ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT

AS OF DECEMBER 31, 2013

Our brands

Our 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 successful brands including Hansaplast / Elastoplast, 8x4, Florena, Labello, atrix, SLEK, Maestro, and Aquaphor – round out our portfolio and are specially geared towards regional markets, individual consumer needs, and specific areas of application.

* Source: Euromonitor International Ltd.; NIVEA by umbrella brand name in the categories Body Care, Face Care and Hand Care; in retail value terms, 2012.

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Report by the Supervisory Board

The Supervisory Board supervised the Executive Board, focusing particularly on the latter's reports, with respect to the business policies and course of business, corporate planning, accounting, the company's position, risk management, and material business transactions. After careful examination, we granted the necessary approvals for decision proposals presented to us. The company offered the members of the Supervisory Board training events on consolidation and compliance. No Supervisory Board members were present at less than half of the meetings held. There were no indications of potential conflicts of interest relating to Executive Board and Supervisory Board members.

SUPERVISORY BOARD MEETINGS

Items regularly covered in the **Supervisory Board meetings** were current business developments, the interim financial statements, and significant individual transactions.

On **February 4, 2013,** we discussed topics relating to the annual financial statements, determined the extent to which the Executive Board had met its targets in 2012 and the total remuneration, and confirmed the Executive Board's personal and corporate targets for 2013.

In the meeting on **February 21, 2013,** we adopted the 2012 annual financial statements and consolidated financial statements by approving them. We resolved the report by the Supervisory Board and the Corporate Governance Report and approved the Remuneration Report. We endorsed the agenda and the motions proposed for the 2013 Annual General Meeting, as well as the proposal for the utilization of the net retained profits and investment in the production facility in Mexico.

In the extraordinary meeting on **March 25, 2013,** we accepted Mr. Peter Feld's resignation as an Executive Board member effective July 31, 2013, with thanks and good wishes, and resolved the remuneration of the Executive Board.

On **April 18, 2013,** we addressed the Annual General Meeting and Executive Board issues.

On **September 6, 2013,** we discussed Executive Board remuneration, business development and strategy, and the planning for fiscal year 2014, as well as the supply chain strategy and the company's master real estate planning, the Supervisory Board's efficiency review, and changes to the German Corporate Governance Code.

On **December 11, 2013,** we approved the company's annual planning for 2014 and the Executive Board members' annual targets for 2014. We discussed the supply chain strategy and the results of the Supervisory Board's efficiency review, and resolved the declaration of compliance with the recommendations of the German Corporate Governance Code.

At the beginning of **2014**, we discussed the results of the Supervisory Board's efficiency review, extended the contract and term of office of the Chairman of the Executive Board, Stefan F. Heidenreich, and resolved the extent to which the Executive Board had reached its targets in 2013, along with its remuneration.

COMMITTEES

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

The **Presiding Committee** (four meetings) discussed business developments and the strategic focus, the remuneration of the Executive Board and Supervisory Board, and the composition of the Executive Board, as well as preparing meetings of the full Supervisory Board.

The **Audit Committee** (eight meetings) primarily addressed the preliminary examination of the annual and quarterly financial statements and management reports, verified the independence of, and appointed, the auditors, and specified the areas of emphasis for the 2013 audit. The Committee also regularly discussed current business developments, the internal control and risk management system, and the internal audit function.

The **Finance Committee** (two meetings) discussed compliance management, taxes and transfer prices, and the financing and investment strategy.

The **Nomination Committee** (one meeting) discussed the 2014 Supervisory Board election.

The **Mediation Committee** did not meet.

ANNUAL FINANCIAL STATEMENTS AND AUDIT

The **auditors** audited the **annual financial statements** and the **consolidated financial statements for 2013**, as well as the management reports for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. The Executive Board's report on dealings among Group companies required by § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*) due to the majority interest held by maxingvest ag, Hamburg, received the following audit opinion: "Following the completion of our audit, which was carried out in accordance with professional standards, we confirm: 1. that the information contained in this report is correct; 2. that the compensation paid by the company with respect to the transactions listed in the report was not inappropriately high; and 3. that there are no circumstances which would justify, in relation to the measures specified in the report, a materially different opinion than that held by the Executive Board."

The Supervisory Board received the 2013 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, 2013. The annual financial statements of Beiersdorf AG are thus **adopted**. We endorsed the Executive Board's proposal on the appropriation of net profit.

We would like to thank our consumers, employees, employee representatives, and the Executive Board for the company's success.

Hamburg, February 20, 2014
For the Supervisory Board

Reinhard Pöllath

REINHARD PÖLLATH
CHAIRMAN

Corporate Governance Report 2013

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

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

Declaration of Compliance

At the end of December 2013, the Executive Board and Supervisory Board issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2013 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfills all the recommendations made in the Code with one exception, as well as a large number of the suggestions.

The 2013 Declaration of Compliance was also made permanently accessible to the public on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

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

In fiscal year 2013, Beiersdorf Aktiengesellschaft complied with, and continues to comply with, all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated May 15, 2012, and May 13, 2013, respectively, with one exception:

In accordance with the reformulated section 4.2.3 (2) sentence 6 of the German Corporate Governance Code in the version dated May 13, 2013, the amount of remuneration of Executive Board members should be capped, both overall and with respect to the variable remuneration components.

The remuneration of the Executive Board members is limited by such a cap. The Enterprise Value Component granted to the members of the Executive Board, alongside the regular, variable remuneration, which is based on voluntary personal investment by the Executive Board members concerned (*Covered Virtual Units*), participates in positive and negative changes in the enterprise value and is not capped in respect of increases in value. The Supervisory Board considers it appropriate that members of the Executive Board who contribute their own money – comparable to an investment – should be allowed to participate in positive changes in enterprise value without restriction. The Supervisory Board and Executive Board have resolved, as a precautionary measure, to declare a corresponding deviation from the recommendation for periods following the entry into force of the German Corporate Governance Code in the version dated May 13, 2013.

Hamburg, December 2013

For the Supervisory Board

PROF. DR. REINHARD PÖLLATH
Chairman of the Supervisory Board

For the Executive Board

STEFAN F. HEIDENREICH
Chairman of the Executive Board

DR. ULRICH SCHMIDT
Member of the Executive Board

General Information on Beiersdorf's Management Structure

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

1. THE SUPERVISORY BOARD

Beiersdorf AG's Supervisory Board consists of twelve members. Half of these are elected by the Annual General Meeting in accordance with the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and half by the employees in accordance with the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. Their term of office ends at the end of the 2014 Annual General Meeting.

The Supervisory Board appoints the Executive Board, advises it on the management of the company, and supervises the conduct of the company's business as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board and the Executive Board work closely together for the good of the company and to achieve sustainable added value. Certain decisions require Supervisory Board approval in accordance with the law and the bylaws of the Supervisory Board.

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

The Supervisory Board regularly evaluates its work and resolves measures for improvement, most recently as part of the efficiency review in fall 2013.

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

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

a) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete company-specific objectives for its composition in 2012. These reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, an age limit for Supervisory Board members, and diversity – especially an appropriate degree of female representation. The objectives initially apply until the end of 2014. They will also be taken into account by the Nomination Committee when proposing candidates for election. The Supervisory Board as a whole must possess the knowledge, ability, and specialist experience required to perform its tasks properly.

International Focus

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

Representation of Women

Diversity of composition requires an appropriate degree of female participation. The Supervisory Board therefore aims to further increase the number and position of women on the Supervisory Board and at the least to maintain the current number of women (four), of whom at least two should be shareholder representatives. The aim is to regularly increase the number of women on the Supervisory Board in the company's interests when changes are made to its composition.

Age Limit

According to the Supervisory Board bylaws, 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 material and not merely temporary conflict of interests. The Supervisory Board considers it to be adequate if at least eight of its members are independent. In this context, it assumes that the employee representatives are to be considered independent within the meaning of the Code. With respect to the shareholder representatives, considering the fact that Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 17 (1) *AktG*, the Supervisory Board considers it to be adequate if 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 to an appropriate extent. In a dependent company, the Supervisory Board considers it to be good corporate governance if the Supervisory Board also includes a significant number of representatives of the majority shareholder.

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

Diversity Officers

Additionally, two Supervisory Board members (Prof. Dr. Eberhartinger and Professor Rousseau) have been 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 for election made by the Nomination Committee responsible for this, after consultation with the remaining members of the Supervisory Board.

In addition to a balanced mix of professional skills within the Supervisory Board as a whole, diversity is an important criterion for the selection of Supervisory Board and committee members. Diversity is in the company's interest. Following the Supervisory Board elections in 2009, women made up 25% of the Supervisory Board; this figure rose to 33% as from April 2011. Since January 1, 2011, the chair of the Audit Committee has also been female. Additionally, the Supervisory Board 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.

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

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

b) Committees

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

Presiding Committee

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

Audit Committee

The Audit Committee is composed of the Chairman of the Supervisory Board, two shareholder representatives, and two employee representatives. At least one member of the Audit Committee is an independent member of the Supervisory Board who has expertise in either accounting or auditing. These statutory requirements are met in particular by the chair of the Audit Committee, Prof. Dr. Eberhartinger, a professor 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 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). It verifies the auditors' independence and conducts the preliminary examination for additional services that they provide. It advises and supervises the Executive Board on questions relating to accounting and the effectiveness of the internal control system, the risk management system, and the internal audit system. In addition, it discusses the interim reports with the Executive Board before they are published.

Finance Committee

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

Mediation Committee

The Mediation Committee required under codetermination law consists of the Chairman of the Supervisory Board and the Deputy Chairman, as well as one member elected from among the employee representatives and one member elected from among the shareholder representatives by a simple majority in each case. 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 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 56 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 is committed to increasing 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 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 around 30% of senior executive positions in the Consumer Business Segment in Germany 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 them the services of a voting representative who votes in accordance with their instructions. The invitation explains how shareholders can issue instructions for exercising their voting rights. In addition, shareholders are free to appoint a proxy 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. As from the 2014 Annual General Meeting, it will be possible to submit a postal vote, and to issue, change and revoke proxy instructions to the company's representatives via the Internet before and during the Annual General Meeting, up until the end of the general debate.

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 fur Finanzdienstleistungsaufsicht (BaFin – the Federal Financial Supervisory Authority) within five business days. This also applies to related parties of such persons. This requirement does not apply in cases in which the aggregate amount of transactions involving a member of the Executive Board or the Supervisory Board and the related party of such a person does not exceed a 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 6.3 OF THE GERMAN CORPORATE GOVERNANCE CODE

According to section 6.3 of the German Corporate Governance Code, the ownership of shares of the company or related financial instruments must be reported by Executive Board and Supervisory Board members if they directly or indirectly exceed 1% of the shares issued by the company. 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 for 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. Following the attribution of 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 share of the voting rights amounts to 60.46%. As of December 31, 2013, 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, 2013; this corresponds to 60.46% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2013, 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 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 18, 2013, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2013.

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 details of the composition and working practices of their committees.

Hamburg, February 20, 2014
Beiersdorf Aktiengesellschaft

The Supervisory Board   The Executive Board

Remuneration Report

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

1. REMUNERATION OF THE EXECUTIVE BOARD

a) Supervisory Board Resolutions

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, on February 4 and 21, April 18, September 6, and December 11, 2013. On February 3, 2014, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2013. Remuneration decisions were prepared by the Presiding Committee.

b) Overview

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

The remuneration of the Executive Board in fiscal year 2013 comprised the following four components:

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

c) Remuneration of the Executive Board for 2013 in More Detail

aa) Fixed Remuneration

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

bb) Variable Bonus

For fiscal year 2013, the members of the Executive Board receive a Variable Bonus for 2013 that is based on the performance of the Consumer Business Segment. This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment. As specified by the Supervisory Board, 15% of the Variable Bonus for fiscal year 2013 is determined by the EBIT margin (EBIT component), 20% by sales growth (sales component), 30% by market share, 15% by the achievement of human resources goals, and 20% by the achievement of specific personal goals by individual Executive Board members (personal component). The size of the EBIT component is calculated on the basis of the return on sales. In the process, the Supervisory Board makes adjustments for special factors and changes in marketing and research and development expenses. The sales component is calculated on the basis of sales growth, with the Supervisory Board again taking special factors into account. The personal component is mostly composed of two personal goals, which depend on the functional and, if applicable, regional responsibilities of each individual Executive Board member. These are set annually by the Supervisory Board for each individual Executive Board member. Following due assessment of the circumstances, the Supervisory Board lays down percentages for target achievement for each of the components, with intermediate figures being extrapolated on a straight-line basis. The individual components lapse if the knockout thresholds set by the Supervisory Board for the specific component are not reached. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

49% of the Variable Bonus will be paid as the short-term variable remuneration component once the 2014 Annual General Meeting has approved the actions of the Executive Board (2013 Bonus). The remaining 51% (Multi-year Bonus for 2013) depends on the enterprise value performance over two years after the initial year 2013. The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier. If the enterprise value in fiscal year 2013 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2013 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Annual General Meetings in the years 2015 and 2016. If the enterprise value for fiscal year 2013 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2014 and 2015 corresponds at least to the enterprise value for fiscal year 2013. 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 2016 Annual General Meeting. The final installment is increased or decreased corresponding to the percentage change in the enterprise value as of the end of fiscal year 2015 as against fiscal year 2013. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2013 by up to 20% in order to take extraordinary developments into account, or may adjust it for inflation. Bonus entitlements can also be transferred to the long-term virtual Enterprise Value Component (see section cc) below).

cc) Enterprise Value Component

Since 2011, Executive Board members have shared in the increase in the enterprise value for the Consumer Business Segment. For this purpose, each Executive Board member is (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 may, following due assessment of the circumstances, increase the Enterprise Value Component during its effective period. 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 set 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, with the amount being prorated by the ratio of his term of office to the bonus period. The payment is dependent on the Annual General Meeting approving the Executive Board member's actions during and after the 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%.

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

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

dd) Other

The remuneration of the Executive Board for fiscal year 2013 did not contain any stock option program or comparable securities-based incentives. Equally, the members of the Executive Board did not receive any additional remuneration for their membership of supervisory bodies of Group companies and investees. Private use of company cars and accident insurance are taxed as non-cash benefits. There were no ongoing pension commitments for the Executive Board members active in fiscal year 2013.

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

Mr. Peter Feld, who left the Executive Board by mutual agreement effective July 31, 2013, will be paid his fixed remuneration for the period since his departure from the Executive Board until June 30, 2014, in the contractually agreed amount. The Variable Bonuses for 2010, 2011, and 2012 were paid out as contractually agreed after the 2013 Annual General Meeting. In addition, Mr. Feld received the outstanding amount of €479 thousand from the Multi-year Bonuses for 2011 and 2012, as well as a lump-sum settlement of other entitlements vested in the amount of €133 thousand. LTP amounts were paid out in a lump sum of €525 thousand. The 2013 Bonus will be paid out following the 2014 Annual General Meeting pro rata for the period until July 31, 2013, as contractually agreed; the target achievement is 140%. The Variable Bonus for the period from August 1, 2013, to June 30, 2014, will be paid as a lump sum of €295 thousand. Remaining claims will be settled by a lump-sum payment of €145 thousand following the 2014 Annual General Meeting.

As laid down in his contract, Mr. Thomas-B. Quaas' total annual remuneration will continue to be paid at a flat rate of €965 thousand for the period since his departure from the Executive Board on April 26, 2012, until the expiration of his contract on March 31, 2015, whereby any other remuneration (including Supervisory Board remuneration) will be offset against this. His pension entitlements remain unaffected by this.

[1] Annually: Peter Feld €100 thousand (up to and including 2012); Dr. Ulrich Schmidt €60 thousand; Ralph Gusko €50 thousand.

ee) Overviews of Individual Executive Board Remuneration

TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2013 (IN € THOUSAND)

	Fixed basic remuneration		Variable Bonus: Bonus		Variable Bonus: Multi-year Bonus		Variable Bonus: Total variable remuneration	
	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**
Stefan F. Heidenreich (Chairman of the Executive Board)	1,000	1,000	781	776	812	808	1,593	1,584
Peter Feld (until July 31, 2013)	500	292	345	490	359	–	704	490
Ralph Gusko	450	500	253	306	264	319	517	625
Dr. Ulrich Schmidt	500	500	269	308	279	320	548	628
Total	**2,882**[2]	**2,292**	**2,252**[2]	**1,880**	**1,714**[2]	**1,447**	**3,966**[2]	**3,327**

[2] These totals additionally include the following payments made to members of the Executive Board who left in 2012 for activities in fiscal year 2012: Ümit Subaşı – fixed: €292 thousand, Bonus: €327 thousand, Multi-year Bonus: €0, total variable remuneration: €327 thousand, other: €12 thousand, total: €631 thousand, additions to pension provisions: €0 thousand; Thomas-B. Quaas – fixed: €140 thousand, Bonus: €277 thousand, Multi-year Bonus: €0 thousand, total variable remuneration: €277 thousand, other: €6 thousand, total: €423 thousand, additions to pension provisions: €86 thousand.

The following table shows the development of the Multi-year Bonuses, as well as the amount of the tranche to be paid out in each case following the 2014 Annual General Meeting.

MULTI-YEAR BONUS (IN € THOUSAND)

	Multi-year Bonus 2011			Multi-year Bonus 2012		
	Present values as of Dec. 31, 2012	Present values as of Dec. 31, 2013	Payment following 2014 AGM	Present values as of Dec. 31, 2012	Present values as of Dec. 31, 2013	Payment following 2014 AGM
Stefan F. Heidenreich (Chairman of the Executive Board)	–	–	–	812	909	406
Peter Feld (until July 31, 2013)[3]	295	–	–	359	–	–
Ralph Gusko	84	45	45	264	295	132
Dr. Ulrich Schmidt	185	98	98	279	313	140
Total	**1,551**[4]	**933**[4]	**385**[4]	**1,714**	**1,517**	**678**

[3] For Peter Feld, a lump sum of €479 thousand was paid out for the Multi-year Bonuses for 2011 and 2012 and a lump sum of €525 thousand for the LTP.

[4] These totals additionally include the following disclosures for members of the Executive Board who have already left the company: Markus Pinger: Multi-year Bonus for 2011 (present value as of Dec. 31, 2012: €139 thousand, present value as of Dec. 31, 2013: €111 thousand, payment following 2014 AGM: €34 thousand); James C. Wei: Multi-year Bonus for 2011 (present value as of Dec. 31, 2012: €246 thousand, present value as of Dec. 31, 2013: €197 thousand, payment following 2014 AGM: €60 thousand); Ümit Subaşı: Multi-year Bonus for 2011 €0; Thomas-B. Quaas: Multi-year Bonus for 2011 (present value as of Dec. 31, 2012: €602 thousand, present value as of Dec. 31, 2013: €482 thousand, payment following 2014 AGM: €148 thousand).

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		
2012	**2013**	2012	**2013**	2012	**2013**	
5	73	2,598	2,657	1,158	1,668	Stefan F. Heidenreich (Chairman of the Executive Board)
150	10	1,354	792	535	–	Peter Feld (until July 31, 2013)
88	88	1,055	1,213	508	501	Ralph Gusko
44	14	1,092	1,142	673	659	Dr. Ulrich Schmidt
305[2]	**185**	**7,153[2]**	**5,804**	**2,874[2]**	**2,828**	**Total**

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)

	2012				2013			
	Base Virtual Unit	Covered Virtual Unit[5]	Matching Virtual Unit	Total amount set aside in fiscal year 2012	Base Virtual Unit	Covered Virtual Unit[5]	Matching Virtual Unit	Total amount set aside in fiscal year 2013
Stefan F. Heidenreich (Chairman of the Executive Board)	10,000	10,000	10,000	1,158	10,000	10,000	10,000	2,826
Peter Feld (until July 31, 2013)[6]	10,000	100	100	657	–	–	–	–
Ralph Gusko	5,000	75	75	508	7,500	1,125	1,125	1,009
Dr. Ulrich Schmidt	10,000	1,120	1,120	780	10,000	1,180	1,180	1,809[6]
Total	**35,000**	**11,295**	**11,295**	**3,103**	**27,500**	**12,305**	**12,305**	**5,644**

[5] This figure not only includes the Covered Virtual Units acquired by way of personal investment, but also the Covered Virtual Units granted by converting defined contribution pension commitments (see footnote 1).
[6] This figure includes the personal investment made in the form of bonus payments due under the Variable Bonus being retained.

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

Payments to former members of the Executive Board and their dependents totaled €2,324 thousand (previous year: €2,474 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €37,797 thousand (previous year: €37,463 thousand).

2. REMUNERATION OF THE SUPERVISORY BOARD

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

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

The fixed remuneration component per Supervisory Board member is €40,000 for each full fiscal year. The variable remuneration is €1,000 for each cent by which the dividend per share exceeds 25 cents. 40% of this will be paid out after the actions of the Supervisory Board member in question have been approved by the Annual General Meeting for the fiscal year for which remuneration is being paid (initial year). The remaining amount will be paid out following the Annual General Meeting to which the annual financial statements for the third year following the initial year are submitted, insofar as the average dividend for the initial year and the three following fiscal years is not lower than the dividend for the initial year. Interest in line with current market rates will be paid on this amount until such time as it is paid out. Furthermore, members of the Supervisory Board and committees receive an attendance fee of €1,000 for participating in full at a meeting of the Supervisory Board or committee and €500 for participating in the majority of a meeting.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2013 (IN €)[7/8]

	Fixed[9]		Total Variable		Long term Variable (60%)		Total	
	2012	**2013**	2012[10]	**2013[11]**	2012	**2013**	2012	**2013**
Dr. Andreas Albrod	31,082	67,000	18,811	45,000	11,287	27,000	49,893	112,000
Prof. Dr. Eva Eberhartinger	91,500	90,000	45,000	45,000	27,000	27,000	136,500	135,000
Elke Gabriel	47,000	45,000	45,000	45,000	27,000	27,000	92,000	90,000
Michael Herz	70,000	67,500	45,000	45,000	27,000	27,000	115,000	112,500
Thomas Holzgreve (Deputy Chairman)	77,000	74,000	67,500	67,500	40,500	40,500	144,500	141,500
Thorsten Irtz (Deputy Chairman)	72,000	66,000	67,500	67,500	40,500	40,500	139,500	133,500
Dr. Dr. Christine Martel	30,322	44,500	30,738	45,000	18,443	27,000	61,060	89,500
Tomas Nieber	45,500	45,000	45,000	45,000	27,000	27,000	90,500	90,000
Prof. Dr. Reinhard Pöllath (Chairman)	115,000	114,000	112,500	112,500	67,500	67,500	227,500	226,500
Thomas-B. Quaas[12]	–	–	–	–	–	–	–	–
Prof. Manuela Rousseau	47,000	44,000	45,000	45,000	27,000	27,000	92,000	89,000
Volker Schopnie	72,000	67,000	45,000	45,000	27,000	27,000	117,000	112,000
Total	**770,896[13]**	**724,000**	**622,008[13]**	**607,500**	**373,205[13]**	**364,500**	**1,392,904[13]**	**1,331,500**

7 Subject to the resolution of the Annual General Meeting on April 17, 2014, concerning the dividend to be distributed for 2013 in accordance with the proposal for a dividend of €0.70 per share.
8 Presented exclusive of value added tax.
9 Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).
10 The figure contains the long-term portion (60% – see separate column) 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).
11 The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2017 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
12 As contractually agreed, the Supervisory Board remuneration was offset against continuing entitlements from Mr. Quaas's former Executive Board activities.
13 These totals additionally include the following payments made to members who left the Supervisory Board in 2012 for activities in fiscal year 2012: Walter Diembeck – fixed: €40,918, variable: €26,189 (long term variable: €15,713), total: €67,107; Beatrice Dreyfus – fixed: €15,787, variable: €14,385 (long term variable: €8,631), total: €30,172; Michel Perraudin – fixed: €15,787, variable: €14,385 (long term variable: €8,631), total: €30,172.

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, Labello, Florena, atrix, 8x4, Hansaplast / Elastoplast, Aquaphor, SLEK, and Maestro.

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 / financial control, 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 will be the number 1 Skin Care company in its relevant categories and markets. Its Blue Agenda, which clearly defines the company's objectives and how to implement them, was developed in 2012 to achieve this goal. The Blue Agenda focuses on five main areas:

- Strengthening our brands – first and foremost NIVEA
- Increasing our innovative power
- Systematically expanding our impact and presence in the emerging markets as well as strengthening our home markets in Europe
- Increasing efficiency and speed
- Dedicated employees.

Completing the Blue Agenda is expected to take three to five years. Beiersdorf made substantial progress towards this objective in 2013. The results for the past year reflect this success, with sales and earnings both rising. Our market share has increased and our brand presence has been strengthened in many countries – both in the emerging markets and in Europe. Our positive performance in our German home market is particularly noteworthy.

NEW BRAND AND CORPORATE IMAGE

Work on the gradual rollout of the new NIVEA logo and design, including the redesign of the NIVEA Men product category, continued in the year under review. The plan is to complete the process by the end of 2014. The brand's core has been revitalized and brand recognition fundamentally improved. It is clearly differentiated from the competition and the NIVEA umbrella brand now has a uniform image.

Once the NIVEA brand logo had been changed, the corporate logo was also revised so as to create a uniform, eye-catching corporate image. In January 2014, Beiersdorf presented the new logo with its clean, clear design. Modifying the shade of blue to match that used by NIVEA has created a link between the company and its flagship brand. The logo symbolizes the company's focus on skin care and on the future. The lettering evokes the company's focus on quality and contemporary development, building a bridge between its tradition and its future.

INNOVATIVE POWER

In addition to continued developments and support for innovations such as NIVEA's Deodorant Invisible for Black & White, new product launches – including NIVEA Deodorant Stress Protect, NIVEA In-Shower Body Lotion, and NIVEA Cellular Anti-Age face care, and Eucerin's VOLUME-FILLER – made significant contributions to the positive trend in financial year 2013.

The reorganization of the Research and Development unit, a key focus of our strategic activities in the year under review, has been successfully completed. The new Research and Development model is no longer structured to reflect broad procedural stages but is aligned with our six core categories – Body, Face, Sun, Men, Deo, and Shower. This ensures that innovations are focused even more strongly on consumer expectations, allowing us to optimally leverage existing potential, increase our innovative power, and exploit our competitive advantages.

CLOSEST TO MARKETS

We continued to push forward with the expansion of our global development and production capacities in 2013. The regional development lab for the Latin American market was constructed in Silao, Mexico, and is scheduled to become fully operational in mid-2014 as well as the production facility. The development lab for the Far East region in Wuhan, China, was also expanded further. Our regional development activities aim to get closer to consumers in the emerging markets by local adaptions. In India Beiersdorf will invest more than €30 million in constructing a production facility that is scheduled to start operations in 2015 with around 300 employees. Beiersdorf intends to use local products to consolidate its position on the rapidly growing Indian market and to gain market share.

SPEED AND EFFICIENCY

Improving the company's efficiency and speed leads to a sustainable increase in its growth and earnings power. For example, concentrating the marketing budget on initiatives with a broad reach significantly improves the efficiency of our marketing spend without increasing costs. Beiersdorf works continually to make processes more efficient, speed up decisions, and optimize cost structures.

DEDICATED EMPLOYEES

Dedicated employees are a critical success factor when it comes to preserving long-term competitiveness and innovation in a globalized world. In line with our Blue Agenda, our corporate culture now concentrates more strongly on a clear focus, entrepreneurship, and a performance-driven approach. Attractive career development programs and locations, flexible working models, and a unique corporate culture are increasingly important means of attracting talent and reinforcing long-term ties with the company. Since Beiersdorf is a global company, diversity is a crucial competitive factor. Among other things, we are working hard to provide support for women in the form of mentoring and networking programs and to offer flexible working conditions for mothers and fathers. In addition, Beiersdorf is focusing on ensuring a more internationalized workforce.

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 functional areas of responsibility within the Executive Board – Finance, Human Resources, and Supply Chain, and Consumer Brands, Pharmacy, and R&D – there are regional areas of responsibility. This regional allocation of responsibilities is a key factor in ensuring 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 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 – sales growth in conjunction with market share, EBIT, and the EBIT margin (the ratio of EBIT to sales) – are derived from this. The goal is to generate internationally competitive returns through systematic cost management and the highly efficient use of resources.

The company has created an efficient management system in order to meet these strategic goals. Corporate management derives 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 target values and with the current forecast for the year as a whole at regular intervals during the fiscal year. These comparisons are used to manage the business in line with the objectives.

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

Economic Environment

General Economic Situation

Global growth was positive in 2013, though it remained down on the previous year. While parts of the eurozone moved out of recession, growth in emerging markets and developing countries was somewhat more modest than in previous years.

The economy in **Europe** contracted slightly in 2013. The banking crisis in Cyprus caused uncertainty at the beginning of the year. The eurozone showed positive economic growth starting in the second quarter, driven by increased exports, consumer spending, and capital expenditure. However, these favorable trends were mitigated by structural adjustments and public sector budget consolidation in many countries – measures that began during the euro and sovereign debt crisis. As a result, the economies in Southern Europe continued to decline year-on-year, though more slowly than before. Assessments of the economic situation by industry, retailers, and service providers increasingly improved over the course of the year.

The **German** economy has recovered, recording the strongest growth within the eurozone. This trend was primarily the result of initial increases in capital spending and foreign demand, flanked by the expansionary monetary policy and low interest rates.

The economy in the **United States** grew only slightly in 2013. Growth was driven mainly by consumer spending, which rose as a result of the positive labor market trend. Public spending cuts and the budget dispute in the fall depressed growth.

In **Japan**, a change in monetary policy led to growth in particular in the first half of 2013. The weak yen also fueled rising exports, and thus positive economic development. The growing budget deficit had a negative impact.

Growth in **China** declined again slightly in 2013 versus the previous year. The decrease was due to weaker demand for Chinese products abroad and uncertainty relating to the Chinese central bank's tighter monetary policy.

The situation in the **other emerging markets** was mixed. Growth was flat compared with the previous year in India and declined in most of the remaining emerging markets in Southeast Asia. Brazil saw muted growth in 2013. Although investments in connection with the soccer World Cup lent strong positive momentum, unemployment rose and the rise in consumer spending slowed. Growth in Russia was also weak, as consumer spending in particular – which has been strong in recent years – eased.

Sales Market Trends

The growth rate in the cosmetics market relevant for Beiersdorf was up slightly on the prior year in 2013 at a global level. The Asia, Middle East, and Latin America regions were the main growth drivers. However, growth in the Latin American markets was down significantly on the prior-year figure. The saturated markets in Western Europe and North America saw only slight growth year-on-year. The effects of the weak economy and the associated poor consumer sentiment were felt in the Southern European markets in particular.

Global industrial sales markets grew in 2013. China remained the growth driver, seeing a consistent increase in industrial production. Europe was dominated by what was still a relatively weak first half of the year, but has seen clear momentum since mid-year. The same applies to the Southern European countries that were particularly hard-hit by the euro and sovereign debt crisis. North and Latin America recorded robust growth in the industrial sales markets.

Procurement Market Trends

In 2013, global procurement markets were impacted by the euro and sovereign debt crisis as well as by the weakened global economy, which affected the United States and China in particular. The price of oil was relatively stable in 2013, but remained at the high level of USD 105 per barrel. This was due in part to the continued unstable political situation in the Near and Middle East. Increases in raw materials prices were more moderate than expected in 2013 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 continued to ensure raw materials security at our production facilities in 2013 by engaging in forward-looking primary materials management and by establishing additional alternative sources of supply.

The Economic Situation – Summary

In the Consumer Business Segment, the strong growth rates recorded by the cosmetics markets in Asia and Latin America in particular contributed to the healthy overall performance. Sales in the saturated cosmetics markets of Germany and parts of Western Europe also recorded encouraging growth.

Results of Operations – Beiersdorf AG

(IN € MILLION)

	2012	2013
Sales	**1,077**	**1,088**
Other operating income	110	107
Cost of materials	–260	–268
Personnel expenses	–200	–232
Depreciation and amortization of property, plant, and equipment, and intangible assets	–42	–24
Other operating expenses	–553	–541
Operating result	**132**	**130**
Net income from investments	249	441
Net interest expense	–1	–10
Other financial result	6	–
Financial result	**254**	**431**
Result from ordinary activities	**386**	**561**
Extraordinary result	**–6**	**2**
Income taxes	–76	–74
Profit after tax	**304**	**489**
Transfer to other retained earnings	–128	–244
Net retained profits	**176**	**245**

Beiersdorf AG's sales increased by €11 million to €1,088 million in the reporting period (previous year: €1,077 million). Sales of NIVEA Body and NIVEA Sun performed well. Sales of €860 million (previous year: €848 million) were generated in Germany and €228 million (previous year: €229 million) abroad.

Other operating income declined by €3 million compared with the previous year. This decrease is attributable to lower income from services provided to affiliated companies as well as lower reversals of write-downs on receivables, plus increased income from the reversal of provisions.

Personnel expenses increased by €32 million year-on-year. The increase is mainly the result of higher pension expenses due to an adjustment of the assumptions used in the calculations.

The financial result increased by €177 million compared with the previous year to €431 million (previous year: €254 million). This rise is largely the result of a clear increase in net income from investments (€192 million) and a €9 million decrease in net interest expense.

The result from ordinary activities was €561 million, up €175 million on the previous year. The operating result was more or less unchanged at €130 million, while the financial result increased by a significant €177 million.

The extraordinary result primarily comprises income of €2 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 €489 million (previous year: €304 million), a rise of €185 million.

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

Net Assets and Financial Position – Beiersdorf AG

(IN € MILLION)

Assets	Dec. 31, 2012	Dec. 31, 2013
Intangible assets	49	34
Property, plant, and equipment	94	97
Financial assets	1,489	1,579
Fixed assets	**1,632**	**1,710**
Inventories	2	3
Receivables and other assets	434	432
Securities	1,583	1,540
Cash and cash equivalents	81	258
Current assets	**2,100**	**2,233**
Prepaid expenses	**3**	**3**
Excess of plan assets over post-employment benefit liability	**3**	**6**
	3,738	**3,952**
Equity and liabilities	Dec. 31, 2012	Dec. 31, 2013
Equity	**1,703**	**2,033**
Provisions for pensions and other post-employment benefits	414	441
Other provisions	243	198
Provisions	**657**	**639**
Liabilities	**1,370**	**1,278**
Deferred tax liabilities	**8**	**2**
	3,738	**3,952**

ASSETS AND LIABILITIES

The increase in financial assets of €90 million mainly reflects capital increases at existing affiliates. Investments of €14 million in property, plant, and equipment were partially offset by depreciation of €9 million. Receivables include receivables from affiliated companies of €295 million (previous year: €264 million). The securities item decreased by €43 million. As of December 31, 2013, Beiersdorf AG had invested €1,540 million (previous year: €1,583 million) in government and corporate bonds, Pfandbriefe, and near-money market retail funds. €746 million (previous year: €887 million) of the securities have a remaining maturity of up to one year, and €794 million (previous year: €696 million) have a remaining maturity of between one and four years.

Pension provisions rose by €27 million. Offsetting plan assets against defined contribution pension obligations led to an excess of plan assets over post-employment benefit liability of €6 million (previous year: €3 million). Liabilities include liabilities to affiliated companies of €1,218 million (previous year: €1,295 million). The decrease relates primarily to financial liabilities. Of the total assets of €3,952 million (previous year: €3,738 million) shown in the balance sheet, €2,033 million (previous year: €1,703 million) or 51% (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.

Overall Assessment of Beiersdorf AG's Economic Position

Business developments in 2013 show that Beiersdorf is on the right track. Beiersdorf AG's sales amounted to €1,088 million (previous year: €1,077 million), up 1.0% on sales in 2012. The operating result decreased to €130 million (previous year: €132 million). After adjustment for special factors, the normalized operating result was €126 million (previous year: €121 million). Excluding special factors, the EBIT margin was therefore 11.6% (previous year: 11.2%). The financial result rose to €431 million (previous year: €254 million) as a result of significantly higher income from investments.

	Forecast for 2013 in 2012 Annual Report	**Result in 2013**
Sales	moderate increase in sales	**€11 million higher than prior year**
Operating result*	higher operating margin	**11.6% compared with 11.2% in prior year**
Financial result	considerably higher due to structural measures	**€177 million higher than prior year**

* Normalized operating result.

Sales and the normalized operating result both increased in fiscal year 2013, as forecast. Significantly higher dividend income was generated in fiscal year 2013, as forecast, due to the implementation of non-recurring structural measures within the Group.

Research and Development

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

We invested a total of €105 million in our research and development in the reporting period (previous year: €108 million). As of December 31, 2013, 446 people were employed in the Research and Development area (previous year: 445).

IN-DEPTH EXPERTISE IN SKIN CARE RESEARCH

Beiersdorf is known throughout the world for its leading-edge skin care expertise. Beiersdorf’s scientists work continually to enhance their knowledge of the complex processes taking place in the skin. In addition, they make use of the latest scientific discoveries and also gain important new insights from collaborating with external partners. In the year under review, the Research and Development area focused on the complex processes involved in skin aging and on finding better approaches to this issue. How skin ages depends on an extremely wide range of factors. It is critical to find out which factors have a causative influence on the aging process and which are merely secondary. Beiersdorf is performing in-depth research into why the abilities of the epidermis and connective tissue to regenerate and repair themselves decline during the aging process. For example, it has developed a method of demonstrating the core damage caused directly by sunlight to the DNA of epidermal stem cells. In addition to looking at epidermal stem cells, Beiersdorf researchers also studied dermal stem cells. They found a specific cluster of these cells, which are critical to skin regeneration, located in the vicinity of the capillaries, the number of which also declines during the aging process. This enhanced the researchers’ understanding of why the cells in older skin no longer function as efficiently.

Research on connective tissue is critical because this is responsible for wrinkles and declining elasticity. Such problems are especially common in skin that has been exposed to light. In aged connective tissue, the regular production and degradation of the connective tissue fibers collagen and elastin is impaired. According to the latest insights from Beiersdorf’s research team, a specific collagen receptor called Endo 180 is one reason why damaged fibers do not degrade properly. This receptor is used by connective tissue cells to ensure the uptake of damaged collagen fragments. Acute or chronic UV damage impairs the function of Endo 180, which contributes to an excessive accumulation of these fragments.

EXPANDED SCOUTING FOR NEW IDEAS

Beiersdorf’s Research and Development unit has integrated third-party knowledge for many years now. Open Innovation – systematically enhancing collaboration through the timely integration of leading research institutions, universities, and suppliers in Beiersdorf's international innovation network and its “Pearlfinder” initiative – is a central component of Beiersdorf’s innovation activities. The aim is to further enhance Beiersdorf’s innovative potential by integrating external ideas and solutions. Scouting for new ideas and solutions was expanded in 2013 and is now firmly anchored within the Research and Development organization. A number of teams focus on innovations from external partners and sources. Their coordinated activities and strategies enable the company to make even more effective use of new ideas from external sources. This also means systematically looking beyond the boundaries of our own industry for new and interesting product forms and ingredients.

The “Pearlfinder” Open Innovation initiative was launched back in 2011. It is based on an online platform where companies, institutions, and scientists from around the world can collaborate with Beiersdorf in a secure environment on scientific topics and questions that serve as the basis for forward-looking innovations. A growing number of external innovators are using “Pearlfinder” to provide their own ideas and solutions to these issues. Increasingly, Beiersdorf is now working with innovators it did not previously know about.

Additional Open Innovation activities with external innovators were initiated under the “Pearlfinder” umbrella in fiscal year 2013. These include preparations for an ideas contest in spring 2014 in cooperation with “in-cosmetics” – the world’s largest trade fair for cosmetics ingredients. Further information on “Pearlfinder” can be found at HTTP://PEARLFINDER.BEIERSDORF.COM.

RECOGNIZING AND MEETING CONSUMERS’ NEEDS

When developing new products, the top priority for Beiersdorf researchers is to meet consumers’ wishes and needs. State-of-the-art consumer research methods have provided support in this area for over a decade. Based on a method developed in the past few years, consumers use visual and associative techniques to communicate the emotions they feel while they are using the products. In addition, a variety of communication channels are used to gather consumer feedback, which then flows into the development process. The resulting data and information is used to supplement the scientific work when developing new products and adapting them to meet regional conditions and requirements. Before being launched, all products are tested for safety and optimal effectiveness using the latest scientific methods. Every year, over 1,300 studies involving approximately 40,000 participants are conducted to demonstrate effectiveness, determine tolerability, and improve our understanding of consumer preferences.

EXPANSION OF REGIONAL DEVELOPMENT CENTERS

No two markets are alike. Beiersdorf continued to drive forward its global research and development activities by expanding its regional development centers so that it can provide personal care products that are tailored to meet regional needs to its consumers around the world. The regional lab for the Latin

American market in Silao, Mexico, will be fully operational in mid-2014. In addition, the lab that opened in 2012 in Wuhan, China, was expanded in the year under review to become a central hub for the Far East region. Its core tasks include conducting local consumer tests, adapting formulas and packaging solutions, and regional sourcing. In the USA and Japan, Beiersdorf works to capture and efficiently implement ideas in the markets there as quickly as possible. By expanding its development labs directly in the regions, Beiersdorf is continuing to systematically implement its “Closest to Markets” strategic focus and is getting even closer to its consumers.

INNOVATIONS

The Consumer Business Segment applied for patents for 65 innovations in fiscal year 2013 (previous year: 87). Beiersdorf launches a constant stream of attractive new products on the market. Key launches in the period under review included the following:

- Beiersdorf researchers have developed an innovative anti-aging formula in the form of the **NIVEA Cellular Anti-Age** face care range. This combines the advantages of effective anti-aging ingredients with very special sensory properties.
- **NIVEA In-Shower** is a completely new application system for Beiersdorf body care products. The result of years of in-depth research and a large number of consumer studies, it marks another milestone in Beiersdorf’s emulsion technology. The product is applied to wet skin in the shower and is then rinsed off. It instantly provides the care of a body lotion without needing to wait for it to be absorbed. The product range comprises the versions In-Shower Body Milk, In-Shower Body Lotion, and In-Shower Soft Milk.
- **NIVEA SUN Protect & Refresh Spray** combines effective protection against UVA and UVB radiation with a refreshing experience for the skin. The product offers a dual cooling effect: The aerosol’s evaporative cooling effect and menthol interact with cold sensors in the skin to create an instantly noticeable, refreshing effect. The formula is extremely light and rapidly absorbed and, thanks to the modern aerosol spray, it can be applied upside down, allowing the user to spray difficult-to-reach patches of skin (such as the back) themselves.
- **NIVEA MEN Active Age** is a new care range designed for men aged 40 and up. It comprises three products – the Night Regenerator, Day Moisturizer, and Aftershave Balm. What is particularly innovative about the product range is that it includes the world’s first night cream for men. The care range moisturizes men’s skin for up to 24 hours, reduces wrinkles, enhances firmness, and protects skin from drying out.
- Beiersdorf research has spent many years intensively investigating the link between stress and sweating. This research resulted in **NIVEA Deodorant Stress Protect**, which has a highly effective combination of two different antiperspirant active ingredients, an antibacterial formula, and nurturing avocado oil. Its reliable 48-hour protection against stress-related perspiration and body odor was scientifically proven in a number of application studies and the results were published in the International Journal of Cosmetic Science*.
- **Eucerin VOLUME-FILLER** restores volume to the facial skin. Over time, skin increasingly loses its firmness and elasticity, and its tissue volume declines. The formula with highly effective magnolol increases the amount and size of volume-giving cells**, while oligopeptides stimulate the collagen network for a firmer skin structure**. Hyaluronic acid supplies skin with intensive moisture and reduces wrinkle depth.
- **Eucerin AtopiControl** is Eucerin’s first intensive care series for both the episode-free and acute phases of neurodermatitis. Omega-6 fatty acids from evening primroses and grapeseed oil stabilize the skin’s protective lipid layer, while Licochalcon A, which is derived from licorice root, soothes reddened skin. For skin care during acute phases, **AtopiControl Acute Care Cream**, which is even suitable for babies’ especially sensitive skin, is the optimal partner product.
- **Hansaplast Elastic+ Waterproof** is the first plaster that offers the feel and flexibility of an elastic fabric plaster while protecting wounds against water. It is based on the innovative Hi-DRY TEX technology with its highly effective three-ply layering structure. The plaster is comfortable to wear and provides reliable protection against contact, dirt, and water, allowing wounds to heal unimpeded.

The **La Prairie Group** in Zurich, Switzerland, expanded its Skin Caviar Collection in 2013 to include the products Skin Caviar Luxe Sleep Mask and Luxe Soufflé Body Cream.

Skin Caviar Luxe Sleep Mask is an intensive care mask that smoothes the skin during the nightly regeneration phase and replenishes its moisture reserves. The mask supplies nutrients that help make skin look firmer. The innovative formula improves the texture and lines appear finer.

Skin Caviar Luxe Soufflé Body Cream is an intensive care product for the entire body that helps improve the skin’s firmness and elasticity, providing deep-down care. In addition, it strengthens the skin’s moisture barrier, preventing water loss.

The La Prairie Group also expanded its anti-aging range to include an Eye and Lip Contour Cream.

The Anti-Aging Eye and Lip Contour Cream provides intensive, nourishing care to the area around the eyes and lips, which is low in moisture. The cream fills in and smoothes lines and fine wrinkles from the inside. Its anti-aging effect is created by a large number of substances that supply moisture and nutrients to the skin.

* T. Schmidt-Rose, F. Lehmbeck, A. Bürger, B. Windisch, R. Keyhani, and H. Max, “Efficient sweat reduction of three different antiperspirant application forms during stress-induced sweating,” International Journal of Cosmetic Science 2013 Dec; 35(6):622-631.
** In vitro study.

Sustainability

For Beiersdorf, “care” is a core value and part of its core business. This encompasses not only skin care and protection, but also responsibility towards our fellow human beings and our environment. Sustainability is a living component of our corporate culture and is strategically anchored in all our business processes. Beiersdorf’s goal is to continue to combine success and responsibility.

CORPORATE SUSTAINABILITY

The “We care.” sustainability strategy that Beiersdorf developed in 2011 focuses on three fields of activity: “Products,” “Planet,” and “People.” The company has defined clear, long-term objectives for each field of activity. By 2020, Beiersdorf aims to:

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

The focus in 2013 was on continuing to roll out this strategy throughout the company and on implementing projects in all three areas.

PRODUCTS

Beiersdorf has expanded its systematic product lifecycle assessments to additional product categories so as to improve the integration of sustainability aspects in the innovation process. In addition, FSC-certified papers are being successively rolled out for all NIVEA folding boxes.

Beiersdorf has made considerable progress towards deploying to sustainable palm kernel oil. In addition to participating in the Roundtable on Sustainable Palm Oil (RSPO), the company is also active in the newly formed “Forum für nachhaltiges Palmöl” (the German Forum for Sustainable Palm Oil). By 2020, Beiersdorf intends to switch the raw materials concerned to segregated or at least mass balanced palm (kernel) oil and corresponding derivatives. Until the changeover is complete, Beiersdorf will purchase certificates on the Green Palm trading platform. In 2013, 100%* of the palm oil and palm kernel oil equivalents contained in its feedstocks were covered by certificates. In 2014, the first raw materials will be physically switched to mass balance certified palm kernel oil.

In addition, Beiersdorf has decided to discontinue its use of polyethylene particles (microparticles, scrub particles) in its care products worldwide as of the end of 2015. Although the use of this ingredient in skin care is considered harmless, extremely skin-friendly, and non-allergenic, it is viewed critically in some quarters due to the increased incidence of plastic in the world’s oceans. Beiersdorf aims to help protect the environment with this precautionary decision in favor of finding alternatives to plastic particles in skin care products.

PLANET

To reach its goal of reducing CO_2 emissions by 30%, Beiersdorf is systematically working to significantly increase energy efficiency at all its locations and to drive forward the use of renewable energies.

Beiersdorf’s factory in Argentona (Spain) installed a photovoltaic facility at the beginning of 2013. The facility has 480 solar modules with a capacity of up to 170,000 kilowatt-hours; this corresponds to about 10% of the production facility’s total annual requirements. In addition, Beiersdorf Consumer plans to meet all its electricity needs in Germany with renewable energy starting in 2016.

Beiersdorf’s “Blue Building” program for constructing and using buildings aims at sustainably managing the entire lifecycle of its owner-occupied properties throughout the world. “Blue Building” helps to save energy, conserve resources, and at the same time to promote a healthy working environment for all employees.

Beiersdorf’s new production center in Mexico is one of only a few facilities of its kind in the world to be planned in accordance with the LEED Platinum environmental standard. Compared with other production facilities, the new facility emits significantly less CO_2, consumes less water, and uses resources more efficiently – despite its significantly higher production capacity.

Beiersdorf is also underscoring its social and ecological commitment by building the new “Troplo-Kids” daycare center in Hamburg, the location of the company’s headquarters. The new daycare facility, which offers 100 places, will help improve the work-life balance and is fully compliant with the criteria of the German Sustainable Building Council (DGNB).

In addition, Beiersdorf – as in previous years – implemented initiatives for lowering CO_2 emissions along the entire value chain. In 2008, road transports were switched to rail in Switzerland. In 2013, the concept was applied in Germany. Now, a significant amount of the volumes transported in the two countries is handled by rail. Beiersdorf also developed a new logistics concept that optimizes the use of containers, reduces the number of transports, and hence significantly lowers CO_2 emissions and cuts costs.

PEOPLE

Beiersdorf aims to reduce the number of work-related accidents and to continue to improve workplace safety with its company-wide “zero accidents” policy. For example, Behavioral Based Safety (BBS) principles have been established to make employees aware of possible sources of danger and hence develop safe

* excluding Beiersdorf Hair Care China.

working practices and optimize workplace safety. These define clear behavior patterns for avoiding accidents that are expressed in terms of “I will” and “I will not” rules. The concept will be extended to include additional countries in 2014.

In the year under review, Beiersdorf launched the “NIVEA cares for family” initiative. The latter’s focus on supporting and assisting families is in keeping with the company’s social traditions and corresponds to the core values of the Beiersdorf brands – first and foremost NIVEA. The objective of this initiative is to strengthen families in three areas. Under long-term local projects, children will be given access to social and academic education, among other things, and mothers will receive individual support. In addition, NIVEA wants to give families the opportunity to spend more time with each other. Employees play a leading role in successfully implementing social responsibility at Beiersdorf. During the “NIVEA Family Days” held worldwide in December, employees were able to support local families. The voluntary employee component of the CSR strategy will be strengthened in the future and expanded to include additional initiatives.

CSR at Hansaplast / Elastoplast focuses on strengthening first aid in everyday situations. It aims to offer first aid training events in the units’ local regions, increasing the ability to provide first aid if needed. Hansaplast / Elastoplast units in France, Canada, and the Netherlands have already been successfully working with their local Red Cross organizations for a long time. This initiative will now be extended to other countries.

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

Employees

SUCCESSFUL TOGETHER
Beiersdorf AG employed 1,844 people as of December 31, 2013 (previous year: 1,800). The number of vocational trainees and trainees was 269 (previous year: 283).

MOTIVATIONAL WORKING ENVIRONMENT INCREASES COMMITMENT
Our employees are vital to our success. They manage strong brands, develop innovations, and enthuse consumers around the world with high-quality products. The Human Resources department's forward-looking activities aim to support the strategic goals from Beiersdorf's Blue Agenda.

In the year under review, the following topics addressed by Beiersdorf's Human Resources department are particularly worth mentioning:

- encouraging a culture of candid feedback
- fostering creativity through diversity
- enhancing cross-border collaboration
- Integrated Talent Management

In addition, Beiersdorf's Human Resources department is specifically focused on fostering motivation and a performance-driven culture. Dedication and enthusiasm at work are crucial for long-term corporate success.

OPEN COMMUNICATION STRENGTHENS EMPLOYEES' EMOTIONAL TIES
A key means of enhancing Beiersdorf's corporate culture lies in fostering a culture of candid and honest feedback. Out of the many initiatives in fiscal year 2013, the introduction of a global feedback process is particularly worth mentioning: TEAMVOICE 2013 was the first global employee survey of all Beiersdorf companies, and was conducted in collaboration with an international market and opinion research company. A total of 89% of the employees surveyed provided feedback on the main factors constituting a good working environment. The survey results are made available in anonymized form within the individual teams, who discuss them together and use them to derive relevant measures for the employees concerned. The aim of this dialog is to foster openness and trust at team level, strengthening long-term employee loyalty.

DIVERSITY FOSTERS CREATIVITY
Beiersdorf is a global company, which means that diversity is not an end in itself, but a crucial competitive advantage. Diversity fosters creativity: Beiersdorf systematically promotes diversity in its workforces. In the year under review, the Human Resources department compiled a global diversity action program with a key focus on gender and internationalization that contains clear objectives with regard to employee development and recruitment.

For women, mentoring and networking programs were initiated. Creating more flexible working conditions for both men and women improves the work-life balance. These measures are already delivering initial results: The percentage of women in management positions in Germany rose from 22.5% at the end of 2012 to 25.5% at the end of 2013. We intend to systematically pursue this path over the coming years and to increase this figure to 30% by 2020.

As part of the continued internationalization of its workforce, Beiersdorf is focusing on increasing the number of international employees at its Hamburg location. The number of senior managers with international experience is to be increased throughout the Group.

GLOBAL (NET)WORKING
In the year under review, Beiersdorf created BluePlanet – a global internal platform for communication and collaboration that makes cross-border and cross-functional teamwork faster and more efficient. Employees can use this digital platform to hold direct discussions with each other, sharing knowledge and experiences. This will enable solutions for their daily work to be found and implemented faster. BluePlanet saves time and money by reducing the number of business trips, streamlining meetings, and avoiding the use of e-mail. It represents a new dimension in collaboration and brings the Beiersdorf world even closer together.

CONTINUOUS PROFESSIONAL DEVELOPMENT AND QUALIFICATIONS ENSURE SUCCESS
The Human Resources department supports team leaders in ensuring the development of their teams. Continuous professional development and knowledge acquisition are part of the Integrated Talent Management program. A wide range of opportunities for individual employees to strengthen their professional and personal skills are regularly revised in line with the company's strategy and organizational development so as to ensure that the specialized skills and management expertise needed are kept up to date as optimally as possible.

Equally typical of the company's Human Resources work are its wide variety of international initiatives: For example, Beiersdorf cooperates with local universities in Southern Europe, where the economic situation is currently extremely strained, to give talented young recruits an opportunity to make a global contribution to the Group. In Mexico, Beiersdorf's Research & Development area is collaborating with local universities to recruit qualified new staff for the new Beiersdorf development laboratory in Silao. Around 550 positions shall be created in the laboratory and the production facility in the period up to the end of 2015.

Remuneration of the Executive and Supervisory Boards

For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the Remuneration Report in the chapter entitled "Corporate Governance," starting on page 10. The Remuneration Report forms part of the Management Report and the Annual Financial Statements.

Risk Report

Integrated Risk and Opportunity Management

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

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

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 consolidated 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 Group accounting data.

Shared service centers provide uniform processing of the core accounting processes at Beiersdorf AG. 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.

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.

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

SUPPLY CHAIN AND IT RISKS

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

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

FINANCIAL RISKS

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

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

Further information on the extent of the currency, interest rate, default, and liquidity risks described above can be found in Note 24 “Derivative Financial Instruments” on page 45.

LEGAL RISKS

Along with other international companies, the Beiersdorf Consumer Business Segment’s Brazilian affiliates are involved in tax proceedings on a national level. As utilization is not considered to be probable, no provisions for demands for back taxes have been established. However, no conclusive assessment of the risk from the Group perspective is possible at present.

Beiersdorf also has potential obligations arising from antitrust proceedings, among other things. 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. However, no conclusive assessment of the risk from the Group perspective is possible at present.

Overall Assessment of Beiersdorf AG's Risk Situation

Our assessment of the risk situation is the result of our examination of all material individual risks listed above. There have been no structural changes in the risk situation compared with the previous year. Based on our current assessment, 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 taken or not taken, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the fact that measures were taken or not taken."

Report on Post-Balance Sheet Date Events

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

Disclosures Required by Takeover Law (§ 289 (4) *HGB*)

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 Codetermination 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 looks set to improve slightly in 2014. We expect that this trend will be driven mainly by the industrialized nations, while growth in the developing countries and emerging markets will be somewhat lower than in previous years. However, tapering of the US Federal Reserve's bond purchases entails potential uncertainties with regard to its effect on the global economy.

Europe will probably come out of recession in 2014 and the uncertainty on the markets due to the euro and sovereign debt crisis should subside. This is suggested by improved leading economic indicators for the industrial, retail, and services sectors, as well as a forecast increase in demand from abroad. Besides the uncertain effects of tapering by the US Federal Reserve, factors that could put the recovery at risk include the ongoing high unemployment in many countries and the lack of appetite for reform in France and Italy. However, we anticipate a positive trend overall, although this is likely to be relatively muted in many countries due to the still weak economy.

In **Germany**, we expect to see stronger growth than in the rest of Europe in the coming year, driven by consumer spending and increasing investment as a result of the expansionary monetary policy.

We expect slightly higher growth in the **United States** economy in 2014. Alongside increased consumer spending due to a lower unemployment rate, we anticipate higher public spending. The construction sector may provide positive momentum. However, the start of tapering and its impact on the economy and the financial markets in the form of a possible increase in interest rates remain a source of uncertainty.

In **Japan**, we expect growth to be on a level with the previous year. The Bank of Japan is likely to further loosen its already expansionary monetary policy so as to avoid depressing the market recovery as a result of the announced increase in VAT. The cheap yen is likely to boost exports and hence also support growth.

In **China**, we expect growth to be down slightly on the prior-year level. Fiscal policy and the uncertain effects of the social and environmental reforms that have been announced are particular sources of uncertainty.

Conditions in the **remaining emerging markets** will probably be less favorable. In India, we expect to see slightly higher growth than in the previous year, with continued high inflation. We anticipate slight growth in the emerging markets of Southeast Asia. Given the highly protectionist tendencies in many Latin American countries, particularly in Venezuela, Ecuador, and Argentina, developments are difficult to forecast for this area. We expect growth rates in Russia to be only slightly higher than in 2013. The positive effects of exports to the recovering eurozone and the expected increase in energy prices will be contributing factors.

Procurement Market Trends

We will work together with Research and Development and Quality Management to identify alternative sources of supplies and to define more open specifications, further improving raw materials security for our production facilities. This will also continue to reduce our dependence on individual suppliers and specific raw materials. As in the past, strategic partnerships with suppliers will secure the availability of raw materials in 2014, ensuring supplies for our production facilities. In 2014, the price of oil will probably continue to remain at a high but stable level of just over USD 100 per barrel. Overall, we expect moderate increases in the commodities markets and will take targeted measures in the area of procurement to further minimize them.

Sales Market Trends

We believe that the global growth rates in the cosmetics market relevant for Beiersdorf will remain at the prior-year level in 2014. We continue to expect low but stable growth in the major European and North American markets. The emerging markets and developing countries will make a positive contribution to overall performance. Growth in Latin America is likely to weaken year-on-year, however.

Our Market Opportunities

Once again, market performance was mixed in fiscal year 2013 and competition continued to increase in some markets. We will supplement our corporate strategy, as manifested in our internal Blue Agenda program, to include additional emphases in 2014, so as to meet the challenges of tomorrow and achieve our objectives. We see strong opportunities both in systematically expanding our presence in the emerging markets and in consolidating our position in our European markets. We will drive this process by strengthening our brands – especially NIVEA, Eucerin, and La Prairie – and boosting our innovative power. This analysis underpins our planning for the coming fiscal year.

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

Business Developments

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

On this basis, we expect sales to increase moderately in 2014.

With respect to Beiersdorf AG's normalized operating result, we are planning for an operating margin on a level with the previous year in 2014.

We expect dividend income to be around the prior-year level, adjusted for the effects of non-recurring 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 internationally successful brand portfolio, our innovative and high-quality products, and our dedicated employees.

Hamburg, February 5, 2014
Beiersdorf AG

The Executive Board

Income Statement – Beiersdorf AG

(IN € MILLION)

	Note	2012	2013
Sales	01	**1,077**	**1,088**
Other operating income	02	110	107
Cost of materials	03	−260	−268
Personnel expenses	04	−200	−232
Depreciation and amortization of property, plant, and equipment, and intangible assets	05	−42	−24
Other operating expenses	06	−553	−541
Operating result		**132**	**130**
Net income from investments	07	249	441
Net interest expense	08	−1	−10
Other financial result	09	6	–
Financial result		**254**	**431**
Result from ordinary activities		**386**	**561**
Extraordinary result	10	**−6**	**2**
Income taxes	11	−76	−74
Profit after tax		**304**	**489**
Transfer to other retained earnings	31	−128	−244
Net retained profits		**176**	**245**

Balance Sheet – Beiersdorf AG

(IN € MILLION)

Assets	Note	Dec. 31, 2012	Dec. 31, 2013
Intangible assets	13	49	34
Property, plant, and equipment	14	94	97
Financial assets	15	1,489	1,579
Fixed assets		**1,632**	**1,710**
Inventories		2	3
Receivables and other assets	16	434	432
Securities	17	1,583	1,540
Cash and cash equivalents	18	81	258
Current assets		**2,100**	**2,233**
Prepaid expenses		**3**	**3**
Excess of plan assets over post-employment benefit liability	20	**3**	**6**
		3,738	**3,952**

Equity and liabilities	Note	Dec. 31, 2012	Dec. 31, 2013
Share capital		252	252
Own shares		–25	–25
Issued capital		227	227
Additional paid-in capital		47	47
Retained earnings		1,253	1,514
Net retained profits		176	245
Equity	19	**1,703**	**2,033**
Provisions for pensions and other post-employment benefits	20	414	441
Other provisions	21	243	198
Provisions		**657**	**639**
Liabilities to banks		–	–
Trade payables		52	47
Other liabilities		1,318	1,231
Liabilities	22	**1,370**	**1,278**
Deferred tax liabilities	11	**8**	**2**
		3,738	**3,952**

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).

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 €11 million to €1,088 million (previous year: €1,077 million).

SALES BY REGION (IN € MILLION)

	2012	2013
Germany	848	860
Rest of Europe	125	126
Americas	48	45
Africa / Asia / Australia	56	57
	1,077	**1,088**

02 Other Operating Income

(IN € MILLION)

	2012	2013
Income from the disposal of fixed assets	–	1
Income from reversals of write-downs on receivables	6	–
Income from the reversal of provisions	24	38
Currency translation gains on trade receivables and payables	6	3
Income from services provided to affiliated companies	60	56
Other income	14	9
	110	**107**

03 Cost of Materials

The cost of materials of €268 million (previous year: €260 million) includes the acquisition cost of the goods sold.

04 Personnel Expenses

(IN € MILLION)

	2012	2013
Wages and salaries	168	178
Social security contributions and other benefits	22	22
Pension expenses	10	32
	200	**232**

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: €0 million).

06 Other Operating Expenses

(IN € MILLION)

	2012	2013
Marketing expenses	338	331
Maintenance costs	8	8
Outgoing freight	6	7
Write-downs of receivables	4	1
Currency translation losses on trade receivables and payables	6	8
Third-party services	25	28
Legal and consulting costs	38	29
Other personnel expenses	13	14
Costs of services invoiced by affiliated companies	56	66
Other taxes	1	2
Other expenses	58	47
	553	**541**

07 Net Income from Investments

(IN € MILLION)

	2012	2013
Income from investments	166	352
(thereof from affiliated companies)	(166)	(352)
Income from profit transfer agreements	77	73
Reversals of write-downs of financial assets and securities classified as current assets	6	16
	249	**441**

08 Net Interest Expense

(IN € MILLION)

	2012	2013
Other interest and similar income	30	17
(thereof from affiliated companies)	(2)	(2)
Interest and similar expenses	–10	–6
(thereof to affiliated companies)	(–7)	(–3)
Expenses from unwinding of discounts on provisions for pensions and other long-term obligations	–21	–21
	–1	**–10**

09 Other Financial Result

(IN € MILLION)	2012	2013
Other financial income	74	60
Other financial expenses	–68	–60
	6	–

Other financial income comprises currency translation gains on financial items of €59 million (previous year: €74 million). Other financial expenses comprise currency translation losses on financial items of €59 million (previous year: €67 million) and miscellaneous financial expenses of €1 million (previous year: €1 million).

10 Extraordinary Result

The extraordinary result primarily comprises income of €2 million (previous year: €12 million) from the reversal of provisions that were established during the realignment of corporate structures and processes.

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 Act, *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 €13 million (previous year: €6 million) were recognized for pension provisions as a result of the higher liabilities recognized in the financial statements as against the tax base. Other deferred tax assets of €8 million (previous year: €13 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 €23 million (previous year: €27 million).

Overall, Beiersdorf AG expects a total future tax liability of €2 million (previous year: €8 million) from its own temporary accounting differences and those relating to companies in its consolidated tax group as of December 31, 2013. The tax result for the fiscal year includes income of €6 million from deferred taxes (previous year: expense of €8 million).

12 Other Taxes

Other taxes are reported under other operating expenses. They amounted to €2 million (previous year: €1 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, 2013	**391**	**–**	**391**
Additions	–	–	–
Disposals	–	–	–
Transfers	–	–	–
Closing balance Dec. 31, 2013	**391**	**–**	**391**
Amortization			
Opening balance Jan. 1, 2013	**342**	**–**	**342**
Write-downs	15	–	15
Reversals of write-downs	–	–	–
Disposals / transfers	–	–	–
Closing balance Dec. 31, 2013	**357**	**–**	**357**
Carrying amount Dec. 31, 2013	**34**	**–**	**34**
Carrying amount Dec. 31, 2012	49	–	49

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, 2013	**228**	**2**	**108**	**4**	**342**
Additions	5	–	7	2	14
Disposals	–6	–	–7	–	–13
Transfers	2	–	1	–4	–1
Closing balance Dec. 31, 2013	**229**	**2**	**109**	**2**	**342**
Depreciation					
Opening balance Jan. 1, 2013	**155**	**2**	**91**	**–**	**248**
Depreciation	4	–	5	–	9
Disposals / transfers	–5	–	–7	–	–12
Closing balance Dec. 31, 2013	**154**	**2**	**89**	**–**	**245**
Carrying amount Dec. 31, 2013	**75**	**–**	**20**	**2**	**97**
Carrying amount Dec. 31, 2012	73	–	17	4	94

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 since 2010 are depreciated on a straight-line basis as the principle that tax dictates financial accounting no longer applies. In the years prior to 2010, 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, and 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.

15 Financial Assets

(IN € MILLION)

	Investments in affiliated companies	Other equity investments	Long-term securities	Total
Cost				
Opening balance Jan. 1, 2013	**1,516**	**–**	**–**	**1,516**
Additions	74	–	–	74
Disposals	–	–	–	–
Transfers	–	–	–	–
Closing balance Dec. 31, 2013	**1,590**	**–**	**–**	**1,590**
Write-downs				
Opening balance Jan. 1, 2013	**27**	**–**	**–**	**27**
Write-downs / reversals of write-downs	–16	–	–	–16
Disposals / transfers	–	–	–	–
Closing balance Dec. 31, 2013	**11**	**–**	**–**	**11**
Carrying amount Dec. 31, 2013	**1,579**	**–**	**–**	**1,579**
Carrying amount Dec. 31, 2012	1,489	–	–	1,489

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 are the result of capital increases at existing affiliates, in particular at Beiersdorf Manufacturing Mexico S.A. in connection with the construction of the new factory. The reversals of write-downs on investments in affiliated companies of €16 million 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, 2012	**Dec. 31, 2013**
Trade receivables	84	91
(thereof due after more than one year)	(–)	(–)
Receivables from affiliated companies	264	295
(thereof due after more than one year)	(–)	(–)
Other assets	86	46
(thereof due after more than one year)	(–)	(–)
	434	**432**

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 €191 million (previous year: €159 million) and trade receivables of €104 million (previous year: €105 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.

17 Securities

As of December 31, 2013, Beiersdorf AG had invested a total of €1,540 million in government and corporate bonds, Pfandbriefe, and near-money market retail funds (previous year: €1,583 million). Investments classified as current assets are carried at cost. All bonds and Pfandbriefe are listed. €746 million (previous year: €887 million) of the securities have a remaining maturity of up to one year, and €794 million (previous year: €696 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.

19 Equity

The following changes in equity were recorded in fiscal year 2013:

(IN € MILLION)

	Dec. 31, 2012	Utilization of 2012 net retained profits	2013 profit after tax	**Dec. 31, 2013**
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	1,249	17	244	1,510
Net retained profits	176	–176	245	245
	1,703	**–159**	**489**	**2,033**

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 18, 2013, resolved to transfer €17 million from net retained profits for fiscal year 2012 to other retained earnings. €244 million of the profit after tax for fiscal year 2013 was transferred to other retained earnings.

DISCLOSURES ON AMOUNTS SUBJECT TO RESTRICTIONS ON DISTRIBUTION

A non-distributable amount of €741 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 €1,510 million. Consequently, the net retained profits of €245 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 2.0% (previous year: 1.75%), and the discount rate was 4.88% (previous year: 5.04%). 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 €15 million at the balance sheet date (previous year: €10 million; cost: €14 million); the settlement amount of the offset obligations was €9 million (previous year: €7 million). Excess assets of €6 million (previous year: €3 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, 2012	Dec. 31, 2013
Provisions for taxes	14	15
Miscellaneous provisions	229	183
(thereof for personnel expenses)	(53)	(57)
(thereof for marketing and selling expenses)	(64)	(54)
(thereof for restructuring)	(17)	(2)
(thereof other)	(95)	(70)
	243	**198**

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 €10 million (previous year: €8 million) and pension liability insurance claims of €4 million (previous year: €7 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.

22 Liabilities

(IN € MILLION)

	Dec. 31, 2012	Dec. 31, 2013
Trade payables	52	47
Liabilities to affiliated companies	1,295	1,218
Other liabilities	23	13
(thereof tax liabilities)	(16)	(5)
(thereof social security liabilities)	(3)	(2)
	1,370	**1,278**

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 €1,179 million (previous year: €1,272 million) and trade liabilities of €39 million (previous year: €23 million).

Of the other liabilities, €2 million (previous year: €6 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.

Other Disclosures

23 Contingent Liabilities and Other Financial Obligations

(IN € MILLION)	Dec. 31, 2012	Dec. 31, 2013
Contingent liabilities		
Obligations under guarantees and letters of comfort	5	2
(thereof for affiliated companies)	(5)	(2)
Other financial obligations		
Obligations under rental agreements and leases	7	7
Obligations under purchase commitments for investments	4	4
	11	**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 €1,102 million (previous year: €1,394 million). Of this amount, €1,050 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 €–4 million (previous year: €–6 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 €3 million (previous year: €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	2012	2013
Research and development	462	444
Supply chain	403	382
Sales and marketing	403	419
Other functions	582	575
	1,850	**1,820**

The annual average number of vocational training positions and trainees, which are not included in the employee figures, was 257 (previous year: 289).

26 Disclosures on the Supervisory and Executive Boards

For fiscal year 2013, the members of the Supervisory Board received remuneration totaling €1,332 thousand (previous year: €1,393 thousand) and the Executive Board received remuneration totaling €5,804 thousand (previous year: €7,153 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 €2,324 thousand (previous year: €2,474 thousand). Provisions for pension obligations to former members of the Executive Board and their dependents totaled €37,797 thousand (previous year: €37,463 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 18, 2013, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditors for fiscal year 2013. 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, 2013 (in accordance with IFRSs) in € thousand	Profit / loss for fiscal year 2013 (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 Deutschland GmbH[1]	Baden-Baden	100.00	EUR	1,300,000	3,738	0
Produits de Beauté Logistik GmbH[1]	Baden-Baden	100.00	EUR	10,500,000	33,504	0
Produits de Beauté Produktions GmbH[1]	Baden-Baden	100.00	EUR	8,500,000	12,385	0
Beiersdorf Manufacturing Berlin GmbH[1]	Berlin	100.00	EUR	1,023,000	5,463	0
Beiersdorf Beteiligungs GmbH	Gallin	100.00	EUR	50,000	426,624	36,073
GUHL IKEBANA GmbH	Griesheim	10.00	EUR	5,112,919	46,622	12,432
Beiersdorf Immo GmbH[2]	Hamburg	100.00	EUR	25,000	28	2
Beiersdorf Customer Supply GmbH	Hamburg	100.00	EUR	1,000,000	77,010	18,902
Beiersdorf Hautpflege GmbH[2]	Hamburg	100.00	EUR	25,000	2,910	173
Beiersdorf Manufacturing Hamburg GmbH[1]	Hamburg	100.00	EUR	1,000,000	23,751	0
Beiersdorf Shared Services GmbH[1]	Hamburg	100.00	EUR	12,000,000	30,037	0
IKEBANA-Kosmetik GmbH[2]	Hamburg	100.00	EUR	25,565	34	0
NOIMMO Erste Projekt GmbH & Co. KG[2]	Hamburg	100.00	EUR	5,000	–324	–237
One tesa Bau GmbH	Hamburg	100.00	EUR	25,000	38	12
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	2,052	0
tesa Grundstücksverwaltungsges. mbH & Co. KG	Hamburg	100.00	EUR	50,000	12,026	–156
tesa SE	Hamburg	100.00	EUR	25,800,000	394,103	87,904
tesa Werk Hamburg GmbH[1]	Hamburg	100.00	EUR	1,000,000	23,546	0
TRADICA Pharmazeutische GmbH[2]	Hamburg	100.00	EUR	25,565	53	0
Ultra Kosmetik GmbH[2]	Hamburg	100.00	EUR	25,565	84	8
tesa scribos GmbH[1]	Heidelberg	100.00	EUR	2,000,000	2,110	0
tesa Labtec GmbH	Langenfeld	100.00	EUR	2,555,000	3,725	–1,322
tesa Werk Offenburg GmbH[1]	Offenburg	100.00	EUR	3,100,000	6,241	0
Beiersdorf Manufacturing Waldheim GmbH[1]	Waldheim	100.00	EUR	1,000,000	19,836	0

Europe

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2013 (in accordance with IFRSs) in € thousand	Profit / loss for fiscal year 2013 (in accordance with IFRSs) in € thousand
Beiersdorf CEE Holding GmbH	AT, Vienna	100.00	EUR	700,000	189,530	41,618
Beiersdorf Ges mbH	AT, Vienna	100.00	EUR	14,535,000	30,871	10,411
La Prairie Group Austria GmbH	AT, Vienna	100.00	EUR	300,000	599	12
tesa GmbH	AT, Vienna	100.00	EUR	35,000	534	250
BEIERSDORF FINANCE SCS	BE, Brussels	100.00	EUR	100,000,000	106,779	161
SA Beiersdorf NV	BE, Brussels	100.00	EUR	4,958,000	24,741	10,365
SA tesa	BE, Brussels	100.00	EUR	1,861,000	2,571	504
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00	BGL	1,500,000	2,965	1,320
tesa tape Schweiz AG	CH, Bergdietikon	100.00	CHF	100,000	1,921	424
Beiersdorf AG	CH, Reinach	100.00	CHF	1,000,000	32,333	19,550
La Prairie Group AG	CH, Volketswil	100.00	CHF	46,600,000	91,698	27,492
Laboratoires La Prairie SA	CH, Volketswil	100.00	CHF	400,000	23,975	6,076
Beiersdorf spol. s r.o.	CZ, Prague	100.00	CZK	50,000,000	7,024	4,673
tesa tape s.r.o.	CZ, Prague	100.00	CZK	151,203,000	4,127	274
tesa A/S	DK, Birkerød	100.00	DKK	30,000,000	4,132	19
Beiersdorf A/S	DK, Copenhagen	100.00	DKK	10,000,000	2,156	433
Beiersdorf Manufacturing Argentona, S.L.	ES, Argentona	100.00	EUR	8,105,000	16,817	1,281
tesa tape, S.A.	ES, Argentona	100.00	EUR	1,000,000	2,367	376
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00	EUR	903,000	2,816	142
Beiersdorf Holding SL	ES, Tres Cantos	100.00	EUR	17,184,000	85,936	27,720
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00	EUR	8,680,000	36,657	7,345
Beiersdorf SA	ES, Tres Cantos	100.00	EUR	5,770,000	12,929	4,850
Beiersdorf Oy	FI, Turku	100.00	EUR	2,020,000	9,084	4,841
tesa Oy	FI, Turku	100.00	EUR	20,000	264	42
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00	EUR	40,000	4,500	227
Beiersdorf Holding France Sarl	FR, Paris	100.00	EUR	39,815,000	104,552	828
Beiersdorf s.a.s.	FR, Paris	99.91	EUR	26,705,000	26,981	–34,558
tesa s.a.s.	FR, Savigny-le-Temple	100.00	EUR	250,000	2,289	811
BDF Medical Ltd.	GB, Birmingham	100.00	GBP	5,000	0	0
Beiersdorf UK Ltd.	GB, Birmingham	100.00	GBP	12,000,000	28,025	14,854
La Prairie (UK) Limited	GB, London	100.00	GBP	500,000	678	–36
tesa UK Ltd.	GB, Milton Keynes	100.00	GBP	2,300,000	3,560	419
Beiersdorf Hellas AE	GR, Gerakas	100.00	EUR	13,133,000	25,070	2,743
tesa tape AE	GR, Gerakas	100.00	EUR	69,000	1,076	274
Beiersdorf d.o.o.	HR, Zagreb	100.00	HRD	10,827,000	5,248	3,116
Beiersdorf Kft.	HU, Budapest	100.00	HUF	320,000,000	6,440	2,240
Tartsay Beruházó Kft.	HU, Budapest	99.66	HUF	146,000,000	2,246	118
tesa tape Ragasztószalag Termelö ès Kereskedelmi Kft.	HU, Budapest	100.00	HUF	500,000,000	1,901	190
Beiersdorf Ireland Ltd.	IE, Dublin	100.00	EUR	0	0	390
Beiersdorf ehf	IS, Reykjavík	100.00	ISK	500,000	688	436
Comet SpA	IT, Concagno Solbiate	100.00	EUR	7,500,000	16,681	1,436
Beiersdorf SpA	IT, Milan	100.00	EUR	4,000,000	24,269	8,860
La Prairie S.p.A.	IT, Milan	100.00	EUR	774,000	5,957	489
tesa SpA	IT, Vimodrone	100.00	EUR	250,000	3,691	376
Beiersdorf Kazakhstan LLP	KZ, Almaty	100.00	KZT	40,000,000	313	130
Beiersdorf UAB	LT, Vilnius	100.00	LTL	0	0	–61
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00	EUR	226,890	8,990	2,847

Europe (continued)

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2013 (in accordance with IFRSs) in € thousand	Profit / loss for fiscal year 2013 (in accordance with IFRSs) in € thousand
Beiersdorf Holding B.V.	NL, Amsterdam	100.00	EUR	45,000	485,871	55,794
Beiersdorf NV	NL, Amsterdam	100.00	EUR	3,660,000	18,040	16,283
tesa Western Europe B.V.	NL, Amsterdam	100.00	EUR	18,000	–422	335
tesa BV	NL, Hilversum	100.00	EUR	18,000	447	343
Beiersdorf AS	NO, Oslo	100.00	NOK	6,800,000	1,313	–234
tesa AS	NO, Oslo	100.00	NOK	1,200,000	171	49
Beiersdorf Manufacturing Poznan Sp. z.o.o.	PL, Poznan	100.00	PLN	40,000,000	26,411	7,033
NIVEA Polska sp. z o.o.	PL, Poznan	100.00	PLN	4,654,000	36,563	15,597
tesa tape Sp. z.o.o.	PL, Poznan	100.00	PLN	4,400,000	1,706	615
Beiersdorf Portuguesa, Limitada	PT, Queluz	100.00	EUR	4,788,000	15,577	6,179
tesa Portugal - Produtos Adhesivos, Lda.	PT, Queluz	100.00	EUR	500,000	801	160
Beiersdorf Romania SRL	RO, Bucharest	100.00	ROL	1,564,000	2,782	1,689
tesa tape SRL	RO, Cluj-Napoca	100.00	ROL	1,502,000	571	114
Beiersdorf d.o.o. Beograd	RS, Belgrade	100.00	CSD	8,014,000	5,481	4,260
Beiersdorf LLC	RU, Moscow	100.00	RUB	100,000,000	16,191	7,626
La Prairie Group (RUS) LLC	RU, Moscow	100.00	RUB	16,000,000	387	922
tesa tape OOO	RU, Moscow	100.00	RUB	32,585,000	2,795	1,266
Beiersdorf Aktiebolag	SE, Gothenburg	100.00	SEK	30,000,000	11,848	7,955
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00	SEK	100,000	148,759	13,150
tesa AB	SE, Kungsbacka	100.00	SEK	5,000,000	801	199
Beiersdorf d.o.o.	SI, Ljubljana	100.00	EUR	500,000	108,377	5,485
tesa tape posrednistvo in trgovina d.o.o.	SI, Ljubljana	100.00	EUR	417,000	881	310
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00	EUR	200,000	4,310	2,637
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	106,000	5,400	2,334
Beiersdorf Ukraine LLC	UA, Kiev	100.00	UAH	8,012,000	2,957	2,715

Americas

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2013 (in accordance with IFRSs) in € thousand	Profit / loss for fiscal year 2013 (in accordance with IFRSs) in € thousand
Beiersdorf S.A.	AR, Buenos Aires	100.00	ARS	103,141,000	16,836	1,006
tesa tape Argentina S.R.L.	AR, Buenos Aires	99.75	ARS	999,000	1,018	339
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00	BOB	2,050,000	2,309	1,019
tesa Brasil Limitada	BR, Curitiba	100.00	BRL	6,664,000	3,193	–746
Beiersdorf Industria e Comercio Ltda.	BR, Itatiba	100.00	BRL	103,009,000	25,976	2,558
BDF NIVEA LTDA.	BR, São Paulo	100.00	BRL	133,482,000	46,368	7,183
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00	CAD	15,301,000	7,888	2,235
Beiersdorf S.A.	CL, Santiago de Chile	100.00	CLP	5,278,910,000	29,713	7,751
tesa tape Chile SA	CL, Santiago de Chile	100.00	CLP	381,388,000	842	–2
Beiersdorf S.A.	CO, Bogotá	100.00	COP	8,598,996,000	13,064	1,253
tesa Tape Colombia Ltda	CO, Santiago de Cali	100.00	COP	2,808,778,000	4,274	1,295
BDF Costa Rica, S.A.	CR, San José	100.00	CRC	2,000,000	3,732	1,557
Beiersdorf, SRL	DO, Santo Domingo	100.00	DOP	1,000,000	1,249	333
Beiersdorf S.A.	EC, Quito	100.00	USD	1,783,000	4,079	2,196
BDF Centroamérica, S.A.	GT, Guatemala City	100.00	GTQ	1,000,000	4,806	3,652
tesa tape Centro America S.A.	GT, Guatemala City	100.00	GTQ	9,929,000	1,122	211
BDF Corporativo, S.A. de C.V.	MX, Mexico City	100.00	MXN	5,050,000	2,133	1,746
BDF México, S.A. de C.V.	MX, Mexico City	100.00	MXN	152,240,000	13,932	–1,607
Technical Tape Mexico SA de CV	MX, Mexico City	100.00	MXN	43,040,000	4,302	1,232
tesa tape Mexico SRL de CV	MX, Mexico City	100.00	MXN	3,000	–203	0
Beiersdorf Manufacturing México Servicios, S.A. de C.V.	MX, Silao	100.00	MXN	50,000	596	253
Beiersdorf Manufacturing México, S.A. de C.V.	MX, Silao	100.00	MXN	50,000	62,460	–4,401
BDF Panamá S.A.	PA, Panama City	100.00	USD	150,000	2,101	1,196
HUB LIMITED S.A.	PA, Panama City	100.00	USD	10,000	16	0
Beiersdorf S.A.C.	PE, Lima	99.81	PEN	6,412,000	3,254	951
Beiersdorf S.A.	PY, Asunción	100.00	PYG	3,195,000,000	1,893	829
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00	USD	23,000	658	298
tesa tape inc.	US, Charlotte, NC	100.00	USD	112,000,000	14,252	10,684
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	9,268	1,226
Beiersdorf North America Inc.	US, Wilton, CT	100.00	USD	125,170,000	116,882	148
Beiersdorf, Inc.	US, Wilton, CT	100.00	USD	162,142,000	64,551	10,775
Beiersdorf S.A.	UY, Montevideo	100.00	UYU	7,947,000	2,106	256
Beiersdorf S.A.	VE, Caracas	100.00	VEB	1,564,000	–73	–2,685

Africa / Asia / Australia

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2013 (in accordance with IFRSs) in € thousand	Profit / loss for fiscal year 2013 (in accordance with IFRSs) in € thousand
Beiersdorf Middle East FZCO	AE, Dubai	100.00	AED	25,000,000	30,704	24,145
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00	AED	50,000	–518	229
Beiersdorf Australia Ltd	AU, North Ryde, NSW	100.00	AUD	2,500,000	20,774	8,133
La Prairie Group Australia Pty. Ltd.	AU, North Ryde, NSW	100.00	AUD	4,000,000	3,259	163
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00	AUD	3,100,000	3,257	954
Beiersdorf Daily Chemical (Guangzhou) Co., Ltd.	CN, Guangzhou	100.00	CNY	20,000,000	2,987	–256
La Prairie Hong Kong Ltd.	CN, Hong Kong	100.00	HKD	800,000	266	198
tesa tape (Hong Kong) Ltd.	CN, Hong Kong	100.00	HKD	100,000	8,272	6,444
La Prairie (Shanghai) Co. Ltd.	CN, Shanghai	100.00	USD	5,000,000	1,985	–388
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00	CNY	1,371,622,000	–12,722	–22,542
tesa (Shanghai) Trading Co. Ltd.	CN, Shanghai	100.00	CNY	1,655,000	39,433	37,278
tesa tape (Shanghai) Co., Ltd.	CN, Shanghai	100.00	CNY	6,622,000	1,039	238
tesa Plant Suzhou Co. Ltd.	CN, Suzhou	100.00	CNY	98,606,000	20,549	4,937
Beiersdorf Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	100.00	CNY	82,800,000	19,157	5,210
Beiersdorf Daily Chemical (Hubei) Co., Ltd.	CN, Xiantao	100.00	CNY	1,909,000,000	–51,275	–29,798
Beiersdorf Personal Care (China) Co., Ltd.	CN, Xiantao	100.00	CNY	0	0	0
Beiersdorf Ghana Limited	GH, Accra	100.00	GHS	1,757,000	635	11
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00	IDR	5,197,498,000	3,510	–341
Beiersdorf India Pvt. Ltd.	IN, Mumbai	51.00	INR	5,000,000	3,737	815
Nivea India Pvt. Ltd.	IN, Mumbai	100.00	INR	3,299,359,000	13,007	–5,548
tesa Tapes (India) Private Limited	IN, Navi Mumbai	100.00	INR	126,814,000	2,188	–596
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00	JPY	3,250,000	100,365	9,657
La Prairie Japan K.K.	JP, Tokyo	100.00	JPY	100,000,000	–2,089	–1,267
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00	JPY	200,000,000	22,676	21,785
tesa tape K.K.	JP, Tokyo	100.00	JPY	300,000,000	6,087	1,559
Beiersdorf East Africa Limited	KE, Nairobi	100.00	KES	123,696,000	4,221	1,928
Beiersdorf Korea Ltd.	KR, Seoul	100.00	KRW	12,500,000,000	470	–1,383
La Prairie Korea Ltd	KR, Seoul	100.00	KRW	100,000,000	5,943	2,836
tesa tape Korea Ltd.	KR, Seoul	100.00	KRW	410,000,000	21,074	20,207
Beiersdorf S.A.	MA, Casablanca	100.00	MAD	13,800,000	2,132	–20
tesa tape (Malaysia) Sdn. Bhd.	MY, Kajang	100.00	MYR	36,000,000	4,372	275
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Kajang	99.99	MYR	25,000	1,322	114
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00	MYR	8,536,000	–6,821	260
Medical-Latex (DUA) SDN. BHD.	MY, Senai	100.00	MYR	7,500,000	3,233	–96
Beiersdorf Philippines Incorporated	PH, Bonifacio Global City	100.00	PHP	22,428,000	175	–206
Beiersdorf Singapore Pte. Ltd.	SG, Singapore	100.00	SGD	2,200,000	–3,369	4,926
Singapore Plastic Products Pte. Ltd.	SG, Singapore	100.00	SGD	7,000,000	5,368	0
tesa Plant (Singapore) Pte. Ltd.	SG, Singapore	100.00	SGD	5,500,000	–937	822
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00	SGD	10,000,000	63,136	71,808
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00	THB	100,000,000	49,534	25,923
tesa tape (Thailand) Limited	TH, Bangkok	90.10	THB	4,000,000	625	320
Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	27,000,000	14,479	711
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00	TWD	225,300,000	450	105
Beiersdorf Vietnam LLC	VN, Ho Chi Minh City	100.00	VND	9,750,000,000	1,187	100
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Umhlanga	100.00	ZAR	0	14,322	8,613

[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 2013 are available yet for these companies; the data therefore refers to 2012.

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, 2014):*

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 this share split, each no-par value bearer share of the company with a notional interest in the share capital of €2.56 was split into three no-par value bearer shares with a notional interest in the share capital of €1.00 each (following the increase of the share capital without the issue of new shares).

The chains of controlled companies are as follows:

Discloser*	Discloser's domicile and country of residence or of domicile	Disclosures in accordance with § 17 (2) *Verordnung zur Konkretisierung von Anzeige, Mitteilungs- und Veröffentlichungspflichten sowie der Pflicht zur Führung von Insiderverzeichnissen nach dem Wertpapierhandelsgesetz* (Regulation setting out in detail the disclosure, notification, and announcement duties as well as the duty to maintain a list of insiders in accordance with the *WpHG*, *WpAIV*) (controlled companies via which the voting rights are effectively held and whose attributed share of the voting rights amounts to 3% or more) at the time of § 17 (1) no. 6 *WpAIV*
SPM Beteiligungs- und Verwaltungs GmbH	Norderstedt, Germany	Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
EH Real Grundstücksverwaltungs-gesellschaft mbH	Norderstedt, Germany	Scintia Vermögensverwaltungs GmbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Scintia Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Trivium Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Michael Herz	Germany	SPM Beteiligungs- und Verwaltungs GmbH, Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Wolfgang Herz	Germany	EH Real Grundstücksverwaltungsgesellschaft mbH, EH Real Grundstücksgesellschaft mbH& Co. KG, Scintia Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Ingeburg Herz GbR (disclosed on May 31, 2013, that it held 0% (0 voting rights))	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
maxingvest ag (trading under the name of Tchibo Holding AG until September 12, 2007)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

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

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 (which now trades under the name of 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) of Beiersdorf Aktiengesellschaft as of December 22, 2004.

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

a) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on September 30, 2013, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on September 26, 2013, and amounted to 3.01% (corresponding to 7,592,586 voting rights) on that date. 3.01% of the voting rights (corresponding to 7,592,586 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

b) In accordance with § 21 (1) *WpHG*, BlackRock Financial Management, Inc., New York, NY, USA, informed us on November 12, 2013, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on November 8, 2013, and amounted to 3.01% (corresponding to 7,581,707 voting rights) on that date. 3.01% of the voting rights (corresponding to 7,581,707 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

c) In accordance with § 21 (1) *WpHG*, BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on November 12, 2013, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on November 8, 2013, and amounted to 3.01% (corresponding to 7,581,707 voting rights) on that date. 3.01% of the voting rights (corresponding to 7,581,707 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

d) In accordance with § 21 (1) *WpHG*, BlackRock Financial Management, Inc., New York, NY, USA, informed us on January 3, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on December 30, 2013, and amounted to 2.9997% (corresponding to 7,559,158 voting rights) on that date. 2.9997% of the voting rights (corresponding to 7,559,158 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

e) In accordance with § 21 (1) *WpHG*, BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on January 3, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on December 30, 2013, and amounted to 2.9997% (corresponding to 7,559,158 voting rights) on that date. 2.9997% of the voting rights (corresponding to 7,559,158 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

f) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on January 10, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on January 8, 2014, and amounted to 2.99% (corresponding to 7,523,377 voting rights) on that date. 2.99% of the voting rights (corresponding to 7,523,377 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

g) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on January 17, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on January 15, 2014, and amounted to 3.02% (corresponding to 7,611,419 voting rights) on that date. 3.02% of the voting rights (corresponding to 7,611,419 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

h) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on January 21, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, had fallen below the threshold of 3% of the voting rights on January 17, 2014, and amounted to 2.94% (corresponding to 7,421,310 voting rights) on that date. 2.94% of the voting rights (corresponding to 7,421,310 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

i) In accordance with § 21 (1) *WpHG*, BlackRock, Inc., New York, NY, USA, informed us on February 4, 2014, that its share of the voting rights in Beiersdorf Aktiengesellschaft, Hamburg, Germany, exceeded the threshold of 3% of the voting rights on January 31, 2014, and amounted to 3.02% (corresponding to 7,610,043 voting rights) on that date. 3.02% of the voting rights (corresponding to 7,610,043 voting rights) are attributable to the company in accordance with § 22 (1) sentence 1 no. 6 in conjunction with sentence 2 *WpHG*.

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

30 Declaration of Compliance with the German Corporate Governance Code

In December 2013, 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 2013 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

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

(IN €)

	2013
Profit after tax of Beiersdorf AG	489,198,783.62
Transfer to other retained earnings	244,599,391.81
Net retained profits	**244,599,391.81**

The Executive Board and Supervisory Board will propose to the Annual General Meeting that the net retained profits for fiscal year 2013 of €244,599,391.81 should be utilized as follows:

(IN €)

	2013
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	85,826,103.01
Net retained profits	**244,599,391.81**

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

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod	Hamburg	Manager Regulatory Affairs / Quality Management, Beiersdorf AG	
Prof. Dr. Eva Eberhartinger*	Vienna / Austria	University Professor, Vienna University of Economics and Business	Deputy Chairwoman of the Supervisory Board: – Österreichische Bundesfinanzierungsagentur GmbH, Austria (from May 6, 2013)
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	Copenhagen / Denmark	Business Manager, Nescafé Dolce Gusto Nordics, Nestlé S.A.	
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
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer P+P Pöllath + Partners, Munich	Chairman of the Supervisory Board: – maxingvest ag Member of the Supervisory Board: – Tchibo GmbH – Wanzl GmbH & Co. Holding KG
Thomas-B. Quaas	Hamburg	Businessman	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG, Hamburg Member of the Supervisory Board: – La Prairie Group AG, Switzerland, (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** – **Thomas Holzgreve** – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie**	– **Thomas Holzgreve** (Chairman) – **Dr. Andreas Albrod** – **Prof. Dr. Eva Eberhartinger** – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie**	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Prof. Dr. Eva Eberhartinger** – **Thomas Holzgreve** – **Dr. Dr. Christine Martel**	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Elke Gabriel** – **Thomas Holzgreve** – **Thorsten Irtz**

EXECUTIVE BOARD*

Name	Function / Responsibilities		Memberships
Stefan F. Heidenreich	Chairman of the Executive Board	Corporate Development / Corporate Communication / Internal Audit / Sustainability Japan, La Prairie Group Europe / North America (from August 1, 2013 acting) Northeast and Southeast Asia, Australia (acting) Africa, Middle East, India, Turkey, Russia, Ukraine, CIS (acting)	Member of the Supervisory Board: – Coca-Cola HBC AG, Switzerland (from June 19, 2013)
Peter Feld (until July 31, 2013)	Developed Markets	Europe / North America	
Ralph Gusko	Consumer Brands, Pharmacy and R&D	Brand Management Consumer / Pharmacy / Research & Development	
Dr. Ulrich Schmidt	Finance, Supply Chain and Human Resources	Finance / Controlling / Legal / IT / Purchasing / Production / Logistics / Quality Assurance / Human Resources – Labor Relations Director – Latin America (acting)	**

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

Hamburg, February 5, 2014

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, 2013. 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, 2014
Ernst & Young GmbH,
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

LUDWIG
German Public Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the 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, 2014
The Executive Board

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www.beiersdorf.com

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 are available at
WWW.BEIERSDORF.COM/ANNUAL_REPORT.

Financial Calendar

2014

April 17 — Annual General Meeting

April 22 — Dividend Payment

May 8 — Interim Report January to March 2014

August 7 — Interim Report January to June 2014

November 6 — Interim Report January to September 2014

2015

January — Publication of Preliminary Group Results

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

March — Annual General Meeting

May — Interim Report January to March 2015

August — Interim Report January to June 2015

November — Interim Report January to September 2015