ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT

AS OF DECEMBER 31, 2014

Beiersdorf

Our Brands

Our outstanding brands are at home all over the world.

The NIVEA brand has enjoyed market success for over 100 years and is the world's largest skin care brand* today. Our success in all skin care categories and market segments is attributable not only to NIVEA but also to our other leading brands: Eucerin for medical skin care and La Prairie for luxurious anti-aging care. Other successful brands – including Hansaplast/Elastoplast, Labello, 8x4, Hidrofugal, Florena, atrix, Aquaphor, SLEK, and Maestro – round out our portfolio. Beiersdorf's brands are specially geared towards regional markets, individual consumer needs, and specific areas of application.

* Source: Euromonitor International Limited; NIVEA by umbrella brand name in the categories Body Care, Face Care and Hand Care; in retail value terms, 2013.

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Report by the Supervisory Board

The Supervisory Board supervised and advised the Executive Board, focusing particularly on the course of business and business policies, corporate planning, accounting, the company's position, risk management, and material business transactions. The Executive Board reported to us regularly, both in writing and orally. The company offered the Supervisory Board training on the liability of members of governing bodies, risk management, the Internal Audit function, corporate governance, and accounting and consolidation. There were no indications of conflicts of interest relating to Executive Board or Supervisory Board members.

SUPERVISORY BOARD MEETINGS

The **Supervisory Board meetings** regularly covered business developments, the interim financial statements, and significant individual transactions. After careful examination and discussion, we approved the proposals for decision presented to us. No Supervisory Board members attended fewer than half of the meetings held.

On **January 13, 2014**, we addressed the results of the Supervisory Board's efficiency review. On **February 3, 2014**, we discussed the Group's preliminary results, determined the extent to which the Executive Board had met its targets in 2013 and its total remuneration, and confirmed the Executive Board's targets for 2014. On **February 20, 2014**, we approved the 2013 annual financial statements and consolidated financial statements, which are therefore adopted. We resolved the report by the Supervisory Board and the corporate governance report and approved the remuneration report. We endorsed the agenda and the motions proposed for the 2014 Annual General Meeting, as well as the proposal for the utilization of the net retained profits.

On **April 17, 2014**, we met **before the Annual General Meeting** in order to prepare it. **After the meeting**, the new Supervisory Board held its constituting meeting and elected its chairman, deputy chairmen, and the members of the committees.

In the extraordinary meeting on **June 12, 2014,** we appointed Thomas Ingelfinger, Stefan De Loecker, and Zhengrong Liu as new members of the Executive Board as of July 1, 2014. In addition, we addressed the issue of the company's real estate planning.

On **September 4, 2014,** we discussed the Chinese business, our corporate strategy, the revised bylaws for the Executive Board and the Supervisory Board, and corporate governance. We approved an intragroup reorganization. On **December 12, 2014**, we approved the company's annual planning for 2015 and resolved the targets for the Executive Board members for 2015. We discussed the Chinese business, the antitrust proceedings in France and Belgium, and the company's master real estate planning. We resolved targets for the Supervisory Board's composition, the declaration of compliance with the recommendations of the German Corporate Governance Code, and the bylaws for the Executive Board and the Supervisory Board.

In early **2015**, we resolved the extent to which the Executive Board had reached its targets in 2014, along with its remuneration. We also approved the 2014 annual financial statements and consolidated financial statements, and the related reports, and adopted the proposals for resolution for the Annual General Meeting.

COMMITTEES

Five **committees** made decisions in individual cases in place of the Supervisory Board, to the extent permitted. The chairs of the committees reported in detail to the full Supervisory Board on the work performed in the committees.

The **Presiding Committee** (four meetings) discussed business developments and strategy, the remuneration of the Executive Board and the Supervisory Board, and personnel issues relating to the Executive Board, as well as preparing meetings of the full Supervisory Board.

The **Audit Committee** (seven meetings) primarily performed the preliminary examination of the annual and interim financial statements and management reports, verified the independence of, and appointed, the auditors, specified the areas of emphasis for the 2014 audit and, dealt with the regular audit by the German Financial Reporting Enforcement Panel. In addition, business developments, the internal control system, risk management, and the Internal Audit function were regularly discussed.

The **Finance Committee** (two meetings) discussed compliance management, accounting transparency, and the investment strategy.

The **Nomination Committee** (one meeting) discussed the election of shareholder representatives by the Annual General Meeting 2014. The **Mediation Committee** did not meet.

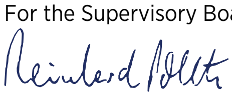
ANNUAL FINANCIAL STATEMENTS AND AUDIT

The **auditors** audited the **annual financial statements** and **management reports for 2014** for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. The Executive Board's report on dealings among Group companies required by § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*) due to the majority interest held by maxingvest ag, Hamburg, received the following audit opinion: "Following the completion of our audit, which was carried out in accordance with professional standards, we confirm: 1. that the information contained in this report is correct; 2. that the compensation paid by the company with respect to the transactions listed in the report was not inappropriately high; and 3. that there are no circumstances which would justify, in relation to the measures specified in the report, a materially different opinion than that held by the Executive Board."

The Supervisory Board received the 2014 annual financial statements and management reports for Beiersdorf AG and the Group, the report on dealings among Group companies, and the auditors' reports immediately after their **preparation.** The auditors reported on the key findings of their audit to the Audit Committee and to the full Supervisory Board. Our examination of the annual financial statements and management reports for Beiersdorf AG and the Group, the report on dealings among Group companies including the concluding declaration by the Executive Board, and the auditors' reports did not raise any objections. We concurred with the auditors' findings and approved the annual financial statements of Beiersdorf AG and the consolidated financial statements for the year ending December 31, 2014. The annual financial statements of Beiersdorf AG are thus **adopted**. We endorsed the Executive Board's proposal on the appropriation of net profit.

We would like to thank our employees, the employee representatives, and the Executive Board for their contribution to the company's success. We would like to thank our shareholders, business partners, and in particular our consumers for their continued trust in us.

Hamburg, February 12, 2015
For the Supervisory Board



REINHARD PÖLLATH
CHAIRMAN

Corporate Governance Report 2014

Corporate governance – good corporate management and supervision – has always been a high priority at Beiersdorf. Close, efficient cooperation between the Executive and Supervisory Boards, a focus on shareholder interests, open corporate communication, proper accounting and auditing, compliance with statutory provisions and corporate guidelines, and responsible risk management are the basis of the company's success in this area.

Beiersdorf welcomes the German Corporate Governance Code (the Code). This ensures transparency with respect to the legal framework for corporate management and supervision at German listed companies and contains accepted standards for good, responsible corporate management. The Code and its amendments did not necessitate any fundamental changes at Beiersdorf. Corporate governance is an ongoing process, above and beyond the Code as well. We will continue to track developments carefully.

Declaration of Compliance

At the end of December 2014, the Executive Board and the Supervisory Board issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2014 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfills all the recommendations made in the Code with one exception, as well as a large number of the suggestions.

The 2014 Declaration of Compliance was also made permanently accessible to the public on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

Declaration by the Executive Board and the Supervisory Board of Beiersdorf Aktiengesellschaft on the Recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with § 161 of the Aktiengesetz (German Stock Corporation Act, *AktG*)

In fiscal year 2014, Beiersdorf Aktiengesellschaft complied with, and continues to comply with, all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated May 13, 2013, and June 24, 2014, respectively, with one exception:

In accordance with section 4.2.3 (2) sentence 6 of the German Corporate Governance Code, the amount of remuneration of Executive Board members should be capped, both overall and with respect to the variable remuneration components.

The remuneration of the Executive Board members is limited by such a cap. The Enterprise Value Component granted to the members of the Executive Board, alongside the regular, variable remuneration, which is based on voluntary personal investment by the Executive Board members concerned (*Covered Virtual Units*), participates in positive and negative changes in the enterprise value and is not capped in respect of increases in value. The Supervisory Board considers it appropriate that members of the Executive Board who contribute their own money – comparable to an investment – should be allowed to participate in positive changes in enterprise value without restriction. The Supervisory Board and Executive Board have resolved, as a precautionary measure, to declare a corresponding deviation from the recommendation of the German Corporate Governance Code.

Hamburg, December 2014

For the Supervisory Board

PROF. DR. REINHARD PÖLLATH
Chairman of the Supervisory Board

For the Executive Board

STEFAN F. HEIDENREICH
Chairman of the Executive Board

DR. ULRICH SCHMIDT
Member of the Executive Board

General Information on Beiersdorf's Management Structure

Beiersdorf AG is governed by German stock corporation, capital market, and codetermination law, among other things, as well as by its Articles of Association. The company has a dual management and supervisory structure consisting of the Executive Board and the Supervisory Board, as is customary in Germany. The Annual General Meeting acts as the decision-making body for shareholders and is responsible for taking fundamental decisions by the company. These three bodies are all dedicated in equal measure to the good of the company and the interests of the shareholders.

1. THE SUPERVISORY BOARD

Beiersdorf AG's Supervisory Board consists of twelve members. Half of these are elected by the Annual General Meeting in accordance with the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and half by the employees in accordance with the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. Their term of office ends at the end of the Annual General Meeting resolving on the approval of their activities for fiscal year 2018.

The Supervisory Board appoints the Executive Board, advises it on the management of the company, and supervises the conduct of the company's business as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board and the Executive Board work closely together for the good of the company and to achieve sustainable added value. Certain decisions require Supervisory Board approval in accordance with the law and the bylaws of the Supervisory Board.

As a rule, the Supervisory Board makes decisions at its meetings on the basis of detailed documents. In accordance with the bylaws of the Executive Board, the Supervisory Board is informed in a regular, timely, and comprehensive manner about all relevant matters. In addition, the Chairman of the Executive Board informs the Chairman of the Supervisory Board regularly and in a timely manner about important transactions and liaises with him on important decisions.

The Supervisory Board regularly evaluates its work and resolves measures for improvement, most recently as part of the efficiency review in fall 2013.

The members of the Supervisory Board are personally responsible for ensuring they receive the necessary training and further education. The company provides them with appropriate support in this area, such as by organizing internal training events on topics that are of relevance to Supervisory Board work.

The company has also taken out a D&O insurance policy for the members of the Supervisory Board. The deductible amounts to 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Supervisory Board member.

a) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete company-specific objectives for its composition in December 2014. These reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, an age limit for Supervisory Board members, and diversity – especially an appropriate degree of female representation. The objectives initially apply until the end of 2018. They will also be taken into account by the Nomination Committee when proposing candidates for election. The Supervisory Board as a whole must possess the knowledge, ability, and specialist experience required to perform its tasks properly.

International Focus

All members of the Supervisory Board must be open to the company's international orientation. At least three members should embody this in concrete terms and should therefore have particular international experience due to their activities abroad or their background, for example. At least two members with international experience should be shareholder representatives. Efforts are being made to further increase the Supervisory Board's international orientation.

Representation of Women

Diversity of composition requires an appropriate degree of female participation. The Supervisory Board's goal is therefore to further strengthen the number and position of women on the Supervisory Board and to achieve four female members (30%). At least two women should be shareholder representatives. The aim is to regularly increase the number of women on the Supervisory Board in the company's interests when changes are made to its composition, taking into account the legal framework.

Age Limit

According to the Supervisory Board bylaws, members should generally retire at the Annual General Meeting following their 72nd birthday.

Independent Focus

The Supervisory Board should include what it considers to be an appropriate number of independent members. A Supervisory Board member is not considered to be independent in particular if he/she has personal or business relations with the company, its governing bodies, a controlling shareholder, or an enterprise associated with the latter which may cause a material and not merely temporary conflict of interests. The Supervisory Board considers it to be adequate if at least eight of its members are independent. In this context, it assumes that the employee representatives are to be considered independent within the meaning of the Code. With respect to the shareholder representatives, considering the fact that Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 17 (1) *AktG*, the Supervisory Board considers it to be adequate if two of its members are independent.

Potential Conflicts of Interest

The Supervisory Board's objective with respect to independence also takes potential conflicts of interest on the part of its members into account to an appropriate extent. In a dependent company, the Supervisory Board considers it to be good corporate governance if the Supervisory Board also includes a significant number of representatives of the majority shareholder.

Notwithstanding this, all members of the Supervisory Board must inform the Supervisory Board, by way of communication addressed to the Chairman of the Supervisory Board, of any conflicts of interest, in particular those relating to a consulting function or directorship with clients, suppliers, lenders, or other third parties or competitors of the company. Members of the Supervisory Board must resign their office if faced with material and not merely temporary conflicts of interest.

Diversity Officers

Additionally, two Supervisory Board members have been appointed as diversity officers in order to advance and further promote these objectives: Prof. Dr. Eberhartinger (until April 17, 2014)/Dr. Dr. Martel (from April 17, 2014) and Professor Rousseau. Their role is to support the Supervisory Board at every intended election of a shareholder representative to the Supervisory Board, or of a committee member, and to issue a statement together with the Chairman of the Supervisory Board regarding the proposals for election made by the Nomination Committee responsible for this, after consultation with the remaining members of the Supervisory Board.

In addition to a balanced mix of professional skills within the Supervisory Board as a whole, diversity is an important criterion for the selection of Supervisory Board and committee members. Diversity is in the company's interest. Following the Supervisory Board elections in 2009, women made up 25% of the Supervisory Board; this figure rose to 33% as from April 2011. Since January 1, 2011, the chair of the Audit Committee has also been female. Following the Supervisory Board elections in 2014, a total of three members of the Supervisory Board are now women (Professor Rousseau as an employee representative, and Dr. Dr. Martel and Ms. Parize as shareholder representatives.) The Supervisory Board has at least four shareholder representative members – Dr. Dr. Martel, Ms. Parize (from April 17, 2014), Mr. Weihrauch (from April 17, 2014), and Prof. Dr. Pöllath – who, in addition to their particular professional skills, embody the idea of international orientation due to their background or their extensive international experience.

Following Mr. Thomas-B. Quaas' departure from the Supervisory Board on April 17, 2014, three-quarters of the members of the Supervisory Board as a whole are independent, and at least one-half of the shareholder representatives. The Supervisory Board assumes, as a highly precautionary measure, that a Supervisory Board member with relations to the controlling shareholder should not be regarded as independent. Notwithstanding this, the Supervisory Board believes that relations to the controlling shareholder do not necessarily pose the risk of a material and permanent conflict of interest; rather, it assumes that the company's interests will largely coincide with those of its majority shareholder in those cases in which their business activities do not overlap.

The age limit and the rules governing the potential conflicts of interest were complied with.

b) Committees

The work of the Supervisory Board is performed at, and outside of, the meetings of the full Board as well as in the committees. The Supervisory Board has formed the following five committees:

Presiding Committee

The Presiding Committee is composed of the Chairman of the Supervisory Board, two additional shareholder representatives, and one employee representative. The Committee prepares meetings and human resources decisions and resolves – subject to the resolution of the full Board specifying the total remuneration – instead of the full Board on the contracts of service and pension agreements for members of the Executive Board and on other issues involving the Executive Board. It regularly discusses long-term succession planning for the Executive Board. Finally, it can make decisions on transactions requiring Supervisory Board approval in those cases in which the Supervisory Board cannot pass a resolution in time.

Audit Committee

The Audit Committee is composed of the Chairman of the Supervisory Board, two shareholder representatives, and two employee representatives. At least one member of the Audit Committee is an independent member of the Supervisory Board who has expertise in either accounting or auditing. These statutory requirements are met in particular by the chair of the Audit Committee, Dr. Dr. Martel, head of the Nescafé Dolce Gusto Nordics business area, Nestlé Danmark A/S. The Audit Committee prepares the decisions of the Supervisory Board on the annual and consolidated financial statements, the proposal to the Annual General Meeting on the election of the auditors, and the agreement with the auditors (issuing the audit engagement, stipulating the areas of emphasis of the audit, and agreeing the fee). It verifies the auditors' independence and conducts the preliminary examination for additional services that they provide. It advises and supervises the Executive Board on questions relating to accounting and the effectiveness of the internal control system, the risk management system, and the internal audit system. In addition, it discusses the interim reports with the Executive Board before they are published.

Finance Committee

The Finance Committee is composed of the Chairman of the Supervisory Board, two additional shareholder representatives, and two employee representatives. It monitors corporate policy in the areas of finance, financial control, tax, and insurance. It decides in place of the Supervisory Board on raising and granting loans, on the assumption of liability for third-party liabilities, and on investment transactions. In addition, the Finance Committee advises and supervises the Executive Board on compliance and on all items assigned to it by the full Board in general or in individual cases.

Mediation Committee

The Mediation Committee required under codetermination law consists of the Chairman of the Supervisory Board and the Deputy Chairman, as well as one member elected from among the employee representatives and one member elected from among the shareholder representatives by a simple majority in each case. It makes proposals to the Supervisory Board on the appointment of Executive Board members if the requisite two-thirds majority is not reached during the first ballot.

Nomination Committee

The Nomination Committee is composed of the Chairman of the Supervisory Board and three additional shareholder representatives. It suggests candidates to the Supervisory Board for proposal for election to the Annual General Meeting.

The composition of the Supervisory Board and its committees can be found on our website at WWW.BEIERSDORF.COM/BOARDS and on page 60 f. of this report.

2. THE EXECUTIVE BOARD

The Executive Board manages the company on its own responsibility and conducts the company's business. It is obliged to act in the company's best interests and is committed to increasing its sustainable enterprise value. It performs its management duties as a collegiate body with collective responsibility for the company's business.

The members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board also takes diversity aspects into account when determining the composition of the Executive Board. All current Executive Board members embody the notion of international orientation due to their years of working abroad or to their special expertise in Beiersdorf's key international markets. The Supervisory Board aims to ensure appropriate representation of women as part of succession planning for the Executive Board.

The duties of the Executive Board are broken down by functions and regions. The allocation of areas of responsibility to the individual Executive Board members is set out in the schedule of responsibilities, which constitutes part of the bylaws for the Executive Board.

The Executive Board develops the corporate goals and the Group's strategy, agrees them with the Supervisory Board, ensures their implementation, and regularly discusses their implementation status with the Supervisory Board. It is responsible for managing and monitoring the Group, for corporate planning including the annual and multi-year planning, and for preparing the quarterly, annual, and consolidated financial statements as well as for Group financing. The Executive Board is also responsible for ensuring adequate risk management and risk control, and for ensuring that all statutory provisions and internal corporate guidelines are observed, and works to ensure that Group companies abide by them (compliance). It provides the Supervisory Board with regular, timely, and comprehensive reports on all questions that are of relevance for the company, including explanations for discrepancies between the actual course of business and the planning and targets. Certain Executive Board measures and transactions that are of material significance for the company require the approval of the Supervisory Board.

The Executive Board also takes diversity aspects into account when filling executive positions within the company, particularly with regard to ensuring an appropriate degree of female representation. The aim is for women to account for around 30% of senior executive positions in the Consumer Business Segment in Germany by 2020.

The Executive Board passes resolutions in regular meetings that are chaired by the Chairman of the Executive Board. The members of the Executive Board work together in a collegial manner and inform one another on an ongoing basis about important measures and events in their areas of responsibility.

Executive Board members disclose potential conflicts of interest to the Supervisory Board without delay and inform their colleagues on the Executive Board of them. Material transactions between the company and members of the Executive Board and their related parties require the approval of the Supervisory Board; such transactions must comply with the standards customary in the sector. Sideline activities also require the approval of the Supervisory Board.

The company has taken out a D&O insurance policy for the members of the Executive Board that provides for a deductible in the amount of 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Executive Board member concerned.

3. THE ANNUAL GENERAL MEETING

In accordance with the Articles of Association, shareholders exercise their rights both at the Annual General Meeting and outside it. Each share entitles the holder to one vote.

Among other things, the Annual General Meeting passes resolutions on the appropriation of net retained profits, on the formal approval of Executive Board and Supervisory Board members' actions, on the election of the auditors, and on amendments to the Articles of Association.

The Ordinary Annual General Meeting takes place each year, generally during the first five months of the fiscal year. The notice convening the Annual General Meeting and its agenda are also published on the company's website, together with the reports and documentation required for the Annual General Meeting, including the annual report and forms for postal voting. They can also be dispatched electronically together with the associated documents with the consent of the individual shareholder. To assist shareholders in personally exercising their rights, the company offers them the services of a voting representative who votes in accordance with their instructions. The invitation explains how shareholders can issue instructions for exercising their voting rights. In addition, shareholders are free to appoint a proxyholder of their choice as their representative at the Annual General Meeting. Since the 2011 Annual General Meeting, shareholders have also been able to submit postal votes. Since the 2014 Annual General Meeting, it has also been possible to submit postal votes, and to issue, change and revoke proxy instructions to the company's representative, via the Internet before and during the Annual General Meeting.

Directors' Dealings and Shareholdings of the Executive and Supervisory Boards

1. DIRECTORS' DEALINGS (§ 15A *WERTPAPIERHANDELSGESETZ* (GERMAN SECURITIES TRADING ACT, *WPHG*))

In accordance with § 15a *WpHG*, the members of the Executive Board and the Supervisory Board are required to report transactions involving shares in Beiersdorf AG or related financial instruments (directors' dealings) to the company and Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – the Federal Financial Supervisory Authority) within five business days. This also applies to related parties of such persons. This requirement does not apply in cases in which the aggregate amount of transactions involving a member of the Executive Board or the Supervisory Board and the related party of such a person is less than a total of €5,000 in a single calendar year.

The notifications received by Beiersdorf AG for the past fiscal year were published in a due and proper manner and are available on the company's website at WWW.BEIERSDORF.COM/DIRECTORS_DEALINGS.

2. SHAREHOLDINGS (SECTION 6.3 OF THE GERMAN CORPORATE GOVERNANCE CODE)

The ownership of shares of the company or related financial instruments must be reported by Executive Board and Supervisory Board members if they directly or indirectly exceed 1% of the shares issued by the company (section 6.3 of the German Corporate Governance Code). If the entire holdings of all members of the Executive Board and the Supervisory Board exceed 1% of the shares issued by the company, these shall be reported separately for the Executive Board and the Supervisory Board.

Michael Herz, a member of the Supervisory Board, has notified the company that 50.69% of the shares in the company are attributable to him. Following the attribution of the 9.99% of the shares held by the company itself, which do not bear voting or dividend rights in accordance with § 71b *AktG*, his share of the voting rights amounts to 60.69%. As of December 31, 2014, the remaining members of the Supervisory Board did not directly or indirectly hold shares of the company or related financial instruments. Consequently, members of the Supervisory Board held a total of 50.69% of the shares as of December 31, 2014; this corresponds to 60.69% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2014, the members of the Executive Board held a total of significantly less than 0.1% of the shares.

Further Information on Corporate Governance

Detailed information on the work of the Supervisory Board and its committees, as well as on the cooperation between the Supervisory Board and the Executive Board, can be found in the report by the Supervisory Board on page 4 of this report.

The consolidated financial statements and interim reports are prepared in accordance with International Financial Reporting Standards (IFRSs). The annual financial statements of Beiersdorf AG are prepared in accordance with the *Handelsgesetzbuch* (German Commercial Code, *HGB*). The Annual General Meeting on April 17, 2014, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2014.

Transparency and our goal of informing our shareholders and the public quickly, comprehensively, and simultaneously are top priorities for us. That is why current developments and key company information are published on our website, WWW.BEIERSDORF.COM, as soon as possible. As well as detailed disclosures on corporate governance at Beiersdorf, this features additional information on the Executive Board, the Supervisory Board, and the Annual General Meeting, the company's reports (annual reports, annual financial statements, management reports, and interim reports), as well as a financial calendar with all key events and publications, ad hoc disclosures, and directors' dealings.

The Corporate Governance Statement in accordance with § 289a *HGB* has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT. It includes the Declaration of Compliance in accordance with § 161 *AktG,* information on key corporate governance practices and on Executive and Supervisory Board working practices, as well as details of the composition and working practices of their committees.

Hamburg, February 12, 2015
Beiersdorf Aktiengesellschaft

The Supervisory Board The Executive Board

Remuneration Report

The Remuneration Report explains the structure and amount of the remuneration paid to the members of the Executive Board and the Supervisory Board. It takes into account the legal requirements and the recommendations of the German Corporate Governance Code and is a component of the annual financial statements of, and the management reports for, Beiersdorf AG and the Group.

1. REMUNERATION OF THE EXECUTIVE BOARD

a) Supervisory Board Resolutions

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, on February 3 and 20, June 12, September 4, and December 12, 2014. On February 12, 2015, the Supervisory Board will finally determine the remuneration of the Executive Board for fiscal year 2014. Remuneration decisions were prepared by the Presiding Committee.

b) Overview

The remuneration system for the Executive Board takes into account the tasks and performance of the individual members of the Executive Board and the Executive Board as a whole, the company's economic and financial situation, its performance and outlook, as well as its relevant peer group under stock corporation law and the German Corporate Governance Code. The remuneration structure is geared towards sustainable enterprise development.

The remuneration of the Executive Board in fiscal year 2014 comprised the following four components:

- A fixed basic remuneration component,
- A Variable Bonus linked to the achievement of annual targets, consisting of a short-term Bonus and a Multi-year Bonus spanning a period of three years,
- A long-term bonus based on enterprise value performance (Enterprise Value Component/LTP), as well as
- Customary ancillary benefits.

c) Remuneration of the Executive Board for 2014 in More Detail

aa) Fixed Remuneration

The fixed annual remuneration is paid in twelve equal installments. It is reviewed for appropriateness every two years.

bb) Variable Bonus

For fiscal year 2014, the members of the Executive Board receive a Variable Bonus for 2014 that is based on the performance of the Consumer Business Segment. This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment. As specified by the Supervisory Board, 15% of the Variable Bonus for fiscal year 2014 is determined by the EBIT margin (EBIT component), 20% by sales growth (sales component), 30% by market share, 15% by the achievement of human resources goals, and 20% by the achievement of specific personal goals by individual Executive Board members (personal component). The size of the EBIT component is calculated on the basis of the return on sales. In the process, the Supervisory Board makes adjustments for special factors and changes in marketing and research and development expenses. The sales component is calculated on the basis of sales growth, with the Supervisory Board again taking special factors into account. The personal component is mostly composed of two personal goals, which depend on the functional and, if applicable, regional responsibilities of each individual Executive Board member. These are set annually by the Supervisory Board for each individual Executive Board member. Following due assessment of the circumstances, the Supervisory Board lays down percentages for target achievement for each of the components, with intermediate figures being extrapolated on a straight-line basis. The individual components lapse if the knockout thresholds set by the Supervisory Board for the specific component are not reached. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

49% of the Variable Bonus will be paid as the short-term variable remuneration component once the 2015 Annual General Meeting has approved the actions of the Executive Board (2014 Bonus). The remaining 51% (Multi-year Bonus for 2014) depends on the enterprise value performance over two years after the initial year 2014. The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier. If the enterprise value in fiscal year 2014 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2014 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Annual General Meetings in the years 2016 and 2017. If the enterprise value for fiscal year 2014 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2015 and 2016 corresponds at least to the enterprise value for fiscal year 2014. In this case, the installment that lapsed in the first instance will be paid out at the same time as the final installment following the 2017 Annual General Meeting. The final installment is increased or decreased corresponding to the percentage change in the enterprise value as of the end of fiscal year 2016 as against fiscal year 2014. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2014 by up to 20% in order to take extraordinary developments into account, or may adjust it for inflation. Bonus entitlements can also be transferred to the long-term virtual Enterprise Value Component (see section cc)).

cc) Enterprise Value Component

Since 2011, Executive Board members have shared in the increase in the enterprise value for the Consumer Business Segment. For this purpose, each Executive Board member is (or was) allocated a notional share of the enterprise value (Enterprise Value Component or Base Virtual Units) at the start of his period of appointment or reappointment (January 1, 2011, for current appointments). The Supervisory Board may, following due assessment of the circumstances, increase the Enterprise Value Component. The Executive Board member will be paid his share of the percentage increase in the Enterprise Value Component during his term of office once his period of appointment or reappointment has ended and following a set one-year vesting period (together the "bonus period"). The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier.

The increase in value is the increase in enterprise value from the beginning to the end of the bonus period. In each case, this is calculated as an average over three years. The increase in enterprise value corresponds to the percentage share of the Executive Board member's (notionally allocated) Enterprise Value Component that will be paid to him, with the amount being prorated by the ratio of his term of office to the bonus period. The payment is dependent on the Annual General Meeting approving the Executive Board member's actions during and after the expiration of the bonus period. In individual cases, the Supervisory Board is entitled to make adjustments following due assessment of the circumstances, for instance by adjusting the performance indicators for special factors or for inflation (where this exceeds 10% in the reference period), or by increasing or decreasing the Enterprise Value Component for objective reasons by up to 20%.

In addition, the Executive Board members can share in the enterprise's performance by making a personal investment and acquiring Covered Virtual Units. This personal investment is made by retaining bonus payments due under the Variable Bonus, by the Executive member providing collateral by pledging assets of a suitable value, or by way of allocation.[1] The Covered Virtual Units, which are similar to an investment, participate in positive and negative percentage changes in the value of the Enterprise Value Component. They vest immediately. If they are retained or allocated, they are paid out in full or in part, or not paid out, after being adjusted on the basis of the enterprise value performance. For Covered Virtual Units, the Executive Board member receives a further Enterprise Value Component (Matching Virtual Unit), corresponding to the Base Virtual Units. The payment from Matching Virtual Units was linked to specific market shares in the core skin care categories for the key European markets being reached or exceeded.

As a rule, the Enterprise Value Component is limited to a maximum amount for each member of the Executive Board (200% cap, corresponding to around 10% p.a.). This does not apply to Covered Virtual Units, since the Executive Board member is also exposed to a risk of loss in this case. If an Executive Board member is active for a period shorter than his period of appointment, the Supervisory Board should reduce his Enterprise Value Component pro rata. There is no legal entitlement to payment of the corresponding increase in value in the event that an Executive Board member's contract is terminated prematurely at the request of the Executive Board member, or by the company for good cause.

dd) Other

The remuneration of the Executive Board for fiscal year 2014 did not contain any stock option program or comparable securities-based incentives. Equally, the members of the Executive Board did not receive any additional remuneration for their membership of supervisory bodies of Group companies and investees. Private use of company cars and accident insurance are taxed as non-cash benefits. There were no ongoing pension commitments for the Executive Board members active in fiscal year 2014.

In the event that an Executive Board member's term of office is terminated prematurely for reasons for which the Executive Board member concerned is not responsible, the contracts of service limit the severance payment to two annual salary payments (severance pay cap). Each member of the Executive Board receives a lump-sum payment of their Variable Bonus (with the amount depending on what they are entitled to) on premature termination of his office other than for good cause for which the Executive Board member is responsible; in this case, the Enterprise Value Component is calculated up until the date of departure and paid on a pro rata basis. No other commitments exist in relation to the premature termination of membership of the Executive Board. Members of the Executive Board did not receive any loans or advances from the company, nor were any contingent liabilities entered into in their favor.

Mr. Peter Feld, who left the Executive Board by mutual agreement effective July 31, 2013, received his fixed monthly remuneration until June 30, 2014, in the contractually agreed amount. In addition, following the 2014 Annual General Meeting, his pro rata Bonus for 2013 was paid in the contractually agreed amount; target achievement was set at 140%. The Variable Bonus for the period from August 1, 2013, to June 30, 2014, was paid as a lump sum of €295 thousand, and other claims were settled by a lump-sum payment of €145 thousand.

As laid down in his contract, Mr. Thomas-B. Quaas' total annual remuneration will continue to be paid at a flat rate of €965 thousand for the period since his departure from the Executive Board on April 26, 2012, until the expiration of his contract on March 31, 2015, whereby any other remuneration within the Group (including Supervisory Board remuneration) will be offset against this. His pension entitlements remain unaffected by this.

[1] Annually: Ralph Gusko €50 thousand; Thomas Ingelfinger €60 thousand; Zhengrong Liu €75 thousand; Stefan De Loecker €50 thousand; Dr. Ulrich Schmidt €60 thousand.

ee) Overviews of Individual Executive Board Remuneration

TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2014 (IN € THOUSAND)

	Fixed basic remuneration		Variable Bonus: Bonus		Variable Bonus: Multi-year Bonus		Variable Bonus: Total variable remuneration	
	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**
Stefan F. Heidenreich (Chairman of the Executive Board)	1,000	1,000	776	676	808	704	1,584	1,380
Ralph Gusko	500	500	306	260	319	270	625	530
Thomas Ingelfinger (from July 1, 2014)	–	225	–	114	–	118	–	232
Zhengrong Liu (from July 1, 2014)	–	238	–	95	–	99	–	194
Stefan De Loecker (from July 1, 2014)	–	210	–	119	–	123	–	242
Dr. Ulrich Schmidt	500	500	308	257	320	267	628	524
Total	**2,292[7]**	**2,673**	**1,880[7]**	**1,521**	**1,447[7]**	**1,581**	**3,327[7]**	**3,102**

2 Other remuneration includes the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits, such as the provision of a company car, insurance in line with standard market terms, and accommodation/relocation expenses, including any taxes assumed on these items.

3 Payment of the amounts set aside for Enterprise Value Components included in the total remuneration is linked to a number of preconditions, and in particular to a corresponding sustainable increase in the company's enterprise value and to approval of the Executive Board member's actions (see page 11, section cc)).

4 Stefan F. Heidenreich was granted an additional Matching Virtual Unit in the amount of €30,000 thousand following his reappointment for the period beginning January 1, 2015. The provision in the amount of €3,996 thousand established for this purpose is included in this figure.

5 €38 thousand of this amount was granted to Thomas Ingelfinger as remuneration for his activities at Group companies.

6 €689 thousand of this amount was granted to Stefan De Loecker as remuneration for his activities at Group companies.

7 These totals additionally include the following payments made to members of the Executive Board who left in 2013 for activities in fiscal year 2013: Peter Feld – fixed: €292 thousand, Bonus: €490 thousand, Multi-year Bonus: €0 thousand, total variable remuneration: €490 thousand, other: €10 thousand, total: €792 thousand, addition to provisions for Enterprise Value Component: €0 thousand.

The following table shows the development of the Multi-year Bonuses, as well as the amount of the tranche to be paid out in each case following the 2015 Annual General Meeting.

MULTI-YEAR BONUS (IN € THOUSAND)

	Multi-year Bonus 2012			Multi-year Bonus 2013		
	Present values as of Dec. 31, 2013	Present values as of Dec. 31, 2014	Payment following 2015 AGM	Present values as of Dec. 31, 2013	Present values as of Dec. 31, 2014	Payment following 2015 AGM
Stefan F. Heidenreich (Chairman of the Executive Board)	909	469	469	817	867	409
Ralph Gusko	295	152	152	317	336	158
Thomas Ingelfinger (from July 1, 2014)	–	–	–	–	–	–
Zhengrong Liu (from July 1, 2014)	–	–	–	–	–	–
Stefan De Loecker (from July 1, 2014)	–	–	–	–	–	–
Dr. Ulrich Schmidt	313	162	162	317	336	158
Total	**1,517**	**783**	**783**	**1,451**	**1,539**	**725**

Other remuneration[2]		Sum		Additions to provisions for Enterprise Value Component		Total[3]		
2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	
73	44	2,657	2,424	1,668	5,167[4]	4,325	7,591[4]	Stefan F. Heidenreich (Chairman of the Executive Board)
88	155	1,213	1,185	501	522	1,714	1,707	Ralph Gusko
–	57	–	514	–	182	–	696[5]	Thomas Ingelfinger (from July 1, 2014)
–	6	–	438	–	272	–	710	Zhengrong Liu (from July 1, 2014)
–	52	–	504	–	210	–	714[6]	Stefan De Loecker (from July 1, 2014)
14	15	1,142	1,039	659	843	1,801	1,882	Dr. Ulrich Schmidt
185[7]	**329**	**5,804[7]**	**6,104**	**2,828[7]**	**7,196**	**8,632[7]**	**13,300**	**Total**

The following table shows the Virtual Units allocated to the Executive Board members and the amounts set aside in the years since they were granted in each case.

VIRTUAL UNITS AND PROVISIONS (IN € THOUSAND)

	2013				2014			
	Base Virtual Unit	Covered Virtual Unit[8]	Matching Virtual Unit	Total amount set aside in fiscal year 2013	Base Virtual Unit	Covered Virtual Unit[8]	Matching Virtual Unit	Total amount set aside in fiscal year 2014
Stefan F. Heidenreich (Chairman of the Executive Board)	10,000	10,000	10,000	2,826	10,000	10,000	40,000[9]	7,993[10]
Ralph Gusko	7,500	1,125	1,125	1,009	7,500	1,275	1,275	1,663[11]
Thomas Ingelfinger (from July 1, 2014)	–	–	–	–	5,500	530	530	182
Zhengrong Liu (from July 1, 2014)	–	–	–	–	9,000	38	–	272
Stefan De Loecker (from July 1, 2014)	–	–	–	–	7,500	25	25	210
Dr. Ulrich Schmidt	10,000	1,180	1,180	1,809[11]	20,000	2,240	2,240	2,663[11]
Total	**27,500**	**12,305**	**12,305**	**5,644**	**59,500**	**14,108**	**44,070**	**12,983**

8 This figure includes both the Covered Virtual Units acquired by way of personal investment and the Covered Virtual Units granted by way of allocation (see footnote 1).

9 This figure includes the additional Matching Virtual Unit in the amount of €30,000 thousand granted to Stefan F. Heidenreich following his reappointment for the period beginning January 1, 2015.

10 This figure includes a provision in the amount of €3,996 thousand for the additional Matching Unit in the amount of €30,000 thousand (see footnote 4).

11 This figure includes the personal investments made in the form of retained bonus payments due under the Variable Bonus.

The following tables show the benefits granted for each member of the Executive Board in fiscal year 2014, including ancillary benefits; in the case of variable remuneration components, the maximum and minimum remuneration achievable have been added (in accordance with model table 1 for section 4.2.5 para.3 (bullet point 1) of the German Corporate Governance Code).

BENEFITS GRANTED (IN € THOUSAND)	Stefan F. Heidenreich Chairman of the Executive Board Date joined: January 1, 2012 (Chairman since April 26, 2012)				Ralph Gusko Member of the Executive Board Date joined: July 1, 2011			
	2013 Target amount	2014 Target amount	2014 (min. p.a.)	2014 (max. p.a.)	2013 Target amount	2014 Target amount	2014 (min. p.a.)	2014 (max. p.a.)
Fixed remuneration	1,000	1,000	1,000	1,000	500	500	500	500
Fringe benefits / ancillary benefits[12]	73	44	44	44	88	155	155	155
Total	**1,073**	**1,044**	**1,044**	**1,044**	**588**	**655**	**655**	**655**
One-year variable remuneration (49% Variable Bonus: Bonus)	490	490	–	980	196	196	–	392
Multi-year variable remuneration								
Multi-year-Bonus 2011 *(term Jan. 1, 2012-Dec. 31, 2013)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2012 *(term Jan. 1, 2013-Dec. 31, 2014)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2013 *(term Jan. 1, 2014-Dec. 31, 2015)*	510	–	–	–	204	–	–	–
Multi-year-Bonus 2014 *(term Jan. 1, 2015-Dec. 31, 2016)*	–	510	–	1,020	–	204	–	408
LTP - Base Virtual Unit[13]	500	500	–	1,000	375	375	–	750
LTP - Covered Virtual Unit[13/14]	500	500	–	1,000	106	214	–	278
LTP - Matching Virtual Unit[13]	500	2,000[15]	–	4,000[15]	56	64	–	128
Total fixed and variable remuneration	**3,573**	**5,044**	**1,044**	**9,044**	**1,525**	**1,708**	**655**	**2,611**
Service cost	–	–	–	–	–	–	–	–
Total remuneration	**3,573**	**5,044**	**1,044**	**9,044**	**1,525**	**1,708**	**655**	**2,611**

BENEFITS GRANTED (IN € THOUSAND)	Thomas Ingelfinger Member of the Executive Board Date joined: July 1, 2014				Zhengrong Liu Member of the Executive Board / Labor Relations Director Date joined: July 1, 2014			
	2013 Target amount	2014 Target amount	2014 (min. p.a.)	2014 (max. p.a.)	2013 Target amount	2014 Target amount	2014 (min. p.a.)	2014 (max. p.a.)
Fixed remuneration	–	225	225	225	–	238	238	238
Fringe benefits / ancillary benefits[12]	–	57	57	57	–	6	6	6
Total	**–**	**282**	**282**	**282**	**–**	**244**	**244**	**244**
One-year variable remuneration (49% Variable Bonus: Bonus)	–	86	–	172	–	74	–	147
Multi-year variable remuneration								
Multi-year-Bonus 2011 *(term Jan. 1, 2012-Dec. 31, 2013)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2012 *(term Jan. 1, 2013-Dec. 31, 2014)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2013 *(term Jan. 1, 2014-Dec. 31, 2015)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2014 *(term Jan. 1, 2015-Dec. 31, 2016)*	–	89	–	178	–	76	–	153
LTP - Base Virtual Unit[13]	–	138	–	275	–	225	–	450
LTP - Covered Virtual Unit[13/14]	–	44	–	58	–	39	–	41
LTP - Matching Virtual Unit[13]	–	14	–	28	–	–	–	–
Total fixed and variable remuneration	**–**	**653**	**282**	**993**	**–**	**658**	**244**	**1,035**
Service cost	–	–	–	–	–	–	–	–
Total remuneration	**–**	**653[16]**	**282[16]**	**993[16]**	**–**	**658**	**244**	**1,035**

BENEFITS GRANTED (IN € THOUSAND)	Stefan De Loecker Member of the Executive Board Date joined: July 1, 2014				Dr. Ulrich Schmidt Member of the Executive Board / CFO Date joined: January 1, 2011			
	2013	2014	2014	2014	2013	2014	2014	2014
	Target amount	Target amount	(min. p.a.)	(max. p.a.)	Target amount	Target amount	(min. p.a.)	(max. p.a.)
Fixed remuneration	–	210	210	210	500	500	500	500
Fringe benefits / ancillary benefits[12]	–	52	52	52	14	15	15	15
Total	**–**	**262**	**262**	**262**	**514**	**515**	**515**	**515**
One-year variable remuneration (49% Variable Bonus: Bonus)	–	86	–	172	196	196	–	392
Multi-year variable remuneration								
Multi-year-Bonus 2011 *(term Jan. 1, 2012-Dec. 31, 2013)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2012 *(term Jan. 1, 2013-Dec. 31, 2014)*	–	–	–	–	–	–	–	–
Multi-year-Bonus 2013 *(term Jan. 1, 2014-Dec. 31, 2015)*	–	–	–	–	204	–	–	–
Multi-year-Bonus 2014 *(term Jan. 1, 2015-Dec. 31, 2016)*	–	89	–	178	–	204	–	408
LTP - Base Virtual Unit[13]	–	188	–	375	500	1,000	–	2,000
LTP - Covered Virtual Unit[13 / 14]	–	26	–	28	119	172	–	284
LTP - Matching Virtual Unit[13]	–	1	–	3	59	112	–	224
Total fixed and variable remuneration	**–**	**652**	**262**	**1,018**	**1,592**	**2,199**	**515**	**3,823**
Service cost	–	–	–	–	–	–	–	–
Total remuneration	**–**	**652[17]**	**262[17]**	**1,018[17]**	**1,592**	**2,199**	**515**	**3,823**

12 The ancillary benefits include the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2).

13 The planned terms of the Virtual Units are as follows: for Stefan F. Heidenreich from 2012 to after the 2021 Annual General Meeting; for Ralph Gusko from 2011 to after the 2019 Annual General Meeting; for Thomas Ingelfinger from 2014 to after the 2019 Annual General Meeting; for Zhengrong Liu from 2014 to after the 2020 Annual General Meeting; for Stefan De Loecker from 2014 to after the 2020 Annual General Meeting; for Dr. Ulrich Schmidt from 2011 until after the 2016 and 2018 Annual General Meetings.

14 Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.

15 This figure includes corresponding provisions for the additional Matching Virtual Unit in the amount of €30,000 thousand granted to Stefan F. Heidenreich following his reappointment for the period beginning January 1, 2015.

16 €38 thousand of these total amounts were granted to Thomas Ingelfinger in each case as remuneration for his activities at Group companies.

17 €627 thousand (target amount), €237 thousand (min. p.a.), and €993 thousand (max. p.a.) of these total amounts were granted to Stefan De Loecker as remuneration for his activities at Group companies.

The following tables show the allocations for each member of the Executive Board in/for fiscal year 2014, comprising fixed remuneration, short-term variable and long-term remuneration, broken down by the relevant years of receipt (in accordance with model table 2 for section 4.2.5 para. 3 (bullet point 2) of the German Corporate Governance Code).

ALLOCATION (IN € THOUSAND)

	Stefan F. Heidenreich Chairman of the Executive Board Date joined: January 1, 2012 (Chairman since April 26, 2012)		**Ralph Gusko** Member of the Executive Board Date joined: July 1, 2011		**Thomas Ingelfinger** Member of the Executive Board Date joined: July 1, 2014	
	2013	**2014**	**2013**	**2014**	**2013**	**2014**
Fixed remuneration	1,000	1,000	500	500	–	225
Fringe benefits / ancillary benefits[18]	73	44	88	55	–	57
Total	**1,073**	**1,044**	**588**	**555**	**–**	**282**
One-year variable remuneration (49% Variable Bonus: Bonus)	781	776	253	306	–	–
Multi-year variable remuneration						
Multi-year-Bonus 2011 (*term Jan. 1, 2012-Dec. 31, 2013*)	–	–	47	45	–	–
Multi-year-Bonus 2012 (*term Jan. 1, 2013-Dec. 31, 2014*)	–	406	–	–[19]	–	–
Multi-year-Bonus 2013 (*term Jan. 1, 2014-Dec. 31, 2015*)	–	–	–	–	–	–
Multi-year-Bonus 2014 (*term Jan. 1, 2015-Dec. 31, 2016*)	–	–	–	–	–	–
LTP - Base Virtual Unit[20]	–	–	–	–	–	–
LTP - Covered Virtual Unit[20]	–	–	–	–	–	–
LTP - Matching Virtual Unit[20]	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**1,854**	**2,226**	**888**	**906**	**–**	**282**
Service cost	–	–	–	–	–	–
Total remuneration	**1,854**	**2,226**	**888**	**906**	**–**	**282[21]**

ALLOCATION (IN € THOUSAND)

	Zhengrong Liu Member of the Executive Board / Labor Relations Director Date joined: July 1, 2014		**Stefan De Loecker** Member of the Executive Board Date joined: July 1, 2014		**Dr. Ulrich Schmidt** Member of the Executive Board / CFO Date joined: January 1, 2011	
	2013	**2014**	**2013**	**2014**	**2013**	**2014**
Fixed remuneration	–	238	–	210	500	500
Fringe benefits / ancillary benefits[18]	–	6	–	52	14	15
Total	**–**	**244**	**–**	**262**	**514**	**515**
One-year variable remuneration (49% Variable Bonus: Bonus)	–	–	–	–	–[19]	308
Multi-year variable remuneration						
Multi-year-Bonus 2011 (*term Jan. 1, 2012-Dec. 31, 2013*)	–	–	–	–	–[19]	86[19]
Multi-year-Bonus 2012 (*term Jan. 1, 2013-Dec. 31, 2014*)	–	–	–	–	–	140
Multi-year-Bonus 2013 (*term Jan. 1, 2014-Dec. 31, 2015*)	–	–	–	–	–	–
Multi-year-Bonus 2014 (*term Jan. 1, 2015-Dec. 31, 2016*)	–	–	–	–	–	–
LTP - Base Virtual Unit[20]	–	–	–	–	–	–
LTP - Covered Virtual Unit[20]	–	–	–	–	–	–
LTP - Matching Virtual Unit[20]	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	**–**	**244**	**–**	**262**	**514**	**1,049**
Service cost	–	–	–	–	–	–
Total remuneration	**–**	**244**	**–**	**262[22]**	**514**	**1,049**

[18] The ancillary benefits include the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2).
[19] This figure does not include/disclose payments due under the Variable Bonus that were retained as the personal investment for the respective Covered Virtual Units.
[20] The planned terms of the Virtual Units are as follows: for Stefan F. Heidenreich from 2012 to after the 2021 Annual General Meeting; for Ralph Gusko from 2011 to after the 2019 Annual General Meeting; for Thomas Ingelfinger from 2014 to after the 2019 Annual General Meeting; for Zhengrong Liu from 2014 to after the 2020 Annual General Meeting; for Stefan De Loecker from 2014 to after the 2020 Annual General Meeting; for Dr. Ulrich Schmidt from 2011 until after the 2016 and 2018 Annual General Meetings.
[21] €38 thousand of this amount was paid to Thomas Ingelfinger as remuneration for his activities at Group companies.
[22] €237 thousand of this amount was paid to Stefan De Loecker as remuneration for his activities at Group companies.

ff) Former Members of the Executive Board and Their Surviving Dependents

Payments to former members of the Executive Board and their surviving dependents totaled €2,267 thousand (previous year: €2,324 thousand). Provisions for pension commitments to former members of the Executive Board and their dependents totaled €40,402 thousand (previous year: €37,797 thousand).

2. REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board (§ 15 of the Articles of Association) takes into account the responsibilities and scope of tasks of the individual members of the Supervisory Board as well as the company's economic situation.

In addition to being reimbursed for cash expenses, Supervisory Board members also receive a fixed and a variable dividend-based remuneration component, which is geared towards sustainable enterprise performance, and attendance fees for Supervisory Board and committee meetings. The Chairman of the Supervisory Board receives two-and-a-half times the standard Supervisory Board remuneration and his two deputies each receive one-and-a-half times the standard Supervisory Board remuneration. Members of committees – with the exception of the Nomination Committee and the committee set up in accordance with § 27 (3) *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*) – receive additional compensation for their work in these committees. If a member of the Supervisory Board simultaneously holds several offices for which increased remuneration is granted, he or she shall only receive the remuneration for the highest-paying office.

The fixed remuneration component per Supervisory Board member is €40,000 for each full fiscal year. The variable remuneration is €1,000 for each cent by which the dividend per share exceeds 25 cents. 40% of this will be paid out after the actions of the Supervisory Board member in question have been approved by the Annual General Meeting for the fiscal year for which remuneration is being paid (initial year). The remaining amount will be paid out following the Annual General Meeting to which the annual financial statements for the third fiscal year following the initial year are submitted, insofar as the average dividend for the initial year and the three following fiscal years is not lower than the dividend for the initial year. Interest in line with current market rates will be paid on this amount until such time as it is paid out. Furthermore, members of the Supervisory Board and committees receive an attendance fee of €1,000 for participating in full at a meeting of the Supervisory Board or committee and €500 for participating in the majority of a meeting.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2014 (IN €)[23/24]

	Fixed[25]		Total Variable		Long term Variable (60%)		Total	
	2013	**2014**	2013[26]	**2014[27]**	2013	**2014**	2013	**2014**
Dr. Andreas Albrod	67,000	71,000	45,000	45,000	27,000	27,000	112,000	116,000
Prof. Dr. Eva Eberhartinger (until April 17, 2014)	90,000	25,452	45,000	13,192	27,000	7,915	135,000	38,644
Elke Gabriel (until April 17, 2014)	45,000	15,726	45,000	13,192	27,000	7,915	90,000	28,918
Frank Ganschow (from April 17, 2014)	–	32,384	–	31,932	–	19,159	–	64,316
Michael Herz	67,500	68,500	45,000	45,000	27,000	27,000	112,500	113,500
Thomas Holzgreve (Deputy Chairman)	74,000	74,000	67,500	67,500	40,500	40,500	141,500	141,500
Thorsten Irtz (Deputy Chairman)	66,000	68,000	67,500	67,500	40,500	40,500	133,500	135,500
Matthias Locher (from April 17, 2014)	–	32,384	–	31,932	–	19,159	–	64,316
Dr. Dr. Christine Martel	44,500	76,384	45,000	45,000	27,000	27,000	89,500	121,384
Tomas Nieber	45,000	64,192	45,000	45,000	27,000	27,000	90,000	109,192
Isabelle Parize (from April 17, 2014)	–	30,884	–	31,932	–	19,159	–	62,816
Prof. Dr. Reinhard Pöllath (Chairman)	114,000	114,000	112,500	112,500	67,500	67,500	226,500	226,500
Thomas-B. Quaas (until April 17, 2014)[28]	–	–	–	–	–	–	–	–
Prof. Manuela Rousseau	44,000	47,000	45,000	45,000	27,000	27,000	89,000	92,000
Volker Schopnie (until April 17, 2014)	67,000	22,589	45,000	13,192	27,000	7,915	112,000	35,781
Poul Weihrauch (from April 17, 2014)	–	30,884	–	31,932	–	19,159	–	62,816
Total	**724,000**	**773,379**	**607,500**	**639,804**	**364,500**	**383,881**	**1,331,500**	**1,413,183**

23 Subject to the resolution of the Annual General Meeting on March 31, 2015, concerning the dividend to be distributed for 2014 in accordance with the proposal for a dividend of €0.70 per share.
24 Presented exclusive of value added tax.
25 Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).
26 The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2017 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
27 The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2018 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).
28 As contractually agreed, Thomas-B. Quaas' Supervisory Board remuneration was offset against continuing entitlements from his former Executive Board activities.

Members of the Supervisory Board did not receive any loans or advances from the company, nor were any contingent liabilities entered into in their favor. In addition, members of the Supervisory Board did not receive any compensation or benefits for services provided on a personal basis, such as advisory or agency services.

Business and Strategy

Structure and Organization

Based in Hamburg, Germany, Beiersdorf AG is a leading international branded goods company whose Consumer Business Segment develops and markets skin and body care products. Its products are sold under the core brands NIVEA, Eucerin, La Prairie, Hansaplast/Elastoplast, Labello, 8x4, Hidrofugal, Florena, atrix, Aquaphor, SLEK, and Maestro.

Beiersdorf AG is responsible for the German Consumer Business and provides typical holding company services to its affiliates. In addition to its own operating activities, Beiersdorf AG manages an extensive investment portfolio and is the direct or indirect parent company of over 150 affiliates worldwide. Beiersdorf AG also performs central planning/financial control, treasury, and human resources functions, as well as a large proportion of research and development activities for the Consumer Business.

BLUE AGENDA – THE STRATEGIC COMPASS

Beiersdorf aims to be the No. 1 skin care company in its relevant categories and markets. The company's Blue Agenda clearly defines the way to achieve this long-term objective. It consists of the following strategic focuses:

- Strengthening our brands – first and foremost NIVEA
- Increasing our innovation power
- Expanding our presence in the emerging markets and consolidating our market position in Europe
- The people at Beiersdorf

Beiersdorf continued to make substantial progress towards these objectives in the year under review – something that is also reflected in the key figures for fiscal year 2014. Beiersdorf recorded sustainable, profitable growth and saw a further increase in sales and earnings excluding special factors. This was achieved by increasing our share of a market that grew by about 3%.

STRONG BRANDS

Beiersdorf's consistently disciplined brand strategy further increased its brand presence in 2014, as can be seen from the positive performance by our three core brands – NIVEA, Eucerin, and La Prairie. The rollout of the new NIVEA logo and design, which began in 2013, was successfully completed in the year under review. This created a more consistent and eye-catching brand image, which has significantly strengthened the brand's identity and positioned NIVEA successfully and sustainably. In addition, Beiersdorf's newly created "Pearl Brands" unit generated new momentum for the Labello, 8x4, Hidrofugal, and Florena brands. Beiersdorf's goal is to strengthen their brand profile and hence leverage their economic potential, and in doing so further strengthen the company's brand portfolio.

INNOVATION POWER

The significant increase in Beiersdorf's innovation capacity substantially contributed to its success in the year under review. Beiersdorf focuses both on developing and launching new products and on systematically enhancing and supporting existing major innovations. Beiersdorf's NIVEA Deo Black & White, NIVEA Body In-Shower, and NIVEA Face Cellular Anti-Age set long-term trends in different segments, enabling the company to consistently extend its market position in the relevant categories and countries in 2014.

For example, NIVEA Face Cellular Anti-Age was also successfully launched in Latin America in the year under review. The NIVEA Body In-Shower product line, which is a big hit in Europe and Brazil, was expanded in 2014 and will be available worldwide in 2015. Moreover, Beiersdorf again set new standards in the mass market in the important face care category with its NIVEA Q10 pearls. A special pearl technology makes it possible to blend innovative Q10 plus serum pearls with hydrogel in a patented anti-wrinkle serum. This is the first time that this type of technology has been made accessible to a wider consumer group.

Beiersdorf's research and development expertise plays a key role in its continuous innovation strength. Dr. May Shana'a, Head of R&D at Beiersdorf since fall 2014, will continue to strategically enhance the efficacy of the company's R&D activities and deepen the growing focus on localization.

CLOSEST TO MARKETS

Each and every innovation begins with the specific needs of consumers in the different regions. Being close to consumers at a local level is crucial to being able to incorporate changing expectations into product development flexibly and quickly, and hence to secure our market share in the long term. In the year under review, Beiersdorf sustainably increased its brand presence and impact in the emerging markets with targeted investments in regional development and production capacities, and strengthened its position on the established European markets.

In July 2014, Beiersdorf opened a production facility and a regional laboratory in Silao, Mexico, in order to meet growing demand in Latin America. The factory was the first facility in the cosmetics industry ever to be awarded Leadership in Energy and Environmental Design (LEED) platinum standard. Beiersdorf also began constructing a production facility in Sanand in order to strengthen its local footprint in India. Production is expected to start in early 2015.

DEDICATED BEIERSDORF PEOPLE – A STRONG CORPORATE CULTURE

Beiersdorf's corporate culture is inextricably bound up with dedicated and motivated employees, who make a crucial contribution to the company's success. In 2014, employees and managers worked together to reinterpret Beiersdorf's core values – which have shaped the company for over 130 years – and documented these in a common understanding.

- Care – at the heart of Beiersdorf's business. The company's responsibility towards its employees, consumers, and brands as well as to society and the environment.
- Simplicity – making clear, consistent, and quick decisions and always remaining focused on priorities.
- Courage – setting ambitious targets, taking the initiative, and approaching change as an opportunity.
- Trust – genuine, respectful, and reliable relationships with employees and consumers.

In order to ensure the Core Values are lived both now and in the future, Beiersdorf will integrate them even more strongly into its employees' day-to-day working practices in the future. In addition, Beiersdorf continued actively encouraging employees to make decisions and take an entrepreneurial approach in the year under review, systematically enhancing the company's speed and flexibility even further.

Management and Control

The Executive Board manages Beiersdorf AG and is also responsible for managing the Beiersdorf Group. It is dedicated to sustainably increasing the enterprise value. In addition to the functional areas of responsibility within the Executive Board – Finance and Supply Chain, Human Resources, Consumer Brands and R&D, and Pharmacy – there are regional areas of responsibility. This regional allocation of responsibilities is a key factor in ensuring the Executive Board is closely involved in the company's operational business. The Chairman of the Executive Board is responsible at an overarching level for corporate development and the Internal Audit function.

The tesa Business Segment is managed as an independent subgroup.

Information on the remuneration of the Executive Board and the Supervisory Board as well as on incentive and bonus systems is provided in the remuneration report, which forms part of the management report and the annual financial statements. The Corporate Governance Statement in accordance with § 289a *Handelsgesetzbuch* (German Commercial Code, *HGB*) has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT.

Additional information regarding management and control, the general management structure, and the Declaration of Compliance in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) is also provided in the Corporate Governance Report.

Value Management and Performance Management System

The goal of Beiersdorf's business activities is to sustainably increase the company's market share by achieving qualitative growth and at the same time to expand its earnings base. The long-term key performance indicators – sales growth in conjunction with market share, EBIT, and the EBIT margin (the ratio of EBIT to sales) – are derived from this. The goal is to generate internationally competitive returns through systematic cost management and the highly efficient use of resources.

The company has created an efficient management system in order to meet these strategic goals. Corporate management derives the business performance targets for the individual units in the Group for the coming year from the Group's strategic business goals. This planning covers all segments and affiliates. Generally, the Executive Board and the Supervisory Board formally adopt the Group's planning for the following year in the fall.

Actual key performance indicators are compared with target values and with the current forecast for the year as a whole at regular intervals during the fiscal year. These comparisons are used to manage the business in line with the objectives.

The tesa Business Segment forms a separate, independent unit within the Group. It is also managed on the basis of sales growth, the operating result (EBIT), and the EBIT margin.

Economic Environment

General Economic Situation

Positive **global** growth was recorded in 2014, slightly above the previous year; however, the outlook deteriorated increasingly in the course of the year due to the geopolitical crises. While the mature economies continued on their modest path to recovery, growth rates in some emerging countries declined.

The economy in **Europe** stagnated in 2014. The unrest in Ukraine in particular dampened investor appetite and led to continuing high levels of uncertainty in the markets. Interest rate cuts and a new ECB securities purchase program led to a fall in the euro, improving eurozone companies' competitiveness and helping to mitigate adverse effects on exports. Positive growth was achieved, although the optimistic expectations voiced at the beginning of the year failed to materialize.

The **German** economy recorded moderate growth in 2014. Although Germany has consistently served as an economic motor in recent years, recording the highest growth rates in the eurozone, growth declined in 2014. The EU's economic sanctions against Russia slowed both exports and capital investment. Low unemployment, low interest rates, low inflation, and the weaker euro all helped to support the economy.

The economy in the **United States** recorded a positive performance in 2014. Results for the first quarter were lower than in the previous year due to adverse weather conditions. After that, economic momentum improved and was reflected in increased capital expenditure and consumer spending.

Capital expenditure and consumer spending in **Japan** declined following an increase in sales tax in April 2014. The government introduced an economic package aimed at countering the negative effects on consumer demand. Exports declined despite the fall in the yen.

Economic growth in **China** fell short of forecast targets in 2014. The country's industrial sector recorded its lowest growth since 2008 and domestic demand remained stubbornly low. The Chinese central bank and the government are pursuing a policy of reform in order to achieve sustainable long-term growth instead of high short-term growth rates.

The situation in the **other emerging markets** was mixed. Reforms in India had a positive effect on economic development and boosted exports. On the other hand, Brazil experienced reform gridlock. Russia is under pressure due to the conflict with Ukraine. The economic sanctions and the slump in oil prices led to a fall in the ruble and to lower capital expenditure.

Sales Market Trends

The growth rate in the cosmetics market – the market relevant for Beiersdorf – remained flat year-on-year at a global level. The Asia, South Africa, Middle East, and Latin America regions were the main growth drivers although the pace of growth has slowed. The saturated markets in Western Europe and North America continued last year's growth path, while Eastern Europe was unable to match its prior-year growth. The industrial sales markets experienced a recovery in Europe and further strong growth in Asia and America in 2014. A slight positive trend emerged in Europe as the year progressed. Asia and North America continued to benefit from a strong economic performance, while Latin America in contrast suffered domestic currency instability and a slowdown in real growth.

Procurement Market Trends

In 2014, raw material and packaging prices were overall relatively flat as forecast. The significant reduction in global crude oil prices which we have seen in the last quarter was not anticipated, but has not significantly affected prices of either plastics or fossil fuel-based raw materials.

Overall Assessment of the Economic Environment

Macroeconomic growth in 2014 was positive, despite momentum slowing in the course of the year. The global cosmetics market maintained the previous year's level of growth, although growth rates in individual markets eased. The Consumer Business Segment recorded another increase in sales in this challenging economic environment.

Results of Operations – Beiersdorf AG

(IN € MILLION)

	2013	2014
Sales	**1,088**	**1,138**
Other operating income	107	114
Cost of materials	–268	–274
Personnel expenses	–232	–235
Depreciation and amortization of property, plant, and equipment, and intangible assets	–24	–25
Other operating expenses	–541	–553
Operating result	**130**	**165**
Net income from investments	441	284
Net interest expense	–10	2
Other financial result	–	–5
Financial result	**431**	**281**
Result from ordinary activities	**561**	**446**
Extraordinary result	**2**	**–**
Income taxes	–74	–64
Profit after tax	**489**	**382**
Transfer to other retained earnings	–244	–191
Net retained profits	**245**	**191**

Beiersdorf AG's sales increased by €50 million to €1,138 million in the reporting period (previous year: €1,088 million). Sales of NIVEA Deodorant and NIVEA Shower & Soap performed well. Sales of €903 million (previous year: €860 million) were generated in Germany and €235 million (previous year: €228 million) abroad.

Other operating income increased by €7 million compared with the previous year. This growth is attributable to higher income from services provided to affiliated companies and from the disposal of fixed assets, coupled with a decline in income from the reversal of provisions.

The financial result decreased by €150 million compared with the previous year to €281 million (previous year: €431 million). This decline is largely the result of a clear drop of €157 million in net income from investments, a €12 million increase in net interest expense, and a €5 million rise in other financial expenses.

The result from ordinary activities was €446 million, down €115 million on the previous year. The operating result increased by €35 million, while the financial result decreased by a significant €150 million.

The previous year's extraordinary result primarily comprised income of €2 million from the reversal of provisions that were established at the level of Beiersdorf AG during the realignment of corporate structures and processes.

Profit after tax amounted to €382 million (previous year: €489 million), a decline of €107 million.

The Executive Board and the Supervisory Board will propose a dividend of €0.70 per no-par value share bearing dividend rights to the Annual General Meeting (previous year: €0.70).

Net Assets and Financial Position – Beiersdorf AG

(IN € MILLION)

Assets	Dec. 31, 2013	**Dec. 31, 2014**
Intangible assets	34	20
Property, plant, and equipment	97	97
Financial assets	1,579	1,608
Fixed assets	**1,710**	**1,725**
Inventories	3	4
Receivables and other assets	432	598
Securities	1,540	1,579
Cash and cash equivalents	258	271
Current assets	**2,233**	**2,452**
Prepaid expenses	**3**	**3**
Deferred tax assets	**–**	**9**
Excess of plan assets over post-employment benefit liability	**6**	**3**
	3,952	**4,192**

Equity and liabilities	Dec. 31, 2013	**Dec. 31, 2014**
Equity	**2,033**	**2,257**
Provisions for pensions and other post-employment benefits	441	449
Other provisions	198	184
Provisions	**639**	**633**
Liabilities	**1,278**	**1,302**
Deferred tax liabilities	**2**	**–**
	3,952	**4,192**

ASSETS AND LIABILITIES

The increase in financial assets of €29 million mainly reflects capital increases at existing affiliates. Investments of €14 million in property, plant, and equipment were partially offset by depreciation of €11 million. Receivables include receivables from affiliated companies of €397 million (previous year: €295 million). The securities item increased by €39 million. As of December 31, 2014, Beiersdorf AG had invested €1,579 million (previous year: €1,540 million) in government and corporate bonds, Pfandbriefe, and near-money market retail funds. €539 million (previous year: €746 million) of the securities have a remaining maturity of up to one year, and €1,040 million (previous year: €794 million) have a remaining maturity of between one and four years.

Pension provisions rose by €8 million. Offsetting plan assets against defined contribution pension obligations led to an excess of plan assets over post-employment benefit liability of €3 million (previous year: €6 million). Liabilities include liabilities to affiliated companies of €1,243 million (previous year: €1,218 million). The increase relates primarily to financial liabilities. Of the total assets of €4,192 million (previous year: €3,952 million) shown in the balance sheet, €2,257 million (previous year: €2,033 million) or 54% (previous year: 51%) are financed by equity.

FINANCING AND LIQUIDITY PROVISION

The primary goal of financial management at Beiersdorf is to safeguard liquidity. The type and volume of transactions are in line with the Group's basic operating and financial business. Scenarios and rolling 12-month cash flow planning are used to establish liquidity requirements.

Overall Assessment of Beiersdorf AG's Economic Position

Business developments in 2014 show that Beiersdorf is on the right track. Beiersdorf AG's sales amounted to €1,138 million (previous year: €1,088 million), up 4.6% on sales in 2013. The operating result increased to €165 million (previous year: €130 million).

After adjustment for special factors, the normalized operating result was €142 million (previous year: €126 million). Excluding special factors, the EBIT margin was therefore 12.7% (previous year: 11.6%). The financial result declined to €281 million (previous year: €431 million) as a result of significantly lower income from investments.

	Forecast for 2014 in 2013 Management Report	**Result in 2014**
Sales	Moderate increase in sales	€50 million higher than prior year
Operating result*	Higher operating margin	12.7% compared with 11.6% in prior year
Financial result	Considerably lower due to structural measures	€150 million lower than prior year

* Normalized operating result.

Sales and the normalized operating result both increased in fiscal 2014, as forecast. In line with the forecast, dividend income for fiscal 2014 remained at the same level as in 2013 after adjustment for the special dividend from Spain.

Research and Development

Beiersdorf's expertise in the area of research and development has driven the company's success for more than 130 years.

We invested a total of €113 million (previous year: €105 million) in our research and development in the reporting period. As of December 31, 2014, 485 people were employed in the Research and Development area (previous year: 446).

LEADING-EDGE SKIN CARE EXPERTISE

Beiersdorf is globally known for its leading-edge skin care expertise. Beiersdorf's scientists continually expand their knowledge of the complex skin processes using the latest internal and external scientific findings.

Research and development activities focused on skin aging processes and the development of ways to improve skin elasticity and firmness. The scientists discovered two major aging forces. One relates to the importance of the interaction between skin cells and the connective tissue (e.g. collagen) and skin aging. The other is the role of the protein Periostin in the formation of collagen and the effect of UV exposure on periostin activity, which in turn reduces collagen formation and ultimately causes skin sagging.

Product safety and tolerability are of utmost importance. This is why Beiersdorf's scientists collaborate with external research groups to develop new methods of monitoring skin sensitization and preventing side effects. In 2014, a research consortium consisting of the Charité hospital in Berlin, a Berlin-based start-up, and Beiersdorf created the first functioning model of skin and liver. This model mimics the interaction between skin and liver cells by reproducing how substances are absorbed via the skin, transported by the blood, and broken down by the liver. The skin/liver organ model is an important first step on the way to producing a complex multi-organ model that could deliver an alternative toxicity screening method in the future.

Beiersdorf's scientists advance their research using pioneering scientific methodologies that push the limits of visualization and measurements of the skin and its properties. One good example is overcoming the limits of conventional microscopy by collaborating with Dr. Stefan Hell, the renowned Nobel Prize winner for Chemistry.

IN-DEPTH DIALOG WITH EXTERNAL INNOVATORS

Beiersdorf's Research and Development unit has integrated third-party knowledge since its inception. The Open Innovation initiative allows the company to involve leading research institutes, universities, and suppliers in its research and development activities at an early stage. Open Innovation combines two approaches:

- Technology scouting, a targeted search for ideas and solutions for Beiersdorf's unsolved research and development problems.
- The Pearlfinder initiative, launched in 2011. Researchers, institutes, and companies can present innovations on a secure online platform. This initiative enables Beiersdorf to build relationships with a growing number of new partners from a variety of industry sectors.

Pearlfinder staged the first Beiersdorf Innovation Pitch in 2014. This competition, organized in cooperation with the "in-cosmetics" trade fair, resulted in proposals from 67 exhibitors. The winning three ideas became active development projects for Beiersdorf and its chosen partners.

Further information on Pearlfinder can be found at
WWW.PEARLFINDER.BEIERSDORF.COM.

EXPANSION OF REGIONAL DEVELOPMENT LABORATORIES

In order to get even closer to consumers in its relevant markets Beiersdorf continued its systematic regionalization of its production and development activities. In 2014, Beiersdorf expanded the Far East development laboratory in Wuhan, China, opened a new laboratory in Silao, Mexico, to meet the growing demand in the Latin American region, and laid the foundations for a new regional laboratory in Sanand, India, that will open in 2015.

RECOGNIZING AND MEETING CONSUMERS' NEEDS

Beiersdorf's top priority is to fulfill consumers' needs and ensure their safety. For this purpose, Beiersdorf uses state-of-the-art consumer research methods. The data and information gathered from consumer feedback are used to supplement the company's scientific work when developing new products and adapting them to meet regional conditions and requirements. All products are subjected to intensive safety and efficacy testing before they are launched on the market. In the year under review, Beiersdorf conducted about 1,600 studies with approximately 36,000 participants in all regions.

INNOVATIONS

The Consumer Business Segment filed patents for 76 innovations in the year under review (previous year: 65) and its products repeatedly set significant new market trends. Key 2014 innovations included the following:

- **NIVEA Q10 plus Anti-Wrinkle Serum Pearls:** The use of this product's innovative pearl technology helps replenish the skin's own Q10 stores. The pearls' formula combines coenzyme Q10, hyaluronic acid, and creatine – three ingredients that are naturally present in skin – in a hydrogel suspension. The patented serum formula is freshly activated on dispensing the product: The pearls melt into the hydrogel to form a highly effective anti-aging serum that takes active anti-wrinkle skin care to a whole new level.

- **NIVEA In-Shower** products are among the most popular body care products. New varieties were added to the successful product range in 2014, including In-Shower Soft Milk and In-Shower Body Lotion Cocoa Indulging. To meet specific consumer needs in Asia, additionally two In-Shower Whitening products were launched.
- **NIVEA Sun In-Shower Refreshing After Sun Lotion** offers an innovative way to nourish and refresh the skin directly in the shower after sunbathing. The formula with cucumber extract supplies long-lasting moisture to skin stressed by exposure to the sun's rays, leaving it feeling refreshed and silky but non-sticky.
- Beiersdorf's **Eucerin Sensitive Skin In-Shower Body Lotion** is the first product of its kind in the pharmacy market. It was specially developed for sensitive skin. Used daily in the shower, its mild fragrance-free formula with 5% dexpanthenol strengthens the skin's natural protection. The result is easy-to-use sensitive skin care with an immediate moisturizing effect that makes the skin feel pleasantly soft.
- The products in the new **Eucerin UltraSENSITIVE** care range have been specially developed to treat hypersensitive facial skin. The formulas containing the innovative active ingredient SymSitive* have an immediate, long-lasting effect on unpleasant feelings of stinging or itchiness. The formulas are preservative-, alcohol-, and fragrance-free, soothe the skin, and strengthen its protective function. Special anti-contamination vacuum packaging provides additional protection for the pure formulas in the product range.
- **Hansaplast Aqua Protect** is a waterproof Hansaplast plaster that keeps wounds 100% dry during washing and showering, bathing and swimming. The plaster's waterproof backing material is flexible and adapts itself to movement, so that it is very comfortable to wear. The new, especially strong adhesive material reliably protects the skin against water in particular, so that wounds can heal freely.

In 2014, the **La Prairie Group AG** in Zurich, Switzerland, launched its unique, innovative **Cellular Swiss Ice Crystal Collection**. The product range consists of Cellular Swiss Ice Crystal Cream and Cellular Swiss Ice Crystal Dry Oil. The products contain extracts from especially robust Alpine plants. The formulas supply the skin with moisture and increase its resilience, helping it to protect itself against everyday stress factors and harmful environmental effects.

* Registered trademark of SYMRISE, Germany

Sustainability

For Beiersdorf, “care” is a core value and part of its core business. This encompasses not only skin care and protection, but also responsibility towards our fellow human beings and our environment. Sustainability is a living component of Beiersdorf’s corporate culture and is strategically anchored in all its business processes. Beiersdorf’s goal is to continue to combine success and responsibility.

CORPORATE SUSTAINABILITY

The “We care.” sustainability strategy that Beiersdorf developed in 2011 focuses on the following fields of activity: “Products,” “Planet,” and “People.” The company has defined clear, long-term objectives for each field of activity. By 2020, Beiersdorf aims to:

- generate 50% of its sales from products with a significantly reduced environmental impact (base year 2011),
- have reduced its CO2 emissions by 30% per product sold (base year 2005),
- reach and improve the lives of one million families (base year 2013).

In 2014, Beiersdorf continued to drive forward the implementation of projects in all three strategic areas throughout the company.

For example, Beiersdorf introduced a new global sustainability management system – “susy” (sustainability system) – in the year under review to measure progress towards its ambitious sustainability goals on an even broader basis and to facilitate reporting in accordance with GRI (Global Reporting Initiative) standards, among other things. Efficient and transparent data management enables Beiersdorf to respond dynamically to and accommodate constantly changing stakeholder demands, new European directives, and developments in the field of sustainability. In addition, improved control mechanisms ensure that these are optimally integrated with its internal processes.

PRODUCTS

Beiersdorf uses life cycle assessments (LCAs) to measure and reduce the environmental impact associated with each stage of the product life cycle. The assessment model complies with the independent ISO standards for LCAs (14040 and 14044) and covers raw materials, in-house manufacturing processes, transportation, product use, recycling, and disposal.

Beiersdorf made important progress in the year under review using LCAs: The new packaging for NIVEA Face Care products achieves CO2 savings throughout the entire product life cycle since the jars are made out of two plastics, polyethylene terephthalate (PET) and polypropylene (PP). The LCA found that switching from glass to PET reduces the product’s carbon footprint by up to 16%, and switching from glass to PP by as much as 28%.

Beiersdorf has also made further progress in transitioning to sustainable palm kernel oil. In addition to participating in the Roundtable on Sustainable Palm Oil (RSPO), the company is also active in the “Forum für nachhaltiges Palmöl” (FONAP – the German Forum for Sustainable Palm Oil). By 2020, Beiersdorf intends to have converted the raw materials concerned to segregated or at least mass balanced palm (kernel) oil and derivatives. Until the changeover is complete, it will offset the share of raw materials that have not yet been converted with Green Palm certificates.

PLANET

In 2014, Beiersdorf rolled out a software program to calculate and manage its logistics emissions in Europe. The software is linked to susy, the new sustainability management system. Among other functions, it presents emissions for annual reporting purposes in accordance with the GRI and the Carbon Disclosure Project (CDP).

The new factory in Silao (Mexico) was awarded platinum Leadership in Energy and Environmental Design (LEED) certification, the highest sustainability standard for buildings, in the year under review. So far, only four production facilities worldwide have received platinum certification – the one in Silao is the only one to date in the Latin American region and the only one to date in the cosmetics industry. Beiersdorf aims to achieve gold LEED certification for the expansion of its factories in Chile and Thailand. The company has also been extending its “Blue Production Center” initiative to its production facilities in the Far East since 2013. The initiative focuses on energy and water efficiency, water treatment, and waste management.

Water is an increasingly scarce resource, not least in light of climate change and global population growth. This is why Beiersdorf attaches great importance to using water efficiently in its business activities and to continually reducing its water consumption. Unlike CO_2 emissions, water consumption is a regional issue. Some regions of the world do not have adequate access to drinking water. Beiersdorf has therefore launched its first local projects to assess water supply system risk and to implement appropriate measures.

PEOPLE

Beiersdorf aims to further improve workplace safety and to reduce the number of work-related accidents with its company-wide “zero accidents” initiative. For example, behavioral based safety (BBS) principles are being drawn up to make employees aware of possible sources of danger in the workplace and safe working practices – such as by defining clear behavioral patterns expressed in terms of “I will” and “I will not” rules. The concept was extended to include additional countries in 2014.

NIVEA supports families all over the world with long-term, locally relevant projects through its global “NIVEA cares for family” initiative. The initiative focuses on three areas:

- developing children’s skills,
- supporting mothers,
- giving families the opportunity to spend time with each other.

The idea of strengthening families reflects Beiersdorf’s tradition of social engagement and the core values of all of Beiersdorf’s brands, especially NIVEA.

Children’s experiences in the first few years of life are central to their development. NIVEA Brazil has launched a partnership with children’s charity Plan International that aims to help around 85,000 families in Brazil by 2020. Among other measures, the initiative offers workshops for parents on topics such as motivation, and gives women the opportunity to obtain advice on income security. It is also building recreational facilities to encourage families to play together. Many of these projects are being supported by NIVEA volunteers. The partnership is scheduled to last for seven years and is initially starting in São Paulo and Itatiba before being extended to northeast Brazil. It will be reviewed annually for efficiency and sustainability.

Hansaplast/Elastoplast cooperates with local Red Cross organizations around the world to strengthen everyday first aid under the motto “Bringing First Aid Home.” Germany, France, the United Kingdom, Canada, the Netherlands, Austria, and Spain are already participating in the initiative. Hansaplast has been working with the German Red Cross since September 2014 under the motto “Erste Klasse – Erste Hilfe” (“First Grade – First Aid”). The partnership aims to familiarize elementary school children with basic first aid measures and to foster a desire to help at an early age.

Additional information can be found at
WWW.BEIERSDORF.COM/SUSTAINABILITY.

Employees

ONE TEAM WHERE EVERYONE COUNTS

Beiersdorf AG employed 1,911 people as of December 31, 2014 (previous year: 1,844). The number of vocational trainees and trainees was 194 (previous year: 269).

THREE BASIC PRINCIPLES OF GLOBAL PEOPLE PRACTICES

Beiersdorf's Human Resources practices follow three basic operating principles. Firstly, the continuous strengthening of global HR standards and processes. Secondly, the delegation of decision-making to the lowest possible level, encouraging local HR professionals to take ownership and initiative. Thirdly, building and sustaining a long-term trustful relationship with the company's employees and their representatives.

STRENGTHENING THE FUNDAMENTALS OF AN ENGAGING WORKING ENVIRONMENT

The Blue Agenda emphasizes the importance of the people at Beiersdorf for the company's long-term success: they manage strong brands, develop innovative products and inspire consumers around the world. Therefore, strengthening an engaging working environment remained a top priority also in 2014, including the following focus areas:

- Introducing Beiersdorf's Core Values as long-term company culture project
- Sustaining the efforts to foster an open feedback culture
- Extending diversity engagement
- Supporting company-wide social collaboration
- Improving Beiersdorf's global talent management system
- Introducing a new leadership development architecture

INTRODUCING BEIERSDORF'S CORE VALUES AS A LONG-TERM COMPANY CULTURE PROJECT

Beiersdorf's four Core Values – Care, Simplicity, Courage and Trust – are deeply rooted in its more than 130 years of corporate history. The employees' high level of identification with these values provides an excellent opportunity to debate, review, and improve leadership quality and management effectiveness. 2014 marked the starting year of this long-term culture project with the active participation of all units and all employees. The Core Values have also already been incorporated into Beiersdorf's continuous Employee Dialog process and its global leadership development programs.

SUSTAINING THE EFFORTS TO FOSTER AN OPEN FEEDBACK CULTURE

Beiersdorf conducted its global employee engagement survey for the second time in 2014. This year, a record 92% of employees took part in the survey and the overall employee engagement index increased significantly against the previous year. Results were openly presented throughout the company and discussed in more than 1,000 teams, with follow-up activities being facilitated and their implementation monitored by the local HR departments.

EXTENDING DIVERSITY ENGAGEMENT

Diversity is a strong asset that contributes to Beiersdorf's global success. In 2014, Beiersdorf continued its systematic global diversity action program launched in 2013.

On gender diversity, Beiersdorf's mentoring and networking programs promoting women's career development continued into a second wave. In practice, the first examples of job sharing at managerial level have been progressing successfully. Beiersdorf is well on its way to increasing the percentage of women in management positions in Germany to 30% by 2020: At the end of 2014, this figure stood at 27.5% (previous year: 25.5%).

On international diversity, Beiersdorf further increased the number of international employees at its Hamburg headquarters to 13% by the end of 2014 (previous year: 12%). The number of senior managers with international experience remained on a high level: about half of them have long-term overseas working experience.

SUPPORTING COMPANY-WIDE SOCIAL COLLABORATION

In 2013, Beiersdorf created BluePlanet – an internal platform for communication and collaboration that makes cross-border and cross-functional teamwork more efficient. In its first full year, BluePlanet has already become a vital part of employees' work life, with an average of 6,000 active users per month.

IMPROVING BEIERSDORF'S GLOBAL TALENT MANAGEMENT SYSTEM

Global talent management is a strategic priority: talent and people development is an integral part of every Executive Board meeting. Talent development at Beiersdorf consists of a variety of face-to-face exchanges such as coaching, mentoring, or round table events. In addition, annual "Talent Days" are held in which young executives discuss current business issues directly with the Executive Board. In 2014, process integration was the centerpiece of improvement initiatives: Firstly, the integration of all essential aspects of career development into one documented process chain covering performance, potential, individual development, and career planning. Secondly, the integration of local, regional, and global activities, creating a single, streamlined global process.

INTRODUCING A NEW LEADERSHIP DEVELOPMENT ARCHITECTURE

Beiersdorf's leadership development concept consists of on-the-job learning, mentoring and coaching, and classroom training elements. It puts particular emphasis on authenticity and self-reflection, decoding leadership into the management of human relationships. In 2014, two newly-designed development programs were launched in conjunction with the Core Value initiative: a “Base Camp” for first-time leaders and a “Step-up Camp” for middle and senior level managers. Both programs combine face-to-face modules with complementary coaching and experiential learning in-between over a total period of six months, and also closely involve the participants’ team leaders.

PEOPLE-ORIENTED WORKFORCE MANAGEGEMENT DAY-BY-DAY

Throughout 2014, many remarkable local and regional people initiatives brought Beiersdorf’s philosophy of care and trust to life. In view of the high youth unemployment rate in southern Europe, Beiersdorf set up a program to hire 30 young academics in addition to its business plan. More than 70% of this group were offered permanent contracts in 2014 to continue their work. Many countries were hit hard by economic, political, and public health crises in 2014. Beiersdorf was able to maintain a high level of organizational stability in these cases through responsive and responsible HR practice. In Wuhan, China, Beiersdorf further extended its regional development capacities. In Brazil, Beiersdorf was one of the country’s TOP 150 employers* for the third year in a row. In Mexico, the construction of a new production facility and the relocation of the existing plant from Vallejo to Silao affecting more than 900 employees, was successfully completed. In Germany, 30 students out of about 400 applicants from all over Europe came to Hamburg in November 2014 to participate in Beiersdorf’s first “International Internship Challenge” for three fully sponsored internship positions at Beiersdorf affiliates worldwide. This marked a successful shift towards a new approach in communicating with young talents: Instead of simply giving presentations on university campuses, Beiersdorf opens its offices, labs, canteen, and kindergarten and establishes an open dialog between employees and students.

Remuneration of the Executive and Supervisory Boards

For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of the members’ individual remuneration, please refer to the remuneration report in the chapter entitled “Corporate Governance,” starting on page 10. The remuneration report forms part of the management report and the annual financial statements.

* Voce S/A Guide – Best Companies to Work for, FIA – Fundacao Instituto de Administracao (October 2014)

Risk Report

Integrated Risk and Opportunity Management

Entrepreneurial success cannot be achieved without consciously taking risks. Risk management helps us to master the risks associated with the strategic objectives of the business and to maximize our strategic potential. Regular strategy reviews ensure that opportunities and risks are reasonably balanced. We incur risks only if there is a corresponding opportunity for an appropriate increase in value and if they can be managed using established methods and measures within our organization. Relevant risks are identified and captured in a structured manner. They are classified based on the estimated probability of occurrence and the potential financial impact if they were to occur.

Risk management is an integral part of central and local planning, management, and control processes, and conforms to consistent standards across the Group. Our open communications policy, the risk inventory carried out at regular intervals, and the planning and management system ensure that our risk situation is presented transparently. Risk management is coordinated at Group headquarters. Our risk management structures and workflows are documented in a dedicated manual.

Accounting-related Internal Control System

An accounting-related internal control system is used to ensure the correctness of the bookkeeping and accounting as well as the reliability of the financial reporting in the annual financial statements and the management report. This integral element of the accounting process comprises preventive, monitoring, and detective measures designed to ensure security and control in accounting and the operational functions. The security measures and controls reduce the probability of errors occurring and uncover any that are made at an early stage. Among other things, the measures include the separation of functions, manual and IT-based approval processes using the dual control principle, IT checks, access restrictions and authorization concepts for the IT system, and systems-based processes for handling accounting data.

Shared service centers handle the core accounting processes at Beiersdorf AG. The basic principles and processes and the reporting structure for accounting are documented in an accounting and financial control manual. Legislation, accounting standards, and pronouncements are analyzed for their relevance and impact and taken into account as necessary.

Independent Monitoring

Our Internal Audit department – which serves as the Executive Board's financial control function – monitors risk management and the internal control system by means of systematic and regular audits. The department is independent of the Group's operating activities, and uses a risk-based approach to reviewing our business processes and the systems and controls we have put in place. In addition, the external auditors audit the risk early warning and monitoring system. Both the Internal Audit department and the external auditors regularly report their audit findings to the Supervisory Board and in particular to its Audit Committee.

Our Risk Profile

STRATEGIC AND SECTOR-SPECIFIC RISKS

Maintaining and increasing the value of our major consumer brands with their broad appeal is of central importance for Beiersdorf's business development. We have geared our risk management system towards protecting the value of our brands. Our compliance with high standards of product quality and safety is the basis for our consumers' continued trust in our brands. We therefore perform in-depth safety assessments, which take into account consumer feedback on earlier products, when developing new products. Our products are subject to the strict criteria of our quality management system throughout the entire procurement, production, and distribution process.

Innovations based on strong research and development are a precondition for consumer acceptance of our products, and for the latter's appeal. Prudent brand management captures consumer trends as well as the results of in-depth market and competitive analyses, and at the same time ensures that the brand's core remains intact and is carefully enhanced.

Strong brands that balance innovation and continuity are our response to fierce global competition on price, quality, and innovation. We have laid the groundwork for identifying consumer wishes and reflecting them in the products we develop even faster by developing and implementing the "Consumer Insights" process. This also counteracts the growing retail concentration and the regional emergence of private label products.

Since expertise-based brands require a high degree of upfront investment in innovation and marketing, the continuous expansion of our trademark and patent portfolio plays a key role. In particular, the systematic registration and enforcement of our intellectual property rights prevents imitations and counterfeiting of our products, and thus helps safeguard and further increase the earnings potential previously created. Third-party intellectual property rights are identified and respected when developing new products.

Our management focus on the long-term success of our market activities ensures that we invest in promising markets in terms of both products and regions. At the same time, we ensure that we are generating the funds needed for this in the long term.

SUPPLY CHAIN AND IT RISKS

We counter procurement risks relating to the availability and price of raw materials, merchandise, and services by continuously monitoring our markets and suppliers and ensuring active management of our supplier portfolio, as well as by appropriate contract management. Procurement strategies are reviewed regularly and adjusted to reflect internal and external requirements. We counter compliance risks by providing clear management structures and through efficient organizational measures. Occupational safety, environmental, and business interruption risks in our production and logistics activities are minimized by process control checks and location-specific audits. We minimize risks relating to the availability, reliability, and efficiency of our IT systems through continuous monitoring and improvements, as well as through the establishment of a continuity management system that is an integrated part of our IT operations. We counter selected risks by transferring them to insurance companies.

Cooperation and contacts with universities enable us to build early links to qualified new employees, for whom we have special trainee programs to prepare them for a career at Beiersdorf. Our uniform global talent management process identifies and develops talented specialists and management personnel at all levels and supports the appointment of qualified staff in key positions throughout the company as these become vacant.

FINANCIAL RISKS

We counter the risk of bad debts through detailed monitoring of our customer relationships, active receivables management, and the selective use of trade credit insurance.

Currency, interest rate, and liquidity risks are subject to active treasury management based on global guidelines. They are managed and hedged centrally to a very large extent, whereby the specific requirements for the organizational separation of the trading, settlement, and controlling functions are taken into account. Derivative financial instruments serve primarily to hedge operational activities and financial transactions essential to the business. They do not expose the Group to any material additional risks.

We limit currency risks from intragroup deliveries of goods and services using currency forwards. Generally, 75% of forecasted annual net cash flows are hedged (cash flow hedges on forecasted transactions). Currency risks from cross-border intragroup financing are generally hedged in the market by the central Treasury department using currency forwards.

Potential default risks relating to the investment of the Group's liquid funds are limited by only making investments with defined, reliable counterparties. Counterparty risk is monitored on the basis of ratings and the counterparties' liable capital as well as continuously updated risk indicators. These parameters are used to determine maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared regularly with the investments actually made throughout the Group. We have invested the majority of our liquidity in low-risk investments (such as government/corporate bonds and Pfandbriefe).

We use liquidity concentration methods and tools at our affiliates in order to optimally manage our investments. Appropriate systems ensure we have transparency concerning our affiliates' remaining funds. Positive balances are registered with central counterparty risk management. Our financial risk management is characterized by the clear allocation of responsibilities, central rules for limiting financial risks as a matter of principle, and the conscious alignment of the instruments deployed with the requirements of our business activities.

Further information on the extent of the currency, interest rate, default, and liquidity risks described above can be found in note 24 of the notes to the annual financial statements, "Derivative Financial Instruments."

LEGAL RISKS

Along with other international companies, the Beiersdorf Consumer Business Segment's Brazilian affiliates are involved in tax proceedings on a national level. However, no conclusive assessment of the risk from the Group perspective is possible at present.

External tax audits can result in additional tax payments at individual companies, potentially with additional financial penalties and interest payments.

Overall Assessment of Beiersdorf AG's Risk Situation

Our assessment of the risk situation is the result of our examination of all material individual risks listed above. There have been no structural changes in the risk situation compared with the previous year. Based on our current assessment, Beiersdorf AG is not exposed to any risks that could endanger its continued existence.

Report by the Executive Board on Dealings among Group Companies

In accordance with § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*), the Executive Board has issued a report on dealings among Group companies which contains the following concluding declaration: "According to the circumstances known to us at the time the transactions were executed, or measures were taken or not taken, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the fact that measures were taken or not taken."

Report on Post-Balance Sheet Date Events

No significant events occurred after the end of the fiscal year.

Disclosures Required by Takeover Law (§ 289 (4) *HGB*)

The disclosures required under § 289 (4) *Handelsgesetzbuch* (German Commercial Code, *HGB*) are presented below.

Please refer to the notes to the annual financial statements for the disclosures on the composition of the subscribed capital and the disclosures on direct or indirect interests in the share capital exceeding 10% of the voting rights. In addition to this Michael Herz, Germany, has informed the Executive Board that further shares in Beiersdorf Aktiengesellschaft are attributable to him and that he directly holds shares in Beiersdorf Aktiengesellschaft. In total, the share of voting rights held by Michael Herz in Beiersdorf Aktiengesellschaft amounts to 60.69% (including 9.99% own shares held by Beiersdorf Aktiengesellschaft, which do not bear voting or dividend rights).

The appointment and removal from office of members of the Executive Board are governed by §§ 84 and 85 *Aktiengesetz* (German Stock Corporation Act, *AktG*), § 31 *Mitbestimmungsgesetz* (German Codetermination Act, *MitbestG*), and § 7 of the Articles of Association. In accordance with § 7 of the Articles of Association, the Executive Board consists of at least three persons; apart from this provision, the Supervisory Board determines the number of members of the Executive Board. The Articles of Association may be amended in accordance with §§ 179 and 133 *AktG* and with § 16 of the Articles of Association. Under § 16 of the Articles of Association, the Supervisory Board is authorized to resolve amendments and additions to the Articles of Association that concern the latter's wording only. Under § 5 (6) of the Articles of Association, the Supervisory Board is authorized in particular to amend and reformulate § 5 of the Articles of Association (Share Capital) following each utilization of authorized or contingent capital.

The Annual General Meeting on April 29, 2010, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until April 28, 2015, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);

2. to the extent necessary to grant the holders/creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indi-rect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. In the context of the restriction of this authorization to a total of 10% of the share capital, those shares must be included for which the preemptive rights of shareholders have been disapplied since April 29, 2010, in accordance with § 186 (3) sentence 4 *AktG* when the authorization to sell own shares is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is utilized (Authorized Capital II);

4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board was also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

In addition, the Annual General Meeting on April 29, 2010, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par value bearer shares. The contingent capital increase will be implemented only to the extent that:

1. the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation, and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

The Annual General Meeting on April 29, 2010, also authorized the company in accordance with § 71 (1) no. 8 *AktG* to purchase own shares in the total amount of up to 10% of the existing share capital in the period up to April 28, 2015. The shares shall be purchased via the stock exchange or via a public purchase offer addressed to all shareholders. The Annual General Meeting authorized the Executive Board, with the approval of the Supervisory Board, to sell in whole or in part the own shares purchased on the basis of the abovementioned or a prior authorization while disapplying shareholders' preemptive rights, including in a way other than via the stock exchange or via a purchase offer to all shareholders, to the extent that these shares are sold for cash at a price that does not fall materially below the market price of the same class of shares of the company at the time of the sale. The Executive Board was also authorized, with the approval of the Supervisory Board, to utilize the abovementioned own shares in whole or in part as consideration or partial consideration in the context of a merger or the acquisition of companies, equity interests in companies (including increases in equity interests), or business units of companies, while disapplying the preemptive rights of shareholders. Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize these own shares in whole or in part, while disapplying the preemptive rights of shareholders, in order to satisfy the subscription and/or conversion rights from convertible bonds and/or bonds with warrants issued by the company or companies in which it holds a direct or indirect majority interest. Finally, the Executive Board was authorized, with the approval of the Supervisory Board, to retire the abovementioned own shares without requiring an additional resolution by the Annual General Meeting.

The creation of the authorized and contingent capital is intended to put the company in the position of being able to react to growth opportunities and capital market situations quickly and flexibly. The authorization to purchase and utilize own shares enables the company in particular to also offer shares of the company to institutional or other investors and/or to expand the shareholder base of the company, as well as to utilize the purchased own shares as consideration for the acquisition of companies or equity interests in companies (including increases in equity interests), or as part of a merger, i.e., against non-cash consideration.

Report on Expected Developments

Expected Macroeconomic Developments

The **global** economic situation looks set to see only moderate improvement in 2015. We expect that this trend will be driven mainly by the industrialized nations, while growth in the emerging markets will continue to lose momentum. Tapering of bond sales and a planned increase in key interest rates by the US Federal Reserve, coupled with developments in the current crisis regions, are causing substantial uncertainty as regards global economic growth.

In **Europe,** we expect growth in 2015 to be up slightly on the prior year. Since the economic recovery in the eurozone is only processing slowly, necessary reforms and structural adjustments will continue to restrict the potential for growth in some countries. Besides the uncertain effects of tapering by the US Federal Reserve, factors that could put the recovery at risk include ongoing high unemployment in many countries, the lack of appetite for reform in certain European countries, and geopolitical unrest. Overall, we anticipate a relatively muted trend due to the still weak economy in some countries.

In **Germany**, we expect growth to outstrip that in the rest of Europe in the coming year, and that it will continue to be driven by consumer spending and increasing investment as a result of the expansionary monetary policy.

We expect slightly higher growth in the **United States** economy in 2015. Consumer spending is set to rise as a result of the further decline in unemployment. The increased confidence of American companies and the favorable economic environment are likely to be reflected in an increase in capital expenditure. However, tapering of bond sales and the planned increase in interest rates are a source of uncertainty for the economy and the financial markets.

In **Japan**, we expect growth to be on a level with the previous year. The Bank of Japan's continued expansionary monetary policy and the cheap yen are likely to have a positive impact on foreign trade.

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 more challenging. In India, we expect to see slightly higher growth than in the previous year, with continued high single-digit inflation. We anticipate slight growth in the emerging markets of Southeast Asia. Given the highly protectionist tendencies in many Latin American countries, particularly in Venezuela, Ecuador, and Argentina, developments are difficult to forecast for this area.

The Russian economy is being impacted by the fall in oil prices, the fall of the ruble, and the results of sanctions.

Procurement Market Trends

Lower oil prices will cut purchase costs for the oil refining industries. However, as the prices of the refined materials are affected most strongly by supply and demand in their respective markets, we expect only a limited positive impact on procurement costs. The current weakness of the euro on the currency market is countering this trend slightly. In 2014, Beiersdorf stepped up its efforts across all its functions to identify and implement cost reduction opportunities. These activities will be continued in 2015, with the aim of largely keeping purchase costs constant.

Sales Market Trends

We believe that the global growth rate in the cosmetics market – the market relevant for Beiersdorf – will remain at the prior-year level in 2015. The emerging markets will make a positive contribution to overall performance, although momentum is likely to ease year-on-year.

Our Market Opportunities

Market performance will remain mixed in 2015 and competition will continue to increase in some markets. The corporate strategy set out in our Blue Agenda will allow us to meet the challenges of tomorrow and hence to achieve our objectives. We see strong opportunities both in systematically expanding our presence in the emerging markets and in consolidating our position in our European markets. We aim to drive this process by strengthening our brands – especially NIVEA, Eucerin, and La Prairie – and boosting our innovation power. This analysis underpins our planning for 2015.

We will build on our sound financial structure and strong earnings position together with our dedicated and highly qualified employees to continue exploiting future opportunities with our internationally successful brand portfolio. Extensive research and development activities resulting in successful, consumer-driven innovations will be flanked by targeted marketing measures, strengthening our brand core and creating enduring confidence among our consumers.

Business Developments

Our assessment of business developments in the coming year is based on the above assumptions.

On this basis, we expect sales to increase moderately in 2015.

With respect to Beiersdorf AG's normalized operating result, we are planning for an operating margin on a level with the previous year in 2015.

We expect dividend income to be around the prior-year level. It should be noted in this context that both Beiersdorf AG's operating result and its financial result are influenced by effects arising from its provision of typical holding company services to Group companies.

We firmly believe that we are well positioned for the future thanks to our internationally successful brand portfolio, our innovative and high-quality products, and our dedicated employees.

Hamburg, February 3, 2015
Beiersdorf AG

The Executive Board

Income Statement – Beiersdorf AG

(IN € MILLION)

	Note	2013	2014
Sales	01	**1,088**	**1,138**
Other operating income	02	107	114
Cost of materials	03	–268	–274
Personnel expenses	04	–232	–235
Depreciation and amortization of property, plant, and equipment, and intangible assets	05	–24	–25
Other operating expenses	06	–541	–553
Operating result		**130**	**165**
Net income from investments	07	441	284
Net interest expense	08	–10	2
Other financial result	09	–	–5
Financial result		**431**	**281**
Result from ordinary activities		**561**	**446**
Extraordinary result	10	**2**	**–**
Income taxes	11	–74	–64
Profit after tax		**489**	**382**
Transfer to other retained earnings	31	–244	–191
Net retained profits		**245**	**191**

Balance Sheet – Beiersdorf AG

(IN € MILLION)

Assets	Note	Dec. 31, 2013	**Dec. 31, 2014**
Intangible assets	13	34	20
Property, plant, and equipment	14	97	97
Financial assets	15	1,579	1,608
Fixed assets		**1,710**	**1,725**
Inventories		3	4
Receivables and other assets	16	432	598
Securities	17	1,540	1,579
Cash and cash equivalents	18	258	271
Current assets		**2,233**	**2,452**
Prepaid expenses		**3**	**3**
Deferred tax assets	11	**–**	**9**
Excess of plan assets over post-employment benefit liability	20	**6**	**3**
		3,952	**4,192**

Equity and liabilities	Note	Dec. 31, 2013	**Dec. 31, 2014**
Share capital		252	252
Own shares		–25	–25
Issued capital		227	227
Additional paid-in capital		47	47
Retained earnings		1,514	1,792
Net retained profits		245	191
Equity	19	**2,033**	**2,257**
Provisions for pensions and other post-employment benefits	20	441	449
Other provisions	21	198	184
Provisions		**639**	**633**
Liabilities to banks		–	–
Trade payables		47	54
Other liabilities		1,231	1,248
Liabilities	22	**1,278**	**1,302**
Deferred tax liabilities	11	**2**	**–**
		3,952	**4,192**

Basis of Preparation of Beiersdorf AG's Financial Statements

The annual financial statements of Beiersdorf AG are prepared in accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code, *HGB*) as amended by the *Bilanzrechtsmodernisierungsgesetz* (German Accounting Law Modernization Act, *BilMoG*) and the *Aktiengesetz* (German Stock Corporation Act, *AktG*). The recommendations of the German Corporate Governance Code that are relevant to the annual financial statements were taken into account.

The financial statements comprise the balance sheet, the income statement, and the notes. The income statement was prepared using the total cost (nature of expense) method. Where items in the balance sheet and the income statement have been summarized to aid clarity, they are disclosed and explained separately in the notes. The annual financial statements are prepared in euros (€); amounts are given in millions of euros (€ million). The accounting policies applied in the year under review were unchanged as against the previous year.

As a parent company, Beiersdorf AG prepares its own consolidated financial statements. Beiersdorf's consolidated financial statements are also included in the consolidated financial statements of maxingvest ag, Hamburg, which prepares the consolidated financial statements for the largest group of companies. Both sets of consolidated financial statements are published in the *Bundesanzeiger* (Federal Gazette).

Notes to the Income Statement

01 Sales

Beiersdorf AG is responsible for business in Germany with branded consumer products for skin and body care, which are bundled in the Consumer Business Segment. It also provides typical holding company services to affiliates in the course of its ordinary activities. Beiersdorf AG's sales increased by €50 million to €1,138 million (previous year: €1,088 million).

SALES BY REGION (IN € MILLION)

	2013	2014
Germany	860	903
Rest of Europe	126	126
Americas	45	45
Africa/Asia/Australia	57	64
	1,088	**1,138**

02 Other Operating Income

(IN € MILLION)

	2013	2014
Income from the disposal of fixed assets	1	12
Income from the reversal of provisions	38	31
Currency translation gains on trade receivables and payables	3	4
Income from services provided to affiliated companies	56	59
Other income	9	8
	107	**114**

03 Cost of Materials

The cost of materials of €274 million (previous year: €268 million) includes the acquisition cost of the goods sold.

04 Personnel Expenses

(IN € MILLION)

	2013	2014
Wages and salaries	178	195
Social security contributions and other benefits	22	23
Pension expenses	32	17
	232	**235**

05 Depreciation and Amortization of Property, Plant, and Equipment, and Intangible Assets

In addition to depreciation and amortization, no impairment losses were recognized on property, plant, and equipment in the fiscal year (previous year: €0 million).

06 Other Operating Expenses

(IN € MILLION)

	2013	2014
Marketing expenses	331	346
Maintenance costs	8	8
Outgoing freight	7	6
Write-downs of receivables	1	1
Currency translation losses on trade receivables and payables	8	7
Third-party services	28	22
Legal and consulting costs	29	20
Other personnel expenses	14	12
Costs of services invoiced by affiliated companies	66	78
Other taxes	2	1
Other expenses	47	52
	541	**553**

07 Net Income from Investments

(IN € MILLION)

	2013	2014
Income from investments	352	214
(thereof from affiliated companies)	(352)	(214)
Income from profit transfer agreements	73	67
Reversals of write-downs of financial assets and securities classified as current assets	16	–
Income from the disposal of shares in affiliated companies and other equity investments	–	5
Write-downs of financial assets and securities classified as current assets	–	–2
	441	**284**

08 Net Interest Expense

(IN € MILLION)

	2013	2014
Other interest and similar income	17	27
(thereof from affiliated companies)	(2)	(2)
Interest and similar expenses	–6	–3
(thereof to affiliated companies)	(–3)	(–3)
Expenses from unwinding of discounts on provisions for pensions and other long-term obligations	–21	–22
	–10	**2**

09 Other Financial Result

(IN € MILLION)	2013	2014
Other financial income	60	35
Other financial expenses	–60	–40
	–	–5

Other financial income comprises currency translation gains on financial items of €35 million (previous year: €59 million). Other financial expenses comprise currency translation losses on financial items of €39 million (previous year: €59 million) and miscellaneous financial expenses of €1 million (previous year: €1 million).

10 Extraordinary Result

The extraordinary result for the prior-year period primarily comprised income of €2 million from the reversal of provisions that were established during the realignment of corporate structures and processes.

11 Income Taxes

Corporation tax, the solidarity surcharge, trade tax, and paid withholding tax are reported as income tax expenses. Deferred tax expenses and income are also included in this item. Any aggregate tax liability resulting from differences between the carrying amounts in the financial statements of assets, liabilities, or items of prepaid expenses and deferred income, and their tax base that are expected to reverse in future fiscal years must be recognized as deferred tax liabilities. Any resulting aggregate tax benefit may be recognized as deferred tax assets. The amounts are measured using the company's individual tax rate of 31.6% (previous year: 31.6%).

Beiersdorf AG is the consolidated income tax group parent of various consolidated tax group subsidiaries. A consolidated income tax group exists if a consolidated tax group subsidiary within the meaning of § 14 (1) sentence 1 in conjunction with § 17 (1) sentence 1 *Körperschaftssteuergesetz* (German Corporate Income Tax Act, *KStG*) undertakes by way of a profit transfer agreement within the meaning of § 291 (1) *AktG* to transfer its entire profit to a single other commercial enterprise. As a result, the income of the consolidated tax group subsidiary is attributable to the entity's parent (consolidated tax group parent). Future tax liabilities or benefits resulting from temporary differences between the carrying amounts of assets and liabilities or items of prepaid expenses and deferred income in the annual financial statements of the consolidated tax group subsidiaries and their corresponding tax base are therefore recognized in Beiersdorf AG's annual financial statements.

Deferred tax assets of €16 million (previous year: €13 million) were recognized for pension provisions as a result of the higher liabilities recognized in the financial statements as against the tax base. Other deferred tax assets of €10 million (previous year: €8 million) were due to certain other provisions not being recognizable for tax purposes, or to lower values being recognized. Deferred tax liabilities mainly result from differences in the carrying amounts of fixed assets of €20 million (previous year: €23 million).

Overall, Beiersdorf AG expects an aggregate future tax benefit of €9 million (previous year: future tax liability of €2 million) from its own temporary accounting differences and those relating to companies in its consolidated tax group as of December 31, 2014. The tax result for the fiscal year includes income of €11 million from deferred taxes (previous year: expense of €6 million).

12 Other Taxes

Other taxes are reported under other operating expenses. They amounted to €1 million (previous year: €2 million).

Notes to the Balance Sheet

13 Intangible Assets

(IN € MILLION)

	Purchased patents, licenses, trademarks, and similar rights and assets	Advance payments	Total
Cost			
Opening balance Jan. 1, 2014	**391**	**–**	**391**
Additions	–	–	–
Disposals	–	–	–
Transfers	–	–	–
Closing balance Dec. 31, 2014	**391**	**–**	**391**
Amortization			
Opening balance Jan. 1, 2014	**357**	**–**	**357**
Write-downs	14	–	14
Reversals of write-downs	–	–	–
Disposals/transfers	–	–	–
Closing balance Dec. 31, 2014	**371**	**–**	**371**
Carrying amount Dec. 31, 2014	**20**	**–**	**20**
Carrying amount Dec. 31, 2013	34	–	34

Purchased intangible assets are carried at cost less straight-line amortization. Intangible assets are generally amortized over a period of five years, and in exceptional cases over three to ten years. Internally generated intangible assets and research and development expenses are not capitalized.

Write-downs for impairment are recognized if more than temporary impairments in value are likely to occur. Write-downs are reversed up to amortized cost if the reasons for the impairment no longer apply.

14 Property, Plant, and Equipment

(IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Cost					
Opening balance Jan. 1, 2014	**230**	**2**	**108**	**2**	**342**
Additions	3	–	8	3	14
Disposals	–13	–	–3	–	–16
Transfers	–	–	2	–2	–
Closing balance Dec. 31, 2014	**220**	**2**	**115**	**3**	**340**
Depreciation					
Opening balance Jan. 1, 2014	**153**	**2**	**90**	**–**	**245**
Depreciation	4	–	7	–	11
Disposals/transfers	–10	–	–3	–	–13
Closing balance Dec. 31, 2014	**147**	**2**	**94**	**–**	**243**
Carrying amount Dec. 31, 2014	**73**	**–**	**21**	**3**	**97**
Carrying amount Dec. 31, 2013	77	–	18	2	97

Property, plant, and equipment is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. Buildings are depreciated on a straight-line basis over a useful life of 25 to 50 years. Assets acquired since 2010 are depreciated on a straight-line basis as the principle that tax dictates financial accounting no longer applies. In the years prior to 2010, additions were generally depreciated using the declining-balance method at first to the extent permitted by law and subsequently using the straight-line method of depreciation. The useful life of technical equipment and machinery, and office and other equipment, is generally ten years, and in exceptional cases three to 15 years.

We write off low-value assets up to €150 in full in the year of acquisition. Assets costing between €150 and €1,000 are pooled and written down over five years.

Write-downs for impairment are recognized if more than temporary impairments in value are likely to occur. Write-downs are reversed up to amortized cost if the reasons for the impairment no longer apply.

15 Financial Assets

(IN € MILLION)

	Investments in affiliated companies	Other equity investments	Long-term securities	**Total**
Cost				
Opening balance Jan. 1, 2014	**1,590**	**–**	**–**	**1,590**
Additions	43	–	–	43
Disposals	–11	–	–	–11
Transfers	–	–	–	–
Closing balance Dec. 31, 2014	**1,622**	**–**	**–**	**1,622**
Write-downs				
Opening balance Jan. 1, 2014	**11**	**–**	**–**	**11**
Write-downs/reversals of write-downs	3	–	–	3
Disposals/transfers	–	–	–	–
Closing balance Dec. 31, 2014	**14**	**–**	**–**	**14**
Carrying amount Dec. 31, 2014	**1,608**	**–**	**–**	**1,608**
Carrying amount Dec. 31, 2013	1,579	–	–	1,579

Financial assets are carried at cost. Write-downs to a lower value at the balance sheet date are charged if the impairment is expected to be more than temporary. Write-downs are reversed up to cost if the reasons for permanent impairment no longer apply.

The additions to investments in affiliated companies are the result of capital increases at existing affiliates, in particular at Nivea India Private Ltd, India, in connection with the construction of the new factory.

16 Receivables and Other Assets

(IN € MILLION)

	Dec. 31, 2013	**Dec. 31, 2014**
Trade receivables	91	122
(thereof due after more than one year)	(–)	(–)
Receivables from affiliated companies	295	397
(thereof due after more than one year)	(–)	(–)
Other assets	46	79
(thereof due after more than one year)	(–)	(–)
	432	**598**

Receivables and other assets are carried at their nominal value. Appropriate individual valuation adjustments are charged for identifiable individual risks. General valuation adjustments are charged to take account of general credit risk.

Receivables and assets due within one year in foreign currencies are translated at the middle spot rate on the balance sheet date. Hedged foreign currency receivables are carried at the hedge rate. There are no receivables and assets in foreign currencies due after more than one year.

Receivables from affiliated companies comprise financial receivables of €287 million (previous year: €191 million) and trade receivables of €110 million (previous year: €104 million).

In addition to a large number of individual items such as payroll receivables and advance payments, the other assets item largely comprises tax receivables and interest receivables on securities.

17 Securities

As of December 31, 2014, Beiersdorf AG had invested a total of €1,579 million in government and corporate bonds, Pfandbriefe, and near-money market retail funds (previous year: €1,540 million). Investments classified as current assets are carried at amortized cost. All bonds and Pfandbriefe are listed. €539 million (previous year: €746 million) of the securities have a remaining maturity of up to one year, and €1,040 million (previous year: €794 million) have a remaining maturity of between one and four years.

18 Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances, cash-on-hand, checks, and short-term liquid investments such as overnight funds and money market funds.

19 Equity

The following changes in equity were recorded in fiscal year 2014:

(IN € MILLION)	Dec. 31, 2013	Utilization of 2013 net retained profits	2014 profit after tax	**Dec. 31, 2014**
Share capital	*252*	–	–	*252*
Own shares	*–25*	–	–	*–25*
Issued capital	227	–	–	227
Additional paid-in capital	47	–	–	47
Legal reserve	4	–	–	4
Other retained earnings	1,511	86	191	1,788
Net retained profits	245	–245	191	191
	2,034	**–159**	**382**	**2,257**

SHARE CAPITAL

The share capital amounts to €252 million and is composed of 252 million no-par value shares.

OWN SHARES

Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf AG has held 25,181,016 no-par value shares, corresponding to 9.99% of the company's share capital.

The presentation of own shares was adjusted in fiscal year 2010 in line with the revised version of § 272 (1 a) *HGB* (as amended). The notional interest in own shares (€25 million) is deducted from the share capital on the face of the balance sheet.

AUTHORIZED CAPITAL

The Annual General Meeting on April 29, 2010, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until April 28, 2015, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *Aktiengesetz* (German Stock Corporation Act, *AktG*).

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);

2. to the extent necessary to grant the holders/creditors of convertible bonds or bonds with warrants issued by Beiersdorf AG, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. In the context of the restriction of this authorization to a total of 10% of the share capital, those shares must be included for which the preemptive rights of shareholders have been disapplied since April 29, 2010, in accordance with § 186 (3) sentence 4 *AktG* when the authorization to sell own shares is utilized and/or when the authorization to issue convertible bonds and/or bonds with warrants is utilized (Authorized Capital II);

4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board was also authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

CONTINGENT CAPITAL

In addition, the Annual General Meeting on April 29, 2010, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par value bearer shares. According to the resolution by the Annual General Meeting, the contingent capital increase will be implemented only to the extent that:

1. the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or
2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2015, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation, and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital comprises the premium arising from the issue of shares by Beiersdorf AG.

RETAINED EARNINGS

The Annual General Meeting on April 17, 2014, resolved to transfer €86 million from net retained profits for fiscal year 2013 to other retained earnings. €191 million of the profit after tax for fiscal year 2014 was transferred to other retained earnings.

DISCLOSURES ON AMOUNTS SUBJECT TO RESTRICTIONS ON DISTRIBUTION

A non-distributable amount of €966 thousand (previous year: €741 thousand) was produced on the difference resulting from the measurement of assets whose fair value exceeds cost, after deduction of the deferred tax liabilities recognized for this purpose. The excess of deferred tax assets over deferred tax liabilities (excluding the deferred tax liabilities recognized in accordance with § 246 (2) sentence 2 *HGB*) resulted in an additional non-distributable amount of €8,933 thousand. Conversely, the amount of retained earnings available for distribution is €1,788 million. Consequently, the net retained profits of €191 million are not subject to any restrictions on distribution.

20 Provisions for Pensions and Other Post-employment Benefits

Pension provisions cover maintenance obligations to former and current employees.

Pension obligations are measured using the projected unit credit method, taking into account future wage, salary, and pension increases. The discount rate for pension commitments used was the average market interest rate calculated and published by the Deutsche Bundesbank that results from an assumed remaining maturity of 15 years. The wage and salary growth figure was 3.5% (previous year: 3.5%), the pension growth figure was 1.75% (previous year: 2.0%), and the discount rate was 4.54% (previous year: 4.88%). Heubeck's "2005 G mortality tables" were used as a basis for calculation.

Assets that serve solely to settle liabilities from post-employment benefit obligations and that are exempt from attachment by all other creditors are offset against the provisions at their fair values. If the fair value of the assets exceeds the amount of liabilities, the excess amount is reported as an "excess of plan assets over post-employment benefit liability." The fair value of assets invested in mixed-use funds was €21 million at the balance sheet date (previous year: €15 million; cost: €19 million); the settlement amount of the offset obligations was €18 million (previous year: €9 million). Excess assets of €3 million (previous year: €6 million) are reported as an "excess of plan assets over post-employment benefit liability" on the assets side of the balance sheet.

21 Other Provisions

(IN € MILLION)

	Dec. 31, 2013	**Dec. 31, 2014**
Provisions for taxes	15	11
Miscellaneous provisions	183	173
(thereof for personnel expenses)	(57)	(66)
(thereof for marketing and selling expenses)	(54)	(64)
(thereof for restructuring)	(2)	(–)
(thereof other)	(70)	(43)
	198	**184**

Other provisions include all identifiable future payment obligations, risks, and uncertain obligations of the company. They are measured using the settlement amount dictated by prudent business judgment to fund future payment obligations. Provisions expected to be settled after more than one year are discounted at the average market interest rate for the past seven years corresponding to their remaining maturity.

Provisions for personnel expenses primarily comprise provisions for partial retirement arrangements, annual bonuses, vacation pay, severance agreements, and anniversary payments. Obligations relating to flextime account balances and partial retirement arrangements are offset against the corresponding dedicated assets – mixed-use funds of €12 million (previous year: €10 million) and pension liability insurance claims of €1 million (previous year: €4 million) – in this item.

The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances, rebates, and returns.

The other provisions relate in particular to outstanding invoices and litigation risks.

22 Liabilities

(IN € MILLION)

	Dec. 31, 2013	**Dec. 31, 2014**
Trade payables	47	54
Liabilities to affiliated companies	1,218	1,243
Other liabilities	13	5
(thereof tax liabilities)	(5)	(4)
(thereof social security liabilities)	(2)	(1)
	1,278	**1,302**

Liabilities are recognized at their settlement amount at the balance sheet date.

Liabilities in foreign currencies due within one year are translated at the middle spot rate on the balance sheet date. Non-current foreign currency liabilities are recognized at the closing rate on the balance sheet date or at the higher rate at the transaction date. Hedged foreign currency liabilities are carried at the hedge rate. There are no liabilities in foreign currencies due after more than one year.

Liabilities to affiliated companies comprise financial liabilities of €1,195 million (previous year: €1,179 million) and trade payables of €48 million (previous year: €39 million).

Of the other liabilities, none (previous year: €2 million) are due in more than one year (of which previous year: €1 million due in more than five years). The liabilities are not collateralized.

Other Disclosures

23 Contingent Liabilities and Other Financial Obligations

(IN € MILLION)	Dec. 31, 2013	Dec. 31, 2014
Contingent liabilities		
Obligations under guarantees and letters of comfort	2	2
(thereof for affiliated companies)	(2)	(2)
Other financial obligations		
Obligations under rental agreements and leases	7	7
Obligations under purchase commitments for investments	4	2
	11	**9**

Obligations from rental agreements and leases are reported at the total amount due until the earliest termination deadline.

The risk of contingent liability claims being asserted is considered to be low.

24 Derivative Financial Instruments

Beiersdorf AG's Corporate Treasury department is responsible for central currency and interest rate management within the Beiersdorf Group, and hence for all transactions involving financial derivatives. Derivative financial instruments are used to hedge the operating business and significant financial transactions that are important to the company. Beiersdorf AG is not exposed to any additional risks as a result. The transactions are performed exclusively using standard market instruments (currency for-wards only, as in the prior year).

Because of the small volume of non-current financial liabilities, interest rate risk is of no more than minor significance for the Beiersdorf Group. As a result, no interest rate hedges are entered into at present.

Beiersdorf AG uses currency forwards to hedge the risk of changes in exchange rates. Currency hedges relate primarily to intragroup deliveries of goods and services. In general, 75% of the planned net cash flows are hedged externally using currency forwards around three to six months before the start of the year; these currency forwards are then largely passed on at matching maturities to Group companies. As a matter of principle, currency risks relating to cross-border intragroup financing are hedged centrally in full and at matching maturities using currency forwards.

All these transactions are centrally recorded, measured, and managed in the treasury management system.

The notional value of the currency forwards at the balance sheet date was €1,620 million (previous year: €1,102 million). Of this amount, €1,575 million is due within one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

The fair value of the currency forwards at the balance sheet date was €5 million (previous year: €–4 million). The fair value is calculated by measuring the outstanding items at market prices at the balance sheet date. At Beiersdorf AG, the derivatives entered into with banks and the offsetting transactions passed on to the subsidiaries or the contracts representing the underlyings form hedges, which are not recognized in the balance sheet. No provisions were established at the balance sheet date for expected losses from foreign currency transactions for derivative financial instruments that are not included in hedge accounting (previous year: €3 million).

The positive fair values of derivatives are exposed in principle to default risk relating to the non-fulfillment of contractual obligations by counterparties. Our external counterparties are banks for which we consider the risk of default to be extremely low.

25 Employees by Function

AVERAGE NUMBER DURING THE YEAR	2013	2014
Research and development	444	480
Supply chain	382	368
Sales and marketing	419	465
Other functions	575	573
	1,820	**1,886**

The annual average number of vocational training positions and trainees, which are not included in the employee figures, was 207 (previous year: 257).

26 Disclosures on the Supervisory and Executive Boards

For fiscal year 2014, the members of the Supervisory Board received remuneration totaling €1,413 thousand (previous year: €1,332 thousand) and the Executive Board received remuneration (including additions to provisions for Enterprise Value Components) totaling €13,300 thousand (previous year: €8,632 thousand). For information on the system of Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the remuneration report in the section entitled "Corporate Governance." The remuneration report forms part of the annual financial statements and the management report. Payments to former members of the Executive Board and their dependents totaled €2,267 thousand (previous year: €2,324 thousand). Provisions for pension obligations to former members of the Executive Board and their dependents totaled €40,402 thousand (previous year: €37,797 thousand).

Members of the Executive and Supervisory Boards did not receive any loans from the company.

27 Auditors' Fees

The Annual General Meeting on April 17, 2014, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditors for fiscal year 2014. The total fees invoiced by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft for the fiscal year are contained in the relevant notes to the consolidated financial statements.

28 List of Shareholdings

The following list shows those companies/equity interests in which Beiersdorf AG holds 5% or more of the shares and/or voting rights. The list does not include companies/equity interests that are of no more than minor significance for the presentation of Beiersdorf AG's net assets, financial position, and results of operations.

BEIERSDORF AG'S SHAREHOLDINGS

Germany

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2014 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2014 (in accordance with IFRSs) in € thousand
La Prairie Group Deutschland GmbH[1]	Baden-Baden	100.00	EUR	1,300,000	3,783	0
Produits de Beauté Logistik GmbH[1]	Baden-Baden	100.00	EUR	10,500,000	33,479	0
Produits de Beauté Produktions GmbH[1]	Baden-Baden	100.00	EUR	8,500,000	12,512	0
Beiersdorf Manufacturing Berlin GmbH[1]	Berlin	100.00	EUR	1,023,000	5,266	0
GUHL IKEBANA GmbH	Darmstadt	10.00	EUR	5,112,919	28,183	7,129
Beiersdorf Beteiligungs GmbH	Gallin	100.00	EUR	50,000	485,865	59,241
Beiersdorf Customer Supply GmbH	Hamburg	100.00	EUR	1,000,000	70,050	11,854
Beiersdorf Hautpflege GmbH	Hamburg	100.00	EUR	25,000	2,659	193
Beiersdorf Immo GmbH	Hamburg	100.00	EUR	25,000	30	2
Beiersdorf Immobilienentwicklungs GmbH	Hamburg	100.00	EUR	25,000	25	0
Beiersdorf Manufacturing Hamburg GmbH[1]	Hamburg	100.00	EUR	1,000,000	22,605	0
Beiersdorf Shared Services GmbH[1]	Hamburg	100.00	EUR	12,000,000	29,713	0
NOIMMO Erste Projekt GmbH & Co. KG	Hamburg	100.00	EUR	5,000	–106	218
One tesa Bau GmbH	Hamburg	100.00	EUR	25,000	41	3
Phanex Handelsgesellschaft mbH[1]	Hamburg	100.00	EUR	25,565	28	0
Tape International GmbH	Hamburg	100.00	EUR	26,000	24	–2
tesa Converting Center GmbH[1]	Hamburg	100.00	EUR	1,000,000	566	0
tesa Grundstücksverwaltungsges. mbH & Co. KG	Hamburg	100.00	EUR	51,000	16,944	–63
tesa SE	Hamburg	100.00	EUR	25,800,000	433,781	126,649
tesa Werk Hamburg GmbH[1]	Hamburg	100.00	EUR	1,000,000	15,763	0
Ultra Kosmetik GmbH	Hamburg	100.00	EUR	25,565	90	6
tesa scribos GmbH[1]	Heidelberg	100.00	EUR	2,000,000	1,977	0
tesa Labtec GmbH	Langenfeld	100.00	EUR	2,555,000	1,574	–1,840
tesa Werk Offenburg GmbH[1]	Offenburg	100.00	EUR	3,100,000	–812	0
Beiersdorf Manufacturing Waldheim GmbH[1]	Waldheim	100.00	EUR	1,000,000	20,026	0

Europe

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2014 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2014 (in accordance with IFRSs) in € thousand
Beiersdorf CEE Holding GmbH	AT, Vienna	100.00	EUR	700,000	250,395	60,889
Beiersdorf Ges mbH	AT, Vienna	100.00	EUR	14,535,000	30,874	14,142
La Prairie Group Austria GmbH	AT, Vienna	100.00	EUR	300,000	688	89
tesa GmbH	AT, Vienna	100.00	EUR	35,000	569	280
SA Beiersdorf NV	BE, Brussels	100.00	EUR	99,958,000	128,531	13,563
SA tesa	BE, Brussels	100.00	EUR	1,861,000	2,444	377
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00	BGL	1,500,000	2,687	1,012
tesa tape Schweiz AG	CH, Bergdietikon	100.00	CHF	100,000	1,727	703
Beiersdorf AG	CH, Reinach	100.00	CHF	1,000,000	24,667	18,421
La Prairie Group AG	CH, Volketswil	100.00	CHF	46,600,000	104,760	38,866
Laboratoires La Prairie SA	CH, Volketswil	100.00	CHF	400,000	14,700	6,303
Beiersdorf spol. s r.o.	CZ, Prague	100.00	CZK	50,000,000	6,707	4,171
tesa tape s.r.o.	CZ, Prague	100.00	CZK	73,203,000	1,585	387
tesa A/S	DK, Birkerød	100.00	DKK	30,000,000	4,559	419
Beiersdorf A/S	DK, Copenhagen	100.00	DKK	10,000,000	2,694	967
Beiersdorf Manufacturing Argentona, S.L.	ES, Argentona	100.00	EUR	8,105,000	18,043	2,483
tesa tape, S.A.	ES, Argentona	100.00	EUR	1,000,000	2,450	463
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00	EUR	903,000	1,481	–1,335
Beiersdorf Holding SL	ES, Tres Cantos	100.00	EUR	17,184,000	60,732	27,816
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00	EUR	8,680,000	33,747	4,291
Beiersdorf SA	ES, Tres Cantos	100.00	EUR	5,770,000	15,842	8,763
Beiersdorf Oy	FI, Turku	100.00	EUR	2,020,000	5,231	3,044
tesa Oy	FI, Turku	100.00	EUR	20,000	317	95
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00	EUR	40,000	4,524	344
Beiersdorf Holding France Sarl	FR, Paris	100.00	EUR	39,815,000	104,776	224
Beiersdorf s.a.s.	FR, Paris	99.91	EUR	26,705,000	21,771	–4,937
tesa s.a.s.	FR, Savigny-le-Temple	100.00	EUR	250,000	2,277	856
BDF Medical Ltd.	GB, Birmingham	100.00	GBP	5,000	0	0
Beiersdorf UK Ltd.	GB, Birmingham	100.00	GBP	12,000,000	37,528	21,653
La Prairie (UK) Limited	GB, London	100.00	GBP	500,000	356	–359
tesa UK Ltd.	GB, Milton Keynes	100.00	GBP	2,300,000	3,264	142
Beiersdorf Hellas AE	GR, Gerakas	100.00	EUR	15,963,000	26,877	3,831
tesa tape AE	GR, Gerakas	100.00	EUR	69,000	1,356	250
Beiersdorf d.o.o.	HR, Zagreb	100.00	HRD	10,827,000	5,614	3,511
Beiersdorf Kft.	HU, Budapest	100.00	HUF	320,000,000	6,428	2,488
Tartsay Beruházó Kft.	HU, Budapest	100.00	HUF	146,000,000	2,175	62
tesa tape Ragasztószalag Termelö ès Kereskedelmi Kft.	HU, Budapest	100.00	HUF	500,000,000	1,925	350
Beiersdorf ehf	IS, Reykjavík	100.00	ISK	500,000	760	523
Comet SpA	IT, Concagno Solbiate	100.00	EUR	7,500,000	17,443	2,206
Beiersdorf SpA	IT, Milan	100.00	EUR	4,000,000	21,893	10,127
La Prairie S.p.A.	IT, Milan	100.00	EUR	774,000	6,000	718
tesa SpA	IT, Vimodrone	100.00	EUR	250,000	4,129	853
Beiersdorf Kazakhstan LLP	KZ, Almaty	100.00	KZT	40,000,000	5,167	4,531
tesa tape UAB	LT, Vilnius	100.00	LTL	2,427,000	785	82
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00	EUR	226,890	9,316	326
Beiersdorf Holding B.V.	NL, Amsterdam	100.00	EUR	57,000	940,586	42,587
Beiersdorf NV	NL, Amsterdam	100.00	EUR	3,660,000	18,407	15,922

Europe (continued)

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2014 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2014 (in accordance with IFRSs) in € thousand
tesa Western Europe B.V.	NL, Amsterdam	100.00	EUR	18,000	43	465
tesa BV	NL, Hilversum	100.00	EUR	18,000	559	177
Beiersdorf AS	NO, Oslo	100.00	NOK	6,800,000	1,022	–91
tesa AS	NO, Oslo	100.00	NOK	1,200,000	243	122
Beiersdorf Manufacturing Poznan Sp. z.o.o.	PL, Poznan	100.00	PLN	40,000,000	26,332	4,418
NIVEA Polska sp. z o.o.	PL, Poznan	100.00	PLN	4,654,000	37,301	18,289
tesa tape Sp. z.o.o.	PL, Poznan	100.00	PLN	4,400,000	1,567	524
Beiersdorf Portuguesa, Limitada	PT, Queluz	100.00	EUR	4,788,000	13,037	7,132
tesa Portugal - Produtos Adhesivos, Lda.	PT, Queluz	100.00	EUR	500,000	566	–73
Beiersdorf Romania SRL	RO, Bucharest	100.00	ROL	1,564,000	3,702	2,570
tesa tape SRL	RO, Cluj-Napoca	100.00	ROL	1,502,000	690	235
Beiersdorf d.o.o. Beograd	RS, Belgrade	100.00	CSD	8,014,000	4,670	3,603
Beiersdorf LLC	RU, Moscow	100.00	RUB	100,000,000	15,435	8,120
La Prairie Group (RUS) LLC	RU, Moscow	100.00	RUB	16,000,000	726	673
tesa tape OOO	RU, Moscow	100.00	RUB	32,585,000	1,404	479
Beiersdorf Aktiebolag	SE, Gothenburg	100.00	SEK	30,000,000	12,662	9,072
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00	SEK	100,000	140,428	15,210
tesa AB	SE, Kungsbacka	100.00	SEK	5,000,000	1,100	544
Beiersdorf d.o.o.	SI, Ljubljana	100.00	EUR	500,000	113,670	5,299
tesa tape posrednistvo in trgovina d.o.o.	SI, Ljubljana	100.00	EUR	417,000	894	322
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00	EUR	200,000	4,562	2,772
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	106,000	5,942	2,100
Beiersdorf Ukraine LLC	UA, Kiev	100.00	UAH	8,012,000	–127	72

Americas

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2014 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2014 (in accordance with IFRSs) in € thousand
Beiersdorf S.A.	AR, Buenos Aires	100.00	ARS	103,141,000	13,718	–426
tesa tape Argentina S.R.L.	AR, Buenos Aires	99.75	ARS	999,000	1,465	387
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00	BOB	2,050,000	2,427	844
tesa Brasil Limitada	BR, Curitiba	100.00	BRL	6,664,000	2,979	–260
Beiersdorf Industria e Comercio Ltda.	BR, Itatiba	100.00	BRL	103,009,000	26,105	228
BDF NIVEA LTDA.	BR, São Paulo	100.00	BRL	168,482,000	71,258	13,975
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00	CAD	15,301,000	10,240	1,932
Beiersdorf Chile S.A.	CL, Santiago de Chile	100.00	CLP	10,000,000	14	0
Beiersdorf S.A.	CL, Santiago de Chile	100.00	CLP	5,278,910,000	35,496	6,277
tesa tape Chile SA	CL, Santiago de Chile	100.00	CLP	381,388,000	628	–194
Beiersdorf S.A.	CO, Bogotá	100.00	COP	8,598,996,000	9,422	2,438
tesa Tape Colombia Ltda	CO, Santiago de Cali	100.00	COP	2,808,778,000	3,794	1,171
BDF Costa Rica, S.A.	CR, San José	100.00	CRC	2,000,000	4,057	1,576
Beiersdorf, SRL	DO, Santo Domingo	100.00	DOP	1,000,000	1,218	181
Beiersdorf S.A.	EC, Quito	100.00	USD	1,783,000	4,945	2,388
BDF Centroamérica, S.A.	GT, Guatemala City	100.00	GTQ	1,000,000	5,824	3,745
tesa tape Centro America S.A.	GT, Guatemala City	100.00	GTQ	9,929,000	1,311	169
BDF Corporativo, S.A. de C.V.	MX, Mexico City	100.00	MXN	5,050,000	2,284	594
BDF México, S.A. de C.V.	MX, Mexico City	100.00	MXN	157,240,000	13,756	–340
Technical Tape Mexico SA de CV	MX, Mexico City	100.00	MXN	43,040,000	4,803	1,647
tesa tape Mexico SRL de CV	MX, Mexico City	100.00	MXN	0	0	0
Beiersdorf Manufacturing México Servicios, S.A. de C.V.	MX, Silao	100.00	MXN	50,000	945	349
Beiersdorf Manufacturing México, S.A. de C.V.	MX, Silao	100.00	MXN	50,000	56,995	–7,021
BDF Panamá S.A.	PA, Panama City	100.00	USD	150,000	2,630	1,370
HUB LIMITED S.A.	PA, Panama City	100.00	USD	10,000	16	–2
Beiersdorf S.A.C.	PE, Lima	99.81	PEN	6,412,000	4,315	1,279
Beiersdorf S.A.	PY, Asunción	100.00	PYG	3,195,000,000	2,061	861
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00	USD	23,000	595	157
tesa tape inc.	US, Charlotte, NC	100.00	USD	112,000,000	28,504	11,317
LaPrairie.com LLC	US, Edison, NJ	100.00	USD	0	0	0
La Prairie, Inc.	US, New York City, NY	100.00	USD	14,288,000	8,590	–546
Beiersdorf North America Inc.	US, Wilton, CT	100.00	USD	125,170,000	140,728	7,317
Beiersdorf, Inc.	US, Wilton, CT	100.00	USD	162,142,000	75,197	14,188
Beiersdorf S.A.	UY, Montevideo	100.00	UYU	7,947,000	1,594	–79
Beiersdorf S.A.	VE, Caracas	100.00	VEB	1,564,000	–4,263	–7,938

Africa/Asia/ Australia

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2014 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2014 (in accordance with IFRSs) in € thousand
Beiersdorf Middle East FZCO	AE, Dubai	100.00	AED	25,000,000	34,064	23,091
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00	AED	50,000	–959	–340
Beiersdorf Australia Ltd	AU, North Ryde, NSW	100.00	AUD	2,500,000	21,167	7,256
La Prairie Group Australia Pty. Ltd.	AU, North Ryde, NSW	100.00	AUD	4,000,000	3,641	253
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00	AUD	3,100,000	3,138	651
Beiersdorf Daily Chemical (Guangzhou) Co., Ltd.	CN, Guangzhou	100.00	CNY	20,000,000	2,718	–546
La Prairie Hong Kong Ltd.	CN, Hong Kong	100.00	HKD	800,000	6,067	5,298
tesa tape (Hong Kong) Ltd.	CN, Hong Kong	100.00	HKD	100,000	8,923	6,074
La Prairie (Shanghai) Co. Ltd.	CN, Shanghai	100.00	USD	5,000,000	1,653	–504
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00	CNY	1,371,622,000	–38,243	–22,317
tesa (Shanghai) Trading Co. Ltd.	CN, Shanghai	100.00	CNY	1,655,000	61,628	53,442
tesa Plant Suzhou Co. Ltd.	CN, Suzhou	100.00	CNY	98,606,000	24,684	1,772
Beiersdorf Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	100.00	CNY	82,800,000	–25,035	–42,055
Beiersdorf Personal Care (China) Co., Ltd.	CN, Xiantao	100.00	CNY	122,146,000	–16,346	66,293
Beiersdorf Ghana Limited	GH, Accra	100.00	GHS	1,757,000	289	–235
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00	IDR	5,197,498,000	2,379	–1,465
Beiersdorf India Pvt. Ltd.	IN, Mumbai	51.00	INR	5,000,000	1,912	884
Nivea India Pvt. Ltd.	IN, Mumbai	100.00	INR	3,299,359,000	39,220	–9,589
tesa Tapes (India) Private Limited	IN, Navi Mumbai	100.00	INR	126,814,000	1,581	–812
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00	JPY	3,250,000	111,886	12,273
La Prairie Japan K.K.	JP, Tokyo	100.00	JPY	100,000,000	–3,385	–1,346
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00	JPY	200,000,000	22,034	19,712
tesa tape K.K.	JP, Tokyo	100.00	JPY	300,000,000	5,068	499
Beiersdorf East Africa Limited	KE, Nairobi	100.00	KES	123,696,000	4,750	2,079
Alkynes Co. Ltd.	KR, Gyeonggi-do	25.01	KRW	533,340,000	15,312	555
Beiersdorf Korea Ltd.	KR, Seoul	100.00	KRW	13,532,673,000	1,079	–7,250
La Prairie Korea Ltd	KR, Seoul	100.00	KRW	100,000,000	6,214	3,426
tesa tape Korea Ltd.	KR, Seoul	100.00	KRW	410,000,000	14,856	12,833
Beiersdorf S.A.	MA, Casablanca	100.00	MAD	13,800,000	2,732	542
tesa tape (Malaysia) Sdn. Bhd.	MY, Kajang	100.00	MYR	36,000,000	5,006	344
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Kajang	99.99	MYR	25,000	1,440	32
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00	MYR	8,536,000	–6,618	570
Medical-Latex (DUA) SDN. BHD.	MY, Senai	100.00	MYR	7,500,000	2,796	–633
Beiersdorf Philippines Incorporated	PH, Bonifacio Global City	100.00	PHP	22,428,000	1,037	778
Beiersdorf Singapore Pte. Ltd.	SG, Singapore	100.00	SGD	2,200,000	–1,277	2,276
Singapore Plastic Products Pte. Ltd.	SG, Singapore	100.00	SGD	7,000,000	0	–5,573
tesa Plant (Singapore) Pte. Ltd.	SG, Singapore	100.00	SGD	5,500,000	–948	65
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00	SGD	10,000,000	42,643	46,670
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00	THB	100,000,000	77,468	19,864
tesa tape (Thailand) Limited	TH, Bangkok	90.10	THB	4,000,000	1,100	669
Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	30,500,000	17,100	702
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00	TWD	225,300,000	–36	–496
Beiersdorf Vietnam LLC	VN, Ho Chi Minh City	100.00	VND	9,750,000,000	2,233	837
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Umhlanga	100.00	ZAR	0	16,325	9,068

[1] Since these companies have entered into a profit and loss transfer agreement, the accounting profit is presented after the transfer of profit and loss.

29 Shareholdings in Beiersdorf AG

Beiersdorf AG received the following notifications in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the balance sheet (February 3, 2015).* In each case, the disclosures represent the disclosers' most recent notification to the company, to the extent that additional notifications are not required to be provided for reasons of transparency.

1.

a) Voting right notifications in accordance with § 21 (1) *WpHG* dated April 2, 2004, April 14, 2004, and April 16, 2004.
The persons subject to the disclosure requirement (the "disclosers") listed in the table below notified Beiersdorf Aktiengesellschaft on April 2, 2004, April 14, 2004, and April 16, 2004, in accordance with § 21 (1) *WpHG* that they had, for the first time, exceeded the 50% threshold and held 50.46% (42,386,400 voting rights) of Beiersdorf Aktiengesellschaft as of March 30, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution of the 9.99% (8,393,672 own shares) held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*, the disclosers in accordance with § 21 (1) *WpHG* each exceeded the 50% threshold for the first time as of February 3, 2004, and each held a 59.95% share (50,360,072 voting rights) in Beiersdorf Aktiengesellschaft as of this date. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

The disclosers' total share of voting rights as of March 30, 2004, amounted to 60.45% (50,780,072 voting rights) in each case instead of 50.46% (42,386,400 voting rights).

All shares of voting rights are attributable to the disclosers, with the exception of Tchibo Holding AG, in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*. 30.36% (25,500,805 voting rights) is attributable to Tchibo Holding AG (which now trades under the name of maxingvest ag) in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*; at the time, it directly held 20.10% (16,884,000 voting rights).

* The following disclosures do not reflect the 1:3 share split resolved by the company's Annual General Meeting on May 17, 2006, because they were received before this date. As a result of this share split, each no-par value share of the company with a notional interest in the share capital of €2.56 was split into three no-par value shares with a notional interest in the share capital of €1.00 each (following the increase of the share capital without the issue of new shares).

The chains of controlled companies are as follows:

Discloser*	Discloser's domicile and country of residence or of domicile	Disclosures in accordance with § 17 (2) *Verordnung zur Konkretisierung von Anzeige, Mitteilungs- und Veröffentlichungspflichten sowie der Pflicht zur Führung von Insiderverzeichnissen nach dem Wertpapierhandelsgesetz* (Regulation setting out in detail the disclosure, notification, and announcement duties as well as the duty to maintain a list of insiders in accordance with the *WpHG*, *WpAIV*) (controlled companies via which the voting rights are effectively held and whose attributed share of the voting rights amounts to 3% or more) at the time of § 17 (1) no. 6 *WpAIV*
SPM Beteiligungs- und Verwaltungs GmbH	Norderstedt, Germany	Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
EH Real Grundstücksverwaltungs-gesellschaft mbH	Norderstedt, Germany	Scintia Vermögensverwaltungs GmbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Scintia Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Trivium Vermögensverwaltungs GmbH	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Michael Herz	Germany	SPM Beteiligungs- und Verwaltungs GmbH, Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Wolfgang Herz	Germany	EH Real Grundstücksverwaltungsgesellschaft mbH, EH Real Grundstücksgesellschaft mbH & Co. KG, Scintia Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Max und Ingeburg Herz Stiftung	Norderstedt, Germany	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Ingeburg Herz	Germany	Ingeburg Herz GbR, Max und Ingeburg Herz Stiftung, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
maxingvest ag (trading under the name of Tchibo Holding AG until September 12, 2007)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

* The following parties have since disclosed that they hold 0% (0 voting rights): EH Real Grundstücksgesellschaft mbH & Co. KG (Norderstedt, Germany); Agneta Peleback-Herz (Germany); Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (Hamburg, Germany); Coro Vermögensverwaltungsgesellschaft mbH (Hamburg, Germany); Ingeburg Herz GbR (Norderstedt, Germany).

To clarify: The own shares held by Beiersdorf Aktiengesellschaft do not bear voting or dividend rights in accordance with § 71b *AktG*.

b) Voting right notification in accordance with § 21 (1) *WpHG* dated December 29, 2004. The voting right notification issued on December 29, 2004, by Tchibo Holding AG (which now trades under the name of maxingvest ag) in accordance with § 21 (1) *WpHG* disclosed that Tchibo Beteiligungsgesellschaft mbH (which now trades under the name of BBG Beteiligungsgesellschaft mbH) exceeded the 50% threshold for the first time when it acquired 20.10% of the voting rights in Beiersdorf Aktiengesellschaft from Tchibo Holding AG, and that it held 50.46% (42,386,400 voting rights) of Beiersdorf Aktiengesellschaft as of December 22, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* of the 9.99% (8,393,672 own shares) acquired as part of the buy-back program, Tchibo Beteiligungsgesellschaft mbH exceeded the 50% threshold in accordance with § 21 (1) *WpHG* for the first time as of December 22, 2004, and held 60.45% of the voting rights in Beiersdorf Aktiengesellschaft (50,780,072 voting rights) as of this date. A total of 40.35% (33,894,477 voting rights) was attributable to Tchibo Beteiligungsgesellschaft mbH. The chain of controlled companies is as follows: Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft. The increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

c) Voting right notification in accordance with § 21 (1) *WpHG* dated March 11, 2008. E.H. Real Grundstücksverwaltungsgesellschaft mbH's voting right notification dated March 11, 2008, is hereby revoked. E.H. Grundstücksverwaltungsgesellschaft mbH's share of voting rights also exceeded the 3, 5, 10, 15, 20, 25, 30, and 50% thresholds as of January 15, 2007, and continued to do so thereafter and, including the 9.99% held by Beiersdorf Aktiengesellschaft (25,181,016 own shares) after adjustment for the increase of the share capital from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006, continues to amount to 60.45% in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (152,340,216 voting rights after the adjustment for the increase of the share capital from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006).

2. On September 30, 2014, various BlackRock group companies provided us with the following notifications clarifying their share of the voting rights in Beiersdorf Aktiengesellschaft:

a) BlackRock, Inc.

Section 21, 22 *WpHG*

BlackRock, Inc., New York, NY, USA, hereby informs you pursuant to Sec. 21 para. 1 *WpHG* that its share in the voting rights of Beiersdorf Aktiengesellschaft (ISIN DE0005200000) on September 25, 2014 amounts to 2.68% (this corresponds to 6,750,050 out of a total of 252,000,000 voting rights (the "Total Voting Rights")).

1.18% of the Total Voting Rights (this corresponds to 2,985,554 voting rights) are to be attributed to BlackRock, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 1 *WpHG*.

0.003% of the Total Voting Rights (this corresponds to 7,880 voting rights) are to be attributed to BlackRock, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 2 in connection with sentence 2 *WpHG*.

1.31% of the Total Voting Rights (this corresponds to 3,302,776 voting rights) are to be attributed to BlackRock, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 6 in connection with sentence 2 *WpHG*.

0.18% of the Total Voting Rights (this corresponds to 461,720 voting rights) are to be attributed pursuant to Sec. 22 para. 1 sentence 1 No. 1 *WpH*G as well as pursuant to Sec. 22 para. 1 sentence 1 No. 6 in connection with sentence 2 *WpHG*.

b) BlackRock Holdco 2, Inc.

Section 21, 22 *WpHG*

BlackRock Holdco 2, Inc., Wilmington, DE, USA, hereby informs you pursuant to Sec. 21 para. 1 *WpHG* that its share in the voting rights of Beiersdorf Aktiengesellschaft (ISIN DE0005200000) on September 25, 2014 amounts to 2.62% (this corresponds to 6,609,877 out of a total of 252,000,000 voting rights (the "Total Voting Rights")).

1.18% of the Total Voting Rights (this corresponds to 2,985,554 voting rights) are to be attributed to BlackRock Holdco 2, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 1 *WpHG*.

0.003% of the Total Voting Rights (this corresponds to 7,880 voting rights) are to be attributed to BlackRock Holdco 2, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 2 in connection with sentence 2 *WpHG.*

1.26% of the Total Voting Rights (this corresponds to 3,162,603 voting rights) are to be attributed to BlackRock Holdco 2, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 6 in connection with sentence 2 *WpHG*.

0.18% of the Total Voting Rights (this corresponds to 461,720 voting rights) are to be attributed pursuant to Sec. 22 para. 1 sentence 1 No. 1 *WpHG* as well as pursuant to Sec. 22 para. 1 sentence 1 No. 6 in connection with sentence 2 *WpHG*.

c) BlackRock Financial Management, Inc.

Section 21, 22 *WpHG*

BlackRock Financial Management, Inc., New York, NY, USA, hereby informs you pursuant to Sec. 21 para. 1 *WpHG* that its share in the voting rights of Beiersdorf Aktiengesellschaft (ISIN DE0005200000) on September 25, 2014 amounts to 2.39% (this corresponds to 6,020,927 out of a total of 252,000,000 voting rights (the "Total Voting Rights")).

1.18% of the Total Voting Rights (this corresponds to 2,985,554 voting rights) are to be attributed to BlackRock Financial Management, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 1 *WpHG.*

0.003% of the Total Voting Rights (this corresponds to 7,880 voting rights) are to be attributed to BlackRock Financial Management, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 2 in connection with sentence 2 *WpHG*.

0.003% of the Total Voting Rights (this corresponds to 6,710 voting rights) are to be attributed to BlackRock Financial Management, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 6 *WpHG*.

1.02% of the Total Voting Rights (this corresponds to 2,566,943 voting rights) are to be attributed to BlackRock Financial Management, Inc. pursuant to Sec. 22 para. 1 sentence 1 No. 6 in connection with sentence 2 *WpHG*.

0.18% of the Total Voting Rights (this corresponds to 461,720 voting rights) are to be attributed pursuant to Sec. 22 para. 1 sentence 1 No. 1 *WpHG* as well as pursuant to Sec. 22 para. 1 sentence 1 No. 6 in connection with sentence 2 *WpHG*.

3. In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 *WpHG* (former version), Beiersdorf Aktiengesellschaft also announced that it had exceeded the threshold of 5% of the voting rights in its own company on February 3, 2004, and that a share of 9.99% has been attributable to it since then. The own shares held by the company do not bear voting or dividend rights in accordance with § 71b *AktG*.

30 Declaration of Compliance with the German Corporate Governance Code

In December 2014, Beiersdorf AG's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2014 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

31 Proposal on the Utilization of Beiersdorf AG's Net Retained Profits

(IN €)

	2014
Profit after tax of Beiersdorf AG	382,429,176.21
Transfer to other retained earnings	191,214,588.10
Net retained profits	**191,214,588.11**

The Executive Board and the Supervisory Board will propose to the Annual General Meeting that the net retained profits for fiscal year 2014 of €191,214,588.11 should be utilized as follows:

(IN €)

	2014
Distribution of a dividend of €0.70 per no-par value share bearing dividend rights (226,818,984 no-par value shares)	158,773,288.80
Transfer to other retained earnings	32,441,299.31
Net retained profits	**191,214,588.11**

The amounts specified for the total dividend and for the transfer to other retained earnings reflect the shares bearing dividend rights at the time of the Executive Board's proposal on the utilization of the net retained profits. The own shares held by the company do not bear dividend rights in accordance with § 71b *AktG*.

If the number of own shares held by the company at the time of the resolution by the Annual General Meeting on the utilization of the net retained profits is higher or lower than at the time of the Executive Board's proposal on the utilization of the net retained profits, the total amount to be distributed to the shareholders shall be reduced or increased by the portion of the dividend attributable to the difference in the number of shares. The amount to be appropriated to the other retained earnings shall be adjusted inversely by the same amount. In contrast, the dividend to be distributed per no-par value share bearing dividend rights remains unchanged. If necessary, an appropriately modified proposal for resolution will be presented to the Annual General Meeting.

Beiersdorf AG Boards

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod	Hamburg	Manager Regulatory Affairs / Quality Management, Beiersdorf AG	
Prof. Dr. Eva Eberhartinger* (until April 17, 2014)	Vienna/Austria	University Professor, Vienna University of Economics and Business	Deputy Chairwoman of the Supervisory Board: – Österreichische Bundesfinanzierungsagentur GmbH, Austria
Elke Gabriel (until April 17, 2014)	Rosengarten	Member of the Works Council of Beiersdorf AG	
Frank Ganschow (from April 17, 2014)	Kiebitzreihe	Chairman of the Works Council of tesa SE	Member of the Supervisory Board: – tesa SE (intragroup)
Michael Herz	Hamburg	Member of the Executive Board of maxingvest ag	Chairman of the Supervisory Board: – Tchibo GmbH, Member of the Supervisory Board: – tesa SE (intragroup)
Thomas Holzgreve Deputy Chairman	Bad Oldesloe	Member of the Executive Board of maxingvest ag	Member of the Supervisory Board: – Tchibo GmbH
Thorsten Irtz Deputy Chairman	Stapelfeld	Chairman of the Works Council of Beiersdorf AG	
Matthias Locher (from April 17, 2014)	Offenburg	Supplier Development, tesa Werk Offenburg GmbH	Member of the Supervisory Board: – tesa SE (intragroup)
Dr. Dr. Christine Martel*	Frederiksberg/Denmark	Business Manager, Nescafé Dolce Gusto Nordics, Nestlé Danmark A/S, Denmark	
Tomas Nieber	Stade	Head of Department – Economic and Industry Policy, Industriegewerkschaft Bergbau, Chemie, Energie	Member of the Supervisory Board: – maxingvest ag, Member of the Advisory Board: – Qualifizierungsförderwerk Chemie GmbH
Isabelle Parize (from April 17, 2014)	Orcq/Belgium	Chief Executive Officer of Nocibé SAS, France Managing Director, Parfümerie Douglas GmbH, Southern Europe and Private Labels (from June 30, 2014)	Member of the Conseil d'Administration: – Air France-KLM Group S.A., France, (from March 27, 2014) – SOFIPOST S.A., France (until April 18, 2014) – AFII, Invest in France Agency, France, (until April 18, 2014)
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer P+P Pöllath + Partners, Munich	Chairman of the Supervisory Board: – maxingvest ag, Member of the Supervisory Board: – Tchibo GmbH – Wanzl GmbH & Co. Holding KG
Thomas-B. Quaas (until April 17, 2014)	Hamburg	Businessman	Member of the Supervisory Board: – Euler Hermes SA, France – fischerAppelt AG – maxingvest ag (from June 26, 2014) , Member of the Supervisory Board: – La Prairie Group AG, Switzerland, (intragroup) , (until April 30, 2014) – Wagner International AG, Switzerland, (from July 4, 2014)
Prof. Manuela Rousseau*	Rellingen	Head of Corporate Social Responsibility at Beiersdorf AG Headquarters Professor at the Academy of Music and Theater, Hamburg	Member of the Supervisory Board: – maxingvest ag
Volker Schopnie (until April 17, 2014)	Halstenbek	Deputy Chairman of the Works Council of Beiersdorf AG	Member of the Supervisory Board: – maxingvest ag
Poul Weihrauch (from April 17, 2014)	Waterloo/Belgium	Member of the Management, Mars, Inc., USA, Global President Food, Drinks and Europe Multi Sales (until December 31, 2014), Global President Petcare (from January 1, 2015)	

* The Supervisory Board's diversity officers

SUPERVISORY BOARD COMMITTEES

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Committee	Members of the Mediation Committee
– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Michael Herz** – **Thomas Holzgreve** – **Thorsten Irtz**	– **Prof. Dr. Eva Eberhartinger** (Chairwoman until April 17, 2014) – **Dr. Dr. Christine Martel** (Chairwoman from April 17, 2014) – **Dr. Andreas Albrod** – **Thomas Holzgreve** – **Tomas Nieber** (from April 17, 2014) – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie** – (until April 17, 2014)	– **Thomas Holzgreve** (Chairman) – **Dr. Andreas Albrod** – **Prof. Dr. Eva Eberhartinger** (until April 17, 2014) – **Dr. Dr. Christine Martel** (from April 17, 2014) – **Tomas Nieber** (from April 17, 2014) – **Prof. Dr. Reinhard Pöllath** – **Volker Schopnie** – (until April 17, 2014)	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Prof. Dr. Eva Eberhartinger** (until April 17, 2014) – **Thomas Holzgreve** – **Dr. Dr. Christine Martel** – **Isabelle Parize** – (from April 17, 2014)	– **Prof. Dr. Reinhard Pöllath** (Chairman) – **Dr. Andreas Albrod** (from April 17, 2014) – **Elke Gabriel** (until April 17, 2014) – **Thomas Holzgreve** – **Thorsten Irtz**

EXECUTIVE BOARD*

Name	Function/Responsibilities		Memberships
Stefan F. Heidenreich	Chairman of the Executive Board	Corporate Development / Internal Audit / Pharmacy Japan, La Prairie Group Germany / Switzerland, North America (acting)	Member of the Supervisory Board: – Coca-Cola HBC AG, , Switzerland, (until June 25, 2014)
Ralph Gusko	Consumer Brands and R&D	Brand Management Consumer / Research & Development Far East (Northeast and Southeast Asia (excluding Japan), Australia) (acting)	
Thomas Ingelfinger (from July 1, 2014)	Europe	Europe (excluding Germany / Switzerland)	Member of the consiglio di amministrazione: – Davide Campari-Milano, S.p.A., Italy
Zhengrong Liu (from July 1, 2014)	Human Resources and Corporate Communication	Human Resources / Corporate Communication / Sustainability – Labor Relations Director –	
Stefan De Loecker (from July 1, 2014)	Near East	Africa, Middle East, India, Turkey, Russia, Ukraine, CIS	
Dr. Ulrich Schmidt	Finance and Supply Chain	Finance / Controlling / Legal / Compliance / IT / Purchasing/ Production / Logistics / Quality Assurance Latin America (acting)	**

* In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf AG also hold offices in comparable supervisory bodies at Group companies and investees.
** Chairman of the Supervisory Board: tesa SE, Hamburg (intragroup).

Hamburg, February 3, 2015

Beiersdorf AG

The Executive Board

Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement, and the notes to the annual financial statements, together with the bookkeeping system and the management report of Beiersdorf Aktiengesellschaft, Hamburg, for the fiscal year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 *Handelsgesetzbuch* (German Commercial Code, *HGB*) and the German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (Institute of Public Auditors in Germany, *IDW*). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements, and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the statutory requirements and give a true and fair view of the net assets, financial position, and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Hamburg, February 4, 2015
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

LUDWIG
German Public Auditor

Responsibility Statement by the Executive Board

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

Hamburg, February 3, 2015
The Executive Board

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Beiersdorf on the Internet
www.beiersdorf.com

The Annual Financial Statements and Management Report of Beiersdorf AG are also available in German.

The online versions of the Annual Financial Statements and Management Report of Beiersdorf AG are available at WWW.BEIERSDORF.COM/ANNUAL_REPORT.

Financial Calendar

2015

March 31 — **Annual General Meeting**	April 1 — **Dividend Payment**	May 7 — **Interim Report January to March 2015**
August 5 — **Interim Report January to June 2015**	November 4 — **Interim Report January to September 2015**	

2016

January — **Publication of Preliminary Group Results**	February — **Publication of Annual Report 2015, Annual Accounts Press Conference, Financial Analyst Meeting**	March — **Annual General Meeting**
May — **Interim Report January to March 2016**	August — **Interim Report January to June 2016**	November — **Interim Report January to September 2016**