

# Interim Report

January–September 2011

## NIVEA Body Care: Globally Successful



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### Highlights in the Third Quarter



#### Generation change for the Executive Board

Stefan F. Heidenreich (48) will be appointed to Beiersdorf AG's Executive Board effective January 1, 2012, and will take over as CEO following the Annual General Meeting on April 26, 2012. The Supervisory Board resolved the generation change in its meeting on October 5, 2011. Mr. Heidenreich has been CEO of the international Hero Group since 2002. Thomas-B. Quaas, who has been CEO of Beiersdorf since 2005, shall switch to the Supervisory Board at the end of the next Annual General Meeting. Mr. Quaas is passing on the baton to his successor after 33 years of successful work for Beiersdorf. Heidenreich has extensive experience of managing an international branded-goods company. Under his management, the Hero Group developed into a leading global manufacturer of baby foods and preserves (including Schwartau).



#### NIVEA and Plan International launch new education project in Guatemala

To mark its 100th anniversary, NIVEA has launched a new education project with children's charity Plan International. The aim of the initiative is to provide children with a better future through education. The NIVEA 100 Plan project will support 4,800 socially disadvantaged children and youngsters at 40 schools in Guatemala. Since October 2011, consumers have been able to buy special-edition NIVEA Creme tins in stores and so actively help the children in Guatemala with their financial support.



#### Revamped men's range from Florena

In October, Florena relaunched its line of care products for men, with new product formulas and not a new modern appearance. The trend towards natural ingredients in cosmetics has reached the male population. They appreciate sustainability, and desire an easy but effective care that – with natural ingredients – does not stress skin or environment. The new care series offers men everything they need for a well-groomed appearance and smooth skin.

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### About the Cover

#### NIVEA Body Care: Globally Successful

Beiersdorf's strategy of focusing on the area of skin care is going according to plan. NIVEA Body Care, one of the core skin care categories, recorded above-average growth in the first nine months. Both the classic NIVEA Body Milk and innovative lotions containing the new Hydra IQ technology or the Pure & Natural care range contributed to this.

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## Business Developments – Overview

### Beiersdorf: sales increase in the focus categories

- » Group sales climb 2.1%
- » Consumer sales up 0.9% on the previous year
- » tesa lifts sales by 8.3%
- » Consolidated profit after tax of €336 million

### Outlook for fiscal year 2011

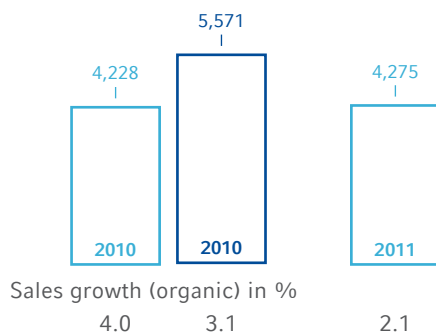
- » Consumer sales to match previous year
- » Consumer EBIT margin at approximately 10 to 11%
- » tesa sales growth at approximately 6 to 7%
- » tesa EBIT margin clearly above 11%

### Beiersdorf at a Glance\*

		Jan. 1–Sept. 30, 2010	Jan. 1–Sept. 30, 2011
<b>Group sales</b>	(in € million)	<b>4,228</b>	<b>4,275</b>
Change (organic)	(in %)	4.0	2.1
<b>Consumer sales</b>	(in € million)	<b>3,574</b>	<b>3,570</b>
Change (organic)	(in %)	2.3	0.9
<b>tesa sales</b>	(in € million)	<b>654</b>	<b>705</b>
Change (organic)	(in %)	15.6	8.3
<b>Operating result (EBIT, excluding special factors)</b>	(in € million)	<b>552</b>	<b>492</b>
Operating result	(in € million)	552	491
Profit after tax	(in € million)	353	336
Return on sales after tax	(in %)	8.4	7.9
Earnings per share	(in €)	1.53	1.45
<b>Gross cash flow</b>	(in € million)	<b>430</b>	<b>388</b>
<b>Capital expenditure</b>	(in € million)	<b>60</b>	<b>54</b>
<b>Research and development expenses</b>	(in € million)	<b>112</b>	<b>121</b>
<b>Employees</b>	(number as of September 30)	<b>20,525</b>	<b>18,075</b>

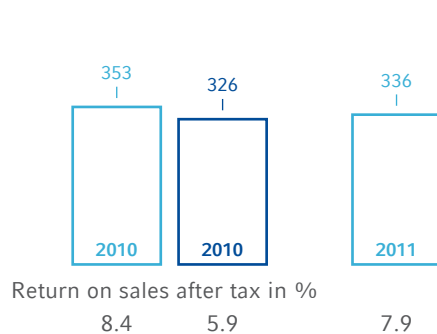
\*New sales presentation format since Jan. 1, 2011; prior-year figures adjusted. Please refer to page 20.

Group Sales (in € million)



Jan. 1–Sept. 30 Full year

Profit after Tax (in € million)



Jan. 1–Sept. 30 Full year

## Segment Overview

### Business Developments by Business Segment\*

Sales (in € million)	July 1–Sept. 30, 2010		July 1–Sept. 30, 2011		Jan. 1–Sept. 30, 2010		Jan. 1–Sept. 30, 2011		Change in %	
		% of total		% of total		% of total		% of total	Nominal	Organic
Consumer	1,157	83.7	1,139	82.9	3,574	84.5	3,570	83.5	–0.1	0.9
tesa	225	16.3	235	17.1	654	15.5	705	16.5	7.8	8.3
<b>Total</b>	<b>1,382</b>	<b>100.0</b>	<b>1,374</b>	<b>100.0</b>	<b>4,228</b>	<b>100.0</b>	<b>4,275</b>	<b>100.0</b>	<b>1.1</b>	<b>2.1</b>
EBITDA (in € million)	July 1–Sept. 30, 2010		July 1–Sept. 30, 2011		Jan. 1–Sept. 30, 2010		Jan. 1–Sept. 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	Nominal	
Consumer	162	14.0	137	12.0	537	15.0	474	13.3	–11.6	
tesa	33	14.7	34	14.6	104	15.9	104	14.8	–0.2	
<b>Total</b>	<b>195</b>	<b>14.1</b>	<b>171</b>	<b>12.4</b>	<b>641</b>	<b>15.2</b>	<b>578</b>	<b>13.5</b>	<b>–9.8</b>	
Operating Result (EBIT, excluding special factors)** (in € million)	July 1–Sept. 30, 2010		July 1–Sept. 30, 2011		Jan. 1–Sept. 30, 2010		Jan. 1–Sept. 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	Nominal	
Consumer	140	12.1	115	10.2	467	13.1	409	11.5	–12.4	
tesa	27	12.0	27	11.6	85	13.0	83	11.8	–2.5	
<b>Total</b>	<b>167</b>	<b>12.1</b>	<b>142</b>	<b>10.4</b>	<b>552</b>	<b>13.1</b>	<b>492</b>	<b>11.5</b>	<b>–10.8</b>	
Gross Cash Flow (in € million)	July 1–Sept. 30, 2010		July 1–Sept. 30, 2011		Jan. 1–Sept. 30, 2010		Jan. 1–Sept. 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	Nominal	
Consumer	98	8.5	102	9.1	351	9.8	315	8.8	–10.0	
tesa	23	10.3	22	9.2	79	12.1	73	10.4	–7.5	
<b>Total</b>	<b>121</b>	<b>8.8</b>	<b>124</b>	<b>9.1</b>	<b>430</b>	<b>10.2</b>	<b>388</b>	<b>9.1</b>	<b>–9.5</b>	

### Business Developments by Region

Sales (in € million)	July 1–Sept. 30, 2010		July 1–Sept. 30, 2011		Jan. 1–Sept. 30, 2010		Jan. 1–Sept. 30, 2011		Change in %	
		% of total		% of total		% of total		% of total	Nominal	Organic
Europe	830	60.0	804	58.5	2,663	63.0	2,650	62.0	–0.5	–0.5
Americas	236	17.1	251	18.3	662	15.6	713	16.7	7.7	12.6
Africa/Asia/Australia	316	22.9	319	23.2	903	21.4	912	21.3	1.0	2.0
<b>Total</b>	<b>1,382</b>	<b>100.0</b>	<b>1,374</b>	<b>100.0</b>	<b>4,228</b>	<b>100.0</b>	<b>4,275</b>	<b>100.0</b>	<b>1.1</b>	<b>2.1</b>
Operating Result (EBIT, excluding special factors)** (in € million)	July 1–Sept. 30, 2010		July 1–Sept. 30, 2011		Jan. 1–Sept. 30, 2010		Jan. 1–Sept. 30, 2011		Change in %	
		% of sales		% of sales		% of sales		% of sales	Nominal	
Europe	132	16.0	108	13.5	457	17.2	408	15.4	–10.8	
Americas	23	9.5	28	11.4	55	8.3	63	8.8	15.3	
Africa/Asia/Australia	12	3.7	6	1.8	40	4.4	21	2.3	–46.7	
<b>Total</b>	<b>167</b>	<b>12.1</b>	<b>142</b>	<b>10.4</b>	<b>552</b>	<b>13.1</b>	<b>492</b>	<b>11.5</b>	<b>–10.8</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.

Percentages are calculated based on thousands of euros.

## Beiersdorf's Shares

The European and sovereign-debt crisis significantly impacted the international equity markets in the third quarter of 2011. In August, the DAX slumped, losing close to one-quarter of its value within two weeks; Beiersdorf's share price also fell at this time, although by a significantly smaller amount.



Beiersdorf.com/  
IR

The publication of Beiersdorf's sales and earnings figures for the second quarter on August 4 answered many of the capital market's questions about the implementation of the company's new strategy. The market was primarily interested in the new NIVEA marketing platform, as well as the progress made in streamlining the product range.

Management held numerous meetings with analysts and investors to explain the schedule for and goals of the realignment, which is designed to strengthen both growth and the profitability of our Consumer business after the current strategic transitional phase.

As a result, our share price proved comparatively stable and maintained its gap on the DAX until the end of the quarter. Beiersdorf's shares closed at €40.13 on September 30.

### Beiersdorf's Share Price Performance July–September 2011

Relative change in %

Beiersdorf DAX



# Interim Management Report – Group

## Results of Operations – Group

- » Group sales up 2.1%
- » EBIT margin reaches 11.5% (excluding special factors)
- » Profit after tax of €336 million

Group sales in the first nine months were up 2.1% on the prior-year figure. The Consumer business segment recorded organic growth of 0.9% in this period, while tesa generated an organic sales increase of 8.3%. At current exchange rates, Group sales increased by 1.1% as against the previous year, at €4,275 million (previous year: €4,228 million).

### Income Statement (in € million)\*

	Jan. 1–Sept. 30, 2010	Jan. 1–Sept. 30, 2011	Change in %
<b>Sales</b>	<b>4,228</b>	<b>4,275</b>	<b>1.1</b>
Cost of goods sold	–1,520	–1,545	1.6
<b>Gross profit</b>	<b>2,708</b>	<b>2,730</b>	<b>0.8</b>
Marketing and selling expenses	–1,751	–1,859	6.2
Research and development expenses	–112	–121	8.2
General and administrative expenses	–210	–217	3.3
Other operating result	–83	–41	–50.5
<b>Operating result (EBIT, excluding special factors)</b>	<b>552</b>	<b>492</b>	<b>–10.8</b>
Special factors	–	–1	–
<b>Operating result (EBIT)</b>	<b>552</b>	<b>491</b>	<b>–11.0</b>
Financial result	–11	8	–
<b>Profit before tax</b>	<b>541</b>	<b>499</b>	<b>–7.7</b>
Income taxes	–188	–163	–12.9
<b>Profit after tax</b>	<b>353</b>	<b>336</b>	<b>–4.9</b>
<b>Basic/diluted earnings per share (in €)</b>	<b>1.53</b>	<b>1.45</b>	<b>–5.0</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 €492 million (previous year: €552 million). This corresponds to an EBIT margin (excluding special factors) of 11.5% (previous year: 13.1%).

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–Sept. 30

	In € million	In % of sales
<b>Group</b>		
<b>Operating result (EBIT) 2011</b>	<b>491</b>	<b>11.5</b>
Special factors included in the other operating result	1	–
<b>Operating result (EBIT, excluding special factors) 2011</b>	<b>492</b>	<b>11.5</b>
<b>Operating result (EBIT) 2010</b>	<b>552</b>	<b>13.1</b>
<b>Consumer</b>		
<b>Operating result (EBIT) 2011</b>	<b>408</b>	<b>11.4</b>
Special factors included in the other operating result	1	–
<b>Operating result (EBIT, excluding special factors) 2011</b>	<b>409</b>	<b>11.5</b>
<b>Operating result (EBIT) 2010</b>	<b>467</b>	<b>13.1</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 onetime, nonoperating transactions relating to the package of investments and measures being implemented and only affect the Consumer business segment.

The financial result amounted to €8 million (previous year: €–11 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 decreased to €336 million (previous year: €353 million). The corresponding return on sales after tax was 7.9% (previous year: 8.4%). Excluding special factors, profit after tax amounted to €333 million. The corresponding return on sales after tax was 7.8%.

Earnings per share were €1.45 on the basis of 226,818,984 shares (previous year: €1.53). Excluding special factors they amounted to €1.44.

## Results of Operations – Business Segments

### Consumer

- » Consumer sales up 0.9% on the previous year
- » Consumer EBIT margin 11.5%

#### Consumer\*

Jan. 1–Sept. 30

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2011	(in € million)	2,180	625	765	3,570
Sales 2010	(in € million)	2,216	582	776	3,574
Change (organic)	(in %)	–1.6	12.1	–0.4	0.9
Change (adjusted for currency translation effects)	(in %)	–2.2	12.1	–0.4	0.5
Change (nominal)	(in %)	–1.6	7.4	–1.4	–0.1
EBIT 2011**	(in € million)	374	50	–15	409
EBIT margin 2011**	(in %)	17.1	8.1	–1.9	11.5
EBIT 2010	(in € million)	416	41	10	467
EBIT margin 2010	(in %)	18.8	7.1	1.2	13.1

\* 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).

Sales in the first nine months were up slightly (0.9%) on the previous year. The global NIVEA campaign had a positive effect on the core skin care categories in particular. In contrast, growth was impacted by developments relating to the measures taken to streamline the company's existing product range, and in particular the exit from NIVEA Make-up. At current exchange rates, sales in the Consumer business segment were €3,570 million, on the same level as the previous year (€3,574 million).

NIVEA sales rose by 2.0% compared with the previous year. NIVEA Body Care and NIVEA Visage generated above-average growth rates. NIVEA Deodorant again performed extremely successfully across the world. In contrast, the exit from NIVEA Make-up and the product streamlining measures relating to NIVEA Hair Care reduced sales. Our La Prairie brand recorded strong sales growth of 4.5%. Eucerin continued its positive sales trend, in particular on the international markets, recording an increase in sales of 4.9% compared with the previous year.

EBIT was €409 million (previous year: €467 million), while the EBIT margin was 11.5% (previous year: 13.1%).

#### Consumer Sales in Europe\*

Jan. 1–Sept. 30

		Germany	Western Europe (excluding Germany)	Eastern Europe	Total
Sales 2011	(in € million)	548	1,215	417	2,180
Sales 2010	(in € million)	577	1,232	407	2,216
Change (organic)	(in %)	–4.3	–2.0	3.7	–1.6
Change (adjusted for currency translation effects)	(in %)	–4.9	–2.9	3.7	–2.2
Change (nominal)	(in %)	–4.9	–1.5	2.4	–1.6

\* 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 1.6% on the previous year on a like-for-like basis. At current exchange rates, sales fell by 1.6% to €2,180 million (previous year: €2,216 million).



Sales in **Germany** were 4.3% below the previous year. The withdrawal from the NIVEA Make-up business had a clear impact here. Sales of NIVEA Sun and NIVEA Deodorant were strong. Conversely, Florena and Eucerin sales were lower than in the previous year. The La Prairie brand saw a clear increase in sales.

Sales in **Western Europe** declined by 2.0% on the previous year. There were substantial variations in performance in the individual markets. Some countries did not match the prior year's sales, mainly due to the impact of the streamlining measures. The United Kingdom and Austria in particular recorded an increase in sales. Sales of NIVEA Deodorant and NIVEA Shower performed positively, while Eucerin also increased. La Prairie maintained its good prior-year level.

Sales in **Eastern Europe** recorded an increase of 3.7%. The Russia/Ukraine Group and the CEE Group generated a healthy sales increase, while Poland was down on the prior-year figure. NIVEA Deodorant, NIVEA Sun, NIVEA Visage, and Eucerin performed especially well in the region. However, sales of NIVEA Hair Care and NIVEA FOR MEN declined.

Consumer EBIT in Europe was €374 million (previous year: €416 million). The corresponding EBIT margin was 17.1% (previous year: 18.8%).

#### Consumer Sales in the Americas\*

Jan. 1 – Sept. 30

		North America	Latin America	Total
Sales 2011	(in € million)	221	404	625
Sales 2010	(in € million)	224	358	582
Change (organic)	(in %)	5.1	16.5	12.1
Change (adjusted for currency translation effects)	(in %)	5.1	16.5	12.1
Change (nominal)	(in %)	–1.7	13.2	7.4

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

We recorded sales growth of 12.1% in the Americas region. At current exchange rates, sales amounted to €625 million, up 7.4% on the previous year (€582 million).

Sales in **North America** were up 5.1% compared with the previous year. NIVEA Body Care, NIVEA Shower, and NIVEA FOR MEN were particularly successful in this region. La Prairie recorded very good sales growth and Eucerin also reported an increase in sales.

**Latin America** saw sales growth of 16.5%. In addition to Argentina and Brazil, the Andean Group made an especially large contribution to this strong growth, but all other key markets also recorded very encouraging increases. NIVEA Visage, NIVEA Deodorant, and NIVEA Sun in particular performed very well in this focus region. Eucerin also saw extremely strong growth.

Consumer EBIT in the Americas was €50 million (previous year: €41 million). The EBIT margin increased to 8.1% (previous year: 7.1%).

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

Jan. 1–Sept. 30

		Total
Sales 2011	(in € million)	765
Sales 2010	(in € million)	776
Change (organic)	(in %)	–0.4
Change (adjusted for currency translation effects)	(in %)	–0.4
Change (nominal)	(in %)	–1.4

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

At –0.4%, sales in the **Africa/Asia/Australia** region were down slightly on the previous year. At current exchange rates, sales amounted to €765 million, and were therefore 1.4% below the prior-year figure (€776 million).

The affiliates in South Africa and India in particular saw a healthy sales increase. Japan also achieved significant sales growth thanks to the continued strong 8x4 business. The sales trend in China remained negative due to the ongoing reorganization of the business structures there. Only NIVEA FOR MEN and La Prairie achieved good growth rates in China. Across the region as a whole, NIVEA FOR MEN, NIVEA Deodorant, and NIVEA Body Care in particular generated a clear increase in sales. La Prairie and Eucerin also performed positively.

EBIT in this region continued to be impacted by substantial marketing investments and the measures being taken to reorganize the Chinese business. EBIT was €–15 million (previous year: €10 million). The EBIT margin was –1.9% (previous year: 1.2%).

**tesa**

- » tesa business segment lifts sales
- » tesa EBIT margin reaches 11.8%

**tesa**

Jan. 1 – Sept. 30

		Europe	Americas	Africa/Asia/ Australia	Total
Sales 2011	(in € million)	470	88	147	705
Sales 2010	(in € million)	447	80	127	654
Change (organic)	(in %)	4.6	15.9	16.7	8.3
Change (adjusted for currency translation effects)	(in %)	4.6	15.9	16.7	8.3
Change (nominal)	(in %)	5.2	9.9	15.6	7.8
EBIT 2011	(in € million)	34	13	36	83
EBIT margin 2011	(in %)	7.2	15.0	24.7	11.8
EBIT 2010	(in € million)	41	13	31	85
EBIT margin 2010	(in %)	9.2	16.9	24.1	13.0

The tesa business segment generated an increase in organic sales of 8.3% in the third quarter, continuing its strong performance from the first half of 2011 and the previous year. At current exchange rates, tesa's sales increased by 7.8% to €705 million (previous year: €654 million).



The positive sales trend in the industrial segment continued in the first nine months of this year, particularly in relation to customers in the automotive and electrical industries. For structural reasons, the consumer business recorded a slight decline in sales.

EBIT in the tesa business segment continues to be impacted by sharp rises in materials prices and supply bottlenecks on the commodities markets. EBIT was €83 million (previous year: €85 million), while the EBIT margin was 11.8% (previous year: 13.0%).

## Balance Sheet Structure – Group

### Balance Sheet (in € million)

	Dec. 31, 2010	Sept. 30, 2010	Sept. 30, 2011
<b>Assets</b>			
Non-current assets	1,110	1,195	1,078
Inventories	632	644	699
Other current assets	2,380	2,089	2,702
Cash and cash equivalents	973	1,267	923
	<b>5,095</b>	<b>5,195</b>	<b>5,402</b>
<b>Equity and Liabilities</b>			
Equity	2,920	2,900	3,062
Non-current liabilities	494	527	492
Current liabilities	1,681	1,768	1,848
	<b>5,095</b>	<b>5,195</b>	<b>5,402</b>

Non-current assets decreased by €32 million compared to the figure for December 31, 2010, to €1,078 million, primarily due to current depreciation and amortization and exchange rate effects relating to fixed assets. Capital expenditure in the first nine months amounted to €54 million (previous year: €60 million). €39 million of this amount was attributable to the Consumer business segment (previous year: €38 million) and €15 million to tesa (previous year: €22 million). As compared to the end of the year 2010, inventories rose by €67 million to €699 million due to seasonal factors. Other current assets increased to €2,702 million. The rise in comparison to the year-end is due to an increase in the securities and a seasonal increase in trade receivables.

Non-current liabilities decreased by €2 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
Sept. 30, 2010	56	10	34
Sept. 30, 2011	57	9	34

☒ Equity
 ☐ Non-current liabilities
 ☐ Current liabilities

## Financial Position – Group

### Cash Flow Statement (in € million)

	Jan. 1–Sept. 30, 2010	Jan. 1–Sept. 30, 2011
Gross cash flow	430	388
Change in working capital	154	25
Net cash flow from operating activities	584	413
Net cash flow from investing activities	89	–272
Free cash flow	673	141
Net cash flow from financing activities	–191	–184
Other changes	18	–7
Net change in cash and cash equivalents	500	–50
Cash and cash equivalents as of Jan. 1	767	973
Cash and cash equivalents as of Sept. 30	1,267	923

Gross cash flow amounted to €388 million. The cash outflow from the change in working capital was €25 million. The increases in receivables of €83 million and in inventories of €67 million were matched by a €175 million rise in liabilities and provisions. Overall, the net cash flow from operating activities totaled €413 million. The net cash outflow from investing activities was €272 million. Capital expenditure of €54 million and net payments for securities of €241 million were partially offset by €19 million in interest income and other cash inflows.

Free cash flow amounted to €141 million. The net cash outflow from financing activities of €184 million was mainly due to the dividend payment and loan repayments. Cash and cash equivalents amounted to €923 million.

## Employees

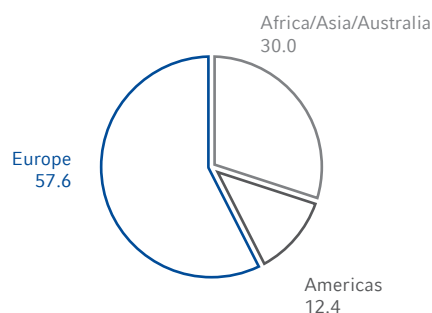
The number of employees decreased by 1,053 compared with the figure for December 31, 2010, to 18,075, primarily due to revised business structures in the China Group. As of September 30, 2011, 14,313 employees worked in the Consumer business segment and 3,762 at tesa.



Beiersdorf.com/  
Career

### Employees by Region (in %)

as of Sept. 30, 2011; total 18,075 employees



## Other Disclosures

### Change of CEO after the Annual General Meeting

Stefan F. Heidenreich will join Beiersdorf AG's Executive Board from January 1, 2012, and will take over as CEO following the Annual General Meeting on April 26, 2012. Mr. Heidenreich has been CEO of the Swiss Hero Group, one of the leading global manufacturers of baby foods and preserves, since 2002. He will succeed the current CEO Thomas-B. Quaas, who shall switch to Beiersdorf's Supervisory Board.

## Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report of December 31, 2010. In addition, the following information must be reported as of September 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 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, whereas 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 designed by the Chinese government to curb inflationary tendencies are not expected to hinder growth.

The increase in global demand in the relevant procurement markets has slowed due to the slight weakening of the global economy. Nevertheless, we are continuing to expect availability bottlenecks in material categories where supplier capacity is tight or raw materials are naturally scarce.

### Business Developments

In 2011, the **Group** aims to achieve slight sales growth in comparison to 2010. The consolidated operating EBIT margin is expected to reach 10–11% in 2011. The corresponding return on sales after tax 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 remain at the 2010 level. The operating EBIT margin should be approximately 10–11%.

**tesa** is predicting sales growth of 6–7% for 2011. The business segment is aiming for 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, November 2011

Beiersdorf AG

The Executive Board

# Interim Consolidated Financial Statements

## Income Statement\*

(in € million)

	July 1–Sept. 30, 2010	July 1–Sept. 30, 2011	Jan. 1–Sept. 30, 2010	Jan. 1–Sept. 30, 2011
<b>Sales</b>	<b>1,382</b>	<b>1,374</b>	<b>4,228</b>	<b>4,275</b>
Cost of goods sold	–505	–489	–1,520	–1,545
<b>Gross profit</b>	<b>877</b>	<b>885</b>	<b>2,708</b>	<b>2,730</b>
Marketing and selling expenses	–566	–609	–1,751	–1,859
Research and development expenses	–38	–42	–112	–121
General and administrative expenses	–70	–68	–210	–217
Other operating result	–36	–24	–83	–42
<b>Operating result (EBIT)</b>	<b>167</b>	<b>142</b>	<b>552</b>	<b>491</b>
Financial result	1	–7	–11	8
<b>Profit before tax</b>	<b>168</b>	<b>135</b>	<b>541</b>	<b>499</b>
Income taxes	–64	–57	–188	–163
<b>Profit after tax</b>	<b>104</b>	<b>78</b>	<b>353</b>	<b>336</b>
Profit attributable to equity holders of Beiersdorf AG	101	76	347	330
Profit attributable to non-controlling interests	3	2	6	6
<b>Basic/diluted earnings per share (in €)</b>	<b>0.45</b>	<b>0.33</b>	<b>1.53</b>	<b>1.45</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–Sept. 30, 2010	Jan. 1–Sept. 30, 2011
<b>Profit after tax</b>	<b>353</b>	<b>336</b>
Remeasurement gains and losses on cash flow hedges	–4	5
Deferred taxes on remeasurement gains and losses on cash flow hedges	1	–2
<i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i>	–3	3
Remeasurement gains and losses on available-for-sale financial assets	–	–8
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	–	3
<i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i>	–	–5
Exchange differences	80	–24
<b>Other comprehensive income net of tax</b>	<b>77</b>	<b>–26</b>
<b>Total comprehensive income</b>	<b>430</b>	<b>310</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	423	303
– Non-controlling interests	7	7



## Balance Sheet

### Balance Sheet (in € million)

	Dec. 31, 2010	Sept. 30, 2010	Sept. 30, 2011
<b>Assets</b>			
Intangible assets	306	388	303
Property, plant, and equipment	716	719	677
Non-current financial assets	10	13	15
Other non-current assets	2	1	2
Deferred tax assets	76	74	81
<b>Non-current assets</b>	<b>1,110</b>	<b>1,195</b>	<b>1,078</b>
Inventories	632	644	699
Trade receivables	1,001	1,008	1,034
Other current financial assets	72	75	77
Income tax receivables	63	54	79
Other current assets	112	125	138
Securities	1,132	827	1,374
Cash and cash equivalents	973	1,267	923
<b>Current assets</b>	<b>3,985</b>	<b>4,000</b>	<b>4,324</b>
	<b>5,095</b>	<b>5,195</b>	<b>5,402</b>
<b>Equity and Liabilities</b>			
Equity attributable to equity holders of Beiersdorf AG	2,907	2,890	3,051
Non-controlling interests	13	10	11
<b>Equity</b>	<b>2,920</b>	<b>2,900</b>	<b>3,062</b>
Provisions for pensions and other post-employment benefits	209	211	191
Other non-current provisions	117	122	127
Non-current financial liabilities	8	9	8
Other non-current liabilities	5	5	4
Deferred tax liabilities	155	180	162
<b>Non-current liabilities</b>	<b>494</b>	<b>527</b>	<b>492</b>
Other current provisions	486	622	610
Income tax liabilities	126	115	127
Trade payables	863	776	886
Other current financial liabilities	135	160	138
Other current liabilities	71	95	87
<b>Current liabilities</b>	<b>1,681</b>	<b>1,768</b>	<b>1,848</b>
	<b>5,095</b>	<b>5,195</b>	<b>5,402</b>

## Cash Flow Statement

(in € million)

	Jan. 1 – Sept. 30, 2010	Jan. 1 – Sept. 30, 2011
<b>Operating result (EBIT)</b>	<b>552</b>	<b>491</b>
Income taxes paid	–184	–179
Depreciation and amortization	89	87
Change in non-current provisions (excluding interest)	–27	–10
Gain/loss on disposal of property, plant, and equipment, and intangible assets	–	–1
<b>Gross cash flow</b>	<b>430</b>	<b>388</b>
Change in inventories	–83	–67
Change in receivables and other assets	–91	–83
Change in liabilities and current provisions	328	175
<b>Net cash flow from operating activities</b>	<b>584</b>	<b>413</b>
Investments	–60	–54
Proceeds from divestments	7	4
Payments for the purchase of securities	–404	–573
Proceeds from the sale/final maturity of securities	526	332
Interest received	14	19
Proceeds from dividends and other financing activities	6	0
<b>Net cash flow from investing activities</b>	<b>89</b>	<b>–272</b>
<b>Free cash flow</b>	<b>673</b>	<b>141</b>
Proceeds from loans	107	99
Loan repayments	–113	–100
Interest paid	–4	–12
Other financing expenses paid	–22	–12
Cash dividends paid (Beiersdorf AG)	–159	–159
<b>Net cash flow from financing activities</b>	<b>–191</b>	<b>–184</b>
Effect of exchange rate fluctuations and other changes on cash held	18	–7
<b>Net change in cash and cash equivalents</b>	<b>500</b>	<b>–50</b>
<b>Cash and cash equivalents as of Jan. 1</b>	<b>767</b>	<b>973</b>
<b>Cash and cash equivalents as of Sept. 30</b>	<b>1,267</b>	<b>923</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	–	–	347	79	-3	–	423	7	430
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	-159	–	-159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	-7	-7
<b>Sept. 30, 2010</b>	<b>252</b>	<b>47</b>	<b>2,638</b>	<b>-48</b>	<b>-4</b>	<b>5</b>	<b>2,890</b>	<b>10</b>	<b>2,900</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	–	–	330	-25	3	-5	303	7	310
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	-159	–	-159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	-9	-9
<b>Sept. 30, 2011</b>	<b>252</b>	<b>47</b>	<b>2,780</b>	<b>-26</b>	<b>-2</b>	<b>0</b>	<b>3,051</b>	<b>11</b>	<b>3,062</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 September 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 September 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.

Hamburg, November 2011

Beiersdorf AG

The Executive Board

## Financial Calendar

January 2012 ↓ <i>Publication of Preliminary Results</i>	March 1, 2012 ↓ <i>Publication of Annual Report 2011, Annual Accounts Press Conference, Financial Analyst Meeting</i>	April 26, 2012 ↓ <i>Annual General Meeting</i>
May 3, 2012 ↓ <i>Interim Report January to March 2012</i>	August 2, 2012 ↓ <i>Interim Report January to June 2012</i>	November 1, 2012 ↓ <i>Interim Report January to September 2012 Conference Call</i>
January 2013 ↓ <i>Publication of Preliminary Results</i>		

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