in the notes. The annual financial statements are prepared in euros (€); amounts are given in millions of euros (€ million). The accounting policies applied in the year under review were unchanged as against the previous year.

As a parent company, Beiersdorf AG prepares its own consolidated financial statements. Beiersdorf's consolidated financial statements are also included in the consolidated financial statements of maxingvest ag, Hamburg, which prepares the consolidated financial statements for the largest group of companies. Both sets of consolidated financial statements are published in the *Bundesanzeiger* (Federal Gazette).

In accordance with the merger agreement dated September 7, 2011, Florena Cosmetic GmbH, Waldheim/Germany, was merged with the company as the acquiring legal entity effective January 1, 2012. The merger was entered in the commercial register for Beiersdorf AG on February 27, 2012. The carrying amounts of assets acquired and liabilities assumed from the transferring legal entity's closing balance sheet were recognized as acquisition costs, in line with the option in accordance with § 24 *Umwandlungsgesetz* (German Reorganization and Transformation Act, *UmwG*). The negative difference between the carrying amount of the shares to be transferred and the carrying amount of the net assets acquired was €15 million. This merger loss was recognized in the income statement under the extraordinary result.

In contrast to the previous year's financial statements, claims to accrued interest are presented as other assets. In the previous year, these were presented in the balance sheet under the securities item. The prior-year figures have been adjusted accordingly. Other assets increased by €22 million, while securities decreased by the same amount.

Notes to the Income Statement

01 Sales

Beiersdorf AG is responsible for business in Germany with branded consumer products for skin and body care, which are bundled in the Consumer Business Segment. It also provides typical holding company services to affiliates in the course of its ordinary activities. Beiersdorf AG's sales increased by €29 million to €1,077 million (previous year: €1,048 million).

SALES BY REGION (IN € MILLION)

	2011	2012
Germany	819	848
Rest of Europe	131	125
Americas	48	48
Africa/Asia/Australia	50	56
	1,048	**1,077**

02 Other Operating Income

Other operating income rose from €95 million to €110 million. This item consists of income of €0 million from reversals of write-downs of intangible assets (previous year: €2 million), income of €24 million from the reversal of provisions (previous year: €22 million), currency translation gains on trade receivables and payables of €6 million (previous year: €6 million), reversals of write-downs on receivables of €6 million (previous year: €0 million), income of €60 million from services provided to affiliated companies (previous year: €56 million), and other income of €14 million (previous year: €8 million).

03 Cost of Materials

The cost of materials of €260 million (previous year: €243 million) includes the acquisition cost of the goods sold.

04 Personnel Expenses

(IN € MILLION)

	2011	2012
Wages and salaries	171	168
Social security contributions and other benefits	24	22
Pension expenses	6	10
	201	**200**

05 Depreciation and Amortization of Property, Plant, and Equipment, and Intangible Assets

In addition to depreciation and amortization, no impairment losses were recognized on property, plant, and equipment in the fiscal year (previous year: €2 million).

06 Other Operating Expenses

Other operating expenses increased from €520 million to €553 million. This item consists of marketing expenses of €338 million (previous year: €316 million), maintenance costs totaling €8 million (previous year: €7 million), outgoing freight in the amount of €6 million (previous year: €5 million), currency translation losses on trade receivables and payables of €6 million (previous year: €4 million), write-downs on receivables of €4 million (previous year: €4 million), third-party services of €25 million (previous year: €20 million), legal and consulting costs of €38 million (previous year: €35 million), other personnel expenses of €13 million (previous year: €14 million), costs of services invoiced by affiliated companies of €56 million (previous year: €46 million), other taxes of €1 million (previous year: €2 million), and other expenses totaling €58 million (previous year: €67 million).

07 Net Income from Investments

(IN € MILLION)

	2011	2012
Income from investments (thereof from affiliated companies)	149 (147)	166 (166)
Income from profit transfer agreements	25	77
Reversals of write-downs of financial assets and securities classified as current assets	0	6
Losses on profit transfer agreements	–7	–
Losses on disposal of investments in affiliated companies and other equity investments	–2	–
	165	**249**

08 Net Interest Expense

(IN € MILLION)

	2011	2012
Other interest and similar income	24	30
(thereof from affiliated companies)	(3)	(2)
Interest and similar expenses	–16	–10
(thereof to affiliated companies)	(–11)	(–7)
Expenses from unwinding of discounts on provisions for pensions and other long-term obligations	–21	–21
	–13	**–1**

09 Other Financial Result

(IN € MILLION)

	2011	2012
Other financial income	69	74
Other financial expenses	–65	–68
	4	**6**

Other financial income consists of currency translation gains on financial items of €74 million (previous year: €56 million), gains on the disposal of near-money market retail funds of €0 million (previous year: €9 million), and other financial income of €0 million (previous year: €4 million). Other financial expenses comprise currency translation losses on financial items of €67 million (previous year: €65 million) and miscellaneous financial expenses of €1 million.

10 Extraordinary Result

The extraordinary result primarily comprises a merger loss of €15 million from the merger with Florena Cosmetic GmbH, Waldheim/Germany, as well as income of €12 million from the reversal of provisions that were established during the realignment of the company's structures and processes (previous year: expense of €45 million).

11 Income Taxes

Corporation tax, the solidarity surcharge, trade tax, and paid withholding tax are reported as income tax expenses. Deferred tax expenses and income are also included in this item.

Any aggregate tax liability resulting from differences between the carrying amounts in the financial statements of assets, liabilities, or items of prepaid expenses and deferred income, and their tax base that are expected to reverse in future fiscal years must be recognized as deferred tax liabilities. Any resulting aggregate tax benefit may be recognized as deferred tax assets. The amounts are measured using the company's individual tax rate of 31.6% (previous year: 31.6%).

Beiersdorf AG is the consolidated income tax group parent of various consolidated tax group subsidiaries. A consolidated income tax group exists if a consolidated tax group subsidiary within the meaning of § 14 (1) sentence 1 in conjunction with § 17 (1) sentence 1 *Körperschaftssteuergesetz* (German Corporate Income Tax, *KStG*) undertakes by way of a profit transfer agreement within the meaning of § 291 (1) *AktG* to transfer its entire profit to a single other commercial enterprise. As a result, the income of the consolidated tax group subsidiary is attributable to the entity's parent (consolidated tax group parent). Future tax liabilities or benefits resulting from temporary differences between the carrying amounts of assets and liabilities or items of prepaid expenses and deferred income in the annual financial statements of the consolidated tax group subsidiaries and their corresponding tax base are therefore recognized in Beiersdorf AG's annual financial statements.

Deferred tax assets of €6 million (previous year: €6 million) were recognized for pension provisions as a result of the higher provisions recognized in the financial statements as against the tax base. Other deferred tax assets of €13 million (previous year: €11 million) were due to certain other provisions not being recognizable for tax purposes, or to lower values being recognized. Deferred tax liabilities mainly result from differences in the carrying amounts of fixed assets of €27 million (previous year: €3 million).

Overall, Beiersdorf AG expects a total future tax liability of €8 million from its own temporary accounting differences and those relating to companies in its consolidated tax group as of December 31, 2012. In the previous year, a future tax benefit of €4 million was expected due to the excess of deferred tax assets. No deferred tax assets were recognized for this, in line with the option in accordance with § 274 (1) sentence 2 *HGB*. Consequently, deferred taxes of €8 million are included in the tax expense for the fiscal year.

12 Other Taxes

Other taxes are reported under other operating expenses. They amounted to €1 million (previous year: €2 million).

Notes to the Balance Sheet

13 Intangible Assets

(IN € MILLION)

	Purchased patents, licenses, trademarks, and similar rights and assets	Advance payments	**Total**
Cost			
Opening balance Jan. 1, 2012	**390**	**–**	**390**
Additions	1	–	1
Disposals	–	–	–
Transfers	–	–	–
Closing balance Dec. 31, 2012	**391**	**–**	**391**
Amortization			
Opening balance Jan. 1, 2012	**310**	**–**	**310**
Write-downs	32	–	32
Reversals of write-downs	–	–	–
Disposals/transfers	–	–	–
Closing balance Dec. 31, 2012	**342**	**–**	**342**
Carrying amount Dec. 31, 2012	49	–	49
Carrying amount Dec. 31, 2011	80	–	80

Purchased intangible assets are carried at cost less straight-line amortization. Intangible assets are generally amortized over a period of five years, and in exceptional cases over three to ten years. Internally generated intangible assets and research and development expenses are not capitalized.

Write-downs for impairment are recognized if more than temporary impairments in value are likely to occur. Write-downs are reversed up to amortized cost if the reasons for the impairment no longer apply.

14 Property, Plant, and Equipment

(IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	**Total**
Cost					
Opening balance Jan. 1, 2012	**185**	**2**	**109**	**2**	**298**
Additions	43	–	6	4	53
Disposals	–1	–	–8	–	–9
Transfers	1	–	1	–2	–
Closing balance Dec. 31, 2012	**228**	**2**	**108**	**4**	**342**
Depreciation					
Opening balance Jan. 1, 2012	**152**	**2**	**92**	**–**	**246**
Depreciation	3	–	7	–	10
Disposals/transfers	–	–	–8	–	–8
Closing balance Dec. 31, 2012	**155**	**2**	**91**	**–**	**248**
Carrying amount Dec. 31, 2012	**73**	**–**	**17**	**4**	**94**
Carrying amount Dec. 31, 2011	33	–	17	2	52

Property, plant, and equipment is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. Buildings are depreciated on a straight-line basis over a useful life of 25 to 50 years. Assets acquired during the fiscal year are depreciated on a straight-line basis. In previous years, additions were generally depreciated using the declining-balance method at first to the extent permitted by law and subsequently using the straight-line method of depreciation. The useful life of technical equipment and machinery, and office and other equipment, is generally ten years, in exceptional cases three to 15 years.

We write off low-value assets up to €150 in full in the year of acquisition. Assets costing between €150 and €1,000 are pooled and written down over five years.

Write-downs for impairment are recognized if more than temporary impairments in value are likely to occur. Write-downs are reversed up to amortized cost if the reasons for the impairment no longer apply. €42 million of the additions to property, plant, and equipment was attributable to the acquisition of real estate from Beiersdorf's pension fund (TROMA Alters- und Hinterbliebenenstiftung, Hamburg).

15 Financial Assets

(IN € MILLION)

	Investments in affiliated companies	Other equity investments	Long-term securities	**Total**
Cost				
Opening balance Jan. 1, 2012	**1,420**	**3**	**–**	**1,423**
Additions	120	–	–	120
Disposals	–27	–	–	–27
Transfers	3	–3	–	–
Closing balance Dec. 31, 2012	**1,516**	**–**	**–**	**1,516**
Write-downs				
Opening balance Jan. 1, 2012	**33**	**–**	**–**	**33**
Write-downs/reversals of write-downs	–6	–	–	–6
Disposals/transfers	–	–	–	–
Closing balance Dec. 31, 2012	**27**	**–**	**–**	**27**
Carrying amount Dec. 31, 2012	**1,489**	**–**	**–**	**1,489**
Carrying amount Dec. 31, 2011	1,387	3	–	1,390

Financial assets are carried at cost. Write-downs to a lower value at the balance sheet date are charged if the impairment is expected to be more than temporary. Write-downs are reversed up to cost if the reasons for permanent impairment no longer apply.

The additions to investments in affiliated companies mainly relate to the acquisition of all the remaining shares in the former joint venture with the Turkish Eczacıbaşı Group, the formation of two affiliates in connection with the construction of the new factory in Mexico, and capital increases at existing affiliates. In addition, €19 million of the additions and €27 million of the disposals relate to the merger with Florena Cosmetic GmbH, Waldheim/Germany, which was implemented in 2012.

The reversals of write-downs on investments in affiliated companies were made because the reasons for the impairment losses charged in previous years no longer applied.

16 Receivables and Other Assets

(IN € MILLION)

	Dec. 31, 2011	**Dec. 31, 2012**
Trade receivables	79	84
(thereof due after more than one year)	(–)	(–)
Receivables from affiliated companies	308	264
(thereof due after more than one year)	(–)	(–)
Receivables from associated companies	–	–
(thereof due after more than one year)	(–)	(–)
Other assets*	49	86
(thereof due after more than one year)	(–)	(–)
	436	**434**

Receivables and other assets are carried at their nominal value. Appropriate individual valuation adjustments are charged for identifiable individual risks. General valuation adjustments are charged to take account of general credit risk.

Receivables and assets due within one year in foreign currencies are translated at the middle spot rate on the balance sheet date. Hedged foreign currency receivables are carried at the hedge rate. There are no receivables and assets in foreign currencies due after more than one year.

Receivables from affiliated companies comprise financial receivables of €159 million (previous year: €206 million) and trade receivables of €105 million (previous year: €102 million).

In addition to a large number of individual items such as payroll receivables and advance payments, the other assets item largely comprises tax receivables and interest receivables on securities.

Trade receivables of €9 million were acquired as part of the merger with Florena Cosmetic GmbH, Waldheim/Germany.

17 Securities

As of December 31, 2012, Beiersdorf AG had invested a total of €1,583 million in government and corporate bonds, Pfandbriefe, and near-money market retail funds (previous year: €1,325 million*). Investments classified as current assets are carried at cost. All bonds and Pfandbriefe are listed. €887 million (previous year: €650 million*) of the securities have a remaining maturity of up to one year, and €696 million (previous year: €675 million) have a remaining maturity of between one and four years.

18 Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances, cash-on-hand, checks, and short-term liquid investments such as overnight funds and money market funds.

* The prior-year figures have been adjusted. See the disclosures in the section entitled “Basis of Preparation of Beiersdorf AG’s Financial Statements.”

19 Equity

The following changes in equity were recorded in fiscal year 2012:

(IN € MILLION)

	Dec. 31, 2011	Utilization of 2011 net retained profits	2012 profit after tax	**Dec. 31, 2012**
Share capital	*252*	–	–	*252*
Own shares	*–25*	–	–	*–25*
Issued capital	227	–	–	227
Additional paid-in capital	47	–	–	47
Legal reserve	4	–	–	4
Other retained earnings	1,104	17	128	1,249
Net retained profits	176	–176	176	176
	1,558	**–159**	**304**	**1,703**

SHARE CAPITAL

The share capital amounts to €252 million and is composed of 252 million no-par value shares.

OWN SHARES

Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf AG has held 25,181,016 no-par value shares, corresponding to 9.99% of the company's share capital.

The presentation of own shares was adjusted in fiscal year 2010 in line with the revised version of § 272 (1 a) *HGB* (as amended). The notional interest in own shares (€25 million) is deducted from the share capital on the face of the balance sheet.

AUTHORIZED CAPITAL

The Annual General Meeting on April 29, 2010, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until April 28, 2015, 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) *Aktiengesetz* (German Stock Corporation Act, *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 AG, or companies in which it holds a direct or indirect majority interest, preemptive rights to 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 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. In the context of the restriction of this authorization to a total of 10% of the share capital, those shares must be included for which the preemptive rights of shareholders have been disapplied since April 29, 2010, in accordance with § 186 (3) sentence 4 *AktG* when the authorization to sell own shares is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is utilized (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.

CONTINGENT CAPITAL

In addition, the Annual General Meeting on April 29, 2010, 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. According to the resolution by the Annual General Meeting, 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 April 28, 2015, 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 April 28, 2015, 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 carry 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.

ADDITIONAL PAID-IN CAPITAL

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

RETAINED EARNINGS

The Annual General Meeting on April 26, 2012, resolved to transfer €17 million from net retained profits for fiscal year 2011 to other retained earnings. €128 million of the profit after tax for fiscal year 2012 was transferred to other retained earnings.

DISCLOSURES ON AMOUNTS SUBJECT TO RESTRICTIONS ON DISTRIBUTION

A non-distributable amount of €130 thousand was produced by the measurement at fair value of assets to be offset in accordance with § 246 (2) sentence 2 *HGB*, after deduction of the deferred tax liabilities on the difference between the cost and fair value of the asset. The amount of retained earnings available for distribution is €1,249 million. Consequently, the net retained profits of €176 million are not subject to any restrictions on distribution.

20 Provisions for Pensions and Other Post-employment Benefits

Pension provisions cover maintenance obligations to former and current employees.

Pension obligations are measured using the projected unit credit method, taking into account future wage, salary, and pension increases. The discount rate for pension commitments used was the average market interest rate calculated and published by the Deutsche Bundesbank that results from an assumed remaining maturity of 15 years. The wage and salary growth figure was 3.5% (previous year: 3.5%), the pension growth figure was 1.75% (previous year: 1.75%), and the discount rate was 5.04% (previous year: 5.14%). Heubeck's "2005 G mortality tables" were used as a basis for calculation.

Assets that serve solely to settle liabilities from post-employment benefit obligations and that are exempt from attachment by all other creditors are offset against the provisions at their fair values. If the fair value of the assets exceeds the amount of liabilities, the excess amount is reported as an "excess of plan assets over post-employment benefit liability." The fair value of assets invested in mixed-use funds was €10 million at the balance sheet date (previous year: €7 million; cost: €10 million); the settlement amount of the offset obligations was €7 million (previous year: €5 million). Excess assets of €3 million (previous year: €2 million) are reported as an "excess of plan assets over post-employment benefit liability" on the assets side of the balance sheet.

21 Other Provisions

(IN € MILLION)

	Dec. 31, 2011	Dec. 31, 2012
Provisions for taxes	1	14
Miscellaneous provisions	272	229
(thereof for personnel expenses)	(55)	(53)
(thereof for marketing and selling expenses)	(74)	(64)
(thereof for restructuring)	(43)	(17)
(thereof other)	(100)	(95)
	273	**243**

Other provisions include all identifiable future payment obligations, risks, and uncertain obligations of the company. They are measured using the settlement amount dictated by prudent business judgment to fund future payment obligations. Provisions expected to be settled after more than one year are discounted at the average market interest rate for the past seven years corresponding to their remaining maturity.

Provisions for personnel expenses primarily comprise provisions for partial retirement arrangements, annual bonuses, vacation pay, severance agreements, and anniversary payments. Obligations relating to flextime account balances and partial retirement arrangements are offset against the corresponding dedicated assets – mixed-use funds of €8 million (previous year: €6 million) and pension liability insurance claims of €7 million (previous year: €9 million) – in this item.

The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances, rebates, and returns.

The restructuring provisions are associated with the restructuring measures to optimize the company's structures and processes in the Consumer Business Segment.

The other provisions relate in particular to outstanding invoices and litigation risks.

Provisions of €6 million were assumed as part of the merger with Florena Cosmetic GmbH, Waldheim/Germany.

22 Liabilities

(IN € MILLION)

	Dec. 31, 2011	Dec. 31, 2012
Liabilities to banks	5	–
Trade payables	52	52
Liabilities to affiliated companies	1,116	1,295
Other liabilities	7	23
(thereof tax liabilities)	(4)	(16)
(thereof social security liabilities)	(3)	(3)
	1,180	**1,370**

Liabilities are recognized at their settlement amount at the balance sheet date.

Liabilities in foreign currencies due within one year are translated at the middle spot rate on the balance sheet date. Non-current foreign currency liabilities are recognized at the closing rate on the balance sheet date or at the higher rate at the transaction date. Hedged foreign currency liabilities are carried at the hedge rate. There are no liabilities in foreign currencies due after more than one year.

Liabilities to affiliated companies comprise financial liabilities of €1,272 million (previous year: €1,075 million) and trade liabilities of €23 million (previous year: €41 million).

Of the other liabilities, €6 million (previous year: €3 million) is due in more than one year, of which €1 million (previous year: €1 million) is due in more than five years. The liabilities are not collateralized.

Liabilities of €10 million were assumed as part of the merger with Florena Cosmetic GmbH, Waldheim/Germany.

Other Disclosures

23 Contingent Liabilities and Other Financial Obligations

(IN € MILLION)

	Dec. 31, 2011	Dec. 31, 2012
Contingent liabilities		
Obligations under guarantees and letters of comfort	11	5
(thereof for affiliated companies)	(11)	(5)
Other financial obligations		
Obligations under rental agreements and leases	8	7
Obligations under purchase commitments for investments	2	4
	10	**11**

Obligations from rental agreements and leases are reported at the total amount due until the earliest termination deadline.

The risk of contingent liability claims being asserted is considered to be low.

24 Derivative Financial Instruments

Beiersdorf AG's Corporate Treasury department is responsible for central currency and interest rate management within the Beiersdorf Group, and hence for all transactions involving financial derivatives. Derivative financial instruments are used to hedge the operating business and significant financial transactions that are important to the company. Beiersdorf AG is not exposed to any additional risks as a result. The transactions are performed exclusively using standard market instruments (currency forwards only, as in the prior year).

Because of the small volume of non-current financial liabilities, interest rate risk is of no more than minor significance for the Beiersdorf Group. As a result, no interest rate hedges are entered into at present.

Beiersdorf AG uses currency forwards to hedge the risk of changes in exchange rates. Currency hedges relate primarily to intragroup deliveries of goods and services. In general, 75% of the planned net cash flows are hedged externally using currency forwards around three to six months before the start of the year; these currency forwards are then largely passed on at matching maturities to Group companies. 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.

All these transactions are centrally recorded, measured, and managed in the treasury management system.

The notional value of the currency forwards at the balance sheet date was €1,394 million (previous year: €1,577 million). Of this amount, €1,340 million is due within one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

The fair value of the currency forwards at the balance sheet date was €–6 million (previous year: €9 million). The fair value is calculated by measuring the outstanding items at market prices at the balance sheet date. At Beiersdorf AG, hedge accounting is used for derivatives entered into with banks and the respective underlying transactions passed on to the subsidiaries, so that these are not reported in the financial statements. A provision of €6 million was established at the balance sheet date for expected losses from foreign currency transactions for derivative financial instruments that are not included in hedge accounting.

The positive fair values of derivatives are exposed in principle to default risk relating to the nonfulfillment of contractual obligations by counterparties. Our external counterparties are banks for which we consider the risk of default to be extremely low.

25 Employees by Function

AVERAGE NUMBER DURING THE YEAR

	2011	2012
Research and development	485	462
Supply chain	439	403
Sales and marketing	434	403
Other functions	566	582
	1,924	**1,850**

The annual average number of vocational training positions and trainees, which are not included in the employee figures, was 289 (previous year: 330).

26 Disclosures on the Supervisory and Executive Boards

For fiscal year 2012, the members of the Supervisory Board received remuneration totaling €1,393 thousand (previous year: €1,393 thousand) and the Executive Board received remuneration totaling €7,153 thousand (previous year: €6,018 thousand). For information on the system of 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 annual financial statements and the Management Report. Payments to former members of the Executive Board and their dependents totaled €2,474 thousand (previous year: €2,394 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,463 thousand (previous year: €26,256 thousand).

Members of the Executive and Supervisory Boards did not receive any loans from the company.

27 Auditors' Fees

The Annual General Meeting on April 26, 2012, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditors for fiscal year 2012. The total fees invoiced by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft for the fiscal year are contained in the relevant notes to the consolidated financial statements.

28 List of Shareholdings

The following list shows those companies/equity interests in which Beiersdorf AG holds 5% or more of the shares and/or voting rights. The list does not include companies/equity interests that are of no more than minor significance for the presentation of Beiersdorf AG's net assets, financial position, and results of operations.

BEIERSDORF AG'S SHAREHOLDINGS
Germany

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2012 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2012 (in accordance with IFRSs) in € thousand
Allgemeine Immobilien- und Verwaltungsgesellschaft m.b.H.[1]	Baden-Baden	100.00	EUR	2,050,000	2,614	0
La Prairie Group Germany GmbH[1]	Baden-Baden	100.00	EUR	1,300,000	3,830	0
Produits de Beauté Logistik GmbH[1]	Baden-Baden	100.00	EUR	10,500,000	33,593	0
Produits de Beauté Produktions GmbH[1]	Baden-Baden	100.00	EUR	8,500,000	12,968	0
Beiersdorf Manufacturing Berlin GmbH[1]	Berlin	100.00	EUR	1,023,000	5,986	0
Beiersdorf Beteiligungs GmbH	Gallin	100.00	EUR	50,000	390,551	29,595
GUHL IKEBANA GmbH	Griesheim	10.00	EUR	5,112,919	34,190	26,089
BDF Immo GmbH	Hamburg	100.00	EUR	25,000	27	0
Beiersdorf Customer Supply GmbH	Hamburg	100.00	EUR	1,000,000	82,830	24,566
Beiersdorf Hautpflege GmbH	Hamburg	100.00	EUR	25,000	2,325	211
Beiersdorf Manufacturing Hamburg GmbH[1]	Hamburg	100.00	EUR	1,000,000	24,462	0
Beiersdorf Shared Services GmbH[1]	Hamburg	100.00	EUR	12,000,000	30,222	0
IKEBANA-Kosmetik GmbH	Hamburg	100.00	EUR	25,565	34	–1
NOIMMO Erste Projekt GmbH & Co. KG	Hamburg	100.00	EUR	5,000	–324	–237
One tesa Bau GmbH	Hamburg	100.00	EUR	25,000	25	0
Phanex Handelsgesellschaft mbH[1]	Hamburg	100.00	EUR	25,565	28	0
Tape International GmbH[1]	Hamburg	100.00	EUR	26,000	26	0
tesa Converting Center GmbH[1]	Hamburg	100.00	EUR	1,000,000	3,999	0
tesa Grundstücksverwaltungsges. mbH & Co. KG	Hamburg	100.00	EUR	50,000	12,512	177
tesa SE	Hamburg	100.00	EUR	25,800,000	373,166	90,267
tesa Werk Hamburg GmbH	Hamburg	100.00	EUR	1,000,000	35,221	0
TRADICA Pharmazeutische GmbH	Hamburg	100.00	EUR	25,565	53	0
Ultra Kosmetik GmbH	Hamburg	100.00	EUR	25,565	76	8
tesa scribos GmbH[1]	Heidelberg	100.00	EUR	2,000,000	2,084	0
Labtec Gesellschaft für technologische Forschung und Entwicklung mbH	Langenfeld	100.00	EUR	55,000	1,630	1,554
tesa Werk Offenburg GmbH[1]	Offenburg	100.00	EUR	3,100,000	18,941	0
Beiersdorf Manufacturing Waldheim GmbH[1]	Waldheim	100.00	EUR	1,000,000	19,765	0

Europe

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2012 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2012 (in accordance with IFRSs) in € thousand
Beiersdorf CEE Holding GmbH	AT, St. Pölten	100.00	EUR	700,000	147,932	39,244
Beiersdorf Ges mbH	AT, Vienna	100.00	EUR	14,535,000	31,077	10,504
La Prairie Group Austria GmbH	AT, Vienna	100.00	EUR	300,000	586	264
tesa GmbH	AT, Vienna	100.00	EUR	35,000	639	380
BEIERSDORF FINANCE SCS	BE, Brussels	100.00	EUR	100,000,000	106,717	310
SA Beiersdorf NV	BE, Brussels	100.00	EUR	4,958,000	14,376	1,501
SA tesa	BE, Brussels	100.00	EUR	1,861,000	2,661	595
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00	BGL	1,500,000	2,448	772
tesa tape Schweiz AG	CH, Bergdietikon	100.00	CHF	100,000	1,504	264
Beiersdorf AG	CH, Reinach	100.00	CHF	1,000,000	38,464	21,971
La Prairie Group AG	CH, Volketswil	100.00	CHF	46,600,000	87,513	24,418
Laboratoires La Prairie SA	CH, Volketswil	100.00	CHF	400,000	25,151	6,936
Beiersdorf spol. s r.o.	CZ, Prague	100.00	CZK	50,000,000	7,777	4,900
tesa tape s.r.o.	CZ, Prague	100.00	CZK	151,203,000	4,329	322
tesa A/S	DK, Birkerød	100.00	DKK	30,000,000	4,405	294
Beiersdorf A/S	DK, Copenhagen	100.00	DKK	10,000,000	2,886	1,166
Beiersdorf OÜ	EE, Tallinn	100.00	EEK	3,000	1,873	366
Beiersdorf Manufacturing Argentona, S.L.	ES, Argentona	100.00	EUR	8,105,000	17,682	2,356
tesa tape, S.A.	ES, Argentona	100.00	EUR	1,000,000	2,102	103
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00	EUR	903,000	2,674	750
Beiersdorf Holding SL	ES, Tres Cantos	100.00	EUR	17,184,000	258,216	35,280
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00	EUR	8,680,000	36,341	6,972
Beiersdorf SA	ES, Tres Cantos	100.00	EUR	5,770,000	13,859	6,904
Beiersdorf Oy	FI, Turku	100.00	EUR	2,020,000	8,100	3,852
tesa Oy	FI, Turku	100.00	EUR	20,000	301	79
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00	EUR	40,000	5,195	840
Beiersdorf Holding France Sarl	FR, Paris	100.00	EUR	39,815,000	103,726	9,400
Beiersdorf s.a.s.	FR, Paris	99.89	EUR	26,705,000	61,379	18,550
tesa s.a.s.	FR, Savigny-le-Temple	100.00	EUR	250,000	1,660	149
BDF Medical Ltd.[2]	UK, Birmingham	100.00	GBP	5,000	0	0
Beiersdorf UK Ltd.	UK, Birmingham	100.00	GBP	12,000,000	31,712	9,400
La Prairie (UK) Limited	UK, London	100.00	GBP	500,000	701	89
tesa UK Ltd.	UK, Milton Keynes	100.00	GBP	2,300,000	5,280	538
Beiersdorf Hellas AE	GR, Gerakas	100.00	EUR	13,133,000	23,393	1,049
tesa tape AE	GR, Gerakas	100.00	EUR	69,000	832	48
Beiersdorf d.o.o.	HR, Zagreb	100.00	HRD	10,827,000	5,656	3,417
Beiersdorf Kft.	HU, Budapest	100.00	HUF	320,000,000	6,788	2,247
Tartsay Beruházó Kft.	HU, Budapest	99.66	HUF	146,000,000	2,162	123
tesa tape Ragasztószalag Termelö ès Kereskedelmi Kft.	HU, Budapest	100.00	HUF	500,000,000	2,303	573
Beiersdorf Ireland Ltd.	IE, Dublin	100.00	EUR	0	–17	–1,789
Beiersdorf ehf	IS, Reykjavík	100.00	ISK	500,000	651	440
Comet SpA	IT, Concagno Solbiate	100.00	EUR	7,500,000	16,353	876
Beiersdorf SpA	IT, Milan	100.00	EUR	4,000,000	44,717	14,125
La Prairie S.p.A.	IT, Milan	100.00	EUR	774,000	6,127	604
tesa SpA	IT, Vimodrone	100.00	EUR	250,000	3,315	–155
Beiersdorf UAB	LT, Vilnius	100.00	LTL	10,000	1,747	244

Europe

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2012 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2012 (in accordance with IFRSs) in € thousand
SIA Beiersdorf	LV, Riga	100.00	LVL	200,000	–309	578
Beiersdorf Macedonia DOOEL	MK, Skopje	100.00	MKD	153,000	664	644
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00	EUR	226,890	6,886	1,092
tesa Western Europe B.V.	NL, Amsterdam	100.00	EUR	18,000	–757	–775
Beiersdorf Holding B.V.	NL, Baarn	100.00	EUR	45,000	430,146	26,687
Beiersdorf NV	NL, Baarn	100.00	EUR	13,650,000	28,023	14,372
tesa BV	NL, Hilversum	100.00	EUR	18,000	795	414
Beiersdorf AS	NO, Oslo	100.00	NOK	6,800,000	1,745	373
tesa AS	NO, Oslo	100.00	NOK	1,200,000	311	132
Beiersdorf Manufacturing Poznan Sp. z.o.o.	PL, Poznan	100.00	PLN	40,000,000	21,776	4,282
NIVEA Polska sp. z o.o.	PL, Poznan	100.00	PLN	4,654,000	31,554	11,008
tesa tape Sp. z.o.o.	PL, Poznan	100.00	PLN	4,400,000	1,621	505
tesa Portugal - Produtos Adhesivos, Lda.	PT, Queluz	100.00	EUR	500,000	794	151
Beiersdorf Portuguesa, Limitada	PT, Queluz	100.00	EUR	4,788,000	14,728	5,249
Beiersdorf Romania SRL	RO, Bucharest	100.00	ROL	1,564,000	1,487	198
tesa tape SRL	RO, Cluj-Napoca	100.00	ROL	1,502,000	608	147
Beiersdorf d.o.o. Beograd	RS, Belgrade	100.00	CSD	8,014,000	5,464	4,037
Beiersdorf LLC	RU, Moscow	100.00	RUR	100,000,000	23,659	13,683
La Prairie Group (RUS) LLC	RU, Moscow	100.00	RUR	16,000,000	–539	–940
tesa tape OOO	RU, Moscow	100.00	RUR	32,585,000	2,671	1,229
Beiersdorf Aktiebolag	SE, Gothenburg	100.00	SEK	30,000,000	10,734	6,462
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00	SEK	100,000	152,254	15,930
tesa AB	SE, Kungsbacka	100.00	SEK	5,000,000	827	198
Beiersdorf d.o.o.	SI, Ljubljana	100.00	EUR	500,000	108,784	5,889
tesa tape posrednistvo in trgovina d.o.o.	SI, Ljubljana	100.00	EUR	417,000	863	293
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00	EUR	200,000	4,043	2,423
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.S. (since January 2013 “Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.”)	TR, Istanbul	100.00	TRY	800,000	7,169	3,810
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	106,000	6,287	2,794
Beiersdorf Ukraine LLC	UA, Kiev	100.00	UAH	8,012,000	2,845	2,120

Americas

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2012 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2012 (in accordance with IFRSs) in € thousand
Beiersdorf S.A.	AR, Buenos Aires	100.00	ARS	103,141,000	22,189	2,045
tesa tape Argentina S.R.L.	AR, Buenos Aires	99.75	ARS	999,000	1,025	291
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00	BOB	2,050,000	2,178	822
tesa Brasil Limitada	BR, Curitiba	100.00	BRL	3,871,000	3,511	–274
Beiersdorf Industria e Comercio Ltda.	BR, Itatiba	100.00	BRL	103,009,000	26,822	–2,045
BDF NIVEA LTDA.	BR, São Paulo	100.00	BRL	133,482,000	48,181	5,877
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00	CAD	15,301,000	6,467	2,129
Beiersdorf S.A.	CL, Santiago de Chile	100.00	CLP	5,278,910,000	30,918	5,232
tesa tape Chile SA	CL, Santiago de Chile	100.00	CLP	381,388,000	968	–41
Beiersdorf S.A.	CO, Bogotá	100.00	COP	8,598,996,000	13,342	107
tesa Tape Colombia Ltda	CO, Santiago de Cali	100.00	COP	2,808,778,000	5,413	1,922
BDF Costa Rica, S.A.	CR, San José	100.00	CRC	2,000,000	3,849	1,602
Beiersdorf, SRL	DO, Santo Domingo	100.00	DOP	1,000,000	1,373	435
Beiersdorf S.A.	EC, Quito	100.00	USD	1,783,000	3,719	1,794
BDF Centroamérica, S.A.	GT, Guatemala City	100.00	GTQ	1,000,000	4,678	3,760
tesa tape Centro America S.A.	GT, Guatemala City	100.00	GTQ	9,929,000	970	166
BDF México, S.A. de C.V.	MX, Mexico City	100.00	MXN	157,290,000	16,814	–6,322
BDF Corporativo, S.A. de C.V.	MX, Mexico City	100.00	MXN	5,050,000	568	0
Technical Tape Mexico SA de CV	MX, Mexico City	100.00	MXN	43,040,000	3,733	909
tesa tape Mexico SRL de CV[1]	MX, Mexico City	100.00	MXN	3,000	–105	0
Beiersdorf Manufacturing México, S.A. de C.V.	MX, Silao	100.00	MXN	17,000,000	23,904	–1,368
Beiersdorf Manufacturing México Servicios, S.A. de C.V.	MX, Silao	100.00	MXN	1,700,000	316	36
BDF Panamá S.A.	PA, Panama City	100.00	USD	150,000	2,012	1,050
HUB LIMITED S.A.	PA, Panama City	100.00	USD	0	17	17
Beiersdorf S.A.C.	PE, Lima	99.81	PEN	6,412,000	2,656	–244
Beiersdorf S.A.	PY, Asunción	100.00	PYG	3,195,000,000	3,490	2,127
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00	USD	23,000	513	129
tesa tape inc.	US, Charlotte, NC	100.00	USD	122,000,000	32,199	9,699
LaPrairie.com LLC	US, Edison, NJ	100.00	USD	0	0	0
La Prairie, Inc.	US, New York City, NY	100.00	USD	14,288,000	9,374	942
Beiersdorf, Inc.	US, Wilton, CT	100.00	USD	162,142,000	58,938	5,899
Beiersdorf North America Inc.	US, Wilton, CT	100.00	USD	125,170,000	122,021	–386
Beiersdorf S.A.	UY, Montevideo	100.00	UYU	7,947,000	2,382	320
Beiersdorf S.A.	VE, Caracas	100.00	VEB	1,564,000	21,225	6,969

Africa / Asia / Australia

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2012 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2012 (in accordance with IFRSs) in € thousand
Beiersdorf Middle East FZCO	AE, Dubai	100.00	AED	25,000,000	17,646	10,108
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00	AED	50,000	–788	–798
Beiersdorf Australia Ltd	AU, North Ryde, NSW	100.00	AUD	2,500,000	25,441	9,348
La Prairie Group Australia Pty. Ltd.	AU, North Ryde, NSW	100.00	AUD	4,000,000	3,775	272
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00	AUD	3,100,000	4,023	1,141
Beiersdorf Daily Chemical (Guangzhou) Co., Ltd.	CN, Guangzhou	100.00	CNY	20,000,000	3,288	–362
tesa tape (Hong Kong) Ltd.	CN, Hong Kong	100.00	HKD	100,000	11,593	7,644
La Prairie (Shanghai) Co. Ltd.	CN, Shanghai	100.00	USD	5,000,000	3,375	1,024
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00	CNY	1,371,622,000	9,500	–28,405
tesa (Shanghai) Trading Co. Ltd.	CN, Shanghai	100.00	CNY	1,655,000	41,068	23,763
tesa tape (Shanghai) Co., Ltd.	CN, Shanghai	100.00	CNY	6,622,000	4,927	1,276
tesa Plant Suzhou Co. Ltd.	CN, Suzhou	100.00	CNY	98,606,000	15,962	2,578
Beiersdorf Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	100.00	CNY	82,800,000	14,277	2,014
Beiersdorf Daily Chemical (Hubei) Co., Ltd.	CN, Xiantao	100.00	CNY	1,909,000,000	–22,450	–38,445
Beiersdorf Ghana Limited	GH, Accra	100.00	GHS	1,757,000	811	117
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00	IDR	5,197,498,000	5,722	751
Beiersdorf India Pvt. Ltd.	IN, Mumbai	51.00	INR	5,000,000	4,135	1,750
Nivea India Pvt. Ltd.	IN, Mumbai	100.00	INR	2,000,000,000	3,395	–3,207
tesa Tapes (India) Private Limited	IN, Navi Mumbai	100.00	INR	126,814,000	3,220	–670
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00	JPY	3,250,000	116,782	12,807
La Prairie Japan K.K.	JP, Tokyo	100.00	JPY	100,000,000	–1,208	–1,283
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00	JPY	200,000,000	22,421	20,391
tesa tape K.K.	JP, Tokyo	100.00	JPY	300,000,000	7,474	1,709
Beiersdorf East Africa Limited	KE, Nairobi	100.00	KES	123,696,000	3,984	1,566
La Prairie Korea Ltd	KR, Seoul	100.00	KRW	100,000,000	8,275	3,699
NIVEA Seoul Ltd.	KR, Seoul	100.00	KRW	12,500,000,000	1,900	–401
tesa tape Korea Ltd.	KR, Seoul	100.00	KRW	410,000,000	10,717	9,695
Beiersdorf S.A.	MA, Casablanca	100.00	MAD	13,800,000	2,172	–768
tesa tape (Malaysia) Sdn. Bhd.	MY, Kajang	100.00	MYR	36,000,000	4,612	464
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Kajang	99.99	MYR	25,000	1,362	162
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00	MYR	8,536,000	–7,918	–1,137
Medical-Latex (DUA) SDN. BHD.	MY, Senai	100.00	MYR	7,500,000	3,724	519
Beiersdorf Singapore Pte. Ltd.	SG, Singapore	100.00	SGD	2,200,000	–8,741	4,180
Singapore Plastic Products Pte. Ltd.	SG, Singapore	100.00	SGD	7,000,000	5,802	0
tesa Plant (Singapore) Pte. Ltd.	SG, Singapore	100.00	SGD	5,500,000	–1,863	–6,215
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00	SGD	10,000,000	14,400	20,389
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00	THB	100,000,000	42,728	13,695
tesa tape (Thailand) Limited	TH, Bangkok	90.10	THB	4,000,000	793	422
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00	TWD	225,300,000	374	518
Beiersdorf Vietnam LLC	VN, Ho Chi Minh City	100.00	VND	9,750,000,000	1,154	646
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Westville	100.00	ZAR	0	16,524	7,935

[1] Since these companies have entered into a profit and loss transfer agreement, the accounting profit is presented after the transfer of profit and loss.
[2] No financial statements for 2012 are available yet for these companies; the data therefore refers to 2011.

29 Shareholdings in Beiersdorf AG

Beiersdorf AG received the following notifications by shareholders of the company in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the balance sheet (February 5, 2013):*

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, the company 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 the 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 to concretize the disclosure, notification, and announcement duty as well as the duty to issue 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 Grundstücksgesellschaft mbH & Co. KG (disclosed on March 12, 2008, that it held 0% (0 voting rights) as of January 15, 2007)	Norderstedt, Germany	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
Agneta Peleback-Herz (disclosed on March 11, 2008, that she held 0% (0 voting rights) as of January 15, 2007)	Germany	EH Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Ingeburg Herz GbR	Norderstedt, Germany	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
Ingeburg Herz	Germany	Ingeburg Herz GbR, Max und Ingeburg Herz Stiftung, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (disclosed on August 30, 2007, that he held 0% (0 voting rights) as of January 1, 2005)	Hamburg, Germany	Coro Vermögensverwaltungsgesellschaft mbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Coro Vermögensverwaltungs-gesellschaft mbH (disclosed on August 30, 2007, that it held 0% (0 voting rights) as of January 1, 2005)	Hamburg, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
maxingvest ag (trading under the name of Tchibo Holding AG until September 12, 2007)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

To clarify: The own shares held by Beiersdorf Aktiengesellschaft do not carry 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 (now called BBG Beteiligungsgesellschaft mbH) exceeded the 50% threshold for the first time when it acquired 20.10% of voting rights in Beiersdorf Aktiengesellschaft from Tchibo Holding AG, and that it held 50.46% (42,386,400 voting rights) in 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 performed, 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% (50,780,072 voting rights) of Beiersdorf Aktiengesellschaft 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. The 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 AG 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 carry voting or dividend rights in accordance with § 71b *AktG*.

30 Declaration of Compliance with the German Corporate Governance Code

In December 2012, 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 2012 in accordance with § 161 *AktG*. The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT.

31 Proposal on the Utilization of Beiersdorf AG's Net Retained Profits

IN €

	2012
Profit after tax of Beiersdorf AG	303,727,460.04
Transfer to other retained earnings	127,327,460.04
Net retained profits	**176,400,000.00**

The Executive Board and Supervisory Board will propose to the Annual General Meeting that the net retained profits for fiscal year 2012 of €176,400,000.00 should be utilized as follows:

IN €

	2012
Distribution of a dividend of €0.70 per no-par value share carrying dividend rights (226,818,984 no-par value shares)	158,773,288.80
Transfer to other retained earnings	17,626,711.20
Net retained profits	**176,400,000.00**

The amounts specified for the total dividend and for the transfer to other retained earnings reflect the shares carrying dividend rights at the time of the Executive Board's proposal on the utilization of the net retained profits. The own shares held by the company do not carry dividend rights in accordance with § 71b *AktG*.

If the number of own shares held by the company at the time of the resolution by the Annual General Meeting on the utilization of the net retained profits is higher or lower than at the time of the Executive Board's proposal on the utilization of the net retained profits, the total amount to be distributed to the shareholders shall be reduced or increased by the portion of the dividend attributable to the difference in the number of shares. The amount to be appropriated to the other retained earnings shall be adjusted inversely by the same amount. In contrast, the dividend to be distributed per no-par value share carrying dividend rights remains unchanged. If necessary, an appropriately modified proposal for resolution will be presented to the Annual General Meeting.

Beiersdorf AG Boards

Honorary Chairman of the Company: Georg W. Claussen

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod (from August 1, 2012)	Hamburg	Manager Regulatory Affairs/Quality Management, Beiersdorf AG	
Dr. Walter Diembeck (until July 31, 2012)	Hamburg	Research biochemist/Beiersdorf AG	
Beatrice Dreyfus (until April 26, 2012)	Frankfurt/Main	Managing Director, Novum Capital Beratungsgesellschaft mbH Managing Director, ES Plastic GmbH	
Prof. Dr. Eva Eberhartinger*	Vienna/Austria	University Professor, Vienna University of Economics and Business	
Elke Gabriel	Rosengarten	Member of the Works Council of Beiersdorf AG	
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	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	
Dr. Dr. Christine Martel (from April 26, 2012)	Vevey/Switzerland	Head of Finance and Business Planning/ Nescafé Dolce Gusto, Nestlé S.A.	Member of the Supervisory Board: – tesa SE (intragroup) (until April 26, 2012)
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
Michel Perraudin (until April 26, 2012)	Nuremberg	Freelance management consultant	Chairman of the Supervisory Board: – ODLO Sports Holding AG, Switzerland – Masai Marketing & Trading AG, Switzerland (until May 24, 2012) Member of the Supervisory Board: –Tecnica Group S.p.A., Italy (until June 30, 2012) Member of the Advisory Board: – Friedrich-W. Dauphin GmbH & Co. KG
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer P+P Pöllath + Partners	Chairman of the Supervisory Board: – maxingvest ag – Wanzl GmbH & Co. Holding KG Member of the Supervisory Board: – Tchibo GmbH
Thomas-B. Quaas (from April 26, 2012)	Hamburg	Businessman	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG, Hamburg (from August 27, 2012) Member of the Supervisory Board: – La Prairie Group AG, Switzerland, (intragroup) (from April 27, 2012, until April 26, 2012 president) Chairman of the Board of Directors: – NIVEA-Kao Co. Ltd., Japan (intragroup)
Prof. Manuela Rousseau*	Rellingen	Head of Corporate Social Responsibility at Beiersdorf AG Professor at the Academy of Music and Theater, Hamburg	Member of the Supervisory Board: – maxingvest ag
Volker Schopnie	Halstenbek	Deputy Chairman of the Works Council of Beiersdorf AG	Member of the Supervisory Board: – maxingvest ag

* 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** – **Thorsten Irtz**	– **Prof. Dr. Eva Eberhartinger** (Chairwoman) – **Dr. Andreas Albrod** (from August 1, 2012) – **Dr. Walter Diembeck** (until July 31, 2012) – **Thomas Holzgreve** – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie**	– **Thomas Holzgreve** (Chairman) – **Dr. Andreas Albrod** (from August 1, 2012) – **Dr. Walter Diembeck** (until July 31, 2012) – **Prof. Dr. Eva Eberhartinger** – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie**	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Beatrice Dreyfus** (until April 26, 2012) – **Prof. Dr. Eva Eberhartinger** – **Thomas Holzgreve** – **Dr. Dr. Christine Martel** (from April 26, 2012)	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Elke Gabriel** – **Thomas Holzgreve** – **Thorsten Irtz**

EXECUTIVE BOARD*

Name	Function/Responsibilities		Memberships
Stefan F. Heidenreich (Member of the Executive Board from January 1, 2012; Chairman of the Executive Board from April 26, 2012)	Chairman of the Executive Board	Corporate Development/Corporate Communications/Internal Audit/Sustainability Japan, La Prairie Group Northeast and Southeast Asia, Australia (from April 26, 2012; acting) Africa, Middle East, India, Turkey, Russia, Ukraine, CIS (from August 1, 2012; acting)	
Thomas-B. Quaas (until April 26, 2012)	Chairman of the Executive Board	Corporate Development/Corporate Communications/Internal Audit/Sustainability Japan, La Prairie Group Northeast and Southeast Asia, Australia (until April 26, 2012; acting)	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG, Hamburg (from August 27, 2012)
Peter Feld	Developed Markets	Europe/North America	
Ralph Gusko	Consumer Brands, Pharmacy and R&D	Brand Management Consumer/Research & Development Pharmacy (from January 1, 2013) Supply Chain (until December 31, 2012)	
Dr. Ulrich Schmidt	Finance, Supply Chain and Human Resources	Finance/Controlling/Legal/IT/HR – Labor Relations Director – Purchasing/Production/Logistics/Quality Assurance (from January 1, 2013) Latin America (from August 1, 2012; acting)	**
Ümit Subaşı (until July 31, 2012)	Emerging Markets	Latin America, Africa, Middle East, India, Turkey, Russia/Ukraine/CIS	

* 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 of tesa SE, Hamburg (intragroup)

Hamburg, February 5, 2013

Beiersdorf AG

The Executive Board

Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement, and the notes to the annual financial statements, together with the bookkeeping system and the management report of Beiersdorf Aktiengesellschaft, Hamburg, for the fiscal year from January 1 to December 31, 2012. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 *Handelsgesetzbuch* (German Commercial Code, HGB) and the 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 annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the company 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 books and records, the annual financial statements, and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and the 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 annual financial statements comply with the statutory requirements and give a true and fair view of the net assets, financial position, and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Hamburg, February 6, 2013
Ernst & Young GmbH,
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

OPASCHOWSKI
German Public Auditor

Responsibility Statement by the Executive Board

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

Hamburg, February 5, 2013
The Executive Board

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Note

The Annual Financial Statements and Management Report of Beiersdorf AG is also available in German.

The online version of Annual Financial Statements and Management Report of Beiersdorf AG is available at
WWW.BEIERSDORF.COM/ANNUAL_REPORT.

Financial Calendar

2013

April 18
Annual General Meeting

April 19
Dividend Payment

May 2
Interim Report
January to March 2013

August 7
Interim Report
January to June 2013

November 5
Interim Report
January to September 2013

2014

January
Publication of
Preliminary Group Results

Feb. / March
Publication of Annual Report 2013,
Annual Accounts Press Conference,
Financial Analyst Meeting

April
Annual General Meeting

May
Interim Report
January to March 2014

August
Interim Report
January to June 2014

November
Interim Report
January to September 2014