

ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT

AS OF DECEMBER 31, 2015

Beiersdorf

Our Brands

Beiersdorf owns strong brands that inspire millions of consumers all over the world every day with their innovative, high-quality skin and body care products.

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



* Source: Euromonitor International Limited; NIVEA by umbrella brand name in the categories Body Care, Face Care, and Hand Care; in retail value terms, 2014.

Contents

1. REPORT BY THE SUPERVISORY BOARD

p. 4

Report by the Supervisory Board	4
---------------------------------	---

2. CORPORATE GOVERNANCE

p. 5 - p. 17

Corporate Governance Report 2015	5
Remuneration Report	10

3. MANAGEMENT REPORT – BEIERSDORF AG

p. 18 - p. 37

Business and Strategy	18
Economic Environment	20
Results of Operations – Beiersdorf AG	21
Net Assets and Financial Position – Beiersdorf AG	22
Overall Assessment of Beiersdorf AG's	
Economic Position	23
Research and Development	24
Sustainability	26
People at Beiersdorf	28
Remuneration of the Executive and Supervisory	
Boards	30
Risk Report	31
Report by the Executive Board on Dealings	
among Group Companies	33
Report on Post-Balance Sheet Date Events	33
Disclosures Required by Takeover	
Law (§ 289 (4) HGB)	33
Report on Expected Developments	36

4. ANNUAL FINANCIAL STATEMENTS – BEIERSDORF AG

p. 38 - p. 60

Income Statement – Beiersdorf AG	38
Balance Sheet – Beiersdorf AG	39
Basis of Preparation of Beiersdorf AG's	
Financial Statements	40
Notes to the Income Statement	41
Notes to the Balance Sheet	43
Other Disclosures	49
Beiersdorf AG Boards	59

5. AUDITORS' REPORT AND RESPONSIBILITY STATEMENT

p. 61

Auditors' Report	61
Responsibility Statement by the Executive Board	61

Report by the Supervisory Board

The Supervisory Board performed its duties in accordance with the law, the Articles of Association, the German Corporate Governance Code, and the bylaws. It supervised and advised the Executive Board, focusing particularly on the course of business and business policies, corporate planning, accounting, the company's position and outlook, and risk management. The Executive Board reported to us regularly during and between our meetings, both in writing and orally. The Supervisory Board and its committees discussed and examined material business transactions.

The company offered members of the Supervisory Board training on the provisions of capital market law as well as on brand protection. Following the end of the reporting year, Ms. Isabelle Parize resigned from her position on the Supervisory Board due to an imminent long-term conflict of interest. Otherwise, there were no indications of conflicts of interest relating to Executive Board or Supervisory Board members. Mr. Poul Weihrauch attended fewer than half of the Supervisory Board meetings held. No other member of the Supervisory Board attended only half or fewer than half of the Supervisory Board meetings or the meetings of committees to which the member belongs. Members' overall attendance rate at the meetings of the Supervisory Board and committees exceeded 90%.

SUPERVISORY BOARD MEETINGS

The **Supervisory Board meetings** regularly addressed business developments, the interim financial statements, and significant individual transactions. After careful examination and discussion, we approved the proposals for decision presented to us.

On **February 12, 2015**, we discussed the achievement of the targets set for the Executive Board for 2014, determined its remuneration, and substantiated its targets for 2015. We approved the annual financial statements and consolidated statements for 2014, and thereby adopted them. We resolved the report by the Supervisory Board and the corporate governance report and approved the remuneration report. We endorsed the agenda and the motions proposed for the 2015 Annual General Meeting, as well as the proposal for the utilization of the net retained profits.

In our meeting on **March 31, 2015**, we initially prepared for the upcoming Annual General Meeting. Afterward, we addressed Group-wide diversity and the requirements of the new act on equal participation of women and men in management positions.

In an extraordinary meeting held on **April 30, 2015**, we appointed Jesper Andersen as a member of the Executive Board as of May 18, 2015, and also addressed questions of diversity.

On **September 3, 2015**, we discussed the strategy, the product pipeline, and current personnel topics. We decided on a target for the share of women in the Executive Board and amended the bylaws for the Executive Board accordingly. We elected Frédéric Pflanz to succeed Thomas Holzgreve as Deputy Chairman and in various committees. We also conferred on changes to the German Corporate Governance Code.

On **December 8, 2015**, we approved in principle the corporate planning for 2016 and established the targets for the Executive Board members for 2016. We resolved targets for the Supervisory Board's composition and the declaration of compliance with the recommendations of the German Corporate Governance Code.

In **early 2016**, we resolved the extent to which the Executive Board had achieved its targets in 2015 as well as its remuneration for that year. We also approved the annual financial statements and consolidated statements for 2015 and the related reports, and approved the proposals for resolution for the Annual General Meeting.

COMMITTEES

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

The **Presiding Committee** (four meetings) discussed business developments and strategy, the remuneration of the Executive Board and the Supervisory Board, and contracts that are subject to approval, as well as preparing meetings of the full Supervisory Board.

The **Audit Committee** (seven meetings) primarily performed the preliminary examination of the annual and interim financial statements and management reports, verified the independence of, and appointed, the auditors, and specified the areas of emphasis for the 2015 audit. In addition, business developments, the internal control system, risk management, and the Internal Audit function were regularly discussed.

The **Finance Committee** (four meetings) addressed, in particular, the investment strategy and compliance management.

There were no meetings of the **Nomination Committee** or the **Mediation Committee**.

ANNUAL FINANCIAL STATEMENTS AND AUDIT

The **auditors** audited the **annual financial statements and management reports for 2015** for Beiersdorf AG and the Group, and issued unqualified audit opinions for them. The Executive Board's report on dealings among Group companies required by § 312 *Aktengesetz* (German Stock Corporation Act, *AktG*) due to the majority interest held by maxingvest ag, Hamburg, received the following audit opinion: "Following the completion of our audit, which was carried out in accordance with professional standards, we confirm: 1. that the information contained in this report is correct; 2. that the compensation paid by the company with respect to the transactions listed in the report was not inappropriately high; and 3. that there are no circumstances which would justify, in relation to the measures specified in the report, a materially different opinion than that held by the Executive Board."

The Supervisory Board received the 2015 annual financial statements and management reports for Beiersdorf AG and the Group, the report on dealings among Group companies, and the auditors' reports immediately after their **preparation**. The auditors reported on the key findings of their audit to the Audit Committee and to the full Supervisory Board. Our examination of the annual financial statements and management reports for Beiersdorf AG and the Group, the report on dealings among Group companies, including the concluding declaration by the Executive Board, and the auditors' reports did not raise any objections. We concurred with the auditors' findings and approved the annual financial statements of Beiersdorf AG and the consolidated financial statements for the year ending December 31, 2015. The annual financial statements of Beiersdorf AG are thus **adopted**. We endorsed the Executive Board's proposal on the appropriation of net profit.

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

Hamburg, February 11, 2016
For the Supervisory Board



REINHARD PÖLLATH
CHAIRMAN

Corporate Governance Report 2015

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

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

Declaration of Compliance

At the end of December 2015, the Executive Board and Supervisory Board issued the Declaration of Compliance with the recommendations of the Code for fiscal year 2015 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*). Beiersdorf AG fulfills all the recommendations made in the Code with one exception, as well as a large number of the suggestions.

The 2015 Declaration of Compliance was also made permanently accessible to the public on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

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

In fiscal year 2015, Beiersdorf Aktiengesellschaft has complied and continues to comply with all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated June 24, 2014, and May 5, 2015, respectively, with one exception:

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

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

Hamburg, December 2015

For the Supervisory Board



PROF. DR. REINHARD PÖLLATH
Chairman of the Supervisory Board

For the Executive Board



STEFAN F. HEIDENREICH
Chairman of the Executive Board

DR. ULRICH SCHMIDT
Member of the Executive Board

Management Structure

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

1. SUPERVISORY BOARD

Beiersdorf AG's Supervisory Board consists of 12 members. Half of these are elected by the Annual General Meeting in accordance with the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and half by the employees in accordance with the *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*); all members are elected for a period of five years. Their regular term of office expires at the end of the Annual General Meeting resolving on the approval of their activities for fiscal year 2018. The term of office of one court-appointed member expires at the end of the 2016 Annual General Meeting.

The Supervisory Board appoints, advises, and supervises the Executive Board as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board and Executive Board work closely together for the good of the company and to achieve sustainable added value. Certain decisions require the approval of the Supervisory Board.

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

The Supervisory Board regularly evaluates its work and resolves measures for improvement, most recently in fall 2013 and again at present.

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

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

a) Specification and Achievement of Objectives

The Supervisory Board again resolved concrete company-specific objectives for its composition in December 2014. It amended these in December 2015 in response to the changes to the Code decided during the year. The objectives reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, regular limits on age and length of membership for Supervisory Board members, and diversity – especially an appropriate degree of female representation. The objectives initially apply until the end of 2018. They will also be taken into account by the Nomination Committee when proposing candidates for election. The Supervisory Board as a whole must possess the knowledge, ability, and specialist experience required to perform its tasks properly.

International Focus

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

Representation of Women

Diversity of composition requires an appropriate degree of female participation. The Supervisory Board's goal is therefore to further strengthen the number and position of women on the Supervisory Board and to achieve four female members (30%) in line with the objective it set for itself in December 2014. At least two women should be shareholder representatives. The aim is to regularly increase the number of women on the Supervisory Board in the company's interests when changes are made to its composition. As a listed company subject to codetermination on a basis of parity, Beiersdorf AG is subject to the statutory gender quota, which requires women and men respectively to comprise at least 30% of the Supervisory Board.

Regular Limits on Age and Length of Membership

According to the Supervisory Board bylaws, members should generally retire at the Annual General Meeting following their 72nd birthday. The Supervisory Board has also determined that membership should regularly be limited to a maximum of 20 years.

Independent Focus

The Supervisory Board should include what it considers to be an appropriate number of independent members. A Supervisory Board member is not considered to be independent in particular if he or she has personal or business relations with the company, its governing bodies, a controlling shareholder, or an enterprise associated with the latter which may cause a material and not merely temporary conflict of interests. The Supervisory Board considers it to be adequate if at least eight of its members are independent. In this context, it assumes that the employee representatives are to

be considered independent within the meaning of the Code. With respect to the shareholder representatives, considering the fact that Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 17 (1) *AktG*, the Supervisory Board considers it to be adequate if at least two of its members are independent.

Potential Conflicts of Interest

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

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

Diversity Officers

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

In addition to a balanced mix of professional skills within the Supervisory Board as a whole, diversity is an important criterion for the selection of Supervisory Board and committee members in the company's best interests. Following the Supervisory Board elections in 2014, there are now three female Supervisory Board members in total, including the Chair of the Audit Committee: Professor Rousseau as an employee representative, and Dr. Dr. Martel and Ms. Parize (until January 28, 2016)/Ms. Dreyfus (from January 29, 2016) as shareholder representatives. The statutory gender quota for the composition of the Supervisory Board is applicable to all elections from January 1, 2016, onward. Existing mandates may continue until their scheduled expiry. In addition to their particular professional skills, all the shareholder representative members embody the idea of international orientation by virtue of their background or extensive international experience.

Three-quarters of the members of the Supervisory Board as a whole are independent, and at least one-half of the shareholder representatives. The Supervisory Board assumes, as a highly pre-

cautionary measure, that a Supervisory Board member with relations to the controlling shareholder should not be regarded as independent. Notwithstanding this, the Supervisory Board believes that relations to the controlling shareholder do not in themselves pose the risk of a material and permanent conflict of interest; rather, it assumes that the company's interests will largely coincide with those of its majority shareholder in those cases in which their business activities do not overlap.

In fiscal year 2015, one Supervisory Board member, Mr. Michael Herz, reached the regular age limit set out in the bylaws of the Supervisory Board. Given Mr. Herz's knowledge and experience, the Supervisory Board has made a reasonable exception for this member. The regular limit for length of membership and the rules governing potential conflicts of interest were complied with.

b) Committees

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

Presiding Committee

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

Audit Committee

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

Finance Committee

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

Mediation Committee

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

Nomination Committee

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

The composition of the Supervisory Board and its committees can be found on our website at WWW.BEIERSDORF.COM/BOARDS and on page 59 f. of this report.

2. EXECUTIVE BOARD

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

The members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board also takes diversity aspects into account when determining the composition of the Executive Board. All current Executive Board members embody the notion of international orientation due to their years of working abroad or to their special expertise in Beiersdorf's key international markets. The Supervisory Board aims to ensure appropriate representation of women as part of succession planning for the Executive Board. In September 2015, in accordance with statutory provisions, the Supervisory Board set a target for the share of women on the Executive Board of 10%, to be achieved by June 30, 2017.

The duties of the Executive Board are broken down by functions and regions. The schedule of responsibilities constitutes part of the bylaws for the Executive Board.

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

The Executive Board also takes diversity aspects into account when filling executive positions within the company, particularly with regard to ensuring an appropriate degree of female representation. In August 2015 in accordance with the new statutory provisions, the Executive Board set a target of 30% for the share of women at Beiersdorf AG's first management level below the Executive Board, and a target of 38% for the second management level, both to be achieved by June 30, 2017. Germany-wide, the aim is for women to account for around 30% of senior executive positions in the Consumer Business Segment by 2020 (as decided in 2012).

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

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

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

3. ANNUAL GENERAL MEETING

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

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

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

Directors' Dealings and Shareholdings of the Executive and Supervisory Boards

1. DIRECTORS' DEALINGS

(§ 15A WERTPAPIERHANDELSGESETZ (GERMAN SECURITIES TRADING ACT, WPHG))

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

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

2. SHAREHOLDINGS

(SECTION 6.2 OF THE CODE)

The ownership of shares of the company or related financial instruments must be reported by Executive Board and Supervisory Board members if they directly or indirectly exceed 1% of the shares issued by the company (section 6.2 of the Code). If the entire holdings of all members of the Executive Board and the Supervisory Board exceed 1% of the shares issued by the company, these shall be reported separately for the Executive Board and the Supervisory Board.

Michael Herz, a member of the Supervisory Board, has notified the company that 51% of the shares in the company are attributable to him. Following the attribution of the 9.99% of the shares held by the company itself, which do not bear voting or dividend rights in accordance with § 71b AktG, his share of the voting rights amounts to 60.99%. As of December 31, 2015, the remaining members of the Supervisory Board did not directly or indirectly hold shares of the company or related financial instruments. Consequently, members of the Supervisory Board held a total of 51% of the shares as of December 31, 2015; this corresponds to 60.99% of the voting rights, taking into account the shares held by the company itself. As of December 31, 2015, the members of the Executive Board held a total of significantly less than 0.1% of the shares.

Further Information on Corporate Governance

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

The consolidated financial statements and interim reports are prepared in accordance with International Financial Reporting Standards (IFRSs). The annual financial statements of Beiersdorf AG are prepared in accordance with the *Handelsgesetzbuch* (German Commercial Code, *HGB*). The Annual General Meeting on March 31, 2015, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2015.

Current developments and key company information are published on our website, WWW.BEIERSDORF.COM, as soon as possible. As well as detailed disclosures on corporate governance at Beiersdorf, this features additional information on the Executive Board, the Supervisory Board, and the Annual General Meeting, the company's reports (annual reports, annual financial statements, management reports, and interim reports), as well as a financial calendar with all key events and publications, ad hoc disclosures, and directors' dealings.

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

Hamburg, February 11, 2016
Beiersdorf Aktiengesellschaft

The Supervisory Board

The Executive Board

Remuneration Report

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

1. REMUNERATION OF THE EXECUTIVE BOARD

a) Supervisory Board Resolutions

The Supervisory Board addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, on February 12, March 31, April 30, September 3, and December 8, 2015. On January 29, 2016, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2015. Remuneration decisions were prepared by the Presiding Committee.

b) Overview

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

The remuneration of the Executive Board in fiscal year 2015 comprised the following four components:

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

c) Remuneration of the Executive Board for 2015 in More Detail

aa) Fixed Remuneration

The fixed annual remuneration is paid in 12 equal installments. It is reviewed for appropriateness every two years.

bb) Variable Bonus

For fiscal year 2015, the members of the Executive Board receive a Variable Bonus for 2015 that is based on the performance of the Consumer Business Segment. This is designed to promote sustainable enterprise performance and is based largely on a multi-year assessment. As specified by the Supervisory Board and depending on the level of goal achievement in each case, 15% of the Variable Bonus for fiscal year 2015 is determined by the EBIT margin (EBIT component), 20% by sales growth (sales component), 30% by market share, 15% by the achievement of human resources goals,

and 20% by the achievement of specific personal goals by individual Executive Board members (personal component). The size of the EBIT component is calculated on the basis of the return on sales. In the process, the Supervisory Board makes adjustments for special factors and deviations from plan for marketing and research and development expenses. The sales component is calculated on the basis of sales growth, with the Supervisory Board again taking special factors into account. The personal component is mostly composed of two personal goals, which depend on the functional and, if applicable, regional responsibilities of each individual Executive Board member. These are set annually by the Supervisory Board for each individual Executive Board member. Following due assessment of the circumstances, the Supervisory Board lays down percentages for target achievement for each of the components, with intermediate figures being extrapolated on a straight-line basis. The individual components lapse if goal achievement is less than 70%. No further increases are made for any of the components if the goals are exceeded by more than 200% (cap).

49% of the Variable Bonus will be paid as the short-term variable remuneration component once the 2016 Annual General Meeting has approved the actions of the Executive Board (2015 Bonus). The remaining 51% (Multi-year Bonus for 2015) depends on the enterprise value performance over two years after the initial year 2015. The enterprise value is calculated by adding together sales and EBIT as reported in the consolidated financial statements and applying a multiplier. If the enterprise value in fiscal year 2015 is matched or exceeded in the two subsequent fiscal years, the Multi-year Bonus for 2015 will be paid out in two equal installments once the actions of the respective Executive Board member have been approved by the Annual General Meetings in the years 2017 and 2018. If the enterprise value for fiscal year 2015 is not reached in a particular fiscal year, the corresponding installment lapses unless the average enterprise value in fiscal years 2016 and 2017 corresponds at least to the enterprise value for fiscal year 2015. In this case, the installment that lapsed in the first instance will be paid out at the same time as the final installment following the 2018 Annual General Meeting. The final installment is increased or decreased corresponding to the percentage change in the enterprise value as of the end of fiscal year 2017 as against fiscal year 2015. This may not increase to more than double the last installment (cap). The Supervisory Board may increase or decrease the Variable Bonus for 2015 by up to 20% in order to take extraordinary developments into account, or may adjust it for inflation. Bonus entitlements can also be transferred to the long-term Enterprise Value Component (see section cc)).

cc) Enterprise Value Component

Since 2011, Executive Board members have shared in the increase in the enterprise value for the Consumer Business Segment. For this purpose, each Executive Board member is allocated a notional share of the enterprise value (Enterprise Value Component or Base

Virtual Units) at the start of his period of appointment or reappointment. The Supervisory Board may, following due assessment of the circumstances, increase the Enterprise Value Component. The Executive Board member will be paid his share of the percentage increase in the Enterprise Value Component during his term of office once his period of appointment or reappointment has ended and following a one-year vesting period (together the “bonus period”). The enterprise value is calculated as a multiple of sales and EBIT as reported in the consolidated financial statements.

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

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

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

dd) Other

The remuneration of the Executive Board for fiscal year 2015 did not contain any stock option program or comparable securities-based incentives. Equally, the members of the Executive Board did not receive any additional remuneration for their membership of supervisory bodies of Group companies and investees. Private use of company cars and accident insurance are taxed as non-cash benefits. There were no ongoing pension commitments for the Executive Board members active in fiscal year 2015.

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

¹ Annually: Jesper Andersen €30 thousand; Ralph Gusko €50 thousand; Thomas Ingelfinger €60 thousand; Zhengrong Liu €75 thousand; Stefan De Loecker €50 thousand; Dr. Ulrich Schmidt €60 thousand.

ee) Overviews of Individual Executive Board Remuneration

TOTAL REMUNERATION OF THE EXECUTIVE BOARD FOR ACTIVITIES IN FISCAL YEAR 2015 (IN € THOUSAND)

		Stefan F. Heidenreich (Chairman)	Jesper Andersen (from May 18, 2015)	Ralph Gusko	Thomas Ingelfinger	Zhengrong Liu	Stefan De Loecker	Dr. Ulrich Schmidt	Total
Fixed basic remuneration	2014	1,000	–	500	225	238	210	500	2,673
	2015	1,250	299	500	450	475	540	500	4,014
Variable Bonus									
Bonus	2014	676	–	260	114	95	119	257	1,521
	2015	858	120	245	189	191	274	255	2,132
Multi-year Bonus	2014	704	–	270	118	99	123	267	1,581
	2015	892	124	255	196	199	286	265	2,217
Total variable remuneration	2014	1,380	–	530	232	194	242	524	3,102
	2015	1,750	244	500	385	390	560	520	4,349
Other remuneration ²	2014	44	–	155	57	6	52	15	329
	2015	321	201	117	49	12	517	15	1,232
Sum	2014	2,424	–	1,185	514	438	504	1,039	6,104
	2015	3,321	744	1,117	884	877	1,617	1,035	9,595
Additions to provisions for Enterprise Value Component									
	2014	5,167 ⁴	–	522	182	272	210	843	7,196
	2015	4,727	192	1,469	458	663	886	936	9,331
Total ³	2014	7,591 ⁴	–	1,707	696	710	714	1,882	13,300
	2015	8,048	936	2,586	1,342 ⁵	1,540	2,503 ⁶	1,971	18,926

² Other remuneration includes the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits, such as the provision of a company car, insurance in line with standard market terms, and accommodation/relocation expenses, including any taxes assumed on these items. The other remuneration of Stefan F. Heidenreich also includes a bonus of €313 thousand following his reappointment, and the other remuneration of Stefan De Loecker includes a bonus of €350 thousand following his appointment.

³ Payment of the amounts set aside for Enterprise Value Components included in the total remuneration is linked to a number of preconditions, and in particular to a corresponding sustainable increase in the company's enterprise value and to approval of the Executive Board member's actions (see page 10 f., section cc).

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

⁵ €56 thousand of this amount (previous year: €38 thousand) was paid to Thomas Ingelfinger as remuneration for his activities at Group companies.

⁶ €1,754 thousand of this amount (previous year: €689 thousand) was granted to Stefan De Loecker as remuneration for his activities at Group companies.

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

VIRTUAL UNITS AND PROVISIONS (IN € THOUSAND)

	2014				2015			
	Base Virtual Unit	Covered Virtual Unit ⁷	Matching Virtual Unit	Total amount set aside in fiscal year 2014	Base Virtual Unit	Covered Virtual Unit ⁷	Matching Virtual Unit	Total amount set aside in fiscal year 2015
Stefan F. Heidenreich (Chairman of the Executive Board)	10,000	10,000	40,000 ⁸	7,993 ⁹	10,000	10,000	40,000	12,720
Jesper Andersen (from May 18, 2015)	–	–	–	–	5,000	30	30	192
Ralph Gusko	7,500	1,275	1,275	1,663 ¹⁰	10,000	1,350	1,350	3,286 ¹⁰
Thomas Ingelfinger	5,500	530	530	182	5,500	620	620	640
Zhengrong Liu	9,000	38	–	272	9,000	150	–	935
Stefan De Loecker	7,500	25	25	210	10,000	1,100	1,100	1,096
Dr. Ulrich Schmidt	20,000	2,240	2,240	2,663 ¹⁰	20,000	2,300	2,300	3,599 ¹⁰
Total	59,500	14,108	44,070	12,983	69,500	15,550	45,400	22,468

⁷ This figure includes both the Covered Virtual Units acquired by way of personal investment and the Covered Virtual Units granted by way of allocation (see footnote 1).

⁸ This figure includes the additional Matching Virtual Unit in the amount of €30,000 thousand granted to Stefan F. Heidenreich following his reappointment for the period beginning January 1, 2015.

⁹ This figure includes a provision in the amount of €3,996 thousand for the additional Matching Unit in the amount of €30,000 thousand (see footnote 4).

¹⁰ This figure includes the personal investments made in the form of retained bonus payments due under the Variable Bonus.

The following tables show the benefits granted and allocations for each member of the Executive Board in fiscal year 2015 in accordance with the recommendations of section 4.2.5 (3) and (4) of the German Corporate Governance Code.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND)

Stefan F. Heidenreich

Chairman of the Executive Board

Date joined: January 1, 2012 (Chairman since April 26, 2012)

	Benefits granted				Allocation ¹¹	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	1,000	1,250	1,250	1,250	1,000	1,250
Fringe benefits / ancillary benefits ¹²	44	321	321	321	44	321
Total	1,044	1,571	1,571	1,571	1,044	1,571
One-year variable remuneration (49% Variable Bonus)	490	613	–	1,225	676	858
Multi-year variable remuneration						
Multi-year-Bonus 2012 (term January 1, 2013-December 31, 2014)	–	–	–	–	469	–
Multi-year-Bonus 2013 (term January 1, 2014-December 31, 2015)	–	–	–	–	404	465
Multi-year-Bonus 2014 (term January 1, 2015-December 31, 2016)	510	–	–	–	–	352
Multi-year-Bonus 2015 (term January 1, 2016-December 31, 2017)	–	637	–	1,275	–	–
LTP - Base Virtual Unit ¹³	500	500	–	1,000	–	–
LTP - Covered Virtual Unit ^{13/14}	500	500	–	1,000	–	–
LTP - Matching Virtual Unit ¹³	2,000 ¹⁵	2,000	–	4,000	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	5,044	5,821	1,571	10,071	2,593	3,246
Service cost	–	–	–	–	–	–
Total remuneration	5,044	5,821	1,571	10,071	2,593	3,246

Jesper Andersen

Member of the Executive Board/CFO

Date joined: May 18, 2015

	Benefits granted				Allocation ¹¹	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	–	299	299	299	–	299
Fringe benefits / ancillary benefits ¹²	–	201	201	201	–	201
Total	–	500	500	500	–	500
One-year variable remuneration (49% Variable Bonus)	–	92	–	184	–	120
Multi-year variable remuneration						
Multi-year-Bonus 2015 (term January 1, 2016-December 31, 2017)	–	96	–	191	–	–
LTP - Base Virtual Unit ¹³	–	250	–	500	–	–
LTP - Covered Virtual Unit ^{13/14}	–	31	–	32	–	–
LTP - Matching Virtual Unit ¹³	–	1	–	2	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	–	970	500	1,409	–	620
Service cost	–	–	–	–	–	–
Total remuneration	–	970	500	1,409	–	620

¹¹ The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.

¹² The ancillary benefits include the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2). The ancillary benefits of Stefan F. Heidenreich also include a bonus of €313 thousand following his reappointment.

¹³ The planned terms of the Virtual Units are as follows: for Stefan F. Heidenreich from 2012 to after the 2021 Annual General Meeting; for Jesper Andersen from 2015 to after the 2020 Annual General Meeting.

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

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

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND, CONTINUED)
Ralph Gusko

Member of the Executive Board

Date joined: July 1, 2011

	Benefits granted				Allocation ¹⁶	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	500	500	500	500	500	500
Fringe benefits / ancillary benefits ¹⁷	155	117	117	117	55	217
Total	655	617	617	617	555	717
One-year variable remuneration (49% Variable Bonus)	196	196	–	392	260	245
Multi-year variable remuneration						
Multi-year-Bonus 2012 (term January 1, 2013–December 31, 2014)	–	–	–	–	– ²⁰	–
Multi-year-Bonus 2013 (term January 1, 2014–December 31, 2015)	–	–	–	–	159	183
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	204	–	–	–	–	135
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	204	–	408	–	–
LTP - Base Virtual Unit ¹⁸	375	500	–	1,000	–	–
LTP - Covered Virtual Unit ^{18/19}	214	118	–	185	–	–
LTP - Matching Virtual Unit ¹⁸	64	68	–	135	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	1,708	1,703	617	2,737	974	1,280
Service cost	–	–	–	–	–	–
Total remuneration	1,708	1,703	617	2,737	974	1,280

Thomas Ingelfinger

Member of the Executive Board

Date joined: July 1, 2014

	Benefits granted				Allocation ¹⁶	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	225	450	450	450	225	450
Fringe benefits / ancillary benefits ¹⁷	57	49	49	49	57	49
Total	282	499	499	499	282	499
One-year variable remuneration (49% Variable Bonus)	86	172	–	343	114	189
Multi-year variable remuneration						
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	89	–	–	–	–	59
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	178	–	357	–	–
LTP - Base Virtual Unit ¹⁸	138	275	–	550	–	–
LTP - Covered Virtual Unit ^{18/19}	44	91	–	122	–	–
LTP - Matching Virtual Unit ¹⁸	14	31	–	62	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	653	1,246	499	1,933	396	747
Service cost	–	–	–	–	–	–
Total remuneration ²¹	653	1,246	499	1,933	396	747

¹⁶ The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.

¹⁷ The ancillary benefits include the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2).

¹⁸ The planned terms of the Virtual Units are as follows: for Ralph Gusko from 2011 to after the 2020 Annual General Meeting; for Thomas Ingelfinger from 2014 to after the 2019 Annual General Meeting.

¹⁹ Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.

²⁰ This figure does not include/disclose payments due under the Variable Bonus that were retained as the personal investment for the respective Covered Virtual Units.

²¹ €56 thousand (previous year: €38 thousand) of these total amounts is granted/paid to Thomas Ingelfinger in each case as remuneration for his activities at Group companies.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND, CONTINUED)**Zhengrong Liu**

Member of the Executive Board/Labor Relations Director

Date joined: July 1, 2014

	Benefits granted				Allocation ²²	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	238	475	475	475	238	475
Fringe benefits / ancillary benefits ²³	6	12	12	12	6	12
Total	244	487	487	487	244	487
One-year variable remuneration (49% Variable Bonus)	74	147	–	294	95	191
Multi-year variable remuneration						
Multi-year-Bonus 2014 (term January 1, 2015-December 31, 2016)	76	–	–	–	–	50
Multi-year-Bonus 2015 (term January 1, 2016-December 31, 2017)	–	153	–	306	–	–
LTP - Base Virtual Unit ²⁴	225	450	–	900	–	–
LTP - Covered Virtual Unit ^{24/25}	39	79	–	83	–	–
LTP - Matching Virtual Unit ²⁴	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	658	1,316	487	2,070	339	728
Service cost	–	–	–	–	–	–
Total remuneration	658	1,316	487	2,070	339	728

Stefan De Loecker

Member of the Executive Board

Date joined: July 1, 2014

	Benefits granted				Allocation ²²	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	210	540	540	540	210	540
Fringe benefits / ancillary benefits ²³	52	517	517	517	52	517
Total	262	1,057	1,057	1,057	262	1,057
One-year variable remuneration (49% Variable Bonus)	86	196	–	392	153	274
Multi-year variable remuneration						
Multi-year-Bonus 2014 (term January 1, 2015-December 31, 2016)	89	–	–	–	–	62
Multi-year-Bonus 2015 (term January 1, 2016-December 31, 2017)	–	204	–	408	–	–
LTP - Base Virtual Unit ²⁴	188	500	–	1,000	–	–
LTP - Covered Virtual Unit ^{24/25}	26	105	–	160	–	–
LTP - Matching Virtual Unit ²⁴	1	55	–	110	–	–
Other	–	–	–	–	–	–
Total fixed and variable remuneration	652	2,117	1,057	3,127	415	1,393
Service cost	–	–	–	–	–	–
Total remuneration ²⁶	652	2,117	1,057	3,127	415	1,393

²² The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.

²³ The ancillary benefits include the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2). The ancillary benefits of Stefan De Loecker also include a bonus of €350 thousand following his appointment.

²⁴ The planned terms of the Virtual Units are as follows: for Zhengrong Liu from 2014 to after the 2021 Annual General Meeting; for Stefan De Loecker from 2014 to after the 2020 Annual General Meeting.

²⁵ Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.

²⁶ Of these total amounts, €1,522 thousand/target amount (previous year: €627 thousand), €886 thousand/min. p.a. (previous year: €237 thousand), and €2,128 thousand/max. p.a. (previous year: €993 thousand) were granted and €1,087 thousand/allocation (previous year: €237 thousand) paid to Stefan De Loecker as remuneration for his activities at Group companies.

BENEFITS GRANTED AND ALLOCATIONS FOR EXECUTIVE BOARD MEMBERS (IN € THOUSAND, CONTINUED)**Dr. Ulrich Schmidt**

Member of the Executive Board/CFO

Date joined: January 1, 2011

	Benefits granted				Allocation ²⁷	
	2014 Target amount	2015 Target amount	2015 (min. p.a.)	2015 (max. p.a.)	2014	2015
Fixed remuneration	500	500	500	500	500	500
Fringe benefits / ancillary benefits ²⁸	15	15	15	15	15	15
Total	515	515	515	515	515	515
One-year variable remuneration (49% Variable Bonus)	196	196	–	392	257	255
Multi-year variable remuneration						
Multi-year-Bonus 2012 (term January 1, 2013–December 31, 2014)	–	–	–	–	162	–
Multi-year-Bonus 2013 (term January 1, 2014–December 31, 2015)	–	–	–	–	160	184
Multi-year-Bonus 2014 (term January 1, 2015–December 31, 2016)	204	–	–	–	–	134
Multi-year-Bonus 2015 (term January 1, 2016–December 31, 2017)	–	204	–	408	–	–
LTP - Base Virtual Unit ²⁹	1,000	1,000	–	2,000	–	1,390
LTP - Covered Virtual Unit ^{29/30}	172	175	–	290	–	816 ³¹
LTP - Matching Virtual Unit ²⁹	112	115	–	230	–	136
Other	–	–	–	–	–	–
Total fixed and variable remuneration	2,199	2,205	515	3,835	1,094	3,430
Service cost	–	–	–	–	–	–
Total remuneration	2,199	2,205	515	3,835	1,094	3,430

²⁷ The allocations indicated for the reporting year include fixed basic remuneration and other remuneration as well as the one-year variable remuneration (Bonus) paid once actions have been approved by the following year's Annual General Meeting. Multi-year bonuses and LTP are reported as allocations in the fiscal year in which the relevant term or bonus period expires; actual payment takes place only once actions have been approved by the subsequent year's Annual General Meeting. The prior-year figures have been adjusted accordingly for the change in presentation method to reporting the allocation for the fiscal year.

²⁸ The ancillary benefits include the costs of/non-cash benefits arising from non-cash remuneration components and other ancillary benefits (see footnote 2).

²⁹ The planned terms of the Virtual Units are as follows: for Dr. Ulrich Schmidt from 2011 to after the Annual General Meetings in 2016 and 2018.

³⁰ Covered Virtual Units are not capped because the Executive Board member is also exposed to a risk of loss. For presentation reasons, however, the minimum values are shown as €0 and the maximum values are capped at 200%.

³¹ This figure includes payments totaling €500 thousand under the Variable Bonus for the years 2011 and 2012 that were retained as the personal investment for the Covered Virtual Units

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

Payments to former members of the Executive Board and their surviving dependents totaled €2,283 thousand (previous year: €2,267 thousand). Provisions for pension commitments to former members of the Executive Board and their surviving dependents totaled €40,381 thousand (previous year: €40,402 thousand).

2. REMUNERATION OF THE SUPERVISORY BOARD

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

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

The fixed remuneration component per Supervisory Board member is €40,000 for each full fiscal year. The variable remuneration is €1,000 for each cent by which the dividend per share exceeds €0.25. 40% of this will be paid out after the actions of the Supervisory Board member in question have been approved by the Annual General Meeting for the fiscal year for which remuneration is being paid (initial year). The remaining amount will be paid out following the Annual General Meeting to which the annual financial statements for the third fiscal year following the initial year are submitted, insofar as the average dividend for the initial year and the three following fiscal years is not lower than the dividend for the initial year. Interest in line with current market rates will be paid on this amount until such time as it is paid out. Furthermore, members of the Supervisory Board and committees receive an attendance fee of €1,000 for participating in full at a meeting of the Supervisory Board or committee and €500 for participating in the majority of a meeting.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD FOR ACTIVITIES IN FISCAL YEAR 2015 (IN €) ^{1/2}

	Fixed ³		Total Variable		Long term Variable (60%)		Total	
	2014	2015	2014 ⁴	2015 ⁵	2014	2015	2014	2015
Dr. Andreas Albrod	71,000	69,000	45,000	45,000	27,000	27,000	116,000	114,000
Frank Ganschow	32,384	45,000	31,932	45,000	19,159	27,000	64,316	90,000
Michael Herz	68,500	67,000	45,000	45,000	27,000	27,000	113,500	112,000
Thomas Holzgreve (Deputy Chairman until August 31, 2015)	74,000	47,945	67,500	44,938	40,500	26,963	141,500	92,883
Thorsten Irtz (Deputy Chairman)	68,000	67,500	67,500	67,500	40,500	40,500	135,500	135,000
Matthias Locher	32,384	45,000	31,932	45,000	19,159	27,000	64,316	90,000
Dr. Dr. Christine Martel	76,384	88,000	45,000	45,000	27,000	27,000	121,384	133,000
Tomas Nieber	64,192	69,000	45,000	45,000	27,000	27,000	109,192	114,000
Isabelle Parize	30,884	42,500	31,932	45,000	19,159	27,000	62,816	87,500
Frédéric Pflanz (from September 1, 2015, Deputy Chairman)	–	24,055	–	22,562	–	13,537	–	46,617
Prof. Dr. Reinhard Pöllath (Chairman)	114,000	110,500	112,500	112,500	67,500	67,500	226,500	223,000
Prof. Manuela Rousseau	47,000	45,000	45,000	45,000	27,000	27,000	92,000	90,000
Poul Weihrauch	30,884	41,000	31,932	45,000	19,159	27,000	62,816	86,000
Total	773,379 ⁶	761,500	639,804 ⁶	652,500	383,881 ⁶	391,500	1,413,183 ⁶	1,414,000

¹ Subject to the resolution of the Annual General Meeting on March 31, 2016, concerning the dividend to be distributed for 2015 in accordance with the proposal for a dividend of €0.70 per share.

² Presented exclusive of value added tax.

³ Fixed remuneration component and remuneration for membership of Supervisory Board committees (including attendance fees).

⁴ The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2018 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).

⁵ The figure contains the long-term portion (60% – see separate column) of the variable Supervisory Board remuneration that will be paid out after the 2019 Annual General Meeting if the preconditions for payment are met (plus interest in accordance with § 15 (1) of the Articles of Association, if applicable).

⁶ These totals additionally include the following payments made to members of the Supervisory Board who left in 2014 for activities in fiscal year 2014: Prof. Dr. Eva Eberhartinger – fixed: €25,452, variable: €13,192 (long-term variable: €7,915), total: €38,644; Elke Gabriel – fixed: €15,726, variable: €13,192 (long-term variable: €7,915), total: €28,918; Thomas-B. Quaas – as contractually agreed, Thomas-B. Quaas' Supervisory Board remuneration was offset against his total annual remuneration of €965 thousand from his former Executive Board activities; Volker Schopnie – fixed: €22,589, variable: €13,192 (long-term variable: €7,915), total: €35,781.

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

Business and Strategy

Structure and Organization

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

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

STRATEGY

Beiersdorf aims to be the No. 1 skin care company in its relevant categories and markets. The Blue Agenda sets the strategic direction to achieve this goal and fully leverage the growth potential of our strong brands. It consists of the following strategic focuses:

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

The Core Values describe what Beiersdorf stands for and shape the work of each one of our employees: Care, Simplicity, Courage, and Trust. During the year under review, we further substantiated our strategic framework. We defined the topics that Beiersdorf will focus on in the next few years in order to ensure the company's sustainable success: people, brands, innovations, localization, digitalization, sales, and efficiency.

The performance of our business shows that our strategy is paying off. Beiersdorf picked up further momentum in the reporting period and continued its profitable growth path. Earnings excluding special factors hit a record level in 2015, as did the EBIT margin. With strong brands, product innovations, and an increased presence in emerging markets, the company gained further market share and built on its strong position.

BRANDS

The strength of our brands, and particularly of NIVEA, plays a decisive part in our economic success. Beiersdorf's brands embody trust, quality, and consistency, and precisely meet consumers' needs. In our core business of skin care, for example, NIVEA was

again voted Europe's most trusted brand in 2015*. Our disciplined brand strategy has managed to sustainably expand our brands' impact. The good performance of NIVEA, Eucerin, and La Prairie over the past fiscal year clearly underlines this success.

INNOVATIONS

In order to further increase its innovation capacity, Beiersdorf is pursuing a long-term strategy that is clearly aimed at sustainable growth. This means introducing new products with great potential to be future growth drivers, as well as extending innovation cycles to make optimum use of the growth of our major innovations. Combining these two aspects is key to Beiersdorf's success, as is reflected in the development of innovations in the year under review. The all-purpose skin creams introduced in 2015 – NIVEA Care and NIVEA MEN Creme – are the result of the latest skin care research technologies and offer outstanding value for money. With these two entry-level skin care products, we are not only tapping new consumer groups for our most important core brand, but are also once again setting new market trends. The figures in 2015 underline the potential of both creams to drive long-term growth: they achieved double-digit market share in many markets only a short time after their launch.

Major innovations such as NIVEA Deo Black & White, NIVEA Body In-Shower, NIVEA Face Cellular Anti-Age, and NIVEA Face Q10 Pearls saw continued growth and significantly contributed to the success of the business in 2015. This consistently strong performance shows that our products not only deliver outstanding quality, but unique added value for our consumers, too.

MARKETS

In order to market products successfully, having a precise knowledge of consumers' specific needs is essential. When it comes to customers' expectations of products, there are sometimes major differences from region to region. Being close to consumers at a local level is crucial in order to incorporate changing expectations into product development flexibly and quickly. This is the only way to secure market share in the long term. In the year under review, Beiersdorf continued its targeted investments in local development and production capacity in order to further improve our presence and impact in important emerging markets. We were also able to further build on our strong position in the established European and North American markets.

India is an important growth market for Beiersdorf. The opening of a production facility and regional laboratory in Sanand in May 2015 has given us greater proximity to Indian consumers. The facility was completed just one and a half years after the decision to build it was made. It manufactures various care products in mini bottles and sachets: the perfect match for Indian consumers' requirement for good value products in small packaging units.

* Reader's Digest, European Trusted Brands Study, 2015

PEOPLE

The successes of 2015 are first and foremost the achievement of our committed employees. We worked together over the reporting period to further simplify our cost structures and processes, putting the company on a considerably more efficient foundation. In the coming years, we will focus on further improving Beiersdorf's competitiveness and impact.

In order to integrate the culture of feedback and dialog even more closely into the day-to-day work of every employee, we launched a brand new dialog format in 2015: "CEO Direct" is a moderated question and answer session, in which the Chairman of the Executive Board regularly takes questions from employees on a particular focus issue.

Management and Control

The Executive Board manages Beiersdorf AG and is also responsible for managing the Beiersdorf Group. It is dedicated to sustainably increasing the enterprise value. In addition to the functional areas of responsibility within the Executive Board, there are regional areas of responsibility. The Executive Board is closely involved in the company's operational business in particular through the allocation of responsibilities for the regions and markets. A breakdown of the Executive Board members' areas of responsibility can be found in the chapter "Beiersdorf AG Boards" of the Annual Financial Statements.

The tesa Business Segment is managed as an independent subgroup.

Information on the remuneration of the Executive and Supervisory Boards as well as on incentive and bonus systems is provided in the remuneration report, which forms part of the Management Report. The Corporate Governance Statement in accordance with § 289a *Handelsgesetzbuch* (German Commercial Code, *HGB*) has been made publicly available on the company's website at WWW.BEIERSDORF.COM/CORPORATE_GOVERNANCE_STATEMENT. Additional information regarding management and control, the general management structure, and the Declaration of Compliance in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) is also provided in the Corporate Governance Report.

Value Management and Performance Management System

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

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

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

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

In addition to the key financial performance indicators shown above, the company employs a number of non-financial indicators that are described in the "Research and Development," "People at Beiersdorf," and "Sustainability" chapters of the Management Report.

Economic Environment

General Economic Situation

Global economic growth in 2015 was at the previous year's level. However, the outlook increasingly deteriorated over the course of the year as a result of weak growth in emerging markets. While economic performance further improved in industrialized countries, commodity-rich emerging markets were hit by lower energy and commodity prices.

The **European** economy continued its recovery and achieved slightly higher growth than in the previous year on the back of comparatively low commodity costs, the depreciation of the euro, and the low interest rate level. Growing demand within the euro-zone compensated for a fall in demand from emerging markets.

The **German** economy benefited from the healthy labor market, low interest rates, and positive consumer sentiment. However, the advancing slowdown in key emerging markets and falling demand in China adversely affected performance. Overall, the German economy experienced moderate growth.

The economy in the **United States** recorded a positive performance in 2015. Growth was bolstered by the positive trend on the labor market and rising domestic demand. There was a moderate key interest rate increase in December.

Japan saw only moderate economic growth in 2015. The economy was affected by weak domestic demand and the economic slowdown in China.

The picture in the **emerging markets** was mixed. Economic growth in **China** fell short of expectations in 2015. The growth rate was at its lowest since 2009. Rising concern about a downturn caused the overheated Chinese stock market to crash. Reforms in **India** had a positive effect on economic development. The country's export momentum declined, however. In **Brazil**, the economic situation remained difficult due to poor domestic demand and low commodity prices. The country's output fell.

The ongoing geopolitical conflict between Russia and Ukraine, and the rapid drop in crude oil prices, led to a recession and hit the region's development.

Sales Market Trends

The global growth rate in the cosmetics market – the market relevant for Beiersdorf – was at the prior-year level. The Asia and Latin America regions were the main growth drivers. The saturated markets in North America and Western Europe continued on the previous year's growth path. Southern Europe saw an easing of the negative trend.

Procurement Market Trends

In 2015, raw material and packaging prices overall moved slightly lower. The commodity environment was generally favorable, especially concerning the oil price development. However, as the prices of the refined materials and plastic resins are most strongly affected by supply and demand in their respective markets, only a limited positive effect on procurement costs emerged.

Some material market prices remained very robust. In particular the markets for palm oil derivatives and for plastic resins on the European market were very resilient.

Overall Assessment of the Economic Environment

Macroeconomic growth in 2015 was positive, despite momentum slowing in the course of the year. The global cosmetics market maintained the previous year's level of growth, although growth rates in some individual markets eased. The Consumer Business Segment recorded another increase in sales in this challenging economic environment.

Results of Operations – Beiersdorf AG

(IN € MILLION)

	2014	2015
Sales	1,138	1,161
Other operating income	114	127
Cost of materials	-274	-273
Personnel expenses	-235	-273
Depreciation and amortization of property, plant, and equipment, and intangible assets	-25	-19
Other operating expenses	-553	-574
Operating result	165	149
Net income from investments	284	252
Net interest expense	2	-8
Other financial result	-5	18
Financial result	281	262
Result from ordinary activities	446	411
Extraordinary result	-	-
Income taxes	-64	-74
Profit after tax	382	337
Transfer to other retained earnings	-191	-161
Net retained profits	191	176

Beiersdorf AG's sales increased by €23 million to €1,161 million in the reporting period (previous year: €1,138 million). Sales of NIVEA Creme and NIVEA Men performed particularly pleasingly. Sales of €917 million (previous year: €903 million) were generated in Germany and €244 million (previous year: €235 million) abroad.

Other operating income increased by €13 million compared with the previous year. This growth is attributable to higher income from the disposal of fixed assets and from services provided to affiliated companies, coupled with a decline in income from the reversal of provisions.

The financial result decreased by €19 million compared with the previous year to €262 million (previous year: €281 million). This decline was largely the result of a clear drop of €32 million in net income from investments, a €10 million decrease in net interest expense, and a €23 million rise in the other financial result.

The result from ordinary activities was €411 million, down €35 million on the previous year. The operating result decreased by €16 million and the financial result by €19 million.

Profit after tax amounted to €337 million (previous year: €382 million), a decline of €45 million.

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

Net Assets and Financial Position – Beiersdorf AG

(IN € MILLION)		
	Dec. 31, 2014	Dec. 31, 2015
Assets		
Intangible assets	20	12
Property, plant, and equipment	97	96
Financial assets	1,608	1,623
Fixed assets	1,725	1,731
Inventories	4	5
Receivables and other assets	598	645
Securities	1,579	2,127
Cash and cash equivalents	271	155
Current assets	2,452	2,932
Prepaid expenses	3	6
Deferred tax assets	9	19
Excess of plan assets over post-employment benefit liability	3	–
	4,192	4,688
Equity and liabilities		
	Dec. 31, 2014	Dec. 31, 2015
Equity	2,257	2,435
Provisions for pensions and other post-employment benefits	449	475
Other provisions	184	235
Provisions	633	710
Liabilities	1,302	1,543
Deferred tax liabilities	–	–
	4,192	4,688

ASSETS AND LIABILITIES

The increase in financial assets of €15 million mainly reflects capital increases at existing affiliates. Investments of €11 million in property, plant, and equipment were partially offset by depreciation of €10 million. Receivables include receivables from affiliated companies of €462 million (previous year: €397 million). The securities item increased by €548 million. As of December 31, 2015, Beiersdorf AG had invested €2,127 million (previous year: €1,579 million) in government and corporate bonds, *Pfandbriefe*, and near-money market retail funds. €831 million (previous year: €539 million) of the securities have a remaining maturity of up to one year, and €1,296 million (previous year: €1,040 million) have a remaining maturity of between one and four years.

Pension provisions rose by €26 million. Offsetting plan assets against defined contribution pension obligations led to an excess of plan assets over post-employment benefit liability of €3 million in the previous year. Liabilities include liabilities to affiliated companies of €1,475 million (previous year: €1,243 million). The increase relates primarily to financial liabilities. Of the total assets of €4,688 million (previous year: €4,192 million) shown in the balance sheet, €2,435 million (previous year: €2,257 million) or 52% (previous year: 54%) are financed by equity.

FINANCING AND LIQUIDITY PROVISION

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

Overall Assessment of Beiersdorf AG's Economic Position

Business developments in 2015 show that Beiersdorf is on the right track. Beiersdorf AG's sales amounted to €1,161 million (previous year: €1,138 million), up 2.0% on sales in 2014. The operating result fell to €149 million (previous year: €165 million). After adjustment for special factors, the normalized operating result was €146 mil-

lion (previous year: €142 million). Excluding special factors, the EBIT margin was therefore 12.6% (previous year: 12.5%). The financial result declined to €262 million (previous year: €281 million) as a result of significantly lower income from investments.

	Forecast for 2015 in 2014 Management Report	Result in 2015
Sales	Moderate increase in sales	€23 million higher than prior year
Operating result*	Operating margin at prior-year level	12.6% compared with 12.5% in prior year
Financial result	Dividend income around prior-year level	€63 million lower than prior year

* Normalized operating result

Sales increased moderately in fiscal year 2015, as forecast, and the normalized operating result improved slightly over the previous year. Dividend income for fiscal year 2015 was slightly below the level in 2014 after adjustment for the special dividend from Spain in the previous year.

Research and Development

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

We invested a total of €125 million (previous year: €113 million) in our research and development in the reporting period. As of December 31, 2015, 498 people were employed in the Research and Development area (previous year: 485).

LEADING-EDGE SKIN CARE EXPERTISE

Beiersdorf is globally known for its leading skin care expertise. Our research and development activities aim to define skin care of the future. The effort focuses on addressing consumer demand for efficacious yet mild products more than ever before.

In the year under review, a Beiersdorf research cooperation with the Swiss Federal Institute of Technology in Zurich (ETH) showed how skin cells naturally protect themselves against stress caused by environmental influences. The researchers discovered that skin cells defend themselves by using the "first line response," a key rapid change in skin cell metabolism. This mechanism enables skin cells to counteract within minutes stress caused by, for example, solar radiation or oxidative stress. This important insight can be used to develop future skin care products to prevent environmentally induced skin sensitivity and aging by fortifying the identified natural skin function. The work was highlighted by "Molecular Cell", one of the most highly respected science journals.

Also during the reporting period, a cooperative project between researchers from the French Institute of Health and Medical Research (INSERM) in Nice and Beiersdorf discovered a molecular mechanism that leads to melasma, one of the most common discolorations that affects consumers with darker complexions. The research group is currently exploiting this discovery to deliver solutions for this skin disorder.

Sensitive skin is another major skin disorder that Beiersdorf's research focuses on. Many people with sensitive skin suffer from skin inflammation. Our researchers found effective soothing agents that helped develop skin-calming cosmetic products. In 2015, one highly recognized result involved Licochalcone A, a substance contained in licorice that has a positive effect on a key inflammatory pathway in the skin. The active ingredient with its antioxidant properties also helps the skin activate its own defenses against UV stress.

At Beiersdorf, product safety and tolerability are our top priority. Remarkable progress has been made in the core methods for cosmetic safety, eye irritation, skin sensitization and genotoxicity. Alternative methods for these endpoints are now undergoing the official acceptance process at the Organization for Economic Co-operation and Development (OECD) and the Scientific Committee on Consumer Safety (SCCS) of the European Commission. We also achieved progress in our work to identify skin-irritating substances

at an early stage of our research and thus prevent the possibility of allergic reactions.

OPEN TO IDEAS FROM THE OUTSIDE

Beiersdorf's Research and Development unit drives the integration of internal as well as external knowledge and ideas to create outstanding products. This objective is achieved through close relationships with leading research institutes, universities, and suppliers as well as through our Open Innovation network Pearlfinder, where Beiersdorf scientists post technical challenges and our external partners submit possible solutions.

Examples of our Open Innovation activities in 2015 included:

- The launch of the new NIVEA Protect & Shave Razor, which was the result of a close, long-term partnership between our Research and Development unit and the Japanese razor blade manufacturer Kai.
- In its second year, the Beiersdorf Innovation Pitch attracted many ideas from exhibitors at the "in-cosmetics" trade fair in Barcelona, Spain. The three winning contributions now have an opportunity to develop their projects through our strong brands NIVEA and Eucerin.
- With our new Open Innovation format Supplier Fair, we opened the doors of our Research and Development unit for the first time, welcoming three long-standing strategic partners to present functional raw materials and their application in our particular categories.
- Our Open Innovation initiative was intensified with a focus on regional development laboratories. The closeness to innovation hot spots and consumers in the respective regions led to some unique products and innovation partner relationships.

EXPANSION OF REGIONAL DEVELOPMENT LABORATORIES

To best meet consumers' needs around the world, we further strengthened our regional and local development activities. We conduct regional consumer tests to customize product formulas and design specified packaging solutions. Being close to the market allows a fast and precise adoption of the local needs and the development of regional innovations.

In 2015, we expanded the development laboratories for the Far East in Wuhan, China, which is now our biggest development location outside Beiersdorf's headquarters laboratories in Hamburg. In Sanand, India, we opened a development laboratory located on the premises of the new production facility. Solutions are developed there for the Near East region, which has a distinct market diversity and large outreach within our global network. One of the first tasks of the newly completed laboratory was to test and refine the formulation and packaging for the NIVEA MEN Body Deodorizer. The product was especially created for Indian consumers and provides day-long control of body odor through a single application per day.

Another expansion of activities in the regions took place in Silao, Mexico. In the year under review, the team began working in new, fully equipped laboratories to develop innovations for Latin America and North America. The focus here is on deodorant, body, sun, and cleansing products specifically designed for the local markets. A good example from Silao is the development and launch of NIVEA Aclarado Natural Deodorant, which is designed to help recover the natural skin tone of the armpit.

CLOSE TO CONSUMERS

Beiersdorf's approach to localization goes hand in hand with our intention to further integrate consumers' needs and wishes into all steps of product development, from idea creation to post-launch assessment. Through our consumer integration approach, Beiersdorf employees connect with and observe consumers, e.g. while they shop and under special product-use conditions, using traditional as well as state-of-the-art digital research technologies. In the year under review, Beiersdorf conducted about 1,800 studies with approximately 38,000 participants in all regions.

INNOVATIONS

The Consumer Business Segment filed patents for 61 innovations in the year under review (previous year: 76), and its products repeatedly set significant new market trends.

In 2015, key innovations included:

- **NIVEA Care Creme** for face, body, and hands offers intensive nourishment for more than 24 hours, providing a light and soft skin feeling without greasiness. The new NIVEA Care range addresses the specific needs of our female consumers. It consists of an intensively nourishing cream, a product for an improved skin tone, and an anti-aging cream. All three products were launched in 2015 in different markets.
- **NIVEA CELLular Anti-Age** is one of the most popular anti-aging care product ranges in Europe, having won the 2015 Nielsen European Breakthrough Innovation Award among more than 8,000 initiatives launched in Europe. The new line extension **NIVEA CELLular Radiance** continues this success and provides a more youthful radiance with both instant and long-term visible results. The benefit agents support skin functions on a cellular level and the soft pigments deliver instant improved skin appearance.
- As a result of continuous research to identify a superior and skin-friendly deodorant, NIVEA launched the first set of products with an innovative technology to meet the growing consumer demand for aluminum-free and yet highly effective deodorants: aluminum-free **NIVEA Fresh Deodorants** with 48-hour odor protection. Both the roll-on and spray versions fight malodor formation at its root, delivering reliable, scientifically proven 48-hour deodorant protection.
- The first all-purpose cream for men, **NIVEA MEN Creme**, gives male skin a boost of hydration and prevents it from drying out. It offers a masculine, fresh scent, and is ideal for the face, body, and hands. The light formula is non-greasy, non-sticky, and absorbs quickly. The cream tin was awarded the 2015 German Packaging Prize in the category "Retail Packaging/Hygiene & Cosmetics."
- **NIVEA MEN Active Clean Shower** and **NIVEA MEN Active Clean Shampoo** are the first body and hair cleansing products containing activated charcoal by NIVEA. Thanks to the innovative formula with activated charcoal, body and hair are thoroughly cleaned.
- **Eucerin Sun Gel-Creme Oil Control Dry Touch SPF 30/50+** is a daily sunscreen with a high sun protection factor specifically developed for oily and acne-prone facial skin. It leaves a dry-touch feeling to the skin due to pigment technology. Additionally, it combines special photo protection against sun-induced skin damage and an active solution to help improve the skin's condition.
- **Hansaplast** launched the high performance **Blister Plaster** as a result of a continuous research program. High-tech hydrocolloid materials from professional wound care combined with easy-to-use product design provide outstanding protection over several days plus immediate pain reduction and faster healing via an active gel cushion.
- In 2015, **La Prairie** launched the **Anti-Aging Rapid Response Booster**. An active delivery system targets the cells that are responsible for younger-looking skin and precisely delivers anti-wrinkle ingredients to those areas where the skin needs them most. La Prairie also expanded its successful Skin Caviar Collection with the light-textured **Skin Caviar Luxe Cream Sheer**.

For more information on research and development at Beiersdorf, please visit WWW.BEIERSDORF.COM/RESEARCH.

Sustainability

At Beiersdorf, “Care” is not only part of our core business, but also one of our Core Values. It describes our responsibility towards our fellow human beings and the environment. Beiersdorf’s commitment to care sets out to inspire people both inside and outside the company and to strengthen the company’s relationships with employees, suppliers, and consumers.

Beiersdorf’s “We care.” sustainability strategy gives the company a clear focus on sustainable, responsible growth. We have defined objectives for the three areas of activity “Products,” “Planet,” and “People,” which we aim to fulfill by 2020. We regularly review our progress using environmental and social performance indicators to ensure that our commitment is far-reaching, has a long-term impact, and supports the objectives of Beiersdorf’s business strategy, the Blue Agenda.

We already exceeded one of our sustainability goals: CO₂ emissions per sold product were cut sharply. As a result, we reached our objective well before the target date of 2020. We are currently formulating a new target for the “Planet” area of activity in order to continue improving our environmental performance.

By 2020, we aim for the areas “Products” and “People” to:

- generate 50% of our sales from products with a significantly reduced environmental impact (base year 2011), and
- reach and improve the lives of one million families (base year 2013).

We pushed ahead with measures throughout the company during the reporting period in order to swiftly achieve these targets.

PRODUCTS

Beiersdorf uses life cycle assessments to measure and reduce the environmental impact of products. This method is based on data relating to raw materials, our own manufacturing processes, transportation, product use, recycling, and disposal. In 2015, we developed a simulation tool for packaging design, which enables us to easily evaluate the environmental impact of alternative packaging.

In addition to packaging, we also analyze the environmental compatibility of the raw materials used in our products’ formulas. We worked closely with suppliers in the year under review to elaborate sustainability criteria that will be applied in formula development from 2016 onward. This will enable us to improve the environmental compatibility of future products at an early stage of development.

Beiersdorf has also made progress in transitioning to sustainable palm (kernel) oil. Our aim is to use only ingredients from proven sustainable sources (Certified Sustainable Palm Kernel Oil). By 2020, we intend to switch the respective ingredients to segre-

gated or at least mass balanced palm (kernel) oil and corresponding derivatives. Until the transition is complete, we will offset the share of raw materials that have not yet been converted with “GreenPalm” certificates. We have already sourced seven mass balanced raw materials in 2015. At the same time, we have initiated multi-site certification in accordance with the supply chain certification standard defined by the Roundtable on Sustainable Palm Oil (RSPO). Beiersdorf remains a member of the revamped Forum for Sustainable Palm Oil (FONAP).

PLANET

In order to better identify and reduce logistics emissions, we began using a new software to calculate transport emissions in Europe in 2014. In the year under review, the software was rolled out in the regions Latin America and the Far East.

Our facility management is also based on the principle of resource efficiency. The German production facilities in Hamburg, Berlin, and Waldheim were certified according to the ISO 50001 standard in 2014. The required recertification took place in 2015, demonstrating the high level of energy efficiency and energy management at Beiersdorf.

The factory we opened in Sanand, India, in 2015 comprises an extremely efficient water treatment system, which cleans sewage to such a high standard that it can be reused in the production process to reduce total water consumption, or be allowed to drain away naturally on the site. We also planted around 650 trees at the Sanand facility. These help the soil to absorb water and also make a contribution to reforestation.

We achieved gold “Leadership in Energy and Environmental Design” (LEED) certification with the expansion of our facility in Chile. Key factors contributing to this excellent rating included the building’s energy efficiency, optimal use of daylight, and efficient ventilation systems.

PEOPLE

Our long-standing commitment to families is deeply rooted in Beiersdorf’s Core Values and those of our brands, especially NIVEA. NIVEA supports families all over the world with locally relevant, long-term projects through its global “NIVEA cares for family” initiative. This initiative focuses on three areas:

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

NIVEA India has launched the “Mom’s Touch” initiative as part of “NIVEA cares for family.” Together with the strategic partner Aseema, NIVEA is helping mothers with low incomes ensure that

their children can go to school. The initiative supports these mothers and their families with a monthly food parcel. The project is accompanied by workshops and communication initiatives exploring how the mothers can act as a role model. The “Mom’s Touch” initiative is continuing in Mumbai and also being expanded to schools in Ahmedabad – the region where NIVEA India recently opened a new production facility. Five hundred families had participated in the project by the end of 2015.

To enable local families to spend time together and promote children’s development, NIVEA Poland has built or repaired 40 playgrounds. A broad publicity campaign called on Polish consumers to nominate the 40 sites where playgrounds should be renovated or newly built. With many playgrounds in poor condition, the campaign met with a great response: 3.6 million people, or around 10% of Poland’s population, took part in the vote.

“99% of the time nothing happens, but a first aid course is 100% worthwhile”: this was the guiding principle behind Hansaplast’s “Bringing First Aid Home” initiative in 2015. The aim was to motivate as many people as possible to take part in a first aid course. Since 2013, Hansaplast has been collaborating worldwide with national branches of the Red Cross to improve first aid knowledge and skills as well as people’s confidence in using them. A particular focus is on boosting children’s knowledge of first aid.

Beiersdorf aims to further reduce the number of work-related accidents with its company-wide “Zero Accident” initiative. We are continually improving workplace safety using a range of approaches. In 2015, we introduced “Safety Weeks” at our European locations, for example. Our occupational health and safety experts inspect facilities for possible sources of danger that could cause serious accidents, then work to eliminate these.

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

People at Beiersdorf

Beiersdorf AG employed 1,971 people as of December 31, 2015 (previous year: 1,911). The number of vocational trainees and trainees was 212 (previous year: 194).

A CARING EMPLOYER

Everyone counts. This is the Beiersdorf philosophy of caring about people. We are determined to support people's well-being and promote their personal and professional growth. Offering encouragement and inspiration so that all employees can continuously learn and develop themselves is our objective, one that we pursue with dedicated programs at the global, regional, and country levels.

At Beiersdorf, we believe that a committed workforce is essential to achieving both efficiency and innovation. Across all the markets in which we operate, we are known for being a caring employer that attends to all major aspects of an employment relationship. Our employee services and programs are customized to meet specific local needs and include child care, elderly care, health management, sport, catering, transportation, and, of course, flexible working arrangements. In Germany we practice more than 300 different working-time models that include working from home, job sharing, and very flexible part-time work customized to meet the needs of individuals and teams.

At the same time, we believe at Beiersdorf that being a caring employer also means challenging our employees. We cultivate a working environment in which individuals are encouraged to take ownership and try new ideas. This is reflected in our many successful business and organizational projects carried out across borders and functions. Our large number of international assignments is another example of our approach of "caring through challenging."

LIVING OUR CORE VALUES

Beiersdorf's four Core Values – Care, Simplicity, Courage, and Trust – have been the defining principles of our company for more than 130 years. In 2014, they formed the basis of a long-term culture project that continues to involve all our affiliates and employees. Results from the 2015 global employee survey showed a very high level of identification of our employees with these values. The Core Value initiative has established itself as an excellent global platform to discuss, review and improve leadership quality and management effectiveness.

In 2015, we also integrated our Core Values into such key HR management tools as performance management, employee dialog, or assessment tools. In this area, we have focused on encouraging employees to take action rather than on establishing formal processes, and we fostered initiatives to further enhance an open and insightful feedback culture within the company. At Beiersdorf, feedback is always both top-down and bottom-up. Feedback as

we understand and practice it not only comprises having the courage to talk, but also the skill and ability to listen. We find this understanding reflected in our Core Values "Trust" and "Courage" and the management practices related to it. During 2015, we increased the frequency and the variety of formats on mutual feedback between managers and employees. Instead of a one-size-fits-all method that is used once a year, we encourage and help our people talk about things they truly care about – any subject at any time.

We take a more pragmatic approach regarding the proof of success in areas like values and culture. Interpersonal relationships and interactions at work involve such complicated brain processes that they can hardly be measured directly, even less so in a 12-month interval. Instead of artificially creating key performance indicators (KPIs) for these fields, we believe the agility and resilience shown by our global workforce in a highly challenging business environment like 2015 was the best evidence that our people, our values, and our culture are the engines behind Beiersdorf's continuous business success.

DEVELOPING LEADERS

Leadership development has no secret recipes and does not require new campaigns each and every year. Reliability and consistency are by far more relevant success factors. In 2015, we continued practicing what we believe in as part of our Blue Agenda and Core Values framework:

- Authenticity: Self-awareness and self-reflection are essential traits for leaders at Beiersdorf. Only those able to be truthful to themselves can develop trust and act as role models in their day-to-day management activities.
- Inspiring: Being authentic is not the only important trait of leaders at Beiersdorf. True leadership means influencing and motivating others to give their best by actively managing individual working relationships.
- Living Core Values: Managers at Beiersdorf serve as role models for living our Core Values, putting them into practice in their work-life practices .
- Performance: Our managers know they do not merely "drive" performance. Sustaining a high level of performance is the natural outcome of authentic role modeling, empowerment, and individual coaching of employees.

All our leadership programs worldwide, regardless whether they are formal or informal, draw from these leading principles. Developing true leaders within the company requires this high level of conviction, clarity, consistency, and patience in the years to come as well.

GUIDING CAREER GROWTH

Every single employee makes a significant contribution to Beiersdorf's economic success with his or her individual skills. In 2015, we took our first step toward demonstrating a clear commitment to all our talented employees in terms of understanding and appreciating "Career@Beiersdorf":

- CAREER refers to an overall professional life that today often spans four or more decades: Take a long-term view.
- CAREER is not THE purpose of life, but rather one of the possible rewards of it: Don't be a "career seeker," do your best, always.
- CAREER encompasses many unknowns and surprises, despite all the plans: Be open, be flexible.
- Your CAREER will have many helpers: The one that steers it is always you.

As a global employer, we not only emphasize long-term thinking in our business practices and our people: We are also proud of having a long and proven track record of implementing this approach.

Our extensive investment in fostering the capabilities and skills of our employees, regardless of their level, function, and location in the company, continued in 2015. This was also true of our global processes for talent reviews and succession planning. The revived spirit of "Career@Beiersdorf" will enhance the effectiveness of all these investments in the years to come. Today's caring employer does not just rely on appropriate development tools and programs alone. We also do our best to stimulate our employees' individual sense of ownership of their careers. In addition, we believe it is important to be open and honest about the risks and uncertainties that can arise along a person's career path.

The long-term reward for being a caring employer is the greater number of emotionally engaged employees who are self-confident about their own professional growth and show self-initiative in this area.

ACHIEVING HIGH EMPLOYEE ENGAGEMENT

For the third consecutive year we invited all our employees worldwide to participate in our employee engagement survey. A total of 93% responded within the two-week survey period, marking a new all-time high. In almost all categories covered by the survey, be it working conditions, communication and feedback, or personal development, we again achieved above-average gains. The overall results were presented throughout the company and publicly discussed. Results for individual teams were intentionally made available only to the respective team. In taking this approach, we ensure a trusting environment in which open discussions could take place and relevant improvements be made. For the same reason, improvement of survey results at the team level was not allowed to be part of individual annual target setting.

We do measure engagement. But we are not preoccupied with numbers. In other words: more focus on improvement measures than improvement of numbers. With that, higher employee engagement has been, and will remain, a natural outcome.

PROMOTING DIVERSITY

Each year, we reach consumers in over 170 countries with our skin care products. Diversity is in our DNA.

Above all else, we value diversity in the sense of bringing together the largest possible mix of experiences, points of view, and individuals under the Beiersdorf roof. Within this context, we consider diversity in, for example, gender, internationality, and age a contribution to Beiersdorf's ongoing worldwide success.

Notable progress was made regarding Diversity in 2015, including:

- Gender diversity: In 2015, the new legislation on equal participation of women and men in management positions was introduced in Germany. Three years prior to this legislation, Beiersdorf had already committed itself to increasing the share of women in senior executive positions in Germany from 22.5% at the time of this decision to 30% by 2020. By the end of 2015, this figure had risen to 27.5%. The definition of "management levels" according to the new law deviates slightly from the definition Beiersdorf had been employing. Consequently, we have adjusted our figures, and they are now in full accordance with the law. At the end of 2015, 26% of managers on the first management level below the Executive Board were women. We aim to raise this figure to 30% by the end of June 2017. On the second management level, 38% of managers were women at the end of 2015. Our goal is to at least maintain this high level through the end of June 2017. On the basis of what we have achieved in terms of gender diversity since 2012, these two new commitments put Beiersdorf in a leading position among the companies governed by the new federal law. One example of how we improved diversity by taking specific measures: In 2015, we almost doubled the number of job-sharing positions for women in leadership compared to the previous year.
- International diversity: Our already competitive international mobility policy was further modified in 2015 to provide improved support to individual families as well as for re-integration after an assignment. Further, we increased the number of international employees at Hamburg headquarters to 14% in 2015 (2014: 13%). The number of employees with several years of international experience is far higher than revealed by nationality statistics alone. At the most senior level of management, for example, more than half of the current managers have experience of at least two foreign assignments lasting several years.
- Generational dialog: To foster exchange among the various generations of people working at Beiersdorf, we have established an initiative to enable our apprentices to become "buddies" to senior employees in order to explore such topics as IT and social media.

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

Remuneration of the Executive and Supervisory Boards

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

Risk Report

Integrated Risk and Opportunity Management

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

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

Accounting-related Internal Control System

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

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

Independent Monitoring

Our Internal Audit department – which serves as the Executive Board's financial control function – monitors risk management and the internal control system by means of systematic and regular audits. The department is independent of the Group's operating

activities, and uses a risk-based approach to reviewing our business processes and the systems and controls we have put in place. In addition, the external auditors audit the risk early-warning and monitoring system. Both the Internal Audit department and external auditors regularly report their audit findings to the Supervisory Board and, in particular, to its Audit Committee.

Our Risk Profile

STRATEGIC AND SECTOR-SPECIFIC RISKS

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

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

Strong brands that balance innovation and continuity are our response to fierce global competition on price, quality, and innovation. We have laid the groundwork for identifying consumer wishes and reflecting them in the products we develop even faster by developing and implementing the Consumer Insights process. Direct communication with consumers via digital social media is becoming an increasingly important aspect of this. These efforts also counteract the growing retail concentration and the regional emergence of private label products.

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

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

SUPPLY CHAIN AND IT RISKS

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

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

FINANCIAL RISKS

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

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

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

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

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

Further information on the extent of the currency, interest rate, default, and liquidity risks described above can be found in note 23 of the notes to the annual financial statements, "Derivative Financial Instruments."

LEGAL RISKS

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

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

Overall Assessment of Beiersdorf AG's Risk Situation

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

Report by the Executive Board on Dealings among Group Companies

In accordance with § 312 *Aktiengesetz* (German Stock Corporation Act, *AktG*), the Executive Board has issued a report on dealings among Group companies which contains the following concluding declaration: "According to the circumstances known to us at the

time the transactions were executed or measures were taken or not taken, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the fact that measures were taken or not taken."

Report on Post-Balance Sheet Date Events

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

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

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

Please refer to the notes to the annual financial statements for the disclosures on the composition of the subscribed capital and the disclosures on direct or indirect interests in the share capital exceeding 10% of the voting rights. In addition to this, Michael Herz, Germany, has informed the Executive Board that further shares in Beiersdorf Aktiengesellschaft are attributable to him and that he directly holds shares in Beiersdorf Aktiengesellschaft. In total, the share of voting rights held by Michael Herz in Beiersdorf Aktiengesellschaft amounts to 60.99% (including 9.99% own shares held by Beiersdorf Aktiengesellschaft, which do not bear voting or dividend rights).

The appointment and removal from office of members of the Executive Board are governed by §§ 84 and 85 *Aktiengesetz* (German Stock Corporation Act, *AktG*), § 31 *Mitbestimmungsgesetz* (German Co-Determination Act, *MitbestG*), and § 7 of the Articles of Association. In accordance with § 7 of the Articles of Association, the Executive Board consists of at least three persons; apart from this provision, the Supervisory Board determines the number of members of the Executive Board. The Articles of Association

may be amended in accordance with §§ 179 and 133 *AktG* and with § 16 of the Articles of Association. Under § 16 of the Articles of Association, the Supervisory Board is authorized to resolve amendments and additions to the Articles of Association that concern the latter's wording only. Under § 5 (6) of the Articles of Association, the Supervisory Board is authorized in particular to amend and reformulate § 5 of the Articles of Association (Share Capital) following each utilization of authorized or contingent capital.

The Annual General Meeting on March 31, 2015, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until March 30, 2020, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par-value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory

Board, to disapply shareholders' preemptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
2. to the extent necessary to grant the holders/creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);
3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disappling preemptive rights pursuant to or in accordance with § 186 (3) sentence 4 *AktG*, this must be counted toward the above-mentioned 10% limit (Authorized Capital II);
4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

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

In addition, the Annual General Meeting on March 31, 2015, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par value bearer shares. The contingent capital increase will be implemented only to the extent that:

1. the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or

2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

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

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

The Annual General Meeting on March 31, 2015, also authorized the company in accordance with § 71 (1) no. 8 *AktG* to purchase own shares in the total amount of up to 10% of the existing share capital in the period up to March 30, 2020. The shares shall be purchased via the stock exchange or via a public purchase offer addressed to all shareholders, or a public invitation to tender shares. The Annual General Meeting authorized the Executive Board, with the approval of the Supervisory Board, to sell in whole or in part the own shares purchased on the basis of the above-mentioned or a prior authorization while disappling the shareholders' preemptive rights, including in a way other than via the stock exchange or via a purchase offer to all shareholders, to the extent that these shares are sold for cash at a price that does not fall materially below the market price of the same class of shares of the company at the time of the sale. The Executive Board was also authorized, with the approval of the Supervisory Board, to sell in whole or in part the own shares acquired in accordance with the above-mentioned or a previous authorization against non-cash consideration while disappling the preemptive rights of shareholders, particularly to utilize them as consideration or partial consideration in the context of a merger or the acquisition of companies, equity interests in companies (including increases in equity interests), or business units of companies. Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize these own shares in whole or in part, while disappling the preemptive rights of shareholders, in order to satisfy the subscription and/or conversion rights from convertible bonds and/or bonds with warrants issued by the company or companies in which it holds a direct or indirect majority interest. The Executive Board is further authorized, in the event that own shares are sold to all shareholders, to disapply the preemptive rights of shareholders where this is necessary to eliminate any fractions that may arise. The Executive Board may only make use of the above authorizations to disapply

preemptive rights when utilizing own shares to the extent that the total proportion of shares utilized without preemptive rights does not exceed 20% of the share capital either at the time of the resolution by the Annual General Meeting or at the time these authorizations are exercised. If, during the term of this authorization to utilize own shares, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to acquire shares in the company are exercised while disapplying preemptive rights, this must be counted toward the above-mentioned limit. Finally, the Executive Board was authorized, with the approval of the Supervisory Board, to retire the own shares acquired in accordance with the above-mentioned or a prior authorization without requiring an additional resolution by the Annual General Meeting.

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

Report on Expected Developments

Expected Macroeconomic Developments

The **global** economic situation seems on the verge of seeing 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 continued rise of the US dollar, and low oil prices. In terms of global economic growth, geopolitical unrest coupled with the unclear economic trend in China are 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 the recovery 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. 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 to outstrip that of 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 the planned increase in interest rates are a source of uncertainty for the economy and the financial markets.

In **Japan**, we expect growth to be 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 scheduled 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 uncertain effects of the social and environmental reforms that have been announced 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.

Procurement Market Trends

Commodity markets are expected to remain weak in 2016, with low oil prices persisting and weak demand from China and other regions limiting 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.

Sales Market Trends

We believe that the global growth rate in the cosmetics market – the market relevant for Beiersdorf – will rise only minimally above the prior-year level in 2016. We continue to expect low but stable growth in the major European and North American markets. The emerging markets will make a positive contribution to overall performance, although momentum is likely to continue easing year-on-year.

Our Market Opportunities

Market performance will remain mixed in 2016 and competition will continue to increase in some markets. The business strategy set out in the Blue Agenda will allow us to meet the challenges of tomorrow and hence to achieve our objectives. We see strong opportunities both in systematically expanding our presence in the emerging markets and in consolidating our position in our European markets. We aim to drive this process by strengthening our brands – especially NIVEA, Eucerin, and La Prairie – and boosting our innovation power. This analysis underpins our planning for 2016.

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

Business Developments

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

On this basis, we expect sales to increase moderately in 2016.

With respect to Beiersdorf AG's normalized operating result, we are planning for an operating margin on a level with the previous year in 2016.

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

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

Hamburg, February 2, 2016
Beiersdorf AG

The Executive Board

Income Statement – Beiersdorf AG

(IN € MILLION)

	Note	2014	2015
Sales	01	1,138	1,161
Other operating income	02	114	127
Cost of materials	03	-274	-273
Personnel expenses	04	-235	-273
Depreciation and amortization of property, plant, and equipment, and intangible assets	05	-25	-19
Other operating expenses	06	-553	-574
Operating result		165	149
Net income from investments	07	284	252
Net interest expense	08	2	-8
Other financial result	09	-5	18
Financial result		281	262
Result from ordinary activities		446	411
Extraordinary result		-	-
Income taxes	10	-64	-74
Profit after tax		382	337
Transfer to other retained earnings	30	-191	-161
Net retained profits		191	176

Balance Sheet – Beiersdorf AG

(IN € MILLION)

Assets	Note	Dec. 31, 2014	Dec. 31, 2015
Intangible assets	12	20	12
Property, plant, and equipment	13	97	96
Financial assets	14	1,608	1,623
Fixed assets		1,725	1,731
Inventories		4	5
Receivables and other assets	15	598	645
Securities	16	1,579	2,127
Cash and cash equivalents	17	271	155
Current assets		2,452	2,932
Prepaid expenses		3	6
Deferred tax assets	10	9	19
Excess of plan assets over post-employment benefit liability	19	3	–
		4,192	4,688
<hr/>			
Equity and liabilities	Note	Dec. 31, 2014	Dec. 31, 2015
Share capital		252	252
Own shares		–25	–25
Issued capital		227	227
Additional paid-in capital		47	47
Retained earnings		1,792	1,985
Net retained profits		191	176
Equity	18	2,257	2,435
Provisions for pensions and other post-employment benefits	19	449	475
Other provisions	20	184	235
Provisions		633	710
Liabilities to banks		–	–
Trade payables		54	61
Other liabilities		1,248	1,482
Liabilities	21	1,302	1,543
Deferred tax liabilities		–	–
		4,192	4,688

Basis of Preparation of Beiersdorf AG's Financial Statements

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

The financial statements comprise the balance sheet, the income statement, and the notes. The income statement was prepared using the total cost (nature of expense) method. Where items in the balance sheet and the income statement have been summarized to aid clarity, they are disclosed and explained separately in the Notes. The annual financial statements are prepared in euros (€);

amounts are given in millions of euros (€ million). The accounting policies applied in the year under review were unchanged as against the previous year.

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

Notes to the Income Statement

01 Sales

Beiersdorf AG is responsible for business in Germany with branded consumer products for skin and body care, which are bundled in the Consumer Business Segment. It also provides typical holding company services to affiliates in the course of its ordinary activities. Beiersdorf AG's sales increased by €23 million to €1,161 million (previous year: €1,138 million).

SALES BY REGION (IN € MILLION)

	2014	2015
Germany	903	917
Rest of Europe	126	133
Americas	45	47
Africa/Asia/Australia	64	64
	1,138	1,161

02 Other Operating Income

(IN € MILLION)

	2014	2015
Income from the disposal of fixed assets	12	34
Income from the reversal of provisions	31	16
Currency translation gains on trade receivables and payables	4	7
Income from services provided to affiliated companies	59	61
Other income	8	9
	114	127

03 Cost of Materials

The cost of materials of €273 million (previous year: €274 million) includes the acquisition cost of the goods sold.

04 Personnel Expenses

(IN € MILLION)

	2014	2015
Wages and salaries	195	210
Social security contributions and other benefits	23	24
Pension expenses	17	39
	235	273

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

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

06 Other Operating Expenses

(IN € MILLION)

	2014	2015
Marketing expenses	346	349
Maintenance costs	8	8
Outgoing freight	6	7
Write-downs of receivables	1	–
Currency translation losses on trade receivables and payables	7	9
Third-party services	22	27
Legal and consulting costs	20	18
Other personnel expenses	12	16
Costs of services invoiced by affiliated companies	78	91
Other taxes	1	2
Other expenses	52	47
	553	574

07 Net Income from Investments

(IN € MILLION)

	2014	2015
Income from investments	214	152
(thereof from affiliated companies)	(214)	(152)
Income from profit transfer agreements	67	88
Reversals of write-downs of financial assets and securities classified as current assets	–	11
Income from the disposal of shares in affiliated companies and other equity investments	5	1
Write-downs of financial assets and securities classified as current assets	–2	–
	284	252

08 Net Interest Expense

(IN € MILLION)

	2014	2015
Other interest and similar income	27	21
(thereof from affiliated companies)	(2)	(4)
Interest and similar expenses	-3	-8
(thereof to affiliated companies)	(-3)	(-2)
Expenses from unwinding of discounts on provisions for pensions and other long-term obligations	-22	-21
	2	-8

09 Other Financial Result

(IN € MILLION)

	2014	2015
Other financial income	35	169
Other financial expenses	-40	-151
	-5	18

Other financial income comprises currency translation gains on financial items of €148 million (previous year: €35 million). Other financial expenses comprise currency translation losses on financial items of €144 million (previous year: €39 million) and miscellaneous financial expenses of €7 million (previous year: €1 million).

10 Income Taxes

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

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

Deferred tax assets of €26 million (previous year: €16 million) were recognized for pension provisions as a result of the higher liabilities recognized in the financial statements as against the tax base. Other deferred tax assets of €6 million (previous year: €10 million) were due to certain other provisions not being recognizable for tax purposes, or to lower values being recognized. Deferred tax liabilities mainly result from differences in the carrying amounts of fixed assets of €17 million (previous year: €20 million).

Overall, Beiersdorf AG expects an aggregate future tax benefit of €19 million (previous year: €9 million) from its own temporary accounting differences and those relating to companies in its consolidated tax group as of December 31, 2015. The tax result for the fiscal year includes income of €10 million from deferred taxes (previous year: income of €11 million).

11 Other Taxes

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

Notes to the Balance Sheet

12 Intangible Assets

(IN € MILLION)

	Purchased patents, licenses, trademarks, and similar rights and assets	Advance payments	Total
Cost			
Opening balance Jan. 1, 2015	391	–	391
Additions	1	–	1
Disposals	–	–	–
Transfers	–	–	–
Closing balance Dec. 31, 2015	392	–	392
Amortization			
Opening balance Jan. 1, 2015	371	–	371
Write-downs	9	–	9
Reversals of write-downs	–	–	–
Disposals/transfers	–	–	–
Closing balance Dec. 31, 2015	380	–	380
Carrying amount Dec. 31, 2015	12	–	12
Carrying amount Dec. 31, 2014	20	–	20

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

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

13 Property, Plant, and Equipment

(IN € MILLION)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Cost					
Opening balance Jan. 1, 2015	220	2	115	3	340
Additions	1	–	5	5	11
Disposals	–23	–	–4	–	–27
Transfers	–	–	1	–1	–
Closing balance Dec. 31, 2015	198	2	117	7	324
Depreciation					
Opening balance Jan. 1, 2015	147	2	94	–	243
Depreciation	4	–	6	–	10
Disposals/transfers	–23	–	–2	–	–25
Closing balance Dec. 31, 2015	128	2	98	–	228
Carrying amount Dec. 31, 2015	70	–	19	7	96
Carrying amount Dec. 31, 2014	73	–	21	3	97

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

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

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

14 Financial Assets

(IN € MILLION)				
	Investments in affiliated companies	Other equity investments	Long-term securities	Total
Cost				
Opening balance Jan. 1, 2015	1,622	–	–	1,622
Additions	9	–	–	9
Disposals	–6	–	–	–6
Transfers	–	–	–	–
Closing balance Dec. 31, 2015	1,625	–	–	1,625
Write-downs				
Opening balance Jan. 1, 2015	14	–	–	14
Write-downs/reversals of write-downs	–12	–	–	–12
Disposals/transfers	–	–	–	–
Closing balance Dec. 31, 2015	2	–	–	2
Carrying amount Dec. 31, 2015	1,623	–	–	1,623
Carrying amount Dec. 31, 2014	1,608	–	–	1,608

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

The additions to investments in affiliated companies are the result of capital increases at existing affiliates, in particular at Beiersdorf Korea Ltd. and Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.

15 Receivables and Other Assets

(IN € MILLION)		
	Dec. 31, 2014	Dec. 31, 2015
Trade receivables	122	107
(thereof due after more than one year)	(–)	(–)
Receivables from affiliated companies	397	462
(thereof due after more than one year)	(–)	(–)
Other assets	79	76
(thereof due after more than one year)	(–)	(–)
	598	645

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

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

Receivables from affiliated companies comprise financial receivables of €340 million (previous year: €287 million) and trade receivables of €122 million (previous year: €110 million).

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

16 Securities

As of December 31, 2015, Beiersdorf AG had invested a total of €2,127 million in government and corporate bonds, *Pfandbriefe*, and near-money market retail funds (previous year: €1,579 million). Investments classified as current assets are carried at the lower of amortized cost and fair value. All bonds and *Pfandbriefe* are listed. €831 million (previous year: €539 million) of the securities have a remaining maturity of up to one year, and €1,296 million (previous year: €1,040 million) have a remaining maturity of between one and four years. The sale of shares in near-money market retail funds resulted in gains of €19 million.

17 Cash and Cash Equivalents

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

18 Equity

The following changes in equity were recorded in fiscal year 2015:

(IN € MILLION)				
	Dec. 31, 2014	Utilization of 2014 net retained profits	2015 profit after tax	Dec. 31, 2015
Share capital	252	–	–	252
Own shares	–25	–	–	–25
Issued capital	227	–	–	227
Additional paid-in capital	47	–	–	47
Legal reserve	4	–	–	4
Other retained earnings	1,788	32	161	1,981
Net retained profits	191	–191	176	176
	2,257	–159	337	2,435

SHARE CAPITAL

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

OWN SHARES

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

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

AUTHORIZED CAPITAL

The Annual General Meeting on March 31, 2015, authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until March 30, 2020, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

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

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
2. to the extent necessary to grant the holders/creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising

their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which preemptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying preemptive rights pursuant to or in accordance with § 186 (3) sentence 4 *AktG*, this must be counted toward the above-mentioned 10% limit (Authorized Capital II);
4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board may only make use of the above authorizations to disapply preemptive rights when utilizing own shares to the extent that the total proportion of shares issued without preemptive rights does not exceed 20% of the share capital either on the effective date of these authorizations or when they are exercised. If, during the term of the authorized capital up to its utilization, other authorizations to issue or sell shares of the company or to issue rights that enable or oblige the holder to acquire shares of the company are exercised while disapplying preemptive rights, this must be counted toward the above-mentioned limit.

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

CONTINGENT CAPITAL

In addition, the Annual General Meeting on March 31, 2015, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par value bearer shares. In accordance with the resolution by the Annual General Meeting, the contingent capital increase will be implemented only if:

1. the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or
2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until March 30, 2020, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

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

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

ADDITIONAL PAID-IN CAPITAL

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

RETAINED EARNINGS

The Annual General Meeting on March 31, 2015, resolved to transfer €32 million from net retained profits for fiscal year 2014 to other retained earnings. €161 million of the profit after tax for fiscal year 2015 was transferred to other retained earnings.

DISCLOSURES ON AMOUNTS SUBJECT TO RESTRICTIONS ON DISTRIBUTION

A non-distributable amount of €35 thousand (previous year: €966 thousand) was produced on the difference resulting from the measurement of assets whose fair value exceeds cost, after deduction of the deferred tax liabilities recognized for this purpose. The excess of deferred tax assets over deferred tax liabilities (excluding the deferred tax liabilities recognized in accordance with § 246 (2) HGB) resulted in an additional non-distributable amount of €19,377 thousand. The amount of retained earnings available for distribution is €1,981 million. Consequently, the net retained profits of €161 million are not subject to any restrictions on distribution.

19 Provisions for Pensions and Other Post-employment Benefits

Pension provisions cover benefit obligations to former and current employees.

Pension obligations are measured using the projected unit credit method, taking into account future wage, salary, and pension increases. The discount rate for pension commitments used was the average market interest rate calculated and published by the Deutsche Bundesbank that results from an assumed remaining maturity of 15 years. The wage and salary growth figure was 3.5% (previous year: 3.5%), the pension growth figure was 1.75% (previous year: 1.75%), and the discount rate was 3.89% (previous year: 4.54%). Heubeck's "2005 G mortality tables" were used as a basis for calculation.

Assets that serve solely to settle liabilities from post-employment benefit obligations and that are exempt from attachment by all other creditors are offset against the provisions at their fair values. If the fair value of the assets exceeds the amount of liabilities, the excess amount is reported as an "excess of plan assets over post-employment benefit liability." The fair value of assets invested in mixed-use funds was €26 million at the balance sheet date (previous year: €21 million; cost: €26 million); the settlement amount of the offset obligations was €26 million (previous year: €18 million). Last year's excess assets of €3 million are reported as an "excess of plan assets over post-employment benefit liability" on the assets side of the balance sheet.

20 Other Provisions

(IN € MILLION)		
	Dec. 31, 2014	Dec. 31, 2015
Provisions for taxes	11	19
Miscellaneous provisions	173	216
(thereof for personnel expenses)	(66)	(82)
(thereof for marketing and selling expenses)	(64)	(88)
(thereof for restructuring)	(–)	(–)
(thereof other)	(43)	(46)
	184	235

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

Provisions for personnel expenses primarily comprise provisions for obligations relating to flextime account balances, annual bonuses, vacation pay, severance agreements, and anniversary payments. Obligations relating to flextime account balances are offset against the corresponding dedicated asset – mixed-use funds of €14 million (previous year: €12 million) – in this item. There are no significant provisions for partial retirement arrangements in the fiscal year. In the previous year, they were offset with pension liability insurance claims of €1 million.

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

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

21 Liabilities

(IN € MILLION)		
	Dec. 31, 2014	Dec. 31, 2015
Trade payables	54	61
Liabilities to affiliated companies	1,243	1,475
Other liabilities	5	7
(thereof tax liabilities)	(4)	(5)
(thereof social security liabilities)	(1)	(1)
	1,302	1,543

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

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

Liabilities to affiliated companies comprise financial liabilities of €1,430 million (previous year: €1,195 million) and trade payables of €45 million (previous year: €48 million).

Of the other liabilities, none (previous year: €0 million) are due in more than one year. The liabilities are not collateralized.

Other Disclosures

22 Contingent Liabilities and Other Financial Obligations

(IN € MILLION)		
	Dec. 31, 2014	Dec. 31, 2015
Contingent liabilities		
Obligations under guarantees and letters of comfort	2	2
(thereof for affiliated companies)	(2)	(2)
Other financial obligations		
Obligations under rental agreements and leases	7	7
Obligations under purchase commitments for investments	2	1
	9	8

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

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

23 Derivative Financial Instruments

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

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

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

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

The notional value of the currency forwards at the balance sheet date was €1,869 million (previous year: €1,620 million). Of this amount, €1,852 million is due within one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

The fair value of the currency forwards at the balance sheet date was €5 million (previous year: €5 million). The fair value is calculated by measuring the outstanding items at market prices at the balance sheet date. At Beiersdorf AG, the derivatives entered into with banks and the offsetting transactions passed on to the subsidiaries or the contracts representing the underlyings form hedges, which are not recognized in the balance sheet. Provisions of €1 million were established at the balance sheet date for expected losses from foreign currency transactions for derivative financial instruments that are not included in hedge accounting (previous year: €0 million).

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

24 Employees by Function

AVERAGE NUMBER DURING THE YEAR		
	2014	2015
Research and development	480	495
Supply chain	368	372
Sales and marketing	465	506
Other functions	573	593
	1,886	1,966

The annual average number of vocational training and trainee positions, which are not included in the employee figures, was 117 (previous year: 207).

25 Disclosures on the Supervisory and Executive Boards

For fiscal year 2015, the members of the Supervisory Board received remuneration totaling €1,414 thousand (previous year: €1,413 thousand) and the Executive Board received remuneration (including additions to provisions for Enterprise Value Components) totaling €18,926 thousand (previous year: €13,300 thousand). For information on the system of Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the remuneration report in the section entitled "Corporate Governance." The remuneration report forms part of the annual financial statements and the management report. Payments to former members of the Executive Board and their dependents totaled €2,283 thousand (previous year: €2,267 thousand). Provisions for pension obligations to former members of the Executive Board and their dependents totaled €40,381 thousand (previous year: €40,402 thousand).

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

26 Auditors' Fees

The Annual General Meeting on March 31, 2015, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditors for fiscal year 2015. The total fees invoiced by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft for the fiscal year are contained in the relevant notes to the consolidated financial statements.

27 List of Shareholdings

The following list shows those companies/equity interests in which Beiersdorf AG holds shares and/or voting rights.

BEIERSDORF AG'S SHAREHOLDINGS

Germany

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2015 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2015 (in accordance with IFRSs) in € thousand
La Prairie Group Deutschland GmbH ¹	Baden-Baden	100.00	EUR	1,300,000	3,698	0
Produits de Beauté Logistik GmbH ¹	Baden-Baden	100.00	EUR	10,500,000	33,378	0
Produits de Beauté Produktions GmbH ¹	Baden-Baden	100.00	EUR	8,500,000	13,143	0
Beiersdorf Manufacturing Berlin GmbH ¹	Berlin	100.00	EUR	1,023,000	4,692	0
GUHL IKEBANA GmbH	Darmstadt	10.00	EUR	5,112,919	16,503	6,752
Beiersdorf Beteiligungs GmbH	Gallin	100.00	EUR	50,000	540,845	54,980
Beiersdorf Customer Supply GmbH	Hamburg	100.00	EUR	1,000,000	85,439	15,404
Beiersdorf Dermo Medical GmbH	Hamburg	100.00	EUR	25,000	79	54
Beiersdorf Hautpflege GmbH	Hamburg	100.00	EUR	25,000	3,366	113
Beiersdorf Immo GmbH	Hamburg	100.00	EUR	25,000	34	2
Beiersdorf Immobilienentwicklungs GmbH	Hamburg	100.00	EUR	25,000	706	682
Beiersdorf Manufacturing Hamburg GmbH ¹	Hamburg	100.00	EUR	1,000,000	22,119	0
Beiersdorf Shared Services GmbH ¹	Hamburg	100.00	EUR	12,000,000	29,485	0
NOIMMO Erste Projekt GmbH & Co. KG	Hamburg	100.00	EUR	300,000	186	-5
one tesa Bau GmbH	Norderstedt	100.00	EUR	25,000	1,089	1,048
Phanex Handelsgesellschaft mbH ¹	Hamburg	100.00	EUR	25,565	28	0
Tape International GmbH	Gallin	100.00	EUR	26,000	41	17
tesa Converting Center GmbH ¹	Hamburg	100.00	EUR	1,000,000	1,391	0
tesa Grundstücksverwaltungsges. mbH & Co. KG	Hamburg	100.00	EUR	51,000	16,741	3,286
tesa SE	Norderstedt	100.00	EUR	25,800,000	467,389	96,619
tesa Werk Hamburg GmbH ¹	Hamburg	100.00	EUR	1,000,000	20,255	0
Ultra Kosmetik GmbH	Hamburg	100.00	EUR	25,565	89	0
tesa scribos GmbH ¹	Heidelberg	100.00	EUR	2,000,000	1,968	0
tesa Labtec GmbH	Langenfeld	100.00	EUR	2,555,000	-1,230	-5,069
tesa Werk Offenburg GmbH ¹	Offenburg	100.00	EUR	3,100,000	3,504	0
Beiersdorf Manufacturing Waldheim GmbH ¹	Waldheim	100.00	EUR	1,000,000	20,185	0

Europe

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2015 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2015 (in accordance with IFRSs) in € thousand
Beiersdorf CEE Holding GmbH	AT, Vienna	100.00	EUR	700,000	266,826	36,436
Beiersdorf Ges mbH	AT, Vienna	100.00	EUR	14,535,000	26,748	8,473
La Prairie Group Austria GmbH	AT, Vienna	100.00	EUR	300,000	720	128
tesa GmbH	AT, Vienna	100.00	EUR	35,000	613	310
SA Beiersdorf NV	BE, Brussels	100.00	EUR	99,958,000	133,359	10,513
SA tesa	BE, Brussels	100.00	EUR	1,861,000	1,978	-90
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00	BGL	1,500,000	2,754	1,079
tesa tape Schweiz AG	CH, Bergdietikon	100.00	CHF	100,000	1,881	423
Beiersdorf AG	CH, Reinach	100.00	CHF	1,000,000	25,843	18,058
La Prairie Group AG	CH, Volketswil	100.00	CHF	46,600,000	108,135	34,791
Laboratoires La Prairie SA	CH, Volketswil	100.00	CHF	400,000	15,434	6,245
Beiersdorf spol. s.r.o.	CZ, Prague	100.00	CZK	50,000,000	6,762	4,071
tesa tape s.r.o.	CZ, Prague	100.00	CZK	73,203,000	1,861	425
tesa A/S	DK, Birkerød	100.00	DKK	30,000,000	4,582	561
Beiersdorf A/S	DK, Copenhagen	100.00	DKK	10,000,000	2,024	302
Beiersdorf Manufacturing Argentina, S.L.	ES, Argentina	100.00	EUR	8,105,000	16,945	1,322
tesa tape, S.A.	ES, Argentina	100.00	EUR	1,000,000	2,872	871
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00	EUR	903,000	93	-1,388
Beiersdorf Holding SL	ES, Tres Cantos	100.00	EUR	17,184,000	86,960	26,229
Beiersdorf Manufacturing Tres Cantos SL	ES, Tres Cantos	100.00	EUR	8,680,000	33,279	4,205
Beiersdorf SA	ES, Tres Cantos	100.00	EUR	5,770,000	17,125	10,070
Beiersdorf Oy	FI, Turku	100.00	EUR	2,020,000	4,586	2,402
tesa Oy	FI, Turku	100.00	EUR	20,000	320	98
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00	EUR	40,000	4,417	145
Beiersdorf Holding France	FR, Paris	100.00	EUR	39,815,000	104,880	157
Beiersdorf s.a.s.	FR, Paris	99.91	EUR	26,705,000	42,445	20,654
tesa s.a.s.	FR, Savigny-le-Temple	100.00	EUR	250,000	2,159	743
BDF Medical Ltd.	GB, Birmingham	100.00	GBP	5,000	-7	0
Beiersdorf UK Ltd.	GB, Birmingham	100.00	GBP	12,000,000	49,616	32,128
La Prairie (UK) Limited	GB, London	100.00	GBP	500,000	582	207
tesa UK Ltd.	GB, Milton Keynes	100.00	GBP	2,300,000	5,356	638
Beiersdorf Hellas AE	GR, Iraklio	100.00	EUR	12,463,000	24,975	3,592
tesa tape AE	GR, Iraklio	100.00	EUR	69,000	1,323	204
Beiersdorf d.o.o.	HR, Zagreb	100.00	HRK	10,827,000	6,136	4,078
Beiersdorf Kft.	HU, Budapest	100.00	HUF	320,000,000	8,068	3,792
Tartsay Beruházó Kft.	HU, Budapest	100.00	HUF	146,000,000	1,126	39
tesa tape Ragasztószalag Termelő és Kereskedelmi Kft.	HU, Budapest	100.00	HUF	500,000,000	1,918	352
Beiersdorf ehf	IS, Reykjavik	100.00	ISK	500,000	913	635
Comet SpA	IT, Concagno Solbiate	100.00	EUR	7,500,000	18,380	2,950
Beiersdorf SpA	IT, Milan	100.00	EUR	4,000,000	26,445	14,527
La Prairie S.p.A.	IT, Milan	100.00	EUR	774,000	6,115	781
tesa SpA	IT, Vimodrone	100.00	EUR	250,000	4,459	1,145
Beiersdorf Kazakhstan LLP	KZ, Almaty	100.00	KZT	40,000,000	6,910	5,639
tesa tape UAB	LT, Vilnius	100.00	EUR	700,000	999	217
Guhl Ikebana Cosmetics B.V.	NL, Almere	10.00	EUR	226,890	8,932	-384
Beiersdorf Holding B.V.	NL, Amsterdam	100.00	EUR	57,000	973,224	32,631
Beiersdorf NV	NL, Amsterdam	100.00	EUR	3,660,000	19,260	16,516

Europe (continued)

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2015 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2015 (in accordance with IFRSs) in € thousand
tesa Western Europe B.V.	NL, Amsterdam	100.00	EUR	18,000	742	699
tesa BV	NL, Hilversum	100.00	EUR	18,000	916	533
Beiersdorf AS	NO, Oslo	100.00	NOK	6,800,000	-1,964	-3,197
tesa AS	NO, Oslo	100.00	NOK	1,200,000	344	156
Beiersdorf Manufacturing Poznan Sp. z o.o.	PL, Poznan	100.00	PLN	40,000,000	25,111	3,238
NIVEA Polska Sp. z o.o.	PL, Poznan	100.00	PLN	4,654,000	37,501	18,455
tesa tape Sp. z o.o.	PL, Poznan	100.00	PLN	4,400,000	1,909	871
Beiersdorf Portuguesa, Limitada	PT, Queluz	100.00	EUR	4,788,000	12,186	6,283
tesa Portugal - Produtos Adhesivos, Lda.	PT, Queluz	100.00	EUR	500,000	608	43
Beiersdorf Romania SRL	RO, Bucharest	100.00	ROL	1,564,000	3,920	2,753
tesa tape SRL	RO, Cluj-Napoca	100.00	ROL	1,502,000	628	179
Beiersdorf d.o.o.	RS, Belgrade	100.00	RSD	8,014,000	4,562	3,518
Beiersdorf LLC	RU, Moscow	100.00	RUB	100,000,000	15,402	9,772
La Prairie Group (RUS) LLC	RU, Moscow	100.00	RUB	16,000,000	947	348
tesa tape OOO	RU, Moscow	100.00	RUB	32,585,000	1,465	576
Beiersdorf Aktiebolag	SE, Gothenburg	100.00	SEK	30,000,000	10,610	6,566
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00	SEK	100,000	126,100	-3,824
tesa AB	SE, Kungsbacka	100.00	SEK	5,000,000	944	353
Beiersdorf d.o.o.	SI, Ljubljana	100.00	EUR	500,000	113,069	4,706
tesa tape posrednistvo in trgovina d.o.o.	SI, Ljubljana	100.00	EUR	417,000	885	313
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00	EUR	200,000	4,759	2,991
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	106,000	5,897	2,489
Beiersdorf Ukraine LLC	UA, Kiev	100.00	UAH	8,012,000	496	632

Americas

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2015 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2015 (in accordance with IFRSs) in € thousand
Beiersdorf S.A.	AR, Buenos Aires	100.00	ARS	103,141,000	12,761	589
tesa tape Argentina S.R.L.	AR, Buenos Aires	99.75	ARS	1,014,000	1,425	421
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00	BOB	2,050,000	2,992	1,314
tesa Brasil Limitada	BR, Curitiba	100.00	BRL	6,664,000	1,489	-845
Beiersdorf Industria e Comercio Ltda.	BR, Itatiba	100.00	BRL	103,009,000	22,878	4,040
BDF NIVEA LTDA.	BR, São Paulo	100.00	BRL	168,482,000	57,111	4,475
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00	CAD	15,301,000	11,350	1,934
Beiersdorf Chile S.A.	CL, Santiago de Chile	100.00	CLP	453,679,000	7,919	5,117
Beiersdorf S.A.	CL, Santiago de Chile	100.00	CLP	4,835,232,000	30,370	-581
tesa tape Chile SA	CL, Santiago de Chile	100.00	CLP	381,388,000	637	41
Beiersdorf S.A.	CO, Bogotá	100.00	COP	8,598,996,000	5,834	3,171
tesa tape Colombia Ltda	CO, Santiago de Cali	100.00	COP	2,808,778,000	3,389	1,374
BDF Costa Rica, S.A.	CR, San José	100.00	CRC	2,000,000	4,526	1,878
Beiersdorf, SRL	DO, Santo Domingo	100.00	DOP	1,000,000	1,166	54
Beiersdorf S.A.	EC, Quito	100.00	USD	1,811,000	5,116	2,414
BDF Centroamérica, S.A.	GT, Guatemala City	100.00	GTQ	1,000,000	5,318	3,164
tesa tape Centro America S.A.	GT, Guatemala City	100.00	GTQ	9,929,000	1,579	325
BDF Corporativo, S.A. de C.V.	MX, Mexico City	100.00	MXN	5,050,000	2,348	501
BDF México, S.A. de C.V.	MX, Mexico City	100.00	MXN	157,240,000	19,810	7,334
Technical Tape Mexico SA de CV	MX, Mexico City	100.00	MXN	43,040,000	6,311	1,899
tesa tape Mexico SRL de CV	MX, Mexico City	100.00	MXN	0	0	0
Beiersdorf Manufacturing México Servicios, S.A. de C.V.	MX, Silao	100.00	MXN	50,000	346	-268
Beiersdorf Manufacturing México, S.A. de C.V.	MX, Silao	100.00	MXN	50,000	43,405	-10,710
BDF Panamá S.A.	PA, Panama City	100.00	USD	150,000	3,113	1,816
HUB LIMITED S.A.	PA, Panama City	100.00	USD	10,000	-1,165	-1,164
Beiersdorf S.A.C.	PE, Lima	99.81	PEN	6,412,000	3,160	403
Beiersdorf S.A.	PY, Asunción	100.00	PYG	3,195,000,000	1,602	512
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00	USD	23,000	521	48
tesa tape inc.	US, Charlotte, NC	100.00	USD	112,000,000	34,600	15,448
LaPrairie.com LLC	US, Edison, NJ	100.00	USD	0	0	0
La Prairie, Inc.	US, New York City, NY	100.00	USD	14,288,000	8,941	-629
Beiersdorf North America Inc.	US, Wilton, CT	100.00	USD	125,170,000	173,529	16,353
Beiersdorf, Inc.	US, Wilton, CT	100.00	USD	162,142,000	82,617	16,864
Beiersdorf S.A.	UY, Montevideo	100.00	UYU	7,947,000	1,587	152
Beiersdorf S.A.	VE, Caracas	100.00	VEB	1,564,000	-5,757	-7,255

Africa/Asia/Australia

Name of the company	Registered office	Equity interest (in %)	Currency	Share capital (in local currency)	Equity as of Dec. 31, 2015 (in accordance with IFRSs) in € thousand	Profit/loss for fiscal year 2015 (in accordance with IFRSs) in € thousand
Beiersdorf Middle East FZCO	AE, Dubai	100.00	AED	25,000,000	35,219	24,889
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00	AED	50,000	-71	984
Beiersdorf Australia Ltd	AU, North Ryde, NSW	100.00	AUD	2,500,000	23,359	9,499
La Prairie Group Australia Pty. Ltd.	AU, North Ryde, NSW	100.00	AUD	4,000,000	4,371	749
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00	AUD	3,100,000	3,032	555
Beiersdorf Daily Chemical (Guangzhou) Co., Ltd.	CN, Guangzhou	100.00	CNY	20,000,000	2,986	87
La Prairie Hong Kong Ltd.	CN, Hong Kong	100.00	HKD	800,000	7,804	4,522
tesa tape (Hong Kong) Ltd.	CN, Hong Kong	100.00	HKD	100,000	17,530	8,825
La Prairie (Shanghai) Co. Ltd.	CN, Shanghai	100.00	CNY	5,000,000	1,933	171
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00	CNY	1,371,622,000	-43,695	-2,926
tesa (Shanghai) Trading Co. Ltd.	CN, Shanghai	100.00	CNY	6,728,000	71,681	67,923
tesa Plant (Suzhou) Co. Ltd.	CN, Suzhou	100.00	CNY	98,606,000	25,036	-1,348
Beiersdorf Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	100.00	CNY	82,800,000	-16,531	10,355
Beiersdorf Personal Care (China) Co., Ltd.	CN, Xiantao	100.00	CNY	122,146,000	-28,962	-11,704
Beiersdorf Ghana Limited	GH, Accra	100.00	GHS	1,757,000	781	504
P.T. Beiersdorf Indonesia	ID, Jakarta	80.00	IDR	5,197,498,000	220	-1,999
Beiersdorf India Pvt. Ltd.	IN, Mumbai	51.00	INR	5,000,000	2,237	1,061
Nivea India Pvt. Ltd.	IN, Mumbai	100.00	INR	5,971,798,000	38,280	-3,548
tesa tapes (India) Private Limited	IN, Navi Mumbai	100.00	INR	126,814,000	2,164	487
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00	JPY	3,250,000	136,262	12,054
La Prairie Japan K.K.	JP, Tokyo	100.00	JPY	100,000,000	-4,363	-600
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00	JPY	200,000,000	28,541	24,453
tesa tape K.K.	JP, Tokyo	100.00	JPY	300,000,000	6,100	968
Beiersdorf East Africa Limited	KE, Nairobi	100.00	KES	123,696,000	4,016	1,481
Alkynes Co. Ltd. ²	KR, Gyeonggi-do	25.01	KRW	-	-	-
Beiersdorf Korea Ltd.	KR, Seoul	100.00	KRW	19,669,793,000	1,980	-3,990
La Prairie Korea Ltd	KR, Seoul	100.00	KRW	100,000,000	6,884	4,224
tesa tape Korea Ltd.	KR, Seoul	100.00	KRW	410,000,000	6,072	4,681
Beiersdorf S.A.	MA, Casablanca	100.00	MAD	13,800,000	2,521	-265
tesa tape (Malaysia) Sdn. Bhd.	MY, Kajang	100.00	MYR	36,000,000	4,702	188
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Kajang	99.99	MYR	25,000	1,269	-36
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00	MYR	8,536,000	-6,795	-874
Beiersdorf Philippines Incorporated	PH, Bonifacio Global City	100.00	PHP	22,428,000	3,509	2,675
Beiersdorf Singapore Pte. Ltd.	SG, Singapore	100.00	SGD	2,200,000	-2,165	-846
tesa Plant (Singapore) Pte. Ltd.	SG, Singapore	100.00	SGD	5,500,000	0	1,000
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00	SGD	10,000,000	47,610	54,470
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00	THB	100,000,000	103,100	25,122
Beiersdorf Manufacturing (Thailand) Co., Ltd.	TH, Samutprakarn	100.00	THB	3,000,000	45	34
tesa tape (Thailand) Limited	TH, Bangkok	90.10	THB	4,000,000	6,420	6,232
Nivea Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.	TR, Istanbul	100.00	TRY	41,000,000	19,244	684
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00	TWD	225,300,000	-324	-290
Beiersdorf Vietnam LLC	VN, Ho Chi Minh City	100.00	VND	9,750,000,000	2,939	576
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Umlhanga	100.00	ZAR	0	17,700	14,028

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

² Figures for 2015 were not available at the date of publication.

28 Shareholdings in Beiersdorf AG

Beiersdorf AG received the following notifications in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the balance sheet (February 2, 2016).* In each case, the disclosures represent the disclosers' most recent notification to the company, to the extent that additional notifications are not required to be provided for reasons of transparency.

1.

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

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution of the 9.99% (8,393,672 own shares) held by Beiersdorf Aktiengesellschaft

in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*, the disclosers in accordance with § 21 (1) *WpHG* each exceeded the 50% threshold for the first time as of February 3, 2004, and each held a 59.95% share (50,360,072 voting rights) in Beiersdorf Aktiengesellschaft as of this date. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

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

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

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

The chains of controlled companies are as follows:

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

* The following parties have since disclosed that they hold 0% (0 voting rights): EH Real Grundstücksgesellschaft mbH & Co. KG (Norderstedt, Germany); Agnetta Peleback-Herz (Germany); Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (Hamburg, Germany); Coro Vermögensverwaltungsgesellschaft mbH (Hamburg, Germany); Ingeburg Herz GbR (Norderstedt, Germany). Ingeburg Herz passed away during financial year 2015.

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

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

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* of the 9.99% (8,393,672 own shares) acquired as part of the buy-back program, Tchibo Beteiligungsgesellschaft mbH exceeded the 50% threshold in accordance with § 21 (1) *WpHG* for the first time as of December 22, 2004, and held 60.45% of the voting rights in Beiersdorf Aktiengesellschaft (50,780,072

voting rights) as of this date. A total of 40.35% (33,894,477 voting rights) was attributable to Tchibo Beteiligungsgesellschaft mbH. The chain of controlled companies is as follows: Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG*.

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

from retained earnings without the issue of new shares and the 1:3 reclassification of the share capital (share split) in 2006).

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

29 Declaration of Compliance with the German Corporate Governance Code

In December 2015, Beiersdorf AG's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2015 in accordance with § 161 *Aktengesetz* (German Stock Corporation Act, *AktG*). The Declaration of Compliance was made permanently accessible to shareholders on the company's website at WWW.BEIERSDORF.COM/DECLARATION_OF_COMPLIANCE.

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

(IN €)	
	2015
Profit after tax of Beiersdorf AG	336,488,985.26
Transfer to other retained earnings	160,088,985.26
Net retained profits	176,400,000.00

The Executive Board and the Supervisory Board will propose to the Annual General Meeting that the net retained profits for fiscal year 2015 of €176,400,000.00 should be utilized as follows:

(IN €)	
	2015
Distribution of a dividend of €0.70 per no-par value share bearing dividend rights (226,818,984 no-par value shares)	158,773,288.00
Transfer to other retained earnings	17,626,712.00
Net retained profits	176,400,000.00

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

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

Beiersdorf AG Boards

SUPERVISORY BOARD

Name	Place of residence	Profession	Memberships
Dr. Andreas Albrod	Seevetal	Manager Regulatory Affairs / Quality Management, Beiersdorf AG	
Beatrice Dreyfus (from January 29, 2016)	Frankfurt am Main	Investment Manager, Novum Capital Beratungsgesellschaft mbH	Member of the Supervisory Board: - Stylepark AG
Frank Ganschow	Kiebitzreihe	Chairman of the Works Council of tesa SE	Member of the Supervisory Board: - tesa SE (intragroup)
Michael Herz	Hamburg	Member of the Executive Board of maxingvest ag	Chairman of the Supervisory Board: - Tchibo GmbH Member of the Supervisory Board: - tesa SE (intragroup)
Thomas Holzgreve Deputy Chairman (until August 31, 2015)	Bad Oldesloe	Member of the Executive Board of maxingvest ag	Member of the Supervisory Board: - Tchibo GmbH
Thorsten Irtz Deputy Chairman	Stapelfeld	Chairman of the Works Council of Beiersdorf AG	
Matthias Locher	Offenburg	Supplier Development, tesa Werk Offenburg GmbH	Member of the Supervisory Board: - tesa SE (intragroup)
Dr. Dr. Christine Martel*	Frederiksberg, Denmark	Business Manager, Nescafé Dolce Gusto Nordics, Nestlé Danmark A/S, Denmark	
Tomas Nieber	Stade	Head of Department – Economic and Industry Policy, Industriegewerkschaft Bergbau, Chemie, Energie	Member of the Supervisory Board: - maxingvest ag Member of the Advisory Board: - Qualifizierungsförderwerk Chemie GmbH
Isabelle Parize (until January 28, 2016)	Orcq, Belgium	Chief Executive Officer of Nocibé SAS, France Managing Director, Parfümerie Douglas GmbH, Southern Europe and Private Labels	Member of the Conseil d'Administration: - Air France-KLM Group S.A., France
Frédéric Pflanz (from September 1, 2015) Deputy Chairman	Hamburg	Member of the Executive Board of maxingvest ag	
Prof. Dr. Reinhard Pöllath Chairman	Munich	Lawyer, P+P Pöllath + Partners, Munich	Chairman of the Supervisory Board: - maxingvest ag Member of the Supervisory Board: - Tchibo GmbH - Wanzl GmbH & Co. Holding KG
Prof. Manuela Rousseau*	Rellingen	Head of Corporate Social Responsibility at Beiersdorf AG Headquarters Professor at the Academy of Music and Theater, Hamburg	Member of the Supervisory Board: - maxingvest ag
Poul Weihrach	Waterloo, Belgium	Member of the Management, Mars, Inc., USA, Global President Petcare	

* The Supervisory Board's diversity officers

SUPERVISORY BOARD COMMITTEES

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Committee	Members of the Mediation Committee
<ul style="list-style-type: none"> - Prof. Dr. Reinhard Pöllath (Chairman) - Michael Herz - Thomas Holzgreve (until August 31, 2015) - Thorsten Irtz - Frédéric Pflanz (from September 3, 2015) 	<ul style="list-style-type: none"> - Dr. Dr. Christine Martel (Chairwoman) - Dr. Andreas Albrod - Thomas Holzgreve (until August 31, 2015) - Tomas Nieber - Frédéric Pflanz (from September 3, 2015) - Prof. Dr. Reinhard Pöllath 	<ul style="list-style-type: none"> - Thomas Holzgreve (Chairman until August 31, 2015) - Frédéric Pflanz (Chairman since September 3, 2015) - Dr. Andreas Albrod - Dr. Dr. Christine Martel - Tomas Nieber - Prof. Dr. Reinhard Pöllath 	<ul style="list-style-type: none"> - Prof. Dr. Reinhard Pöllath (Chairman) - Thomas Holzgreve (until August 31, 2015) - Dr. Dr. Christine Martel - Isabelle Parize (until January 28, 2016) - Frédéric Pflanz (from September 3, 2015) 	<ul style="list-style-type: none"> - Prof. Dr. Reinhard Pöllath (Chairman) - Dr. Andreas Albrod - Thomas Holzgreve (until August 31, 2015) - Thorsten Irtz - Frédéric Pflanz (from September 3, 2015)

EXECUTIVE BOARD*

Name	Function/Responsibilities		Memberships
Stefan F. Heidenreich	Chairman	Corporate Development, Internal Audit, Pharmacy Japan, La Prairie Group Germany / Switzerland, China, North America Supply Chain (Purchasing, Production, Logistics, Quality Assurance) (acting)	
Jesper Andersen (from May 18, 2015)	Finance	Finance, Controlling, Legal, Compliance, IT	
Ralph Gusko	Consumer Brands, R&D	Brand Management Consumer, Research & Development Far East (Northeast and Southeast Asia (excluding China and Japan), Australia) (acting)	
Thomas Ingelfinger	Europe	Europe (excluding Germany / Switzerland)	Member of the consiglio di amministrazione: - Davide Campari-Milano S.p.A., Italy
Zhengrong Liu	Human Resources, Corporate Communication	Human Resources, Corporate Communication, Sustainability - Labor Relations Director -	
Stefan De Loecker	Near East	Africa, Near East, Middle East, India, Turkey, Russia / Ukraine / CIS	
Dr. Ulrich Schmidt	Finance	Finance, Controlling, Legal, Compliance, IT Latin America (acting)	**

* In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf AG also hold offices in comparable supervisory bodies at Group companies and investees.

** Chairman of the Supervisory Board: tesa SE, Hamburg (intragroup).

Hamburg, February 2, 2016
Beiersdorf AG

The Executive Board

Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement, and the notes to the annual financial statements, together with the bookkeeping system and the management report of Beiersdorf Aktiengesellschaft, Hamburg, for the fiscal year from January 1 to December 31, 2015. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

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

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

Our audit has not led to any reservations.

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

Hamburg, February 3, 2016
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

GRUMMER
German Public Auditor

LUDWIG
German Public Auditor

Responsibility Statement by the Executive Board

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

Hamburg, February 2, 2016
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

→ Additional Information

Corporate Communications

Telephone: +49 40 4909-2001
E-mail: cc@beiersdorf.com

Investor Relations

Telephone: +49 40 4909-5000
E-mail: investor.relations@beiersdorf.com

Beiersdorf on the Internet

www.beiersdorf.com

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

The online versions of the Beiersdorf financial publications are available at WWW.BEIERSDORF.COM/FINANCIAL_REPORTS.

Financial Calendar

2016

March 31

—
Annual General Meeting

April 1

—
Dividend Payment

May 4

—
**Quarterly Statement
January to March 2016**

August 4

—
**Half-Year Report
2016**

November 3

—
**Quarterly Statement
January to September 2016**

2017

January

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

February

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

April

—
Annual General Meeting

May

—
**Quarterly Statement
January to March 2017**

August

—
**Half-Year Report
2017**

November

—
**Quarterly Statement
January to September 2017**