

Speech

Thomas-B. Quaas

Chairman of the Executive Board of Beiersdorf AG

Annual General Meeting

April 30, 2009

Hamburg

(Check against delivery)

Dear Shareholders,
Ladies and Gentlemen,

On behalf of the Executive Board of Beiersdorf AG, I would like to welcome you to the Annual General Meeting of our Company.

We are delighted that you have come to the Congress Centrum in Hamburg today to hear about business developments at your Company and to pass a number of important resolutions.

To start with, I would like to say a few words regarding the agenda for today's Annual General Meeting. I will then explain to you how Beiersdorf's business segments performed in 2008 and how this is reflected in our results for the year. Then I would like to give you an outlook for fiscal year 2009, during which I will also explain how the Beiersdorf Group, with its Consumer and tesa business segments, is doing in the economic crisis.

To start with, let us look at the agenda for today's Annual General Meeting.

Like every year, in agenda items 2 to 5 we are asking you to approve the appropriation of the net retained profits, to formally approve the actions of the members of the Executive Board and Supervisory Board for the past fiscal year, and to elect the auditors for the current fiscal year.

In agenda item 6, we are asking you to renew the global authorization to purchase and utilize our own shares – something that has been standard practice for years at nearly all major listed companies. The current authorization expires this year. Renewing the authorization will allow the Company to continue acquiring own shares if it were to reduce its holdings of them in the future. You can find the report by the Executive Board on pages 14 to 18 of the invitation to the Annual General Meeting that you received.

The term of office of the current Supervisory Board ends with the conclusion of today's Annual General Meeting. Professor Pöllath will run through the nominations for election to the Supervisory Board later under agenda item 7.

I am nevertheless very happy to report that the Supervisory Board is proposing to reelect Professor Pöllath as Chairman of the Supervisory Board, assuming he is reelected to the Board by today's Annual General Meeting. This will ensure the continuity and reliability of the Supervisory Board's work.

You can find more details on the proposed resolutions in the invitation to the Annual General Meeting that you received. That completes our brief look at the agenda for today's meeting.

Ladies and Gentlemen,

This is the first time you are attending the Annual General Meeting of Beiersdorf since it became a DAX company. Since December 22, 2008, Beiersdorf has been one of the 30 leading listed companies in Germany. We regard our inclusion in the DAX as confirmation of our business model, which focuses on long-term and sustainable success. It will allow us to make an even broader international public aware of how attractive Beiersdorf is, as well as demonstrating our success even more effectively on the international capital markets.

There is one point that I would like to stress, however: As a DAX company, Beiersdorf will do business according to the same principles as when it was listed on the M-DAX. We are not aiming to achieve short-term success at the expense of future progress. Rather, Beiersdorf will remain true to its principle of sustainable growth. This has served all the stakeholders in our Company well in Beiersdorf's 127-year history – our owners, our employees, our business partners, and, above all, our customers.

Being listed on Deutsche Börse's Prime Standard means that Beiersdorf has to prepare an interim report every three months. After all, you, our owners, want to be kept abreast of recent developments. Let me assure you, however, that despite being a DAX stock we will not manage this Company in quarterly cycles. Visions cannot be implemented by taking a short-term outlook, and we have a clear idea of what our future should look like: We want to remain one of the world's leading companies for skin and beauty care for many years to come.

The current financial and economic crisis shows just how important it is to think and act in a sustainable manner. This crisis has a whole range of different causes, but the excessive focus of some business models on quick wins and high leverage levels are undoubtedly two of them.

Time and time again, analysts and investors urged us, too, to take on a higher level of debt, in other words, to substitute debt for equity. We have always resisted this temptation and are now being praised for our conservative approach. In this crisis, equity is the currency that creates confidence among customers, suppliers, and investors.

Please don't misunderstand me. This deep recession has also left its mark on the Beiersdorf Group, as the recently published key data for the first quarter shows. Cuts are already being made at our affiliate tesa, as I will explain later. In the Consumer business segment, we need to adapt our activities to reflect the fact that consumers worldwide are tightening their belts. How acute this situation is and, above all, how long it will last, is impossible to predict with any degree of reliability. It is important that we remain on the alert and prepare for different scenarios by taking measures to counteract the effects of the financial crisis. Here, too, I will provide more details in a few minutes.

What shape is Beiersdorf's Consumer business segment in to tackle the economic crisis? We have been working to build our strengths for many years – including in 2008. These include our global brands, our supply chain, our focus on key markets with growth potential, and our unique corporate culture.

How did we perform in these areas in 2008? Let's start with our brands. Last year, sales of our three global brands each recorded double-digit growth. NIVEA added 10%, sales of our Eucerin brand, which is sold in pharmacies, rose by 12.6%, and our la prairie brand in the exclusive cosmetics segment expanded by 12.3%. All three global brands have thus gained additional market share and achieved further top spots in a number of countries.

This is mainly thanks to our focus on powerful innovations that consumers value and understand. Product launches communicate the benefits they offer in their names – for example, NIVEA Visage Expert Lift for sophisticated face care for women over 50 or NIVEA Hair Care Diamond Gloss, which gives hair a wonderfully glossy appearance. Such innovations have made a significant contribution to our growth.

The new brand image that we launched in 2007 has also been a success. As a personal care and beauty brand, NIVEA communicates to consumers that care and beauty must be regarded as an all-embracing concept; it is expressed not just through a person's appearance but also in the way that person feels and who the person is. We convey this message not just in television commercials but everywhere that consumers will see it – on store shelves, at bus stops, in magazines, and naturally on the ever-important Internet, which is growing in importance all the time. We take a similar approach for all our brands. Focusing squarely on a smaller number of better and more far-reaching innovations is paying off.

Ladies and Gentlemen,

Beiersdorf has always focused heavily on research and development. Our Skin Research Center is now one of the largest and most advanced of its kind worldwide and something that not many people even in Hamburg itself know is that this makes the Hanseatic city one of the few cosmetic capitals of the world.

In Research & Development we are also exploring new avenues. Last year, we launched an "open innovation" initiative. In an age in which the global volume of specialized knowledge and research findings doubles every five years, it is a real challenge, not simply to keep abreast of developments but to score the key points. Our plan is therefore to open up our activities further and to increasingly draw on outside knowledge.

In doing so, we rely on a variety of different channels for our contacts with external partners. Firstly, we use the Internet portals known to the scientific community to interest institutes, universities, and ordinary inventors in our ideas and win them over for cooperative ventures. Secondly, we specifically invite specialists from suppliers or leading institutes to our Company to work with us on new ideas here in Hamburg. All of this is designed to enrich Beiersdorf with new ideas and approaches that we can turn into product innovations.

The most recent example of such a fruitful partnership was the Expert Lift face care range launched at the end of last year. We identified the active ingredients used in these products – bioxilift and short-chain hyaluronic acid – in close cooperation with external partners and then transformed them into innovative products.

We also work continually on improving our understanding of the markets and our customers. Last year, we bundled all our strengths in a new function that is responsible for analyzing consumers and markets worldwide. Beiersdorf employees around the world (so far, we have trained 1,200) – from China through South Africa, Brazil, and Russia to Germany – use a data system to send their insights and findings to Hamburg, where they are evaluated. In this way, we ensure that the concepts and products we develop are important for consumers and can be used worldwide.

Ultimately, our main objective is to expand our brand position worldwide and hence strengthen the quality of our business. We achieved this last year as in the past – and with resounding success. Once again, NIVEA was the number one worldwide in 2008 in the skin and beauty care segment excluding fragrances and hair dyes, with sales in excess of €6.5 billion measured in terms of consumer prices. Consumers' trust in NIVEA was confirmed in the latest consumer survey conducted by Reader's Digest magazine. Nivea was voted Europe's most trusted skin care brand for the ninth time in a row.

Having the best brands is useless, however, if the products do not reach the stores quickly and reliably. The optimization of our Consumer Supply Chain, from procurement through production to delivery of the merchandise to our customers, is another cornerstone of our success and our Consumer Business Strategy. In 2008, we came a whole lot closer to achieving our goal of a global, process-oriented value chain.

In Europe, we largely concluded the realignment of our value chain at the end of 2008. The investments needed for this were lower than originally budgeted due to the proceeds from the disposal of assets that we no longer needed. All in all, we will therefore reach our savings targets as planned, starting this year. In addition, the capital tied-up has fallen by 13% in the past five years, while sales have risen significantly.

After the changes we have implemented in recent years, we are left with a small number of large plants in Europe. This not only cuts costs: By having our locations specialize in specific technologies, we are consolidating our expertise and boosting our innovative strength.

In the logistics area, we are benefiting from large product distribution centers at strategically important locations. We are now collaborating with efficient logistics specialists. This has several advantages:

- Firstly, these partners have state-of-the-art technologies.
- Secondly, in addition to storage, they perform all additional services required by the market.
- Thirdly, they can bundle goods flows across different regions and guarantee market-oriented, rapid delivery to customers thanks to global warehouses.

Such cross-vendor cooperation models are also better for the environment. Improved capacity utilization during transportation reduces CO2 emissions and energy usage.

We have also upgraded and centralized our procurement activities. This not only enables us to generate significant savings; it also allows us to fully exploit the international procurement markets, improve our value added, and minimize possible risks.

All in all, reorganizing the supply chain at Beiersdorf has brought about many changes. And one thing is worthy of particular mention: The readiness with which our employees have accepted these changes demonstrates their outstanding loyalty to the Company. This is not something that can be taken for granted. On behalf of the entire Executive Board, I would like to extend my heartfelt thanks to our employees for this.

We firmly believe that tailoring production and logistics more closely to the needs of customers and consumers is crucial for our global competitiveness. We see the optimization of our supply chain as an ongoing process that we will continue in future.

Ladies and Gentlemen,

you will have noticed that I am using the words "worldwide" and "global" a lot. There is a good reason for this: Beiersdorf now generates three-quarters of its sales outside Germany, and in fact international sales account for over 80% of sales in the Consumer business segment. We are now one of the four largest companies in the world for skin and beauty care.

Although we are present in a large number of countries around the world, we also focus on regions with exceptional growth potential. These include Asia, Eastern Europe, and Latin America in particular. Within these areas, we have made considerable headway in expanding our market positions in China, Russia, and Brazil in particular.

Last year, we grew by over 40% in China – not including our purchase of C-BONS Hair Care. Beiersdorf is now the uncontested number three in the Chinese skin and body care market. Our new acquisition, C-BONS Hair Care, also performed well. In year one, we reached all the targets set out in our business plan. We are also making good progress in merging the different corporate cultures, as well as in the integration process thanks to our conscious policy of listening and learning with due respect for cultural differences.

Our business in Eastern Europe recorded clear double-digit growth in 2008. We strengthened NIVEA's market position in Russia, Poland, and Ukraine in particular.

In Latin America, we grew by 21%, exceeding the growth of the previous year by one percentage point. An encouraging fact is that the entire region contributed to this growth. As a consequence, the profitability of the region again improved appreciably.

In the United States, the world's largest cosmetics market, we successfully changed our strategy and are now concentrating on our core competencies in skin care. Our American affiliate, Beiersdorf Inc., recorded double-digit sales growth on a like-for-like basis for the second year in a row. Our change of strategy is accompanied by an emotional advertising campaign with the slogan "Touch and Be Touched," which sensitizes American consumers for the NIVEA brand in a highly unusual and personal way.

The Western Europe region, in which we outperformed the market in 2008, continues to be extremely important for Beiersdorf. Italy and the France-Benelux group, for example, delivered strong results. Only the markets in Spain and the UK failed to meet our expectations due to the impact of the global financial and economic crisis, especially in the second half of the year. Overall, however, we have the most number one positions in the Western European market and recorded healthy growth.

Last but not least, I'd like to say something about Germany – our homeland and the largest single market in Beiersdorf's entire Consumer business segment. In Germany, we posted a very encouraging development last year with dynamic growth. And this growth curve – as the first quarter of 2009 showed – has continued so far this year.

Ladies and Gentlemen,

- we have very strong brands,
- we have an efficient supply chain,
- we have a footprint in markets with growth potential.

Nevertheless, these three elements are not enough. Without a strong team, without the right employees behind them, a company cannot be successful. Especially when times are tough.

We have such a strong team – a highly motivated, performance-oriented, reliable group of individuals around the world with whom it is fun to work. This is thanks to our unique corporate culture at Beiersdorf. Our employees have a particular emotional attachment to the Company and identify with our brands and our customers. This is not something that can be taken for granted.

Of course, success undoubtedly binds people together, but that's not the only reason. At Beiersdorf, a sustainable human resources policy has always been one of our top priorities, and the current recession is not about to change this. Every training course is a further investment in Beiersdorf's successful future.

Aside from the intensive support we provide for managers at all levels – we have launched a new training program for experienced, older managers, for example – we are continuing to hold a large number of specialized training seminars derived from our strategy for our entire workforce.

We are also continuing to hire young people as management trainees for our trainee program. What is more, we have maintained the number of vocational trainees – our youngest employees – at a high level. In addition, as part of our "Employer Branding" strategy, we are working on an international positioning that presents Beiersdorf as an attractive employer for talented young people worldwide.

Up to now, success and responsibility have always gone hand-in-hand at Beiersdorf. From the very beginning, economic, environmental, and social responsibility have been given equal prominence at Beiersdorf. Our current Executive Board is continuing this tradition. In the past, Company's social activities (the ones that people on the outside can see) focused on works kindergartens or voluntary benefits. Today, we are continuing in the same vein with new, additional topics and resources.

These days, the broader term for corporate responsibility is "sustainability". Sustainable corporate activity is achieved through economic success as well as by taking the workforce, society, and the environment into account during corporate decisions.

To be able to fulfill this far-reaching responsibility even more systematically in the future, we approved Beiersdorf's first international sustainability strategy in January of this year. Our Sustainability Advisory Board, which we set up in 2005 to manage all sustainability activities worldwide, is in charge of implementing this strategy throughout the Company.

To manage our environmental responsibility, we use an integrated, enterprise-wide management system. For the last 14 years, we have checked compliance with environmental protection and occupational safety requirements at our production sites using a certified audit program based on internationally recognized standards.

Ladies and Gentlemen,

Social commitment, like all areas of sustainability, depends on healthy corporate development. Social projects can only be implemented if the corresponding financial resources are available – a healthy entrepreneurial viewpoint is indispensable.

We have done justice to this aim and have realigned our social activities. These focus on “education”, “family”, and “culture” – human topics and areas of activity that are essential for a life that is truly worth living, both now and in the future.

In 2008, Beiersdorf sponsored and supported over 190 activities worldwide that had an impact on society. Two examples:

In Austria, the NIVEA Family Festivals are among the country's most popular summer events. Every year, this leisure tour organized by our Austrian affiliate attracts some 200,000 people. Record total donations of €290,715 were raised by this campaign in 2008 alone, which will be used in renovation and construction work at East Tyrol's Children's Village.

Since 2007, we have supported MUS-E, an arts and culture program for schools. Over 900 children in Germany and France now benefit from this program. If you would like to find out more about the topic of sustainability at Beiersdorf, I would encourage you to talk to our colleagues at the stand in the foyer.

Stable, reliable relationships between and with employees are traditionally important at Beiersdorf. We have always said that we aim to take care of both – success and the people in the Company. And we will stick to this principle now that we are a DAX-listed company, too. Yes, we keep a very close eye on our share price. Yes, structural measures also need to be implemented, but we intend to remain fair and predictable in the process and find the best possible solution together with – and for – our employees. It is not just "what" that is important when taking decisions, but "how". Our sale of Bode Chemie and Futuro show that this is also possible.

Ladies and Gentlemen,

Up to now I have reported on what we did in 2008. But what did this achieve expressed in figures?

The annual report, which contains the consolidated financial statements and the Group management report, and the Group, and the annual financial statements and management report of Beiersdorf AG, which were published separately, have been made available to you in accordance with item 1 on the agenda. In addition, the explanatory report by the Executive Board on the information in accordance with takeover law contained in the management reports has been made available to you.

The annual and consolidated financial statements and the related management reports were granted unqualified audit opinions by the auditors, Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft.

Ladies and Gentlemen,

2008 was a successful year for Beiersdorf. In a difficult economic environment, we increased our sales by 8.4% from €5.5 billion to €6.0 billion. In fact, after adjustment for currency translation effects, sales rose by as much as 10.6%.

Beiersdorf's Consumer business again outperformed the overall market by a significant margin. While market growth was around 3%, our Consumer business segment grew by 8.6% on a like-for-like basis – almost three times as fast. Including our acquisitions, the Consumer segment's sales growth amounted to 12.3%. In contrast, following a weak fourth quarter tesa recorded only a slight increase in sales of 1.3% after adjustment for currency translation effects. Incidentally, tesa was still fully on track after the first three quarters of 2008.

EBIT, or earnings before interest and taxes, was up from €616 million to €797 million. However, this figure also contains nonrecurring income from the sale of the Futuro business and the Bode Group. Excluding this nonrecurring income and excluding the income from the realignment of the Consumer Supply Chain, EBIT increased by around 2% compared with the previous year, to €696 million.

The Group reported profit after tax of €567 million, well above the prior-year figure of €442 million. Once again, this figure reflects the nonrecurring income already mentioned. After adjustment for all special factors from this year and the previous year, the Group's profit after tax rose from €486 million to €490 million.

Dear Shareholders,

As you know, the Executive Board and the Supervisory Board are proposing to the Annual General Meeting to pay our shareholders a dividend of €0.70 plus an extraordinary supplement of €0.20, giving a total dividend of €0.90 per share carrying dividend rights, for fiscal year 2008. The payment of an extraordinary supplement of €0.20 per share is designed to allow you, our shareholders, to benefit appropriately from the nonrecurring income generated by the disposals we have made in recent years. The Executive Board and the Supervisory Board regard giving our shareholders an appropriate share of both the ongoing earnings and nonrecurring income of our Company as an important principle of Beiersdorf's business policy.

Leaving aside our nonrecurring income of recent years, we can say that the past fiscal year was another successful one for Beiersdorf AG – despite an increasingly difficult macroeconomic environment. Against this background and in view of our Company's continued extremely healthy liquidity situation, the Executive Board and the Supervisory Board have decided, after careful consideration, to propose this increased dividend for the past fiscal year.

Ladies and Gentlemen,

I would nevertheless like to make it equally clear that the Executive Board and the Supervisory Board discussed seriously and at length whether we, as Beiersdorf AG, could maintain our proposed dividend for 2008 at this level in view of the further significant deterioration in the market crisis. However, after mature reflection, the Executive Board and the Supervisory Board unanimously reached the view that we should stick to our proposed total dividend for 2008 of €0.90 per share, despite the current macroeconomic crisis.

We believe that, precisely in times of crisis such as these which are ruled by fundamental uncertainties and imponderabilities, standards such as reliability are extremely important. We aim to express this reliability by sticking in full to the dividend we announced for our successful fiscal year 2008. This decision also takes into account the fact that dividends are a source of income and that they therefore represent an important planning item for many of our shareholders' livelihoods and pensions. In this respect, dividend reliability also has a major social significance.

However, let me take this opportunity to explicitly mention that, when making our proposal for the appropriation of the net retained profits for fiscal year 2009 and proposing a dividend for this year, we will give particular consideration – in addition to Beiersdorf's results for fiscal year 2009 – to the extremely difficult macroeconomic situation and to the related far-reaching measures taken by Beiersdorf with regard to the dividend amount we then propose.

Ladies and Gentlemen,

Despite the economic crisis and the volatility on the capital markets, we should not forget that Beiersdorf – your Company! – is very, very healthy and financially strong. Our liquidity situation is extremely comfortable. We have no net financial liabilities. Our cash and cash equivalents now amount to around €1.5 billion. To protect our balance sheet assets, last fall we shifted a large proportion of our current assets that were invested at banks to more secure investments.

This is reflected in the balance sheet in front of you: As of December 31, our securities portfolio amounted to €897 million and primarily comprises government bonds and prime-rated corporate bonds. This allows us to avoid potential default risks. We shall continue to restrict our bank investments until stable conditions return to the financial sector.

Of course, Beiersdorf's share price has not been immune to the financial market turbulence. It remained uncoupled from the German market indices for relatively long periods in 2008 and closed fiscal year 2008 clearly above the DAX. This strong performance initially continued at the beginning of 2009.

However, the financial market crisis has impacted our share price since then: The capital markets have been increasingly unsettled in recent weeks and months, leading to highly volatile share price performances. This reaction was noticeable in all stock market indices and in most sectors; our sector, which is known as HPC – home and personal care – was also hit hard.

We were aware of the possible effect of our first-quarter figures on our share price, which is why we published an ad-hoc disclosure with initial information on April 17. Since then, Beiersdorf's share price has dropped sharply – however, it is currently picking up again.

In order to assess the first quarter of 2009, allow me now to take a somewhat closer look at our two business segments. As I have already said, we released the results for the first quarter in an ad hoc two weeks ago.

At Group level, Beiersdorf's like-for-like sales in the first three months of the year were down 4% on the prior-year period. The Group's operating result was 26% below the previous year. tesa's quarterly sales were 24% below the previous year, while the Consumer business segment (on a like-for-like basis) remained at roughly the same level as the very strong prior-year quarter, declining by 0.5%.

I would now like to talk about tesa's performance:

Since the second half of 2008, the slowdown in the real economy due to the financial crisis has hit global industrial output particularly hard. As a result, many of the sectors in which tesa is active – especially the automotive and electronics industries – recorded significant slumps in sales and earnings due to the economic situation.

This trend intensified in the first quarter of 2009, and tesa was not immune to it. After generating strong sales of €846 million and maintaining its EBIT margin at an extremely high 9.6% compared with the industry as a whole in this difficult economic environment in 2008, tesa recorded a drop in sales of 23.8% in the first quarter of 2009, and its return on sales fell to 1.9%. tesa responded to this in February and March by introducing short-time working at several locations.

However, the ongoing weak demand in the industrial segment, which we believe will continue, necessitates further savings in order to cushion the declines caused by the crisis. This cannot be achieved by short-time working alone. In this context, tesa will review the strategic importance of its Harrislee production location, individual international sites, its logistics facilities in Stuttgart and in Offenburg. Around 400 employees worldwide are affected by the measures.

The measures will be implemented in a socially responsible manner. Above and beyond this, we are examining wage savings of 10% at tesa's group headquarters, to be achieved through temporary changes in working hours. The primary goal of these measures is to ensure the business segment's structural earnings power, so that it can continue its successful strategy.

The central elements of this strategy are tesa's entry into the new and attractive health markets business area, and the expansion of its growing business supplying products for the electronics industry. Our investment projects relating to these two key future markets are therefore not affected by the measures I have mentioned, and will be systematically continued. Their aim is to allow tesa to resume its successful development after the crisis has passed and to ensure long-term growth.

Despite the current difficult situation, we are certain that tesa will overcome the crisis and rapidly return to its previous encouraging performance. Allow me to describe three key competitive advantages that support this conviction:

1. tesa is an extremely healthy affiliate with a sound financial base and the correct focus and strategy. This is proved by its success in the seven years since it was hived off up to the 2008 recession: tesa clearly outperformed the market at times and recorded disproportionately high earnings growth year after year. In these 7 years, tesa increased its return on sales by an average of more than one percentage point per year. tesa achieved this growth not through loan-financed acquisitions but organically.
2. Despite the crisis, tesa will systematically drive forward its planned investments in new technologies and therefore in the future. Thanks to the innovative coating facilities that are currently being developed in the Hamburg plant, tesa will be in a position to enter new and highly profitable markets, which will accelerate and secure its growth in the long term. These future investments include the acquisition of Labtec GmbH. This company's special expertise is facilitating tesa's entry into the health market. As a supplier of so-called transdermal therapy systems – medicinal plasters – for the pharmaceuticals industry, tesa will establish itself in another highly attractive growth market with new, technologically sophisticated solutions.
3. tesa further expanded its global presence in 2008 and strengthened its worldwide sales organization. For example, the share of total sales accounted for by the Asia growth region increased to 16%. This makes tesa one of only very few companies in this sector that can offer its customers integrated services of the highest standard all over the world. Together with the broad focus of its business, this enables tesa to make the system solutions that are developed on the basis of the new technologies rapidly available in the various markets worldwide.

Taken together, these three competitive advantages – a sound financial base, concrete technological advances that will be implemented in products and launched this year, and a strong global presence – convince us that tesa will emerge from the crisis stronger.

The outlook for tesa:

The tesa business segment generated sales of €171 million in the first quarter of 2009, a decline in organic sales of 23.8%. This represents a decrease of €53 million on the figure for the prior-year period (€224 million). EBIT declined by roughly €23 million to roughly €1 million.

We are expecting the difficult sales trend at tesa to continue during the current year. For this reason, the above-mentioned measures are being planned to ensure tesa's structural earnings ability. At the same time, planned investments in new technologies aimed at strengthening tesa's position on the global market in the long term will be systematically continued. tesa is forecasting a slight operating profit for the current year.

In contrast to tesa, which generates three-quarters of its sales from the industrial business, our Consumer business was not materially affected by the beginning of the recession in 2008. Growth here until December remained extraordinarily encouraging. Nominal sales increased by 10% to €5.1 billion and our market share continued to grow. Excluding acquisitions, organic growth amounted to 8.6%. EBIT excluding special factors climbed from €596 million to €615 million, corresponding to an EBIT margin of 12.0%. Excluding the EBIT effects of our acquisitions, the figure for 2008 totals 13.0%, slightly up on the previous year's 12.8%.

The sharp impact of the recession on the cosmetics business started to be felt in January. Although sales in the first three months (on a like-for-like basis) were almost level with those for the very strong prior-year quarter – down 0.5% to be precise – capital market expectations were significantly higher.

Nominal sales amounted to €1,267 million (previous year: €1,299 million). The operating result declined to roughly €144 million (previous year: €171 million), while the EBIT margin was roughly 11.3% (previous year: 13.2%).

So, where will Consumer go from here this year?

To start with, it must be noted that the weakly cyclical cosmetics industry is also being affected by this severe recession, even if the capital markets hoped – or firmly expected – this not to happen.

We don't yet know precisely how badly affected our industry is. Two weeks ago we gave the following outlook for 2009:

According to the information currently at our disposal, we expect the Consumer global market to contract slightly. However, we are confident that we shall again succeed in outperforming the market in 2009, and are therefore forecasting organic sales for the Consumer business segment that are slightly in excess of last year. Thanks to our sound financial position, we shall continue to invest in the market to continue to gain market share.

Since we expect sales to be up only slightly on 2008, we will systematically implement cost capping and cost cutting measures to maintain our EBIT margin in excess of 10% in this difficult environment.

To do this, we have developed a package of cost-cutting measures which will allow us to act flexibly depending on the course of the crisis.

In concrete terms, this means we are prepared for anything and are not ruling out any type of development.

We have included all cost areas in our preparations. Within these areas, we have classified the measures according to their effects and implementation times. This allows us to proceed in a timely and appropriate manner. We are also managing these activities at an overarching level with the assistance of the general managers for the markets concerned.

However, I would like to make one fundamental comment. tesa and Beiersdorf Consumer operate in extremely different business areas. I have said that skin and beauty care is also affected by the economic crisis. That is true, and we are preparing ourselves to deal with it in this area as well.

Nevertheless, we must make a clear distinction: The cosmetics industry is not nearly as severely affected as tesa's industrial business. Beiersdorf's Consumer business segment operates in markets that are far less affected than tesa's industrial business.

We shall publish detailed figures for both business segments on May 5 in our interim report, as planned.

Ladies and Gentlemen,

The extremely good performance we turned in for fiscal year 2008 is the best possible basis for meeting the challenges facing us in 2009. Our success to date is thanks to the hard work put in by our almost 22,000 employees. Together we will also be successful in the future.

I would therefore like to consciously end my speech by thanking all of our Company's employees – and I'm certain that I can do so on your behalf as well.

Ladies and gentlemen, thank you for your attention.