

H1 2014

INTERIM REPORT JANUARY-JUNE

Beiersdorf

Contents

GENERAL

| | |
|----------------------------------|---|
| Business Developments - Overview | 3 |
| Beiersdorf's Shares | 4 |

INTERIM MANAGEMENT REPORT – GROUP

| | |
|---|----|
| Results of Operations - Group | 5 |
| Results of Operations - Business Segments | 6 |
| Net Assets - Group | 9 |
| Financial Position - Group | 10 |
| Employees | 11 |
| Other Disclosures | 11 |
| Opportunities and Risks | 11 |
| Outlook for 2014 | 12 |

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

| | |
|---|----|
| Income Statement | 13 |
| Statement of Comprehensive Income | 14 |
| Balance Sheet | 15 |
| Cash Flow Statement | 16 |
| Statement of Changes in Equity | 17 |
| Segment Reporting | 18 |
| Selected Explanatory Notes | 19 |
| Responsibility Statement by the Executive Board | 22 |

Business Developments – Overview

Beiersdorf continues on its profitable growth path

- Group sales rise 5.0%
- Consumer sales up 5.0% on the previous year
- tesa grows by 5.4%
- Group EBIT margin increases to 14.3%

Outlook for fiscal year 2014

- Consumer sales growth at 4–6%
- Consumer EBIT margin about 13%
- tesa sales growth approximately 4%
- tesa EBIT margin around 16%

Beiersdorf at a Glance

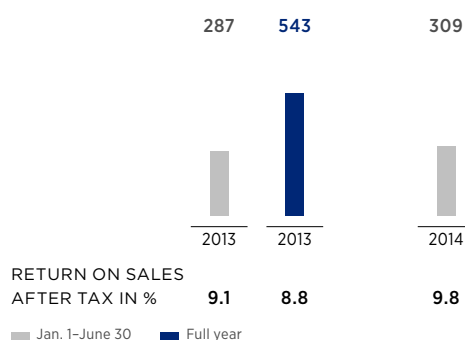
| | | Jan. 1–June 30, 2013 | Jan. 1–June 30, 2014 |
|---|------------------------|----------------------|----------------------|
| Group sales | (in € million) | 3,163 | 3,171 |
| Change (organic) | (in %) | 6.6 | 5.0 |
| Change (nominal) | (in %) | 3.3 | 0.2 |
| Consumer sales | (in € million) | 2,641 | 2,637 |
| Change (organic) | (in %) | 6.5 | 5.0 |
| Change (nominal) | (in %) | 3.1 | –0.2 |
| tesa sales | (in € million) | 522 | 534 |
| Change (organic) | (in %) | 7.4 | 5.4 |
| Change (nominal) | (in %) | 4.2 | 2.4 |
| Operating result (EBIT, excluding special factors) | (in € million) | 434 | 452 |
| Operating result (EBIT) | (in € million) | 434 | 452 |
| Profit after tax | (in € million) | 287 | 309 |
| Return on sales after tax | (in %) | 9.1 | 9.8 |
| Earnings per share | (in €) | 1.25 | 1.35 |
| Gross cash flow | (in € million) | 311 | 286 |
| Capital expenditure | (in € million) | 82 | 129 |
| Research and development expenses | (in € million) | 76 | 82 |
| Employees | (number as of June 30) | 16,679 | 17,101 |

Percentage changes are calculated based on thousands of euros.

GROUP SALES (IN € MILLION)



PROFIT AFTER TAX (IN € MILLION)



Beiersdorf's Shares

Stock markets firmed in the second quarter of 2014 after a cautious start to the year. Weak economic data from the USA and political unrest in Ukraine initially led to a subdued mood on the markets at the beginning of the reporting period. This was reflected in a clear drop in share prices on Germany's benchmark index, the DAX. However, the international stock markets then rallied. The DAX surpassed its previous all-time high a number of times from mid-April onwards, breaking the 10,000-point barrier for the first time in June. The upswing was triggered on the one hand by the better-than-expected reporting season at many companies, and on the other by the European Central Bank's decision to reduce the benchmark interest rate to a new record low of 0.15%. However, this positive momentum faded before the close of the quarter, with the DAX trending slightly downwards at the end of the reporting period. Beiersdorf's shares largely tracked the market, although share price correction in June was more pronounced than for the benchmark index.

Beiersdorf AG's Annual General Meeting was held in Hamburg on April 17, 2014. The Executive Board reported on the progress that has been made in implementing the Blue Agenda and presented the results for fiscal year 2013. The publication of the results for the first quarter in May and the appointment of three top managers to Beiersdorf's Executive Board in June (compare to Other disclosures) were met positively by investors and analysts. The move further strengthened the focus on internationalization and on being close to the markets throughout the company.

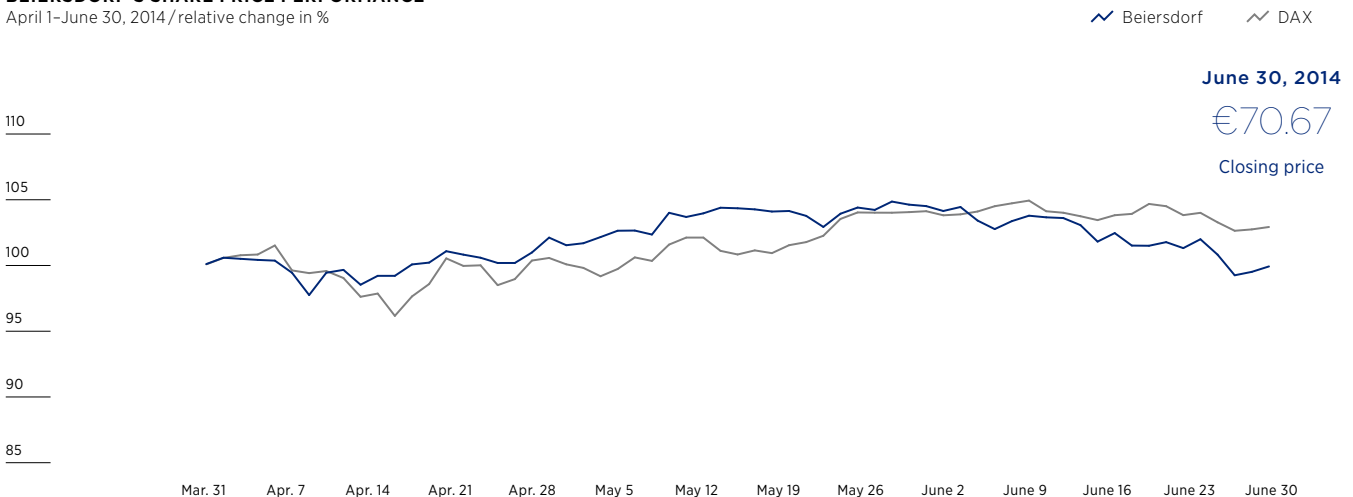
Beiersdorf's shares closed the second quarter at €70.67.

KEY FIGURES - SHARES

| | | 2013 | 2014 |
|-------------------------------------|----------------|--------|--------|
| Earnings per share as of June 30 | (in €) | 1.25 | 1.35 |
| Market capitalization as of June 30 | (in € million) | 16,884 | 17,809 |
| Closing price as of June 30 | (in €) | 67.00 | 70.67 |
| High for the period Jan. 1-June 30 | (in €) | 72.60 | 76.93 |
| Low for the period Jan. 1-June 30 | (in €) | 60.86 | 67.99 |

BEIERSDORF'S SHARE PRICE PERFORMANCE

April 1-June 30, 2014 / relative change in %



Interim Management Report – Group

Results of Operations – Group

- Group sales rise 5.0%
- EBIT margin increases to 14.3%
- Profit after tax of €309 million

Organic Group sales in the first half of the year were up 5.0% on the prior year. Growth was reduced by 4.8 percentage points due to exchange rate effects. Nominal Group sales were up 0.2% on the previous year, at €3,171 million (previous year: €3,163 million). The Consumer Business Segment recorded organic growth of 5.0%, while tesa grew organically by 5.4%.

In **Europe**, sales were up 2.6% on the prior year. In nominal terms, sales amounted to €1,795 million (previous year: €1,775 million), 1.2% higher than the prior-year figure.

Growth in the **Americas** region amounted to 4.6%. Nominal sales decreased by 3.8% to €516 million (previous year: €536 million).

The **Africa/Asia/Australia** region reported growth of 10.6%. A nominal increase of 0.9% to €860 million was achieved (previous year: €852 million).

INCOME STATEMENT (IN € MILLION)

| | Jan. 1–June 30, 2013 | Jan. 1–June 30, 2014 | Change in % |
|---|----------------------|----------------------|-------------|
| Sales | 3,163 | 3,171 | 0.2 |
| Cost of goods sold | –1,138 | –1,163 | 2.2 |
| Gross profit | 2,025 | 2,008 | –0.9 |
| Marketing and selling expenses | –1,330 | –1,321 | –0.7 |
| Research and development expenses | –76 | –82 | 6.9 |
| General and administrative expenses | –162 | –159 | –2.0 |
| Other operating result | –23 | 6 | – |
| Operating result (EBIT, excluding special factors) | 434 | 452 | 4.3 |
| Special factors | – | – | – |
| Operating result (EBIT) | 434 | 452 | 4.3 |
| Financial result | – | 4 | – |
| Profit before tax | 434 | 456 | 5.2 |
| Income taxes | –147 | –147 | 0.3 |
| Profit after tax | 287 | 309 | 7.7 |
| Basic/diluted earnings per share (in €) | 1.25 | 1.35 | – |

The operating result (EBIT, excluding special factors) increased to €452 million (previous year: €434 million). The EBIT margin (excluding special factors) for the first half of the year was 14.3% (previous year: 13.7%).

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 financial result amounted to €4 million (previous year: €0 million). The change was the result of an improvement in the other financial result, while net interest income was stable.

Profit after tax increased to €309 million (previous year: €287 million). The corresponding return on sales after tax was 9.8% (previous year: 9.1%). Since there were no special factors impacting profit after tax, profit after tax excluding special factors was also €309 million (previous year: €287 million). The corresponding return on sales after tax was 9.8% (previous year: 9.1%).

Earnings per share were €1.35, calculated on the basis of 226,818,984 shares (previous year: €1.25).

Results of Operations – Business Segments

Consumer

CONSUMER

Jan. 1–June 30

| | | Europe | Americas | Africa/Asia/ Australia | Total |
|------------------|----------------|--------|----------|---------------------------|-------|
| Sales 2014 | (in € million) | 1,477 | 446 | 714 | 2,637 |
| Sales 2013 | (in € million) | 1,468 | 464 | 709 | 2,641 |
| Change (organic) | (in %) | 2.0 | 4.8 | 11.3 | 5.0 |
| Change (nominal) | (in %) | 0.6 | –4.0 | 0.6 | –0.2 |

The **Consumer** Business Segment recorded organic sales growth of 5.0% in the first half of the year. The strong euro led to a reduction in this figure of 5.1 percentage points as a result of negative effects from currency translation. Structural changes reduced growth by 0.1 percentage points. In nominal terms, sales therefore decreased by 0.2% to €2,637 million (previous year: €2,641 million).

The encouraging organic sales growth is due to the positive trend in most emerging markets, although growth has eased over the past few months in some markets. Additionally, stable growth rates were achieved and market share was increased around the world in many saturated markets. The continued development of our major innovations was the main driver here.

NIVEA sales rose by 6.1% compared with the previous year. In the first half of 2014 **Eucerin** continued its strong sales performance of the previous year, recording a 6.8% increase in sales. **La Prairie** recorded sales growth of 7.0%.

EBIT rose to €367 million (previous year: €351 million), while the EBIT margin increased to 13.9% (previous year: 13.3%).

CONSUMER SALES IN EUROPE

Jan. 1–June 30

| | | Western Europe | Eastern Europe | Total |
|------------------|----------------|----------------|----------------|-------|
| Sales 2014 | (in € million) | 1,197 | 280 | 1,477 |
| Sales 2013 | (in € million) | 1,174 | 294 | 1,468 |
| Change (organic) | (in %) | 1.6 | 3.9 | 2.0 |
| Change (nominal) | (in %) | 2.0 | –4.8 | 0.6 |

Sales in **Europe** were up 2.0% on the prior-year figure. At €1,477 million, nominal sales were up 0.6% on the previous year (€1,468 million).

Sales in **Western Europe** rose 1.6% compared with the previous year. Strong sales growth was achieved in Germany, Spain, and the United Kingdom in particular. The markets of Southern Europe continued to see signs of economic recovery. In contrast, sales in France were down on the previous year.

Sales in **Eastern Europe** were up 3.9% on the prior-year figure. Growth was mainly driven by the healthy trend in Russia, which recorded a rise in both sales and market share. Sales declined slightly in Poland.

CONSUMER SALES IN THE AMERICAS

Jan. 1–June 30

| | | North America | Latin America | Total |
|------------------|----------------|---------------|---------------|-------|
| Sales 2014 | (in € million) | 166 | 280 | 446 |
| Sales 2013 | (in € million) | 168 | 296 | 464 |
| Change (organic) | (in %) | 4.2 | 5.1 | 4.8 |
| Change (nominal) | (in %) | –1.4 | –5.4 | –4.0 |

Organic sales in the **Americas** region rose by 4.8%. At €446 million, nominal sales were down 4.0% on the previous year (€464 million), due to exchange rate changes for the US dollar and the key South American currencies.

Sales in **North America** were up 4.2% on the previous year.

Latin America saw sales growth of 5.1%, driven by extremely good growth in Brazil and strong increases in other key markets. Growth rates were negatively impacted by developments in Venezuela and Argentina in particular.

CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA

Jan. 1–June 30

| | | Total |
|------------------|----------------|-------|
| Sales 2014 | (in € million) | 714 |
| Sales 2013 | (in € million) | 709 |
| Change (organic) | (in %) | 11.3 |
| Change (nominal) | (in %) | 0.6 |

The **Africa/Asia/Australia** region recorded an 11.3% increase in organic sales. The nominal increase was only 0.6% due to exchange rate changes for the Japanese yen, the Australian dollar, and the Thai baht. Sales amounted to €714 million (previous year: €709 million).

Many countries generated good or extremely good growth rates, although growth has eased in some of the markets in the region, including in Thailand, Japan, and China.

tesa

tesa

Jan. 1–June 30

| | | Europe | Americas | Africa/Asia/ Australia | Total |
|------------------|----------------|--------|----------|---------------------------|-------|
| Sales 2014 | (in € million) | 318 | 70 | 146 | 534 |
| Sales 2013 | (in € million) | 307 | 72 | 143 | 522 |
| Change (organic) | (in %) | 5.0 | 3.8 | 7.1 | 5.4 |
| Change (nominal) | (in %) | 3.8 | –3.0 | 2.0 | 2.4 |

The **tesa** Business Segment recorded organic sales growth of 5.4% in the first half of 2014. Exchange rate effects reduced this figure by 3.0 percentage points. In nominal terms, tesa's sales therefore increased by 2.4% to €534 million (previous year: €522 million).

The positive sales trend of the previous year continued in the first half of the year. Sales were lifted in both the industrial business and the consumer business. Europe continued the positive trend seen in the first few months of the year. The Americas and Asia regions continued to achieve a good sales growth, particularly from customers in the automotive and electrical industries.

EBIT in the tesa Business Segment rose to €85 million (previous year: €83 million), while the EBIT margin amounted to 15.9% (previous year: 15.9%).

Net Assets – Group

| NET ASSETS (IN € MILLION) | | | |
|----------------------------------|---------------|---------------|---------------|
| Assets | Dec. 31, 2013 | June 30, 2013 | June 30, 2014 |
| Non-current assets | 1,900 | 1,676 | 2,020 |
| Inventories | 733 | 760 | 760 |
| Other current assets | 2,181 | 2,307 | 2,532 |
| Cash and cash equivalents | 984 | 1,025 | 793 |
| | 5,798 | 5,768 | 6,105 |
| Equity and Liabilities | Dec. 31, 2013 | June 30, 2013 | June 30, 2014 |
| Equity | 3,405 | 3,198 | 3,501 |
| Non-current provisions | 470 | 487 | 557 |
| Non-current liabilities | 142 | 136 | 132 |
| Current provisions | 527 | 563 | 517 |
| Current liabilities | 1,254 | 1,384 | 1,398 |
| | 5,798 | 5,768 | 6,105 |

Non-current assets increased by €120 million as against December 31, 2013, to €2,020 million. Long-term securities were reclassified due to shorter maturities and new purchases were made. Capital expenditure for property, plant, and equipment, and intangible assets in the first half of the year 2014 amounted to €129 million (previous year: €82 million). Of this amount, €89 million was attributable to the Consumer Business Segment (previous year: €56 million) and €40 million to the tesa Business Segment (previous year: €26 million). The investments mainly relate to the Consumer Business Segment's new factory in Mexico and tesa's new headquarters. Depreciation, amortization, and impairment losses amounted to €52 million (previous year: €53 million). Inventories rose by €27 million as against December 31, 2013, to €760 million. Other current assets increased by €351 million as against December 31, 2013, to €2,532 million. This item includes short-term securities of €827 million, an increase of €36 million as against the 2013 year-end. Trade receivables increased by €241 million compared with the figure for December 31, 2013, to €1,343 million, due to seasonal factors.

Cash and cash equivalents decreased by €191 million as against December 31, 2013, to €793 million. Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) decreased by €135 million compared with the figure for December 31, 2013, to €2,394 million. Current liabilities to banks decreased by €10 million and amounted to €30 million on the reporting date.

Total non-current provisions and liabilities have increased by €77 million to €689 million since December 31, 2013, mainly due to a lower discount rate for pension provisions. The growth in current liabilities to €1,398 million was largely the result of the €114 million increase in trade payables due to operational factors.

FINANCING STRUCTURE (IN %)



Financial Position – Group

CASH FLOW STATEMENT (IN € MILLION)

| | Jan. 1–June 30, 2013 | Jan. 1–June 30, 2014 |
|--|----------------------|----------------------|
| Gross cash flow | 311 | 286 |
| Change in working capital | –164 | –157 |
| Net cash flow from operating activities | 147 | 129 |
| Net cash flow from investing activities | 259 | –131 |
| Free cash flow | 406 | –2 |
| Net cash flow from financing activities | –194 | –190 |
| Other changes | –21 | 1 |
| Net change in cash and cash equivalents | 191 | –191 |
| Cash and cash equivalents as of Jan. 1 | 834 | 984 |
| Cash and cash equivalents as of June 30 | 1,025 | 793 |

Gross cash flow amounted to €286 million, down €25 million on the prior-year value. The cash outflow from the change in working capital was €157 million (previous year: €164 million). The increases in receivables and other assets of €264 million and in inventories of €27 million were partially matched by a €134 million rise in liabilities and provisions. Overall, the net cash flow from operating activities totaled €129 million (previous year: €147 million).

The net cash outflow from investing activities amounted to €131 million (previous year: net cash inflow of €259 million). Interest and other financial income received of €26 million and proceeds of €18 million from the sale of property, plant, and equipment, and intangible assets were offset by net cash outflows of €46 million for the purchase of securities as well as capital expenditure of €129 million for property, plant, and equipment, and intangible assets.

Free cash flow was €–2 million, down €408 million on the prior-year value (€406 million). The net cash outflow from financing activities amounted to €190 million (previous year: €194 million).

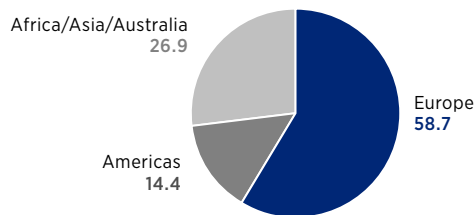
Cash and cash equivalents amounted to €793 million (previous year: €1,025 million).

Employees

The number of employees increased by 393 compared with the figure on December 31, 2013, from 16,708 to 17,101. As of June 30, 2014, 13,159 employees worked in the Consumer Business Segment and 3,942 at tesa.

EMPLOYEES BY REGION (IN %)

as of June 30, 2014; total 17,101 employees



Other Disclosures

New Members of the Executive Board of Beiersdorf AG

Three new members were appointed to the company's Executive Board as of July 1, 2014. This means that the Executive Board now has six members again.

In future, Thomas Ingelfinger will be responsible for Europe (excluding Germany and Switzerland), Stefan De Loecker for the Near East (including Russia, Turkey, the Middle East, Africa, and India), and Zhengrong Liu for Human Resources, Corporate Communications, and Sustainability, including the position of Labor Relations Director.

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, 2013. There were no significant changes in opportunities and risks as of June 30, 2014.

Outlook for 2014

Expected Macroeconomic Developments

The **global** economic situation looks set to improve slightly in 2014. We expect that this trend will be driven mainly by the industrialized nations, while growth in the developing countries and emerging markets will be somewhat lower than in previous years.

Europe will probably come out of recession in 2014 and the uncertainty on the markets should subside. Factors that could put the recovery at risk include the ongoing high unemployment in many countries and the uncertain economic development in France and Italy. However, we anticipate a cautiously positive trend overall. In **Germany**, we are assuming that we will see stronger growth than in the rest of Europe in the coming year, driven by consumer spending and increasing capital expenditure. We expect slightly higher growth in the **United States** economy in 2014. Alongside increased consumer spending due to a lower unemployment rate, we anticipate higher public spending. In **Japan**, we expect growth to be on a level with the previous year. The cheap yen is likely to boost exports and hence support growth. In **China**, we expect growth to be down slightly on the prior-year level. Fiscal policy and the uncertain effects of the social and environmental reforms that have been announced are particular sources of uncertainty. Conditions in the **remaining emerging markets** will probably be less favorable. We anticipate slight growth in India and the emerging markets of Southeast Asia. Given the highly protectionist tendencies in many Latin American countries, developments are difficult to forecast for this area. We expect growth rates in Russia to be only slightly higher than in 2013. However, a potential escalation of the political situation and additional sanctions against Russia are sources of uncertainty.

We will work together with Research and Development and Quality Management to identify alternative sources of supplies and to define more open specifications, further improving raw materials security for our production facilities. This will also continue to reduce our dependence on individual suppliers and specific raw materials. As in the past, strategic partnerships with suppliers will secure the availability of raw materials in 2014, ensuring supplies for our production facilities. In 2014, the price of oil will probably continue to remain at a high but stable level of just over USD 100 per barrel. Overall, we expect moderate increases in the commodities markets and will take targeted measures in the area of procurement to further minimize them.

Business Developments

We are expecting sales growth in the **Consumer** Business Segment to outperform the market in fiscal 2014, at 4–6%. The EBIT margin from operations is expected to be around 13%.

The **tesa** Business Segment is anticipating sales growth of about 4% in 2014, with market growth estimated at 2–3%. The EBIT margin from operations is expected to be about 16%.

Based on the forecasts for the two business segments, we expect **Group** sales to grow by 4–6%. The consolidated EBIT margin from operations is expected to be above 13%.

We firmly believe that we are well positioned for the future thanks to our strong brands, innovative products, and the enhancement of our Blue Agenda.

Hamburg, August 2014
Beiersdorf AG

The Executive Board

Interim Consolidated Financial Statements

Income Statement

(IN € MILLION)

| | Apr. 1–June 30, 2013 | Apr. 1–June 30, 2014 | Jan. 1–June 30, 2013 | Jan. 1–June 30, 2014 |
|--|----------------------|----------------------|----------------------|----------------------|
| Sales | 1,586 | 1,575 | 3,163 | 3,171 |
| Cost of goods sold | –566 | –582 | –1,138 | –1,163 |
| Gross profit | 1,020 | 993 | 2,025 | 2,008 |
| Marketing and selling expenses | –670 | –667 | –1,330 | –1,321 |
| Research and development expenses | –37 | –42 | –76 | –82 |
| General and administrative expenses | –82 | –76 | –162 | –159 |
| Other operating result | –12 | 9 | –23 | 6 |
| Operating result (EBIT) | 219 | 217 | 434 | 452 |
| Interest income | 5 | 5 | 11 | 11 |
| Interest expense | –1 | –2 | –2 | –3 |
| Net pension result | –3 | –3 | –6 | –6 |
| Other financial result | –4 | – | –3 | 2 |
| Profit before tax | 216 | 217 | 434 | 456 |
| Income taxes | –84 | –74 | –147 | –147 |
| Profit after tax | 132 | 143 | 287 | 309 |
| Of which attributable to | | | | |
| – Equity holders of Beiersdorf AG | 130 | 142 | 283 | 306 |
| – Non-controlling interests | 2 | 1 | 4 | 3 |
| Basic/diluted earnings per share (in €) | 0.57 | 0.63 | 1.25 | 1.35 |

Statement of Comprehensive Income

(IN € MILLION)

| | Apr. 1-June 30, 2013 | Apr. 1-June 30, 2014 | Jan. 1-June 30, 2013 | Jan. 1-June 30, 2014 |
|---|----------------------|----------------------|----------------------|----------------------|
| Profit after tax | 132 | 143 | 287 | 309 |
| Remeasurement gains and losses on cash flow hedges | 8 | -6 | 5 | -10 |
| Deferred taxes on remeasurement gains and losses on cash flow hedges | -3 | 2 | -2 | 4 |
| <i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i> | 5 | -4 | 3 | -6 |
| Remeasurement gains and losses on available-for-sale financial assets | -2 | 9 | -2 | 11 |
| Deferred taxes on remeasurement gains and losses on available-for-sale financial assets | 1 | -3 | 1 | -4 |
| <i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i> | -1 | 6 | -1 | 7 |
| Exchange differences | -56 | 16 | -61 | 13 |
| Other comprehensive income that will be reclassified subsequently to profit or loss | -52 | 18 | -59 | 14 |
| Remeasurements of defined benefit pension plans | -12 | -46 | -11 | -87 |
| Deferred taxes on remeasurements of defined benefit pension plans | 4 | 14 | 4 | 27 |
| <i>Remeasurements of defined benefit pension plans recognized in other comprehensive income</i> | -8 | -32 | -7 | -60 |
| Other comprehensive income that will not be reclassified subsequently to profit or loss | -8 | -32 | -7 | -60 |
| Other comprehensive income net of tax | -60 | -14 | -66 | -46 |
| Total comprehensive income | 72 | 129 | 221 | 263 |
| Of which attributable to | | | | |
| - Equity holders of Beiersdorf AG | 71 | 128 | 218 | 260 |
| - Non-controlling interests | 1 | 1 | 3 | 3 |

Balance Sheet

| (IN € MILLION) | Dec. 31, 2013 | June 30, 2013 | June 30, 2014 |
|--|---------------|---------------|----------------------|
| Assets | | | |
| Intangible assets | 176 | 180 | 175 |
| Property, plant, and equipment | 785 | 706 | 857 |
| Non-current financial assets/securities | 804 | 647 | 822 |
| Other non-current assets | 2 | 3 | 3 |
| Deferred tax assets | 133 | 140 | 163 |
| Non-current assets | 1,900 | 1,676 | 2,020 |
| Inventories | 733 | 760 | 760 |
| Trade receivables | 1,102 | 1,282 | 1,343 |
| Other current financial assets | 96 | 107 | 92 |
| Income tax receivables | 55 | 105 | 108 |
| Other current assets | 137 | 140 | 162 |
| Securities | 791 | 673 | 827 |
| Cash and cash equivalents | 984 | 1,025 | 793 |
| Current assets | 3,898 | 4,092 | 4,085 |
| | 5,798 | 5,768 | 6,105 |
| Equity and liabilities | | | |
| Equity attributable to equity holders of Beiersdorf AG | 3,393 | 3,190 | 3,494 |
| Non-controlling interests | 12 | 8 | 7 |
| Equity | 3,405 | 3,198 | 3,501 |
| Provisions for pensions and other post-employment benefits | 388 | 396 | 477 |
| Other non-current provisions | 82 | 91 | 80 |
| Non-current financial liabilities | 5 | 11 | 3 |
| Other non-current liabilities | 3 | 3 | 3 |
| Deferred tax liabilities | 134 | 122 | 126 |
| Non-current liabilities | 612 | 623 | 689 |
| Other current provisions | 527 | 563 | 517 |
| Income tax liabilities | 87 | 109 | 97 |
| Trade payables | 973 | 1,085 | 1,087 |
| Other current financial liabilities | 104 | 93 | 96 |
| Other current liabilities | 90 | 97 | 118 |
| Current liabilities | 1,781 | 1,947 | 1,915 |
| | 5,798 | 5,768 | 6,105 |

Cash Flow Statement

(IN € MILLION)

| | Jan. 1–June 30, 2013 | Jan. 1–June 30, 2014 |
|--|----------------------|----------------------|
| Operating result (EBIT) | 434 | 452 |
| Income taxes paid | –172 | –201 |
| Depreciation and amortization | 53 | 52 |
| Change in non-current provisions (excluding interest components and changes recognized in OCI) | –1 | –8 |
| Gain/loss on disposal of property, plant, and equipment, and intangible assets | –3 | –9 |
| Gross cash flow | 311 | 286 |
| Change in inventories | –26 | –27 |
| Change in receivables and other assets | –248 | –264 |
| Change in liabilities and current provisions | 110 | 134 |
| Net cash flow from operating activities | 147 | 129 |
| Investments in property, plant, and equipment, and intangible assets | –82 | –129 |
| Proceeds from the sale of property, plant, and equipment, and intangible assets | 9 | 18 |
| Payments to acquire securities | –482 | –343 |
| Proceeds from the sale/final maturity of securities | 795 | 297 |
| Interest received | 18 | 16 |
| Proceeds from dividends and other financing activities | 1 | 10 |
| Net cash flow from investing activities | 259 | –131 |
| Free cash flow | 406 | –2 |
| Proceeds from loans | 16 | 15 |
| Loan repayments | –19 | –27 |
| Interest paid | –2 | –2 |
| Other financing expenses paid | –30 | –17 |
| Cash dividends paid (Beiersdorf AG) | –159 | –159 |
| Net cash flow from financing activities | –194 | –190 |
| Effect of exchange rate fluctuations and other changes on cash held | –21 | 1 |
| Net change in cash and cash equivalents | 191 | –191 |
| Cash and cash equivalents as of Jan. 1 | 834 | 984 |
| Cash and cash equivalents as of June 30 | 1,025 | 793 |

Statement of Changes in Equity

(IN € MILLION)

| | Share capital | Additional paid-in capital | Retained earnings* | Accumulated other comprehensive income | | | Total attributable to equity holders | Non-controlling interests | Total |
|---|---------------|----------------------------|--------------------|--|---|-------------------------------------|--------------------------------------|---------------------------|--------------|
| | | | | Currency translation adjustment | Hedging instruments from cash flow hedges | Available-for-sale financial assets | | | |
| Jan. 1, 2013 | 252 | 47 | 2,839 | -9 | 2 | - | 3,131 | 12 | 3,143 |
| Total comprehensive income for the period | - | - | 276 | -60 | 3 | -1 | 218 | 3 | 221 |
| Dividend of Beiersdorf AG for previous year | - | - | -159 | - | - | - | -159 | - | -159 |
| Dividend of non-controlling interests for previous year | - | - | - | - | - | - | - | -7 | -7 |
| June 30, 2013 | 252 | 47 | 2,956 | -69 | 5 | -1 | 3,190 | 8 | 3,198 |
| Jan. 1, 2014 | 252 | 47 | 3,209 | -128 | 3 | 10 | 3,393 | 12 | 3,405 |
| Total comprehensive income for the period | - | - | 246 | 13 | -6 | 7 | 260 | 3 | 263 |
| Dividend of Beiersdorf AG for previous year | - | - | -159 | - | - | - | -159 | - | -159 |
| Dividend of non-controlling interests for previous year | - | - | - | - | - | - | - | -8 | -8 |
| June 30, 2014 | 252 | 47 | 3,296 | -115 | -3 | 17 | 3,494 | 7 | 3,501 |

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

Segment Reporting

Business Developments by Business Segment

| SALES (IN € MILLION) | Apr. 1–June 30, 2013 | | Apr. 1–June 30, 2014 | | Jan. 1–June 30, 2013 | | Jan. 1–June 30, 2014 | | Change in % | |
|----------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|-------------|------------|
| | | % of total | | % of total | | % of total | | % of total | nominal | organic |
| Consumer | 1,323 | 83.4 | 1,314 | 83.4 | 2,641 | 83.5 | 2,637 | 83.2 | -0.2 | 5.0 |
| tesa | 263 | 16.6 | 261 | 16.6 | 522 | 16.5 | 534 | 16.8 | 2.4 | 5.4 |
| Total | 1,586 | 100.0 | 1,575 | 100.0 | 3,163 | 100.0 | 3,171 | 100.0 | 0.2 | 5.0 |

| EBITDA (IN € MILLION) | Apr. 1–June 30, 2013 | | Apr. 1–June 30, 2014 | | Jan. 1–June 30, 2013 | | Jan. 1–June 30, 2014 | | Change in % | |
|-----------------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|-------------|--|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal | |
| Consumer | 192 | 14.5 | 194 | 14.9 | 392 | 14.8 | 406 | 15.4 | 3.9 | |
| tesa | 52 | 19.9 | 50 | 18.6 | 95 | 18.3 | 98 | 18.2 | 2.1 | |
| Total | 244 | 15.4 | 244 | 15.5 | 487 | 15.4 | 504 | 15.9 | 3.6 | |

| OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION) | Apr. 1–June 30, 2013 | | Apr. 1–June 30, 2014 | | Jan. 1–June 30, 2013 | | Jan. 1–June 30, 2014 | | Change in % | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|-------------|--|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal | |
| Consumer | 173 | 13.1 | 174 | 13.3 | 351 | 13.3 | 367 | 13.9 | 4.8 | |
| tesa | 46 | 17.6 | 43 | 16.3 | 83 | 15.9 | 85 | 15.9 | 2.0 | |
| Total | 219 | 13.8 | 217 | 13.8 | 434 | 13.7 | 452 | 14.3 | 4.3 | |

| GROSS CASH FLOW (IN € MILLION) | Apr. 1–June 30, 2013 | | Apr. 1–June 30, 2014 | | Jan. 1–June 30, 2013 | | Jan. 1–June 30, 2014 | | Change in % | |
|--------------------------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|-------------|--|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal | |
| Consumer | 93 | 7.1 | 78 | 6.0 | 249 | 9.4 | 227 | 8.6 | -8.6 | |
| tesa | 34 | 12.7 | 34 | 12.8 | 62 | 11.8 | 59 | 11.1 | -4.2 | |
| Total | 127 | 8.0 | 112 | 7.1 | 311 | 9.8 | 286 | 9.0 | -7.7 | |

Regional Reporting

| SALES (IN € MILLION) | Apr. 1–June 30, 2013 | | Apr. 1–June 30, 2014 | | Jan. 1–June 30, 2013 | | Jan. 1–June 30, 2014 | | Change in % | |
|-----------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|-------------|------------|
| | | % of total | | % of total | | % of total | | % of total | nominal | organic |
| Europe | 889 | 56.0 | 908 | 57.6 | 1,775 | 56.1 | 1,795 | 56.6 | 1.2 | 2.6 |
| Americas | 266 | 16.8 | 253 | 16.1 | 536 | 16.9 | 516 | 16.3 | -3.8 | 4.6 |
| Africa/Asia/Australia | 431 | 27.2 | 414 | 26.3 | 852 | 27.0 | 860 | 27.1 | 0.9 | 10.6 |
| Total | 1,586 | 100.0 | 1,575 | 100.0 | 3,163 | 100.0 | 3,171 | 100.0 | 0.2 | 5.0 |

| OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION) | Apr. 1–June 30, 2013 | | Apr. 1–June 30, 2014 | | Jan. 1–June 30, 2013 | | Jan. 1–June 30, 2014 | | Change in % | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|-------------|--|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal | |
| Europe | 149 | 16.8 | 178 | 19.6 | 300 | 16.9 | 329 | 18.3 | 9.5 | |
| Americas | 31 | 11.5 | 16 | 6.4 | 47 | 8.7 | 44 | 8.6 | -4.8 | |
| Africa/Asia/Australia | 39 | 9.1 | 23 | 5.7 | 87 | 10.2 | 79 | 9.2 | -8.9 | |
| Total | 219 | 13.8 | 217 | 13.8 | 434 | 13.7 | 452 | 14.3 | 4.3 | |

* For details regarding the special factors please refer to page 5.

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, 2014, 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, 2013.

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 2013. The intraperiod income tax expense was calculated on the basis of the estimated effective tax rate for the full year. The interim report was not audited or reviewed.

Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2013, for related party disclosures. There were no significant changes as of June 30, 2014.

Corporate Governance

The declaration of compliance with the recommendations of the German Corporate Governance Code issued by the Supervisory Board and the Executive Board for fiscal year 2013 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) was published at the end of December 2013 and is permanently available on our website at WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML.

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.

Additional Disclosures on Financial Instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments.

(IN € MILLION)

| Dec. 31, 2013 | Carrying amount | Measurement under IAS 39 | | | Fair value |
|---|-----------------|--------------------------|------------------------------|-----------------------------------|------------|
| | | Amortized cost | Fair value recognized in OCI | Fair value through profit or loss | |
| Assets | | | | | |
| <i>Loans and receivables (LaR)</i> | 2,176 | 2,176 | – | – | 2,176 |
| Non-current financial assets | 7 | 7 | – | – | 7 |
| Trade receivables | 1,102 | 1,102 | – | – | 1,102 |
| Other current financial assets | 83 | 83 | – | – | 83 |
| Cash and cash equivalents | 984 | 984 | – | – | 984 |
| <i>Available-for-sale financial assets (AfS)</i> | 304 | 3 | 301 | – | 304 |
| Non-current financial assets | 3 | 3 | – | – | 3 |
| Securities | 301 | – | 301 | – | 301 |
| <i>Held-to-maturity financial investments (HtM)</i> | 1,284 | 1,284 | – | – | 1,286 |
| Securities | 1,284 | 1,284 | – | – | 1,286 |
| <i>Derivative financial instruments used for hedges (DFI)</i> | 13 | – | 10 | 3 | 13 |
| Liabilities | | | | | |
| <i>Other financial liabilities (OFL)</i> | 1,072 | 1,072 | – | – | 1,072 |
| Non-current financial liabilities | 5 | 5 | – | – | 5 |
| Trade payables | 973 | 973 | – | – | 973 |
| Other current financial liabilities | 94 | 94 | – | – | 94 |
| <i>Derivative financial instruments used for hedges (DFI)</i> | 7 | – | 5 | 2 | 7 |
| <i>Derivative financial instruments not included in a hedging relationship (FVPL)</i> | 3 | – | – | 3 | 3 |
| | | | | | |
| June 30, 2014 | | | | | |
| Assets | | | | | |
| <i>Loans and receivables (LaR)</i> | 2,231 | 2,231 | – | – | 2,231 |
| Non-current financial assets | 8 | 8 | – | – | 8 |
| Trade receivables | 1,343 | 1,343 | – | – | 1,343 |
| Other current financial assets | 87 | 87 | – | – | 87 |
| Cash and cash equivalents | 793 | 793 | – | – | 793 |
| <i>Available-for-sale financial assets (AfS)</i> | 408 | 10 | 398 | – | 408 |
| Non-current financial assets | 10 | 10 | – | – | 10 |
| Securities | 398 | – | 398 | – | 398 |
| <i>Held-to-maturity financial investments (HtM)</i> | 1,233 | 1,233 | – | – | 1,244 |
| Securities | 1,233 | 1,233 | – | – | 1,244 |
| <i>Derivative financial instruments used for hedges (DFI)</i> | 4 | – | 3 | 1 | 4 |
| <i>Derivative financial instruments not included in a hedging relationship (FVPL)</i> | 1 | – | – | 1 | 1 |
| Liabilities | | | | | |
| <i>Other financial liabilities (OFL)</i> | 1,176 | 1,176 | – | – | 1,176 |
| Non-current financial liabilities | 3 | 3 | – | – | 3 |
| Trade payables | 1,087 | 1,087 | – | – | 1,087 |
| Other current financial liabilities | 86 | 86 | – | – | 86 |
| <i>Derivative financial instruments used for hedges (DFI)</i> | 10 | – | 8 | 2 | 10 |

The following hierarchy levels under IFRS 13 are used to measure and report the fair values of financial instruments:

- Level 1: Fair values that are measured using quoted prices in active markets
- Level 2: Fair values that are measured using valuation techniques whose significant inputs are based on directly or indirectly observable market data
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data

The following overview shows the hierarchy levels used to categorize financial instruments that are measured at fair value on a recurring basis.

(IN € MILLION)

| Dec. 31, 2013 | Fair value hierarchy under IFRS 13 | | | Total |
|---|------------------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| <i>Available-for-sale financial assets (AFS)</i> | 301 | - | - | 301 |
| Securities | 301 | - | - | 301 |
| <i>Derivative financial instruments used for hedges (DFI)</i> | - | 13 | - | 13 |
| Liabilities | | | | |
| <i>Derivative financial instruments used for hedges (DFI)</i> | - | 7 | - | 7 |
| <i>Derivative financial instruments not included in a hedging relationship (FVPL)</i> | - | 3 | - | 3 |
| June 30, 2014 | | | | |
| Assets | | | | |
| <i>Available-for-sale financial assets (AFS)</i> | 398 | - | - | 398 |
| Securities | 398 | - | - | 398 |
| <i>Derivative financial instruments used for hedges (DFI)</i> | - | 4 | - | 4 |
| <i>Derivative financial instruments not included in a hedging relationship (FVPL)</i> | - | 1 | - | 1 |
| Liabilities | | | | |
| <i>Derivative financial instruments used for hedges (DFI)</i> | - | 10 | - | 10 |

No transfers between hierarchy levels took place in the first half of 2014.

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy level 1 and are measured at quoted prices on the balance sheet date.

Derivative financial instruments are assigned to fair value hierarchy level 2. The fair values of currency forwards are calculated using the exchange rate as of the reporting date and discounted to the reporting date on the basis of their respective yield curves.

Financial instruments that are not measured at fair value predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. Securities classified as “held to maturity (HtM)” are an exception. The fair values for this item have been assigned to fair value hierarchy Level 1.

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 2014

Beiersdorf AG

The Executive Board

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→ Note

The Interim Report is also available in German.

The online version is available at WWW.BEIERSDORF.COM/INTERIM_REPORT.

Financial Calendar

2014

November 6

—

**Interim Report
January to September 2014**

2015

January

—

**Publication of
Preliminary Group Results 2014 (Sales)**

February

—

**Publication of Annual Report 2014,
Annual Accounts Press Conference,
Financial Analyst Meeting**

March

—

Annual General Meeting

May

—

**Interim Report
January to March 2015**

August

—

**Interim Report
January to June 2015**

November

—

**Interim Report
January to September 2015**
