HARTMANN CHOOSE FIBRE. SAVE NATURE.®

INTERIM REPORT
H1 2011

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The interim report of Brødrene Hartmann A/S for the six months ended 30 June 2011 was released on 25 August 2011 in Danish and English through NASDAQ OMX Copenhagen A/S as company announcement no. 10/2011. In case of inconsistencies between the Danish and the English versions of the report, the Danish version will prevail.

The announcement is available on www.hartmann-packaging.com, and it has been sent electronically to all subscribers to Hartmann's news service. Questions concerning this interim report or investor enquires in general may be addressed to Investor Relations (see p. 20). Questions may also be addressed to Michael Rohde Pedersen, CEO, or Claus Frees Sørensen, CFO, on tel. (+45) 45 97 00 00.

HIGHLIGHTS

Hartmann saw a positive trend in H1 2011 with growth in both revenue and operating profit, driven by increased sales of egg packaging and positive effects of operational improvements and cost reductions already implemented. Hartmann retains its full-year forecast for 2011.

- Hartmann generated revenue of DKK 727 million for H1 2011 (2010: DKK 706 million) and operating profit* of DKK 57 million (2010: DKK 31 million), corresponding to a profit margin* of 7.8% (2010: 4.3%). For Q2 2011, Hartmann generated revenue of DKK 352 million (2010: DKK 326 million) and operating profit of DKK 21 million (2010: a loss of DKK 7 million), corresponding to a profit margin of 6.1% (2010: negative at 2.0%).

- The European business reported revenue of DKK 622 million for H1 2011 (2010: DKK 599 million) and operating profit of DKK 65 million (2010: DKK 47 million). Revenue for Q2 2011 was DKK 300 million (2010: DKK 271 million) and operating profit DKK 26 million (2010: DKK 3 million).

- The business area North America reported revenue of DKK 104 million for H1 2011 (2010: DKK 107 million) and operating profit of DKK 8 million (2010: DKK 5 million). For Q2 2011, the North American business reported revenue of DKK 52 million (2010: DKK 54 million) and operating profit of DKK 4 million (2010: DKK 2 million).

- Hartmann retains its full-year forecast of revenue on a level with 2010 (DKK 1.5 billion) and an operating profit of DKK 105-125 million (2010: DKK 73 million), corresponding to a profit margin of 7-8.5% (2010: 4.9%).

* 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.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm

	Q2 2011	Q2 2010	H1 2011	H1 2010
Statement of comprehensive income				
Revenue	352	326	727	706
Operating profit before depreciation, amortisation and impairment (EBITDA)	42	15	98	74
Operating profit before special items	21	(7)	57	31
Special items	0	0	0	0
Operating profit (EBIT)	21	(7)	57	31
Net financial income and expense	(1)	(2)	(9)	(9)
Profit before tax (EBT)	21	(9)	48	22
Profit for the period (EAT)	16	(6)	37	16
Comprehensive income	9	(20)	40	20
Cash flows				
Cash flows from operating activities	13	26	57	46
Cash flows from investing activities	(4)	(12)	(9)	(21)
Cash flows from financing activities	(49)	(16)	(55)	(22)
Total cash flows	(40)	(2)	(8)	3
Balance sheet				
Assets			1,140	1,207
Invested capital (IC)			727	769
Net working capital (NWC)			150	145
Net interest-bearing debt			240	346
Equity			574	517
Financial ratios in per cent				
Operating margin (EBITDA)	11.9	4.7	13.5	10.5
Profit margin before special items	6.1	(2.0)	7.8	4.3
Profit margin (EBIT)	6.1	(2.0)	7.8	4.3
Return on invested capital (ROIC, 12 months)			13.3	10.5
Return on equity (ROE, 12 months)			12.9	8.4
Equity ratio			50.3	42.8
Gearing			41.8	66.8
Share-related key ratios				
No. of shares (at period end, excluding treasury shares)	6,915,090	6,915,090	6,915,090	6,915,090
No. of shares (average, excluding treasury shares)	6,915,090	6,915,090	6,915,090	6,915,090
Earnings per share, DKK (EPS)	2.3	(0.9)	5.3	2.3
Cash flows from operating activities per share, DKK	2.0	3.8	8.2	6.6
Book value per share, DKK			82.9	74.8
Market price per share, DKK			79.0	86.0
Market price/book value per share			1.0	1.2
Price/earnings			15.0	36.7

The key ratios are calculated in accordance with 'Recommendations & Ratios 2010', issued by the Danish Society of Financial Analysts. See note 39 to the financial statements in the annual report for 2010.

DEVELOPMENTS IN H1 2011

During H1 2011, efforts were committed to building a stronger and more dynamic organisation focusing on professional competence and a clearer division of roles and responsibilities across business areas. Following the appointment in April of two vice presidents to head production and development and sales and marketing, respectively, these areas were restructured and a functional organisational structure was introduced in the business. The strengthening of the organisation will continue in H2 2011 and is one of the key elements of the "Competitive edge – driving growth" strategy.

The efforts to enhance Hartmann's competitive strength by increasing efficiency, securing a consistently high level of quality and strengthening customer relations were given a high priority in H1 2011, and these priority areas will continue to be in focus. The measures taken had a positive effect on both revenue and operating profit during the period.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Hartmann's consolidated revenue for H1 2011 amounted to DKK 727 million (2010: DKK 706 million). Revenue for Q2 2011 was DKK 352 million (2010: DKK 326 million).

Europe

The business area Europe reported revenue of DKK 622 million for H1 2011 (2010: DKK 599 million) and DKK 300 million for Q2 2011 (2010: DKK 271 million).

The revenue growth during H1 2011 was attributable to increased sales of egg packaging, among other factors, and was achieved despite the response among German and Dutch consumers to the discovery that dioxin-contaminated vegetable fat had been used as feed for poultry and other animals. The impact of the dioxin scandal on sales was set off by increased sales in other markets of high-value and standard products. In addition, demand for transport packaging rose due to an increase in the production of eggs.

The increase in revenue in the business area Europe was also attributable to a higher level of activity in Hartmann Technology, fuelled by an increased propensity to invest in the markets in which Hartmann sells machinery. Hartmann's combined heat and power plant also reported revenue growth for H1 2011 relative to the year-earlier period when power generation was reduced as a result of the repair of a turbine.

North America

Revenue for H1 2011 came to DKK 104 million (2010: DKK 107 million) and DKK 52 million for Q2 2011 (2010: DKK 54 million). Increased sales of egg packaging and an increased proportion of high-value products contributed positively to revenue, whereas exchange rate movements were a negative contributor.

Operating profit

Operating profit for H1 2011 was DKK 57 million (2010: DKK 31 million) and DKK 21 million for Q2 2011 (2010: a loss of DKK 7 million).

Operating profit for H1 2011 was favourably impacted by the effects of the organisational adjustment effected in Q4 2010. Increased sales of egg packaging and an increase in other revenue were also positive contributors. The improvement in operating profit could also be explained by significant additional costs being incurred in the year-earlier

DEVELOPMENTS IN OPERATING PROFIT FROM H1 2010 TO H1 2011

DKKm	Europe	North America
Operating profit for H1 2010	**47**	**5**
Effects of developments in exchange rates	7	(5)
Operational improvements, change in volume and product and price mix	28	11
Effects of fluctuating raw material prices and transport costs	(17)	(3)
Operating profit for H1 2011	**65**	**8**

"The performance in Europe for H1 2011 was attributable to a highly positive overall effect of operational improvements, cost reductions and increased sales of egg packaging"

period. Overall, the development in operating profit was highly positive, despite the higher prices of recycled paper and increased competition.

Europe
Europe generated an operating profit of DKK 65 million for H1 2011 (2010: DKK 47 million) and DKK 26 million for Q2 2011 (2010: DKK 3 million). The performance in H1 2011 was attributable to a highly positive overall effect of operational improvements, cost reductions and increased sales of egg packaging, combined with an increase in other revenue and positive effects of exchange rate movements.

Price competition on the European market intensified and prices therefore remained unchanged during the period. Demand for the less expensive transport packaging rose because of increased egg production, resulting in a lower average price per product in H1 2011. Performance was further impacted by the higher price of recycled paper and increased transport costs.

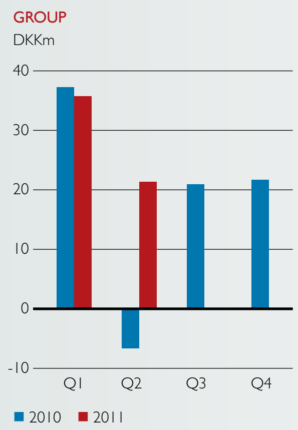
North America
North America reported an operating profit of DKK 8 million for H1 2011 (2010: DKK 5 million) and DKK 4 million for Q2 2011 (2010: DKK 2 million). The positive trend in operating profit was primarily attributable to the higher proportion of high-value packaging and the effects of the cost reductions and efficiency improvement initiatives implemented in 2010 and 2011. The effects of these factors more than offset an unfavourable development in exchange rates and higher costs of raw materials.

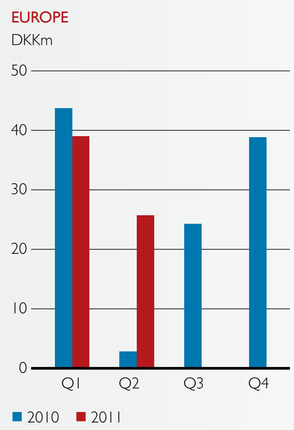
Group costs
Group costs recognised in operating profit amounted to DKK 16 million for H1 2011 (2010: DKK 21 million) and DKK 8 million for Q2 2011 (2010: DKK 12 million).

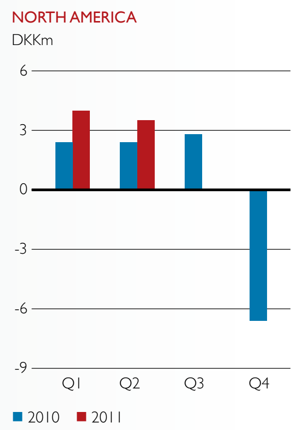
Financial income and expense
Financial income and expense for H1 2011 amounted to an expense of DKK 9 million (2010: an expense of DKK 9 million). For Q2 2011, financial income and expense was an expense of DKK 1 million (2010: an expense of DKK 2 million).

Profit for the period
Profit for H1 2011 was DKK 37 million (2010: DKK 16 million) and DKK 16 million for Q2 2011 (2010: a loss of DKK 6 million).

OPERATING PROFIT







CASH FLOWS

Cash flows from operating activities

Cash flows from operating activities amounted to a cash inflow of DKK 57 million for H1 2011 (2010: a cash inflow of DKK 46 million) and a cash inflow of DKK 13 million for Q2 2011 (2010: a cash inflow of DKK 26 million). Cash flows from operating activities were favourably impacted by the improvement in operating profit and reduced tax payments compared with H1 2010. A change in working capital adversely affected H1 2011, primarily due to developments in trade receivables, trade payables and other debt.

Cash flows from investing activities

Cash flows from investing activities amounted to a cash outflow of DKK 9 million for H1 2011 (2010: a cash outflow of DKK 21 million) and a cash outflow of DKK 4 million for Q2 2011 (2010: a cash outflow of DKK 12 million). The low level of investment activity during H1 2011 was attributable to the deferral of certain investment projects until H2 2011.

Cash flows from financing activities

Cash flows from financing activities amounted to a cash outflow of DKK 55 million for H1 2011 (2010: a cash outflow of DKK 22 million) and a cash outflow of DKK 49 million for Q2 2011 (2010: a cash outflow of DKK 16 million). Cash flows from financing activities were affected by increased dividend distributions to Hartmann's shareholders. Furthermore, as mentioned in the annual report for 2010, Hartmann repaid existing long-term loans and raised a new loan. In that connection, Hartmann did not utilise the full drawing rights on its long-term loans. Hartmann's unutilised drawing facilities on long-term loans amounted to DKK 62 million at 30 June 2011.

BALANCE SHEET

Capital resources

The group's net interest-bearing debt at 30 June 2011 amounted to DKK 240 million, against DKK 275 million at 31 December 2010. Hartmann reduced its net interest-bearing debt by DKK 106 million from DKK 346 million at 30 June 2010.

The group's financial gearing stood at 42% at 30 June 2011, against 50% at 1 January 2011.

Management considers the capital resources satisfactory.

Equity

At 30 June 2011, the group's equity stood at DKK 574 million, up DKK 24 million from 1 January 2011. Hartmann's equity ratio rose from 45% at 1 January 2011 to 50% at 30 June 2011.

THE HARTMANN SHARE

The official market price of the Hartmann share was 76 on 31 December 2010 and 79 on 30 June 2011. Information on share performance is available on Hartmann's investor section on www.hartmann-packaging.com.

Hartmann's ownership structure has changed significantly after the end of H1 2011. On 13 July 2011, Hartmann announced that ATP had sold all shares in Hartmann and that EDJ-Gruppen had reduced its shareholding to less than 5%. At the same time, Thor Stadil and Thornico A/S had purchased shares, bringing their total shareholding to 28.95% of the share capital as at 13 July 2011.

IMPORTANT BOARD RESOLUTIONS

No important board resolutions were made in Q2 2011 other than as mentioned in this interim report or in the company announcements released during the period.

OUTLOOK FOR 2011

Hartmann retains its full-year forecast of revenue on a level with 2010 (DKK 1.5 billion).

Operating profit is still expected to come to DKK 105-125 million (2010: DKK 73 million), equalling a profit margin of 7-8.5% (2010: 4.9%).

ASSUMPTIONS

Hartmann's revenue and operating profit forecast for 2011 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 2011 performance.

Hartmann's operating profit is primarily exposed to changes in the US dollar, Canadian dollar, British pound sterling, euro, Polish zloty, Swiss franc, Swedish krona and Hungarian forint rates. Hartmann has hedged its primary exchange rate exposure for the remainder of 2011.

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 FOR 2011 AND MEDIUM-TERM FINANCIAL TARGETS

	2011	Medium term
Revenue growth	0-2%	4-7%
Profit margin	7-8.5%	7-10%
ROIC	>15%	>15%

DEVELOPMENTS IN THE PRICE OF RECYCLED PAPER

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

The price of recycled paper continued to increase in H1 2011.

Hartmann works continually to standardise production and optimise production efficiency with the aim of mitigating the effects that fluctuations in raw material prices have on global, raw material-intensive businesses such as Hartmann's.

RISK FACTORS

See the section on risk factors and note 35 to the financial statements in the annual report for 2010 for a full description of Hartmann's risk factors.

RAW MATERIALS

Hartmann is dependent on the purchase prices of the raw materials used in the group's production. Hartmann is particularly exposed to fluctuations in the purchase price 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 deliveries of required volumes are to be secured and maintained. Hartmann uses other types of paper in production and to some extent substitutes some types of paper for other types if prices are more favourable.

Hartmann regularly signs fixed-price agreements with energy suppliers, typically for periods of 12 months, covering a substantial part of the group's energy consumption. However, some of the countries in which Hartmann operates do not permit fixed-price agreements with energy suppliers.

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 risk stems from an imbalance between income and expenses in the individual currencies (transaction risk) and Hartmann's international business profile with foreign subsidiaries (translation risk).

Hartmann is exposed to transaction risk due to cross-border transactions, leading to contractual cash flows in foreign currency. Most of Hartmann's sales in North America are denominated in USD, whereas most costs are denominated in CAD. Therefore, the currency exposure in relation to the USD/CAD exchange rate constitutes one of the group's single largest transaction risks. Operating profit is also exposed to transaction risk with respect to the currencies CHF, EUR, GBP, HUF, PLN and SEK.

Due to its foreign subsidiaries, Hartmann is exposed to currency risks in the form of translation risks, as a major part of earnings derive from these foreign subsidiaries and is therefore translated and included in the group's profit/loss in DKK. Foreign subsidiaries' reporting in the currencies CAD, EUR, HRK and HUF represents Hartmann's greatest translation exposure.

LIQUIDITY

Hartmann's principal banker has granted a loan under customary covenants, including special financial covenants, which must be met by Hartmann in order for the loan to continue. The agreement further contains a number of provisions whereby significant credit facilities may be withdrawn in the event of a change of control of the company.

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 2011.

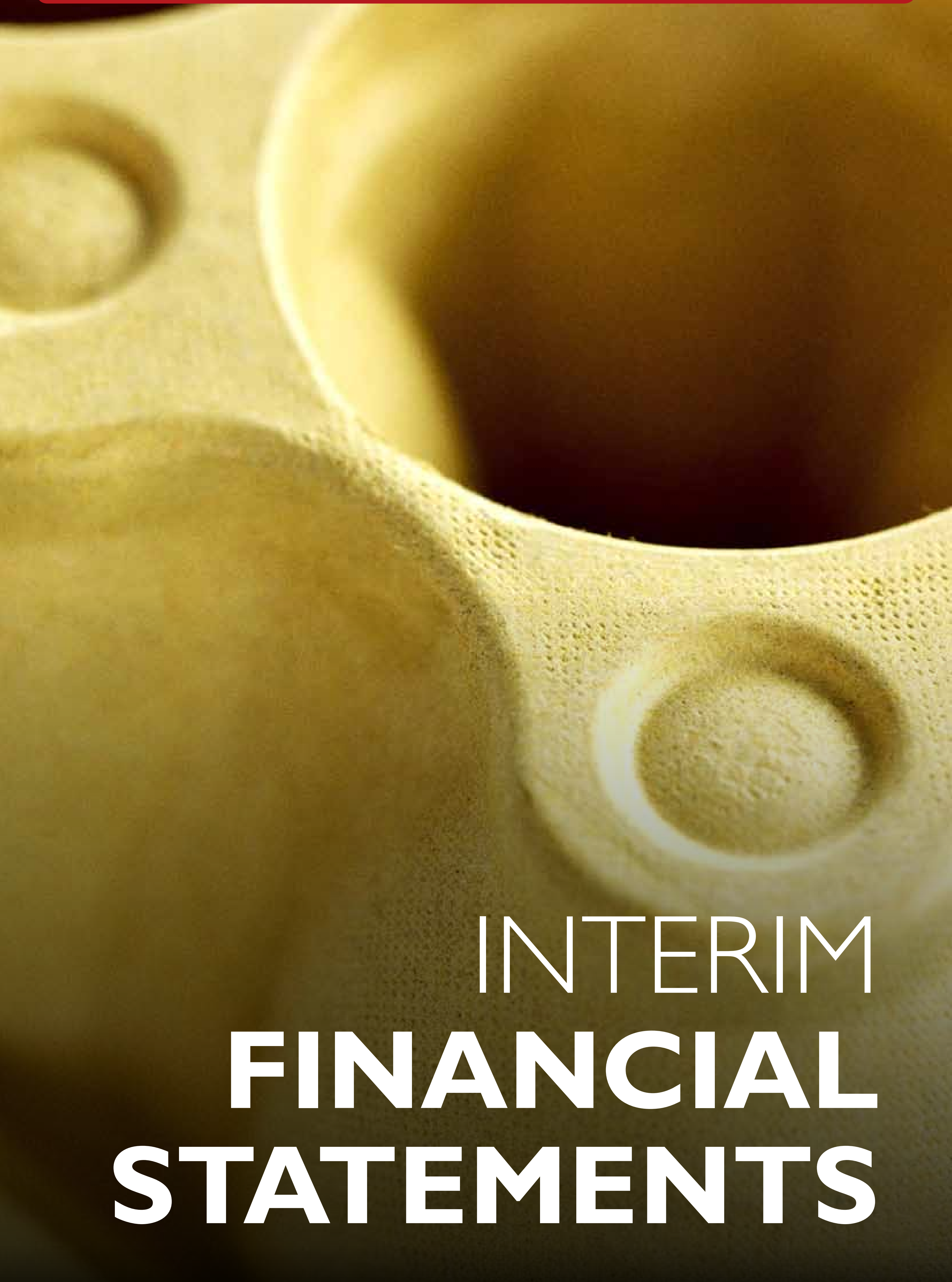
The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the group's assets, liabilities and financial position at 30 June 2011 and of the results of the group's operations and cash flows for the six months ended 30 June 2011.

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, 25 August 2011

Executive Board:	Michael Rohde Pedersen *Chief Executive Officer*	Claus Frees Sørensen *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

	Q2 2011	Q2 2010	H1 2011	H1 2010
Revenue	351.9	325.5	726.8	706.1
Production costs	257.3	(247.5)	(523.7)	(511.0)
Gross profit	**94.6**	**78.0**	**203.1**	**195.1**
Selling and distribution costs	(59.4)	(56.4)	(115.9)	(115.1)
Administrative expenses	(14.3)	(28.7)	(31.1)	(50.3)
Other operating income	0.4	0.6	1.0	1.0
Other operating expenses	0.0	(0.1)	(0.1)	(0.1)
Operating profit before special items	**21.3**	**(6.6)**	**57.0**	**30.6**
Special items	0.0	0.0	0.0	0.0
Operating profit (EBIT)	**21.3**	**(6.6)**	**57.0**	**30.6**
Financial income	1.2	0.8	1.4	1.0
Financial expense	(1.8)	(2.7)	(10.3)	(10.0)
Profit before tax (EBT)	**20.7**	**(8.5)**	**48.1**	**21.6**
Tax on profit for the period	(5.0)	2.1	(11.6)	(5.4)
Profit for the period (EAT)	**15.7**	**(6.4)**	**36.5**	**16.2**
Foreign exchange adjustment, foreign subsidiaries	(4.4)	(8.2)	3.7	11.9
Hedge accounting of net investments	1.6	(5.8)	4.6	(14.5)
Foreign exchange adjustment, equity-like loans to subsidiaries	(0.7)	5.9	(4.0)	12.8
Value adjustment of hedging instruments transferred to revenue	(1.2)	(13.8)	(1.9)	(10.3)
Value adjustment of hedging instruments transferred to financial income and expense	0.0	0.7	0.0	1.8
Value adjustment of hedging instruments	(2.5)	4.7	0.6	(1.2)
Pension obligations	0.0	0.0	0.0	0.0
Tax on other comprehensive income	0.9	2.5	0.3	3.3
Other comprehensive income	**(6.3)**	**(14.0)**	**3.3**	**3.8**
Total comprehensive income	**9.4**	**(20.4)**	**39.8**	**20.0**
Earnings per share, DKK (EPS)	2.3	(0.9)	5.3	2.3
Earnings per share, DKK, diluted (EPS-D)	2.3	(0.9)	5.3	2.3

STATEMENT OF CASH FLOWS

DKKm

	Q2 2011	Q2 2010	H1 2011	H1 2010
Operating profit before special items	21.3	(6.6)	57.0	30.6
Depreciation and amortisation	20.7	21.8	41.3	43.9
Adjustment for other non-cash items	0.0	(0.2)	(0.2)	(0.1)
Change in working capital	(22.1)	29.2	(22.3)	4.1
Cash flows from operating activities	**19.9**	**44.2**	**75.8**	**78.5**
Interest, etc. received	0.0	1.2	0.2	1.4
Interest, etc. paid	(4.2)	(4.1)	(10.3)	(9.6)
Restructuring costs etc. paid	(0.6)	0.0	(1.2)	0.0
Net income tax paid	(1.7)	(14.9)	(8.0)	(24.6)
Cash flows from operating activities	**13.4**	**26.4**	**56.5**	**45.7**
Disposals of property, plant and equipment	0.0	0.7	0.3	0.7
Acquisition of property, plant and equipment	(3.9)	(13.5)	(9.5)	(22.4)
Dividend received from associates	0.2	0.2	0.2	0.2
Government grants received	0.0	0.2	0.0	0.2
Cash flows from investing activities	**(3.7)**	**(12.4)**	**(9.0)**	**(21.3)**
Cash flows from operating and investing activities	**9.7**	**14.0**	**47.5**	**24.4**
Raising of non-current debt	120.4	0.0	120.4	0.0
Repayment of non-current debt	(154.2)	(5.6)	(159.8)	(11.2)
Dividend paid	(15.6)	(10.4)	(15.6)	(10.4)
Cash flows from financing activities	**(49.4)**	**(16.0)**	**(55.0)**	**(21.6)**
Total cash flows	**(39.7)**	**(2.0)**	**(7.5)**	**2.8**
Cash and cash equivalents and bank debt at beginning of period	41.5	(44.4)	6.1	(39.2)
Foreign exchange adjustment	0.5	(5.8)	3.7	(15.8)
Cash and cash equivalents and bank debt at end of period	**2.3**	**(52.2)**	**2.3**	**(52.2)**
Recognition of cash and cash equivalents and bank debt at end of period:				
Cash and cash equivalents	56.4	48.3	56.4	48.3
Bank debt (current liabilities)	(54.1)	(100.5)	(54.1)	(100.5)
Total cash and cash equivalents and bank debt	**2.3**	**(52.2)**	**2.3**	**(52.2)**

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

BALANCE SHEET, ASSETS

DKKm

	30 June 2011	30 June 2010	31 Dec. 2010
Non-current assets			
Intangible assets			
Goodwill	10.7	10.7	10.7
Other intangible assets	7.5	8.9	8.8
Total intangible assets	**18.2**	**19.6**	**19.5**
Property, plant and equipment			
Land and buildings	173.0	163.7	171.4
Technical plant and machinery	382.9	425.1	405.7
Fixtures and fittings, other plant and equipment	8.3	12.5	10.3
Technical plant under construction	9.3	22.6	13.4
Total property, plant and equipment	**573.5**	**623.9**	**600.8**
Other non-current assets			
Investments in associates	3.7	3.6	3.8
Other receivables	9.2	28.6	8.8
Deferred tax asset	88.7	92.2	95.6
Total other non-current assets	**101.6**	**124.4**	**108.2**
Total non-current assets	**693.3**	**767.9**	**728.5**
Current assets			
Inventories	111.3	126.2	108.8
Trade receivables	226.0	203.6	266.8
Income tax receivable	8.3	11.8	6.5
Other receivables	35.5	37.9	39.9
Prepayments	8.8	11.4	5.3
Cash and cash equivalents	56.4	48.3	69.1
Total current assets	**446.3**	**439.2**	**496.4**
Total assets	**1,139.6**	**1,207.1**	**1,224.9**

BALANCE SHEET, EQUITY AND LIABILITIES

DKKm

	30 June 2011	30 June 2010	31 Dec. 2010
Equity			
Share capital	140.3	140.3	140.3
Hedging reserve	(0.7)	3.4	0.2
Translation reserve	(18.1)	(22.7)	(22.3)
Dividend, proposed	0.0	0.0	15.6
Retained earnings	452.1	396.0	415.6
Total equity	**573.6**	**517.0**	**549.4**
Non-current liabilities			
Deferred tax	14.7	13.0	14.1
Pension obligations	24.7	28.6	25.1
Loans	240.8	5.1	118.3
Government grants	21.3	44.4	21.5
Total non-current liabilities	**301.5**	**91.1**	**179.0**
Current liabilities			
Current portion of loans	1.1	288.3	162.4
Current portion of government grants	2.1	3.9	2.4
Bank loans	54.1	100.5	63.0
Prepayments from customers	17.8	2.1	5.0
Trade payables	80.1	87.4	127.7
Payable to associates	1.5	1.8	3.2
Income tax	0.1	1.2	0.8
Provisions	1.3	0.7	1.1
Other payables	106.4	113.1	130.9
Total current liabilities	**264.5**	**599.0**	**496.5**
Total liabilities	**566.0**	**690.1**	**675.5**
Total equity and liabilities	**1,139.6**	**1,207.1**	**1,224.9**

STATEMENT OF CHANGES IN EQUITY

DKKm

	Share capital	Hedging reserve	Translation reserve	Dividend proposed	Retained earnings	Total equity
Equity at 1 January 2011	**140.3**	**0.2**	**(22.3)**	**15.6**	**415.6**	**549.4**
Profit for the period	-	-	-	-	36.5	36.5
Other comprehensive income for the period	-	(0.9)	4.2	-	0.0	3.3
Comprehensive income at 30 June 2011	0.0	(0.9)	4.2	0.0	36.5	39.8
Dividend paid	-	-	-	(15.6)	-	(15.6)
Total changes in equity	0.0	(0.9)	4.2	(15.6)	36.5	24.2
Equity at 30 June 2011	**140.3**	**(0.7)**	**(18.1)**	**0.0**	**452.1**	**573.6**
Equity at 1 January 2010	**140.3**	**10.2**	**(33.3)**	**10.5**	**379.8**	**507.5**
Profit for the period	-	-	-	-	16.2	16.2
Other comprehensive income for the period	-	(6.8)	10.6	-	0.0	3.8
Comprehensive income at 30 June 2011	0.0	(6.8)	10.6	0.0	16.2	20.0
Dividend paid	-	-	-	(10.5)	-	(10.5)
Total changes in equity	0.0	(6.8)	10.6	(10.5)	16.2	9.5
Equity at 30 June 2010	**140.3**	**3.4**	**(22.7)**	**0.0**	**396.0**	**517.0**

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The interim financial statements are presented as condensed financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for interim reports of 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 parent company's functional currency.

The accounting policies applied in the interim financial statements are consistent with the accounting policies applied in the consolidated financial statements for 2010, which are in accordance with the International Financial Reporting Standards as adopted by the EU. The annual report for 2010 contains a more detailed description of the accounting policies applied, including the definitions of the ratios used, which are calculated in accordance with the definitions in 'Recommendations & Financial Ratios 2010' issued by the Danish Society of Financial Analysts.

New financial reporting standards in 2011

Hartmann has implemented all new and amended financial reporting standards and interpretations adopted by the EU that apply to financial years beginning on or after 1 January 2011. Hartmann has assessed that the new and amended standards and interpretations that are effective for financial years beginning on or after 1 January 2011 are either not relevant or not of significant importance.

Change in accounting policies

A change was made in the internal financial management and management reporting. As a result, the Other business areas segment has been discontinued, and the activities of Hartmann Technology and the combined heat and power plant and a number of costs that were previously allocated to Other business areas will in future be allocated to the Europe segment.

Comparative figures have been restated in accordance with the change in segment reporting.

The change does not affect the group's financial results, comprehensive income, cash flows, assets, liabilities or equity.

2. Significant accounting estimates and judgments and other factors

Significant accounting estimates and judgments

In applying the group's accounting policies, management is required to make judgments, estimates and assumptions concerning the carrying amounts 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.

3. Segment information

Segment information

The reporting of business segments is in accordance with the internal reporting to the Group Executive Board and the Board of Directors. The Group 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 follows 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 before special items of the individual segments. 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 costs 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. Profit in associates, financial income and expense, 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 comprise:

- **Europe** comprises production and sale 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 the sale of machinery for production of moulded-fibre packaging and the combined heat and power plant in Tønder, Denmark.

- **North America** comprises production and sale 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

DKKm

3. Segment information, cont'd

H1 2011	Europe	North America	Total reporting segments
External revenue			
Moulded fibre	568.8	104.4	673.2
Other revenue	53.6	0.0	53.6
Total	**622.4**	**104.4**	**726.8**
Operating profit before special items	**64.7**	**7.5**	**72.2**
Other segment information			
Depreciation, amortisation and impairment	35.6	6.0	
Investments in intangible assets and property, plant and equipment	5.1	4.4	
Net working capital (NWC)	133.6	16.7	
Invested capital	609.3	121.5	
ROIC, % (12 months)	21.3	2.6	
Segment assets	838.4	152.1	990.5

H1 2010	Europe	North America	Total reporting segments
External revenue			
Moulded fibre	561.8	106.7	668.5
Other revenue	37.6	0.0	37.6
Total	**599.4**	**106.7**	**706.1**
Operating profit before special items	**46.5**	**4.8**	**51.3**
Other segment information			
Depreciation, amortisation and impairment	37.8	6.6	
Investments in intangible assets and property, plant and equipment	18.5	3.9	
Net working capital (NWC)	111.9	39.4	
Invested capital	590.0	163.9	
ROIC, % (12 months)	19.2	0.6	
Segment assets	827.2	191.8	1,019.0

NOTES

DKKm

3. Segment information, cont'd

RECONCILIATION	H1 2011	H1 2010
Revenue		
External revenue for reporting segments	726.8	706.1
Total revenue according to interim financial statements	**726.8**	**706.1**
Performance targets		
Operating profit before special items for reporting segments	**72.2**	**51.3**
Non-allocated group functions	(15.5)	(21.2)
Eliminations	0.3	0.5
Operating profit before special items according to interim financial statements	**57.0**	**30.6**
Financial income	1.4	1.0
Financial expense	(10.3)	(10.0)
Profit before tax according to interim financial statements	**48.1**	**21.6**

	30 June 2011	30 June 2010
Assets		
Assets for reporting segments	990.5	1,019.0
Non-allocated assets	152.1	191.8
Eliminations	(3.0)	(3.7)
Total assets according to interim financial statements	**1,139.6**	**1,207.1**

4. Events after the balance sheet date

No significant events have occurred after the balance sheet date of the interim report for H1 2011, other than those mentioned in this interim report, that affect Hartmann's assets, liabilities or financial position as at 30 June 2011 and its results of operations and cash flows for H1 2011.

ADDITIONAL INFORMATION

FINANCIAL CALENDAR 2011

Thursday, 24 November 2011:
Interim report for the nine months ended 30 September 2011

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

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