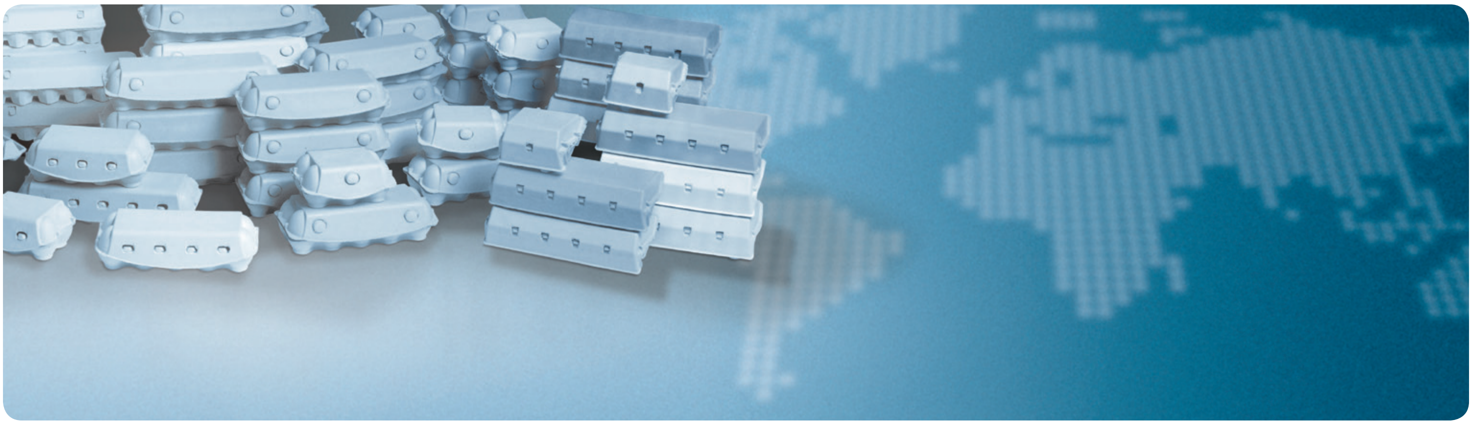
HARTMANN CHOOSE FIBRE. SAVE NATURE.®

ANNUAL REPORT 2013



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HIGHLIGHTS

- In line with our expectations, Hartmann generated revenue of DKK 1,579 million for 2013 (2012: DKK 1,544 million) and an operating profit* of DKK 148 million (2012: DKK 114 million). At 9.4%, our profit margin* was at the high end of the expected range (2012: 7.4%).

- Cash flows from operating activities amounted to a net cash inflow of DKK 177 million (2012: a net cash inflow of DKK 153 million), and return on invested capital was 23.0% (2012: 16.7%).

- The Board of Directors proposes dividends of DKK 9.50 per share (2012: DKK 9.50), corresponding to 78% of our profit for the year (2012: 72%).

- Europe showed a steady trend, generating revenue of DKK 1,287 million (2012: DKK 1,277 million) and an increase in operating profit to DKK 109 million (2012: DKK 83 million), corresponding to a profit margin of 8.5% (2012: 6.5%).

- Hartmann's growth in North America continued with revenue of DKK 292 million (2012: DKK 267 million) and operating profit of DKK 63 million (2012: DKK 56 million), corresponding to a profit margin of 21.6% (2012: 20.8%).

- Our European production network was streamlined through the closure of our factory in Finland and optimisation of management efficiency at our other European factories. North America initiated the activities to expand existing production capacity.

- Ulrik Kolding Hartvig joined Hartmann on 1 January 2014 as our new CEO.

- For 2014, Hartmann is expected to report revenue of DKK 1.6-1.7 billion and a profit margin of 9.0-10.5%.

* References to operating profit refer to operating profit before special items, and references to profit margin refer to profit margin before special items.

STRATEGY DELIVERING RESULTS

Hartmann's 'Competitive edge – driving growth' strategy delivered results in 2013. Our business has a strong platform, and we have enhanced our competitive edge and maintained our leading position.

We have delivered positive results based on operational improvements and a steady trend in Europe, combined with continued growth in North America. In Europe, our commitment to optimising our product portfolio led to a successful increase in the proportion of premium products, and investments in production and operations boosted our earnings. In North America, our capacity expansion is progressing according to plan, and we look forward to accommodating growing demand and strengthening our position in this attractive market.

Our latest product, imagic$^{2®}$, was launched in 2013 and is attracting strong demand. Many of our customers have a clear preference for our premium products, which reflects consumer requests and consumer views on egg packaging. In this specific area, we gained new and valuable knowledge in 2013, which can be used actively in the marketing of eggs and thus also benefits our customers.

In that context, Hartmann's profile as a sustainable and responsible company is a significant factor, and we continually aim to further strengthen our profile. In 2013, this resulted in a number of initiatives, including the launch of FSC-certified products and a new ambitious goal for Hartmann's CO_2 equivalent emissions.

In 2014, our strategy will continue to deliver results, and we expect steadily increasing earnings. Our growth is dependent on our capacity, portfolio and demand being aligned. In order to ensure such alignment, we will continue to invest in machinery and equipment in 2014, as and when required in order to support our activities in the European and North American markets, and we will explore opportunities in other global growth markets.

Our performance in 2013 provides a strong basis for defining new focus areas for Hartmann based on our performance and our expectations for 2014.

Agnete Raaschou-Nielsen
Chairman

Ulrik Kolding Hartvig
CEO

KEY FIGURES AND FINANCIAL RATIOS

DKKm

Group	2013	2012	2011	2010	2009
Statement of comprehensive income					
Revenue	1,579	1,544	1,488	1,483	1,380
Operating profit before special items	148	114	124	73	79
Special items	(39)	0	0	0	(12)
Financial income and expenses, net	(15)	(8)	(16)	(11)	(19)
Profit/(loss) before tax	95	107	108	62	49
Profit/(loss) for the year	86	93	76	50	36
Comprehensive income	77	104	26	53	51
Cash flows					
Cash flows from operating activities	178	153	155	144	76
Cash flows from investing activities	(112)	(57)	(35)	(55)	(94)
Cash flows from financing activities	(86)	(46)	(108)	(32)	(22)
Total cash flows	(20)	51	12	58	(40)
Balance sheet					
Assets	1,126	1,141	1,108	1,225	1,216
Investments in property, plant and equipment	115	62	41	59	90
Invested capital	689	655	652	733	786
Net working capital	155	131	116	128	151
Interest-bearing debt	138	137	171	275	339
Equity	612	600	560	549	508
Financial ratios, %					
Profit margin	9.4	7.4	8.3	4.9	5.7
Return on invested capital (ROIC)	23.0	16.7	17.6	9.5	8.5
Return on equity	14.9	15.7	13.4	9.5	7.7
Equity ratio	54.4	52.6	50.6	44.8	41.7
Gearing	22.6	22.8	30.5	50.0	66.8
Share-based financial ratios					
No. of shares (year end, excluding treasury shares)	6,915,090	6,915,090	6,915,090	6,915,090	6,915,090
No. of shares (average, excluding treasury shares)	6,915,090	6,915,090	6,915,090	6,915,090	6,915,090
Earnings per share, DKK (EPS)	12.4	13.4	11.0	7.2	5.2
Cash flow per share, DKK	25.7	22.2	22.4	20.8	11.0
Dividend per share, DKK (proposed)	9.50	9.50	9.25	2.25	1.50
Book value per share, DKK	88.5	86.8	81.0	79.4	73.4
Market price per share, DKK	167.0	110.5	101.0	76.0	95.0
Market price/book value per share	1.9	1.3	1.2	1.0	1.3
Price/earnings	13.4	8.3	9.2	10.5	18.3
Payout ratio, %	77.5	72.0	85.0	31.6	29.4
Market value	1,154.8	764.1	698.4	525.5	656.9
Employees					
Average no. of full-time employees	1,487	1,506	1,489	1,543	1,553

Earnings per share is calculated in accordance with IAS 33; see note 14 to the financial statements. The remaining financial ratios are calculated in accordance with 'Recommendations & Ratios, 2010', issued by the Danish Society of Financial Analysts; see note 38 to the financial statements.

2013 IN REVIEW

DEVELOPMENTS IN Q4 2013

Revenue for Q4 2013 was DKK 410 million (2012: DKK 402 million). The European business contributed DKK 337 million (2012: DKK 331 million), and the North American business generated revenue of DKK 73 million (2012: DKK 71 million).

Operating profit grew to DKK 44 million for Q4 (2012: DKK 28 million), corresponding to a profit margin of 10.8% (2012: 7.0%). In Europe, operating profit grew to DKK 37 million (2012: DKK 20 million), and the profit margin increased to 10.8% (2012: 6.1%). Operating profit for the North American business was DKK 14 million (2012: DKK 14 million), and its profit margin was 18.9% (2012: 20.0%).

Total cash flows from operating activities were a net cash inflow of DKK 34 million (2012: a net cash inflow of DKK 43 million), and cash flows from investing activities were a net cash outflow of DKK 51 million (2012: a net cash outflow of DKK 15 million). Cash flows from financing activities amounted to a net cash outflow of DKK 42 million (2012: a net cash inflow of DKK 13 million).

COMPREHENSIVE INCOME 2013

Revenue

Total revenue grew to DKK 1,579 million (2012: DKK 1,544 million) meeting our guidance of DKK 1.5-1.6 billion for 2013. The European and the North American businesses both contributed to growth.

Europe

In Europe, revenue grew to DKK 1,287 million (2012: DKK 1,277 million), primarily driven by an increased proportion of premium products and a positive trend in the average selling price. The activities to optimise our product portfolio ensured a positive trend and contributed to a reduction in the sale of standard segment retail packaging and a lower proportion of transport packaging, which was in line with our strategy.

Other revenue for Europe was DKK 115 million (2012: DKK 120 million), reflecting a continued high level of activity in Hartmann Technology in 2013.

North America

Hartmann's North American business continued its positive performance in 2013, generating revenue of DKK 292 million (2012: DKK 267 million). Sales were strengthened across product segments, and the proportion of premium products grew. Revenue was positively impacted, especially by additional sales to existing customers based on increased capacity utilisation, while effects of movements in exchange rates, on translation into DKK, contributed negatively.

Operating profit

In 2013, operating profit grew to DKK 148 million (2012: DKK 114 million), corresponding to a profit margin of 9.4% (2012: 7.4%). The profit margin was in line with our guidance, which was upgraded to 8.5-9.5% in our interim report for 9M 2013. The positive trend was driven by growth in both the European and the North American businesses.

Europe

In Europe, operating profit grew to DKK 109 million for 2013 (2012: DKK 83 million), and the profit margin was 8.5% (2012: 6.5%). The activities to enhance the performance of the European business were intensified and generated positive results in 2013. Our initiatives to enhance efficiency in the European business will continue in 2014 and

SELECTED KEY FIGURES AND FINANCIAL RATIOS, DKKm*

	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Revenue	410	376	370	423	402
Operating profit before special items	44	39	21	44	28
Financial income and expenses, net	(3)	(4)	(7)	0	(3)
Profit for the period	38	32	13	4	30
Total cash flows	(59)	11	4	24	41
Profit margin, %	10.8	10.5	5.7	10.3	7.0

* The selected key figures and financial ratios are unaudited.

Our operating profit grew by 30% *to DKK 148 million as a result of efficiency enhancements and successful initiatives to increase the proportion of premium products.*

are aimed at maintaining the positive trend and further boosting our financial performance.

Operating profit growth in Europe was primarily driven by our successful initiatives to increase the proportion of premium products and optimise production efficiency, while increased energy and paper prices contributed negatively to the performance.

North America
In our North American business, operating profit grew to DKK 63 million (2012: DKK 56 million), and the profit margin grew to 21.6% (2012: 20.8%).

The revenue growth, the increased proportion of premium products together with reduced paper prices were the drivers behind the continued operating profit growth. Higher energy prices and transport costs and a minor increase in fixed costs contributed adversely to the performance.

Corporate functions
Costs related to corporate functions amounted to DKK 24 million for 2013 (2012: DKK 25 million).

Special items
Special items were a net expense of DKK 39 million for 2013 (2012: DKK 0); see note 11 to the financial statements. Special items relating to the closure of the factory in Finland were a net expense of DKK 33 million, and the severance payment to Hartmann's former CEO, Michael Rohde Pedersen, was an expense of DKK 6 million.

Financial income and expenses
As a result of adverse effects of foreign exchange adjustments, financial income and expenses, net grew to a financial expense of DKK 15 million for 2013 (2012: a net financial expense of DKK 8 million).

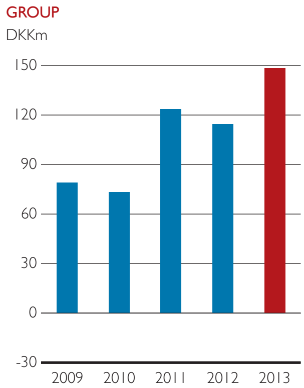
Profit for the year
Profit before tax was DKK 95 million (2012: DKK 107 million), and tax on profit for the year amounted to an expense of DKK 9 million (2012: an expense of DKK 14 million), corresponding to an effective tax rate of 10% (2012: 13%); see note 13 to the financial statements. Tax for the year was favourably impacted by an expected higher rate of utilisation of tax-loss carry forwards in North America.

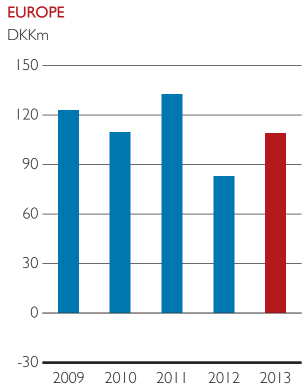
Profit for the year after tax was DKK 86 million (2012: DKK 93 million).

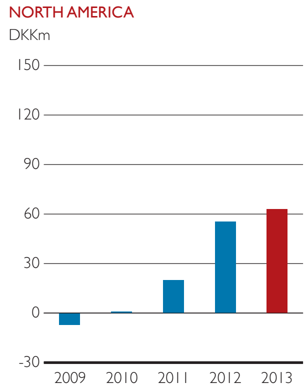
Comprehensive income
Comprehensive income for 2013 was DKK 77 million (2012: DKK 104 million). Comprehensive income for the year was negatively affected by DKK 21 million (2012: positive effect of DKK 18 million) as a result of translation into DKK of net assets in foreign subsidiaries.

Investments and cash flows
At 31 December 2013, Hartmann's tangible and intangible assets amounted to DKK 547 million (2012: DKK 539 million). Investments came to DKK 115 million (2012: DKK 62 million), and depreciation and amortisation came to DKK 77 million (2012: DKK 85 million). We increased investments as planned in North America where an expansion of existing production capacity was initiated in 2013, and in Europe where we continued to focus on optimising production and expanding capacity.

OPERATING PROFIT







The Board of Directors proposes dividends of DKK 9.50 per share, corresponding to a ***payout ratio of 78%****.*

Total cash flows from operating activities increased to a net cash inflow of DKK 178 million in 2013 (2012: a net cash inflow of DKK 153 million).

Cash flows from investing activities amounted to a net cash outflow of DKK 112 million for 2013 (2012: a net cash outflow of DKK 57 million). Total cash flows from operating and investing activities thus amounted to a net cash inflow of DKK 66 million in 2013 (2012: a net cash inflow of DKK 96 million).

Cash flows from financing activities amounted to a net cash outflow of DKK 86 million (2012: a net cash outflow of DKK 46 million) as a result of repayments of non-current debt.

At 31 December 2013, Hartmann's interest-bearing debt stood at DKK 138 million (2012: DKK 137 million).

Financial resources were satisfactory, standing at DKK 333 million at 31 December 2013.

BALANCE SHEET

At 31 December 2013, Hartmann's total assets amounted to DKK 1,126 million (2012: DKK 1,141 million).

ROIC

Return on invested capital rose to 23.0% in 2013 against 16.7% in 2012.

The objective of Hartmann's operations and investments is to continuously secure an attractive return on invested capital for our shareholders of 15% or more.

Equity

At 31 December 2013, equity stood at DKK 612 million (2012: DKK 600 million). Our equity ratio was 54% (2012: 53%), and our gearing was 23% (2012: 23%).

Earnings per share was DKK 12.4 in 2013 (2012: DKK 13.4). At the annual general meeting to be held on 8 April 2014, the Board of Directors will propose that dividends of DKK 9.50 per share (2012: DKK 9.50) be distributed, corresponding to a payout ratio of 78% (2012: 72%).

PARENT COMPANY 2013

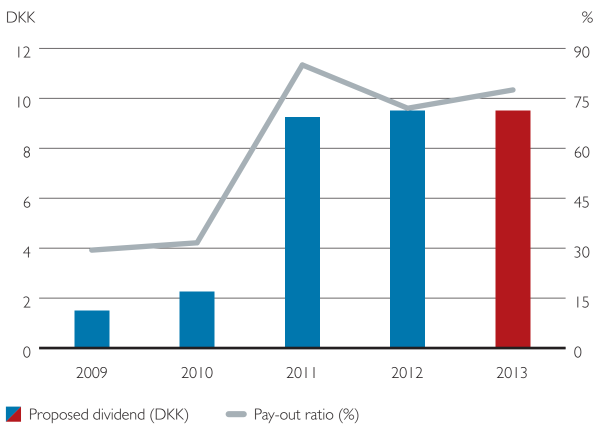
The parent company reported revenue of DKK 1,251 million for 2013 (2012: DKK 1,210 million), and operating profit of DKK 35 million (2012: an operating loss of DKK 2 million). The operating profit growth was mainly attributable to an increased proportion of premium products sold and successful initiatives to enhance efficiency.

Profit for the year was DKK 108 million (2012: DKK 71 million). In addition to the improvement in operating profit, profit for the year was primarily influenced by an increase in dividends received from subsidiaries, which were partially offset by an increase in tax on profit for the year, an expense of DKK 66 million (2012: an expense of DKK 19 million); see note 13 to the financial statements.

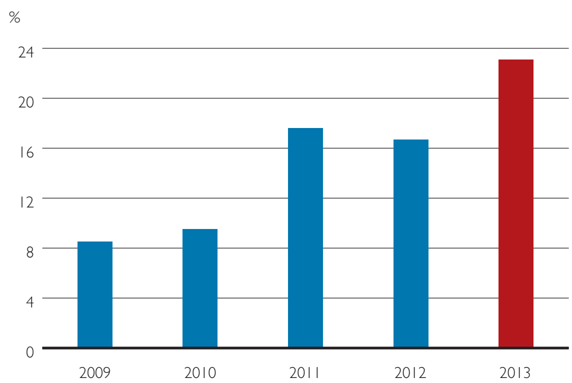
EVENTS AFTER THE BALANCE SHEET DATE

Ulrik Kolding Hartvig joined Hartmann on 1 January 2014 as CEO.

DIVIDEND



ROIC



OUTLOOK

The moderate growth in Hartmann's markets for moulded-fibre egg packaging is expected to continue in the coming years as international retail chains gradually gain a foothold in less mature markets.

Price levels in our markets remained relatively stable in 2013, and we do not expect any major volatility in 2014.

The objective of Hartmann's operations and investments is to continuously secure an attractive return on invested capital (ROIC >15%) for our shareholders.

Outlook for 2014

In 2013, our strategy work created a solid platform for future growth. In 2014, our initiatives to further strengthen our competitive edge will centre on:

- *Customer focus*
  Creating even stronger ties to retail chains, distributors and manufacturers and being committed to promoting premium products.

- *Efficiency enhancements*
  Enhancing efficiency by continuing to optimise work and production processes and increasing our use of robot technology.

- *Capacity*
  Investing in machinery and equipment to facilitate sustainable growth through increased capacity.

We expect to generate revenue of DKK 1.6-1.7 billion for 2014 given the expected developments in markets, prices and capacity.

In 2014, we expect to achieve a profit margin of 9.0-10.5% based on the effect of our strategic initiatives. All business areas are expected to be positive contributors to our performance.

Due to seasonal fluctuations, our operating profit is generally higher for the first and fourth quarters than for the second and third quarters.

Our total capital expenditure is expected to come to DKK 120-140 million, against DKK 115 million in 2013, as a result of our increased focus on production efficiency enhancements. The amount includes investments in the expansion of our existing production capacity in Europe and North America.

Targets for 2015

In the coming year, we will retain our focus on lifting our competitive strength and increasing our market share in selected growth markets. We have defined objectives of achieving revenue of DKK 1.7-1.8 billion and a profit margin of 9.5-11% in 2015, depending on external factors such as fluctuations in raw material prices and exchange rates. Developments in our business and the results of our efficiency enhancing initiatives led to an upgrade of our profit margin target, which was previously 8-11%.

Assumptions

Hartmann's revenue and profit margin guidance for 2014 is based on the present composition of our business operations. In addition, the combined costs of raw materials and selling costs are assumed to remain relatively stable at the level prevailing at the date of release of this annual report. Any deviations from these assumptions may affect the 2014 performance.

Hartmann's operating profit and profit margin are mainly exposed to developments in raw material prices and exchange rates. We have hedged our primary currency exposure for the first nine months of 2014.

Forward-looking statements

The forward-looking statements in this annual report reflect our current expectations for future events and financial results. The statements are inherently subject to uncertainty, and actual results may therefore differ from expectations. Factors that may cause the actual results to differ from expectations include, but are not limited to, general economic developments and developments in the financial markets, changes and amendments to legislation and regulation in our markets, changes in demand for products, competition and the prices of raw materials. See also the section on risk factors and note 34 to the financial statements.

GUIDANCE AND FINANCIAL TARGETS

	2014	2015
Revenue	DKK 1.6-1.7bn	DKK 1.7-1.8bn
Profit margin	9.0-10.5%	9.5-11%

STRATEGY

In 2013, we continued the execution of our 'Competitive edge – driving growth' strategy, accelerating our positive performance. At the beginning of the year, Hartmann was well positioned for further growth and value creation. With a committed execution of our strategy, we successfully enhanced our competitive edge, while maintaining our leading position in the development, marketing and sale of moulded-fibre egg packaging.

Our organic growth is to a wide extent driven by the ongoing initiatives to strengthen our market position in North America, global megatrends such as an increasing level of urbanisation and growing consumption combined with demographic trends in the European growth markets. In the coming period, the activities to further boost our growth will be combined with initiatives to reduce cost levels and enhance our competitive edge.

Hartmann aims to maintain this development in the coming years and create sustainable growth based on our long-standing experience, technology know-how and strong customer focus combined with the good relations we have with retail chains and distributors in both mature markets and growth markets.

Hartmann has developed into an increasingly focused business as a result of our activities in 2013 under the captions of customer focus, efficiency enhancement and capacity.

CUSTOMER FOCUS

Our launch of imagic$^{2®}$ in the European retail market was a crucial step in Hartmann's portfolio strategy to increase the proportion of premium products. This type of egg packaging is increasingly attracting interest, and the advice we offer our customers and our collaboration with them on developing new products and marketing initiatives are showing positive results.

We continuously focus on strengthening our relations with the retail chains and adapting our product portfolio to customer demand. At the same time, we create value for our customers using our in-depth knowledge about consumer views and consumer behaviour in relation to buying eggs. In 2013, the business gained valuable new knowledge in the field through a comprehensive international consumer survey which we use as a strategic tool in the collaboration with our customers.

"We have achieved strong results based on our initiatives to enhance process and production efficiency in Europe in recent years – and the work will continue in 2014."

EFFICIENCY ENHANCEMENT

In 2013, Hartmann completed a number of initiatives to optimise and enhance the efficiency of our European production network. Our production activities in Finland were discontinued, and our factory in Varkaus was closed in October.

Customers are now served by the other European factories, and sales in Europe have remained unaffected by the closure.

We also introduced a number of management and organisational changes at our other factories in Europe with the aim of enhancing efficiency and streamlining the production network. In March, the factory managements in Hungary and Croatia were combined, followed by a combination of the factory managements in Germany and Denmark. These initiatives have served to increase the level of knowledge sharing and have created more drive and synergy in our business.

"We successfully enhanced our competitive edge based on our strategy work in 2013. We maintained our leading position and generated earnings growth by focusing on customers, efficiency enhancements and capacity."

CAPACITY

In 2013, we initiated the activities to expand existing production capacity in North America with the aim of meeting customer demand and further strengthening our market position. The expansion of capacity in our strong and profitable North American business is intended to contribute to creating sustainable growth and ensuring continued progress. The performance of our North American business in 2013 and positive feedback from both existing and new customers form a solid platform for the expansion, which is expected to be fully implemented in 2014.

In our European business, we are committed to optimising capacity based on the strong results achieved from the process and production efficiency initiatives implemented in recent years. These initiatives will form a proper basis for growth and ensure the alignment of capacity, portfolio and demand.

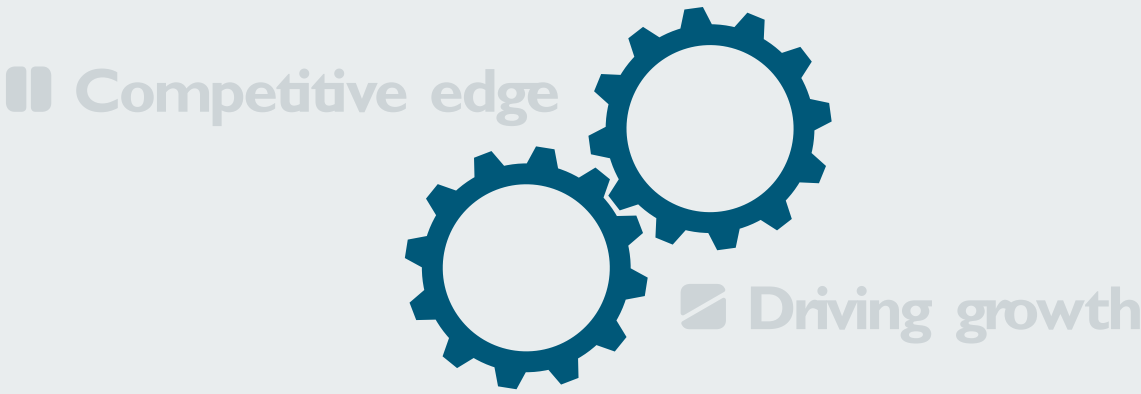
COMPETITIVE EDGE

We continually introduce strategic initiatives to strengthen our competitive edge and to achieve a more efficient and streamlined business. These initiatives can be divided into the following focus areas:

Operational Excellence
Optimising production and implementing more efficient work processes in order to reduce costs, improve quality and increase health and safety at work.

Strong competencies
Building specialist knowledge, professional skills and experience in the development, marketing and sales of moulded-fibre egg packaging in order to maintain and expand our market position.

One Company
Creating a strong corporate culture that further strengthens the ties between our business areas and ensures drive across the organisation.



DRIVING GROWTH

We create sustainable growth based on Hartmann's strong market position and competitive edge. These initiatives can be divided into the following focus areas:

Strong position in North America
Strengthening Hartmann's market position in North America by expanding production capacity and increasing sales to existing and new customers.

Focus on growth markets
Pursuing growth opportunities in the less mature markets of Eastern and Southeastern Europe, as retail chains gradually gain a foothold in these areas, and exploring opportunities in global growth markets outside Europe and North America.

Consolidation in mature markets
Maintaining and increasing Hartmann's market shares in the mature European markets based on our well-established brand and high product quality and further developing existing customer relationships and establishing new ones.

MARKETS AND PRODUCTS

Hartmann is the leading player in our core business area: the development and manufacture of moulded-fibre egg packaging, sold primarily in the European and North American markets.

In addition, Hartmann Technology has a leading position in the development, production and sale of machinery and technology for producing moulded-fibre packaging outside our markets.

Stable growth in Hartmann's markets

The demand for egg packaging is largely driven by the consumption of eggs, which is very stable and not to any major degree sensitive to economic fluctuations. There is, however, a certain degree of seasonal demand for eggs in connection with Christmas and Easter.

Hartmann's primary European and North American markets for pre-packed eggs for retailing are mature and relatively well consolidated with moderate growth in the consumption of eggs and with few large and many medium-sized players.

In the less developed markets in Eastern and Southeastern Europe, demand is driven by factors such as population growth, economic trends, urbanisation and ongoing professionalisation of the retail trade.

"In 2013, we adjusted our product portfolio and increased the proportion of premium products, which allows our customers to differentiate their retail offerings."

Sustainability integrated in the business

Sustainability is an integral part of Hartmann's business model and an important marketing parameter. This is a highly valued factor among consumers and retail chains in mature markets. Hartmann was the first manufacturer to offer FSC-certified products and retail packaging, which is marketed as CO_2-neutral through a collaboration with Climate Partner on reestablishing forest areas in Mozambique.

When we launched our FSC-certified products in 2013, we met a need among customers and consumers, who are now guaranteed responsible handling of raw materials and forestry.

"Our unique insight into consumer behaviour makes us a strong sparring partner for retailers."

Our new offering of both FSC-certified products and CO_2-neutral products provides our customers with unique marketing opportunities and contributes to strengthening Hartmann's position as the preferred supplier of sustainable egg packaging in the European market.

Strengthened product portfolio

In 2013, we were committed to adjusting our product portfolio and increasing the proportion of premium products. This allows our customers to differentiate their retail offerings and optimise value by offering consumers a more sophisticated packaging design.

For a number of years, Hartmann's imagic product line has set the standard for high quality packaging. In 2013, we launched imagic²®, our new innovative product, which has received highly positive feedback from our customers. We see a growing demand for imagic²®, which has significantly contributed to strengthening our product portfolio and increasing the proportion of premium products.

In 2013, we executed on our strategic goal to prioritise value-adding growth over volume.

New knowledge about consumer behaviour

The retail trade continuously develops the offering of eggs with the aim of meeting and pre-empting consumer demand. In that connection, it is important that eggs with different properties and different prices are also marketed and presented differently. Hartmann collaborates closely with a number of major retail chains who seek our knowledge of the marketing of eggs.

In that context, the results of a comprehensive survey that we commissioned in 2013 have provided us with unique insight into consumer behaviour and consumer views in relation to buying eggs, including their preference for moulded-fibre egg packaging. This insight provides our customers with new opportunities to influence consumers in the retail trade.

RISK FACTORS

Hartmann is exposed to operating risks which we monitor and actively consider on an ongoing basis. Hartmann's Executive Board is responsible for identifying and managing risks in compliance with the policies approved by the Board of Directors, and together with the audit committee the Executive Board reviews the risks that may affect Hartmann's operational and financial targets. The purpose of risk management is to identify the various risk factors, determine how to manage these risks and ensure the optimum balance between risk and return.

COMMERCIAL RISKS

Reliance on customers
Hartmann has a well-diversified customer portfolio which consists of a number of major customers and a large number of small customers. Our customer portfolio is expected to be developing towards fewer and larger customers, and we expect to become more reliant on this group of customers in future.

Demand for eggs
Our core business consists of sales of egg packaging, which is sensitive to the demand for eggs. Consumption of eggs is sensitive to many factors beyond our control, including health perceptions among consumers, fear of potential health risks posed by diseases in laying hens, etc. Historically, the consumption of eggs, and hence the demand for our products, has been resilient to a slowdown in economic growth.

"Historically, the consumption of eggs, and hence the demand for our products, has been resilient to a slowdown in economic growth."

Reliance on suppliers
We contract with a number of suppliers of recycled paper, energy and other raw materials used in production. If contracts with one or more of these suppliers are terminated or breached, or the suppliers fail to meet their contractual obligations for other reasons, we may not be able to source the necessary raw materials, or we may be compelled to make purchases from alternative suppliers and not necessarily on the same terms.

Hartmann has contracted with several different suppliers of recycled paper, energy and other raw materials. Distributing production across several factories in Europe also helps us ensure flexibility in relation to single shipments.

Fluctuations in the prices of raw materials
Hartmann is dependent on the purchase prices of the raw materials used in production. We are particularly exposed to fluctuations in the purchase prices of recycled paper and energy (electricity and gas), which are the most important raw materials used in production.

There is limited scope for reducing sensitivity to developments in the price of recycled paper if supplies of the required volumes are to be secured and maintained. We substitute to some extent certain types of paper for other types if prices are more favourable.

We regularly sign fixed-price agreements with energy suppliers, typically for periods of 6 or 12 months, covering a substantial part of our energy consumption. However, it is not possible to sign fixed-price agreements with energy suppliers in all of the countries in which we operate.

We are committed to reducing our sensitivity to fluctuations in the prices of raw materials through continual implementation of technological improvements and optimisation of work processes.

ENVIRONMENTAL AND SOCIAL RISKS

Environmental risks
Hartmann's activities, including production, sales, use, storage and disposal of products, are subject to a number of environmental laws and regulations. Environmental risks are monitored both locally and from our head office. STEP® Environment, our environment management model, is an effective and professional tool that helps prevent, remedy or minimise any adverse effects on the external environment. We incur and expect to continue to incur substantial expenditure and resources towards complying with and meeting environmental laws and regulations in the countries in which we operate.

All our European production facilities are certified to the ***ISO 14001*** *standard.*

We are subject to various rules, including rules governing noise reduction, waste water discharge and waste disposal and the rules of the EU CO_2 emission trading system. Our policy is to operate all production facilities in an environmentally responsible manner and in compliance with our sustainability principles and environment management model. Our European production facilities are all certified to the ISO 14001 standard.

For more information about sustainable development, see the section on corporate social responsibility and visit csr2013.hartmann-packaging.com.

Corporate social relations and risks

We give high priority to measures safeguarding health and safety in the workplace, protecting human values in society at large and protecting the people that come into contact with us or our products. Our STEP® Human management model ensures compliance with our standards in relation to health and safety in the workplace. This management model also ensures that we handle our corporate social responsibility effectively and efficiently and act as a responsible player in all countries where we operate.

INSURANCE

Hartmann has a comprehensive insurance programme, which reflects the scope and extent of our operations and their geographical location. The insurance programme is reviewed once a year together with an insurance broker, and adjustments are made on an ongoing basis to support changes to our circumstances.

The total loss of a factory from fire constitutes the single most significant risk for us, as the re-establishment of production facilities would be very time-consuming and involve the risk of business interruption and loss of market share. Consequently, we have taken out an all-risk insurance policy for all production facilities, which includes fire events, consequential loss and other incidents. Furthermore, systematic efforts are made to prevent injury and damage, and a risk management programme has been set up with the help of an insurance broker. Our insurance programme includes commercial and product liability, property and contents, consequential loss, work-related accidents, personal injury and environmental liability.

FINANCIAL RISKS

Our financial results and equity are influenced by a number of financial risks, among them interest rate, currency, liquidity and credit risks.

The management of financial risks is concentrated in our corporate finance function, which also acts as a service centre to all subsidiaries.

We use interest rate swaps and forward contracts to hedge some of the financial risks that may arise out of our commercial activities. Hartmann does not engage in transactions for the purpose of speculation.

Financial risks and financial risk management are described in detail in note 34 to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Our activities and achievements within corporate social responsibility are presented in our Global Compact progress report for 2013, which is available at csr2013.hartmann-packaging.com in compliance with sections 99 a and 99 b of the Danish Financial Statements Act. The information in this annual report is a presentation of our key activities in 2013.

Our corporate social responsibility activities form an integral part of our business model and contribute to long-term value creation and strengthening of our competitive edge. In 2013, we consolidated our position as the leading provider of environmentally friendly and sustainable moulded-fibre egg packaging.

FSC certification strengthening our profile
In 2013, our European factories were FSC certified as a result of the process we initiated in 2012. We are now able to offer retail packaging that is certified to the standards of the Forest Stewardship Council. This label serves as documentation that our products meet international standards for responsible forestry.

FSC products attract a lot of interest among customers and consumers, who are increasingly focused on responsible use of raw materials and sustainable production. The FSC certification forms a natural part of the ongoing strengthening of Hartmann's profile as a sustainable business.

Reducing our climate impact
Our activities to reduce our climate impact continue, and we successfully reduced our CO_2 equivalent emissions by 4% in 2013. We continuously ensure that Hartmann's factories share relevant knowledge about equipment and training in order to optimise our resource utilisation and minimise our climate impact.

Through a structured and coordinated learning process and use of new technology, our employees have implemented processes and methods that will contribute positively to this.

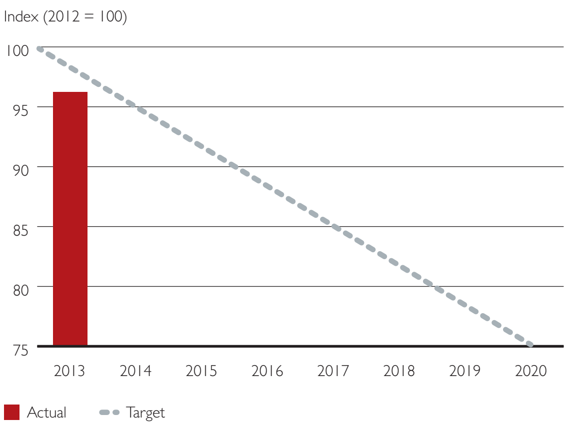
In 2013, we initiated the activities to meet our 2020 target of reducing our CO_2 equivalent emissions per kilogramme of product by 25% from the 2012 level. We aim to achieve this target through measures such as:
- Extended use of renewable energy in production
- Investment in new process technology
- Optimisation of existing technology

Promoting safety standards
In 2013, our continued activities to increase safety through corporate safety standards at our European factories led to a 14% reduction in the number of work-related accidents and increased focus on recording incidents.

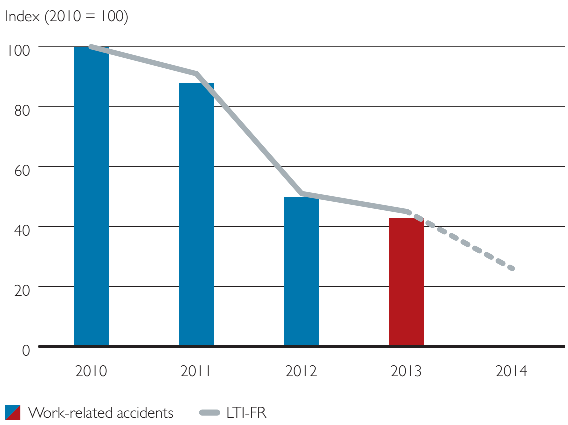
This improvement did not meet our target of reducing the number of work-related accidents by 50%, and we will now step up our efforts, aiming to fully eliminate work-related accidents in the long term. Going forward, we will report on our Lost Time Injuries Frequency Rate (LTI-FR), reflecting the number of work-related accidents per one million production hours.

New diversity measures
We continuously aim to ensure diversity in all parts of Hartmann. In 2013 our Board of Directors defined a target to increase the proportion of women among our shareholder-elected board members to 40% or more by 1 January 2017. Our Board of Directors also adopted a policy to increase the proportion of the under-represented gender at other management levels. We will continue these initiatives in 2014 and will report on our progress in our annual Global Compact progress report.

CO_2 EQUIVALENT EMISSIONS



WORK-RELATED ACCIDENTS



SHAREHOLDER INFORMATION

Share capital

Hartmann has one share class, and each share carries one vote. Accordingly, all shareholders have an equal right to submit proposals and to attend, speak and vote at general meetings. Our shares are negotiable instruments with no restrictions on their transferability, and they are issued to bearer.

No changes to our share capital occurred in 2013.

Our Board of Directors has been authorised by the shareholders in the period until 9 October 2014 to allow Hartmann to acquire up to 10% of our shares at the market price prevailing at the time in question, subject to a deviation of up to 10%.

The Hartmann share

Our share opened 2013 at a price of DKK 110.5 and closed the year at DKK 167.0, an increase of 51%. Including the dividends distributed of DKK 9.50 per share, the Hartmann share yielded a return of 60% in 2013.

We have a market making agreement, which ensures that bid and ask prices are continually quoted for the Hartmann share.

Exchange	NASDAQ OMX Copenhagen A/S
Index	SmallCap
ISIN	DK0010256197
Symbol	HART
No. of shares	7,015,090
Denomination	DKK 20
Nominal share capital	DKK 140,301,800
Bloomberg code	HART:DC

Ownership

At the end of 2013, Hartmann had approximately 1,900 registered shareholders, representing 6.5 million shares in aggregate, or 93% of Hartmann's share capital.

The following shareholder has notified us that it holds 5% or more of the share capital:

- Thornico Holding A/S and related parties, Copenhagen, Denmark (68.6%)

At 31 December 2013, Hartmann held treasury shares representing 1.4% of the share capital.

At 31 December 2013, the members of our Board of Directors and Executive Board held 0.2% of the share capital. The members of our Board of Directors and the Executive Board are registered on Hartmann's insider list, and they can only trade in Hartmann shares during a four-week period following the release of profit announcements or other similar financial announcements, as set out in our internal rules. Trading in shares by insiders is subject to a reporting duty.

Dividend

The Board of Directors takes the general view that excess capital should be distributed by means of dividends or share buy-backs in order to generally maintain Hartmann's equity ratio at a maximum of 45%. However, the distribution of capital will always take into account our growth plans and liquidity requirements. At the annual general meeting to be held on 8 April 2014, the Board of Directors will propose that the company distributes dividends of DKK 9.50 per share (2012: DKK 9.50) for the financial year ended 31 December 2013, equal to DKK 66 million, or 78% of our profit for the year.

Investor relations

We aim to provide investors and analysts with the best possible insight into matters deemed relevant in ensuring an effective and fair pricing of the Hartmann share. Our Executive Board and Investor Relations handle relations with analysts and investors, taking into consideration regulatory requirements and based on our corporate governance standards.

Electronic communication

At the end of 2013, we introduced electronic communication with our shareholders. Electronic communication allows us to quickly and efficiently convene general meetings and distribute relevant information. Shareholders can sign up for electronic communication at the InvestorPortal through investor.hartmann-packaging.com.

Financial calendar 2014

6 March 2014	Annual report 2013
8 April 2014	Annual general meeting
19 May 2014	Interim report Q1 2014
21 August 2014	Interim report Q2 2014
13 November 2014	Interim report Q3 2014

CORPORATE GOVERNANCE

Hartmann's statutory report on corporate governance for the 2013 financial year, pursuant to section 107 b of the Danish Financial Statements Act, is available at corporategovernance2013.hartmann-packaging.com.

The report contains a detailed account of our management structure and a description of the key elements of our internal controls and risk management systems relating to our financial reporting. The report furthermore describes our position on the recommendations by the Danish Committee on Corporate Governance as implemented in NASDAQ OMX Copenhagen's Rules for issuers of shares. In 2013, we complied with the vast majority of the corporate governance recommendations, with the following exceptions:

- Our Board of Directors has not established a nomination committee.
- Our Board of Directors has not established a remuneration committee.

Management structure

Hartmann has a two-tier management structure consisting of the Board of Directors and the Executive Board. Our Board of Directors is elected by our shareholders and supervises our Executive Board. Our Board of Directors and our Executive Board are independent of each other.

Our Board of Directors is responsible for the overall management of the company and resolves matters relating to strategic development, budgets, risk factors, acquisitions and divestments as well as major development and investment projects. In addition, our Board of Directors determines the Executive Board's employment terms and salary, which consists of a fixed annual salary and a performance-related cash bonus. Hartmann's remuneration policy is available at investor.hartmann-packaging.com, and the remuneration paid for 2013 is specified in note 9 to the financial statements.

Our Executive Board is appointed by the Board of Directors and is responsible for the company's day-to-day management, including operational development, results of operation and internal development. Our Executive Board is responsible for implementing our strategy and the overall resolutions approved by the Board of Directors.

The Board of Directors has established an audit committee. The main duties of the committee are risk management, preparation of financial statements, financial reporting and internal controls. The committee consists of two board members or more and convenes at least five times a year and reports regularly to the Board of Directors.

Changes in 2013

At our annual general meeting held in April 2013, the shareholders elected Steen Parsholt as a new member of our Board of Directors. Peter-Ulrik Plesner did not seek re-election.

Michael Rohde Pedersen left the position as CEO in June 2013. In October 2013, Ulrik Kolding Hartvig was appointed CEO effective January 2014. CFO Marianne Rørslev Bock acted as interim CEO during the intermediate period.

BOARD OF DIRECTORS AND EXECUTIVE BOARD

BOARD OF DIRECTORS

Agnete Raaschou-Nielsen (1957)
Joined the Board of Directors in 2010
Chairman since 2010

Executive Vice President, COO of Aalborg Portland A/S until 2011. Former Managing Director of Zacco Denmark A/S, General Manager of Coca-Cola Tapperierne A/S and Group Vice President of Carlsberg A/S. Now only engages in board work and similar work.

Special expertise in the international processing industry, production, sales, management and treasury.

Directorships and other managerial positions
Chairman: The pension fund Juristernes og Økonomernes Pensionskasse as well as Arkil Holding A/S and one subsidiary.
Vice chairman: The investment fund Investeringsforeningen Danske Invest and five other investment funds and Novozymes A/S.
Board member: Aktieselskabet Schouw & Co., Dalhoff Larsen & Horneman A/S, Danske Invest Management A/S, DLH Fonden and Solar A/S.

No. of shares held: 2,000

Walther Vishof Paulsen (1949)
Joined the Board of Directors in 2005
Vice Chairman since 2005
Chairman of the audit committee

CFO and member of the Executive Board of Carlsberg A/S until 2000. Now only engages in board work and similar work.

Special expertise in general management, treasury and finance.

Directorships and other managerial positions
Board member: Arkil Holding A/S and one subsidiary, Det Obelske Familiefond, Gerda og Victor B. Strands Fond (Toms Gruppens Fond) and the investment fund Investeringsforeningen Danske Invest and five other investment funds.

No. of shares held: 1,255

Niels Hermansen (1953)
Joined the Board of Directors in 2006

CEO of Stjerneskansen Holding ApS. Managing Director of packaging company Neoplex/Mondi Packaging Nyborg A/S until 2005 and, before that, Managing Director of Fritz Hansen A/S. Now only engages in board work and similar work.

Special expertise in general business management in the processing and packaging industries.

Directorships and other managerial positions
Chairman: Dinex A/S, Idavang A/S, Fredericia Furniture A/S, Færch Plast A/S and Signal Clothing A/S.
Vice chairman: Vikan A/S.
Board member: Færch Holding ApS, Nito A/S, Stjerneskansen Holding A/S, Vissing Holding A/S and Vissingfonden.

No. of shares held: 0

Jørn Mørkeberg Nielsen (1961)
Joined the Board of Directors in 2011
Member of the audit committee

CEO of Xilco Holding CH AG (parent company of Sonion A/S).

Special expertise in international management, innovation management, business-to-business sales and marketing, production optimisation and financial management.

Directorships and other managerial positions
Chairman: Five subsidiaries of Xilco Holding CH AG.

No. of shares held: 2,700

BOARD OF DIRECTORS, cont'd

Steen Parsholt (1951)
Joined the Board of Directors in 2013
Member of the audit committee

Nordic head of Aon and member of its European management team until 2005. Former Group CEO of NCM Holding, Amsterdam, and Citibank, including as CEO in Denmark. Now only engages in board work and similar work.

Special expertise in international management, treasury and finance.

Directorships and other managerial positions
Chairman: Ejendomsselskabet Vestio A/S, Equinox Global Ltd. (UK) and Holger Fenberg Invest A/S.
Vice chairman: SFK Le Blanc A/S.
Board member: Advis A/S, Altius Invest A/S, Landic Property Bonds I A/S and two subsidiaries and Unwire ApS.

No. of shares held: 2,781

Jan Peter Antonisen* (1965)
Joined the Board of Directors in 2008

Team Leader Substitute at Brødrene Hartmann A/S in Tønder, Denmark, since 1993.

No. of shares held: 0

Niels Christian Petersen* (1954)
Joined the Board of Directors in 2010

Service Operator at Brødrene Hartmann A/S in Tønder, Denmark, since 1988.

No. of shares held: 72

EXECUTIVE BOARD

Ulrik Kolding Hartvig (1969)
CEO of Brødrene Hartmann A/S since 1 January 2014. Has previously held management positions in Denmark and abroad in Danish industrial companies operating internationally. Prior to joining Hartmann, Senior Vice President of FLSmidth in charge of Global Customer Services Cement.

Directorships and other managerial positions
Board member: Handelsbanken, branch of Svenska Handelsbanken AB (publ), Sweden.

No. of shares held: 3,000

Marianne Rørslev Bock (1963)
CFO of Brødrene Hartmann A/S since 2012. Extensive international management experience and strong expertise in finance, treasury, taxation and IT. Prior to joining Hartmann, Senior Vice President Corporate Finance of Danisco. State-authorised Public Accountant.

Directorships and other managerial positions
Board member: Kemp & Lauritzen A/S.

No. of shares held: 1,250

* Board member elected by the employees for the period until the annual general meeting to be held on 8 April 2014.

FINANCIAL STATEMENTS

Consolidated and parent company financial statements

STATEMENT OF COMPREHENSIVE INCOME

DKKm

		Group		Parent company	
Note		2013	2012	2013	2012
5	Revenue	1,578.8	1,544.1	1,250.5	1,209.8
6, 9	Production costs	(1,085.1)	(1,089.6)	(979.8)	(976.1)
	Gross profit/(loss)	**493.7**	**454.5**	**270.7**	**233.7**
7, 9	Selling and distribution costs	(283.5)	(284.8)	(181.5)	(187.4)
8, 9	Administrative expenses	(64.5)	(57.8)	(56.4)	(50.2)
10	Other operating income	2.8	2.5	2.6	2.2
10	Other operating expenses	(0.1)	0.0	0.0	0.0
	Operating profit/(loss) before special items	**148.4**	**114.4**	**35.4**	**(1.7)**
11	Special items	(38.9)	0.0	(27.0)	0.0
	Operating profit/(loss)	**109.5**	**114.4**	**8.4**	**(1.7)**
20	Profit/(loss) after tax in associates	0.1	0.0	-	-
12	Financial income	2.6	8.5	284.3	90.0
12	Financial expenses	(17.1)	(16.2)	(32.9)	(18.8)
	Profit/(loss) before tax	**95.1**	**106.7**	**259.8**	**69.5**
13	Tax on profit/(loss) for the year	(9.2)	(14.2)	(66.2)	1.3
	Profit/(loss) for the year	**85.9**	**92.5**	**193.6**	**70.8**
	Items that cannot be reclassified to profit or loss				
26	Actuarial gains/(losses) on pension obligations	13.1	(12.5)	0.0	0.0
13	Tax	(3.5)	3.2	0.0	0.0
	Items that can be reclassified to profit or loss:				
	Foreign exchange adjustment of:				
	Foreign subsidiaries	(20.6)	17.6	-	-
	Equity-like loans to subsidiaries	0.9	(0.1)	-	-
	Value adjustment of hedging instruments:				
	Recognised in other comprehensive income	0.3	3.6	1.3	2.3
	Transferred to revenue	0.7	(5.8)	(2.6)	(6.0)
	Transferred to production costs	(1.6)	5.9	1.6	5.9
	Transferred to financial income and expenses	3.0	0.8	3.0	0.8
13	Tax	(0.8)	(1.2)	(0.8)	(0.7)
	Other comprehensive income after tax	**(8.5)**	**11.5**	**2.5**	**2.3**
	Comprehensive income	**77.4**	**104.0**	**196.1**	**73.1**
14	Earnings per share, DKK	12.4	13.4	-	-
14	Earnings per share, DKK, diluted	12.4	13.4	-	-

STATEMENT OF CASH FLOWS

DKKm

		Group		Parent company	
Note		2013	2012	2013	2012
	Operating profit/(loss) before special items	148.4	114.4	35.4	(1.7)
	Depreciation and amortisation	77.0	84.5	34.1	32.8
15	Adjustment for other non-cash items	(0.1)	(0.3)	0.0	0.0
15	Change in working capital	(15.7)	(13.8)	(110.3)	(11.7)
	Restructuring costs etc. paid	(12.0)	(2.4)	(10.8)	0.0
	Cash generated from operations	**197.6**	**182.4**	**(51.6)**	**19.4**
	Interest etc. received	2.6	6.3	1.7	5.2
	Interest etc. paid	(11.6)	(18.7)	(9.8)	(15.0)
	Net income tax paid	(10.8)	(16.6)	(0.6)	(1.1)
	Cash flows from operating activities	**177.8**	**153.4**	**(60.3)**	**8.5**
	Disposals of property, plant and equipment	0.9	0.6	4.0	5.9
	Acquisitions of property, plant and equipment	(115.2)	(62.1)	(28.1)	(59.1)
	Dividend received from subsidiaries	-	-	201.0	80.7
	Government grants received	2.5	4.5	0.0	0.0
	Capital injections in subsidiaries	-	-	0.0	0.0
	Cash flows from investing activities	**(111.8)**	**(57.0)**	**176.9**	**27.5**
	Cash flows from operating and investing activities	**66.0**	**96.4**	**116.6**	**36.0**
	Raising of non-current debt	39.9	83.3	39.9	83.3
	Repayment of non-current debt	(59.8)	(65.1)	(59.8)	(65.1)
	Subsidiaries' raising of non-current loans	-	-	(127.2)	(35.5)
	Subsidiaries' repayment of non-current loans	-	-	111.1	71.4
	Dividend paid	(65.7)	(64.0)	(65.7)	(64.0)
	Cash flows from financing activities	**(85.6)**	**(45.8)**	**(101.7)**	**(9.9)**
	Total cash flows	**(19.6)**	**50.6**	**14.9**	**26.1**
	Cash and bank debt at 1 January	66.4	13.8	1.2	(26.4)
	Foreign exchange adjustment	(1.1)	2.0	(0.7)	1.5
	Cash and bank debt at 31 December	**45.7**	**66.4**	**15.4**	**1.2**
	Recognition of cash and bank debt at 31 December:				
	Cash	45.7	77.0	15.4	11.8
	Overdraft facilities	0.0	(10.6)	0.0	(10.6)
		45.7	**66.4**	**15.4**	**1.2**

The statement of cash flows cannot be derived solely from the published financial information.

BALANCE SHEET ASSETS

DKKm

Note		Group 2013	Group 2012	Parent company 2013	Parent company 2012
	Goodwill	10.7	10.7	10.7	10.7
	Other intangible assets	1.5	3.8	1.5	3.8
16	**Intangible assets**	**12.2**	**14.5**	**12.2**	**14.5**
	Land and buildings	152.1	167.1	23.0	25.7
	Technical plant and machinery	316.0	332.3	125.2	123.3
	Fixtures and fittings, tools and equipment	5.9	6.5	2.6	2.7
	Technical plant under construction	61.0	18.1	5.6	13.1
17	**Property, plant and equipment**	**535.0**	**524.0**	**156.4**	**164.8**
18	Investments in subsidiaries	-	-	385.5	316.2
19	Receivables from subsidiaries	-	-	85.3	69.2
20	Investments in associates	1.8	1.7	0.3	0.3
21	Other receivables	9.2	10.8	0.0	0.0
22	Deferred tax	100.2	92.9	0.0	53.9
	Other non-current assets	**111.2**	**105.4**	**471.1**	**439.6**
	Non-current assets	**658.4**	**643.9**	**639.7**	**618.9**
23	Inventories	112.0	130.7	48.3	61.6
24	Trade receivables	262.3	238.2	204.2	185.2
	Receivables from subsidiaries	-	-	45.8	26.6
	Income tax	4.2	7.1	1.1	1.1
	Other receivables	37.7	38.7	18.8	14.6
	Prepayments	5.5	5.8	4.0	4.5
	Cash	45.7	77.0	15.4	11.8
	Current assets	**467.4**	**497.5**	**337.6**	**305.4**
	Assets	**1,125.8**	**1,141.4**	**977.3**	**924.3**

BALANCE SHEET
EQUITY AND LIABILITIES

DKKm

		Group		Parent company	
Note		2013	2012	2013	2012
25	Share capital	140.3	140.3	140.3	140.3
	Hedging reserve	(3.0)	(4.8)	(1.8)	(4.3)
	Translation reserve	(57.0)	(37.1)	-	-
	Proposed dividend	65.7	65.7	65.7	65.7
	Retained earnings	465.9	436.1	320.5	192.6
	Equity	**611.9**	**600.2**	**524.7**	**394.3**
22	Deferred tax	21.8	15.2	12.6	0.0
26	Pension obligations	31.0	46.8	0.0	0.0
	Credit institutions	184.1	203.1	184.1	203.1
27	Government grants	19.6	22.2	3.4	4.1
	Other payables	0.0	1.5	0.0	1.5
	Non-current liabilities	**256.5**	**288.8**	**200.1**	**208.7**
27	Government grants	2.8	3.1	0.7	0.7
	Overdraft facilities	0.0	10.6	0.0	10.6
	Prepayments from customers	0.1	12.1	0.0	12.1
	Trade payables	117.0	120.0	66.7	66.9
	Payables to subsidiaries	-	-	97.5	165.6
	Payables to associates	4.6	2.0	4.6	2.0
	Income tax	5.7	0.3	0.0	0.0
28	Provisions	18.2	2.2	18.2	2.2
29	Other payables	109.0	102.1	64.8	61.2
	Current liabilities	**257.4**	**252.4**	**252.5**	**321.3**
	Liabilities	**513.9**	**541.2**	**452.6**	**530.0**
	Equity and liabilities	**1,125.8**	**1,141.4**	**977.3**	**924.3**

STATEMENT OF CHANGES IN EQUITY

DKKm

Group	Share capital	Hedging reserve	Translation reserve	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2013	**140.3**	**(4.8)**	**(37.1)**	**65.7**	**436.1**	**600.2**
Profit/(loss) for the year	**-**	**-**	**-**	**65.7**	**20.2**	**85.9**
Other comprehensive income						
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	13.1	13.1
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	(20.6)	-	-	(20.6)
Equity-like loans to subsidiaries	-	-	0.9	-	-	0.9
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	0.3	-	-	-	0.3
Transferred to revenue	-	0.7	-	-	-	0.7
Transferred to production costs	-	(1.6)	-	-	-	(1.6)
Transferred to financial income and expenses	-	3.0	-	-	-	3.0
Tax	-	(0.6)	(0.2)	-	(3.5)	(4.3)
	0.0	**1.8**	**(19.9)**	**0.0**	**9.6**	**(8.5)**
Total comprehensive income	**0.0**	**1.8**	**(19.9)**	**65.7**	**29.8**	**77.4**
Transactions with owners						
Dividend paid	-	-	-	(65.7)	-	(65.7)
Changes in equity in 2013	**0.0**	**1.8**	**(19.9)**	**0.0**	**29.8**	**11.7**
Equity at 31 December 2013	**140.3**	**(3.0)**	**(57.0)**	**65.7**	**465.9**	**611.9**

Equity at 1 January 2012	**140.3**	**(8.1)**	**(54.6)**	**64.0**	**418.6**	**560.2**
Profit/(loss) for the year	**-**	**-**	**-**	**65.7**	**26.8**	**92.5**
Other comprehensive income						
Actuarial losses on pension obligations	-	-	-	-	(12.5)	(12.5)
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	17.6	-	-	17.6
Equity-like loans to subsidiaries	-	-	(0.1)	-	-	(0.1)
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	3.6	-	-	-	3.6
Transferred to revenue	-	(5.8)	-	-	-	(5.8)
Transferred to production costs	-	5.9	-	-	-	5.9
Transferred to financial income and expenses	-	0.8	-	-	-	0.8
Tax on other comprehensive income	-	(1.2)	0.0	-	3.2	2.0
	0.0	**3.3**	**17.5**	**0.0**	**(9.3)**	**11.5**
Total comprehensive income	**0.0**	**3.3**	**17.5**	**65.7**	**17.5**	**104.0**
Transactions with owners						
Dividend paid	-	-	-	(64.0)	-	(64.0)
Changes in equity in 2012	**0.0**	**3.3**	**17.5**	**1.7**	**17.5**	**40.0**
Equity at 31 December 2012	**140.3**	**(4.8)**	**(37.1)**	**65.7**	**436.1**	**600.2**

STATEMENT OF CHANGES IN EQUITY

DKKm

Parent company	Share capital	Hedging reserve	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2013	140.3	(4.3)	65.7	192.6	394.3
Profit/(loss) for the year	-	-	65.7	127.9	193.6
Other comprehensive income					
Value adjustment of hedging instruments:					
Recognised in other comprehensive income	-	1.3	-	-	1.3
Transferred to revenue	-	(2.6)	-	-	(2.6)
Transferred to production costs	-	1.6	-	-	1.6
Transferred to financial income and expenses	-	3.0	-	-	3.0
Tax on other comprehensive income	-	(0.8)	-	-	(0.8)
	0.0	2.5	0.0	0.0	2.5
Total comprehensive income	0.0	2.5	65.7	127.9	196.1
Transactions with owners					
Dividend paid	-	-	(65.7)	-	(65.7)
Changes in equity in 2013	0.0	2.5	0.0	127.9	130.4
Equity at 31 December 2013	140.3	(1.8)	65.7	320.5	524.7

Equity at 1 January 2012	140.3	(6.6)	64.0	187.5	385.2
Profit/(loss) for the year	-	-	65.7	5.1	70.8
Other comprehensive income					
Value adjustment of hedging instruments:					
Recognised in other comprehensive income	-	2.3	-	-	2.3
Transferred to revenue	-	(6.0)	-	-	(6.0)
Transferred to production costs	-	5.9	-	-	5.9
Transferred to financial income and expenses	-	0.8	-	-	0.8
Tax on other comprehensive income	-	(0.7)	-	-	(0.7)
	0.0	2.3	0.0	0.0	2.3
Total comprehensive income	0.0	2.3	65.7	5.1	73.1
Transactions with owners					
Dividend paid	-	-	(64.0)	-	(64.0)
Changes in equity in 2012	0.0	2.3	1.7	5.1	9.1
Equity at 31 December 2012	140.3	(4.3)	65.7	192.6	394.3

NOTES

Notes – Statement of comprehensive income

Notes – Statement of cash flows

Notes – Balance sheet

Notes without reference

NOTES

01 BASIS OF PREPARATION

The consolidated financial statements and the parent company financial statements for the year ended 31 December 2013 of the group and Brødrene Hartmann A/S, respectively, have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of listed companies, cf. the Danish Statutory Order on Adoption of IFRS issued in pursuance of the Danish Financial Statements Act. Brødrene Hartmann A/S is a public limited company and has its registered office in Denmark.

The consolidated financial statements and the parent company financial statements are presented in Danish kroner (DKK), which is the presentation currency used for the group's operations and the functional currency of the parent company.

The consolidated financial statements and the parent company financial statements are prepared on the basis of the historical cost convention, with the exception of derivative financial instruments, which are measured at fair value.

The accounting policies, which are described in note 38 to the financial statements, have been consistently applied for the financial year and for the comparative figures.

02 ACCOUNTING REGULATIONS

New financial reporting standards and interpretations in 2013
Hartmann has implemented all new and revised financial reporting standards and interpretations adopted by the EU that are effective for financial years beginning on or after 1 January 2013. Hartmann has assessed that the new and revised standards and interpretations that are effective for financial years beginning on or after 1 January 2013 are either not relevant to the group or the parent company, or not of significant importance.

New financial reporting standards which have not yet come into force and which have not been prospectively implemented
The IASB has issued a number of financial reporting standards, amendments and interpretations with which the group and the parent company must comply for financial years beginning on or after 1 January 2014.

The financial reporting standards, amendments and interpretations which have not yet come into force are not considered to significantly affect the consolidated financial statements or the parent company in future financial years.

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03 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the group's and the parent company's accounting policies, management is required to make judgments, estimates and assumptions concerning the carrying amount of assets and liabilities which cannot be immediately inferred from other sources.

The judgments, estimates and assumptions made are based on historical experience and other relevant factors which management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable.

The estimates and underlying assumptions are regularly assessed. Changes to accounting estimates are recognised in the reference period in which the change occurs and in future reference periods if the change affects the period in which it is made as well as subsequent reference periods.

Significant accounting estimates, assumptions and uncertainties

The recognition and measurement of assets and liabilities often depend on future events that are somewhat uncertain. In that connection, it is necessary to make an assumption that reflects management's assessment of the most probable course of events. In respect of the consolidated financial statements and the parent company financial statements, the following assumptions and uncertainties should especially be noted, as they had a significant influence on the assets and liabilities recognised in the consolidated financial statements and the parent company financial statements and may necessitate corrections in subsequent financial years if the assumed course of events fails to materialise as expected:

Recoverable amount of goodwill

Determining any need for impairment write-down of recognised goodwill requires a calculation of the values in use of the cash-generating units to which the goodwill amounts have been allocated. The calculation of value in use requires an estimate of the expected future cash flows of each cash-generating unit and the determination of a discount rate. The carrying amount of goodwill recognised in the consolidated financial statements amounted to DKK 10.7 million at 31 December 2013 (2012: DKK 10.7 million). For a detailed description of discount rates etc. see note 16.

Recoverable amount of the combined heat and power plant in Tønder

In 2008, district heating company Tønder Fjernvarme filed a complaint with the Danish Energy Regulatory Authority concerning the pricing of surplus heat from Hartmann's combined heat and power plant in Tønder, Denmark. In a preliminary advisory opinion issued on 8 May 2013, the Danish Energy Regulatory Authority ordered Hartmann to repay an excess payment of DKK 21 million. Hartmann disagrees with the preliminary opinion and has filed additional submissions with the authority. The authority has not yet made a decision in the matter. Once the Energy Regulatory Authority has made a decision, management will assess whether the matter should be brought before the Danish Energy Board of Appeal. Not later than when a final decision has been made will Hartmann's management reassess the basis of operation and the valuation of the plant. The valuation and the profitability of the continued operation of the combined heat and power plant depend on the price level determined in the final decision. The carrying amount of property, plant and equipment at 31 December 2013 relating to the plant was DKK 24.6 million.

Deferred tax assets

In the measurement of deferred tax assets, it is assessed whether, on the basis of budgets and operating plans, future earnings will allow the utilisation of the temporary differences between tax bases and carrying amounts or tax loss carry-forwards. The assessment also includes pending tax audits. The net carrying amount of deferred tax assets amounted to DKK 78.4 million at 31 December 2013 (2012: DKK 77.7 million). For a detailed description of the utilisation period etc., see note 22.

Recoverable amount of other non-current receivables

Determining the need for impairment write-down of recognised other non-current receivables which relate to government grants not yet received depends on a number of estimates and judgments. The carrying amount of other non-current receivables amounted to DKK 9.2 million at 31 December 2013 (2012: DKK 10.8 million) For a detailed description of the terms of the grants etc. see notes 21 and 27.

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04 SEGMENT INFORMATION

The reporting of business segments is in accordance with the internal reporting to the Executive Board and the Board of Directors. The Executive Board and the Board of Directors constitute the chief operating decision maker of Hartmann.

Hartmann's activities are segmented on the basis of the geographical location of the reporting units.

No operating segments have been aggregated to represent the reporting segments.

The internal management reporting complies with the group's accounting policies. Business-related decisions on resource allocation and performance evaluation for each of the segments are made on the basis of the operating profits of the individual segments before special items. Decisions relating to financing and taxation are made on the basis of information on Hartmann as a whole and are not allocated to the reporting segments. The pricing of inter-segment transactions is made on an arm's length basis.

Segment income and expenses as well as segment assets and liabilities comprise those items that in the internal management reporting are directly attributed to each individual segment and those items that are indirectly allocated to the individual segments on a reliable basis. Profits in associates, financial income and expenses, income taxes, investments in associates, tax assets and tax liabilities, and cash and cash equivalents and bank debt are not allocated to reporting segments.

The reporting segments are:

- **Europe** comprises production and sales of moulded-fibre packaging. Products are manufactured at factories in Europe (including Israel) and are primarily sold to egg producers, egg packing businesses, retail chains and buyers of industrial packaging. The segment also comprises sales of machinery for production of moulded-fibre packaging and the combined heat and power plant in Tønder, Denmark.

- **North America** comprises production and sales of moulded-fibre packaging. Products are primarily produced at the North American factory and sold to egg producers, egg packing businesses and retail chains.

Other segment information
External revenue is allocated to the geographical areas based on the geographical location of the customer. Allocation of intangible assets and property, plant and equipment is based on the geographical location of the assets.

No single customer accounts for more than 10% of external revenue.

Revenue from external customers attributable to a single foreign country is immaterial.

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04 SEGMENT INFORMATION CONT'D

OPERATIONS 2013

	Europe	North America	Total reporting segments
Moulded-fibre	1,172.1	291.8	1,463.9
Other revenue	114.9	0.0	114.9
Revenue	**1,287.0**	**291.8**	**1,578.8**
Operating profit/(loss) before special items	**109.1**	**63.1**	**172.2**
Other segment information			
Depreciation, amortisation and impairment	64.2	13.4	
Investments in intangible assets and property, plant and equipment	47.7	67.5	
Net working capital	142.6	12.7	
Invested capital	525.4	165.2	
Segment assets	771.4	204.0	975.4

GEOGRAPHICAL DISTRIBUTION 2013

	Denmark	Other Europe	North America	Other world	Total group
External revenue	103.3	1,063.2	298.5	113.8	1,578.8
Intangible assets and property, plant and equipment*	168.6	219.6	151.1	7.9	547.2

* Other Europe includes intangible assets and property, plant and equipment in Hungary of DKK 143.4 million.

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04 SEGMENT INFORMATION CONT'D

OPERATIONS 2012

	Europe	North America	Total reporting segments
Moulded-fibre	1,156.7	267.3	1,424.0
Other revenue	120.1	0.0	120.1
Revenue	**1,276.8**	**267.3**	**1,544.1**
Operating profit/(loss) before special items	**82.9**	**55.5**	**138.4**
Other segment information			
Depreciation, amortisation and impairment	72.7	12.4	
Investments in intangible assets and property, plant and equipment	49.2	12.9	
Net working capital	124.6	6.7	
Invested capital	540.3	116.9	
Segment assets	803.1	161.7	964.8

GEOGRAPHICAL DISTRIBUTION 2012

	Denmark	Other Europe	North America	Other world	Total group
External revenue	94.0	1,035.2	269.5	145.4	**1,544.1**
Intangible assets and property, plant and equipment*	179.2	241.9	108.2	9.2	**538.5**

* Other Europe includes intangible assets and property, plant and equipment in Hungary of DKK 142.0 million.

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04 SEGMENT INFORMATION CONT'D

RECONCILIATION

	2013	2012
Revenue		
Revenue for reporting segments	1,578.8	1,544.1
Revenue, cf. financial statements	**1,578.8**	**1,544.1**
Performance targets		
Operating profit/(loss) before special items for reporting segments	172.2	138.4
Non-allocated corporate functions	(24.4)	(24.6)
Eliminations	0.6	0.6
Operating profit/(loss) before special items, cf. financial statements	148.4	114.4
Special items	(38.9)	0.0
Operating profit/(loss), cf. financial statements	109.5	114.4
Profit/(loss) after tax in associates	0.1	0.0
Financial income	2.6	8.5
Financial expenses	(17.1)	(16.2)
Profit/(loss) before tax, cf. financial statements	**95.1**	**106.7**
Assets		
Assets for reporting segments	975.4	964.8
Non-allocated assets	151.9	178.7
Eliminations	(1.5)	(2.1)
Assets, cf. financial statements	**1,125.8**	**1,141.4**

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05 REVENUE

	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Value of goods sold	1,577.0	1,549.8	1,246.8	1,215.7
Value of services sold	1.1	0.1	1.1	0.1
Value adjustment of derivative financial instruments	0.7	(5.8)	2.6	(6.0)
Revenue	**1,578.8**	**1,544.1**	**1,250.5**	**1,209.8**

06 PRODUCTION COSTS

	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Cost of sales for the year	773.2	770.8	856.1	859.9
Staff costs included in cost of sales	(215.9)	(214.1)	(92.6)	(91.5)
Inventory write-downs for the year	1.1	2.3	0.0	1.3
Reversed inventory write-downs	(0.3)	0.0	(0.3)	0.0
Staff costs, cf. note 9	322.5	327.1	140.6	143.6
Depreciation and impairment, cf. note 17	74.2	76.1	31.7	25.1
Other production costs	128.7	133.3	42.7	43.6
Value adjustment of derivative financial instruments	1.6	(5.9)	1.6	(5.9)
Production costs	**1,085.1**	**1,089.6**	**979.8**	**976.1**

07 SELLING AND DISTRIBUTION COSTS

	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Staff costs, cf. note 9	71.1	64.9	15.8	14.4
Depreciation and impairment, cf. note 17	0.4	5.8	0.0	5.1
Other selling and distribution costs	212.0	214.1	165.7	167.9
Selling and distribution costs	**283.5**	**284.8**	**181.5**	**187.4**

08 ADMINISTRATIVE EXPENSES

	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Staff costs, cf. note 9	44.9	43.6	39.9	37.3
Depreciation, amortisation and impairment, cf. notes 16 and 17	2.4	2.6	2.4	2.6
Other administrative expenses	17.2	11.6	14.1	10.3
Administrative expenses	**64.5**	**57.8**	**56.4**	**50.2**

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09 STAFF COSTS

	Group		Parent company	
	2013	2012	2013	2012
Wages, salaries and remuneration	394.1	380.4	194.2	176.2
Pension costs, defined benefit plans	3.3	3.0	0.0	0.0
Pension contributions, defined contribution plans	36.3	34.7	17.2	15.7
Other social security costs	21.9	17.5	2.0	3.4
Staff costs	**455.6**	**435.6**	**213.4**	**195.3**
Recognition of staff costs in the financial statements:				
Production costs	322.5	327.1	140.6	143.6
Selling and distribution costs	71.1	64.9	15.8	14.4
Administrative expenses	44.9	43.6	39.9	37.3
Special costs	17.1	0.0	17.1	0.0
	455.6	**435.6**	**213.4**	**195.3**
Number of employees				
Average no. of full-time employees	1,487	1,506	423	426

For information about pension obligations, see note 26.

REMUNERATION OF MEMBERS OF THE EXECUTIVE BOARD

The remuneration of members of the Executive Board is based on a fixed salary, defined contribution pension, bonus and other benefits in the form of company car and phone. Bonuses are allocated on an individual basis and are performance-related.

Members of Hartmann's Executive Board are entitled to a notice of termination of 12 months on the part of Hartmann. In the event of a change of ownership of a controlling interest in the company, their notice of termination will be extended to 18 months (24 months in the case of Marianne Rørslev Bock) effective from the date when the shareholding is sold. The extended notice will apply until 18 months after the transfer.

On 18 December 2012, Thornico A/S and related parties reached a shareholding of 68.5% in Brødrene Hartmann A/S and thus obtained a controlling interest in the company. Marianne Rørslev Bock is entitled to the extended notice of termination until 18 June 2014.

	Salary*	Bonus	Pension	Other benefits	Total
2013					
Michael Rohde Pedersen (resigned on 30 June 2013)	7.0	0.0	0.2	0.1	7.3
Marianne Rørslev Bock	2.3	0.5	0.2	0.2	3.2
	9.3	**0.5**	**0.4**	**0.3**	**10.5**

* The salary paid to Michael Rohde Pedersen includes a severance payment of DKK 5.6 million. The salary paid to Marianne Rørslev Bock includes DKK 0.6 million for undertaking the function as interim CEO.

	Salary*	Bonus	Pension	Other benefits	Total
2012					
Michael Rohde Pedersen	2.7	0.0	0.3	0.3	3.3
Marianne Rørslev Bock (appointed on 18 April 2012)	1.3	0.0	0.1	0.0	1.4
Claus Frees Sørensen (resigned on 18 April 2012)	1.0	0.0	0.1	0.1	1.2
	5.0	**0.0**	**0.5**	**0.4**	**5.9**

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09 STAFF COSTS CONT'D

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration paid to the Board of Directors is a fixed fee which is approved by the shareholders at the annual general meeting. Ordinary board members each receive an annual fee of DKK 200,000. The vice chairman receives a fee equal to the ordinary fee multiplied by two, and the chairman receives a fee equal to the ordinary fee multiplied by three.

	2013	2012
Chairman	0.6	0.6
Vice chairman	0.4	0.4
Ordinary board members	1.0	1.0
	2.0	**2.0**

REMUNERATION OF THE AUDIT COMMITTEE

The remuneration paid to the members of the audit committee is a fixed fee which is approved by the shareholders at the annual general meeting. Ordinary committee members each receive an annual fee of DKK 100,000. The chairman receives a fee equal to the ordinary fee multiplied by two. If the chairman is also the vice chairman of the Board of Directors, the chairman will only receive the fee paid to ordinary committee members.

	2013	2012
Chairman	0.1	0.1
Ordinary board members	0.2	0.1
	0.3	**0.2**

SHARES HELD BY MEMBERS OF THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

	No. of shares			
	01.01.2013	Purchased	Sold	31.12.2013
Executive Board				
Ulrik Kolding Hartvig	0	3,000	0	3,000
Marianne Rørslev Bock	0	1,250	0	1,250
Board of Directors				
Agnete Raaschou-Nielsen	2,000	0	0	2,000
Walther V. Paulsen	1,255	0	0	1,255
Jan Peter Antonisen	0	0	0	0
Niels Hermansen	0	0	0	0
Jørn Mørkeberg Nielsen	2,700	0	0	2,700
Steen Parsholt	0	2,781	0	2,781
Niels Christian Petersen	72	0	0	72

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10 OTHER OPERATING INCOME AND OPERATING EXPENSES

	Group		Parent company	
	2013	2012	2013	2012
Gains on the sale of intangible assets and property, plant and equipment	0.2	0.3	0.0	0.0
Licence fees	2.6	2.2	2.6	2.2
Other operating income	**2.8**	**2.5**	**2.6**	**2.2**
Loss on the sale of property, plant and equipment	0.1	0.0	0.0	0.0
Other operating expenses	**0.1**	**0.0**	**0.0**	**0.0**
Other operating income and operating expenses	**2.7**	**2.5**	**2.6**	**2.2**

11 SPECIAL ITEMS

	Group		Parent company	
	2013	2012	2013	2012
Impairment of property, plant and equipment	11.9	0.0	0.0	0.0
Demolition and clearing costs	6.6	0.0	6.6	0.0
Severance payments	17.1	0.0	17.1	0.0
Other costs relating to closure of factory	3.3	0.0	3.3	0.0
Special costs	**38.9**	**0.0**	**27.0**	**0.0**
Special items	**(38.9)**	**0.0**	**(27.0)**	**0.0**
If special items had been recognised in operating profit before special items, they would have been recognised in the following items in the statement of comprehensive income:				
Production costs	(26.4)	0.0	(14.5)	0.0
Selling and distribution costs	(1.1)	0.0	(1.1)	0.0
Administrative expenses	(11.4)	0.0	(11.4)	0.0
	(38.9)	**0.0**	**(27.0)**	**0.0**

Items of a special nature relative to the group's earnings-generating operating activities have been recognised as special items for purposes of comparability in the statement of comprehensive income and for purposes of providing a clearer presentation of the group's operating profit.

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12 FINANCIAL INCOME AND EXPENSES

	Group		Parent company	
	2013	2012	2013	2012
Interest income, subsidiaries	-	-	1.2	2.4
Interest income, cash and cash equivalents, etc.	0.8	1.0	0.5	0.6
Other interest income	0.8	2.8	0.0	2.2
Interest income from financial assets not measured at fair value through profit or loss	**1.6**	**3.8**	**1.7**	**5.2**
Dividend from subsidiaries	-	-	201.0	80.7
Reversal of prior-year impairment of investments in subsidiaries	-	-	81.6	0.0
Foreign exchange gains, net	0.0	4.5	0.0	4.1
Interest rate effect on discounting of non-current receivables	1.0	0.2	0.0	0.0
Financial income	**2.6**	**8.5**	**284.3**	**90.0**
Interest expenses, subsidiaries	-	-	1.3	2.3
Interest expenses, credit institutions	4.1	10.4	4.0	10.3
Net interest on defined benefit plans; see note 26	1.5	1.8	-	-
Other costs	3.0	3.2	1.9	1.6
Interest expenses from financial liabilities not measured at fair value through profit or loss	**8.6**	**15.4**	**7.2**	**14.2**
Impairment of investments in subsidiaries	-	-	12.3	3.8
Foreign exchange losses, net	5.5	0.0	10.4	0.0
Value adjustment of derivative financial instruments	3.0	0.8	3.0	0.8
Financial expenses	**17.1**	**16.2**	**32.9**	**18.8**
Financial income and expenses	**(14.5)**	**(7.7)**	**251.4**	**71.2**

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13 TAX ON PROFIT/(LOSS) FOR THE YEAR

	Group		Parent company	
	2013	2012	2013	2012
Breakdown of tax for the year:				
Tax on profit/(loss) for the year	9.2	14.2	66.2	(1.3)
Tax on other comprehensive income	4.3	(2.0)	0.8	0.7
	13.5	**12.2**	**67.0**	**(0.6)**
Tax on profit/(loss) for the year has been calculated as follows:				
Current tax	12.5	15.4	0.8	1.7
Current tax, joint taxation contributions	(1.1)	0.0	(1.1)	0.0
Change in deferred tax	(7.6)	(1.5)	65.7	(4.4)
Change in income tax rate	(0.3)	(1.1)	0.0	0.0
Tax relating to prior years	5.7	1.4	0.8	1.4
	9.2	**14.2**	**66.2**	**(1.3)**
Tax on profit/(loss) for the year can be specified as follows:				
Profit/(loss) before tax	95.1	106.7	259.8	69.5
Dividend from subsidiaries and associates	-	-	(201.0)	(80.7)
Reversal of prior-year impairment of investments in subsidiaries	-	-	(81.6)	0.0
Impairment of investments in subsidiaries	-	-	12.3	3.9
	95.1	**106.7**	**(10.5)**	**7.3**
Tax charged at 25%	23.8	26.7	(2.6)	(1.8)
Adjustment of tax calculated for foreign subsidiaries in relation to 25%	(0.7)	(1.4)	-	-
Tax effect of:				
Change in income tax rate	(0.3)	(1.1)	0.0	0.0
Recognised deferred tax assets in foreign subsidiaries	(22.2)	(16.4)	0.0	0.0
Non-taxable income and non-deductible expenses	0.4	0.1	0.1	0.2
Change in valuation of net tax assets	4.6	10.4	0.0	0.0
Value of increased depreciation base for tax purposes	(1.3)	0.0	(1.3)	0.0
Other tax costs	0.0	0.1	0.2	0.2
Tax relating to prior years	4.9	(4.2)	69.8	0.1
	9.2	**14.2**	**66.2**	**(1.3)**
Effective tax rate	**10**	**13**	**-**	**18**
Tax on other comprehensive income:				
Actuarial gains/(losses) on pension obligations	3.5	(3.2)	0.0	0.0
Foreign exchange adjustment of equity-like loans to subsidiaries	0.2	0.0	0.0	0.0
Value adjustment of hedging instruments:				
Recognised in other comprehensive income	0.0	0.9	0.3	0.5
Transferred to revenue	0.2	(1.4)	(0.7)	(1.5)
Transferred to production costs	(0.4)	1.5	0.4	1.5
Transferred to financial income and expenses	0.8	0.2	0.8	0.2
	4.3	**(2.0)**	**0.8**	**0.7**

Tax relating to prior years in the parent company of DKK 69.8 million was impacted by the anticipated effect of an ongoing tax audit of the group's transfer prices in prior financial years. Corresponding adjustments are expected for the individual subsidiaries.

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14 EARNINGS PER SHARE

	Group	
	2013	2012
Average no. of shares	7,015,090	7,015,090
Average no. of treasury shares	(100,000)	(100,000)
Average no. of shares in circulation	**6,915,090**	**6,915,090**
Average dilutive effect of outstanding subscription rights	0	0
Average no. of shares, diluted	**6,915,090**	**6,915,090**
Profit/(loss) for the year attributable to the shareholders of Brødrene Hartmann A/S	**85.9**	**92.5**
Earnings per share, DKK	12.4	13.4
Earnings per share, DKK, diluted	12.4	13.4

15 CASH FLOWS

	Group		Parent company	
	2013	2012	2013	2012
Profits/(losses) from sales of intangible assets and property, plant and equipment	0.1	0.3	0.0	0.0
Adjustment for other non-cash items	**0.1**	**0.3**	**0.0**	**0.0**
Inventories	16.0	(10.1)	13.3	(11.5)
Receivables	(25.8)	3.1	(41.7)	4.9
Trade payables	(0.7)	0.1	(0.2)	1.2
Prepayments from customers	(12.0)	(12.3)	(12.1)	(12.0)
Other payables etc.	7.7	7.4	(69.6)	5.7
Pension obligations	(0.9)	(2.0)	0.0	0.0
Change in working capital	**(15.7)**	**(13.8)**	**(110.3)**	**(11.7)**

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16 INTANGIBLE ASSETS

Group and parent company	Goodwill	Other intangible assets	Total
Cost at 1 January 2013	22.8	12.9	35.7
Cost at 31 December 2013	**22.8**	**12.9**	**35.7**
Amortisation and impairment at 1 January 2013	12.1	9.1	21.2
Amortisation	0.0	2.3	2.3
Amortisation and impairment at 31 December 2013	**12.1**	**11.4**	**23.5**
Carrying amount at 31 December 2013	**10.7**	**1.5**	**12.2**
Cost at 1 January 2012	22.8	12.9	35.7
Cost at 31 December 2012	**22.8**	**12.9**	**35.7**
Amortisation and impairment at 1 January 2012	12.1	6.6	18.7
Amortisation	0.0	2.5	2.5
Amortisation and impairment at 31 December 2012	**12.1**	**9.1**	**21.2**
Carrying amount at 31 December 2012	**10.7**	**3.8**	**14.5**

	Group and parent company	
	2013	2012
Amortisation is recognised in the statement of comprehensive income in the following items:		
Administrative expenses	2.3	2.5
	2.3	**2.5**

Goodwill

Goodwill has been allocated to the Europe segment.

Based on expected future net cash flows, management believes that the carrying amount of goodwill will not significantly exceed the recoverable amount. The estimate is based on the results achieved and the expected level of future earnings.

The recoverable amount is based on the value in use determined by means of expected net cash flows on the basis of approved budgets for 2014 and forecasts for the period 2015-2018 and by using a pre-tax discount rate of 10% (2012: 10%) which takes into account the specific risks characterising the European market. The calculation is not based on significant growth assumptions.

Other intangible assets

In 2013, development costs totalled DKK 0.2 million (2012: DKK 2.0 million), which are recognised in the statement of comprehensive income under Selling and distribution costs.

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17 PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Technical plant under construction	Total
Cost at 1 January 2013	396.6	1,671.9	93.6	18.1	2,180.2
Foreign exchange adjustment	(8.4)	(36.5)	(0.2)	0.0	(45.1)
Transfer	0.0	19.9	0.0	(18.1)	1.8
Additions	7.9	44.0	2.3	61.0	115.2
Disposals	(9.9)	(52.9)	(5.7)	0.0	(68.5)
Cost at 31 December 2013	**386.2**	**1,646.4**	**90.0**	**61.0**	**2,183.6**
Depreciation and impairment at 1 January 2013	229.5	1,339.6	87.1	0.0	1,656.2
Foreign exchange adjustment	(2.7)	(28.3)	0.1	0.0	(30.9)
Transfer	0.0	1.8	0.0	0.0	1.8
Impairment	5.2	6.7	0.0	0.0	11.9
Depreciation	12.0	62.7	2.6	0.0	77.3
Disposals	(9.9)	(52.1)	(5.7)	0.0	(67.7)
Depreciation and impairment at 31 December 2013	**234.1**	**1,330.4**	**84.1**	**0.0**	**1,648.6**
Carrying amount at 31 December 2013	**152.1**	**316.0**	**5.9**	**61.0**	**535.0**
Cost at 1 January 2012	375.7	1,667.0	90.6	14.1	2,147.4
Foreign exchange adjustment	5.8	29.7	1.0	0.0	36.5
Transfer	4.6	5.9	3.6	(14.1)	0.0
Additions	10.7	31.6	1.7	18.1	62.1
Disposals	(0.2)	(62.3)	(3.3)	0.0	(65.8)
Cost at 31 December 2012	**396.6**	**1,671.9**	**93.6**	**18.1**	**2,180.2**
Depreciation and impairment at 1 January 2012	213.2	1,318.7	83.1	0.0	1,615.0
Foreign exchange adjustment	1.9	18.0	0.8	0.0	20.7
Transfer	2.7	(5.5)	2.8	0.0	0.0
Depreciation	11.9	70.7	3.4	0.0	86.0
Disposals	(0.2)	(62.3)	(3.0)	0.0	(65.5)
Depreciation and impairment at 31 December 2012	**229.5**	**1,339.6**	**87.1**	**0.0**	**1,656.2**
Carrying amount at 31 December 2012	**167.1**	**332.3**	**6.5**	**18.1**	**524.0**

	Group 2013	Group 2012
Breakdown of depreciation:		
Impairment	11.9	0.0
Depreciation	77.3	86.0
Part of government grants recognised as income	(2.6)	(4.0)
	86.6	**82.0**
Depreciation is recognised in the statement of comprehensive income in the following items:		
Production costs	74.2	76.1
Selling and distribution costs	0.4	5.8
Administrative expenses	0.1	0.1
Special costs	11.9	0.0
	86.6	**82.0**

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17 PROPERTY, PLANT AND EQUIPMENT CONT'D

Parent	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Technical plant under construction	Total
Cost at 1 January 2013	166.2	773.0	63.8	13.1	1,016.1
Transfer	0.0	13.1	0.0	(13.1)	0.0
Additions	0.0	21.8	0.7	5.6	28.1
Disposals	0.0	(4.1)	0.0	0.0	(4.1)
Cost at 31 December 2013	**166.2**	**803.8**	**64.5**	**5.6**	**1,040.1**
Depreciation and impairment at 1 January 2013	140.5	649.7	61.1	0.0	851.3
Depreciation	2.7	29.0	0.8	0.0	32.5
Disposals	0.0	(0.1)	0.0	0.0	(0.1)
Depreciation and impairment at 31 December 2013	**143.2**	**678.6**	**61.9**	**0.0**	**883.7**
Carrying amount at 31 December 2013	**23.0**	**125.2**	**2.6**	**5.6**	**156.4**
Cost at 1 January 2012	166.2	806.9	62.9	0.7	1,036.7
Transfer	0.0	0.7	0.0	(0.7)	0.0
Additions	0.0	45.0	1.0	13.1	59.1
Disposals	0.0	(79.6)	(0.1)	0.0	(79.7)
Cost at 31 December 2012	**166.2**	**773.0**	**63.8**	**13.1**	**1,016.1**
Depreciation and impairment at 1 January 2012	137.7	696.3	60.0	0.0	894.0
Depreciation	2.8	27.1	1.2	0.0	31.1
Disposals	0.0	(73.7)	(0.1)	0.0	(73.8)
Depreciation and impairment at 31 December 2012	**140.5**	**649.7**	**61.1**	**0.0**	**851.3**
Carrying amount at 31 December 2012	**25.7**	**123.3**	**2.7**	**13.1**	**164.8**

	Parent company 2013	Parent company 2012
Breakdown of depreciation:		
Depreciation	32.5	31.1
Part of government grants recognised as income	(0.7)	(0.8)
	31.8	**30.3**
Depreciation is recognised in the statement of comprehensive income in the following items:		
Production costs	31.7	25.1
Selling and distribution costs	0.0	5.1
Administrative expenses	0.1	0.1
	31.8	**30.3**

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18 INVESTMENTS IN SUBSIDIARIES

	Parent company	
	2013	2012
Cost at 1 January	799.6	799.6
Disposals for the year	0.0	0.0
Cost at 31 December	**799.6**	**799.6**
Impairment at 1 January	483.4	479.6
Impairment write-downs for the year	12.3	3.8
Reversed impairment write-downs for the year	(81.6)	0.0
Impairment at 31 December	**414.1**	**483.4**
Carrying amount at 31 December	**385.5**	**316.2**

Impairment write-downs for the year of DKK 12.3 million were attributable to the write-down to recoverable amounts of investments as a result of distribution of dividends in the wholly-owned subsidiary Hartmann-Mai Ltd. (2012: DKK 3.8 million, Hartmann-Schwedt GmbH, Hartmann-Mai Ltd., Hartmann-Varkaus Oy) and the write-down of Hartmann-Varkaus Oy as a result of the decision to close the factory. Reversed impairment write-downs for the year relate to the North American activities.

Name	Registered office	Stake
Hartmann (UK) Ltd.	England	100%
Hartmann France S.a.r.l.	France	100%
Hartmann Verpackung AG	Switzerland	100%
Hartmann Italiana S.r.l. (in liquidation)	Italy	100%
Hartmann-Schwedt GmbH	Germany	100%
Hartmann Verpackung GmbH (subsidiary of Hartmann Schwedt GmbH)	Germany	100%
Hartmann-Hungary Kft.	Hungary	100%
Hartmann Pólska Sp. z o.o.	Poland	100%
Hartmann Finance A/S	Denmark	100%
Hartmann Papirna Ambalaža d.o.o.	Croatia	100%
Hartmann-Mai Ltd.	Israel	100%
Hartmann-Varkaus Oy	Finland	100%
Hartmann d.o.o.	Serbia	100%
Hartmann Canada Inc.	Canada	100%
Hartmann Dominion Inc. (subsidiary of Hartmann Canada Inc.)	Canada	100%
Hartmann USA Inc. (subsidiary of Hartmann Canada Inc.)	USA	100%

Brødrene Hartmann A/S has provided a parental company guarantee to Hartmann (UK) Ltd. As a result of this, Hartmann (UK) Ltd. has taken advantage of the audit exemption available under Section 479A of the British Companies Act 2006.

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19 RECEIVABLES FROM SUBSIDIARIES

	Parent company	
	2013	2012
Carrying amount at 1 January	69.2	104.8
Foreign exchange adjustment	0.0	0.3
Additions	127.2	35.5
Disposals	(111.1)	(71.4)
Carrying amount at 31 December	**85.3**	**69.2**

20 INVESTMENTS IN ASSOCIATES

	Group		Parent company	
	2013	2012	2013	2012
Cost at 1 January	0.3	0.3	0.3	0.3
Cost at 31 December	**0.3**	**0.3**	**0.3**	**0.3**
Value adjustments at 1 January	1.4	1.4	-	-
Dividend	0.0	0.0	-	-
Share of profit/(loss) for the year	0.1	0.0	-	-
Value adjustments at 31 December	**1.5**	**1.4**	**0.0**	**0.0**
Carrying amount at 31 December	**1.8**	**1.7**	**0.3**	**0.3**

2013

Name	Registered office	Stake	Gross profit	Profit for the year	Assets	Liabilities	Equity
DanFiber A/S	Søborg, Denmark	32.4%	4.9	0.1	19.3	13.9	5.4

2012

Name	Registered office	Stake	Gross profit	Profit for the year	Assets	Liabilities	Equity
DanFiber A/S	Søborg, Denmark	32.4%	4.9	0.2	21.0	15.7	5.3

Investments in associates are measured in the consolidated balance sheet using the equity method. In the parent company balance sheet, investments in associates are measured at historical cost.

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21 OTHER RECEIVABLES

	Group		Parent company	
	2013	2012	2013	2012
Carrying amount at 1 January	10.8	13.9	0.0	0.0
Foreign exchange adjustment	(0.2)	1.1	0.0	0.0
Additions	0.3	0.0	0.0	0.0
Disposals	(2.7)	(4.4)	0.0	0.0
Interest rate effect on discounting	1.0	0.2	0.0	0.0
Carrying amount at 31 December	**9.2**	**10.8**	**0.0**	**0.0**
Other non-current receivables are expected to fall due:				
In 1 year or less	2.4	2.3	0.0	0.0
In 1-5 years	6.8	8.5	0.0	0.0
	9.2	**10.8**	**0.0**	**0.0**

The assumptions applying to the tax grant receivable in the form of reduced tax payments in Hungary remained unchanged in 2013; see also note 27.

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22 DEFERRED TAX

TEMPORARY DIFFERENCES BETWEEN CARRYING AMOUNT AND TAX BASE

Group	Intangible assets	Property plant and equipment	Current assets	Liabil-ities	Other	Tax loss carried forward	Total
Deferred tax at 1 January 2013	2.1	(26.2)	(0.2)	(7.0)	21.2	(67.6)	(77.7)
Foreign exchange adjustment	0.0	2.3	0.2	0.4	(0.3)	0.0	2.6
Adjustment of deferred tax relating to prior years	(3.5)	3.6	0.0	0.0	0.0	(0.9)	(0.8)
Recognised in profit/(loss) for the year, net	(0.6)	4.6	(1.7)	(4.9)	(6.1)	1.9	(6.8)
Recognised through other comprehensive income, net 0.0	0.0	0.0	3.5	0.6	0.2	4.3	
Deferred tax at 31 December 2013	**(2.0)**	**(15.7)**	**(1.7)**	**(8.0)**	**15.4**	**(66.4)**	**(78.4)**
Deferred tax at 1 January 2012	2.7	(1.9)	2.3	(4.0)	15.9	(88.7)	(73.7)
Foreign exchange adjustment	0.0	0.8	0.0	0.0	(0.1)	(0.1)	0.6
Adjustment of deferred tax relating to prior years	0.0	(1.7)	(1.7)	(0.9)	0.0	(1.3)	(5.6)
Recognised in profit/(loss) for the year, net	(0.6)	(23.4)	(0.8)	1.1	4.2	22.5	3.0
Recognised through other comprehensive income, net	0.0	0.0	0.0	(3.2)	1.2	0.0	(2.0)
Deferred tax at 31 December 2012	**2.1**	**(26.2)**	**(0.2)**	**(7.0)**	**21.2**	**(67.6)**	**(77.7)**

Parent	Intangible assets	Property plant and equipment	Current assets	Liabil-ities	Other	Tax loss carried forward	Total
Deferred tax at 1 January 2013	2.1	(1.9)	0.9	(0.9)	23.9	(78.0)	(53.9)
Adjustment of deferred tax relating to prior years	(3.5)	8.4	0.0	0.0	(6.5)	70.6	69.0
Recognised in profit/(loss) for the year, net	(0.6)	(0.3)	(0.1)	(4.6)	0.7	1.6	(3.3)
Recognised through other comprehensive income, net	0.0	0.0	0.0	0.0	0.0	0.8	0.8
Deferred tax at 31 December 2013	**(2.0)**	**6.2**	**0.8**	**(5.5)**	**18.1**	**(5.0)**	**12.6**
Deferred tax at 1 January 2012	2.7	5.7	0.9	(2.9)	19.6	(76.2)	(50.2)
Adjustment of deferred tax relating to prior years	0.0	0.0	0.0	1.6	3.7	(6.6)	(1.3)
Recognised in profit/(loss) for the year, net	(0.6)	(7.6)	0.0	0.4	0.6	4.1	(3.1)
Recognised through other comprehensive income, net	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Deferred tax at 31 December 2012	**2.1**	**(1.9)**	**0.9**	**(0.9)**	**23.9**	**(78.0)**	**(53.9)**

The carrying amount at 31 December 2013 of tax loss carry-forwards relates to Hartmann North America and the Danish parent company Brødrene Hartmann A/S.

Deferred tax assets relating to tax loss carry-forwards are recognised to the extent that their realisation is expected in the form of future taxable profits within a period not exceeding seven years.

Deferred tax on recapture balances relating to losses utilised in foreign subsidiaries is included in Other.

Tax loss carry-forwards relating to Brødrene Hartmann A/S may be carried forward indefinitely. Tax loss carry-forwards in Hartmann North America are subject to a time limit, which means that such losses will be forfeited during the period 2026-2028.

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22 DEFERRED TAX CONT'D

DEFERRED TAX ASSETS AND LIABILITIES

Group	2013 Deferred tax assets	2013 Deferred tax liabilities	2013 Net	2012 Deferred tax assets	2012 Deferred tax liabilities	2012 Net
Intangible assets	(3.5)	1.5	(2.0)	0.0	2.1	2.1
Property, plant and equipment	(37.2)	21.5	(15.7)	(41.1)	14.9	(26.2)
Current assets	(2.7)	1.0	(1.7)	(1.7)	1.5	(0.2)
Liabilities	(8.0)	0.0	(8.0)	(7.0)	0.0	(7.0)
Other	(3.1)	18.5	15.4	(2.7)	23.9	21.2
Tax loss carry-forwards	(66.4)	0.0	(66.4)	(67.6)	0.0	(67.6)
Deferred tax (assets)/liabilities	**(120.9)**	**42.5**	**(78.4)**	**(120.1)**	**42.4**	**(77.7)**
Set-off within legal tax entities	20.7	(20.7)	0.0	27.2	(27.2)	0.0
Total deferred tax (assets)/liabilities, net	**(100.2)**	**21.8**	**(78.4)**	**(92.9)**	**15.2**	**(77.7)**

Parent company	2013 Deferred tax assets	2013 Deferred tax liabilities	2013 Net	2012 Deferred tax assets	2012 Deferred tax liabilities	2012 Net
Intangible assets	(3.5)	1.5	(2.0)	0.0	2.1	2.1
Property, plant and equipment	(2.1)	8.3	6.2	(4.6)	2.7	(1.9)
Current assets	0.0	0.8	0.8	0.0	0.9	0.9
Liabilities	(5.5)	0.0	(5.5)	(0.9)	0.0	(0.9)
Other	(0.4)	18.5	18.1	(0.5)	24.4	23.9
Tax loss carry-forwards	(5.0)	0.0	(5.0)	(78.0)	0.0	(78.0)
Total deferred tax (assets)/liabilities	**(16.5)**	**29.1**	**12.6**	**(84.0)**	**30.1**	**(53.9)**
Set-off within legal tax entity	16.5	(16.5)	0.0	30.1	(30.1)	0.0
Total deferred tax (assets)/liabilities, net	**0.0**	**12.6**	**12.6**	**(53.9)**	**0.0**	**(53.9)**

UNRECOGNISED DEFERRED TAX ASSETS

	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Tax value at 1 January	90.1	101.1	0.0	0.0
Foreign exchange adjustment	(7.7)	1.0	0.0	0.0
Change in income tax rate	1.5	4.4	0.0	0.0
Additions	1.8	0.0	0.0	0.0
Disposals	(23.9)	(16.4)	0.0	0.0
Tax value at 31 January	**61.8**	**90.1**	**0.0**	**0.0**

Of the disposals of DKK 23.9 million for 2013 (2012: DKK 16.4 million), DKK 22.2 million (2012: DKK 16.4 million) relates to a reassessment of previously unrecognised deferred tax assets in Hartmann North America, which have now been recognised in profit/loss for the year.

Deferred tax assets that are not expected to be realised or otherwise subject to significant risks of not being utilised are not recognised. Unrecognised deferred tax assets relate to subsidiaries in North America and Finland.

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23 INVENTORIES

	Group		Parent company	
	2013	2012	2013	2012
Raw materials and consumables	55.7	60.2	23.9	36.2
Work in progress	4.0	13.3	3.6	4.3
Finished goods and goods for resale	52.3	57.2	20.8	21.1
Inventories at 31 December	**112.0**	**130.7**	**48.3**	**61.6**
Inventories recognised at net realisable value	3.4	5.1	3.4	3.7

The group has not pledged inventories as security for debt items to any third party.

24 TRADE RECEIVABLES

	Group		Parent company	
	2013	2012	2013	2012
Trade receivables (gross)	275.9	249.6	212.1	190.5
Provision for bad debt:				
Provision at 1 January	11.4	5.1	5.3	1.7
Provision for the year, net	2.2	6.5	2.6	3.8
Losses incurred during the year	0.0	(0.2)	0.0	(0.2)
Provision at 31 December	13.6	11.4	7.9	5.3
Trade receivables (net)	**262.3**	**238.2**	**204.2**	**185.2**
Trade receivables (net) correspond to an average credit period of (days)	61	56	60	56
Trade receivables can be specified as follows:				
Not due	186.1	182.4	140.1	139.7
Overdue:				
By 1-30 days	42.6	30.6	37.8	25.0
By 31-60 days	10.2	6.8	7.8	5.4
By more than 60 days	23.4	18.4	18.5	15.1
	262.3	**238.2**	**204.2**	**185.2**

The group's provisions for bad debt were all attributable to specific customers.

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25 SHARE CAPITAL

		Parent company
Share capital at 1 January 2009		140.3
Share capital at 31 December 2013	**7,015,090 shares of DKK 20 each**	**140.3**

No shares confer special rights.

Treasury shares

Pursuant to an authorisation from the shareholders, Brødrene Hartmann A/S may acquire up to 10% of its own shares. The authorisation is valid until 9 October 2014.

Hartmann holds 100,000 treasury shares representing a nominal value of DKK 2 million, or 1.4% of the total share capital. The value of the shares at 31 December 2013 was DKK 16.7 million (2012: DKK 11.1 million).

Dividend

Proposed dividend

For the financial year ended 31 December 2013, the Board of Directors has proposed dividends of DKK 65.7 million (2012: DKK 65.7 million), corresponding to DKK 9.50 (2012: DKK 9.50) per share to be paid to the shareholders immediately after the annual general meeting to be held on 8 April 2014, subject to the shareholders' approval of the proposal. As the dividends are subject to approval by the shareholders, they have not been recognised as a liability in the balance sheet at 31 December 2013. Proposed dividend does not include dividend on treasury shares.

Dividend paid

For the financial year ended 31 December 2013, Hartmann distributed dividends of DKK 65.7 million (2012: DKK 64.0 million), corresponding to DKK 9.50 (2012: DKK 9.25) per share.

26 PENSION OBLIGATIONS

Defined contribution plans

Hartmann offers pension plans which cover certain groups of employees in Denmark and abroad. As a general rule, the pension plans are defined contribution plans under which Hartmann recognises regular payments of premiums to independent insurers who are responsible for the pension obligations (e.g. a fixed amount or a fixed percentage of the salary). Under a defined contribution plan the group carries no risk in relation to future developments in interest rates, inflation, mortality or disability. Once the contributions under a defined contribution plan have been paid, Hartmann has no further pension obligations towards existing or former employees.

Defined benefit plans

Under a defined benefit plan, Hartmann has an obligation to pay a specific benefit (e.g. retirement pension in the form of a fixed proportion of the exit salary). Under these plans, Hartmann carries the risk in relation to future developments in interest rates, inflation, mortality, etc. A change in the assumptions upon which the calculation is based results in a change in the actuarial net present value.

In the event of changes in the assumptions used in the calculation of defined benefit plans for existing and former employees, actuarial gains and losses are recognised in other comprehensive income.

The total pension obligations relate to funded plans in the subsidiary in Canada and unfunded plans in the subsidiary in Germany.

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26 PENSION OBLIGATIONS CONT'D

	Group	
	2013	2012
Recognition of defined benefit plans in the statement of comprehensive income:		
Pension costs for the year	3.3	3.0
Costs of plan administration for the year	0.5	0.0
Interest expenses, net	1.5	1.8
Recognised in profit/(loss) for the year	**5.3**	**4.8**
Return on plan assets (excluding amounts recognised in interest expenses, net)	(2.3)	0.0
Actuarial (gains)/losses from changes in financial assumptions	(11.2)	12.0
Actuarial (gains)/losses from experience-based adjustments	0.4	0.5
Tax	3.5	(3.2)
Recognised in other comprehensive income (income)	**(9.6)**	**9.3**
Recognised in comprehensive income (income)	**(4.3)**	**14.1**
Recognition of defined benefit plans in the balance sheet:		
Present value of plan with plan assets	63.0	75.7
Market value of plan assets	(60.7)	(59.7)
Net obligation of plans with plan assets	2.3	16.0
Present value of plan without plan assets	28.7	30.8
Recognised net obligation	**31.0**	**46.8**

The majority of pensions fall due more than one year after the balance sheet date.

	2013	2012
Change in defined benefit pension plan obligations		
Present value of pension obligations at 1 January	106.5	89.0
Foreign exchange adjustment	(8.3)	0.7
Pension costs for the year	3.3	3.0
Interest on pension obligation	3.8	4.3
Contributions from plan participants	1.2	1.1
Actuarial (gains) and losses:		
- From changes in financial assumptions	(11.2)	12.0
- From experience-based adjustments	0.4	0.5
Pension benefits paid out	(4.0)	(4.1)
Present value of pension obligations at 31 December	**91.7**	**106.5**
Changes in defined benefit plan assets		
Fair value of plan assets at 1 January	59.7	53.0
Foreign exchange adjustment	(6.7)	0.5
Return on plan assets (excluding amounts recognised in interest expenses, net)	2.3	0.0
Interest on plan assets	2.3	2.5
Administrative expenses	(0.5)	0.0
Employer's contributions	5.7	6.5
Pension benefits paid out	(2.1)	(2.8)
Fair value of plan assets at 31 December	**60.7**	**59.7**

Hartmann expects to contribute DKK 5.7 million (2012: DKK 6.5 million) to plan assets in 2014.

NOTES

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26 PENSION OBLIGATIONS CONT'D

	Group	
	2013	2012
Breakdown of actual return on plan assets:		
Return on plan assets (excluding amounts recognised in interest expenses, net)	2.3	0.0
Interest on plan assets	2.3	2.5
	4.6	**2.5**

	2013		2012	
	DKKm	%	DKKm	%
Composition of plan assets:				
Shares and investment funds	40.0	65.9	39.2	65.7
Bonds and other securities	14.6	24.1	15.5	26.0
Cash and cash equivalents	6.1	10.0	5.0	8.3
	60.7	**100.0**	**59.7**	**100.0**

Plan assets are measured at fair value based on quoted prices in an active market. None of the plan assets have any relation to the group entities.

	Group	
	2013	2012
Defined benefit plans are calculated based on the following actuarial assumptions:		
Discount rate, %		
- Germany	3.30	3.10
- Canada, wage earners	4.90	4.00
- Canada, salaried employees	4.80	3.90
Expected pay rises, %		
- Germany	-	-
- Canada, wage earners	-	-
- Canada, salaried employees	3.00	3.00

	2013	
	+ 1%	- 1%
The pension obligation's sensitivity to changes in the discount rate:		
- Germany	(2.8)	3.1
- Canada, wage earners	(6.0)	8.4
- Canada, salaried employees	(1.7)	3.7

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27 GOVERNMENT GRANTS

	Group		Parent company	
	2013	2012	2013	2012
Government grants at 1 January	25.3	27.7	4.8	5.6
Foreign exchange adjustment	(0.4)	1.6	-	-
Additions	0.2	0.2	0.0	0.0
Disposals	(0.1)	(0.2)	0.0	0.0
Recognised in the statement of comprehensive income	(2.6)	(4.0)	(0.7)	(0.8)
Carrying amount of government grants at 31 December	**22.4**	**25.3**	**4.1**	**4.8**
Of which recognised as non-current liabilities	19.6	22.2	3.4	4.1
Of which recognised as current liabilities	2.8	3.1	0.7	0.7
	22.4	**25.3**	**4.1**	**4.8**

Hartmann regularly receives government grants for development-related and energy-saving projects. In 1995, Brødrene Hartmann A/S received a major grant towards the construction of the combined heat and power plant. No repayment obligations are currently linked to the grants.

In addition to the government grants to the parent company, Hartmann has received government grants for production companies in Germany and Hungary.

In the event that eligible assets in the German subsidiary are not used in accordance with the eligibility criteria, the repayment obligation will total DKK 0.2 million at 31 December 2013 (2012: DKK 0.4 million). The repayment obligation will be gradually reduced in the period until the end of 2015.

The Hungarian subsidiary has received government grants in the form of direct grants and in the form of reduced future tax payments. The grants are capped at 50% of the investment, corresponding to a nominal amount of DKK 72.3 million, of which direct grants represent a nominal amount of DKK 9.0 million. If the eligibility criteria are not met, future grants receivable in the form of reduced tax payments may be reduced or discontinued. Actual government grants received in the form of reduced tax payments amounted to DKK 18.0 million at 31 December 2013 (2012: DKK 15.3 million).

Hartmann expects to meet the eligibility criteria for the grants received in Germany and Hungary, respectively.

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28 PROVISIONS

	Group		Parent company	
	2013	2012	2013	2012
Warranty commitments at 1 January	2.2	1.6	2.2	1.6
Additions	1.3	1.6	1.3	1.6
Disposals	(1.4)	(1.0)	(1.4)	(1.0)
Warranty commitments at 31 December	**2.1**	**2.2**	**2.1**	**2.2**
Restructuring at 1 January	0.0	0.0	0.0	0.0
Additions	27.0	0.0	27.0	0.0
Disposals	(10.9)	0.0	(10.9)	0.0
Restructuring at 31 December	**16.1**	**0.0**	**16.1**	**2.2**
Provisions at 31 December	**18.2**	**2.2**	**18.2**	**2.2**

Provision has been made for warranty commitments in cover of contract-related warranty complaints for goods and services already delivered. The commitment has been calculated on the basis of historical warranty costs. Provisions for restructuring comprise restructuring related to the adaptation of the European production network.

29 OTHER PAYABLES

	Group		Parent company	
	2013	2012	2013	2012
Wages, salaries and holiday pay, etc.	53.9	58.4	33.7	34.7
VAT and other taxes	2.2	1.0	0.0	0.0
Interest rate swaps and forward contracts	3.9	5.1	3.2	5.1
Other liabilities	49.0	37.6	27.9	21.4
Other payables	**109.0**	**102.1**	**64.8**	**61.2**

NOTES WITHOUT REFERENCE

DKKm

30 FEE TO SHAREHOLDER-APPOINTED AUDITOR

	Group		Parent company	
	2013	2012	2013	2012
Fee to Deloitte				
Statutory audit	2.1	2.2	1.1	1.0
Assurance engagements other than audits	0.2	0.2	0.2	0.2
Tax and VAT-related services	0.2	0.3	0.1	0.2
Other services	0.8	0.3	0.8	0.3
Fee to shareholder-appointed auditor	**3.3**	**3.0**	**2.2**	**1.7**

31 PROVISION OF SECURITY AND CONTINGENT LIABILITIES

Guarantees

Brødrende Hartmann A/S has provided a parent company guarantee to Hartmann (UK) Ltd. undertakings to allow them to claim exemption from audit under Section 479A of the British Companies Act 2006. At year end, the amounts owed to creditors of Hartmann (UK) Ltd. were DKK 0.6 million.

Joint taxation

Brødrene Hartmann A/S and its Danish subsidiaries are jointly taxed with Thornico Holding A/S. The company thus has secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent.

Pending litigation

As stated in note 3, Hartmann is party to a dispute with district heating company Tønder Fjernvarme concerning the pricing of surplus heat. In a preliminary advisory opinion issued on 8 May 2013, the Danish Energy Regulatory Authority ordered Hartmann to repay an excess payment of DKK 21 million. Hartmann disagrees with the preliminary opinion and has filed an additional submission with the authority. Once the Energy Regulatory Authority has made a decision, management will assess whether the matter should be brought before the Danish Energy Board of Appeal. Furthermore, the group is party to a few lawsuits and disputes. Management believes that these lawsuits and disputes will not significantly affect the financial position of the group or the parent company.

32 OPERATING LEASES

	Group		Parent company	
	2013	2012	2013	2012
Expected maturity				
In 1 year or less	10.6	11.2	5.0	5.6
In 1-5 years	26.1	28.8	11.3	13.6
After 5 years	1.4	5.2	0.0	0.8
Rental and leasing obligations	**38.1**	**45.2**	**16.3**	**20.0**
Rental and leasing obligations (operating leases)	11.2	12.5	5.6	6.8

DKK 13.3 million of the total rental and leasing obligations related to the lease obligation concerning the lease Ørnegårdsvej 18, 2820 Gentofte, Denmark (2012: DKK 16.2 million).

NOTES WITHOUT REFERENCE

33 OTHER CONTRACTUAL OBLIGATIONS

The parent company has signed a three-year maintenance agreement for the company's combined heat and power plant. The contract term expires on 31 October 2016, and Hartmann will incur costs of DKK 2.1 million or more under the contract in 2014 (2012: DKK 1.9 million). Moreover, the heat and power plant is under an obligation to supply heat to the district heating company Tønder Fjernvarme unless the municipal council of Tønder resolves to change the heat supply. In 2013, Tønder Fjernvarme obtained approval for its project proposal to build a geothermal plant. Hartmann expects that the supply obligation will expire on or before commission of the geothermal plant.

34 FINANCIAL RISKS

General risks
Hartmann's financial results and equity are influenced by a number of financial risks, among them interest rate, currency, liquidity and credit risks.

See note 35 for a specification of financial instruments.

Financial risk management
The guidelines for managing Hartmann's financial risks are set out in its finance policy, which has been approved by the Board of Directors.

Hartmann uses financial instruments to hedge some of the financial risks that arise out of its commercial activities. The group does not engage in transactions for the purpose of speculation.

Hartmann has centralised the management of its financial risks in the central finance function, which also acts as a service centre to all subsidiaries.

Interest rate risk
Hartmann's interest rate risk relates mainly to the group's interest-bearing debt to credit institutions.

Management of interest rate risk
As part of its interest rate policy, Hartmann seeks to reduce the impact of interest rate fluctuations on its profit/loss and financial position to the greatest extent possible.

Financing is primarily arranged in the form of non-current, committed credit facilities in the group's main currencies, DKK and EUR. Hartmann uses interest rate swaps to hedge interest rate risk.

It is Hartmann's policy to convert between 50% and 100% of the group's non-current credit facilities into fixed-rate facilities using interest rate swaps. Assessments are made on an ongoing basis as to how large a proportion of Hartmann's non-current credit facilities should be converted into fixed-rate facilities.

Hartmann has converted floating-rate loans into fixed-rate loans using interest rate swaps. Loans converted through interest rate swaps represent 65% (2012: 58%) of non-current credit facilities.

A change in the general interest rate level by 1 percentage point would affect profit/loss for the year by approximately DKK 1 million.

Currency risk
Hartmann's currency risks consist of transaction risks and translation risks, respectively.

Hartmann is exposed to transaction risk due to cross-border transactions leading to contractual cash flows in foreign currency.

Most sales generated in the North American business are invoiced in USD, while most costs are incurred in CAD. Therefore, the currency exposure in relation to the USD/CAD exchange rate constitutes one of the group's single largest transaction risks.

Other significant transaction risks relate to the currencies CHF, EUR, GBP, HRK, HUF and PLN.

Due to its foreign subsidiaries, Hartmann is exposed to translation risks since a part of the group's earnings and net assets derive from these foreign subsidiaries and is therefore translated and included in the consolidated financial statements, which are presented in DKK.

In terms of net position, foreign subsidiaries' reporting in the currencies CAD, EUR, HRK, HUF and ILS represents Hartmann's greatest translation exposure.

Management of currency risk
As part of its currency policy, Hartmann seeks to limit the impact of exchange rate fluctuations on its profit/loss and financial position to the greatest extent possible.

Hartmann hedges its transaction risk to the effect that primary currencies are continuously hedged for a period of not less than 6 and not more than 12 months.

Gains and losses on derivative financial instruments are recognised in profit or loss when the hedged transactions are realised. The effectiveness of hedges is assessed on an ongoing basis.

NOTES WITHOUT REFERENCE

34 FINANCIAL RISKS CONT'D

Translation risk is not hedged, as it does not have any direct impact on Hartmann's cash resources or underlying cash flows.

Currency risk relating to investments in foreign subsidiaries is not hedged.

Liquidity risk
Liquidity risk is the risk that Hartmann will be unable to meet its obligations as they fall due because of inability to liquidate assets or obtain adequate funding.

Management of liquidity risk
It is Hartmann's policy to ensure maximum flexibility and sufficient cash resources to allow the company to continue to operate adequately in case of unforeseen fluctuations in liquidity.

The group has entered into a non-current committed credit facility expiring on 30 June 2015 (the 'loan'). The loan amounted to DKK 250 million at 31 December 2013, which is written down by DKK 5 million every quarter.

The interest margin on the loan is floating and is fixed each quarter based the group's earnings.

The loan is subject to standard covenants which Hartmann must observe in order to maintain the loan, including special financial covenants concerning the financial ratios 'solvency' and 'net interest-bearing debt' relative to 'operating profit/(loss) before depreciation, amortisation and impairment'. In 2013, the group complied with all covenants.

The agreement on the loan further contains a number of provisions whereby significant credit facilities may be withdrawn in the event of a change of control of Hartmann.

The group's short-term liquidity is managed primarily by the transfer of liquidity from the subsidiaries to the parent company for the purpose of directing cash to units with cash requirements.

Financing in Hartmann's subsidiaries is primarily arranged through the parent company. However, local conditions may result in financing being arranged through one of the group's foreign banks.

The drawing rights are short-term credit facilities on which the group may draw and which may at any time be terminated by the bank.

The agreements concerning the loan and the drawing rights, respectively, contain cross default clauses.

The group's undrawn credit facilities with banks amounted to DKK 287 million at 31 December 2013 (2012: DKK 278 million). Cash amounted to DKK 46 million at 31 December 2013 (2012: DKK 77 million). Accordingly, total cash available to the group amounted to DKK 333 million at 31 December 2013 (2012: DKK 355 million). The calculation of total cash did not take into account compliance with covenants.

Management believes that the group has sufficient cash resources to cover the ongoing financing of current and planned operations.

Credit risk
Hartmann's credit risk arises in relation to the risk of losses on receivables, financial instruments with a positive fair value and cash.

Management of credit risk
It is Hartmann's policy to take out credit insurance on its trade receivables. In certain circumstances local conditions make it impossible to take out credit insurance. In these cases, Hartmann applies a stricter internal credit assessment procedure, retrieving information on credit assessments from various information sources.

Provisions for bad debt are made individually. The credit risk in relation to receivables is therefore assessed to have been included in carrying amounts.

It is Hartmann's policy to limit trading in derivative financial instruments and investments of surplus liquidity to banks with satisfactory credit ratings from one or more credit rating agencies.

Hartmann does not have any significant credit risk in relation to derivative financial instruments or cash. The maximum credit risk corresponds to the carrying amount.

Capital structure
It is the group's objective to achieve a level of flexibility sufficient to carry out and fulfil the strategic objectives while at the same time ensuring a competitive yield for its shareholders. It is also an objective to secure financial stability for the purpose of reducing Hartmann's cost of capital.

The Board of Directors takes the general view that excess capital should be distributed by means of dividends or share buy-backs in order to generally maintain Hartmann's equity ratio at a maximum of 45%. However, the level of dividend declared will always take into account Hartmann's growth plans and liquidity requirements. The agreement on the loan also contains restrictions with respect to Brødrene Hartmann A/S' possibility of distributing dividends, since changes in the general dividend policy are subject to consent from the bank.

At the annual general meeting to be held on 8 April 2014, the Board of Directors will propose that the company distribute dividends of DKK 9.50 per share for the financial year ended 31 December 2013.

NOTES WITHOUT REFERENCE

DKKm

35 FINANCIAL INSTRUMENTS

MATURITIES OF FINANCIAL LIABILITIES INCLUDING INTEREST PAYMENTS

Group	Carrying amount	Payment obligation	In 1 year or less	In 1-5 years	After 5 years
2013					
Other credit institutions	184.1	188.7	2.9	185.8	0.0
Trade payables	117.0	117.0	117.0	0.0	0.0
Payables to associates	4.6	4.6	4.6	0.0	0.0
Other payables	109.0	109.0	109.0	0.0	0.0
	414.7	**419.3**	**233.5**	**185.8**	**0.0**
2012					
Overdraft facilities	10.6	10.6	10.6	0.0	0.0
Other credit institutions	203.1	211.3	3.0	208.3	0.0
Trade payables	120.0	120.0	120.0	0.0	0.0
Payables to associates	2.0	2.0	2.0	0.0	0.0
Other payables	103.6	103.6	102.1	1.5	0.0
	439.3	**447.5**	**237.7**	**209.8**	**0.0**

Parent company	Carrying amount	Payment obligation	In 1 year or less	In 1-5 years	After 5 years
2013					
Other credit institutions	184.1	188.7	2.9	185.8	0.0
Trade payables	66.7	66.7	66.7	0.0	0.0
Payables to subsidiaries	97.5	97.5	97.5	0.0	0.0
Payables to associates	4.6	4.6	4.6	0.0	0.0
Other payables	64.8	64.8	64.8	0.0	0.0
	417.7	**422.3**	**236.5**	**185.8**	**0.0**
2012					
Overdraft facilities	10.6	10.6	10.6	0.0	0.0
Other credit institutions	203.1	211.3	3.0	208.3	0.0
Trade payables	66.9	66.9	66.9	0.0	0.0
Payables to subsidiaries	165.6	165.6	165.6	0.0	0.0
Payables to associates	2.0	2.0	2.0	0.0	0.0
Other payables	62.7	62.7	61.2	1.5	0.0
	510.9	**519.1**	**309.3**	**209.8**	**0.0**

NOTES WITHOUT REFERENCE

DKKm

35 FINANCIAL INSTRUMENTS CONT'D

FINANCIAL INSTRUMENT CATEGORIES

Group	2013 Carrying amount	2013 Fair value	2012 Carrying amount	2012 Fair value
Derivative financial instruments to hedge future cash flows	0.0	0.0	0.2	0.2
Financial assets used as hedging instruments	**0.0**	**0.0**	**0.2**	**0.2**
Trade receivables	262.3	262.3	238.2	238.2
Other receivables	41.9	41.9	45.6	45.6
Cash	45.7	45.7	77.0	77.0
Loans and receivables	**349.9**	**349.9**	**360.8**	**360.8**
Derivative financial instruments to hedge future cash flows	3.9	3.9	6.6	6.6
Financial liabilities used as hedging instruments	**3.9**	**3.9**	**6.6**	**6.6**
Credit institutions	184.1	184.1	213.7	213.7
Other liabilities	232.4	232.4	219.3	219.3
Financial liabilities measured at amortised cost	**416.5**	**416.5**	**433.0**	**433.0**

Parent company	2013 Carrying amount	2013 Fair value	2012 Carrying amount	2012 Fair value
Receivables from subsidiaries	85.3	85.3	69.2	69.2
Trade receivables	204.2	204.2	185.2	185.2
Other receivables	65.7	65.7	42.3	42.3
Cash	15.4	15.4	11.8	11.8
Loans and receivables	**370.6**	**370.6**	**308.5**	**308.5**
Derivative financial instruments to hedge future cash flows	3.2	3.2	6.6	6.6
Financial liabilities used as hedging instruments	**3.2**	**3.2**	**6.6**	**6.6**
Credit institutions	184.1	184.1	213.7	213.7
Other liabilities	230.4	230.4	290.6	290.6
Financial liabilities measured at amortised cost	**414.5**	**414.5**	**504.3**	**504.3**

NOTES WITHOUT REFERENCE

DKKm

35 FINANCIAL INSTRUMENTS CONT'D

FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

Hartmann's primary currency exposure relates to sales denominated in currencies other than the functional currency of the individual group companies. Interest rate exposure relates to changes in the market rate applicable to the group's interest-bearing debt. Forward exchange contracts and interest rate swaps are used to hedge future cash flows. In accordance with the group's accounting policies, the fair value of financial instruments has been recognised in receivables and payables at 31 December 2013. Changes in the fair value of financial instruments that qualify for hedge accounting as hedges of future cash flows are recognised in other comprehensive income. The fair value of derivative financial instruments to hedge future cash flows is based on observable data (level 2).

	2013			2012		
Group	Positive	Negative	Net	Positive	Negative	Net
Currency-related instruments						
Forward contract, CHF/DKK	0.0	(0.2)	(0.2)	0.1	0.0	0.1
Forward contract, GBP/DKK	0.0	(1.1)	(1.1)	0.8	0.0	0.8
Forward contract, PLN/DKK	0.0	(0.8)	(0.8)	0.0	(0.9)	(0.9)
Forward contract, USD/CAD	0.0	(0.7)	(0.7)	0.2	0.0	0.2
Forward contract, EUR/HRK	0.0	(0.3)	(0.3)	0.0	0.0	0.0
Forward contract, EUR/HUF	0.7	0.0	0.7	0.0	(2.0)	(2.0)
	0.7	(3.1)	(2.4)	1.1	(2.9)	(1.8)
Interest-related instruments						
Interest rate swap, EUR/EUR	0.0	(1.5)	(1.5)	0.0	(4.5)	(4.5)
	0.0	(1.5)	(1.5)	0.0	(4.5)	(4.5)
	0.7	**(4.6)**	**(3.9)**	**1.1**	**(7.4)**	**(6.3)**
Expected maturity						
In 1 year or less	0.7	(4.6)	(3.9)	1.1	(5.9)	(4.8)
In 1-2 years	0.0	0.0	0.0	0.0	(1.5)	(1.5)
	0.7	**(4.6)**	**(3.9)**	**1.1**	**(7.4)**	**(6.3)**

	2013			2012		
Parent company	Positive	Negative	Net	Positive	Negative	Net
Currency-related instruments						
Forward contract, CHF/DKK	0.0	(0.2)	(0.2)	0.1	0.0	0.1
Forward contract, GBP/DKK	0.0	(1.1)	(1.1)	0.8	0.0	0.8
Forward contract, PLN/DKK	0.0	(0.8)	(0.8)	0.0	(0.9)	(0.9)
Forward contract, EUR/HRK	0.0	(0.3)	(0.3)	0.0	0.0	0.0
Forward contract, EUR/HUF	0.7	0.0	0.7	0.0	(2.0)	(2.0)
	0.7	(2.4)	(1.7)	0.9	(2.9)	(2.0)
Interest-related instruments						
Interest rate swap, EUR/EUR	0.0	(1.5)	(1.5)	0.0	(4.5)	(4.5)
	0.0	(1.5)	(1.5)	0.0	(4.5)	(4.5)
	0.7	**(3.9)**	**(3.2)**	**0.9**	**(7.4)**	**(6.5)**
Expected maturity						
In 1 year or less	0.7	(3.9)	(3.2)	0.9	(5.9)	(5.0)
In 1-2 years	0.0	0.0	0.0	0.0	(1.5)	(1.5)
	0.7	**(3.9)**	**(3.2)**	**0.9**	**(7.4)**	**(6.5)**

NOTES WITHOUT REFERENCE

DKKm

35 FINANCIAL INSTRUMENTS CONT'D

HEDGING OF FUTURE CASH FLOWS

Koncern	Notional amount, net	Fair value	Recognised in other comprehensive income	Expected date of transfer to profit/(loss) for the year: In 1 year or less	In 1-2 years	After 2 years
2013						
Currency-related instruments						
Forward contract, CHF/DKK	25.5	(0.2)	(0.2)	(0.2)	0.0	0.0
Forward contract, GBP/DKK	45.6	(1.1)	(1.1)	(1.1)	0.0	0.0
Forward contract, PLN/DKK	32.3	(0.8)	(0.8)	(0.8)	0.0	0.0
Forward contract, USD/CAD	50.3	(0.7)	(0.7)	(0.7)	0.0	0.0
Forward contract, EUR/HRK	46.9	(0.3)	(0.3)	(0.3)	0.0	0.0
Forward contract, EUR/HUF	79.3	0.7	0.7	0.7	0.0	0.0
	279.9	(2.4)	(2.4)	(2.4)	0.0	0.0
Interest-related instruments						
Interest rate swap, EUR/EUR	119.3	(1.5)	(1.5)	(1.5)	0.0	0.0
	119.3	(1.5)	(1.5)	(1.5)	0.0	0.0
	399.2	**(3.9)**	**(3.9)**	**(3.9)**	**0.0**	**0.0**
2012						
Currency-related instruments						
Forward contract, CHF/DKK	26.0	0.1	0.1	0.1	0.0	0.0
Forward contract, GBP/DKK	42.5	0.8	0.8	0.8	0.0	0.0
Forward contract, PLN/DKK	30.2	(0.9)	(0.9)	(0.9)	0.0	0.0
Forward contract, USD/CAD	22.0	0.2	0.2	0.2	0.0	0.0
Forward contract, EUR/HRK	45.0	0.0	0.0	0.0	0.0	0.0
Forward contract, EUR/HUF	80.5	(2.0)	(2.0)	(2.0)	0.0	0.0
	246.2	(1.8)	(1.8)	(1.8)	0.0	0.0
Interest-related instruments						
Interest rate swap, EUR/EUR	119.4	(4.5)	(4.5)	(3.0)	(1.5)	0.0
	119.4	(4.5)	(4.5)	(3.0)	(1.5)	0.0
	365.6	**(6.3)**	**(6.3)**	**(4.8)**	**(1.5)**	**0.0**

NOTES WITHOUT REFERENCE

DKKm

35 FINANCIAL INSTRUMENTS CONT'D

Parent company	Notional amount, net	Fair value	Recognised in other comprehensive income	Expected date of transfer to profit/(loss) for the year: In 1 year or less	In 1-2 years	After 2 years
2013						
Currency-related instruments						
Forward contract, CHF/DKK	25.5	(0.2)	(0.2)	(0.2)	0.0	0.0
Forward contract, GBP/DKK	45.6	(1.1)	(1.1)	(1.1)	0.0	0.0
Forward contract, PLN/DKK	32.3	(0.8)	(0.8)	(0.8)	0.0	0.0
Forward contract, EUR/HRK	46.9	(0.3)	(0.3)	(0.3)	0.0	0.0
Forward contract, EUR/HUF	79.3	0.7	0.7	0.7	0.0	0.0
	229.6	(1.7)	(1.7)	(1.7)	0.0	0.0
Interest-related instruments						
Interest rate swap, EUR/EUR	119.3	(1.5)	(1.5)	(1.5)	0.0	0.0
	119.3	(1.5)	(1.5)	(1.5)	0.0	0.0
	348.9	**(3.2)**	**(3.2)**	**(3.2)**	**0.0**	**0.0**
2012						
Currency-related instruments						
Forward contract, CHF/DKK	26.0	0.1	0.1	0.1	0.0	0.0
Forward contract, GBP/DKK	42.5	0.8	0.8	0.8	0.0	0.0
Forward contract, PLN/DKK	30.2	(0.9)	(0.9)	(0.9)	0.0	0.0
Forward contract, EUR/HRK	45.0	0.0	0.0	0.0	0.0	0.0
Forward contract, EUR/HUF	80.5	(2.0)	(2.0)	(2.0)	0.0	0.0
	224.2	(2.0)	(2.0)	(2.0)	0.0	0.0
Interest-related instruments						
Interest rate swap, EUR/EUR	119.4	(4.5)	(4.5)	(3.0)	(1.5)	0.0
	119.4	(4.5)	(4.5)	(3.0)	(1.5)	0.0
	343.6	**(6.5)**	**(6.5)**	**(5.0)**	**(1.5)**	**0.0**

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35 FINANCIAL INSTRUMENTS CONT'D

FAIR VALUE HEDGING

Group	2013 Monetary items Assets*	2013 Monetary items Liabilities	2013 Covered by hedging instruments	2013 Net position	2012 Monetary items Assets*	2012 Monetary items Liabilities	2012 Covered by hedging instruments	2012 Net position
CAD	20.9	(30.6)	0.0	(9.7)	11.2	(29.1)	0.0	(17.9)
CHF	7.0	(3.0)	0.0	4.0	3.1	(0.4)	0.0	2.7
EUR	98.4	(194.1)	0.0	(95.7)	117.8	(178.1)	0.0	(60.3)
GBP	22.7	(0.6)	0.0	22.1	22.4	(1.5)	0.0	20.9
HUF	44.4	(10.2)	0.0	34.2	37.5	(12.0)	0.0	25.5
PLN	25.2	(0.7)	0.0	24.5	25.5	(0.8)	0.0	24.7
SEK	9.2	0.0	0.0	9.2	2.9	0.0	0.0	2.9
USD	21.1	(5.4)	0.0	15.7	20.0	(14.1)	0.0	5.9
Other currencies	50.9	(18.0)	0.0	32.9	63.3	(22.2)	0.0	41.1

* Excluding equity-like loans recognised in 'Hedging of net assets in foreign subsidiaries'.

Parent company	2013 Monetary items Assets	2013 Monetary items Liabilities	2013 Covered by hedging instruments	2013 Net position	2012 Monetary items Assets	2012 Monetary items Liabilities	2012 Covered by hedging instruments	2012 Net position
CAD	26.7	(21.6)	0.0	5.1	8.4	(14.6)	0.0	(6.2)
CHF	6.8	(5.5)	0.0	1.3	2.7	(2.3)	0.0	0.4
EUR	190.5	(220.8)	0.0	(30.3)	174.1	(267.9)	0.0	(93.8)
GBP	21.6	(1.8)	0.0	19.8	20.3	(1.6)	0.0	18.7
HUF	28.4	(0.3)	0.0	28.1	7.5	(24.7)	0.0	(17.2)
PLN	24.5	(2.3)	0.0	22.2	24.7	(2.4)	0.0	22.3
SEK	9.2	0.0	0.0	9.2	2.9	0.0	0.0	2.9
USD	3.1	(0.2)	0.0	2.9	0.4	0.0	0.0	0.4
Other currencies	4.2	(7.1)	0.0	(2.9)	6.8	(8.8)	0.0	(2.0)

NOTES WITHOUT REFERENCE

DKKm

35 FINANCIAL INSTRUMENTS CONT'D

HEDGING OF NET ASSETS IN FOREIGN SUBSIDIARIES

	2013				2012			
Group	Investment*	Amount hedged	Net position	Foreign exch. adjustment for the year recognised in other comprehen-sive income	Investment*	Amount hedged	Net position	Foreign exch. adjustment for the year recognised in other comprehen-sive income
CAD	210.2	0.0	210.2	(19.5)	152.6	0.0	152.6	0.0
CHF	1.9	0.0	1.9	0.0	1.9	0.0	1.9	0.0
EUR	31.2	0.0	31.2	(0.1)	43.6	0.0	43.6	0.1
GBP	2.5	0.0	2.5	0.0	2.3	0.0	2.3	0.1
HRK	48.1	0.0	48.1	(0.6)	53.2	0.0	53.2	0.0
HUF	96.3	0.0	96.3	(1.6)	248.8	0.0	248.8	17.1
ILS	35.1	0.0	35.1	1.2	37.4	0.0	37.4	0.0
PLN	2.8	0.0	2.8	0.0	2.9	0.0	2.9	0.3
USD	(3.3)	0.0	(3.3)	0.9	0.8	0.0	0.8	(0.1)
Other currencies	0.6	0.0	0.6	0.0	0.4	0.0	0.4	0.0
	425.4	**0.0**	**425.4**	**(19.7)**	**543.9**	**0.0**	**543.9**	**17.5**

* Including equity-like loans

INTEREST RATE RISK

	2013				2012			
Group	Nominal value	Carrying amount	Interest rate	Interest rate risk	Nominal value	Carrying amount	Interest rate	Interest rate risk
Credit institutions								
Fixed rate*	119.3	119.3	3.6%	Fair value	119.4	119.4	3.6%	Fair value
Floating rate	64.8	64.8	1.1%	Cash flow	94.3	94.3	1.1%	Cash flow

	2013				2012			
Parent company	Nominal value	Carrying amount	Interest rate	Interest rate risk	Nominal value	Carrying amount	Interest rate	Interest rate risk
Receivables from subsidiaries								
Fixed rate	5.7	5.7	5.0%	Fair value	17.2	17.2	5.0%	Fair value
Floating rate	79.6	79.6	1.3%	Cash flow	52.0	52.0	1.2-2.7%	Cash flow
Credit institutions								
Fixed rate*	119.3	119.3	3.6%	Fair value	119.4	119.4	3.6%	Fair value
Floating rate	64.8	64.8	1.1%	Cash flow	94.3	94.3	1.1%	Cash flow
Payables to subsidiaries								
Fixed rate	5.7	5.7	5.0%	Fair value	17.2	17.2	5.0%	Fair value
Floating rate	51.1	51.1	1.8%	Cash flow	109.8	109.8	1.2-1.8%	Cash flow

* In 2011, a floating-rate loan was raised with a credit institution and converted into a fixed-rate loan using an interest rate swap. The interest rate swap maturity is equal to that of the underlying loan, which falls due for payment on 30 June 2015.

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36 RELATED PARTIES

Sales of goods to related parties were made at standard prices. Purchases of goods were also made at market prices less discounts offered on the basis of volumes purchased.

No security or guarantee has been provided in respect of any balances at the balance sheet date. Receivables and trade payables are settled in cash. No losses have been incurred, and no provisions for probable losses have been made in respect of receivables from related parties.

THE FOLLOWING TRANSACTIONS HAVE BEEN RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME AND THE BALANCE SHEET

	Group		Parent company	
	2013	2012	2013	2012
Companies with a controlling interest				
Revenue	4.7	6.9	4.7	6.9
Associates				
Production costs	32.1	18.5	32.1	18.5
Subsidiaries				
Revenue	-	-	67.4	37.0
Production costs	-	-	546.3	531.6
Other costs recognised in operating profit	-	-	(5.3)	(8.4)
Key management members and other related parties				
Administrative expenses	0.0	1.3	0.0	1.3
Trade payables	0.0	0.4	0.0	0.4

Companies with a controlling interest in Brødrene Hartmann A/S consist of Lactosan-Sanovo Holding A/S, which is the immediate owner, and Thornico Holding A/S, the ultimate owner.

Associates consist of Danfiber A/S; see note 20.

Subsidiaries consist of companies in which Brødrene Hartmann A/S has a controlling interest; see note 18. Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

Key management members and other related parties consist of members of the Executive Board and the Board of Directors of Brødrene Hartmann A/S. The remuneration paid to the members of the Executive Board and the Board of Directors is disclosed in note 9 to the financial statements and is not included in the amounts stated above.

37 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date of significance to the consolidated financial statements or the parent company financial statements other than what has been recognised or mentioned in this annual report.

NOTES WITHOUT REFERENCE

38 ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent company, Brødrene Hartmann A/S, and enterprises in which the parent company directly or indirectly holds the majority of voting rights or which the parent company in some other way controls (subsidiaries). Enterprises in which the group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates. The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries by combining like items. The financial statements used for the annual report of the group have been prepared in accordance with the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, dividends, balances, and realised and unrealised gains and losses on intra-group transactions are eliminated. The parent company's investments in the consolidated subsidiaries are set off against the parent company's share of the subsidiaries' fair value of identified net assets determined at the date of consolidation.

Foreign currency translation

A functional currency is designated for each of the reporting entities in the group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are transactions in foreign currency. On initial recognition, transactions denominated in foreign currency are translated into the functional currency at the exchange rate at the transaction date. Gains and losses arising between the rate at the transaction date and the rate at the date of payment are recognised in the statement of comprehensive income under financial income and expenses, net. Receivables, payables and other monetary items denominated in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. Differences between the rate at the balance sheet date and the rate at the transaction date or the exchange rate stated in the latest annual report are recognised in the statement of comprehensive income under financial income and expenses, net. On recognition of foreign subsidiaries and associates with functional currencies other than DKK, comprehensive income statement items are translated at the rate at the transaction date, and balance sheet items including goodwill are translated at the rate at the balance sheet date. The rate at the transaction date is calculated as the average rate of the individual month to the extent that this does not significantly distort the presentation.

Foreign exchange differences arising on the translation of opening equity of these entities at the rate at the balance sheet date and on the translation of comprehensive income statement items from average rates to the rate at the balance sheet date are recognised in the consolidated financial statements in other comprehensive income in equity as a separate translation reserve. Foreign exchange adjustments of intra-group balances with foreign subsidiaries, which are considered part of the net investment in subsidiaries with functional currencies other than DKK, are recognised in the consolidated financial statements in other comprehensive income. Similarly, foreign exchange gains and losses on the parts of loans and derivative financial instruments that are designated as hedges of foreign subsidiaries which effectively set off foreign exchange gains and losses on investments in the subsidiary are also recognised in the consolidated financial statements in other comprehensive income.

On full or partial divestment of a foreign entity or on the settlement of intra-group balances that are considered part of the net investment, the part of accumulated foreign exchange adjustment that is recognised in equity and that is attributable to that entity is recognised in profit/loss for the year together with any gains or losses from the divestment.

Derivative financial instruments

The group uses forward exchange contracts and interest rate swaps to limit its currency and interest rate exposure. Derivative financial instruments are not used for speculative purposes. Derivative financial instruments are recognised at fair value at the date of transaction and are subsequently recognised at fair value at the balance sheet date. The fair value of derivative financial instruments is recognised in other receivables (positive value) and other payables (negative value). Realised and unrealised gains and losses on contracts are recognised in the statement of comprehensive income under financial income and expenses, unless the derivative financial instruments have been used to hedge future cash flows. Value adjustments of derivative financial instruments used to hedge future cash flows are recognised in other comprehensive income if the hedge is effective. Value adjustments of any ineffective part of the relevant derivative financial instruments are recognised in financial income and expenses. When the hedged transaction is realised, the gain or loss on the hedging instrument is recognised in the same item as the hedged item, and the amount recognised in other comprehensive income is reversed. If a hedged transaction is no longer expected to take place, the accumulated net gains or net losses are taken to profit/loss for the year from other comprehensive income. The fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in profit/loss for the year provided that delivery and transfer of risk to the buyer has taken place at the balance sheet date and that the income can be reliably measured and is expected to be received. Revenue relating to services is recognised as and when the services are delivered. Revenue from minor repair and renovation work is recog-

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38 ACCOUNTING POLICIES CONT'D

nised when the task is completed. In the case of major tasks, revenue is recognised as and when the tasks are performed. Revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue. Construction contracts relating to production of moulding machines involving delivery of plant that is to a high degree individually designed are recognised in revenue in proportion to the work completed, so that revenue is matched with the sales value of the work carried out during the year (the percentage of completion method). If the profit or loss from a construction contract cannot be reliably estimated, revenue is recognised only for costs incurred to the extent that it is likely such costs will be recovered.

Production costs
Production costs comprise direct and indirect costs including depreciation and amortisation and salaries incurred in generating the revenue for the year. Production costs also comprise research costs and any development costs not qualifying for capitalisation.

Amortisation of capitalised development costs is also recognised.

Selling and distribution costs
Selling and distribution costs comprise costs in relation to freight, sales staff, advertising, exhibitions and depreciation.

Administrative expenses
Administrative expenses comprise expenses in relation to administrative staff, management, office premises, office expenses, depreciation and amortisation.

Other operating income and other operating expenses
Other operating income and other operating expenses comprise items of a secondary nature, e.g. gains and losses from disposal of property, plant and equipment.

Operating profit/(loss) before special items
Operating profit/(loss) before special items is a key figure for comparison with prior years.

Special items
Special items comprise significant income and expenses of a special nature relative to the group's earnings-generating operating activities, such as the costs of extensive restructuring of processes and basic structural changes. Other significant amounts of a non-recurring nature are also recognised under the item, including impairment of property, plant and equipment, impairment of goodwill and gains and losses on the divestment of activities.

These items are presented separately in order to facilitate the comparability of the statement of comprehensive income and in order to provide a clearer presentation of operating profit. Special items are specified in a note to the financial statements.

Profit/loss from investments in associates in the consolidated financial statements
The proportionate share of the profit/loss from associates after tax and after elimination of the proportionate share of intra-group profit/loss is recognised in the consolidated statement of comprehensive income.

Dividend from investments in subsidiaries and associates in the parent company's financial statements
Dividend from investments in subsidiaries and associates is recognised in the parent company's profit/loss for the financial year in which it is declared.

Financial income and expenses
Financial income and expenses comprise interest, realised and unrealised foreign exchange adjustments, market value adjustment of securities, amortisation and surcharges and refunds under the on-account tax scheme. Also included are realised and unrealised gains and losses relating to derivative financial instruments that cannot be classified as hedging instruments.

Tax on profit/(loss) for the year
The group's Danish companies are jointly taxed with its principal shareholder, Thornico Holding A/S, and its Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses). Tax for the year, comprising current income tax for the year, joint taxation contributions for the year and changes in deferred tax for the year, including such changes as follow from changes in the tax rate, is recognised in profit/loss for the year, other comprehensive income or in equity, depending on where the item is recognised.

STATEMENT OF CASH FLOWS
The statement of cash flows shows the group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and bank debt and the opening and closing cash and bank debt.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method as operating profit/loss before special items adjusted for non-cash items, changes in working capital, interest paid and interest received, income taxes paid and restructuring costs paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments in connection with acquisition and divestment of intangible assets and property, plant

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38 ACCOUNTING POLICIES CONT'D

and equipment, dividend received from associates and subsidiaries and government grants received.

Cash flows from financing activities
Cash flows from financing activities comprise the raising and repayment of loans, changes in the amount or composition of the share capital including purchase and sale of treasury shares and related costs and dividend payments to shareholders.

Cash
Cash comprises cash and current bank debt.

BALANCE SHEET

Goodwill
On initial recognition goodwill is recognised in the balance sheet at cost. Goodwill is subsequently measured at cost less accumulated impairment. Goodwill is not amortised. The carrying amount of goodwill is allocated to the group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and internal financial control.

Other intangible assets
Development projects comprise salaries, amortisation, and other costs attributable to the group's development activities. Development projects that are clearly defined and identifiable, and where the technical utilisation degree, sufficient resources and potential future market or development opportunities in the group are evidenced, and where the group intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and distribution costs and administrative expenses as well as development costs. Development projects that do not qualify for recognition in the balance sheet are recognised in profit/loss for the year as and when the costs are incurred.

Costs for development and implementation of major IT systems are capitalised and amortised over the estimated economic life.

Other intangible assets are measured at cost less accumulated amortisation and impairment.

Amortisation is made on a straight-line basis over the estimated useful life which is:

- Development projects, 5-10 years
- Software etc., 5 years

Property, plant and equipment
Property, plant and equipment is measured at cost less accumulated depreciation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs related to wages and salaries, materials, components and sub-suppliers. Borrowing costs are not recognised, if production periods are short. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. Subsequent costs, e.g. for the replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset when it is likely that the expenditure of the replacement involves future financial benefits to the group. The carrying amount of the replaced components is no longer recognised in the balance sheet, but is transferred to the profit/loss for the year. All other costs related to general repair and maintenance are recognised in profit/loss for the year as and when incurred. Property, plant and equipment is depreciated on a straight-line basis over the expected useful lives of the assets/components:

- Buildings and building parts, 10-25 years
- Technical plant and machinery, 3-25 years
- Operating equipment and fixtures, 5-10 years
- IT equipment including basic programs, 3-5 years

Land is not depreciated. The depreciation basis is determined taking into account the residual value and any impairment losses. The residual value is determined at the date of acquisition and is reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation will cease. If the depreciation period or the residual value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates. Depreciation is recognised in the statement of comprehensive income as production costs, selling and distribution costs and administrative expenses, respectively. Gains or losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the statement of comprehensive income in other operating income or in other operating expenses.

Investments in associates in the consolidated financial statements
Investments in associates are measured using the equity method. Investments in associates are measured in the balance sheet at the proportionate share of the companies' equity value calculated in accordance with the group's accounting policies with deduction or addition of the proportionate share of unrealised intra-group gains and losses plus the carrying amount of goodwill.

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38 ACCOUNTING POLICIES CONT'D

Investments in subsidiaries and associates in the parent company's financial statements
Investments in subsidiaries and associates are measured at cost. Where the cost is higher than the recoverable amount, the investments are written down to such lower value.

Impairment of non-current assets
Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually, the first impairment test being performed prior to the expiry of the year of acquisition. Development projects in progress are also tested for impairment annually.

The carrying amount of goodwill is tested for impairment at least annually together with the other non-current assets of the cash-generating unit to which goodwill has been allocated and is written down to the recoverable amount over income if the carrying amount is higher. The recoverable amount is calculated as the net present value of expected future net cash flows from the enterprise or operation (cash generating unit) to which the goodwill is allocated. Deferred tax assets are tested for impairment annually and are written down if it is deemed likely that the deferred tax asset cannot be utilised against tax on future income or set off against deferred tax liabilities in the same legal tax entity and jurisdiction. The assessment takes account of the type and nature of the recognised deferred tax asset, the estimated time frame for the set-off of the deferred tax asset, tax-planning possibilities, etc. The carrying amount of other non-current assets is tested annually for any indication of impairment. When there is an indication that an asset may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of the net selling price and the net present value of expected future net cash flows. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. Impairment losses are recognised in profit/loss for the year. Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that changes have occurred in the assumptions and estimates used to determine impairment. Reversals of impairment are made only to the extent that the new carrying amount of the asset does not exceed the carrying amount it would have had net of depreciation or amortisation, had the write-down not been made.

Inventories
Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. Goods for resale, raw materials and consumables are measured at cost, comprising the purchase price plus delivery costs. Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labour costs and production overheads. Production overheads comprise indirect materials and labour costs as well as maintenance and depreciation of production machinery, factory buildings and equipment and factory administration and management costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and developments in the expected selling price.

Current and non-current receivables
Receivables, including government grants receivable, are measured at amortised cost. If a receivable is deemed to be impaired, it is written down. Write-downs are made individually.

Prepayments
Prepayments, recognised in assets, include expenses paid in respect of subsequent financial years.

Equity
Dividend
The amount proposed in dividends for the year is stated as a separate item in equity. Proposed dividend is recognised as a liability at the time it is approved at the annual general meeting.

Treasury shares
Costs of acquisition and divestment and dividend received on treasury shares acquired by the parent company or the subsidiaries are recognised as retained earnings in equity.

Currency translation reserve
The translation reserve in the consolidated financial statements includes foreign exchange differences on the translation of the financial statements of foreign subsidiaries from their functional currency to the presentation currency of the group.

Hedging reserve
The hedging reserve contains the accumulated net change in fair value of hedging transactions that qualify as hedging of future cash flows and for which the hedged transaction has not yet been realised.

Pension obligations
Obligations relating to defined contribution plans, under which the group regularly pays fixed contributions into an independent pension fund, are recognised in profit/loss for the year in the period in which they are earned, and outstanding payments are recognised in the balance sheet under other payables.

For defined benefit plans, annual actuarial calculations are made of the present value of future benefits payable under the pension plan. The present value is calculated based on assumptions of the future developments in variables such as salary levels, interest, inflation and

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38 ACCOUNTING POLICIES CONT'D

mortality rates. The present value is only calculated for benefits earned by the employees through their employment with the group to date. The actuarial present value less the fair value of any plan assets is recognised in the balance sheet under pension obligations. The pension costs for the year, based on actuarial estimates and financial forecasts at the beginning of the year, are recognised in profit/loss for the year. The difference between the forecast development in pension assets and liabilities and the realised values is called actuarial gains or losses and is recognised in the statement of comprehensive income via other comprehensive income. If a pension plan constitutes a net asset, the asset is recognised only insofar as it equals the value of future repayments under the plan or it leads to a reduction in future contributions to the plan.

Income tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Joint taxation contributions payable and receivable are recognised as income tax in the balance sheet of the parent company.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax on temporary differences relating to goodwill which is not deductible for tax purposes and office buildings and other items is not recognised where temporary differences – other than business acquisitions – arise at the date of acquisition without affecting either the profit/loss for the year or the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured on the basis of planned use of the asset as decided by management, or settlement of the liability, respectively. Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Adjustment is made to deferred tax relating to eliminations made of unrealised intra-group profits and losses. Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions
Provisions are recognised when, as a result of events occurring before or at the balance sheet date, the group incurs a legal or constructive obligation and it is probable that there may be an outflow of financial resources to settle the obligation. Provisions are measured at management's best estimate of the amount required to settle the obligation at the balance sheet date.

Warranty commitments are recognised when goods and services are sold on the basis of warranty costs incurred in prior financial years.

Restructuring costs are recognised as liabilities when a detailed, formal restructuring plan has been announced not later than at the balance sheet date to the parties affected by the plan.

Financial liabilities
Financial liabilities comprise debt to credit institutions, trade creditors, payables to subsidiaries and associates and other debt.

Debt to credit institutions is recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value (capital loss) is recognised in profit/loss for the year over the term of the loan.

Other liabilities are measured at the net realisable value.

Government grants
Government grants relating to property, plant and equipment are recognised in the balance sheet under liabilities. The grants are recognised in profit/loss for the year over the useful lives of the assets.

SEGMENT INFORMATION
The reporting of business segments is in accordance with the internal reporting to the Executive Board and the Board of Directors.

Hartmann's activities are segmented on the basis of the geographical location of the reporting units.

The internal management reporting complies with the group's accounting policies.

Segment income and expenses as well as segment assets and liabilities comprise those items that in the internal management reporting are directly attributed to each individual segment and those items that are indirectly allocated to the individual segments on a reliable basis. Profits in associates, financial income and expenses, income taxes, investments in associates, tax assets and tax liabilities, and cash and cash equivalents and bank debt are not allocated to reporting segments.

The reporting segments are:
- Europe
- North America

NOTES WITHOUT REFERENCE

38 ACCOUNTING POLICIES CONT'D

DEFINITIONS OF FINANCIAL RATIOS

The financial ratios are calculated in accordance with 'Recommendations & Ratios, 2010', issued by the Danish Society of Financial Analysts.

Invested capital
Net working capital + intangible assets + property, plant and equipment + other non-current receivables - government grants

Net working capital
Inventories + receivables + other current operating assets - pension obligations - trade payables - other current operating liabilities (excluding restructuring)

Interest-bearing debt
Credit institutions + overdraft facilities - cash

Profit margin
$$\frac{\text{Operating profit before special items} \times 100}{\text{Revenue}}$$

Return on invested capital (ROIC)
$$\frac{\text{Operating profit/(loss) before special items}}{\text{Average invested capital}}$$

Return on equity
$$\frac{\text{Profit/(loss) for the year} \times 100}{\text{Average total equity}}$$

Solvency ratio
$$\frac{\text{Total equity, year end} \times 100}{\text{Total assets}}$$

Gearing
$$\frac{\text{Interest-bearing debt} \times 100}{\text{Total equity, year end}}$$

Earnings per share (EPS)
$$\frac{\text{Profit for the year}}{\text{Average no. of shares}}$$

The calculation of diluted EPS is adjusted for outstanding share options.

Book value per share
$$\frac{\text{Total equity, year end}}{\text{No. of shares (excluding treasury shares), year end}}$$

Price/earnings
$$\frac{\text{Market price}}{\text{Earnings per share}}$$

Payout ratio
$$\frac{\text{Total dividend paid} \times 100}{\text{Profit for the year}}$$

Cash flow per share
$$\frac{\text{Cash flows from operating activities}}{\text{Average no. of shares (excluding treasury shares)}}$$

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Brødrene Hartmann A/S for the financial year ended 31 December 2013.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 December 2013 and of the results of the group's and the parent company's operations and cash flows for the financial year ended 31 December 2013.

We are of the opinion that the management report includes a fair review of the development and performance of the group's and the parent company's business and financial position, the results for the year, cash flows and financial position together with a description of the principal risks and uncertainties that the group and the parent company face.

The annual report is recommended for approval by the annual general meeting.

Gentofte, 6 March 2014

Executive Board:	Ulrik Kolding Hartvig *CEO*	Marianne Rørslev Bock *CFO*	
Board of Directors:	Agnete Raaschou-Nielsen *Chairman*	Walther V. Paulsen *Vice Chairman*	Jan Peter Antonisen
	Niels Hermansen	Jørn Mørkeberg Nielsen	Steen Parsholt
	Niels Christian Petersen		

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BRDR. HARTMANN A/S

Report on the consolidated financial statements and parent financial statements
We have audited the consolidated financial statements and parent financial statements of Brødrene Hartmann A/S for the financial year 1 January - 31 December 2013, which comprise the statement of comprehensive income, cash flows, balance sheet, statement of changes in equity and notes, including the accounting policies, for the group as well as for the parent. The consolidated financial statements and parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and parent financial statements
Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the group's and the parent's financial position at 31 December 2013 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary
Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 6 March 2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Martin Faarborg
State Authorised
Public Accountant

HARTMANN AT A GLANCE

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging and one of the world's largest manufacturers of machinery for producing moulded-fibre packaging. Hartmann's market position can be ascribed to its strong technology know-how and extensive experience of production of moulded-fibre since 1936.

Sustainability
Sustainability and environmental considerations are integral elements of Hartmann's business model and strategy. All of Hartmann's products are based on recycled paper; a renewable, CO_2-neutral and biodegradable resource. Hartmann works closely with its customers to support the need for sustainable products in the retail trade, and the company was the first manufacturer to offer both FSC-certified packaging and CO_2-neutral retail packaging.

Markets
Hartmann's egg packaging is sold globally. The group's principal markets consist of Europe and North America, where Hartmann has strong market positions. Hartmann is the market leader in Europe and has a small share of the North American market. Hartmann's technology, including machinery and services, is also sold globally outside its key markets.

Customers
Hartmann sells egg packaging to manufacturers, distributors and to retail chains, which are increasingly seeking Hartmann's expertise in the marketing of eggs. Hartmann's technology and related services are sold to manufacturers of moulded-fibre packaging. Hartman has more than 1,500 customers in 50 countries, and most of these customers have long-standing relations with Hartmann. In 2013, Hartmann generated total revenue of DKK 1.6 billion.

Organisation
Hartmann has about 1,500 employees, and its head office is situated in Gentofte, Denmark. Production takes place at Hartmann's own factories. Four of these factories are located in Europe, one is located in Israel and one in Canada. The group has sales offices in twelve countries.

The Hartmann share
Hartmann's shares have been listed on NASDAQ OMX Copenhagen A/S since 1982. The company has one share class, and each share carries one vote. Interested parties can receive financial reports and company announcements by subscribing to Hartmann's news service at investor.hartmann-packaging.com.

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Company reg. (CVR) no. 63 04 96 11

This annual report was released as company announcement no. 2/2014 through NASDAQ OMX Copenhagen A/S in Danish and English. In case of discrepancies between the two versions and in case of doubt, the Danish version will prevail.