

Speech
Stefan F. Heidenreich
Chairman of the Executive Board

Annual General Meeting
of Beiersdorf AG
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Hamburg

Check against delivery

Ladies and Gentlemen,

A very warm welcome to you from myself and on behalf of my Executive Board colleagues to Beiersdorf AG's Annual General Meeting. We are delighted to see you here and would like to thank you for your interest in Beiersdorf's development last year.

There is plenty of good news to report from fiscal year 2012. First and foremost, we **met all of our business targets for 2012 in full.**

Beiersdorf's shares performed extremely well over the course of 2012 and saw significant gains. After a slight decline at the start of the year, they climbed consistently to close the year up more than 40% at €61.88. Our stock market performance was boosted by expectations of a decisive implementation of our strategy.

This success is based on our strategic focus, excellent products and innovations, and our employees' ability to deliver a strong performance.

Our **corporate goals** are clearly defined:

- **Profitable growth** and a **focus** on the **core competency** we are known for around the world – **skin care**.
- We want to be the **number one skin care company** in our relevant categories and markets.

We made good progress on this path in the past fiscal year. Beiersdorf has **increased its impact** and has **picked up speed**. We have become more competitive again. Strengthening our brands, first and foremost NIVEA, and improving our innovative power both played a role here as well as our stronger presence in the emerging markets. In addition, we have taken important first steps towards becoming faster and more efficient. This is the only way that we, as a relatively small company, can succeed against large, powerful corporations in a competitive international environment.

Despite these initial successes, we know that this is only the start of a longer journey. But the positive figures for 2012 have strengthened our resolve to continue along this path.

This brings me to our figures in detail and the annual financial statements of Beiersdorf AG and of the Group in accordance with agenda item 1:

Group

The Group achieved organic sales growth of 4.7%. In nominal terms, **sales rose by 7.2%, from €5,633 million to €6,040 million**. This is the first time in the Company's history that Beiersdorf's sales have exceeded the €6 billion mark.

EBIT excluding special factors rose from €646 million to **€735 million**. This corresponds to an **EBIT margin** (excluding special factors) of **12.2%**. **Profit after tax** amounted to **€451 million including special factors and to €477 million excluding special factors**.

Consumer

The Consumer Business Segment generated **sales of €5,048 million** in 2012. This represents organic growth of **4.9%** and nominal growth of **7.5%**. **All three of our core brands contributed to this result**, in particular our iconic NIVEA brand. We recorded particularly **strong sales growth in Eastern Europe, Latin**

America, and the Africa, Asia, and Australia region, with double-digit growth rates in some areas. In line with planning, sales in China matched the previous year's level. Difficult macroeconomic conditions in a number of Western European countries also impacted Beiersdorf's business performance. Sales in Germany were close to the prior-year level.

Excluding special factors, **Consumer EBIT** rose from €537 million in the previous year to **€606 million**. This corresponds to an **EBIT margin of 12.0%**.

tesa

A highly innovative business segment that submits around 70 patent applications each year, tesa saw **sales rise by 3.6% organically and 5.8% in nominal terms to approximately €1 billion**. Both the consumer and the industrial businesses in all regions contributed to this strong result. Business was particularly brisk in Asia and in the USA, again driven by the automotive and electronics industries. **EBIT rose from €109 million to €129 million** and the **EBIT margin was 13.0%**. Our belief that tesa has a bright future is also linked to the construction of the company's new

headquarters at Hamburg Airport. We expect this to be completed by 2015.

On the basis of these figures, the Executive Board and the Supervisory Board are today proposing a **dividend of €0.70** for each share carrying dividend rights to the Annual General Meeting under agenda item 2.

In addition, we are asking you – as we do every year – to **formally approve the actions of the members of the Executive Board and the Supervisory Board** and to elect the auditors for the current fiscal year in agenda items 3 to 5. Under agenda item 6, we are proposing that the **system governing the remuneration of the Executive Board be approved** for fiscal year 2013 as this has been modified slightly. Professor Pöllath will explain this to you later today.

Our Blue Agenda – the driver for change

Ladies and gentlemen, at the beginning of 2012, we embarked on a journey to put Beiersdorf on the road to success. We defined our goals and how we want to achieve them in our 2012 Blue Agenda. This acts as our compass for Beiersdorf's success going forward.

Our **Blue Agenda** is based on **four core objectives**:

1. Strengthening our brands – particularly NIVEA
2. Increasing our innovative power
3. Extending our presence and activities in the emerging markets
4. Increasing our efficiency and speed

1. Strengthening our brands – particularly NIVEA

In the past fiscal year, we significantly strengthened NIVEA's brand profile, filling it with new life. The **new, unmistakable global design for our core brand** is based on a key part of its brand identity – **the blue tin** that we all know from our childhood. It has represented trust, care, and closeness since 1925 and enjoys a high level of brand recognition. The uniform deep blue of our logo makes our packaging stand out on retailers' shelves. The blue tin creates a clear brand identity that transcends our wide range of products. We have also started to enhance the **NIVEA MEN care range** with

new brand communication and a new logo. We want to become the global number one in the mass market for men's care across all categories with NIVEA MEN.

2. Increasing our innovative power

Innovations drive our Company's growth. This is the area that determines the future of the Company and our ability to compete at an international level. Since 2012, our response to this key challenge has been a **new, more efficient research and development model** that focuses on **major innovations**.

- NIVEA Deodorant Invisible for Black & White,
- Eucerin EVEN BRIGHTER, and
- La Prairie Skin Caviar Liquid Lift

live up to this ambitious objective. Our 2013 pipeline is also brimming with new products.

At Beiersdorf, the primary aim of Research & Development is to **meet customer expectations**. These wishes and expectations vary by region, which is why **we are getting closer to our individual markets in Research & Development**. For example, we

expanded our local development laboratory in Wuhan, China, last year. At this laboratory, global products are adapted and special concepts developed for the Asian market. A local development center is also being established alongside our new production facility in Silao, Mexico. Regionalizing our research and development work will make us even better placed to optimally satisfy market-specific customer needs in future.

3. Extending our presence and activities in the emerging markets

We are focusing more strongly on the emerging markets without losing sight of our core markets. **We want to capitalize on the dynamic economies of these markets to a greater extent going forward.** Our main focus is on Brazil, Russia, and China. We already significantly increased our footprint in the emerging markets in 2012. **Eastern Europe, Latin America, and the Africa, Asia, and Australia region** now account for almost **50% of the Company's Consumer sales.** We expect that the contribution made to EBIT by the emerging regions will also rise significantly in future.

4. Increasing our efficiency and speed

Ladies and gentlemen, as a small company with powerful competitors, Beiersdorf's opportunities lie in its greater flexibility and its ability to react faster to changed market conditions and customer wishes. **The challenge is to leverage these advantages.** This is why we put a great deal of work into structuring our organization more efficiently and speeding up processes in 2012. At the same time, this is linked to a change in how our employees see themselves. Each and every member of staff, whatever their function, is called upon to identify optimization potential and ways to increase efficiency. We want everyone to take responsibility for the success of the Company as a whole.

In short, Ladies and Gentlemen,

we took important first steps towards returning our Company to a profitable growth path in 2012. Our competitiveness has improved significantly and we are strategically well positioned with our Blue Agenda.

Despite our positive overall performance, our feet are still on the ground. We have seen the first fruits of our labors. But we still have a lot to do before we reach our goal. Nevertheless, what we have achieved in the past year allows us to tackle the challenges of the future with confidence in ourselves and in our abilities.

This confidence is justified first and foremost because we have highly qualified and dedicated employees and a great team spirit here at Beiersdorf. And these played a key role in the Company's success in 2012.

I would therefore like to take this opportunity to thank all our employees for their work in fiscal year 2012.

Ladies and gentlemen, I would like to conclude my report with a look at fiscal year 2013.

Outlook

We expect macroeconomic conditions to remain difficult in many countries. We anticipate slight growth in the industrialized nations, while the developing and emerging countries should continue to see dynamic economic growth.

Taking into account the varying market trends in different regions, we expect the **Beiersdorf's Group sales to outperform the market in 2013**. We also expect the Group's **EBIT margin from operations to develop positively**.

In the **Consumer** business segment, we are aiming for **sales growth to outperform the market**. The **EBIT margin** should **exceed the prior-year level** in 2013.

At **tesa**, we expect **sales growth to slightly outperform the market**, as well as a **slight improvement in earnings**.

We believe that our satisfactory overall performance in the first few weeks of the current year provides support for our assessments in all business segments.

Ladies and gentlemen, thank you for your attention.