HARTMANN CHOOSE FIBRE. SAVE NATURE.®

INTERIM REPORT
Q1 2012

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HIGHLIGHTS

Q1 2012 was a good quarter for Hartmann. Intensified price competition on Hartmann's European markets underlines the significance of a continued strategic focus on optimising production and strengthening customer relations. The North American market continued to see positive trends, and Hartmann's North American business generated strong results. Hartmann retains its full-year forecast for 2012 of revenue on a level with 2011 (DKK 1.5 billion) and a profit margin of 7.5-9%.

- Hartmann generated revenue for Q1 2012 of DKK 412 million (2011: DKK 375 million) and operating profit* of DKK 45 million (2011: DKK 36 million), equalling a profit margin* of 11.0% (2011: 9.5%).

- Hartmann's cash flows from operating and investing activities increased, resulting in a net inflow of DKK 42 million for Q1 2012 (2011: a net inflow of DKK 38 million).

- Return on invested capital also developed favourably and stood at 19% at 31 March 2012 (2011: 9%).

- Hartmann's European business generated revenue of DKK 344 million for Q1 2012 (2011: DKK 322 million) and operating profit of DKK 36 million (2011: DKK 39 million).

- For North America, Hartmann reported revenue of DKK 67 million (2011: DKK 53 million) and operating profit of DKK 16 million (2011: DKK 4 million).

- Hartmann retains its full-year revenue forecast for 2012 of revenue on a level with 2011 (DKK 1.5 billion) and a profit margin of 7.5-9%.

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

KEY FIGURES AND FINANCIAL RATIOS

DKKm

Group	Q1 2012	Q1 2011	FY 2011
Statement of comprehensive income			
Revenue	412	375	1,488
Operating profit/(loss) before depreciation, amortisation and impairment (EBITDA)	65	56	207
Operating profit/(loss) before special items	45	36	124
Special items	0	0	0
Operating profit/(loss) (EBIT)	45	36	124
Financial income and expenses, net	(2)	(8)	(16)
Profit/(loss) before tax (EBT)	43	27	108
Profit/(loss) for the period (EAT)	33	21	76
Comprehensive income	50	31	26
Cash flows			
Cash flows from operating activities	50	43	155
Cash flows from investing activities	(8)	(5)	(35)
Cash flows from financing activities	70	(6)	(108)
Total cash flows	112	32	12
Balance sheet			
Assets	1,187	1,225	1,108
Invested capital (IC)	671	725	652
Net working capital (NWC)	136	129	116
Net interest-bearing debt	128	234	169
Equity	610	580	560
Financial ratios, %			
Profit margin (EBITDA)	15.7	15.0	13.9
Profit margin before special items	11.0	9.5	8.3
Profit margin (EBIT)	11.0	9.5	8.3
Return on invested capital (ROIC, 12 months)	19.1	9.3	17.8
Return on equity (12 months)	14.9	8.5	13.8
Equity ratio	51.4	47.3	50.6
Gearing	21.0	40.3	30.2
Share-based financial ratios			
No. of shares (at period end, excluding treasury shares)	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
Earnings per share, DKK (EPS)	4.8	3.0	11.0
Cash flows from operating activities per share, DKK	7.3	6.2	22.4
Book value per share, DKK	88.2	83.8	81.0
Market price per share, DKK	111.0	78.0	101.0
Market price/book value per share	1.3	0.9	1.2
Price/earnings	23.1	26.0	9.2

The financial ratios are calculated in accordance with 'Recommendations & Ratios 2010', issued by the Danish Society of Financial Analysts. See note 37 in the annual report for 2011.

DEVELOPMENTS IN Q1 2012

In Q1 2012, Hartmann continued its activities to strengthen its organisation and groom the company for growth. During the first three months of the year, Hartmann was focused on further optimising production and strengthening cross-functional collaboration in the group. Hartmann completed a number of activities designed to increase knowledge sharing and competency levels and to further improve production processes and product quality during the coming period.

Hartmann's strategic focus on production optimisation and safety produced good results in Q1 2012, and the positive trend is expected to continue. During 2011, Hartmann worked to strengthen its sales organisation. In Q1 2012, these activities resulted in, among other initiatives, the introduction of a new dynamic structure in the key Central and Eastern European markets.

In January 2012, the EU introduced new, stricter requirements for the conditions of laying hens in conventional cages. The new requirements have caused a reduction in the supply of eggs on the European markets. The development did not affect Hartmann's sales for Q1 2012, and it is still uncertain what impact the introduction of the new requirements will have on the European egg packaging market. However, Hartmann does not expect the new requirements to significantly affect the group's sales or market position in the long term.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Hartmann's consolidated revenue for Q1 2012 was DKK 412 million (2011: DKK 375 million).

Europe

Hartmann's revenue for Q1 2012 rose to DKK 344 million (2011: DKK 322 million) despite increasingly competitive pricing of high-value products on the Central European markets and the resulting decline in the average selling price relative to the year-earlier period.

Hartmann's sales of moulded-fibre packaging in Europe increased in Q1 2012 compared to Q1 2011. The development was largely attributable to the waning sales in Q1 2011 when German and Dutch consumers reacted to the discovery that dioxin-contaminated vegetable fat had been used as feed for poultry and other animals. Furthermore, Easter falling earlier in 2012 than in 2011 caused a greater share of Easter sales to be recognised in Q1 2012 than was the case in 2011.

North America

Revenue for the North American business was DKK 67 million (2011: DKK 53 million).

Hartmann's sales and the proportion of high-value products increased, contributing to a higher average selling price and revenue growth in the North American business.

Operating profit

Operating profit for Q1 2012 was DKK 45 million (2011: DKK 36 million), corresponding to a profit margin of 11.0% (2011: 9.5%).

The positive development in operating profit for the period was driven by the strong development in the North American business.

Europe

The European business reported operating profit of DKK 36 million (2011: DKK 39 million), corresponding to a profit margin of 10.4% (2011: 12.1%).

The lower average selling price and increasing costs of energy and transport reduced operating profit by DKK 10 million. Moreover, overheads grew by DKK 9 million, as planned and expected, compared with the year-earlier period. The increase in overheads was primarily attributable to the activities to create 'Competitive edge' by strengthening Hartmann's organisation and competencies through new hires, competency development and other measures. The increase in sales of moulded-fibre packaging partially offset this trend by DKK 10 million.

North America

The North American business showed strong performance in Q1 2012, generating operating profit of DKK 16 million (2011: DKK 4 million), corresponding to a profit margin of 23.4% (2011: 7.6%).

Hartmann has made a strong effort to expand the capacity of the North American business with the aim of increasing revenue. These activities, combined with the efforts to increase the proportion of high-value packaging, were successful and contributed positively (DKK 11 million) to operating profit growth in Q1 2012.

Corporate functions

Costs related to corporate functions were DKK 7 million in Q1 2012 (2011: DKK 7 million).

Financial income and expenses

Financial income and expenses amounted to a net expense of DKK 2 million in Q1 2012 (2011: a net expense of DKK 8 million). The positive trend was attributable to the reduction of interest-bearing debt and foreign exchange adjustments.

Profit for the period

Profit for the period increased by 60% to DKK 33 million for Q1 2012 (2011: DKK 21 million).

Comprehensive income

Comprehensive income for the period amounted to DKK 50 million (2011: DKK 30 million). Comprehensive income for the period was negatively affected by DKK 14 million (2011: DKK 8 million) due to translation into DKK of net assets in foreign subsidiaries.

CASH FLOWS

Cash flows from operating activities

In Q1 2012, cash flows from operating activities represented a net cash inflow of DKK 50 million (2011: a net cash inflow of DKK 43 million). This development was positively impacted by operating profit growth and reduced tax payments, which offset the development in working capital for the period.

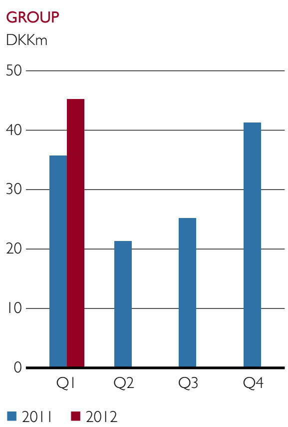
Cash flows from investing activities

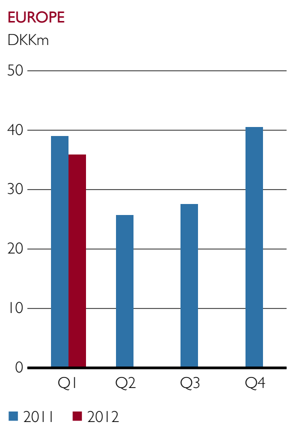
Cash flows from investing activities represented a net cash outflow of DKK 8 million (2011: a net cash outflow of DKK 5 million). Accordingly, cash flows from operating and investing activities amounted to a net cash inflow of DKK 42 million (2011: a net cash inflow of DKK 38 million).

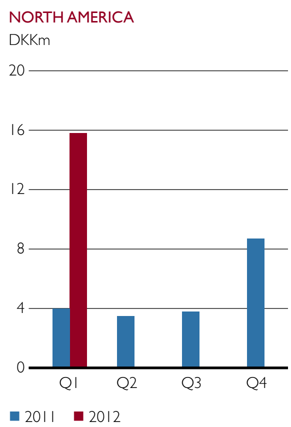
Cash flows from financing activities

Cash flows from financing activities represented a net cash inflow of DKK 70 million (2011: a net cash outflow of DKK 6 million). The increase was attributable to a transfer to cash and cash equivalents from Hartmann's non-current, flexible loans for payment of dividends. Dividends amounted to DKK 64 million and were approved at the company's annual general meeting held on 11 April 2012.

OPERATING PROFIT







BALANCE SHEET

ROIC

At 31 March 2012, return on invested capital was 19% against 9% at 31 March 2011. The improvement was attributable to operating profit growth as well as controlled reduction and continued optimisation of the invested capital over the past 12 months.

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

Capital resources

At 31 March 2012, the group's net interest-bearing debt stood at DKK 128 million, against DKK 169 million at 31 December 2011. Hartmann has reduced its net interest-bearing debt by DKK 106 million from DKK 234 million at 31 March 2011.

Hartmann's financial gearing was 21% at 31 March 2012 against 30% at 1 January 2012.

The total drawing rights on Hartmann's non-current, flexible loans amounted to DKK 285 million at 31 March 2012. Hartmann has not drawn the full amount, and the total undrawn facility of non-current loans amounted to DKK 30 million at 31 March 2012.

Hartmann's total drawing rights, including deposits and unutilised overdraft facilities, amounted to DKK 379 million at 31 March 2012.

Management considers the capital resources satisfactory.

Equity

Equity stood at DKK 610 million at 31 March 2012, relative to DKK 560 million at 1 January 2012.

Hartmann's equity ratio remained unchanged at 51% at 31 March 2012 relative to the level at 1 January 2012, primarily as a result of the dividends to Hartmann's shareholders not being paid until in April 2012.

THE HARTMANN SHARE

The official market price of the Hartmann share was DKK 101.0 at 31 December 2011 and DKK 111.0 at 31 March 2012. Information on share performance is available on Hartmann's investor section at www.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 this interim report which materially affect the evaluation of the report.

OUTLOOK

Based on the current market trends, the group's performance in Q1 2012 and the intensified price competition, Hartmann's full-year forecast for 2012 of revenue on a level with 2011 (DKK 1.5 billion) is retained.

The forecast of a profit margin of 7.5-9% is retained based on the impact of the strategic initiatives implemented and initiated.

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 is not affected by seasonal fluctuations but revenue may be subject to quarterly fluctuations depending on the timing of execution of orders at Hartmann Technology.

ASSUMPTIONS

Hartmann's revenue and profit margin forecast for 2012 is based on the present composition of the group's 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 time of presentation of this interim report. Any deviations from these assumptions may affect the 2012 performance.

Hartmann's profit margin is mainly exposed to developments in raw material prices and exchange rates. Hartmann has hedged its most significant exchange rate exposure for the remainder of 2012.

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 deviate from expectations include, but are not limited to, general economic developments and developments in the financial markets, changes and amendments to legislation and regulation on Hartmann's markets, changes in demand for products, competition and the prices of raw materials.

OUTLOOK AND FINANCIAL TARGETS

	2012	2015
Revenue	DKK 1.5 billion	DKK 1.7-1.8 billion
Profit margin	7.5-9%	8-11%

RISK FACTORS

See the section on risk factors and note 33 in the annual report for 2011 for a full description of Hartmann's risk factors.

RAW MATERIALS

Hartmann is dependent on the purchase prices of the raw materials used in its 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 required volumes are to be secured and maintained. Hartmann uses other types of paper in production and to some extent switches between different types of paper if more favourable prices can be obtained.

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 some 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 of the sales generated in the North American business are invoiced in USD, whereas most costs are incurred in CAD. Accordingly, 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 significant 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.

DEVELOPMENTS IN THE PRICE OF RECYCLED PAPER

Source: BvSE (Bundesverband Sekundärrohstoffe und Entsorgung e.V.)

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 three months ended 31 March 2012.

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 31 March 2012 and of the results of the group's operations and cash flows for the three months ended 31 March 2012.

We are furthermore of the opinion that the management report includes a fair review of the development and performance of the group's business and financial position, the results for the period and the group's overall financial position together with a description of the principal risks and uncertainties that the group faces.

Gentofte, 15 May 2012

Executive Board:

Michael Rohde Pedersen
Chief Executive Officer

Marianne Rørslev Bock
Chief Financial Officer

Board of Directors:

Agnete Raaschou-Nielsen
Chairman

Walther V. Paulsen
Vice Chairman

Jan Peter Antonisen

Niels Hermansen

Jørn Mørkeberg Nielsen

Niels Christian Petersen

Peter-Ulrik Plesner

INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

DKKm

	Q1 2012	Q1 2011	FY 2011
Revenue	411.8	374.9	1,488.1
Production costs	(281.8)	(266.4)	(1,063.0)
Gross profit/(loss)	**130.0**	**108.5**	**425.1**
Selling and distribution costs	(68.8)	(56.5)	(246.5)
Administrative expenses	(16.4)	(16.8)	(57.7)
Other operating income	1.3	0.6	2.6
Other operating expenses	(0.9)	(0.1)	0.0
Operating profit/(loss) before special items	**45.2**	**35.7**	**123.5**
Special items	0.0	0.0	0.0
Operating profit/(loss)	**45.2**	**35.7**	**123.5**
Financial income	2.0	0.2	7.7
Financial expenses	(4.0)	(8.5)	(23.2)
Profit/(loss) before tax	**43.2**	**27.4**	**108.0**
Tax on profit/(loss) for the period	(9.9)	(6.6)	(31.7)
Profit/(loss) for the period	**33.3**	**20.8**	**76.3**
Pension obligations	0.0	0.0	(12.4)
Hedging of net assets	0.0	3.0	(0.1)
Foreign exchange adjustment of:			
Foreign subsidiaries	14.3	8.1	(31.6)
Equity-like loans to subsidiaries	(0.1)	(3.3)	(1.0)
Value adjustment of hedging instruments:			
Recognised in equity	3.5	3.1	(9.3)
Transferred to revenue	(0.1)	(0.7)	1.8
Transferred to production costs	0.0	0.0	(3.8)
Transferred to financial income and expenses	0.0	0.0	0.2
Tax on other comprehensive income	(0.9)	(0.6)	6.3
Other comprehensive income	**16.7**	**9.6**	**(49.9)**
Comprehensive income	**50.0**	**30.4**	**26.4**
Earnings per share, DKK	4.8	3.0	11.0
Earnings per share, DKK, diluted	4.8	3.0	11.0

STATEMENT OF CASH FLOWS

DKKm

	Q1 2012	Q1 2011	FY 2011
Operating profit/(loss) before special items	45.2	35.7	123.5
Depreciation and amortisation	19.5	20.6	83.7
Adjustment for other non-cash items	0.0	(0.2)	(0.6)
Change in working capital	(11.4)	(0.2)	(15.4)
Restructuring costs etc. paid	(0.6)	(0.6)	(2.4)
Cash generated from operating activities	**52.7**	**55.3**	**188.8**
Interest, etc. received	0.3	0.2	1.5
Interest, etc. paid	(4.0)	(6.1)	(17.3)
Net income tax paid	1.2	(6.3)	(18.0)
Cash flows from operating activities	**50.2**	**43.1**	**155.0**
Disposals of property, plant and equipment	0.0	0.3	0.7
Acquisitions of property, plant and equipment	(8.4)	(5.6)	(40.8)
Dividend received from associates	0.0	0.0	2.1
Government grants received	0.0	0.0	3.0
Cash flows from investing activities	**(8.4)**	**(5.3)**	**(35.0)**
Cash flows from operating and investing activities	**41.8**	**37.8**	**120.0**
Raising of non-current debt	70.1	0.0	120.4
Repayment of non-current debt	0.0	(5.6)	(212.8)
Dividend paid	0.0	0.0	(15.6)
Cash flows from financing activities	**70.1**	**(5.6)**	**(108.0)**
Total cash flows	**111.9**	**32.2**	**12.0**
Cash and cash equivalents and bank debt at 1 January	13.8	6.1	6.1
Foreign exchange adjustment	1.1	3.2	(4.3)
Cash and cash equivalents and bank debt at end of period	**126.8**	**41.5**	**13.8**
Recognition of cash and cash equivalents and bank debt at end of period:			
Cash and cash equivalents	126.8	119.0	40.3
Overdraft facilities	0.0	(77.5)	(26.5)
	126.8	**41.5**	**13.8**

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

BALANCE SHEET

ASSETS

DKKm

	31 March 2012	31 March 2011	31 Dec. 2011
Goodwill	10.7	10.7	10.7
Other intangible assets	5.8	8.2	6.3
Intangible assets	**16.5**	**18.9**	**17.0**
Land and buildings	163.6	171.1	162.5
Technical plant and machinery	344.1	397.5	348.3
Other fixtures and fittings, tools and equipment	7.6	9.3	7.5
Technical plant under construction	17.1	14.0	14.1
Property, plant and equipment	**532.4**	**591.9**	**532.4**
Investments in associates	1.7	3.8	1.7
Other receivables	14.8	9.2	13.9
Deferred tax	83.5	90.9	91.2
Other non-current assets	**100.0**	**103.9**	**106.8**
Non-current assets	**648.9**	**714.7**	**656.2**
Inventories	122.8	107.5	119.0
Trade receivables	256.2	228.0	241.7
Income tax receivable	4.4	9.1	7.7
Other receivables	18.9	37.3	34.5
Prepayments	9.0	9.3	8.3
Cash and cash equivalents	126.8	119.0	40.3
Current assets	**538.1**	**510.2**	**451.5**
Assets	**1,187.0**	**1,224.9**	**1,107.7**

BALANCE SHEET
EQUITY AND LIABILITIES

DKKm

	31 March 2012	31 March 2011	31 Dec. 2011
Share capital	140.3	140.3	140.3
Hedging reserve	(5.6)	2.0	(8.1)
Translation reserve	(40.4)	(14.5)	(54.6)
Proposed dividend	64.0	15.6	64.0
Retained earnings	451.9	436.4	418.6
Equity	**610.2**	**579.8**	**560.2**
Deferred tax	18.1	14.9	17.5
Pension obligations	34.6	24.8	36.0
Credit institutions	255.1	118.3	184.9
Government grants	25.0	21.6	24.7
Other payables	3.0	0.0	3.2
Non-current assets	**335.8**	**179.6**	**266.3**
Credit institutions	0.0	154.5	0.0
Government grants	3.2	2.5	3.0
Overdraft facilities	0.0	77.5	26.5
Prepayments from customers	28.2	15.1	24.4
Trade payables	99.1	93.5	118.6
Payable to associates	2.0	1.0	3.7
Income tax	1.3	0.4	0.5
Provisions	2.1	9.6	1.6
Other payables	105.1	111.4	102.9
Current liabilities	**241.0**	**465.5**	**281.2**
Liabilities	**576.8**	**645.1**	**547.5**
Equity and liabilities	**1,187.0**	**1,224.9**	**1,107.7**

STATEMENT OF CHANGES IN EQUITY

DKKm

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	33.3	33.3
Other comprehensive income						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	14.3	-	-	14.3
Equity-like loans to subsidiaries	-	-	(0.1)	-	-	(0.1)
Value adjustment of hedging instruments:						
Recognised in equity	-	3.5	-	-	-	3.5
Transferred to revenue	-	(0.1)	-	-	-	(0.1)
Tax on other comprehensive income	-	(0.9)	0.0	-	-	(0.9)
Total comprehensive income	**0.0**	**2.5**	**14.2**	**0.0**	**33.3**	**50.0**
Total changes in equity	**0.0**	**2.5**	**14.2**	**0.0**	**33.3**	**50.0**
Equity at 31 March 2012	**140.3**	**(5.6)**	**(40.4)**	**64.0**	**451.9**	**610.2**

Equity at 1 January 2011	**140.3**	**0.2**	**(22.3)**	**15.6**	**415.6**	**549.4**
Profit/(loss) for the period	-	-	-	0.0	20.8	20.8
Other comprehensive income						
Hedging of net assets	-	-	3.0	-	-	3.0
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	8.1	-	-	8.1
Equity-like loans to subsidiaries	-	-	(3.3)	-	-	(3.3)
Value adjustment of hedging instruments:						
Recognised in equity	-	3.1	-	-	-	3.1
Transferred to revenue	-	(0.7)	-	-	-	(0.7)
Tax on other comprehensive income	-	(0.6)	0.0	-	-	(0.6)
Total comprehensive income	**0.0**	**1.8**	**7.8**	**0.0**	**20.8**	**30.4**
Total changes in equity	**0.0**	**1.8**	**7.8**	**0.0**	**20.8**	**30.4**
Equity at 31 March 2011	**140.3**	**2.0**	**(14.5)**	**15.6**	**436.4**	**579.8**

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 2011. The accounting policies are described in note 37 in the annual report for 2011, to which reference is made.

New financial reporting standards and interpretations in 2012
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 2012. Hartmann has assessed that the new and revised standards and interpretations that are effective for financial years beginning on or after 1 January 2012 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.

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 profit of the individual segment 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 factories in Europe (including Israel) and are primarily sold to egg producers, egg packing businesses and retail chains and buyers of industrial packaging. The segment also comprises sales of machinery for production of moulded-fibre packaging and the combined heating 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.

NOTES

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03 SEGMENT INFORMATION CONT'D

OPERATIONS Q1 2012

	Europe	North America	Total reporting segments
Moulded fibre	305.5	67.4	372.9
Other revenue	38.9	0.0	38.9
Revenue	**344.4**	**67.4**	**411.8**
Operating profit/(loss) before special items	**35.9**	**15.8**	**51.7**
Other segment information			
Depreciation, amortisation and impairment	16.7	3.0	
Investments in intangible assets and property, plant and equipment	7.1	1.3	
Net working capital (NWC)	120.2	15.7	
Invested capital	550.6	123.3	
ROIC, % (12 months)	22.4	26.2	
Segment assets	811.6	161.6	973.2

OPERATIONS Q1 2011

	Europe	North America	Total reporting segments
Moulded fibre	292.4	52.7	345.1
Other revenue	29.8	0.0	29.8
Revenue	**322.2**	**52.7**	**374.9**
Operating profit/(loss) before special items	**39.0**	**4.0**	**43.0**
Other segment information			
Depreciation, amortisation and impairment	17.7	3.0	
Investments in intangible assets and property, plant and equipment	2.9	2.7	
Net working capital (NWC)	116.4	11.7	
Invested capital	608.0	118.9	
ROIC, % (12 months)	16.7	1.9	
Segment assets	849.9	150.7	1,000.6

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03 SEGMENT INFORMATION CONT'D

RECONCILIATION

	Q1 2012	Q1 2011
Revenue		
Revenue for reporting segments	411.8	374.9
Revenue, cf. the interim financial statements	**411.8**	**374.9**
Performance targets		
Operating profit/(loss) before special items for reporting segments	51.7	43.0
Non-allocated corporate functions	(6.6)	(7.5)
Eliminations	0.1	0.2
Operating profit/(loss) before special items, cf. the interim financial statements	45.2	35.7
Special items for reporting segments	0.0	0.0
Operating profit/(loss), cf. the interim financial statements	45.2	35.7
Financial income	2.0	0.2
Financial expenses	(4.0)	(8.5)
Profit/(loss) before tax, cf. the interim financial statements	**43.2**	**27.4**

	31 March 2012	31 March 2011
Assets		
Assets for reporting segments	973.2	1,000.6
Non-allocated assets	216.4	227.4
Eliminations	(2.6)	(3.1)
Assets, cf. the interim financial statements	**1,187.0**	**1,224.9**

04 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date of the interim report for Q1 2012, other than those mentioned in this interim report, that affect the group's assets, liabilities or financial position as at 31 March 2012 and its results of operations and cash flows for Q1 2012.


DANÆG HØRBLOMST
6 SKRABEÆG
OMEGA 3
6A Skrabeæg M/L/XL
PENNE
DEL MASTRO
500g e

ADDITIONAL INFORMATION

FINANCIAL CALENDAR 2012

Wednesday, 22 August 2012:
Interim report H1 2012

Wednesday, 14 November 2012:
Interim report 9M 2012

Historical and current information about Hartmann's operations, company announcements, financial statements, investor presentations, etc. is available at Hartmann's website, www.hartmann-packaging.com. You can also sign up for Hartmann's news service at our website. Subscribers receive communications by e-mail at the same time as the market.

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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 collaborates closely with its customers to support the need for sustainable products in the retail trade.

Markets
Hartmann's egg packaging is sold globally. The group's key 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 egg producers, egg packing businesses and supermarket 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 egg packaging. Hartman has more than 1,500 customers in 50 countries, and most of these customers have long-standing relations with Hartmann. In 2011, 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 factories. Five of these factories are located in Europe, one is located in Israel and one in Canada. The group has sales offices in 12 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.

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CVR no. 63 04 96 11

The interim report for Q1 2012 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. 9/2012 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.