

Income Statement – Beiersdorf Group

(in € million)	Notes	2002	2003
Sales	(1)	4,742	4,673
Cost of goods sold	(2)	-1,756	-1,698
Gross profit		2,986	2,975
Marketing and selling expenses	(3)	-2,098	-2,093
Research and development expenses	(4)	-93	-100
General and administrative expenses	(5)	-260	-251
Other operating income	(6)	96	98
Other operating expenses	(7)	-159	-145
Operating result (EBIT)		472	484
Interest income (net)	(8)	17	18
Other financial income/expense (net)	(9)	-11	-3
Financial result		6	15
Profit before tax		478	499
Taxes on income	(10)	-188	-198
Profit after tax		290	301
Minority interests	(11)	-7	-7
Net profit		283	294
Earnings per share (in €)	(12)	3.37	3.50
Diluted earnings per share (in €)	(12)	3.37	3.50

Balance Sheet – Beiersdorf Group

ASSETS (in € million)	Notes	Dec. 31, 2002	Dec. 31, 2003
Intangible assets	(14)	128	97
Property, plant, and equipment	(15)	917	912
Financial assets	(16)	22	22
Fixed assets		1,067	1,031
Inventories	(17)	677	672
Trade receivables	(18)	675	688
Other receivables and other assets	(18)	110	94
Cash and cash equivalents	(19)	722	842
Current assets		2,184	2,296
Deferred tax assets	(10, 20)	22	28
Prepaid expenses	(21)	25	23
		3,298	3,378

SHAREHOLDERS' EQUITY AND LIABILITIES (in € million)	Notes	Dec. 31, 2002	Dec. 31, 2003
Share capital	(22)	215	215
Additional paid-in capital	(25)	47	47
Retained earnings	(26)	1,209	1,374
Net profit		283	294
Translation differences		-53	-108
Other changes recognized in equity		6	-3
Shareholders' equity (Beiersdorf AG) excl. minority interests		1,707	1,819
Minority interests	(27)	20	12
Shareholders' equity		1,727	1,831
Provisions for pensions and other post-employment benefits	(28)	397	380
Other provisions	(29)	511	479
Provisions		908	859
Financial liabilities	(30)	96	96
Trade payables	(30)	293	303
Other liabilities	(30)	148	156
Liabilities		537	555
Deferred tax liabilities	(10, 20)	119	124
Deferred income		7	9
		3,298	3,378

Cash Flow Statement – Beiersdorf Group

(in € million)	2002	2003
Cash and cash equivalents at beginning of year	714	722
Operating result (EBIT)	472	484
Income taxes paid	-189	-237
Depreciation and amortization	161	164
Change in long-term provisions (excluding interest)	-4	-11
Gain/loss on disposal of property, plant, and equipment and intangible assets	1	1
Gross cash flow	441	401
Change in inventories	27	5
Change in trade receivables and other assets	-46	-9
Change in liabilities and short-term provisions	-30	19
Net cash flow from operating activities	392	416
Investment in fixed assets	-242	-169
Proceeds from the sale of fixed assets	15	11
Proceeds from interest, dividends, and other financing activities	40	50
Net cash flow from investing activities	-187	-108
Free cash flow	205	308
Change in financial liabilities	-33	-
Interest and other financing expenses paid	-42	-47
Cash dividends paid (Beiersdorf AG)	-109	-118
Net cash flow from financing activities	-184	-165
Effect of exchange rate fluctuations on cash held	-14	-23
Effect of changes in Group structure and other changes on cash held	1	-
Net change in cash and cash equivalents	8	120
Cash and cash equivalents on Dec. 31	722	842

Statement of Changes in Shareholders' Equity – Beiersdorf Group

(in € million)	Share capital	Additional paid-in capital	Retained earnings	Net profit	Currency translation adjustment	Other changes recognized in equity	Minority interests	Total
Jan. 1, 2002	215	47	1,039	279	40	-5	21	1,636
Transfer to retained earnings	-	-	170	-170	-	-	-	-
Dividend of Beiersdorf AG for previous year	-	-	-	-109	-	-	-	-109
Profit after tax	-	-	-	283	-	-	7	290
Remeasurement of derivatives directly in equity	-	-	-	-	-	15	-	15
Remeasurement of securities directly in equity	-	-	-	-	-	-4	-	-4
Currency translation adjustment	-	-	-	-	-93	-	-2	-95
Other changes	-	-	-	-	-	-	-6	-6
Dec. 31, 2002	215	47	1,209	283	-53	6	20	1,727
Transfer to retained earnings	-	-	165	-165	-	-	-	-
Dividend of Beiersdorf AG for previous year	-	-	-	-118	-	-	-	-118
Profit after tax	-	-	-	294	-	-	7	301
Remeasurement of derivatives directly in equity	-	-	-	-	-	-4	-	-4
Currency translation adjustment	-	-	-	-	-55	-	-2	-57
Other changes	-	-	-	-	-	-5	-13	-18
Dec. 31, 2003	215	47	1,374	294	-108	-3	12	1,831

Segment Reporting – Beiersdorf Group

Divisions 2003 (in € million)	cosmed	medical	tesa	Group
Net sales	3,136	841	696	4,673
Change in % (nominal)	-1.0 %	-4.6 %	+0.4 %	-1.5 %
Change in % (adjusted for currency translation effects)	+4.1 %	+2.0 %	+5.7 %	+4.0 %
Share of Group sales	67.1 %	18.0 %	14.9 %	100.0 %
EBITDA	490	96	62	648
Operating result (EBIT)	404	45	35	484
(as % of sales)	12.9 %	5.4 %	5.0 %	10.4 %
Gross operating capital	1,505	464	467	2,436
Operating liabilities	593	138	111	842
EBIT return on capital employed	44.3 %	13.9 %	9.8 %	30.4 %
Gross cash flow	285	71	45	401
Capital expenditure (excl. financial assets)	113	24	30	167
Depreciation (excl. financial assets)	86	51	27	164
Research and development expenses	60	26	14	100
Employees (as of Dec. 31, 2003)	9,625	5,033	3,591	18,249

Divisions 2002 (in € million)	cosmed	medical	tesa	Group
Net sales	3,167	882	693	4,742
Change in % (nominal)	+7.2 %	-3.6 %	+3.0 %	+4.4 %
Change in % (adjusted for currency translation effects)	+10.3 %	-0.8 %	+4.9 %	+7.3 %
Share of Group sales	66.8 %	18.6 %	14.6 %	100.0 %
EBITDA	493	87	53	633
Operating result (EBIT)	411	35	26	472
(as % of sales)	13.0 %	3.9 %	3.8 %	9.9 %
Gross operating capital	1,456	535	486	2,477
Operating liabilities	558	139	117	814
EBIT return on capital employed	45.8 %	8.7 %	7.2 %	28.4 %
Gross cash flow	323	71	47	441
Capital expenditure (excl. financial assets)	157	41	29	227
Depreciation (excl. financial assets)	82	52	27	161
Research and development expenses	55	24	14	93
Employees (as of Dec. 31, 2002)	9,380	5,133	3,670	18,183

Segment Reporting – Beiersdorf Group

Regions 2003 (in € million)	Germany	Europe excl. Germany	Americas	Africa/ Asia/ Australia	Group
Net sales*	1,268	2,207	692	506	4,673
Change in % (nominal)	-1.4 %	+3.9 %	-15.6 %	-1.3 %	-1.5 %
Change in % (adjusted for currency translation effects)	-1.4 %	+6.8 %	+2.0 %	+8.5 %	+4.0 %
Share of Group sales	27.1 %	47.3 %	14.8 %	10.8 %	100.0 %
EBITDA	258	298	37	55	648
Operating result (EBIT)	164	250	23	47	484
(as % of sales)	13.0 %	11.3 %	3.3 %	9.2 %	10.4 %
Gross operating capital	858	1,055	327	196	2,436
Operating liabilities	355	343	71	73	842
EBIT return on capital employed	32.7 %	35.1 %	8.8 %	38.0 %	30.4 %
Gross cash flow	121	216	26	38	401
Capital expenditure (excl. financial assets)	85	55	17	10	167
Depreciation (excl. financial assets)	93	48	14	9	164
Employees (as of Dec. 31, 2003)	6,724	5,728	2,765	3,032	18,249

Regions 2002 (in € million)	Germany	Europe excl. Germany	Americas	Africa/ Asia/ Australia	Group
Net sales*	1,286	2,124	819	513	4,742
Change in % (nominal)	+2.4 %	+10.3 %	-9.3 %	+12.3 %	+4.4 %
Change in % (adjusted for currency translation effects)	+2.4 %	+11.0 %	+0.3 %	+18.8 %	+7.3 %
Share of Group sales	27.1 %	44.8 %	17.3 %	10.8 %	100.0 %
EBITDA	230	290	55	58	633
Operating result (EBIT)	141	243	39	49	472
(as % of sales)	11.0 %	11.4 %	4.8 %	9.4 %	9.9 %
Gross operating capital	888	1,025	368	196	2,477
Operating liabilities	340	316	78	80	814
EBIT return on capital employed	25.8 %	34.2 %	13.6 %	41.8 %	28.4 %
Gross cash flow	142	208	48	43	441
Capital expenditure (excl. financial assets)	124	65	28	10	227
Depreciation (excl. financial assets)	89	47	16	9	161
Employees (as of Dec. 31, 2002)	6,708	5,662	2,852	2,961	18,183

* based on companies' domicile

Significant Accounting Policies

General principles

The Group financial statements of Beiersdorf AG have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), London, effective at the balance sheet date, and reflect the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). They comply with the European Union Group Accounts Directive (Directive 83/349/EEC) as interpreted by the *Deutscher Standardisierungsrat* (German Accounting Standards Board – GASB). The criteria set out in § 292a of the *Handelsgesetzbuch* (HGB – German Commercial Code) for the Company's exemption from the requirement to prepare consolidated financial statements in accordance with German law have been satisfied.

The Group financial statements contain the following departures from the accounting policies and valuation methods as applicable under German law:

- Pension provisions are measured using the projected unit credit method reflecting future compensation trends in accordance with IAS 19 (Employee Benefits)
- Deferred tax assets and liabilities are accounted for and measured using the balance sheet liability method as defined by IAS 12 (Income Taxes), and deferred taxes are capitalized where loss carryforwards are considered to be realizable
- Securities and financial instruments are accounted for and measured at fair value in accordance with IAS 39 (Financial Instruments: Recognition and Measurement)
- Provisions in connection with the acquisition of own shares by Beiersdorf AG were not included in the Group financial statements under IFRS

New standards issued by the IASB are applied from their effective date. Their application and any changes in accounting policies are detailed in the notes to the financial statements under the respective item.

Individual line items have been summarized in the income statement and the balance sheet to aid clarity of presentation. These items are disclosed and explained separately in the notes.

Preparation of the consolidated financial statements requires management to make estimates and assumptions to a limited extent that affect the amount and presentation of recognized assets and liabilities, income and expenses, and contingent liabilities. Actual amounts may differ from those estimates.

Consolidated Group

In addition to Beiersdorf AG, the Group financial statements include 16 German and 117 foreign companies in which Beiersdorf AG holds a majority of the voting rights, either directly or indirectly, and which fall under Beiersdorf AG's uniform management. The number of companies consolidated increased by 26 year-on-year. 18 of these companies were formed in the course of transforming the tesa division into a separate *Aktiengesellschaft* (German stock corporation), and do not represent an economic change in the consolidated group. The remaining eight companies relate to the first-time consolidation of newly formed or existing Beiersdorf companies. Three companies in which Beiersdorf holds an interest of 50 % and which it manages as joint ventures together with the other venturers are proportionately consolidated in accordance with IAS 31 (Financial Reporting of Interests in Joint Ventures).

The three joint ventures account for €315 million of the income and €287 million of the expenses reported in the income statement, and thus €28 million of the operating result. €48 million of fixed assets and €129 million of current assets are attributable to the proportionately consolidated companies, as well as €88 million of liabilities and provisions.

10 German and 15 foreign companies are not included in consolidation as, both individually and taken together, they are not material for the presentation of a true and fair view of the net assets, financial position and results of operations of the Group.

Consolidation principles

The financial statements of the companies included in the Group financial statements are prepared uniformly as of the reporting date of December 31, in accordance with the accounting policies applied by the Beiersdorf Group. The financial statements included in consolidation are audited by independent auditors.

Capital consolidation uses the purchase method of accounting. The cost of acquisition of the purchased interests is eliminated against the proportionate equity attributable to the parent company at the date of acquisition. Any excess is partly or wholly allocated to the assets of the affiliate and amortized over the useful life of the respective assets. The remaining excess of cost of acquisition over net assets acquired is recognized as goodwill and amortized over its useful life. Amortization of goodwill is reported under other operating expenses.

Significant Accounting Policies

Any write-downs of intragroup receivables and of interests in consolidated companies in the individual single-entity financial statements are reversed.

Intercompany profits and losses, income and expenses, as well as receivables and liabilities, are eliminated. Deferred taxes on consolidation adjustments are recognized as necessary.

The same consolidation principles apply to proportionately consolidated joint ventures. Any necessary consolidation adjustments arising from relations with proportionately consolidated companies are recognized in proportion to the interests held.

Currency translation

The financial statements of foreign affiliates are translated using the functional currency method. As these companies operate as financially, economically and organizationally independent entities, their assets and liabilities are translated at the middle rates prevailing at the balance sheet date, while income and expenses are translated at average rates for the year. Exchange differences from the translation of asset and liability items compared with currency translation in the previous year and exchange differences between the balance sheet and the income statement are taken directly to equity.

In the single-entity financial statements of these foreign companies, receivables and liabilities in foreign currencies that are not hedged are measured at the rate prevailing at the balance sheet date. The following tables show the development of the exchange rates of the major currencies used in the Group financial statements:

ISO Code	Average rates	
€1 =	2002	2003
Swiss franc CHF	1.4660	1.5230
Pound sterling GBP	0.6295	0.6932
Japanese yen JPY	118.0980	131.7390
Mexican peso MXN	9.2708	12.3600
US dollar USD	0.9506	1.1419

ISO Code	Closing rates	
€1 =	2002	2003
Swiss franc CHF	1.4525	1.5590
Pound sterling GBP	0.6502	0.7070
Japanese yen JPY	124.1900	134.8500
Mexican peso MXN	10.7400	14.1500
US dollar USD	1.0415	1.2610

Notes to the Income Statement

1 | Sales

Sales are recognized when goods are delivered or services performed, and the risk incident to the goods or services is transferred. Discounts, customer bonuses and rebates are deducted from sales. A further breakdown of sales and their development by division and region can be found in the segment reporting on pages 54 and 55.

2 | Cost of goods sold

This item comprises the cost of internally produced goods and the purchase price of merchandise sold. The cost of internally manufactured goods includes directly attributable costs such as the cost of direct materials, direct labor, and energy costs, as well as production overheads, including depreciation of production facilities. In accordance with IAS 2 (Inventories), adequate write-downs on inventories were made.

3 | Marketing and selling expenses

Marketing and selling expenses comprise the cost of marketing, the sales organization and distribution logistics. This item also includes write-downs of trade receivables. Marketing expenses for advertising, trade marketing, and similar items amounted to €1,307 million (previous year: €1,301 million).

4 | Research and development expenses

In accordance with IAS 38 (Intangible Assets), research and development expenses comprise the cost of research and of product and process development, including expenses for third-party services. Development expenditures are expensed fully in the period in which they occur, as the risks up through market launch mean that the criteria for capitalization are not fulfilled.

5 | General and administrative expenses

This item comprises the personnel expenses and other costs of administration, as well as the cost of external services that are not allocated internally to other functions.

Notes to the Income Statement

6 | Other operating income

(in € million)	2002	2003
Gains on the disposal of fixed assets	3	3
Exchange gains	13	15
Income from the release of provisions	29	24
Miscellaneous other income	51	56
	96	98

Miscellaneous other income includes income from license agreements, prior-period income, income from the reversal of valuation allowances on receivables and other miscellaneous income.

7 | Other operating expenses

(in € million)	2002	2003
Restructuring costs	15	14
Losses on the disposal of fixed assets	4	4
Exchange losses	20	19
Amortization of goodwill and trademarks acquired	37	32
Miscellaneous other expenses	83	76
	159	145

Miscellaneous other expenses include provisions for risks and other miscellaneous expenses.

8 | Interest income (net)

(in € million)	2002	2003
Interest income	26	22
(thereof from affiliated companies)	(-)	(-)
Interest expense	-9	-4
(thereof to affiliated companies)	(-)	(-)
	17	18

The interest expense on pension and other entitlements acquired in previous years is netted against any return on plan assets and the amortization of unrecognized actuarial gains and losses. This results in net interest income in the amount of €4 million (previous year: €4 million).

9 | Other financial income/expense (net)

(in € million)	2002	2003
Other financial income	13	30
Other financial expense	-24	-33
	-11	-3

Other financial income primarily comprises exchange gains on financial items denominated in foreign currencies. Other financial expense consists of exchange losses on such financial items.

10 | Taxes on income

Taxes on income comprise the taxes paid or owed on income in the individual countries, as well as deferred taxes. Income tax expense including deferred taxes can be broken down as follows:

(in € million)	2002	2003
Taxes on income		
Germany	71	81
International	116	116
	187	197
Deferred taxes	1	1
	188	198

Taxes on income include tax refunds attributable to prior periods in the amount of €1 million (previous year: tax payments of €3 million).

Deferred taxes result from temporary differences between the carrying amounts in the tax accounts of the Group companies and the carrying amounts in the Group balance sheet. Deferred taxes are measured using the balance sheet liability method on the basis of the tax rates expected to be enacted in the individual countries when the temporary differences reverse. These rates are based on the legislation in force at the balance sheet date.

With an effective tax rate of 39.7%, the actual tax expense is €16 million above the expected tax expense. The expected tax rate is calculated as the weighted average of the tax rates of the individual Group companies, and amounts to 36.5% (previous year: 35.2%).

Notes to the Income Statement

The change in this tax rate is due largely to the higher profit before tax generated in Germany, where higher tax rates increase the weighted average. The following table shows the reconciliation from expected to actual tax expense:

(in € million)	2002	2003
Expected tax expense at a tax rate of 36.5% (previous year: 35.2%)	168	182
Tax increases due to non-deductible expenses	18	21
Other tax effects	2	-5
Actual tax expense	188	198

11 | Minority interests

€7 million of profit after tax is attributable to minority interests (previous year: €7 million). These minority interests relate to shareholdings in Nivea-Kao Co., Ltd., Japan, PT. Beiersdorf Indonesia, Beiersdorf India Limited, and Bode Chemie GmbH & Co., Hamburg.

12 | Earnings per share

Earnings per share for 2003 amounted to €3.50 (previous year: €3.37). The number of shares remained unchanged in the year under review (84 million shares). As there are no outstanding financial instruments that can be exchanged for shares, there is no dilution.

13 | Other disclosures

Cost of materials

The cost of raw materials and supplies, and of purchased goods and services, amounted to €1,192 million (previous year: €1,205 million).

Personnel expenses

(in € million)	2002	2003
Wages and salaries	695	701
Social security contributions and other benefits	136	138
Pension expenses	32	33
	863	872

Employees

The breakdown of employees by function is as follows:

Function (as of Dec. 31)	2002	2003
Production	7,237	7,090
Sales and Marketing	6,634	6,751
Other functions	4,312	4,408
	18,183	18,249

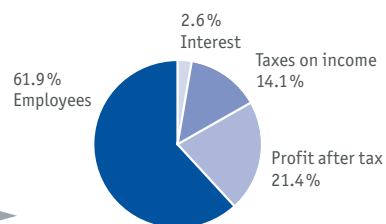
Employees at joint ventures are included in the total number of employees in proportion to the interest held. A total of 3,348 people are employed by these companies (previous year: 3,487).

A breakdown of employees by Beiersdorf Group segment can be found in the segment reporting on pages 54 and 55.

Value-added calculation

Output method (in € million)	
Sales	4,673
Cost of materials	1,192
Depreciation	164
Other expenses	1,962
Financial income	53
Enterprise income	1,408

Income received method (in %)



Notes to the Balance Sheet

14 | Intangible assets

(in € million)	Patents, licenses, trademarks, and similar rights and assets	Goodwill	Advance payments	Total
Cost of acquisition				
Opening balance Jan. 1, 2003	357	50	-	407
Currency translation adjustment	-2	-1	-	-3
Changes in consolidated Group	-	-	-	-
Additions	12	2	-	14
Disposals	-2	-	-	-2
Transfers	5	-	-	5
Closing balance Dec. 31, 2003	370	51	-	421
Amortization				
Opening balance Jan. 1, 2003	256	23	-	279
Currency translation adjustment	-1	-1	-	-2
Changes in consolidated Group	-	-	-	-
Amortization 2003	39	9	-	48
Disposals/transfers	-1	-	-	-1
Closing balance Dec. 31, 2003	293	31	-	324
Carrying amount Dec. 31, 2003	77	20	-	97
Carrying amount Dec. 31, 2002	101	27	-	128

Purchased intangible assets such as patents, trademarks and software are measured at cost and amortized on a straight-line basis over their useful lives. Intangible assets are generally amortized over a period of five years. Additional write-downs are made for permanent impairment. If the reasons for impairment no longer apply, write-downs are reversed accordingly.

In accordance with IAS 22 (Business Combinations), goodwill arising upon consolidation and acquired goodwill reported in the single-entity financial statements of Group companies are capitalized and amortized on a straight-line basis over a useful life of 5 to a maximum of 20 years. Goodwill is regularly tested for impairment and is written down as required.

Goodwill from capital consolidation arising prior to January 1, 1995 is not capitalized, but instead is charged directly to equity.

15 | 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 of acquisition/manufacture					
Opening balance at Jan. 1, 2003	713	847	478	79	2,117
Currency translation adjustment	-19	-27	-14	-2	-62
Changes in consolidated Group	3	-	-	1	4
Additions	13	34	42	64	153
Disposals	-3	-18	-32	-6	-59
Transfers	9	32	9	-55	-5
Closing balance at Dec. 31, 2003	716	868	483	81	2,148
Depreciation					
Opening balance Jan. 1, 2003	335	526	338	1	1,200
Currency translation adjustment	-7	-18	-9	-	-34
Changes in consolidated Group	2	-	-	-	2
Additions	21	50	45	-	116
Disposals/transfers	-3	-18	-27	-	-48
Closing balance Dec. 31, 2003	348	540	347	1	1,236
Carrying amount Dec. 31, 2003	368	328	136	80	912
Carrying amount Dec. 31, 2002	378	321	140	78	917

Property, plant, and equipment is carried at cost and reduced by straight-line depreciation over the assets' useful lives. Production costs of internally manufactured items of property, plant, and equipment are calculated as the direct costs plus an appropriate share of attributable overheads. Interest on borrowings is recognized as current expense in accordance with IAS 23 (Borrowing Costs). Repair and maintenance costs for property, plant, and equipment are expensed as incurred. They are capitalized in exceptional cases where the measures result in the extension of, or a significant improvement to, the asset concerned. Third-party grants and subsidies reduce the historical cost.

Property, plant, and equipment is depreciated on a straight-line basis. The following useful lives are generally applied:

Residential and production buildings	25 to 33 years
Other buildings	10 to 25 years
Technical equipment and machinery	5 to 15 years
Vehicles	4 years
Office and other equipment	3 to 15 years

Notes to the Balance Sheet

16 | Financial assets

(in € million)	Investments in affiliated companies	Other investments	Investment securities	Other loans	Total
Cost of acquisition					
Opening balance Jan. 1, 2003	9	1	16	1	27
Currency translation adjustment	-	-	-	-	-
Changes in consolidated Group	-1	-	-	-	-1
Additions	1	-	1	-	2
Disposals	-	-	-1	-	-1
Transfers	-	-	-	-	-
Closing balance Dec. 31, 2003	9	1	16	1	27
Impairment write-downs					
Opening balance Jan. 1, 2003	4	-	1	-	5
Currency translation adjustment	-	-	-	-	-
Changes in consolidated Group	-	-	-	-	-
Impairment write-downs 2003	-	-	-	-	-
Disposals/transfers	-	-	-	-	-
Closing balance Dec. 31, 2003	4	-	1	-	5
Carrying amount Dec. 31, 2003	5	1	15	1	22
Carrying amount at Dec. 31, 2002	5	1	15	1	22

Investments in unconsolidated affiliated companies and other investments are carried at cost in line with the principle of individual valuation. Write-downs are charged where there is evidence of permanent impairment. If the reasons for impairment no longer apply, write-downs are reversed accordingly. Interest-free or low-interest loans are carried at their present value; other securities and loans are carried at their fair value. Changes in fair value are recognized directly in a separate component of equity after deduction of deferred taxes.

17 | Inventories

(in € million)	2002	2003
Raw materials, consumables, and supplies	139	130
Work in progress	42	40
Finished goods and merchandise	492	500
Advance payments	4	2
	677	672

Inventories are carried at the lower of cost or net realizable value in accordance with IAS 2 (Inventories). They are measured using the first-in, first-out (FIFO) or weighted average cost methods. The cost of inventories is calculated as the direct costs plus an appropriate allocation of materials and production overheads, including production-related depreciation of assets. They also include the proportionate costs of company pension arrangements and voluntary social benefits, as well as production-related administrative expenses.

18 | Receivables and other assets

(in € million)	2002	2003
Trade receivables	675	688
Receivables from affiliated companies	4	5
Receivables from associated companies	4	3
Tax receivables	15	15
Other assets	87	71
	785	782

Receivables and other assets are carried at their nominal value. Bills receivable and interest-free or low-interest loans are carried at their present value. Appropriate allowances have been made for identifiable individual risks, and the overall risk is provided for by an allowance for doubtful accounts. Other assets include the positive fair value of derivatives (€9 million), short-term loans (€1 million), and other receivables.

Notes to the Balance Sheet

19 | Cash and cash equivalents

(in € million)	2002	2003
Marketable securities	50	49
Cash	672	793
	722	842

Marketable securities largely comprise short-term investments.

Cash balances comprise bank balances, cash-on-hand and checks. A lien of €550 million has been granted on the cash balances as collateral for financing the share buyback program.

20 | Deferred taxes

Deferred taxes result primarily from temporary differences between the carrying amounts in the IFRS financial accounts and in the tax accounts of the individual Group companies, and from consolidation adjustments. Further information can be found under note 10, Taxes on income.

21 | Prepaid expenses

A large portion of the prepaid expenses is expected to be utilized in 2004.

22 | Share capital

The share capital amounts to €215,040,000.

84 million no-par value bearer shares had been issued at the balance sheet date.

23 | Authorized capital

The Annual General Meeting on June 20, 2000 authorized the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until June 19, 2005 by up to a total of €87 million (Authorized Capital I: €45 million; Authorized Capital II: €21 million; Authorized Capital III: €21 million) by issuing new bearer shares on one or several occasions. For this purpose, the dividend rights for new shares may be determined differently to the provisions of § 60 (2) *Aktiengesetz* (German Stock Corporation Act).

Shareholders shall be granted preemptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude the 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 AG, or companies in which it holds a direct or indirect majority interest, preemptive rights to new shares in the amount to which they would be entitled after exercising their conversion rights or options, or after fulfilling their conversion obligation (Authorized Capital I, II, III);
3. to issue new shares at an issue price that is not materially lower than the quoted market price of 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 (Authorized Capital II);
4. in the case of capital increases against non-cash contributions, for the purpose of acquiring enterprises or equity interests in businesses (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.

24 | Contingent capital

The Annual General Meeting on June 20, 2000 also resolved to contingently increase the share capital by up to a total of €40 million. 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 rights and/or options attached to convertible bonds and/or bonds with warrants issued in the period until June 19, 2005 by Beiersdorf AG, 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 June 19, 2005 by Beiersdorf AG, or companies in which it holds a direct or indirect majority interest, comply with such obligation.

The new shares carry dividend rights from the beginning of the fiscal year in which they are created via the exercise of conversion rights or options, or as a result of compliance with conversion obligations.

Notes to the Balance Sheet

25 | Additional paid-in capital

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

26 | Retained earnings

Retained earnings contain the undistributed profits generated in prior periods by companies included in the Group financial statements, changes in consolidation adjustments, and other changes recognized directly in equity.

Changes in the value of financial derivatives totaling €-4 million were recorded directly in equity.

27 | Minority interests

Minority interests include adjustments for the interests of non-Group shareholders in the equity of fully-consolidated affiliates. This primarily relates to Nivea-Kao Co., Ltd., Japan, PT. Beiersdorf Indonesia, Beiersdorf India Limited, and Bode Chemie GmbH & Co., Hamburg.

28 | Provisions for pensions and other post-employment benefits

The Group provides for post-employment benefits for entitled employees either directly or through legally independent pension and welfare funds (at Beiersdorf AG, this refers to TROMA Alters- und Hinterbliebenenstiftung, Hamburg). The benefits vary depending on the legal, economic, and tax situation in the country in question, and are generally based on length of service, salary, and the position held within the Company. The direct and indirect obligations comprise obligations arising from existing pensions, as well as future pension and retirement obligations.

The pension obligations covered by the legally independent foundation TROMA Alters- und Hinterbliebenenstiftung, Hamburg, include the assets of this foundation. These assets include 3% of the shares of Beiersdorf AG. Group companies provide retirement benefits under defined contribution and defined benefit plans. The related expenses are included in the costs of the respective functions. Interest expense on obligations acquired in previous years, the return on plan assets, and the amortization of unrealized actuarial gains and losses are reported in the income statement under interest income.

In accordance with IAS 19 (Employee Benefits), pension obligations under defined benefit plans are calculated using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. There was no extraordinary income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review.

Pension obligations are calculated on the basis of market rates of interest and projected wage/salary and pension growth. The following assumptions were applied in measuring pension obligations for the German Group companies:

	Dec. 31, 2002	Dec. 31, 2003
Discount rate	5.75%	5.75%
Projected wage/salary growth	3.00%	3.00%
Projected pension growth	2.00%	2.00%
Fluctuation	2.00%	2.50%
Projected return on plan assets	5.75%	5.75%

For foreign Group companies, these rates vary depending on specific local conditions.

The total expense for commitments under defined benefit plans can be broken down as follows:

(in € million)	2002	2003
Cost of obligations acquired in the year under review	19	22
Interest cost on present value of pension obligations*	34	37
Expected return on plan assets*	-25	-29
Amortization of unrecognized actuarial gains*	-13	-12
Total expense for commitments under defined benefit plans	15	18

*The sum of these amounts is reported in the income statement under interest income

Notes to the Balance Sheet

The pension provision is calculated as follows:

(in € million)	2002	2003
Present value of unfunded obligations	528	551
Present value of funded obligations	107	159
Present value of pension obligations	635	710
Fair value of plan assets	-484	-519
Present value of pension obligations less plan assets	151	191
Unrecognized actuarial gains	246	189
Provision in accordance with IAS 19	397	380

Actuarial gains and losses are recognized only to the extent that they exceed the greater of 10% of the present value of the obligations or of the fair value of plan assets. Where this is the case, the excess amount is amortized over the average remaining working lives of the employees beginning the following year.

Pension plan assets and obligations are measured at regular intervals, at least every three years. Actuarial valuations are performed annually for all major pension plans.

Obligations of individual Group companies, particularly in the USA, to provide post-employment medical benefits for employees are also disclosed in provisions for pensions, as they are similar in character to pension obligations.

Similar obligations also include obligations for severance pay and early retirement benefits. These are calculated in accordance with actuarial principles on the basis of the standard local rates of interest.

29 | Other provisions

(in € million)	Taxes	Personnel expenses	Marketing and selling expenses	Restructuring measures	Miscellaneous	Total
Opening balance Jan. 1, 2003	100	133	116	10	152	511
Currency translation adjustment	-3	-	-4	-	-5	-12
Changes in consolidated Group	-	-	-	-	-	-
Additions	46	74	116	2	97	335
Usage	-91	-61	-102	-2	-75	-331
Release	-	-7	-3	-1	-13	-24
Closing balance Dec. 31, 2003	52	139	123	9	156	479

Other provisions include all identifiable future payment obligations, risks and uncertain obligations of the Group. They are carried at the likely amount of the liability incurred, and mostly have a residual maturity of less than one year.

Provisions for personnel expenses relate primarily to expenses for part-time schemes for employees approaching retirement, annual bonuses, vacation pay, severance agreements and anniversary payments.

Miscellaneous provisions relate largely to litigation risks and other risks.

30 | Liabilities

(in € million)	2002	Residual maturity		2003	Residual maturity	
		up to 1 year	between 1–5 years		up to 1 year	between 1–5 years
Financial liabilities	96	93	-	96	61	25
Trade payables	293	293	-	303	303	-
Liabilities to affiliated companies	2	2	-	6	6	-
Liabilities to associated companies	-	-	-	1	1	-
Tax liabilities	32	32	-	40	40	-
Social security liabilities	19	19	-	20	20	-
Miscellaneous liabilities	95	94	1	89	89	-
Other liabilities	148	147	1	156	156	-
	537	533	1	555	520	25

Notes to the Balance Sheet

Liabilities are carried at the higher of their nominal value or redemption amount. Financial liabilities in the amount of €10 million (previous year: €3 million) are due after more than five years.

Financial liabilities include all of the Beiersdorf Group's interest-bearing liabilities. These relate primarily to liabilities to banks. There are no securitized liabilities to banks. No bonds were issued.

Trade payables include liabilities on bills accepted and drawn in the amount of €1 million (previous year: €4 million).

31 | Contingent liabilities and other financial obligations

(in € million)	2002	2003
Contingent liabilities		
Liabilities under bills	1	1
Liabilities under guarantees	2	2
Other financial obligations		
Obligations under rental and lease agreements:		
due within the next year	18	20
due between 2 - 5 years	33	33
due after 5 years	3	10
Obligations under purchase commitments	32	50
Obligations under share buyback program	-	955

Beiersdorf has potential obligations arising from a legal action and from claims brought against the Company. Estimates of possible future expenses are subject to a large number of uncertainties. Beiersdorf does not expect any such expenses to have a material adverse effect on the Beiersdorf Group's economic and financial situation. An obligation in connection with the buyback of 8,393,672 Beiersdorf shares at a price per share of €113.76, totaling €955 million, also existed at the balance sheet date.

32 | Derivative financial instruments

Derivative financial instruments are employed in the Beiersdorf Group to help manage current and future currency and interest rate risks. The instruments are used to hedge the Group's underlying operating business and essential financial transactions. The Group is not exposed to any additional risks as a result. The transactions are performed exclusively using standard market instruments (e.g. forward transactions, swaps, options).

Currency hedges relate primarily to intragroup deliveries and loans, while interest rate hedges relate primarily to long-term financing.

The nominal values represent the total of all purchase and selling amounts for derivatives. The nominal values shown are not offset.

The fair values shown are calculated by valuing the outstanding items at market rates at the balance sheet date, ignoring any offsetting change in the fair value of the hedged items. Changes in fair value are recognized in the balance sheet under other receivables and other assets, or in other provisions. In the case of cash flow hedges, any gains and losses are deferred directly in equity after deduction of deferred taxes.

(in € million)	Fair value		Nominal value		Residual maturity	
	2002	2003	2002	2003	up to 1 year	over 1 year
Currency forwards	16	7	353	378	368	10
Currency options	-	-	-	-	-	-
Interest rate swaps	-2	1	22	13	13	-
Interest rate options	-	-	-	-	-	-
	14	8	375	391	381	10

The positive fair values of derivatives include the default risk relating to the nonfulfillment of contractual obligations by counterparties. Beiersdorf's counterparties are prime-rated banks; the default risk is therefore considered to be extremely low.

Cash flow disclosures

The cash flow statement presents the changes in the Beiersdorf Group's cash and cash equivalents in the course of the year under review caused by the inflow and outflow of funds. It distinguishes between cash flows from operating, investing, and financing activities.

The cash and cash equivalents shown in the cash flow statement are composed of cash-on-hand, checks, and bank balances, as well as marketable securities.

Notes to the Balance Sheet

The gross cash flow totaled €401 million in the year under review. Although EBIT increased by €12 million, higher income tax payments for prior years and a decrease in long-term provisions resulted in a gross cash flow which was €40 million below that of the previous year.

At €416 million, Beiersdorf's net cash from operating activities was up €24 million on the previous year due to a reduction in inventories, a slight increase in trade receivables and other assets, and a clear increase in liabilities and short-term provisions. Net cash used in investing activities (€108 million) dropped below that of the previous year mainly as a result of lower investments in property, plant, and equipment and intangible assets. Overall, Beiersdorf generated a free cash flow of €308 million, €103 million above the previous year; this was primarily used to pay financing costs and a higher dividend of €118 million.

Cash and cash equivalents increased by a total of €120 million, to reach €842 million.

Segment reporting

Segment reporting in the Beiersdorf Group is based primarily on the products manufactured and sold by the divisions. The breakdown of the Group into the cosmed, medical, and tesa divisions reflects the internal organizational structure during the year under review. The classification by region shows the global breakdown of business activities in the Beiersdorf Group.

The divisions, as well as business developments in the divisions and the regions, are presented in the management report, on pages 35 – 41.

The net sales shown for the regions are based on the domiciles of the respective companies.

EBITDA represents the operating result (EBIT) before depreciation and amortization.

Capital employed consists of gross operating capital less operating liabilities. The following tables show the reconciliation of capital employed to the balance sheet items:

Assets (in € million)	2002	2003
Intangible assets	128	97
Property, plant, and equipment	917	912
Inventories	677	672
Trade receivables	675	688
Other receivables and other assets (operating portion) ¹⁾	80	67
Gross operating capital	2,477	2,436
Non-operating assets	821	942
Total balance sheet assets	3,298	3,378

Shareholders' equity and liabilities (in € million)	2002	2003
Other provisions (operating portion) ²⁾	406	426
Trade payables	293	303
Other liabilities (operating portion) ²⁾	115	113
Operating liabilities	814	842
Shareholders' equity	1,727	1,831
Non-operating liabilities	757	705
Total balance sheet shareholders' equity and liabilities	3,298	3,378

¹⁾ Not including tax receivables or the positive fair values of derivatives, among other things

²⁾ Not including tax provisions and liabilities or the negative fair values of derivatives, among other things

The EBIT return on capital employed is the ratio of the operating result (EBIT) to capital employed.

Gross cash flow is the excess of operating income over operating expenses before any further appropriation of funds.

Other Disclosures

Related party information in accordance with IAS 24

Beiersdorf maintained relations with companies belonging to the Allianz Group as part of its risk management activities in the year under review. Insurance providers are selected and insurance transactions handled by an independent insurance broker. In addition, goods and services are traded on a small scale between the Beiersdorf Group and non-consolidated Beiersdorf companies in the course of normal business.

Business transactions with related parties are conducted on an arm's length basis.

Declaration of Compliance with the German Corporate Governance Code:

The Executive Board and Supervisory Board of Beiersdorf AG submitted their declaration of compliance with the recommendations of the Government Commission on the German Corporate Governance Code in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act) at the end of December 2003, and made this declaration permanently accessible to shareholders on the Company's website at www.Beiersdorf.com. The declaration of compliance is also reproduced in the Corporate Governance section on pages 29 and 30.

Disclosures relating to the Executive Board and Supervisory Board

Total compensation

Total compensation for members of the Supervisory Board for 2003 amounted to €1,624 thousand (previous year: €1,393 thousand). In accordance with the Articles of Association, this consists of a fixed component of €328 thousand (previous year: €259 thousand) and variable, dividend-based compensation of €1,296 thousand (previous year: €1,134 thousand). The members of the Supervisory Board did not receive any compensation or benefits for services provided individually, such as advisory or agency services.

Total compensation for members of the Executive Board for 2003 totaled €5,844 thousand (previous year: €5,313 thousand). This amount consists of a fixed component of €1,823 thousand (previous year: €1,813 thousand) and a variable, dividend-based component of €4,021 thousand (previous year: €3,500 thousand).

Payments to former members of the Executive Board and their dependants amounted to €1,407 thousand (previous year: €1,317 thousand). Total provisions for pension commitments to former members of the Executive Board and their dependants amounted to €13,615 thousand (previous year: €12,905 thousand).

Loans

No loans have been granted to members of the Executive Board and Supervisory Board.

Shareholdings

The members of the Supervisory Board and Executive Board of Beiersdorf AG hold a combined total of less than 1 % of the shares issued by the Company.

Directors' Dealings

The following disclosures in accordance with § 15a *Wertpapierhandelsgesetz* (German Securities Trading Act) regarding the acquisition or disposal of shares in the Company were received by the Company from members of the Supervisory Board and Executive Board in 2003: The wife of Executive Board member Dieter W. Steinmeyer informed the Company that she had sold 1,500 shares in the Company on June 4, 2003 at a price of €115 per share. Supervisory Board member Dr. Carl Albrecht Claussen informed the Company that he had sold 150,000 shares on December 11, 2003 at a price of €135.41 per share.

Events after the balance sheet date

On December 23, 2003, Beiersdorf AG published a public offer to buy back a total of up to 8,400,000 Beiersdorf shares. This offer was addressed to all shareholders and ended on January 23, 2004. The purchase price offered by Beiersdorf was €113.76 per share. This represented a premium of 20 % to the average XETRA closing price for Beiersdorf's shares during the last ten days before publication of the acquisition offer. More information on the share buyback program and its outcome can be found in the Investor Relations section on page 24.

No other significant events occurred after the balance sheet date.

Other Disclosures

Information on the Annual Financial Statements of Beiersdorf AG*

Balance sheet of Beiersdorf AG

Assets (in € million)	Dec. 31, 2002	Dec. 31, 2003
Fixed assets	914	1,285
Inventories	92	104
Trade receivables	89	85
Other receivables and other assets	279	210
Cash and cash equivalents	209	583
Current assets	669	982
	1,583	2,267

Equity and liabilities (in € million)	Dec. 31, 2002	Dec. 31, 2003
Equity	937	1,151
Special tax allowable reserves	3	2
Provisions for pensions and similar obligations	331	341
Other provisions	244	357
Provisions	575	698
Trade payables	37	35
Other liabilities	31	381
Liabilities	68	416
	1,583	2,267

* In accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code)

The significant change in several balance sheet positions from prior year are mainly the result of the share buyback program explained on page 24 of this report.

Intra-Group restructuring measures resulted in increases to both the value of investments in affiliates and equity. Furthermore in anticipation of financing needs, loans were taken from other Group companies.

More detailed information can be found in the Annual Financial Statements of Beiersdorf AG which are published separately.

Income statement of Beiersdorf AG

(in € million)	2002	2003
Sales	1,249	1,249
Operating income	122	101
Cost of materials	-401	-414
Personnel expenses	-246	-237
Depreciation and amortization on property, plant, and equipment and intangible assets	-55	-47
Other operating expenses	-539	-514
Operating result	130	138
Financial result *	87	267
Result from ordinary activities	217	405
Taxes	-61	-73
Profit after tax	156	332

* The figure for 2003 includes special effects from intra-Group restructuring measures and the share buyback program

Shareholdings of Beiersdorf AG

A list of Beiersdorf AG's shareholdings is filed with the commercial register of Hamburg Local Court (HRB 1787). The significant Group companies are listed on pages 86 and 87 of this Annual Report.

Shareholdings in Beiersdorf AG

As of the balance sheet date the following disclosures in accordance with *Wertpapierhandelsgesetz* (German Securities Trading Act, "WpHG") had been received by the Company:

Allianz AG, Munich, informed us in accordance with § 21 (1) *WpHG* that its share of voting rights in our Company fell below the threshold of 25 % on December 22, 2003 and amounted to 11.07 % as from this date. These voting rights are fully attributable to Allianz AG in accordance with § 22 (1) sentence 1 no. 1 *WpHG*. In accordance with §§ 21 (1) and 24 *WpHG*, Allianz AG informed us on behalf of AZ-BDF Vermögensverwaltungsgesellschaft mbH, Munich, that the latter's share of voting rights in our Company fell below the threshold of 25 % on December 22, 2003 and amounted to 11.07 % as from this date.

In accordance with §§ 21 (1) and 24 *WpHG*, Allianz AG also informed us that the share of voting rights held by AZ-BDF Vermögensverwaltungsgesellschaft mbH in our Company fell below the thresholds of 10% and 5% due to an intra-Group share transfer on December 29, 2003, and that it now amounts to 4.66%. Allianz AG's share of voting rights did not change in a manner requiring disclosure as a result.

Other Disclosures

Tchibo Holding AG, Hamburg, voluntarily informed us in accordance with § 21 (1) *WpHG* that it held 49.96% of voting rights in our Company since December 22, 2003. 30.358% of these voting rights are attributable to Tchibo Holding AG in accordance with § 22 (1) sentence 1 no. 1 *WpHG*. The share of voting rights held directly by Tchibo Holding AG exceeded the threshold of 5% on December 22, 2003 and is now 19.6%. The proportion of voting rights in our Company held by Tchibo Beteiligungsgesellschaft mbH, Hamburg, and Vanguard Grundbesitz GmbH, Hamburg, remained unchanged. In this respect, Tchibo Holding AG has informed us on behalf of Vanguard Grundbesitz GmbH in accordance with § 21 (1) *WpHG* that the latter's share of voting rights in our Company exceeded the threshold of 5% on September 30, 2002 and has amounted to 29.99% as from that date. Tchibo Holding AG has also informed us on behalf of Tchibo Beteiligungsgesellschaft mbH in accordance with § 21 (1) *WpHG* that the latter's share of voting rights in our Company amounted to 30.358% on September 30, 2002, and that these shares are attributable to Tchibo Beteiligungsgesellschaft mbH in accordance with § 22 (1) sentence 1 no. 1 *WpHG*.

HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsverwaltung mbH, Hamburg, has informed us in accordance with § 21 (1) *WpHG* that its share of voting rights in our Company had exceeded the threshold of 5% on December 22, 2003 and had reached the threshold of 10%, and that the exact amount of its share of voting rights was now 10.0%.

The Free Hanseatic City of Hamburg has informed us in accordance with § 21 (1) *WpHG* that its share of voting rights in our Company exceeded the threshold of 5% on December 22, 2003 and is now 10.0%. These voting rights are fully attributable to the Free Hanseatic City of Hamburg in accordance with § 22 (1) sentence 1 no. 1 *WpHG*. The Free Hanseatic City of Hamburg does not have any other direct interest in our Company.



Teamwork is a key foundation for success

The acceptance period for the share buyback program of Beiersdorf AG ended after the balance sheet date on January 23, 2004. As part of this share buyback program Allianz AG sold Beiersdorf shares to the Company. More information on the shareholder structure after the settlement of the share buyback program can be found in the Investor Relations section on page 24.

Proposal on the utilization of Beiersdorf AG's net retained profits

(in € million)	2003
Profit after tax of Beiersdorf AG	332
Transfer to retained earnings	166
Net retained profits of Beiersdorf AG	166

The Executive Board and Supervisory Board will propose to the Annual General Meeting that the net retained profits from fiscal year 2003 of €166 million be utilized as follows:

(in € million)	2003
Distribution of a dividend of €1.60 for each share entitled to a dividend (75,606,328 shares)	121
Transfer to retained earnings	45
Net retained profits of Beiersdorf AG	166

The shares carrying dividend rights at the time of the Executive Board's proposal on the utilization of the net retained profits have been reflected in the amounts specified for the total dividend and for the transfer to retained earnings. The own shares held by the Company do not carry dividend rights in accordance with § 71b *Aktiengesetz* (German Stock Corporation Act).

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 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 bearer share carrying dividend rights shall remain unchanged. If necessary, an appropriately modified draft resolution will be presented to the Annual General Meeting.

Hamburg, February 23, 2004

The Executive Board

Boards of Beiersdorf AG

Honorary Chairman of the Company

Georg W. Claussen

Supervisory Board

Dr. Hans Meinhardt, Wiesbaden
Chairman

Former Chairman of the Executive Board of Linde AG

Chairman of the Supervisory Board

- Karstadt Quelle AG
- Karstadt Warenhaus AG (until June 30, 2003)

Jürgen Krause, Hamburg
Deputy Chairman

Chairman of the Works Council of Beiersdorf AG

Günter Herz, Hamburg (until September 22, 2003)
Deputy Chairman

Merchant

Dieter Ammer, Bremen (since September 23, 2003)
Deputy Chairman

Chairman of the Executive Board of Tchibo Holding AG

Chairman of the Supervisory Board

- Conergy AG
- Interbrew Deutschland Holding GmbH

Member of the Supervisory Board

- mg technologies ag

Deputy Chairman of the Board of Directors

- Sparkasse Bremen

Dr. Diethart Breipohl, Icking
Former member of the Executive Board of Allianz AG

Chairman of the Supervisory Board

- KM Europa Metal AG

Member of the Supervisory Board

- Allianz AG
- Continental AG
- Karstadt Quelle AG
- mg technologies ag (until June 3, 2003)

Member of the Conseil d'Administration

- Crédit Lyonnais, Paris
- EULER & Hermes, Paris
- Les Assurances Générales de France (AGF), Paris

Member of the Consejo de Administración

- Banco Popular Español, Madrid

Member of the Board of Directors

- BPI Banco Portugues de Investimento, Porto

Margret Buhse, Hamburg
Head of Group Communications of Beiersdorf AG

Dr. Carl Albrecht Claussen, Berlin
Lawyer

Taylor Wessing, Lawyers

Dr. Walter Diembeck, Hamburg
Head of Biocompatibility, Research & Development, Beiersdorf AG

Rainer Holland, Hardebek
Engineer of tesa Werk Hamburg GmbH

Tomas Nieber, Bad Münders (since May 23, 2003)

Trade Union Secretary, IG Bergbau, Chemie, Energie

Member of the Supervisory Board

- Wolff Walsrode AG

Member of the Advisory Board

- Qualifizierungsförderwerk Chemie GmbH

Reinhard Pöllath, Munich
Lawyer
Pöllath + Partner

Chairman of the Supervisory Board

- Deutsche Woolworth GmbH & Co. OHG
- Tchibo Holding AG

Deputy Chairman of the Supervisory Board

- SinnerSchrader AG

Member of the Supervisory Board

- TA Triumph-Adler AG
- Tchibo Frisch-Röst-Kaffee GmbH & Co. KG
- Verwaltungsgesellschaft Otto Versand mbH (until April 30, 2003)

Norbert Ranft, Bochum
(until March 29, 2003)
Executive Secretary IG Bergbau,
Chemie, Energie

Deputy Chairman of the
Supervisory Board
(until March 29, 2003)

- BDE (Deutsche Gesellschaft zum Bau und Betrieb von Endlagern für Abfallstoffe mbH)
- RAG Umwelt GmbH
- Wintershall AG

Manuela Rousseau, Halstenbek
Head of PR Programs,
Beiersdorf AG

Professor at the Academy of Music and
Theater, Hamburg

Detlef Stutter, Hünstetten
(from March 29, 2003 until
May 15, 2003)
District Leader IG Bergbau,
Chemie, Energie

Member of the Supervisory Board

- Roche Diagnostics GmbH
(since March 14, 2003)
- SCA Hygiene Paper AG
(since June 26, 2003)

Hans-Otto Wöbcke, Hamburg
Former Chairman of the Executive
Board of Beiersdorf AG

Member of the Supervisory Board

- AON Jauch & Hübener GmbH
- Fielmann AG
- Philips GmbH
(until June 30, 2003)

Deputy Chairman of the Advisory Board

- AON Jauch & Hübener Holding GmbH

Supervisory Board Committees

Members of the Mediation Committee

Dr. Hans Meinhardt (Chairman)
Dieter Ammer
Margret Buhse
Jürgen Krause

Members of the Executive Committee

Dr. Hans Meinhardt (Chairman)
Dieter Ammer
Jürgen Krause
Hans-Otto Wöbcke

Members of the Audit Committee

Dr. Hans Meinhardt (Chairman)
Dr. Diethart Breipohl
Dr. Walter Diembeck
Reinhard Pöllath

Executive Board

Dr. Rolf Kunisch
Chairman

Member of the Supervisory Board

- Hamburg-Mannheimer Sachversicherungs-AG
- Hamburg-Mannheimer Versicherungs-AG
- Hermes Kreditversicherungs-AG
- Lufthansa Technik AG

Peter Kleinschmidt
(since May 1, 2003)
Human Resources/Administration/
Environmental Protection

Dr. Werner Opgenoorth
(until June 30, 2003)
Human Resources/Administration/
Environmental Protection

Thomas-Bernd Quaas
Procurement/Production/Logistics

Rolf-Dieter Schwalb
Finance/Controlling/IT

Dieter W. Steinmeyer
(until December 31, 2003)
tesa

Uwe Wölfer
Marketing/Research &
Development/Sales