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Beiersdorf

Interim Report
January 1 to March 31, 2005



**WIR HABEN WAS
GEGEN FALTEN.**



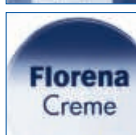
Q10

Florena

Ich fühl mich wohl in meiner Haut.

German advertisement for Florena's Q10 daily anti-wrinkle cream. The cream protects against damaging environmental factors which can make the skin age faster.

Business Developments Overview



Earnings up significantly in the first quarter of 2005

- ▶ Sales slightly above year ago (adjusted for currency translation effects)
- ▶ Operating result (EBIT) rises by 5.5 %
- ▶ EBIT margin climbs to 12.3 % (previous year: 11.7 %)
- ▶ Profit after tax substantially up at €92 million (previous year: €88 million)
- ▶ Earnings per share increase to €1.20

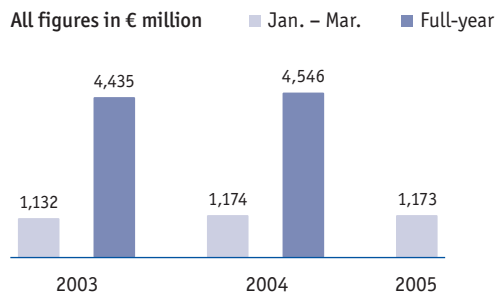
Outlook for 2005

- ▶ Sales growth at previous year's level (adjusted for currency translation effects)
- ▶ EBIT margin around 11 %
- ▶ Return on sales after tax around 7 %

Developments – Beiersdorf Group

Sales

All figures in € million

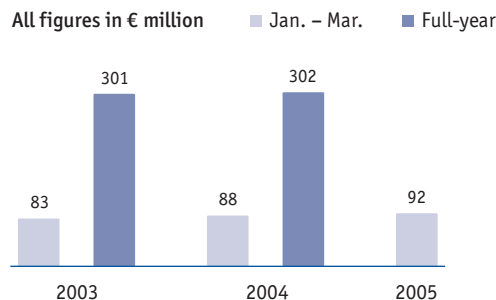


Sales growth in percent

0.5	-1.3	3.8	2.5	-0.1
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Profit after tax

All figures in € million



Return on sales after tax in percent

7.3	6.8	7.5	6.6	7.8
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News

FUTURO becomes the market leader in the USA



FUTURO made a successful start in 2005 by becoming the market leader in the USA in the growing market of health supports. With this development, the Beiersdorf brand took over as the number 1 in the USA for the first time in its 69-year brand history. The market share of 25 % as calculated by Nielsen in December 2004 will be further expanded in 2005 with the launch of new, innovative products.

Austria: NIVEA VISAGE New Skin and Hansaplast Insect voted "Top Innovations 2004"



In January 2005, the Austrian trade magazine CASH awarded two first prizes for "particularly successful innovations" to Beiersdorf products. The jury of the specialist magazine for managers and employees in the food retail industry gave the first place in the "Body Care Including Baby Care" category to NIVEA VISAGE New Skin, while Hansaplast Insect was voted the best innovation in the "Other Non-Food" category.

50 years of Florena Creme – skin care that really cares



Florena Creme has issued beautiful special-edition tins to celebrate its 50th birthday. The extensive celebrations also include a mailing campaign, a big competition for consumers and a photo contest on the topic "50 years of Florena Creme – skin care that really cares" at www.Florena.de. The German website also invites visitors to take a virtual journey through time, reliving the spirit of the past five decades through Florena advertisements.

NIVEA: first place in "Reader's Digest Trusted Brands 2005"



No other skin care brand in Europe inspires as much trust as NIVEA – this has been confirmed once again by the latest "Reader's Digest Trusted Brands" survey. For the first time, consumers in all the participating countries voted the Beiersdorf brand the most trustworthy in its product category. This meant that NIVEA occupied the top position in Germany, for example, for the fifth year in a row. Around 25,000 people in 14 European countries took part in the representative survey.

NIVEA FOR MEN and Labello voted "Best New Products 2005" in Canada



On March 3, 2005, NIVEA FOR MEN Sensitive Lotion and Labello Pearl & Shine were awarded first prizes at the Canadian "Best New Product Awards": NIVEA FOR MEN Sensitive Lotion won in the "Men's Personal Care" category, while Labello Pearl & Shine was voted the best lip care product. The "Best New Products" are voted for by 5,000 Canadian consumers, making this the biggest survey of its kind in the country.

Segment Information

Business developments by business segment

Sales (in € million)	Jan. 1 – Mar. 31, 2004 % of total		Jan. 1 – Mar. 31, 2005 % of total		Change in % nominal adj. for curr. trans. effects	
Consumer	994	84.7	995	84.8	0.1	0.7
tesa	180	15.3	178	15.2	-1.3	-1.0
	1,174	100.0	1,173	100.0	-0.1	0.4
Operating result before depreciation and amortization (EBITDA) (in € million)	% of sales		% of sales		Change in % nominal	
Consumer	155	15.6	160	16.1		3.7
tesa	20	11.0	22	12.3		9.9
	175	14.9	182	15.5		4.4
Operating result (EBIT) (in € million)	% of sales		% of sales		Change in % nominal	
Consumer	124	12.4	129	12.9		4.2
tesa	13	7.4	16	8.8		17.0
	137	11.7	145	12.3		5.5
Gross cash flow (in € million)	% of sales		% of sales		Change in % nominal	
Consumer	131	13.2	140	14.1		7.0
tesa	19	10.8	18	10.2		-6.7
	150	12.8	158	13.5		5.3

Business developments by region

Sales (in € million)	Jan. 1 – Mar. 31, 2004 % of total		Jan. 1 – Mar. 31, 2005 % of total		Change in % nominal adj. for curr. trans. effects	
Europe	883	75.2	882	75.1	-0.1	-0.8
Americas	161	13.7	155	13.2	-3.6	0.3
Africa/Asia/Australia	130	11.1	136	11.7	5.0	8.7
	1,174	100.0	1,173	100.0	-0.1	0.4
Operating result (EBIT) (in € million)	% of sales		% of sales		Change in % nominal	
Europe	117	13.3	126	14.2		7.0
Americas	5	3.3	5	3.2		-5.1
Africa/Asia/Australia	15	11.2	14	10.4		-2.4
	137	11.7	145	12.3		5.5

Figures in percent are calculated based on thousands of euros.

Business Developments



The new NIVEA shops offer the brand's entire range of products and in-depth customer advice

- ▶ Sales slightly above year ago
- ▶ EBIT rises by 5.5 %
- ▶ Profit after tax significantly up

Group sales adjusted for currency translation effects increased by 0.4 % on the high sales generated in the previous year. Extensive product launches in our key markets, Germany and North America, led to record sales in the first quarter of the previous year; this year, we were able to top this figure. At current exchange rates, sales remained essentially unchanged year-on-year at €1,173 million (previous year: €1,174 million).

The Group's operating result (EBIT) increased by 5.5 % to €145 million (previous year: €137 million), while the EBIT margin rose to 12.3 % (previous year: 11.7 %).

The financial result totaled €2 million (previous year: €4 million). This change is primarily due to increased interest expense and lower interest income from pensions.

Profit after tax totaled €92 million (previous year: €88 million). The return on sales after tax rose to 7.8 % (previous year: 7.5 %).

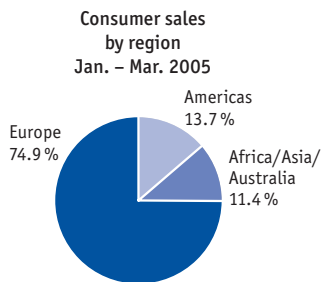
Earnings per share increased to €1.20 (previous year: €1.09).

Consumer segment: sales up 0.7 % on prior year EBIT margin climbs to 12.9 %

With growth of 0.7 % (adjusted for currency translation effects), sales increased as against the high figure recorded in the previous year. In line with planning, the percentage growth in sales in the first quarter was lower than the growth target for the year as a whole. With regard to sales development, it should be noted that the first quarter of the previous year was marked by a large number of significant new product launches, whereas the major launches in 2005, such as those by NIVEA BEAUTÉ, are scheduled for later in the year.

At current exchange rates, sales in the Consumer business segment remained unchanged year-on-year at €995 million. EBIT for the Consumer business segment increased from €124 million in the corresponding period of the prior year to €129 million, while the EBIT margin rose to 12.9 % (previous year: 12.4 %).

Business Developments



In **Europe**, sales in the Consumer business segment fell by 0.4 % against the previous year (adjusted for currency translation effects). At current exchange rates, sales grew by 0.2 % to €746 million (previous year: €745 million).

Sales to customers in Germany were down 3.3 % on the previous year. This was due to the unusually strong prior-year period and the continued stagnation of the personal care and cosmetics market on the back of muted overall consumer spending. Nevertheless, positive momentum was provided by innovations such as NIVEA body Smooth Milk Triple Action. Our pharmacies business with the Eucerin and Hansaplast brands generated encouraging growth. Exports fell by 2.4 %.

Sales developments in the other European markets was extremely mixed. In Eastern Europe, we recorded sales growth again after a difficult 2004. Measures to consolidate sales at our affiliate in Russia began to take effect. Strong sales growth was recorded in Italy, Portugal and Spain. In Italy, this growth was driven by successful campaigns for NIVEA Bath Care and NIVEA body. In other markets such as the United Kingdom and Scandinavia, however, sales levels did not reach those of the previous year. This was primarily due to the postponement of sales to later quarters; for example, retailers in the United Kingdom only placed orders for NIVEA SUN products for April.

The JUVENA/la prairie Group recorded double-digit growth across all countries thanks to strong new product launches, including la prairie Skin Caviar Intensive Ampoule Treatment.

The Consumer business segment in Europe recorded above-average EBIT growth, from €106 million in the previous year to €112 million. The EBIT margin rose to 15.0 % (previous year: 14.3 %).

Slight sales growth of 0.6 % (adjusted for currency translation effects) was recorded in the **Americas** region. Sales trends in most Latin American countries were positive, with Brazil, Venezuela and Colombia, for example, recording double-digit growth. In the USA, sales of the la prairie brand increased significantly. By contrast, the remaining consumer business in the USA is characterized by a high level of sales in the corresponding prior-year period, which was due to initial stocking by retailers in conjunction with the relaunch of NIVEA VISAGE. At current exchange rates, sales amounted to €136 million, down 3.4 % on the previous year (€141 million).

EBIT for the Consumer business segment in this region amounted to €5 million (previous year: €6 million), while the EBIT margin was 3.6 % (previous year: 3.9 %).

Business Developments



Our production facilities offer state-of-the-art, efficient technology.

In the past quarter, **Africa/Asia/Australia** was the strongest region in terms of growth, with sales up 8.3 % adjusted for currency translation effects. In China, sales increased by over 50 % due to the success of NIVEA FOR MEN, among other things. In Japan, the Company generated double-digit growth on the back of the launch of NIVEA body Q 10. Double-digit sales growth was also recorded in Australia and South Africa. Changes in the distribution structure and new product launches will further reinforce the growth trend in this region during the course of the year. At current exchange rates, sales amounted to €113 million, up 4.3 % on the previous year (€108 million).

EBIT for the Consumer business segment in this region totaled €12 million (previous year: €12 million), while the EBIT margin amounted to 10.4 % (previous year: 11.0 %).

tesa segment: sales at prior-year level EBIT margin climbs to 8.8 %

Adjusted for currency translation effects and the sale of a small part of its business in the USA in February 2004, tesa's sales remained unchanged against the previous year. At current exchange rates, sales were down 1.3 % year-on-year at €178 million. While the trend in the electrical and electronics sectors remained positive and sales from the printing and paper industries increased further, a drop in demand meant that sales performance in the automotive and automotive supplier industries was muted. In the division's consumer business, sales were down on the previous year due to sluggish consumer spending on seasonal products. We are expecting these figures to improve in the course of the year due to the postponement of sales and an increase in existing and new retail listings of our products. tesa generated double-digit sales growth in Asia and Latin America, but was unable to repeat its prior-year results in some other regions.

EBIT climbed to €16 million (previous year: €13 million), while the EBIT margin rose to 8.8 % (previous year: 7.4 %).

Capital expenditure

Beiersdorf invested €27 million (previous year: €36 million) in property, plant and equipment and intangible assets. €20 million of this was attributable to the Consumer business segment (previous year: €30 million) and €7 million to tesa (previous year: €6 million).

Business Developments

Employees

In the period under review, the number of employees increased by 229 compared with December 31, 2004 to total 16,721. As of the reporting date, 13,201 people were employed in the Consumer business segment and 3,520 at tesa.



Outlook for 2005 Earnings targets confirmed

Assuming an unchanged overall macroeconomic environment, the Consumer business segment is forecast to grow slightly stronger (adjusted for currency translation effects) than in 2004. Growth of tesa will outperform the market, but not fully reach the growth rate of the previous year. The EBIT margin in both business segments should continue to improve.

For the Group as a whole, we are forecasting sales growth (adjusted for currency translation effects) at previous year's level.

The EBIT margin is expected to improve to around 11 % (previous year: 10.6 %), while the return on sales after tax will reach almost 7 % (previous year: 6.6 %).

Accounting policies

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 2004 with the following exceptions: in accordance with the revised IAS 1 "Presentation of Financial Statements", the balance sheet structure now shows items classified by maturity. In accordance with the new requirements of IFRS 3 "Business Combinations", IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets", existing goodwill was tested to determine its economic characteristics, and was largely classified as finite-lived intangible assets. Prior-period comparability is not affected by the application of these new standards.

Corporate Governance

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 in accordance with section 161 of the *Aktiengesetz* (German Stock Corporation Act) was published at the end of December 2004 and is permanently available on our website at www.Beiersdorf.com.

The Beiersdorf Share

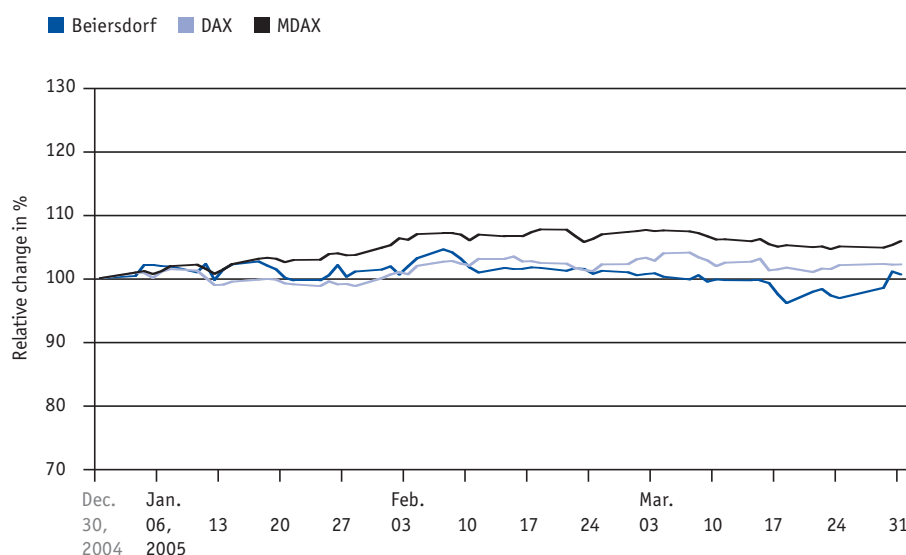


A key factor in our success: close cooperation between our employees.

Following the strong upward trend on the global stock markets towards the end of 2004, the markets got off to an extremely weak start at the beginning of the current year. The German stock indexes then made substantial gains in February, driven in particular by energy and raw materials stocks. This was primarily due to developments in raw materials prices. Towards the end of the quarter, the DAX moved sideways before closing on a positive trend.

Beiersdorf's share price performance reflected the general trend of consumer stocks. Towards the end of the reporting period the market indices took an increasingly upward direction.

Beiersdorf's business development and the publication of its results for the year at its annual accounts press conference and financial analyst meeting on March 30 met with a positive response from the financial community. Since then, Beiersdorf's shares have outperformed the market on the back of strong demand due to increased share price targets.



Financial Information

Income Statement

(in € million)	Jan. 1 – Mar. 31, 2004	Jan. 1 – Mar. 31, 2005	Change in %
Sales	1,174	1,173	-0.1
Cost of goods sold	-397	-393	-1.0
Gross profit	777	780	0.4
Marketing and selling expenses	-539	-542	0.5
Research and development expenses	-23	-24	7.1
General and administrative expenses	-58	-56	-3.8
Other operating expenses (net)	-20	-13	-33.0
Operating result (EBIT)	137	145	5.5
Financial result	4	2	-41.4
Profit before tax	141	147	4.3
Taxes on income	-53	-55	3.1
Profit after tax	88	92	5.0
Minority interests	-2	-2	-9.9
Net profit	86	90	5.3
Earnings per share (in €) *	1.09	1.20	9.6

* Calculated on the basis of the weighted number of shares (2004: 78,684,008 / 2005: 75,606,328)

Balance Sheet

Assets (in € million)	Dec. 31, 2004	Mar. 31, 2004	Mar. 31, 2005
Intangible assets	58	93	50
Property, plant, and equipment	887	870	887
Non-current financial assets	93	89	91
Deferred tax assets	24	24	27
Non-current assets	1,062	1,076	1,055
Inventories	558	647	590
Trade receivables	669	833	823
Other current assets	122	121	134
Cash and cash equivalents	290	278	255
Current assets	1,639	1,879	1,802
	2,701	2,955	2,857

Equity and liabilities (in € million)	Dec. 31, 2004	Mar. 31, 2004	Mar. 31, 2005
Shareholders' equity (Beiersdorf AG) excl. minority interests	1,021	953	1,125
Minority interests	12	10	8
Shareholders' equity*	1,033	963	1,133
Non-current provisions	489	497	490
Non-current financial liabilities	19	10	17
Other non-current liabilities	2	3	2
Deferred tax liabilities	134	127	132
Non-current liabilities	644	637	641
Current provisions	358	433	435
Trade payables	308	270	316
Current financial liabilities	185	449	141
Other current liabilities	173	203	191
Current liabilities	1,024	1,355	1,083
	2,701	2,955	2,857

* Before appropriation of net retained profits

Financial Information

Cash Flow Statement

(in € million)

	Jan. 1 – Mar. 31, 2004	Jan. 1 – Mar. 31, 2005
Cash and cash equivalents at beginning of year	828	290
Operating result (EBIT)	137	145
Income taxes paid	-22	-21
Depreciation and amortization	38	37
Change in non-current provisions (excluding interest)	-3	-3
Gross Cash Flow	150	158
Change in inventories	-18	-32
Change in trade receivables and other assets	-189	-168
Change in liabilities and current provisions	82	67
Net cash flow from operating activities	25	25
Investment in fixed assets	-36	-28
Proceeds from the sale of fixed assets	11	3
Proceeds from interest, dividends, and other financing activities	15	13
Net cash flow from investing activities	-10	-12
Free cash flow	15	13
Change in financial liabilities	393	-46
Interest and other financing expenses paid	-7	-9
Share buyback	-955	-
Net cash flow from financing activities	-569	-55
Exchange rate fluctuations and other effects on cash held	4	7
Net change in cash and cash equivalents	-550	-35
Cash and cash equivalents on March 31	278	255

Statement of Changes in Shareholders' Equity

(in € million)

	Jan. 1 – Mar. 31, 2004	Jan. 1 – Mar. 31, 2005
Beginning shareholders' equity	1,831	1,033
Profit after tax	88	92
Share buyback	-955	-
Other changes	-16	-8
Currency translation adjustments	15	16
Ending shareholders' equity*	963	1,133

* Before appropriation of net retained profits

Hamburg, May 2005

Beiersdorf AG
The Executive Board

Financial Calendar

Annual General Meeting	May 18, 2005
Dividend Payment	May 19, 2005
Interim Report January to June 2005	August 9, 2005
Interim Report January to September 2005 Financial Analyst Meeting	November 10, 2005
Publication of Preliminary Group Results	January 2006
Key Company Data for Fiscal Year 2005	February 2006
Annual Accounts Press Conference Financial Analyst Meeting	March 2006
Interim Report January to March 2006	May 2006
Annual General Meeting	May 17, 2006
Interim Report January to June 2006	August 2006
Interim Report January to September 2006 Financial Analyst Meeting	November 2006

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Peter Kleinschmidt, Pieter Nota, Markus Pinger,
Thomas-Bernd Quaas, Rolf-Dieter Schwalb, Uwe Wölfer
Supervisory Board Chairman: Dieter Ammer

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