

Our Brands – Successful Worldwide



The Year in Review

January – March



NIVEA: first place in “Trusted Brands 2003”

No other German brand in Europe inspires as much trust as NIVEA according to the Trusted Brands 2003 study by the publisher and direct marketing company Reader’s Digest. NIVEA topped the brand hit list in the skin care product category in 16 countries, coming in first for the third successive year in Germany.

The Netherlands: Beiersdorf products win prestigious prizes

The ASTIR Awards were presented in Amsterdam on February 20, 2003. These prizes for innovative cosmetics are presented annually by the Dutch association of cosmetics journalists. Beiersdorf products received awards in three categories: Eucerin Face Care won the face care, NIVEA FOR MEN the mens’ toiletries, and NIVEA body Silky Shimmer Lotion the body care category.

April – June

Brazil: new production facility opened

On April 8, 2003, our Brazilian affiliate officially opened a new production facility in Itatiba. The ceremony was attended by employees and local representatives. The factory was built to meet the demand for NIVEA products in Brazil. NIVEA now occupies leading positions in most market segments in the country.



France: Innovation Award 2003 for the Hansaplast Spray Plaster

On June 12, 2003, the Hansaplast Spray Plaster received the French Innovation Award 2003 for technological achievement in the “Concept” category. The prize was awarded by LSA, the leading French retail trade magazine.

July – September



Eucerin: new international markets

Establishing a presence on new international markets is an important part of Beiersdorf’s successful growth model. In line with this strategy, the medical skin care brand Eucerin was launched in Brazil in April, in South Africa in July, and in France in September. Now even more consumers worldwide have the chance to experience the compelling high quality of Eucerin products, thus continuing the brand’s strong growth of the last few years.

Germany: Beiersdorf increases number of apprentices

In 2003, Beiersdorf increased the number of new apprentices in Germany to 92 (previous year: 63). This corresponds to an increase by 46%. The move emphasizes the Company’s commitment to helping young people enter the workforce. Beiersdorf is currently training a total of around 200 apprentices in twelve professions.

October – December

Allianz sells Beiersdorf shares

On October 23, 2003, Allianz concluded an agreement on the sale of a large part of its stake in Beiersdorf with Tchibo Holding AG, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsverwaltung mbH, and the TROMA Alters- und Hinterbliebenenstiftung, which became effective on December 22, 2003. This ensures Beiersdorf's independence and allows the Company to continue its successful growth model.

Labello goes online with a new website

Labello has been synonymous with reliable protection and healthy lip care for almost 100 years. The new website, www.labello.com, presents the lip care brand in a modern design and provides comprehensive content produced especially with consumers in mind. In addition to useful information, the website offers entertaining tips and tricks, which makes choosing the right lip care child's play.



January – March 2004

Beiersdorf AG concludes share buyback program

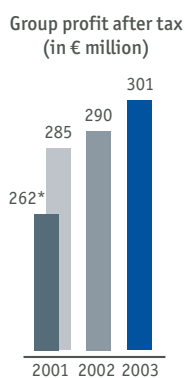
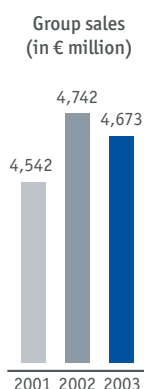
On January 23, 2004, Beiersdorf AG concluded a public offer to buy back up to 10% of the Company's share capital. The offer was addressed to all shareholders and offered them a purchase price of €113.76 per share. With the settlement of the share buyback program on February 3, 2004, Beiersdorf AG acquired own shares totaling 9.99% of the share capital.



Beiersdorf website relaunched

The Beiersdorf website (www.Beiersdorf.com) has a new "virtual design" with a more empathetic, modern touch. The structure, graphics, and content of the Group's platform have been revised. The website offers a comprehensive overview of the Company and its ten brand families. The information is divided into the following sections: "About Us," "Press", "Investor Relations", "Our Brands", and "Jobs and Career".

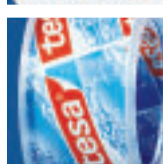
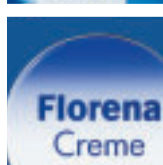
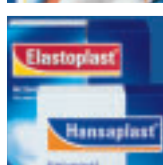
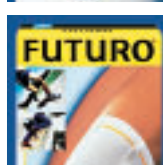
Beiersdorf at a Glance



* Excluding non-recurring income of €38 million (€23 million after taxes) from the sale of the advanced wound care business

in € million (unless otherwise stated)	2002	2003
Sales	4,742	4,673
Change in % (nominal)	4.4	-1.5
Change in % (adjusted for currency translation effects)	7.3	4.0
cosmed	3,167	3,136
medical	882	841
tesa	693	696
EBITDA	633	648
Operating result (EBIT)	472	484
Profit after tax	290	301
Return on sales (after taxes) in %	6.1	6.4
Earnings per share in €	3.37	3.50
Total dividend	118	121
Dividend per share in €	1.40	1.60
Gross cash flow	441	401
Capital expenditure (incl. financial assets)	242	169
Research and development expenses	93	100
Employees (as of Dec. 31)	18,183	18,249

Our Future is Full of Opportunities



At the end of October 2003, the basis for a new Beiersdorf shareholder structure was established. This will allow us to continue our business independently, further improve our successful growth model, and achieve a long-term increase in enterprise value.

We also started to adjust the Company's organizational structure to reflect our strategy of focusing our business on branded consumer goods. We have established new structures for our professional business: the now legally independent tesa business will continue to be consolidated at 100 % in the Group Financial Statements and the joint venture BSN medical GmbH & Co. KG will be included as a financial investment at equity beginning January 2004. This means that we can now utilize a wide range of synergies, such as in marketing and sales, to better develop and leverage the potential of our brands.

As a leading international manufacturer of branded consumer products, we are now focusing even more intensively on the development and care of our strong brands.

This Annual Report aims to demonstrate the energy with which we are tackling our new challenges, and how, with our successful brands and the systematic implementation of our strategy, we have laid the foundation for a dynamic future.

Beiersdorf Group Annual Report 2003



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