

# Interim Report

January–June 2011

## Global NIVEA Campaign Provides Impetus



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### Highlights in the Second Quarter



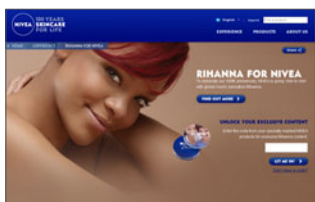
#### Change in the Brands & Supply Chain Executive Board function

Ralph Gusko, 50, took over the Brands & Supply Chain Executive Board function as of July 1. He has worked at Beiersdorf for 22 years in central brand management and as General Manager for Asia and Northern Europe. His predecessor Markus Pinger left the Company at his own request at the end of June.



#### Celebration of NIVEA's 100th Birthday on the "Skin Journey"

The "Skin Journey" on NIVEA's "Feel-Good Ship" on May 9/10 was a great way to celebrate NIVEA's 100th birthday. 900 consumers and journalists from all over the world gathered in Hamburg for the event. A large number of multimedia exhibitions, presentations, interactive installations and wellness offerings gave guests a unique opportunity to experience NIVEA up close.



#### NIVEA launches global digital "Skin Care for Life" campaign

A digital, interactive brand experience for consumers is being created as part of the global NIVEA campaign. Established brand elements such as the NIVEA Cream tin and classic elements of the "Skin Care for Life" campaign will be used to support the high-profile digital activities, as will global music star Rihanna. Beiersdorf has engaged the singer as the voice of the anniversary campaign with her song "California King Bed."



#### NIVEA FOR MEN campaign featuring Jogi Löw goes into extra time

The successful NIVEA FOR MEN campaign from the World Cup year 2010 featuring German national soccer team coach Joachim Löw was launched for the second time on May 2. An extensive nationwide consumer campaign is being rolled out at retailers alongside a TV commercial. The ongoing partnership aims to continue strengthening and expanding NIVEA FOR MEN's No. 1 position in the future.

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### About the Cover

#### Global NIVEA campaign provides impetus

The campaign to position NIVEA for the future to mark the brand's 100th birthday enabled Beiersdorf to generate substantial impetus at retailers and among consumers in the second quarter. The NIVEA campaign will be implemented internationally in 2011 using effective publicity in many countries. The cover page shows the Russian campaign, which decorated downtown Moscow with large-format posters.

## Business Developments – Overview

### Positive momentum by global NIVEA offensive

- » Group sales up 2.6%
- » Consumer business grows by 1.3%
- » tesa continues to record strong growth (+9.8%)
- » Consolidated profit after tax of €258 million

### Outlook for fiscal year 2011

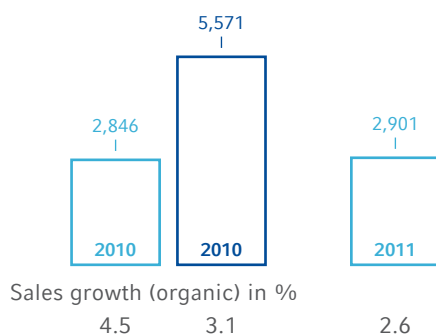
- » Consumer sales growth to match previous year
- » Consumer EBIT margin at approximately 10 to 11%
- » tesa sales growth slightly in excess of the market
- » tesa EBIT margin clearly above 11%

### Beiersdorf at a Glance\*

		Jan. 1 – June 30, 2010	Jan. 1 – June 30, 2011
<b>Group sales</b>	(in € million)	<b>2,846</b>	<b>2,901</b>
Change (organic)	(in %)	4.5	2.6
<b>Consumer sales</b>	(in € million)	<b>2,417</b>	<b>2,431</b>
Change (organic)	(in %)	2.6	1.3
<b>tesa sales</b>	(in € million)	<b>429</b>	<b>470</b>
Change (organic)	(in %)	18.8	9.8
<b>Operating result (EBIT, excluding special factors)</b>	(in € million)	<b>385</b>	<b>350</b>
Operating result	(in € million)	385	349
Profit after tax	(in € million)	249	258
Return on sales after tax	(in %)	8.7	8.9
Earnings per share	(in €)	1.08	1.12
<b>Gross cash flow</b>	(in € million)	<b>309</b>	<b>264</b>
<b>Capital expenditure</b>	(in € million)	<b>39</b>	<b>34</b>
<b>Research and development expenses</b>	(in € million)	<b>74</b>	<b>79</b>
<b>Employees</b>	(number as of June 30)	<b>21,695</b>	<b>17,897</b>

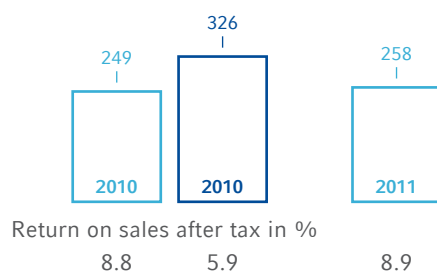
\*New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

Group Sales (in € million)



Jan. 1–June 30 Full Year

Profit after Tax (in € million)



Jan. 1–June 30 Full Year

## Segment Overview

### Business Developments by Business Segment\*

Sales (in € million)	April 1–June 30, 2010		April 1–June 30, 2011		Jan. 1–June 30, 2010		Jan. 1–June 30, 2011		Change in %	
		% of total		% of total		% of total		% of total	nominal	organic
Consumer	1,244	85.0	1,259	84.2	2,417	84.9	2,431	83.8	0.6	1.3
tesa	220	15.0	236	15.8	429	15.1	470	16.2	9.5	9.8
<b>Total</b>	<b>1,464</b>	<b>100.0</b>	<b>1,495</b>	<b>100.0</b>	<b>2,846</b>	<b>100.0</b>	<b>2,901</b>	<b>100.0</b>	<b>1.9</b>	<b>2.6</b>
EBITDA (in € million)	April 1–June 30, 2010		April 1–June 30, 2011		Jan. 1–June 30, 2010		Jan. 1–June 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	190	15.4	182	14.4	375	15.5	337	13.9		–10.4
tesa	40	18.1	34	14.5	71	16.5	70	14.8		–1.9
<b>Total</b>	<b>230</b>	<b>15.8</b>	<b>216</b>	<b>14.4</b>	<b>446</b>	<b>15.7</b>	<b>407</b>	<b>14.0</b>		<b>–9.1</b>
Operating Result (EBIT, excluding special factors)** (in € million)	April 1–June 30, 2010		April 1–June 30, 2011		Jan. 1–June 30, 2010		Jan. 1–June 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	166	13.4	156	12.4	327	13.5	294	12.1		–10.3
tesa	33	15.2	27	11.6	58	13.6	56	11.9		–4.0
<b>Total</b>	<b>199</b>	<b>13.6</b>	<b>183</b>	<b>12.3</b>	<b>385</b>	<b>13.5</b>	<b>350</b>	<b>12.0</b>		<b>–9.4</b>
Gross Cash Flow (in € million)	April 1–June 30, 2010		April 1–June 30, 2011		Jan. 1–June 30, 2010		Jan. 1–June 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Consumer	146	11.7	116	9.2	253	10.5	213	8.7		–15.9
tesa	31	14.3	25	10.8	56	13.0	51	10.9		–8.0
<b>Total</b>	<b>177</b>	<b>12.1</b>	<b>141</b>	<b>9.4</b>	<b>309</b>	<b>10.9</b>	<b>264</b>	<b>9.1</b>		<b>–14.5</b>

### Business Developments by Region

Sales (in € million)	April 1–June 30, 2010		April 1–June 30, 2011		Jan. 1–June 30, 2010		Jan. 1–June 30, 2011		Change in %	
		% of total		% of total		% of total		% of total	nominal	organic
Europe	930	63.5	965	64.5	1,833	64.4	1,846	63.6	0.7	0.4
Americas	220	15.0	233	15.6	426	15.0	462	15.9	8.4	12.8
Africa/Asia/Australia	314	21.5	297	19.9	587	20.6	593	20.5	1.0	1.8
<b>Total</b>	<b>1,464</b>	<b>100.0</b>	<b>1,495</b>	<b>100.0</b>	<b>2,846</b>	<b>100.0</b>	<b>2,901</b>	<b>100.0</b>	<b>1.9</b>	<b>2.6</b>
Operating Result (EBIT, excluding special factors)** (in € million)	April 1–June 30, 2010		April 1–June 30, 2011		Jan. 1–June 30, 2010		Jan. 1–June 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	nominal	
Europe	167	18.0	163	16.9	325	15.2	300	16.2		–7.9
Americas	13	6.0	14	5.8	32	7.6	35	7.5		6.3
Africa/Asia/Australia	19	6.1	6	2.4	28	4.9	15	2.7		–44.6
<b>Total</b>	<b>199</b>	<b>13.6</b>	<b>183</b>	<b>12.3</b>	<b>385</b>	<b>13.5</b>	<b>350</b>	<b>12.0</b>		<b>–9.4</b>

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

\*\* For details regarding the special factors please refer to page 7.

Figures in percent are calculated based on thousands of euros.

## Beiersdorf's Shares

Beiersdorf's share price was stable overall in the second quarter of 2011. Its performance was weaker in the run-up to the publication of the Company's Q1 figures on May 5, as market expectations of business growth were dampened after Beiersdorf announced an extensive package of measures and investments in December 2010. However, the announcement of the Company's results and management's explanations of the strategic realignment were well received and provided a sustained boost for Beiersdorf's shares.



Beiersdorf.com/  
IR

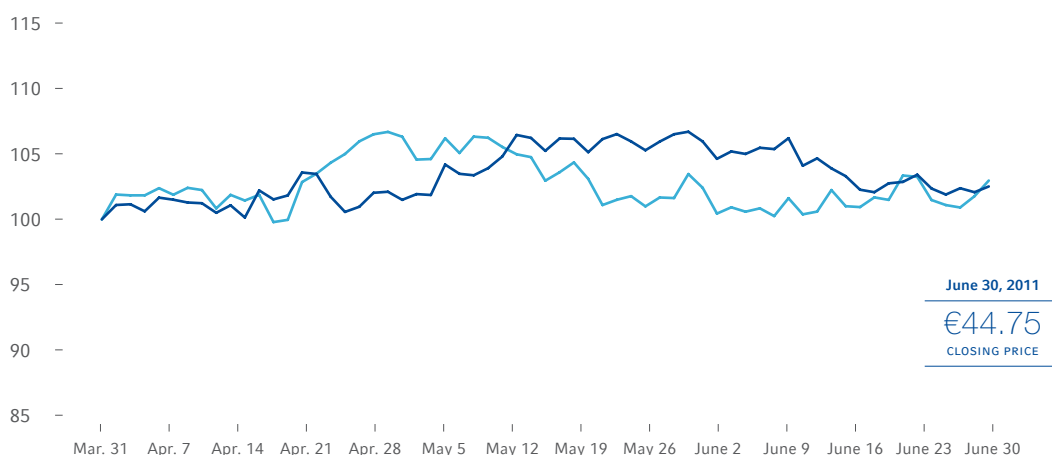
The realignment of NIVEA's brand positioning and the organizational changes on the Executive Board were also the focus of numerous discussions with investors at several international conferences and at the Company's headquarters in Hamburg. Investors wanted information in particular on the current strategic transitional phase and Beiersdorf's performance in the remaining months of the current fiscal year.

On an indexed basis, our share price roughly tracked the DAX in June and closed at €44.75 on June 30.

### Beiersdorf's Share Price Performance April–June 2011

Relative change in %

Beiersdorf DAX



# Interim Management Report – Group

## Results of Operations – Group

- » Group sales up 2.6%
- » EBIT margin 12.0% (excluding special factors)
- » Profit after tax rises to €258 million

Group sales in the first six months were up 2.6% on the previous year. The Consumer business segment recorded organic growth of 1.3%, while tesa generated an organic sales increase of 9.8%. At current exchange rates, Group sales were up 1.9% as against the prior-year period, at €2,901 million (previous year: €2,846 million).

### Income Statement (in € million)\*

	Jan. 1 – June 30, 2010	Jan. 1 – June 30, 2011	Change in %
<b>Sales</b>	<b>2,846</b>	<b>2,901</b>	<b>1.9</b>
Cost of goods sold	-1,015	-1,056	4.1
<b>Gross profit</b>	<b>1,831</b>	<b>1,845</b>	<b>0.7</b>
Marketing and selling expenses	-1,185	-1,250	5.4
Research and development expenses	-74	-79	8.1
General and administrative expenses	-140	-149	6.0
Other operating result	-47	-17	-63.2
<b>Operating result (EBIT, excluding special factors)</b>	<b>385</b>	<b>350</b>	<b>-9.4</b>
Special factors	-	-1	-
<b>Operating result (EBIT)</b>	<b>385</b>	<b>349</b>	<b>-9.6</b>
Financial result	-12	15	-
<b>Profit before tax</b>	<b>373</b>	<b>364</b>	<b>-2.5</b>
Income taxes	-124	-106	-15.1
<b>Profit after tax</b>	<b>249</b>	<b>258</b>	<b>3.9</b>
<b>Basic/diluted earnings per share (in €)</b>	<b>1.08</b>	<b>1.12</b>	<b>3.5</b>

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

The operating result (EBIT, excluding special factors) declined to €350 million (previous year: €385 million). This corresponds to an EBIT margin (excluding special factors) of 12.0% (previous year: 13.5%).

In the special factors item of €–1 million, expenses incurred in streamlining the product range were offset by income resulting primarily from the sale of the Juvena and Marlies Möller brands.

#### Reconciliation to EBIT Excluding Special Factors

Jan. 1 – June 30

	in € million	in % of sales
<b>Group</b>		
<b>Operating result (EBIT) 2011</b>	<b>349</b>	<b>12.0</b>
Special factors included in the other operating result	1	–
<b>Operating result (EBIT, excluding special factors) 2011</b>	<b>350</b>	<b>12.0</b>
<b>Operating result (EBIT) 2010</b>	<b>385</b>	<b>13.5</b>
<b>Consumer</b>		
<b>Operating result (EBIT) 2011</b>	<b>293</b>	<b>12.0</b>
Special factors included in the other operating result	1	–
<b>Operating result (EBIT, excluding special factors) 2011</b>	<b>294</b>	<b>12.1</b>
<b>Operating result (EBIT) 2010</b>	<b>327</b>	<b>13.5</b>

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRSs and should be treated merely as voluntary additional information. The special factors are one-time, non-operating transactions relating to the package of investments and measures being implemented and only affect the Consumer business segment.

The financial result amounted to €15 million (previous year: €–12 million). The main factors influencing performance were an improved result from exchange rate effects and gains from the sale of securities that were mostly recorded in equity with no effect on income as of December 31, 2010.

Profit after tax rose to €258 million (previous year: €249 million). The corresponding return on sales after tax was 8.9% (previous year: 8.7%). Excluding special factors, profit after tax amounted to €256 million. The corresponding return in sales after tax was 8.8%.

The earnings per share, based on 226,818,984 units, was €1.12 (previous year: €1.08). Excluding special factors it amounted to €1.11.



## Results of Operations – Business Segments

### Consumer

- » Consumer business segment up 1.3% on previous year
- » Consumer EBIT margin 12.1%

#### Consumer\*

Jan. 1–June 30

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2011	(in € million)	1,527	405	499	2,431
Sales 2010	(in € million)	1,537	374	506	2,417
Change (organic)	(in %)	–0.9	12.5	–0.6	1.3
Change (adjusted for currency translation effects)	(in %)	–1.5	12.5	–0.6	0.9
Change (nominal)	(in %)	–0.7	8.2	–1.3	0.6
EBIT 2011**	(in € million)	275	26	–7	294
EBIT margin 2011**	(in %)	18.0	6.4	–1.4	12.1
EBIT 2010	(in € million)	294	23	10	327
EBIT margin 2010	(in %)	19.1	6.2	2.0	13.5

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

\*\* Excluding special factors (see reconciliation to EBIT excluding special factors on page 7).

The first half of 2011 saw sales increase by 1.3% on the previous year. The global NIVEA offensive led to positive momentum for the business development in the second quarter. In contrast, growth was impacted by the measures taken to streamline the Company's product range, in particular exiting NIVEA Make-up. At current exchange rates, sales in the Consumer business segment reached €2,431 million, up 0.6% on the previous year (€2,417 million).

NIVEA sales rose by 1.5% compared with the previous year. NIVEA Visage and NIVEA Body Care again generated positive growth rates worldwide. NIVEA Deodorant was extremely successful. The exit from NIVEA Make-up and the range decisions relating to NIVEA Hair Care reduced sales. Our La Prairie brand recorded outstanding sales growth of 7.2%. Eucerin increased its sales by 6.7% compared with the previous year.

EBIT was €294 million (previous year: €327 million), while the EBIT margin was 12.1% (previous year: 13.5%).

#### Consumer Sales in Europe\*

Jan. 1–June 30

		Germany	Western Europe (excluding Germany)	Eastern Europe	Total
Sales 2011	(in € million)	383	860	284	1,527
Sales 2010	(in € million)	388	870	279	1,537
Change (organic)	(in %)	–0.7	–2.0	2.5	–0.9
Change (adjusted for currency translation effects)	(in %)	–1.2	–2.8	2.5	–1.5
Change (nominal)	(in %)	–1.2	–1.2	1.9	–0.7

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

In Europe, sales in the Consumer business segment were down by 0.9% on the previous year on a like-for-like basis. At current exchange rates, sales decreased slightly by 0.7% to €1,527 million (previous year: €1,537 million).



Sales in **Germany** were 0.7% below the previous year. Beiersdorf's withdrawal from the NIVEA Make-up business was nearly offset by the strong performance recorded by NIVEA SUN, NIVEA Deodorant, and NIVEA Visage. Florena sales were significantly lower than in the prior-year period. Eucerin confirmed its healthy prior-year figure and the La Prairie brand saw a clear increase in sales.

Sales in **Western Europe** declined by 2.0% on the previous year. Some countries did not match the prior year's sales mainly due to the impact of the streamlining measures. However, sales in the UK, Austria, Belgium, and the Netherlands performed well. NIVEA Deodorant and NIVEA Shower generated strong growth. The extremely successful launch of the NIVEA Pure & Natural series was continued. Eucerin and La Prairie also lifted their sales.

Sales in **Eastern Europe** recorded growth of 2.5%. The Russia/Ukraine Group and the CEE Group saw a healthy sales increase, while Poland was unable to match the prior-year level. NIVEA SUN, NIVEA Visage, and Eucerin performed positively in this region, whereas sales of NIVEA FOR MEN and NIVEA Hair Care declined.

Consumer EBIT in Europe was €275 million (previous year: €294 million). The corresponding EBIT margin was 18.0% (previous year: 19.1%).

#### Consumer Sales in the Americas\*

Jan. 1 – June 30

		North America	Latin America	Total
Sales 2011	(in € million)	153	252	405
Sales 2010	(in € million)	149	225	374
Change (organic)	(in %)	9.7	14.3	12.5
Change (adjusted for currency translation effects)	(in %)	9.7	14.3	12.5
Change (nominal)	(in %)	2.4	12.0	8.2

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

Sales in the Americas rose by 12.5%. At current exchange rates, sales amounted to €405 million, up 8.2% on the previous year (€374 million).

Sales in **North America** increased by 9.7% on the prior-year period. NIVEA Body, NIVEA Shower, and NIVEA FOR MEN recorded extremely good growth rates. La Prairie and Eucerin also lifted their sales.

**Latin America** saw sales growth of 14.3%. Although Argentina generated the best growth rate, all other key markets also recorded excellent increases. NIVEA Visage, NIVEA Body Care, and NIVEA Sun in particular performed very well in this focus region. Eucerin also saw extremely strong growth.

Consumer EBIT in the Americas was €26 million (previous year: €23 million). The EBIT margin increased to 6.4% (previous year: 6.2%).

**Consumer Sales in Africa/Asia/Australia\***

Jan. 1–June 30

		Total
Sales 2011	(in € million)	499
Sales 2010	(in € million)	506
Change (organic)	(in %)	–0.6
Change (adjusted for currency translation effects)	(in %)	–0.6
Change (nominal)	(in %)	–1.3

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

At –0.6%, sales in the **Africa/Asia/Australia** region were down slightly on the previous year. At current exchange rates, sales amounted to €499 million, and were therefore 1.3% below the prior-year figure (€506 million).

Especially Africa recorded strong sales. NIVEA Body Care, NIVEA Visage, and NIVEA FOR MEN in particular generated extremely good growth rates. Japan also saw very good sales growth, with 8x4 business being boosted significantly by a relaunch. NIVEA SUN and NIVEA FOR MEN also performed well in Japan. In the Middle East, the effects of political unrest in various Arab countries were noticeable in the second quarter, by a decline in sales. Sales in China were well below the 2010 figure due to the reorganization of business structures. Only NIVEA FOR MEN, NIVEA Deodorant, and La Prairie performed extremely well here.

EBIT in this region continued to be impacted by substantial marketing investments and the reorganization measures of the Chinese business. Consumer EBIT was €–7 million (previous year: €10 million). The EBIT margin was –1.4% (previous year: 2.0%).

**tesa**

- » tesa business segment lifts sales by 9.8%
- » EBIT margin at 11.9%

**tesa**

Jan. 1 – June 30

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2011	(in € million)	319	57	94	470
Sales 2010	(in € million)	296	52	81	429
Change (organic)	(in %)	6.7	15.6	17.2	9.8
Change (adjusted for currency translation effects)	(in %)	6.7	15.6	17.2	9.8
Change (nominal)	(in %)	7.6	10.1	16.1	9.5
EBIT 2011	(in € million)	25	9	22	56
EBIT margin 2011	(in %)	7.7	15.2	23.9	11.9
EBIT 2010	(in € million)	31	9	18	58
EBIT margin 2010	(in %)	10.5	17.5	22.4	13.6

The tesa business segment generated organic sales growth of 9.8% in the first half of 2011, continuing its strong performance of the previous year. At current exchange rates, tesa's sales increased by 9.5% to €470 million (previous year: €429 million).

The positive sales trend seen in 2010 continued in the first six months of this year. The industrial segment in particular recorded ongoing sales growth from customers in the automotive and electrical industries. For structural reasons, the consumer business recorded only slight sales growth.

EBIT in the tesa business segment was impacted by sharp rises in materials prices and supply bottlenecks on the commodities markets. It amounted to €56 million (previous year: €58 million), while the EBIT margin was 11.9% (previous year: 13.6%).

## Balance Sheet Structure – Group

### Balance Sheet (in € million)

	Dec. 31, 2010	June 30, 2010	June 30, 2011
<b>Assets</b>			
Non-current assets	1,110	1,239	1,071
Inventories	632	647	678
Other current assets	2,380	2,348	2,612
Cash and cash equivalents	973	898	966
	<b>5,095</b>	<b>5,132</b>	<b>5,327</b>
<b>Equity and Liabilities</b>			
Equity	2,920	2,831	2,975
Non-current liabilities	494	523	485
Current liabilities	1,681	1,778	1,867
	<b>5,095</b>	<b>5,132</b>	<b>5,327</b>

Non-current assets decreased by €39 million as against the figure for December 31, 2010, to €1,071 million, primarily due to exchange rate effects relating to fixed assets. Capital expenditure in the first half year of 2011 amounted to €34 million (previous year: €39 million). €24 million of this amount was attributable to the Consumer business segment (previous year: €25 million) and €10 million to tesa (previous year: €14 million). Inventories rose by €46 million as against the end of the year 2010 to €678 million due to seasonal factors. Other current assets increased to €2,612 million. The rise in comparison to the year-end is due to an increase in the securities and to a seasonal increase in trade receivables.

Non-current liabilities decreased by €9 million compared to December 31, 2010. The growth in current liabilities resulted from the increase in current provisions due to operational factors and an increase in trade payables.

### Financing Structure (in %)

Dec. 31, 2010	57	10	33
June 30, 2010	56	10	34
June 30, 2011	56	9	35

☒ Equity
 ☐ Non-current liabilities
 ☐ Current liabilities

## Financial Position – Group

### Cash Flow Statement (in € million)

	Jan. 1–June 30, 2010	Jan. 1–June 30, 2011
Gross cash flow	309	264
Change in working capital	30	1
Net cash flow from operating activities	339	265
Net cash flow from investing activities	–23	–70
Free cash flow	316	195
Net cash flow from financing activities	–214	–189
Other changes	29	–13
Net change in cash and cash equivalents	131	–7
<b>Cash and cash equivalents as of Jan. 1</b>	<b>767</b>	<b>973</b>
<b>Cash and cash equivalents as of June 30</b>	<b>898</b>	<b>966</b>

Gross cash flow reached €264 million. The cash outflow from the change in working capital was €1 million. The increases in receivables of €182 million and in inventories of €46 million were matched by a €229 million rise in liabilities and provisions. Overall, the net cash flow from operating activities totaled €265 million. The net cash outflow from investing activities was €70 million. Capital expenditure of €34 million and purchases of securities of €54 million were partially offset by €15 million in interest income and other cash inflows. Free cash flow amounted to €195 million. The net cash outflow from financing activities of €189 million was mainly due to the dividend payment and loan repayments. Cash and cash equivalents amounted to €966 million.

## Employees

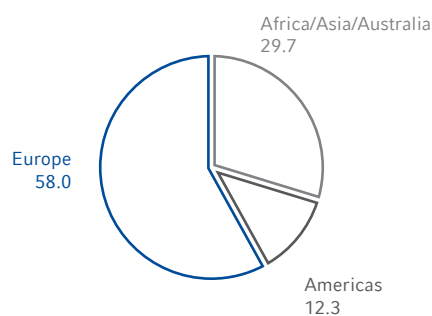
The number of employees fell by 1,231 compared with the figure for December 31, 2010, to 17,897, primarily due to revised business structures at the China Group. As of June 30, 2011, 14,181 employees worked in the Consumer business segment and 3,716 at tesa.



Beiersdorf.com/  
Career

### Employees by Region (in %)

as of June 30, 2011; total 17,897 employees



## Other Disclosures

### **Change in the Brands & Supply Chain Executive Board function**

Ralph Gusko, who was previously General Manager of the Consumer business in Northern Europe, took over the Brands & Supply Chain Executive Board function on July 1, 2011. Ralph Gusko (50) has worked for 22 years at Beiersdorf in a variety of central brand management functions and as General Manager in Asia and Northern Europe. His predecessor Markus Pinger left the Company at his own request as of June 30, 2011.

## 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, 2010. In addition, the following information must be reported as of June 30, 2011:

Along with other companies, affiliates of the Beiersdorf Group in Belgium, Germany, France, and Switzerland are involved in antitrust proceedings relating to cosmetics products on a national level. Statements of objections have been issued in Germany and Switzerland. The proceedings in the Netherlands were discontinued in May 2011. We expect further decisions in the coming months. To the extent that an outflow of resources embodying economic benefits is likely to be required to settle these obligations, provisions were established for the pending antitrust proceedings in the amount of the best estimate of the settlement value. However, no conclusive assessment of the risk from the Group's perspective is possible at present.

## Outlook for 2011

### Expected Macroeconomic Developments

We believe that global economic development will again vary widely from region to region in the coming years. The industrialized countries are likely to continue their recovery from the crisis in 2011, and we expect sustained, above-average economic growth in the developing countries and emerging markets. The economic situation in Europe will continue to be extremely mixed. Economies with a pronounced focus on exports will profit more from the global economic recovery. We are forecasting below-average market growth in those European countries that have been harder hit by the financial crisis.

We expect GDP growth in the United States to be up only marginally on 2010. Macroeconomic demand will continue to be below the levels seen prior to the financial and economic crisis. High unemployment and changes in savings habits are the main brakes on consumer spending. In Asia, we continue to expect above-average growth, which will largely be driven by China. Fiscal and monetary measures being introduced by the Chinese government to curb inflationary tendencies are not expected to hinder growth.

Prices are expected to continue rising due to sustained strong global demand in the relevant procurement markets and political instability in the Arab countries. Further availability bottlenecks are also on the cards in material categories where supplier capacity is tight or raw materials are naturally scarce.

### Business Developments

In 2011, the Group aims to reach a slight sales growth versus 2010. The consolidated operating EBIT margin is expected to reach 10–11% in 2011. The corresponding profit after tax margin should be 7–8%.

Sales performance in the **Consumer** business segment will be significantly affected by the streamlining of the product range. However, sales growth in our core areas is expected to more or less offset the streamlining effects. As a result, sales should maintain the level of 2010. The operating EBIT margin should be approximately 10–11%.

**tesa** anticipates that sales growth in both customer segments (Industry and Consumer) will be slightly faster than market growth in 2011. The business segment is expecting an EBIT margin clearly above 11%.

We firmly believe that we are well positioned for future developments thanks to our strong brands, innovative products, optimized processes, and revised strategic focus.

Hamburg, August 2011

Beiersdorf AG

The Executive Board



# Interim Consolidated Financial Statements

## Income Statement\*

(in € million)

	April 1–June 30, 2010	April 1–June 30, 2011	Jan. 1–June 30, 2010	Jan. 1–June 30, 2011
<b>Sales</b>	<b>1,464</b>	<b>1,495</b>	<b>2,846</b>	<b>2,901</b>
Cost of goods sold	–528	–553	–1,015	–1,056
<b>Gross profit</b>	<b>936</b>	<b>942</b>	<b>1,831</b>	<b>1,845</b>
Marketing and selling expenses	–607	–640	–1,185	–1,250
Research and development expenses	–37	–41	–74	–79
General and administrative expenses	–70	–78	–140	–149
Other operating result	–23	4	–47	–18
<b>Operating result (EBIT)</b>	<b>199</b>	<b>187</b>	<b>385</b>	<b>349</b>
Financial result	–8	0	–12	15
<b>Profit before tax</b>	<b>191</b>	<b>187</b>	<b>373</b>	<b>364</b>
Income taxes	–64	–54	–124	–106
<b>Profit after tax</b>	<b>127</b>	<b>133</b>	<b>249</b>	<b>258</b>
Profit attributable to equity holders of Beiersdorf AG	126	131	246	254
Profit attributable to non-controlling interests	1	2	3	4
<b>Basic/diluted earnings per share (in €)</b>	<b>0.55</b>	<b>0.58</b>	<b>1.08</b>	<b>1.12</b>

\* New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

## Statement of Comprehensive Income

(in € million)

	Jan. 1–June 30, 2010	Jan. 1–June 30, 2011
<b>Profit after tax</b>	<b>249</b>	<b>258</b>
Remeasurement gains and losses on cash flow hedges	–27	7
Deferred taxes on remeasurement gains and losses on cash flow hedges	9	–3
<i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i>	<i>–18</i>	<i>4</i>
Remeasurement gains and losses on available-for-sale financial assets	–	–5
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	–	2
<i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i>	<i>–</i>	<i>–3</i>
Exchange differences	130	–37
<b>Other comprehensive income net of tax</b>	<b>112</b>	<b>–36</b>
<b>Total comprehensive income</b>	<b>361</b>	<b>222</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	356	219
– Non-controlling interests	5	3

## Balance Sheet

### Balance Sheet (in € million)

	Dec. 31, 2010	June 30, 2010	June 30, 2011
<b>Assets</b>			
Intangible assets	306	405	299
Property, plant, and equipment	716	738	683
Non-current financial assets	10	10	13
Other non-current assets	2	1	2
Deferred tax assets	76	85	74
<b>Non-current assets</b>	<b>1,110</b>	<b>1,239</b>	<b>1,071</b>
Inventories	632	647	678
Trade receivables	1,001	1,142	1,142
Other current financial assets	72	84	75
Income tax receivables	63	39	69
Other current assets	112	132	140
Securities	1,132	951	1,186
Cash and cash equivalents	973	898	966
<b>Current assets</b>	<b>3,985</b>	<b>3,893</b>	<b>4,256</b>
	<b>5,095</b>	<b>5,132</b>	<b>5,327</b>
<b>Equity and Liabilities</b>			
Equity attributable to equity holders of Beiersdorf AG	2,907	2,823	2,967
Non-controlling interests	13	8	8
<b>Equity</b>	<b>2,920</b>	<b>2,831</b>	<b>2,975</b>
Provisions for pensions and other post-employment benefits	209	217	195
Other non-current provisions	117	127	118
Non-current financial liabilities	8	10	7
Other non-current liabilities	5	5	5
Deferred tax liabilities	155	164	160
<b>Non-current liabilities</b>	<b>494</b>	<b>523</b>	<b>485</b>
Other current provisions	486	549	566
Income tax liabilities	126	118	108
Trade payables	863	861	972
Other current financial liabilities	135	153	118
Other current liabilities	71	97	103
<b>Current liabilities</b>	<b>1,681</b>	<b>1,778</b>	<b>1,867</b>
	<b>5,095</b>	<b>5,132</b>	<b>5,327</b>

## Cash Flow Statement

(in € million)

	Jan. 1 – June 30, 2010	Jan. 1 – June 30, 2011
<b>Operating result (EBIT)</b>	<b>385</b>	<b>349</b>
Income taxes paid	-121	-127
Depreciation and amortization	61	58
Change in non-current provisions (excluding interest)	-16	-15
Gain/loss on disposal of property, plant, and equipment, and intangible assets	-	-1
<b>Gross cash flow</b>	<b>309</b>	<b>264</b>
Change in inventories	-86	-46
Change in receivables and other assets	-226	-182
Change in liabilities and current provisions	342	229
<b>Net cash flow from operating activities</b>	<b>339</b>	<b>265</b>
Investments	-39	-34
Proceeds from divestments	5	3
Payments for the purchase of securities	-265	-406
Proceeds from the sale/final maturity of securities	264	352
Interest received	7	13
Proceeds from dividends and other financing activities	5	2
<b>Net cash flow from investing activities</b>	<b>-23</b>	<b>-70</b>
<b>Free cash flow</b>	<b>316</b>	<b>195</b>
Proceeds from loans	52	14
Loan repayments	-76	-34
Interest paid	-4	-3
Other financing expenses paid	-27	-7
Cash dividends paid (Beiersdorf AG)	-159	-159
<b>Net cash flow from financing activities</b>	<b>-214</b>	<b>-189</b>
Effect of exchange rate fluctuations and other changes on cash held	29	-13
<b>Net change in cash and cash equivalents</b>	<b>131</b>	<b>-7</b>
<b>Cash and cash equivalents as of Jan. 1</b>	<b>767</b>	<b>973</b>
<b>Cash and cash equivalents as of June 30</b>	<b>898</b>	<b>966</b>

## Statement of Changes in Equity

(in € million)

				Accumulated other consolidated income					
	Share capital	Additional paid-in capital	Retained earnings*	Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets	Total attributable to equity holders of Beiersdorf AG	Non-controlling interest	Total
<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 non-controlling 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>
<b>Jan. 1, 2011</b>	<b>252</b>	<b>47</b>	<b>2,609</b>	<b>-1</b>	<b>-5</b>	<b>5</b>	<b>2,907</b>	<b>13</b>	<b>2,920</b>
Total earnings for the period	–	–	254	-36	4	-3	219	3	222
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	-159	–	-159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	-8	-8
<b>June 30, 2011</b>	<b>252</b>	<b>47</b>	<b>2,704</b>	<b>-37</b>	<b>-1</b>	<b>2</b>	<b>2,967</b>	<b>8</b>	<b>2,975</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, 2011 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, 2010.

### Accounting Policies

The figures disclosed in this interim report were prepared in accordance with International Financial Reporting Standards (IFRS). With the exception of the presentation of sales and marketing costs, the same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2010. Starting from fiscal year 2011, expenses for consideration payable to trading partners for services supplied that cannot be clearly identified as such and whose value cannot be estimated reliably are no longer reported as marketing costs, but are deducted directly from sales. The interim report was not audited or reviewed.

### Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2010 for related party disclosures. There were no significant changes as of June 30, 2011.

### Corporate Governance

The declaration of compliance issued by the Supervisory Board and the Executive Board for fiscal year 2010 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 2010 and is permanently available on our website at [www.Beiersdorf.com/Corporate\\_Governance](http://www.Beiersdorf.com/Corporate_Governance).

### Events after the Reporting Date

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

## 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 2011

Beiersdorf AG

The Executive Board

## Financial Calendar

<p>August 4, 2011</p> <p>↓</p> <p><i>Interim Report January to June 2011</i></p>	<p>November 3, 2011</p> <p>↓</p> <p><i>Interim Report January to September 2011, Financial Analyst Meeting</i></p>	<p>January 2012</p> <p>↓</p> <p><i>Publication of Preliminary Group Results</i></p>
<p>March 1, 2012</p> <p>↓</p> <p><i>Publication of Annual Report 2011, Annual Accounts Press Conference, Financial Analyst Meeting</i></p>	<p>April 26, 2012</p> <p>↓</p> <p><i>Annual General Meeting</i></p>	<p>May 2012</p> <p>↓</p> <p><i>Interim Report January to March 2012</i></p>
<p>August 2012</p> <p>↓</p> <p><i>Interim Report January to June 2012</i></p>	<p>November 2012</p> <p>↓</p> <p><i>Interim Report January to September 2012 Financial Analysts' Meeting</i></p>	<p>January 2013</p> <p>↓</p> <p><i>Publication of Preliminary Group Results</i></p>



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