

ANNUAL REPORT 2011

Brødrene Hartmann A/S, 8 March 2012

Michael Rohde Pedersen, CEO

Claus Frees Sørensen, CFO



EVENTS AFTER THE BALANCE SHEET DATE

Public offer and indications of interest

- On 10 February 2012, Hartmann announced that parties having originally expressed an interest in Hartmann had indicated that a public offer should not be expected at the time in question

Appointment of CFO

- Marianne Rørslev Bock has been appointed CFO and member of the Executive Board as of 18 April 2012
- Background:
 - Senior Vice President, Corporate Finance, Danisco
 - International management experience and strong expertise in finance, planning and audits



AGENDA

- Highlights
- Financial statements
- Outlook
- Questions



HIGHLIGHTS

Hartmann creates value

- Hartmann reported revenue of DKK 1,488 million for 2011 (2010: DKK 1,483 million) and operating profit* of DKK 124 million (2010: DKK 73 million), corresponding to a profit margin* of 8.3% (2010: 4.9%)
- The Board of Directors proposes dividends of DKK 9.25 per share (2010: DKK 2.25 per share), corresponding to 85% of the profit for the year
- For Q4 2011, revenue was DKK 407 million (2010: DKK 438 million) and operating profit DKK 41 million (2010: DKK 22 million), corresponding to a profit margin of 10.2% (2010: 5.0%)
- In 2012, Hartmann's revenue is expected to be in line with its 2011 revenue, and its profit margin is expected to be 7.5-9%



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

Competitive edge

2011-2012

- One Company
- Operational Excellence
- Strong competencies

Driving growth

2013-2015

- Consolidation in mature markets
- Focus on European growth markets
- Strong market position in North America

- In 2011, Hartmann focused on creating “Competitive edge”, and the efforts will continue in 2012
 - Any attractive growth opportunities will be pursued
- During the second phase of the strategy, efforts will be made to position Hartmann as a clear market leader
 - Dedicated efforts to generate growth

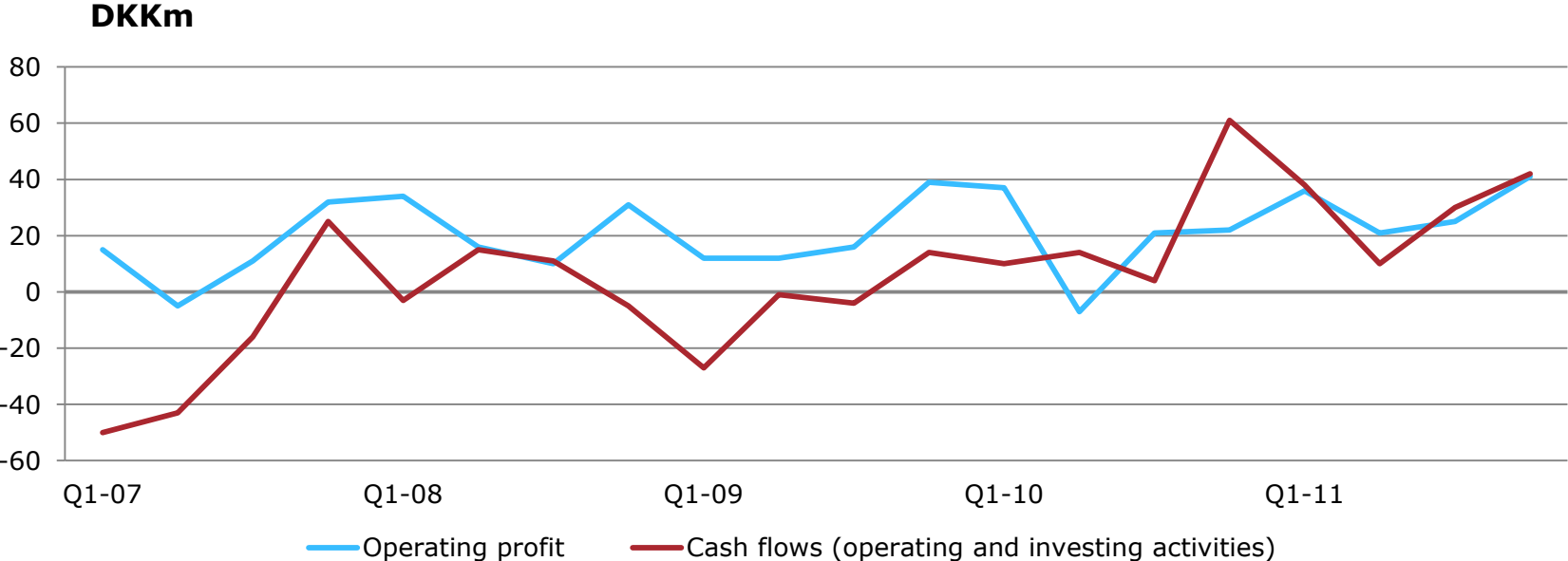
COMPETITIVE EDGE – YEAR 1

FOCUS AREA	INITIATIVES IMPLEMENTED	INITIATIVES BEING IMPLEMENTED
<p>One Company</p>	<p>Functional organisational structure</p> <p>Central management body</p> <p>New business model</p>	<p>Standardised management tools</p> <p>Standardised financial reporting and financial control</p> <p>Code of conduct for Hartmann</p>
<p>Operational Excellence</p>	<p>Standardised investment and decision-making process</p> <p>Corporate health and safety standards</p> <p>Improved product quality</p>	<p>Production optimisation based on best practice</p> <p>Optimised product designs</p> <p>Improved planning efficiency</p> <p>Improved overview of profitability across products, markets and customers</p> <p>Intensified production development and optimised product portfolio</p> <p>Customised logistics solutions</p>
<p>Strong competencies</p>	<p>Two vice presidents appointed responsible for sales and marketing and production, respectively.</p> <p>Existing competencies strengthened through new hirings</p>	<p>Sales Academy and sales training</p> <p>Improved internal communications</p> <p>Performance reviews</p>

KEY FIGURES AND FINANCIAL RATIOS

Q4 2011	Q4 2010		2011	2010	Change (%)
407	438	Revenue	1,488	1,483	0
348	381	- Europe	1,272	1,265	1
59	57	- North America	216	218	(1)
41	22	Operating profit	124	73	69
41	39	- Europe	133	110	21
9	(7)	- North America	20	1	1,900
(2)	3	Financial income and expenses	(16)	(11)	38
24	22	Profit	76	50	53
43	61	Cash flows (operating and investing activities)	120	89	35
-	-	Invested capital	652	733	(11)
10.2	5.0	Profit margin, %	8.3	4.9	-
-	-	ROIC, %	17.8	9.6	-

OPERATING PROFIT AND CASH FLOWS – STEADY TREND



CASH FLOWS

Strong cash flows from operating activities

DKKm

Q4 2011	Q4 2010		2011	2010
53	78	Operating activities	155	144
(11)	(18)	Investing activities	(35)	(55)
(15)	(5)	Financing activities	(108)	(32)
27	56	Total cash flows	12	58

- Cash flows from operating activities were favourably impacted by the marked improvement in operating profit
- The level of investment was relatively low, and priority was given to maintaining and adapting existing production resources
- Cash flows from financing activities were affected by dividend distributions to Hartmann's shareholders and repayment of existing loans and raising of a new non-current flexible loan

BALANCE SHEET

Significant reduction of interest-bearing debt in 2011

DKKm	31.12.11	31.12.10
Assets	1,108	1,225
Invested capital (IC)	652	733
Net working capital (NWC)	116	128
Net interest-bearing debt	169	275
Equity	560	549
Return on invested capital, % (ROIC)	17.8	9.6
Equity ratio, %	50.6	44.8
Gearing, %	30.2	50.0

EUROPE – PERFORMANCE IN 2011

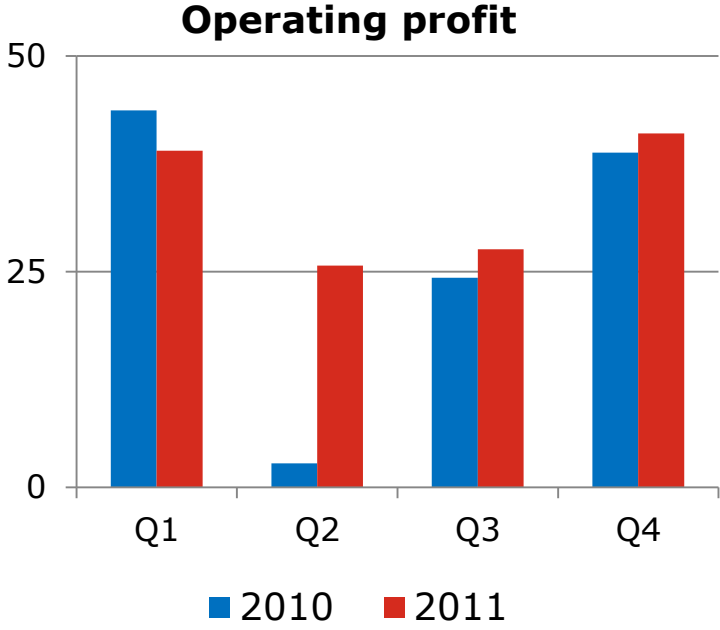
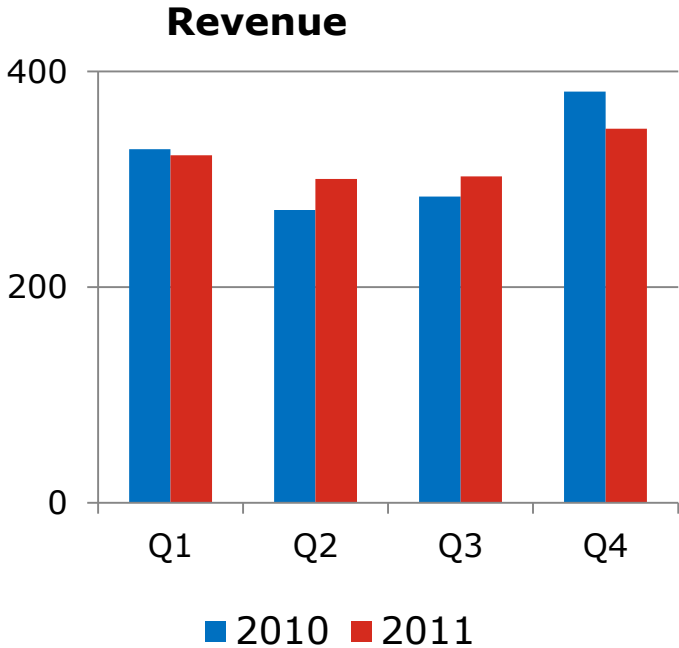
Strong performance in 2011

DKKm

Q4 2011	Q4 2010		2011	2010	Change (%)
348	381	Revenue	1,272	1,265	1
41	39	Operating profit	133	110	21
11.7	10.2	Profit margin, %	10.4	8.7	-
-	-	Invested capital	544	599	(9)
-	-	ROIC, %	23.3	17.1	-

- Growth in operating profit attributable to cost reductions and production efficiency improvements
- Favourable development despite lower average prices and higher raw material prices

EUROPE – REVENUE AND OPERATING PROFIT



NORTH AMERICA – PERFORMANCE IN 2011

Significant increase in operating profit

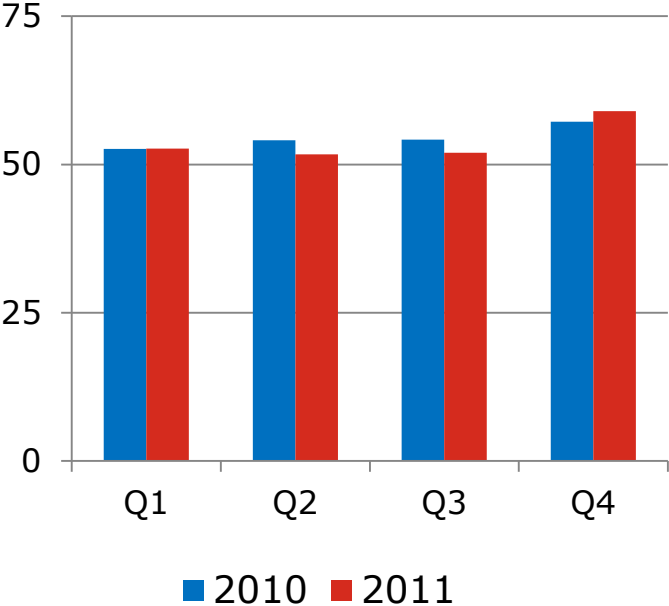
DKKm

Q4 2011	Q4 2010		2011	2010	Change (%)
59	57	Revenue	216	218	(1)
9	(7)	Operating profit/(loss)	20	1	1,900
14.7	(11.5)	Profit margin, %	9.3	0.5	-
-	-	Invested capital	111	127	(12)
-	-	ROIC, %	16.8	0.8	-

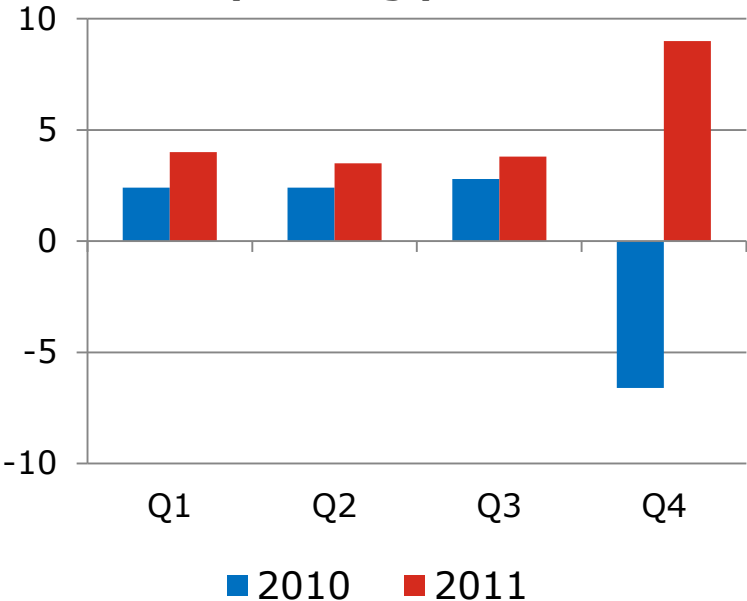
- The positive trend was driven by efficiency improvement measures and successful efforts to increase the proportion of high-value packaging
- The significant growth in operating profit was achieved despite the adverse impact of higher raw material prices and exchange rate movements

NORTH AMERICA – REVENUE AND OPERATING PROFIT

Revenue



Operating profit



OUTLOOK

Outlook for 2012 and targets for 2015

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

- In 2012, revenue is expected to be in line with the 2011 revenue, and the profit margin is expected to be 7.5-9%
- Hartmann's focus on production optimisation and on enhancing its competitive strength is expected to contribute favourably to the development in the profit margin, while no targeted efforts will be made to generate growth in the short term
- Raw material prices and transport costs are expected to remain at a high level
- By the end of the second strategy phase in 2015, Hartmann expects to generate revenue of DKK 1.7-1.8 billion and a profit margin of 8-11%

QUESTIONS



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