

BDF ●●●●
Beiersdorf

Interim Report
January 1 to September 30, 2005

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Beiersdorf

A black and white photograph of a woman with short, light-colored hair. She is looking directly at the camera with a slight smile. A large, red 'X' is drawn over her nose, highlighting the area of facial redness. To the right of the image, there is a white background featuring two Eucerin skincare products: a tube of 'ANTI-REDNESS CLEANSING GEL' and a bottle of 'ANTI-REDNESS NEUTRALISING DAY CARE SPF 15'. A red arrow points from the text 'Relief from facial redness.' down towards the products. A red circle with the text 'clinically proven' is positioned near the products. A red 'NEW' label is placed next to the tube of gel.

Relief from facial redness.

Eucerin®
THE MEDICAL SKINCARE PROGRAM

International advertisement for Eucerin Redness Relief, the new skin care system that produces a visible, sustained reduction in redness.

Business Developments Overview



Earnings up significantly

- Sales growth of 3.3 % (adjusted for currency translation effects)
- Operating result (EBIT) rises by 10.0 %
- EBIT margin climbs to 11.5 % (previous year: 10.8 %)
- Profit after tax up significantly at €268 million (previous year: €240 million)
- Earnings per share rise to €3.48

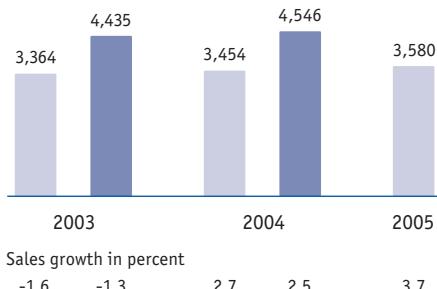
Outlook for 2005

- Sales in excess of €4,700 million
- EBIT clearly above €500 million
- EBIT margin around 11 %
- Return on sales after tax around 7 %

Developments – Beiersdorf Group

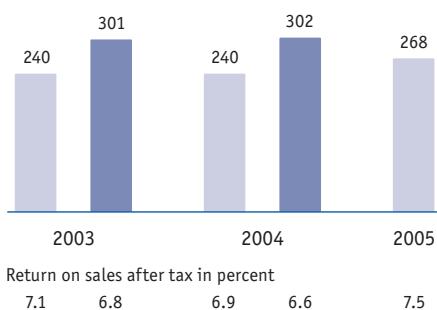
Sales

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



Profit after tax

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





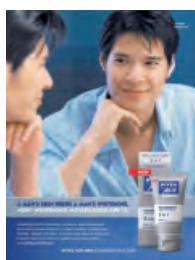
News



For flawless skin: the new JUVEDICAL Renewing Body Serum & Cream products

New from JUVENA: JUVEDICAL Renewing Body Serum & Cream

The successful and international award-winning JUVEDICAL skin care range with its SKIN NOVA TECHNOLOGY is dazzling the market with another innovation. The JUVEDICAL body care duo Renewing Body Serum and Renewing Body Cream combine skin renewal and firming with a focus on the particular needs of body skin. The serum also helps protect against irritation, stretch marks, and orange-peel skin. The rich yet light cream provides the skin with intensive moisture.



Successful product launch in Thailand: NIVEA FOR MEN WHITENING

Asia: NIVEA FOR MEN introduces Whitening Range

NIVEA FOR MEN is reinforcing its leading market position in Asia with the launch of a complete Whitening Range for men. Although men in Asia are known to use face care products more frequently than their European counterparts, they have had to use whitening products for women until now, as there was no brand specially tailored to men's skin. The first launch took place in Thailand in May 2005, and developments after four months have been extremely positive. Other countries will follow.

Singapore: Eucerin top newcomer in 2005

The Beiersdorf brand Eucerin is considered to be one of the top newcomers in Singapore's market with double-digit growth rate in 2005. The medical skin care range for sensitive and problem skin enjoys considerable trust among both users and the country's skin care professionals – something it intends to increase even further in future. The brand achieved major promotional successes in July of this year with presentations at the "Regional Conference of Dermatology" and at the "Nurses' Appreciation Week" in Tan Tock Seng Hospital, the second biggest hospital in Singapore.



A growth segment for atrix: the Korean hand care market

Korea: atrix continues to strengthen success

In August 2005, the new atrix 5 % Urea was launched in Korea, joining the already very successful Korean atrix assortment. The Korean hand care market is a growth segment, particularly for the Beiersdorf brand: Consumers value atrix as "the friendly hand-care expert with reliable quality products".

Beiersdorf AG and Smith & Nephew prepare divestment of BSN medical

Beiersdorf AG, together with its partner Smith & Nephew plc., London, is preparing for the sale of their joint venture BSN medical. The international company, founded as a 50:50 joint venture between Beiersdorf and Smith & Nephew in April 2001, is one of the leaders in its field, but due to its focus on professional medical products it is not part of Beiersdorf's consumer core business. In 2004, BSN medical generated sales of € 504 million and EBIT of € 70 million.

You can find more up-to-date information from the world of Beiersdorf at www.Beiersdorf.com.

Segment Information

Business developments by business segment

Sales (in € million)	July 1 – Sept. 30, 2004		July 1 – Sept. 30, 2005		Jan. 1 – Sept. 30, 2004		Jan. 1 – Sept. 30, 2005		Change in % nominal	Change in % adj. for curr. trans. effects
	% of total		% of total		% of total		% of total			
Consumer	914	83.8	964	84.0	2,920	84.5	3,035	84.8	3.9	3.5
tesa	176	16.2	183	16.0	534	15.5	545	15.2	2.2	1.8
	1,090	100.0	1,147	100.0	3,454	100.0	3,580	100.0	3.7	3.3
Operating result before depreciation and amortization (EBITDA) (in € million)	% of sales		Change in % nominal							
Consumer	133	14.6	142	14.7	430	14.7	458	15.1		6.4
tesa	22	12.2	22	12.1	57	10.6	64	11.7		13.1
	155	14.2	164	14.3	487	14.1	522	14.6		7.2
Operating result (EBIT) (in € million)	% of sales		Change in % nominal							
Consumer	101	11.0	113	11.7	336	11.5	366	12.1		8.8
tesa	15	8.5	15	8.5	37	7.0	45	8.2		20.4
	116	10.6	128	11.2	373	10.8	411	11.5		10.0
Gross cash flow (in € million)	% of sales		Change in % nominal							
Consumer	63	6.9	95	9.9	310	10.6	324	10.7		4.3
tesa	21	11.9	17	9.5	52	9.7	45	8.3		-12.5
	84	7.7	112	9.8	362	10.5	369	10.3		1.9

Business developments by region

Sales (in € million)	July 1 – Sept. 30, 2004		July 1 – Sept. 30, 2005		Jan. 1 – Sept. 30, 2004		Jan. 1 – Sept. 30, 2005		Change in % nominal	Change in % adj. for curr. trans. effects
	% of total		% of total		% of total		% of total			
Europe	792	72.7	823	71.8	2,593	75.1	2,667	74.5	2.9	2.4
Americas	159	14.6	171	14.9	468	13.6	484	13.5	3.4	2.5
Africa/Asia/Australia	139	12.7	153	13.3	393	11.3	429	12.0	9.3	9.9
	1,090	100.0	1,147	100.0	3,454	100.0	3,580	100.0	3.7	3.3
Operating result (EBIT) (in € million)	% of sales		Change in % nominal							
Europe	98	12.4	109	13.3	327	12.6	361	13.5		10.2
Americas	3	1.8	7	4.0	5	1.1	14	2.8		177.5
Africa/Asia/Australia	15	10.8	12	7.8	41	10.4	36	8.4		-11.7
	116	10.6	128	11.2	373	10.8	411	11.5		10.0

Figures in percent are calculated based on thousands of euros.



Business Developments



Beiersdorf – always close to the consumer with innovative products

- ▶ **Sales growth of 3.3 %**
- ▶ **EBIT margin climbs to 11.5 %**
- ▶ **Profit after tax up significantly on previous year**

In the period from January to September, Group sales adjusted for currency translation effects increased by 3.3 %. Growth was further increased as a result of the 3.8 % growth rate for the third quarter on its own. The Consumer business segment grew by 4.0 % and tesa by 2.9 % in the third quarter. At current exchange rates, sales grew by 3.7 % to €3,580 million (previous year: €3,454 million) in the period from January to September.

The Group's operating result (EBIT) grew disproportionately fast, climbing to €411 million (previous year: €373 million). The EBIT margin rose to 11.5 % (previous year: 10.8 %).

The financial result amounted to €10 million (previous year: €9 million).

Profit after tax was €268 million (previous year: €240 million). The return on sales after tax rose to 7.5 % (previous year: 6.9 %).

Earnings per share increased to €3.48 (previous year: €3.07).

Consumer segment up 3.5 % on prior year EBIT margin climbs to 12.1 %

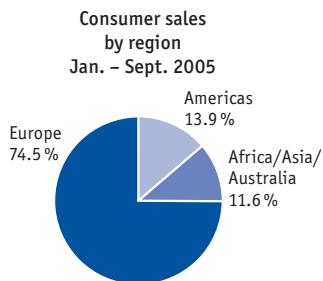
Sales in the first three quarters of the year grew by 3.5 % (adjusted for currency translation effects). At current exchange rates, the Consumer business segment achieved sales growth of 3.9 % to €3,035 million (previous year: €2,920 million). The EBIT of the Consumer business segment increased to a disproportionately high amount of €366 million (previous year: €336 million). The operating return on sales rose to 12.1 % (previous year: 11.5 %).

In **Europe**, sales in the Consumer business segment increased by 2.8 % (adjusted for currency translation effects). At current exchange rates, sales rose by 3.3 % to €2,259 million (previous year: €2,187 million).

Sales to customers in **Germany** grew by 1.3 % despite the ongoing flat market for personal care products and cosmetics. NIVEA FOR MEN, NIVEA SUN (Immediate Protection launch) and NIVEA Deo (PURE launch) all did well. Our Eucerin brand achieved good sales growth in the pharmacies business, particularly in the area of dry skin. Exports from Germany fell by 2.3 %. While exports to the Middle East continued to develop positively, the export business to the CIS countries declined.

Sales developments in the other European markets continued to be very mixed. In **Eastern Europe**, our companies maintained their strong growth, achieving +11.6 % (adjusted for currency translation effects). Russia made a disproportionately large contribution to this positive development.

Business Developments



NIVEA FOR MEN, NIVEA Bath Care and NIVEA Hair Care developed particularly strongly. In Poland, especially sales of NIVEA VISAGE and NIVEA Baby contributed to growth.

In **Western Europe**, sales improved by 2.3 % (adjusted for currency translation effects). Strong growth was recorded in Spain with NIVEA body and NIVEA FOR MEN, while sales of NIVEA VISAGE and NIVEA VITAL bolstered good growth in Portugal. In France and Switzerland, however, we were unable to repeat the previous year's figures. In Switzerland especially, this was the result of increasing retail price pressure. The JUVENA/La Prairie Group recorded clear double-digit growth in all countries. Skin Biology Therapy was introduced successfully in selected markets.

The Consumer business segment in Europe recorded above-average EBIT growth, from €296 million in the previous year to €325 million. The EBIT margin rose to 14.4% (previous year: 13.5 %).

In the **Americas** region, sales increased by 2.4 % (adjusted for currency translation effects). At current exchange rates, sales amounted to €423 million, up 3.2 % on the previous year (€410 million). In **North America**, the market environment was difficult overall, with strong activity from competitors. Sales (adjusted for currency translation effects) were 2.2 % lower than the previous year. The la prairie brand achieved clear double-digit sales growth in the USA. In **Latin America**, sales rose by 9.9 % (adjusted for currency translation effects), due in particular to double-digit growth in Brazil, Chile, Venezuela, and Argentina.

EBIT for the Consumer business segment in this region amounted to €12 million (previous year: € 6 million). The EBIT margin grew to 2.9 % (previous year: 1.6 %).

At 9.8 %, **Africa/Asia/Australia** achieved almost double-digit sales growth (adjusted for currency translation effects). China continued to grow at over 50 %, due especially to NIVEA SUN and NIVEA FOR MEN. Japan, South Africa, and Korea also contributed to our positive development with double-digit growth rates. Changes in the distribution structure in Korea and new product launches such as NIVEA body Q10 and NIVEA VITAL in Japan reinforced this growth. At current exchange rates, sales amounted to €353 million, up 9.2 % on the previous year (€323 million).

EBIT for the Consumer business segment in this region amounted to € 29 million (previous year: €34 million). The EBIT margin was 8.0 % (previous year: 10.4 %).

tesa business segment grows by 1.8 % EBIT margin climbs to 8.2 %

Adjusted for currency translation effects and the sale of a small part of its business in the USA in February 2004, tesa's sales slightly exceeded the previous year (+1.8 %). At current exchange rates, tesa's sales amounted to €545 million, up 2.2 % on the previous year.



Business Developments

tesa's industrial business was the biggest contributor to this growth. tesa's sales were mainly driven by the printing and paper industries and the electrical and electronics sectors. Sales to the automotive and automotive supplier industries were at the level of the previous year in the third quarter.

Cumulative sales in tesa's consumer business were also up slightly on the previous year.

Regional sales growth was primarily driven by Asia and Latin America. Sales in both regions developed extremely encouragingly with double-digit growth. Sales in other regions slightly exceeded those of the previous year.

EBIT climbed to € 45 million (previous year: € 37 million), while the EBIT margin rose to 8.2 % (previous year: 7.0 %).

Capital expenditure

Beiersdorf invested € 88 million (previous year: € 115 million) in property, plant and equipment and intangible assets. € 65 million of this was attributable to the Consumer business segment (previous year: € 97 million) and € 23 million to tesa (previous year: € 18 million). The main reason for the increase at tesa is the construction of a new production facility in China in order to better service the fast-growing electronics and automobile industries there.

Employees

The number of employees increased by 388 compared with December 31, 2004 to total 16,880. As of September 30, 13,301 people were employed in the Consumer business segment and 3,579 at tesa.



Outlook for 2005

Sales in excess of € 4,700 million, EBIT clearly above € 500 million

Assuming an unchanged overall macroeconomic environment, the Consumer business segment is forecast to exceed the four billion threshold for the first time in 2005. This corresponds to a sales increase (adjusted for currency translation effects) of around 4 %. tesa is expected to achieve sales growth of around 2 % (adjusted for currency translation effects). At current exchange rates, total Group sales are expected to reach over € 4,700 million. Adjusted for currency translation effects, sales growth is forecast to amount to around 3.5 – 4 %. Group EBIT is expected to exceed € 500 million for the first time. The EBIT margin should thus improve to around 11 % (previous year: 10.6 %). The return on sales after tax should reach around 7 % (previous year: 6.6 %).

Other Disclosures

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. The held-for-sale equity investment in BSN medical was classified as a "non-current asset held for sale" under current assets in line with IFRS 5. Prior-period comparability is not affected by the application of these new standards. The Interim Report was not reviewed by an auditor.

Corporate Governance

The declaration of compliance issued by the Supervisory Board and the Executive Board regarding the recommendations of the German Corporate Governance Code in accordance with §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 declaration of compliance for fiscal year 2005 will be issued at the end of December this year; it will also reflect the recommendations of the Code in the revised version dated June 2, 2005.



The Beiersdorf Share



„Focusing on consumer wishes“ – this goal unites more than 16,800 Beiersdorf employees around the world

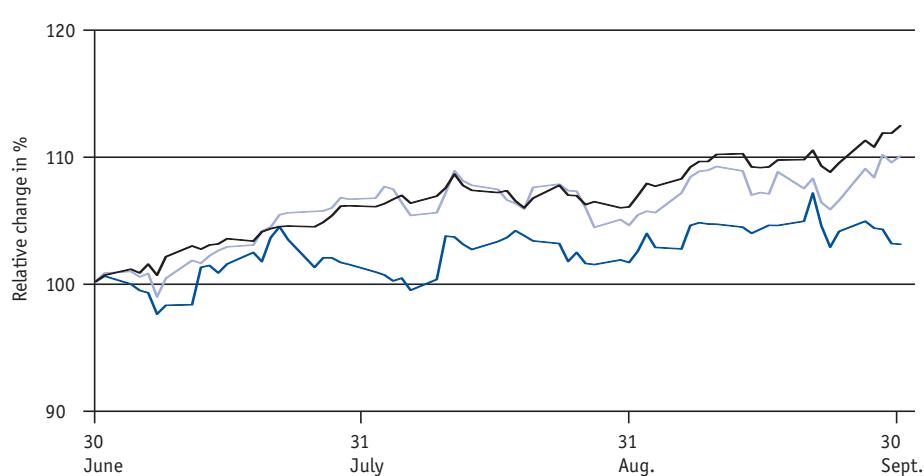
The third quarter of 2005 saw a clear upturn on the global stock markets. While oil price developments last year repeatedly led to volatility, the stock markets this year remained steady, particularly in the quarter just ended. New record highs for oil were recorded on several occasions, although these had only a short-term impact on the stock markets, which subsequently continued their clear upwards trend. The DAX crossed the key 5,000 point hurdle during September, closing the quarter at 5,044 points.

The trend in the consumer goods sector was also marked by an upturn in the last three months. This applies equally to the narrower HPC sector (Household and Personal Care) to which Beiersdorf belongs.

Beiersdorf's share price performed partly in line with the DAX, but also showed independent momentum: The company's strong figures boosted the Beiersdorf share following publication of the half-yearly results on August 9, leading to increased buy recommendations and rising share price targets. The announcement of the sale of BSN medical (professional medical products) and the associated increased focus on the consumer business was also received positively by the market, even though no pronounced share price movements resulted. During September, the Beiersdorf share grazed the €100 mark, falling slightly afterwards to close the quarter at €95.50.

Beiersdorf share price performance in the third quarter

■ Beiersdorf ■ DAX ■ MDAX



Financial Information

Income Statement

(in € million)	July 1 – Sept. 30, 2004	July 1 – Sept. 30, 2005	Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2005	Change in %
Sales	1,090	1,147	3,454	3,580	3.7
Cost of goods sold	-401	-417	-1,216	-1,235	1.6
Gross profit	689	730	2,238	2,345	4.8
Marketing and selling expenses	-489	-523	-1,581	-1,648	4.3
Research and development expenses	-23	-27	-72	-79	9.6
General and administrative expenses	-60	-51	-175	-165	-5.7
Other operating expenses (net)	-1	-1	-37	-42	15.7
Operating result (EBIT)	116	128	373	411	10.0
Financial result	5	4	9	10	24.3
Profit before tax	121	132	382	421	10.3
Taxes on income	-41	-44	-142	-153	7.5
Profit after tax	80	88	240	268	12.0
Minority interests	-1	-1	-5	-5	7.9
Net profit	79	87	235	263	12.1
Earnings per share (in €)*	-	-	3.07	3.48	13.6

* Calculated on the basis of the weighted number of shares (2004: 76,632,221/2005: 75,606,328)

Balance Sheet

Assets (in € million)	Dec. 31, 2004	Sept. 30, 2004	Sept. 30, 2005
Intangible assets	58	74	43
Property, plant and equipment	887	891	891
Non-current financial assets	93	100	21
Other non-current assets	-	-	2
Deferred tax assets	24	27	33
Non-current assets	1,062	1,092	990
Inventories	558	589	577
Trade receivables	669	733	722
Other current assets	122	130	228
Cash and cash equivalents	290	246	371
Current assets	1,639	1,698	1,898
	2,701	2,790	2,888

Equity and liabilities (in € million)	Dec. 31, 2004	Sept. 30, 2004	Sept. 30, 2005
Shareholders' equity (Beiersdorf AG) excl. minority interests	1,021	978	1,210
Minority interests	12	11	11
Shareholders' equity	1,033	989	1,221
Non-current provisions	489	490	489
Non-current financial liabilities	19	42	30
Other non-current liabilities	2	2	7
Deferred tax liabilities	134	135	133
Non-current liabilities	644	669	659
Current provisions	358	425	457
Trade payables	308	271	306
Current financial liabilities	185	258	57
Other current liabilities	173	178	188
Current liabilities	1,024	1,132	1,008
	2,701	2,790	2,888



Financial Information

Cash Flow Statement

(in € million)

	Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2005
Cash and cash equivalents at beginning of year	828	290
Operating result (EBIT)	373	411
Income taxes paid	-112	-144
Depreciation and amortization	113	111
Change in non-current provisions (excluding interest)	-10	-3
Gain/loss on disposal of property, plant and equipment and intangible assets	-2	-6
Gross cash flow	362	369
Change in inventories	40	-19
Change in trade receivables and other assets	-94	-65
Change in liabilities and current provisions	54	95
Net cash flow from operating activities	362	380
Investments	-116	-91
Proceeds from divestments	16	15
Proceeds from interest, dividends and other financing activities	25	27
Net cash flow from investing activities	-75	-49
Free cash flow	287	331
Change in financial liabilities	234	-117
Interest and other financing expenses paid	-28	-26
Share buyback	-955	-
Cash dividends paid (Beiersdorf AG)	-121	-121
Net cash flow from financing activities	-870	-264
Effect of exchange rate fluctuations on cash held	1	13
Effect of changes in Group structure and other changes on cash held	-	1
Net change in cash and cash equivalents	-582	81
Cash and cash equivalents on September 30	246	371

Statement of Changes in Shareholders' Equity

(in € million)

	Jan. 1 – Sept. 30, 2004	Jan. 1 – Sept. 30, 2005
Beginning shareholders' equity	1,831	1,033
Profit after tax	240	268
Dividend of Beiersdorf AG for previous year	-121	-121
Share buyback	-955	-
Other changes	-16	-10
Currency translation adjustments	10	51
Ending shareholders' equity	989	1,221

Hamburg, November 2005

Beiersdorf AG
The Executive Board

Financial Calendar

Publication of Preliminary Group Results	January 2006
Key Company Data for Fiscal Year 2005	February 2006
Publication of Annual Report 2005	
Annual Accounts Press Conference	
Financial Analyst Meeting	March 2, 2006
Interim Report January to March 2006	May 4, 2006
Annual General Meeting	May 17, 2006
Interim Report January to June 2006	August 3, 2006
Interim Report January to September 2006	
Financial Analyst Meeting	November 7, 2006

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Peter Kleinschmidt, Pieter Nota,
Markus Pinger, Rolf-Dieter Schwalb
Supervisory Board Chairman: Dieter Ammer

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