

**Annual General Meeting
of Beiersdorf AG, Hamburg
on March 31, 2016**

**Speech by Stefan F. Heidenreich
Chairman of the Executive Board
– Check against delivery –**

Dear shareholders,
ladies and gentlemen,

Good morning and a very warm welcome from me and everyone on the Executive Board to this year's Beiersdorf AG Annual General Meeting. We are delighted by your interest in developments at the company.

I will start by discussing the 2015 financial year before giving an outlook for the current financial year. My colleague Dr. Ulrich Schmidt will then discuss the key financial figures in more detail.

Ladies and gentlemen, **2015 was a successful year for Beiersdorf.**

This was certainly not something we could take for granted. On the contrary, the consumer goods industry, and thus our company, faced a strong headwind in many markets last year. Slowing economic growth and increasing political instability affected several important markets for our company.

However, **Beiersdorf has now achieved a high degree of stability and resilience** that allows us to continue on our profitable growth path even under challenging economic conditions.

Our financial results speak for themselves:

Beiersdorf's EBIT margin in 2015 was the highest ever achieved in the company's history. Sales growth outperformed the market for the fourth year in a row. We once again increased our market share in the European market as well as in the Americas, Asia, and Africa.

We also further strengthened our internationally successful brands – first and foremost our iconic NIVEA brand. The new products we launched once again proved our high innovation capacity, and generated valuable impetus into the market. **This underlines our claim to a leading international position in skin care research and development.**

Turning to our financial figures and briefly to the agenda of today's meeting:

We increased organic Group sales by 3.0%. In nominal terms, sales rose by 6.4% from 6.285 billion euros to 6.686 billion euros.

EBIT (excluding special factors) improved by 11.6% – from 861 million euros to 962 million euros. Excluding special factors, the EBIT margin was 14.4%, compared with 13.7% in the previous year.

Profit after tax excluding special factors climbed from 581 million euros to 671 million euros.

The Executive Board and Supervisory Board are proposing a dividend of €0.70 per no-par value share bearing dividend rights to the Annual General Meeting under agenda item 2.

In addition, in agenda items 3 to 5 we are asking you to formally approve the actions of the members of the Executive Board and Supervisory Board for the past financial year and to elect the auditors for the current financial year.

In agenda item 6, the Supervisory Board is proposing the election of Mr. Pflanz to the company's Supervisory Board as a shareholder representative. As applied for, Mr. Pflanz's term of office as a court-appointed member expires at the end of this Annual General Meeting. Dr. Pöllath will discuss this later in more detail.

Consumer Business Segment

The Consumer Business Segment is the core of our business activity focusing on skin care with its internationally successful brands.

The Consumer Business Segment generated organic sales growth of 3.6% in financial year 2015. In nominal terms, sales increased by 6.5%, from 5.209 billion euros to 5.546 billion euros.

All of the Group's core brands contributed to this sales growth. NIVEA increased sales by 4.5%, Eucerin by 5.4%, and La Prairie by 1.2%.

EBIT (excluding special factors) rose by 13.6%, from 678 million euros in the previous year to 771 million euros. The EBIT margin (excluding special factors) improved from 13.0% to 13.9%.

These good results were the product of sales growth in all regions.

In Europe, we strengthened our market position and generated sales growth of 1.3%. In Western Europe, sales slightly declined, by 0.3%, from the previous year's level. We achieved good sales growth in our home market of Germany. In Eastern Europe, our sales were up 7.9% thanks primarily to the very good performance in Russia, which was reflected not only in considerably higher sales figures but also in greater market share.

In the Americas region, we lifted sales by 8.4%.

Sales rose by 3.9% in North America and by 10.9% in Latin America.

In the Africa/Asia/Australia region, we increased sales by 4.8%. We generated good growth particularly in Japan and India. Our business stabilized in China throughout the year.

tesa Business Segment

The tesa Business Segment develops, produces, and markets self-adhesive products and system solutions. Its target groups include industry, craft businesses, and end consumers. The tesa name stands for innovative strength and quality around the globe.

During the past financial year, the tesa Business Segment generated organic sales growth of 0.4%. In nominal terms, sales rose by 5.9% from 1.076 billion euros to 1.140 billion euros. Sales growth was produced both in the direct customer business and in the distribution business in Europe and the Americas. In Asia, sales slipped below the previous year's level.

EBIT (excluding special factors) climbed by 4.2% from 183 million euros to 191 million euros. This corresponds to an EBIT margin of 16.8%, compared with 17% in the previous year.

Ladies and gentlemen: **Beiersdorf has now been on a sustainable growth path for four years.** The company has considerably enhanced its stability, appeal, and strength. We remained on track even under challenging economic conditions. **In short, Beiersdorf is well positioned. We have every reason to be confident about the future.**

That is not to mistake the continued risks, which will continue to present us with major challenges in 2016 – whether they be economic or political. We can, however, count on the resilience of our business strategy – the **Blue Agenda**.

The pillars of the Blue Agenda are:

- a clear, consistent brand profile
- our strong and ever-improving innovation capacity
- the proactive opening up of new markets and consistent expansion of our local presence
- and, most importantly, the highly qualified and extremely committed people at Beiersdorf, who contribute significantly to the company's success.

Brands

During financial year 2015, we continued to systematically refine our brands and strengthen their emotional appeal. NIVEA Blue is perceived by consumers across the generations as the embodiment of authenticity, consistency, and quality. Meeting these high expectations of our consumers builds the foundation of both our disciplined and successful brand strategy as well as of all of our business activities. We keep our promises to consumers. This commitment has made our brands even stronger: **NIVEA was again voted Europe's most trusted brand in 2015. In addition, a survey found that NIVEA MEN was the most popular cosmetic brand for men in Germany.**

The following video will give you a good impression of how we position our brands consistently while taking into account the different needs of our consumers in each region.

Innovations

One key factor behind Beiersdorf's success is our substantially increased innovation capacity in recent years. Systematically focusing our research and development work on the needs of consumers is clearly paying off.

In financial year 2015, we again succeeded in developing new, remarkable products with tremendous growth potential and quickly and successfully launched them. Our top innovations include the all-purpose skin creams NIVEA Care and NIVEA MEN Creme. They have achieved substantial market shares in all markets within a very short time and offer exceptional value for money.

At the same time, we were able to extend the innovation cycles of our major new products using focused marketing. As a result, we have established them in the market long-term and can thus commercially benefit from their potential for a longer period of time. Examples of this include NIVEA Deo Black & White and NIVEA Face Cellular Anti-Age. These products played a key role in the good sales growth we achieved in 2015.

In addition, we recently began the global market launch of one of our major innovations for 2016 following very successful testing last year in Brazil: NIVEA Protect & Care Deodorant. For the first time, the innovative formula combines effective 48-hour protection with the unique care and typical fragrance of NIVEA Creme.

Markets

Beiersdorf continued to focus on the European home markets in 2015. In these important markets, we increased sales and market share in almost all markets. Substantial growth rates were achieved in the second half of the year in particular.

At the same time, we systematically expanded our market presence in emerging markets. The Consumer Business Segment generated more than 50% of its total sales in these countries in 2015. This illustrates the importance that our activities in these regions play in Beiersdorf's success.

We also further increased our production and development capacity in emerging markets in 2015. This move involved both expanding existing production locations and establishing new regional development laboratories. In India, we opened a new production facility in Sanand, which is integrated with a development lab. In China, we considerably enlarged the existing regional laboratory in Wuhan, making it the company's second-largest development laboratory after the Hamburg lab. In research, development, and production, we are continuously moving closer to our consumers, enabling us to incorporate the wishes of each region more quickly and to respond with

tailored products. This approach improves our long-term competitiveness in emerging markets.

Our People at Beiersdorf

Ladies and gentlemen, an innovative company aiming for commercial success in international competition needs motivated employees. Only they can turn ambitious business targets into reality.

Beiersdorf is very well positioned in this regard. More than 17,500 highly motivated and well-qualified employees work for Beiersdorf worldwide, each of them committed to our business. I would like to take this opportunity to thank every single one of them on behalf of the entire Executive Board.

It is the “blue Beiersdorf gene” that makes us an unbeatable team and drives us to deliver outstanding performances. As an employer, Beiersdorf strongly promotes this team spirit and potential. Offering our employees flexible working hours, childcare, health management, and sport is a given at Beiersdorf. And this is proving to be the right approach: **Beiersdorf has been voted one of the most popular employers in Germany in several independent surveys. This makes us proud because our employees play a major part in our success.**

Outlook

Ladies and gentlemen, let me conclude with an outlook for **financial year 2016**.

In 2016, we expect at best a moderate upturn in the global economy, limited to a few countries. Macroeconomic trends in industrialized nations will be shaped by further expansionary monetary policies and low energy prices. By contrast, developing countries and emerging markets are expected to slow further.

We are forecasting **above-market sales growth of 3-4%** for the **Consumer** Business Segment in financial year 2016. We expect the EBIT margin from operations to slightly exceed the prior-year figure.

At **tesa**, we project **sales growth of 2-4%**. We expect the EBIT margin from operations to be similar to the prior-year level.

Based on the forecasts for the two business segments, we are expecting **Group sales to grow by 3-4%**. We expect the Group's EBIT margin from operations to be slightly up on the prior-year figure.

Ladies and gentlemen, I will hand over now to my colleague, Dr. Ulrich Schmidt. As I mentioned earlier, he will take you through the company's key financial figures in more detail.

As I am sure you know, **Dr. Schmidt** is leaving the company today for his retirement. **Ulrich Schmidt has achieved a lot for Beiersdorf. His expertise, his experience, and his personal qualities are held in huge regard far beyond Beiersdorf itself.** I would like to express my sincerest thanks for everything he has done.

But even though Ulrich Schmidt is now saying goodbye to our day-to-day business, he would not have done it without ensuring a smooth and comprehensive handover. As is Beiersdorf tradition, his successor, Jesper Andersen, has worked closely with Ulrich Schmidt on the transition and prepared himself carefully for his new role as CFO. The entire Executive Board and I look forward to working with him.

Ulrich, I'd like to ask you one last time to present Beiersdorf's key financial figures to the Annual General Meeting.

Ladies and gentlemen, thank you for your attention.