



www.nivea.co.uk

Caring for skin is at the heart of the NIVEA brand and the emotional values associated with the brand have changed little over the past 95 years. Consumers consistently reaffirm their perspective that NIVEA is a timeless, uncomplicated, trusted, honest brand that understands its consumers' needs while offering quality and value.

Offerings and Values

NIVEA Creme is an iconic beauty classic used by millions of women all over the world. It was the first true cosmetic moisturiser and is still the brand's signature product. Yet to best meet consumers' evolving requirements in skincare, NIVEA has expanded significantly to offer a comprehensive choice of moisturising, protection and care expertise in the face, body, hand, lip, men's, sun and deodorant markets.

NIVEA's brand values have changed little over the decades and are encapsulated in the phrase 'Trust NIVEA to care for your skin'. These values are communicated via clean, fresh, healthy and positive imagery in all NIVEA's promotional material and advertisements. NIVEA is dedicated to protecting the skin of the entire family, therefore family values form a vital part of its brand character. Each NIVEA product is formulated to meet specific consumer skin needs, while keeping their skin looking and feeling healthy, soft and well cared for.

NIVEA's consistently strong brand imagery ensures that it remains classically stylish. By

creating products that fit in with the latest cosmetic trends and meet changing consumer needs, it retains its contemporary appeal within each generation. It is a tribute to the strength of the NIVEA brand that it can appeal to a wide range of consumers on so many levels.

Innovations and Promotions

New product development and innovation is at the heart of NIVEA's long-term brand development. The Research Centre at NIVEA's headquarters in Hamburg, Germany, which opened in August 2004 is devoted to helping identify and develop the latest products. 2006 has seen the launch of several innovative new products. Firstly, NIVEA has transferred its nourishing, tanning and firming expertise into the new and rapidly growing gradual tanning segment with the launch of NIVEA body Sunkissed Skin, a daily moisturiser with a hint of tan, which also helps firm the skin.

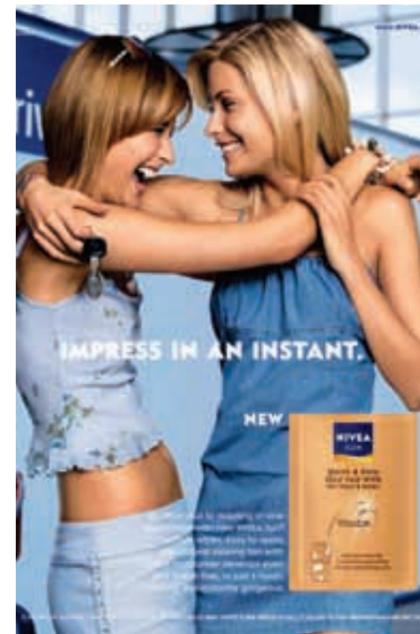
Secondly, NIVEA body Age Defying Lotion, formulated to replenish the levels of

Creatine in skin, helping boost the skin's natural anti-ageing process. Thirdly, NIVEA Deodorant Pearl & Beauty, a deodorant offering 24-hour protection along with pearl extracts designed to leave underarms feeling smooth and cared for.

Finally, NIVEA For Men Cooling Gel Moisturiser, a light hydro gel, with Iso Magnesium and Mint Extracts, which refreshes and re-energises the skin and boosts skin's moisture.

Also new for the 2006 Sun market is immediate protection for children in spray and lotion formulations, forming part of the new NIVEA Sun Children's SPF 50+ range.

NIVEA has a strong marketing heritage, with campaigns dating as far back as the 1920s focusing on many of the benefits and values that the brand still stands for today. Nowadays, each section of the brand portfolio is supported by a fully integrated multimedia strategy. 2006 will be the fourth year NIVEA has sponsored Cancer Research UK's Race for Life which is a series of women-only sponsored charity events.



Race for Life fits perfectly with NIVEA's values of caring for oneself on the inside and the outside, as well as for others through the sponsorship money raised.

Market Context

With more and more people – men and women alike – interested in looking and feeling youthful and healthy for as long as possible, skincare is big business. As the leading skincare brand in Europe, NIVEA has a 16.2% share of the £612 million UK skincare market (Source: IRI). The largest segment in the market is facial skincare, where product sales total £340.4 million, increasing by 6.4% year-on-year (Source: IRI). The fastest-growing segment is body care with an annual increase of 29.0% (Source: IRI), mainly attributable to the new gradual tanning segment, which NIVEA has just launched into.

With ever-heightening interest in their personal appearance, consumers are eager to try advanced new formulas that deliver



on their promises. This trend is putting enormous pressure on manufacturers to innovate and all major brand players must maintain a frenetic pace of new product development in order to keep up with one another and sustain consumer interest. However, innovation does not have to come from the latest hi-tech ingredient – it could also come in the shape of a new packaging format or the identification of a simple unmet consumer need or trend.

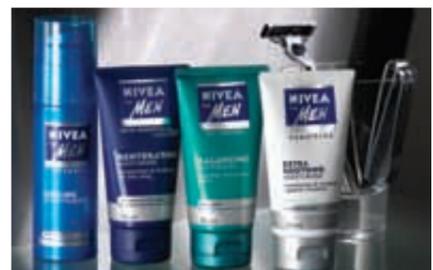
Achievements and Future Prospects

NIVEA is the world's largest skincare brand with a strong international presence in around 170 countries and an enviable reputation.

In the UK the brand has a retail value of £159 million, which reflects a growth of 8% in a skin and beauty care category that only grew by 1.5% in 2005 (Source: IRI). This is reinforced by NIVEA being voted the UK's and Europe's Most Trusted Skincare Brand for the second consecutive year in a

Things you didn't know
 The iconic blue NIVEA Creme tin was actually green when it was first produced.
 The name NIVEA is derived from the Latin expression 'Nix Nivis', meaning snow white.
 In the UK, four million people use a NIVEA skincare product every day.
 In the past 95 years, more than 11 billion NIVEA Creme pots have been produced, equivalent to every single person who has ever lived using one pot of NIVEA Creme.
 NIVEA products are used by half a billion people worldwide and are sold 18 million times a year.

Readers Digest study. In 2006 NIVEA For Men Active Firming Moisturiser celebrated the status of Product of the Year – an independent survey of 12,593 individuals; and the Marie Claire Prix D'Excellence De La Beauté award in 2006 went to NIVEA Visage Sensitive Calming Day Cream.



1906
 Beiersdorf opens its first UK office in Idol Lane, London.

1991
 NIVEA Visage launches in the UK.

1911
 Dr Oscar Tropolowitz, a medical researcher, develops a new kind of cosmetic cream.

1992
 From here until 2000, NIVEA body, Soft, Hand, For Men, and Lipcare all launch in the UK.

1922
 NIVEA launches the first mass market skincare cream in the UK – the world's first true cosmetic moisturiser.

2002
 NIVEA Deodorant launches in the UK.

1950s
 NIVEA begins to expand its product portfolio beyond the iconic NIVEA Creme into lotions, Suncare, Shower and basic facecare. This continues through to the 1980s.

2006
 Beiersdorf UK Ltd celebrates its 100th anniversary.