# 9M 2013

INTERIM REPORT JANUARY–SEPTEMBER

Beiersdorf

# Contents

## GENERAL



## INTERIM MANAGEMENT REPORT – GROUP



## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

# Business Developments – Overview

## Beiersdorf continues to make progress

- Group sales rise 7.3%
- Consumer sales up 6.9% on the previous year
- tesa grows by 9.3%
- Group EBIT margin increases to 13.9%

## Outlook for fiscal year 2013

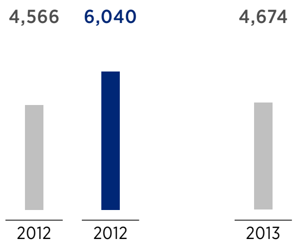
- Sales growth in the Consumer segment at 6 to 7%
- Consumer EBIT margin above 12%
- Sales growth in the tesa segment at 6 to 7%
- tesa EBIT margin around 16%

## Beiersdorf at a Glance

| | | Jan. 1–Sep. 30, 2012 | Jan. 1–Sep. 30, 2013 |
|---|---|---|---|
| **Group sales** | (in € million) | **4,566** | **4,674** |
| Change (organic) | (in %) | 3.7 | 7.3 |
| Change (nominal) | (in %) | 6.8 | 2.4 |
| **Consumer sales** | (in € million) | **3,816** | **3,883** |
| Change (organic) | (in %) | 3.7 | 6.9 |
| Change (nominal) | (in %) | 6.9 | 1.7 |
| **tesa sales** | (in € million) | **750** | **791** |
| Change (organic) | (in %) | 3.5 | 9.3 |
| Change (nominal) | (in %) | 6.4 | 5.5 |
| **Operating result (EBIT, excluding special factors)** | (in € million) | **575** | **650** |
| Operating result (EBIT) | (in € million) | 558 | 650 |
| Profit after tax | (in € million) | 358 | 433 |
| Return on sales after tax | (in %) | 7.8 | 9.3 |
| Earnings per share | (in €) | 1.55 | 1.88 |
| **Gross cash flow** | (in € million) | **425** | **509** |
| **Capital expenditure** | (in € million) | **93** | **145** |
| **Research and development expenses** | (in € million) | **122** | **114** |
| **Employees** | (number as of Sep. 30) | **16,611** | **16,550** |

Percentage changes are calculated based on thousands of euros.

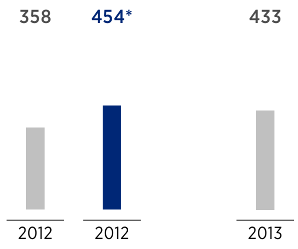
**GROUP SALES (IN € MILLION)**




| SALES GROWTH IN % | 3.7 | 4.7 | 7.3 |
|---|---|---|---|

Jan. 1–Sep. 30 Full year

**PROFIT AFTER TAX (IN € MILLION)**




| RETURN ON SALES AFTER TAX IN % | 7.8 | 7.5 | 9.3 |
|---|---|---|---|

Jan. 1–Sep. 30 Full year

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See also the disclosures in the section entitled “Selected Explanatory Notes.”

# Beiersdorf's Shares

Increasing uncertainty about the US Federal Reserve's future monetary policy dampened sentiment on the international stock markets towards the end of the first half of 2013. However, the announcements by the US Federal Reserve and the European Central Bank at the beginning of the third quarter that they would continue their low interest rate policies initially led to a significant broad-based recovery in share prices. By contrast, the possibility of military intervention by the USA and other countries in Syria depressed the markets once again in August. In addition, the spotlight was put back on the Federal Reserve when it announced a possible decrease in its monthly purchases of government bonds and mortgage securities. This was interpreted as a potential tightening of monetary policy in the USA, creating corresponding expectations on the international stock markets. Alongside a preliminary agreement in the Syrian conflict, September then saw the US central bank make the surprising decision not to reduce its bond purchases. These two events resulted in a strong upturn on the stock markets, pushing the DAX to a new record high of just under 8,700 points.

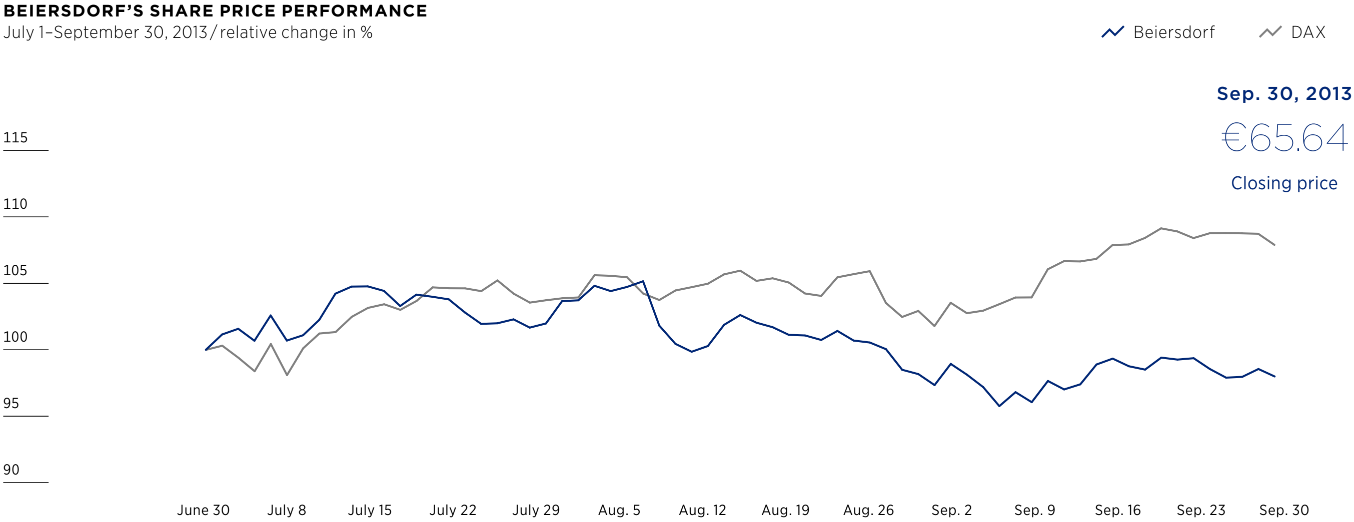
At the beginning of the third quarter, Beiersdorf's shares initially recovered from the downward trend seen in the previous period and gained significant ground. However, after the results for the first half of 2013 were published on August 7, the share price eased substantially due to high market expectations, meaning that Beiersdorf's shares underperformed the DAX in the final two months of the reporting period. The results of the Blue Agenda and recent product launches were the main focuses of discussions with financial market participants at investors' conferences and road shows in the third quarter.

Beiersdorf's shares closed at €65.64 at the end of September, down slightly on the beginning of the quarter.

**KEY FIGURES – SHARES**

| | | 2012 | 2013 |
|---|---|---|---|
| Earnings per share as of Sep. 30 | (in €) | 1.55 | 1.88 |
| Market capitalization as of Sep. 30 | (in € million) | 14,389 | 16,541 |
| Closing price as of Sep. 30 | (in €) | 57.10 | 65.64 |
| High for the period Jan. 1–Sep. 30 | (in €) | 58.00 | 72.60 |
| Low for the period Jan. 1–Sep. 30 | (in €) | 42.85 | 60.86 |

**BEIERSDORF'S SHARE PRICE PERFORMANCE**
July 1–September 30, 2013 / relative change in %



# Interim Management Report – Group
# Results of Operations – Group

- Group sales rise 7.3%
- EBIT margin increases to 13.9%
- Profit after tax of €433 million

Organic Group sales in the first nine months were up 7.3% on the prior year. Growth was reduced by 4.7 percentage points due to exchange rate effects and by 0.2 percentage points due to acquisitions and divestments of businesses/brands. Nominal Group sales were up 2.4% on the previous year, at €4.674 billion (previous year: €4.566 billion). The Consumer Business Segment recorded organic growth of 6.9%, while tesa grew organically by 9.3%.

In **Europe**, sales were up 0.5% on the prior year. In nominal terms, sales amounted to €2.598 billion (previous year: €2.636 billion*), 1.5% lower than the prior-year figure.

Growth in the **Americas** region amounted to 11.6% and was driven particularly by the clear growth seen in Latin America. In nominal terms, sales decreased by 1.5% to €804 million (previous year: €817 million).

The **Africa/Asia/Australia (A/A/A)** region reported growth of 20.0%. Nominal growth of 14.3% to €1.272 billion was achieved (previous year: €1.113 billion*).

**INCOME STATEMENT (IN € MILLION)**

| | Jan. 1–Sep. 30, 2012 | Jan. 1–Sep. 30, 2013 | Change in % |
|---|---|---|---|
| **Sales** | **4,566** | **4,674** | **2.4** |
| Cost of goods sold | –1,651 | –1,682 | 1.9 |
| **Gross profit** | **2,915** | **2,992** | **2.6** |
| Marketing and selling expenses | –1,899 | –1,946 | 2.5 |
| Research and development expenses | –122 | –114 | –6.5 |
| General and administrative expenses | –229 | –235 | 2.4 |
| Other operating result (excluding special factors) | –90 | –47 | – |
| **Operating result (EBIT, excluding special factors)** | **575** | **650** | **13.0** |
| Special factors | –17 | – | – |
| **Operating result (EBIT)** | **558** | **650** | **16.4** |
| Financial result | 7 | 1 | – |
| **Profit before tax** | **565** | **651** | **15.3** |
| Income taxes | –207 | –218 | 5.5 |
| **Profit after tax** | **358** | **433** | **21.0** |
| **Basic/diluted earnings per share (in €)** | **1.55** | **1.88** | – |

The operating result (EBIT, excluding special factors) increased to €650 million (previous year: €575 million). This corresponds to an EBIT margin (excluding special factors) of 13.9% (previous year: 12.6%). Special factors in the previous year (€–17 million) mainly related to non-recurring costs from the realignment of corporate structures and processes in the Consumer Business Segment that Beiersdorf resolved in November 2011.

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRSs and should be treated merely as voluntary additional information. The special factors listed are one-time, non-operating transactions that only affect the Consumer Business Segment.

* The prior-year figures have been adjusted due to the reclassification of the Consumer Business Segment's Turkish affiliate from Western Europe to A/A/A.

The financial result amounted to €1 million (previous year: €7 million). The main reasons for the change were declining interest income and a lower net pension result.

Profit after tax increased to €433 million (previous year: €358 million). The corresponding return on sales after tax was 9.3% (previous year: 7.8%). There were no special factors impacting profit after tax, meaning that profit after tax excluding special factors was also €433 million (previous year: €370 million). The corresponding return on sales after tax was 9.3% (previous year: 8.1%).

Earnings per share were €1.88, calculated on the basis of 226,818,984 shares (previous year: €1.55). Excluding special factors they amounted to €1.88 (previous year: €1.60).

# Results of Operations – Business Segments

## Consumer

**CONSUMER**

Jan. 1–Sep. 30

| | | Europe | Americas | Africa/Asia/ Australia | Total |
|---|---|---|---|---|---|
| Sales 2013 | (in € million) | 2,139 | 696 | 1,048 | 3,883 |
| Sales 2012* | (in € million) | 2,171 | 715 | 930 | 3,816 |
| Change (organic) | (in %) | 0.1 | 11.7 | 18.9 | 6.9 |
| Change (nominal) | (in %) | –1.5 | –2.6 | 12.7 | 1.7 |

* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A/A/A.

The **Consumer** Business Segment recorded organic sales growth of 6.9% in the first nine months. The strong euro led to a reduction in this figure of 5.4 percentage points as a result of negative effects from currency translation. Structural changes, which were primarily the result of the acquisition of the Turkish affiliate in the previous year, boosted growth by 0.2 percentage points. In nominal terms, sales therefore rose by 1.7% to €3.883 billion (previous year: €3.816 billion).

The encouraging sales growth is due to the continuing high growth rates in the emerging markets. At the same time, a positive trend was also seen again in Europe for the first time. Market share increased in all regions thanks to the successful launch of new products.

**NIVEA** sales rose by 7.3% compared with the previous year. **Eucerin** continued its strong sales trend, recording an 11.1% increase in sales. **La Prairie** recorded sales growth of 5.4%.

EBIT rose to €510 million (previous year: €476 million), while the EBIT margin increased to 13.1% (previous year: 12.5%).

**CONSUMER SALES IN EUROPE**

Jan. 1–Sep. 30

| | | Western Europe | Eastern Europe | Total |
|---|---|---|---|---|
| Sales 2013 | (in € million) | 1,708 | 431 | 2,139 |
| Sales 2012* | (in € million) | 1,727 | 444 | 2,171 |
| Change (organic) | (in %) | 0.3 | –0.8 | 0.1 |
| Change (nominal) | (in %) | –1.1 | –3.0 | –1.5 |

* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A/A/A.

Organic sales in **Europe** were at the prior-year level. At €2.139 billion, nominal sales were down 1.5% on the previous year (€2.171 billion).

In **Western Europe**, sales were on a level with the previous year thanks to a strong third quarter. Significant sales growth was achieved in Germany and the United Kingdom in particular. This was primarily due to successful innovations. The markets of Southern Europe saw the first signs of a slight economic recovery.

Sales in **Eastern Europe** were down 0.8% year-on-year. Poland achieved a slight increase in sales, while Russia failed to match prior-year sales levels due to the overall market downturn. However, we did further expand our market position.

**CONSUMER SALES IN THE AMERICAS**

Jan. 1–Sep. 30

| | | North America | Latin America | Total |
|---|---|---|---|---|
| Sales 2013 | (in € million) | 247 | 449 | 696 |
| Sales 2012 | (in € million) | 241 | 474 | 715 |
| Change (organic) | (in %) | 5.2 | 15.5 | 11.7 |
| Change (nominal) | (in %) | 2.4 | –5.2 | –2.6 |

Organic sales in the **Americas** region rose by 11.7%. At €696 million, nominal sales were down 2.6% on the previous year (€715 million), largely due to exchange rate changes for the Brazilian real, the Argentinian peso and the Venezuelan bolivar.

Sales in **North America** were up 5.2% on the previous year. Eucerin in particular saw very strong growth.

**Latin America** saw sales growth of 15.5%, driven by excellent growth rates in Brazil and strong increases in most other key markets. NIVEA Deo performed extremely well across all markets, while NIVEA Face and NIVEA Body recorded healthy growth. Eucerin sales growth was also good.

**CONSUMER SALES IN AFRICA/ASIA/AUSTRALIA**

Jan. 1–Sep. 30

| | | Total |
|---|---|---|
| Sales 2013 | (in € million) | 1,048 |
| Sales 2012* | (in € million) | 930 |
| Change (organic) | (in %) | 18.9 |
| Change (nominal) | (in %) | 12.7 |

* The prior-year figures have been adjusted due to the reclassification of the Turkish affiliate from Western Europe to A/A/A.

The **Africa/Asia/Australia** region recorded an 18.9% increase in organic sales. The nominal increase was only 12.7% due to exchange rate changes in Japan and India. Sales amounted to €1.048 billion (previous year: €930 million).

Sales growth in China was very good. Most other key markets also generated good or extremely good growth rates. Growth in China resulted particularly from the relaunch of our Chinese hair care brands, SLEK and Maestro, and NIVEA's strong performance. Sales of NIVEA Deo and NIVEA Men in particular increased across all markets. Eucerin saw extremely strong growth.

## tesa

**tesa**
Jan. 1–Sep. 30

| | | Europe | Americas | Africa/Asia/ Australia | **Total** |
|---|---|---|---|---|---|
| Sales 2013 | (in € million) | 459 | 108 | 224 | 791 |
| Sales 2012 | (in € million) | 465 | 102 | 183 | 750 |
| Change (organic) | (in %) | 2.3 | 10.8 | 25.8 | 9.3 |
| Change (nominal) | (in %) | –1.3 | 6.6 | 22.2 | 5.5 |

The **tesa** Business Segment recorded organic sales growth of 9.3% in the first nine months of 2013, continuing its healthy performance of the first half of the year. Exchange rate effects depressed this figure by 1.9 percentage points. Structural changes resulting from the sale of tesa Bandfix AG in the previous year reduced growth by a further 1.9 percentage points. In nominal terms, tesa’s sales therefore increased by 5.5% to €791 million (previous year: €750 million).

The overall positive sales trend continued in the industrial business in particular. The Americas and Asia regions continued to achieve significant sales growth. The sales trend in Europe was also positive, but was impacted by a drop in revenue in southern European countries in particular.

EBIT in the tesa Business Segment rose in the third quarter to €140 million (previous year: €99 million), while the EBIT margin amounted to 17.7% (previous year: 13.2%). Third quarter earnings were lifted by specific effects. Additionally, the prior-year period was impacted by expenses in connection with the disposal of tesa Bandfix AG.

# Balance Sheet Structure – Group

**BALANCE SHEET (IN € MILLION)**

| Assets | Dec. 31, 2012 | Sep. 30, 2012 | **Sep. 30, 2013** |
|---|---|---|---|
| Non-current assets* | 1,717 | 1,537 | 1,922 |
| Inventories | 734 | 766 | 764 |
| Other current assets* | 2,311 | 2,496 | 2,184 |
| Cash and cash equivalents | 834 | 838 | 976 |
| | **5,596** | **5,637** | **5,846** |

| Equity and Liabilities | Dec. 31, 2012 | Sep. 30, 2012 | **Sep. 30, 2013** |
|---|---|---|---|
| Equity* | 3,143 | 3,082 | 3,325 |
| Non-current provisions* | 471 | 462 | 475 |
| Non-current liabilities* | 141 | 123 | 145 |
| Current provisions | 506 | 689 | 573 |
| Current liabilities | 1,335 | 1,281 | 1,328 |
| | **5,596** | **5,637** | **5,846** |

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See also the disclosures in the section entitled "Selected Explanatory Notes."

Non-current assets increased by €205 million as against December 31, 2012, to €1.922 billion. Long-term securities were reclassified due to shorter maturities and new purchases were made. Capital expenditure for property, plant, and equipment, and intangible assets in the first nine months of 2013 amounted to €145 million (previous year: €93 million). Of this amount, €102 million was attributable to the Consumer Business Segment (previous year: €75 million) and €43 million to the tesa Business Segment (previous year: €18 million). The increase is mainly attributable to investment in the Consumer Business Segment's new factory in Mexico and tesa's new headquarters near Hamburg. Depreciation, amortization, and impairment losses amounted to €80 million (previous year: €81 million). Inventories rose by €30 million as against December 31, 2012, to €764 million. Other current assets decreased by €127 million as against December 31, 2012, to €2.184 billion. This item includes short-term securities of €695 million, which declined by €231 million in comparison to the 2012 year-end. Trade receivables increased by €109 million compared with the figure for December 31, 2012, to €1.173 billion, due to seasonal factors.

Cash and cash equivalents rose by €142 million as against December 31, 2012, to €976 million. Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) increased by €74 million compared with the figure for December 31, 2012, to €2.510 billion. Current liabilities to banks decreased by €9 million and amounted to €12 million.

At €620 million, total non-current provisions and liabilities increased by €8 million since December 31, 2012. The growth in total current provisions and liabilities to €1.901 billion primarily resulted from the €67 million increase in other provisions due to operational factors.

**FINANCING STRUCTURE* (IN %)**


* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See also the disclosures in the section entitled "Selected Explanatory Notes."

# Financial Position – Group

**CASH FLOW STATEMENT (IN € MILLION)**

| | Jan. 1–Sep. 30, 2012 | Jan. 1–Sep. 30, 2013 |
|---|---|---|
| Gross cash flow | 425 | 509 |
| Change in working capital | 4 | –99 |
| Net cash flow from operating activities | 429 | 410 |
| Net cash flow from investing activities | –294 | –24 |
| Free cash flow | 135 | 386 |
| Net cash flow from financing activities | –247 | –211 |
| Other changes | 9 | –33 |
| Net change in cash and cash equivalents | –103 | 142 |
| **Cash and cash equivalents as of Jan. 1** | **941** | **834** |
| **Cash and cash equivalents as of Sep. 30** | **838** | **976** |

Gross cash flow reached €509 million, up €84 million on the prior-year value. The cash outflow from the change in working capital was €99 million (previous year: cash inflow of €4 million). The increases in receivables and other assets of €135 million and in inventories of €30 million were partially matched by a €66 million rise in liabilities and provisions. Overall, the net cash flow from operating activities totaled €410 million (previous year: €429 million).

The net cash outflow from investing activities amounted to €24 million (previous year: €294 million). Net cash inflows of €77 million for the purchase of securities, €34 million in interest received and other financial cash inflows, and proceeds of €10 million from the sale of property, plant, and equipment, and intangible assets were partially offset by capital expenditure of €145 million for property, plant, and equipment, and intangible assets.

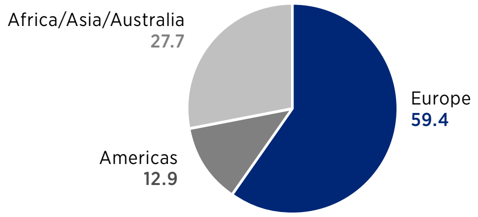
Free cash flow was €386 million, up €251 million on the prior-year figure (€135 million). The net cash outflow of €211 million from financing activities (previous year: €247 million) mainly comprised the dividend payment of €159 million and other financing expenses.

Cash and cash equivalents amounted to €976 million (previous year: €838 million).

# Employees

The total number of employees fell from 16,605 to 16,550, a reduction of 55 compared with the total as of December 31, 2012. As of September 30, 2013, 12,736 employees worked in the Consumer business segment and 3,814 at tesa.

**EMPLOYEES BY REGION (IN %)**
as of Sep. 30, 2013; total 16,550 employees




# Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report of December 31, 2012, and the interim reports for the first two quarters of 2013. There were no significant changes in opportunities and risks as of September 30, 2013.

# Outlook for 2013

## Expected Macroeconomic Developments

We believe that the **global** economic situation will continue to be dominated by uncertainty. The industrialized nations are likely to record only moderate growth in 2013, whereas we expect stronger growth rates in the developing countries and emerging markets.

Developments in **Europe** will mainly depend on how the eurozone develops. There are indications that the reforms that have been implemented, particularly in the crisis-hit countries in Southern Europe, are working and that they could therefore stabilize the economic situation in the long term. However, we anticipate that economic development will remain very muted in 2013, with only slight growth rates being recorded in the countries with strong economies and continued negative developments in most of the crisis-hit regions. We expect continued moderate growth in the **United States** in 2013. However, a range of factors such as labor market trends and the impact of the US budget dispute on consumer confidence are sources of uncertainty that could also lead to smaller increases in consumer spending and in corporate investment. In **China,** we expect growth to be on a level with the previous year. Weaker export demand could be offset by fiscal policy measures and increased foreign investment. Growth is also expected to stay the same in the rest of Asia, with Indonesia, Thailand, and Vietnam in particular supporting growth in the region.

Ongoing high volatility on the commodities markets is lending weight to our objective of improving the security of supplies, especially for specific raw materials. In developing alternative procurement opportunities, we will focus even more on sourcing raw materials regionally and locally in future, and hence increasing the flexibility and agility of our production facilities. The global economic trend will lead to procurement market prices remaining stable overall in the final quarter of 2013. While prices of standard raw materials will remain flat or even decline in some cases, specific raw materials will see price increases due to market shortages. The euro and sovereign debt crisis and the political situation in the Middle East will continue to influence the future availability and prices of specific raw materials.

## Business Developments

Our goal is for **Group** sales growth of 6–7% in full-year 2013. We estimate that market growth will amount to approximately 3–4%. The consolidated EBIT margin from operations is expected to be approximately 13%.

In the **Consumer** business segment, we are predicting sales growth of 6–7% for 2013. We estimate that market growth will amount to approximately 3–4%. This healthy sales growth will be further supported by targeted investments in innovations and emerging markets. The EBIT margin from operations is expected to be above 12%.

**tesa** anticipates sales growth of 6–7% for 2013, with market growth estimated at around 2–3%. The EBIT margin from operations is expected to be approximately 16%.

We firmly believe that we are well positioned for the future thanks to our strong brands, innovative products, and our strategic focus, as manifested in our Blue Agenda.

Hamburg, November 2013
Beiersdorf AG

The Executive Board

# Interim Consolidated Financial Statements
# Income Statement

**(IN € MILLION)**

| | July 1–Sep. 30, 2012 | **July 1–Sep. 30, 2013** | Jan. 1 –Sep. 30, 2012 | **Jan. 1 –Sep. 30, 2013** |
|---|---|---|---|---|
| **Sales** | **1,504** | **1,511** | **4,566** | **4,674** |
| Cost of goods sold | –547 | –544 | –1,651 | –1,682 |
| **Gross profit** | **957** | **967** | **2,915** | **2,992** |
| Marketing and selling expenses | –620 | –616 | –1,899 | –1,946 |
| Research and development expenses | –40 | –38 | –122 | –114 |
| General and administrative expenses | –76 | –73 | –229 | –235 |
| Other operating result | –37 | –24 | –107 | –47 |
| **Operating result (EBIT)** | **184** | **216** | **558** | **650** |
| Interest income | 7 | 5 | 22 | 16 |
| Interest expense | –1 | –1 | –5 | –3 |
| Net pension result | –3 | –3 | –7 | –9 |
| Other financial result | –4 | – | –3 | –3 |
| **Profit before tax** | **183** | **217** | **565** | **651** |
| Income taxes | –73 | –71 | –207 | –218 |
| **Profit after tax** | **110** | **146** | **358** | **433** |
| Of which attributable to | | | | |
| – Equity holders of Beiersdorf AG | 107 | 143 | 351 | 426 |
| – Non-controlling interests | 3 | 3 | 7 | 7 |
| **Basic/diluted earnings per share (in €)** | **0.47** | **0.63** | **1.55** | **1.88** |

# Statement of Comprehensive Income

**(IN € MILLION)**

| | July 1–Sep. 30, 2012 | **July 1–Sep. 30, 2013** | Jan. 1–Sep. 30, 2012 | **Jan. 1–Sep. 30, 2013** |
|---|---|---|---|---|
| **Profit after tax** | **110** | **146** | **358** | **433** |
| | | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | | |
| Remeasurement gains and losses on cash flow hedges | 5 | –4 | 5 | 1 |
| Deferred taxes on remeasurement gains and losses on cash flow hedges | –2 | 2 | –2 | – |
| *Remeasurement gains and losses on cash flow hedges recognized in other comprehensive income* | *3* | *–2* | *3* | *1* |
| | | | | |
| Remeasurement gains and losses on available-for-sale financial assets | – | 8 | – | 6 |
| Deferred taxes on remeasurement gains and losses on available-for-sale financial assets | – | –3 | – | –2 |
| *Remeasurement gains and losses on available-for-sale financial assets recognized in other comprehensive income* | – | *5* | – | *4* |
| | | | | |
| Exchange differences | –11 | –28 | 9 | –89 |
| | | | | |
| **Items that will not be reclassified to profit or loss*** | | | | |
| Remeasurements of defined benefit pension plans* | –25 | 10 | –199 | –1 |
| Deferred taxes on remeasurements of defined benefit pension plans* | 8 | –4 | 62 | – |
| *Remeasurements of defined benefit pension plans recognized in other comprehensive income** | *–17* | *6* | *–137* | *–1* |
| | | | | |
| **Other comprehensive income net of tax*** | **–25** | **–19** | **–125** | **–85** |
| | | | | |
| **Total comprehensive income*** | **85** | **127** | **233** | **348** |
| Of which attributable to | | | | |
| – Equity holders of Beiersdorf AG* | 82 | 125 | 226 | 343 |
| – Non-controlling interests | 3 | 2 | 7 | 5 |

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See also the disclosures in the section entitled “Selected Explanatory Notes.”

# Balance Sheet

**(IN € MILLION)**

| Assets | Dec. 31, 2012 | Sep. 30, 2012 | **Sep. 30, 2013** |
|---|---|---|---|
| Intangible assets | 185 | 170 | 177 |
| Property, plant, and equipment | 685 | 642 | 737 |
| Non-current financial assets/securities | 712 | 604 | 862 |
| Other non-current assets | 2 | 2 | 3 |
| Deferred tax assets* | 133 | 119 | 143 |
| **Non-current assets*** | **1,717** | **1,537** | **1,922** |
| Inventories | 734 | 766 | 764 |
| Trade receivables | 1,064 | 1,121 | 1,173 |
| Other current financial assets | 112 | 117 | 114 |
| Income tax receivables | 86 | 83 | 75 |
| Other current assets* | 123 | 117 | 127 |
| Securities | 926 | 1,058 | 695 |
| Cash and cash equivalents | 834 | 838 | 976 |
| **Current assets*** | **3,879** | **4,100** | **3,924** |
| | **5,596** | **5,637** | **5,846** |

| Equity and liabilities | Dec. 31, 2012 | Sep. 30, 2012 | **Sep. 30, 2013** |
|---|---|---|---|
| Equity attributable to equity holders of Beiersdorf AG* | 3,131 | 3,071 | 3,315 |
| Non-controlling interests | 12 | 11 | 10 |
| **Equity*** | **3,143** | **3,082** | **3,325** |
| Provisions for pensions and other post-employment benefits* | 381 | 370 | 383 |
| Other non-current provisions | 90 | 92 | 92 |
| Non-current financial liabilities | 11 | 6 | 8 |
| Other non-current liabilities | 4 | 4 | 3 |
| Deferred tax liabilities* | 126 | 113 | 134 |
| **Non-current liabilities*** | **612** | **585** | **620** |
| Other current provisions | 506 | 689 | 573 |
| Income tax liabilities | 105 | 117 | 108 |
| Trade payables | 1,036 | 951 | 1,034 |
| Other current financial liabilities | 91 | 108 | 83 |
| Other current liabilities | 103 | 105 | 103 |
| **Current liabilities** | **1,841** | **1,970** | **1,901** |
| | **5,596** | **5,637** | **5,846** |

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See also the disclosures in the section entitled "Selected Explanatory Notes."

# Cash Flow Statement

**(IN € MILLION)**

| | Jan.1–Sep. 30, 2012 | Jan. 1–Sep. 30, 2013 |
|---|---|---|
| **Operating result (EBIT)** | **558** | **650** |
| Income taxes paid | –189 | –212 |
| Depreciation and amortization | 81 | 80 |
| Change in non-current provisions (excluding interest components and changes recognized in OCI) | –28 | –6 |
| Gain/loss on disposal of property, plant, and equipment, and intangible assets | 3 | –3 |
| **Gross cash flow** | **425** | **509** |
| Change in inventories | –67 | –30 |
| Change in receivables and other assets | –127 | –135 |
| Change in liabilities and current provisions | 198 | 66 |
| **Net cash flow from operating activities** | **429** | **410** |
| Investments in property, plant, and equipment, and intangible assets | –93 | –145 |
| Proceeds from the sale of property, plant, and equipment, and intangible assets | 32 | 10 |
| Payments to acquire securities | –950 | –831 |
| Proceeds from the sale/final maturity of securities | 694 | 908 |
| Interest received | 14 | 23 |
| Proceeds from dividends and other financing activities | 9 | 11 |
| **Net cash flow from investing activities** | **–294** | **–24** |
| **Free cash flow** | **135** | **386** |
| Proceeds from loans | 20 | 18 |
| Loan repayments | –81 | –28 |
| Interest paid | –4 | –2 |
| Other financing expenses paid | –23 | –40 |
| Cash dividends paid (Beiersdorf AG) | –159 | –159 |
| **Net cash flow from financing activities** | **–247** | **–211** |
| Effect of exchange rate fluctuations and other changes on cash held | 9 | –33 |
| Net change in cash and cash equivalents | –103 | 142 |
| **Cash and cash equivalents as of Jan. 1** | **941** | **834** |
| **Cash and cash equivalents as of Sep. 30** | **838** | **976** |

# Statement of Changes in Equity

**(IN € MILLION)**

| | | | | Accumulated other comprehensive income | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Additional paid-in capital | Retained earnings** | Currency translation adjustment | Hedging instruments from cash flow hedges | Available-for-sale financial assets | Total attributable to equity holders | Non-controlling interests | **Total** |
| **Jan. 1, 2012, before adjustment** | **252** | **47** | **2,700** | **11** | **–9** | **1** | **3,002** | **14** | **3,016** |
| Change in accounting policy due to IAS 19 (2011) | – | – | 2 | – | – | – | 2 | – | 2 |
| **Jan. 1, 2012, after adjustment** | **252** | **47** | **2,702** | **11** | **–9** | **1** | **3,004** | **14** | **3,018** |
| Total comprehensive income for the period* | – | – | 214 | 9 | 3 | – | 226 | 7 | 233 |
| Dividend of Beiersdorf AG for previous year | – | – | –159 | – | – | – | –159 | – | –159 |
| Dividend of non-controlling interests for previous year | – | – | – | – | – | – | – | –10 | –10 |
| **Sep. 30, 2012*** | **252** | **47** | **2,757** | **20** | **–6** | **1** | **3,071** | **11** | **3,082** |
| | | | | | | | | | |
| **Jan. 1, 2013, before adjustment** | **252** | **47** | **2,983** | **–9** | **2** | **–** | **3,275** | **12** | **3,287** |
| Change in accounting policy due to IAS 19 (2011) | – | – | –144 | – | – | – | –144 | – | –144 |
| **Jan. 1, 2013, after adjustment** | **252** | **47** | **2,839** | **–9** | **2** | **–** | **3,131** | **12** | **3,143** |
| Total comprehensive income for the period | – | – | 425 | –87 | 1 | 4 | 343 | 5 | 348 |
| Dividend of Beiersdorf AG for previous year | – | – | –159 | – | – | – | –159 | – | –159 |
| Dividend of non-controlling interests for previous year | – | – | – | – | – | – | – | –7 | –7 |
| **Sep. 30, 2013** | **252** | **47** | **3,105** | **–96** | **3** | **4** | **3,315** | **10** | **3,325** |

* The prior-year figures have been adjusted due to the retrospective application of IAS 19 (2011). See also the disclosures in the section entitled "Selected Explanatory Notes."
** 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) | July 1–Sep. 30, 2012 | | July 1–Sep. 30, 2013 | | Jan. 1–Sep. 30, 2012 | | Jan. 1–Sep. 30, 2013 | | Change in % | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | % of total | | % of total | | % of total | | % of total | nominal | organic |
| Consumer | 1,255 | 83.4 | 1,242 | 82.2 | 3,816 | 83.6 | 3,883 | 83.1 | 1.7 | 6.9 |
| tesa | 249 | 16.6 | 269 | 17.8 | 750 | 16.4 | 791 | 16.9 | 5.5 | 9.3 |
| **Total** | **1,504** | **100.0** | **1,511** | **100.0** | **4,566** | **100.0** | **4,674** | **100.0** | **2.4** | **7.3** |

| EBITDA (IN € MILLION) | July 1–Sep. 30, 2012 | | July 1–Sep. 30, 2013 | | Jan. 1–Sep. 30, 2012 | | Jan. 1–Sep. 30, 2013 | | Change in % |
|---|---|---|---|---|---|---|---|---|---|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal |
| Consumer | 169 | 13.4 | 180 | 14.5 | 520 | 13.6 | 572 | 14.7 | 9.8 |
| tesa | 42 | 16.9 | 63 | 23.4 | 119 | 15.9 | 158 | 20.0 | 33.3 |
| **Total** | **211** | **14.0** | **243** | **16.1** | **639** | **14.0** | **730** | **15.6** | **14.2** |

| OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION) | July 1–Sep. 30, 2012 | | July 1–Sep. 30, 2013 | | Jan. 1–Sep. 30, 2012 | | Jan. 1–Sep. 30, 2013 | | Change in % |
|---|---|---|---|---|---|---|---|---|---|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal |
| Consumer | 149 | 11.9 | 159 | 12.8 | 476 | 12.5 | 510 | 13.1 | 7.0 |
| tesa | 36 | 14.4 | 57 | 21.2 | 99 | 13.2 | 140 | 17.7 | 41.6 |
| **Total** | **185** | **12.3** | **216** | **14.3** | **575** | **12.6** | **650** | **13.9** | **13.0** |

| GROSS CASH FLOW (IN € MILLION) | July 1–Sep. 30, 2012 | | July 1–Sep. 30, 2013 | | Jan. 1–Sep. 30, 2012 | | Jan. 1–Sep. 30, 2013 | | Change in % |
|---|---|---|---|---|---|---|---|---|---|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal |
| Consumer | 127 | 10.1 | 154 | 12.4 | 330 | 8.7 | 403 | 10.4 | 22.0 |
| tesa | 45 | 17.8 | 44 | 16.5 | 95 | 12.6 | 106 | 13.4 | 12.0 |
| **Total** | **172** | **11.4** | **198** | **13.1** | **425** | **9.3** | **509** | **10.9** | **19.8** |

## Business Developments by Region**

| SALES (IN € MILLION) | July 1–Sep. 30, 2012 | | July 1–Sep. 30, 2013 | | Jan. 1–Sep. 30, 2012 | | Jan. 1–Sep. 30, 2013 | | Change in % | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | % of total | | % of total | | % of total | | % of total | nominal | organic |
| Europe | 819 | 54.5 | 823 | 54.5 | 2,636 | 57.7 | 2,598 | 55.6 | –1.5 | 0.5 |
| Americas | 296 | 19.7 | 268 | 17.8 | 817 | 17.9 | 804 | 17.2 | –1.5 | 11.6 |
| Africa / Asia / Australia | 389 | 25.8 | 420 | 27.7 | 1,113 | 24.4 | 1,272 | 27.2 | 14.3 | 20.0 |
| **Total** | **1,504** | **100.0** | **1,511** | **100.0** | **4,566** | **100.0** | **4,674** | **100.0** | **2.4** | **7.3** |

| OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION) | July 1–Sep. 30, 2012 | | July 1–Sep. 30, 2013 | | Jan. 1–Sep. 30, 2012 | | Jan. 1–Sep. 30, 2013 | | Change in % |
|---|---|---|---|---|---|---|---|---|---|
| | | % of sales | | % of sales | | % of sales | | % of sales | nominal |
| Europe | 129 | 15.8 | 125 | 15.1 | 419 | 15.9 | 425 | 16.4 | 1.3 |
| Americas | 14 | 4.8 | 28 | 10.7 | 55 | 6.7 | 75 | 9.4 | 36.9 |
| Africa / Asia / Australia | 42 | 10.6 | 63 | 14.9 | 101 | 9.0 | 150 | 11.8 | 48.8 |
| **Total** | **185** | **12.3** | **216** | **14.3** | **575** | **12.6** | **650** | **13.9** | **13.0** |

* For details regarding the special factors please refer to page 5.
** The prior-year figures have been adjusted due to the reclassification of the Consumer Business Segment's Turkish affiliate from Western Europe to A/A/A.

# Selected Explanatory Notes

## Information on the Company and on the Group

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

## Basis of Preparation

The interim consolidated financial statements for the period from January 1 to September 30, 2013, 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, 2012.

## Accounting Policies

The figures disclosed in this interim report were prepared in accordance with International Financial Reporting Standards (IFRSs). With the exception of the initial application of IAS 19 (2011), the same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2012. The intraperiod income tax expense was calculated on the basis of the estimated effective tax rate for the full year. The interim report was not audited or reviewed.

## Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2012, for related party disclosures. There were no significant changes as of September 30, 2013.

## Corporate Governance

The declaration of compliance issued by the Supervisory Board and the Executive Board for fiscal year 2012 regarding the recommendations of the German Corporate Governance Code in accordance with § 161 Aktiengesetz (German Stock Corporation Act, AktG) was published at the end of December 2012 and is permanently available on our website at WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML.

## Events after the Reporting Date

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

## Initial Application of Accounting Standards

Beiersdorf started applying the revised IAS 19 accounting standard for the first time as of January 1, 2013. This had the following material effects on the consolidated financial statements: The return on plan assets required to be recognized in profit or loss is based on the discount rate used to calculate the pension obligations. Actuarial gains and losses are recognized in accumulated other comprehensive income immediately and in full when they arise. The revision also requires changes in defined benefit pension plans and in the fair value of plan assets to be recognized immediately when they arise. The option to use the corridor method available under the previous version of IAS 19 has been abolished.

The standard was applied retrospectively and led to the following changes to the opening balance sheet as of January 1, 2012, and the prior-year periods shown, as well as to the statement of comprehensive income:

**BALANCE SHEET (IN € MILLION)**

| | Jan. 1, 2012 | | | Sep. 30, 2012 | | | Dec. 31, 2012 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Before adjustment | Adjustment | After adjustment | Before adjustment | Adjustment | After adjustment | Before adjustment | Adjustment | After adjustment |
| Total Assets | 5,275 | 1 | 5,276 | 5,621 | 16 | 5,637 | 5,575 | 21 | 5,596 |
| Total Equity | 3,016 | 2 | 3,018 | 3,217 | –135 | 3,082 | 3,287 | –144 | 3,143 |
| Total Liabilities | 2,259 | –1 | 2,258 | 2,404 | 151 | 2,555 | 2,288 | 165 | 2,453 |

**STATEMENT OF COMPREHENSIVE INCOME (IN € MILLION)**

| | Jan. 1–Sep. 30, 2012 | | |
|---|---|---|---|
| | Before adjustment | Adjustment | After adjustment |
| **Profit after tax** | **358** | **–** | **358** |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of defined benefit pension plans | – | –199 | –199 |
| Deferred taxes on remeasurements of defined benefit pension plans | – | 62 | 62 |
| *Remeasurements of defined benefit pension plans recognized in other comprehensive income* | – | *–137* | *–137* |
| **Other comprehensive income net of tax** | **12** | **–137** | **–125** |
| **Total comprehensive income** | **370** | **–137** | **233** |

## Additional Disclosures on Financial Instruments

Beiersdorf has applied IFRS 13 “Fair Value Measurement” prospectively for the current fiscal year since January 1, 2013. The application of the standard, in connection with IAS 34, results in the following additional intraperiod disclosures on financial instruments, which were previously only required to be reported in the annual financial statements.

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

**(IN € MILLION)**

| | | Measurement under IAS 39 | | | |
|---|---|---|---|---|---|
| Dec. 31, 2012 | Carrying amount | Amortized cost | Fair value recognized in OCI | Fair value through profit or loss | **Fair value** |
| Assets | | | | | |
| **Loans and receivables (LaR)** | **2,013** | **2,013** | **–** | **–** | **2,013** |
| Non-current financial assets | 14 | 14 | – | – | 14 |
| Trade receivables | 1,064 | 1,064 | – | – | 1,064 |
| Other current financial assets | 101 | 101 | – | – | 101 |
| Cash and cash equivalents | 834 | 834 | – | – | 834 |
| **Available-for-sale financial assets (AfS)** | **87** | **2** | **85** | **–** | **87** |
| Non-current financial assets | 2 | 2 | – | – | 2 |
| Securities | 85 | – | 85 | – | 85 |
| **Held-to-maturity financial investments (HtM)** | **1,537** | **1,537** | **–** | **–** | **1,543** |
| Securities | 1,537 | 1,537 | – | – | 1,543 |
| **Derivative financial instruments used for hedges (DFI)** | **11** | **–** | **9** | **2** | **11** |
| Liabilities | | | | | |
| **Other financial liabilities (OFL)** | **1,124** | **1,124** | **–** | **–** | **1,124** |
| Non-current financial liabilities | 11 | 11 | – | – | 11 |
| Trade payables | 1,036 | 1,036 | – | – | 1,036 |
| Other current financial liabilities | 77 | 77 | – | – | 77 |
| **Derivative financial instruments used for hedges (DFI)** | **7** | **–** | **6** | **1** | **7** |
| **Derivative financial instruments not included in a hedging relationship (FVPL)** | **7** | **–** | **–** | **7** | **7** |
| Sep. 30, 2013 | | | | | |
| Assets | | | | | |
| **Loans and receivables (LaR)** | **2,260** | **2,260** | **–** | **–** | **2,260** |
| Non-current financial assets | 8 | 8 | – | – | 8 |
| Trade receivables | 1,173 | 1,173 | – | – | 1,173 |
| Other current financial assets | 103 | 103 | – | – | 103 |
| Cash and cash equivalents | 976 | 976 | – | – | 976 |
| **Available-for-sale financial assets (AfS)** | **189** | **3** | **186** | **–** | **189** |
| Non-current financial assets | 3 | 3 | – | – | 3 |
| Securities | 186 | – | 186 | – | 186 |
| **Held-to-maturity financial investments (HtM)** | **1,360** | **1,360** | **–** | **–** | **1,363** |
| Securities | 1,360 | 1,360 | – | – | 1,363 |
| **Derivative financial instruments used for hedges (DFI)** | **12** | **–** | **9** | **3** | **12** |
| Liabilities | | | | | |
| **Other financial liabilities (OFL)** | **1,119** | **1,119** | **–** | **–** | **1,119** |
| Non-current financial liabilities | 7 | 7 | – | – | 7 |
| Trade payables | 1,034 | 1,034 | – | – | 1,034 |
| Other current financial liabilities | 78 | 78 | – | – | 78 |
| **Derivative financial instruments used for hedges (DFI)** | **5** | **–** | **5** | **–** | **5** |
| **Derivative financial instruments not included in a hedging relationship (FVPL)** | **1** | **–** | **–** | **1** | **1** |

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 observable market data.
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data.

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

**(IN € MILLION)**

| | Fair value hierarchy under IFRS 13 | | | |
|---|---|---|---|---|
| Sep. 30, 2013 | Level 1 | Level 2 | Level 3 | **Total** |
| Assets | | | | |
| **Available-for-sale financial assets (AfS)** | **186** | **–** | **–** | **186** |
| Securities | 186 | – | – | 186 |
| **Derivative financial instruments used for hedges (DFI)** | **–** | **12** | **–** | **12** |
| Liabilities | | | | |
| **Derivative financial instruments used for hedges (DFI)** | **–** | **5** | **–** | **5** |
| **Derivative financial instruments not included in a hedging relationship (FVPL)** | **–** | **1** | **–** | **1** |

No transfers between hierarchy levels took place in the first three quarters of 2013.

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.

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→ Note

The Interim Report is also available in German.

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

# Financial Calendar

## 2014

| January 16 | March 4 | April 17 |
|---|---|---|
| **Publication of Preliminary Group Results 2013 (Sales)** | **Publication of Annual Report 2013, Annual Accounts Press Conference, Financial Analyst Meeting** | **Annual General Meeting** |

| May 8 | August 7 | November 6 |
|---|---|---|
| **Interim Report January to March 2014** | **Interim Report January to June 2014** | **Interim Report January to September 2014** |