HARTMANN CHOOSE FIBRE. SAVE NATURE.®

INTERIM REPORT
Q2 2014

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HIGHLIGHTS

In Q2 2014, Hartmann continued to grow sales of premium products to customers in both Europe and North America. The higher average selling price partly offset the considerable adverse impact of currency fluctuations and expected costs related to the expansion in North America. We maintain our guidance for full-year revenue of DKK 1.6-1.7 billion and a profit margin of 9.0-10.5%.

CEO Ulrik Kolding Hartvig says: "Developments in Europe were stable in Q2, and in North America we continued to increase the share of premium products. Yet, results in our North American business were restrained by exchange rates and, as expected, by the ongoing production expansion."

"We will see the effects of our investment in North America already in the second half-year, and in Europe we expect continued results progress. With the initiatives we have accomplished, we are establishing capacity for growth across our markets."

Q2 2014

- Total revenue came to DKK 351 million (2013: DKK 370 million) with operating profit* at DKK 17 million (2013: DKK 21 million), corresponding to a profit margin* of 4.9% (2013: 5.7%). Exchange rate fluctuations impacted negatively on revenue by DKK 15 million and operating profit by DKK 6 million.

- In Europe, revenue came to DKK 281 million (2013: DKK 296 million) with operating profit at DKK 12 million (2013: DKK 10 million), corresponding to a profit margin of 4.1% (2013: 3.5%). We continued to grow earnings through increasing the proportion of premium products and lifting the average selling price.

- In North America, revenue came to DKK 69 million (2013: DKK 74 million) with operating profit at DKK 12 million (2013: DKK 18 million), corresponding to a profit margin of 16.6% (2013: 24.0%). The development in North America is essentially attributable to adverse exchange rate fluctuations and expected costs related to the ongoing production capacity expansion, which is progressing to plan and expected to be fully implemented in 2014.

- Cash flows from operating activities amounted to a net cash inflow of DKK 43 million (2013: DKK 46 million).

H1 2014

- Revenue was DKK 764 million (2013: DKK 793 million) and operating profit DKK 62 million (2013: DKK 65 million), corresponding to a profit margin of 8.1% (2013: 8.2%). Exchange rate fluctuations impacted negatively on revenue by DKK 35 million and operating profit by DKK 15 million.

- In Europe, revenue came to DKK 622 million (2013: DKK 647 million) with operating profit at DKK 50 million (2013: DKK 44 million), corresponding to a profit margin of 8.0% (2013: 6.9%). Period-to-period fluctuations in finished deliveries in Hartmann Technology adversely impacted revenue.

- In North America, revenue came to DKK 142 million (2013: DKK 146 million) with operating profit at DKK 24 million (2013: DKK 33 million), corresponding to a profit margin of 17.1% (2013: 22.9%).

- Cash flows from operating activities amounted to a net cash inflow of DKK 52 million (2013: DKK 93 million), and return on invested capital grew to 21.2% (2013: 17.7%).

OUTLOOK FOR 2014

- We maintain our full-year guidance of revenue of DKK 1.6-1.7 billion and a profit margin in the range of 9.0-10.5%.

* References to operating profit are to operating profit before special items, and references to profit margin are to profit margin before special items.

KEY FIGURES AND FINANCIAL RATIOS

DKKm

Group	Q2 2014	Q2 2013	H1 2014	H1 2013
Statement of comprehensive income				
Revenue	351	370	764	793
Operating profit	17	21	62	65
Special items	0	(6)	0	(39)
Financial income and expenses, net	(4)	(7)	(9)	(8)
Profit/(loss) before tax	13	8	53	18
Profit/(loss) for the period	11	13	45	17
Comprehensive income	25	18	49	15
Cash flows				
Cash flows from operating activities	43	46	52	93
Cash flows from investing activities	(23)	(16)	(56)	(27)
Cash flows from financing activities	(21)	(26)	(21)	(38)
Total cash flows	(1)	4	(24)	28
Balance sheet				
Assets	-	-	1,143	1,126
Investments in property, plant and equipment	-	-	56	27
Net working capital	-	-	185	131
Invested capital	-	-	736	626
Interest-bearing debt	-	-	207	138
Equity	-	-	596	549
Financial ratios, %				
Profit margin	4.9	5.7	8.1	8.2
Return on average invested capital (ROIC, rolling 12 months)	-	-	21.2	17.7
Return on equity (rolling 12 months)	-	-	19.4	11.0
Equity ratio	-	-	52.1	48.8
Gearing	-	-	34.8	25.2
Share-based financial ratios				
No. of shares (at period end, excluding treasury shares)	-	-	6,915,090	6,915,090
No. of shares (average, excluding treasury shares)	-	-	6,915,090	6,915,090
Earnings per share, DKK (EPS)	1.7	1.9	6.6	2.4
Cash flows per share, DKK	6.0	6.7	7.3	13.5
Book value per share, DKK	-	-	86.1	79.4
Market price per share, DKK	-	-	179.5	139.0
Market price/book value per share	-	-	2.1	1.8
Price/earnings (rolling 12 months)	-	-	10.8	15.0

The financial ratios are calculated in accordance with 'Recommendations & Ratios 2010', issued by the Danish Society of Financial Analysts. See note 38 to the financial statements in the annual report for 2013.

DEVELOPMENTS IN Q2 2014

Our efforts to strengthen Hartmann's competitiveness and lift the average selling price contributed favourably to developments in Q2 2014, which was impacted by adverse exchange rate fluctuations and expected costs related to the ongoing capacity expansion in North America. The expansion continues to progress as planned and we expect our new capacity to be fully implemented within 2014.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Total revenue came to DKK 351 million in Q2 2014 (2013: DKK 370 million) and DKK 764 million in H1 (2013: DKK 793 million).

Exchange rate fluctuations impacted negatively on revenue by DKK 15 million in Q2 and DKK 35 million in H1.

Europe

Revenue for our European business was DKK 281 million in Q2 (2013: DKK 296 million). We increased the proportion of premium products and lifted the average selling price, while revenue came in lower as a consequence of our intensified focus on premium products and a planned, temporary reduction in sales of transport trays.

Revenue for H1 came to DKK 622 million (2013: DKK 647 million). Period-to-period fluctuations in finished deliveries in Hartmann Technology adversely impacted revenue.

North America

In North America, revenue for Q2 was DKK 69 million (2013: DKK 74 million). A significant increase in sales of premium products added favourably to revenue while considerable fluctuations in exchange rates together with moderately lower sales of other packaging had an adverse impact.

Revenue for H1 came to DKK 142 million (2013: DKK 146 million).

Operating profit

Operating profit for Q2 2014 came in at DKK 17 million (2013: DKK 21 million), corresponding to a profit margin of 4.9% (2013: 5.7%). Operating profit for H1 was DKK 62 million (2013: DKK 65 million), corresponding to a profit margin of 8.1% (2013: 8.2%).

Fluctuations in exchange rates impacted negatively on operating profit by DKK 6 million in Q2 and DKK 15 million in H1.

Europe

Operating profit in our European business grew to DKK 12 million in Q2 (2013: DKK 10 million) with the profit margin at 4.1% (2013: 3.5%). The development in our core business in Europe had a positive impact on operating profit, with the increased proportion of premium products and declining energy costs resulting from energy efficiencies and lower energy prices offsetting the reduced sales of transport trays.

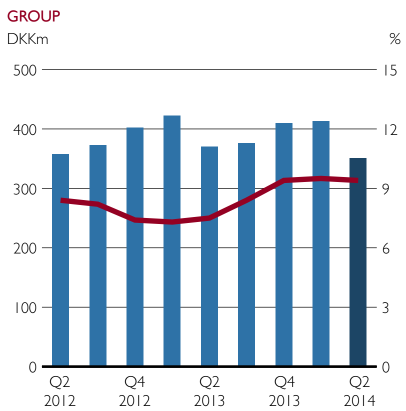
For the half-year, operating profit came in at DKK 50 million (2013: DKK 44 million), corresponding to a profit margin of 8.0% (2013: 6.9%).

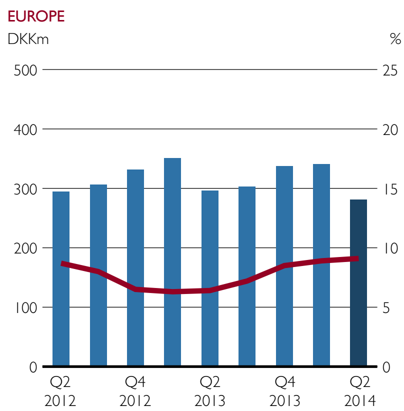
North America

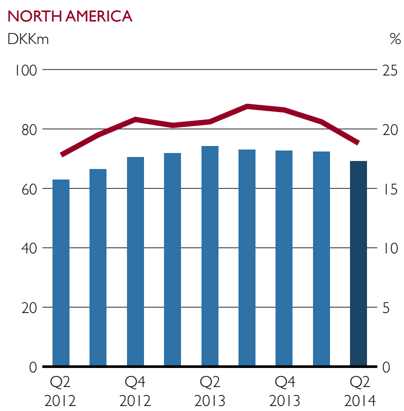
Operating profit in our North American business came to DKK 12 million in Q2 (2013: DKK 18 million), corresponding to a profit margin of 16.6% (2013: 24.0%). The significant growth in sales of premium products did not fully offset the adverse impact of exchange rate fluctuations, expected costs related to the ongoing capacity expansion and higher energy prices.

For the half-year, operating profit came to DKK 24 million (2013: DKK 33 million), corresponding to a profit margin of 17.1% (2013: 22.9%).

REVENUE AND PROFIT MARGIN







Revenue
Profit margin (rolling 12 months)

The expansion of our North American production capacity is progressing to plan

and will contribute to continued market development and increased sales of premium products.

Corporate functions

Costs related to corporate functions were DKK 6 million in Q2 2014 (2013: DKK 7 million) and DKK 12 million in H1 (2013: DKK 13 million).

Special items

Special items were DKK 0 in Q2 2014 (2013: negative by DKK 6 million) and DKK 0 million in H1 (2013: negative by DKK 39 million).

Financial income and expenses

Financial income and expenses came to a net expense of DKK 4 million in Q2 2014 (2013: net expense of DKK 7 million) and a net expense of DKK 9 million in H1 (2013: net expense of DKK 8 million).

Profit for the period

Profit for the period came in at DKK 11 million for Q2 2014 (2013: DKK 13 million) and DKK 45 million for H1 (2013: DKK 17 million). Tax on profit for the period was an expense of DKK 2 million in Q2 2014 (2013: income of DKK 5 million) and an expense of DKK 7 million in H1 (2013: expense of DKK 2 million).

Comprehensive income

Comprehensive income for Q2 2014 was DKK 25 million (2013: DKK 18 million) and for H1 DKK 49 million (2013: DKK 15 million).

CASH FLOWS

Cash flows from operating activities came to a net cash inflow of DKK 43 million in Q2 2014 (2013: net inflow of DKK 46 million) and a net cash inflow of DKK 52 million in H1 (2013: net inflow of DKK 93 million).

Cash flows from investing activities came to a net cash outflow of DKK 23 million in Q2 2014 (2013: net outflow of DKK 16 million) and in H1 a net cash outflow of DKK 56 million (2013: net outflow of DKK 27 million). Hence, cash flows from operating and investing activities were a net cash inflow of DKK 20 million in Q2 (2013: net inflow of DKK 30 million) and in H1 a net cash outflow of DKK 4 million (2013: net inflow of DKK 66 million). The higher investment level in 2014 is attributable to our capacity expansion in North America.

BALANCE SHEET

ROIC

Return on invested capital (ROIC) increased to 21.2% at 30 June 2014 (2013: 17.7%).

Capital resources

At 30 June 2014, net interest-bearing debt was DKK 207 million against DKK 138 million at 30 June 2013. Financial gearing was 35% at 30 June 2014 against 23% at the year-beginning. The increase primarily results from increased investments.

Our financial resources were satisfactory, standing at DKK 254 million at 30 June 2014.

Equity

At 30 June 2014, equity was DKK 596 million against DKK 612 million at 1 January 2014, with the equity ratio at 52% at 30 June 2014 against 54% at 1 January 2014.

THE HARTMANN SHARE

The official market price of the Hartmann share was DKK 167.0 at year-end 2013 and DKK 179.5 at the end of June 2014. Our share performance can be monitored at investor.hartmann-packaging.com.

EVENTS AFTER THE BALANCE SHEET DATE

Between the balance sheet date and the date of presentation of this interim report, no events have occurred that materially affect the evaluation of the interim report.

OUTLOOK

Based on our performance in H1 2014 and the expected trends in markets, prices and capacity, we retain our full-year guidance of revenue of DKK 1.6-1.7 billion and a profit margin of 9.0-10.5%.

In 2014, our continued initiatives to strengthen our competitive edge will centre on:

- ***Customer focus***
  Creating even stronger ties to retail chains, distributors and manufacturers and being committed to promoting premium products.

- ***Efficiency enhancements***
  Enhancing efficiency by continuing to optimise work and production processes and using robot technology.

- ***Capacity***
  Ensuring sustainable growth through enhanced capacity utilisation and increased capacity.

Due to seasonal fluctuations, revenue and operating profit are generally higher for Q1 and Q4.

Total capital expenditure is still expected to come to DKK 90-110 million, reflecting our intensified focus on optimising capacity utilisation in Europe and the ongoing expansion in North America.

In the second half of 2014, management will be updating Hartmann's 'Competitive edge - driving growth' strategy. The updated strategy along with new long-term financial targets will be announced when we release our 2014 annual report in March 2015, if not before.

ASSUMPTIONS

Our guidance for revenue and profit margin for 2014 is based on the present composition of our business operations. In addition, total costs of raw materials and selling prices are assumed to remain relatively stable at the level prevailing at the time of presentation of this interim report. Any deviations from these assumptions may affect the 2014 performance.

Hartmann's profit margin is mainly exposed to developments in raw material prices and exchange rates. We have hedged our primary currency exposure until 31 March 2015.

FORWARD-LOOKING STATEMENTS

The forward-looking statements in this interim report reflect our current expectations for future events and financial results. The statements are inherently subject to uncertainty, and actual results may therefore differ from expectations. Factors that may cause the actual results to differ from expectations include, but are not limited to, general economic trends and developments in the financial markets, changes and amendments to legislation and regulation in our markets, changes in demand for products, competition and the prices of raw materials.

GUIDANCE AND FINANCIAL TARGETS

	2014	2015
Revenue	DKK 1.6-1.7 bn	DKK 1.7-1.8 bn
Profit margin	9.0-10.5%	9.5-11%

RISIK FACTORS

For a full description of Hartmann's risk factors, see the section on risk factors and note 34 to the financial statements in the annual report 2013.

RAW MATERIALS

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

We regularly sign fixed-price agreements with energy suppliers, typically for periods of 6 or 12 months, covering a substantial part of our energy consumption. However, it is not possible to sign fixed-price agreements with energy suppliers in all of the countries in which we operate.

We are committed to reducing our 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 consist of transaction risk and translation risk, respectively.

We are exposed to transaction risks due to cross-border transactions leading to contractual cash flows in foreign currency. Most sales generated in the North American business are invoiced in USD, while most costs are incurred in CAD. Therefore, the currency exposure in relation to the USD/CAD exchange rate constitutes one of our single largest transaction risks. Other significant transaction risks relate to the currencies CHF, EUR, GBP, HRK, HUF and PLN.

Due to our foreign subsidiaries, we are exposed to translation risks since part of our earnings and net assets derive from foreign subsidiaries and are therefore translated and included in our 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 our greatest translation exposure.

We hedge our transaction risks to the effect that primary currencies are continuously hedged for a period of not less than 6 and not more than 12 months. Translation risks are not hedged, as they do not have any direct impact on our cash resources or underlying cash flows.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of Brødrene Hartmann A/S for the six months ended 30 June 2014.

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 and liabilities and financial position at 30 June 2014 and of the results of the group's operations and cash flows for the six months ended 30 June 2014.

We are 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 financial position in general of the consolidated companies, together with a description of the principal risks and uncertainties that the group faces.

Gentofte, 21 August 2014

Executive Board:	Ulrik Kolding Hartvig *CEO*	Marianne Rørslev Bock *CFO*	
Board of Directors:	Agnete Raaschou-Nielsen *Chairman*	Niels Hermansen *Vice Chairman*	
	Jørn Mørkeberg Nielsen	Steen Parsholt	
	Jan Peter Antonisen	Andy Hansen	Niels Christian Petersen

INTERIM FINANCIAL STATEMENTS

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STATEMENT OF COMPREHENSIVE INCOME

DKKm

Group	Q2 2014	Q2 2013	H1 2014	H1 2013
Revenue	350.5	370.3	763.6	792.8
Production costs	(248.3)	(260.1)	(525.8)	(552.4)
Gross profit/(loss)	**102.2**	**110.2**	**237.8**	**240.4**
Selling and distribution costs	(73.0)	(74.3)	(147.5)	(147.8)
Administrative expenses	(12.8)	(15.5)	(30.0)	(29.1)
Other operating income	0.9	0.6	1.5	1.2
Operating profit/(loss) before special items	**17.3**	**21.0**	**61.8**	**64.7**
Special items, cf. note 4	0.0	(5.9)	0.0	(38.9)
Operating profit/(loss)	**17.3**	**15.1**	**61.8**	**25.8**
Financial income	0.2	(0.9)	0.4	1.1
Financial expenses	(4.5)	(6.3)	(9.5)	(8.7)
Profit/(loss) before tax	**13.0**	**7.9**	**52.7**	**18.2**
Tax on profit for the period	(1.9)	4.9	(7.4)	(1.6)
Profit/(loss) for the period	**11.1**	**12.8**	**45.3**	**16.6**
Items that can be reclassified to profit or loss:				
Foreign exchange adjustment of:				
Foreign subsidiaries	10.7	1.6	0.4	(5.7)
Equity-like loans to subsidiaries	0.3	0.6	0.8	0.7
Value adjustment of hedging instruments:				
Recognised in other comprehensive income	6.5	4.3	10.9	4.1
Transferred to revenue	(2.4)	1.0	(5.2)	2.4
Transferred to production costs	(0.6)	(0.7)	(1.8)	(2.4)
Tax	(0.9)	(1.2)	(1.1)	(1.1)
Other comprehensive income after tax	**13.6**	**5.6**	**4.0**	**(2.0)**
Comprehensive income	**24.7**	**18.4**	**49.3**	**14.6**
Earnings per share, DKK	1.7	1.9	6.6	2.4
Earnings per share (diluted), DKK	1.7	1.9	6.6	2.4

STATEMENT OF CASH FLOWS

DKKm

Group	Q2 2014	Q2 2013	H1 2014	H1 2013
Operating profit/(loss) before special items	17.3	21.0	61.8	64.7
Depreciation and amortisation	17.9	19.8	34.6	38.9
Adjustment for other non-cash items	(0.2)	0.0	(0.2)	0.0
Change in working capital	16.6	8.8	(28.3)	(2.0)
Restructuring costs etc. paid	(2.1)	(0.6)	(5.4)	(1.2)
Cash generated from operations	**49.5**	**49.0**	**62.5**	**100.4**
Interest etc. received	0.2	0.3	0.4	1.1
Interest etc. paid	(2.5)	(1.7)	(4.7)	(4.1)
Net income tax paid	(4.4)	(1.5)	(6.4)	(4.3)
Cash flows from operating activities	**42.8**	**46.1**	**51.8**	**93.1**
Disposals of property, plant and equipment	0.5	0.2	0.5	0.2
Acquisitions of property, plant and equipment	(23.3)	(16.1)	(56.1)	(27.0)
Cash flows from investing activities	**(22.8)**	**(15.9)**	**(55.6)**	**(26.8)**
Cash flows from operating and investing activities	**20.0**	**30.2**	**(3.8)**	**66.3**
Raising of non-current debt	45.0	39.9	45.1	39.9
Repayment of non-current debt	0.0	0.0	0.0	(12.5)
Dividend paid	(65.7)	(65.7)	(65.7)	(65.7)
Cash flows from financing activities	**(20.7)**	**(25.8)**	**(20.6)**	**(38.3)**
Total cash flows	**(0.7)**	**4.4**	**(24.4)**	**28.0**
Cash and bank debt at beginning of period	22.1	88.2	45.7	66.4
Foreign exchange adjustment	0.4	(0.2)	0.5	(2.0)
Cash and bank debt at end of period	**21.8**	**92.4**	**21.8**	**92.4**
Recognition of cash and bank debt at end of period:				
Cash and cash equivalents	31.4	92.4	31.4	92.4
Overdraft facilities	(9.6)	0.0	(9.6)	0.0
	21.8	**92.4**	**21.8**	**92.4**

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

BALANCE SHEET
ASSETS

DKKm

Group	30 June 2014	30 June 2013	31 Dec. 2013
Goodwill	10.7	10.7	10.7
Other intangible assets	0.5	2.6	1.5
Intangible assets	**11.2**	**13.3**	**12.2**
Land and buildings	146.0	154.3	152.1
Technical plant and machinery	384.7	309.5	316.0
Fixtures and fittings, tools and equipment	5.6	5.8	5.9
Technical plant under construction	15.8	25.2	61.0
Property, plant and equipment	**552.1**	**494.8**	**535.0**
Investments in associates	1.8	1.7	1.8
Other receivables	8.8	10.7	9.2
Deferred tax	102.5	98.8	100.2
Other non-current assets	**113.1**	**111.2**	**111.2**
Non-current assets	**676.4**	**619.3**	**658.4**
Inventories	126.9	121.6	112.0
Trade receivables	253.2	237.4	262.3
Income tax	5.7	5.0	4.2
Other receivables	42.7	39.8	37.7
Prepayments	6.8	10.4	5.5
Cash and cash equivalents	31.4	92.4	45.7
Current assets	**466.7**	**506.6**	**467.4**
Assets	**1,143.1**	**1,125.9**	**1,125.8**

BALANCE SHEET
EQUITY AND LIABILITIES

DKKm

Group	30 June 2014	30 June 2013	31 Dec. 2013
Share capital	140.3	140.3	140.3
Hedging reserve	(0.1)	(1.7)	(3.0)
Translation reserve	(55.9)	(42.2)	(57.0)
Proposed dividend	0.0	0.0	65.7
Retained earnings	511.2	452.7	465.9
Equity	**595.5**	**549.1**	**611.9**
Deferred tax	27.6	15.0	21.8
Pension obligations	28.9	44.6	31.0
Credit institutions	0.0	230.6	184.1
Government grants	17.6	21.1	19.6
Non-current liabilities	**74.1**	**311.3**	**256.5**
Credit institutions	229.2	0.0	0.0
Government grants	2.8	2.9	2.8
Overdraft facilities	9.6	0.0	0.0
Prepayments from customers	0.1	4.7	0.1
Trade payables	124.2	94.0	117.0
Payables to associates	2.7	3.1	4.6
Income tax	5.3	6.1	5.7
Provisions	13.1	22.7	18.2
Other payables	86.5	132.0	109.0
Current liabilities	**473.5**	**265.5**	**257.4**
Liabilities	**547.6**	**576.8**	**513.9**
Equity and liabilities	**1,143.1**	**1,125.9**	**1,125.8**

STATEMENT OF CHANGES IN EQUITY

DKKm

Group	Share capital	Hedging reserve	Translation reserve	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2014	**140.3**	**(3.0)**	**(57.0)**	**65.7**	**465.9**	**611.9**
Profit/(loss) for the period	-	-	-	0.0	45.3	45.3
Other comprehensive income						
Items than be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	0.4	-	-	0.4
Equity-like loans to subsidiaries	-	-	0.8	-	-	0.8
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	10.9	-	-	-	10.9
Transferred to revenue	-	(5.2)	-	-	-	(5.2)
Transferred to production costs	-	(1.8)	-	-	-	(1.8)
Tax	-	(1.0)	(0.1)	-	-	(1.1)
	0.0	**2.9**	**1.1**	**0.0**	**0.0**	**4.0**
Total comprehensive income	**0.0**	**2.9**	**1.1**	**0.0**	**45.3**	**49.3**
Transactions with owners						
Dividend paid	-	-	-	(65.7)	-	(65.7)
Total changes in equity	**0.0**	**2.9**	**1.1**	**(65.7)**	**45.3**	**(16.4)**
Equity at 30 June 2014	**140.3**	**(0.1)**	**(55.9)**	**0.0**	**511.2**	**595.5**

Group	Share capital	Hedging reserve	Translation reserve	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2013	**140.3**	**(4.8)**	**(37.1)**	**65.7**	**436.1**	**600.2**
Profit/(loss) for the period	-	-	-	0.0	16.6	16.6
Other comprehensive income						
Items than be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	(5.7)	-	-	(5.7)
Equity-like loans to subsidiaries	-	-	0.7	-	-	0.7
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	4.1	-	-	-	4.1
Transferred to revenue	-	2.4	-	-	-	2.4
Transferred to production costs	-	(2.4)	-	-	-	(2.4)
Tax	-	(1.0)	(0.1)	-	-	(1.1)
	0.0	**3.1**	**(5.1)**	**0.0**	**0.0**	**(2.0)**
Total comprehensive income	**0.0**	**3.1**	**(5.1)**	**0.0**	**16.6**	**14.6**
Transactions with owners						
Dividend paid	-	-	-	(65.7)	-	(65.7)
Total changes in equity	**0.0**	**3.1**	**(5.1)**	**(65.7)**	**16.6**	**(51.1)**
Equity at 30 June 2013	**140.3**	**(1.7)**	**(42.2)**	**0.0**	**452.7**	**549.1**

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 2013. The accounting policies are described in note 38 to the financial statements in the annual report for 2013, to which reference is made.

New financial reporting standards and interpretations in 2014
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 2014. Furthermore, Hartmann has assessed that the new and revised standards and interpretations that are effective for financial years beginning on or after 1 January 2014 are either not relevant or not of significant importance.

02 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.

See note 3 to the financial statements in the annual report for 2013 for a full description of significant accounting estimates, assumptions and uncertainties.

Other factors
Due to seasonal fluctuations, revenue and operating profit are generally higher for Q1 and Q4.

03 SEGMENT INFORMATION

The reporting of business segments is in accordance with the internal reporting to the Executive Board and the Board of Directors. The Executive Board and the Board of Directors constitute the chief operating decision maker of Hartmann.

Hartmann's activities are segmented on the basis of the geographical location of the reporting units.

No operating segments have been aggregated to represent the reporting segments.

The internal management reporting complies with the group's accounting policies. Business-related decisions on resource allocation and performance evaluation for each of the segments are made on the basis of the operating profits of the individual segments before special items. Decisions relating to financing and taxation are made on the basis of information on Hartmann as a whole and are not allocated to the reporting segments. The pricing of inter-segment transactions is made on an arm's length basis.

Segment income and expenses as well as segment assets and liabilities comprise those items that in the internal management reporting are directly attributed to each individual segment and those items that are indirectly allocated to the individual segments on a reliable basis. Profits in associates, financial income and expenses, income taxes, investments in associates, tax assets and tax liabilities, and cash and cash equivalents and bank debt are not allocated to reporting segments.

The reporting segments are:

- **Europe** comprises production and sales of moulded-fibre packaging. Products are manufactured at factories in Europe (including Israel) and primarily sold to egg producers, egg packing businesses, retail chains and buyers of industrial packaging. The segment also comprises sales of machinery for production of moulded-fibre packaging and the combined heat and power plant in Tønder, Denmark.
- **North America** comprises production and sales of moulded fibre packaging. Products are primarily manufactured at the North American factory and sold to egg producers, egg packing businesses and retail chains.

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03 SEGMENT INFORMATION CONT'D

OPERATIONS H1 2014

	Europe	North America	Total reporting segments
Moulded fibre	578.2	141.6	719.8
Other revenue	43.8	0.0	43.8
Revenue	**622.0**	**141.6**	**763.6**
Operating profit/(loss) before special items	**49.6**	**24.2**	**73.8**
Other segment information			
Depreciation, amortisation and impairment	29.0	6.0	
Investments in intangible assets and property, plant and equipment	15.6	40.5	
Net working capital	157.1	27.5	
Invested capital	521.0	216.4	
Segment assets	754.2	248.6	1,002.8

OPERATIONS H1 2013

	Europe	North America	Total reporting segments
Moulded fibre	575.0	146.1	721.1
Other revenue	71.7	0.0	71.7
Revenue	**646.7**	**146.1**	**792.8**
Operating profit/(loss) before special items	**44.3**	**33.4**	**77.7**
Other segment information			
Depreciation, amortisation and impairment	32.2	7.0	
Investments in intangible assets and property, plant and equipment	19.5	7.8	
Net working capital	113.9	17.2	
Invested capital	504.1	123.5	
Segment assets	765.3	164.5	929.8

NOTES

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03 SEGMENT INFORMATION CONT'D

RECONCILIATION

	H1 2014	H1 2013
Revenue		
Revenue for reporting segments	763.6	792.8
Revenue, cf. interim financial statements	**763.6**	**792.8**
Performance targets		
Operating profit/(loss) before special items for reporting segments	73.8	77.7
Non-allocated corporate functions	(12.4)	(13.3)
Eliminations	0.4	0.3
Operating profit/(loss) before special items, cf. interim financial statements	61.8	64.7
Special items	0.0	(38.9)
Operating profit/(loss), cf. interim financial statements	61.8	25.8
Financial income	0.4	1.1
Financial expenses	(9.5)	(8.7)
Profit/(loss) before tax, cf. interim financial statements	**52.7**	**18.2**

	30 June 2014	30 June 2013
Assets		
Assets for reporting segments	1,002.8	929.8
Non-allocated assets	141.4	197.9
Eliminations	(1.1)	(1.8)
Assets, cf. interim financial statements	**1,143.1**	**1,125.9**

04 SPECIAL ITEMS

	Q2 2014	Q2 2013	H1 2014	H1 2013
Impairment of property, plant and equipment	0.0	0.0	0.0	12.6
Demolition and clearing costs	0.0	0.0	0.0	8.9
Severance payments	0.0	5.9	0.0	15.5
Other costs related to closure of factory	0.0	0.0	0.0	1.9
Special costs	**0.0**	**5.9**	**0.0**	**38.9**

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05 FINANCIAL INSTRUMENT CATEGORIES

	30 June 2014		30 June 2013		31 Dec. 2013	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Derivative financial instruments to hedge future cash flows	1.0	1.0	2.3	2.3	0.0	0.0
Financial assets used as hedging instruments	**1.0**	**1.0**	**2.3**	**2.3**	**0.0**	**0.0**
Trade receivables	253.2	253.2	237.4	237.4	262.3	262.3
Other receivables	47.4	47.4	42.5	42.5	41.9	41.9
Cash and cash equivalents	31.4	31.4	92.4	92.4	45.7	45.7
Loans and receivables	**332.0**	**332.0**	**372.3**	**372.3**	**349.9**	**349.9**
Derivative financial instruments to hedge future cash flows	1.0	1.0	4.6	4.6	3.9	3.9
Financial assets used as hedging instruments	**1.0**	**1.0**	**4.6**	**4.6**	**3.9**	**3.9**
Credit institutions	238.8	238.8	230.6	230.6	184.1	184.1
Other liabilities	217.7	217.7	230.6	230.6	232.4	232.4
Financial liabilities measured at amortised cost	**456.5**	**456.5**	**461.2**	**461.2**	**416.5**	**416.5**

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

06 EVENTS AFTER THE BALANCE SHEET DATE

Other than what has been recognised or mentioned in this interim report, no significant events have occurred after the balance sheet date at 30 June 2014 of significance to the consolidated financial statements.

HARTMANN AT A GLANCE

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging and one of the world's largest manufacturers of machinery for producing moulded-fibre packaging. Hartmann's market position can be ascribed to its strong technology know-how and extensive experience of production of moulded fibre since 1936.

Sustainability
Sustainability and environmental considerations are integral elements of Hartmann's business model and strategy. All of Hartmann's products are based on recycled paper, a renewable, CO_2-neutral and biodegradable resource. Hartmann works closely with its customers to support the need for sustainable products in the retail trade, and the company was the first manufacturer to offer both FSC-certified and CO_2-neutral retail packaging.

Markets
Hartmann's egg packaging is sold globally. The group's principal markets are Europe and North America, where Hartmann has strong market positions. Hartmann is the market leader in Europe and has a small but growing 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 manufacturers, distributors and retail chains, which are increasingly seeking Hartmann's expertise in the marketing of eggs. Hartmann's technology and related services are sold to manufacturers of moulded-fibre packaging. Hartman has more than 1,500 customers in 50 countries, and most of these customers have long-standing relations with Hartmann. In 2013, Hartmann generated total revenue of DKK 1.6 billion.

Organisation
Hartmann has about 1,500 employees, with its head office situated in Gentofte, Denmark. Production takes place at Hartmann's own factories, four of which are located in Europe, one in Israel and one in Canada. The group has sales companies 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. Financial reports and company announcements can be obtained by subscribing to Hartmann's news service at investor.hartmann-packaging.com.

FINANCIAL CALENDAR 2014 AND 2015

22 August 2014	Conference call Q2 2014
13 November 2014	Interim report Q3 2014
24 February 2015	Deadline for submission of business to be transacted at the Annual General Meeting
9 March 2015	Annual report 2014
8 April 2015	Annual General Meeting
19 May 2015	Interim report Q1 2015
20 August 2015	Interim report Q2 2015
12 November 2015	Interim report Q3 2015

HARTMANN CHOOSE FIBRE. SAVE NATURE.®

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