

# HALF-YEAR REPORT

2016

**Beiersdorf**

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# Business Developments – Overview

## Beiersdorf grows further in challenging environment

- Group sales rise 2.8%
- Consumer sales up 3.3% on the previous year
- tesa sales slightly above the prior-year figure
- Group EBIT margin increases to 15.3%

## Outlook for fiscal year 2016

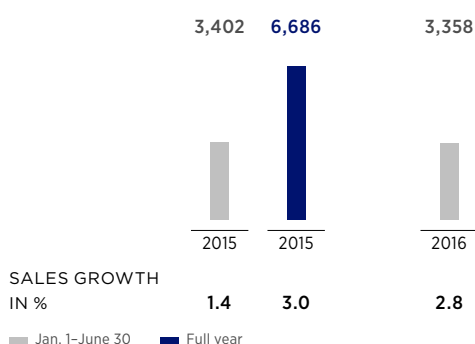
- Consumer sales growth of 3–4%
- Consumer EBIT margin slightly above the prior-year figure
- Slight increase in tesa sales growth compared to the previous year
- tesa EBIT margin slightly below the prior-year level

## Beiersdorf at a Glance

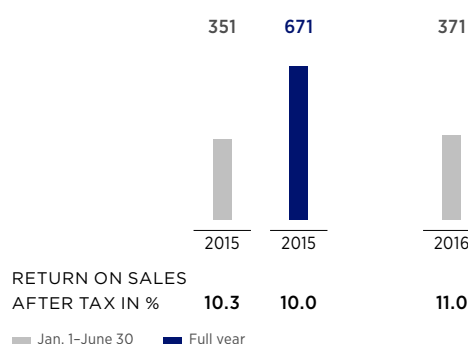
		Jan. 1–June 30, 2015	Jan. 1–June 30, 2016
<b>Group sales</b>	(in € million)	<b>3,402</b>	<b>3,358</b>
Change (organic)	(in %)	1.4	2.8
Change (nominal)	(in %)	7.3	-1.3
<b>Consumer sales</b>	(in € million)	<b>2,827</b>	<b>2,798</b>
Change (organic)	(in %)	1.6	3.3
Change (nominal)	(in %)	7.2	-1.0
<b>tesa sales</b>	(in € million)	<b>575</b>	<b>560</b>
Change (organic)	(in %)	0.1	0.2
Change (nominal)	(in %)	7.7	-2.7
<b>Operating result (EBIT, excluding special factors)</b>	(in € million)	<b>508</b>	<b>513</b>
Operating result (EBIT)	(in € million)	508	513
Profit after tax	(in € million)	351	371
Return on sales after tax	(in %)	10.3	11.0
Earnings per share	(in €)	1.53	1.61
<b>Gross cash flow</b>	(in € million)	<b>394</b>	<b>399</b>
<b>Capital expenditure</b>	(in € million)	<b>122</b>	<b>68</b>
<b>Research and development expenses</b>	(in € million)	<b>89</b>	<b>94</b>
<b>Employees</b>	(number as of June 30)	<b>17,727</b>	<b>17,806</b>

Percentage changes are calculated based on thousands of euros.

### GROUP SALES (IN € MILLION)



### PROFIT AFTER TAX (IN € MILLION)



# Beiersdorf's Shares

The equity market began 2016 on a volatile note with substantial losses. Faced with weak economic data and stock market turbulence in China, Germany's benchmark index, the DAX, shed up to 20% in the first two months before a moderate recovery up to 10,000 points took hold. The International Monetary Fund reflected market concerns about the economy by twice cutting its global growth outlook. Given continuing weak demand and overproduction, the oil price fell to a multi-year low of less than \$30 a barrel, fueling deflationary worries in the eurozone. The European Central Bank deployed new monetary policy countermeasures. It cut the deposit rate for banks further into negative territory and announced a purchase program for corporate bonds – a first in European monetary policy. This sent yields on ten-year German government bonds below zero for the first time in their history.

At the end of the reporting period, the United Kingdom voted in a referendum to leave the European Union. Following the vote, the DAX plummeted by 1,000 points and sterling lost more than 10% of its value, tumbling to a 30-year low against the US dollar. The political uncertainty particularly affected financial stocks, with double-digit percentage declines in market capitalization. Trading in some British shares had to be temporarily suspended.

Beiersdorf's shares outperformed the DAX in a volatile environment early in the year. After moving sideways in a recovering market, Beiersdorf shares were seen in the period before and after the UK's referendum as a safe haven, causing them to trade above the market.

Our Annual General Meeting on March 31 met with strong interest from shareholders. The number of participants increased once again. Beiersdorf made changes to its reporting in accordance with the new exchange rules beginning in the first quarter of 2016 and published a compact quarterly statement in early May. This contained detailed sales figures and an updated guidance of sales and the operating result for the full 2016 financial year. The change was well received by the capital market.

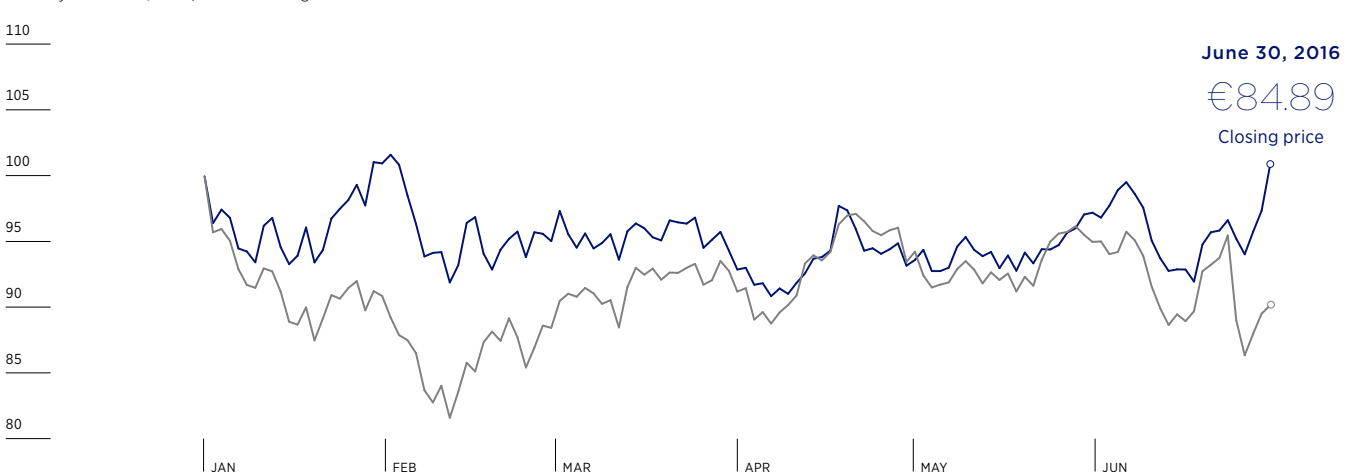
Beiersdorf's shares ended the second quarter at €84.89.

## KEY FIGURES - SHARES

		2015	2016
Earnings per share as of June 30	(in €)	1.53	1.61
Market capitalization as of June 30	(in € million)	18,935	21,392
Closing price as of June 30	(in €)	75.14	84.89
High for the period Jan. 1-June 30	(in €)	83.90	85.56
Low for the period Jan. 1-June 30	(in €)	66.01	76.38

## BEIERSDORF'S SHARE PRICE PERFORMANCE

January 1-June 30, 2016/relative change in %



# Interim Management Report – Group Results of Operations – Group

- Group sales rise 2.8%
- EBIT margin increases to 15.3%
- Profit after tax of €371 million

## GROUP SALES (IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016	Change (in %)	
			nominal	organic
Europe	1,796	1,803	0.4	3.2
Americas	608	574	-5.6	2.0
Africa/Asia/Australia	998	981	-1.7	2.6
<b>Total</b>	<b>3,402</b>	<b>3,358</b>	<b>-1.3</b>	<b>2.8</b>

Organic Group sales in the first six months of 2016 were up 2.8% on the prior year. Exchange rate effects reduced growth by 4.0 percentage points and structural changes by 0.1 percentage points. As a result, nominal Group sales fell 1.3% from the prior-year figure of €3,402 million, to €3,358 million. The Consumer Business Segment recorded organic growth of 3.3%. tesa sales were up slightly on the previous year, rising by 0.2%.

In **Europe**, sales were up 3.2% on the prior year. In nominal terms, sales amounted to €1,803 million (previous year: €1,796 million), 0.4% higher than the prior-year figure. Growth in the **Americas** region was 2.0%. Nominal sales declined by 5.6% to €574 million (previous year: €608 million). The **Africa/Asia/Australia** region reported growth of 2.6%. Sales fell in nominal terms by 1.7% to €981 million (previous year: €998 million).

## INCOME STATEMENT (IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016	Change in %
<b>Sales</b>	<b>3,402</b>	<b>3,358</b>	<b>-1.3</b>
Cost of goods sold	-1,380	-1,372	-0.6
<b>Gross profit</b>	<b>2,022</b>	<b>1,986</b>	<b>-1.8</b>
Marketing and selling expenses	-1,245	-1,217	-2.2
Research and development expenses	-89	-94	5.4
General and administrative expenses	-175	-172	-1.5
Other operating result	-5	10	-
<b>Operating result (EBIT, excluding special factors)</b>	<b>508</b>	<b>513</b>	<b>0.9</b>
Special factors	-	-	-
<b>Operating result (EBIT)</b>	<b>508</b>	<b>513</b>	<b>0.9</b>
Financial result	-2	6	-
<b>Profit before tax</b>	<b>506</b>	<b>519</b>	<b>2.6</b>
Income taxes	-155	-148	-4.2
<b>Profit after tax</b>	<b>351</b>	<b>371</b>	<b>5.7</b>
<b>Basic/diluted earnings per share (in €)</b>	<b>1.53</b>	<b>1.61</b>	<b>-</b>

The operating result (EBIT, excluding special factors) increased to €513 million (previous year: €508 million). Excluding special factors, the EBIT margin for the first six months of 2016 was 15.3% (previous year: 14.9%). The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRS and should be treated merely as voluntary additional information. No special factors required recognition in the first six months of 2016 or in the comparison period.

The financial result amounted to €6 million (previous year: €-2 million). The increase was attributable to higher net interest income and an improved other financial result.

Profit after tax increased to €371 million (previous year: €351 million). The corresponding return on sales after tax was 11.0% (previous year: 10.3%). Earnings per share were €1.61, calculated on the basis of 226,818,984 shares (previous year: €1.53).

## Results of Operations – Business Segments

### Consumer

#### CONSUMER SALES (IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016	Change (in %)	
			nominal	organic
<b>Europe</b>	<b>1,475</b>	<b>1,466</b>	<b>-0.6</b>	<b>2.4</b>
Western Europe	1,206	1,207	0.0	1.4
Eastern Europe	269	259	-3.5	6.9
<b>Americas</b>	<b>525</b>	<b>491</b>	<b>-6.5</b>	<b>1.5</b>
North America	210	205	-2.6	-1.7
Latin America	315	286	-9.0	3.8
<b>Africa/Asia/Australia</b>	<b>827</b>	<b>841</b>	<b>1.7</b>	<b>6.3</b>
<b>Total</b>	<b>2,827</b>	<b>2,798</b>	<b>-1.0</b>	<b>3.3</b>

The **Consumer** Business Segment recorded organic sales growth of 3.3% in the first six months of the year. Exchange rate effects reduced growth by 4.3 percentage points. In nominal terms, sales therefore fell by 1.0% to €2,798 million (previous year: €2,827 million).

**NIVEA** sales rose by 4.2% on the prior-year figure. **Eucerin** increased sales by 1.0%. **La Prairie** continued its strong performance and achieved a 6.2% rise in sales.

### Europe

Organic sales in the **Europe** region grew by 2.4%. At €1,466 million, nominal sales were down 0.6% on the prior-year period (€1,475 million) due to the performance of the British pound and Russian ruble.

In **Western Europe**, sales were up 1.4% on the previous year. There was strong growth particularly in Germany, Spain, and the Netherlands. However, sales in Switzerland did not match their prior-year level. In **Eastern Europe**, sales were up 6.9% on the previous year. Growth was mainly driven by the very healthy trend in Russia, Kazakhstan, and Ukraine, where both sales and market share increased.

## Americas

Organic sales in the **Americas** region increased by 1.5%. At €491 million, nominal sales were down 6.5% on the previous year (€525 million) due to exchange rate changes affecting the US dollar and the key South American currencies.

Sales in **North America** were 1.7% lower than in the strong prior-year period. Sales in **Latin America** were up by 3.8%, fueled by good growth rates in Brazil and Mexico. By contrast, developments in Argentina had a negative impact on sales.

## Africa/Asia/Australia

The **Africa/Asia/Australia** region recorded a 6.3% increase in organic sales. The poor performance of almost all of the region's currencies against the euro meant that the increase in nominal terms was 1.7%. Sales amounted to €841 million (previous year: €827 million). Growth was mainly driven by the very healthy trend in Japan, Australia, India, and Korea. In China, sales were slightly down on the previous year.

**EBIT** in the Consumer Business Segment rose to €424 million (previous year: €410 million), while the EBIT margin increased to 15.1% (previous year: 14.5%).

## tesa

### tesa SALES (IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016	Change (in %)	
			nominal	organic
Europe	321	337	4.9	7.2
Americas	83	83	0.2	5.3
Africa/Asia/Australia	171	140	-18.4	-15.1
<b>Total</b>	<b>575</b>	<b>560</b>	<b>-2.7</b>	<b>0.2</b>

Organic sales by the **tesa** Business Segment increased slightly compared with the prior-year figure, rising by 0.2%. Exchange rate effects reduced growth by 2.5 percentage points. Structural effects also trimmed 0.4 percentage points off growth. In nominal terms, tesa's sales therefore fell by 2.7% to €560 million (previous year: €575 million).

The sales trend remained stable thanks to the healthy performance of the industrial and consumer business in Europe and the Americas. In Asia, meanwhile, sales remained below the previous year's level due to continued weak demand from the electronics industry.

**EBIT** in the tesa Business Segment declined to €89 million (previous year: €98 million). The EBIT margin was 16.0% (previous year: 17.1%).

## Net Assets – Group

### NET ASSETS (IN € MILLION)

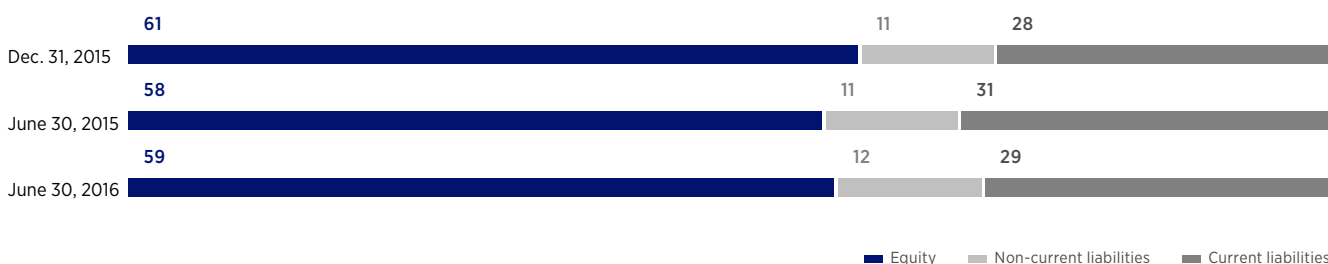
Assets	Dec. 31, 2015	June 30, 2015	June 30, 2016
Non-current assets	2,685	2,360	3,022
Inventories	772	805	741
Other current assets	2,498	2,736	2,631
Cash and cash equivalents	918	871	828
	<b>6,873</b>	<b>6,772</b>	<b>7,222</b>
Equity and Liabilities	Dec. 31, 2015	June 30, 2015	June 30, 2016
Equity	4,201	3,951	4,278
Non-current provisions	655	625	846
Non-current liabilities	91	110	45
Current provisions	419	396	381
Current liabilities	1,507	1,690	1,672
	<b>6,873</b>	<b>6,772</b>	<b>7,222</b>

Non-current assets increased by €337 million as against December 31, 2015, to €3,022 million. Long-term securities were reclassified due to shorter maturities, and new purchases were made. Capital expenditure on property, plant, and equipment and on intangible assets in the first six months of 2016 amounted to €68 million (previous year: €122 million). Of this amount, €48 million was attributable to the Consumer Business Segment (previous year: €72 million) and €20 million to the tesa Business Segment (previous year: €50 million). Following the completion of major investment projects in the previous year, investment in the first six months of 2016 primarily related to replacement and rationalization. Depreciation and impairment losses amounted to €67 million (previous year: €61 million). Inventories declined by €31 million as against December 31, 2015, to €741 million. This was mainly attributable to the optimization measures that have now begun. Other current assets increased by €133 million as against December 31, 2015, to €2,631 million. This item includes short-term securities of €805 million, a decrease of €53 million as against year-end 2015. Trade receivables increased by €137 million compared with the figure for December 31, 2015, to €1,395 million. This was due to seasonal effects.

Cash and cash equivalents decreased by €90 million as against December 31, 2015, to €828 million. Meanwhile, net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) increased by €199 million compared with the figure for December 31, 2015, to €3,235 million. Current liabilities to banks decreased by €24 million and amounted to €13 million on the reporting date.

Total non-current provisions and liabilities have increased by €145 million since December 31, 2015, to €891 million, mainly due to a much lower discount rate for pension provisions. The growth in current liabilities to €1,672 million was primarily due to the €152 million increase in trade payables.

### FINANCING STRUCTURE (IN %)





# Financial Position – Group

## CASH FLOW STATEMENT (IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016
Gross cash flow	394	399
Change in working capital	-104	8
Net cash flow from operating activities	290	407
Net cash flow from investing activities	-235	-276
Free cash flow	55	131
Net cash flow from financing activities	-188	-223
Other changes	28	2
Net change in cash and cash equivalents	-105	-90
<b>Cash and cash equivalents as of Jan. 1</b>	<b>976</b>	<b>918</b>
<b>Cash and cash equivalents as of June 30</b>	<b>871</b>	<b>828</b>

Gross cash flow amounted to €399 million, up €5 million on the prior-year value. The cash inflow from the change in working capital was €8 million (previous year: outflow of €104 million). Receivables and other assets rose by €151 million, inventories declined by €31 million, and there was an increase of €128 million in liabilities and provisions. Overall, the net cash flow from operating activities totaled €407 million (previous year: €290 million).

The net cash outflow from investing activities amounted to €276 million (previous year: €235 million). Interest and other financial income received of €51 million and proceeds of €4 million from the sale of intangible assets and property, plant, and equipment were offset by net cash outflows of €263 million for the purchase of securities as well as capital expenditure of €68 million for property, plant, and equipment and intangible assets.

Free cash flow was therefore €131 million, up €76 million on the prior-year value (€55 million). The net cash outflow from financing activities amounted to €223 million (previous year: €188 million).

Cash and cash equivalents amounted to €828 million (previous year: €871 million).

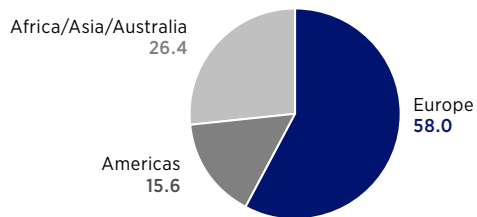
# Employees

The number of employees increased by 147 compared with the figure on December 31, 2015, from 17,659 to 17,806. As of June 30, 2016, 13,666 employees worked in the Consumer Business Segment and 4,140 at tesa.

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## EMPLOYEES BY REGION (IN %)

as of June 30, 2016; total 17,806 employees



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# Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report as of December 31, 2015. The liquidator of Schlecker has filed a claim for damages against Beiersdorf in connection with antitrust proceedings already concluded in the past. The claim has not yet been served. It is not possible to assess the risk to the Group at the current time. Beiersdorf is contesting this claim. There were no other significant changes in opportunities and risks as of June 30, 2016.

# Outlook for 2016

## Expected Macroeconomic Developments

The **global** economic situation is likely to see only moderate improvement in 2016. On the whole, we expect performance to vary greatly. While the industrial countries will benefit from expansive monetary policies and reduced energy prices, we anticipate a slowdown in momentum in the emerging markets. The debt situation in the emerging markets will be negatively impacted by the US Federal Reserve's hike in the key interest rate, the strong US dollar, and low oil prices. In terms of global economic growth, geopolitical unrest, coupled with the unclear economic trend in many key countries, is causing substantial uncertainty.

In the **eurozone**, we expect growth in 2016 to be up slightly on the prior year on the back of expansionary monetary policies, low oil prices, and the relatively weak euro. Factors that could put this upward trend at risk include ongoing high unemployment in many countries, a lack of appetite for reform in combination with high debt levels in certain European countries, and geopolitical unrest. The UK's decision to leave the European Union presents additional economic uncertainty. We anticipate a relatively mixed trend overall, with growth remaining modest due to the still weak economy in some countries. In **Germany**, we expect growth in 2016 to outstrip the rest of Europe. The stable employment market, low interest rates, and the low price of oil will positively impact consumer spending. In the **United States**, we expect the economy to grow in 2016. 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 a planned hike in interest rates are a source of uncertainty for the economy and the financial markets. In **Japan**, we expect growth to be slightly higher than in the previous year due to increases in wage levels and higher consumer spending. Factors that could hold back growth include weak export demand and planned fiscal reforms. In the **growth markets**, we continue to anticipate difficult conditions and a cooling-off of the economy. In **China**, we expect growth to be down on the prior-year level. Fiscal policy and the difficulty in predicting the effects of the announced social and environmental reforms are particular sources of uncertainty. In **India**, we expect to see slightly higher growth than in the previous year, with continued high single-digit inflation. We likewise anticipate a slight growth increase in the emerging markets of Southeast Asia. In **Brazil**, we expect the recession to continue in 2016 as a result of political uncertainty, a lack of investor confidence, necessary budget reforms, and restrictive fiscal policies aimed at combating inflation. 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 negatively impacted by the fall in oil prices, the depreciation of the ruble, and the consequences of continuing international sanctions. In light of the above factors and a lack of structural reforms, forecasts expect the recession to ease only slightly.

Commodity markets are expected to remain weak in 2016. This is due to persistent low oil prices and weak demand from China and other regions, which will limit inflationary pressure in the core material industries that feed Beiersdorf's suppliers of raw and packaging materials. In addition, Beiersdorf has established a strong program of sourcing cost reduction. The combination of these two effects is expected to lead to further overall reductions in material prices in 2016.

## Business Developments

We are expecting sales growth in the **Consumer** Business Segment to outperform the market in 2016, at 3–4%. The EBIT margin from operations is expected to slightly exceed the prior-year figure.

In the **tesa** Business Segment, we are predicting slightly higher sales growth in 2016 than in the previous year. The EBIT margin from operations is expected to be slightly below the prior-year level.

Based on the forecasts for the two business segments, we are expecting **Group** sales to grow by 3–4%. The consolidated EBIT margin from operations should slightly exceed the prior-year figure.

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, August 2016  
Beiersdorf AG

The Executive Board

# Interim Consolidated Financial Statements

## Income Statement

(IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016
<b>Sales</b>	<b>3,402</b>	<b>3,358</b>
Cost of goods sold	-1,380	-1,372
<b>Gross profit</b>	<b>2,022</b>	<b>1,986</b>
Marketing and selling expenses	-1,245	-1,217
Research and development expenses	-89	-94
General and administrative expenses	-175	-172
Other operating result	-5	10
<b>Operating result (EBIT)</b>	<b>508</b>	<b>513</b>
Interest income	11	13
Interest expense	-5	-3
Net pension result	-6	-6
Other financial result	-2	2
<b>Profit before tax</b>	<b>506</b>	<b>519</b>
Income taxes	-155	-148
<b>Profit after tax</b>	<b>351</b>	<b>371</b>
Of which attributable to		
- Equity holders of Beiersdorf AG	348	364
- Non-controlling interests	3	7
<b>Basic/diluted earnings per share (in €)</b>	<b>1.53</b>	<b>1.61</b>

# Statement of Comprehensive Income

(IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016
<b>Profit after tax</b>	<b>351</b>	<b>371</b>
Remeasurement gains and losses on cash flow hedges	-15	1
Deferred taxes on remeasurement gains and losses on cash flow hedges	4	-1
<i>Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income</i>	<i>-11</i>	<i>-</i>
Remeasurement gains and losses on available-for-sale financial assets	31	-11
Deferred taxes on remeasurement gains and losses on available-for-sale financial assets	-10	4
<i>Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income</i>	<i>21</i>	<i>-7</i>
Exchange differences	67	17
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>	<b>77</b>	<b>10</b>
Remeasurements of defined benefit pension plans	75	-195
Deferred taxes on remeasurements of defined benefit pension plans	-24	61
<i>Remeasurements of defined benefit pension plans recognized in other comprehensive income</i>	<i>51</i>	<i>-134</i>
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>	<b>51</b>	<b>-134</b>
<b>Other comprehensive income net of tax</b>	<b>128</b>	<b>-124</b>
<b>Total comprehensive income</b>	<b>479</b>	<b>247</b>
Of which attributable to		
- Equity holders of Beiersdorf AG	475	238
- Non-controlling interests	4	9

# Balance Sheet

<b>(IN € MILLION)</b>			
Assets	Dec. 31, 2015	June 30, 2015	<b>June 30, 2016</b>
Intangible assets	119	124	119
Property, plant, and equipment	1,054	1,038	1,042
Non-current financial assets/securities	1,318	989	1,638
Other non-current assets	3	2	2
Deferred tax assets	191	207	221
<b>Non-current assets</b>	<b>2,685</b>	<b>2,360</b>	<b>3,022</b>
Inventories	772	805	741
Trade receivables	1,258	1,495	1,395
Other current financial assets	115	122	106
Income tax receivables	100	139	135
Other current assets	167	196	190
Securities	858	784	805
Cash and cash equivalents	918	871	828
<b>Current assets</b>	<b>4,188</b>	<b>4,412</b>	<b>4,200</b>
	<b>6,873</b>	<b>6,772</b>	<b>7,222</b>
<hr/>			
Equity and liabilities	Dec. 31, 2015	June 30, 2015	<b>June 30, 2016</b>
Equity attributable to equity holders of Beiersdorf AG	4,188	3,945	4,267
Non-controlling interests	13	6	11
<b>Equity</b>	<b>4,201</b>	<b>3,951</b>	<b>4,278</b>
Provisions for pensions and other post-employment benefits	574	555	770
Other non-current provisions	81	70	76
Non-current financial liabilities	1	3	1
Other non-current liabilities	2	3	2
Deferred tax liabilities	88	104	42
<b>Non-current liabilities</b>	<b>746</b>	<b>735</b>	<b>891</b>
Other current provisions	419	396	381
Income tax liabilities	145	150	154
Trade payables	1,152	1,275	1,304
Other current financial liabilities	109	137	82
Other current liabilities	101	128	132
<b>Current liabilities</b>	<b>1,926</b>	<b>2,086</b>	<b>2,053</b>
	<b>6,873</b>	<b>6,772</b>	<b>7,222</b>

# Cash Flow Statement

(IN € MILLION)

	Jan. 1–June 30, 2015	Jan. 1–June 30, 2016
<b>Profit after tax</b>	<b>351</b>	<b>371</b>
<i>Reconciliation of profit after tax to net cash flow from operating activities</i>		
Income taxes	155	148
Financial result	2	-6
Income taxes paid	-167	-171
Depreciation and amortization	61	67
Change in non-current provisions (excluding interest components and changes recognized in OCI)	-6	-10
Gain/loss on disposal of property, plant, and equipment, and intangible assets	-2	-
<b>Gross cash flow</b>	<b>394</b>	<b>399</b>
Change in inventories	-19	31
Change in receivables and other assets	-232	-151
Change in liabilities and current provisions	147	128
<b>Net cash flow from operating activities</b>	<b>290</b>	<b>407</b>
Investments in property, plant, and equipment, and intangible assets	-122	-68
Proceeds from the sale of property, plant, and equipment, and intangible assets	5	4
Payments to acquire securities	-371	-636
Proceeds from the sale/final maturity of securities	220	373
Interest received	22	19
Proceeds from dividends and other financing activities	11	32
<b>Net cash flow from investing activities</b>	<b>-235</b>	<b>-276</b>
<b>Free cash flow</b>	<b>55</b>	<b>131</b>
Proceeds from loans	69	26
Loan repayments	-75	-50
Interest paid	-4	-3
Other financing expenses paid	-19	-37
Cash dividends paid (Beiersdorf AG)	-159	-159
<b>Net cash flow from financing activities</b>	<b>-188</b>	<b>-223</b>
Effect of exchange rate fluctuations and other changes on cash held	28	2
Net change in cash and cash equivalents	-105	-90
<b>Cash and cash equivalents as of Jan. 1</b>	<b>976</b>	<b>918</b>
<b>Cash and cash equivalents as of June 30</b>	<b>871</b>	<b>828</b>



# Statement of Changes in Equity

(IN € MILLION)

	Share capital	Additional paid-in capital	Retained earnings*	Accumulated other comprehensive income			Total attributable to equity holders	Non-controlling interests	Total
				Currency translation adjustment	Hedging instruments from cash flow hedges	Available-for-sale financial assets			
<b>Jan. 1, 2015</b>	<b>252</b>	<b>47</b>	<b>3,413</b>	<b>-93</b>	<b>-3</b>	<b>13</b>	<b>3,629</b>	<b>11</b>	<b>3,640</b>
Total comprehensive income for the period	-	-	399	66	-11	21	475	4	479
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-159	-	-159
Dividend of non-controlling interests for previous year	-	-	-	-	-	-	-	-9	-9
<b>June 30, 2015</b>	<b>252</b>	<b>47</b>	<b>3,653</b>	<b>-27</b>	<b>-14</b>	<b>34</b>	<b>3,945</b>	<b>6</b>	<b>3,951</b>
<b>Jan. 1, 2016</b>	<b>252</b>	<b>47</b>	<b>3,955</b>	<b>-80</b>	<b>-</b>	<b>14</b>	<b>4,188</b>	<b>13</b>	<b>4,201</b>
Total comprehensive income for the period	-	-	230	15	-	-7	238	9	247
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-159	-	-159
Dividend of non-controlling interests for previous year	-	-	-	-	-	-	-	-11	-11
<b>June 30, 2016</b>	<b>252</b>	<b>47</b>	<b>4,026</b>	<b>-65</b>	<b>-</b>	<b>7</b>	<b>4,267</b>	<b>11</b>	<b>4,278</b>

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

# Segment Reporting

## Business Developments by Business Segment

SALES (IN € MILLION)	Jan. 1–June 30, 2015		Jan. 1–June 30, 2016		Change in %	
		% of total		% of total	nominal	organic
Consumer	2,827	83.1	2,798	83.3	-1.0	3.3
tesa	575	16.9	560	16.7	-2.7	0.2
<b>Total</b>	<b>3,402</b>	<b>100.0</b>	<b>3,358</b>	<b>100.0</b>	<b>-1.3</b>	<b>2.8</b>

EBITDA (IN € MILLION)	Jan. 1–June 30, 2015		Jan. 1–June 30, 2016		Change in %	
		% of sales		% of sales	nominal	
Consumer	457	16.2	474	16.9	3.6	
tesa	112	19.5	106	19.0	-4.7	
<b>Total</b>	<b>569</b>	<b>16.7</b>	<b>580</b>	<b>17.3</b>	<b>1.9</b>	

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	Jan. 1–June 30, 2015		Jan. 1–June 30, 2016		Change in %	
		% of sales		% of sales	nominal	
Consumer	410	14.5	424	15.1	3.3	
tesa	98	17.1	89	16.0	-9.1	
<b>Total</b>	<b>508</b>	<b>14.9</b>	<b>513</b>	<b>15.3</b>	<b>0.9</b>	

GROSS CASH FLOW (IN € MILLION)	Jan. 1–June 30, 2015		Jan. 1–June 30, 2016		Change in %	
		% of sales		% of sales	nominal	
Consumer	319	11.3	330	11.8	3.4	
tesa	75	13.0	69	12.3	-7.8	
<b>Total</b>	<b>394</b>	<b>11.6</b>	<b>399</b>	<b>11.9</b>	<b>1.3</b>	

## Regional Reporting

SALES (IN € MILLION)	Jan. 1–June 30, 2015		Jan. 1–June 30, 2016		Change in %	
		% of total		% of total	nominal	organic
Europe	1,796	52.8	1,803	53.7	0.4	3.2
Americas	608	17.9	574	17.1	-5.6	2.0
Africa/Asia/Australia	998	29.3	981	29.2	-1.7	2.6
<b>Total</b>	<b>3,402</b>	<b>100.0</b>	<b>3,358</b>	<b>100.0</b>	<b>-1.3</b>	<b>2.8</b>

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	Jan. 1–June 30, 2015		Jan. 1–June 30, 2016		Change in %	
		% of sales		% of sales	nominal	
Europe	341	19.0	342	19.0	0.3	
Americas	43	7.0	40	7.0	-6.2	
Africa/Asia/Australia	124	12.5	131	13.3	5.0	
<b>Total</b>	<b>508</b>	<b>14.9</b>	<b>513</b>	<b>15.3</b>	<b>0.9</b>	

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

# Selected Explanatory Notes

## Information on the Company and on the Group

The registered office of Beiersdorf AG is at Unnastrasse 48 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. Beiersdorf AG is included in the consolidated financial statements of maxingvest ag. The activities of Beiersdorf AG and its affiliates (“Beiersdorf Group”) consist primarily of the manufacture and distribution of branded consumer goods in the area of skin care, and of the manufacture and distribution of technical adhesive tapes.

## Basis of Preparation

The interim consolidated financial statements for the period from January 1 to June 30, 2016, were prepared in accordance with IAS 34 “Interim Financial Reporting.” The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2015.

## Accounting Policies

The figures disclosed in this interim report were prepared in accordance with the International Financial Reporting Standards (IFRS). The same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2015. The intraperiod income tax expense was calculated on the basis of the estimated effective tax rate for the full year. The half-year report was not audited or reviewed.

## Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2015, for related party disclosures. There were no significant changes as of June 30, 2016.

## Corporate Governance

The declaration of compliance with the recommendations of the German Corporate Governance Code issued by the Supervisory Board and the Executive Board for fiscal year 2015 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) was published at the end of December 2015 and is permanently available on our website at

[WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML](http://WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML).

## Events after the Reporting Date

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

## Additional Disclosures on Financial Instruments

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

<b>(IN € MILLION)</b>					
Dec. 31, 2015	Carrying amount	Measurement under IAS 39			Fair value
		Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	
<b>Assets</b>					
<i>Loans and receivables (LaR)</i>	2,283	2,283	-	-	2,283
Non-current financial assets	12	12	-	-	12
Trade receivables	1,258	1,258	-	-	1,258
Other current financial assets	95	95	-	-	95
Cash and cash equivalents	918	918	-	-	918
<i>Available-for-sale financial assets (AFS)</i>	552	10	542	-	552
Non-current financial assets	10	10	-	-	10
Securities	542	-	542	-	542
<i>Held-to-maturity financial investments (HtM)</i>	1,612	1,612	-	-	1,622
Securities	1,612	1,612	-	-	1,622
<i>Derivative financial instruments used for hedges (DFI)</i>	18	-	13	5	18
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	2	-	-	2	2
<b>Liabilities</b>					
<i>Other financial liabilities (OFL)</i>	1,247	1,247	-	-	1,247
Non-current financial liabilities	-	-	-	-	-
Trade payables	1,152	1,152	-	-	1,152
Other current financial liabilities	95	95	-	-	95
<i>Derivative financial instruments used for hedges (DFI)</i>	14	-	13	1	14
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	1	-	-	1	1
June 30, 2016					
<b>Assets</b>					
<i>Loans and receivables (LaR)</i>	2,311	2,311	-	-	2,311
Non-current financial assets	11	11	-	-	11
Trade receivables	1,395	1,395	-	-	1,395
Other current financial assets	77	77	-	-	77
Cash and cash equivalents	828	828	-	-	828
<i>Available-for-sale financial assets (AFS)</i>	487	10	477	-	487
Non-current financial assets	10	10	-	-	10
Securities	477	-	477	-	477
<i>Held-to-maturity financial investments (HtM)</i>	1,943	1,943	-	-	1,968
Securities	1,943	1,943	-	-	1,968
<i>Derivative financial instruments used for hedges (DFI)</i>	30	-	18	12	30
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	1	-	-	1	1
<b>Liabilities</b>					
<i>Other financial liabilities (OFL)</i>	1,360	1,360	-	-	1,360
Non-current financial liabilities	-	-	-	-	-
Trade payables	1,304	1,304	-	-	1,304
Other current financial liabilities	56	56	-	-	56
<i>Derivative financial instruments used for hedges (DFI)</i>	27	-	17	10	27

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

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

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

<b>(IN € MILLION)</b>				
Dec. 31, 2015	Fair value hierarchy under IFRS 13			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<i>Available-for-sale financial assets (AFS)</i>	542	-	-	542
Securities	542	-	-	542
<i>Derivative financial instruments used for hedges (DFI)</i>	-	18	-	18
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	-	2	-	2
<b>Liabilities</b>				
<i>Derivative financial instruments used for hedges (DFI)</i>	-	14	-	14
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	-	1	-	1
June 30, 2016				
<b>Assets</b>				
<i>Available-for-sale financial assets (AFS)</i>	477	-	-	477
Securities	477	-	-	477
<i>Derivative financial instruments used for hedges (DFI)</i>	-	30	-	30
<i>Derivative financial instruments not included in a hedging relationship (FVPL)</i>	-	1	-	1
<b>Liabilities</b>				
<i>Derivative financial instruments used for hedges (DFI)</i>	-	27	-	27

No transfers between hierarchy levels took place in the first half of 2016.

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

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

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

# Responsibility Statement by the Executive Board

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

Hamburg, August 2016

Beiersdorf AG

The Executive Board

# Contact Information

→ Published by

**Beiersdorf Aktiengesellschaft**  
Unnastrasse 48  
20245 Hamburg  
Germany

→ Editorial Team and Concept

**Corporate Communications**  
Telephone: +49-40-4909-2001  
E-mail: [cc@beiersdorf.com](mailto:cc@beiersdorf.com)

→ Additional Information

**Corporate Communications**  
Telephone: +49-40-4909-2001  
E-mail: [cc@beiersdorf.com](mailto:cc@beiersdorf.com)

**Investor Relations**  
Telephone: +49-40-4909-5000  
E-mail: [investor.relations@beiersdorf.com](mailto:investor.relations@beiersdorf.com)

**Beiersdorf on the Internet**  
[www.beiersdorf.com](http://www.beiersdorf.com)

→ Note

The Half-Year Report is also available in German.

The online version is available at [WWW.BEIERSDORF.COM/INTERIM\\_REPORT](http://WWW.BEIERSDORF.COM/INTERIM_REPORT).

# Financial Calendar

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## 2016

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November 3

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**Quarterly Statement  
January to September 2016**

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## 2017

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January

—  
**Publication of  
Preliminary Group Results 2016 (Sales)**

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February/March

—  
**Publication of Annual Report 2016,  
Annual Accounts Press Conference,  
Financial Analyst Meeting**

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April

—  
**Annual General Meeting**

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May

—  
**Quarterly Statement  
January to March 2017**

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August

—  
**Half-Year Report  
2017**

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November

—  
**Quarterly Statement  
January to September 2017**

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