



BDF ● ● ●
Beiersdorf

Interim Report
January 1 to September 30, 2003

**A revolution for my complexion:
Gentle skin renewal.**

The new **Enzyme⁵ Active** facial lotion from Eucerin[®] supports the natural skin renewal in an especially gentle way. Due to the innovative **2-Chamber-System** the special Enzyme Subtilisin is only activated when mixed with the caring emulsion in every application. It helps the skin to liberate itself from the upper dry skin cells. Fresh cells come to the surface and irregularities are smoothed out. So the skin can easier absorb the **moisturising substances** of the caring emulsion and store them long lastingly.

Clinical studies* prove the skin compatibility for sensitive skin.

Eucerin[®]

THE MEDICAL SKINCARE PROGRAM

Beiersdorf is close to consumers all over the world:
international Eucerin advertisement

*Schönenmark A. et al. Gentle skin renewal for sensitive facial skin - results of a clinical study with Eucerin[®] Enzyme⁵ Active in dermatological patients. Beiersdorf AG, Clinical Documentation (2002).

BUSINESS DEVELOPMENTS AT A GLANCE

▪ Business developments January – September:

- Record operating result (EBIT)
- Profit after tax reaches record high
- Sales up 3.8 %*

▪ Outlook for 2003: another record year expected

- EBIT margin to exceed 10 %
- Profit after tax to exceed 6 % of sales
- Sales growth to reach around 5 %*

* adjusted for currency translation effects

DEVELOPMENTS – BEIERSDORF GROUP

Sales



Profit after tax



Sales growth in percent

1999	7.3	8.7	15.0	13.1	2000	10.4	10.3	3.8	4.4	2001	-1.8
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Return on sales in percent

1999	4.8	4.8	5.6	5.5	2000	6.0*	5.8*	6.4	6.1	2001	6.8
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* Excluding income after tax of €23 million from the sale of the advanced wound care business.



Dear Shareholders,

The third quarter of 2003 was certainly the most "exciting" quarter in the past ten years.

"What's going to happen with the Allianz package?" was the question asked weekly, often even daily, by the press, the analysts, and the stock exchange. It was also your question, and obviously a major concern of our managers and employees responsible for our success.

Despite this challenge, we managed to increase the operating result, profit after tax and sales (adjusted for currency translation effects) to all time records.

The October 23, 2003 agreement between our major shareholders established certainty for the years to come. As part of this transaction Beiersdorf will extend an offer to all shareholders to repurchase up to 10% of their share capital at an attractive price which means including an appropriate premium. Please find further details in the section "The Beiersdorf Share".

With our new shareholders' structure we will now be able to continue and expand our unique growth model.

Our target is to achieve 8% sales growth per year with increasing profitability. This means we plan to double our sales in the next ten years, as we did during the last decade.

Strategic acquisitions will further improve our performance.

We are confident that the value of your Beiersdorf share will continue to rise, as it did in previous years. In 1993, our share price was only 17 euro per share. The inclusion of our share in the leading German DAX index could also open additional opportunities.

We, the management, and our employees will continue to work hard to ensure that Beiersdorf remains a reliable growth stock.

Kindest regards,

Dr. Rolf Kunisch
Chairman of the Executive Board

SEGMENT INFORMATION¹⁾

Business developments by division²⁾

Sales (€ million)	Jan. 1 – Dec. 31, 2002		Jan. 1 – Sept. 30, 2002		Jan. 1 – Sept. 30, 2003		Change in %	
	Jan. 1 – Dec. 31, 2002 % of total	Jan. 1 – Sept. 30, 2002 % of total	Jan. 1 – Sept. 30, 2003 % of total	Jan. 1 – Sept. 30, 2003 nominal	adj. for curr. trans. effects	Change in % nominal	adj. for curr. trans. effects	
cosmed	3,167	66.8	2,410	66.8	2,374	67.0	-1.5	3.9
medical	882	18.6	674	18.7	645	18.2	-4.4	2.4
tesa	693	14.6	524	14.5	523	14.8	-0.2	5.1
	4,742	100.0	3,608	100.0	3,542	100.0	-1.8	3.8

Operating result before depreciation and amortization (EBITDA)

in % (€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal	
	cosmed	medical	tesa	cosmed	medical	tesa	cosmed	medical
cosmed	493	15.6	396	16.4	381	16.1	-3.7	
medical	87	9.8	66	9.8	72	11.2	8.8	
tesa	53	7.7	39	7.3	49	9.2	25.2	
	633	13.3	501	13.9	502	14.2	0.2	

Operating result (EBIT)

in % (€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal	
	cosmed	medical	tesa	cosmed	medical	tesa	cosmed	medical
cosmed	411	13.0	335	13.9	320	13.5	-4.5	
medical	35	3.9	28	4.2	36	5.6	29.0	
tesa	26	3.8	19	3.6	29	5.6	52.7	
	472	9.9	382	10.6	385	10.9	0.8	

Gross cash flow

in % (€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal	
	cosmed	medical	tesa	cosmed	medical	tesa	cosmed	medical
cosmed	323	10.2	261	10.8	268	11.3	2.6	
medical	71	8.0	54	8.0	56	8.7	3.1	
tesa	47	6.8	34	6.4	40	7.6	17.6	
	441	9.3	349	9.7	364	10.3	4.2	

Business developments by region²⁾

Sales ³⁾ (€ million)	Jan. 1 – Dec. 31, 2002		Jan. 1 – Sept. 30, 2002		Jan. 1 – Sept. 30, 2003		Change in %	
	Jan. 1 – Dec. 31, 2002 % of total	Jan. 1 – Sept. 30, 2002 % of total	Jan. 1 – Sept. 30, 2003 % of total	Jan. 1 – Sept. 30, 2003 nominal	adj. for curr. trans. effects	Change in % nominal	adj. for curr. trans. effects	
Germany	1,286	27.1	963	26.7	943	26.6	-2.0	-2.0
Europe excluding Germany	2,124	44.8	1,648	45.7	1,712	48.3	3.9	6.7
Americas	819	17.3	618	17.1	509	14.4	-17.6	0.7
Africa/Asia/Australia	513	10.8	379	10.5	378	10.7	-0.4	10.7
	4,742	100.0	3,608	100.0	3,542	100.0	-1.8	3.8

Operating result (EBIT)

in % (€ million)	in % of sales		in % of sales		in % of sales		Change in % nominal	
	Germany	Europe excluding Germany	Americas	Africa/Asia/Australia	Germany	Europe excluding Germany	Americas	Africa/Asia/Australia
Germany	141	11.0	121	12.5	131	13.8	8.2	
Europe excluding Germany	243	11.4	192	11.6	197	11.5	3.1	
Americas	39	4.8	32	5.2	21	4.2	-34.1	
Africa/Asia/Australia	49	9.4	37	9.9	36	9.5	-4.6	
	472	9.9	382	10.6	385	10.9	0.8	

¹⁾ Segment reporting is still performed in accordance with the previous divisional structure.

²⁾ The percent figures are calculated based on absolute values in thousands.

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

BUSINESS DEVELOPMENTS

BUSINESS DEVELOPMENTS

Operating result and profit after tax reach record high

The operating result (EBIT) was up year-on-year at €385 million. The operating return on sales rose to 10.9 % (previous year: 10.6 %). Profit after tax hit a new record level of €240 million (6.8 % of sales).

Despite the ongoing weakness of the economic environment, Group sales, adjusted for currency translation effects, rose by 3.8 % (only 0.1 % of which were due to changes in the consolidated Group). The sharp fall of the US dollar (average rate: -17 %) and of other key currencies for Beiersdorf against the euro led to negative currency translation effects. As a result, sales at current exchange rates totaled €3,542 million, down 1.8 % year-on-year.

We continued to build market share within our core business of branded consumer goods. We were able to improve our position and gain market share in important countries and markets. A good example of this is the relatively new market for men's face care: NIVEA FOR MEN was able to expand its market share to over 60 % in Germany and for the first time ranked number one in the After Shave/Face Care segment in the USA.

Consumer spending in **Germany** remained weak. Nevertheless, we managed to maintain domestic sales at almost the previous year's level (-0.3 %). However, a drop in exports by our German companies to the Middle East and Eastern Europe impacted sales. As a result, total sales amounted to €943 million, down 2.0 % year-on-year overall.

Beiersdorf achieved strong growth rates in **Europe excluding Germany**. Adjusted for currency translation effects, Group sales rose by 6.7 % (+3.9 % at current exchange rates). This positive development reflects the strong sales of branded consumer goods, which rose 7.6 %. In fact, our core business in the major markets of the United Kingdom and Spain increased by double-digit figures.

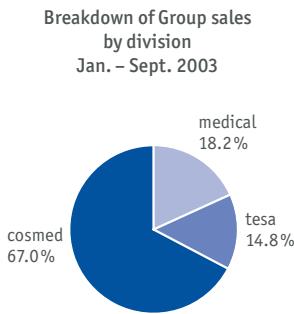
Sales in the **Americas** region were slightly up year-on-year (+0.7 %) after adjustment for currency translation effects. While we improved our sales in a number of Latin American countries, we were unable to repeat our prior year figures in the USA. However, we were able to maintain our market share. Sales at current exchange rates declined 17.6 % year-on-year due to highly unfavorable currency translation effects.

The **Africa/Asia/Australia** region continued to develop extremely well. Sales increased by 10.7 % adjusted for currency translation effects. Australia and many countries in Southeast Asia recorded substantial growth rates. Only our Japanese consumer business failed to beat last year's sales figures. At current exchange rates, sales in the region amounted to €378 million (-0.4 %).

BUSINESS DEVELOPMENTS BY DIVISION

cosmed increases sales by 3.9 %

Adjusted for currency translation effects, the cosmed division increased sales by 3.9%. While many countries generated substantial double-digit growth, lower sales in Germany, Russia, the USA, and Japan impacted growth. The NIVEA and Labello brands remained the key growth drivers (+5.3% and +6.4% respectively). At current exchange rates, the division generated sales of €2,374 million. This corresponds to a decline of 1.5%.

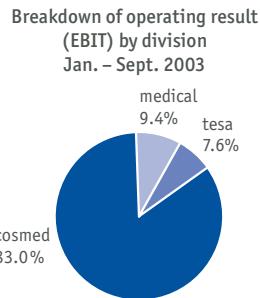


EBIT for the cosmed division amounted to €320 million (previous year: €335 million). The EBIT margin totaled 13.5% (previous year: 13.9%).

medical grows sales by 2.4 %

Adjusted for currency translation effects, the medical division increased sales by 2.4% (-4.4% at current exchange rates). Branded consumer goods performed particularly well, with sales increasing by 3.7%. The Eucerin brand continued its excellent performance with growth of 11.6%.

EBIT for the medical division totaled €36 million, substantially higher than that for the previous year (€28 million). The EBIT margin rose to 5.6% (previous year: 4.2%).



tesa sales up 5.1 %

Adjusted for currency translation effects, tesa increased sales by 5.1%. The division achieved this positive trend despite shrinking markets. Growth was particularly pleasing in Eastern Europe (+33.4%) and in Asia (+21.1%). Sales in Germany increased by 3.2%. At current exchange rates, tesa's sales remained almost stable year-on-year.

EBIT improved substantially to €29 million (previous year: €19 million), increasing tesa's EBIT margin to 5.6% (previous year: 3.6%).

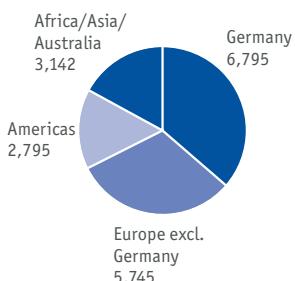
CAPITAL EXPENDITURE

Beiersdorf invested €112 million (previous year: €164 million) in property, plant and equipment and intangible assets. €77 million of this figure was attributable to cosmed (previous year: €109 million), €16 million to medical (previous year: €31 million) and €19 million to tesa (previous year: €24 million). Investments in financial assets totaled €1 million (previous year: €15 million).



EMPLOYEES

Employees by region as of September 30, 2003



The number of employees increased by 294 since December 31, 2002 to total 18,477. 9,708 people were employed by the cosmed division, 5,097 by the medical division and 3,672 by tesa.

OUTLOOK FOR 2003

Another record year expected:

- **EBIT margin to exceed 10 %**
- **Profit after tax well over 6 % of sales**
- **Sales growth around 5 %**

The outlook for the worldwide economic development in the fourth quarter of 2003 has not changed. However, Beiersdorf is aiming to defy these poor expectations and set new earnings records:

We expect the Group's EBIT margin to exceed 10 % and profit after tax to reach well over 6 % of sales.

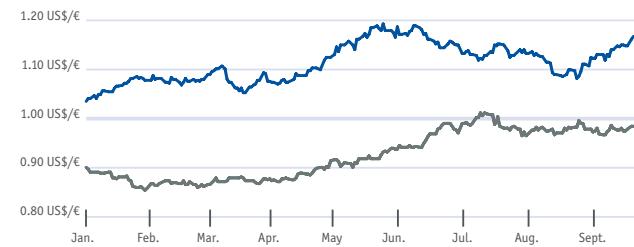
Adjusted for currency translation effects, the Group is aiming to achieve sales growth of almost 5 %. As we expect the euro to remain strong in comparison to 2002, we are forecasting that 2003 sales at current exchange rates will be slightly below last year's level.

The cosmed division is aiming to increase sales (excluding currency translation effects) by around 5 %, the medical division by around 2 % and tesa by around 5 %. Based on these assumptions, we are forecasting an EBIT margin of over 12 % for the cosmed division, around 4 % for the medical division and around 5 % for tesa.

US dollar – euro exchange rates

■ 2002

■ 2003



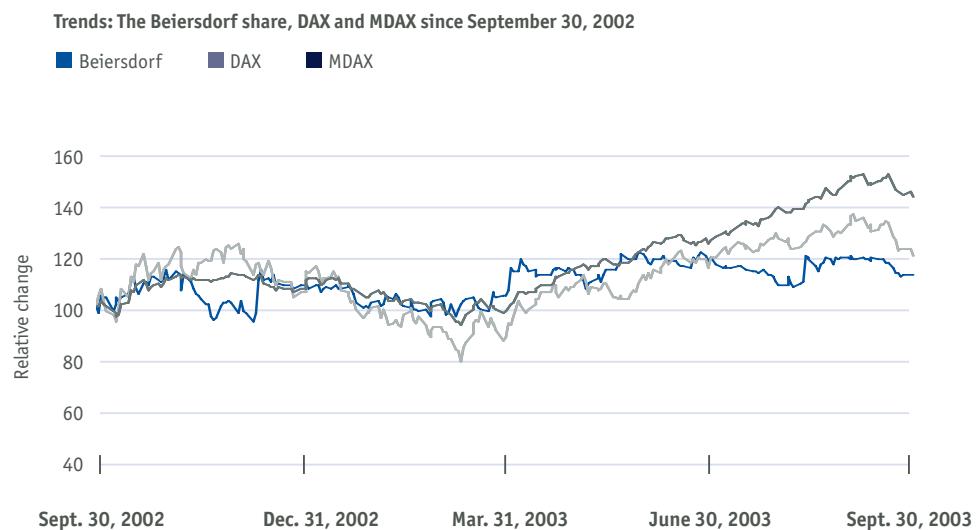
THE BEIERSDORF SHARE

The Beiersdorf share was subject to strong volatility during the past few months as a result of the rumors about changes in our shareholder structure.

On October 23, 2003, Allianz sold a large portion of their investment in our Company to a group of investors consisting of Tchibo Holding Aktiengesellschaft, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsverwaltung mbH and TROMA Alters- und Hinterbliebenenstiftung, the Beiersdorf pension fund.

As part of this transaction it is planned that Beiersdorf, after approval by the Supervisory Board, enacts its June 11, 2003 authorization to buy back up to 10% of the Company's share capital as per § 71, para. 1, sentence 8 *Aktiengesetz* (German Stock Corporation Act). This offer will be addressed to all shareholders and will include a premium. The details of these measures are still to be finalized. Allianz has indicated that they intend to participate with their entire investment in this share buy-back program.

Beiersdorf is very pleased about this agreement. It will eliminate uncertainties and ensure Beiersdorf's independence. It will also enable the continuation and expansion of Beiersdorf's successful growth model and therefore support the sustainable value of the Company.



INCOME STATEMENT

(€ million)	Jan. 1 – Dec. 31, 2002	Jan. 1 - Sept. 30, 2002	Jan. 1 - Sept. 30, 2003	Change* in %
Sales	4,742	3,608	3,542	-1.8
Cost of goods sold	-1,756	-1,333	-1,278	-4.1
Gross profit	2,986	2,275	2,264	-0.5
Marketing and selling expenses	-2,098	-1,589	-1,583	-0.4
Research and development expenses	-93	-69	-73	6.2
General and administrative expenses	-260	-197	-187	-5.5
Other operating expenses (net)	-63	-38	-36	-4.2
Operating result (EBIT)	472	382	385	0.8
Financial result	6	2	12	-
Profit before tax	478	384	397	3.4
Taxes on income	-188	-155	-157	1.4
Profit after tax	290	229	240	4.7
Minority interests	-7	-5	-5	-
Net profit	283	224	235	5.0
Earnings per share (in €)	3.37	2.66	2.80	5.1

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

BALANCE SHEET

ASSETS (€ million)	Dec. 31, 2002	Sept. 30, 2002	Sept. 30, 2003
Intangible assets	128	127	101
Property, plant and equipment	917	908	916
Financial assets	22	25	22
Fixed assets	1,067	1,060	1,039
Inventories	677	694	671
Trade receivables	675	742	734
Other receivables and other assets	110	100	86
Cash and cash equivalents	722	645	869
Current assets	2,184	2,181	2,360
Deferred tax assets	22	21	24
Prepaid expenses	25	42	45
	3,298	3,304	3,468

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)

Shareholder's equity (Beiersdorf AG) excl. minority interests	1,707	1,656	1,785
Minority interests	20	21	16
Shareholders' equity	1,727	1,677	1,801
Provisions for pensions and other employee benefits	397	399	383
Other provisions	511	545	609
Provisions	908	944	992
Financial liabilities	96	97	87
Trade payables	293	297	283
Other liabilities	148	160	171
Liabilities	537	554	541
Deferred tax liabilities	119	113	119
Deferred income	7	16	15
	3,298	3,304	3,468

CASH FLOW STATEMENT

(€ million)	Jan. 1 – Dec. 31, 2002	Jan. 1 – Sept. 30, 2002	Jan. 1 – Sept. 30, 2003
Cash and cash equivalents at beginning of year	714	714	722
Operating result (EBIT)	472	382	385
Income taxes paid	-189	-149	-127
Depreciation and amortization	161	119	117
Change in long-term provisions (excluding interest)	-4	-3	-11
Gain/loss on disposal of property, plant and equipment and intangible assets	1	0	0
Gross cash flow	441	349	364
Change in inventories	27	11	6
Change in trade receivables and other assets	-46	-122	-67
Change in liabilities and short-term provisions	-30	15	86
Net cash flow from operating activities	392	253	389
Investment in fixed assets	-242	-179	-113
Proceeds from the sale of fixed assets	15	11	7
Proceeds from interest, dividends and other financing activities	40	30	32
Net cash flow from investing activities	-187	-138	-74
Free cash flow	205	115	315
Change in financial liabilities	-33	-32	-8
Interest and other financing expenses paid	-42	-35	-27
Cash dividends paid (Beiersdorf AG)	-109	-109	-118
Net cash flow from financing activities	-184	-176	-153
Effect of exchange rate fluctuations on cash held	-14	-9	-15
Effect of changes in Group structure and other changes on cash held	1	1	0
Net change in cash and cash equivalents	8	-69	147
Cash and cash equivalents on Dec. 31/Sept. 30	722	645	869

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Dec. 31, 2002	Sept. 30, 2002	Sept. 30, 2003
Shareholders' equity at beginning of year	1,636	1,636	1,727
Profit after tax	290	229	240
Dividend of Beiersdorf AG for previous year	-109	-109	-118
Other changes	5	4	-17
Currency translation adjustments	-95	-83	-31
Shareholders' equity on Dec. 31/Sept. 30	1,727	1,677	1,801



OTHER INFORMATION

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

Change in the Executive Board: Effective December 31, 2003, Mr. Dieter Steinmeyer, Chairman of the Executive Board of tesa AG, will resign from the Beiersdorf Executive Board to concentrate on the management of tesa AG.

Change in the Supervisory Board: In September 2003 Mr. Günter Herz resigned from the Company's Supervisory Board. Mr. Dieter Ammer, Bremen, Chairman of the Executive Board of TCHIBO Holding AG, Hamburg was appointed to the Supervisory board as a shareholders' representative.

The **declaration of compliance** with the recommendations of the German Corporate Governance Code, as amended on November 7, 2002, 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.

Hamburg, November 2003

Beiersdorf Aktiengesellschaft
The Executive Board

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

W03/1771/42E

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	March 30, 2004
Interim Report January to March 2004	May 13, 2004
Annual General Meeting	June 3, 2004
Interim Report January to June 2004	August 11, 2004
Interim Report January to September 2004	
Financial Analyst Meeting II	November 10, 2004