HARTMANN

Interim report Q1 2010

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The interim report of Brødrene Hartmann A/S for the three months ended 31 March 2010 was published on 27 May 2010 in Danish and English through NASDAQ OMX Copenhagen A/S as company announcement no. 11/2010. 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. 22). Questions may also be addressed to Peter A. Poulsen, CEO, on tel. +45 45 97 00 00 or mobile +45 51 51 40 69.

Photos in this interim report: Employees of Brødrene Hartmann A/S.

Highlights

The Group performed well in Q1 2010 with an EBIT margin of 9.8% (2009: 3.2%). As expected, the positive trend witnessed in the latest quarters thus continued in 2010, as the '10 in 10' initiatives implemented took full effect. Hartmann maintains its full-year forecast for 2010.

- Hartmann performed well in Q1 2010: operating profit before special items grew to DKK 37 million (2009: DKK 12 million), corresponding to an EBIT margin of 9.8% (2009: 3.2%).

- The improvement in operating profit was primarily driven by strong revenues following seasonal fluctuations. Moreover, the '10 in 10' initiatives implemented and cost-reducing initiatives in the business area Europe now take full effect. The development was also driven by an improved product and price mix as well as positive developments in exchange rates relative to the year-earlier period.

- Total revenue for Q1 2010 was DKK 381 million (2009: DKK 365 million). In Europe, the improvement was mainly attributable to a strong revenue following seasonal fluctuations, an improved product and price mix and favourable exchange rates, whereas in North America, it was mainly attributable to volume growth and favourable exchange rates relative to the year-earlier period.

- The business area Europe saw an improvement: operating profit before special items nearly doubled to DKK 49 million (2009: DKK 26 million), while revenue remained largely unchanged at DKK 306 million (2009: DKK 301 million).

- The business area North America reported its first quarterly profit. Revenue was DKK 53 million (2009: DKK 40 million), and operating profit before special items was DKK 2 million (2009: a loss of DKK 1 million).

- Hartmann maintains its forecast of an unchanged revenue level of approximately DKK 1,400 million for 2010 (2009 actual: DKK 1,380 million). The EBIT margin is expected to continue to increase to a level of 10% due to continued earnings growth in Europe and North America (2009 actual: 5.7% before special items).

- In Hartmann's Annual Report 2009, the Group's total energy and raw materials costs were assumed to be lower in 2010 than in 2009. The first months of 2010, however, saw sharp increases in the prices of paper and energy. All things being equal, these price increases may affect production costs in the course of 2010 and hence cause the EBIT margin to fall by about 1-2 percentage points. Thus, achieving an EBIT margin of approximately 10% will be no less challenging, but is still considered to be realistic, since the company seeks to offset the effect of the increasing paper and energy prices through the '10 in 10' measures. The expectations of '10 in 10' will be reviewed regularly in the light of developments in paper and energy prices.

Financial highlights and key ratios

	Q1 2010	Q1 2009	2009
Statement of comprehensive income (DKKm)			
Revenue	381	365	1,380
Operating profit before depreciation, amortisation and impairment (EBITDA)	59	26	154
Operating profit before special items	37	12	79
Special items	0	(6)	(12)
Operating profit/(loss) (EBIT)	37	6	67
Net financial income and expense	(7)	(2)	(19)
Profit/(loss) before tax (EBT)	30	4	49
Profit/(loss) for the period (EAT)	23	3	36
Comprehensive income	40	(65)	51
Cash flows (DKKm)			
Cash flows from operating activities	19	(7)	76
Cash flows from investing activities	(9)	(20)	(94)
Cash flows from financing activities	(6)	(7)	(22)
Total cash flows	5	(34)	(40)
Balance sheet (DKKm)			
Assets	1,265	1,152	1,216
Invested capital (IC)	821	680	786
Net working capital (NWC)	181	85	151
Net interest-bearing debt	344	349	345
Equity	548	391	508
Financial ratios in per cent			
Operating margin (EBITDA)	15.6	7.2	11.2
EBIT margin before special items	9.8	3.2	5.7
EBIT margin	9.8	1.6	4.9
Return on invested capital (ROIC)	18.5	3.3	8.9
Return on equity	17.1	2.7	7.4
Equity ratio	43.3	34.0	41.7
Gearing	62.8	89.3	68.0
Share-related key figures			
No. of shares (at period-end, excluding treasury shares)	6,915,090	6,915,090	6,915,090
No. of shares (avarage, excluding treasury shares)	6,915,090	6,915,090	6,915,090
Earnings per share in DKK (EPS)	3.3	0.4	5.2
Cash flow from operating activities per share DKK	2.8	(1.0)	11.0
Book value per share, DKK	79.2	56.6	73.4
Market price per share, DKK at period-end	108.0	69.0	95.0
Market price/book value per share	1.4	1.2	1.3
Price/earnings	33.0	166.3	18.3

Developments Q1 2010

The business area Europe saw an improvement in operating profit before special items, which nearly doubled. The business area North America reported its first quarterly profit.

Change of segment names

As mentioned in Hartmann's Annual Report 2009, the industrial packaging activities were combined with Egg Packaging Europe in H2 2009. Hartmann's production and sales of industrial packaging still contribute positively to earnings. However, revenue is limited to the extent that it would not serve any purpose to maintain the activities in a separate business area.

As a result of the organisational combination, the reporting segments Egg Packaging Europe and Industrial Packaging were combined as from the financial year 2010. The combination also extended to internal financial control and management reporting. The segment Egg Packaging Europe changed its name to Europe, and the segment Egg Packaging North America changed its name to North America.

The Group

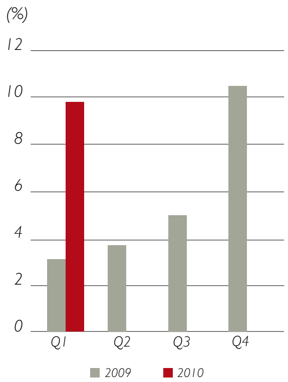
Revenue

Total revenue for Q1 2010 was DKK 381 million (2009: DKK 365 million). In Europe, the improvement was mainly attributable to a strong revenue following seasonal fluctuations, an improved product and price mix and favourable exchange rates, whereas in North America, it was mainly attributable to volume growth and favourable exchange rates relative to the year-earlier period.

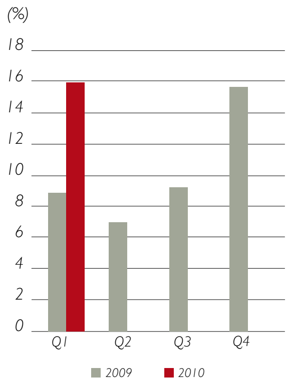
In Q1 2010, Hartmann Technology, the group entity engaging in the sale of machinery, experienced a slowdown in activities compared with the year-earlier period, as the customers of the business area continued to exercise restraint in relation to investments in new machinery.

EBIT margin | *before special items*

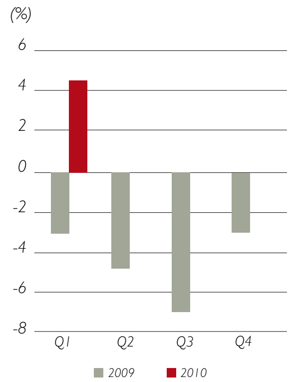
Group



Europe



North America



Operating profit
Operating profit before special items for QI 2010 was DKK 37 million (2009: DKK 12 million).

The improvement in operating profit was a result of the '10 in 10' initiatives implemented and cost-reducing initiatives in the business area Europe now taking full effect. The development was also driven by an improved product and price mix as well as positive developments in exchange rates relative to the year-earlier period.

Special items
Performance in QI 2010 was unaffected by special items (2009: an expense of DKK 6 million).

Financial income and expense
Financial income and expense for QI 2010 amounted to a net expense of DKK 7 million (2009: a net expense of DKK 2 million).

Profit for the period
Profit for the period increased to DKK 23 million (2009: DKK 3 million), mainly attributable to the positive development in operating profit.

Europe
Revenue
Revenue for QI 2010 came to DKK 306 million (2009: DKK 301 million).

Operating profit
Operating profit before special items for QI 2010 was DKK 49 million (2009: DKK 20 million).

Special items
Performance in QI 2010 was unaffected by special items (2009: an expense of DKK 6 million).

'10 in 10' status
In QI 2010, focus was on continuing the production improvement initiatives launched in 2009. These efforts are proceeding according to plan, and the full effects are expected to be seen in the course of 2010. New initiatives were also launched aiming at strengthening production process control.

North America
Revenue
Revenue for QI 2010 came to DKK 53 million (2009: DKK 40 million).

Operating profit
Operating profit before special items for QI 2010 was DKK 2 million (2009: a loss of DKK 1 million). The hedging of USD against CAD for QI 2010 was effected at an average level of 0.80 (QI 2009: 0.95), which resulted in a positive contribution of DKK 4 million in QI 2010.

Special items
Performance in QI 2010 was unaffected by special items (2009: DKK 0 million).

'10 in 10' status
A key element of the strategy in North America is to increase the share of high-value packaging, and sales of these products are growing. As part of the '10 in 10' plan, the factory in North America continually improved production efficiency, automating certain parts of the production process, among other measures. The implementation activities are proceeding according to plan and are expected to contribute to improved long-term capacity utilisation. Furthermore, the number of production staff was reduced in the first quarter of the year. With a view to ensuring the necessary reliability of supply and flexibility in production, Hartmann has outsourced part of the production of low-cost products to sub-suppliers.

Other business areas
Revenue
Revenue for QI 2010 came to DKK 22 million (2009: DKK 24 million).

Operating profit
Other business areas reported an operating loss before special items for QI 2010 of DKK 16 million (2009: a loss of DKK 13 million).

The Hartmann share

The official market price of the Hartmann share was 95 on 1 January 2010 and 108 on 31 March 2010. Information on share performance is available in the investor section on www.hartmann-packaging.com.

Important board resolutions

The Chairman of the Board of Directors passed away on 18 May 2010

Erik Højsholt, Chairman of the Board of Directors of Brødrene Hartmann A/S since 2007, passed away on 18 May 2010 following a short period of illness and hospitalisation. Mr Højsholt headed Hartmann's successful turnaround process, which was completed in late 2008.

At an extraordinary board meeting held on 19 May 2010, the Board of Directors of Brødrene Hartmann A/S appointed the company's Vice Chairman, Walther Vishof Paulsen, to be acting Chairman and Peter-Ulrik Plesner to be acting Vice Chairman.

The Board of Directors now consists of Walther Vishof Paulsen, acting Chairman, Peter-Ulrik Plesner, acting Vice Chairman, and Niels Hermansen, as well as Niels Christian Petersen and Jan Peter Antonisen, who have been elected by the employees.

As only three of the remaining board members have been elected by the shareholders, the Board of Directors will shortly decide on the future size and composition of the Board of Directors.

CEO Peter Arndrup Poulsen to take up new position as CEO of Tvilum-Scanbirk

On 27 May 2010, CEO Peter Arndrup Poulsen informed the Board of Directors that he has accepted the position of CEO of furniture manufacturer Tvilum-Scanbirk.

Peter Arndrup Poulsen will join Tvilum-Scanbirk on 1 December 2010 and will continue working with Hartmann in his present position until a replacement has been found and has joined the company. He will, however, leave on 30 November 2010 at the latest.

The Board of Directors has initiated the process of recruiting a replacement in collaboration with Heidrick & Struggles, Executive Search.

Cash flows and capital resources

Cash flows from operating activities developed in line with expectations and were positively affected by the improvement in operating profit.

Cash flows from operating activities

Cash flows from operating activities during Q1 2010 were a cash inflow of DKK 19 million (2009: a cash outflow of DKK 7 million). The increase was a result of the improvement in operating profit and the positive development in exchange rates relative to the year-earlier period.

Cash flows from investing activities

Cash flows from investing activities during Q1 2010 were a cash outflow of DKK 9 million (2009: a cash outflow of DKK 20 million).

Cash flows from financing activities

Cash flows from financing activities during Q1 2010 were a cash outflow of DKK 6 million (2009: a cash outflow of DKK 7 million).

Capital resources

The Group's net interest-bearing debt at 31 March 2010 amounted to DKK 344 million (31 December 2009: DKK 345 million).

The Group's financial gearing at 31 March 2010 stood at 63% (1 January 2010: 68%).

At 31 March 2010, financial resources, not taking into account financial covenants, amounted to DKK 177 million (31 December 2009: DKK 181 million). Financial resources, which are satisfactory, are made up as the sum of cash and short-term credit facilities.

Changes in equity

At 31 March 2010, the Group's equity stood at DKK 548 million, up DKK 40 million from 1 January 2010. The improvement was mainly driven by the increased operating profit and the positive development in exchange rates. Hartmann's equity ratio increased from 42% at 1 January 2010 to 43% at 31 March 2010.


Outlook for 2010

Hartmann maintains its forecast of an unchanged revenue level of approximately DKK 1,400 million for 2010. The EBIT margin is expected to continue to increase to a level of 10% due to continued earnings growth in Europe and North America.

Revenue

Hartmann retains its forecast provided in its Annual Report 2009 of total revenue for 2010 of approximately DKK 1,400 million. The forecast for total revenue is based on a minor setback in the business area Europe, while North America is expected to see continued revenue growth.

The business area Europe is expected to see a small improvement in sales volumes of egg packaging relative to 2009 and an improved product and price mix. These improvements will, however, be more than offset by the expected decline in the sale of industrial packaging, and the business area as a whole will therefore generate slightly lower revenue.

The North American markets continue to see ever-growing environmental awareness and growing interest in sustainable packaging. Moreover, there is growing interest in high-value packaging spurred by a wish to differentiate products through their packaging. These trends are expected to have a positive effect on revenue for the business area for 2010. Furthermore, favourable hedging of the CAD/USD exchange rate risk will have a positive impact on revenue for North America throughout 2010.

Operating profit

The Group's EBIT margin for 2010 is expected to be in the region of 10%, which will be an improvement on the full-year EBIT margin before special items of 5.7% for 2009, but on a level with the EBIT margin for Q1 2010 of 9.8%.

The business area Europe is expected to see an improvement in operating profit before special items for 2010 due to:

- the '10 in 10' initiatives implemented taking full effect;
- a small increase in the sale of egg packaging;
- favourable exchange rate developments;
- the initiatives already implemented to reduce costs taking full effect.

Hartmann's profit is, however, expected to be adversely affected by a decrease in the activity level in the former business area for industrial packaging.

In North America, operating profit before special items is expected to continue to grow, and the business area is expected to report a full-year profit for 2010. The improvement will primarily be attributable to:

- higher volumes and an improved product and price mix;
- improved hedging of the CAD/USD exchange rate risk.

Overall, performance of Other business areas is expected to remain unchanged for 2010.

Consolidated revenue and earnings are typically higher for Q1 and Q4 than for Q2 and Q3.

The expectations of '10 in 10' are based on the assumption that the prices of energy and raw materials in 2010 remain stable on a level with prices in Q4 2009. The first months of 2010, however, saw sharp increases in the prices of paper and energy. All things being equal, these price increases may affect production costs in the course of 2010 and hence cause the EBIT margin to fall by about 1-2 percentage points. Thus, achieving an EBIT margin of approximately 10% will be no less challenging, but is still considered to be realistic, since the company seeks to offset the effect of the increasing paper and energy prices through the '10 in 10' measures. The expectations of '10 in 10' will be reviewed regularly in the light of developments in paper and energy prices.

Investments

In 2010, Hartmann's strategy with respect to investments in automation and production optimisation is expected to lead to one-off investments of approximately DKK 10-20 million. Capital investments are thus expected to total approximately DKK 100-110 million.

Assumptions

Hartmann's revenue and profit forecast for 2010 is based on the Group's present composition of business operations and the assumptions below.

As discussed above, the 2010 prices of energy and raw materials are assumed to be on a level with prices in Q4 2009. In Hartmann's Annual Report 2009, the Group's total energy and raw materials costs were assumed to be lower in 2010 than in 2009. This assumption has subsequently changed due to an increase in global market prices of paper and energy. Accordingly, Hartmann now expects its costs of paper and energy in 2010 to exceed the costs incurred in 2009.

Hartmann assumes selling prices to remain stable at the opening level of 2010. Any negative deviations from these assumptions may adversely affect the 2010 profit.

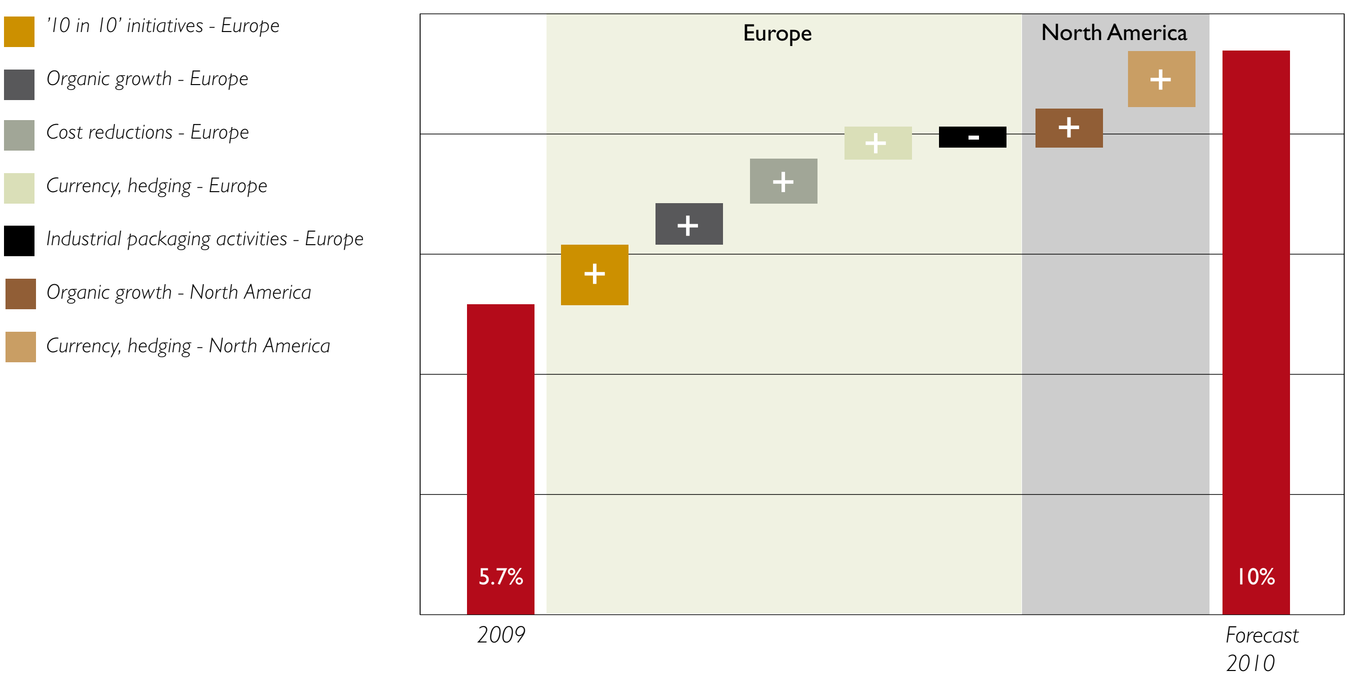
The Group's operating profit is exposed to changes in the US dollar (USD), Canadian dollar (CAD), euro (EUR), pound sterling (GBP), Polish zloty (PLN), Hungarian forint (HUF), Swedish krona (SEK) and Norwegian krone (NOK) rates.

Hartmann has hedged the CAD/USD exchange rate risk for the full year of 2010. This represents the Group's main currency transaction risk. Furthermore, the Group has hedged its exposure to GBP/DKK, SEK/DKK, NOK/DKK and PLN/DKK exchange rate risk for the first nine months of 2010.

Forward-looking statements

The forward-looking statements in this interim report reflect Hartmann's current expectations for future events and financial results. Statements regarding 2010 are inherently subject to uncertainties which may result in deviations from expectations. Factors that may cause the actual results to differ from expectations include, but are not limited to, developments in the general economy and in the financial markets, changes and amendments to legislation and regulations in Hartmann's markets, changes in demand for products, competition and the prices of energy and raw materials.

Outlook | *EBIT margin before special items*



Risk factors

It is a key objective of the Management of Hartmann to ensure constant and adequate monitoring of the Group's risk exposure and that Hartmann has established the policies and procedures necessary to ensure efficient management of identified risks.

See the section on risk factors and note 34 to the financial statements in Annual Report 2009 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 prices of recycled paper and energy (electricity and gas), which are the most important raw materials used in production. Hartmann seeks to the greatest extent possible to achieve a partial reduction of its sensitivity to developments in the price of recycled paper by signing fixed-price and framework agreements. However, the present market situation implies that the possibility for hedging is extremely limited.

In addition, Hartmann has signed 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.

Currency

Hartmann's currency risk stems partly from an imbalance between income and expenses in the individual currencies (transaction risk) due to Hartmann's international business profile with foreign subsidiaries; partly from part of the Group's net assets being denominated in foreign currency (translation risk). Hartmann is exposed to transaction risk due to cross-border transactions, leading to contractual cash flows in foreign currency.
Hartmann's sales in North America are denominated in USD, whereas costs are dominated in CAD, and this means that the currency exposure in relation to the CAD/USD exchange rate constitutes one of the Group's single largest transaction risks.

Currency exposure in the EUR/HUF exchange rate represents another significant transaction risk. This exposure is a result of sales from Hartmann's factory in Hungary to other subsidiaries being denominated in EUR, and costs being denominated primarily in HUF. Hartmann's operating profit is also exposed to transaction risk with respect to the currencies GBP, PLN, NOK, SEK and EUR.

Due to its foreign subsidiaries, Hartmann is exposed to currency risk in the form of translation risk, since a major part of earnings derives from these foreign subsidiaries and is translated and recognised in the Group's operating profit in DKK. Foreign subsidiaries' reporting in the currencies HUF, PLN, HRK, CAD, GBP and EUR represents Hartmann's highest translation exposure. Operating profit from Hartmann North America and Hartmann Hungary in CAD and HUF, respectively, is particularly exposed in connection with translation into DKK. Translation risk is generally 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 three months ended 31 March 2010.

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 additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2010 and of the results of the Group's operations and cash flows for the three months ended 31 March 2010.

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, 27 May 2010

Executive Board:	Peter Arndrup Poulsen *CEO*	Magali Depras *Chief Commercial Officer*	Søren Tolstrup *Chief Operations Officer*
Board of Directors:	Walther V. Paulsen *Acting Chairman*	Peter-Ulrik Plesner *Acting Vice Chairman*	Jan Peter Antonisen
	Niels Hermansen	Niels Christian Petersen	

INTERIM FINANCIAL STATEMENTS

Statement of total comprehensive income

amounts in DKKm

	Q1 2010	Q1 2009	2009
Revenue	380.6	365.3	1,379.6
Production costs	(263.5)	(272.6)	(1,001.8)
Gross profit	**117.1**	**92.7**	**377.8**
Sales and distribution costs	(58.7)	(62.0)	(230.1)
Administrative expenses	(21.6)	(19.3)	(71.7)
Other operating income	0.4	0.4	3.1
Other operating expense	0.0	0.0	(0.1)
Operating profit/(loss) before special items	**37.2**	**11.8**	**79.0**
Special items, income	0.0	0.0	0.0
Special items, expense	0.0	(6.1)	(11.7)
Operating profit/(loss) (EBIT)	**37.2**	**5.7**	**67.3**
Profit after tax in associates	0.0	0.0	0.1
Financial income	0.2	2.7	13.5
Financial expenses	(7.3)	(4.6)	(32.2)
Profit/(loss) before tax (EBT)	**30.1**	**3.8**	**48.7**
Tax on the profit/(loss) for the period	(7.5)	(1.0)	(12.9)
Net profit/(loss) for the period (EAT)	**22.6**	**2.8**	**35.8**
Foreign exchange adjustments, foreign subsidiaries	11.4	(36.6)	(2.0)
Foreign exchange adjustments, equity-like loans to subsidiaries	6.9	0.1	(0.9)
Value adjustment of hedging instruments transferred to revenue	3.5	2.3	10.2
Value adjustment of hedging instruments transferred to financial items	0.0	0.0	8.7
Value adjustment of hedging instruments	(4.8)	(40.4)	7.4
Actuarial gains/(losses) on defined benefit plans	0.0	0.0	(5.1)
Tax on other comprehensive income	0.8	7.0	(2.9)
Other comprehensive income	**17.8**	**(67.6)**	**15.4**
Total comprehensive income	**40.4**	**(64.8)**	**51.2**
Earnings per share in DKK (EPS)	3.3	0.4	5.2
Earnings per share in DKK, diluted (EPS-D)	3.3	0.4	5.2

Statement of cash flows

amounts in DKKm

	Q1 2010	Q1 2009	2009
Operating profit/(loss) before special items	37.2	11.8	79.0
Depreciations and amortisation	22.1	20.1	86.8
Adjustment for other non-cash items	0.0	0.0	(1.1)
Change in working capital	(25.1)	(24.5)	(36.3)
Cash flows from ordinary activities	**34.2**	**7.4**	**128.4**
Interest etc. received	0.2	1.5	3.7
Interest etc. paid	(5.5)	(4.6)	(19.7)
Net restructuring costs paid	0.0	(6.1)	(6.1)
Net income tax paid	(9.7)	(5.0)	(30.1)
Cash flows from operating activities	**19.2**	**(6.8)**	**76.2**
Disposals of intangible assets	0.0	0.0	0.7
Disposals of property, plant and equipment	0.0	0.0	2.9
Acquisition of property, plant and equipment	(8.9)	(20.3)	(101.0)
Dividend received from associates	0.0	0.0	0.2
Government grants received	0.0	0.0	3.1
Cash flows from investing activities	**(8.9)**	**(20.3)**	**(94.1)**
Cash flows from oprerating and investing activities (free cash flows)	**10.3**	**(27.1)**	**(17.9)**
Change in non-current loans	(5.6)	(6.6)	(22.3)
Cash flows from financing activities	**(5.6)**	**(6.6)**	**(22.3)**
Total cash flows	**4.7**	**(33.7)**	**(40.2)**
Cash and cash equivalents and bank debt at beginning of period	(39.1)	8.8	8.8
Foreign exchange adjustments	(10.0)	(1.5)	(7.7)
Cash and cash equivalents and bank debt at end of period	**(44.4)**	**(26.4)**	**(39.1)**
Recognition of cash and cash equivalents and bank debt end of period:			
Cash and cash equivalents	51.1	49.2	53.4
Bank debt (current liabilities)	(95.5)	(75.6)	(92.5)
Total cash and cash equivalents and bank debt	**(44.4)**	**(26.4)**	**(39.1)**

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

Balance sheet, assets

amounts in DKKm

	March 31 2010	March 31 2009	Dec. 31 2009
Non-current assets			
Intangible assets			
Goodwill	10.7	10.7	10.7
Other intangible assets	9.5	0.0	10.1
Total intangible assets	**20.2**	**10.7**	**20.8**
Property, plant and equipment			
Land and buildings	166.3	150.6	163.6
Technical plant and machinery	444.9	400.4	443.1
Fixtures and fittings, other plants and equipment	13.6	13.9	14.1
Technical plant under construction	15.8	35.8	16.4
Total property, plant and equipment	**640.6**	**600.7**	**637.2**
Other non-current assets			
Investments in subsidiaries	3.8	3.9	3.8
Other receivables	30.7	40.7	30.2
Deferred tax asset	80.6	59.5	73.5
Total other non-current assets	**115.1**	**104.1**	**107.5**
Total non-current assets	**775.9**	**715.5**	**765.5**
Current assets			
Inventories	124.2	101.6	114.0
Trade receivables	245.3	235.5	225.0
Contract work in progress	0.0	0.0	1.3
Income tax receivable	13.3	4.4	7.1
Other receivables	45.7	26.3	42.6
Prepayments	9.4	19.2	7.5
Cash and cash equivalents	51.1	49.2	53.4
Total current assets	**489.0**	**436.2**	**450.9**
Total assets	**1,264.9**	**1,151.7**	**1,216.4**

Balance sheet, equity and liabilities

amounts in DKKm

	March 31 2010	March 31 2009	Dec. 31 2009
Equity			
Share capital	140.3	140.3	140.3
Hedging reserve	9.3	(41.0)	10.2
Translation reserve	(14.6)	(68.9)	(33.3)
Proposed, dividend	10.5	0.0	10.5
Retained earnings	402.4	361.0	379.8
Total equity	**547.9**	**391.4**	**507.5**
Non-current liabilities			
Defered tax	13.9	0.2	13.6
Pension obligations	28.8	23.7	28.0
Loans	278.3	300.3	283.6
Government grants	47.7	52.5	47.9
Total non-current liabilities	**368.7**	**376.7**	**373.1**
Current liabilities			
Current portion of loans	21.5	22.6	22.0
Current portion of government grants	4.5	4.2	4.8
Bank debt	95.5	75.6	92.5
Prepayments from customers	0.2	0.8	0.5
Trade payables	92.0	109.0	99.7
Payable to subsidiaries	3.4	2.4	1.8
Income tax	12.5	7.0	5.0
Provisions	0.7	1.9	1.3
Other payables	118.0	160.1	108.2
Total current liabilities	**348.3**	**383.6**	**335.8**
Total liabilities	**717.0**	**760.3**	**708.9**
Total equity an liabilities	**1,264.9**	**1,151.7**	**1,216.4**

Statement of changes in equity

amounts in DKKm

Group

	Share capital	Hedging reserve	Translation reserve	Dividend proposed	Retained earnings	Total equity
Equity at 1 January 2010	**140.3**	**10.2**	**(33.3)**	**10.5**	**379.8**	**507.5**
Comprehensive income	-	(0.9)	18.7	0.0	22.6	40.4
Total change in equity	**0.0**	**(0.9)**	**18.7**	**0.0**	**22.6**	**40.4**
Equity at 31 March 2010	**140.3**	**9.3**	**(14.6)**	**10.5**	**402.4**	**547.9**
Equity at 1 January 2009	**140.3**	**(8.9)**	**(33.4)**	**0.0**	**358.2**	**456.2**
Comprehensive income	-	(32.1)	(35.5)	0.0	2.8	(64.8)
Total change in equity	**0.0**	**(32.1)**	**(35.5)**	**0.0**	**2.8**	**(64.8)**
Equity at 31 March 2009	**140.3**	**(41.0)**	**(68.9)**	**0.0**	**361.0**	**391.4**

Notes

1. Accounting policies

The interim financial statements are presented as condensed interim financial statements in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU. 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 2009, which are in accordance with the International Financial Reporting Standards as adopted by the EU. The annual report for 2009 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 2005' issued by the Danish Society of Financial Analysts.

New financial reporting standards in 2010

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 2010. Hartmann has assessed that the new and amended standards and interpretations that are effective for financial years beginning on or after 1 January 2010 are either not relevant or not of significant importance.

Changes in accounting policies

As a result of the organisational combination of operations, the reporting segments Egg Packaging Europe and Industrial Packaging were combined as from the financial year 2010. The combination also extended to internal financial control and management reporting. The segment Egg Packaging Europe changed its name to Europe, and the segment Egg Packaging North America changed its name to North America. The comparative figures have been restated accordingly.

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 that 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 revenue and results of operations of the Group are affected by usual seasonal fluctuations.

3. Segment information

Segment information

Hartmann's business is divided into three reporting segments reflecting the Group's products and markets and the Group's internal financial control and management reporting. Senior management regularly receives segment information with a view to resource allocation and performance evaluation. No operating segments have been combined to represent the reporting segments.

Europe

This segment comprises production and sales of moulded-fibre packaging. Products are produced at the Group's European factories and are primarily sold to egg producers, egg packing companies and retail chains and buyers of industrial packaging. European sales are coordinated from the sales office in Germany.

North America

This segment comprises production and sales of moulded-fibre packaging. Products are primarily produced at the North American factory and sold to egg producers, egg packing companies and retail chains.

Other business areas

This segment comprises the combined heat and power plant, Hartmann Technology (internal and external sales of machinery) and group functions.

Other segment information

Management assesses 'operating profit' from the reporting segments separately in order to make decisions on resource allocation and performance evaluation. The accounting policies applying to the consolidated financial statements are also applied in relation to the calculation of the operating profit from the reporting segments. Group financing (including financial income and expense) and corporate tax are handled at Group level and are not allocated to the reporting segments.

The segment assets and segment liabilities comprise inventories, trade receivables and trade payables directly relating to the individual segment. Other segment information includes investments in intangible assets, property, plant and equipment and depreciation, amortisation and impairment.

No single customer accounts for more than 10% of external revenue.

Notes

amounts in DKKm

3. Segment information, cont'd

Q1 2010	Europa	North America	Other business areas	Total of reportable segments	Eliminations	Total
External revenue	306.0	52.6	22.0	380.6	-	380.6
External revenue, see interim report						**380.6**
Operating profit/(loss) before special items	**48.7**	**2.4**	**(15.6)**	**35.5**	**1.7**	**37.2**
Special items, income	0.0	0.0	0.0	0.0	0.0	0.0
Special items, expence	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/(loss)	**48.7**	**2.4**	**(15.6)**	**35.5**	**1.7**	**37.2**
Profit after tax in associates	-	-	-	-	-	0.0
Financial income	-	-	-	-	-	0.2
Financial expense	-	-	-	-	-	(7.3)
Profit/(loss) before tax, see interim report						**30.1**
Inventories	80.4	31.1	13.8	125.3	(1.1)	124.2
Trade receivables	204.3	20.5	20.5	245.3	0.0	245.3
Non-current assets	-	-	-	-	-	775.9
Current assets (in addition to inventories and trade receivables)	-	-	-	-	-	119.5
Total assets, see interim report						**1,264.9**
Trade payables	51.2	14.9	25.9	92.0	0.0	92.0
Non-current liabilities	-	-	-	-	-	368.7
Current liabilities (in addition to trade payables)	-	-	-	-	-	256.3
Total liabilities, see interim report						**717.0**
Other segment information						
Investments intangible assets and property, plant and equipment	6.2	1.5	1.2	8.9	0.0	8.9
Depreciation and amortisation	18.7	3.1	2.0	23.8	(1.7)	22.1

Q1 2009	Europa	North America	Other business areas	Total of reportable segments	Eliminations	Total
External revenue	300.8	40.4	24.1	365.3	-	365.3
External revenue, see interim report						**365.3**
Operating profit/(loss) before special items	**26.2**	**(1.2)**	**(12.9)**	**12.1**	**(0.3)**	**11.8**
Special items, income	0.0	0.0	0.0	0.0	0.0	0.0
Special items, expence	(6.1)	0.0	0.0	(6.1)	0.0	(6.1)
Operating profit/(loss)	**20.1**	**(1.2)**	**(12.9)**	**6.0**	**(0.3)**	**5.7**
Financial income	-	-	-	-	-	2.7
Financial expense	-	-	-	-	-	(4.6)
Profit/(loss) before tax, see interim report						**3.8**
Inventories	71.8	20.0	11.0	102.8	(1.2)	101.6
Trade receivables	208.4	18.5	8.6	235.5	0.0	235.5
Non-current assets	-	-	-	-	-	715.5
Current assets (in addition to inventories and trade receivables)	-	-	-	-	-	99.1
Total assets, see interim report						**1,151.7**
Trade payables	58.4	13.6	37.0	109.0	0.0	109.0
Non-current liabilities	-	-	-	-	-	376.7
Current liabilities (in addition to trade payables)	-	-	-	-	-	274.6
Total liabilities, see interim report						**760.3**
Other segment information						
Investments intangible assets and property, plant and equipment	8.6	3.9	7.8	20.3	0.0	20.3
Depreciation and amortisation	18.4	2.5	1.6	22.5	(2.4)	20.1

Notes

4. Events after the balance sheet date

No significant events have occurred after the balance sheet date of the interim report for the three months ended 31 March 2010, other than those mentioned in this interim report that affect Hartmann's assets, liabilities or financial position as at 31 March 2010 and its results of operations and cash flows for the three months ended 31 March 2010.

Additional information

The dates of publication of the interim reports for the six months ended 30 June 2010 and the nine months ended 30 September 2010 have been changed.

Revised financial calendar for 2010

Wednesday, 25 August 2010
Interim report for H1 2010

Wednesday, 24 November 2010
Interim report for Q3 2010

Historical and current information about Hartmann's operations, company announcements, financial statements, investor presentations, etc. are available on Hartmann's website, www.hartmann-packaging.com. 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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