



BDF ●●●●●
Beiersdorf

Interim Report January 1 to September 30, 2004

BDF ●●●●●
 Beiersdorf

His self defence technique is unique.

silver TECHNOLOGY

You can't tell whether there are germs in your wound or not. So you have to protect yourself. That's why Hansaplast med introduces silver technology.

The broad spectrum anti microbiological power of silver is clinically proven to kill germs. It effectively minimizes the infection risk.

Learn more from your pharmacist or from Hansaplast directly:
 Phone 0180 – 52562888 or visit www.hansaplast.com

Hansaplast med
 Sensitive Hypoallergen
 silver★ TECHNOLOGY
 • Reduziert das Infektionsrisiko
 10 Strips

Hansaplast. We help to heal.

+ Available in your pharmacy

Advertisement for Hansaplast's new silver plaster, which effectively prevents infections and aids wound healing. In the Commonwealth countries, the product is marketed under the Elastoplast brand.

Business Developments Overview



Earnings reach previous year's record high:

- Sales up 4.3%*
- EBIT margin reaches 10.8%
- Profit after tax totals €240 million
- Earnings per share rise to €3.07



Outlook for 2004:

- Sales growth rate around 4%*
- EBIT margin to exceed 10%
- Return on sales after tax above 6%

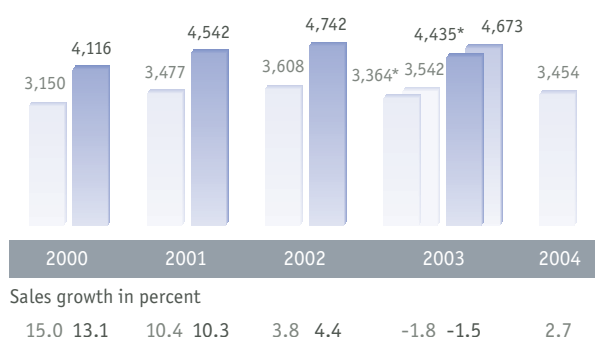


*adjusted for currency translation effects; restated to reflect the new structure

Developments – Beiersdorf Group

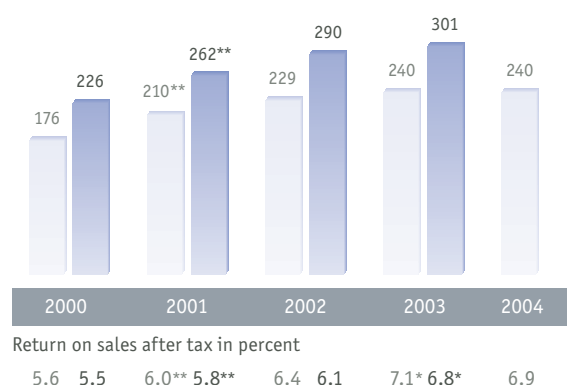
Sales

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



Profit after tax

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



* 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

News



Modern and impressive: the new Beiersdorf Skin Research Center in Hamburg



manager magazin winner: the Beiersdorf Annual Report 2003



Sponsored by NIVEA: the "Super Model" competition in China



An inviting atmosphere and attractive offering – with la prairie



Powerful brands: tesa wins Superbrands Award 2004

Opening of the new Beiersdorf Skin Research Center

On August 30, 2004, Beiersdorf opened Germany's largest and most state-of-the-art skin research center in the presence of Hamburg's Mayor Ole von Beust and many other guests from the business and political spheres. The Company has invested €38 million in the 16,000 m² building complex, in which around 650 scientists from all over the world work on basic dermatological research and product development.

Beiersdorf Annual Report wins award

Beiersdorf's Annual Report received major recognition on September 1, 2004 when it was ranked first in the MDAX category by the judges of manager magazin's "Best Annual Report" competition. The competition is the most comprehensive comparison of annual reports in Germany and one of the largest in Europe. The reports were assessed on content, financial communication, effectiveness, design and language. The judges were interested in particular in informative value, transparency and authenticity.

NIVEA's successful sponsorship in China

NIVEA enjoys a successful media partnership with the Chinese television show "Super Model". Models from all over the country apply for the show in which they go head to head in several qualifying rounds. After just one year, the show is one of the Chinese TV shows with the highest ratings and attracts massive audiences every Saturday evening. NIVEA is creating strong consumer loyalty by projecting a compelling brand image and through the extensive distribution of samples.

la prairie beauty oasis at Zurich airport

On September 10, 2004, la prairie opened an exclusive beauty salon at Zurich Airport, where an oasis of tranquility and a pampering program awaits travelers between check-in and departure. In addition to la prairie's broad range of luxurious anti-aging cosmetics, experienced employees offer individual consultations, soothing reflexology hand massages and free facials.

tesa – one of the strongest brands in Germany and Portugal

tesa has been given the Superbrands Award for outstanding brand management by a panel of independent experts in PR, marketing and market research. According to International Research 2004, tesa enjoys brand awareness of 99% in Germany and brand affinity of 74%. tesa is also at the top in Portugal, where the brand received the Superbrands Award 2004 for self-adhesive solutions.

Segment Information

Business developments by business segment

Sales (in € million)	July 1 – Sept. 30, 2003 % of total		July 1 – Sept. 30, 2004 % of total		Jan. 1 – Sept. 30, 2003 % of total		Jan. 1 – Sept. 30, 2004 % of total		Change in % nominal adj. for curr. trans. effects	
Consumer	897	83.8	914	83.8	2,841	84.5	2,920	84.5	2.8	4.4
tesa	173	16.2	176	16.2	523	15.5	534	15.5	2.0	3.7
	1,070	100.0	1,090	100.0	3,364	100.0	3,454	100.0	2.7	4.3

Operating result before depreciation and amortization (EBITDA) (in € million)	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Consumer	138	15.4	133	14.6	428	15.1	430	14.7		0.5
tesa	18	10.3	22	12.2	48	9.2	57	10.6		17.0
	156	14.6	155	14.2	476	14.2	487	14.1		2.2

Operating result (EBIT) (in € million)	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Consumer	106	11.8	101	11.0	335	11.8	336	11.5		0.4
tesa	11	6.3	15	8.5	29	5.6	37	7.0		27.7
	117	10.9	116	10.6	364	10.8	373	10.8		2.6

Gross cash flow (in € million)	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Consumer	62	6.9	63	6.9	307	10.8	310	10.6		1.3
tesa	11	6.6	21	11.9	39	7.5	52	9.7		31.2
	73	6.9	84	7.7	346	10.3	362	10.5		4.7

Business developments by region

Sales (in € million)	July 1 – Sept. 30, 2003 % of total		July 1 – Sept. 30, 2004 % of total		Jan. 1 – Sept. 30, 2003 % of total		Jan. 1 – Sept. 30, 2004 % of total		Change in % nominal adj. for curr. trans. effects	
Europe	790	73.8	792	72.7	2,547	75.7	2,593	75.1	1.8	2.0
Americas	159	14.9	159	14.6	468	13.9	468	13.6	0.0	8.1
Africa/Asia/Australia	121	11.3	139	12.7	349	10.4	393	11.3	12.7	15.4
	1,070	100.0	1,090	100.0	3,364	100.0	3,454	100.0	2.7	4.3

Operating result (EBIT) (in € million)	% of sales		% of sales		% of sales		% of sales		Change in % nominal	
Europe	99	12.6	98	12.4	314	12.3	327	12.6		4.2
Americas	5	2.9	3	1.8	16	3.4	5	1.1		-68.8
Africa/Asia/Australia	13	10.7	15	10.8	34	9.6	41	10.4		21.7
	117	10.9	116	10.6	364	10.8	373	10.8		2.6

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 4.3% against prior year EBIT margin reaches 10.8%

Sales grew by 4.3%, adjusted for currency translation effects. The Consumer business segment grew by 4.4%, tesa by 3.7%. At current exchange rates, the Group's sales increased by 2.7%, with the Consumer business segment growing 2.8% and tesa 2.0%. In the **third quarter** sales increased by 3.2%, adjusted for currency translation effects. Consumer grew by 3.3%, tesa by 3.1%. At current exchange rates, sales of the Group and the Consumer and tesa business segments increased by 1.8% each.

The operating result (EBIT) grew proportionately to sales and reached €373 million (previous year: €364 million). The EBIT margin was 10.8%, achieving the previous year's level.

The financial result totaled €9 million (previous year: €27 million). This change is mainly due to lower interest income and higher financing costs in connection with the share buyback.

Despite these increased financing costs, profit after tax reached the previous year's record high of €240 million (previous year: €240 million). The return on sales after tax amounted to 6.9% (previous year: 7.1%). Earnings per share increased by 9.6% to €3.07 (previous year: €2.80).

Consumer business segment generates sales growth of 4.4% EBIT margin at 11.5%

Sales in the Consumer business segment rose by 4.4%, adjusted for currency translation effects. At current exchange rates, sales climbed 2.8% to €2,920 million (previous year: €2,841 million).

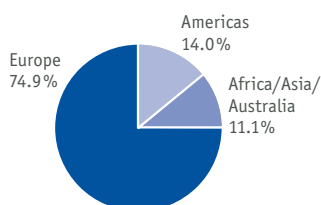
Positive growth rates (after adjustment for currency translation effects) in all regions contributed to this development. The Americas and the Africa/Asia/Australia region continued to generate double-digit sales growth. The hesitant economic recovery in Europe and particularly in Germany, as well as muted consumer demand, dampened overall growth.

Our global brand NIVEA achieved growth of 4.5%, adjusted for currency translation effects. The Eucerin brand recorded growth of 8.0% while the plaster brands grew by 5.1% and la prairie by 13.1%.

The Consumer business segment's operating result (EBIT) climbed to €336 million (previous year: €335 million). The EBIT margin totaled 11.5% (previous year: 11.8%).

Business Developments

Breakdown of sales in the Consumer business segment by region
Jan. – Sept. 2004



In the **Europe** region as a whole, the Consumer business segment generated positive sales growth of 1.9% (adjusted for currency translation effects). At current exchange rates, sales increased 1.6% to €2,187 million (previous year: €2,151 million).

In Germany, sales rose by 1.8%. Sales generated by customers in Germany were up slightly (0.9%) on the previous year, while exports surged 10.0% versus previous year. The market situation in Germany did not improve in the first nine months of the year, with the overall market continuing to decline. However, Beiersdorf managed to weather these difficult market conditions thanks to a number of innovative product launches.

At +13.9% (adjusted for currency translation effects), sales in the UK were particularly encouraging. In addition, Beiersdorf recorded strong growth rates in other major markets in Europe such as Scandinavia, Spain, Switzerland and Portugal. However, sales in Russia and a few other countries in Eastern Europe still did not meet expectations.

EBIT for the Consumer business segment in Europe climbed to €296 million (previous year: €290 million). The EBIT margin amounted to 13.5%, as in the previous year.

In the **Americas** region, sales increased by 10.5%, adjusted for currency translation effects. This growth was particularly due to Eucerin's strong performance and the relaunch of NIVEA VISAGE in the USA and Canada. la prairie also achieved double-digit growth in the USA, while positive sales trends in many countries in Latin America, especially Mexico, Brazil and Argentina, also helped growth in this region. At current exchange rates, sales rose by 2.1% to €410 million (previous year: €401 million).

EBIT for the Consumer business segment in this region fell to €6 million (previous year: €17 million), mainly due to the high marketing expenses resulting from the relaunch of NIVEA VISAGE in the USA. The EBIT margin totaled 1.6% (previous year: 4.1%).

At +14.4%, the **Africa/Asia/Australia** region continued to enjoy double-digit sales growth, adjusted for currency translation effects. The growth recorded in Australia was particularly pleasing. Sales soared 22.7% thanks to the launch of NIVEA Sun and NIVEA VISAGE's extremely strong growth. Strong growth rates were also achieved in Thailand and Japan. At current exchange rates, sales in this region increased by 12.1% to €323 million (previous year: €289 million).

EBIT for the Consumer business segment in this region amounted to €34 million (previous year: €28 million). The EBIT margin rose to 10.4% (previous year: 9.6%).

Business Developments

tesa sales up 6.1 % on comparable basis

tesa EBIT margin climbs to 7.0%

tesa continued its strong growth from the first six months of the year, recording an increase in sales of 6.1% versus previous year after adjustment for the sale of a small part of its US business and for currency translation effects. At current exchange rates, tesa achieved positive growth of 2.0% (3.7% adjusted for currency translation effects), with sales amounting to €534 million. Growth remained particularly pleasing in the Africa/Asia/Australia region (19.9% adjusted for currency translation effects) and Eastern Europe (17.7% adjusted for currency translation effects). This positive performance is due to the successful marketing of innovative products for the automotive and electronics industries.

tesa generated EBIT totaling €37 million (previous year: €29 million), thus raising the EBIT margin to 7.0% (previous year: 5.6%).

Capital expenditure

In the period under review, Beiersdorf invested €115 million (previous year: €108 million) in property, plant, and equipment and intangible assets. €97 million of this was attributable to the Consumer business segment (previous year: €89 million) and €18 million to tesa (previous year: €19 million).

Employees

The number of employees remained almost unchanged compared with December 31, 2003 to total 16,686. As of the reporting date, 13,216 people were employed in the Consumer business segment and 3,470 in the tesa business segment.

Outlook for 2004:

Sales growth rate around 4%

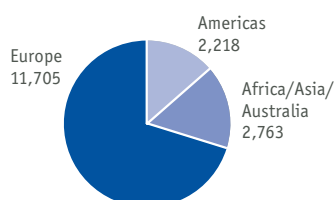
EBIT margin of over 10% remains at previous year's record high

Despite several positive announcements, the economic environment remains difficult. The major European markets in particular are displaying weak economic growth.

We aim to generate full-year sales growth (adjusted for currency translation effects) of around 4% for the Group. We want to maintain the EBIT margin at the previous year's record level, at over 10%. Our return on sales after tax is expected to exceed 6% as in the previous year.

The Consumer business segment plans to grow sales (after adjustment for currency translation effects) by around 4% and to maintain the EBIT margin at the previous year's level of around 11%. tesa is aiming to generate sales growth of around 5% on a comparable basis, i.e. after adjustment for the sale of a small part of its US business and for currency translation effects. tesa's EBIT margin will continue to improve as compared to the previous year.

Employees by region as of
September 30, 2004



The Beiersdorf Share

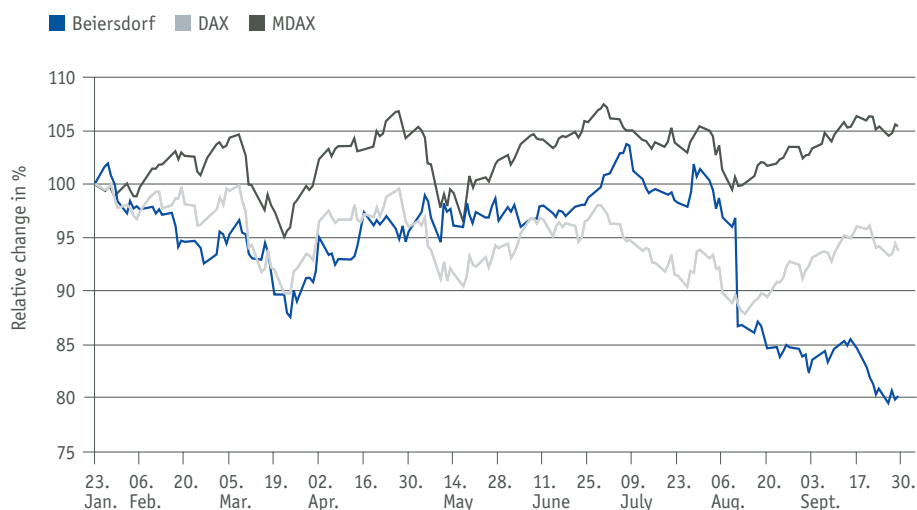


The stock markets recorded mainly a weak performance in the third quarter of 2004. The DAX dropped below the 4000-point benchmark. The markets were dominated by the increase in oil prices and interest rates, as well as uncertainty about the global economic upturn.

In the consumer goods sector, European manufacturers' stocks came under substantial pressure as a result of unforeseen profit warnings, earnings that failed to meet expectations and the muted outlook. Relative valuation differences saw traders switching from shares of small and middle-market companies to large caps.

Although, at the beginning of the quarter, Beiersdorf's shares beat the market and increased in price, they were unable to buck the negative trend in the consumer goods sector and the effects of portfolio restructurings as the quarter continued. The publication of the half-year Interim Report in August occurred during a period of marked uncertainty on the international stock markets, and led to a clear drop in the share price in line with the general trend in the sector. Despite the correction in the stock's valuation and tentative signs of a recovery on the market as a whole, positive stimulus failed to materialize at the end of the quarter due to the continuing skepticism of market participants with regard to consumer goods stocks.

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



Financial Information

Income Statement

(in € million)	July 1 – Sept. 30, 2003	July 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2003	Jan. 1 – Sept. 30, 2004	Change in %
Sales	1,070	1,090	3,364	3,454	2.7
Cost of goods sold	-380	-401	-1,193	-1,216	1.9
Gross profit	690	689	2,171	2,238	3.1
Marketing and selling expenses	-491	-489	-1,531	-1,581	3.2
Research and development expenses	-23	-23	-70	-72	2.5
General and administrative expenses	-57	-60	-170	-175	3.0
Other operating expenses (net)	-2	-1	-36	-37	-3.8
Operating result (EBIT)	117	116	364	373	2.6
Financial result	7	5	27	9	-67.7
Profit before tax	124	121	391	382	-2.2
Taxes on income	-49	-41	-151	-142	-5.3
Profit after tax	75	80	240	240	-0.3
Minority interests	-2	-1	-5	-5	-11.5
Net profit	73	79	235	235	0.0
Earnings per share (in €)	–	–	2.80	3.07*	9.6

* calculated on the basis of the weighted number of shares (76,632,221)

Balance Sheet

Assets (in € million)	Dec. 31, 2003	Sept. 30, 2003	Sept. 30, 2004
Intangible assets	94	99	74
Property, plant, and equipment	876	878	891
Financial assets	94	97	100
Fixed assets	1,064	1,074	1,065
Inventories	629	626	589
Trade receivables	651	694	733
Other receivables and other assets	93	86	95
Cash and cash equivalents	828	850	246
Current assets	2,201	2,256	1,663
Deferred tax assets	23	19	27
Prepaid expenses	22	43	35
	3,310	3,392	2,790
Shareholders' equity and liabilities (in € million)	Dec. 31, 2003	Sept. 30, 2003	Sept. 30, 2004
Shareholders' equity (Beiersdorf AG) excl. minority interests	1,819	1,785	978
Minority interests	12	16	11
Shareholders' equity	1,831	1,801	989
Provisions for pensions and other employee benefits	376	372	366
Other provisions	463	590	551
Provisions	839	962	917
Financial liabilities	66	60	300
Trade payables	293	272	271
Other liabilities	150	165	159
Liabilities	509	497	730
Deferred tax liabilities	122	117	135
Deferred income	9	15	19
	3,310	3,392	2,790

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 – Sept. 30, 2003	Jan. 1 – Sept. 30, 2004
Cash and cash equivalents at beginning of year	701	828
Operating result (EBIT)	364	373
Income taxes paid	-121	-112
Depreciation and amortization	113	113
Change in long-term provisions	-9	-10
Gain/loss on disposal of property, plant, and equipment and intangible assets	-1	-2
Gross cash flow	346	362
Change in inventories	6	40
Change in trade receivables and other assets	-69	-94
Change in liabilities and short-term provisions	93	54
Net cash flow from operating activities	376	362
Investment in fixed assets	-108	-116
Proceeds from the sale of fixed assets	7	16
Proceeds from interest, dividends and other financing activities	36	25
Net cash flow from investing activities	-65	-75
Free cash flow	311	287
Change in financial liabilities	-4	234
Interest and other financing expenses paid	-25	-28
Share buyback	0	-955
Cash dividends paid (Beiersdorf AG)	-118	-121
Net cash flow from financing activities	-147	-870
Effect of exchange rate fluctuations on cash held	-15	1
Net change in cash and cash equivalents	149	-582
Cash and cash equivalents on Sept. 30	850	246

Statement of Changes in Shareholders' Equity

(in € million)	Jan. 1 – Sept. 30, 2003	Jan. 1 – Sept. 30, 2004
Beginning shareholders' equity	1,727	1,831
Profit after tax	240	240
Dividend of Beiersdorf AG for previous year	-118	-121
Share buyback	0	-955
Other changes	-17	-16
Currency translation adjustments	-31	10
Ending shareholders' equity	1,801	989

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 no-par value 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 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 our website at www.Beiersdorf.com. The new declaration of compliance for the financial year 2004 will also be published and made available on the website by the end of the year.

Hamburg, November 2004

Beiersdorf AG
The Executive Board

Financial Calendar

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

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