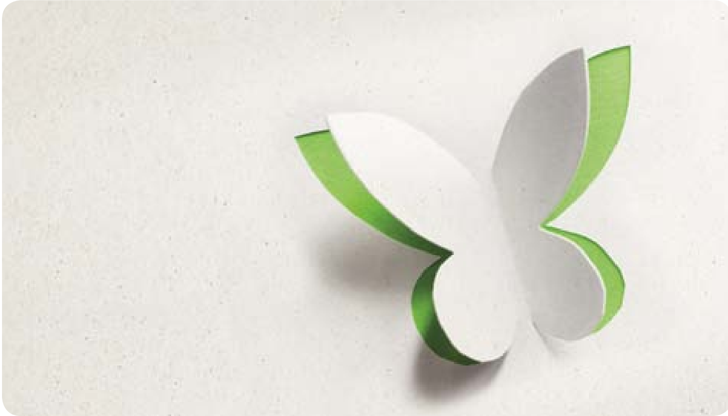
HARTMANN CHOOSE FIBRE. SAVE NATURE.®

INTERIM REPORT
H1 2013



CONTENTS

HIGHLIGHTS

In H1 2013, those of Hartmann's European markets that were affected by price adjustments in 2012 continued to stabilise, and the North American business generated both revenue growth and operating profit growth. Hartmann initiated processes to enhance production efficiency in Europe and to expand its existing production capacity in North America. Cash flows remained strong in the first six months of the year. Hartmann retains its full-year guidance for revenue of DKK 1.5-1.6 billion and a profit margin of 7.5-9.5%.

- For H1 2013, revenue was DKK 793 million (2012: DKK 769 million) and operating profit* DKK 65 million (2012: DKK 62 million), equal to a profit margin* of 8.2% (2012: 8.1%). For Q2 2013, revenue was DKK 370 million (2012: DKK 358 million), and operating profit was DKK 21 million (2012: DKK 17 million), equal to a profit margin of 5.7% (2012: 4.7%).

- Cash flows from operating and investing activities grew to a net cash inflow of DKK 66 million for H1 2013 (2012: a net cash inflow of DKK 52 million) and a net cash inflow of DKK 30 million for Q2 2013 (2012: a net cash inflow of DKK 10 million). Return on invested capital fell to 12.1% (2012: 18.2%) due to special items.

- Hartmann's European markets continued to stabilise relative to H2 2012. Revenue for H1 2013 was DKK 647 million (2012: DKK 639 million), and operating profit was DKK 44 million (2012: DKK 45 million), equal to a profit margin of 6.9% (2012: 7.0%). For Q2 2013, revenue was DKK 296 million (2012: DKK 295 million), and operating profit was DKK 10 million (2012: DKK 9 million), equal to a profit margin of 3.5% (2012: 2.9%).Despite the positive trends, performance remained unsatisfactory.

- In North America, revenue grew to DKK 146 million in H1 2013 (2012: DKK 130 million), and operating profit was DKK 33 million (2012: DKK 31 million), equal to a profit margin of 22.9% (2012: 23.5%). For Q2 2013, revenue was DKK 74 million (2012: DKK 63 million), and operating profit grew to DKK 18 million (2012: DKK 15 million), equal to a profit margin of 24.0% (2012: 23.5%).

- The expansion of Hartmann's existing production capacity in North America was initiated in the second quarter of the year and is progressing to plan. The investment is expected to be fully implemented in 2014.

- Special items amounted to DKK 39 million in H1 2013 (2012: DKK 0 million) as a result of the closure of Hartmann's manufacturing facility in Finland and a severance payment to former CEO Michael Rohde Pedersen. The closure of the Finnish manufacturing facility is progressing to plan and is expected to contribute DKK 10 million to operating profit annually. The effect is expected to be fully reflected from 2014, while the effect will be limited in 2013. The Board of Directors has initiated the process of recruiting a new CEO, and CFO Marianne Rørslev Bock will temporarily be in charge of the day-to-day management.

- Hartmann retains its full-year guidance of revenue of DKK 1.5-1.6 billion and a profit margin of 7.5-9.5%.

* References to operating profit in this report are to operating profit before special items, and references to profit margin are to profit margin before special items, unless otherwise stated.

KEY FIGURES AND FINANCIAL RATIOS

DKKm

Group	Q2 2013	Q2 2012	H1 2013	H1 2012
Statement of comprehensive income				
Revenue	370	358	793	769
Operating profit/(loss) before depreciation, amortisation and impairment (EBITDA)	35	36	77	101
Operating profit/(loss) before special items	21	17	65	62
Special items	(6)	0	(39)	0
Operating profit/(loss) (EBIT)	15	17	26	62
Financial income and expenses, net	(7)	(2)	(8)	(4)
Profit/(loss) before tax (EBT)	8	15	18	58
Profit/(loss) for the period (EAT)	13	12	17	45
Comprehensive income	18	24	15	74
Cash flows				
Cash flows from operating activities	46	28	93	79
Cash flows from investing activities	(16)	(18)	(27)	(27)
Cash flows from financing activities	(26)	(129)	(38)	(59)
Total cash flows	4	(119)	28	(7)
Balance sheet				
Assets			1,126	1,121
Invested capital (IC)			606	687
Net working capital (NWC)			111	145
Net interest-bearing debt			138	182
Equity			549	570
Financial ratios, %				
Profit margin (EBITDA)	9.4	10.0	9.7	13.1
Profit margin before special items	5.7	4.7	8.2	8.1
Profit margin (EBIT)	4.1	4.7	3.3	8.1
Return on average invested capital (ROIC, rolling 12 months)		12.1	18.2	
Return on equity (rolling12 months)			11.5	14.8
Equity ratio			48.8	50.9
Gearing			25.2	31.9
Share-based financial ratios				
No. of shares (at period end, excluding treasury shares)			6,915,090	6,915,090
No. of shares (average, excluding treasury shares)			6,915,090	6,915,090
Earnings per share, DKK (EPS)	1.9	1.7	2.4	6.5
Cash flows from operating activities per share, DKK	6.7	4.1	13.5	11.4
Book value per share, DKK			79.4	82.5
Market price per share, DKK			139.0	109.0
Market price/book value per share			1.8	1.3
Price/earnings			57.9	16.8

The financial ratios are calculated in accordance with 'Recommendations & Ratios 2010', issued by the Danish Society of Financial Analysts. See note 37 to the financial statements in the annual report for 2012.

DEVELOPMENTS IN H1 2013

Those of Hartmann's European markets that were affected by price adjustments in 2012 continued to stabilise in H1 2013. Despite the stabilisation, profitability in Europe remains unsatisfactory. North America continued to see both revenue growth and operating profit growth.

The initiatives to create a more efficient European business and further strengthen Hartmann's market position in North America continued in the first six months of the year. The closure of Hartmann's manufacturing facility in Finland is progressing to plan, and the activities to improve performance in the European business were stepped up in the second quarter of the year with an increased focus on selected sales and production initiatives. In Q2 2013, Hartmann initiated the work to expand its existing production capacity in North America with full implementation anticipated in 2014.

CEO Michael Rohde Pedersen left Hartmann at the end of Q2 2013, and CFO Marianne Rørslev Bock is temporarily in charge of the day-to-day management in close collaboration with the Board of Directors. The Board of Directors has initiated the process of recruiting a new CEO.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Consolidated revenue for H1 2013 was DKK 793 million (2012: DKK 769 million) and DKK 370 million for Q2 2013 (2012: DKK 358 million). The increase was attributable to continued progress in North America and moderate revenue growth in Europe.

Europe

The European business reported revenue of DKK 647 million for H1 2013 (2012: DKK 639 million) and DKK 296 million for Q2 2013 (2012: DKK 295 million).

The development was primarily driven by increased sales of premium products, and on those of Hartmann's mature markets that were affected by price adjustments in 2012, sales continued to stabilise in Q2 2013.

North America

The North American business reported revenue of DKK 146 million for H1 2013 (2012: DKK 130 million) and DKK 74 million for Q2 2013 (2012: DKK 63 million).

The revenue growth generated in the second quarter of the year was to a wide extent driven by additional sales to existing customers due to, among other factors, a temporary decline in the supply of retail packaging in the North American market.

Operating profit

Operating profit for H1 2013 was DKK 65 million (2012: DKK 62 million), equal to a profit margin of 8.2% (2012: 8.1%), and operating profit for Q2 2013 was DKK 21 million (2012: DKK 17 million), equal to a profit margin of 5.7% (2012: 4.7%).

Europe

The European business reported an operating profit of DKK 44 million for H1 2013 (2012: DKK 45 million), equal to a profit margin of 6.9% (2012: 7.0%) and DKK 10 million for Q2 2013 (2012: DKK 9 million), equal to a profit margin of 3.5% (2012: 2.9%).

The increase in sales of premium products contributed positively to operating profit for H1 2013 (DKK 8 million). Capacity utilisation in the European manufacturing facilities improved in Q2 2013, but operating profit for H1 2013 continued to be adversely affected by lower capacity utilisation (DKK 4 million). In addition, operating profit was adversely affected by higher energy prices (DKK 7 million).

North America

The North American business generated an operating profit of DKK 33 million for H1 2013 (2012: DKK 31 million), and its profit margin was 22.9% (2012: 23.5%). Operating profit for Q2 2013 was DKK 18 million (2012: DKK 15 million), and the profit margin was 24.0% (2012: 23.5%).

The steady trend in North America continued in the first six months of the year, and higher revenue and lower raw material prices contributed positively to operating profit. A small increase in fixed costs and higher transport costs had a negative impact on operating profit.

Corporate functions

Costs related to corporate functions came to DKK 13 million for H1 2013 (2012: DKK 13 million) and DKK 7 million for Q2 2013 (2012: DKK 7 million).

Special items

Special items for H1 2013 amounted to DKK 39 million (2012: DKK 0 million). See note 4 to the interim financial statements. The decision to close Hartmann's manufacturing facility in Finland led to special items of DKK 33 million in Q1 2013, and the severance payment to former CEO Michael Rohde Pedersen made in Q2 2013 amounted to DKK 6 million.

Financial income and expenses

Financial income and expenses amounted to a net expense of DKK 8 million for H1 2013 (2012: a net expense of DKK 4 million) and a net expense of DKK 7 million for Q2 2013 (2012: a net expense of DKK 2 million). The increase was attributable to exchange rate fluctuations.

The factory closure in Finland and expansion in North America are progressing to plan

and expected to contribute to meeting Hartmann's long-term financial targets.

Profit for the period

Profit for H1 2013 was DKK 17 million (2012: DKK 45 million) and DKK 13 million for Q2 2013 (2012: DKK 12 million). Tax on profit for H1 2013 was DKK 2 million (2012: DKK 13 million). The effective tax rate for 2013 is expected to be 9% as a result of an expected higher rate of utilisation of tax-loss carry forwards in North America.

Comprehensive income

Comprehensive income was DKK 15 million for H1 2013 (2012: DKK 74 million) and DKK 18 million for Q2 2013 (2012: DKK 24 million). Comprehensive income was adversely affected by DKK 39 million in H1 2013 due to special items (2012: DKK 0 million) and by DKK 6 million (2012: positive effect of DKK 24 million) as a result of translation into DKK of net assets in foreign subsidiaries.

CASH FLOWS

Cash flows from operating activities amounted to a net cash inflow of DKK 93 million for H1 2013 (2012: a net cash inflow of DKK 79 million) and a net cash inflow of DKK 46 million for Q2 2013 (2012: a net cash inflow of DKK 28 million). The increase was attributable to changes in working capital.

Cash flows from investing activities amounted to a net cash outflow of DKK 27 million for H1 2013 (2012: a net cash outflow of DKK 27 million) and a net cash outflow of DKK 16 million for Q2 2013 (2012: a net cash outflow of DKK 18 million).

Cash flows from operating and investing activities thus amounted to a net cash inflow of DKK 66 million for H1 2013 (2012: a net cash inflow of DKK 52 million) and a net cash inflow of DKK 30 million for Q2 2013 (2012: a net cash inflow of DKK 10 million).

BALANCE SHEET

ROIC

Return on invested capital (ROIC) fell to 12.1% at 30 June 2013 (2012: 18.2%) due to special items.

The objective of Hartmann's operations and investments is to continuously secure an attractive return on invested capital of not less than 15% for its shareholders.

Capital resources

At 30 June 2013, the group's net interest-bearing debt stood at DKK 138 million against DKK 137 million at 31 December 2012. Hartmann has reduced its net interest-bearing debt by DKK 44 million since 30 June 2012.

Hartmann's financial gearing was 25% at 30 June 2013 against 23% at 1 January 2013. Hartmann's total drawing right, including deposits and unutilised overdraft facilities, amounted to DKK 343 million at 30 June 2013. Management considers the capital resources satisfactory.

Equity

Equity stood at DKK 549 million at 30 June 2013, against DKK 600 million at 1 January 2013. Hartmann's equity ratio was 49% at 30 June 2013, against 53% at 1 January 2013.

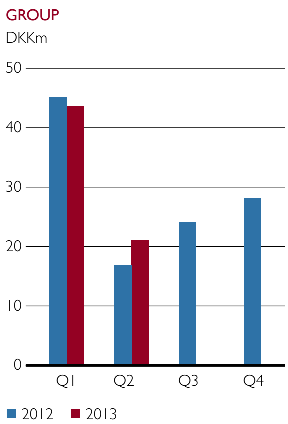
THE HARTMANN SHARE

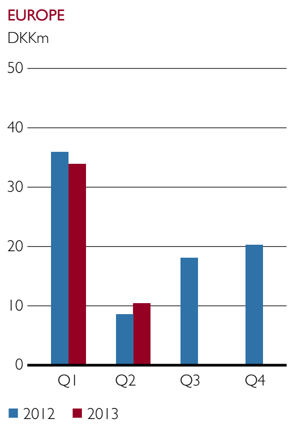
The official market price of the Hartmann share was DKK 110.5 on 31 December 2012 and DKK 139.0 on 30 June 2013. Information on share performance is available at investor.hartmann-packaging.com.

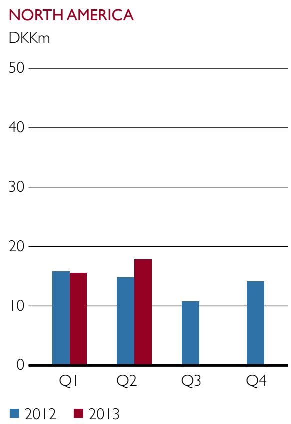
EVENTS AFTER THE BALANCE SHEET DATE

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.

OPERATING PROFIT







OUTLOOK

Based on current market trends and the group's performance in the first six months of the year, Hartmann retains its full-year guidance of revenue of DKK 1.5-1.6 billion and a profit margin of 7.5-9.5%.

The closure of Hartmann's manufacturing facility in Finland is still expected to lead to special items in the order of DKK 30-40 million. Furthermore, a severance payment to former CEO Michael Rohde Pedersen led to special items of DKK 6 million in Q2 2013. Special items are expected to total DKK 36-46 million, which amount is not included in the guidance for 2013.

Due to seasonal fluctuations, Hartmann's revenue for the first and fourth quarters is generally higher than for the second and third quarters. Hartmann's sales of machinery are not affected by seasonal fluctuations, but revenue may be subject to quarterly fluctuations depending on the timing of order execution at Hartmann Technology.

Hartmann's total capital expenditure for 2013 is still expected to amount to approximately DKK 120-140 million. The total capital expenditure comprises the expansion of existing production capacity in North America, expected to be fully implemented in 2014, and the group's increased focus on automating and enhancing production efficiency in both Europe and North America.

ASSUMPTIONS

Hartmann's revenue and profit margin guidance for 2013 is based on the present composition of the group's business operations. In addition, total costs of raw materials and selling prices are assumed to remain relatively stable at the level prevailing at the time of presentation of this interim report. Any deviations from these assumptions may affect the 2013 performance.

Hartmann's operating profit and profit margin are mainly exposed to developments in raw material prices and exchange rates. Hartmann has hedged its primary currency exposure until 31 March 2014.

FORWARD-LOOKING STATEMENTS

The forward-looking statements in this interim report reflect Hartmann's 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 Hartmann's markets, changes in demand for products, competition and the prices of raw materials.

GUIDANCE AND FINANCIAL TARGETS

	2013	2015
Revenue	DKK 1.5-1.6 billion	DKK 1.7-1.8 billion
Profit margin	7.5-9.5%	8-11%

RISK FACTORS

See the section on risk factors and note 33 to the financial statements in the annual report for 2012 for a full description of Hartmann's risk factors.

RAW MATERIALS

Hartmann is dependent on the purchase prices of the raw materials used in production. Hartmann is 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 Hartmann's sensitivity to developments in the price of recycled paper if supplies of the required volumes are to be secured and maintained. Hartmann substitutes to some extent certain types of paper for other types if prices are more favourable.

Hartmann regularly signs fixed-price agreements with energy suppliers, typically for periods of 6 or 12 months, covering a substantial part of the group's energy consumption. However, it is not possible to sign fixed-price agreements with energy suppliers in all of the countries in which Hartmann operates.

Hartmann is committed to reducing its sensitivity to fluctuations in the prices of raw materials through continual implementation of technological improvements and optimisation of work processes.

CURRENCY

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, PLN and SEK.

Due to its foreign subsidiaries, Hartmann is exposed to translation risks since a major 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.

The group's currency exposure is hedged to the effect that primary currencies are continuously hedged for a period of not less than 6 and not more than 12 months. Translation risk is not hedged, as it does not have any direct impact on Hartmann's cash resources or underlying cash flows.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of Brødrene Hartmann A/S for the six months ended 30 June 2013.

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 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 30 June 2013 and of the results of the group's operations and cash flows for the six months ended 30 June 2013.

Furthermore, in our opinion, the management report includes a fair review of the development and performance of the group's activities, the financial results for the period and the financial position of the group in general and describes the principal risks and uncertainties that it faces.

Gentofte, 21 August 2013

Executive Board:	Marianne Rørslev Bock *CFO and interim CEO*		
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		

INTERIM FINANCIAL STATEMENTS

Interim financial statements

STATEMENT OF COMPREHENSIVE INCOME

DKKm

Group	Q2 2013	Q2 2012	H1 2013	H1 2012
Revenue	370.3	357.6	792.8	769.4
Production costs	(260.1)	(257.7)	(552.4)	(539.5)
Gross profit/(loss)	**110.2**	**99.9**	**240.4**	**229.9**
Selling and distribution costs	(74.3)	(69.0)	(147.8)	(137.8)
Administrative expenses	(15.5)	(14.5)	(29.1)	(30.9)
Other operating income	0.6	0.5	1.2	0.9
Operating profit/(loss) before special items	**21.0**	**16.9**	**64.7**	**62.1**
Special items, cf. note 4	(5.9)	0.0	(38.9)	0.0
Operating profit/(loss)	**15.1**	**16.9**	**25.8**	**62.1**
Financial income	(0.9)	1.5	1.1	3.5
Financial expenses	(6.3)	(3.2)	(8.7)	(7.2)
Profit/(loss) before tax	**7.9**	**15.2**	**18.2**	**58.4**
Tax on profit/(loss) for the period	4.9	(3.5)	(1.6)	(13.4)
Profit/(loss) for the period	**12.8**	**11.7**	**16.6**	**45.0**
Items that can be reclassified to profit or loss:				
Foreign exchange adjustment of:				
Foreign subsidiaries	1.6	9.3	(5.7)	23.6
Equity-like loans to subsidiaries	0.6	0.1	0.7	0.0
Value adjustment of hedging instruments:				
Recognised in equity	4.3	6.1	4.1	9.6
Transferred to revenue	1.0	(2.5)	2.4	(2.6)
Transferred to production costs	(0.7)	0.3	(2.4)	0.3
Transferred to financial income and expenses	0.0	0.1	0.0	0.1
Tax on the above	(1.2)	(0.9)	(1.1)	(1.8)
Other comprehensive income	**5.6**	**12.5**	**(2.0)**	**29.2**
Comprehensive income	**18.4**	**24.2**	**14.6**	**74.2**
Earnings per share, DKK	1.9	1.7	2.4	6.5
Earnings per share, DKK, diluted	1.9	1.7	2.4	6.5

STATEMENT OF CASH FLOWS

DKKm

Group	Q2 2013	Q2 2012	H1 2013	H1 2012
Operating profit/(loss) before special items	21.0	16.9	64.7	62.1
Depreciation and amortisation	19.8	18.9	38.9	38.4
Change in working capital	8.8	(1.0)	(2.0)	(12.4)
Restructuring costs etc. paid	(0.6)	(0.6)	(1.2)	(1.2)
Cash generated from operations	**49.0**	**34.2**	**100.4**	**86.9**
Interest etc. received	0.3	2.4	1.1	2.7
Interest etc. paid	(1.7)	(3.2)	(4.1)	(7.2)
Net income tax paid	(1.5)	(5.1)	(4.3)	(3.9)
Cash flows from operating activities	**46.1**	**28.3**	**93.1**	**78.5**
Disposals of property, plant and equipment	0.2	0.0	0.2	0.0
Acquisitions of property, plant and equipment	(16.1)	(18.4)	(27.0)	(26.8)
Government grants received	0.0	0.2	0.0	0.2
Cash flows from investing activities	**(15.9)**	**(18.2)**	**(26.8)**	**(26.6)**
Cash flows from operating and investing activities	**30.2**	**10.1**	**66.3**	**51.9**
Raising of non-current debt	39.9	0.0	39.9	70.1
Repayment of non-current debt	0.0	(65.1)	(12.5)	(65.1)
Dividend paid	(65.7)	(64.0)	(65.7)	(64.0)
Cash flows from financing activities	**(25.8)**	**(129.1)**	**(38.3)**	**(59.0)**
Total cash flows	**4.4**	**(119.0)**	**28.0**	**(7.1)**
Cash and bank debt at beginning of period	88.2	126.8	66.4	13.8
Foreign exchange adjustment	(0.2)	0.1	(2.0)	1.2
Cash and bank debt at end of period	**92.4**	**7.9**	**92.4**	**7.9**
Recognition of cash and bank debt at end of period:				
Cash	92.4	55.5	92.4	55.5
Overdraft facilities	0.0	(47.6)	0.0	(47.6)
	92.4	**7.9**	**92.4**	**7.9**

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

BALANCE SHEET
ASSETS

DKKm

	30 June 2013	30 June 2012	31 Dec. 2012
Goodwill	10.7	10.7	10.7
Other intangible assets	2.6	5.2	3.8
Intangible assets	**13.3**	**15.9**	**14.5**
Land and buildings	154.3	163.4	167.1
Technical plant and machinery	309.5	341.8	332.3
Fixtures and fittings, tools and equipment	5.8	7.7	6.5
Technical plant under construction	25.2	25.8	18.1
Property, plant and equipment	**494.8**	**538.7**	**524.0**
Investments in associates	1.7	1.7	1.7
Other receivables	10.7	15.1	10.8
Deferred tax	98.8	82.8	92.9
Other non-current assets	**111.2**	**99.6**	**105.4**
Non-current assets	**619.3**	**654.2**	**643.9**
Inventories	121.6	138.6	130.7
Trade receivables	237.4	227.5	238.2
Income tax receivable	5.0	6.8	7.1
Other receivables	39.8	31.2	38.7
Prepayments	10.4	7.3	5.8
Cash and cash equivalents	92.4	55.5	77.0
Current assets	**506.6**	**466.9**	**497.5**
Assets	**1,125.9**	**1,121.1**	**1,141.4**

BALANCE SHEET
EQUITY AND LIABILITIES

DKKm

	30 June 2013	30 June 2012	31 Dec. 2012
Share capital	140.3	140.3	140.3
Hedging reserve	(1.7)	(2.5)	(4.8)
Translation reserve	(42.2)	(31.0)	(37.1)
Proposed dividend	0.0	0.0	65.7
Retained earnings	452.7	463.6	436.1
Equity	**549.1**	**570.4**	**600.2**
Deferred tax	15.0	18.7	15.2
Pension obligations	44.6	33.9	46.8
Credit institutions	230.6	189.9	203.1
Government grants	21.1	24.6	22.2
Other payables	0.0	2.7	1.5
Non-current liabilities	**311.3**	**269.8**	**288.8**
Government grants	2.9	3.2	3.1
Overdraft facilities	0.0	47.6	10.6
Prepayments from customers	4.7	21.7	12.1
Trade payables	94.0	94.6	120.0
Payables to associates	3.1	0.9	2.0
Income tax	6.1	1.6	0.3
Provisions	22.7	2.4	2.2
Other payables	132.0	108.9	102.1
Current liabilities	**265.5**	**280.9**	**252.4**
Liabilities	**576.8**	**550.7**	**541.2**
Equity and liabilities	**1,125.9**	**1,121.1**	**1,141.4**

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 period	-	-	-	0.0	16.6	16.6
Other comprehensive income						
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	(5.7)	-	-	(5.7)
Equity-like loans to subsidiaries	-	-	0.7	-	-	0.7
Value adjustment of hedging instruments:						
Recognised in equity	-	4.1	-	-	-	4.1
Transferred to revenue	-	2.4	-	-	-	2.4
Transferred to production costs	-	(2.4)	-	-	-	(2.4)
Tax on the above	-	(1.0)	(0.1)	-	-	(1.1)
	0.0	3.1	(5.1)	0.0	0.0	(2.0)
Total comprehensive income	0.0	3.1	(5.1)	0.0	16.6	14.6
Transactions with owners						
Dividend paid	-	-	-	(65.7)	-	(65.7)
Total changes in equity	0.0	3.1	(5.1)	(65.7)	16.6	(51.1)
Equity at 30 June 2013	140.3	(1.7)	(42.2)	0.0	452.7	549.1

Group	Share capital	Hedging reserve	Translation reserve	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2012	140.3	(8.1)	(54.6)	64.0	418.6	560.2
Profit/(loss) for the period	-	-	-	0.0	45.0	45.0
Other comprehensive income						
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	23.6	-	-	23.6
Value adjustment of hedging instruments:						
Recognised in equity	-	9.6	-	-	-	9.6
Transferred to revenue	-	(2.6)	-	-	-	(2.6)
Transferred to production costs	-	0.3	-	-	-	0.3
Transferred to financial income and expenses	-	0.1	-	-	-	0.1
Tax on the above	-	(1.8)	-	-	-	(1.8)
	0.0	5.6	23.6	0.0	0.0	29.2
Total comprehensive income	0.0	5.6	23.6	0.0	45.0	74.2
Transactions with owners						
Dividend paid	-	-	-	(64.0)	-	(64.0)
Total changes in equity	0.0	5.6	23.6	(64.0)	45.0	10.2
Equity at 30 June 2012	140.3	(2.5)	(31.0)	0.0	463.6	570.4

NOTES

01 ACCOUNTING POLICIES

The interim financial statements are presented 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 2012. The accounting policies are described in note 37 to the financial statements in the annual report for 2012, to which reference is made.

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. In this connection, Hartmann has implemented IAS 1 concerning presentation of other comprehensive income. The comparative figures have been restated accordingly. Furthermore, 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 or not of significant importance.

02 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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 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.

Recoverable amount of the combined heat and power plant in Tønder
In 2008, the 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 an additional submission with the Energy Regulatory Authority. The Energy Regulatory 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, Hartmann's management will 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 30 June 2013 relating to the plant was DKK 26.8 million.

Other factors
The group's revenue and results of operations are subject to seasonal fluctuations.

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. 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 produced at manufacturing facilities 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 manufacturing facility and sold to egg producers, egg packing businesses and retail chains.

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03 SEGMENT INFORMATION CONT'D

OPERATIONS H1 2013

	Europe	North America	Total reporting segments
Moulded fibre	575.0	146.1	721.1
Other revenue	71.7	0.0	71.7
Revenue	**646.7**	**146.1**	**792.8**
Operating profit/(loss) before special items	**44.3**	**33.4**	**77.7**
Other segment information			
Depreciation, amortisation and impairment	44.7	7.0	
Investments in intangible assets and property, plant and equipment	19.5	7.5	
Net working capital (NWC)	93.8	17.2	
Invested capital	484.0	123.5	
ROIC, % (rolling 12 months)	9.6	45.5	
Segment assets	765.3	164.5	929.8

OPERATIONS H1 2012

	Europe	North America	Total reporting segments
Moulded fibre	572.4	130.3	702.7
Other revenue	66.7	0.0	66.7
Revenue	**639.1**	**130.3**	**769.4**
Operating profit/(loss) before special items	**44.5**	**30.6**	**75.1**
Other segment information			
Depreciation, amortisation and impairment	32.7	6.0	
Investments in intangible assets and property, plant and equipment	21.3	5.5	
Net working capital (NWC)	124.2	20.7	
Invested capital	556.6	132.6	
ROIC, % (rolling 12 months)	19.3	33.9	
Segment assets	805.8	170.9	976.7

NOTES

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03 SEGMENT INFORMATION CONT'D

RECONCILIATION

	H1 2013	H1 2012
Revenue		
Revenue for reporting segments	792.8	769.4
Revenue, cf. interim financial statements	**792.8**	**769.4**
Performance targets		
Operating profit/(loss) before special items for reporting segments	77.7	75.1
Non-allocated corporate functions	(13.3)	(13.3)
Eliminations	0.3	0.3
Operating profit/(loss) before special items, cf. interim financial statements	64.7	62.1
Special items	(38.9)	0.0
Operating profit/(loss), cf. interim financial statements	25.8	62.1
Financial income	1.1	3.5
Financial expenses	(8.7)	(7.2)
Profit/(loss) before tax, cf. interim financial statements	**18.2**	**58.4**

	30 June 2013	30 June 2012
Assets		
Assets for reporting segments	929.8	976.7
Non-allocated assets	197.9	146.8
Eliminations	(1.8)	(2.4)
Assets, cf. interim financial statements	**1,125.9**	**1,121.1**

04 SPECIAL ITEMS

	Q2 2013	Q2 2012	H1 2013	H1 2012
Impairment of property, plant and equipment	0.0	0.0	12.6	0.0
Demolition and clearing costs	0.0	0.0	8.9	0.0
Severance payments	5.9	0.0	15.5	0.0
Other costs relating to closure of manufacturing facility	0.0	0.0	1.9	0.0
Special costs	**5.9**	**0.0**	**38.9**	**0.0**

NOTES

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05 CONTINGENT LIABILITIES

As stated in note 3 to the financial statements in the annual report for 2012 and note 2 to the financial statements in this interim report, Hartmann is involved in a dispute with the Danish 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 Energy Regulatory 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. A provision of DKK 3.5 million was made at 30 June 2013 (2012: DKK 0 million).

06 FINANCIAL INSTRUMENT CATEGORIES

	30 June 2013		30 June 2012		31 Dec. 2012	
Group	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Derivative financial instruments to hedge future cash flows	2.3	2.3	2.2	2.2	0.2	0.2
Financial assets used as hedging instruments	**2.3**	**2.3**	**2.2**	**2.2**	**0.2**	**0,2**
Trade receivables	237.4	237.4	227.5	227.5	238.2	238.2
Other receivables	42.5	42.5	35.8	35.8	45.6	45.6
Cash and cash equivalents	92.4	92.4	55.5	55.5	77.0	77.0
Loans and receivables	**372.3**	**372.3**	**318.8**	**318.8**	**360.8**	**360.8**
Derivative financial instruments to hedge future cash flows	4.6	4.6	6.0	6.0	6.6	6.6
Financial liabilities used as hedging instruments	**4.6**	**4.6**	**6.0**	**6.0**	**6.6**	**6.6**
Credit institutions	230.6	230.6	237.5	237.5	213.7	213.7
Other liabilities	230.6	230.6	202.7	202.7	219.3	219.3
Financial liabilities measured at amortised cost	**461.2**	**461.2**	**440.2**	**440.2**	**433.0**	**433.0**

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

07 EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date at 30 June 2013 until the date of presentation of this interim report that significantly affect the group's assets, liabilities or financial position at 30 June 2013 or the results of the group's operations and cash flows for the six months ended 30 June 2013.

HARTMANN AT A GLANCE

Hartmann is one of the three largest producers of moulded-fibre egg packaging and one of the world's largest producers 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 is the first to offer FSC-certified 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 producers, 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 producers 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 2012, Hartmann generated total revenue of DKK 1.5 billion.

Organisation

Hartmann has about 1,500 employees, and its head office is situated in Gentofte, Denmark. Production takes place at Hartmann's own manufacturing facilities. Five of these facilities 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 www.investor.hartmann-packaging.com.

FINANCIAL CALENDAR 2013

12 November 2013	Interim report Q3 2013

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

This interim report was released as company announcement no. 14/2013 through NASDAQ OMX Copenhagen A/S in Danish and English. In case of discrepancies between the two versions or in case of doubt, the Danish version will prevail.