



BDF ●●●●●  
**Beiersdorf**

Interim Report  
January 1 to June 30, 2004

BDF ●●●●●  
Beiersdorf

SELF TAN FROM  
**NIVEA**

SUN TAN FROM  
**IBIZA**

**NIVEA**  
Sun  
Sun TOUCH  
Quick & Easy  
Self Tan Spray

International NIVEA Sun TOUCH advertisement.  
The moisturizing self tan spray combines  
the moisturizing properties of a lotion with the  
speed of a pump spray.

# Business Developments Overview



## Successful first half of 2004:

- Sales up 4.8%\*
- EBIT margin climbs to 10.9%
- 6.8% return on sales (after tax)



## 2004 targets confirmed:

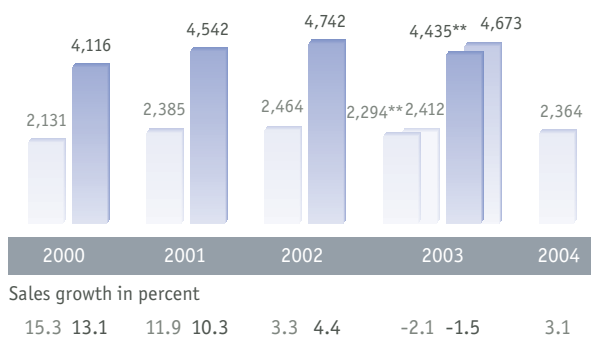
- Sales growth rate higher than last year
- EBIT margin to exceed 10%
- Return on sales after tax above 6%



## Developments – Beiersdorf Group

### Sales

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



\* adjusted for currency translation effects; restated to reflect the new structure

\*\* restated to reflect the new structure (BSN medical at equity)

\*\*\* excluding non-recurring income of €23 million after tax from the sale of the advanced wound care business

### Profit after tax

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



# News



Award no. 1: Beiersdorf provides the best investor relations services



Award no. 2: Eucerin is the best pharmacy partner for skin and personal care



Innovations for the Far East: NIVEA body whitening products



JUVENAL – the innovative range of skin-renewing products from JUVENA

## Beiersdorf wins IR Award

Beiersdorf was judged to provide the best investor relations services out of 198 companies examined by the German business magazine Capital and the DVFA – the German Society of Financial Analysis and Asset Management. Scoring 492.7 out of 500 possible points, Beiersdorf set a new record and was presented with the Capital magazine 2004 Investor Relations Award in Frankfurt am Main on July 7, 2004. Capital market experts evaluated the companies based on timeliness, credibility and quality of their reporting, as well as the soundness of their corporate governance.

## Eucerin wins gold and silver

In the 2004 OTC study conducted by the trade magazine Pharma Rundschau, Eucerin was again voted best pharmacy partner in skin and personal care by German pharmacists, winning the gold medal. Eucerin also won the silver medal in the category for cosmetics ranges sold in pharmacies. The annual OTC study polls German pharmacists' opinions of brands and manufacturers on the pharmacy market.

## Beiersdorf Annual General Meeting

The Beiersdorf Annual General Meeting took place on June 3, 2004 in the Congress Centrum in Hamburg. In his speech, the Chairman of the Executive Board, Dr. Rolf Kunisch, emphasized the importance of the new shareholder structure for Beiersdorf as a public company and the continuation of its successful growth model.

## NIVEA innovations for the Far East

In June 2004, Beiersdorf launched two new NIVEA body whitening products in Thailand. In line with the Asian beauty ideal, the NIVEA whitening range naturally provides consumers with fairer skin. Since the demand for these specialty products is continuously growing in the Far East, NIVEA body whitening products will also be launched in Singapore, Malaysia, the Philippines, Indonesia, China, Hong Kong and Taiwan by the end of the year.

## Beiersdorf invests in Hamburg

The foundation stone for the new logistics center in Hamburg was laid on June 18, 2004. Total investments amount to around €10 million. Beiersdorf's growth strategy requires the expansion of its warehouse capacity and systems to ensure that products continue to be delivered to customers quickly and efficiently in the future.

## JUVENAL launches range of skin-renewing products

JUVENAL is an innovative skin care range launched by the Beiersdorf brand Juvena. JUVENAL's unique SKIN NOVA TECHNOLOGY agents provide the skin with the optimal environment to renew itself. At the same time, they supply the cells with key nutrients and structural substances. The combination of skin-renewing active ingredients was created during the long-term cooperation with the Laboratoire des Substituts Cutanés at the Hôpital Edouard Herriot in Lyon, France. It is based on a new technology that is also used to heal burned skin.

# Segment Information

## Business developments by business segment

Sales (in € million)	Apr. 1 – June 30, 2003 % of total		Apr. 1 – June 30, 2004 % of total		Jan. 1 – June 30, 2003 % of total		Jan. 1 – June 30, 2004 % of total		Change in % nominal    adj. for curr. trans. effects	
Consumer	990	85.2	1,012	85.1	1,944	84.7	2,006	84.9	3.2	4.9
tesa	172	14.8	178	14.9	350	15.3	358	15.1	2.2	3.9
	<b>1,162</b>	<b>100.0</b>	<b>1,190</b>	<b>100.0</b>	<b>2,294</b>	<b>100.0</b>	<b>2,364</b>	<b>100.0</b>	<b>3.1</b>	<b>4.8</b>

## Operating result before depreciation and amortization (EBITDA) (in € million)

	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Consumer	144	14.6	142	14.1	291	14.9	297	14.8	2.4	
tesa	13	7.5	15	8.6	30	8.7	35	9.8	15.1	
	<b>157</b>	<b>13.5</b>	<b>157</b>	<b>13.2</b>	<b>321</b>	<b>14.0</b>	<b>332</b>	<b>14.1</b>	<b>3.6</b>	

## Operating result (EBIT) (in € million)

	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Consumer	113	11.4	111	11.0	229	11.7	235	11.7	3.0	
tesa	7	4.0	9	4.9	18	5.2	22	6.2	21.7	
	<b>120</b>	<b>10.3</b>	<b>120</b>	<b>10.1</b>	<b>247</b>	<b>10.7</b>	<b>257</b>	<b>10.9</b>	<b>4.4</b>	

## Gross cash flow (in € million)

	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Consumer	120	12.1	116	11.5	245	12.6	247	12.3	1.1	
tesa	12	6.9	12	6.4	28	8.0	31	8.6	10.0	
	<b>132</b>	<b>11.3</b>	<b>128</b>	<b>10.7</b>	<b>273</b>	<b>11.9</b>	<b>278</b>	<b>11.8</b>	<b>2.1</b>	

## Business developments by region

Sales (in € million)	Apr. 1 – June 30, 2003 % of total		Apr. 1 – June 30, 2004 % of total		Jan. 1 – June 30, 2003 % of total		Jan. 1 – June 30, 2004 % of total		Change in % nominal    adj. for curr. trans. effects	
Europe	904	77.8	918	77.1	1,757	76.6	1,801	76.1	2.5	2.9
Americas	145	12.5	148	12.4	309	13.5	309	13.1	-0.1	8.8
Africa/Asia/Australia	113	9.7	124	10.5	228	9.9	254	10.8	12.0	13.5
	<b>1,162</b>	<b>100.0</b>	<b>1,190</b>	<b>100.0</b>	<b>2,294</b>	<b>100.0</b>	<b>2,364</b>	<b>100.0</b>	<b>3.1</b>	<b>4.8</b>

## Operating result (EBIT) (in € million)

	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Europe	104	11.5	112	12.3	215	12.2	229	12.7	6.8	
Americas	7	4.7	-3	-2.2	11	3.6	2	0.7	-81.2	
Africa/Asia/Australia	9	8.0	11	9.0	21	9.0	26	10.1	25.8	
	<b>120</b>	<b>10.3</b>	<b>120</b>	<b>10.1</b>	<b>247</b>	<b>10.7</b>	<b>257</b>	<b>10.9</b>	<b>4.4</b>	

The prior-year figures were restated to reflect the new structure. Figures in percent are calculated based on thousands of euros.

# Business Developments



## Sales up 4.8% against prior year EBIT margin climbs to 10.9%

Sales in the first half of 2004 grew by 4.8% adjusted for currency translation effects, above the growth rate of 2003. The Consumer business segment grew by 4.9%, tesa by 3.9%.

The Consumer business segment in Germany achieved sales growth of 2.1% after last year's decline, in line with our expectations. Growth in the European markets weakened, but still amounted to 3.2%. All other regions outside of Europe enjoyed double-digit growth.

Currency translation effects were much smaller than last year. Therefore sales at current exchange rates increased by 3.1%, with the Consumer business segment growing 3.2% and tesa 2.2%.

The operating result (EBIT) grew faster than sales to reach €257 million (previous year: €247 million). This represents an increase in profitability of 0.2 percentage points or an EBIT margin of 10.9%. Increasing the EBIT of our Consumer business segment to €235 million (previous year: €229 million), we successfully maintained last year's high level of profitability achieving an EBIT margin of 11.7%. tesa increased EBIT to €22 million (previous year: €18 million) improving profitability by one full percentage point to 6.2%.

Profit after tax totaled €160 million (previous year: €165 million). Return on sales (after tax) amounted to 6.8% (previous year: 7.2%).

## Consumer business segment grows 4.9% EBIT margin at 11.7%

Sales in the Consumer business segment rose by 4.9%, adjusted for currency translation effects to €2,006 million (+3.2% at current exchange rates). Positive growth rates in all regions contributed to this development.

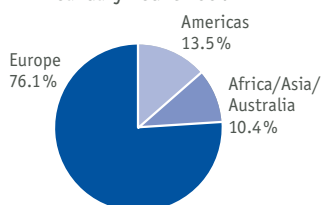
Growth weakened slightly in the second quarter, although the Americas and Africa/Asia/Australia still enjoyed double-digit sales growth in the first half of the year. The hesitant economic recovery in Europe and particularly in Germany, as well as continued muted consumer demand, dampened growth in these markets.

Our global brand NIVEA achieved above-average growth of 5.4%, adjusted for currency translation effects. The la prairie brand was the growth leader with an increase of 21.4%.



# Business Developments

Breakdown of sales in the Consumer business segment by region  
January – June 2004



The Consumer business segment's operating result (EBIT) climbed to €235 million (previous year: €229 million). At 11.7 %, the EBIT margin remained at the previous year's high level.

In **Europe**, the Consumer business segment generated positive sales growth of 2.8 % (adjusted for currency translation effects). At current exchange rates, sales increased 2.4 % to €1,527 million (previous year: €1,491 million).

In Germany, sales rose by 2.1 %. Sales generated by customers in Germany were up slightly (+0.7 %), while exports surged 15.8 % versus previous year. The market situation in Germany did not improve in the first six months of the year, with the overall market continuing to decline. However, the Consumer business segment managed to weather these difficult market conditions thanks to a number of product launches. NIVEA face care and NIVEA Beauté were particularly successful in the second quarter. Hansaplast INSECT products (for the prevention and treatment of mosquito bites) were well received by the market. Eucerin achieved clear growth in the pharmacies market.

At +16.7 % (adjusted for currency translation effects), sales in the UK – where NIVEA Sun products in particular met with a positive response in the shops – were especially encouraging. In addition, Beiersdorf recorded strong growth rates in other major markets in Europe – in Scandinavia, Spain, Greece, Switzerland, and Portugal. However, sales in Russia and a few other countries in Eastern Europe did not meet expectations due to the difficult market situation.

EBIT for the Consumer business segment in Europe climbed to €210 million (previous year: €199 million). The EBIT margin was 13.8 % (previous year: 13.4 %).

In the **Americas**, sales increased by 11.1 %, adjusted for currency translation effects. This growth was particularly due to the relaunch of NIVEA VISAGE in the USA and Canada. In addition, la prairie products achieved double-digit growth in the USA. Positive sales trends in many countries in Latin America, especially Mexico and Argentina, also helped growth in this region. At current exchange rates, sales grew at 2.0 %, rising to €270 million (previous year: €265 million).

EBIT for the Consumer business segment in this region fell to €4 million (previous year: €12 million), mainly due to the high marketing expenses for the relaunch in the USA. The EBIT margin was 1.3 % (previous year: 4.5 %).

At 12.5 %, **Africa/Asia/Australia** continued to enjoy double-digit sales growth, adjusted for currency translation effects. The high double-digit growth recorded in Australia and Thailand was particularly pleasing. In Japan, the successful relaunch of 8x4 led to a significant increase in sales of 7.3 %. At current exchange rates, sales soared 11.6 % to €209 million (previous year: €188 million).

EBIT for the Consumer business segment in this region amounted to €21 million (previous year: €17 million). The EBIT margin rose to 10.1 % (previous year: 9.1 %).

# Business Developments

## tesa sales up 6.3% on comparable basis

### tesa EBIT margin climbs to 6.2%

tesa continued its extremely strong first-quarter growth, recording an increase of 6.3% versus previous year after adjustment for the sale of a small part of its US business. At current exchange rates, tesa achieved growth of 2.2% (3.9% adjusted for currency translation effects), with sales amounting to €358 million. Growth remained particularly pleasing in Africa/Asia/Australia (+18.1% adjusted for currency translation effects) and Eastern Europe (+22.0% adjusted for currency translation effects). This positive performance was due to the successful marketing of innovative products targeted at the automotive and electronics industry.

The other regions also contributed to overall growth. Even on the difficult German market, tesa could achieve sales growth of 0.8%, despite the decline in the automotive business and general muted consumer spending. New products in the pollen protection and fly screen range strongly contributed to tesa's growth.

tesa generated EBIT totaling €22 million (previous year: €18 million), thus raising the EBIT margin to 6.2% (previous year: 5.2%).

## Capital expenditure

Beiersdorf invested €66 million (previous year: €69 million) in property, plant and equipment and intangible assets. €55 million of this was attributable to the Consumer business segment (previous year: €58 million) and €11 million to tesa (previous year: €11 million).

## Employees

The number of employees remained almost unchanged compared with December 31, 2003 to total 16,661. As of the reporting date, 13,210 people were employed in the Consumer business segment and 3,451 in the tesa business segment.

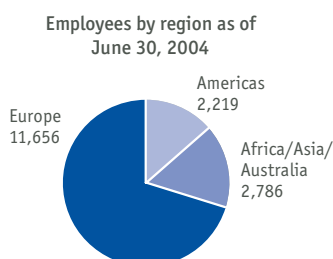
## Outlook for 2004:

### Sales growth rate higher than last year

### EBIT margin remains at record high

Despite the continued difficult economic environment, the Consumer business segment is planning higher sales growth (adjusted for currency translation effects) in 2004 than in 2003. The EBIT margin should again reach its prior year level. tesa is aiming to continue the sales growth of the previous year on a comparable basis i.e. after adjustment for the effect of the sale of a small part of its US business and adjusted for currency translation effects. The EBIT margin will continue to improve.

In view of the weaker market development in Europe observed in many reports, it will become more difficult for the Group to exceed last year's rate of sales growth (adjusted for currency translation effects). This, however, remains our goal. The EBIT margin should reach the record level achieved last year, and the return on sales (after tax) is once again expected to exceed 6%.



# The Beiersdorf Share

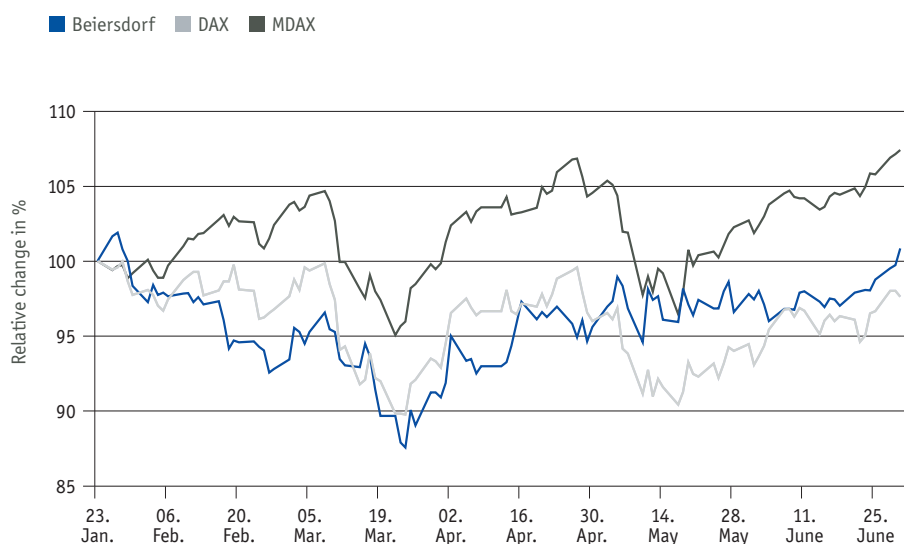


At the end of the first half of 2004, European and US stock market indices changed only slightly as against the beginning of the year. Fears of inflation and of related interest rate rises, high oil prices and geopolitical risks dominated market events during this period. Share prices picked up at the beginning of the year thanks to rising company profits, but expectations then fell, mainly due to doubts about the stability of US economic growth and to the expected rise in US interest rates, which has now been implemented.

After the changes to the shareholder structure in the fall of last year, Beiersdorf's share price increasingly began to reflect the general market trend and the Company's fundamentals following the successful conclusion of the share buyback program on January 23, 2004.

Since then, the share price weakened in the first quarter in line with the market trend before rebounding from the end of March onwards following publication of the annual forecasts and the results for the first quarter. The share price then moved sideways for a long period before starting to trend upwards again at the end of the first six months as a result of a growing number of buy recommendations and increased share price targets.

## Beiersdorf's share price performance since the end of the offer period for the share buyback program





# Financial Information

## Income Statement

(in € million)	Apr.1 – June 30, 2003	Apr.1 – June 30, 2004	Jan.1 – June 30, 2003	Jan.1 – June 30, 2004	Change in %
<b>Sales</b>	<b>1,162</b>	<b>1,190</b>	<b>2,294</b>	<b>2,364</b>	<b>3.1</b>
Cost of goods sold	-416	-418	-814	-815	0.3
<b>Gross profit</b>	<b>746</b>	<b>772</b>	<b>1,480</b>	<b>1,549</b>	<b>4.6</b>
Marketing and selling expenses	-528	-552	-1,040	-1,091	4.9
Research and development expenses	-25	-26	-47	-49	3.2
General and administrative expenses	-53	-58	-113	-116	2.3
Other operating expenses (net)	-20	-16	-33	-36	7.5
<b>Operating result (EBIT)</b>	<b>120</b>	<b>120</b>	<b>247</b>	<b>257</b>	<b>4.4</b>
Financial result	11	0	19	4	-80.2
<b>Profit before tax</b>	<b>131</b>	<b>120</b>	<b>266</b>	<b>261</b>	<b>-1.9</b>
Taxes on income	-49	-48	-101	-101	0.4
<b>Profit after tax</b>	<b>82</b>	<b>72</b>	<b>165</b>	<b>160</b>	<b>-3.3</b>
Minority interests	-1	-2	-3	-4	4.7
<b>Net profit</b>	<b>81</b>	<b>70</b>	<b>162</b>	<b>156</b>	<b>3.4</b>
<b>Earnings per share (in €)</b>	<b>-</b>	<b>-</b>	<b>1.93</b>	<b>2.03*</b>	<b>5.2</b>

\* Calculated on the basis of the weighted number of shares (77,145,168)

## Balance Sheet

Assets (in € million)	Dec.31, 2003	June 30, 2003	June 30, 2004
Intangible assets	94	108	84
Property, plant and equipment	876	873	871
Financial assets	94	94	97
<b>Fixed assets</b>	<b>1,064</b>	<b>1,075</b>	<b>1,052</b>
Inventories	629	626	622
Trade receivables	651	793	836
Other receivables and other assets	93	91	89
Cash and cash equivalents	828	719	200
<b>Current assets</b>	<b>2,201</b>	<b>2,229</b>	<b>1,747</b>
<b>Deferred tax assets</b>	<b>23</b>	<b>17</b>	<b>24</b>
<b>Prepaid expenses</b>	<b>22</b>	<b>47</b>	<b>45</b>
	<b>3,310</b>	<b>3,368</b>	<b>2,868</b>
Shareholders' equity and liabilities (in € million)	Dec.31, 2003	June 30, 2003	June 30, 2004
<b>Shareholders' equity (Beiersdorf AG) excl. minority interests</b>	<b>1,819</b>	<b>1,722</b>	<b>901</b>
Minority interests	12	18	10
<b>Shareholders' equity</b>	<b>1,831</b>	<b>1,740</b>	<b>911</b>
Provisions for pensions and other employee benefits	376	377	369
Other provisions	463	567	559
<b>Provisions</b>	<b>839</b>	<b>944</b>	<b>928</b>
Financial liabilities	66	55	391
Trade payables	293	304	286
Other liabilities	150	198	206
<b>Liabilities</b>	<b>509</b>	<b>557</b>	<b>883</b>
<b>Deferred tax assets</b>	<b>122</b>	<b>112</b>	<b>129</b>
<b>Deferred income</b>	<b>9</b>	<b>15</b>	<b>17</b>
	<b>3,310</b>	<b>3,368</b>	<b>2,868</b>

The prior-year figures were restated to reflect the new structure. Figures in percent are calculated based on thousands of euros.

# Financial Information

## Cash Flow Statement

(in € million)	Jan. 1 – June 30, 2003	Jan. 1 – June 30, 2004
<b>Cash and cash equivalents at beginning of year</b>	<b>701</b>	<b>828</b>
<b>Operating result (EBIT)</b>	<b>247</b>	<b>257</b>
Income taxes paid	-43	-45
Depreciation and amortization	74	75
Change in long-term provisions (excluding interest)	-5	-7
Gain/loss on disposal of property, plant and equipment and intangible assets	0	-2
<b>Gross cash flow</b>	<b>273</b>	<b>278</b>
Change in inventories	6	7
Change in trade receivables and other assets	-167	-209
Change in liabilities and short-term provisions	96	94
<b>Net cash flow from operating activities</b>	<b>208</b>	<b>170</b>
Investment in fixed assets	-69	-66
Proceeds from the sale of fixed assets	5	15
Proceeds from interest, dividends and other financing activities	29	20
<b>Net cash flow from investing activities</b>	<b>-35</b>	<b>-31</b>
<b>Free cash flow</b>	<b>173</b>	<b>139</b>
Change in financial liabilities	-1	325
Interest and other financing expenses paid	-21	-19
Share buyback	-	-955
Cash dividends paid (Beiersdorf AG)	-118	-121
<b>Net cash flow from financing activities</b>	<b>-140</b>	<b>-770</b>
Effect of exchange rate fluctuations on cash held	-15	3
<b>Net change in cash and cash equivalents</b>	<b>18</b>	<b>-628</b>
<b>Cash and cash equivalents on June 30</b>	<b>719</b>	<b>200</b>

## Statement of Changes in Shareholders' Equity

(in € million)	Jan. 1 – June 30, 2003	Jan. 1 – June 30, 2004
<b>Beginning shareholders' equity</b>	<b>1,727</b>	<b>1,831</b>
Profit after tax	165	160
Dividend of Beiersdorf AG for previous year	-118	-121
Share buyback	0	-955
Other changes	-9	-16
Currency translation adjustments	-25	12
<b>Ending shareholders' equity</b>	<b>1,740</b>	<b>911</b>

The prior-year figures were restated to reflect the new structure.

## Other Disclosures

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 2003 with the following exception: BSN medical GmbH & Co. KG, a joint venture with Smith & Nephew plc., is now only recognized as a financial investment and stopped being consolidated at the beginning of 2004. Instead, it is included at equity in the consolidated financial statements.

At the beginning of 2004, Beiersdorf AG acquired 8,393,672 own shares at a purchase price of €113.76 per individual share in the course of its public offer. The total purchase price of €954,864,127 was deducted from consolidated equity on the face of the balance sheet.

The term of office of Beiersdorf Aktiengesellschaft's Supervisory Board ended with the close of the Annual General Meeting on June 3, 2004. The new Supervisory Board consists of the following members: Dieter Ammer (Supervisory Board Chairman), Jürgen Krause (Deputy Supervisory Board Chairman), Reinhard Pöllath (Deputy Supervisory Board Chairman), Dr. Diethart Breipohl, Dr. Walter Diembeck, Frank Ganschow, Michael Herz, Dr. Arno Mahler, Tomas Nieber, Ulrich Plechinger, Manuela Rousseau, Dr. Bruno Sälzer. Further information on the Company's Supervisory Board can be found on our website at [www.Beiersdorf.com](http://www.Beiersdorf.com).

The declaration of compliance issued by the Supervisory Board and the Executive Board of Beiersdorf AG regarding the recommendations of the German Corporate Governance Code according to § 161 *Aktiengesetz* (German Stock Corporation Act) was published at the end of December 2003 and has been made permanently available on the Internet at [www.Beiersdorf.com](http://www.Beiersdorf.com).

Hamburg, August 2004

Beiersdorf AG  
The Executive Board

## Financial Calendar

Interim Report January to September 2004 Financial Analyst Meeting	November 10, 2004
Publication of Preliminary Group Results	January 2005
Key Company Data for Fiscal Year 2004	End of February 2005
Publication of Annual Report 2004 Annual Accounts Press Conference Financial Analyst Meeting	March 30, 2005
Interim Report January to March 2005	May 12, 2005
Annual General Meeting	May 18, 2005
Interim Report January to June 2005	August 9, 2005
Interim Report January to September 2005 Financial Analyst Meeting	November 10, 2005

## Published by

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

Additional information:

Press & PR: Tel.: +49 40 4909-2332, E-mail: [Info@Beiersdorf.com](mailto:Info@Beiersdorf.com)

Investor Relations: Tel.: +49 40 4909-5000

E-mail: [Investor.Relations@Beiersdorf.com](mailto:Investor.Relations@Beiersdorf.com)

Beiersdorf on the Internet: [www.Beiersdorf.com](http://www.Beiersdorf.com)

Digital versions of the Interim Reports are available on the Internet at [www.Beiersdorf.com](http://www.Beiersdorf.com)  
under the section entitled "Investor Relations/Financial 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, Uwe Wölfer

Supervisory Board Chairman: Dieter Ammer

W04/1771/54E