



BDF ●●●●●  
**Beiersdorf**

Interim Report  
January 1 to June 30, 2003

Turn tears  
to **smiles**

Elastoplast Fabric Strips are strong enough to keep up with the toughest kids. They're comfortable, flexible, plus they *stay* stuck! They also have a larger soft wound pad that's specially designed not to stick to the wound. So there's more protection, less 'ouch'.

**Elastoplast®**  
20 Fabric Strips

- Flexible and conformable
- Keeps the wound clean

**Elastoplast. Helps you heal.**

# BUSINESS DEVELOPMENTS AT A GLANCE

- **Jan. - June: Again record earnings despite strong euro**
  - Improved margin: EBIT at previous year's level
  - Record return: profit after tax up year-on-year
- **Sales up 4.3% adjusted for currency translation effects**
- **Outlook for 2003:**
  - Sales growth of around 5% adjusted for currency translation effects
  - EBIT margin about 10 %
  - Profit after tax about 6 % of sales

## DEVELOPMENTS – BEIERSDORF GROUP

### Sales

All figures in € million    ■ Jan. - June    ■ Full-year

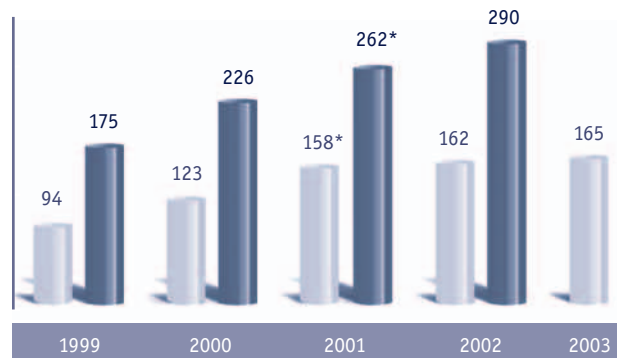


Sales growth in percent

5.7	8.7	15.3	13.1	11.9	10.3	3.3	4.4	-2.1
-----	-----	------	------	------	------	-----	-----	------

### Profit after tax

All figures in € million    ■ Jan. - June    ■ Full-year



Return on sales in percent

5.1	4.8	5.8	5.5	6.6*	5.8*	6.6	6.1	6.8
-----	-----	-----	-----	------	------	-----	-----	-----

\* Excluding income after tax of € 23 million from the sale of the advanced wound care business.

# NEWS



Hansaplast Spray Plaster wins Innovation Award in France

## France: Innovation Award 2003 for Hansaplast Spray Plaster

On June 12, 2003, the Hansaplast Spray Plaster received the Innovation Award 2003 for technological achievement in the "Concept" category in France. This prize was awarded by LSA, the leading French retail trade magazine.

## Sweden: New Beiersdorf plant opened

On May 23, 2003, the Beiersdorf affiliate in Sweden officially opened its new factory in Kungsbacka. The plant will focus on the production of Eucerin and NIVEA FOR MEN products. The investment of € 20 million in the new plant is expected to lead to an increase in production from 30 to 50 million units.



US market launch of Eucerin Clear Skin Formula

## USA: Launch of Eucerin Clear Skin Formula

Eucerin's face care activities in the USA are being expanded with the introduction of special face care products on the US market. The new range of products for "impure skin" was launched in the USA under the name "Clear Skin Formula". It is aimed at adults with blemish-prone skin, and represents Eucerin's most important product launch on the US market in 2003.

## Russia: NIVEA wins two awards at "Narodnaya Marka 2002"

NIVEA won the categories "Best Face Cream" and "Best Shower Gel" at the Russian branded consumer goods awards "Narodnaya Marka 2002" ("Most Popular Brands 2002"). The awards have been held annually since 1998, and are now considered by Russian consumers to be a symbol of the country's most popular branded products.



NIVEA Visage receives award in Russia

## New Executive Board structure

With effect from July 1, 2003, the responsibilities of the Executive Board were revised in line with Beiersdorf's strategy to focus its business upon branded consumer goods with 10 brand families. The Chairman of the Executive Board is Dr. Rolf Kunisch. Uwe Wölfer is now responsible for Brands, including global marketing, research and development and sales for all brands. Thomas-B. Quaas is responsible for Supply Chain Management, which covers global procurement, production and logistics. Rolf-Dieter Schwalb retains responsibility for Finance/Controlling and IT, while Peter Kleinschmidt is head of Human Resources, Administration and Environmental Protection. Dieter Steinmeyer continues as CEO of tesa AG and a member of Beiersdorf's Executive Board. Changes in segment reporting are anticipated for the end of the year.

# SEGMENT INFORMATION<sup>1)</sup>

## Business developments by division<sup>2)</sup>

Sales	Jan. 1 – Dec. 31, 2002		Jan. 1 – June 30, 2002		Jan. 1 – June 30, 2003		Change in %	
(€ million)	% of total		% of total		% of total		nominal	adj. for curr. trans. effects
cosmed	3,167	66.8	1,650	67.0	1,623	67.3	-1.6	4.5
medical	882	18.6	464	18.8	439	18.2	-5.5	2.4
tesa	693	14.6	350	14.2	350	14.5	0.0	6.0
	<b>4,742</b>	<b>100.0</b>	<b>2,464</b>	<b>100.0</b>	<b>2,412</b>	<b>100.0</b>	<b>-2.1</b>	<b>4.3</b>

## Operating result before depreciation and amortization (EBITDA)

(€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal
cosmed	493	15.6	265	16.0	259	16.0	-2.1
medical	87	9.8	47	10.1	47	10.7	-0.1
tesa	53	7.7	27	7.8	30	8.7	11.5
	<b>633</b>	<b>13.3</b>	<b>339</b>	<b>13.7</b>	<b>336</b>	<b>13.9</b>	<b>-0.8</b>

## Operating result (EBIT)

(€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal
cosmed	411	13.0	226	13.7	219	13.5	-2.8
medical	35	3.9	22	4.8	23	5.1	0.4
tesa	26	3.8	12	3.4	18	5.2	51.7
	<b>472</b>	<b>9.9</b>	<b>260</b>	<b>10.6</b>	<b>260</b>	<b>10.8</b>	<b>0.0</b>

## Gross cash flow

(€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal
cosmed	323	10.2	223	13.5	217	13.4	-2.6
medical	71	8.0	42	9.0	41	9.2	-3.3
tesa	47	6.8	23	6.6	28	8.0	19.7
	<b>441</b>	<b>9.3</b>	<b>288</b>	<b>11.7</b>	<b>286</b>	<b>14.6</b>	<b>-0.9</b>

## Business developments by region<sup>2)</sup>

Sales <sup>3)</sup>	Jan. 1 – Dec. 31, 2002		Jan. 1 – June 30, 2002		Jan. 1 – June 30, 2003		Change in %	
(€ million)	% of total		% of total		% of total		nominal	adj. for curr. trans. effects
Germany	1,286	27.1	651	26.4	633	26.2	-2.8	-2.8
Europe excluding Germany	2,124	44.8	1,147	46.6	1,197	49.7	4.3	7.3
Americas	819	17.3	421	17.1	335	13.9	-20.2	1.2
Africa/Asia/Australia	513	10.8	245	9.9	247	10.2	0.6	14.4
	<b>4,742</b>	<b>100.0</b>	<b>2,464</b>	<b>100.0</b>	<b>2,412</b>	<b>100.0</b>	<b>-2.1</b>	<b>4.3</b>

## Operating result (EBIT)

(€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal
Germany	141	11.0	89	13.7	82	13.0	-7.5
Europe excluding Germany	243	11.4	130	11.3	142	11.8	9.3
Americas	39	4.8	19	4.5	14	4.3	-24.2
Africa/Asia/Australia	49	9.4	22	9.3	22	8.8	-3.5
	<b>472</b>	<b>9.9</b>	<b>260</b>	<b>10.6</b>	<b>260</b>	<b>10.8</b>	<b>0.0</b>

<sup>1)</sup> Segment reporting is still performed in accordance with the previous divisional structure.

<sup>2)</sup> The percent figures are calculated based on absolute values in thousands.

<sup>3)</sup> Regional sales are shown on the basis of the Company's registered office.

# BUSINESS DEVELOPMENTS

## BUSINESS DEVELOPMENTS – BEIERSDORF GROUP

### **EBIT margin rises to 10.8 %; Beiersdorf increases sales by 4.3 % adjusted for currency translation effects**

Despite the ongoing weakness of the economic environment, Group sales adjusted for currency translation effects rose by 4.3 %. The sharp fall of the US dollar (average rate: –19 %) and other key currencies against the euro led to substantial negative currency translation effects on sales. As a result, sales at current exchange rates amounted to € 2,412 million, down 2.1 % year-on-year.

### **Sales of branded consumer goods (adjusted for currency translation effects) increased by 4.4 % and represent 80 % of total sales.**

The market situation in **Germany** remained unchanged over the recent months, with consumer spending still weak. Despite this, we managed to hold the decline in sales within Germany to 0.8 %. A drop in Beiersdorf AG's exports, particularly to the Middle East, also impacted sales. As a result, sales of € 633 million were recorded in Germany, down 2.8 % year-on-year.

In **Europe excluding Germany** sales continued to develop well, reaching 7.3 % adjusted for currency translation effects (+4.3 % at current exchange rates). This growth was driven by branded consumer goods, which increased by 8.3 %. Business developments in the individual countries were highly varied. In particular, strong sales of branded consumer goods were achieved in the major markets of the United Kingdom, Italy, the Netherlands and Spain.

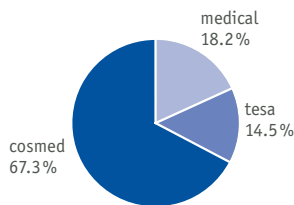
Adjusted for currency translation effects, growth of 1.2 % was recorded in the **Americas**. Our affiliates improved their sales performance in a large number of Latin American countries. By contrast, market weakness in segments relevant to Beiersdorf resulted in a drop in sales in the USA. At current exchange rates, sales in the Americas were down 20.2 % on the previous year.



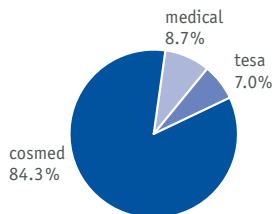
The **Africa/Asia/Australia** region again developed extremely well, with sales growth of 14.4 % adjusted for currency translation effects. All divisions generated double-digit growth. At current exchange rates, sales in the region increased by 0.6 %.

**Despite this sales development, the operating result (EBIT) remained stable at € 260 million. The operating return on sales rose to 10.8 % (previous year: 10.6 %). Profit after tax hit a record level of € 165 million (6.8 % of sales).**

Breakdown of Group sales by division  
Jan. – June 2003



Breakdown of operating result (EBIT) by division  
Jan. – June 2003



## BUSINESS DEVELOPMENTS – BY DIVISION

### cosmed sales up 4.5% adjusted for currency translation effects

Adjusted for currency translation effects, the cosmed division increased sales by 4.5 %. A fall in sales in Germany, Russia and the USA impacted the otherwise strong growth rate. In the other European countries and the Africa/Asia/Australia region, the cosmed division achieved significant growth. Once again, the main growth drivers were the NIVEA and Labello brands (+5.8 % and +9.8 % respectively, adjusted for currency translation effects). At current exchange rates, sales totaled € 1,623 million (previous year: € 1,650 million), corresponding to a decline of 1.6 %.

EBIT for the cosmed division amounted to € 219 million (previous year: € 226 million), for an EBIT margin of 13.5 % (previous year: 13.7 %).

### medical grows sales by 2.4 % adjusted for currency translation effects

Adjusted for currency translation effects, the medical division increased sales by 2.4 % (–5.5 % at current exchange rates). Branded consumer goods performed particularly well, with sales increasing by 4.2 % adjusted for currency translation effects. The Eucerin brand was the strongest performer with growth of 11.4 %.

EBIT for the medical division increased slightly to € 23 million (previous year: € 22 million). The EBIT margin rose to 5.1 % (previous year: 4.8 %).

### tesa sales up 6.0% adjusted for currency translation effects

tesa continued its positive growth trend of recent months and improved sales by 6.0 % adjusted for currency translation effects. Growth was particularly strong in Eastern Europe (31.8 %) and in Asia (20.8 %). In Germany, business increased by 4.3 % in a declining overall market. At current exchange rates, tesa's sales remained stable versus prior year.

With EBIT up substantially at € 18 million (previous year: € 12 million), tesa's EBIT margin rose to 5.2 % (previous year: 3.4 %).



## CAPITAL EXPENDITURE

€ 73 million (previous year: € 105 million) was invested in property, plant and equipment and intangible assets. € 49 million of this figure was attributable to cosmed (previous year: € 72 million), € 12 million to medical (previous year: € 17 million) and € 12 million to tesa (previous year: € 16 million).

## EMPLOYEES

The number of employees increased by 338 since December 31, 2002 to total 18,521. 9,647 people were employed by the cosmed division, 5,226 by the medical division and 3,648 by tesa.

## OUTLOOK FOR 2003

**Sales to increase by 5% (adjusted for currency translation effects) despite difficult market environment; EBIT margin remains on course to hit record level of 10%**

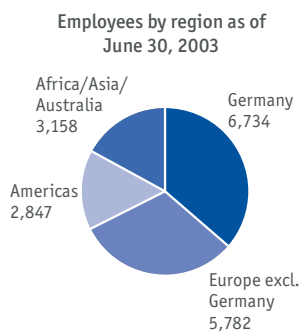
There are currently no signs of a sustained global economic recovery. We expect domestic demand in Germany to remain weak. However, we are cautiously optimistic about the prospects of economic recovery on the US market in the second half of the year.

In this difficult overall economic environment, the cosmed division is aiming to increase sales (adjusted for currency translation effects) by about 5%, the medical division by about 4%, and tesa by about 5%. Based on these assumptions, we are forecasting an EBIT margin of over 12% for the cosmed division, about 4% for the medical division and about 5% for tesa.

**Adjusted for currency translation effects, consolidated sales growth should reach about 5%.**

**As we expect the euro to remain strong (€ 1 = approximately USD 1.13), we are forecasting 2003 sales at current exchange rates at the 2002 level.**

**The Group's EBIT margin is expected at around 10%. We expect profit after tax to again reach about 6% of sales.**



US dollar – euro exchange rates

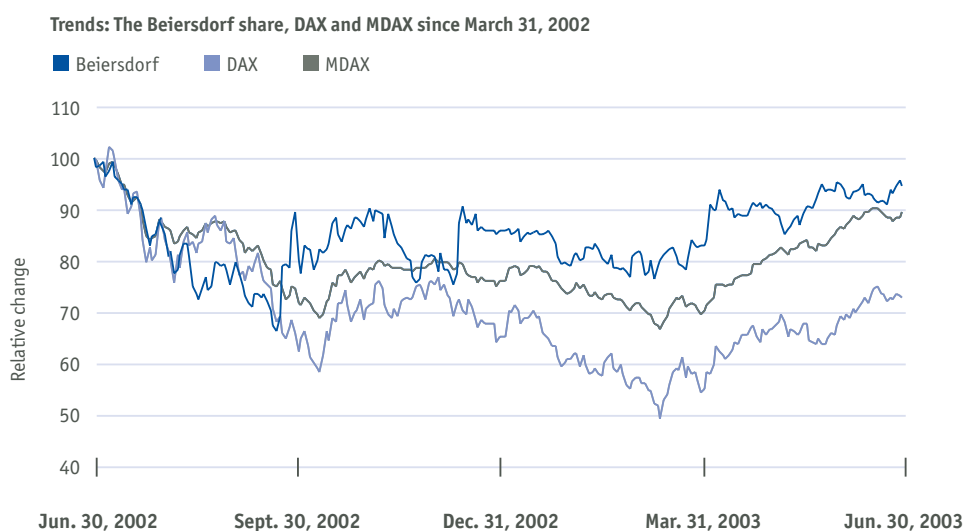


# THE BEIERSDORF SHARE

On a 12-month basis, the Beiersdorf share has kept its level in a volatile capital market environment. The closing price as of June 30, 2003 was € 116.40, around 14% above the closing price for the first quarter of 2003 and around 10% above that for year-end 2002.

The Beiersdorf share has declined by only 5% over the past 12 months, continuing to outperform the DAX (-27%) and the MDAX (-10%) significantly.

With effect from June 23, the Beiersdorf share was admitted to the Dow Jones Germany Titans 30 Index. With one other exception, the composition of this index is identical to that of the DAX.





# INCOME STATEMENT

(€ million)	Jan. 1 – Dec. 31, 2002	Jan. 1 - June 30, 2002	Jan. 1 - June 30, 2003	Change* in %
<b>Sales</b>	<b>4,742</b>	<b>2,464</b>	<b>2,412</b>	<b>-2.1</b>
Cost of goods sold	-1,756	-895	-870	-2.8
<b>Gross profit</b>	<b>2,986</b>	<b>1,569</b>	<b>1,542</b>	<b>-1.8</b>
Marketing and selling expenses	-2,098	-1,092	-1,075	-2.0
Research and development expenses	-93	-45	-49	8.6
General and administrative expenses	-260	-135	-124	-7.8
Other operating expenses (net)	-63	-37	-34	-9.4
<b>Operating result (EBIT)</b>	<b>472</b>	<b>260</b>	<b>260</b>	<b>0.0</b>
<b>Financial result</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>-</b>
<b>Profit before tax</b>	<b>478</b>	<b>266</b>	<b>270</b>	<b>1.6</b>
Taxes on income	-188	-104	-105	0.9
<b>Profit after tax</b>	<b>290</b>	<b>162</b>	<b>165</b>	<b>2.1</b>
Minority interests	-7	-3	-3	-
<b>Net profit</b>	<b>283</b>	<b>159</b>	<b>162</b>	<b>2.3</b>
<b>Earnings per share (in €)</b>	<b>3.37</b>	<b>1.88</b>	<b>1.93</b>	<b>2.3</b>

\* The percent figures were calculated based on absolute values in thousands.

# BALANCE SHEET

ASSETS (€ million)	Dec. 31, 2002	June 30, 2002	June 30, 2003
Intangible assets	128	133	111
Property, plant and equipment	917	891	911
Financial assets	22	12	23
<b>Fixed assets</b>	<b>1,067</b>	<b>1,036</b>	<b>1,045</b>
Inventories	677	685	672
Trade receivables	675	851	836
Other receivables and other assets	110	107	90
Cash and cash equivalents	722	614	731
<b>Current assets</b>	<b>2,184</b>	<b>2,257</b>	<b>2,329</b>
<b>Deferred tax assets</b>	<b>22</b>	<b>20</b>	<b>22</b>
<b>Prepaid expenses</b>	<b>25</b>	<b>42</b>	<b>50</b>
	<b>3,298</b>	<b>3,355</b>	<b>3,446</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)

<b>Shareholder's equity (Beiersdorf AG) excl. minority interests</b>	<b>1,707</b>	<b>1,596</b>	<b>1,722</b>
Minority interests	20	19	18
<b>Shareholders' equity</b>	<b>1,727</b>	<b>1,615</b>	<b>1,740</b>
Provisions for pensions and other employee benefits	397	401	389
Other provisions	511	551	585
<b>Provisions</b>	<b>908</b>	<b>952</b>	<b>974</b>
Financial liabilities	96	110	82
Trade payables	293	328	316
Other liabilities	148	223	204
<b>Liabilities</b>	<b>537</b>	<b>661</b>	<b>602</b>
<b>Deferred tax liabilities</b>	<b>119</b>	<b>112</b>	<b>115</b>
<b>Deferred income</b>	<b>7</b>	<b>15</b>	<b>15</b>
	<b>3,298</b>	<b>3,355</b>	<b>3,446</b>

# CASH FLOW STATEMENT

(€ million)	Jan. 1 – Dec. 31, 2002	Jan. 1 – June 30, 2002	Jan. 1 – June 30, 2003
<b>Cash and cash equivalents at beginning of year</b>	<b>714</b>	<b>714</b>	<b>722</b>
<b>Operating result (EBIT)</b>	<b>472</b>	<b>260</b>	<b>260</b>
Income taxes paid	-189	-44	-45
Depreciation and amortization	161	79	77
Change in long-term provisions (excluding interest)	-4	-7	-6
Gain/loss on disposal of property, plant and equipment and intangible assets	1	0	0
<b>Gross cash flow</b>	<b>441</b>	<b>288</b>	<b>286</b>
Change in inventories	27	19	5
Change in trade receivables and other assets	-46	-229	-170
Change in liabilities and short-term provisions	-30	55	97
<b>Net cash flow from operating activities</b>	<b>392</b>	<b>133</b>	<b>218</b>
Investment in fixed assets	-242	-107	-72
Proceeds from the sale of fixed assets	15	5	6
Proceeds from interest, dividends and other financing activities	40	21	26
<b>Net cash flow from investing activities</b>	<b>-187</b>	<b>-81</b>	<b>-40</b>
<b>Free cash flow</b>	<b>205</b>	<b>52</b>	<b>178</b>
Change in financial liabilities	-33	-19	-14
Interest and other financing expenses paid	-42	-18	-22
Cash dividends paid (Beiersdorf AG)	-109	-109	-118
<b>Net cash flow from financing activities</b>	<b>-184</b>	<b>-146</b>	<b>-154</b>
Effect of exchange rate fluctuations on cash held	-14	-7	-15
Effect of changes in Group structure and other changes on cash held	1	1	0
<b>Net change in cash and cash equivalents</b>	<b>8</b>	<b>-100</b>	<b>9</b>
<b>Cash and cash equivalents on Dec. 31/June 30</b>	<b>722</b>	<b>614</b>	<b>731</b>

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Jan. 1 – Dec. 31, 2002	Jan. 1 – June 30, 2002	Jan. 1 – June 30, 2003
<b>Shareholders' equity at beginning of year</b>	<b>1,636</b>	<b>1,636</b>	<b>1,727</b>
Profit after tax	290	162	165
Dividend of Beiersdorf AG for previous year	-109	-109	-118
Other changes	5	3	-9
Currency translation adjustments	-95	-77	-25
<b>Shareholders' equity on Dec. 31/June 30</b>	<b>1,727</b>	<b>1,615</b>	<b>1,740</b>



## OTHER INFORMATION

The figures disclosed in this Interim Report were prepared in accordance with the International Financial Reporting Standards (IFRSs). The same **accounting policies** were used in the Interim Report as in the Annual Financial Statements for 2002.

**Change in the Supervisory Board:** Mr. Detlef Stutter has left the Company's Supervisory Board. Mr. Tomas Nieber, Bad Münden, Trade Union Secretary of IG Bergbau Chemie Energie in Hannover, was appointed to the Supervisory Board in his stead.

The **declaration of compliance** with the recommendations of the German Corporate Governance Code in accordance with §§ 161 *Aktiengesetz* (German Stock Corporation Act) and 15 *Einführungsgesetz zum Aktiengesetz* (Introductory Act to the German Stock Corporation Act) issued by the Supervisory Board and the Executive Board of Beiersdorf AG has been made permanently available on the Internet at [www.Beiersdorf.com](http://www.Beiersdorf.com).

Hamburg, August 2003

Beiersdorf AG  
The Executive Board

### IMPRINT

Beiersdorf AG, Corporate Identity  
Unnastrasse 48, 20245 Hamburg, Germany  
Tel.: +49 (0)40 4909-0, Fax: +49 (0)40 4909-3434

Additional Information:  
Press & PR: Tel.: +49 (0)40 4909-2001, E-mail: [Info@Beiersdorf.com](mailto:Info@Beiersdorf.com)  
Investor Relations: Tel.: +49 (0)40 4909-5000  
E-mail: [Investor.Relations@Beiersdorf.com](mailto:Investor.Relations@Beiersdorf.com)  
Beiersdorf on the Internet: <http://www.Beiersdorf.com>

A digital version of this Interim Report is available on the Internet at [www.Beiersdorf.com](http://www.Beiersdorf.com) in the section entitled "Investor Relations/Interim Reports".  
Printed copies may also be ordered from:  
Beiersdorf AG, Investor Relations, Unnastrasse 48, 20245 Hamburg, Germany

Commercial Register Hamburg HRB 1787  
Executive Board: Dr. Rolf Kunisch, Chairman  
Peter Kleinschmidt, Thomas-Bernd Quaas,  
Rolf-Dieter Schwalb, Dieter W. Steinmeyer, Uwe Wölfer  
Supervisory Board Chairman: Dr. Hans Meinhardt

W03/1771/38E

#### Financial Calendar

Interim Report January to September 2003 Financial Analyst Meeting II	November 11, 2003
Publication of Preliminary Group Results	January 2004
Key Company Data for Fiscal Year 2003	End of February 2004
Annual Accounts Press Conference Financial Analyst Meeting I	End of March 2004
Interim Report January to March 2004	Mid-May 2004
Annual General Meeting	June 3, 2004
Interim Report January to June 2004	Mid-August 2004
Interim Report January to September 2004 Financial Analyst Meeting II	Mid-November 2004