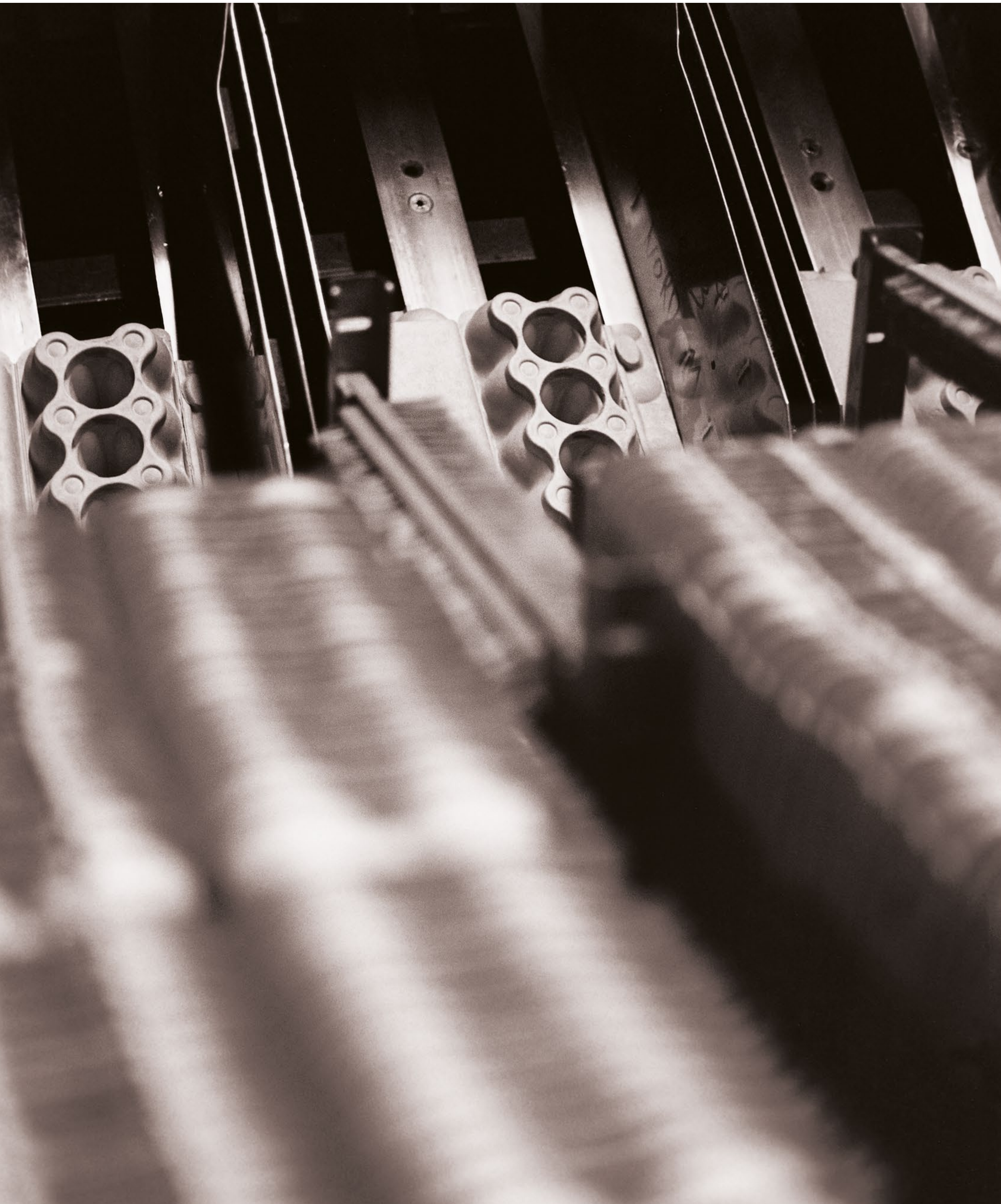
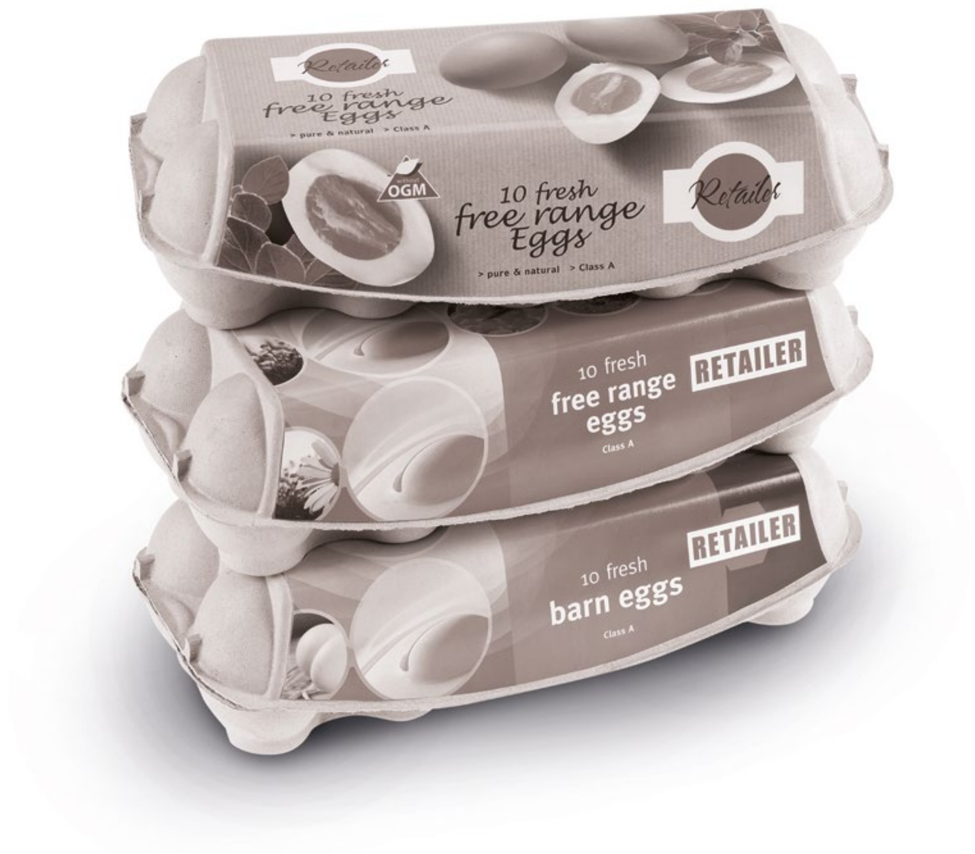
INTERIM REPORT Q1 2016



Contents


10 fresh
free range
Eggs
10 fresh
free range
eggs
RETAILER
10 fresh
barn eggs
RETAILER

Highlights

Operating profit and the profit margin improved and business performance was stable in Q1 2016. Our measures to improve efficiency in the European business began to pay off, offsetting price competition and lower revenue. Our activities in the Americas also contributed to enhancing profitability as, overall, they were not overly affected by economic developments in South America. The ongoing measures to strengthen efficiency in Europe and expand in the Americas are proceeding according to plan, and full-year 2016 guidance is maintained.

CEO Ulrik Kolding Hartvig: "Overall, the business and packaging sales were stable in the first quarter despite price competition and lower revenue in Europe. We managed to grow operating profit and raise the profit margin against the background of efficiency gains in Europe and a continued strong operating performance in the Americas. As the measures to improve our competitive position in Europe and expand production capacity in the Americas are also on track, we maintain our full-year guidance for 2016."

Q1 2016

- Revenue totalled DKK 554 million (2015: DKK 581 million), and operating profit* came to DKK 80 million (2015: DKK 62 million), corresponding to a profit margin* of 14.5% (2015: 10.6%). Foreign exchange developments reduced revenue by DKK 51 million and operating profit by DKK 5 million.

- Our European business reported revenue of DKK 333 million (2015: DKK 342 million) and an improvement in operating profit to DKK 44 million (2015: DKK 33 million), corresponding to a profit margin of 13.2% (2015: 9.6%). Efficiency gains and lower fixed costs offset the impact of the lower revenue in Q1 2016.

- Revenue from the Americas was DKK 221 million in Q1 2016 (2015: DKK 239 million), while operating profit came to DKK 43 million (2015: DKK 36 million), corresponding to a profit margin of 19.5% (2015: 14.9%). Business performance was stable and average North American selling prices rose. Overall, our South American business was not significantly impacted by macroeconomic trends such as inflation and weakening local currencies.

- Cash flows from operating activities grew to a net inflow of DKK 94 million (2015: DKK 28 million), and the return on invested capital was 24% (2015: 22%).

Outlook for 2016

- We maintain our full-year guidance of revenue in the DKK 2.1-2.2 billion range and a profit margin of 11-12.5%.

- Our total capital expenditure for 2016 is expected to amount to around DKK 350 million.

* For purposes of this report, operating profit refers to operating profit before special items, and profit margin refers to profit margin before special items, unless otherwise stated.

Key figures and financial ratios

DKKm

Group	Q1 2016	Q1 2015	FY 2015
Statement of comprehensive income			
Revenue	554	581	2,133
Operating profit/(loss)	80	62	234
Special items	0	0	(101)
Financial income and expenses, net	(10)	7	(23)
Profit/(loss) before tax	70	69	111
Profit/(loss) for the period	53	56	111
Comprehensive income	71	65	1
Cash flows			
Cash flows from operating activities	94	28	221
Cash flows from investing activities	(68)	(357)	(512)
Cash flows from financing activities	(1)	301	332
Total cash flows	25	(29)	41
Balance sheet			
Assets	1,811	1,743	1,720
Investments in property, plant and equipment	68	30	186
Net working capital	246	312	257
Invested capital	1,095	1,119	1,055
Interest-bearing debt	462	487	495
Equity	668	728	598
Financial ratios, %			
Profit margin	14.5	10.6	11.0
Return on average invested capital (ROIC, rolling 12 months)	23.8	21.7	21.7
Return on equity (rolling 12 months)	16.7	22.0	17.1
Equity ratio	36.9	41.8	34.7
Gearing	69.1	66.9	82.8
Share-based financial ratios			
No. of shares	7,015,090	7,015,090	7,015,090
Earnings per share, DKK (EPS)	7.6	8.1	16.1
Cash flows per share, DKK	13.6	4.0	32.0
Book value per share, DKK	96.6	105.3	86.4
Market price per share, DKK	276.0	246.5	271.0
Market price/book value per share	2.9	2.3	3.1
Price/earnings (rolling 12 months)	17.8	12.1	16.9

Earnings per share is calculated in accordance with IAS 33. See note 14 to the financial statements in our annual report for 2015. Other financial ratios are calculated in accordance with 'Recommendations & Ratios 2015', issued by the Danish Finance Society. See note 38 to the financial statements in our annual report for 2015.

Developments in Q1 2016

Hartmann grew both operating profit and the profit margin in a first quarter 2016 of stable business performance. Progress was driven by targeted efforts to enhance efficiency and reduced fixed costs in the European business, which offset the adverse impact of price competition in Europe. The Americas showed stable performance, while at the same time average selling prices in North America increased and our business was only mildly affected by macroeconomic developments in South America.

We continued our efficiency-improving efforts in our European business in the first quarter, and the planned closure of our German factory is scheduled for completion in the second quarter. The expansion of production capacity at our other factories is progressing according to plan. In April, we launched additional measures to improve our European customer service and strengthen coordination across sales and production organisations in order to facilitate faster and more efficient adjustment of production capacity and cost levels on seasonal fluctuations and other changes in demand.

The ongoing expansion of production capacity in South America and the work to establish the new factory in the US are proceeding as planned. The construction of the two South American factories is expected to be completed in 2016, and the factory in the US is scheduled to commence operations in early 2017.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

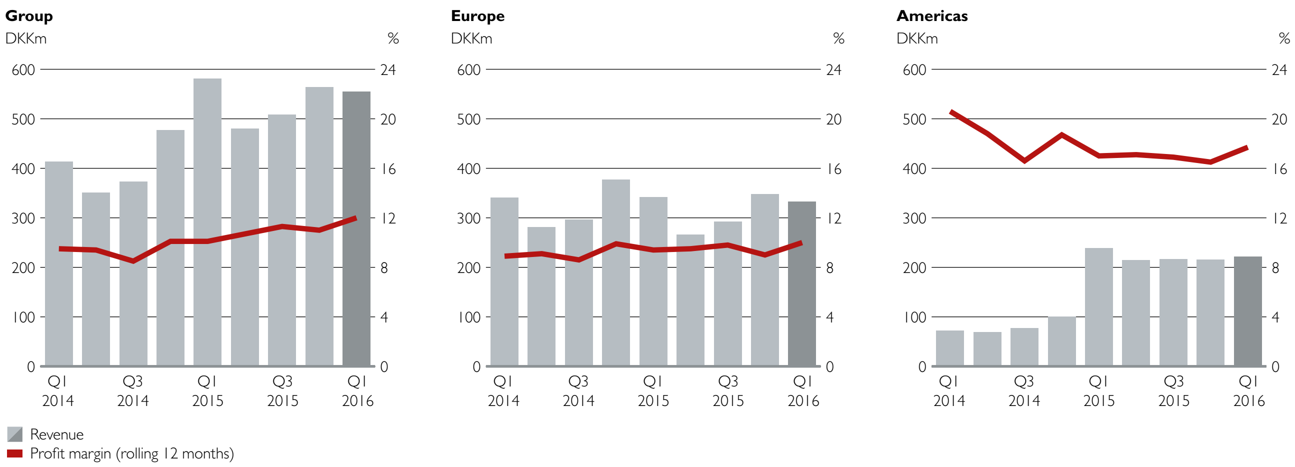
In Q1 2016, we generated total revenue of DKK 554 million (2015: DKK 581 million). Foreign exchange rate movements reduced revenue by DKK 51 million due to a significant accounting effect on translation into DKK. The impact of the weaker currencies in South America was partly offset by the high inflation rates in the South American economies.

Europe
The European business reported revenue of DKK 333 million (2015: DKK 342 million) for Q1 2016. Sales of egg packaging remained stable in Q1 2016. While competition remained fierce, price pressures abated compared with 2015.

Americas
Revenue from the Americas came to DKK 221 million (2015: DKK 239 million) for Q1 2016. The decline was due to exchange rate fluctuations, while the underlying business performance was stable.

Our operations in North America reported stable revenue in the face of significant adverse currency effects. We managed to grow the share of premium products and lift average selling prices in Q1 2016.

Revenue and profit margin



The Americas segment consists of Hartmann's activities in North and South America. The South American activities have contributed to our performance as from January 2015.

Capacity utilisation at our four factories in South America remained high and business performance remained stable. The lower revenue was therefore primarily caused by significant adverse currency movements, which were partly offset by the high rates of inflation.

Operating profit

Operating profit for Q1 2016 grew to DKK 80 million (2015: DKK 62 million), corresponding to a profit margin of 14.5% (2015: 10.6%). Foreign exchange rate movements reduced operating profit by DKK 5 million due to a significant accounting effect on translation into DKK.

Europe

The European business reported operating profit of DKK 44 million for Q1 2016 (2015: DKK 33 million), corresponding to a profit margin of 13.2% (2015: 9.6%). The increase was driven by cost reductions and a favourable currency impact, partly offset by lower average selling prices and declining revenue. Moreover, operating profit for Q1 2015 was impacted by a substantial impairment loss relating to a particular customer in Eastern Europe.

Americas

Operating profit from our operations in the Americas grew to DKK 43 million in Q1 2016 (2015: DKK 36 million), corresponding to a profit margin of 19.5% (2015: 14.9%), reflecting higher average selling prices in North America and a lower gross margin in Q1 2015 as a result of the takeover of inventory goods at selling price in connection with the acquisition of the South American activities in January 2015. Progress was curtailed by adverse currency movements.

Corporate functions

In Q1 2016, costs related to corporate functions totalled DKK 7 million (2015: DKK 7 million).

Financial income and expenses

Financial income and expenses for Q1 2016 came to a net expense of DKK 10 million (2015: income of DKK 7 million) due to adverse foreign exchange adjustments.

Profit for the period

The profit for Q1 2016 was DKK 53 million (2015: DKK 56 million), and tax on the profit for the period was an expense of DKK 18 million (2015: expense of DKK 12 million).

Comprehensive income

Comprehensive income for Q1 2016 totalled DKK 71 million (2015: DKK 65 million). The increase was driven by a positive fair value adjustment of our hedging instruments.

CASH FLOWS

Cash flows from operating activities grew to a net inflow of DKK 94 million in Q1 2016 (2015: DKK 28 million), boosted by higher operating profit and lower funds tied up in working capital. Cash flows from investing activities amounted to a net outflow of DKK 68 million in Q1 2016 (2015: net outflow of DKK 357 million). The improvement can be attributed to the acquisition of the South American activities in Q1 2015.

Cash flows from operating and investing activities thus amounted to a net cash inflow of DKK 26 million for Q1 2016 (2015: net outflow of DKK 330 million).

BALANCE SHEET

ROIC

Return on invested capital (ROIC) rose to 24% at 31 March 2016 (2015: 22%).

Capital resources

The group's net interest-bearing debt at 31 March 2016 was DKK 462 million (2015: DKK 487 million).

The financial gearing at 31 March 2016 was 69% (2015: 67%). Financial resources amounted to DKK 466 million at 31 March 2016, comprising cash and cash equivalents and undrawn loan and overdraft facilities. Hartmann's loans are subject to customary financial covenants. See note 33 to the financial statements in our annual report for 2015.

Equity

Equity at 31 March 2016 was DKK 668 million (2015: DKK 728 million), and the equity ratio was 37% (2015: 42%). The decline was mainly due to negative foreign exchange adjustments of subsidiaries.

THE HARTMANN SHARE

The official market price of the Hartmann share was DKK 276.0 at 31 March 2016, up from DKK 271.0 at 31 December 2015. Our share price performance can be monitored at investor.hartmann-packaging.com.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred in the period from the balance sheet date until the date of presentation of this interim report that materially affect the evaluation of the interim report.

Outlook

Based on developments in Q1 2016 and the anticipated impact of completed and initiated efficiency-enhancing measures in Europe and the ongoing expansion in South America, we maintain our full-year 2016 guidance of revenue in the range of DKK 2.1-2.2 billion and a profit margin of 11-12.5%.

Our total capital expenditure for 2016 is expected to amount to around DKK 350 million. Planned investments comprise measures to improve efficiency in Europe, the ongoing expansion of the production network in South America and the factory currently being established in Missouri, USA.

Assumptions
Hartmann's revenue and profit margin guidance for 2016 reflects the expansion of our production network in South America resulting from the two factories currently being built and scheduled for completion in 2016. Any deviations from these assumptions may affect our 2016 performance. Due to seasonal fluctuations, our operating profit is generally higher in the first and fourth quarters than in the second and third quarters.

Outlook and targets

	2016	2017
Revenue	DKK 2.1-2.2bn	DKK 2.2-2.4bn
Profit margin	11-12.5%	12-14%

FORWARD-LOOKING STATEMENTS

The forward-looking statements in this interim 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 which may cause the actual results to deviate from expectations include, but are not limited to, general economic developments and developments in the financial markets, changes or 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 in this interim report and note 33 to the financial statements in our annual report for 2015.

Risk factors

For a full description of Hartmann's risk factors, see the section on risk factors and note 33 to the financial statements in our annual report for 2015.

Raw materials
Hartmann is exposed to changes in purchase prices of the raw materials used in our production. In particular, the company is exposed to fluctuations in the purchase price of recycled paper and energy (electricity and gas), which are the most important raw materials in our 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 regularly sign fixed-price agreements with energy suppliers, typically for 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 the countries in which we operate.

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

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

Hartmann is exposed to transaction risks due to cross-border transactions leading to contractual cash flows in foreign currency. The USD/CAD exchange rate exposure constitutes one of the group's single largest transaction risks. The exposure results from the main part of sales generated in the North American business being invoiced in USD, while costs are mainly incurred in CAD. Other significant transaction risks relate to the currencies CHF, EUR, GBP, HRK, HUF and PLN.

Due to our foreign subsidiaries, Hartmann is exposed to translation risks insofar as a part of the group's earnings and net assets derives 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 ARS, BRL, CAD, HRK, HUF and ILS represent Hartmann's greatest translation exposure.

Hartmann hedges its transaction risks to the effect that primary currencies are continuously hedged for a period of not less than 9 and not more than 12 months. Translation risks are not hedged as they have no direct impact on Hartmann's cash resources or underlying cash flows.

Management statement

Today, the Board of Directors and the Executive Board have considered and approved the interim report of Brødrene Hartmann A/S for the three months ended 31 March 2016.

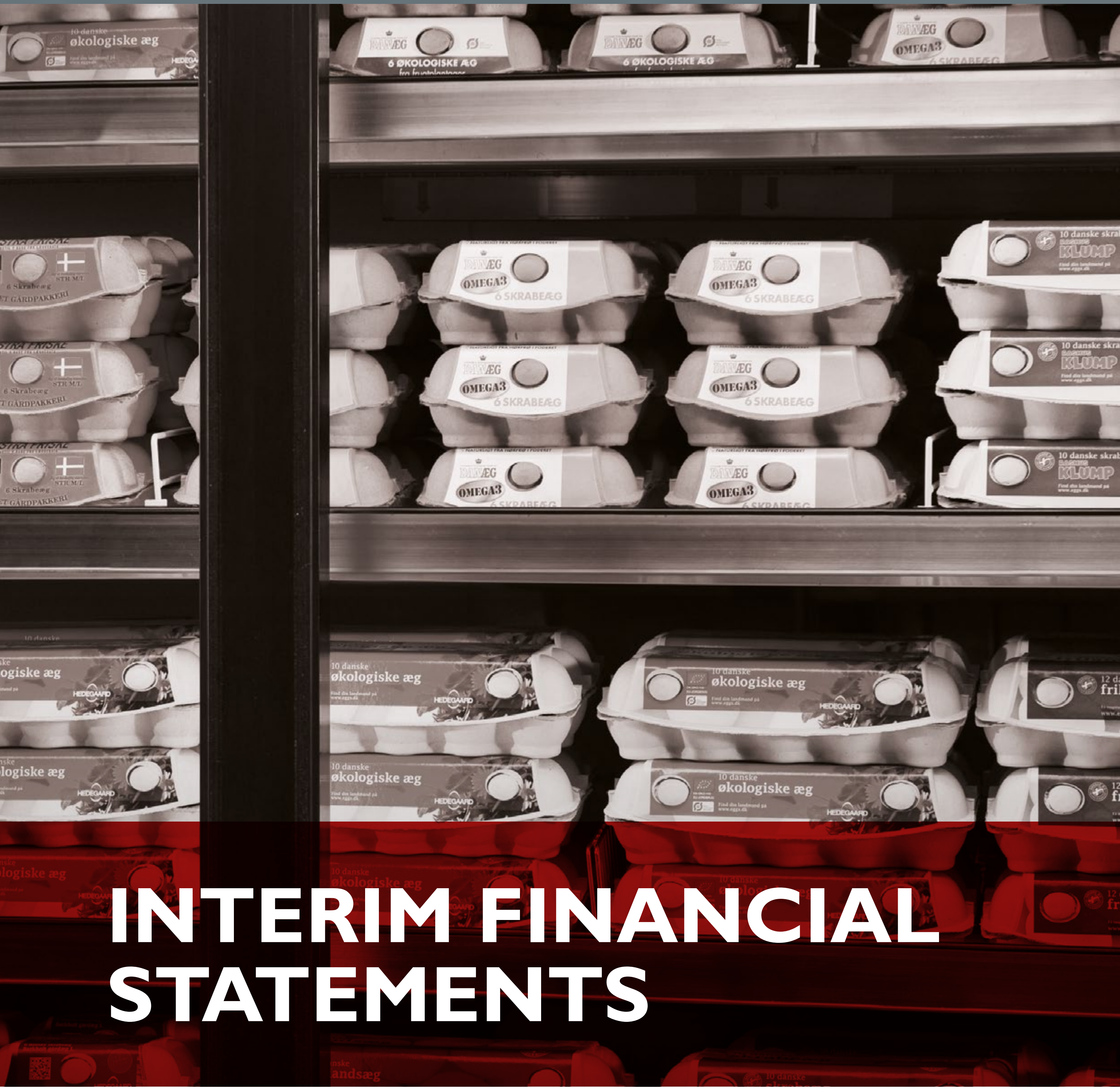
The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim financial reporting' as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the group's assets and liabilities and financial position at 31 March 2016 and of the results of the group's operations and cash flows for the three months ended 31 March 2016.

Furthermore, in our opinion, the management report includes a fair review of the development of the group's activities and financial affairs, the results for the period and the financial position in general of the consolidated companies as well as a description of the principal risks and uncertainties that the group faces.

Gentofte, 24 May 2016

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



INTERIM FINANCIAL STATEMENTS

Interim financial statements

Statement of comprehensive income

DKKm

Group	Q1 2016	Q1 2015	FY 2015
Revenue	554.4	580.9	2,133.4
Production costs	(361.3)	(396.7)	(1,446.6)
Gross profit/(loss)	**193.1**	**184.2**	**686.8**
Selling and distribution costs	(83.9)	(99.5)	(364.0)
Administrative expenses	(28.9)	(23.1)	(89.8)
Other operating income	0.0	0.1	0.8
Operating profit/(loss) before special items	**80.3**	**61.7**	**233.8**
Special items	0.0	0.0	(100.5)
Operating profit/(loss)	**80.3**	**61.7**	**133.3**
Profit/(loss) after tax in associates	0.0	0.0	0.1
Financial income	0.4	12.9	7.8
Financial expenses	(10.6)	(6.0)	(30.4)
Profit/(loss) before tax	**70.1**	**68.6**	**110.8**
Tax on profit/(loss) for the period	(17.5)	(12.4)	0.2
PROFIT/(LOSS) FOR THE PERIOD	**52.6**	**56.2**	**111.0**
Items that cannot be reclassified to profit or loss:			
Actuarial gains/(losses) on pension obligations	0.0	0.0	(12.4)
Tax	0.0	0.0	3.5
Items that can be reclassified to profit or loss:			
Foreign exchange adjustment of:			
Foreign subsidiaries	6.8	9.4	(99.4)
Equity-like loans to subsidiaries	0.7	1.5	0.8
Value adjustment of hedging instruments:			
Recognised in other comprehensive income	12.9	2.5	(20.3)
Transferred to revenue	0.5	(6.7)	14.4
Transferred to production costs	(0.0)	(0.4)	0.3
Transferred to financial income and expenses	(0.4)	0.0	2.2
Tax	(2.5)	2.6	0.7
Other comprehensive income after tax	**18.0**	**8.9**	**(110.2)**
COMPREHENSIVE INCOME	**70.6**	**65.1**	**0.8**
Earnings per share, DKK	7.6	8.1	16.1
Earnings per share, DKK, diluted	7.6	8.1	16.1

Statement of cash flows

DKKm

Group	Q1 2016	Q1 2015	FY 2015
Operating profit/(loss) before special items	80.3	61.7	233.8
Depreciation and amortisation	22.2	23.6	92.5
Adjustment for other non-cash items	0.0	(0.1)	(0.8)
Change in working capital etc.	12.5	(53.7)	(44.0)
Restructuring costs etc. paid	(10.2)	(0.5)	(12.0)
Cash generated from operations	**104.8**	**31.0**	**269.5**
Interest, etc. received	0.4	6.3	6.4
Interest etc. paid	(5.3)	(5.0)	(30.3)
Net income tax paid	(6.0)	(4.8)	(24.5)
Cash flows from operating activities	**93.9**	**27.5**	**221.1**
Disposal of property, plant and equipment	0.0	0.2	0.5
Acquisition of intangible assets	0.0	0.0	(1.0)
Acquisition of property, plant and equipment	(67.9)	(30.4)	(186.4)
Government grants received	0.0	0.0	2.0
Acquisition of subsidiaries	0.0	(327.1)	(327.1)
Cash flows from investing activities	**(67.9)**	**(357.3)**	**(512.0)**
Cash flows from operating and investing activities	**26.0**	**(329.8)**	**(290.9)**
Raising of non-current debt	0.0	300.9	402.5
Repayment of non-current debt	(1.5)	0.0	(5.1)
Dividend paid	0.0	0.0	(65.7)
Cash flows from financing activities	**(1.5)**	**300.9**	**331.7**
Total cash flows	**24.5**	**(28.9)**	**40.8**
Cash and cash equivalents at 1 January	104.0	56.0	56.0
Foreign exchange adjustment	0.9	3.7	7.2
Cash and cash equivalents and bank debt at 31 March	**129.4**	**30.8**	**104.0**
Recognition of cash and cash equivalents and bank debt at 31 March:			
Cash and cash equivalents	158.7	70.9	128.9
Overdraft facilities	(29.3)	(40.1)	(24.9)
	129.4	**30.8**	**104.0**

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

Balance sheet, assets

DKKm

Group	31 March 2016	31 March 2015	31 Dec. 2015
Goodwill	67.9	77.2	65.5
Other intangible assets	33.8	38.7	35.6
Intangible assets	**101.7**	**115.9**	**101.1**
Land and buildings	149.7	160.7	136.0
Plant and machinery	425.5	483.9	436.7
Other fixtures and fittings, tools and equipment	14.8	14.7	14.9
Plant under construction	165.9	40.8	118.5
Property, plant and equipment	**755.9**	**700.1**	**706.1**
Investments in associates	2.9	2.8	2.9
Other receivables	5.1	7.4	5.1
Deferred tax	121.2	144.2	120.8
Other non-current assets	**129.2**	**154.4**	**128.8**
Non-current assets	**986.8**	**970.4**	**936.0**
Inventories	215.2	184.6	213.9
Trade receivables	368.1	421.6	353.6
Income tax	7.5	8.8	8.1
Other receivables	62.4	69.5	63.5
Prepayments	12.5	16.9	16.3
Cash and cash equivalents	158.7	70.9	128.9
Current assets	**824.4**	**772.3**	**784.3**
Assets	**1,811.2**	**1,742.7**	**1,720.3**

Balance sheet, equity and liabilities

DKKm

Group	31 March 2016	31 March 2015	31 Dec. 2015
Share capital	140.3	140.3	140.3
Hedging reserve	6.3	(4.3)	(4.9)
Translation reserve	(140.8)	(38.0)	(147.6)
Retained earnings	596.8	564.1	544.3
Proposed dividend	65.7	65.7	65.7
Equity	**668.3**	**727.8**	**597.8**
Deferred tax	16.8	41.6	7.1
Pension obligations	51.1	43.4	51.5
Credit institutions	582.4	517.5	589.5
Government grants	11.3	14.7	11.9
Non-current liabilities	**661.6**	**617.2**	**660.0**
Credit institutions	8.9	0.0	9.5
Government grants	2.4	2.5	2.4
Overdraft facilities	29.3	40.1	24.9
Prepayments from customers	51.3	2.6	32.1
Trade payables	173.6	175.3	156.6
Payables to associates	2.0	4.1	5.7
Income tax	16.7	18.0	13.7
Provisions	65.2	3.0	75.6
Other payables	131.9	152.1	142.0
Current liabilities	**481.3**	**397.7**	**462.5**
Liabilities	**1,142.9**	**1,014.9**	**1,122.5**
Equity and liabilities	**1,811.2**	**1,742.7**	**1,720.3**

Statement of changes in equity

DKKm

Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2016	**140.3**	**(4.9)**	**(147.6)**	**544.2**	**65.7**	**597.7**
Profit/(loss) for the period	-	-	-	52.6	-	52.6
Other comprehensive income						
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	6.8	-	-	6.8
Equity-like loans to subsidiaries	-	-	0.7	-	-	0.7
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	12.9	-	-	-	12.9
Transferred to revenue	-	0.5	-	-	-	0.5
Transferred to production costs	-	0.0	-	-	-	0.0
Transferred to financial income and expenses	-	(0.4)	-	-	-	(0.4)
Tax	-	(1.8)	(0.7)	-	-	(2.5)
	0.0	**11.2**	**6.8**	**52.6**	**0.0**	**18.0**
Total comprehensive income	**0.0**	**11.2**	**6.8**	**52.6**	**0.0**	**70.6**
Total changes in equity	**0.0**	**11.2**	**6.8**	**52.6**	**0.0**	**70.6**
Equity at 31 March 2016	**140.3**	**6.3**	**(140.8)**	**596.8**	**65.7**	**668.3**

Proposed dividends were approved by the shareholders in general meeting and distributed in April 2016.

Equity at 1 January 2015	**140.3**	**(2.5)**	**(48.7)**	**507.9**	**65.7**	**662.7**
Profit/(loss) for the period	-	-	-	56.2	-	56.2
Other comprehensive income						
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	9.4	-	-	9.4
Equity-like loans to subsidiaries	-	-	1.5	-	-	1.5
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	2.5	-	-	-	2.5
Transferred to revenue	-	(6.7)	-	-	-	(6.7)
Transferred to production costs	-	(0.4)	-	-	-	(0.4)
Tax	-	2.8	(0.2)	-	-	2.6
	0.0	**(1.8)**	**10.7**	**0.0**	**0.0**	**8.9**
Total comprehensive income	**0.0**	**(1.8)**	**10.7**	**56.2**	**0.0**	**65.1**
Total changes in equity	**0.0**	**(1.8)**	**10.7**	**56.2**	**0.0**	**65.1**
Equity at 31 March 2015	**140.3**	**(4.3)**	**(38.0)**	**564.1**	**65.7**	**727.8**

Proposed dividends were approved by the shareholders in general meeting and distributed in April 2015.

Notes

DKKm

01 ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies. No interim financial statements have been prepared for the parent company. The interim 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 accounting policies applied in the interim financial statements are consistent with the accounting policies applied in the consolidated financial statements for 2015. The accounting policies are described in note 38 to the financial statements in our annual report for 2015, to which reference is made.

New financial reporting standards and interpretations in 2016
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 2016. In Hartmann's assessment, the new and revised standards and interpretations that are effective for financial years beginning on or after 1 January 2016 are either not relevant or not of significant importance to the group.

02 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the group'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 assessed on an ongoing basis. Changes to accounting estimates are recognised in the reference period in which the change occurs and in future reference periods if the change affects both the period in which the change occurs and subsequent reference periods.

See note 3 to the financial statements in our annual report for 2015 for a full description of significant accounting estimates, assumptions and uncertainties.

Other matters
Due to seasonal fluctuations, consolidated revenue and operating profit are generally higher for the first and fourth quarters of the year.

03 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. Intra-segmental transactions are priced 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 segment on a reliable basis. Profits/losses 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** comprising production and sales of moulded-fibre packaging. The 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.

- **Americas** comprising production and sales of moulded-fibre packaging. The products are primarily manufactured at the North American and South American factories and sold to egg and fruit producers, egg and fruit packing businesses and retail chains.

Notes

DKKm

03 SEGMENT INFORMATION CONT'D

Activities 3 months

2016	Europe	Americas	Total reporting segments
Moulded fibre	299.5	221.4	520.9
Other revenue, external	33.5	0.0	33.5
Revenue	**333.0**	**221.4**	**554.4**
Operating profit/(loss) before special items	**44.1**	**43.2**	**87.3**
Other segment information			
Depreciation/amortisation	14.2	8.1	
Investments in intangible assets and property, plant and equipment	37.8	29.9	
Net working capital	126.7	119.3	
Invested capital	520.3	478.0	
Segment assets	826.7	716.9	1,543.6

2015	Europe	Americas	Total reporting segments
Moulded fibre	309.6	238.6	548.2
Other revenue, external	32.7	0.0	32.7
Revenue	**342.3**	**238.6**	**580.9**
Operating profit/(loss) before special items	**32.7**	**35.6**	**68.3**
Other segment information			
Depreciation/amortisation	14.0	9.7	
Investments in intangible assets and property, plant and equipment	9.7	20.7	
Net working capital	190.7	121.7	
Invested capital	566.7	559.9	
Segment assets	833.2	690.7	1,523.9

Notes

DKKm

03 SEGMENT INFORMATION CONT'D

Reconciliation

	Q1 2016	Q1 2015
Revenue		
Revenue for reporting segments	554.4	580.9
Revenue, see statement of comprehensive income	**554.4**	**580.9**
Performance targets		
Operating profit/(loss) before special items for reporting segments	87.3	68.3
Non-allocated corporate functions	(7.1)	(6.8)
Eliminations	0.1	0.2
Operating profit/(loss) before special items, see statement of comprehensive income	80.3	61.7
Special items	0.0	0.0
Operating profit/(loss), see statement of comprehensive income	80.3	61.7
Financial income	0.4	12.9
Financial expenses	(10.6)	(6.0)
Profit/(loss) before tax, see statement of comprehensive income	**70.1**	**68.6**

	31 March 2016	31 March 2015
Assets		
Assets for reporting segments	1,543.6	1,523.9
Non-allocated assets	290.2	226.7
Eliminations	(22.6)	(7.9)
Assets, see balance sheet	**1.811,2**	**1.742,7**

Notes

DKKm

04 FINANCIAL INSTRUMENT CATEGORIES

Financial instrument categories

	31 March 2016		31 March 2015		31 Dec. 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Derivative financial instruments to hedge future cash flows	10.3	10.3	1.8	1.8	2.6	2.6
Financial assets used as hedging instruments	**10.3**	**10.3**	**1.8**	**1.8**	**2.6**	**2.6**
Trade receivables	368.1	368.1	421.5	421.5	353.6	353.6
Other receivables	59.7	59.7	76.5	76.5	69.0	69.0
Cash and cash equivalents	158.7	158.7	70.9	70.9	128.9	128.9
Loans and receivables	**586.5**	**586.5**	**568.9**	**568.9**	**551.5**	**551.5**
Derivative financial instruments to hedge future cash flows	2.2	2.2	9.9	9.9	9.4	9.4
Financial liabilities used as hedging instruments	**2.2**	**2.2**	**9.9**	**9.9**	**9.4**	**9.4**
Credit institutions	620.6	620.6	557.6	557.6	623.9	623.9
Other liabilities	381.9	381.9	339.6	339.6	381.6	381.6
Financial liabilities measured at amortised cost	**1,002.5**	**1,002.5**	**897.2**	**897.2**	**1,005.5**	**1,005.5**

The fair value of derivative financial instruments to hedge future cash flows is based on observable data (level 2).

05 EVENTS AFTER THE BALANCE SHEET DATE

Other than what has been recognised or mentioned in this interim report, no significant events have occurred after the balance sheet date at 31 March 2016 of significance to the consolidated financial statements.

Hartmann at a glance

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging, a market-leading manufacturer of fruit packaging in South America and one of the world's largest manufacturers of machinery for the production of moulded-fibre packaging. Founded in 1917, Hartmann's market position builds on its strong technology know-how and extensive experience of moulded-fibre production since 1936.

Sustainability
Sustainability and environmental considerations are integral elements of Hartmann's business model and strategy. All Hartmann's products are based on recycled paper, which is a renewable, CO_2-neutral and bio-degradable resource. Working closely with our customers to accommodate demand for sustainable products in the retail industry, Hartmann was the first manufacturer to offer both FSC-certified and CO_2-neutral retail packaging.

Markets
Hartmann's egg packaging is sold globally. Our key markets are Europe, South America and North America, where Hartmann has strong market positions. Hartmann is a market leader in Europe and South America, where our product portfolio also includes fruit packaging. Hartmann has a small, but growing share of the North American market. Hartmann's technology, including machinery and services, is also sold globally.

Customers
Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains, which are increasingly seeking Hartmann's marketing expertise. Hartmann's technology and related services are sold to manufacturers of moulded-fibre packaging.

Organisation
Headquartered in Gentofte, Denmark, Hartmann has 2,100 employees. Production takes place at Hartmann's own factories, of which four are located in Europe, one in Israel, four in South America and one in Canada.

The Hartmann share
Hartmann's shares have been listed on Nasdaq Copenhagen since 1982. Hartmann has one class of shares, and each share carries one vote. Financial reports and company announcements may be obtained by subscribing to Hartmann's news service at investor.hartmann-packaging.com.

Financial calendar 2016

18 August 2016	Interim report Q2 2016
9 November 2016	Interim report Q3 2016

HARTMANN CHOOSE FIBRE. SAVE NATURE.®

Brødrene Hartmann A/S
Ørnegårdsvej 18
DK-2820 Gentofte

Tel: (+45) 45 97 00 00
Fax: (+45) 45 97 00 01
E-mail: bh@hartmann-packaging.com
Web: hartmann-packaging.com

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

This interim report was released in Danish and English through Nasdaq Copenhagen as company announcement no. 9/2016. In case of discrepancies between the two versions, or in case of doubt, the Danish version prevails.

All trademarks such as trade names and other names and designations highlighted in this report are trademarks protected and owned by Brødrene Hartmann A/S.

© 2016 Brødrene Hartmann A/S