

# Interim Report

January – June 2010

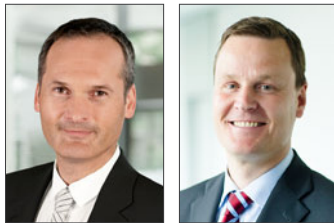
Care initiative: Jogi Löw and NIVEA FOR MEN.



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### HIGHLIGHTS IN THE SECOND QUARTER



#### Changes in the Executive Board.

On August 1, 2010, Peter Feld (r.), 44, was appointed to Beiersdorf AG's Executive Board with responsibility for the Europe region. On July 1, 2010, Markus Pinger (l.) took over the newly created Brands & Supply Chain Executive Board function, which bundles all product-related areas. This laid the ideal foundations for an effective innovation process and the systematic implementation of Beiersdorf's "Focus on Skin Care. Closer to Markets" strategy.

» Read more about this under "Other Disclosures" in this interim report.



#### Eucerin on growth path.

With global sales growth of 9.5%, Eucerin, Beiersdorf's medical skin care brand, performed extremely well in the first half of 2010. Its face care products were particularly successful. This was mainly due to the launch of the anti-aging Hyaluron Filler Serum Concentrate product and the Aquaporin Active range – an innovation in moisturizing skin care.

» More information about Eucerin can be found at [www.eucerin.com](http://www.eucerin.com).



#### NIVEA and Plan International launch long-term cooperation.

NIVEA launched a global education initiative with the child-focused organization Plan International under the motto "We care & connect." The initiative aims to give socially disadvantaged children and young people a better future. Successful education projects have already been initiated in cooperation with Beiersdorf's affiliates in India, South Africa, and the Netherlands, with more projects in the pipeline.

» More on this topic at [www.Beiersdorf.com/we\\_care\\_and\\_connect](http://www.Beiersdorf.com/we_care_and_connect).



#### Innovation in lip care.

The NIVEA Lip Care and Labello range was extended to include a "pure & natural" series. The lip care products contain certified organic shea butter and natural jojoba oil and are free of preservatives. Beiersdorf's new rich and effective lip care products are seizing the trend towards the use of care products containing natural ingredients.

» More information about Labello can be found at [www.labello.com](http://www.labello.com).

### ABOUT THE COVER

#### Care initiative: Jogi Löw and NIVEA FOR MEN.

NIVEA FOR MEN, the global market leader in the aftershave and face care for men segments, performed extremely well in the first half of 2010, recording growth of 14.8%. In Germany, the cooperation with national soccer team coach Jogi Löw for the 2010 World Cup also contributed to this rise. A successful communications strategy – including various retail promotions and print, TV, and radio advertising concepts – was launched under the motto "Jogi's 11." In addition, NIVEA FOR MEN is the official provider of men's care products to the German national soccer team.

## Business Developments – Overview

### Beiersdorf growing profitably

- » Sales (+4.5%) and EBIT (+32.5%) clearly above the previous year
- » Consumer sales (organic) up 2.6%
- » tesa achieves sales growth of 18.8%
- » Consolidated profit after tax rises to €249 million

### Outlook for Fiscal Year 2010

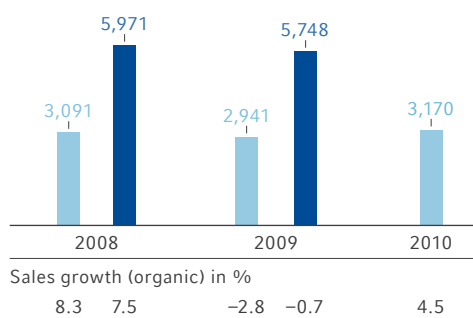
- » Above-market Consumer sales growth
- » Consumer EBIT margin clearly above 11%
- » Above-market tesa sales growth
- » tesa EBIT margin slightly above 9%

### Beiersdorf at a Glance

		Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2010
<b>Group sales</b>	(in € million)	<b>2,941</b>	<b>3,170</b>
Change (organic)	(in %)	-2.8	4.5
<b>Consumer sales</b>	(in € million)	<b>2,593</b>	<b>2,741</b>
Change (organic)	(in %)	0.3	2.6
<b>tesa sales</b>	(in € million)	<b>348</b>	<b>429</b>
Change (organic)	(in %)	-21.0	18.8
<b>Operating result (EBIT)</b>	(in € million)	<b>291</b>	<b>385</b>
<b>Profit after tax</b>	(in € million)	<b>189</b>	<b>249</b>
Return on sales after tax	(in %)	6.4	7.8
Earnings per share	(in €)	0.82	1.08
<b>Gross cash flow</b>	(in € million)	<b>223</b>	<b>309</b>
<b>Capital expenditure (including non-current investments)</b>	(in € million)	<b>59</b>	<b>39</b>
<b>Research and development expenses</b>	(in € million)	<b>73</b>	<b>74</b>
<b>Employees</b>	(number as of June 30)	<b>21,700</b>	<b>21,695</b>

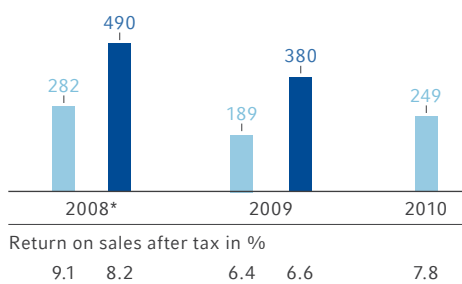
#### GROUP SALES // IN € MILLION

■ JAN. 1 – JUNE 30 ■ FULL YEAR



#### PROFIT AFTER TAX // IN € MILLION

■ JAN. 1 – JUNE 30 ■ FULL YEAR



\* Excluding special factors.

## Segment Overview

### Business Developments by Business Segment

SALES // IN € MILLION	April 1 – June 30, 2009		April 1 – June 30, 2010		Jan. 1 – June 30, 2009		Jan. 1 – June 30, 2010		Change in %	
		% of total		% of total		% of total		% of total	nominal	adj. for curr. trans. effects
Consumer	1,326	88.2	1,413	86.5	2,593	88.2	2,741	86.5	5.7	2.6
tesa	177	11.8	220	13.5	348	11.8	429	13.5	23.3	18.8
<b>Total</b>	<b>1,503</b>	<b>100.0</b>	<b>1,633</b>	<b>100.0</b>	<b>2,941</b>	<b>100.0</b>	<b>3,170</b>	<b>100.0</b>	<b>7.8</b>	<b>4.5</b>

EBITDA // IN € MILLION	April 1 – June 30, 2009		April 1 – June 30, 2010		Jan. 1 – June 30, 2009		Jan. 1 – June 30, 2010		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	162	12.2	190	13.5	328	12.7	375	13.7		14.5
tesa	12	6.3	40	18.1	18	5.1	71	16.5		-
<b>Total</b>	<b>174</b>	<b>11.5</b>	<b>230</b>	<b>14.1</b>	<b>346</b>	<b>11.8</b>	<b>446</b>	<b>14.1</b>		<b>29.1</b>

OPERATING RESULT (EBIT) // IN € MILLION	April 1 – June 30, 2009		April 1 – June 30, 2010		Jan. 1 – June 30, 2009		Jan. 1 – June 30, 2010		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	140	10.6	166	11.8	284	11.0	327	11.9		15.2
tesa	6	3.2	33	15.2	7	2.0	58	13.6		-
<b>Total</b>	<b>146</b>	<b>9.7</b>	<b>199</b>	<b>12.2</b>	<b>291</b>	<b>9.9</b>	<b>385</b>	<b>12.2</b>		<b>32.5</b>

GROSS CASH FLOW // IN € MILLION	April 1 – June 30, 2009		April 1 – June 30, 2010		Jan. 1 – June 30, 2009		Jan. 1 – June 30, 2010		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	96	7.2	146	10.3	206	7.9	253	9.2		22.8
tesa	10	6.0	31	14.3	17	4.9	56	13.0		-
<b>Total</b>	<b>106</b>	<b>7.0</b>	<b>177</b>	<b>10.9</b>	<b>223</b>	<b>7.6</b>	<b>309</b>	<b>9.7</b>		<b>38.6</b>

### Business Developments by Region

SALES // IN € MILLION	April 1 – June 30, 2009		April 1 – June 30, 2010		Jan. 1 – June 30, 2009		Jan. 1 – June 30, 2010		Change in %	
		% of total		% of total		% of total		% of total	nominal	adj. for curr. trans. effects
Europe	1,030	68.5	1,039	63.7	1,992	67.7	2,043	64.5	2.6	0.5
Americas	195	13.0	242	14.8	393	13.4	470	14.8	19.5	18.0
Africa/Asia/Australia	278	18.5	352	21.5	556	18.9	657	20.7	18.1	9.6
<b>Total</b>	<b>1,503</b>	<b>100.0</b>	<b>1,633</b>	<b>100.0</b>	<b>2,941</b>	<b>100.0</b>	<b>3,170</b>	<b>100.0</b>	<b>7.8</b>	<b>4.5</b>

OPERATING RESULT (EBIT) // IN € MILLION	April 1 – June 30, 2009		April 1 – June 30, 2010		Jan. 1 – June 30, 2009		Jan. 1 – June 30, 2010		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Europe	146	14.1	167	16.1	279	14.0	325	15.9		16.7
Americas	-5	-2.3	13	5.5	-	0.1	32	6.9		-
Africa/Asia/Australia	5	1.9	19	5.5	12	2.2	28	4.3		-
<b>Total</b>	<b>146</b>	<b>9.7</b>	<b>199</b>	<b>12.2</b>	<b>291</b>	<b>9.9</b>	<b>385</b>	<b>12.2</b>		<b>32.5</b>

Figures in percent are calculated based on thousands of euros.

## Beiersdorf's Shares

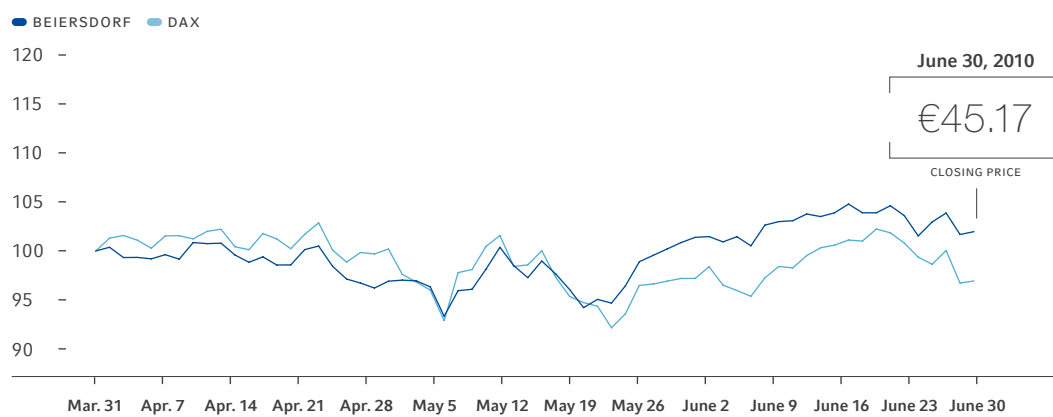
The global economy continued to pick up significantly in the second quarter of 2010. Most economic indicators pointed to sustainable growth, although some leading indicators suggested a slowdown in the positive global trend for the coming quarters. This applies both to developed and to emerging markets, in particular China and Brazil. Meanwhile, important employment indicators on the labor market pointed upwards again after the loss of many jobs in the last two years. As before, in most countries monetary and fiscal policy stimulus measures were the main drivers behind these signs of recovery; some emerging markets even exhibited slight inflationary tendencies as a result of strong domestic demand. Price pressure on the commodities market remained moderate overall – this also applied in the case of oil prices, which saw substantial volatility in the last quarter, ranging from USD 68–88 for a barrel of Brent crude. However, in the medium term, oil market players are expecting that prices will continue to rise.

In the second quarter of 2010, the international stock markets were dominated primarily by the deterioration in the Greek budget crisis at the end of April and beginning of May. After the publication of positive economic data and a resulting increase in investors' appetite for risk, the equity indices initially reached their high for the year to date in April. However, in May the crisis in Greece, the downgrading of a number of southern European government bonds, and the accompanying worries about the euro led to a fundamental flight to safety and to share prices falling considerably. At the same time, stock market uncertainty (measured in terms of the implied volatility) rose in both the euro zone and the USA to a level that was last recorded at the beginning of 2009. A technical effect on the Dow Jones Index on May 6 contributed further to the uncertainty with a surprising drop of 9%. This led in turn to corresponding movements on the key German index, the DAX, which closed the end of the quarter at 5,966 points.

On the whole, Beiersdorf's shares outperformed the DAX in the second quarter: In June, the shares bucked the market trend to close significantly higher than the benchmark index at the end of the quarter. This increase in investor interest in our business developments and the potential of our brands in comparison to previous quarters was clearly apparent during our market communications activities. Beiersdorf's management discussed these issues with investors and analysts in a large number of group and one-on-one discussions in Hamburg as well as at international investor conferences in Paris and Stockholm. The relaunch of Beiersdorf's Investor Relations website offered additional support in providing investors with information. After a stable share price performance and year-to-date highs in June, Beiersdorf's shares closed the quarter at a price of €45.17.

### BEIERSDORF'S SHARE PRICE PERFORMANCE APRIL – JUNE 2010

RELATIVE CHANGE IN %



Beiersdorf.com/  
IR

# Interim Management Report – Group

## Results of Operations – Group

- » Sales growth (organic) of 4.5%
- » EBIT margin rises to 12.2%
- » Profit after tax climbs to €249 million

Group sales in the first six months increased organically by 4.5% compared with the previous year. The Consumer business segment recorded organic growth of 2.6%. tesa generated an increase in sales of 18.8%. At current exchange rates, Group sales were up 7.8% as against the previous year, and amounted to €3,170 million (previous year: €2,941 million).

### INCOME STATEMENT // IN € MILLION

	Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2010	Change in %
<b>Sales</b>	<b>2,941</b>	<b>3,170</b>	<b>7.8</b>
Cost of goods sold	-951	-1,015	6.7
<b>Gross profit</b>	<b>1,990</b>	<b>2,155</b>	<b>8.3</b>
Marketing and selling expenses	-1,439	-1,509	4.9
Research and development expenses	-73	-74	0.2
General and administrative expenses	-145	-140	-3.2
Other operating result	-42	-47	11.1
<b>Operating result (EBIT)</b>	<b>291</b>	<b>385</b>	<b>32.5</b>
Financial result	3	-12	-
<b>Profit before tax</b>	<b>294</b>	<b>373</b>	<b>27.1</b>
Income taxes	-105	-124	19.4
<b>Profit after tax</b>	<b>189</b>	<b>249</b>	<b>31.4</b>
<b>Basic/diluted earnings per share (in €)</b>	<b>0.82</b>	<b>1.08</b>	<b>31.0</b>

The Group generated an operating result (EBIT) of €385 million (previous year: €291 million). The corresponding EBIT margin was 12.2% (previous year: 9.9%).

The financial result amounted to -€12 million (previous year: €3 million). This item was mainly influenced by the sharp decline in the interest rate level for financial investments as well as currency losses.

Profit after tax rose to €249 million (previous year: €189 million). The corresponding return on sales after tax was 7.8% (previous year: 6.4%).

Earnings per share increased to €1.08 on the basis of 226,818,984 shares (previous year: €0.82).

## Results of Operations – Business Segments

### Consumer

- » Consumer business segment up 2.6% (organic) on previous year
- » Consumer EBIT margin of 11.9%

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#### CONSUMER (JAN. 1 – JUNE 30)

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		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2010	(in € million)	1,748	418	575	2,741
Change (organic)	(in %)	-1.3	17.1	5.8	2.6
Change (adjusted for currency translation effects)	(in %)	-1.3	17.1	5.8	2.6
Change (nominal)	(in %)	0.8	17.8	14.1	5.7
EBIT 2010	(in € million)	294	23	10	327
EBIT margin 2010	(in %)	16.8	5.6	1.8	11.9
EBIT 2009	(in € million)	279	-1	6	284
EBIT margin 2009	(in %)	16.1	-0.2	1.2	11.0

Sales in the first six months climbed by 2.6%. At current exchange rates, sales in the Consumer business segment reached a nominal amount of €2,741 million, up 5.7% on the previous year (€2,593 million).

Global NIVEA sales recorded organic growth of 2.5%. NIVEA FOR MEN, NIVEA Deodorant, and NIVEA Bath Care in particular performed extremely well. NIVEA Sun maintained its outstanding rate of increase from the first quarter. Our La Prairie brand saw sales growth of 8.7%. Eucerin recorded strong growth of 9.5% in the first half of the year. The launch of the Aquaporin Active product range continued to prove successful. NIVEA Hair Care and NIVEA Make-up were down on the previous year's levels.

EBIT rose to €327 million (previous year: €284 million), while the EBIT margin was 11.9% (previous year: 11.0%).

**CONSUMER SALES IN EUROPE**

(JAN. 1 – JUNE 30)

		Germany	Western Europe (excluding Germany)	Eastern Europe	Total
Sales 2010	(in € million)	472	975	301	1,748
Change (organic)	(in %)	-2.3	-0.2	-3.4	-1.3
Change (adjusted for currency translation effects)	(in %)	-2.3	-0.2	-3.4	-1.3
Change (nominal)	(in %)	-2.3	1.4	3.9	0.8

In **Europe**, sales in the Consumer business segment were down 1.3% on the previous year on a like-for-like basis. At current exchange rates, sales amounted to €1,748 million, up slightly (0.8%) on the previous year's figure of €1,734 million.

**Germany** recorded a 2.3% decline in sales. Sales for the previous year in this area had been above average due to a successful NIVEA marketing campaign. Sales growth at NIVEA Sun and NIVEA Shower was encouraging. NIVEA FOR MEN continued to expand its market position. NIVEA Hair Care and NIVEA Hair Styling recorded declines in sales. Sales of Eucerin were on a level with the previous year; Florena saw a decline in sales. Sales in Germany amounted to €472 million (previous year: €483 million).

In **Western Europe**, sales were flat compared with the previous year (-0.2%). The UK/Ireland Group and Switzerland performed particularly well. In contrast, sales declined in Italy and the Portugal/Spain Group. NIVEA Sun and NIVEA Deodorant performed particularly well in Western Europe, while sales of NIVEA Hair Care, NIVEA Body Care, and NIVEA Make-up declined. Eucerin and La Prairie achieved good growth. At current exchange rates, sales in Western Europe totaled €975 million, up 1.4% on the prior-year figure (€962 million).

Organic sales in **Eastern Europe** decreased by 3.4%. In this region, the Russia/Ukraine Group recorded outstanding growth, while the other countries mainly recorded declines in sales due to the economic situation. NIVEA FOR MEN, NIVEA Deodorant, and Eucerin performed especially well in the region. Sales of NIVEA Hair Care and NIVEA Baby declined. At current exchange rates, sales in Eastern Europe increased by 3.9% from €289 million in the same period of the previous year to €301 million.

Consumer EBIT in Europe reached €294 million (previous year: €279 million). The corresponding EBIT margin was 16.8% (previous year: 16.1%).



**CONSUMER SALES IN THE AMERICAS**

(JAN. 1 – JUNE 30)

		North America	Latin America	Total
Sales 2010	(in € million)	176	242	418
Change (organic)	(in %)	15.6	18.2	17.1
Change (adjusted for currency translation effects)	(in %)	15.6	18.2	17.1
Change (nominal)	(in %)	20.0	16.3	17.8

In the **Americas** region, sales increased by 17.1% on a like-for-like basis compared with the previous year. At current exchange rates, sales amounted to €418 million, up 17.8% on the previous year (€355 million).

Organic sales in **North America** were up 15.6% on the previous year. NIVEA Shower and NIVEA FOR MEN recorded particularly encouraging growth. Our La Prairie and Eucerin brands also recorded significant increases. At current exchange rates, sales in North America increased by 20.0% to €176 million (previous year: €147 million).

**Latin America** saw organic sales growth of 18.2%. Strong growth rates were generated in all major markets. The Andean Group, Argentina, and Chile contributed to this positive performance with particularly strong growth rates. Mexico and Brazil also recorded encouraging growth. NIVEA Deodorant, NIVEA VISAGE, and NIVEA Body Care performed particularly well in this key region. Eucerin also recorded an excellent increase in sales. At current exchange rates, sales in this region increased by 16.3% to €242 million (previous year: €208 million).

Consumer EBIT in the Americas rose to €23 million (previous year: –€1 million). The EBIT margin was 5.6% (previous year: –0.2%).

**CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA**

(JAN. 1 – JUNE 30)

		Total
Sales 2010	(in € million)	575
Change (organic)	(in %)	5.8
Change (adjusted for currency translation effects)	(in %)	5.8
Change (nominal)	(in %)	14.1

The **Africa/Asia/Australia** region generated growth of 5.8% on a like-for-like basis. In nominal terms, sales amounted to €575 million, up 14.1% on the previous year (€504 million).

Our Chinese hair care brand SLEK, NIVEA Deodorant, NIVEA FOR MEN, and Eucerin achieved strong sales growth in this region. Our companies in the Middle East and in Thailand were particularly successful here. The China Group achieved strong sales growth. In addition to SLEK, NIVEA FOR MEN and NIVEA Body Care were also successful here. In Japan, sales were down slightly on the previous year.

EBIT in this region continued to be impacted by substantial marketing investments in the Chinese business. EBIT in this region amounted to €10 million (previous year: €6 million). The EBIT margin was 1.8% (previous year: 1.2%).

**tesa**

- » tesa business segment records significant sales increase
- » tesa EBIT margin up to 13.6%

**TESA**

(JAN. 1 – JUNE 30)

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2010	(in € million)	296	52	81	429
Change (organic)	(in %)	12.6	25.6	45.5	18.8
Change (adjusted for currency translation effects)	(in %)	12.6	25.6	45.5	18.8
Change (nominal)	(in %)	14.8	34.8	56.7	23.3
EBIT 2010	(in € million)	31	9	18	58
EBIT margin 2010	(in %)	10.5	17.5	22.4	13.6
EBIT 2009	(in € million)	-	1	6	7
EBIT margin 2009	(in %)	-0.2	3.0	12.2	2.0



tesa.com

The tesa business segment generated organic growth of 18.8% in the first half of 2010; however, the first half of the previous year was extremely weak due to the effects of the global economic crisis. At current exchange rates, tesa's sales increased by 23.3% to €429 million (previous year: €348 million).

In the second quarter of this year the positive performance of the first months continued. The industry segment in particular recorded substantial sales growth from customers in the automotive and electrical industries. Sales in the consumer business, which experienced only a small drop in the year 2009, rose slightly.

This positive performance was found in all regions.

Due to the disproportionately high sales increase in the first half of the year compared to the expectations for the whole year, EBIT in the tesa business segment rose to €58 million (previous year: €7 million), while the EBIT margin amounted to 13.6% (previous year: 2.0%).

## Balance Sheet Structure – Group

### BALANCE SHEET // IN € MILLION

Assets	Dec. 31, 2009	June 30, 2009	June 30, 2010
Non-current assets	1,177	1,181	1,239
Inventories	561	590	647
Other current assets	2,089	2,143	2,348
Cash and cash equivalents	767	604	898
<b>4,594</b>	<b>4,518</b>	<b>5,132</b>	
Equity and liabilities	Dec. 31, 2009	June 30, 2009	June 30, 2010
Equity	2,636	2,435	2,831
Non-current liabilities	532	546	523
Current liabilities	1,426	1,537	1,778
<b>4,594</b>	<b>4,518</b>	<b>5,132</b>	

Non-current assets rose by €62 million to €1,239 million compared with December 31, 2009, predominantly due to higher deferred taxes. Capital expenditure in the first half of 2010 amounted to €39 million (previous year: €59 million). €25 million (previous year: €41 million) of this figure was attributable to the Consumer business segment and €14 million (previous year: €18 million) to tesa. Depreciation and amortization amounted to €61 million (previous year: €55 million). Inventories rose by €86 million to €647 million compared with December 31, 2009 due to seasonal factors. Other current assets climbed to €2,348 million. This is mainly due to the seasonal increase in trade receivables.

Non-current liabilities decreased by €9 million to €523 million since December 31, 2009. The rise in current liabilities to €1,778 million was primarily due to the operational increase in other provisions and higher trade payables.

### FINANCING STRUCTURE // IN %



## Financial Position – Group

### CASH FLOW STATEMENT // IN € MILLION

	Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2010
Gross cash flow	223	309
Change in working capital	-34	30
Net cash flow from operating activities	189	339
Net cash flow from investing activities	51	-23
Free cash flow	240	316
Net cash flow from financing activities	-251	-214
Other changes	2	29
Net change in cash and cash equivalents	-9	131
<b>Cash and cash equivalents as of Jan. 1</b>	<b>613</b>	<b>767</b>
<b>Cash and cash equivalents as of June 30</b>	<b>604</b>	<b>898</b>

Gross cash flow reached €309 million. The cash inflow from the change in working capital amounted to €30 million. The increases in receivables of €226 million and in inventories of €86 million were partially matched by a €342 million rise in liabilities and current provisions. Overall, the net cash flow from operating activities totaled €339 million. The net cash outflow from investing activities was €23 million. Capital expenditure of €39 million and the balance of purchases and sales of securities of €1 million were contrasted with €12 million in interest and other cash inflows and income from the sale of non-current assets of €5 million.

Free cash flow amounted to €316 million. The net cash outflow from financing activities in the amount of €214 million was mainly due to the dividend payment and loan repayments. Cash and cash equivalents amounted to €898 million.

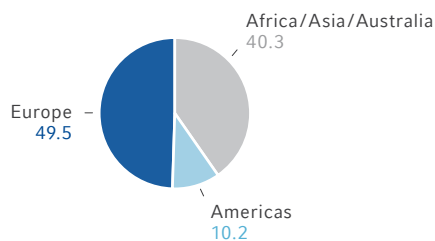
## Employees



Beiersdorf.com/  
Career

The number of employees increased by 1,349 compared with the figure on December 31, 2009, to 21,695. This is mainly due to the employment of seasonal sales staff in China. As of June 30, 17,961 employees worked in the Consumer business segment and 3,734 at tesa.

### EMPLOYEES BY REGION // IN % AS OF JUNE 30, 2010; TOTAL 21,695 EMPLOYEES



## Other Disclosures

### Changes in the Executive Board

As part of the “Focus on Skin Care. Closer to Markets” strategy, Beiersdorf’s Executive Board has reorganized itself, as announced at the end of March, creating two functional and three regional areas of responsibility (Europe, the Americas, and Asia) in addition to the CEO’s area of responsibility. On August 1, 2010, Peter Feld took over the Executive Board position with responsibility for Europe, which had been provisionally managed by the Chairman of the Executive Board, Thomas-B. Quaas, during the transitional period. Pieter Nota, who was responsible for the Brands function, left the Company on June 30, 2010. The Brands function was merged with the Supply Chain area as of July 1, 2010 to form the Brands & Supply Chain Executive Board function, managed by Markus Pinger. Markus Pinger was previously responsible for the Supply Chain area and the Americas region. A new Executive Board member will be appointed for the Americas region. Dr. Bernhard Düttmann remains responsible for Finance and Human Resources and James Wei for the Asia region.

## Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report as of December 31, 2009. In addition, the following information must be reported: Along with other companies, affiliates of the Beiersdorf Group in Belgium, Germany, France, the United Kingdom, the Netherlands, Switzerland, and Italy are involved in antitrust proceedings relating to cosmetic products on a national level. Statements of objections have been issued in Germany, the Netherlands, Italy, and Switzerland. At present no reliable, comprehensive assessment of the overall risk is possible from the Group’s perspective.

## Outlook for 2010

### Expected Macroeconomic Developments

Assessing economic developments for 2010 remains subject to uncertainty. However, signs of recovery were already visible in the first half of the year. In view of this, our planning assumes that the global economy will stabilize. We expect to see slight growth again in the United States, Western Europe, and Germany. We believe that the pace of growth will pick up again in the growth regions of Asia (excluding Japan), Eastern Europe, and Latin America, but that it will not yet reach its previous levels.

In our opinion, the global cosmetics market will improve again in 2010 and will approach the long-term trend. We are anticipating a slight recovery in the major saturated Western European markets. The North American market is likely to be flat at best. Growth will probably pick up again in Eastern Europe. Asia and Latin America will remain the strongest growth regions.

We expect the trend towards economic recovery in tesa's industrial markets to continue. We anticipate that demand in tesa's consumer business will fall slightly in a delayed reaction to the crisis. We believe that Asia, Latin America, and Eastern Europe will return to their pre-crisis trends, while the recovery process in Western Europe and North America will last several years and be at a significantly lower level.

### Business Developments

For full-year 2010, the Beiersdorf **Group** aims to generate organic growth in excess of the market. We aim to increase the EBIT margin to above 11% again.

The goal for the **Consumer** business segment in 2010 is for organic growth to outperform the market. We continue to see China, Russia, and Brazil as particularly important here. We believe that these fast-growing markets offer good opportunities to further increase our market share. We aim to generate an EBIT margin clearly above 11%.

**tesa** expects sales growth to exceed the market in a gradually recovering economic environment that is nevertheless still plagued by uncertainty. We believe that the Company's overall market position is extremely stable. We shall drive forward our innovation projects at high speed so as to further expand our market position. Based on the measures introduced and implemented in 2009 to preserve EBIT, we are aiming for an EBIT margin of slightly above 9%.

Hamburg, August 2010

Beiersdorf AG

The Executive Board

# Interim Consolidated Financial Statements

## Income Statement

IN € MILLION

	April 1 – June 30, 2009	April 1 – June 30, 2010	Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2010
<b>Sales</b>	<b>1,503</b>	<b>1,633</b>	<b>2,941</b>	<b>3,170</b>
Cost of goods sold	-492	-528	-951	-1,015
<b>Gross profit</b>	<b>1,011</b>	<b>1,105</b>	<b>1,990</b>	<b>2,155</b>
Marketing and selling expenses	-727	-776	-1,439	-1,509
Research and development expenses	-36	-37	-73	-74
General and administrative expenses	-75	-70	-145	-140
Other operating result	-27	-23	-42	-47
<b>Operating result (EBIT)</b>	<b>146</b>	<b>199</b>	<b>291</b>	<b>385</b>
Financial result	-	-8	3	-12
<b>Profit before tax</b>	<b>146</b>	<b>191</b>	<b>294</b>	<b>373</b>
Income taxes	-57	-64	-105	-124
<b>Profit after tax</b>	<b>89</b>	<b>127</b>	<b>189</b>	<b>249</b>
Profit attributable to equity holders	87	126	186	246
Profit attributable to minority interests	2	1	3	3
<b>Basic/diluted earnings per share (in €)</b>	<b>0.39</b>	<b>0.55</b>	<b>0.82</b>	<b>1.08</b>

## Statement of Comprehensive Income

IN € MILLION

	Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2010
<b>Profit after tax</b>	<b>189</b>	<b>249</b>
Remeasurement gains and losses on cash flow hedges	-19	-27
Deferred taxes on remeasurement gains and losses on cash flow hedges	6	9
<i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i>	-13	-18
Remeasurement gains and losses on available-for-sale financial assets	1	-
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	-	-
<i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i>	1	-
Exchange differences	8	130
Other items recognized in other comprehensive income	-	-
Deferred taxes on other items recognized in other comprehensive income	-	-
<i>Remeasurement gains and losses on other items recognized in other comprehensive income</i>	-	-
<b>Other comprehensive income net of tax</b>	<b>-4</b>	<b>112</b>
<b>Total comprehensive income</b>	<b>185</b>	<b>361</b>
Of which attributable to		
- Equity holders of Beiersdorf AG	183	356
- Minority interests	2	5

## Balance Sheet

IN € MILLION

	Dec. 31, 2009	June 30, 2009	June 30, 2010
<b>Assets</b>			
Intangible assets*	382	394	405
Property, plant, and equipment	725	730	738
Non-current financial assets	10	13	10
Other non-current assets	2	5	1
Deferred tax assets	58	39	85
<b>Non-current assets</b>	<b>1,177</b>	<b>1,181</b>	<b>1,239</b>
Inventories	561	590	647
Trade receivables	906	1,093	1,142
Other current financial assets	91	90	84
Income tax receivables	41	49	39
Other current assets	96	106	132
Securities	955	805	951
Cash and cash equivalents	767	604	898
<b>Current assets</b>	<b>3,417</b>	<b>3,337</b>	<b>3,893</b>
	<b>4,594</b>	<b>4,518</b>	<b>5,132</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of Beiersdorf AG	2,626	2,429	2,823
Minority interests	10	6	8
<b>Equity</b>	<b>2,636</b>	<b>2,435</b>	<b>2,831</b>
Provisions for pensions and other post-employment benefits	221	228	217
Other non-current provisions	138	126	127
Non-current financial liabilities	7	28	10
Other non-current liabilities	5	6	5
Deferred tax liabilities*	161	158	164
<b>Non-current liabilities</b>	<b>532</b>	<b>546</b>	<b>523</b>
Other current provisions	391	427	549
Income tax liabilities	107	99	118
Trade payables	699	751	861
Other current financial liabilities	158	168	153
Other current liabilities	71	92	97
<b>Current liabilities</b>	<b>1,426</b>	<b>1,537</b>	<b>1,778</b>
	<b>4,594</b>	<b>4,518</b>	<b>5,132</b>

\* Prior-year second quarter figures adjusted.



## Cash Flow Statement

IN € MILLION

	Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2010
<b>Operating result (EBIT)</b>	<b>291</b>	<b>385</b>
Income taxes paid	-110	-121
Depreciation and amortization	55	61
Change in non-current provisions (excluding interest)	-13	-16
Gain/loss on disposal of property, plant, and equipment, and intangible assets	-	-
<b>Gross cash flow</b>	<b>223</b>	<b>309</b>
Change in inventories	44	-86
Change in receivables and other assets	-207	-226
Change in liabilities and current provisions	129	342
<b>Net cash flow from operating activities</b>	<b>189</b>	<b>339</b>
Investments	-59	-39
Proceeds from divestments	5	5
Payments for the purchase of securities	-401	-265
Proceeds from the sale of securities	491	264
Interest received	10	7
Proceeds from dividends and other financing activities	5	5
<b>Net cash flow from investing activities</b>	<b>51</b>	<b>-23</b>
<b>Free cash flow</b>	<b>240</b>	<b>316</b>
Proceeds from loans	80	52
Loan repayments	-109	-76
Interest paid	-6	-4
Other financing expenses paid	-12	-27
Cash dividends paid (Beiersdorf AG)	-204	-159
<b>Net cash flow from financing activities</b>	<b>-251</b>	<b>-214</b>
Effect of exchange rate fluctuations and other changes on cash held	2	29
<b>Net change in cash and cash equivalents</b>	<b>-9</b>	<b>131</b>
<b>Cash and cash equivalents as of Jan. 1</b>	<b>613</b>	<b>767</b>
<b>Cash and cash equivalents as of June 30</b>	<b>604</b>	<b>898</b>

## Statement of Changes in Equity

IN € MILLION

	Share capital	Additional paid-in capital	Retained earnings*	Accumulated other consolidated income			Total attributable to equity holders of Beiersdorf AG	Minority interests	Total
				Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets			
<b>Jan. 1, 2009</b>	<b>252</b>	<b>47</b>	<b>2,280</b>	<b>-154</b>	<b>21</b>	<b>4</b>	<b>2,450</b>	<b>10</b>	<b>2,460</b>
Total earnings for the period	-	-	186	9	-13	1	183	2	185
Dividend of Beiersdorf AG for previous year	-	-	-204	-	-	-	-204	-	-204
Dividend of minority interests for previous year	-	-	-	-	-	-	-	-6	-6
<b>June 30, 2009</b>	<b>252</b>	<b>47</b>	<b>2,262</b>	<b>-145</b>	<b>8</b>	<b>5</b>	<b>2,429</b>	<b>6</b>	<b>2,435</b>
<b>Jan. 1, 2010</b>	<b>252</b>	<b>47</b>	<b>2,450</b>	<b>-127</b>	<b>-1</b>	<b>5</b>	<b>2,626</b>	<b>10</b>	<b>2,636</b>
Total earnings for the period	-	-	246	128	-18	-	356	5	361
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-159	-	-159
Dividend of minority interests for previous year	-	-	-	-	-	-	-	-7	-7
<b>June 30, 2010</b>	<b>252</b>	<b>47</b>	<b>2,537</b>	<b>1</b>	<b>-19</b>	<b>5</b>	<b>2,823</b>	<b>8</b>	<b>2,831</b>

\* The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

## Selected Explanatory Notes

### Information on the Company and on the Group

The registered office of Beiersdorf AG is at Unnastrasse 48 in Hamburg (Germany) and the Company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. The ultimate parent of the Company is maxingvest ag. The activities of Beiersdorf AG and its affiliates ("Beiersdorf Group") consist primarily of the manufacture and distribution of branded consumer goods in the area of skin care, and of the manufacture and distribution of technical adhesive tapes.

### Basis of Preparation

The interim consolidated financial statements for the period from January 1 to June 30, 2010 were prepared in accordance with IAS 34 "Interim Financial Reporting." The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2009.

### Accounting Policies

The figures disclosed in this interim report were prepared in accordance with International Financial Reporting Standards (IFRSs). The same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2009. The interim report was not audited or reviewed.

### Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2009 for related party disclosures. There were no significant changes in the first half of 2010.

### Corporate Governance

The declaration of compliance issued by the Supervisory Board and the Executive Board for fiscal year 2009 regarding the recommendations of the German Corporate Governance Code in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act) was published at the end of December 2009 and is permanently available on our website at [www.Beiersdorf.com/Corporate\\_Governance](http://www.Beiersdorf.com/Corporate_Governance).

### Events After the Balance Sheet Date

No significant events occurred after the balance sheet date that would have a material effect on the Beiersdorf Group's business developments.

## Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Hamburg, August 2010

Beiersdorf AG

The Executive Board

## Financial Calendar

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November 4, 2010	Interim Report January to September 2010, Financial Analyst Meeting
January 2011	Publication of Preliminary Group Results
February/March 2011	Publication of Annual Report 2010, Annual Accounts Press Conference, Financial Analyst Meeting
April 21, 2011	Annual General Meeting
May 2011	Interim Report January to March 2011
August 2011	Interim Report January to June 2011
November 2011	Interim Report January to September 2011, Financial Analyst Meeting

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