



BDF ●●●●

Beiersdorf

Annual Report 2001

Brands and People



Brands and People

Our objectives:

- 8 % sales growth from within
- Targeted synergistic acquisitions
- EBIT return on sales over 12 %

“A reliable growth stock”

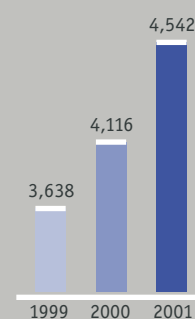
Beiersdorf at a Glance

All figures in € (unless otherwise stated)		2000	2001
Sales	million	4,116	4,542
Change from previous year	%	13.1	10.3
of which:			
cosmed	million	2,590	2,955
medical	million	858	915
tesa	million	668	672
EBITDA*	million	538	620
Operating result (EBIT)	million	389	466
Profit after tax	million	226	285
Return on sales (after tax)	%	5.5	6.3
Earnings per share**		2.61	3.32
Total dividend	million	84	109
Dividend per share		1.00	1.30
Gross cash flow	million	386	456
Capital investment (incl. financial inv.)	million	249	241
Research and Development	million	88	92
Employees (at Dec. 31)		16,590	17,749

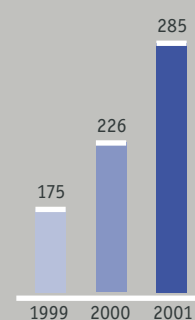
* Operating result (EBIT) before depreciation and amortization

** Calculated in accordance with International Accounting Standards (IAS) excluding minority interests

Group sales
(in million €)



Group profit after tax
(in million €)



Beiersdorf Group

Report on the Financial Year 2001

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The Year in Review

Best cosmetics company

The Beiersdorf affiliate BDF Nivea Ltda Brazil received the prize for the "Year's Best Cosmetics Company" for the second year running. The prize was awarded by the well-known and highly regarded Brazilian magazine "Atualidade Cosmética".



Joint venture BSN medical GmbH & Co. KG

On April 2, 2001 BSN medical GmbH & Co. KG started operations. The medical company is based in Hamburg and is a joint venture (50 : 50) of Beiersdorf AG, Hamburg and Smith & Nephew plc., London. This company brings together the professional medical business of the two groups.

tesa AG established

In April the business of the tesa division was transferred from Beiersdorf AG to tesa AG retroactively beginning January 1, 2001. tesa AG is a 100 % subsidiary of Beiersdorf AG and will continue to be fully consolidated in the Group financial statements.



2001

January – March 2001

NIVEA sponsors beach volleyball

To get even more young people interested in NIVEA, the brand stepped up its beach volleyball activities.



April – June 2001

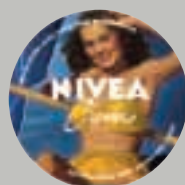
16th Hansaplast Marathon in Hamburg

At 9.00 a.m. on April 22 the starting gun was fired for the 16th Hansaplast Marathon. Hansaplast sponsored the Marathon for the second time and will be title sponsor again in 2002.



Annual Accounts Press Conference

At the Annual Accounts Press Conference on April 24, 2001 Executive Board Chairman Dr. Rolf Kunisch explained the growth objectives of the Beiersdorf Group: sales growth of 8 - 10 % p.a., and EBIT return on sales of 12 % by 2005.



90 years of NIVEA

NIVEA celebrated its birthday. NIVEA Creme, first introduced to the market in 1911, has developed into a large brand family. NIVEA Creme is available in almost every country in the world and is the global number one among universal creams – with continuous growth. With double-digit annual growth rates, sales of the NIVEA brand family have more than quadrupled since 1991 to nearly € 2.5 billion.

New factory in Poland

One of the most modern facilities in the Beiersdorf Group went into service at Poznan.



Awards for NIVEA

At the presentation of this year's Effies, NIVEA campaigns received four

Florena – now a 100%-owned Beiersdorf affiliate

On March 19, 2002 Beiersdorf AG announced that they will increase their stake in Florena Cosmetic GmbH, Waldheim/Saxony to 100 % – from 24.9 % – with effect from April 1, 2002. This puts the seal of commercial union on the long-standing business relations between the two companies. In the year 2001 Florena achieved sales of € 53.2 million (+ 23.1 % over previous year).

2002

April – June 2001

Market launch of Hansaplast in Poland

The launch of the Hansaplast brand in Poland started in May 2001.



July – September 2001

Acquisition of Onagrine and Nobacter

On July 1 Beiersdorf purchased the two French pharmacy brands Onagrine and Nobacter. With the acquisition of these two medicinal skin care brands Beiersdorf gained access to the French pharmacy market.

October – December 2001

awards. The Euro Effie is awarded by the European Association of Communication Agencies (EACA) for efficient advertising. NIVEA won a Euro Effie in gold for the NIVEA Sun Spray campaign.

January – March 2002

Products of the Year

NIVEA body Firming Lotion Q10 and NIVEA DEO COMPACT were each awarded the title "Product of the Year 2001" in France. For the past fifteen years the independent organization "Management Europe Meeting" has awarded these prizes for outstanding innovations in the industry.

Report by the Supervisory Board



*Dr. Hans Meinhardt
Chairman of the Supervisory Board*

During the financial year 2001 we continuously supervised the management of the business by the Executive Board. We kept ourselves thoroughly informed about all major business matters relating to the Group, mainly through the four regular meetings of the Supervisory Board and one extraordinary meeting. We also received regular written reports from the Executive Board about the results for the past quarters, supplemented by an updated outlook for the year.

The Chairman of the Supervisory Board was kept informed about all major business transactions and decisions made by the Executive Board. He also held regular discussions with the Chairman of the Executive Board regarding the company's strategy and risk management.

At the Supervisory Board meetings we discussed not only the latest business developments and forecasts, but also any measures requiring our consent. We examined the individual written requests and gave the necessary consent.

In March we approved the acquisition of the brands Onagrine and Nobacter in France in order to build up business with pharmacies. During the summer we authorized the construction of a new laboratory building for cosmed Research and Development. In November we undertook a detailed scrutiny of the Group's medium-term business planning.

In addition to the committee pursuant to Section 27 para. 3 of the German Codetermination Act, the Supervisory Board has an "Executive Board Committee" for dealing with matters, including personnel aspects, relating to Executive Board members. Two meetings of the Executive Board Committee were held.

Following the Annual General Meeting on June 12, 2001 at which BDO Deutsche Warentreuhand Aktiengesellschaft Wirtschaftsprüfungsgesellschaft were appointed as the company's auditors, we engaged them to audit the financial statements of Beiersdorf AG and the Beiersdorf Group for the financial year 2001.

The annual financial statements of Beiersdorf AG, the Consolidated Financial Statements and the Joint Management Report for Beiersdorf AG and the Beiersdorf Group were audited by the company's auditors and received their unqualified opinion.

Immediately upon completion, the financial statements and the auditors' report were submitted to the members of the Supervisory Board in due time. At our meeting on March 21, 2002 they were discussed in detail and subjected to a final review. The meeting was also attended by our auditors, who reported on the key findings of the audit and answered questions.

We concur with the auditors' findings, have no objections and endorse the financial statements of Beiersdorf AG prepared by the Executive Board for the year ending December 31, 2001, which are thus adopted. We endorse the Executive Board's recommendation on the appropriation of profit.

There were no changes in the composition of the Supervisory Board or the Executive Board during the year 2001.

We wish to express our appreciation and thanks to the Executive Board and all the Group's employees for their great dedication and successful work during the past financial year.

Hamburg, March 21, 2002

for the Supervisory Board
Dr. Hans Meinhardt
Chairman

Foreword by the Executive Board



*Dr. Rolf Kunisch
Chairman of the Executive Board*

Dear Shareholders,
Ladies and Gentlemen,

The year 2001 was once again a very successful year in almost all aspects of our worldwide business.

Sales grew by 10.3 % to reach a record € 4,542 million, the operating result (EBIT) rose faster than sales to € 466 million, and after tax profit was up to € 285 million (+26.5 %). This results in a net return on sales of 6.3 %, an impressive figure in our history and compared with many other German enterprises.

With this growth in all its key figures Beiersdorf once again proved growth is not the privilege of global giants, but that focused and tightly organized companies can grow considerably better. The Beiersdorf Group is one of the world's fastest growing consumer goods companies.

Our shareholders were rewarded for their loyalty by the capital markets: the price of Beiersdorf's shares rose by 14.3 % to € 127.50 per share. For comparison: the DAX and M-DAX lost 19.8 % and 7.5 % respectively during the year. With a market capitalization of over € 10 billion, Beiersdorf AG is one of the most heavily weighted stocks in the M-DAX. The Executive Board would like to thank its shareholders for their loyalty and trust in the Beiersdorf management and all employees in an extremely competitive environment.

The two new affiliates tesa AG and BSN medical GmbH und Co. KG have had a most successful start since April 2001. Both companies have focused on their core business, i.e. business with professional customers. What is even more important, however, is the fact that the entire Beiersdorf organization can now concentrate on its core business with a selected number of strong consumer brands. These include 8x4, aatrix, Labello, la prairie, JUVENA, Eucerin, FUTURO, Hansaplast, Elastoplast and of course NIVEA.

Taking care of these brands is the most important task for all Beiersdorfers, and in 2001 they successfully demonstrated this commitment once again: sales of our consumer products grew by a record 15.9 % at constant exchange rates. This figure also includes the new brands Elastoplast, Onagrine and Nobacter. But even without these acquisitions, sales growth in our core business was an impressive 14.9 %, a figure unparalleled in the consumer goods industry. NIVEA grew by 17.0 % and achieved worldwide sales of € 2,458 million, making it one of the largest global brands.

Strong brands and dedicated people are an asset to any company. Beiersdorf has both. Beiersdorf owns NIVEA, the world's largest personal care brand, as well as a number of other well-known international brands. Our employees in over 100 companies are committed to the growth and care for these brands. They show dedication in their work and they identify with our objectives.

We are therefore convinced that the year 2002, the 120th year in the history of the Beiersdorf Group, will be another year of great results. We expect a difficult economic climate worldwide, but we have learned how to cope with challenges and we are confident that we will continue to be a reliable growth stock in the future.

The Executive Board would like to extend its thanks to all employees and their representatives around the world for their cooperation. We thank our customers for their trust and our business partners for their support.

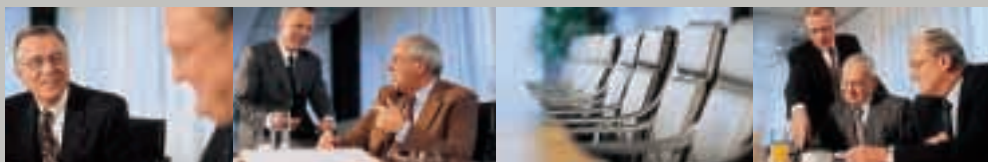


Rolf Kunisch
Chairman of the Executive Board

The Executive Board of Beiersdorf AG

Thomas-Bernd Quaas

born 1952 in Glauchau
Executive Board member
since 1999
medical division



Dr. Rolf Kunisch

born 1941 in Arolsen
Executive Board member
since 1991
Executive Board Chairman
since 1994



Dr. Werner Opgenoorth

born 1943 in Kleve
Executive Board member
since 1991
Human Resources/Administration/
Environmental Protection



Rolf-Dieter Schwalb

born 1952 in Giessen

Executive Board member
since 2000

Finance/Controlling

**Dieter W. Steinmeyer**

born 1948 in

Bad Homburg

Executive Board member
since 1990

tesa division

Uwe Wölfer

born 1943 in Berlin

Executive Board member
since 1994

cosmed division



atrix (or atrixo) is the ideal partner for hand care and protection. Launched in the German market as long ago as 1955, the hand cream leads the market there too.

JUVENA is sold worldwide exclusively through authorized dealers in specialist outlets and department stores – with a focus on products for facial care, but also for personal care, sun care, make-up and men's care.



NIVEA – Since 1911 it has been regarded as the mother of all modern creams. Today the cream has developed into a large brand family. And this development is very dynamic: for years NIVEA has been the world's largest personal care brand.

In 2002 the Hansaplast brand celebrates its 80th birthday. It is familiar to 90 % of all Germans. As well as plasters, it has products for wound care and foot care, joint supports and noise protection.



Also a leading name in wound care: the plaster brand Elastoplast leads the market in the United Kingdom and many Commonwealth countries.



Brands Create Trust.

Continuity: development and care of a few global brands



la prairie is the specialist in exclusive, high-quality anti-aging products. Its skin-rejuvenating care products are sold as authorized dealer cosmetics in selected specialist outlets and department stores.



8x4 is Germany's first deodorant brand and market leader in Japan. The long-lasting, highly effective deodorant is available in attractive fragrances from trendy to classic – as spray, roll-on, stick, compact and soap.



Eucerin is one of the leading brands for medicinal skin care in America and Europe – with products that are not only very effective, but also especially well tolerated by the skin.



tesa stands for modern adhesives technology and innovative system solutions. These offer process and efficiency benefits for our industrial customers worldwide and useful and creative products for office and home.



Practical and handy – since 1909 Labello has become synonymous with lip care. Every year more than 71 million lip-care sticks are sold around the world.

Brands and People

Brands and people – that's the world of Beiersdorf. As a leading international consumer goods company, we focus on the continuous development and care of a few global brands. And it is always people – with their diversified interests and wishes – who are at the center of our activities.

These people include our dedicated and experienced employees, hard at work worldwide for our company, our brands and, above all, our consumers.

It is this combination of brands and people that accounts for Beiersdorf's success. The basis for it is: our knowledge and experience. Both of which we use afresh every day to make the most of chances and opportunities.

Brands and people – a world that offers Beiersdorf a wealth of development potential for a dynamic future.

Dreams are the future



The consumers who use our products to increase their personal well-being and make their life a little more pleasant every day. And people in very different countries, who experience our brands there and often regard them as their own local brands.

The right moment is packed with opportunities

Satisfaction leaves no wish unfulfilled



A different view of the world reveals much that's new

At home all over the world



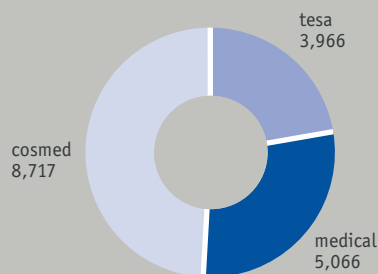
A different view of the world reveals much that's new.

Committed: Our Employees



Committed: Our Employees

Personnel by division on Dec. 31, 2001
Total: 17,749



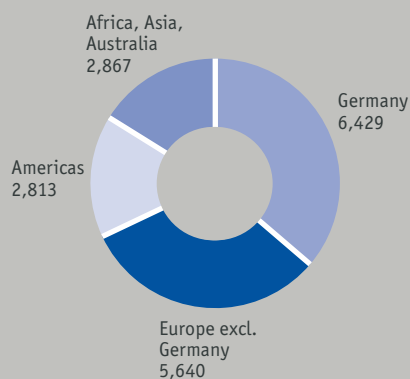
All brands are made by people for people. This knowledge is part of the corporate culture practiced by our employees in their day-to-day work. Their commitment to the company, their identification with our brands and with our product philosophy are the crucial factors for the success and strength of Beiersdorf.

Our employees carry the company into the future – and dedicate themselves to ensuring that it remains young and innovative. The best example of this is the 90th birthday of the NIVEA brand. For 90 years, thanks to product innovations, NIVEA has been in line with the trend. Our employees with their experience and knowledge have developed NIVEA into a complete, dynamic and up-to-date care program. And very successfully too: double-digit annual growth rates have more than quadrupled sales of the NIVEA brand family since 1991, reaching nearly € 2.5 billion.

This can only be achieved by dedicated employees who work well together and who feel a special sense of loyalty to their company. The extent of our employees' identification with their company is demonstrated by our regular employee surveys. The results for 2001 put us in the category of the best companies in Germany. Beiersdorf is regarded as a very attractive employer.

Our success is based on the positive interaction between our employees at the head office in Hamburg and in more than 100 affiliates around the world. Here the transfer of knowledge and experience is extremely important. Modern technology is a valuable aid, for example the Beiersdorf Intranet. But even more important is the rotation of employees between our companies. Last year the number of transfers increased by 30 % – facilitated by modern, competitive secondment conditions and "Transfer Guidelines" that promote internationalization.

Personnel by region 2001



For us, promotion from within comes before new entries. We pay special attention to the targeted development of junior management. Through programs such as "Beyond Borders", and through the possibility introduced last year of submitting online applications on www.Beiersdorf.com, we have been able to reach considerably more potential applicants than in the past. Our employees are always ready to go for further qualifications, to learn, to accept challenges – to try a different view of the world and make new discoveries. To ensure that Beiersdorf's creative competencies and knowledge capital continue to grow steadily in the future.



People in business



Satisfaction leaves no wish unfulfilled.

Focus: Consumers



Focus: Consumers

NIVEA, arix, JUVENA, FUTURO, Hansaplast and the other Beiersdorf brands are a firmly established part of our everyday life. The reason: consumers put their trust in us. A trust that has kept on growing for more than 100 years. Because our brands focus on consumers' wishes – and offer reliable quality at a reasonable price.

Today we are devoting ourselves more than ever to the consumer and are concentrating our entire efforts on the consumer goods business. With only a few brands, but brands that are known worldwide we are continuously working to further develop and improve them.

As a result of our strong consumer focus, we actively seek interaction with the consumer – through the Internet, and via special service hotlines like those for Eucerin and NIVEA. These contacts and ideas inspire us to create innovative products that give the consumer a pleasant surprise and make life a little bit better.

It also means getting young people enthusiastic about our products – with innovative and up-to-date ways of reaching them, such as special events like the NIVEA Beach Volleyball Contests or modern websites like NIVEA or 8x4.

Our objective is clear: through our products we seek to raise consumer satisfaction and well-being. And that is the yardstick for our activities – both today and in the future.



*Modern and up to date –
the NIVEA website*

Appealing to young target groups – the NIVEA Beach Volleyball Contests



Firing young people's enthusiasm: NIVEA at the youth fair YOU



Hansaplast as title sponsor: the Hansaplast Marathon in Hamburg



Be the star! NIVEA Dance 4 Fans Contests



At home all over the world.

Beiersdorf: Global Success



Beiersdorf: Global Success

Our brands speak most of the world's languages. But global strength comes from local strength. A brand can only be successful worldwide if it is successful locally. Ways we achieve this: a globally oriented marketing strategy based on uniform international rules, which our affiliates implement locally to cater to regional requirements. In this way we ensure that our messages reach their target and are understood equally well everywhere.

Another core aspect of this strategy is investing in the individual countries: last year one of the most up-to-date cosmetics factories in the Beiersdorf Group went into service at Poznan in Poland. Capital expenditure: € 22 million. That too is a commitment to acting locally while thinking globally – and in 2002 the story continues in Brazil, for example, with the construction of a new production facility.

*International Labello
advertising campaign*



That explains why people in Italy think of NIVEA as an Italian brand, while for people in France it is a French brand. Understanding and respecting different cultures is a strategy for success. And as demonstrated by our gradual expansion into new countries, such as Russia, China and Brazil, it is effective all over the world.



Investor Relations	Management Report	Group Financial Statements	Group Notes	Additional Information

Advertisements for NIVEA
in South Africa 2001



Worldwide advertising with uniform concepts,
but local adaptations



The right moment is packed with opportunities.

Unlimited: Our Growth Potential



Unlimited: Our Growth Potential

To make the right decision in the right place at the right time, we pursue a tried and tested strategy: we cannot do everything at once, but develop new markets step by step in line with our strength – and this we do purposefully, systematically and quickly. Our implementation planning ensures that all activities worldwide remain within the framework of our strategy. The step-by-step roll-out of NIVEA Beauté or FUTURO in the various countries is an example of this approach.

Basically we believe in growing from within. But if it will help to strengthen our existing market position, we make acquisitions – targeted and sensible ones. This enabled us to enter the French pharmacy market in 2001 by buying the pharmacy brands Nobacter and Onagrine.

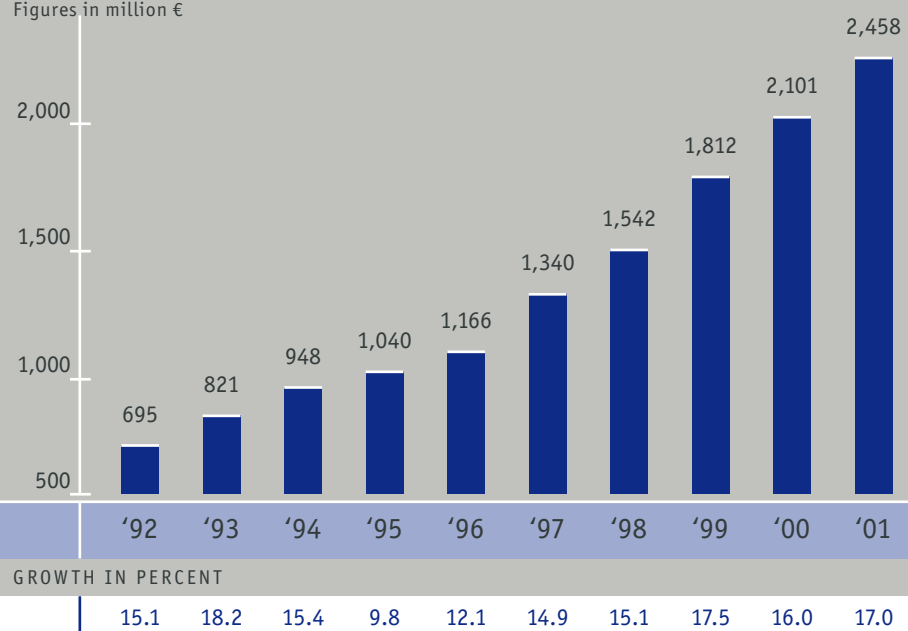
In numerous countries we lead the market in many segments, or are at least among the top three. But our development potential is virtually unlimited: we are not yet represented in all countries and all market segments

with our successful brands. That leaves plenty of room for expansion.

Ever-changing conditions such as the introduction of the Euro, the quickening pace of the worldwide markets, the increasing interdependencies and the ever-decreasing innovation cycles make it necessary to act flexibly and at the right moment – now and in the future. But they also open up unexpected opportunities.

By identifying opportunities, setting priorities and taking the right action at the right time, we will make the most of our potential and continue to grow dynamically for the benefit of our customers, our business partners, our employees and our shareholders. In this way we intend to remain a reliable growth stock in the future as well.

TOTAL NIVEA SALES
Figures in million €



*FUTURO –
strategic
development
of new markets*



*NIVEA Beauté –
success
step by step*

*Continuous growth –
the NIVEA example*



Dreams are the future.

Promising: Our Prospects



Promising: Our Prospects



As part of the ongoing development of our brands we are constantly launching new products, e.g., 8x4 DEO COMPACT

We look with confidence to tomorrow, because what we have built up yesterday and today still has prospects in the future.

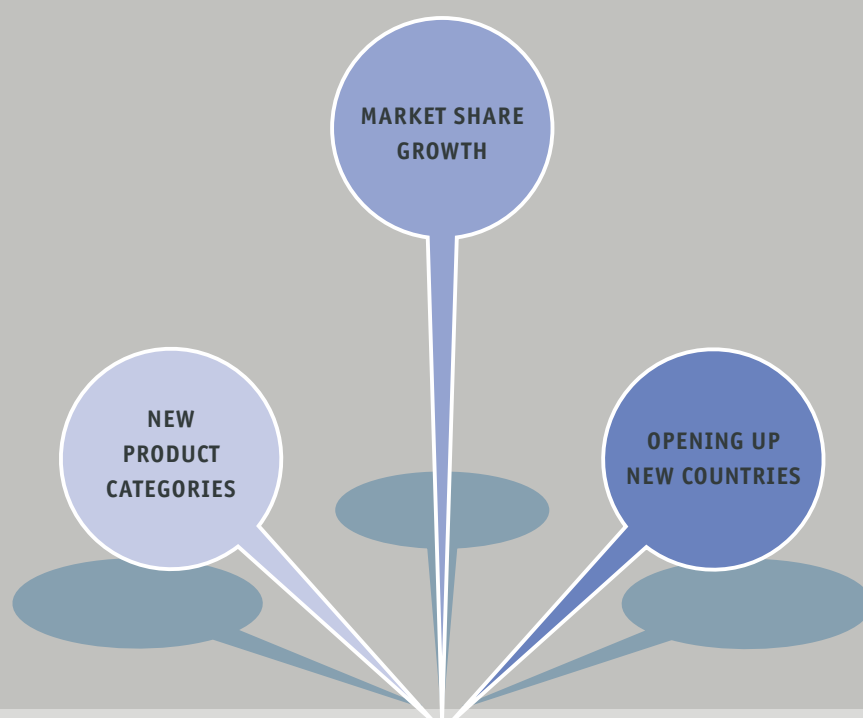
- All over the world our employees are working around the clock to improve the quality and performance of our brands.
- Through the continuity in the development and care of our brands we will continue to gain consumers' trust.
- The great potential we are gradually exploiting with our knowledge and experience is a long-term guarantee of further growth.

Strong brands, experienced and dedicated employees, rapid action and reaction, seeking and cultivating interaction with people – those are the success factors of Beiersdorf. Now and for the future. We will also continue

making strategic acquisitions and expanding our leading positions in large-volume markets. And opening up new market segments and new countries – systematically.

To do this we make the most of our development potential by increasing the capacity to learn within the company and by boosting the dynamic of internal competencies. We also optimize our business strategies so that we can play an even more efficient and active part in shaping the development of the markets. Which will establish us even more firmly on the world's markets in the long term.

Our vision is a future full of dynamic and ongoing improvement of our products for our consumers. And we work at this vision every day. To ensure that our company continues to maintain its value in the future as well.



Our growth strategy: Growth in 3 dimensions

In the successful implementation of our growth strategy we rely on a balance between continuity and innovation – as in the case of Hansaplast



1926 - 1931



1962



2001

Beiersdorf Share

Ten-year comparison	1991	2001
Market capitalization on Dec. 31	million €	
	1,690	10,710
Share price on Dec. 31	€	
	20.12¹	127.50
(Relative index 1991=100)	(100)	(634)
Earnings per share	€	
	0.92^{1,2}	3.32
(Relative index 1991=100)	(100)	(363)
Dividend per share	€	
	0.33¹	1.30
(Relative index 1991=100)	(100)	(391)
DAX	1,578	5,160
(Relative index 1991=100)	(100)	(327)
MDAX	1,964	4,326
(Relative index 1991=100)	(100)	(220)

¹ Translated from DM to € and a different nominal value

² Based on German Commercial Code regulations

Number of shares: 84 million

Prices: based on XETRA

End of 2000	€	111.50
End of 2001	€	127.50
High 2001	€	140.24
Low 2001	€	93.00
Proposed dividend 2001	€	1.30
Total dividend	€	109.2 million

The trend on the stock markets in the first few months of the year was fairly level. Starting in the second quarter, however, the further slackening of economic activity resulted in a steady decline in prices.

In particular, shares of companies in the telecommunications, media and technology (TMT) industries caused the DAX to decline further as the year progressed. Finally the tragic events of September 11 led to an extreme drop in prices on a broad front.

Despite signs of a slight recovery the DAX closed the year with a marked

drop of –19.8 % compared with the year before. Unlike in 2000, the M-DAX was unable to escape this trend. It also closed with a clear minus of –7.5 %.

For the Beiersdorf share, by contrast, 2001 was once again a very successful year. Following a rather sluggish start, its price rose to reach a new all-time high of € 140.24 (day's closing price) on August 13. This trend was largely due to our company's excellent sales and profit performance.

There were also signs of a general drift towards shares in industries less dependent on economic fluctuations, which includes the consumer goods sector.

Despite the repercussions of September 11 and the recovery of TMT stocks towards the end of the year, Beiersdorf shares – like the year before – performed considerably better than the DAX, the M-DAX and most competitors. The year-end price was +14.3 % above prior year levels, at € 127.50. This results in a market capitalization of € 10.7 billion.

The proposed dividend of € 1.30 for 2001 again represents a substantial increase over the year before, which is even larger than the very satisfying growth in sales. We intend to further increase the payout ratio in the future.

Beiersdorf Investor Relations

At the heart of our Investor Relations activities is the task of providing the financial world and especially our existing and potential shareholders with comprehensive, continuous and trustworthy information. Our statements on the company's development are clear, precise and reliable.

After gearing our semi-annual financial analyst meetings towards international participants in 1999 the attendance has nearly tripled. Like all major publications, the presentations held on our corporate strategy, the evidence of its successful implementation and the latest financial information are published simultaneously in the Internet at www.Beiersdorf.com.

demand by offering adequate opportunities for dialog.

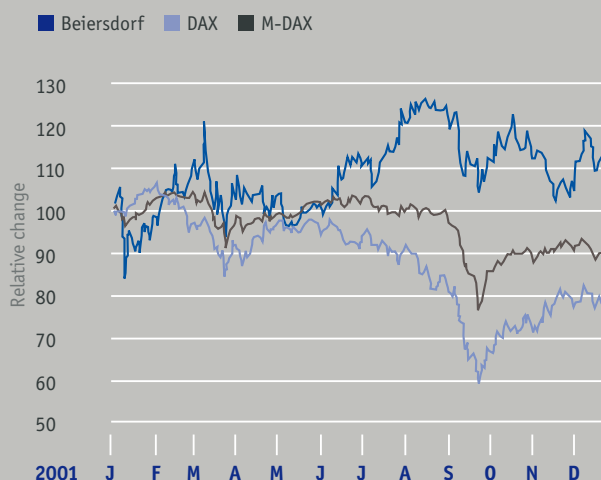
In 2001 we took part for the first time in two international investors' conferences which enabled North American investors in particular to make direct contact with selected German companies, mostly from the DAX. We too are seeking inclusion in the DAX.

*New concept since
August 2001:
Beiersdorf's
Interim Report*

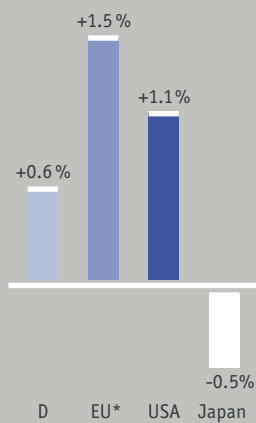


Between these events we maintain contact with all of the major national and international analysts in our industry. We have also observed rapidly growing interest on the part of the direct decision makers of large institutional investors, e.g., international investment funds and other asset managers. We try to cater to this

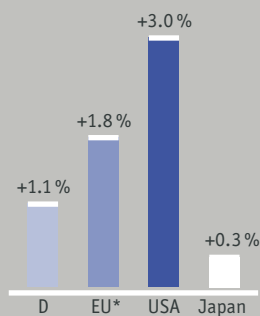
Trends: Beiersdorf share, DAX and M-DAX since January 1, 2001



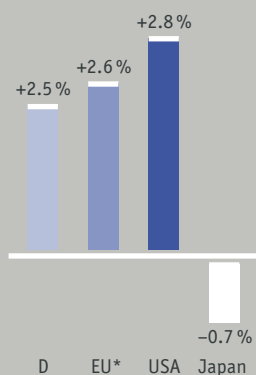
Growth of real gross domestic product 2001 compared with 2000



Growth of private consumer spending



Inflation rate



* EU 11 "Euroland"

Economic Environment 2001

For the first time since the 1980s, the world economic situation was characterized in 2001 by a simultaneous downturn in all economically significant regions. The events of September 11 reinforced this trend. The crucial factor for this poor global growth was the deterioration in the economic situation in the USA. This brought a slackening of growth in consumer spending, which has a direct impact on Beiersdorf's core business. However, consumer spending did not suffer the same serious fluctuations as the industrial economy. Thus in many parts of the world Beiersdorf, as a manufacturer of consumer-oriented products, was not directly hit by the recession.

Economic growth in Germany was considerably lower than last year. As a result of positive effects, however, including lower interest rates and the tax reform, the growth in private consumer spending fell only slightly short of the previous year's figure. In Europe excluding Germany, and especially in the USA, the growth in consumer spending was considerably lower than the year before. In Japan both the economy and consumer spending stagnated. The emerging markets suffered a particularly marked loss of momentum in the wake of the situation in the industrialized countries.

In the procurement markets for raw materials and packaging materials the lively demand experienced in 2000 continued into the first few months of 2001. This led to material price increases of around 2 % during this period. In the second half of the year the situation changed, with the result that the price increase for the year as a whole averaged only 1 to 2 %.

Development of Business

Group

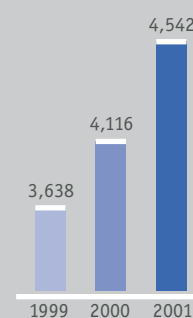
In spite of the difficult economic situation during the year under review, Group sales grew by 10.3 % to € 4,542 million. At constant exchange rates the growth figure was 11.2 %. The establishment of new companies and the initial consolidation of existing Beiersdorf companies had no more than a marginal impact of +0.2 % on the increase in sales. Beiersdorf essentially continued to grow from within.

With an increase of +19.7 %, the operating result (EBIT) grew faster than sales to reach € 466 million. This result includes € 38 million from the sale of the advanced wound care business and € 21 million nonrecurring expenditure for the structural changes in the medical and tesa divisions. Without these special effects the operating result would have come to € 449 million. This represents an operating EBIT return on sales of 9.9 % (previous year: 9.5 %). The positive earnings trend of previous years was thus maintained.

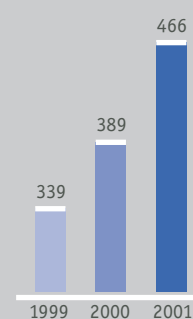
Profit after tax grew from € 226 million to € 285 million. As a result, the net return on sales rose from 5.5 % to 6.3 %. The profit after tax includes € 23 million from the sale of the advanced wound care business.

The profit after tax of the Beiersdorf AG as calculated under German Commercial Code regulations totalled € 155 million in 2001.

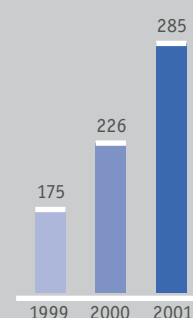
Group sales
(in million €)



Group operating result (EBIT)
(in million €)

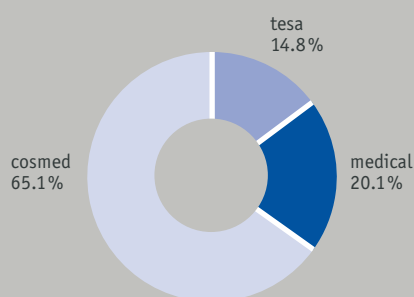


Group profit after tax
(in million €)

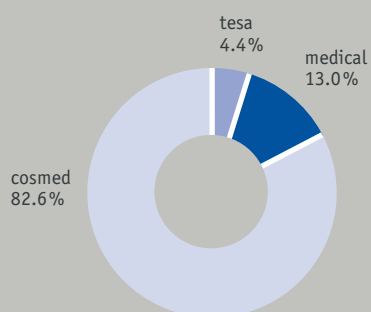


Development of business by division

Divisional shares of
Group sales 2001



Divisional shares of
Group operating result (EBIT) 2001



cosmed

cosmed division develops, produces and markets cosmetic products for skin care and personal care. The strategy of focusing on a limited number of strong international brands again proved successful in 2001.

Innovative products and increased investment in growth markets strengthened the division's worldwide market position. The improved quality of sales is impressively reflected in the increase in the number of international markets where NIVEA is market leader.

With an increase of 14.1%, cosmed division maintained its double-digit growth to reach record sales of € 2,955 million. At constant exchange rates the increase was 15.5%. This result, well above the general market trend, was achieved by organic growth from within in highly competitive markets and in a difficult economic environment.

The global brand NIVEA celebrated its 90th birthday with yet another year of double-digit sales growth, the increase of 17.0% resulting in new record sales of € 2,458 million. This further improved its position as the world's largest skin and personal care brand. The growth took place in all NIVEA brand groups and in all regions. Particularly rapid growth was displayed by the NIVEA brand groups NIVEA Hair Care, NIVEA FOR MEN, NIVEA Beauté and NIVEA Deo. Growth in Eastern Europe was again especially strong.

In the skin care sector the NIVEA products (NIVEA Creme, NIVEA Soft, NIVEA Hand, NIVEA body) made additional market share gains in a keenly fought and slow-growing market. The new product launches by NIVEA body, such as Skin Reflecting Lotion and NIVEA body Milk with almond oil made a major contribution to the positive development of this product sector. For the first time the brand achieved market leadership in Australia and Turkey.

In the facial care market, NIVEA VISAGE and NIVEA VITAL recorded double-digit growth and achieved market leadership for the first time in Romania and Norway. Sales were boosted in particular by the new product launches NIVEA VISAGE Q10 PLUS and NIVEA VISAGE AQUA BEAUTY and the revised NIVEA VITAL line. Above-average growth was achieved in the United Kingdom, Norway and Spain.

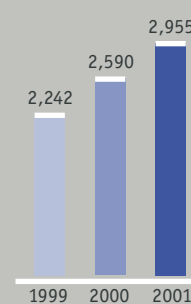
The brands 8x4 and NIVEA Deo also performed very well in the deodorants market. Supported by innovative additions to the portfolio such as NIVEA DEO COMPACT, cosmed was able to expand its leading position in Europe. NIVEA Deo became market leader for the first time in Bulgaria, Portugal, Poland and Turkey.

In the highly competitive European market for decorative cosmetics, NIVEA Beauté improved its market position. Innovative products such as NIVEA Beauté GLOSS LACQUER and NIVEA Beauté COLOUR & CALCIUM supported this successful trend. Growth in Belgium, Denmark, France and Switzerland was especially strong.

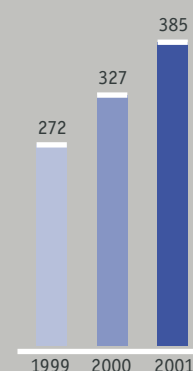
Worldwide NIVEA Baby achieved double-digit sales growth in the highly competitive baby care market. The redesigned NIVEA Baby Wipes with the Clean & Soft System were launched. The entry into the Polish market was highly successful. Very good growth rates were achieved in Italy, Croatia, Switzerland, as well as in Eastern Europe and Latin America.

The NIVEA FOR MEN range displayed dynamic development. The motive forces behind this growth included the expansion of the facial care and cleansing range and the product launch in the USA. The brand became market leader in Turkey for the first time.

cosmed sales
(in million €)



cosmed operating result (EBIT)
(in million €)





Advertisement 2001, France:
NIVEA Sun Kids Colour Spray



Advertisement 2001, Germany:
NIVEA Hair Care

With the launch of NIVEA Sun Kids Colour Spray with sun protection factor 30 a revised design and new formulas for the NIVEA Sun Cream products, the brand further improved its leading position in the European market for sun protection products. Above-average sales growth by NIVEA Sun in Brazil, Chile, Mexico, Japan, Korea and Thailand substantially strengthened the line's market positions in these countries.

The market for bath and shower products was another area where NIVEA recorded double-digit growth. The trend in Eastern Europe and in Africa/Asia/Australia was particularly encouraging. In the shower segment the brand achieved market leadership in Austria, Poland, Romania and Russia for the first time.

Following the successful revision of the NIVEA Hair Care range in 2000, the NIVEA Hair Styling range was relaunched in October 2001 with a new design and new formulas. Not only the growth in existing markets, but also new product launches and expansion into new countries made a substantial contribution to the brand's success in this area. For example, an innovative line of eight products with UV filter for colored hair was launched, taking advantage of the current trend toward coloring products. In addition, the Hair Care range was successfully launched in Italy and the Hair Styling range in Greece.

In the lip care market the brands Labello and NIVEA Lip Care further improved their leading position in many countries. Supported by numerous product launches such as Labello Pearl & Shine, Labello displayed especially dynamic growth in France, Belgium, Italy, Switzerland and the Netherlands.

The development of the business in the upscale "duty free" market proved difficult, especially in the last quarter of 2001, but la prairie nevertheless maintained the double-digit growth it has been achieving for years.

The EBIT operating result for the cosmed division showed a marked rise from € 327 million to € 385 million. As a result, the division's EBIT return on sales rose from 12.6 % to 13.0 %.

medical

The medical division is increasingly concentrating its retail consumer business. It develops, produces and markets products in the fields of Dermatology (medicinal skin care) and Personal Health Care (consumer products for wound care and physical complaints).

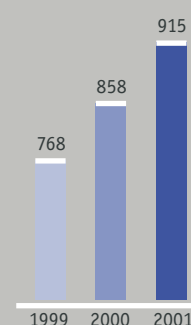
The focus of activities is on further development of the international plaster brands (Hansaplast, Elastoplast, CURAD, CURITAS), the medicinal skin care brand Eucerin, and FUTURO, the consumer brand for support bandages.

In April 2001 the worldwide business in professional wound care and orthopaedics/phlebology was brought into the joint venture BSN medical GmbH & Co. KG established jointly with Smith & Nephew plc.

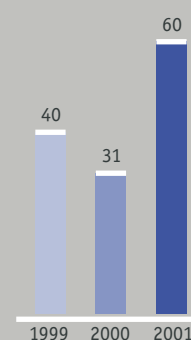
Last year the medical division recorded overall sales growth of 6.5 % to reach sales of € 915 million. At constant exchange rates the figure came to 6.4 %. Growth in the consumer business, comprising the Dermatology and Personal Health Care fields, was 17.4 %.

The consumer-oriented plaster business, in which Beiersdorf leads the market in many countries around the world, achieved double-digit growth. This received a special boost from the launch of new and innovative products. In Europe the new Hansaplast and Elastoplast Active Gel Strip was launched. This polyurethane-based plaster is flexible and waterproof. It creates a moist wound healing climate in which wounds heal faster and leave fewer scars. Another great success was the scar reduction plaster, which is now available in Malaysia, Singapore, Thailand, South Africa and Colombia.

medical sales
(in million €)



medical operating result (EBIT)
(in million €)





Elastoplast Active Gel Strip

New plaster launches were executed in the various regions around the world under the Hansaplast, Elastoplast, CURAD or CURITAS labels. Among other things, children's plasters with "Harry Potter" motifs were introduced in Europe and Asia to coincide with the release of the movie. Since May 2001 Hansaplast has also been represented on the Polish market.

Following its successful launch in Germany, the FUTURO back support was launched in other European markets.

Eucerin also achieved double-digit growth through innovation and expansion into new regional markets. The brand was particularly successful in the field of medicinal facial care in Europe and the USA. Here the main focus of activities was on the product lines Eucerin VITAL RETINOL and Eucerin Q10.

The launch of Eucerin Hydro-Protect marked an important step into a new, dermatologically relevant market segment of highly effective face creams for daily protection against premature skin aging. To prevent long-term damage to the skin, dermatologists are calling for protection of sensitive facial skin from daily environmental stresses, especially the effects of free radicals and UV radiation. Eucerin Hydro-Protect fully caters to these demands.



Eucerin Hydro-Protect

The two French pharmacy brands Onagrine and Nobacter were acquired effective July 1, 2001 (sales since July 2001: € 6 million). Onagrine is one of the leading facial care lines, Nobacter is the market leader in the shaving products segment of the French pharmacy market. The acquisition of these medicinal skin care brands gives Beiersdorf access to the French pharmacy market for medicinal skin care.

The newly established joint venture BSN medical got off to a good start. The integration of the businesses of Beiersdorf and Smith & Nephew was very successful and fully lived up to our expectations. Even the integration processes necessary for maintaining the operation of the business went smoothly. Expected synergies and benefits resulting from the combination were already noticeable in the first few months. Extensive use was made of the complementary strengths of the two partners. The sales figure for the nine months of the company's operation as included in the Beiersdorf financial statements (50 %) came to € 196 million.

The EBIT figure for the medical division, at € 60 million, was considerably above the previous year's result (€ 31 million). In addition to the income of € 38 million from the sale of the advanced wound care business, it also includes restructuring expenses amounting to € 12 million. Excluding these special effects, the medical division recorded an EBIT of € 34 million. This represents an operating EBIT return on sales of 3.7 % (previous year: 3.7 %).

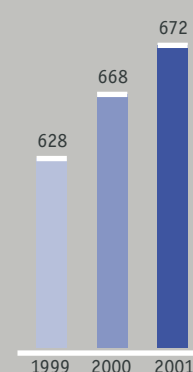
tesa

tesa develops, produces and markets adhesive products for industrial and private customers. The focus is on ideas that offer innovative solutions to problems in three areas of application: fixing and joining systems using double-sided adhesive tape (Fastening), protection and covering systems (Masking) and systems for internal and external packaging (Packaging).

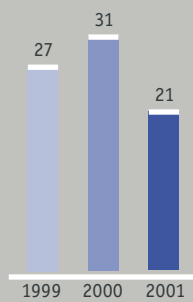
Sales by tesa, at € 672 million, were 0.5 % above last year, in spite of the general downward trend in the industry. At constant exchange rates the growth would have been 0.6 %.

During the last financial year, tesa's business was considerably affected by the poor state of the economy. This was true in particular of the large-volume products in the masking and packaging tape sectors. tesa succeeded in off-setting this decline by introducing new special-purpose products for industry and product innovations in the retail consumer sector.

tesa sales
(in million €)



tesa operating result (EBIT)
(in million €)



In the field of fastening systems (Fastening) the tesa “Easy Splice” product range for the paper and printing industry has, thanks to its continued growth rates, developed into one of the most important segments. With further innovations in the pipeline, solid growth can be expected in 2002 as well. Sales of products for plate mounting also showed an increase. The product range for large area applications, which also includes the adhesive tapes for die-cutting uses, was thoroughly revised. This brought new business and offset the decline in sales to mobile phone manufacturers.

In the field of protecting and covering systems (Masking), tesa achieved marked gains in sales and market share in all regions in the stagnating environment of the automobile industry. The factors behind this success were the specialization of the sales force, innovations such as tesa “Sleeve” (flexible sheathing in the cable harness business) and successful establishment of the product families tesa “Bodyguard” (transport and assembly protection for car bodies) and tesa “Glassguard” (highly transparent scratch-resistant windshield protection films). Innovations such as tesa “Easy Foam” (protection against paint spray in door spaces) brought further development in the car spraying sector. By contrast, business in the painters’ supplies sector and in the general retail sector showed a slight decline.



tesa Sleeve

In the field of systems for internal and external packaging (Packaging), the situation in the mass market for bundling and carton-sealing tapes in the second half of the year was influenced by the slack state of the economy. This business did however perform well in Northern and Eastern Europe. An initial boost was provided by the new tamper-evident adhesive tapes, which reveal any manipulation of cartons during transport and storage.

In the face of slightly declining markets, the retail consumer business recorded satisfying growth in all regions of Europe and in South America. Thanks to increased international sales promotion activities, the product areas tesafilm and tesaband made market share gains and further improved their leading position. The Powerstrips segment successfully expanded its potential uses with innovations such as transparent Deco Powerstrips and hooks. New target groups were addressed with attractive "Harry Potter" hooks. The launch of the new "tesa Kleister" wallpaper paste product group quickly achieved the required distribution level and confirmed the company's ability to establish tesa as a long-term competitor in this market of particular importance in Germany. In the field of carpet-laying tapes a repositioning of the range brought an above-average increase in sales.



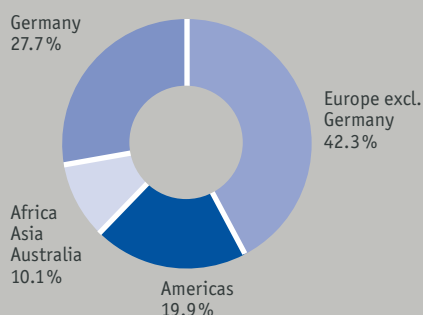
Deco Powerstrips

In April, the tesa business was legally established as a separate company with economic effect as from January 1, 2001. This geared the tesa structures and business processes to the success factors of the largely industrial adhesive tape business with the aim of speedier implementation of innovations. The restructuring operation is already complete in Germany and Asia. In the other European countries and the Americas the necessary measures have been prepared and are gradually being implemented.

tesa achieved an EBIT operating result of € 21 million and an EBIT return on sales of 3.1 % (previous year: 4.6 %). Nonrecurring costs of € 9 million were incurred in connection with the establishment of tesa AG, and these are included in the EBIT figure. Excluding these costs the EBIT result is € 30 million and the EBIT return on sales 4.4 %.



Powerstrips "Harry Potter" hook

Regional shares of
Group sales 2001

Advertisement, Bulgaria: 90 years of NIVEA

Development of business by region

Germany

Sales in Germany were up 3.2 % to € 1,256 million. Germany's share of Group sales fell from 29.6 % the year before to 27.7 % in 2001.

Sales by the cosmed division showed an increase of 8.6 % to € 798 million. Sales by the medical division in Germany came to € 241 million*. tesa sales rose by 1.8 % to € 217 million.

The EBIT operating result for Germany grew by 41.1 % to € 223 million. This figure includes € 38 million income from the sale of the advanced wound care business, and € 14 million restructuring costs and nonrecurring expenses for the medical and tesa divisions.

Europe excluding Germany

Sales in Europe excluding Germany rose by 17.6 % to € 1,927 million. At constant exchange rates the growth would have been 17.2 %. The region's share of Group sales increased to 42.3 % (previous year: 39.8 %).

Sales by the cosmed division displayed very good growth, rising by 20.7 % to € 1,396 million. The medical division achieved sales of € 256 million*. With an increase of 4.1 %, tesa also returned an encouraging performance recording sales of € 275 million. Major contributions to sales growth in Europe were made by the companies in Eastern and Southeastern Europe. Double-digit growth rates were also achieved in other large European markets such as the United Kingdom, Spain and Switzerland.

The EBIT operating result for Europe grew considerably faster than sales, increasing by 28.7 % to € 197 million. There was a further increase in the importance of this region for the Group.

Americas

In North and South America sales increased by 8.4 % to € 903 million. At constant exchange rates the figure would have been 9.2 %. The region's share of Group sales fell slightly to 19.9 % (previous year: 20.2 %). Sales by the cosmed division grew by 12.7 % to € 457 million. The medical division's sales came to € 334 million*. Owing to its greater dependence on business activity in industry, tesa recorded an 8.2 % drop in sales to € 112 million.

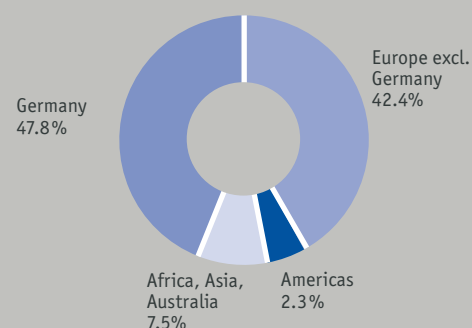
The EBIT operating result in the Americas was down from € 37 million to € 11 million. The principal reasons for this were marketing expenditure in the important US market, the tesa situation and the uncertain economic situation in Argentina.

Africa/Asia/Australia

With an increase of 6.4 %, Africa/Asia/Australia recorded regional sales of € 456 million. Exchange rate effects had a considerable impact on the growth figures in this region. At constant exchange rates the figure was 14.5 %. The region's share of Group sales was 10.1 % (previous year: 10.4 %). The cosmed division increased its sales by 4.3 % (+13.1 % at constant exchange rates). The medical division achieved sales of € 84 million*. Owing to the unfavorable movement in exchange rates, tesa, at € 68 million (-1.4 %), was unable to reach the previous year's sales level. At constant exchange rates tesa's growth would have come to 2.6 %.

The EBIT operating result declined from € 41 million to € 35 million as a result of the difficult economic situation in Asia.

Regional shares of
Group operating result (EBIT) 2001

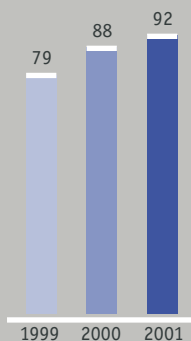


Presence in Malaysia:
Eucerin advertisement

* The regional sales figures for the medical division were influenced by the sale of the advanced wound care business, the contribution of the professional business to the joint venture BSN medical GmbH & Co. KG, and the acquisition of the brands Elastoplast, Nobacter and Onagrine, and are therefore not comparable with the previous period.

Research and Development

Research and development expenditure
(in million €)



The success of Beiersdorf's research and development work lies in its focus on the three competence fields – cosmetics/personal care, wound care/health and adhesives technology – in which we pursue the ongoing development of our brands.

Spending on research and development in 2001 (excluding quality assurance costs) came to € 92 million (2.0 % of sales). We made an unusually large increase in expenditure on research and development activities in our core business and stepped up employee numbers as well.

The rate of increase in overall expenditure was slightly lower than the growth in sales. Owing to the structural changes, the medical division did not have any increase in expenditure. tesa concentrated its development activities in Hamburg. By dispensing with a laboratory in the USA it was able to reduce costs.

In the first quarter of 2002, work is starting on a new laboratory building in Hamburg. This will further safeguard the excellent standard of Beiersdorf's research and development. Beiersdorf will continue to invest in research and development in the future as well.

Cosmetics/Personal Care

In the cosmed division, the latest techniques are used to study the metabolism of the skin and the action mechanisms of the division's own products. Major advances were made during the year under review, e.g., in the field of skin aging processes and fine regulation of the skin's moisture balance. These findings will be used to develop future technologies for innovative, high-performance active cosmetics.

Numerous product innovations were also launched in the course of the year. Two examples: the innovation DEO COMPACT (NIVEA and 8x4) has virtually revolutionized the deodorant market. The practical compact atomizer can be used just as many times as a traditional large aerosol deodorant.



Laser scanning confocal microscopy is used to study the action mechanisms of our products

The children's range was joined by NIVEA Sun Kids Colour Spray, SPF 30. The color of the product makes it easy to see whether the protective film is complete.

Wound Care/Health

The medical division continued its systematic pursuit of the approach of using new plaster production technologies to develop innovative products for the consumer goods industry. One key area: expanding our competence in the field of polyurethane plasters, which for the first time enables us to offer consumers the principle of "moist wound healing". These "Active Gel Strips" were introduced under the Hansaplast and Elastoplast labels.

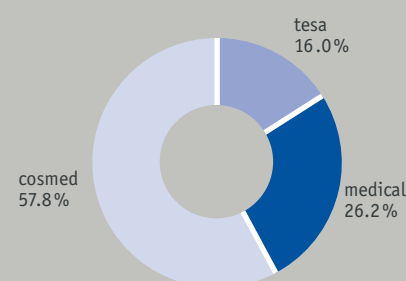
Modern, solvent-free hotmelt technology for the production of plasters is also firmly established now. Its benefits: low costs and improved quality. The first products have been well accepted by the market. In the year under review Elastoplast Plastic was launched in Canada, and the United Kingdom will follow in 2002. We are investigating whether the process can also be used for manufacturing pain-relieving plasters containing active ingredients.

The division also developed an insect bite patch that soothes the irritation and protects against inflammation. This patch will be launched on the French market in 2002 under the Hansaplast label.

Adhesives Technology

In 2001 tesa again focused on successful processing of solvent-free adhesives and coating processes, and on developing innovative polymer systems for double-sided adhesive tapes. The Offenburg factory put into service a plant that makes use of newly developed, high-performance and environmentally friendly pressure-sensitive adhesives to produce a new generation of adhesive tapes for consumer and industrial applications.

Divisional shares of research and development expenditure 2001



Launch 2002 in France:
Hansaplast Insect Bite Patch



A laser lithographer stores data on a special film

The work on developing the “holospot” technology, which for several years the division has been pursuing jointly with researchers from the University of Mannheim and the EML Heidelberg, is now well advanced. The technique, which uses laser beams to store data on special films, opens up considerable market opportunities in many areas with sensitive security problems. tesa has therefore joined forces with its research partners to establish a Heidelberg-based affiliate, tesa scribos GmbH, which will be responsible for the further development of this technology for market entry and its commercial exploitation.

Capital Expenditure

In the year under review € 233 million was invested in tangible and intangible assets. A total of € 40 million was spent on acquiring the French pharmacy brands Onagrine and Nobacter and the cosmetics brand Marlies Möller. In Poland the new cosmed factory was completed at a total capital expenditure of € 22 million. This ultra-modern factory replaces the old facilities of Beiersdorf Lechia S.A. that were taken over when the company was acquired.



New production facility in Poland

At the end of 2001 tesa put into service the first large-scale solvent-free plant for adhesive tape production at its factory in Offenburg, Germany. This facility uses newly developed, high-performance and environmentally friendly pressure-sensitive adhesives to produce a new generation of adhesive tapes for consumer and industrial applications. It marks the successful realization of an important technology project. The facility will considerably improve tesa's growth prospects in the years ahead.

Total investment (excluding financial investments) came to € 119 million for the cosmed division, € 66 million for the medical division and € 48 million for tesa.

In Germany € 116 million was invested in fixed assets and intangible assets, the greater part of it in Beiersdorf AG. Investment totalled € 82 million in Europe excluding Germany, € 22 million in the Americas and € 13 million in Africa/Asia/Australia.

Financial investment by the Group in the year under review amounted to € 8 million and related primarily to the acquisition of shares in Florena Cosmetic GmbH, Waldheim.

In the first quarter of 2002 work is due to start on the construction of a new laboratory building for the cosmed division's research and development. Capital expenditure on this project will total around € 38 million. This investment will further strengthen the outstanding position of cosmed research and development.

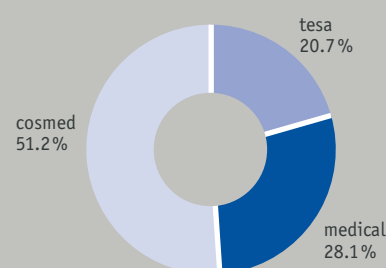
The cosmed factory under construction in Brazil will be completed at the beginning of 2003. Other major investments by the cosmed division involve expanding and improving the efficiency of existing production locations.

The major projects for the years ahead in tesa division are the realignment of logistics in Europe and the continuation of the technology projects in the production sector.

The volume of capital expenditure on fixed assets within the Group will remain relatively constant. It will relate largely to expansion and efficiency improvement projects in the production sector, and in individual cases to major logistics or research and development investments. For the industry, the level of investment is relatively low in terms of the usual indicators.

Investment in financial participations and trademarks will be undertaken whenever meaningful opportunities arise for Beiersdorf within the framework of its strategy.

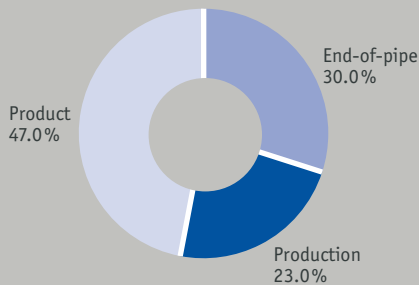
**Divisional shares of
Group investment in tangible
and intangible assets 2001**



Model of the new research center

Environmental Protection and Safety

Group expenditure on environmental protection 2001



Audit at the production facilities of JUVENA/la prairie

“Conserve the environment” and “maximum safety for all employees”: in accordance with these two paramount principles, Beiersdorf pursues a three-stage environmental protection and safety strategy that starts with product development and continues right through the production process to environmentally sound waste management and is integrated in all business workflows.

Our investments – such as a new wastewater purification plant in Malaysia – are a commitment to responsible care and hence to especially sustainable use of environmental resources. On this we spend some € 40 million a year.

We also pursue a clear objective where safety for our employees is concerned: “zero accidents at work”. After many years of freedom from accidents in the production sector there was nevertheless an incident in 2001: a malfunction occurred in a demineralization unit at a Hamburg factory. Thanks to efficient on-site crisis management it nevertheless proved possible to remedy the situation quickly and without major complications. Additional measures to prevent such accidents in future were developed and implemented.

The internal environmental and safety audits are conducted throughout the Group on the basis of international standards (DIN/ISO 14001 and EMAS Regulation). In the year under review the production facilities of Beiersdorf Mexico and JUVENA, Baden-Baden, were audited.

These audits document our high standards, which are also confirmed by external institutions. We see this as both recognition and a challenge: we will strive to achieve a further reduction in industrial accidents, we will continue to reduce our consumption of resources, and we will increase our support for production locations within the Beiersdorf Group.

Risk Management

In the context of its worldwide business activities, Beiersdorf is exposed to a wide variety of risks that are inextricably associated with its operations. Our risk policy is to make the most of existing opportunities and to enter into risks only where they are matched by the prospect of a corresponding increase in value.

Risk management at Beiersdorf is therefore an integral component of the management of the company and the design of our business processes. The management of operating risks is largely decentralized, with responsibility resting in the individual operating sectors and companies. Overarching international risks such as brand management, production and safety standards, financing and development of shareholder value are centrally monitored. We attach special importance to maintaining and increasing the value of our great brands, which are exposed to special risks and need to be protected accordingly.

Internal auditing, targeted controlling with detailed planning and steering processes and regular strategy reviews ensure a coordinated balance of opportunities and risks. The efficiency and reliability of the system is regularly examined by our external auditors.

The influence of the general economic situation on the risks involved in the consumer-oriented retail business is limited. The relatively constant consumer demand, which depends only on the general climate of consumer spending, makes for stable order books. The industrial business of tesa is more dependent on the general economic situation. Within the framework of these business conditions, Beiersdorf is exposed to stiff competition with regard to prices, quality and innovations in its worldwide markets. Beiersdorf addresses the associated risks by means of comprehensive and continuous brand management to expand and secure its market position.

Strong brands based on innovation and competence also counteract the risks of increasing concentration in the retail industry. Analyses of competition and markets provide a timely picture of changes in the business environment and permit an efficient, forward-looking approach to dealing with the markets. Continuous expansion of our innovation activities is a central prerequisite for securing the future success of the business. The structure of the business is designed on the basis of our strategy.

The procurement of raw materials and the use of third-party services involve risks for Beiersdorf with regard to quality assurance, delivery reliability and costs. Continuous observation of the relevant markets and long-term master agreements help to contain these risks.

Production and logistics activities are subject to quality risks, occupational safety and environmental risks, and interruption risks. Such risks are minimized by ongoing in-process checks on the basis of international standards.

In view of the steadily growing demands in the field of internal and external communications, we are devoting increasing attention to the security of our IT systems. We are using new systems to improve efficiency, availability and reliability in the data processing sector.

The future development of Beiersdorf depends on our employees. Shorter innovation cycles and increasing international links place ever-growing demands on the qualifications of technical and management personnel. In order to recruit and retain suitable employees, we maintain close contacts with universities and offer attractive remuneration systems and training programs.

Investor Relations	Management Report	Group Financial Statements	Group Notes	Additional Information

Foreign exchange, interest rate and liquidity risks are all subject to active treasury management on the basis of rules that apply worldwide. To a large extent the hedging activities are centralized. The use of derivative financial instruments is intended solely to hedge basic operational business and financial transactions essential to the business. It does not involve any additional risks for the Group (see also Group Notes, No. 32).

Legal risks are analyzed by our Legal Department in close cooperation with the operating functions and the managements of our affiliates. Provision is made in the balance sheet for identifiable risks.

At the present time there is no appreciable likelihood of the Beiersdorf Group being affected by any risks endangering its existence.

Further Prospects and Forecast

Strategic Objectives

Following the changes in the structure of the business implemented in 2001 with the incorporation of the tesa business in a separate company (tesa AG) and the establishment of the joint venture BSN medical GmbH & Co. KG, our future focus will be on the further development of Beiersdorf's core business with our major consumer-oriented brands.

In the years ahead we aim to achieve average annual sales growth of 8 % to 10 % without significant acquisitions. We plan to achieve this target through further expansion of our brands. We intend to strengthen our leading market position, launch new product categories and develop new regional markets. This sales growth is to go hand in hand with even faster growth in operating profit. We are aiming to improve the Group's EBIT return on sales to 12 %. In the long term this target will apply to each individual business field.

Economic Environment

Regarding economic developments in 2002, our plans are based on the assumption that the recessive tendencies of the past financial year will not continue. We expect last year's interest rate reductions and the economic programs announced in the USA to stabilize the situation in America and Europe. In our opinion the economic situation in Japan will remain critical. On the whole, therefore, we do not expect any basic improvement in the economic situation. As far as consumer spending is concerned we expect similar low growth rates worldwide to those experienced in 2001.

The trend to price stability in procurement markets will grow stronger in 2002. We expect buyers' markets to emerge in many of our source markets. Increased use of modern techniques in the procurement sector will make a further contribution to price stability. We therefore expect the year 2002 to be one of mostly constant purchase prices, and in certain areas even price reductions.

Expectations for the financial year 2002

On this basis the cosmed division plans to increase its sales by about 8 % in 2002 while maintaining the above-average growth of the NIVEA brand. Sales in Europe excluding Germany are to grow by double digits, driven particularly by the favorable development in Eastern Europe. The EBIT return on sales for the cosmed division is again expected to exceed 12 %.

Owing to the sale of the advanced wound care business and the structural effects resulting from the incorporation of the professional business in the joint venture BSN medical GmbH & Co. KG, the sales growth planned for the medical division in 2002 is only around 1 %. In terms of sales of consumer brands, however, medical division is aiming for a marked increase in sales. The EBIT return on sales is expected to be around 4 %. The result for 2002 will still be impacted by restructuring expenditure due to the new joint venture BSN medical.

The situation at tesa in 2002 will continue to be strongly influenced by the general economic situation. Efforts will focus on reaching the sales level achieved in 2001. Since the restructuring process in tesa is not entirely completed, the result for 2002 will still include restructuring expenditure. Nevertheless, tesa is again aiming for an EBIT return on sales of 2 % in 2002.

For the Group as a whole we are planning sales growth of over 5 %, although here we have been cautious with our exchange rate estimates. If the planned sales are recalculated at constant exchange rates, the resulting sales growth is more than 8 %. We expect the Group's EBIT return on sales to be over 10 %, and profit after tax over 6 %.

Income Statement – Beiersdorf Group

(in million €)	Notes	2000	2001
Sales	(1)	4,116	4,542
Cost of goods sold	(2)	-1,579	-1,725
Gross profit		2,537	2,817
Selling expenses	(3)	-1,793	-2,042
Research and development expenses	(4)	-88	-92
General administration expenses	(5)	-185	-215
Other operating income	(6)	81	148
Other operating expenses	(7)	-163	-150
Operating result (EBIT)		389	466
Interest income/expense (net)	(8)	5	10
Other financial income/expense	(9)	-12	-8
Financial result		-7	2
Profit before tax		382	468
Taxes on income	(10)	-156	-183
Profit after tax		226	285
Minority interests	(11)	-6	-6
Changes in retained earnings		-136	-170
Net profit (dividend of Beiersdorf AG)		84	109
Earnings per share (in €)	(12)	2.61	3.32

Balance Sheet – Beiersdorf Group

Assets (in million €)	Notes	Dec. 31, 2000	Dec. 31, 2001
Intangible assets	(14)	118	138
Property, plant and equipment	(15)	808	871
Financial assets	(16)	24	18
Fixed assets		950	1,027
Inventories	(17)	595	695
Trade accounts receivable	(18)	610	660
Other receivables and other assets	(18)	150	109
Cash and cash equivalents	(19)	632	714
Current assets		1,987	2,178
Deferred taxes	(10, 20)	19	18
Prepaid expenses	(21)	25	24
		2,981	3,247
Shareholders' Equity and Liabilities (in million €)			
Capital stock	(22)	215	215
Additional paid-in capital	(25)	47	47
Retained earnings	(26)	1,039	1,204
Group profit		84	109
Translation differences		49	40
Shareholders' equity excl. minority interests		1,434	1,615
Minority interests	(27)	24	21
Shareholders' equity		1,458	1,636
Provisions for pensions and other postemployment benefits	(28)	417	405
Other provisions	(29)	411	458
Provisions		828	863
Financial liabilities	(30)	83	129
Trade accounts payable	(30)	356	337
Other liabilities	(30)	147	164
Liabilities		586	630
Deferred taxes	(10, 20)	103	113
Deferred income		6	5
		2,981	3,247

Cash Flow Statement – Beiersdorf Group

(in million €)	Notes	2000	2001
Cash and cash equivalents at beginning of year	(19)	622	632
Operating result (EBIT)		389	466
Income taxes paid		-148	-146
Depreciation and amortization		149	154
Change in long-term provisions (excluding interest)		-5	-20
Profit/loss on disposal of property, plant and equipment		1	2
Gross cash flow		386	456
Change in inventories	(17)	-76	-80
Change in trade accounts receivable and other assets		-106	-3
Change in liabilities and short-term provisions		66	-26
Net cash from operating activities		270	347
Investment in fixed assets		-249	-241
Proceeds from the sale of fixed assets		19	6
Interest, dividends and other financial income received		39	50
Net cash from investing activities		-191	-185
Free cash flow		79	162
Change in financial liabilities	(30)	21	46
Interest and other financial expenses paid		-34	-42
Cash dividends paid (Beiersdorf AG)		-60	-84
Net cash from financing activities		-73	-80
Change in cash and cash equivalents due to exchange rate movements		2	0
Change in cash and cash equivalents due to changes in companies consolidated and other changes		2	0
Change in cash and cash equivalents		10	82
Cash and cash equivalents at end of year	(19)	632	714

Consolidated Statement of Changes in Shareholders' Equity – Beiersdorf Group

	Capital stock	Additional paid-in capital	Retained earnings	Net profit	Translation differences	Minority interests	Total
(in million €)							
Jan. 1, 2000	215	47	902	60	42	23	1,289
Dividend of Beiersdorf AG for previous year	–	–	–	-60	–	–	-60
Transfer to retained earnings	–	–	136	–	–	2	138
Group profit	–	–	–	84	–	–	84
Currency movements	–	–	–	–	7	-1	6
Other changes	–	–	1	–	–	–	1
Dec. 31, 2000/Jan. 1, 2001	215	47	1,039	84	49	24	1,458
Dividend of Beiersdorf AG for previous year	–	–	–	-84	–	–	-84
Transfer to retained earnings	–	–	170	–	–	6	176
Group profit	–	–	–	109	–	–	109
Difference due to formation BSN	–	–	-3	–	-7	–	-10
Revaluation of derivatives in accordance with IAS 39	–	–	-5	–	–	–	-5
Revaluation of securities in accordance with IAS 39	–	–	3	–	–	–	3
Currency movements	–	–	–	–	-2	-1	-3
Other changes	–	–	–	–	–	-8	-8
Dec. 31, 2001	215	47	1,204	109	40	21	1,636

Segment Reporting – Beiersdorf Group

Divisions 2001 (in million €)	cosmed	medical	tesa	Group
Net sales	2,955	915	672	4,542
Change from previous year	14.1 %	6.5 %	0.5 %	10.3 %
Share of Group sales	65.1 %	20.1 %	14.8 %	100 %
EBITDA	461	111	48	620
Operating result (EBIT)	385	60	21	466
in % of sales	13.0 %	6.6 %	3.1 %	10.3 %
Capital employed	816	413	382	1,611
EBIT return on capital employed	47.1 %	14.7 %	5.4 %	28.9 %
Gross cash flow	329	87	40	456
Capital expenditure (excl. financial assets)	119	66	48	233
Depreciation and amortization (excl. fin. assets)	76	51	27	154
Research and development expenses	53	24	15	92
Employees (number at Dec. 31, 2001)	8,717	5,066	3,966	17,749

Divisions 2000 (in million €)	cosmed	medical	tesa	Group
Net sales	2,590	858	668	4,116
Change from previous year	15.5 %	11.8 %	6.4 %	13.1 %
Share of Group sales	62.9 %	20.9 %	16.2 %	100.0 %
EBITDA	396	81	61	538
Operating result (EBIT)	327	31	31	389
in % of sales	12.6 %	3.7 %	4.6 %	9.5 %
Capital employed	653	380	365	1,398
EBIT return on capital employed	50.1 %	8.2 %	8.5 %	27.8 %
Gross cash flow	271	68	47	386
Capital expenditure (excl. financial assets)	87	120	30	237
Depreciation and amortization (excl. fin. assets)	69	50	30	149
Research and development expenses	45	26	17	88
Employees (number at Dec. 31, 2000)	7,847	4,829	3,914	16,590

Segment Reporting – Beiersdorf Group

Regions 2001	Germany	Europe excl. Germany	Americas	Africa Asia Australia	Group
(in million €)					
Net sales*	1,256	1,927	903	456	4,542
Change from previous year	3.2 %	17.6 %	8.4 %	6.4 %	10.3 %
Share of Group sales	27.7 %	42.3 %	19.9 %	10.1 %	100.0 %
EBITDA	304	241	31	44	620
Operating result (EBIT)	223	197	11	35	466
in % of sales	17.8 %	10.2 %	1.2 %	7.7 %	10.3 %
Capital employed	482	671	342	116	1,611
EBIT return on capital employed	46.3 %	29.4 %	3.1 %	30.4 %	28.9 %
Gross cash flow	218	181	27	30	456
Capital expenditure (excl. financial assets)	116	82	22	13	233
Depreciation and amortization (excl. fin. assets)	81	44	20	9	154
Employees (number at Dec. 31, 2001)	6,429	5,640	2,813	2,867	17,749

Regions 2000	Germany	Europe excl. Germany	Americas	Africa Asia Australia	Group
(in million €)					
Net sales*	1,217	1,638	832	429	4,116
Change from previous year	1.9 %	9.7 %	32.1 %	33.6 %	13.1 %
Share of Group sales	29.6 %	39.8 %	20.2 %	10.4 %	100.0 %
EBITDA	240	194	56	48	538
Operating result (EBIT)	158	153	37	41	389
in % of sales	13.0 %	9.4 %	4.4 %	9.5 %	9.5 %
Capital employed	446	544	309	99	1,398
EBIT return on capital employed	35.4 %	28.1 %	12.0 %	41.4 %	27.8 %
Gross cash flow	169	139	50	28	386
Capital expenditure (excl. financial assets)	127	78	21	11	237
Depreciation and amortization (excl. fin. assets)	82	41	19	7	149
Employees (number at Dec. 31, 2000)	6,421	5,086	2,862	2,221	16,590

* Based on company domicile

Summary of Significant Accounting Policies

General principles

The Group financial statements of Beiersdorf AG are prepared in accordance with the rules of the International Accounting Standards Committee (IASC), London, in force on the balance sheet date and take due account of the interpretations of the Standing Interpretations Committee (SIC). As interpreted by the German Standardization Council (DSR) they conform to the European Union rules for consolidated accounts (Directive 83/349/EEC). The conditions set out in Section 292a of the German Commercial Code (HGB) for exemption from the requirement to prepare consolidated financial statements under German accounting rules are satisfied.

These financial statements contain the following departures from the accounting and valuation methods applicable under German law:

- Valuation of pension provisions by the projected unit credit method, taking account of future pay rises in accordance with IAS 19 (Employee Benefits)
- Accounting and valuation of deferred taxes by the balance-sheet-oriented liabilities method in accordance with IAS 12 (Taxes on Income) and capitalization of deferred taxes in the case of losses carried forward that are expected to be realizable.
- Accounting and valuation of financial instruments at market value in accordance with IAS 39 (Financial Instruments: Recognition and Measurement).

New standards approved by the IASC are applied as of the effective date. Any changes in the accounting and valuation methods are explained in the Notes to the relevant items.

In the interest of clearer presentation in the income statement and the balance sheet, individual items have been aggregated. These items are explained and shown separately in the Notes.

In the Group financial statements it is to a very limited extent necessary to make estimates and assumptions that have an impact on the amount and presentation of the assets and liabilities, earnings and expenditure and contingent liabilities. The actual values may differ from these estimates.

Consolidated Group

In addition to Beiersdorf AG, the Group financial statements include 12 German and 88 international companies in which Beiersdorf AG directly or indirectly holds a majority of the voting rights and which are under its unified management. This is 14 more than the year before. Seven of these were established in the course of transforming the tesa division into a separate company (tesa AG) and do not represent any change in the consolidated Group. Four companies were deconsolidated in the context of the establishment of the joint venture BSN medical GmbH & Co. KG. The remaining 11 companies are cases of initial consolidation of newly established or existing Beiersdorf companies. These changes in the consolidated Group did not have any significant impact on the items in the Group balance sheet or the Group's profit after tax. Three companies in which Beiersdorf has a share of 50 % and which are run jointly with the other shareholders are consolidated pro rata in accordance with IAS 31 (Financial Reporting of Interests in Joint Ventures). The number of joint ventures in the consolidated Group remains unchanged from the year before, as one joint venture was deconsolidated in the course of the establishment of BSN medical GmbH & Co. KG.

Effective April 2, 2001, Beiersdorf and Smith & Nephew plc. formed the joint venture BSN medical GmbH & Co. KG. For contributing the medical professional business, Beiersdorf received a 50 % share in the joint venture. In line with SIC 13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers), the difference resulting from this contribution was offset in total directly to shareholders' equity. The impact of the formation of the joint venture on the Group balance sheet is shown in the adjacent table.

Effects from the formation of BSN medical

(in million €)	2001
Fixed assets	-3
Inventories	13
Other assets	10
Shareholders' equity	-10
Provisions	-4
Liabilities	34

The three joint ventures account for € 267 million of the income shown in the income statement and € 250 million of the expenditure, and hence for € 17 million of the result. The companies consolidated pro rata account for € 55 million of fixed assets and € 148 million of current assets. These companies are responsible for € 123 million of the liabilities and provisions.

11 German and 14 international companies which individually and in overall terms are of only minor importance for presenting a true and fair view of the Group's assets, liabilities, earnings and financial position are not included.

Consolidation principles

The individual company financial statements consolidated in the Group accounts are all prepared as at the same closing date of December 31 and in accordance with the accounting and valuation principles for the Beiersdorf Group. The accounts included have been audited by independent auditors.

Capital consolidation is by the acquisition method. Here the acquisition costs of the interests acquired are set off against the share of shareholders' equity due to the parent company at the time of acquisition. Differences arising from this offsetting are wholly or partially allocated to the assets of the affiliated companies and written down over the useful life of the assets. Any remaining positive differences are capitalized as goodwill and written down over the probable useful life. Negative goodwill is netted against retained earnings or allocated to other provisions.

Provisions made in individual company financial statements for intragroup receivables or for write-downs on shares of consolidated companies are reversed upon consolidation.

Intragroup balances, intragroup transactions, and resulting unrealized profits are eliminated upon consolidation. Deferred taxes have been provided on consolidation entries where necessary.

The same consolidation principles apply to joint ventures consolidated pro rata. Any necessary consolidation measures arising from relations with companies consolidated pro rata are made in proportion to the shares held.

Currency translation

The accounts of foreign affiliates are translated in accordance with the functional currency concept. Balance sheets are translated at the mean rate in effect on the balance sheet date, and income statements at the average rate for the year, as these companies run their business independently from a financial, economic and organizational point of view. Differences arising from currency translation with regard to assets and liabilities as compared with the previous year's translation, and differences in translation between balance sheet and income statement items, are recorded as a separate component of shareholders' equity.

In order to better mitigate the effects of inflation, the financial statements of major affiliates in high-inflation countries are prepared in Euro.

In the financial statements of the individual companies, accounts payable and receivable in foreign currency are translated at the rate that applied on the day they arose. However, if translation of the foreign currency items at the rate in effect at the balance sheet date results in a lower figure in the case of receivables or a higher figure in the case of accounts payable, the foreign currency items are valued at the rate in effect on the balance sheet date unless they are rate-hedged.

The changes in exchange rates for the currencies of relevance to the Group Financial Statements are shown in the adjacent table.

Exchange rate developments

ISO code		Average rates	
1 € =		2000	2001
Swiss Franc	CHF	1.5568	1.5088
Pound Sterling	GBP	0.6076	0.6196
Japanese Yen	JPY	99.5121	108.8307
Mexican Peso	MXN	8.7267	8.3308
US Dollar	USD	0.9198	0.8922

ISO code		Reporting date rates	
1 € =		2000	2001
Swiss Franc	CHF	1.5221	1.4805
Pound Sterling	GBP	0.6233	0.6088
Japanese Yen	JPY	106.8999	115.7200
Mexican Peso	MXN	8.9200	8.0600
US Dollar	USD	0.9305	0.8820

Notes to the Income Statement

(1) Sales

A breakdown of sales and their development by division and region is given in the segment reporting on pages 66 and 67.

(2) Cost of goods sold

This item comprises the cost of internally produced goods sold and the purchase price of merchandise sold. The cost of internally produced goods includes not only the directly allocatable costs such as the cost of materials, personnel and energy, but also production-related overheads including depreciation on production plant.

(3) Selling expenses

Selling expenses include the cost of marketing, sales organization and distribution logistics. In 2001, the marketing expenses for advertising, trade marketing and similar items came to € 1,266 million (previous year: € 1,093 million).

(4) Research and development expenses

In accordance with IAS 38 (Intangible Assets), research and development expenses include the cost of research and of product and process development including expenses for third-party services. Development expenses are treated in their entirety as period-related expenses, because the criteria for capitalization are not satisfied in view of the individual risks that exist until the time of market launch.

(5) General administration expenses

This item shows the personnel and other costs of administration and the cost of external services, except when they have been recharged to other functional areas.

(in million €)	2000	2001
Gains from disposal of fixed assets	4	1
Exchange gains	12	16
Income from release of provisions	25	35
Other income	40	96
	81	148

(6) Other operating income

Other income consists of income from license agreements, income not related to the current period, income from the release of the allowance for doubtful accounts, and other operating income.

(in million €)	2000	2001
Expenses on restructuring measures	24	17
Losses on disposal of fixed assets	5	4
Exchange losses	11	16
Other expenses	123	113
	163	150

(7) Other operating expenses

Other expenses include write-downs on goodwill and trademarks acquired, provisions for miscellaneous risks and other operating expenses.

(in million €)	2000	2001
Interest income	26	24
(of which: from affiliated companies)	(-)	(-)
Interest expense	-21	-14
(of which: from affiliated companies)	(-)	(-)
	5	10

(8) Interest income/expense (net)

Interest expense includes the interest cost component of pension obligations set against income from plan assets and the amortization of unrecognized actuarial gains in the same amount.

(9) Other financial income/expense

(in million €)	2000	2001
Write-downs on current asset securities	-1	-1
Other financial income	13	13
Other financial expense	-24	-20
	-12	-8

Other financial income consists of exchange gains on financial items in foreign currency. Other financial expense includes exchange losses on financial items.

(10) Taxes on income

Taxes on income comprise the taxes paid or owed on income and profit in the individual countries, as well as deferred taxes on temporary timing differences. The breakdown of expenditure on income taxes including deferred taxes is as follows:

(in million €)	2000	2001
Taxes on income, Germany	61	83
International	78	90
	139	173
Deferred taxes	17	10
	156	183

Taxes on income include € 12 million in tax refunds attributable to previous periods (previous year: tax expense of € 4 million).

Deferred taxes result from differences in the valuations between the tax accounts of the individual companies and the valuations in the Group accounts. They are determined using the balance sheet liability method by applying the tax rates expected to be in effect in the individual countries at the time of realization. These are essentially based on the laws in force on the balance sheet date.

With an effective tax rate of 39.0 %, actual tax expense is € 11 million higher than expected tax expense. The expected tax rate is calculated as a weighted average of the tax rates of the individual Group companies, and came to 36.8 % in 2001 (previous year: 41.4 %). The change in this tax rate is largely due to the reduction in the income tax rate in Germany. The following table shows the reconciliation from expected to actual tax expense:

(in million €)	2000	2001
Expected tax expense at a tax rate of 36.8 % (previous year: 41.4 %)	158	172
Tax increase due to nondeductible expenses	9	9
Other tax effects	-11	2
Actual tax expense	156	183

Other taxes are included in the costs of the functional areas.

€ 6 million of the profit is due to minority shareholders (previous year: € 6 million).

Earnings per share in 2001 came to € 3.32 (previous year: € 2.61). There was no change in the number of shares (84 million individual shares) in the year under review. As there are no outstanding financial instruments that can be exchanged for shares, there is no need to calculate diluted earnings per share.

Material expenses

Expenses for raw material, supplies, merchandise, and external services came to € 1,196 million (previous year: € 1,112 million).

(11) Minority interests

(12) Earnings per share

(13) Miscellaneous information

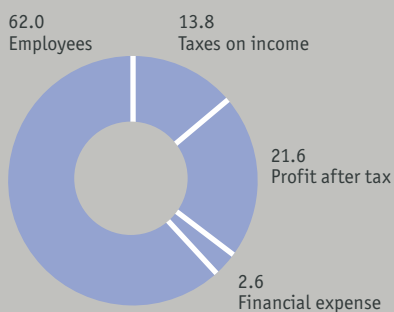
Value-added calculation of the Beiersdorf Group

Output method (in million €)

Sales	4,542
Material expenses	-1,196
Depreciation	-154
Other expenses	-1,910
Financial income	+37
Company income	1,319



Income received method (in %)



Personnel expenses

(in million €)	2000	2001
Wages and salaries	634	660
Social security contributions and assistance costs	122	126
Pension costs	30	31
	786	817

Employees

The breakdown of employees by functional area is as follows:

Functional areas (employee numbers at Dec. 31)	2000	2001
Production	6,099	7,092
Sales and Marketing	5,698	6,322
Other functions	4,793	4,335
	16,590	17,749

The total figure includes the proportion of employees in joint ventures that corresponds to the interest held by Beiersdorf. A total of 3,516 (previous year: 178) persons work in these companies. In the period under review the number of employees increased by 1,159 compared with December 31, 2000 to reach 17,749. Initial consolidation of companies accounted for 715 of this figure.

The breakdown of employees among the segments of the Beiersdorf Group can be seen in the segment reporting on pages 66 and 67.

Notes to the Balance Sheet

(14) Intangible assets

(in million €)	Patents, licenses, trademarks and similar rights and assets	Goodwill	Advance payments	Total
Cost of acquisition				
Opening balance Jan. 1, 2001	284	27	3	314
Changes due to exchange rate developments	–	–	–	–
Changes in consolidated Group	11	–	–	11
Additions	48	9	1	58
Disposals	-9	–	-1	-10
Transfers	3	–	-2	1
Closing balance Dec. 31, 2001	337	36	1	374
Amortization				
Opening balance Jan. 1, 2001	187	9	–	196
Changes due to exchange rate developments	–	–	–	–
Changes in consolidated Group	11	–	–	11
Amortization 2001	33	6	–	39
Disposals / Transfers	-10	–	–	-10
Closing balance Dec. 31, 2001	221	15	–	236
Book value Dec. 31, 2001	116	21	1	138
Book value Dec. 31, 2000	97	18	3	118

Intangible assets acquired against payment are valued at acquisition cost and amortized on a straight line basis over their useful lives. Impairment write-downs are made where there is a permanent reduction in value. If reasons for impairment write-downs cease to apply, appropriate write-ups are made.

The intangible assets include the acquired trademarks.

The usual amortization period for intangible assets is five years. As an exception to this rule, the NIVEA trademarks are amortized over a useful life of 10 years.

Goodwill arising upon consolidation and derivative goodwill from the individual company accounts is capitalized in accordance with IAS 22 (Business Combinations) and amortized on a straight-line basis over a period of between five and a maximum of twenty years depending on the useful life. The value of goodwill is checked regularly. Where necessary, the value is adjusted appropriately.

Goodwill arising from capital consolidation that took place before January 1, 1995 is not capitalized, but is netted directly against shareholders' equity without affecting the results.

(15) Property, plant and equipment

(in million €)

	Land and buildings	Machinery and technical equipment	Office and other equipment	Assets under construction and advance payments	Total
Cost of acquisition/manufacture					
Opening balance Jan. 1, 2001	676	760	443	54	1,933
Changes due to exchange rate developments	5	3	3	2	13
Changes in consolidated Group	-3	10	-2	-	5
Additions	14	33	46	82	175
Disposals	-7	-33	-35	-3	-78
Transfers	20	30	12	-63	-1
Closing balance Dec. 31, 2001	705	803	467	72	2,047
Depreciation					
Opening balance Jan. 1, 2001	312	497	316	-	1,125
Changes due to exchange rate developments	2	1	2	-	5
Changes in consolidated Group	-4	8	-2	-	2
Depreciation 2001	21	47	47	-	115
Disposals/Transfers	-7	-30	-34	-	-71
Closing balance Dec. 31, 2001	324	523	329	-	1,176
Book value Dec. 31, 2001	381	280	138	72	871
Book value Dec. 31, 2000	364	263	127	54	808

Property, plant and equipment are capitalized at the cost of acquisition or manufacture and scheduled depreciation is taken in line with the probable economic life of the asset. The cost of manufacture of company-produced tangible assets is determined on the basis of directly allocatable individual costs and appropriate overheads. Repair and maintenance costs for property, plant and equipment are included on the basis of expense incurred. Such items are capitalized in exceptional cases where the measure results in an extension or substantial enhancement of the asset.

Property, plant and equipment are depreciated on a straight-line basis. Impairment write-downs are taken where there is a probability of a permanent reduction in value. If the reasons for impairment write-downs cease to apply, appropriate write-ups are made. Minor assets are depreciated in full in the year of acquisition.

Scheduled depreciation on property, plant and equipment is based on the following useful economic lives:

Residential and production buildings	25	to	33 years
Other buildings	10	to	25 years
Machinery and technical equipment	5	to	15 years
Vehicles			4 years
Office and other equipment	3	to	15 years

(16) Financial assets

(in million €)

Shares in
affiliated
companies

Participations

Investment
securities

Other

Total

Cost of acquisition

Opening balance Jan. 1, 2001	25	2	3	2	32
Changes due to exchange rate developments	–	–	–	–	–
Changes in consolidated Group	-15	–	–	–	-15
Additions	–	7	–	1	8
Disposals	–	-2	–	-1	-3
Transfers	–	–	–	–	–
Closing balance Dec. 31, 2001	10	7	3	2	22

Depreciation

Opening balance Jan. 1, 2001	6	2	–	–	8
Changes due to exchange rate developments	–	–	–	–	–
Changes in consolidated Group	-2	–	–	–	-2
Depreciation 2001	–	–	–	–	–
Disposals/Transfers	–	-2	–	–	-2
Closing balance Dec. 31, 2001	4	–	–	–	4
Book value Dec. 31, 2001	6	7	3	2	18
Book value Dec. 31, 2000	19	–	3	2	24

Interests in nonconsolidated affiliated companies and other participating interests are valued at acquisition costs following the principle of individual valuation. Impairment write-downs are taken where there is a probability of a permanent reduction in value. If the reasons for impairment write-downs cease to apply, appropriate write-ups are made. Interest-free or low-interest loans are assessed at their cash value, other loans at nominal value.

(in million €)

	2000	2001
Raw materials and supplies	138	148
Work in progress	47	46
Finished products, goods	405	496
Advance payments	5	5
	595	695

(17) Inventories

Inventories are valued at acquisition or manufacturing cost, or at a lower market value or lower realizable value. Inventories are valued using the fifo or average cost method. Manufacturing costs include not only individual costs, but also apportioned material and production overheads and production-related depreciation. They also include the relevant share of the cost of company pension arrangements and of voluntary fringe benefits provided by the company, and production-related administration expenses.

(18) Receivables and other assets

(in million €)	2000	2001
Trade accounts receivable	610	660
(thereof maturities of more than 1 year)	(-)	(-)
Accounts receivable from affiliated companies	11	6
(thereof maturities of more than 1 year)	(-)	(1)
Accounts receivable from companies in which a participating interest is held	3	3
(thereof maturities of more than 1 year)	(1)	(-)
Other assets	136	100
(thereof maturities of more than 1 year)	(1)	(4)
	760	769

Receivables and other assets are recorded at their nominal value, bills receivable and interest-free or low-interest loans are assessed at their present value. Appropriate allowances have been made for identifiable individual risks, and the overall credit risk is provided for by an allowance for doubtful accounts. Other assets include tax refund entitlements (€ 34 million), short-term loans (€ 2 million) and other receivables.

(in million €)	2000	2001
Marketable securities	288	301
Cash	344	413
	632	714

(19) Cash and cash equivalents

In accordance with IAS 39 (Financial Instruments: Recognition and Measurement) marketable securities are reported at their fair value (market value).

The initial adjustment to restate marketable securities to market value from their book value was recorded directly to shareholders' equity (see also Note 26), as are unrealized gains and losses arising on subsequent changes in fair market value.

Securities held by the Beiersdorf special-funds are included in the financial statements in accordance with SIC 12 (Consolidation – Special Purpose Entities) and shown under "marketable securities".

Cash balances comprise balances at banks, petty cash balances and checks.

Deferred taxes result mainly from differences in the valuations between the commercial accounts in accordance with IAS and the tax accounts of the individual companies, and also on consolidation entries. See also Note 10 "Taxes on income".

(20) Deferred taxes

(21) Prepaid expenses

The greater portion of prepaid expenses will probably be utilized in 2002.

(22) Capital stock

The share capital totals € 215,040,000.-. There were 84,000,000 individual shares issued as at the balance sheet date.

(23) Authorized capital

At the Annual General Meeting on June 20, 2000 the Executive Board was empowered to raise the share capital with the consent of the Supervisory Board during the period ending June 19, 2005 in three steps by a total of up to € 87,000,000 (authorized capital I: € 45 million; authorized capital II: € 21 million; authorized capital III: € 21 million) by issuing once or several times new bearer shares. The right to participation in the profits of such new shares may be defined other than as prescribed in Section 60 para. 2 of the Stock Corporations Act (*AktG*).

The shareholders are to be granted a preemptive right. The Executive Board may however exclude the preemptive right with the consent of the Supervisory Board in the following cases:

1. to offset residual amounts due to an increase of capital resulting from cash contributions (authorized capital I, II, III);
2. where this is necessary to grant bearers/creditors of convertible bonds or warrant-linked bonds issued by Beiersdorf Aktiengesellschaft or by its directly or indirectly majority-owned subsidiaries a right to subscribe to new shares on the scale to which they would be entitled after exercising the conversion or option rights or after satisfying the conversion obligation (authorized capital I, II, III);

Investor Relations	Management Report	Group Financial Statements	Group Notes	Additional Information

3. to issue new shares at an issue price that is not substantially lower than the market price of the shares already listed at the time the issue price is finalized, which should be as close as possible to the time of placement of the new shares (authorized capital II);
4. in the event of increases of capital against noncash contributions for the purpose of acquiring enterprises or participations in enterprises (authorized capital III).

The Executive Board was furthermore authorized to decide, with the consent of the Supervisory Board, the further details of the increase of capital and its implementation.

The Annual General Meeting on June 20, 2000 also passed a resolution which provided for a contingent increase of up to € 40 million in share capital. Under this resolution the contingent capital increase will only be implemented insofar as

(24) Contingent capital

1. the bearers or creditors of conversion and/or option rights attached to the convertible bonds and/or warrant-linked bonds issued by Beiersdorf AG or its directly or indirectly majority-owned affiliates during the period ending June 19, 2005 exercise their conversion or option rights, or
2. the bearers or creditors with a conversion obligation in respect of the convertible bonds issued by Beiersdorf AG or its directly or indirectly majority-owned affiliates during the period ending June 19, 2005 satisfy their conversion obligations.

The new shares are to participate in profits as from the beginning of the financial year in which they come into existence as a result of the exercise of conversion or option rights or of the satisfaction of conversion obligations.

Additional paid-in capital includes the paid-in surplus from the issuance of shares by Beiersdorf AG.

(25) Additional paid-in capital

(26) Retained earnings

Retained earnings contain prior years' undistributed profits of companies included in the consolidated Group, consolidation entries, and other adjustments made directly to shareholders' equity.

In accordance with SIC 13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers), the difference of € 10 million arising from the contribution of the professional business of the medical division to the joint venture BSN medical GmbH & Co. KG has been offset directly against retained earnings.

The effects of the revised valuation and the changes in the fair value of marketable securities, a total of € 3 million, were recorded directly to retained earnings. They comprise the figure of € 6 million resulting from the initial adjustment as at Jan. 1, 2001, and subsequent changes in fair market value totaling € -3 million in 2001. The effect of the valuation of financial derivatives totals € -5 million and was also recorded directly to retained earnings.

(27) Minority interests

This item comprises third parties' shares in the equity of fully consolidated affiliates. Third-party shares exist primarily in Bode Chemie GmbH & Co., Hamburg; Nivea-Kao Co., Ltd., Japan; Beiersdorf (Thailand) Co., Ltd.; PT. Beiersdorf Indonesia and Beiersdorf India Limited.

(28) Provisions for pensions and other postemployment benefits

Group companies provide benefits for most of their employees, either directly or by contributing to independently administered funds (in the case of Beiersdorf AG in the form of the foundation "TROMA Alters- und Hinterbliebenenstiftung, Hamburg"). The way these benefits are provided varies according to the legal, economic and fiscal conditions in each country, the benefits generally being based on the employees' remuneration, years of service and their position within the company. The direct and indirect obligations relate to both existing retirees' pensions and pension entitlements of future retirees.

The pension obligations covered by the legally independent "TROMA Alters- und Hinterbliebenenstiftung, Hamburg", take into account the assets of this foundation.

Group companies provide retirement benefits under defined contribution plans and defined benefit plans. The resulting expenses – with the exception of the interest portion of the pension entitlements acquired in prior years and the return on plan assets – are included in the costs of the functional areas.

In accordance with IAS 19 (Employee Benefits), pension provisions for defined benefit plans are calculated by the projected unit credit method. Benefits expected to be payable after retirement are spread over each employee's entire period of employment. In the year under review no exceptional income or expense arose from plan terminations or from curtailment or settlement of pension benefits.

The calculation of pension obligations takes into account market interest rates and trends in wages/salaries and pensions. The following assumptions were made when assessing the figures for the German companies:

	Dec. 31, 2000	Dec. 31, 2001
Discount rate	5.75 %	5.75 %
Projected salary increases	3.00 %	3.00 %
Projected pension increases	2.00 %	2.00 %
Projected employee turnover	2.00 %	2.00 %
Projected return on plan assets	5.75 %	5.75 %

In the cases of the international companies, these parameters vary according to the economic conditions in the individual countries.

Total expenditure on defined benefit pension plans can be broken down as follows:

(in million €)	2000	2001
Expenses for pension entitlements acquired in the reporting year	19	19
Interest cost on present value of pension entitlements acquired in prior years	33	33
Return on plan assets	-18	-23
Amortization of unrecognized actuarial gains/losses	-3	-11
Total expenditure on defined benefit pension plans	31	18

The pension provision is calculated as follows:

(in million €)	2000	2001
Present value of pension obligations not covered by plan assets	411	460
Present value of pension obligations covered by plan assets	199	168
Present value of pension obligations	610	628
Fair value of plan assets	-399	-443
Present value of pension obligations after deducting fair value of fund assets	211	185
Unrecognized actuarial gains/losses	206	220
Provision for pensions in accordance with IAS 19	417	405

Actuarial gains and losses are not recognized in the financial statements except where they exceed 10 % of the present value of the obligations and of the fair value of the plan assets. Where they exceed 10 %, they are amortized over the expected remaining working lives of the employees concerned, starting the following year.

Plan assets and pension obligations are valued on a regular basis at intervals not exceeding three years. For all major pension plans the actuarial valuations are performed annually.

Provisions are also set up under this item for the obligations of certain Group companies, especially in the USA, to provide health care and certain other benefits to their retirees, since these obligations are similar in character to pension obligations.

Similar obligations also include obligations in respect of compensation payable on withdrawal and early retirement benefits. These are calculated in accordance with actuarial rules on the basis of the usual local interest rates.

(29) Other provisions

	Taxes	Personnel expenses	Marketing and sales expenses	Restructuring measures	Miscellaneous	Total
(in million €)						
Opening balance Jan. 1, 2001	76	100	92	25	118	411
Changes due to exchange rate developments	–	–	1	–	1	2
Changes due to consolidated Group	–	–	-1	3	-1	1
Addition	55	73	97	7	124	356
Usage	-26	-47	-92	-21	-88	-274
Release	-3	-3	-1	-1	-30	-38
Closing balance Dec. 31, 2001	102	123	96	13	124	458

Other provisions cover all identifiable future payment obligations, risks and uncertain obligations of the Group. Assessed at the probable amount of the liability incurred, they mostly have a maturity not exceeding one year.

Provisions for personnel expenses consist primarily of expense for part-time schemes for employees approaching retirement, annual supplementary payments, holiday payments, severance payments and anniversary obligations. Miscellaneous provisions relate largely to litigation risks, environmental protection measures and other risks.

(30) Liabilities

(in million €)	2000	Maturities up to 1 year	Maturities 1 to 5 years	2001	Maturities up to 1 year	Maturities 1 to 5 years
Financial liabilities	83	67	11	129	117	4
Trade accounts payable	356	350	6	337	328	9
Accounts payable to affiliated companies	5	5	–	2	2	–
Accounts payable to companies in which a participating interest is held	1	1	–	2	2	–
Tax liabilities	32	30	–	33	31	–
Social security liabilities	16	16	–	18	18	–
Miscellaneous liabilities	93	92	1	109	106	3
Other liabilities	147	144	1	164	159	3
	586	561	18	630	604	16

Liabilities are shown at the higher of their nominal value or the repayment value. Financial liabilities of € 8 million (previous year: € 5 million) and other liabilities of € 2 million (previous year: € 2 million) have a maturity of more than 5 years.

Financial liabilities include all interest-bearing liabilities of the Beiersdorf Group. They consist mainly of liabilities to banks. No bonds were issued.

Trade accounts payable include liabilities in the amount of € 6 million (previous year: € 9 million) arising from bills accepted and drawn.

There are no secured liabilities to banks (previous year: € 1 million).

(in million €)	2000	2001
Contingent liabilities		
Bills	1	1
Liabilities under guarantees	–	2
Other financial obligations		
Obligations under rental and leasing agreements for the next 3 years	15	21

(31) Contingent liabilities and other financial obligations

Beiersdorf has potential obligations arising from a legal action and claims brought against the company. Estimates of possible future expenses are subject to numerous uncertainties. Beiersdorf does not expect this to have any significant negative impact on the Group's business or financial situation.

In the Beiersdorf Group, derivative financial instruments are used to manage existing and future foreign exchange and interest rate risks. The instruments serve to hedge the basic operational business and the company's essential financial transactions; the companies do not incur any additional financial risks as a result of these instruments. The transactions are conducted entirely in standard market instruments (forwards, currency options, swaps, interest rate options). Currency ratehedging relates largely to intra-group deliveries and loans, while interest rate hedging relates to long-term financing.

(32) Derivative financial instruments

Derivative financial instruments are recognized in accordance with IAS 39 (Financial Instruments: Recognition and Measurement).

The nominal value is the sum of all purchase and sale amounts under derivative financial transactions. Amounts have not been netted out in the nominal value shown.

The market values shown are calculated by valuing the outstanding items at market rates on the balance sheet date without taking into account the opposite development in the value of the underlying transaction.

(in million €)	Market value		Nominal value		Maturities	
	2000	2001	2000	2001	up to 1 year	over 1 year
Forward exchange deals	10	-2	378	394	371	23
Currency options	-	-	8	-	-	-
Interest rate swaps	-4	-7	50	43	21	22
Interest rate options	-	-	3	-	-	-
	6	-9	439	437	392	45

Positive market values of derivatives always include a risk of loss arising from nonfulfillment of contract obligations by the counterparties. The contracting parties are banks of first-class credit standing. The risk of loss is therefore judged to be very low.

Notes to the Cash Flow Statement

The cash flow statement shows the changes that took place in the Beiersdorf Group's cash and cash equivalents during the year under review as a result of inflows and outflows of funds. A distinction is made between payment flows for operating, investing and financing activities.

The liquidity shown in the cash flow statement comprises cash balances, checks and balances at banks, and also marketable securities.

Largely as a result of higher EBIT and relatively lower taxes on income, gross cash flow showed an increase to € 456 million in the year under review. Even after the rise in inventories and receivables due to the expansion of business, Beiersdorf achieved a positive cash inflow of € 347 million from operating activities. The cash outflow of € 185 million for investing activities is largely the result of expenditure on property, plant and equipment and intangible assets. The positive free cash flow of € 162 million enabled Beiersdorf to meet the cost of financing and pay a total dividend of € 84 million.

Miscellaneous Information

Information on relations with related companies pursuant to IAS 24

In the context of its provision for risks, Beiersdorf has business relations with companies belonging to the Allianz Group. The choice of insurance providers and the handling of insurance transactions takes place through an independent insurance broker. In addition, traffic in goods and services takes place on a small scale in the course of normal business between the Beiersdorf Group and nonconsolidated Beiersdorf companies and associated enterprises.

Business transactions with related companies are conducted on the usual market terms.

Total remuneration of Supervisory Board and Executive Board, loans granted

The remuneration of the members of the Supervisory Board for the year 2001 amounted to € 1,309 thousand (previous year: € 1,057 thousand). Total remuneration of the members of the Executive Board for the financial year 2001 came to € 4,814 thousand (previous year: € 4,300 thousand), while payments to former members of the Executive Board and their dependants came to € 1,283 thousand (previous year: € 1,140 thousand). Total provisions for pension commitments to former members of the Executive Board and their dependants totalled € 12,622 thousand (previous year: € 12,592 thousand).

No loans were made to members of the Supervisory Board or the Executive Board.

Events after the balance sheet date

No significant events occurred after the balance sheet date.

Significant figures for Beiersdorf AG (pursuant to the provisions of the German Commercial Code)

(in million €)	Dec. 31, 2000	Dec. 31, 2001
Sales	1,534	1,285
Operating result (EBIT)	110	181
Profit after tax	100	155
Shareholders' equity	820	891
Balance sheet total	1,567	1,542

Shareholdings of Beiersdorf AG

The significant Group companies are listed on pages 100 and 101. A list of shareholdings is filed with the Commercial Register of the Hamburg District Court.

Ownership of share capital of Beiersdorf AG

BEI Beteiligungsgesellschaft mbH & Co. KG (a 100 % affiliated company of Allianz AG), Munich, and TCHIBO Beteiligungsgesellschaft mbH (a 100 % affiliated company of TCHIBO Holding AG), Hamburg, each hold more than 25 % of the share capital of Beiersdorf AG.

Recommended use of unappropriated profit of Beiersdorf AG

(in €)	2001
Beiersdorf AG profit after tax	154,921,440
Transfer to retained earnings	45,721,440
Unappropriated profit	109,200,000

The Executive Board recommends to the Annual General Meeting that the unappropriated profit of Beiersdorf AG in the amount of € 109,200,000.– be used to pay a dividend of € 1.30 per share on the 84 million individual shares.

Hamburg, February 2002

The Executive Board

Auditors' Report

We have audited the Consolidated Financial Statements prepared by Beiersdorf Aktiengesellschaft, consisting of the balance sheet, income statement, shareholders' equity statement, cash flow statement and notes, for the financial year from January 1 to December 31, 2001. The preparation and content of the Consolidated Financial Statements are the responsibility of the Company's legal representatives. Our task is to express an opinion, based on our audit, as to whether they comply with International Accounting Standards (IAS).

We conducted our audit in accordance with the German audit regulations and having regard to the German principles of proper auditing laid down by the "Institut der Wirtschaftsprüfer" (IDW) in Germany, and also having regard to the International Standards on Auditing (ISA). These require that we plan and perform our audit to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Group financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's legal representatives, as well as evaluating overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements present a true and fair view of the Company's net assets and financial position and of the income and cash flow position for the financial year in accordance with International Accounting Standards (IAS).

Our audit, which also included the Group Management Report prepared by the Executive Board for the financial year from January 1 to December 31, 2001, did not give rise to any objections. We are satisfied that the Group Management Report gives an accurate overall picture of the Group's situation and suitably presents the risks associated with its future development. We furthermore confirm that, having regard to our foregoing statement, the Consolidated Financial Statements and the Group Management Report for the financial year ending December 31, 2001 satisfy the requirements for the

Company's exemption from preparing Consolidated Financial Statements and a Group Management Report in accordance with German commercial law. On the basis of the interpretation of the 7th EC Directive by the European Commission Contact Committee on Accounting Directives, we have verified the compliance of the Group Accounts with the said Directive which is a precondition for such exemption from the preparation of Consolidated Financial Statements under German Commercial Law.

Hamburg, February 27, 2002

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sgd. Dyckerhoff
Wirtschaftsprüfer

sgd. Dannenbaum
Wirtschaftsprüfer

Boards of Beiersdorf AG

Honorary Chairman of the Company

Georg W. Claussen

Supervisory Board

Dr. Hans Meinhardt, Wiesbaden
Chairman

Chairman of Supervisory Board,
Linde AG

Chairman of Supervisory Board
Karstadt Quelle AG
Karstadt Warenhaus AG
Linde Gas AG (until Oct. 15, 2001)

Deputy Chairman of Supervisory Board
Nv Hoek Loos Schiedam/NL

Jürgen Krause, Hamburg
Deputy Chairman

Chairman of Works Council,
Beiersdorf AG

Günter Herz, Hamburg
Deputy Chairman

Merchant

Wilfried Boysen, Hamburg
Member of Executive Board,
Reemtsma Cigarettenfabriken GmbH

Dr. Diethart Breipohl, Icking
Member of Supervisory Board,
Allianz AG

Member of Supervisory Board
Bayerische Hypo- und Vereinsbank AG
Continental AG
Karstadt Quelle AG
KM Europa Metal AG
mg technologies ag

Member of Conseil d'Administration
Crédit Lyonnais, Paris/F
Les Assurances Générales de France (AGF),
Paris/F

Member of Consejo de Administración
Banco Popular Español, Madrid/E

Member of Board of Directors
BPI Banco Portugues de Investimento, Porto/PT

Margret Buhse, Hamburg
Head of Corporate Communication,
Beiersdorf AG

Dr. Carl Albrecht Claussen, Berlin
Attorney at Law

Dr. Walter Diembeck, Hamburg
Head of Biocompatibility,
Research and Development cosmed,
Beiersdorf AG

Rainer Holland, Hardebek
Machine Fitter, Beiersdorf AG

Norbert Ranft, Bochum
Executive Committee Secretary,
IG Bergbau, Chemie, Energie

Deputy Chairman of Supervisory Board
DBE (Deutsche Gesellschaft zum Bau und Betrieb
von Endlagern für Abfallstoffe mbH)
RAG Umwelt GmbH
Wintershall AG

Manuela Rousseau, Halstenbek
Head of PR Programs, Beiersdorf AG

Professor at the Academy of Music
and Theater, Hamburg

Hans-Otto Wöbcke, Hamburg
Former Chairman of Executive Board,
Beiersdorf AG

Member of Supervisory Board
Philips GmbH
Fielmann AG
AON Jauch & Hübener GmbH

Chairman of Administrative Board
Stulz Holding GmbH

Deputy Chairman of Advisory Board
AON Jauch & Hübener Holding GmbH

Executive Board

Dr. Rolf Kunisch
Chairman

Deputy Chairman of Supervisory Board
Hermes Kreditversicherungs-AG

Member of Supervisory Board
Hamburg-Mannheimer Sachversicherungs-AG
Hamburg-Mannheimer Versicherungs-AG
Lufthansa Technik AG

Dr. Werner Opgenoorth
Human Resources/Administration/
Environmental Protection

Thomas-Bernd Quaas
medical division

Rolf-Dieter Schwalb
Finance/Controlling

Dieter W. Steinmeyer
tesa division

Uwe Wölfer
cosmed division

Significant Group Companies

	Location	Share of capital (%)	Sales ¹⁾ 2001 (million €)	Result ²⁾ 2001 (million €)	Employees Dec. 31, 2001
Germany					
Beiersdorf AG	DE, Hamburg		1,137	168	3,282
Bode Chemie GmbH & Co.	DE, Hamburg	75	63	4	269
Cosmed-Produktions GmbH	DE, Berlin	100	54	3	144
Juvena Produits de Beauté GmbH	DE, Baden-Baden	100	93	1	492
tesa AG	DE, Hamburg	100	336	3	759
tesa-Werke Offenburg GmbH	DE, Offenburg	100	43	2	497
Europe excluding Germany					
Beiersdorf Gesellschaft m.b.H.	AT, Vienna	100	127	7	229
SA Beiersdorf NV	BE, Brussels	100	86	7	133
Bandfix AG	CH, Bergdietikon	100	36	3	150
Beiersdorf AG ³⁾	CH, Münchenstein	50	46	8	60
Juvena (International) AG	CH, Volketswil/Zurich	100	49	1	123
Beiersdorf spol. s.r.o.	CZ, Prague	100	29	3	75
Beiersdorf A/S	DK, Birkerød	100	41	1	101
BDF Nivea SA	ES, Tres Cantos/Madrid	100	129	6	293
Beiersdorf S.A.	ES, Argentona/Barcelona	100	68	3	355
Beiersdorf s.a.	FR, Savigny-le-Temple	99.8	335	15	733
Beiersdorf UK Ltd.	GB, Milton Keynes	100	133	3	192
Beiersdorf Hellas AE	GR, Gerakas/Attikis	100	51	2	194
Beiersdorf KFT.	HU, Budapest	100	37	4	95
Beiersdorf SpA	IT, Milan	100	332	13	381
Beiersdorf N.V.	NL, Almere	100	146	10	322
Beiersdorf-Lechia S.A.	PL, Poznan	99.9	110	6	417
Beiersdorf Portuguesa, Lda.	PT, Queluz de Baixo	100	62	6	110
Beiersdorf ooo	RU, Moscow	100	91	11	53
Beiersdorf AB	SE, Kungsbacka	100	88	6	234

	Location	Share of capital (%)	Sales ¹⁾ 2001 (million €)	Result ²⁾ 2001 (million €)	Employees Dec. 31, 2001
Americas					
Beiersdorf S.A.	AR, Buenos Aires	100	40	-13	81
BDF Nivea Ltda.	BR, São Paulo	100	87	-3	124
Beiersdorf Canada Inc.	CA, Québec	100	31	-3	25
Beiersdorf SA	CL, Santiago de Chile	100	41	4	140
Beiersdorf S.A.	CO, Cali	100	26	1	219
BDF México, S.A. de C.V.	MX, Mexico City	100	100	-5	360
Beiersdorf Inc.	US, Wilton, CT	100	359	1	628
La Prairie, Inc.	US, New York	100	40	-1	75
tesa tape inc.	US, Charlotte, NC	100	98	-1	282
Africa/Asia/Australia					
Beiersdorf Australia Ltd.	AU, North Ryde, NSW	100	48	-2	156
Nivea-Kao Co., Ltd.	JP, Tokyo	60	168	10	62
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	90	47	5	166
BSN medical GmbH & Co.KG (subgroup)³⁾		50	200	7	1,676

1) These figures also include company sales to other Group companies, and do not show the companies' contributions to the Group Financial Statements

2) Profit after tax in accordance with the Group accounting and valuation policies (IAS) before consolidation

3) Joint venture, consolidated pro rata

Ten-Year Overview – Beiersdorf Group

(Figures in million €, unless otherwise stated)

		1992	1993	1994	1995	1996	1997	1998 ¹⁾	1999	2000	2001
Sales		2,328	2,435	2,634	2,733	2,954	3,215	3,347	3,638	4,116	4,542
Change from previous year	in %	1.4	4.6	8.2	3.7	8.1	8.8	4.1	8.7	13.1	10.3
cosmed		1,145	1,280	1,424	1,488	1,573	1,751	1,980	2,242	2,590	2,955
medical		556	557	582	593	711	753	735	768	858	915
tesa		627	598	628	652	670	711	632	628	668	672
Germany		899	910	954	1,030	1,050	1,062	1,192	1,194	1,217	1,256
Europe excluding Germany		916	939	999	1,050	1,146	1,267	1,358	1,493	1,638	1,927
Americas		338	370	385	347	455	556	544	630	832	903
Africa/Asia/Australia		175	216	296	306	303	330	253	321	429	456
EBIT before depreciation (EBITDA)²⁾		290	308	315	357	364	377	424	468	538	620
Operating result (EBIT)²⁾		188	206	212	240	235	248	291	339	389	466
Profit before tax		173	186	207	235	226	132	265	323	382	468
Profit after tax		81	92	106	116	120	72	166	175	226	285
Return on sales (after tax)	in %	3.5	3.8	4.0	4.2	4.0	2.2	5.0	4.8	5.5	6.3
Earnings per share ³⁾	in €	0.95	1.08	1.23	1.30	1.34	1.31	1.93	2.04	2.61	3.32
Total dividend		28	31	34	37	43	43	52	60	84	109
Dividend per share	in €	0.33	0.37	0.41	0.43	0.51	0.51	0.61	0.72	1.00	1.30
Material expenses		722	739	801	845	901	964	981	995	1,112	1,196
Personnel expenses		648	638	662	648	673	716	701	713	786	817
Investment (incl. financial inv.)		175	131	157	204	123	144	138	129	249	241
Depreciation		102	102	104	117	133	133	154	129	149	154
Research and development expenses⁴⁾		66	75	83	90	94	97	74	79	88	92
	in % of sales	2.9	3.1	3.1	3.3	3.2	3.0	2.2	2.2	2.1	2.0
Employees (Dec. 31)		16,899	16,796	17,357	17,975	17,881	16,777	16,417	16,065	16,590	17,749

(Figures in million €, unless otherwise stated)

	1992	1993	1994	1995	1996	1997	1998 ¹⁾	1999	2000	2001
Fixed assets	694	706	743	780	756	751	861	864	950	1,027
Intangible assets	53	51	50	118	105	91	79	56	118	138
Property, plant, equipment	631	640	643	634	628	617	751	782	808	871
Financial assets	11	15	50	28	23	43	31	26	24	18
Current assets⁵⁾	827	877	937	1,023	1,108	1,253	1,545	1,838	2,031	2,220
Inventories	341	347	351	388	401	394	484	515	595	695
Receivables and other assets ⁵⁾	417	434	416	456	497	510	618	701	804	811
Cash and cash equivalents	69	96	170	179	210	349	443	622	632	714
Shareholders' equity	597	667	736	774	853	877	1,127	1,289	1,458	1,636
Capital stock	107	107	107	107	215	215	215	215	215	215
Additional paid-in capital and retained earnings Reserves	458	509	571	605	579	604	843	991	1,135	1,291
Group profit	28	37	43	45	43	43	52	60	84	109
Minority interests	4	14	15	17	16	15	17	23	24	21
Liabilities	924	916	944	1,029	1,011	1,127	1,189	1,413	1,523	1,611
Provisions	433	469	491	553	578	666	691	772	828	863
Financial liabilities	235	171	138	130	91	80	66	61	83	129
Other liabilities	256	276	315	346	342	381	432	580	612	619
Balance sheet total	1,521	1,583	1,680	1,803	1,864	2,004	2,406	2,702	2,981	3,247
Equity ratio	in %	39.3	42.1	43.8	42.9	45.7	43.8	46.8	47.7	48.9
Return on equity (after taxes)	in %	14.1	14.5	15.1	15.4	14.7	8.3	14.7	14.5	16.4
Overall return on capital before taxes	in %	13.0	13.4	13.5	14.5	12.8	7.3	13.1	13.7	14.2
Beiersdorf share										
Year-end price ⁶⁾	in €	16.87	21.73	25.95	25.69	38.91	39.88	58.80	66.66	111.50
Market capitalization at Dec. 31 ⁶⁾		1,417	1,825	2,180	2,158	3,268	3,350	4,939	5,599	10,710

1) Figures prepared in accordance with International Accounting Standards; sales changed from "based on customer's domicile" to "based on company domicile"

2) Operating result (EBIT) in accordance with new definition from 1998 onward

3) Beginning in 1998 based on result under International Accounting Standards

4) Beginning in 1998 research and development expenses in accordance with International Accounting Standards

5) Including deferred taxes and prepaid expenses on the assets side

6) Until 1998 based on Frankfurt floor trading, from 1999 based on XETRA trading

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	Management Report	Group Financial Statements	Group Notes	Additional Information
	Capital employed Net balance of the assets and liabilities used for the purposes of the business Cash flow statement Overview of liquidity situation/payment flows taking account of the effects of the sources and uses of funds during the financial year DAX German share index, compiled by Deutsche Börse AG – the index reflects the changes in value of the 30 largest and most frequently traded German shares	DIN EN ISO 14001 Internationally recognized standard setting out rules and definitions for the introduction and maintenance of an environmental management system. A certificate is issued for successful (voluntary) participation EBIT Earnings Before Interest and Taxes EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization EBIT return on capital employed Ratio of EBIT to capital employed	Euroland Economic area of the member states of the European Monetary Union IAS International Accounting Standards are issued by IASC (International Accounting Standards Committee), an international accounting standard setting body Intranet Based on Internet technology, an intranet is an externally shielded network for internal communication within the company IT Information technology	M-DAX This index comprises 70 shares, namely those shares in the DAX 100 that are not included in the DAX 30. The M-DAX reflects the price trends for shares of medium enterprises (Mid Caps) Projected Unit Credit Method This method used to calculate provisions for pensions and similar obligation includes not only the pensions and acquired expectancies known as at the reference date, but also expected future increases in pay and pensions

Glossary

Deferred taxes Result from differences in valuation between the tax and Group balance sheets Derivative financial instruments Option and futures transactions for the purpose of securing foreign exchange, interest rate and price risks	EMAS Regulation European Parliament Regulation on voluntary participation by organizations in a community environmental management and audit system	Market capitalization Value of a company, arrived at by multiplying the issued shares by the share price	SIC Standing Interpretations Committee; the interpretations are approved by the Board of the International Accounting Standards Committee (IASC) and are binding on all users of IAS Treasury Corporate function for safeguarding solvency, finance and management of financial risks
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This Annual Report is also available in German.

The Financial Statements of Beiersdorf AG are available
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Unnastrasse 48, 20245 Hamburg, Germany

Digital versions of the Interim Reports are available in the Internet
at "www.Beiersdorf.com" under "Investor Relations/Interim
Reports". Paper versions of the Interim Reports are available on
request from:

Beiersdorf Investor Relations, Unnastrasse 48, 20245 Hamburg



Financial Calendar

Annual Accounts Press Conference	
Financial Analyst Meeting I	April 23, 2002
Interim Report January to March 2002	May 14, 2002
Annual General Meeting	June 4, 2002
Dividend Payment	June 5, 2002
Interim Report January to June 2002	August 13, 2002
Interim Report January to September 2002	
Financial Analyst Meeting II	November 12, 2002
Key Company Data for the Financial Year 2002	End of February 2003
Annual Accounts Press Conference	
Financial Analyst Meeting I	End of April 2003
Interim Report January to March 2003	Mid May 2003
Annual General Meeting	June 11, 2003
Financial Analyst Meeting II	November 2003